



YEARLY ACTIVITY PLAN (YAP) - FY '08

Division/Attached Agency: S M S D / S B R R B

Program Name: Small Business Regulatory Review Board

Program ID: BED 100

I. PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem(s), issue(s) and/or opportunity(ies) your program is attempting to respond to. Identify the participants (individuals, companies, industry sectors, etc.) engaged in this problem, issue and/or opportunity.

The Hawaii small business community is faced with a challenging business climate as it relates to, among other items, taxes and regulations. While the economic index shows that the number of small businesses is on the rise, those businesses operating in the Hawaiian islands are in a class by themselves due to operating in an "island economy." It is well known that Hawaii has a historical, national reputation for negative business climate. A 2007 State Economic Index study that benchmarks economic transformation in the fifty states ranked Hawaii forty-six in "Economic Dynamism," which includes the "fastest growing firms" and entrepreneurial activity." In order to be successful, however, businesses must follow State and County rules and regulations that govern their industry; and although some businesses want and require regulations, many find the regulations to be overly burdensome.

When small businesses run into issues and have concerns regarding regulations, one opportunity is to seek assistance from the Small Business Regulatory Review Board (SBRRB). The SBRRB is governed by the Hawaii Small Business Regulatory Flexibility Act (RFA). The purpose of the RFA is to lessen the overall economic burden on small businesses and improve the State's entrepreneurial climate. Under the RFA program, the SBRRB acts as a gatekeeper for laws affecting small businesses and an avenue for regulatory change and complaints.

However, the SBRRB continues to have trouble reaching small business owners and convincing them the SBRRB is a place they can voice their concerns and receive help negotiating the bureaucracy. In order to optimize the use of the RFA program, the small business community must be aware of how the SBRRB can assist them with regulatory and legislative concerns. Therefore, to assist in educating the small business community about what the SBRRB can do for them, the SBRRB must build visibility and market share. Ways to accomplish this include:

- 1) Engage the media
- 2) Work closely with State Agencies and the Legislature for regulatory support
- 3) Establish a speaker's forum

Need and partners: Specify the need for government intervention. Provide supporting evidence. Identify any partners you will be working with to address the problem, issue and/or opportunity.

Need for Government Intervention and Partnerships

The SBRRB is the bridge between small business owners and government. This means being responsible to both the business community and government. Therefore, a partnership must exist between the small business community and State government to conduct outreach and gather information for effective rule development in order to establish an efficient means to regulations. The government's intervention is needed because the SBRRB works closely with the Governor's office. The Counties' intervention is needed because the SBRRB is charged with reviewing County rules and making recommendations to County council or the mayors for appropriate action.

Note: This form was created using the W. K. Kellogg Foundation Logic Model Development Guide, January 2004.

YEARLY ACTIVITY PLAN (YAP) - FY '08

A partnership must also exist between the SBRRB and State Agencies. Each SBRRB member is assigned to one or more State agencies as a "discussion leader," to work directly with that agency director on a collaborative basis with an expectation to assist with economic burdens and regulatory impacts on small business.

Desired results (outputs, outcomes and impacts): Identify desired results, what success will look like, by describing what you expect to achieve near (0-2 years) and long-term (2-6 years).

Short-term Output

1. Getting the word out that the SBRRB exists by engaging the media
2. Expanding communication with the Counties and State Agencies
3. Expanding communication with the Legislature

Short-term Outcome

The short-term outcome is to have an educated community knowing about what benefits the SBRRB can provide Hawaii small businesses.

Long-term Output

The long-term output is improving upon SBRRB's strength and powerbase which will in turn assist with the SBRRB's overall visibility.

Long-term Outcome

The long-term outcome includes building visibility that is expected to bring more small businesses approaching the SBRRB with regulatory issues.

Impacts

Both the short- and long-term impacts are expected to increase the number of business inquiries, the number of petitions and an increased small business attendance at the monthly board meetings.

Influential Factors: List the factors you believe will influence your ability to impact the problem or opportunity. (Things that support success and barriers to success.)

Factors that will help support the success of the RFA Program

1. Public awareness and education about the SBRRB
2. SBRRB members' relationship with State and County government
3. SBRRB members' commitment to the SBRRB and responsibility for its actions

Factors that will be a barrier to the success of the RFA Program

1. The SBRRB continues to have a low profile and does not receive high visibility attention which negatively impacts upon the small business' awareness of the SBRRB opportunity.
2. The SBRRB has had to overcome its historical reputation for complexity, and unclear direction and goals that resulted in a lack of member commitment and frustration.
3. The SBRRB, in the past, could be ignored when they exercised authority, resulting in a perception of powerlessness. However, this has been improving over time.

Factors that will be both a success and a barrier of the RFA Program

1. The Administration's political agenda and issues.
2. The members' relationship to the small business community and to DBEDT.
3. The limitations of the program; i.e., Sunshine law vs. SBRRB goals, budget constraints, and limited personnel.

YEARLY ACTIVITY PLAN (YAP) - FY '08

Strategies: List the general successful strategies or “best practices” that have helped other programs achieve the kind of results your program promises.

It is well-known that the SBRRB is in need of networking and bringing awareness to Hawaii’s small business community to have access to regulatory advocacy. If the business community were presently utilizing the SBRRB effectively, the benefits of economic vitality and growth would be enhanced.

Since its inception in 1998, the SBRRB has operated in a void, not knowing how the other states’ regulatory boards are performing within their RFA programs. Because the SBRRB’s reporting mechanism is essential in providing DBEDT with measurable accountabilities, it is not enough to report the number of administrative rules that have been reviewed. It must be communicated what the SBRRB discovered, recommended, if those recommendations were adhered to, and how it will measure the overall results of those changes. In order to accomplish this, the following strategies are expected to assist the SBRRB in accomplishing its goals:

1) “Best Practices” Conference - DBEDT staff attended a State regulatory flexibility “best practices” conference, sponsored by the Federal Small Business Administration’s Office of Advocacy. As a result of attending this conference and hearing what other states do with their regulatory program, the following suggestions were made to the SBRRB:

- a. Explore the logistics of creating a centralized website, such as a “RegWatch” where small businesses sign up with an e-mail system allowing interested parties to receive automatic e-mail notification when an agency is proposing rules in their areas of interest.
- b. Encourage regularly scheduled speaker forums throughout the state to educate the small business community and spread awareness of the SBRRB.
- c. Create a catchy slogan for the SBRRB.
- d. Encourage the SBRRB members to take the SBA’s online training for the RFA.

2) Public Relations Firm - An SBRRB member/private benefactor hired a public relations firm in an effort to improve upon the SBRRB’s awareness. Based upon their recommendation, in June 2007, a statewide survey of small business owners was conducted to determine their knowledge of the SBRRB, how they receive information regarding government regulation, and what their experience with government rules and regulations have been.

Based on the results of the survey, in its initial summary, the public relations firm determined that the SBRRB continues to operate “under the radar,” without a real constituency, and that the SBRRB’s main goal should be to position itself as an experienced and responsible asset in the eyes of the Hawaii business world. Thus, the public relations firm has proposed a series of communications tactics to build upon the SBRRB’s constituency and to expand upon its outreach in both the small business community and government. (These tactics are included in Activities, Outcomes and Outputs sections of this Yearly Activity Plan.)

Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work.

Building the small business community’s awareness takes a long-time; the SBRRB still has many steps to go through. But through increased public awareness and the assistance of a public relations firm, it is presumed that the SBRRB will become a serious sounding board for regulatory issues that burden small businesses. Without this, the SBRRB will remain stagnant and the ability to support the growth and viability of Hawaii small business suffers.



YEARLY ACTIVITY PLAN (YAP) - FY '08

II. PROGRAM IMPLEMENTATION

Resources: Describe the resources or influential factors available to support your program.

Personnel – There is currently one full-time permanent DBEDT staff and one temporary administrative assistant utilized for the branch. During the 2007 legislative session, one full-time regulatory boards and commissions administrative assistant was approved and funds were appropriated.

Budget - \$20,000 annual budget was approved for FY 2008.

SBRRB Members - there are currently nine SBRRB members - statute requires eleven.

Activities: Describe each of the activities you plan to conduct within your program.

- 1) Improve upon media visibility and increase the publication of articles and editorials in local newspapers and periodicals.
- 2) Concentrate on communication avenues which include the creation of a speaker's bureau, comprised of SBRRB members and DBEDT staff, to speak at various small business venues such as trade organizations, small business organizations and the counties.
- 3) Improve upon and expand interaction with the legislature and State agencies.
- 4) Continue to hold monthly meetings with the attendance of small businesses requesting administrative rule and legislative assistance.
- 5) Explore the possibility of implementing a centralized website where businesses would have the ability to receive automatic e-mail notification of new and proposed administrative rules.

Outputs: For each program activity, identify what outputs you aim to produce

- 1) Media Visibility
In FY 2007, there was one press release about the SBRRB. In FY 2008, six to ten press releases and/or op-eds and two to three articles are anticipated; formal announcement of the Bill of Rights brochure is expected.
- 2) Speaker's Bureau
In FY 2007, members spoke at two forums. For FY 2008, beginning in September, six of the board members have committed to speaking at several forums, trade associations and chamber meetings.
- 3) Legislative and Government Outreach
In August SBRRB, members will contact State agency directors and in November the SBRRB will begin to schedule meetings with State legislators to brief those entities on SBRRB activities and accomplishments.
- 4) Small Business Inquiries (including "petitions" as provided in §201M-6)
In FY 2007, four small businesses approached the SBRRB for legislative and administrative rule assistance. For FY 2008, the SBRRB expects to double this number to eight.

In the past six years, one petition was made to the SBRRB (FY 2005). For FY 2008, with the increase in the SBRRB's visibility, at least two petitions are anticipated.

YEARLY ACTIVITY PLAN (YAP) - FY '08

In FY 2007, the SBRRB testified on two bills at the request of small businesses. For FY 2008, the SBRRB expects to double this number to four.

Outcomes: Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

Outcomes - Short-term (0-2 years)

The short-term outcome is to have an educated community knowing about what benefits the SBRRB can provide Hawaii small businesses.

Outcomes – Long-term (2-6 years)

The long-term output is improving upon SBRRB's strength and powerbase which will in turn assist with the SBRRB's overall visibility.

Impact: Describe the lasting impact you anticipate.

The lasting impact that is anticipated is a strong, viable SBRRB that addresses the regulatory concerns of the small business community, a regulatory system that is not unduly burdensome, an improved business climate, and a strong State/County relationship in addressing the needs of small business.

III. PROGRAM EVALUATION

Focus Area: From your program logic model, list the components of the most important aspects of your program.

Focus area consists of:

- 1) Compliance with 201M, HRS;
- 2) The small business community's awareness of the SBRRB;
- 3) Regulatory assistance performed efficiently and effectively;
- 4) Increased Government support, includes:
 - a. Legislature
 - b. Agency Department Heads
 - c. Counties

Audience: Identify the key audiences for each focus area. Who has an interest in your program?

The RFA program's audience includes the small business community, small business organizations, State and County government, and the Legislature.

Questions: For each focus area and audience, list the questions they may have about your program.

1. Small Business Community – How can the SBRRB help my business? / How effective is the SBRRB?
2. Government – How can we continue to partner with each other to assist small businesses while complying with 201M, HRS?

Information Use: For each audience and question you have identified, identify the ways you will use the evaluation information.

1. Small Business Community – proven assistance to the businesses' regulatory and legislative needs.
2. Government – Establishment of a strong partnership while complying with 201M, HRS.

YEARLY ACTIVITY PLAN (YAP) - FY '08

Indicators: Describe what information can be collected that would convey the status of your program.

1. Quantitative results as more small businesses will contact the SBRRB as a result of increased awareness.
2. Improvement of regulatory impact to the small business community as it relates to 201M, HRS.
3. Open communication and cooperation with Government.

IV. ALIGNMENT

How is your program linked to DBEDT's six strategic objectives?

1.		Workforce Housing
2.		Workforce Development
3.		"Energy For Tomorrow"
4.		"Global Links/Export of Goods and Services"
5.		The Creation Of An "Innovation Infrastructure"
6.	X	Improve Hawaii's Small Business Environment

If your program is not linked to any of the six objectives, explain why it is still important.

N/A