



For Immediate Release: April 9, 2021
HTA Release (21-10)

HTA Responds to Latest Version of HB862

HONOLULU – John De Fries, president and CEO of the Hawai'i Tourism Authority (HTA), issued the following statement responding to the Hawai'i Senate Committees on Ways and Means and Commerce and Consumer Protection for using a last-minute gut and replace maneuver to pass a bill that dramatically alters how Hawai'i's tourism agency will represent the state and its efforts to collaborate with the community and reset tourism in a regenerative manner.

“My gratitude is extended to the more than 200 individuals and organizations who testified against the HTA-related amendments in HB862, HD2, Proposed SD2, which will essentially negate HTA's capacity and mission to manage Hawai'i tourism toward a future that is balanced and sustainable. As concerned citizens you came from all walks of life to make your mana'o known, only to learn that we have much more work to do at the Legislature in the two weeks ahead. We must grow the awareness and focus our message toward the multitude of legislators who care about Hawai'i's future. In today's hearing, we witnessed our Hawaiian culture being once again reduced to a mere commodity that can be horse-traded, and this tendency and historical pattern must stop - and will stop, on my watch at HTA,” said De Fries.

Background Information

Today the Hawai'i Senate Committees on Ways and Means and Commerce and Consumer Protection passed the amendments made to [Proposed SD2](#) of House Bill 862. The two committees received [nearly 300 pages of written testimony](#), most of which were in opposition to the parts of the measure that would affect HTA's ability to fund programs and events that focused on Hawaiian culture, natural resources and community – which are three of [HTA's strategic, interacting pillars](#). The amendments made to the Proposed SD2 version would:

- Reestablish HTA's existing Hawaiian culture programs under the State Foundation on Culture and the Arts.
- Reestablish the three Hawaiian culture positions – the director of Hawaiian Cultural Affairs and two program specialists currently under HTA under the State Foundation of Culture and Arts for the management of these programs.
- Appropriate \$3.7 million from the general fund to cover the existing grant programs – perpetuating the Hawaiian culture and community requirements and events, and that will also include \$350,000 to be used to cover the positions and salaries and fringe.
- Include \$4 million in HTA's budget for sporting events.
- Mandate that HTA and its contractors work with the State Foundation on Culture and the Arts as a resource to assist with HTA's efforts in marketing to the visitor industry to ensure marketing is culturally sensitive.

The latest version of HB862 changes the source of HTA's funding from a special fund through the Transient Accommodations Tax (TAT) to the general fund, which means HTA will no longer have the

ability to carry over unspent funds and will lose flexibility. The next step will involve the full Senate voting on the bill.

HTA's successful return on investment, in partnership with the visitor industry and community, is tied to the ability to be flexible in the budget and fluid in its activities – proactively and reactively deploying funds, including carryover funds at varying levels – at the appropriate time in anticipation of market conditions and needs. The current pandemic is an example of this necessary flexibility. Understanding the markets' conditions, HTA significantly deferred spending in FY21 with plans to use those funds to saturate branding activities in FY22, in anticipation of a full relaunch of tourism. HTA's capability to do so and pivot direction would be significantly constrained if operating through the state's general fund without the ability to use prior year's funds. Further, operating under special funds encourages an efficient use of funds, as unused funds revert back to the special fund rather than encouraging unnecessary spending that could reside in the use of general funds.

Also today, the full Senate unanimously passed [House Bill 200, HD1, SD1](#). This budget bill cuts HTA's staff in half – from 32 current positions down to 16.25. HB200, HD1, SD1 has been transmitted back to the House for consideration.

HTA has a significant task ahead in supporting the economic recovery from the COVID-19 pandemic through the revitalization of the visitor industry.

###

About the Hawai'i Tourism Authority

The [Hawai'i Tourism Authority](#) is the State of Hawai'i agency responsible for strategically managing its support of the tourism industry. Established in 1998 to support Hawai'i's leading industry and largest employer, HTA continually strives to help ensure tourism's sustainability and the benefits it brings to residents and communities statewide.

For more information about HTA, please visit www.hawaiitourismauthority.org. Follow updates from HTA (@HawaiiHTA) on [Facebook](#), [Instagram](#), [Twitter](#) and its new [YouTube Channel](#).

For more information, contact:

Marisa Yamane
Director of Communications & PR
Hawai'i Tourism Authority
Marisa.Yamane@gohta.net

Erin Khan
Vice President, Public Relations
Anthology Group
Erin.Khan@AnthologyGroup.com