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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 \$ 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 are pursuing independently.

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

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



1        There are three important objectives of the HI growth  
2 initiative:

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

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

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

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

20       The purpose of this Act is to provide the funding and the  
21 coordination to implement the recommendations of the governor's  
22 New Day Plan to reinvigorate state efforts to fuel an innovation



1 economy and advance research innovation and commercialization.  
2 These recommendations are supported by the final report from the  
3 University of Hawaii's innovation council and by an overview of  
4 Hawaii's innovation economy by the high technology development  
5 corporation.

6 SECTION 2. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so  
8 much thereof as may be necessary for fiscal year 2013-2014 and  
9 \$ or so much thereof as may be necessary for fiscal  
10 year 2014-2015 for an investment program to develop and  
11 strengthen the core capabilities of entrepreneurialism,  
12 commercialization, and business formation in order for Hawaii to  
13 develop globally competitive high-growth companies; provided  
14 that \$ in each fiscal year shall be reserved and  
15 expended for program development, program management, and  
16 oversight of program awardees.

17 The sums appropriated shall be paid into the Hawaii  
18 strategic development corporation revolving fund created under  
19 section 211F-5, Hawaii Revised Statutes.

20 SECTION 3. There is appropriated out of the Hawaii  
21 strategic development corporation revolving fund the sum of



1 \$ or so much thereof as may be necessary for fiscal  
2 year 2013-2014 and \$ or so much thereof as may be  
3 necessary for fiscal year 2014-2015 for the purposes of the  
4 fund.

5 The sums appropriated shall be expended by the Hawaii  
6 strategic development corporation for the purposes of this Act.

7 SECTION 4. The Hawaii strategic development corporation  
8 shall submit a report to the legislature no later than twenty  
9 days prior to the convening of the regular session of 2014 and  
10 annually thereafter on the specific annual outcome achieved  
11 through the activities and expenditures of the HI growth  
12 initiative.

13 SECTION 5. This Act, upon its approval, shall take effect  
14 on July 1, 2030.



**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. Appropriation. Effective July 1, 2030. (HB858 HD1)

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

