

## Small Business Regulatory Review Board

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### MINUTES OF STRATEGIC PLANNING MEETING

August 28, 2003

No. 1 CAPITOL DISTRICT BUILDING ROOM 410

**CALL TO ORDER:** Chair Woods called the meeting to order at 10:21 a.m., with a quorum present.

#### MEMBERS PRESENT:

- Lynne Woods
- Brian Zinn
- Dorvin Leis
- Phyllis Shea
- David Rietow
- Robert Speers, Ph.D.

#### ABSENT MEMBERS:

- Dennis Okihara
- Al Inoue
- Denise Walker

#### STAFF:

DBEDT:

Thomas Smyth  
Dori Palcovich  
Shawn Pelley

Office of the Attorney General

Linden Joesting

**GUESTS:** Craig DelaCruz, Certified Facilitator

### WORKING LUNCH AS THE MEETING PROGRESSED

**APPROVAL OF MINUTES:** Minutes of the August 12, 2003 meeting were approved as presented.

**PUBLIC COMMENTARY –** Mr. DelaCruz introduced himself and gave a brief background of his experience and history as a facilitator with the State of Hawaii.

#### OLD BUSINESS:

- A. Review proposed HAR Chapter 16-36, "Practice and Procedure of the Business Registration Division"  
- Chair Woods explained that the proposed changes to the administrative rules did not have a negative impact on small business, but made it easier on businesses. She recommended support of the rules.

**Board Action: Support**

- B. Update on "Wai' Opae Tidepools Marine Life Conservation Districts," Hawaii Rules (DLNR) – A motion was made by Ms. Shea, seconded by Mr. Rietow and passed unanimously to go into Executive Session under the provisions of Section 92-5, HRS. The Board went into Executive Session at 10:45 a.m. The Executive Session ended at 11:00 a.m.

**Board Action: Support**

**STRATEGIC PLAN:** Mr. DelaCruz outlined the Board's Strategic Plan as it was discussed.

- A. The following Internal Processes for Administrative Rule Review were discussed:

1. AD 99-02 / RFA – Chapter 201M / Flow Chart – Mr. Smyth discussed the Administrative Directive process, and how it relates to the drafting of administrative rules and to the level of impact on the public and on businesses. Dr. Speers suggested that the Board develop an investigative subcommittee to review and propose a revised Administrative Directive along with a corresponding flowchart to present to the Board for submittal to the Governor. It was approved that Dr. Speers, Chair Woods, and Ms. Shea will volunteer to work on this investigative subcommittee.

Both Chair Woods and Ms. Shea expressed the importance of the subcommittee reviewing at length the alternative ways that rules and regulations may be circumvented throughout the community when specific organizations and industries are impacted. Mr. Zinn stated he would draft a question to the Administrative Directive/RFA Investigative Subcommittee regarding whether the Board is receiving Small Business Impact Statements in proper format. This verbiage will include identifying those businesses or industries, either specific names or types of businesses that will be directly affected by the proposed administrative rules. Mr. Smyth stated that DBEDT would schedule a "technical" workshop sometime in the near future for all State agencies regarding the Administrative Directive and preparation of the Small Business Impact Statement. He further stated that it would be helpful if the Board briefed the Directors of each State agency about this workshop, and suggested that it not be scheduled until the Small Business Impact Statement was revised. Ms. Palcovich will schedule a time for the subcommittee members to meet.

**Board Action: Support**

2. Potential Workshops – Power Point Presentations to State agencies, Chamber of Commerce – Chair Woods suggested that a speaker's bureau investigative subcommittee be formed to make Board's presentation when requested. It was approved that Chair Woods, Mr. Zinn and Mr. Rietow will be on this subcommittee. A meeting will be scheduled to discuss developing a power point presentation to present to the small business community.

**Board Action: Support**

3. Compliance with 201M-7 "Periodic Review; Evaluation Report" – Dr. Speers proposed a prioritization strategy focusing on new promulgated and existing administrative rules from agencies that pertain to business complaints. In addition, he stated that each Board member should provide a report on the impact and updated status for each assigned agency. It was agreed that by the end of November 2003, each member would provide a status of all rules reviewed. Mr. Rietow offered to prepare and submit an evaluation sheet to assist the members in the rule review.

**Board Action: Support**

4. Approval of "Fast Track" Administrative Rule Review Procedure – Chair Woods requested from the members a more effective process for a timely response to State agencies for administrative rules that require an urgent response. Ms. Joesting explained the importance of the Sunshine Laws pertaining to decisions made by a limited number of members. Mr. Smyth discussed the different scenarios where an administrative rule may need to be moved quickly. The Board agreed to work on developing a process with guidelines describing what an "emergency" is, and how the Board will respond to State agencies regarding proposed administrative rules before the regularly scheduled monthly meetings. This will be placed on next month's agenda for further discussion and review.

**Board Action: Support**

**B. The following Legislative Issues were discussed:**

1. "Small Business Bill of Rights" – Dr. Speers requested assistance in reviewing the draft copy of the Small Business Bill of Rights. He suggested that a legislative strategist be recruited to assist the Board in conjunction with preparing a legislative document with language specifically for the Small Business Bill of Rights drafted by the Board. Mr. Smyth explained the process and timeline to prepare a Bill for the 2004 legislation session. Chair Woods will speak to Mr. Tim Lyons of Hawaii Business League about the content of the existing initial version Small Business Bill of Rights. Chair Woods stated that the timeline to submit the Small Business Bill of Rights package would be the end of September 2003.

**Board Action: Support**

2. Other Legislative Topics – This will be discussed at the next board meeting.

**Board Action: Defer**

C. The following marketing program and strategy issues were discussed:

1. Previously Proposed Marketing Strategy – This will be discussed at the next Board meeting.

**Board Action: Defer**

2. Update SBRRB Brochure - This will be discussed at the next Board meeting.

**Board Action: Defer**

D. Discussion of the Internship Program with the Richardson School of Law – Chair Woods indicated that this topic was discussed with Director Liu, and felt that a school intern would be very helpful with any work overload the Board may experience in the future. Mr. Smyth explained the internship processes and provided an update on the status of the student internship program with both Hawaii Pacific University and Hawaii University. All the members were in agreement with the importance of having a student intern to assist in the review process for existing, modified, and new administrative rules. Chair Woods will review the process of utilizing an intern student at the University of Hawaii, and discuss the processes further with DBEDT.

**Board Action: Support**

1. Review Sample Reports submitted by State Agencies – This topic will be discussed at the next board meeting and will be incorporated into the discussion of the Internship Program with the Richardson School of Law.

**Board Action: Defer**

#### **ANNOUNCEMENTS**

None

**ADJOURNMENT:** Chair Woods adjourned the meeting at 1:22 p.m.

- Next Board Meeting – Tuesday September 9, 2003, at 11:00 a.m. – No. 1 Capitol District Building, 250 South Hotel Street, 4<sup>th</sup> Floor, Conference Room 436.