

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Friday, February 26, 2016
11:00 a.m.
State Capitol, Room 308

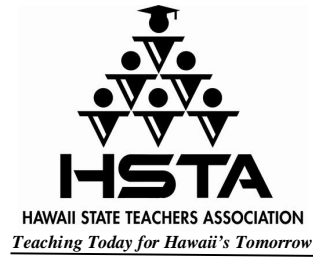
in consideration of
HB 2259, HD2
RELATING TO ECONOMIC LEAKAGE

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) offers comments on HB2259, HD2, which would require DBEDT to prepare a report that examines the severity of economic leakage in the State's tourism industry. DBEDT supports the overall intent of this bill, but would like to provide the following comments:

- The data does not currently exist and it is expensive to obtain data through business surveys.
- Visitors spend on a wide range of goods and services so that surveys should also cover food services establishments, grocery stores, museums, tour operators, travel agencies, rental car companies, duty free stores, department stores, ABC stores, outlet stores, and hotels. Developers of hotels and timeshares should also be included.
- We estimate that \$200,000 would be needed to hire a research firm to conduct the required surveys.

Thank you for the opportunity to provide the above comments.



LATE

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 2259, HD2 - RELATING TO FINANCE.

FRIDAY, FEBRUARY 26, 2016

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association supports HB 2259, HD2, relating to economic leakage.

Tourism is Hawai'i's top industry. To properly manage, map, and diversify the input-output network comprising the state's tourism sector, our state must have access to information about revenue generated by and lost from visitor industries.

As teachers, we are especially concerned with the impact of economic leakage on vocational education. Currently, HSTA is seeking to expand vocational and career pathway education throughout Hawai'i, bringing CTE-related courses of study to at least one high school in each school complex area and requiring the State Department of Education to allow students to complete up to 50 percent of their graduation requirements in career pathway programs, such as hospitality, culinary, animation, design technology, engineering, entrepreneurship, or metal working. While proponents of this measure concentrate on hospitality products, like souvenirs and hotel soaps, we feel that a vast array of goods and services could be procured locally, rather than from mainland companies. Local procurement of marketing materials, for example, could generate interest and investment in graphic design and animation, increasing demand for such skills and the classes through which they are obtained.

To advance vocational education in the islands, the Hawaii State Teachers Association asks your committee to support this bill.



LATE

46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR HOUSE BILL 2259, HOUSE DRAFT 2, RELATING TO
ECONOMIC LEAKAGE**

**House Committee on Finance
Hon. Sylvia Luke, Chair
Hon. Scott Y. Nishimoto, Vice Chair**

**Friday, February 26, 2016, 11:00 AM
State Capitol, Conference Room 308**

Honorable Chair Luke and committee members:

I am Kris Coffield, representing the IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 local members. On behalf of our members, we offer this testimony in support of HB 2259, HD2, relating to economic leakage.

Tourism remains Hawai'i's number one industry. Given its vital role in our state's economy, then, policymakers and the public must have access to information regarding funds generated by and unnecessarily abjected from our tourism sector. Without such information, it is difficult to envision strategies for diversifying our economy through local innovation, inasmuch as local businesses are impacted by and potential partners for the visitor industry. We are, thus, heartened that this measure, as amended by a previous committee, requires an evaluation of the linkages between the islands' tourism and other local industries, with the goal of improving Hawai'i's economy through the development of financial connections between the tourism industry and local businesses, and, in turn, incentivization of investment in vocations, trades, and crafts that could be bought locally, rather than procured from mainland contractors.

Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 9:18 PM
To: FINTestimony
Cc: dylanarm@hawaii.edu
Subject: *Submitted testimony for HB2259 on Feb 26, 2016 11:00AM*

HB2259

Submitted on: 2/25/2016

Testimony for FIN on Feb 26, 2016 11:00AM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Dylan Armstrong | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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