
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that, in 1989, the
2 legislature created the Hawaii small business innovation
3 research grant program under chapter 206M-15, Hawaii Revised
4 Statutes. Prior to 1989, there were two Hawaii small business
5 innovation research grant program-awarded companies, but since
6 1989, fifty-six Hawaii companies have won two hundred forty-five
7 small business innovation research grant program awards. These
8 grant program awards brought approximately \$56,500,000 in
9 federal small business innovation research grant program Phase I
10 and Phase II funds to Hawaii. In addition to these grants,
11 \$57,500,000 in Phase III small business innovation research
12 grant program commercialization contracts have been awarded to
13 Hawaii companies. According to the United States Department of
14 Agriculture, Hawaii companies have won the highest number of
15 United States Department of Agriculture small business
16 innovation research grant program awards per capita of any
17 state.



1 The legislature also finds that Hawaii's cumulative state
2 investment in the Hawaii small business innovation research
3 grant program of \$3,700,000 has a return ratio of 15:1 in
4 federal Phase I and II grants and 30:1 if the Phase III
5 commercial contracts are included.

6 The legislature further finds that, currently, the federal
7 small business innovation research grant program is a
8 \$2,000,000,000 program that encourages small businesses to
9 develop commercially viable technologies or innovations.
10 Organized as a competition, the federal small business
11 innovation research grant program allows small companies the
12 opportunity to test high-risk theories and develop innovative
13 technologies.

14 To compete for small business innovation research grant
15 program dollars, ten participating federal agencies issue
16 scheduled program solicitations seeking research and development
17 in their respective areas of interests, disciplines, and
18 missions. Federal departments and agencies, such as the
19 Departments of Agriculture, Commerce, Defense, Education,
20 Energy, Health and Human Services, Transportation, and Homeland
21 Security, the Environmental Protection Agency, National
22 Aeronautics and Space Administration, and the National Science



1 Foundation, are required to reserve a portion of their research
2 and development funds for small business innovation research
3 grant programs.

4 With new infrastructure and projects dedicated to the
5 development of Hawaii's biotechnology and life sciences
6 industry, the high technology development corporation proposes
7 to extend its existing small business innovation research grant
8 program to include a small business technology transfer program
9 to encourage small companies and researchers at nonprofit
10 research institutions, including research universities and
11 colleges, to work together to move laboratory developed
12 technologies to the marketplace and to foster technology-based
13 economic development. The following five federal departments
14 and agencies are required to reserve a portion of their research
15 and development funds for the small business technology transfer
16 program: the Departments of Defense, Energy, and Health and
17 Human Services, the National Aeronautics and Space
18 Administration, and the National Science Foundation. According
19 to program requirements, a minimum of forty per cent of each
20 small business technology transfer program project must be
21 carried out by the small business, and a minimum of thirty per



1 cent of the effort must be performed by the research
2 institution.

3 The legislature also finds that the high technology
4 development corporation proposes to increase the number of new
5 Hawaii technology companies applying for small business
6 innovation research and small business technology transfer
7 federal grant funds by expanding its existing Hawaii small
8 business innovation research program to include Phase 0
9 competition assistance grants. Phase 0 funds will be used to
10 overcome obstacles faced by technology companies when developing
11 competitive small business innovation research and small
12 business technology transfer proposals. Typical obstacles may
13 include:

- 14 (1) Determining whether a concept or idea is truly
15 innovative;
- 16 (2) Determining whether laboratory research is
17 appropriate; and
- 18 (3) Access to distant collaborators, including faculty,
19 researchers, and scientific writers.

20 These Phase 0 competition assistance grants will be available to
21 Hawaii companies developing a small business innovation research
22 or small business technology transfer program grant proposal.



1 The results will facilitate more competitive proposals and
2 assist Hawaii's growing high technology research and development
3 niche.

4 The purpose of this Act is to establish a small business
5 technology transfer program.

6 SECTION 2. Section 206M-15, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) The development corporation may provide grants not
9 exceeding the lesser of:

- 10 (1) Fifty per cent of the federal small business
11 innovation research phase I award or contract; [~~or~~]
- 12 (2) \$25,000 to each business in Hawaii that receives a
13 federal small business innovation research phase I
14 award or contract from any participating federal
15 agency[~~]~~;
- 16 (3) Up to \$25,000 to each business in Hawaii that receives
17 a federal small business technology transfer program
18 award or contract from any participating federal
19 agency; or
- 20 (4) Up to \$3,000 to each business in Hawaii that applies
21 for a small business innovation research federal grant



1 or small business technology transfer program federal
2 grant;

3 subject to the availability of funds."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.
7

INTRODUCED BY:

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JAN 25 2006



HB 3060

Report Title:

Small Business Technology Transfer Program; Established

Description:

Establishes a small business technology transfer program within the high technology development corporation.

