
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 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 \$ or so
 20 much thereof as may be necessary for fiscal year 2013-2014 and
 21 \$ or so much thereof as may be necessary for fiscal
 22 year 2014-2015 for an investment program to develop and



1 strengthen the core capabilities of entrepreneurialism,
2 commercialization, and business formation in order for Hawaii to
3 develop globally competitive high-growth companies; provided
4 that \$ in each fiscal year shall be reserved and
5 expended for program development, program management, and
6 oversight of program awardees.

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

10 SECTION 4. There is appropriated out of the Hawaii
11 strategic development corporation revolving fund the sum of
12 \$ or so much thereof as may be necessary for fiscal
13 year 2013-2014 and \$ or so much thereof as may be
14 necessary for fiscal year 2014-2015 for the purposes of the
15 fund.

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

18 SECTION 5. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2030.



Report Title:

Hawaii Strategic Development Corporation; HI Growth Initiative

Description:

Appropriates funds to the HSDC 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 7/1/2030. (SD1)

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