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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the
SENATE COMMITTEE ON TOURISM AND INTERNATIONAL AFFAIRS

Wednesday, March 25, 2015
2:45 PM
State Capitol, Conference Room 225

in consideration of
HB775, HD1
RELATING TO EDUCATION.

Chair Kahele, Vice Chair English and Members of the Senate Committee on Tourism and International Affairs.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of HB775, HD1, appropriating funds to support the department's program to increase international student enrollment in Hawaii

The education and knowledge industry, of which international student attraction is a sector, is a low impact clean industry. The international student sector contributes \$185 million to Hawaii's economy. In addition to the economic benefits, international students benefit our State by providing global bridges, acclimating our student population and citizens through international education programs in a variety of settings, including public and private secondary schools, colleges, universities and other proprietary academic institutions and research organizations. Hawaii is well positioned to be a competitive destination, especially for the Asian market that places a high value on sending students to a safe and comfortable location like Hawaii.

DBEDT works closely with Study Hawaii, a consortium of twenty educational institutions, to market the State as an excellent location for overseas study and will continue to engage Study Hawaii in its marketing efforts.

Thank you for the opportunity to offer these comments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Only

Submitted to the

Senate Committee on Tourism and International Affairs

March 25, 2015 at 2:45pm

by

Risa Dickson

Vice President for Academic Affairs

University of Hawai'i

HB 775 HD1 – RELATING TO EDUCATION

Chair Kahele, Vice Chair English, and members of the committee:

House Bill 775, House Draft 1 appropriates funds to the Department of Business, Economic Development and Tourism to be expended for marketing, travel, and other recruitment related expenses to market Hawaii's institutions of higher education to international students.

The University of Hawai'i (UH) supports the intent of HB775 HD1 to increase international student recruitment activity and to market Hawai'i as an education destination. We recognize the contributions of international students to our campuses in enriching the educational environment with ideas, talent, networks, and opportunity from regions beyond our state and preparing Hawaii's students for a rapidly changing, globalized world. This brings multiple benefits to UH as well as to the state of Hawai'i.

UH is pleased to work with DBEDT to promote higher education in Hawai'i and bring more international students to our state. As the only public university in the State of Hawai'i, the UH system is well poised to offer a very broad selection of coursework, study, and specialties that would appeal to the broadest universe of foreign students. We hope that the use of public funds to support this effort will emphasize and highlight the strengths of our State's public university, but do also recognize that including the wide selection of private universities within our state is equally important. The UH believes that more efforts and collaboration to market the strengths, benefits, and value of all higher education opportunities in Hawai'i will be beneficial for all institutions. The UH welcomes any efforts to create additional opportunities to promote higher education in Hawai'i.

We look forward to more robust recruitment efforts and leveraging DBEDT's existing international resources to expand Hawai'i's exposure internationally.

Thank you for the opportunity to testify.



UNIVERSITY
of HAWAII®
MĀNOA

March 24, 2015

TO: Senator Kahele, Chair; Senator English, Vice-Chair - Hawaii Senate Tourism and International Affairs Committee

FROM: Linda Duckworth, Director *Linda Duckworth*

SUBJECT: HB775 HD1

As director of International Student Services at UH Manoa, I write this letter to voice strong support for HB775 HD1 to provide DBEDT with funding to market Hawaii's education to international students. International student enrollment at UH Manoa has been significantly declining for the past 10 years, thus negatively affecting the cultural diversity on our campus, the cultural awareness impact on our local citizens, and potential future relationships between Hawaii and international partners in business, education and tourism. Other schools in Hawaii have experienced similar declines in international student enrollment. I have been told that Hawaii tends to run 7 years behind the mainland. But, this is worrisome, since mainland schools have experienced a significant increase in international student enrollment during this same time period, which has been more than 7 years long. So, Hawaii needs to act now - and I feel that DBEDT is the best organization to lead this effort.

DBEDT does a wonderful job branding Hawaii as a tourism destination. And with your support of HB775 HD1, DBEDT will be able to do an equally wonderful job of branding Hawaii as an education destination.

Thank you.

Testimony Presented Before the
Senate Committee on Tourism and International Affairs
March 25, 2015 at 2:45 pm
by
Donald O. Straney
Chancellor, University of Hawai'i at Hilo

HB 775 HD1 RELATING TO EDUCATION

Chair Kahele, Vice Chair English and Members of the Committee:

My name is Donald Straney, and I submit this testimony as Chancellor of University of Hawai'i at Hilo and not as a representative of the University of Hawai'i system. I support HB 775 HD 1 to help DBEDT's efforts to increase international student enrollment in Hawai'i provided that its passage does not replace or adversely impact the University of Hawai'i System's budget priorities.

In 2013, international students contributed over \$185 million to Hawai'i's economy, including \$26 million in State taxes. The education industry not only benefits our economy, but helps to increase our cultural diversification and enrich the academic environment for our students.

Increased competition for international students by other educational institutions throughout the world has made it difficult to compete against countries that have federal-level support driving their marketing efforts.

In April, DEBDT will host a contingent of 20 high school principals from China on a Hawai'i familiarization tour of UH Hilo, Hawai'i Community College, and one of our high schools. We thank DBEDT for its proactive work in supporting Hawai'i's higher education institutions, and support this measure to increase its efforts.

Thank you for the opportunity to testify.

RE: HOUSE BILL 775 HD1 RELATING TO EDUCATION

Chair Gilbert Kahele, Vice Chair J. Kalani English, and Members of the Committee, Sen. Brian Taniguchi, Sen. Jill Tokuda, Sen. Sam Slom:

I would like to offer my strongest support for HB 775, which appropriates funds to the Department of Business, Economic Development, and Tourism (DBEDT) for marketing Hawaii's higher education institutions to international students.

As many of you know, international students are an important asset to the state's income, as they and their families generate almost \$2million in tuition and living expenses (\$185.68 mil in 2013). More importantly, from an educational standpoint, the University of Hawaii system, and the community colleges in particular, benefit greatly by having the presence and interaction of international students on campus. With a mission to prepare our local student population for success in a globally-oriented society and workplace, international students broaden the horizons of our local students, and encourage them to gain important skills necessary to succeed in the future, and look beyond the shores of this great state.

DBEDT has worked closely with us for the last few years, and continued support is essential. Though Hawaii is regarded worldwide as a top-tier tourist destination, it is often dismissed as an educational destination by parents who feel that there could not possibly be top-notch educational facilities here. It is through continual marketing, and engaging international contacts that this perception can be turned around, and Hawaii can join the rest of the states in the country that are experiencing increasing numbers of international students, rather than continuing the downward spiral that we are currently in.

Thank you very much for your consideration of this important issue.

Steve Jacques
Director, Office of International Programs
Leeward Community College – University of Hawaii



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Tourism and International Affairs
Wednesday, March 25, 2015 at 2:45 P.M.
Conference Room 225, State Capitol**

RE: HOUSE BILL 775 HD1 RELATING TO EDUCATION

Chair Kahele, Vice Chair English, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **strongly supports** HB 775 HD1, which appropriates funds to the department of business, economic development, and tourism for marketing Hawaii's higher education institutions to international students.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The higher education is a clean, vibrant industry that is based in Hawaii's knowledge-based industry. It is estimated that it brings in over \$160 million into our state's economy and about \$16 million in tax revenue. This is a desirable industry which can further Hawaii's knowledge-based sector.

This bill is necessary as competition from other states has affected our enrollment. The rest of the U.S. is experiencing 13% growth over the past 3 years while Hawaii's enrollment has declined 11% over the same period. We need this bill to help us grow enrollment and penetrate new markets. Asia will dominate the need for higher education services, which places Hawaii in a unique position to take advantage of this opportunity.

Thank you for the opportunity to testify.

Testimony Presented Before the
Senate Committee on Tourism and International Affairs

March 25, 2:45 PM
by

Joel S. Weaver, Vice President
Study Hawaii Educational Consortium

HB 775-RELATING TO EDUCATION. Appropriates funds to the Department of Business, Economic Development, and Tourism for marketing Hawaii's higher education institutions to international students.

Chair Kahele, Vice Chair English, and members of the Tourism and International Affairs Committee:

Thank you very much for the opportunity to testify regarding HB 775, HD 1. I strongly encourage you to allocate resources to fund the provisions of this bill.

As Director of the University of Hawaii English Language Program (UH-HELP) and Vice President of the Study Hawaii Educational Consortium, I am passionate about raising the profile of Hawaii as a study destination for international students and scholars. The vision of the institutional members of Study Hawaii is to **“establish Hawai’i as an international leader in education and training through global links, partnerships, and exchanges.”**

Our consortium members share a belief that international education advances learning and scholarship, builds understanding and respect among different peoples, and enhances constructive leadership in the global community. We believe that international education is fundamental to fostering peace, security and well-being. We believe that promotion of inbound and outbound educational travel to and from Hawaii will bring great benefit to the state economically and will contribute to the development of a more globally competent citizenry, one that can lead the world in forging a more innovative, multiculturally agile and sustainable future.

As the state that provided the educational foundation for the current occupant of the White House and his parents, Hawai’i is in a position to boast about the quality of education and people that our state can produce!

From the inception of the Study Hawaii group, we have worked closely with the Department of Business, Economic Development, & Tourism to carry out our activities. Some examples of areas in which we have collaborated are:

Development and translation of marketing materials such as brochures, postcards, and other print media to promote Study Hawaii.

DBEDT supported Study Hawaii to put on very well-received receptions at the national NAFSA: Association of International Educators conferences in Minneapolis, Washington DC, Los Angeles San Diego, and in May this year, Boston.

DBEDT offices in Beijing and Taiwan assist Study Hawaii by representing us at student fairs, translating our marketing materials into Traditional and Simplified Chinese, and being a “one-stop-shop” for potential students to visit for information.

Study Hawaii has worked with the DBEDT to sponsor successful “International Education Days” at the state capitol. These are events that allow institutions to invade the 3rd or 4th floors of the capitol building to educate legislators on the myriad International Education efforts that are going on here in Hawaii.

DBEDT assisted Study Hawaii in developing a strong multilingual website that drives traffic to member institutions.

DBEDT and Study Hawaii carried out a very successful Education Trade Mission to Taipei and Beijing in October 2014. In addition to engaging potential students and their parents at large fairs, we met with government and institutional representatives and established linkages with important trade organizations in these important markets.

DBEDT has worked collaboratively with Study Hawaii to promote international education because it shares our understanding of the great economic, intellectual, and social value of in-bound and out-bound educational travel to the state of Hawaii.

Despite these excellent efforts, Hawai'i has been falling behind other destinations. We compete not only with other states in the US, who themselves have active state-funded consortia, but also with Canada, the UK, Australia, New Zealand, and other destinations with well developed higher education frameworks. These countries all have federal-level support driving their marketing efforts. Our state is far behind these other locations in earmarking resources to increase recruitment of international students, and our efforts are necessarily hampered by lack of adequate funds to do more. With additional resources, so much more could be done that would further enhance our efforts for the benefit of our community.

According to the Institute of International Education, international students contribute nearly \$27 billion to the U.S. economy through tuition and living expenses. Study Hawaii has worked with DBEDT this year to get an updated count of the economic impact of international students in Hawaii. We have found that the direct impact of international students and scholars to the state is \$186 million, and that it brings in \$26 million in state tax revenues.

Currently we have 10,300 international students studying in Hawaii each year. With just a 10% student increase, or 1000 more students, we can generate \$2.6 million more in tax revenues—an incredible return on a modest investment of \$150,000.

Attracting more international students to the state will never displace Hawai'i students. Rather, more international students in Hawai'i will allow for more seats to be provided to in-state students. The higher tuition that international students pay allows for more sections of impacted classes to be offered.

Thank you for the opportunity to testify in strong support of House Bill 775, HD 1.

**SENATE COMMITTEE ON TOURISM AND
INTERNATIONAL AFFAIRS**

TESTIMONY IN SUPPORT OF HB775 HD1

(WRITTEN TESTIMONY ONLY)

Wednesday, March 25, 2015

2:45 pm

Conference Room 225

Chair Kahele and Vice Chair English, and Members of the Senate Committee on Tourism and International Affairs:

My name is Kurt Kawafuchi. I respectfully submit this testimony in my personal capacity in support of HB775 HD1, appropriating a blank amount of funds to support the DBEDT's program to increase international student enrollment in Hawaii, and strongly encourage this Committee to pass this bill so it can be heard before the Senate Committee on Ways & Means.

While I am a former director of taxation, current Chair of the Hawaii Council of Revenues, and have been an instructor in almost a hundred (100) courses in taxation, accounting, law, and finance from 1995 through current at the University of Hawaii at Manoa (College of Business Administration and School of Law) and at Hawaii Pacific University, I write this testimony in support of the HB775 HD 1 in my personal capacity.

In my experience, many of the international students are very bright and/or from financially capable to wealthy families and/or well-connected families. Because many of these students enjoy positive experiences in Hawaii and experience the magic of "aloha," they also often form lifetime bonds with local and other international students. As a long-time instructor (20 years) at the University of Hawaii at Manoa Graduate School of Accounting with many former students, I recently attended a University of Hawaii at Manoa Alumni reception in Hong Kong. At the reception, I met a former alumni who is a substantial charitable donor to the University of Hawaii at Manoa's College of Business Administration (UH CBA). This Spring, there are tentative plans to host University of Hawaii at Manoa alumni functions in Hong Kong, Seoul, and

Malaysia. It is my understanding that the UH CBA alone (exclusive of the UH Manoa's other colleges and other University of Hawaii campuses, e.g., Hilo, KCC etc.) has roughly 2,000 alumni in the Hong Kong area and 1,000 alumni in the Singapore area.

The education and knowledge industry, of which international students comprise an important and significant sector, is a clean industry promoting college and graduate studies. In addition to the economic benefits (e.g. spending by students and visiting families and friends, potential future donors and investors in Hawaii, etc.), international students benefit our state and in-state and domestic students by providing their global life and work experience and expanding their international networks, acclimating our student population and citizens through international education programs in a variety of settings, including public and private secondary schools, colleges, universities and other proprietary academic institutions and research organizations. Hawaii is well positioned to be a competitive destination for education, especially for the Asian market that places a high premium on education and values sending students to a safe, comfortable, and welcoming location like Hawaii with a large Asian population (e.g. safety is vital for many PRC students who are their families' only child under the long-standing "single child" policy). Further, increasing the international students in Hawaii will complement and enhance our core tourism industry as more Asian students become familiar with Hawaii, its beauty, and its riches. During a recent mission to Taiwan and Beijing which I paid for out of personal funds, I was surprised to learn that Hawaii was not as widely and well known as I expected in key "first tier" China cities such as Shanghai and Beijing (as opposed to Southern China including Hong Kong, Guangzhou, and other areas close to historically Cantonese speaking populations) while other destinations such as Seattle, Thailand, and Mauritius were often better known and visited by PRC tourists because of popular China (PRC) shows or movies in those locations.

During such mission, I have personally witnessed how DBEDT works closely and cooperatively with Study Hawaii, a consortium of twenty educational institutions, to market the state as an excellent location for overseas study, and will continue to work closely with Study Hawaii in its marketing efforts.

Thank you for your consideration of my testimony in support of HB775HD1. I respectfully urge this Committee to pass HB775 HD1 so it can be heard by the Senate Committee on Ways & Means.