



**Testimony to the House Committees on Economic Development and Business
and Energy and Environmental Protection
Monday, June 22, 2020 at 11:30 A.M.
Conference Room 329, State Capitol**

**RE: SB 2500 SD1, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION**

Chairs McKelvey and Lowen, Vice Chairs Kitagawa and Wildberger, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2500 SD1, would provide funding for the Hawaii Technology Development Corporation (HTDC) and its programs such as the Small Business Innovation Research Program (SBIR) and the Manufacturing Assistance Program (MAP). This bill would also establish and appropriate funds for a working group to develop a strategic plan for a climate innovation technology park to be located at Coconut Island and to recommend other opportunities for the State to invest in technology to combat climate change.

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.

HTDC has assisted SBIR awarded companies since 1988; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every state dollar invested through this program. The federal SBIR grant program has continued its efforts to move companies through grant awards to commercial product sales, and this bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses here in Hawaii.

Continuing to support MAP is also vital to HTDC's mission. This program has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export, and continued funding will help companies in Hawaii to start or grow their operations.

HTDC and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an



increasing desire for 'Made in Hawaii' products from consumers globally. HTDC and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

The Chamber also recognizes the financial toll that the current COVID-19 pandemic has caused on our State's budget. We are hopeful that the State Legislature would be able to continue to fund these programs the upcoming Fiscal Year. The SBIR and MAP programs will be a key driver of Hawaii's economic recovery and economic diversity from COVID-19.

Thank you for the opportunity to testify in support of SB 2500 SD1.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee On Economic Development & Business
and the
House Committee On Energy & Environmental Protection
Monday June 22, 2020
11:30 a.m.
State Capitol, Conference Room 329

In consideration of
SB2500, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chairs McKelvey and Lowen, Vice Chairs Kitagawa and Wildberger, and Members of the Committees.

The Hawaii Technology Development Corporation (HTDC) **supports** SB2500, SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Small Bbusiness Innovation Rresearch Program, Manufacturing aAssistance Program, and Excelerator Program and establishes and appropriates funds for a working group to develop a strategic plan for a climate innovation technology park to be located at Coconut Island and to recommend other opportunities for the State to invest in technology to combat climate change.

HTDC believes with the current economic injury sustained due to the COVID-19 pandemic, continuation of our core programs is more important than ever as a foundation for diversifying the economy. The programs have a proven track record and every year there are more qualified applicants than available funds. The Administrative budget includes \$1,000,000 for HTDC's Hawaii SBIR program, \$500,000 for the Manufacturing Assistance Program, \$300,000 for the Accelerator (excelerator) program, and \$36,000 for operations. Last session, these core HTDC programs were appropriated the same amounts but only for FY20. HTDC has administered these programs since 2016.

For the Hawaii SBIR phase 2/3 program, in FY19, six out of the 12 applications were funded. \$4.5 million was requested and \$1.425 million was awarded. The applicants brought \$11.0 million of Federal SBIR awards into the state. The reported economic impact of the HSBIR program for 2018 was \$150 million with 589 jobs in Hawaii. 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. For the accelerator programs, 5 accelerators were funded in FY19. The accelerators were required to provide a minimum of a 1:1 match. All applicants exceeded the minimum requirement. Thank you for the opportunity to offer these comments.

To: Chair Dela Cruz and members of the WAM committee,

Because many Hawaii families are hurting in this COVID-19 era, family planning is more important than ever. Uncertainties of employment and housing, health and education, will force women and families to rethink pregnancies until after the pandemic and the economic recovery.

Hawaii women and families who would have be covered by Title X are now longer insured. Those in the gap include workers who work less than 19-hours per week or work multiple part-time jobs, none of which meet the 20 hours needed for health insurance. Also undocumented immigrants who cannot get insurance, but still need healthcare. Think of domestic violence victims whose abusers would not permit contraceptives but whose plight is worse because of COVID-19 stay at home orders. Minors who are unwilling to use their parent's insurance for birth control or STI testing and treatment.

In 2018, there were 17,000 Title X recipients in Hawaii. 'Title X is the only federal program dedicated to providing family planning services for low-income patients. It supported nearly 4,000 service sites nationwide and served approximately four million people per year.The Trump administration undermined the Title X national family planning program as part of an ideological agenda attacking sexual and reproductive health and rights.' (Ref. 1)

Opposing Trump's domestic gag rule, some states including Hawaii, refuse Title X federal funds. Rather than compromise the quality of care for Hawaii patients, Hawaii opted instead to fund low income family planning throughout the State. However, \$1.6 million in the Governor's supplemental budget were eliminate along with the budget.

The estimated shortfall is \$2.4 million. I ask that \$2.4 million be included in the budget in order that DOH reimburse clinics and healthcare providers who provide low income women with pregnancy testing and options counseling, contraceptive services and supplies, pelvic exams, screening for cervical and breast cancer, screening for high blood pressure, anemia, and diabetes, screening and treatment for STDs and HIV/AIDS, infertility services, health education, referrals for other health and social service. (Ref. 2)

Sincerely,

Amy Monk

References:

1. <https://www.guttmacher.org/article/2019/03/title-x-under-attack-our-comprehensive-guide>
2. <https://www.nationalfamilyplanning.org/file/state-snapshots-2018/Hawaii.pdf>



**Written Statement of Elemental Excelerator
before the House Committees on Economic Development and Business & Energy and
Environmental Protection
June 22, 2020**

**In consideration of [SB 2500 SD 1](#)
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Aloha Chairs McKelvey and Lowen, Vice-Chairs Kitagawa and Wildberger, and Members of the House Committees on Economic Development and Business & Energy and Environmental Protection:

Elemental Excelerator submits **support** for SB 2500 SD 1, which:

1. Appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator Program.
2. Establishes and appropriates funds for a working group to develop a strategic plan for a climate innovation technology park to be located at Coconut Island and to recommend other opportunities for the State to invest in technology to combat climate change.

Elemental Excelerator is a Honolulu-based non-profit accelerator that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. 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 thirty-six demonstration projects in Hawai'i & the Asia Pacific.

Elemental Excelerator has received catalytic support from Hawaii Technology Development Corporation for increased focus on our Hawai'i based portfolio companies and neighbor island pipeline efforts. Hawai'i-based accelerators not only nurture and grow the talent we have within the state to build startups to scale, but also attract talent and solutions to the state, thereby strengthening the entrepreneurial network and business relationships between Hawai'i and the rest of the world. Each year, we evaluate over 500 companies and look for Hawai'i grown startups companies who are helping solve the most urgent environmental problems.

Considering the State's rising unemployment from the pandemic, further discussions have come up about diversifying the State's economy, primarily through green, sustainable, steel on the ground projects. In response to these discussions, Elemental Excelerator joined an informal hui to help co-create and launch *Uplift Hawai'i*. Over many decades, policymakers, business associations, and community groups have worked tirelessly on reports and plans for a more equitable and resilient Hawai'i. Uplift Hawai'i is a campaign that urges those in leadership to follow through on these aspirations in this moment of transition and change. The principles laid out below bring together ideas circulated before that have been shared privately and publicly

by many in our community; they provide a guiding light as we navigate our way towards a more equitable future:

1. The health and well-being of all island residents
2. A healthy relationship with our natural environment
3. A diverse island economy with more local business and a new model for tourism
4. Economic equity & community engagement processes
5. State and local government leadership

As of now, over 200 organizations and leaders in the non-profit sector, business, academia, government, and labor have signed onto the principles of Uplift Hawai'i.

SB 2500 SD 1 is the first step toward creating catalytic economic development activity. To date, Elemental Exceleator has awarded \$36 million to 99 companies. Most of this funding comes from federal and other off-island resources. These companies have raised more than \$790 million in follow-on funding and generate millions of dollars in revenue. Other states with vibrant innovation economies, such as Massachusetts and California, provide state government funding for a variety of accelerator, demonstration, and educational program support. State support for the innovation economy enables local companies to attract outside investment 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 and clean energy goals.

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,

Tiffany Huynh

Tiffany Huynh
Director of External Affairs