

Statement of
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before the
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, GOVERNMENT
OPERATIONS & HOUSING AND TECHNOLOGY AND THE ARTS**
Wednesday, February 6, 2013
3:30 PM
State Capitol, Conference Room 016
In consideration of

SB 1234 RELATING TO ECONOMIC DEVELOPMENT.

Chairs Dela Cruz and Wakai, Vice Chairs Slom and Nishihara, and Members of the Committees on Economic Development, Government Operations & Housing and Technology and the Arts.

The High Technology Development Corporation (HTDC) and High Technology Innovation Corporation (HTIC) would like to submit testimony in **support** of deleting the repeal of the High Technology Innovation Corporation and support the intent of exemption from the public procurement code.

In 2005, The High Technology Innovation Corporation (HTIC) was created by the Hawaii State Legislature as a 501(c)(3) public not-for-profit corporate body, to facilitate the growth and development of the commercial high technology industry in Hawaii.

The not-for-profit structure was envisioned to facilitate public private partnerships, federal and state funding of high technology programs, and identifying other funding resources. The structure offers great financial leverage to HTDC and the State of Hawaii government. In particular, the State government saw it as a vehicle to receive donations from the private sector to leverage the tax deductible status.

The not-for-profit structure is a model that has been successfully utilized by other states to support technology based economic development. The HTIC currently has a voluntary moratorium on all activities amidst well documented legislative concerns about its effective use.

While HTDC does not have any immediate plans to utilize the HTIC, it does not cost the state any money to maintain and it provides a potential public private funding opportunity for the State to fund high technology economic development programs. Creating a replacement for HTIC takes a fair amount of time and requires a lot of education and political support. Adding an exemption from Chapter 103D public procurement could facilitate more public private funding opportunities.

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