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TESTIMONY OF
CAROLINE ANDERSON
Interim President & CEO
Hawai'i Tourism Authority
before the
HOUSE COMMITTEE ON FINANCE

Friday, March 28, 2025
2:00 p.m.
State Capitol, Room 308

In consideration of
SB 1571 SD 2 HD 1 HD 1
RELATING TO TOURISM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) respectfully offers comments on SB 1571 SD 2 HD 2, which exempts all positions filled by the HTA within the Department of Business, Economic Development & Tourism from the state civil service law. It also designates the Board of Directors of the HTA as an advisory board. Furthermore, it amends the eligibility requirements to serve on the HTA board of directors by repealing the two-year waiting period for former Hawai'i Visitors & Convention Bureau members. It sets the effective date to July 1, 3000.

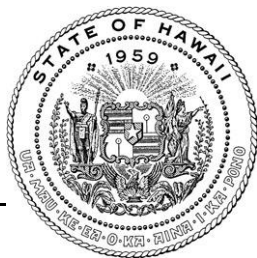
Please consider the implications of the proposed changes to the HTA's governance and Hawai'i State Planning Act. We look forward to a more complete discussion with the legislators and interested parties to discuss the issues raised.

1. Adding language exempting all positions within the HTA from state civil service law allows for the hiring of the best-qualified professionals.
2. HTA's role as a "policy-making and advisory board" needs clarification. We are already experiencing confusion and difficulties with the recent changes that have blurred some lines between the Authority and the Department. Adding the word "advisory" would create additional confusion and uncertainty. The high importance of industry and community input to HTA's work is vital to the purpose, mission, and impact of the Authority's work. Moving that to an advisory duty should first include greater discussion with all stakeholders. We look forward to having a more complete discussion around the

powers/authority between the Authority/Board and the Department before amendments like this are made.

3. Removing the two-year waiting period for individuals who served on the Hawai'i Visitors and Convention Bureau board of directors to join HTA's board diminishes the safeguards against the appearance of impropriety. The committee may consider strengthening the safeguards by broadening the provision to any entity contracted for a significant portion of HTA's budget.
4. The amendment changing the phrasing from "limited by this chapter" to "provided by law" undermines the authority of Chapter 201B, subjecting HTA to HRS 26-35, the administration of boards and commissions, and impacting its operational autonomy.
5. Regarding HRS 226-8, the amendment to remove 'form' and replace it with 'allow the formation of' weakens the objective of the current policy to establish community partnerships to ensure Native Hawaiian cultural integrity.

Mahalo for the opportunity to provide our comments.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
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Statement of
JAMES KUNANE TOKIOKA
Director

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Friday, March 28, 2025
2:00 PM
State Capitol, Conference Room 308

In consideration of
SB 1571, SD2, HD2
RELATING TO TOURISM.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SB 1571, SD2, HD2 which exempts all positions within the Hawai'i Tourism Authority (HTA) from the state civil service law, designates the HTA Board of Directors (Board) as an advisory board, and amends the eligibility requirements to serve on the HTA Board, in addition to other clarifications and amendments.

With regards to removing the language referring to the two-year waiting period for individuals who have served on the Hawai'i Visitors and Convention Bureau board of directors, DBEDT is in agreement with removing the reference to a specific entity. However, the committees may want to consider changing this to any entity that receives over a certain threshold in funding from the Hawai'i Tourism Authority or percentage of its overall budget. Furthermore, we may also want to consider a one-year waiting period to be consistent with other ethics rules for state of Hawai'i employees.

In addition, DBEDT offers the following amendment to Hawai'i Revised Statutes Section 201B-2 Subsection (b) Item (4) to require that at least one member shall have knowledge, experience, and expertise in the area of labor as follows:

(4) At least six members shall have knowledge, experience, and expertise in the area of accommodations, transportation, retail, entertainment, or attractions, [~~and~~] at least one member appointed by the governor shall have knowledge, experience, and expertise in the area of Hawaiian cultural practices, **and at least one member shall have knowledge, experience, and expertise in the area of labor**; provided that no more than three members shall represent, be employed by, or be under contract to any sector of the industry represented on the board;

DBEDT looks forward to collaborating with the committees and participating in any discussions as it relates to the proposed changes to the governance of the HTA.

Mahalo for the opportunity to testify on this measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

March 28, 2025

S.B. 1571, S.D. 2, H.D. 2 – RELATING TO TOURISM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of S.B. 1571, S.D. 2, H.D. 2, Section One, which exempts all positions within the Hawai'i Tourism Authority from the state civil service law.

Our records indicate that all current members, including clerical employees, within this agency are already exempted from civil service, therefore we question the need for Section One of this bill. Although all current members are already exempted from civil service, the passage of this measure would prohibit the creation and hiring of future civil servants within this agency. The use of exempt employees, which are considered "at will" by the state, is completely contrary to the principles of civil service. Exempt employees do not have the same rights and benefits of civil service employee specifically – they are not afforded the right to grieve/appeal any disciplinary action taken against them. We have consistently opposed the creation of more exempt positions in state government and have advocated for sensible civil service reform.

This measure goes to the larger conversation within our state government's workforce. In recent legislative sessions, we have seen an uptick in measures aiming to exempt employees across various agencies and departments from civil service. According to the Executive Branch Workforce Profile report submitted to this body each year, in 2020 there was 1715 exempt employees within the State Executive Branch under the personnel system administered by DHRD, today there is 2390 exempt employees, which reflects a significant increase in the use of exempt positions. To note, the total number of civil service employees have decreased within that highlighted timeframe. We fear that this trajectory will continue upwards unless our civil service system becomes more flexible and competitive. More and more employees will become "at-will", which will ultimately hurt our state's effort to recruit and retain employees because fair and reasonable job security is one of the core components that make's state employment attractive.

Thank you for the opportunity to testify in opposition of S.B.1571, S.D. 2, H.D. 2, Section One.

Respectfully submitted,



Randy Perreira
Executive Director

SB-1571-HD-2

Submitted on: 3/25/2025 1:28:31 PM

Testimony for FIN on 3/28/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Olderr	Individual	Oppose	Written Testimony Only

Comments:

I do not see the reason or cause for HTA being exempt from civil service laws. It feels like it's just waiting for someone corrupt to find their way into that position and abuse their power. I oppose this bill.