



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Written Testimony Presented to the  
House Committee on Finance  
Friday, February 21, 2020 at 11:00 a.m.  
by  
Vassilis L. Syrmos  
Vice President, Research and Innovation  
University of Hawai'i System

HB 2090 HD2 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The University of Hawai'i strongly supports HB 2090 HD2, which would permanently remove the sunset provision of Act 39, Session Laws of Hawai'i 2017 and thereby allow the University of Hawai'i (UH) the necessary time to grow its Innovation and Commercialization Program to develop into a significant contributor to the state's economic and workforce growth.

Act 39 provides the UH express statutory authority to sponsor and directly participate in the transformation of innovations created by its researchers into viable commercial enterprises. Universities across the country increasingly recognize that they can play an active role to support the transformation of inventions and discoveries generated on their campuses and to transfer these technologies to the commercial realm. Through its Innovation and Commercialization Program, UH is seeking to contribute to the growth of an innovation economy to help boost the state's economy. However, commercial innovation is inherently risky and takes time to develop.

Act 39 recognizes that UH is uniquely positioned to assist home-grown fledgling ventures to navigate these uncertainties. The University of Hawai'i has established and manages an accelerator program that identifies promising start-ups built around innovations created by its faculty, students and alumni. This accelerator program provides focused training and networking opportunities to those ventures selected to participate in a cohort with other start-ups. Through this program, UH may provide initial seed funding if the venture reaches certain performance milestones. In return for the financial investment, UH may obtain equity shares in the venture. The University of Hawai'i may also provide temporary space to the startup at reasonable rents at its Mānoa Innovation Center.

Active participation in technology transfer is a comparatively new responsibility for a public university, but it has its parallels with a university's traditional mission of instruction. The University of Hawai'i selects incoming freshmen, instructs these students via multiple curricular offerings and pathways, provides career guidance and development, may grant financial scholarships or loans and may also provide temporary

housing, all of which are subsidized with public funds. The goal is to transform students into engaged and contributing members of society once they graduate – and UH's Innovation and Commercialization program does the same for promising start-up enterprises.

The University of Hawai'i supports this measure and respectfully requests that the sunset provision of Act 39, Session Laws of Hawai'i 2017, be removed.

Thank you for the opportunity to testify on this measure.



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**House Committee on Finance**  
Friday, February 21, 2020  
11:00 a.m.  
State Capitol, Conference Room 308

In consideration of  
**HB2090, HD2**  
**RELATING TO UNIVERSITY OF HAWAII.**

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** HB2090, HD2 that removes the sunset provision of Act 39, Session Laws of Hawaii 2017, making permanent the innovation and commercialization initiative 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 growing tech and innovation jobs. The University of Hawaii has done an outstanding job establishing a suite of programs that nurture the talent and startup business pipeline out of the University and has been working with HTDC to align these programs with all of the resources in the State. HTDC believes that these type of programs play an important role for Hawaii and supports the continuation of these programs. HTDC requests correction of the defective effective date and defers to the University on the specifics of the measure.

Thank you for the opportunity to offer these comments.



Chamber *of* Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Finance  
Friday, February 21, 2020 at 11:00 A.M.  
Conference Room 308, State Capitol**

**RE: HB 2090 HD2, RELATING TO THE UNIVERSITY OF HAWAII**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2090 HD2, which removes the sunset provision of Act 39, Session Laws of Hawaii 2017, making permanent the innovation and commercialization initiative program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 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. Through the innovation and commercialization initiative, the university is working with the private-sector and government to help to build a thriving innovation, research, education and training enterprise in Hawaii. By removing the sunset provision in of Act 39, the university can continue to play an active role in supporting the transformation of inventions and discoveries generated on their campus and transfer them into the commercial field to help grow Hawaii's economy.

Thank you for the opportunity to provide testimony in support of this measure.

**LATE**



ELEMENTAL  
EXCELERATOR

**Written Statement of Elemental Excelerator  
before the House Committee on Finance  
February 21, 2020**

**In consideration of [HB 2090 HD 2](#)  
RELATING TO THE UNIVERSITY OF HAWAII**

**Aloha Chair Luke, Vice-Chair Cullen, and Members of the House Committee on Finance**

Elemental Excelerator **submits support of HB 2090 HD 2**, which removes the sunset provision of Act 39, Session Laws of Hawaii 2017, making permanent the innovation and commercialization initiative program.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. Our role is to accelerate cleantech startups by bringing forward important commercial inflection points through real-world demonstration projects and tailored business model impact. Each year, we select 15-20 companies annually that best fit our mission and fund each company up to \$1 million. To date, we have awarded \$36 million to 99 companies resulting in over fifty demonstration projects in Hawai'i & the Asia Pacific.

We support this bill because it will contribute to our state's efforts to diversify our economy and provide our next generation of Hawai'i residents with career opportunities in science, technology, engineering, and mathematics right at home. In our work, we have seen three widely recognized gaps in funding that test the survival of startups with capital-intensive solutions; technology, commercialization valleys of death, and market expansion. By passing this bill, the university can continue to attract outside investments in innovation from entities like the federal government, private, and philanthropic sponsors and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem.

Diversifying our economy requires collaborative efforts between the private, government, and educational sectors. We urge you to pass this bill and look forward to continuing working with the University of Hawai'i in realizing our innovation economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aki Marceau'.

Aki Marceau  
Managing Director, Policy & Community