

STAND. COM. REP. NO.

1336

Honolulu, Hawaii

MAR 23 2023

RE: GOV. MSG. NO. 505

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred Governor's Message No. 505, submitting for study and consideration the nomination of:

DIRECTOR, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

G.M. No. 505 CHRIS SADAYASU,
for a term to expire at noon on 12-07-
2026,

begs leave to report as follows:

Your Committee reviewed the personal history, resume, and statement submitted by Chris Sadayasu for service as the Director of Business, Economic Development, and Tourism.

Your Committee received testimony in support of the nomination for the appointment of Chris Sadayasu from the Governor; Chief Housing Officer of the Office of the Governor; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Department of Human Resources Development; Department of Public Safety; Department of Transportation; Department of Labor and Industrial Relations; Department of Human Services; Department of Commerce and Consumer Affairs; Department of Agriculture; Department of Budget and Finance; Department of Health; Department of Law Enforcement; Hawaii Technology Development Corporation; Hawai'i Tourism Authority; Office of Planning and Sustainable Development; Agribusiness Development Corporation; Hawai'i Community Development Authority; Hawaii Green Infrastructure Authority; Hawai'i State Aha Moku; Hawaii State Energy Office; Natural Energy Laboratory of

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Hawaii Authority; Stadium Authority; Office of Enterprise Technology Services; Hawaii Public Housing Authority; Department of Taxation; University of Hawai'i at Manoa Pacific Asian Center for Entrepreneurship; International Brotherhood of Electrical Workers Local 1260; Hawai'i Hotel Alliance; Central Pacific Bank; Outrigger Hospitality Group; Airport Concessionaires Committee; AES; Hawai'i Community Foundation; Kekaha Agriculture Association; Omnitrak; Roberts Hawaii; Koolau Foundation; Hawaii Regional Council of Carpenters; Kakoo Oiwi; Hookipa Specialists, LLC; and forty-three individuals.

Your Committee notes that Mr. Sadayasu has over twenty years of professional experience working in various government roles and has served as the acting Director of the Department of Business, Economic Development, and Tourism since December 2022. Mr. Sadayasu has a Bachelor's degree in Economics and Accounting from Claremont McKenna College and a Juris Doctorate from the William S. Richardson School of Law. Previous to his current role, Mr. Sadayasu served as a Housing Development Specialist with the Hawaii Housing Finance and Development Corporation, an Asset Manager and Compliance Assurance and Community Outreach Officer with the Hawaii Community Development Authority, Asset Management Administrator with the City and County of Honolulu Office of Strategic Development, Tourism Brand Manager for the Hawaii Tourism Authority, and Charities Program Administrator with the Department of the Attorney General's Tax and Charities Division. Mr. Sadayasu was also previously an associate attorney at Ching, Yuen & Morikawa for a number of years where he worked on cases involving real estate transactions, foreclosures, corporate and securities law, quiet title, and land use matters.

Your Committee finds that the Department of Business, Economic Development, and Tourism (Department) is tasked with undertaking statewide business and economic development activities, energy development and management, economic research and analysis, planning for the use of the State's ocean resources, and the development and promotion of industry and international commerce. The Director is also tasked with ensuring appropriate coordination among the Department's programs and other state departments and external agencies. As head of the Department, your Committee expects the Director to communicate effectively and be prepared to work with policymakers to move the State forward in areas such as clean energy development, economic diversification, and tourism. However, your Committee notes that on multiple occasions, Mr. Sadayasu has been unprepared to respond to



questions posed by senators during hearings to consider a number of measures involving the Department or its programs. While Mr. Sadayasu eventually provided answers to the senators' questions, his responses have often come in subsequent hearings and meetings. Mr. Sadayasu's failure to adequately prepare for senate hearings and meetings has required the Senate to schedule additional, unnecessary hearings to work with the Department. Although Mr. Sadayasu has apologized for his lack of preparedness and has promised to improve, your Committee is concerned that this behavior will continue to result in inefficiencies and a lack of communication between the Department and the Legislature. This lack of communication is especially troubling during a time that your Committee believes will require collaboration in order for the State to succeed in accomplishing its important goals and policies.

Your Committee further notes that Mr. Sadayasu has had issues attending meetings relating to his duties as the acting Director of the Department and has left some essential meetings prior to their completion. Although Mr. Sadayasu often left these meetings early to attend to other matters as acting Director, your Committee believes that to effectively lead the Department, the Director must make every effort to plan their schedule appropriately to allow their full participation in all necessary meetings in their entirety. Additionally, your Committee has concerns regarding Mr. Sadayasu's ability to lead and effectively manage the hundreds of employees in the Department. While Mr. Sadayasu does have previous experience managing employees, your Committee notes he has managed the maximum of four employees at any one given time prior to his role as acting Director. This track record of failing to participate in meetings in their entirety and lack of experience managing a large number of employees, especially when coupled with his problem to effectively communicate with the Legislature, concerns your Committee and affords it little confidence in Mr. Sadayasu's ability to effectively lead the Department and fulfill the duties and responsibilities of the Director.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, recommends that the Senate not advise and consent to the nomination.



Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

Lynn DeCote

LYNN DECOITE, Chair



Record of Votes
Committee on Energy, Economic Development, and Tourism
EET
Advise and Consent

Governor's Message No.:* GM 505	Committee Referral: EET	Date: 3-16-23		
<input type="checkbox"/> The Committee is reconsidering its decision				
The Recommendation is:				
<input type="checkbox"/> Advise and Consent 2340 <input checked="" type="checkbox"/> Not Advise and Consent 2345				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol			✓	
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	1	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one Governor's Message per Record of Votes