

## Small Business Regulatory Review Board

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### MEETING MINUTES July 24, 2025

- I. **CALL TO ORDER:** Chair Shick called the meeting to order at 10:00 a.m., with a quorum present.

**MEMBERS PRESENT:**

- Jonathan Shick, Chair
- Sandford Morioka, Vice Chair
- Mary Albitz, Vice Chair
- Tessa Gomes
- James (Kimo) Lee
- Nikki Ige
- Leelen Park
- David Sikkink

**ABSENT MEMBERS:**

- Dr. Jennifer Salisbury

**STAFF:** DBEDT

Dori Palcovich  
Jet'aime Ariola

Office of the Attorney General

Alison Kato

II. **APPROVAL of JUNE 19, 2025 MINUTES**

Ms. Ige motioned to approve the June 19, 2025 meeting minutes as presented. Second Vice Chair Albitz seconded the motion, and the Board members unanimously agreed.

III. **OLD BUSINESS**

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to the following, promulgated by Department of Commerce and Consumer Affairs (DCCA)

1. HAR Title 16 Chapter 107, Relating to Horizontal Property Regimes
2. HAR Title 16 Chapter 119.1 through 119.8, Relating to Condominium

Mr. Kedin Kleinhans, Senior Condominium Specialist at DCCA's Real Estate Branch, explained that the public hearing was held for the repeal of the existing condominium rules to be replaced with the proposed rules. He thanked this Board for recommending, in addition to the required notice of public hearing, that DCCA reach out to those stakeholders with an informal courtesy notice of the changes. This proved very fruitful as several comments and suggestions from the stakeholders were subsequently incorporated into the draft rules.

In addition, at the public hearing, three testimonies were received with suggested comments on the rules, all of which were adopted into the final proposal. Discussion leader Ms. Gomes noted that the changes do affect small businesses but saw no problems with the final rule proposal.

Ms. Gomes motioned to send the proposed amended rules to the Governor for adoption. Mr. Lee seconded the motion, and the Board members unanimously agreed.

#### **IV. NEW BUSINESS**

##### **A. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to HAR Title 12 Chapter 15 Hawaii Workers' Compensation Medical Fee Schedule (MFS) and Exhibit A (Workers' Compensation Supplemental Medical Fee Schedule) promulgated by Department of Labor and Industrial Relations (DLIR)**

Discussion leader Albitz stated that updating the workers compensation medical fee schedule is required by statute every three years. Surveys were conducted and the amount of the fee increases decided, which is very minimal.

Ms. JoAnn Vidinhar, Administrator at DLIR's Disability Compensation Division, explained that the rule amendments will effectuate the new fee schedule to January 1, 2026 and will also change some of the billing codes. The state's medical fee schedule is based on Medicare's fee schedule which represents fees reimbursed at a higher rate than the state's medical fee schedule. These fee amendments are based on Act 97, SLH 2013.

A survey was conducted earlier this year and was sent to health care plan contractors and dental insurers to determine if the rates of the billing codes were adequate. Based on the survey, which will contain 604 codes, 6 were revised. The resulting estimated impact on the overall workers' compensation system costs is an increase of 0.2% or less than ¼ of 1%.

In relation to the impact on small businesses, there will be a negligible increase in Hawaii Workers' Compensation costs. Ms. Vidinhar added that while there may be an increase in the personal injury motor vehicle rates insurance rates, it will be slight

Second Vice Chair Albitz motioned to send the proposed amended rules on to public hearing. Vice Chair Morioka seconded the motion, and the Board members unanimously agreed.

#### **V. ADMINISTRATIVE MATTERS**

##### **A. Update on the Board's Upcoming Advocacy Activities and Programs in accordance with the Board's Powers under Section 201M-5, Hawaii Revised Statutes (HRS)**

- 1. Update on the Business Revitalization Taskforce's most recent meeting pursuant to Act 142 (Sessions Law Hawaii 2024, Senate Bill 2974 Relating to Economic Development, and Tourism establish a task force in order to identify methods to improve Hawaii's general economic competitiveness and business climate, including the mitigations of regulatory tax burdens**

Ms. Gomes attended the taskforce meeting last week where the members reviewed recommendations made by businesses based on the taskforce's survey. The top ten recommendations were then ranked and will be included in the taskforce's requirement to produce a report that proposes the Hawaii Business Competitive Act, which will be sent to the state legislature by the end of the year.

2. Update and Discussion on Becker Communications, Inc., regarding the Board's Small Business Outreach

Becker Communications added the Board's agenda and newsletter to DBEDT's distribution list, which amounts to well over 700.

3. Presentations to Industry Associations

Ms. Gomes is working on a business/economic meeting in September for Oahu Wedding Association and has asked DBEDT to provide a speaker for the meeting to present how the current political climate is affecting the wedding industry; Ms. Palcovich is working with Ms. Gomes on this.

4. Staff's Small Business Outreach

Ms. Ariola will be attending a DBEDT-hosted AI and cloud innovation summit in September where she will network and do outreach with the many attendees.

Chair Shick announced that long-time member Robert Cundiff is no longer on this Board due to a misinterpretation of how the rules relate to members' holdovers.

Mr. Leelen Park was introduced as this Board's newest member. He is currently serving as executive director for two non-profit organizations, North Kohala Community Resource Center and the Japanese Chamber of Commerce and Industry of Hawaii on the Big Island. Former board member Garth Yamanaka asked Leelen to become a member as the Japanese Chamber serves over 300 organizations, 200 of which are small business where there can be "voice" for them regarding rules and regulations.

Also introduced was Mr. David Sikkink who is DBEDT's designated member of this Board. Mr. Sikkink is the Administrator for the Foreign Trade Zone (FTZ) which is a federal program that is managed by the state. FTZ's job is to work with companies to help establish designated locations in Hawaii that can be used as an area for the tax free import of foreign goods brought into the state.

**VI. LEGISLATIVE MATTERS**

A. Update on the following:

1. House Bill 1406 HD1 SD1 CD1 Relating to Government Procedures – Establishes the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force to identify actions, challenges

encountered, and legislative measures necessary to facilitate, expediate, and coordinate state and legislative measures necessary to facilitate, expedite and coordinate state and intergovernmental development permit processes; and appropriates funds.

Chair Shick has designated Ms. Jennifer Salisbury to be this Board's representative/member of the SPEED taskforce.

- VII. NEXT MEETING** – Thursday, August 21, 2025 at 10:00 a.m., via Zoom and in Conference room 436 at No. 1 Capitol District Building, 250 S. Hotel Street, Honolulu, HI 96813.
- VIII. ADJOURNMENT** – Ms. Ige motioned to adjourn the meeting and Mr. Park seconded the motion; the meeting adjourned at 10:38 a.m.