
A BILL FOR AN ACT

RELATING TO TECHNOLOGY.

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

1 SECTION 1. Act 216, Session Laws of Hawaii 2015, is
2 amended by amending section 3 to read as follows:

3 "SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$2,000,000 or so much
5 thereof as may be necessary for fiscal year 2015-2016 for the
6 purposes of providing grants and loans for phases II and III
7 awards[-]; provided that this appropriation shall not lapse at
8 the end of fiscal year 2015-2016; provided further that all
9 moneys that are unencumbered as of June 30, 2017, shall lapse as
10 of that date.

11 The sum appropriated shall be expended by the department of
12 business, economic development, and tourism for the purposes of
13 this Act."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on June 29, 2016.

17



Report Title:

Small Business Innovation Research Awards; High Technology
Development Corporation; Appropriation

Description:

Requires that the fiscal year 2015-2016 appropriation to DBEDT
for HTDC to provide grants to businesses with a federal small
business innovation research phase II or III award shall lapse
by 6/30/2017 and not at the end of fiscal year 2015-2016. Takes
effect 6/29/2016. (SD1)

*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
Thursday, March 17, 2016
10:00 a.m.
State Capitol, Conference Room 312

In consideration of
SB3110 SD1
RELATING TO TECHNOLOGY.

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

The High Technology Development Corporation (HTDC) **supports the intent of SB3110 SD1** that extends the appropriation to HTDC to provide grants to businesses with a federal small business innovation research (SBIR) phase II or III award through fiscal year 2016-2017.

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 to include companies winning SBIR phase II and phase III awards. And in February 2016, Governor Ige approved the administrative rules to expand the program.

HTDC anticipates awarding all of the fiscal year 2015-2016 appropriated funds. Currently we already have received 6 Phase II applications requesting \$2.4 million state match for \$6.6 million of Federal SBIR awards. We anticipate 3 more applications in the next week. There are more federal Phase II SBIR award winning projects eligible for a matching grant than there are available funds. 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. Over time, the expanded program is anticipated to generate the same type of metrics of success as the Phase I only matching program.

HTDC supports the intent of this bill to extend the lapse date of the appropriation made last year to allow HTDC more time to review and process applications. HTDC **prefers HB2668 HD1** which provides an additional appropriation for 2016-2017 to continue the program. 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
Thursday, March 17, 2016 at 10:00 A.M.
Conference Room 312, State Capitol**

RE: SENATE BILL 3110 SD 1 RELATING TO TECHNOLOGY

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 3110 SD 1, which requires that the fiscal year 2015-2016 appropriation to DBEDT for HTDC to provide grants to businesses with a federal small business innovation research phase II or III award shall lapse by 6/30/2017 and not at the end of fiscal year 2015-2016.

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. SB 3110 would allow HTDC to continue to provide the necessary support of a commercialization assistance program.

We appreciate the intent to extend the small business innovation research program and would like to request that the appropriation language in the House bill be added to this version. This program has become a positive resource to aid companies through the commercialization process.

Thank you for the opportunity to testify.



Written Statement of
DR. PATRICK K. SULLIVAN
PRESIDENT/CEO OCEANIT

Before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

March 17, 2016

10:00 a.m.

State Capitol, Conference Room 312

In Support of

SB3110 RELATING TO TECHNOLOGY

To: Chair Derek S.K. Kawakami, Vice Chair Sam Satoru Kong and Members of the Committee

From: Dr. Patrick K. Sullivan, President/CEO

Re: Testimony in Support of SB3110

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB3110**

The technology industry in Hawaii has grown over the past 10 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the SBIR Phase II and III grants is crucial for the maturation and commercialization of Hawaii's technology companies.

The objectives of the SBIR Phase II and III grants are:

- To act as a bridge across the "valley of death" and to assist in commercializing research discoveries for societal benefit;
- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

We strongly urge you to support of SB3110 and we appreciate your continued support of the technology industry.