



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Economic Development, Tourism and
Technology
Monday, January 30, 2017 at 1:15 P.M.
Conference Room 414, State Capitol**

RE: SENATE BILL 617 RELATING TO RESEARCH AND TECHNOLOGY GRANTS

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 617, which establishes the research and technology grant program within the high technology development corporation to provide grants to qualified research and technology companies in Hawaii for eligible projects; establishes program guidelines and eligibility criteria for research and technology companies; requires eligible projects to foster science, technology, engineering, and mathematics education at the K-12 or university levels; appropriates funds to the program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,400 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.

STEM or Science, Technology, Engineering and Math jobs are expected to grow twice as fast as non-STEM professions in the coming years but according to a recent study, Hawaii lags behind. Fostering interest in STEM at the K-12 and university levels is important for both our children and our economic future. This bill is a positive way to both nurture and cultivate students' interest in STEM fields while at the same time supporting our technology companies and STEM jobs. This will enhance and encourage more projects and programs focused on STEM with direct participation of K-12 and university students.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 28, 2017 2:43 PM
To: ETT Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB617 on Jan 30, 2017 13:15PM*

SB617

Submitted on: 1/28/2017

Testimony for ETT on Jan 30, 2017 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 10:55 PM
To: ETT Testimony
Cc: williamrandysmith@gmail.com
Subject: *Submitted testimony for SB617 on Jan 30, 2017 13:15PM*

SB617

Submitted on: 1/27/2017

Testimony for ETT on Jan 30, 2017 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
William R Smith	Individual	Support	No

Comments:

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Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
Senate Committee on Economic Development, Tourism & Technology
Monday, January 30, 2017
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
SB617
RELATING TO RESEARCH AND TECHNOLOGY GRANTS.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, and Technology.

The High Technology Development Corporation (HTDC) **supports** SB617 that appropriates funds for HTDC to establish a research and technology grant program.

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. Many Hawaii technology companies and their employees already contribute generously to the community with their time and expertise to inspire students to pursue careers in STEM fields. They volunteer as judges and mentors for various robotics, science fair, coding, and entrepreneurial events.

The grant program would encourage more companies to contribute in assisting the students. Furthermore, it would provide some resource for company driven projects which would better educate the students on the immediate STEM job opportunities available in Hawaii.

HTDC comments that the bill should clarify the intent of "direct participation or input of students" and clarify that projects that receive grant funds should be specifically for the benefit of the students. We support this initiative as long as it does not replace our priorities requested in the Executive Budget.

Thank you for the opportunity to offer these comments.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 3:58 PM
To: ETT Testimony
Cc: awhite@navatekltd.com
Subject: Submitted testimony for SB617 on Jan 30, 2017 13:15PM

SB617

Submitted on: 1/27/2017

Testimony for ETT on Jan 30, 2017 13:15PM in Conference Room 414

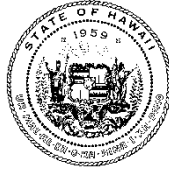
Submitted By	Organization	Testifier Position	Present at Hearing
Audra White	Individual	Support	No

Comments: I fully support SB617.

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DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY
January 30th, 2017, 1:15pm

SB 617
RESEARCH AND TECHNOLOGY GRANT PROGRAM; HIGH TECHNOLOGY
DEVELOPMENT CORPORATION; APPROPRIATION RELATING TO RESEARCH AND
TECHNOLOGY GRANTS

Chair Wakai, Vice-Chair Taniguchi, and members of the committee, thank you for the opportunity to submit testimony on SB 617.

SPO recommends that moneys used to pay for the cost of administering, operating and marketing the program be subject to HRS Chapter 103D, and 103F, where applicable.

The SPO supports the intent of the bill, however, SPO has concerns over the verbiage on Page 6, Line 17-20 which states: "(j) Moneys appropriated for the research and technology grant program may be used to pay for the cost of administering, operating, and marketing the grant program, as determined by the board of directors."

The general office and operating costs such as administration, operations, marketing etc., are not specific to complex research and technology, rather they are the day-to-day procurements that state departments and agencies are required to use the Hawaii Public Procurement Code (code). To allow these areas to be exempt along with research grants erode the principles of why the procurement code exists, denies use of existing discounted state-wide contracts that leverage cost-savings through economies of scale and depletes competition.

The code is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies or programs, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices.

Relieving some programs from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 3:21 PM
To: ETT Testimony
Cc: eschiff5@gmail.com
Subject: Submitted testimony for SB617 on Jan 30, 2017 13:15PM

SB617

Submitted on: 1/27/2017

Testimony for ETT on Jan 30, 2017 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Schiff	Individual	Support	No

Comments: I support SB617.

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Hawai'i Association for Industrial-Organizational Psychology
590 Lipoa Parkway
Kihei, HI 96753

Committee on Economic Development, Tourism, and Technology
415 S. Bertania St.
Honolulu, HI



January 27, 2017

Re: Testimony SB617

Dear Committee on Economic Development, Tourism, and Technology,

First, I am thankful for this committee's on-going support to HTDC, which supports innovator's like me and the field of Industrial-Organizational Psychology (I/O). However, I am in *partial support* of the measure in its current form.

I serve as the founder and president of the Hawai'i Association for Industrial-Organizational Psychology (HAIOP), which promotes the underrepresented and emerging field of I/O in Hawai'i. I/O is a technical field that enhances the social aspects of robotics, engineering, science, and mathematics. I/O captures the human elements within these fields.

In my humble opinion, this measure does not accurately articulate the I/O aspect in research and technology enhancement, which is an emerging labor market (Hawai'i Bureau on Labor Statistics, 2017). It is projected the I/O field will grow by 22% by 2020 but Hawai'i is hardly capturing this market because the field is close to non-existent.

I/O Practitioners surveyed in 2016 reported generating a median income at the master's level \$85k and the doctorate level \$119k (Society for Industrial-Organizational Psychology, 2016). This is consistent to the vision of "80|80" in tech and innovating jobs by 2030. This also points out the future work HAIOP will be doing with K-12 education and the university level in order to build out the I/O field by certificate programs and through the Department of Commerce and Consumer Affairs (DCCA) with credentialing.

I believe the I/O field will help bring invaluable resources to Hawai'i. However, HAIOP faces the competition from mainland vendors. For example, the Society for Industrial-Organizational Psychology attempted to initiate a response within the State in its 2014 convention. What I understand to be very difficult of many mainland vendors in this regard is Hawai'i's unique culture.

I observed this as an I/O Psychology Intern while at the Office of Information Management & Technology and in various research studies.

As I understand the way in which the measure was written, it promotes well established for-profit organizations to seek HTDC grants, which may take away from the "spirit" of its intention: to promote Hawai'i residents in their pursuit of sustainable research and technological employment, the promotion of entrepreneurs and enterprise.

Therefore, I'd like to propose clarity in the language of SB617:

(b) (1) to include "; OR, has published research in peer reviewed journals."

(2) AND, to "; State and local contracts."

(7) Omit; takes away from innovation.

(d) "; OR, enhances the quality of those resources."

(e) "; OR, in new applied scientific fields a national cost analysis demonstrated to the grantor."

(k) "; evidenced by the receipt of patents or publication in peer reviewed journals or federal research contracts performed in the State."

Sincerely,

Harold Ames, Ph.D.

Harold Ames, Ph.D.
Founder & President



HAWAII-IO.ORG

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 1:12 PM
To: ETT Testimony
Cc: gary@navatekltd.com
Subject: *Submitted testimony for SB617 on Jan 30, 2017 13:15PM*

SB617

Submitted on: 1/27/2017

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Submitted By	Organization	Testifier Position	Present at Hearing
Gary Shimosono	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 12:07 PM
To: ETT Testimony
Cc: klock@navatekltd.com
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SB617

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Submitted By	Organization	Testifier Position	Present at Hearing
Kacey Lock	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 11:35 AM
To: ETT Testimony
Cc: achung@navatekltd.com
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Submitted By	Organization	Testifier Position	Present at Hearing
ann chung	Navatek	Support	Yes

Comments: We strongly support SB617. STEM or Science, Technology, Engineering and Math jobs are expected to grow twice as fast as non-STEM professions in the coming years but according to a recent study, Hawaii lags sorely behind. And it all begins with fostering interest in STEM at the k-12 and University levels. This bill is a very positive way to both nurture and cultivate students' interest in STEM fields while at the same time supporting our technology companies and STEM jobs. This will enhance and encourage more projects and programs focused on STEM with direct participation of K-12/university students.

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