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## A BILL FOR AN ACT

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

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

1           SECTION 1. The legislature finds that the high technology  
2 development corporation is a key agency in developing the  
3 technology industry in the State. Assisting startup technology  
4 companies and supporting the local talent pipeline are part of  
5 that effort. Internships have proven an effective way to  
6 introduce talent to careers in the technology industry and  
7 provide startup companies with resources to help them grow to  
8 the next level. Growing local talent is imperative to achieve  
9 the high technology development corporation's goal of creating  
10 eighty thousand new technology and innovation jobs earning more  
11 than \$80,000 per year by 2030.

12           SECTION 2. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$250,000 or so much  
14 thereof as may be necessary for fiscal year 2016-2017 for the  
15 provision of technology internship grants, and the development  
16 of programs to further the pipeline of talent in Hawaii for  
17 technology fields, which may include skills assessment, program



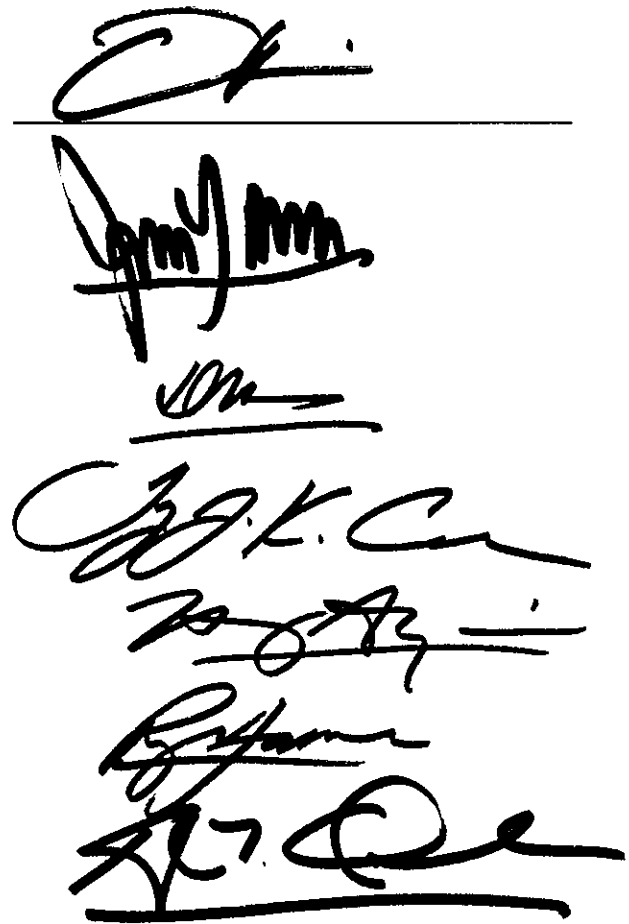
1 development, seminars, and training; provided that no grant  
2 shall exceed \$2,500 per intern and no company shall receive more  
3 than \$5,000 per year.

4 The sum appropriated shall be expended by the high  
5 technology development corporation for the purposes of this Act.

6 SECTION 3. This Act shall take effect on July 1, 2016.

7

INTRODUCED BY:



JAN 25 2016



# H.B. NO. 2264

**Report Title:**

High Technology Development Corporation; Internship Grants;  
Local Workforce Development; Appropriation

**Description:**

Makes an appropriation to the high technology development corporation for the provision of technology internship grants and development of programs to support the local talent pipeline for the technology industry.

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





Statement of  
**Robbie Melton**  
Executive Director & CEO  
High Technology Development Corporation  
before the  
**House Committee on Economic Development & Business**  
Tuesday, February 2, 2016  
9:00 a.m.  
State Capitol, Conference Room 312

In consideration of  
**HB2264**  
**RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Kawakami, Vice Chair Kong, and Members of the Committee on Economic Development and Business.

The High Technology Development Corporation (HTDC) **supports with requested amendments** HB2264 that makes an appropriation to the High Technology Development Corporation for the provision of technology internship grants and development of programs to support the local talent pipeline for the technology industry.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at strengthening the local talent pipeline for the technology industry. The bill requests HTDC to provide grants which would require more specific language to implement. HTDC instead recommends the following changes to Section 2 of the bill which would clarify that the funding provided would be specific to funding internships and for HTDC to develop programs.

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2016-2017 to fund technology internships and the development of programs to further the pipeline of talent in Hawaii for technology fields, which may include skills assessment, program development, seminars, and training; provided that no intern shall receive more than \$2,500 per year and no company shall receive more than \$5,000 per year for this purpose.”

Thank you for the opportunity to offer these comments.



HAWAII  
STRATEGIC  
DEVELOPMENT  
CORPORATION

Written Statement of

**KARL FOOKS**  
**President**

Hawaii Strategic Development Corporation

Before the  
**COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS**

**February 2, 2016**  
**9:00 AM**

**State Capitol, Conference Room 312**

In consideration of  
**HB 2264 RELATING TO DEVELOPMENT**

Chair Kawakami, Vice Chair Kong, and Members of the Committee on Economic Development and Business:

The Hawaii Strategic Development Corporation (HSDC) supports HB2264, a bill that establishes a program to provide technology internship grants to companies. HSDC supports this bill provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget.

Over the past several years HSDC has implemented a state economic development program called the HI Growth Initiative. HI Growth has focused on supporting the broad entrepreneurial and startup ecosystem by supporting private sector efforts to invest in the infrastructure, talent and capital needs of the innovation sector. This bill would contribute to the development of the pipeline of talent critical for the success of this effort.

HI Growth helped in the establishment of 6 Hawaii-based venture capital investment funds, mobilizing over \$50 million of investment capital for Hawaii businesses to access. All these funds have 50% or greater of their capital from private sector investors. Each of these funds is managed by private sector teams that have some background in startups, technology or investing. The establishment of these funds and their investment activity has attracted the participation of Hawaii and Mainland angel investors, Hawaii institutional investors, Hawaii corporate investors and Mainland VC investment funds in Hawaii's startup ecosystem.

Three of these funds support accelerator programs that help Hawaii entrepreneurs develop their business skills, launch new businesses, attract new businesses to come to Hawaii to startup, and provide an early stage investment pipeline for investors. These accelerators have helped to retain and attract talented entrepreneurs pursuing opportunities in the tourism, agriculture, clean tech, film and media content, and health care industries.

The other investment funds represent efforts to support research commercialization at the UH and later stage investment capital for companies looking to grow and scale. Importantly, these funds also provide opportunities for a new generation of Hawaii based fund managers to cut their teeth and build track records that will allow them to attract more capital to Hawaii in the future.

HSDC also is a significant sponsor of events that help Hawaii entrepreneurs and investors interact with counterparts from Asia Pacific (East Meets West), Silicon Valley (MaiTai Maui Tech Night) and Hollywood (GVS All Access). HI Growth also supports Startup Weekends, pitch events and seminars that bring experts from other regions that have had success building innovation communities. These activities are important to educate and inspire Hawaii's entrepreneurs and help them find collaborators that can help them create successful businesses.

Finally, HI Growth has also begun to look at gigabit enabled coworking spaces as a key infrastructure piece of the innovation community and is experimenting with models to see how the establishment of these innovation hubs could make Hawaii retain and attract successful startups.

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



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Economic Development & Business  
Tuesday, February 2, 2016 at 9:00 A.M.  
Conference Room 312, State Capitol**

**RE: HOUSE BILL 2264 RELATING TO THE HIGH TECHNOLOGY  
DEVELOPMENT CORPORATION**

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 2264, which makes an appropriation to the high technology development corporation for the provision of technology internship grants and development of programs to support the local talent pipeline for the technology industry.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

This bill is a key strategy that can provide the local technology industry with resources to offer local talent resources to stay in Hawaii. Many of Hawaii's talent end up leaving the islands to pursue jobs and opportunities that are more plentiful in the mainland. This bill would meet the demand for more opportunities and jobs for growing talent in the technology industry so that they will pursue what we can offer them here.

Thank you for the opportunity to testify.