

Honolulu, Hawaii
February 5, 2015

RE: H.B. No. 775
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which
was referred H.B. No. 775 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to increase the economic
benefits realized from international student enrollment at
Hawaii's institutions of higher learning by appropriating funds to
the Department of Business, Economic Development, and Tourism for:

- (1) Marketing Hawaii and Hawaii's institutions of higher
learning to attract international students; and
- (2) Travel and other recruitment expenses related to the
marketing of Hawaii as an international education
destination.

The Chamber of Commerce of Hawaii testified in support of
this bill. The Department of Business, Economic Development, and
Tourism supported the intent of this measure.

Hawaii's unique history, optimal geographic placement between
the United States and Asia, and globally ranked programs of higher
education have all served as factors in establishing Hawaii as a
major destination of choice for international students seeking to
further their education. Over the past several years, however,
Hawaii has been losing ground to other states in the attraction of



international students, particularly students from Asia. According to the Chamber of Commerce of Hawaii, while the rest of the United States has experienced an approximately 13 percent growth in international student enrollment over the past three years, Hawaii has experienced an 11 percent decline over the same period.

While the Department of Business, Economic Development, and Tourism markets Hawaii as an educational location for overseas study, the breadth of this marketing strategy has been diminished from a lack of appropriate funding. As it is estimated by the Department that an increase of 10 percent in the number of international students studying in Hawaii would result in an approximate concomitant increase in state tax revenues of \$16,000,000, your Committee finds that it is prudent to appropriate funds to market Hawaii to international students as an educational destination.

Your Committee has amended this measure by changing the amount appropriated to the Department of Business, Economic Development, and Tourism for marketing and marketing related purposes from \$150,000 to an unspecified amount.

Should the Committee on Finance deliberate on this measure, your Committee respectfully requests that it consider appropriating \$150,000 for marketing Hawaii and Hawaii's institutions of higher learning to attract international students and costs associated with this marketing.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, H.D. 1, and be referred to the Committee on Higher Education.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



DEREK S.K. KAWAKAMI, Chair



