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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 high technology development corporation is  
2 a key state agency in developing and supporting an innovation  
3 industry in the state. In 2015, the legislature established  
4 both funding and changes to a small business innovation research  
5 program within the corporation. The legislature believes that  
6 continuation of the program is important in supporting this  
7 industry.

8           SECTION 2. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$1,000,000 or so much  
10 thereof as may be necessary for fiscal year 2016-2017 for the  
11 small business innovation research program, including  
12 operational expenses.

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



# H.B. NO. 2668

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

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INTRODUCED BY:

[Signature]

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[Signature]

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JAN 27 2016



# H.B. NO. 2668

**Report Title:**

HTDC; Small Business Innovation Research Program; Appropriations

**Description:**

Appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

*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 9, 2016  
9:00 a.m.  
State Capitol, Conference Room 312

In consideration of  
**HB2668**  
**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** HB2668 that appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

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 promoting technology and innovation jobs. HTDC has been providing matching grants to SBIR awarded companies since 1989. For every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. Last year, through Act 216, the legislature appropriated \$2 million to expand the Hawaii SBIR program. HTDC has prepared the amended rules for the grant program, completed all of the steps required by Administrative Directive 09-01 including conducting a public hearing, and awaiting Governor's final approval to adopt the rules to expand the program.

HTDC anticipates awarding all of the fiscal year 2015-2016 appropriated funds. From the SBIR.gov award database, there are more federal Phase II SBIR award winning projects eligible for matching grant than available funds. Over time, the expanded program is anticipated to generate the same type of metrics of success as the Phase I only matching program. However, funding for grant awards after June 30, 2016 is not available. HTDC believes this program provides leverage and positive economic development value for the State by supporting projects with vetted technology and backed with federal funds.

Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII  
*The Voice of Business*

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

**RE: HOUSE BILL 2668 RELATING TO THE HIGH TECHNOLOGY  
DEVELOPMENT CORPORATION**

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2668, which appropriates funds to continue the Small Business Innovation Research Program within the High Technology Development Corporation.

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.

The High Technology Development Corporation (HTDC) has offered assistance to SBIR awarded companies since 1989; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every dollar invested through this program. Although the federal SBIR grant program has increased efforts to move companies through grant awards to commercial product sales, funds have not been dedicated towards these efforts. HB 2668 would allow HTDC to provide the necessary support of a commercialization assistance program.

Thank you for the opportunity to testify.