

**SB-3000-SD-2**

Submitted on: 3/13/2018 6:19:44 PM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
ann chung	Navatek	Support	Yes

Comments:

Dear Chair Evans and members of the EDB Committee:

Navatek strongly supports SB3000 SD2. There are many companies doing critical research and development in Hawaii and it is vital to Hawaii's future economic growth. The innovations that these companies are researching and developing bring in new dollars to our State's economy and create strong high-skilled, high-paying jobs - jobs for our kama'aina and to bring skilled kama'aina back home.

We urge you to pass this bill.

Mahalo for this opportunity to testify.

**SB-3000-SD-2**

Submitted on: 3/13/2018 6:58:33 PM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Audra White	Individual	Support	No

Comments:

I Strongly Support SB3000!

**SB-3000-SD-2**

Submitted on: 3/13/2018 7:36:42 PM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Matsuura	Individual	Support	No

Comments:

STRONG SUPPORT

**SB-3000-SD-2**

Submitted on: 3/14/2018 8:08:28 AM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eric Schiff	Individual	Support	No

Comments:

STRONG SUPPORT for SB3000.

**SB-3000-SD-2**

Submitted on: 3/14/2018 8:14:54 AM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gary Shimosono	Individual	Support	No

Comments:

Strong support

**SB-3000-SD-2**

Submitted on: 3/14/2018 8:34:44 AM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kacey Lock	Individual	Support	No

Comments:

STRONG SUPPORT



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**House Committee on Economic Development & Business**  
Friday, March 16, 2018  
10:45 a.m.  
State Capitol, Conference Room 309

In consideration of  
**SB3000, SD2**  
**RELATING TO INNOVATION BUSINESS**

Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business.

The Hawaii Technology Development Corporation (HTDC) **supports the intent of SB3000, SD2** that establishes the research and development program in the Hawaii Technology Development Corporation to help Hawaii-based small businesses collaborate with commercial partners to further refine and optimize research and development performed in Hawaii.

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 growing the technology and innovation sector. Companies conducting R&D provide interesting, high wage jobs for our Hawaii workforce. Promoting R&D activities will spur innovation and job growth.

HTDC defers to the Department regarding the establishment of a Special Fund.

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.

DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

**TESTIMONY BY LAUREL A. JOHNSTON  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS  
ON  
SENATE BILL NO. 3000, S.D. 2**

**March 16, 2018  
10:45 a.m.  
Room 309**

**RELATING TO INNOVATION BUSINESS**

Senate Bill No. 3000, S.D. 2: establishes the Research and Development (RD) Program in the Hawaii Technology Development Corporation to help Hawai'i-based small businesses optimize research and development performed in Hawai'i; establishes the RD Special Fund; appropriates an unspecified amount of general funds for FY 19 to be deposited into the RD Special Fund; and appropriates an unspecified amount from the RD Special Fund for FY 19 to carry out the purposes of the program.

While the Department of Budget and Finance takes no position on the RD Program, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the



program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 3000, S.D. 2, it is difficult to determine whether the proposed special fund would be self-sustaining.

It should also be noted from a technical aspect that Senate Bill No. 3000, S.D. 2, contains no source of revenue for the proposed RD Special Fund.

Thank you for your consideration of our comments.

**SB-3000-SD-2**

Submitted on: 3/15/2018 7:38:54 AM

Testimony for EDB on 3/16/2018 10:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Economic Development & Business  
Friday, March 16, 2018 at 10:45 A.M.  
Conference Room 309, State Capitol**

**RE: SENATE BILL 3000 SD2 RELATING TO INNOVATION BUSINESS**

Chair Evans, Vice Chair Keohokalole, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 3000 SD2, which establishes the Research and Development Program in the Hawaii Technology Development Corporation (HTDC) to help Hawaii-based small businesses collaborate with commercial partners to further refine and optimize research and development performed in Hawaii. The bill also establishes the Research and Development Special Fund and appropriates funds for the purposes of the program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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 Chamber continues to support the State's efforts to promote and foster innovation research and development in Hawaii. Innovation is a proven catalyst for economic growth and the creation of high-skilled and high-paying jobs. The Chamber supports this legislation provided that it offers adequate funding and does not adversely impact HTDC's priorities in the Executive Budget.

Thank you for the opportunity to testify.



Statement of  
**Duke Hartman, P.E.**  
**Vice President, Business Development**  
**Makai Ocean Engineering, Inc.**  
before the  
**COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS**  
Friday, March 16, 2018  
10:45am  
State Capitol, Conference Room 309  
In consideration of  
**SB3000, SD2**  
**RELATING TO INNOVATION BUSINESS**

Chair Evans, Vice Chair Keohokalole, and members of the Committee on Economic Development & Business

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB3000, SD2** that establishes the research and development program in the Hawaii technology development corporation.

Makai is a locally-owned and operated technology company based in Hawai'i for 45 years. We are currently performing R&D on a variety of exciting ocean technology projects, including autonomous underwater vehicles, ocean thermal energy conversion (OTEC) and seawater air conditioning (SWAC) systems, submarine and subsea cable systems, and a Department of Energy project to grow and harvest macroalgae (seaweed/limu) offshore in Hawaiian waters to produce a renewable biofuel alternative for transportation.

Makai has been successful in bringing in tens of millions of dollars in R&D funds from federal and international sponsors to Hawai'i, helping to stem the tide of "brain drain" of talented kama'aina kids going to the mainland. On a personal note, I am a Kahuku High School and University of Hawaii College of Engineering graduate who was ready to leave Hawaii for an engineering job on the mainland before Makai offered me a job in Waimanalo. And Makai is not unique among Hawaii technology companies in this. There is a tech community here that has made a strong economic impact in terms of high paying jobs, and demonstrated success in commercializing federal R&D, which has increased taxable revenue for the state, and brought home kama'aina scientists and engineers to stay.

This bill would enhance the ability of Hawaii companies like Makai to outshine mainland peers in competitive federal R&D projects, bring home R&D dollars that greatly exceed the initial investment, and create a critical mass and a truly vibrant industry of innovative R&D companies in Hawaii. It would expand and diversify Hawaii's economy, and enable our tech industry to support high-paying, highly-skilled professional jobs for our keiki here at home.

This is why we **STRONGLY SUPPORTS SB3000, SD2**. Thank you for the opportunity to offer these comments.



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TO:  
Committee on Economic Development and Business  
Rep. Cindy Evans, Chair  
Rep. Jarrett Keohokalole, Vice Chair



FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: Friday, March 16, 2018  
TIME: 10:45am  
PLACE: Conference Room 309

RE: SB 3000 Relating to Innovation Business

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Establishing the Research and Development Program of the Hawaii Technology Development Corporation (HTDC) will help Hawaii small business take advantage of their future potential. Research and development are crucial for business growth and supporting a dynamic small business sector is an important part of creating a strong diversified economy for our state. We ask that this measure be passed and we thank you for the opportunity to testify.