

HB 610

HD2

EDT

Date of Hearing: March 16, 2009

Committee: Senate Economic Development
and Technology

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. No. 610, H.D. 2 (HSCR 775) Relating to Science and
Technology

Purpose: Establishes a task force to develop the Hawaii state science and
technology plan. Appropriates funds. Effective July 1, 2020.

Department's Position: The Department supports H.B. No. 610, S.D. 2 (HSCR 775) which
establishes a task force to develop a Hawaii State Science and
Technology plan, as long as its implementation does not impact or
replace the priorities set forth in the Executive Biennium Budget for
Fiscal Year 2009-2010. The task force will outline goals and an
implementation timeline for the future planning of the science and
high technology sector in our state.

The Department recommends that the task force incorporate the 2008
Hawaii Department of Education Educational Technology Plan into
the new plan. In addition, the Department recommends that key
department specialists in the areas of science, career and technical
education, educational technology, and technology infrastructure be
included on the task force to align the Department's standards based
education efforts with the Hawaii State Science and Technology plan.
The Department asks that the statement in section 2d, "The task force
shall submit a report, including the Hawaii state science and
technology plan pursuant to this section, to the legislature no later than
20 days prior to the convening of the regular session in 2011," be
revised to reflect the start date of July 1, 2020.

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Monday March 15, 2009
1:15 PM
State Capitol, Conference Room 016

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

Chair Fukunaga, Vice Chair Baker and Members of the House Committee on Economic Development and Technology.

The High Technology Development Corporation (HTDC) supports the intent of this measure 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 would like to offer the following comments:

(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 HD1 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 HD1, 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.

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



A Program Administered by the University of Hawai'i System

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Chair Oshiro, Vice Chair Lee, and Members of the Committee.

This testimony represents the joint statement of the Statewide EPSCoR Committee (EPSCoR), the University of Hawaii (UH), the Department of Business, Economic Development, and Tourism (DBEDT), and the High Technology Development Corporation (HTDC) on HB 610 HD1, which would establish a task force to develop the Hawaii state science and technology plan. We all support the intent of HB 610 HD1, and recognize the importance of developing a statewide plan for furthering the development of Hawaii's science and technology industry sectors, including the advancement of the research and development capacity of the State's institutions of higher learning.

We would like to respectfully suggest that the objectives of HB 610 HD1 can be met in 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."

Through the NSF EPSCoR program, Hawaii has received over \$35M in direct and co-funded support since 2001. Currently the UH has two EPSCoR proposals under consideration by NSF: a Research Infrastructure Improvement proposal for \$4 million per year for five years (\$20 million total) and a \$2 million per year for three years (\$3 million to Hawaii) cyberinfrastructure partnership proposal with the University of Alaska. These proposals included the Hawaii Statewide EPSCoR Committee's commitment to spearhead the development of a statewide S&T plan.

The Subcommittee is co-chaired by Dr. Michael Crosby, Executive Director of the National Science Board who is currently on loan to the University of Hawaii at Hilo, serving as the Interim Vice Chancellor for Research. The other co-chairs are Kevin Kelly, UH System Managing Director for the EPSCoR grant from the National Science Foundation, and Elizabeth Corbin, Manager of DBEDT's Science & Technology Branch. The Subcommittee includes representatives from industry, academia and government. As list of the members of the

Statewide EPSCoR Committee, the members of the Subcommittee for the S&T plan, and stakeholders who have indicated interest in participating in the planning process is attached.

The stated mission of the Subcommittee is to interface with the Legislature, the Governor's Office, the STEM research, education, and economic development communities, the S&T industry and other stakeholders, as well as identify best practices from other states, to deliver a completed draft plan to the Statewide EPSCoR Committee by October, 2009. The intent is to present an approved plan to the Legislature and the Governor in time for action to be taken during the 2010 Legislative Session, perhaps including amendment of Chapter 226, Session Laws of Hawaii, to include policies for S&T in the Hawaii State Plan.

Finally, we would like to address the specific tasks described in HB 610 HD1. The first task requires and evaluation of the effectiveness of past and current science and high technology legislation, including legislation relating to industry development, incentives, oversight, and sustainability. The intent of the Subcommittee is to review previous plans and reports and this effort will be greatly facilitated by an effort underway by HTDC to synthesize the data and recommendations from prior work in this area. We will also take into consideration recent and current work being done, such as the report by the Hawaii Science & Technology Council on Hawaii's S&T sectors and the Hawaii Statewide Comprehensive Economic Development Strategy currently being updated by the Office of Planning.

We do, however, believe that this Subcommittee is not the right body to undertake a review of the effectiveness of the tax incentives. That is under consideration by other groups more equipped to deal with the complexities of the issues. We also believe that the Subcommittee can include a discussion of the usefulness and need for incentives as matters of policy without making specific recommendations on the details of the incentives.

The second task, the development of the S&T plan, closely reflects the mission of the Subcommittee and Tasks 3 and 4 would be natural follow-on activities to the development of the plan. The Subcommittee envisions a plan that would identify priorities and recommendations that would provide the policy framework for specific implementation plans.

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

Thank you for the opportunity to offer these comments.

Hawaii Statewide EPSCoR Committee

Dr. Rose	Tseng	CO-CHAIR, Chancellor, UH Hilo
Mr. Maurice	Kaya	CO-CHAIR, Technical Director, Pacific International Center for High Technology Research
Ms. Amy	Asselbaye	Deputy Chief of Staff, Congressman Neil Abercrombie
Dr. Dan	Brown	Coordinator of Research and Graduate Studies, UH Hilo
Dr. Phillip	Castile	Vice Chancellor for Academic Affairs, UH Hilo
Rep. Jerry	Chang	Hawaii State Legislature
Ms. Terrilani	Chong	NSF Hawai'i EPSCoR
Mr. David	Cole	President, Maui Land & Pineapple Co., Inc.
Ms. Jill	Cooper	Senior Policy Advisor to the Governor
Dr. Michael	Crosby	Interim Vice Chancellor for Research, UH Hilo
Dr. Peter	Crouch	Dean, College of Engineering, UH Manoa Vice Chancellor for Academic Affairs, Hawaii Community College
Mr. Douglas	Dykstra	Director, Hawaii Space Flight Lab
Dr. Luke	Flynn	Hawaii State Legislature
Sen. Carol	Fukunaga	Vice President for Research , UH System
Dr. James	Gaines	President, Hawaii Science and Technology Council
Ms. Lisa	Gibson	Hawaii Chief of Staff, Senator Daniel Inouye
Ms. Jennifer	Goto-Sabas	Natural Sciences Department Chair, UH Hilo
Dr. Leon	Hallacher	Kamehameha Schools Land Assets Division
Mr. Neil	Hannahs	Project Director, West Virginia EPSCoR
Dr. Paul	Hill	Exec. Director, Hawaii Island Economic Development Board
Ms. Jacqui	Hoover	Assoc. Director, Social Science Research Institute, UH Manoa
Dr. Judith	Inazu	NSF Hawai'i EPSCoR
Dr. Kenneth	Kaneshiro	Oceanography Department, UH Manoa
Dr. David	Karl	Chair, Dept. of Ed. Rsch, Tech. & Leadership, Univ. of Central Florida
Dr. Conrad	Katzenmeyer	Inst. Dir & Rsch. Ecologist, Institute of Pacific Islands Forestry
Dr. Boone	Kauffman	CEO, Nextlabs, Inc.
Dr. Alec	Keith	Managing Director for NSF EPSCoR grant, UH System
Mr. Kevin	Kelly	Chair, UH Board of Regents
Mr. Al	Landon	District Director, Congresswoman Mazie Hirono
Ms. Yvonne	Lau	Director, Dept. of Business, Economic Development & Tourism
Mr. Ted	Liu	Hawaii State Legislature
Rep. Mike	Magaoay	University Connections
Mr. Keith	Mattson	President, University of Hawaii System
Dr. David	McClain	Center Director, Pacific Islands Ecosystems Research Center
Dr. Loyal	Mehrhoff	CEO, High Technology Development Corporation
Ms. Yuka	Nagashima	Vice Chancellor, Research and Graduate Education , UH
Dr. Gary	Ostrander	

			Manoa
Dr.	Donald	Price	NSF Hawai'i EPSCoR
Dr.	Richard	Rocheleau	Director, Hawaii Natural Energy Institute, UH Manoa
Sen.	Norman	Sakamoto	Hawaii State Legislature
Ms.	Jeanne	Skog	President and CEO, Maui Economic Development Board
Dr.	Karl	Stahlkopf	Chief Technical Officer, Hawaiian Electric Company Vice President for Business Development, Enterprise Honolulu
Mr.	John	Strom	Honolulu
Sen.	Dwight	Takamine	Hawaii State Legislature
Ms.	Carolyn	Tanaka	Assoc. VP, External Affairs & Univ. Relations, UH System
Rep.	Glenn	Wakai	Hawaii Legislature
Mr.	David	Watumull	CEO, Cardax Pharmaceuticals, Inc.
Dr.	Lon	White	Pacific Health Research Institute
Ms.	Leslie	Wilkins	Vice President, Maui Economic Development Board
Ms.	Kay	Yamada	High Technology Development Corporation

EPSCoR Subcommittee to Develop a Statewide Science & Technology Plan

Dr.	Michael	Crosby	CO-CHAIR, Interim Vice Chancellor for Research, UH Hilo
Mr.	Kevin	Kelly	CO-CHAIR, Managing Dir., NSF EPSCoR grant, UH System
Ms.	Elizabeth	Corbin	CO-CHAIR, Manager, DBEDT Science & Technology Branch
Ms.	Lisa	Gibson	President, Hawaii Science and Technology Council
Mr.	Neil	Hannahs	Kamehameha Schools Land Assets Division
Mr.	Karl	Hess	Hawaii Innovation Council
Ms.	Jacqui	Hoover	Exec. Director, Hawaii Island Economic Development Board
Ms.	Mary Lou	Kobayashi	Planning Program Administrator, Hawaii Office of Planning
Ms.	Yuka	Nagashima	CEO, High Technology Development Corporation
Mr.	Robert	Shore	Chief, DBEDT Economic Information Staff Vice President for Business Development, Enterprise Honolulu
Mr.	John	Strom	Honolulu
Ms.	Leslie	Wilkins	Vice President, Maui Economic Development Board
Ms.	Mattie	Yoshioka	President, Kauai Economic Development Board

Stakeholders Attending an S&T Plan Meeting in September 2008 (not including those already listed above who attended)

Mr.	Alex	McGehee	
Ms.	Alicia	Maluafiti	Exec. Director, Hawaii Crop Improvement Association
Ms.	Ann	Park	Licensing Associate, OTTED, UH System
Mr.	Bob	Franco	Dir., Planning & Grants, Kapiolani Community College
Mr.	Boyd	Mossman	Trustee, Office of Hawaiian Affairs
Mr.	Chuck	Jones	Booz Allen Hamilton
Mr.	David	Lassner	VP for Information Technology, UH System

Mr.	Ian	Kitajima	Oceanit and Chair, Dual Use Committee
Mr.	Jay	Fidel	Hawaii Venture Capital Association
Dr.	Jerris	Hedges	Dean, School of Medicine, UH Manoa
Dr.	John	Rand	Director of STEM Programs, Kapiolani Community College
Mr.	Jon	Kuriyama	General Manager/General Counsel, Oceanit
Mr.	Kirk	Belsby	VP for Endowment, The Kamehameha Schools
Ms.	Laura	Thielen	Director, Dept. of Land and Natural Resources
Mr.	Mark	McGuffie	Director, Hawaii Island Economic Development Board (then)
Mr.	Mike	Fitzgerald	President, Enterprise Honolulu
Dr.	Mike	Rota	Acting Chancellor, Honolulu Community College
Ms.	Pearl	Iboshi	Administrator, DBEDT Research & Economic Analysis Div.
Ms	Rachel	Ogdie	Executive Director, HiBEAM
Mr.	Richard	Hess	Technical Director, CEROS
Ms	Sandra	Kunimoto	Director, Department of Agriculture
Mr.	Shan	Steinmark	Founder, Strategic Transitions Research



DATE

HB610 HD2: Relating to Science and Technology

DATE: March 16, 2009

TIME: 1:15pm

PLACE: Conference Room 016

TO: Senate Committee on Economic Development and Technology
Senator Carol Fukunaga, Chair
Senator Rosalyn H. Baker, Vice Chair

FROM: Lisa Gibson
President
Hawaii Science & Technology Council

RE: Testimony In Opposition to HB610 HD2

Aloha Chair, Vice Chair, and Members of the Committee,

Thank you for the opportunity to testify on this bill. The Hawaii Science & Technology Council (HISciTech) opposes HB610 HD2. While we appreciate the changes reflected in HD2 we remain strongly opposes HB610 HD2. This bill would empower DBEDT and HTDC to evaluate Act 221. HISciTech does not support empowering DBEDT or HTDC to evaluate Act 221/215. Act 206 already requires that the Department of Taxation provide an annual review of Act 221/215. We do not support empowering DBEDT to have access to confidential tax returns rather we support that the jurisdiction remain with DoTax.

With regard to conducting a science and technology plan for the state, we support the intent and need for a science and tech plan for the state. However, we do not support that either DBEDT or HTDC administer this process. Rather, we support the EPSCoR process already underway under the leadership of the University of Hawaii.

The Hawaii Science & Technology Council (HISciTech) is a 501(c)6 industry association with a 28-member board. HISciTech serves Hawaii companies engaged in ocean sciences, agricultural biotechnology, astronomy, defense aerospace, biotech/life sciences, information & communication technology, energy, environmental technologies, and creative media.

Sincerely,

Lisa H. Gibson
President
Hawaii Science & Technology Council
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