

STAND. COM. REP. NO.

896

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 761
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 761, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate moneys necessary to continue programs under the HI Growth Initiative.

Your Committee received written comments in support of this measure from the Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation, Hawaii Strategic Development Corporation, Chamber of Commerce Hawaii, Impact Hub Honolulu, Maui Chamber of Commerce, Fluid Studios, Referentia Systems, Inc., GVS Transmedia Accelerator, LLC, Hawaii Wild Side, LLC, Dev League, LLC, Global Net Productions, Inc., LifeNet Media Resources, Inc., Ring of Fire Films, Inc., Radial3D, Inc., Twenty20 Sound, Honua Studios, Tow Choice, Kapalya, Inc., Kite Kids, Inc., and fifteen individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that the State's economic future is dependent upon a diversification of the State's economy. The HI Growth Initiative was implemented in 2013 by the Hawaii Strategic



Development Corporation to achieve the State's economic development objectives to transform and maintain Hawaii as a place that welcomes and facilitates economic activity. The Initiative has funded over sixty-five start-up businesses in Hawaii. In 2016, the Economic Research Organization at the University of Hawaii reported that the Initiative provided twelve times the leverage on state dollars.

Your Committee also finds that the Hawaii Strategic Development Corporation has not received any new funding since 2013 and, as a result, has not been able to develop new investments initiatives. The Corporation projects that, without additional funding, it will no longer be able to support the continued activities of its accelerator programs.

Your Committee further finds that a technicality prevented a previous appropriation of \$1,000,000 in the Supplemental Appropriations Act of 2016 for the HI Growth Initiative, from being expended.

Your Committee has amended this measure by:

- (1) Force lapsing the \$1,000,000 general fund appropriation for fiscal year 2016-2017 made in the Supplemental Appropriations Act of 2016 that could not be expended because of a technicality;
- (2) Providing a general fund appropriation of \$1,000,000 for fiscal year 2017-2018 for deposit into the Hawaii Strategic Development Corporation Revolving Fund; and
- (3) Making an appropriation of \$1,000,000 for fiscal year 2017-2018 out of the Hawaii Strategic Development Corporation Revolving Fund for the HI Growth Initiative.

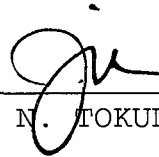
Your Committee intends this means of providing \$1,000,000 for the HI Growth Initiative to be cost neutral for the financial plan.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 761, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 761, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

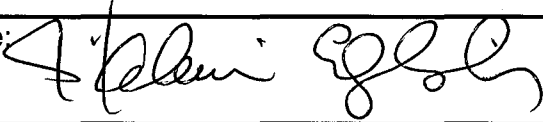


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 761, SD1	ETT, WAM	24 Feb 2017		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes