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# A BILL FOR AN ACT

RELATING TO THE HI GROWTH INITIATIVE.

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

1           SECTION 1. The legislature finds that the State has a  
2 public interest in diversifying our economy and promoting the  
3 development of high-growth, entrepreneurial businesses. Job  
4 creation is at the top of every state's policy agenda. Recent  
5 reports from the National Governors Association have highlighted  
6 the importance of focusing on fostering an entrepreneurial  
7 environment and supporting high-growth businesses as a proven  
8 approach to creating high-wage jobs.

9           Successful economic development outcomes in other states  
10 have demonstrated the effectiveness of a comprehensive state-  
11 level program that can engage an entrepreneurial ecosystem to  
12 support the continuum of entrepreneurialism, commercialization,  
13 and business formation capabilities needed to foster high-growth  
14 businesses. This comprehensive program must have the input and  
15 support from the key stakeholders in the entrepreneurial  
16 ecosystem: private industry, investors, the universities, and  
17 government. Finally, this comprehensive program must have



1 sufficient resources to provide the pace and scale of investment  
2 needed to make the program transformative.

3 This Act provides a \$6,000,000 appropriation to the Hawaii  
4 strategic development corporation to implement an investment  
5 program, the HI growth initiative, that will be used to catalyze  
6 and leverage key entrepreneurial initiatives that private  
7 industry and the University of Hawaii are pursuing  
8 independently.

9 This program builds on the Hawaii strategic development  
10 corporation's previous experience managing the State's venture  
11 capital investment program, the follow-on funding program, the  
12 venture accelerator funding program funded by the legislature in  
13 the previous fiscal year (Act 170, Session Laws of Hawaii 2012)  
14 and the venture fund of funds investment program funded by the  
15 United States Department of the Treasury's State Small Business  
16 Credit Initiative.

17 The financing resources provided by this Act will allow the  
18 Hawaii strategic development corporation to implement  
19 initiatives structured to mobilize and attract entrepreneurial  
20 talent and private capital to Hawaii's high-growth business  
21 opportunities. This will allow the State to leverage and



1 benefit from the resources and business acumen of the private  
2 sector.

3 There are three important objectives of the HI growth  
4 initiative:

5 (1) Support the establishment of an entrepreneurial  
6 ecosystem that will provide mentoring, collaboration,  
7 and funding opportunities for Hawaii entrepreneurs to  
8 establish and scale their business ventures;

9 (2) Actively partner research commercialization activities  
10 with state and private-industry programs to establish  
11 high-growth businesses; and

12 (3) Network Hawaii's high-growth businesses into the  
13 broader universe of mainland and international  
14 investment funds active in the sectors important to  
15 Hawaii.

16 In this way, Hawaii entrepreneurs will be able to  
17 commercialize their intellectual property, access business  
18 mentors and customers to start their businesses, network with  
19 global investors to benefit from the domain expertise of  
20 experienced investors, and gain access to follow-on capital for  
21 expansion.



1 The purpose of this Act is to provide the funding and  
2 coordination necessary to implement the recommendations of the  
3 governor's New Day Plan to reinvigorate state efforts to fuel an  
4 innovation economy and advance research innovation and  
5 commercialization. These recommendations are supported by the  
6 final report from the University of Hawaii's innovation council  
7 and by an overview of Hawaii's innovation economy by the high  
8 technology development corporation.

9 SECTION 2. Chapter 211F, Hawaii Revised Statutes, is  
10 amended by adding a new section to be appropriately designated  
11 and to read as follows:

12 **"§211F- HI growth initiative; report to legislature.**

13 The corporation shall submit a report to the legislature no  
14 later than twenty days prior to the convening of the regular  
15 session of 2014 and annually thereafter on the specific annual  
16 outcome achieved through the activities and expenditures of the  
17 HI growth initiative."

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$6,000,000 or so much  
20 thereof as may be necessary for fiscal year 2013-2014 for an  
21 investment program to develop and strengthen the core  
22 capabilities of entrepreneurialism, commercialization, and



1 business formation in order for Hawaii to develop globally  
2 competitive high-growth companies.

3 The sum appropriated shall be paid into the Hawaii  
4 strategic development corporation revolving fund created under  
5 section 211F-5, Hawaii Revised Statutes.

6 SECTION 4. New statutory material is underscored.

7 SECTION 5. This Act, upon its approval, shall take effect  
8 on July 1, 2013.



**Report Title:**

Hawaii Strategic Development Corporation; HI Growth Initiative

**Description:**

Appropriates funds to the Hawaii Strategic Development Corporation for the HI Growth Initiative, an investment program to develop an ecosystem to support high-growth entrepreneurial companies in the State. Requires report to Legislature. Appropriation. Effective July 1, 2013. (HB858 CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

