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Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai'i

Before the

SENATE COMMITTEE ON WAYS AND MEANS
WEDNESDAY, APRIL 4, 2018

10:30 A.M.

State Capitol, Conference Room 211

HOUSE BILL NO. 2080, HD1 SD1
RELATING TO TECHNOLOGY DEVELOPMENT

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee:

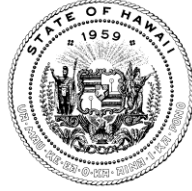
I am Todd Nacapuy, Chief Information Officer of the State of Hawai'i and head of the Office of Enterprise Technology Services (ETS), testifying in **support** of House Bill No. 2080, HD1, SD1, Relating to Technology Development, which appropriates funds for grants to participants in application challenges so that the proof of concepts created during those challenges can be developed into prototypes suitable for local and state government use.

The Hawai'i Annual Code Challenge (HACC), inaugurating in summer 2016 and continuing in summer 2017, was the result of collaboration across public and private sectors. ETS partnered with the Hawaii Technology Development Corporation (HTDC) and various other departments and agencies, as well as community partners, to engage the local tech community in promoting an efficient, effective and open government.

The purpose of the HACC was to bring Hawai'i talent together to use modern tools and applications to enhance government services delivered to the public. Approximately 220 coders and innovators answered the call in 2016, followed by more than 300 in 2017, who developed solutions which addressed problems and challenges posed by government agencies and non-profit organizations that support government activities.

ETS looks forward to continuing to work with HTDC and our other community partners to ensure success for future events that similarly benefit not only participants but all users of State government services.

Thank you for this opportunity to testify in support of this bill.



DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
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TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, April 4, 2018
10:30 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON H.B. NO. 2080, H.D. 1, S.D. 1, RELATING TO TECHNOLOGY DEVELOPMENT.

TO THE HONORABLE DONOVAN M. DELA CRUZ , CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on H.B. 2080, H.D. 1, S.D. 1, Relating to Technology Development. My name is Ji Sook “Lisa” Kim, and I am the Administrator of the Department’s Cable Television Division. The Department supports this bill, which is a companion to S.B. 2092.

This bill appropriates funds to the Hawaii Technology Development Corporation for grantmaking and other costs associated with software application challenges, where proofs of concept may be developed into prototypes suitable for local and state government use. S.D. 1 decreases the minimum percentage of monies that must be sourced from corporate, philanthropic, and other nongovernment sources by the Hawaii Technology Development Corporation from fifty percent to twenty-five percent.

Consistent with its broadband-related duties, the Department continuously looks for opportunities to advocate for and facilitate the deployment of expanded broadband applications, programs, and services that will bolster the usage of and demand for broadband. The 2017 Hawaii Annual Code Challenge (“HACC”) sponsored by Enterprise Technology Services presented such an opportunity, as it engaged the local tech community in modernizing state government to develop innovative tools and applications to provide enhanced government services to the public and to drive civic engagement. Through the Department’s participation in the HACC as a pitching agency, the Department witnessed the strength of this event in promoting the development of broadband-level applications, as well as in providing agencies the opportunity to collaborate with HACC participants to gain insights on the development and use of software applications to support their respective duties and activities.

This bill would further the benefits these types of software application challenges could achieve, by providing funding that will allow for future application challenges and by allowing participants to develop their proof of concepts into prototypes. The Department thus strongly supports this measure because of the direct impact it could have on deploying software applications that bolster the use of and demand for broadband.

Thank you for this opportunity to provide written testimony in support of this bill.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, April 4, 2018

10:30am

State Capitol, Conference Room 211
in consideration of

HB 2080 HD1 SD1 RELATING TO TECHNOLOGY DEVELOPMENT.

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers **Support** for HB2080 HD1 SD1 that establishes a program to be administered by the Hawaii Tech Development Corporation to provide grants and mentorship to teams that develop proof of concepts resulting from hackathons and code challenges in Hawaii.

These code challenges are a unique opportunity for the tech and startup community to collaborate with government departments and industry sectors to develop innovative solutions to some of the pressing challenges facing Hawaii.

HB2080 HD1 SD1 is necessary because hackathons like the Hawaii Annual Code Challenge, even after 30-days, only produce at best, proof of concepts that are not complete products. This grant program bridges the known gap between proof of concept, prototype and commercial product. It not only offers a pathway for the development of civic tech but also enables the teams to evolve into startup businesses and to drive economic development in Hawaii.

Thank you for the opportunity to offer testimony in **Support** of HB 2080 HD1 SD1.



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
Wednesday, April 4, 2018
10:30 a.m.
State Capitol, Conference Room 211

In consideration of
HB2080, HD1, SD1
RELATING TO TECHNOLOGY DEVELOPMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

The Hawaii Technology Development Corporation (HTDC) **supports** HB2080, HD1, SD1 that appropriates funds for grants to participants in software application challenges so that the proofs of concept created during the challenges can be developed into prototypes suitable for local and state government.

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. The Hawaii Annual Code Challenge is a "hackathon" style competition aimed at promoting civic engagement, open government, and finding innovative solutions for some of government's challenges. Hackathon events are designed to rapidly create early proof of concept projects of potential solutions without regard to quality control testing, optimization, or completeness. The rapid development allows teams to present their ideas for user input and feedback. This technique is often used as an agile approach to commercial software development with subsequent iterations providing optimization and quality control. In FY17, HTDC sponsored 6 hackathon events with over 700 participants and recently co-hosted the State's first agricultural hackathon with the Department of Agriculture and Hawaii Open Data.

While the primary goals of civic hackathons are to engage the local tech community in the modernization of Hawaii state government, there are greater opportunities to develop some of the projects into solutions that government can benefit from. The bill appropriates funds to build upon the success of the hackathons. It will also assist in strengthening the tech community. The bill requires HTDC to solicit matching donations from non-governmental sources. HTDC comments that SD1 reduces the matching requirement to 25% which should make it more attractive for corporate, philanthropic, and other nongovernment sources to sponsor the program.

HTDC supports this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.



March 31, 2018

Statement of: **Burt Lum, Executive Director, Hawaii Open Data**
Testimony presented before the

Senate Committee on Ways and Means

Wednesday, April 4, 2018, 10:30 a.m.

State Capitol, Conference Room 211

In consideration of

HB2080 HD1 SD1

RELATING TO TECHNOLOGY DEVELOPMENT.

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee on Ways and Means:

I, Burt Lum, Executive Director of Hawaii Open Data, offer my **Strong Support** for HB2080 HD1 SD1 that establishes a program to be administered by the Hawaii Tech Development Corporation to provide grants and mentorship to teams that develop proof of concepts resulting from hackathons and code challenges in Hawaii.

These code challenges are a unique opportunity for the tech and startup community to collaborate with government departments and industry sectors to develop innovative solutions to some of the pressing challenges facing Hawaii.

As a co-host of Bytemarks Cafe on Hawaii Public Radio and as the Executive Director of Hawaii Open Data, a non-profit dedicated to advancing open data principles, I've seen the growth of startups, meetups, hackathons, collaborations and innovations across the Hawaii business landscape. This vibrant entrepreneurial ecosystem is critical to building a sustainable technology sector and I believe this program to support application prototypes is another key component of this ecosystem.

The State of Hawaii has already supported the Hawaii Annual Code Challenge for two years, where government departments and programs "pitch" the challenges they face in serving the people and the community designs and proposes ways to address them. Most hackathons, however, end with dozens of prototypes with great potential but no path forward to be refined into a working solution that can be implemented at scale. By appropriating funds for grants to participants, HB2080 HD1 SD1 will help ensure that the proofs of concept created during the challenges can be developed into solutions suitable for local and state government.

Thank you for the opportunity to offer this testimony in support of HB2080 HD1 SD1.

HB-2080-SD-1

Submitted on: 4/2/2018 9:38:06 PM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair and Members of the Committee on Ways and Means:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2080 HD1 SD1** relating to Technology; Software Application Challenges; Grants; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **HB2080 HD1 SD1** and supports its passage.

HB2080 HD1 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it appropriates funds for grants to participants in software application challenges so that the proofs of concept created during the challenges can be developed into prototypes suitable for local and state government; appropriates funds; and requires matching funds, effective 7/1/2112.

The DPH Platform states that a "diversified and healthy economy in Hawai'i requires a well-educated and healthy citizenry. To encourage existing and new enterprise, we need to develop a combination of tax policies and credits, lending programs, and financial incentives that will attract the business community. The creation of intellectual property and new start-ups should be a part of the curriculum of our business schools. Business training should stress ethical company management that is responsive to customer needs. (Platform of the DPH, P. 1, Lines 38-42 (2016)).

We believe that government plays a vital role in nurturing and regulating our economic system. We believe that private and public employers, as responsible members of the community, by providing good jobs and fair pay and benefits, are essential for economic expansion, diversification, innovation, and entrepreneurship.

Availability of financial support and a capable educated people are critical to our economic expansion and diversification. The management of businesses should be ethical and responsive to the community with transparency for investors and shareholders guaranteeing sound, healthy management. Innovation through the generation of intellectual property should be the goal of our economic diversification. We support the continuing protection of intellectual property developed in the state of Hawai'i.

We need to give priority to the development of “green” sustainable industries and business. We need financial literacy and asset building programs to strengthen our ‘ohana. We need to pursue relationships with the information technology industry. We need to invest in world-class higher education to stimulate our economic resources. We need to reduce our dependence on tourism, real estate development, and military. A diversified economy will help to create diversified jobs. (Platform of the DPH, P. 2, Lines 56-73 (2016)).

Given that **HB2080 HD1 SD1** appropriates funds for grants to participants in software application challenges so that the proofs of concept created during the challenges can be developed into prototypes suitable for local and state government; appropriates funds; and requires matching funds, effective 7/1/2112, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

HB-2080-SD-1

Submitted on: 4/1/2018 11:40:00 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Donavan Kealoha	Individual	Support	No

Comments: