DAVID Y. IGE GOVERNOR

LUIS P. SALAVERIA

MARY ALICE EVANS DEPUTY DIRECTOR



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of LUIS P. SALAVERIA Director Department of Business, Economic Development and Tourism before the HOUSE COMMITTEE ON FINANCE Wednesday, February 25, 2015 2:45 PM State Capitol, Conference Room 308

In consideration of HB774, HD1 RELATING TO SMALL BUSINESS.

Chair Luke, Vice Chair Nishimoto and Members of the House Committee on Finance.

The Department of Business, Economic Development and Tourism supports the intent of HB774, HD1, that makes an appropriation for the Small Business Regulatory Review Board to acquire additional staff, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Should the Legislature be inclined to pass this bill, we prefer that the position count and associated costs be included in the budget.

Thank you for the opportunity to offer these comments.

DAVID Y. IGE GOVERNOR



SARAH ALLEN ADMINISTRATOR

STATE OF HAWAII STATE PROCUREMENT OFFICE

P.O. Box 119 Honolulu, Hawaii 96810-0119 Telephone: (808) 587-4700 e-mail: state.procurement.office@hawaii.gov http://spo.hawaii.gov

TESTIMONY OF SARAH ALLEN, ADMINISTRATOR STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE ON FINANCE FEBRUARY 25, 2015, 2:45 P.M.

HOUSE BILL 774, HD1 RELATING TO SMALL BUSINESS

Chair Luke , Vice-Chair Nishimoto, and members of the committee, thank you for the opportunity to submit testimony on HB NO. 774, HD1. The State Procurement Office (SPO) STRONGLY SUPPORTS this measure.

The small business regulatory review board provides input into the rule-making process and provides vital recommendations to policy makers and state and county agencies in order to aid small businesses. Therefore, SPO supports their role in assisting small businesses in Hawaii.

Thank you.



David Y. Ige Governor

Luis P. Salaveria Director, DBEDT

Members

Anthony Borge Chair Oahu

Wayne Tanaka Vice Chair Oahu

Barbara Bennett 2nd Vice Chair Kauai

Kyoko Kimura Maui

Harris Nakamoto Oahu

Ashley Leahey Maui

Director, DBEDT Voting Ex Officio

SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism No. 1 Capitol District Bldg., 250 South Hotel St. 5th Fl., Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Tel 808 586-2594

MEMORANDUM - AMENDED

| TO: | Chair Sylvia Luke, Vice Chair Scott Nishimoto, and Members of the House Committee on Finance |
|----------|--|
| FROM: | Anthony Borge, Chair Small Business Regulatory Review Board |
| DATE: | February 25, 2015 – Room 308 at 2:45 p.m. |
| SUBJECT: | HB 774, HD1 – Relating to Small Business – In Support |
| | |

On behalf of the Small Business Regulatory Review Board (SBRRB), I wish to thank you for considering this bill requesting funding to hire permanent staff to assist with the many duties required by the members of this Board. We support this bill.

The SBRRB members are comprised of small businesses throughout the State that volunteer their time and meet monthly, spending countless hours reviewing existing, new, and modified administrative rules that impact small business. They analyze hundreds of pages of proposed rules to determine if there are better ways to make them less complex and costly for small firms. The SBRRB's mandate creates a tremendous amount of work with much attention to detail, completely overwhelming the one staff member from DBEDT assigned to assist the SBRRB.

While there is presently no budget reserved for the SBRRB's operations, statutorily, the SBRRB is required to have "at least one representative from each county." Currently, there is one member from Kauai, two from Maui, and one vacancy from the Big island. Annual expenses, representing the bare minimum required to sustain the SBRRB's operations are as follows: travel - \$15,000; clerical staff (SR-8) - \$26,000; postage & supplies - \$1,000; incidentals - \$1,500.

In addition, without a budget, the SBRRB volunteers have been unable to provide outreach to the small business community to provide a valuable, needed service to enhance, promote and defend the continued growth of small businesses in Hawaii. Overall, the SBRRB believes that much more could be accomplished regarding outreach to the small business community with the appropriate staff and funding.

I am proud to be the Chairperson of such a hard working board, and thank you for your support of this bill and for your efforts throughout this legislative session.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 25, 2015

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 774 HD1 RELATING TO SMALL BUSINESS Room 308 2:45 PM

Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB strongly supports HB 774 HD1 to provide funding for staff to support the mission and work of the SBRRB. Over the years, our farmer and rancher members have benefited from the Board's conscientious review of rules and its work to ensure that any proposed rules are necessary and appropriate.

The work of the Board provides the checks and balances to assure the timely adoption of appropriate and necessary administrative agency rules, while assuring that farmers, ranchers, and other small businesses remain viable.

Unfortunately, one of the many obstacles hindering the growth and success of small businesses in Hawaii is the burdensome, duplicative, costly, and often unnecessary administrative rules that disproportionately impact small businesses. The SBRRB members protect and foster the viability of small business by providing input and recommendations to agencies on rules that may otherwise have a detrimental impact on these businesses.

These volunteer members provide an invaluable service to our State economy and productivity. We respectfully urge you to provide sufficient funds to meet the staffing needs of the SBRRB.

Thank you for the opportunity to support this measure.



The Hawaii Business League

1188 Bishop St., Ste. 1003, Honolulu, Hawaii 96813 Phone: (808) 533-6819 Facsimile: (808) 533-2739

February 25, 2015

Testimony To: House Committee on Finance Representative Sylvia Luke, Chair

Presented By: Tim Lyons President

Subject: H.B. 774, HD 1 - RELATING TO SMALL BUSINESS

Chair Luke and Members of the Committee:

I am Tim Lyons, President of the Hawaii Business League, a small business service organization. We support this bill.

When the Small Business Regulatory Flexibility Act was passed it was hailed as "hallmark legislation" throughout the small business community both across the nation and here in Hawaii. It reached its "hayday" however and since that time it has been neglected, abused, and thrown in the back seat where it has not been able to accomplish its intended purposes.

Much of that is due to the lack of resources within the department and we believe that this bill will at least provide for a policy that the Small Business Regulatory Review Board should get some kind of funding.

Based on that and with the hopes that this Board can rejuvenate itself, we very much support this bill.

Thank you.



Testimony to the House Committee on Finance Wednesday, February 25, 2015 at 2:45 P.M. Conference Room 308, State Capitol

RE: HOUSE BILL 774 HD1 RELATING TO SMALL BUSINESS

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **strongly supports** HB 774 HD1, which makes an appropriation to the Department of Business, Economic Development, and Tourism for the Small Business Regulatory Review Board to hire additional staff.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Small Business Regulatory Review Board is an integral part in getting input from the small business community on rules and regulations that may affect them. As you know, many small business owners do not have the time to track all the rules, which is where laws are put to force in detail. We believe that this appropriation for added staff will help the agency be more effective in serving the business community.

Thank you for the opportunity to testify.

FIN-Jo

| From: | mailinglist@capitol.hawaii.gov |
|----------|---|
| Sent: | Tuesday, February 24, 2015 6:24 AM |
| То: | FINTestimony |
| Cc: | gottlieb@hawaii.rr.com |
| Subject: | *Submitted testimony for HB774 on Feb 25, 2015 14:45PM* |

<u>HB774</u>

Submitted on: 2/24/2015 Testimony for FIN on Feb 25, 2015 14:45PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|----------------------------|---------------------------|--------------------|
| Alan Gottlieb | Hawaii Cattlemen's Council | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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| From: | mailinglist@capitol.hawaii.gov |
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| Sent: | Tuesday, February 24, 2015 12:11 PM |
| To: | FINTestimony |
| Cc: | ashman.janet@gmail.com |
| Subject: | Submitted testimony for HB774 on Feb 25, 2015 14:45PM |

<u>HB774</u>

Submitted on: 2/24/2015 Testimony for FIN on Feb 25, 2015 14:45PM in Conference Room 308

| Submitted By | | Organization | Testifier Position | Present at Hearing |
|--------------|--------|--------------|---------------------------|--------------------|
| Janet | Ashman | Individual | Support | No |

Comments: The SBRRB does important and necessary work but can only do so if they are properly funded. They've been struggling for far too long. Please support this measure! Thank you.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Testimony to the House Committee on Finance Wednesday, February 25, 2015 2:45 p.m. Hawaii State Capitol - Conference Room 308

SUBJECT: H.B. 774 HD 1 RELATING TO SMALL BUSINESS

Chair Luke, Vice-Chair Nishimoto, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 774 HD 1, which proposes to appropriate a sum of money for the Small Business Regulatory Review Board (SBRRB) to acquire additional staff to carry out the Board's mission.

The SBRRB is essential to a healthy and nurturing environment for Hawaii's small businesses as it is the one check the public has on the administrative rule process by providing real-life feedback on the impact rules may have on small businesses, their employees, and their family members. Prior to each of their monthly meetings, this volunteer board spends countless hours reviewing rules and regulations to assess the impact they could have on small businesses in Hawaii. Hawaii's small businesses account for 96% of all employers in the state and employ over half of the state's private workforce. To date, the SBRRB has reviewed over 630 rules/regulations since its 1998 inception.

The aforementioned appropriation would provide this important board with a budget for staff support and travel expenses for their appointees from across the State, helping to increase their efficiency and allowing them to focus their attention on safeguarding small businesses throughout the State.

We appreciate the opportunity to share with you our views.

