



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 29, 2012

TO: The Honorable Marcus R. Oshiro, Chair  
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2268, H.D. 1, S.D. 1 – RELATING TO SMALL BUSINESS**

Hearing: Wednesday, February 29, 2012; 12:30 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purpose of this bill is to authorize the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) opposes this bill. This measure to allow the Small Business Regulatory Review Board (SBRRB) to require a second hearing if the SBRRB determines that a concerns raised at a public hearing were not adequately addressed is unnecessary. There are sufficient protections in the existing Chapter 91-3(a), Hawaii Revised Statutes (HRS), to address the concerns of a party who feels that a rule should be adopted, amended or repealed. In addition, HRS Section 91-6 and HRS Section 201M-6 allows an affected party to file a petition to amend or repeal a rule with an

agency that must be responded to in thirty days. The public interest is not served by adding another layer of "red tape" when government should be seeking to streamline its processes.

Requiring a second hearing will also impede agencies' ability to implement on a timely basis, Federal and State statutes governing their programs. Delay in implementation could mean loss of Federal dollars to the State for non-compliance. The vague criteria language of this bill would give the SBRRB the authority to indefinitely delay the adoption and implementation of administrative rules.

Additionally, there will be cost implications to agencies for required to hold a second hearing.

Thank you for the opportunity to provide testimony on this bill.