



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION

Written Statement of

Karl Fooks
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

February 12, 2013

9:00 AM

State Capitol, Conference Room 312

In consideration of
HB 1463 RELATING TO TECHNOLOGY

Chair Tsuji, Vice Chair Ward and Members of the Committee on Economic Development & Business:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits comments on **HB 1463**, legislation appropriating funds to the High Technology Development Corporation (HTDC) to attract out-of-state software and high technology workers to the state.

The state needs to invest in the expansion of its innovation and creative industries. Access to qualified software programmers and high technology workers is an important aspect of that investment. More importantly, we need to invest in the infrastructure that will facilitate the establishment of high growth businesses that can employ these workers.

HTDC has implemented several outreach and recruitment efforts in recent years and continued funding for these programs is essential. This funding should not be in the form of loans as the early stage technology companies are not good credit risks and the cost of administering a loan program would make the effort uneconomic.

The objective of HB 1463 is to promote economic development in the State. Incentivizing out-of-state workers to relocate to Hawaii alone will not accomplish this objective. We recommend the Committee also consider a comprehensive policy that supports the continuum of entrepreneurialism, commercialization and business formation capabilities needed to foster high growth businesses. As part of an entrepreneurial ecosystem, a technology worker recruitment program can be effective in creating sustainable high wage jobs.

Thank you for the opportunity to submit testimony on this bill.



February 11, 2013

TO: House Committee on Economic Development & Business
The Honorable Clift Tsuji, Chair
The Honorable Gene Ward, Vice Chair

RE: Testimony In Support of HB1463

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

Thank you for the opportunity to testify in support of HB1463. NetEnterprise is a Hawaii-based network services integrator with 40 employees. We believe our local economy must keep pace with the rest of the nation and world in order for our state to be a viable and enjoyable place to live. Our remote location and limited natural resources have always made it difficult to develop a large scale, sustainable industry. High technology is immune to both of those limitations; however requires an adequate pool of qualified technology professionals. The so-called 'brain-drain' that has been occurring for decades has made sustaining this pool extremely difficult, which in turn has been one of the most significant stumbling blocks to building a thriving high-technology industry in Hawaii.

House Bill 1463 is a laudable effort to reverse this exodus of qualified high technology professionals. For this reason, I urge the committee to approve this measure.

Should you have any questions, please do not hesitate to contact me at 808-441-5000. Thank you for the opportunity to submit written testimony.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Toth".

J. Toth
CEO

JT:cmp