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REVISED

Statement of
George D. Szigeti
Chief Executive Officer
Hawai'i Tourism Authority
on
SB2961

LATE

Relating to the Hawai'i Tourism Authority

Senate Committee on Economic Development, Tourism, and Technology
Senate Committee on Public Safety, Intergovernmental, and Military Affairs
Senate Committee on Labor
Friday, February 2, 2018
1:15pm
Conference Room 414

Chairs Wakai, Nishihara and Tokuda, Vice-Chairs Taniguchi and English and Committee Members:

The Hawai'i Tourism Authority (HTA) **opposes SB2961**, which would amend HTA's authorizing statute, HRS Chapter 201B, by removing HTA's current exemption from HRS Chapters 76 and 78 and repealing HTA's authority and responsibility to inform the public of tourism and tourism-related problems and encourage the development of educational, training and career counseling programs.

Repealing HTA's authority and responsibility to inform the public of tourism and tourism-related problems and encourage the development of educational, training and career counseling programs would negatively impact efforts to keep the visitor industry strong and healthy. HTA educates visitors and residents regarding culture and safety, works to ensure that Hawaiian culture is accurately portrayed in the tourism industry and provides career development assistance to residents who are interested in careers in the tourism industry. SB2961 would put these programs at risk.

Pursuant to HRS § 201B-3(a)(22), HTA is actively engaged in many programs that encourage the development of tourism education and career counseling. The tourism industry currently supports 204,000 jobs statewide and is a vital component to Hawai'i's wellbeing. Maintaining a qualified, educated and motivated workforce is essential to retaining these jobs in a highly competitive industry. Visitors today come from a greater variety of countries, and have higher expectations and more vacation destinations from which to choose. Our visitor industry workforce is on the front lines of sharing Hawai'i's vision, values and aloha with our guests.

Under HRS § 201B-3(a)(21), informational and educational programs allow for transparency by informing the public about safety and security issues, such as mosquito-borne diseases, governmental shutdowns and crisis updates. HTA's e-bulletin provides market insights beneficial to Hawai'i's business and hospitality industry communities. Programs that strengthen our communities offer residents a voice on tourism.

The challenges facing the visitor industry, as identified in HTA's Strategic Plan, include the industry workforce's limited experience with languages and cultural expectations of emerging markets, an aging workforce, and a perceived lack of training in customer service among younger workers. In response to these challenges, HTA has implemented programs, in collaboration with other organizations, to promote career pathways and support workforce training in hospitality, service and culture, with the goal of elevating Hawai'i's value perception and protecting Hawai'i's brand. One such program is the Leadership, Exploration, Inspiration (LEI) program, which identifies local high school students considering a future career in hospitality and tourism and offers them professional training, which includes site visits to various hotels and a college and career fair. In 2017, more than 800 students from 37 high schools statewide, 96 college student mentors, 110 community volunteers, 28 hotels and 100 businesses participated in this program. HTA also supports programs that reach out to college students, including the Kapi'olani Community College Customer Service and Tour Guide Certification training program, which helps to ensure that visitor industry professionals are well-trained regarding Hawai'i and its culture, and can deliver the brand experience that our visitors expect.

Other training and educational programs include HTA's support of the Native Hawaiian Hospitality Association (NaHHA), which offers educational programs for today's ho'okipa (hospitality) industry managers and employees who seek a better understanding of the Hawaiian culture. NaHHA's programs reach industry employees, who complete training modules such as Aloha, Kuleana, Ho'okipa, Mālama, Waikīkī Historic Trail, Introductory 'Ōlelo Hawai'i and Hawaiian Sense of Place, among others. NaHHA has trained more than 1,400 individuals over 54 sessions and 125 classroom hours. Organizations and their front-line employees throughout the lodging, transportation, activities and other sectors participated in the trainings.

Regarding chapters 76 and 78, which deal with civil service and public service, respectively, HTA's exemption has been in place since the Legislature created HTA in 1998. The Legislature exempted HTA from chapters 76 and 78 because HTA was intended to operate as part of the State but with the flexibility of a private corporation. This flexibility extends to the hiring, retention and termination of employees, which gives HTA the ability to maintain a highly qualified and responsive workforce. The exemption remains critical to HTA today.

Considering HTA's unique structure and mandate, and the challenging nature of the visitor industry, repealing HTA's exemptions from Chapters 76 and 78 and eliminating its authority to support and develop community involvement and workforce development programs

would negatively affect HTA's ability to fulfill its legislative mandates. We look forward to working with the Legislature as our State balances our competitive advantage in the global marketplace while maintaining our sense of community and purpose.

Mahalo for the opportunity to offer this testimony.