

HB 610



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
ABBEY SETH MEYER
Director, Office of Planning
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS
Monday, April 6, 2009
9:30 am
State Capitol, Conference Room 211

in consideration of
HB 610 HD 2 SD 1
RELATING TO SCIENCE AND TECHNOLOGY

Chair Kim, Vice Chair Tsutsui, and Members of the Senate Committee on Ways and Means.

The Office of Planning has concerns about House Bill 610, HD 2, SD 1 and offers amendments. This measure has been amended by replacing its contents with SB No 1195, SD 1. The bill amends the Hawaii State Planning Act, Chapter 226, HRS, to include references to science and technology initiatives in Hawaii. It also amends the Department of Business, Economic Development and Tourism's reporting requirement to the Legislature on the growth industries of Hawaii. Our testimony is confined to the amendments to Chapter 226, HRS.

This bill acknowledges and elevates the science and technology industry within the objectives and policies of the Hawaii State Plan.

The Department of Business, Economic Development and Tourism is working in collaboration with the Hawaii Statewide EPSCoR (Experimental Program to Simulate Competitive Research) Committee on the development of a Strategic Plan for Science and Technology in the State of Hawaii. A special sub-committee has been formed to prepare and complete this plan by the end of 2009. The plan will be submitted to the Legislature and Governor. The plan would provide the basis for amendments to Chapter 226, HRS. It may lead to a new section which would focus solely on science and technology similar to existing sections on agriculture, the visitor industry, federal expenditures and the information industry. Therefore, it may be premature to adopt these amendments at this time.

In addition, we have the following specific comments.

1. Section 2 amends Sec. 226-6, HRS, by deleting the following objective: “Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawaii’s people.” It substitutes an objective pertaining to defense, dual-use and science and technology assets. The objective pertaining to full employment, increased income and job choice and improved living standards is a worthwhile objective and we oppose its deletion.

Further, objective statements should be broad statements. Therefore, we recommend that the language on defense, dual-use and science and technology assets be added as a policy rather than an objective.

2. Section 4 amends Sec. 226-8, (b) (3) HRS, as follows: “[Improve] Utilize Hawaii’s strengths in science and technology to improve the quality of existing visitor destination areas. This changes the emphasis from improving the quality of visitor destination areas to utilizing science and technology in these improvements. We feel that it is important to improve the quality of visitor destination areas. We note that a similar bill SB 1195, SD 1, HD 1 uses the language: “Improve the quality of existing visitor destination areas by using Hawaii’s strengths in science and technology, and other means.” This language is more in keeping with the intent of the original language.
3. Section 5 amends Sec. 226-9 (b) (2), HRS, pertaining to promoting Hawaii’s supportive role in national defense by deleting the phrase “while remaining consistent with Hawaii’s social, environmental, and cultural goals” and adding language pertaining to dual use. We object to the deletion of consideration of Hawaii’s social, environmental, and cultural goals because these goals should be balanced with national defense goals to help protect Hawaii’s unique character and natural resources. An alternative would be to keep the original language while adding the new language to the end of the sentence.
4. Section 6 amends Sec. 226-10 (b) (1) HRS, in part by deleting the reference to employment. The policy now facilitates investment in potential growth activities but not employment in these activities (the term employment is deleted). We believe that both investment and employment should be facilitated and object to the deletion of the word employment.

Thank you for the opportunity to testify.

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON WAYS AND MEANS
Monday, April 06, 2009
9:30 AM
State Capitol, Conference Room 211

In consideration of
**HB 610 HD2 SD1 RELATING TO HIGH TECHNOLOGY DEVELOPMENT
CORPORATION.**

Chair Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

The High Technology Development Corporation (HTDC) supports the intent of SD1 which amends the Hawaii State Planning Act to include references to science and technology initiatives in Hawaii and amends the Department of Business, Economic Development, and Tourism's (DBEDT) reporting requirement to the legislature on the growth industries of Hawaii; and, defers to DBEDT with respect to additional reporting requirements.

HTDC also supported the intent of HB 610 which establishes a task force to develop the Hawaii State science and technology plan and appropriates funds to do so; however, because of the current economic and fiscal difficulties and based on work by various tech-related stakeholders including HTDC within the last 12 months, we offered the following comments which we offer to your committee as added information only:

(i) The State EPSCoR Office (Experimental Program to Stimulate Competitive Research) administered by the University of Hawaii has just begun the process of developing a Statewide Science and Technology Plan. **Attached is a copy of a joint testimony by the State EPSCoR Office, DBEDT, and HTDC before the House Finance Committee.** The joint testimony suggests "that the objectives of HB 610 HD1 can be met for the most part by an effort already underway by the recently established **Hawaii Statewide EPSCoR Committee's Special Sub-committee for development of a Science and Technology Strategic Plan for the State of Hawaii.** UH has taken the initiative to fast track a statewide science and technology plan because of the requirements of the National Science Foundation's (NSF) Experimental Program to Stimulate Competitive Research (EPSCoR) that EPSCoR grant recipients must align their programs with the science and technology plans of their state, as indicated in the most recent EPSCoR proposal solicitation:

Essential to EPSCoR's goal of enhancing the competitive position of jurisdictions' research and research-based education in science and engineering is a well-designed State-wide Science and Technology initiative or plan (S&T Plan). This S&T Plan establishes state-wide goals and objectives, and provides a framework that guides the jurisdiction's utilization of resources from EPSCoR and other stakeholders to achieve them."

The Statewide EPSCoR Committee, UH, DBEDT and HTDC respectfully requested that HB 610 be deferred until the results of the present effort can be presented to the Legislature for its consideration.

(ii) HTDC is completing a process with its consultant, a national best practices advisor on tech-based economic development together with the States Science and Technology Institute, an inventory of published reports and analysis with recommendations on how to structure a statewide plan.

(iii) Through a Grant-In-Aid from the legislature in 2007 to the HISciTech Council, and in collaboration with the DBEDT Research and Economic Analysis Division (READ), data is available on the status of innovation and technology in Hawaii, particularly with respect to Act 221/215. Further, it is our understanding the State Department of Taxation continues to evaluate metrics to reflect benefits and impacts on the tech industry, monitors and reports findings to the legislature on the effectiveness of these tax credits.

(iv) In testimony before the State House Finance Committee on HB 610, the Department of Education supported and recommended that the “task force incorporate the 2008 Hawaii Department of Education Educational Technology Plan into the new plan. In addition, the Department recommended that key department specialists in the areas of science, career and technical education, educational technology, and technology infrastructure be included as non-voting members of the task force to ensure alignment with or congruence with the Hawaii State Science and Technology plan.” This report has been listed in HTDC’s inventory as covered in item ii above and HTDC certainly supports DOE’s request for participation in the development of Hawaii State Science and Technology plan.

Thank you for the opportunity to submit testimony on HB610 SD1.

Attachment: Joint testimony before the House Committee on Finance dated March 2, 2009.