

Honolulu, Hawaii
Feb 5, 2008

RE: H.B. No. 2415
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 2415 entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

begs leave to report as follows:

The purpose of this bill is to help small businesses move their innovative ideas and new technology from concept to commercialization by improving the High Technology Development Corporation (HTDC) matching grant program. Specifically, this bill:

- (1) Removes the \$25,000 cap on matching grants to allow grants of up to 50 percent of moneys awarded to a small business by the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs;
- (2) Replaces the preference for STTR and SBIR awardees who have received an award for the first time in a fiscal year and who may be multiple grant recipients, with a preference for first-time-ever SBIR and STTR awardees; and
- (3) Allows HTDC to use its discretion as to whether it will request a transfer of funds from the Hawaii Capital Loan Revolving Fund when funds appropriated for grants do not satisfy all qualified requests.



HTDC and the Hawaii Aquaculture Association supported this bill. The Department of Business Economic Development, and Tourism supported the intent of this measure.

The HTDC matching grant program provides matching grants to small businesses who have been awarded federal SBIR and STTR Phase I awards, which allow businesses to explore the technical merit and feasibility of promising ideas or technology. When the matching grant program was created 19 years ago, the SBIR Phase I award was \$50,000, and the state matching grant maximum was \$25,000, or 50 percent of the SBIR award. Currently, SBIR Phase I awards average \$100,000 or more.

This measure removes the \$25,000 limit on grants for SBIR Phase I awardees, again allowing the maximum matching grant to be 50 percent of the SBIR award. The \$25,000 limit has also been removed for STTR awards, while the grant limit of 50 percent of the STTR award has been retained.

Your Committee has amended this bill by changing its effective date to July 1, 2034 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Finance.

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



KYLE T. YAMASHITA, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 130-08

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 2415	Committee Referral: EDB, FIN	Date: 1/31/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.				✓
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.	✓			
TOTAL (12)	10	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>_____ committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				