



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
And the
Senate Committee on Judiciary
Wednesday, February 26, 2020
1:10 p.m.
State Capitol, Conference Room 211

In consideration of
SB1443
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Committees.

The Hawaii Technology Development Corporation (HTDC) offers **comments** on SB1443 that prohibits a company from receiving a grant in consecutive years under the manufacturing development (MAP) 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. For the MAP program, in FY19, 37 out of 69 applicants were funded. \$1.3 million was requested and \$898 thousand was awarded. The companies invested \$13.5 million. The reported impact of the MAP program for 2018 was \$748 million with 2,387 jobs in Hawaii. With the \$500k available in FY20, fewer companies will be awarded and the amounts will be lower. HTDC believes the program provides leverage and positive economic development value for the State by making Hawaii manufacturers more competitive. HTDC understands the intent of this bill is to encourage new applicants. The program currently provides preference to first time applicants. Last year 25 of the 37 awardees were first time applicants. HTDC also considers economic impact and export potential, regional (neighbor island) need, strength of business, etc. when making awards. HTDC comments that the 1 year waiting period seems to be a fair balance between providing opportunity for new applicants and priority for the strongest applicants.

Thank you for the opportunity to offer these comments.