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**HO'OKAHUA HAWAI'I STANDING COMMITTEE MEETING
HAWAI'I TOURISM AUTHORITY
Thursday, September 12, 2024, at 9:00 a.m.
VIRTUAL MEETING**

MINUTES OF HO'OKAHUA HAWAI'I STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Mahina Paishon (Chair), Kimberly Agas, Mufi Hannemann, Stephanie Iona
NON-VOTING MEMBER:	David Arakawa
HTA STAFF PRESENT:	Daniel Nāho'opi'i, Kalani Ka'anā'anā, Caroline Anderson, Dede Howa, Trishia Mendoza
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair Paishon called the meeting to order at 9:04 a.m. Mr. Ka'anā'anā did the opening protocol.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Ms. Howa did the roll call. All were confirmed in attendance, and they were by themselves.

3. Approval of the Minutes of July 24, 2024 Ho'okahua Hawaii Standing Committee Meeting

Mr. Hannemann made a motion to approve the minutes. Ms. Agas seconded, and the Minutes were approved unanimously.

4. Presentation, Discussion, and Action on the Proposed Final Draft of the Fiscal Year 2026 and 2027 Hawai'i Tourism Authority Operating Budget for Destination Stewardship (BED115, BED116, BED117)

Mr. Ka'anā'anā said since they last spoke, there had been many discussions. He gave a high-level summary. Nothing in the base budget changed on the stewardship side. Nothing else changed for Ms. Anderson's base budget. They revised the justifications, description, and KPI sections of Supplemental 1, which changed by moving the airport greeting program from Supplemental 2. They also noted some of the impact on the funding level.

Mr. Nāho'opi'i spoke about the branding items in Supplemental 1. In the U.S., there are additional activations for \$4 million. It was previously slightly more, but they worked with Destination Stewardship to carve out a piece to fund the airport greetings and the Japanese activation. Their request was also to support an additional brand manager. They had been short-staffed in the area of additional services beyond the markets. They already service seven markets, island-based marketing website development, and air route services. They feel an additional person is needed to manage and keep them organized, take on more responsibility, and have efficient in-house programs across multiple markets. There are also sports and signature events in Supplemental 1.

Mr. Ka'anā'anā spoke about the Ho'okahua committee's areas. The first was the airport greeting program; the second was support for sports and signature events (the Opportunity Fund). He spoke about Brand USA and the national strategy to increase sports tourism. For the U.S. State Department, the sports tourism segment of their industry is the largest growing at the moment. The third is to complement what is in the base budget. They need to remain responsive when opportunities arise.

Ms. Anderson spoke about the last item under workforce, the industry sector partnership support, for \$33,000, part of a workforce development plan. They are trying to engage the industry partners and those in the DOE to see what projects and activities they can work on together to build a robust workforce for the visitor industry.

Chair Paishon said they are moving forward with the budget presented at the previous meeting with further clarification. She asked for a motion to accept the budget as presented. Mr. Hannemann asked what they were accepting in the motion. Mr. Ka'anā'anā said they asked for a motion, which is a portion of the budget related to Ho'okahua Hawai'i that includes all the stewardship and planning activities that fall under the committee's scope. The numbers in the motion are specific to the committee. Still, they are connected directly to an overall \$80 million ask that includes the base budget and the entirety of Supplemental 1.

Mr. Ka'anā'anā read out the motion:

The Ho'okahua Standing Committee recommends to the BFCC Standing Committee approval of the FY2026 and FY2027 HTA operating budget for Hawaiian Culture, Natural Resources, community, and planning for a total amount of \$26.4 million in FY026 and \$28.2 million in FY2027. Mr. Hannemann made a motion, and Ms. Iona seconded. Chair Paishon opened the floor for discussion. Ms. Agas said she was part of the Branding meeting and had voted aye with reservations. She wanted to clarify whether all the supplements on Form A would be listed. She asked if there was clarity.

Ms. Iona wanted to ensure that the staff were confident with their decisions and that there would be enough funding to achieve their goals. Ms. Anderson said the amount was sufficient to execute and bring good ROIs. Ms. Iona said she reached out to the mayor's office to ask their opinion on workforce development to ensure that it was her opinion and her feelings on the topic. She said they were pro with what Ms. Anderson wants to do with workforce development. They would be happy to provide venues to provide opportunities to continue with workforce development.

Mr. Ka'anā'anā said he was confident that the \$80 million will help them continue with the programs. Ms. Iona mentioned the importance of the programs. She said the greeters do not have badges to greet people inside at the gate. She said they must ensure they can supply badges. Chair Paishon added that what has been presented in the budget also aligns with the summary of preliminary recommendations from the governance study.

Ms. Agas asked Mr. Ka'anā'anā if the base stays the same and if items from Supplemental 2 are moving to Supplemental 1. Mr. Ka'anā'anā concurred.

Mr. Arakawa wanted clarification on the motion. He asked if the motion would change the submission of the HTA budget to a base of \$80 million. Mr. Ka'anā'anā said the \$26.4 million represents the amount in the FY2026 base plus the amount in Supplemental 1 combined, and the same case for FY2027. He said he could list them all separately. Mr. Hannemann believed a case was made at the Branding Standing Committee and the Ho'okahua Standing Committee that the additional request would come to \$80 million, not \$70 million. He said a Supplemental puts them in a precarious position. He said they should ask for what they need and be prepared to justify it. Mr. Arakawa clarified that he confirmed with DBEDT and the HTA BFCC office that Form A can include a \$70 million base budget on the same document where they can write Supplemental 1, which includes R10 million, or Supplemental 3 with an amount on. Form A can ask for up to \$90 million, so it can all go in as one document for the Governor's office and the legislature to review. He said if the committee wants to propose a change to what the BFCC

voted on, which is the \$70 million, \$10 million, and \$10 million, and wants to change it to another figure, then the motion should reflect that as well.

Mr. Nāho'opi'i reiterated what came out of the Branding meeting is what Mr. Arakawa mentioned. The motion intends to have a base of \$80 million and then add the extra programs in Supplemental 2. They had a reassessment, and the BFCC recommended \$70 million. They tried their best to prioritize the next \$10 million, but it has come back that they need the \$80 million. He clarified that the staff recommends a base budget of \$80 million, including what was addressed in Supplemental 1.

There were no further comments. Mr. Hannemann said it is important that the committee come out and defend that they want to go beyond the codification of Destination Stewardship.

Mr. Ka'anā'anā clarified the discussion with a slide showing the motion:

The Ho'okahua Standing Committee recommends to the BFCC Standing Committee approval of the FY2026 and FY2027 HTA operating budget for a total amount of \$80 million base budget (FY26) and \$86.8 million (FY27), of which \$26.5 million (FY26) and \$28.2 million (FY27 for Hawaiian Culture, Natural Resources, Community and Planning.

Chair Paishon provided further commentary and called for a new motion. She asked Mr. Hannemann to recuse his motion. She said that the Ho'okahua committee must work hand in hand with staff to move what is in statute into implementation. That deserves a need-based budget. She fears that if they do not set up the agency and staff with the needed resources, they will be unable to deliver on the objectives and promises to Hawai'i. It is their responsibility to ensure this is all in place.

Chair Agas said she supports the staff, but they are heading into difficult times. She has to balance what they need to do. Mr. Hannemann removed his previous motion.

Chair Paishon asked for the new motion to be moved. Mr. Hannemann made a motion, and Ms. Iona seconded. Mr. Hannemann said they need to be cognizant of the fiscal situation. Still, he is also mindful that the HTA is responsible for the largest opportunity to generate revenues. Their purpose is to grow the economy, and they need to ask the staff what they need to get the necessary done. Ms. Agas said at the end of the day, she believes they are Ho'okahua and, as part of the HTA, submit a budget that they know they can work with and believe in. Their job is tough, and they need to do their best with what they get. Ms. Mendoza made the roll call. All said aye, except for Ms. Agas, who had reservations. The motion carried.

5. Discussion and/or Action on Fiscal Year 2025 Budget to Use BED 116 – Destination Management - DMAP Implementation funds for DMAP Planning

Ms. Anderson said the fiscal year budget of \$500,000 is for the DMAP implementation, but they need to write the plan before they can implement it. She requested that \$400,000 of that money be used for planning, gathering community input, feedback, facilitation, etc., to develop the plan. \$66,000 could be used for each plan, and they would get 6 DMAPs. She asked for the committee’s approval of the funds for this purpose. The input will feed the 6 DMAPs. Some can be put towards the Tourism Strategic Plan and the Tourism Functional Plan and meet some of the Tourism Governance recommendations.

Chair Paishon said nine plans will benefit from this effort. Chair Paishon asked for a motion. Ms. Iona made a motion, and Chair Paishon seconded. The motion passed unanimously.

6. Adjournment

Chair Paishon adjourned the meeting at 9:50 a.m.

Respectfully submitted,



Sheillane Reyes
Recorder