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# A BILL FOR AN ACT

RELATING TO HAWAII'S ECONOMY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. If Hawaii is to be a player in a global  
2 economy, it is essential that an assessment of the state's  
3 economic conditions and prospects be assessed in an objective  
4 manner to address serious challenges facing the state, including  
5 the overall high cost of living and doing business in the state,  
6 the high costs of housing and consumables, outward migration of  
7 skilled and knowledgeable workers, and outward investment.

8           In view of the heightened competitiveness facing individual  
9 states and countries, it is critical that the state's leaders  
10 have a clear understanding of the global forces that influence  
11 the state's economy, the state's relative competitiveness, and  
12 policies and options that are available for placing the state on  
13 an optimal development path.

14           The purpose of this Act is to appropriate funds for the  
15 department of business, economic development, and tourism to  
16 contract with an out-of-state contractor to undertake a  
17 diagnostic assessment of the conditions, challenges, and  
18 opportunities facing the state.



1 SECTION 2. The department of business, economic  
2 development, and tourism shall contract with an out-of-state  
3 contractor to undertake the following:

4 (1) A diagnostic assessment of the conditions, challenges,  
5 and opportunities facing the state, to include:

6 (A) Benchmarking the state's key assets and  
7 liabilities;

8 (B) An analysis to examine the key groupings of  
9 industries that drive the state's economy;

10 (C) An assessment of the key competitive forces  
11 affecting the state and industries within it,  
12 e.g., costs of living and doing business,  
13 globalization and outsourcing, consumer trends,  
14 and new technological developments; and

15 (D) An initial analysis of the key policies that are  
16 affecting the state's economic global position;

17 and

18 (2) An overall strategy for addressing the challenges  
19 facing the state and using the advantages and  
20 strengths of the state in meeting these challenges.

21 SECTION 3. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$200,000 or so much



1 thereof as may be necessary for fiscal year 2009-2010 for  
2 contracting the services of economic consultants with expertise  
3 in international and local economic analysis to undertake the  
4 diagnostic assessment set forth in section 2. To ensure the  
5 objectivity of the analysis, the principal consultant selected  
6 shall be an out-of-state economic consultant.

7 The sum appropriated shall be expended by the department of  
8 business, economic development, and tourism for the purposes of  
9 this Act.

10 SECTION 4. Not less than twenty days prior to the  
11 convening of the regular session of 2011, the department of  
12 business, economic development, and tourism shall submit the  
13 diagnostic assessment and overall strategy to the legislature,  
14 along with any recommended proposed legislation.

15 SECTION 5. This Act shall take effect on July 1, 2009.



**Report Title:**

State Economy; Appropriation

**Description:**

Directs the Department of Business, Economic Development, and Tourism to undertake an economic diagnostic assessment of the State's economy and an overall strategy to address the challenges. Makes an appropriation for economic consultants to assist in the study. (HB1603 HD2)

