

STAND. COM. REP. NO.

1010

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1365
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1365, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE INNOVATION ECONOMY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Employees' Retirement System to have \$100,000,000 allocated for Hawaii venture capital investments, unless it is not prudent to do so; and
- (2) Appropriate funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.

The Employees' Retirement System (ERS), Economic Development Alliance of Hawaii, Applied Marine Solutions, Oceanit, and three individuals provided written comments on this measure.

Your Committee finds that increasing opportunities for Hawaii companies to attract venture capital is often critical to their survival and is certainly a strong contributing factor in successfully building a business. Your Committee has heard the concerns of the ERS, but believes that there is enough agreement by all parties on the importance of diversification and building economic sustainability in Hawaii.

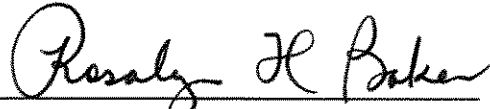


Your Committee has amended this measure for the purposes of continuing the discussion between the Legislature and the ERS, by:

- (1) Requiring the ERS to consider Hawaii venture capital investment opportunities, unless it is not prudent to do so; and
- (2) Specifying that the ERS system shall allocate an undesignated percentage of funds for Hawaii venture capital investments, unless it is not prudent to do so.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1365, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1365, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1365 SD1	Committee Referral: EDT, WAM	Date: 2/28/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul				/
TOTAL	10	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes