

Small Business Regulatory Review Board

MEETING MINUTES - HELD THROUGH VIDEO-CONFERENCING - **DRAFT**

June 17, 2021

- I. **CALL TO ORDER:** Chair Cundiff called the meeting to order at 10:04 a.m., with a quorum present, which was open to the public.

MEMBERS PRESENT:

- Robert Cundiff, Chair
- Garth Yamanaka, 2nd Vice Chair
- Jonathan Shick
- James (Kimo) Lee
- Taryn Rodighiero
- Mark Ritchie

ABSENT MEMBERS:

- Mary Albitz, Vice Chair
- Harris Nakamoto
- Dr. Nancy Atmospera-Walch
- William Lydgate

STAFF: DBEDT

Dori Palcovich
Jet'aime Alcos

Office of the Attorney General

Alison Kato

II. **APPROVAL OF May 20, 2021 MINUTES**

Mr. Lee motioned to accept the May 20, 2021 meeting minutes, as presented.
Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

III. **OLD BUSINESS** – After Public Hearing

- A. Discussion and Action on the Small Business Statement After Public Hearing and the Proposed Adoption of HAR Title 17 Chapter 798.3, Child Care Payments, promulgated by Department of Human Services (DHS)

Discussion leader Mr. Ritchie stated that the DHS rules involve child care licensing with regards to requirements, background checks and payments. The rules reflect where a state agency has to update its Hawaii Administrative Rules due to receiving federal grant monies and updated federal rules; they have already gone to public hearing.

Ms. Dayna Luka, who is temporarily assigned as DHS’s Child Care Office Administrator, reminded the board members that before the public hearing the rules were presented to this Board in September 2020. They were created to support the requirements of the child care development block grant (CCDBG) of 2014; she noted that states utilize grant monies for financial assistance to low-income families to access various aspects of childcare.

Overall, the 2014 CCDBG was intended to strengthen the protection of child care nationwide for parents to make informative choices. It assists in child development, provides equal

access and stable child care for eligible children and it enhances the quality of childcare and early childhood workforce.

Ms. Loreen Okamura, Child Care Subsidy Lead Specialist, explained that Chapter 798.3 is moving from a six-month to a twelve-month eligibility period to provide more stable child care to families. The testimonies provided at the public hearing were in support of the proposed rules; several of the comments/suggestions that were made will be considered for the next rule revision.

Mr. Ritchie motioned to forward the proposal to the Governor for adoption. Ms. Rodighiero seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on the Small Business Statement After Public Hearing and the Proposed Adoption of HAR Title 17 Chapter 800, Requirements for Listing of Exempt Center-Based Providers, promulgated by DHS

Ms. Okamura stated that testimonies at the public hearing were in support of the proposed changes and several of the comments/suggestions that were made will be considered for the next rule revision.

Mr. Ritchie motioned to forward the proposal to the Governor for adoption. Mr. Shick seconded the motion, and the Board members unanimously agreed.

C. Discussion and Action on the Small Business Statement After Public Hearing and the Proposed Adoption of HAR Title 17 Chapter 801, Background Checks, promulgated by DHS

Ms. Luka indicated that no oral or written testimonies were received at the public hearing for these rule changes. The changes are based on the requirements set forth by the CCDBG Act, which requires all individuals who work with children or who have unsupervised access to children to undergo comprehensive background checks to be cleared to work with children.

Mr. Ritchie motioned to forward the proposal to the Governor for adoption. Second Vice Chair Yamanaka seconded the motion, and the Board members unanimously agreed.

IV. NEW BUSINESS – Before Public Hearing

A. Discussion and Action on the Proposed Amendments of HAR Title 13 Chapter 256, Ocean Recreation Management Rules and Areas, promulgated by Department of Land and Natural Resources (DLNR)

Discussion leader, Ms. Rodighiero, explained that the proposed rules affect surfing schools in Kahalu'u Bay on the Big Island as it has been found that there is a need to regulate the number of entities in the water. The intent is to have eight limited permits on a shift basis, four permits allowed in the morning and four in the afternoon.

In response to Chair Cundiff's inquiry as to whether any conflicts or concerns may arise as a result of these rules, Mr. Todd Tashima, General Professional from DLNR's Division of Boating and Ocean Recreation (DOBOR), replied that some contention is anticipated due to the restriction of only eight possible permits going into effect versus sixteen businesses vying for the licenses.

Ms. Meghan Statts, DOBOR's Assistant Administrator, confirmed that there will definitely be some challenges ahead with the proposed rules as they only allow for four licensed operators. While it has been discussed with the County of Hawaii to allow for eight permits, (utilizing four in the morning and four in the afternoon), surfing companies are not at all happy with this arrangement.

Kahalu'u Bay is a heavily used area in the local community which is why DOBOR is working very hard with the County to determine amicable solutions for everyone involved. The options available for providing permits are first come, first served with two other options requiring statutory amendments.

Because Kahalu'u Bay is a culturally sensitive area, Second Vice Chair Yamanaka recommended that DOBOR reach out to the businesses and families for feedback to determine the fairest way to move forward with the proposed changes. Chair Cundiff suggested that DOBOR offer a temporary solution that is fair and equitable to both the permitted and non-permitted businesses currently operating in the area.

Over the members' concerns in regard to having a lottery process for permits, Mr. Tashima explained that this process was not DOBOR's first option. However, because the promulgation of these rules has been stagnant since 2016, DOBOR believed it was time to go ahead with this proposal. DOBOR would need to approach the legislature next year with alternatives to the lottery system process such as permits by auction.

Second Vice Chair Yamanaka motioned to move the proposed amendments to public hearing. Ms. Rodighiero 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, HRS

Chair Cundiff explained that there is no updated news yet on the budget.

Chair Cundiff announced that Harris Nakamoto's term with this Board will end on June 30th. We appreciate all of Harris' participation and hard work over the years. He was a great mentor to Chair Cundiff when he began as a member of this Board. Because we want to thank Harris for all his hard work, DBEDT staff will be creating an electronic card that will be sent to all the board members to include any comments and thoughts to Harris in appreciation for his efforts.

VI. ELECTION OF BOARD OFFICERS

A. Discussion and Action on the following:

a. Chairperson, pursuant to Section 201M-5(c), HRS

In retrospect, Mr. Ritchie stated that this past year has been a very good year for the Board as the new website was completed and there is very good interaction with the agencies and the business community that come before this Board.

Chair Cundiff added that this year has been quite unusual due to meeting through electronic meetings due to the restrictions; this year members were limited in meeting with the agencies which will be important to do after restrictions have been lifted.

Also, the Board did not make much headway in the legislature but as we look to the legislative session next year, members will be encouraged to meet with the representatives to explain what the Board is about and why it deserves to have a budget.

Mr. Lee motioned to elect Mr. Robert Cundiff as Chair of the Board under Section 201M-5 (c), HRS; Mr. Yamanaka seconded the motion and the Board members unanimously agreed.

b. Vice Chair

Mr. Ritchie motioned to elect Ms. Mary Albitz as Vice Chair of the Board; Mr. Yamanaka seconded the motion and the Board members unanimously agreed.

c. Second Vice Chair

Mr. Yamanaka motioned to elect Mr. Jonathan Shick as Second Vice Chair of the Board; Ms. Rodighiero seconded the motion and the Board members unanimously agreed.

VII. NEXT MEETING - Thursday, July 15, 2021 at 10:00 a.m.

VIII. ADJOURNMENT – Mr. Lee motioned to adjourn the meeting and Mr. Ritchie seconded the motion; the meeting adjourned at 11:24 a.m.