

LATE TESTIMONY

**Testimony to the House Committee on Economic Revitalization, Business &
Military Affairs
Tuesday, March 23, 2010
8:30 a.m.
State Capitol - Conference Room 312**

**RE: HCR 296 URGING THE GOVERNOR TO PROPERLY FUND THE SMALL
BUSINESS REGULATORY REVIEW BOARD UNDER THE DEPARTMENT OF
BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO SUPPORT HAWAII'S
SMALL BUSINESS**

Chair McKelvey, Vice Chair Choy, and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's support of HCR 296.

The Chamber is the largest business organization in Hawaii, representing more than 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 its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

In Hawaii, small businesses are the engine for Hawaii's economy through the creation of jobs which provide innovative products and services, and the generation of economic activity. They reflect all industries and a wide range of employment. The Small Business Regulatory Review Board (SBRB) and Small Business Advocate, therefore, play a crucial role in monitoring rules that could potentially impact small businesses in Hawaii and is an instrumental voice within the small business community.

While the Chamber understands our government's constitutional mandate to balance the budget, the Chamber is concerned about the level of funding sufficient to allow the SBRB to operate as well as the need for a full-time Small Business Advocate.

Assistance and facilitation from SBRB and a full-time Advocate are urgently needed so small businesses can better compete in today's increasingly competitive and modernized economy. By providing adequate funding to SBRB, potential opportunities could arise that will stimulate growth, especially at a time when Hawaii needs it most.

Thank you for the opportunity to submit testimony in support of HCR 296.

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**Testimony of Thomas J. Smyth, CEcD
Before the
Committee on Economic Revitalization and Military Affairs
Tuesday, March 23, 2010, 8:30 p.m. Conference Room 312
On
HCR 296 Urging the Governor To Properly Fund The Small Business
Regulatory Review Board Under The Department of Business,
Economic Development, And Tourism To Support Hawaii's Small
Businesses**

Chair McKelvey, Vice Chair Choy and Committee Members:

I support the purpose and intent of HCR 296 which asks that the Administration properly fund the SBRRB in DBEDT. I do strongly feel that if the board is to remain in DBEDT it should have not only sufficient funding for its meetings, but also full-time staffing by a Business Advocate to support its administration, out-reach and website innovations.

Having been closely involved with the creation of this board, I find that just when it has become so successful, and so accepted by both the small business community and the state and county agencies it deals with, it faces funding problems.

I understand DBEDT has many funding issues, especially for functions relying on general funds. However, it is clear to those involved with business regulation that if Hawaii is to retain and actually restore employment, it is necessary for employers, primarily small businesses, to have a voice in their regulation. If the cost of regulation, which are clearly more burdensome on small businesses than on larger ones, is not controlled, while still hewing to the statutes and ordinances passed by public policy makers, jobs will not be created or retained. In this case we all lose our quality of life.

The costs of board operation are not large. The volunteer business owners who compose the board cover many of their own expenses when attending board meetings. The board must have adequate staff support to coordinate with rule-drafting agencies, prepare documents for members to review, and to operate functions such as the pioneering "Reg Alert" internet process by which businesses are informed of upcoming Administrative Rules. After nearly 12 years of board operation we know just what the staffing and administrative needs are. It should be easy to determine an adequate budget allocation for the board.

I would also urge this committee to consider those bills that, among other provisions, would transfer the SBRRB to DCCA and staff and fund it with special funds. The bills are not moving at this time, but supporting testimony has been given such that that provision could be inserted in a conference draft of appropriate legislation.

Thank you for the opportunity to provide comments.