



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented to the
House Committee on Finance
Monday, April 4, 2022 at 1:30 p.m.

by
Vassilis L. Syrmos
Vice President for Research and Innovation
University of Hawai'i System

SB 2806 SD1 – RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

The University of Hawai'i (UH) supports SB 2806 SD1.

In order to build a successful innovation ecosystem in Hawai'i, all parties involved must work and support each other in their endeavors. The University of Hawai'i shares a similar vision with the Hawaii Technology Development Corporation (HTDC) to help establish a thriving innovation-based sector to boost the local economy, create jobs and to develop a highly skilled technical workforce.

One of the key programs available to assist startups from UH and other locally based accelerators is HTDC's Hawai'i Small Business Innovation Research (HSBIR) Phase II program, which provides matching grant funding to support a small startup firm in its early efforts to develop and improve the technology that forms the basis of the business opportunity. These funds are often crucial to assist startups in developing their new technologies to the point that will allow them to tap venture capital firms for the necessary funding to become commercially successful.

With programs such as HSBIR, continued or increased funding for HTDC is crucial to moving innovation and commercialization efforts forward in the state.

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



Written Statement of
Len Higashi
 Acting Executive Director
 Hawaii Technology Development Corporation
 before the
HOUSE COMMITTEE ON FINANCE

Monday April 4, 2022
 1:30 p.m.
 Conference Room 308 and Videoconference

In consideration of
SB2806, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

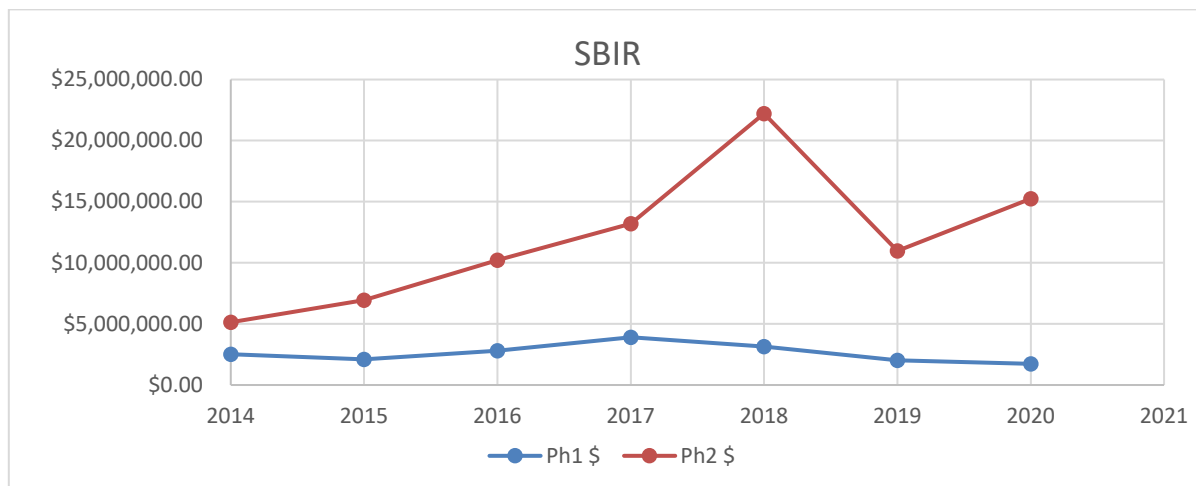
The Hawai'i Technology Development Corporation (HTDC) **supports** SB2806, SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program.

HTDC supports initiatives aimed at promoting technology and manufacturing jobs. HTDC has been providing Phase I matching grants to SBIR awarded companies since 1989 and started awarding Phase II and Phase III matching grants in FY16. A summary of the Phase II/III awards made by the matching grant program is listed below:

	FY16	FY17	FY18	FY19	FY20	FY21
Appropriation	\$2 MM	\$2 MM	\$1 MM	\$1.5 MM	\$1MM	-
# of Applications	11	9	9	12	16	-
# of Awards	7	8	5	6	14	-
\$\$ Awarded	\$2 MM	\$1.9 MM	\$900 K	\$1.4 MM	\$900K	-
Federal SBIR \$\$ (match)	\$7.9 MM	\$10.9 MM	\$8.0 MM	\$11.0 MM	\$53.0 MM	-
Estimated New Jobs	17	70	15	135	509	-

A chart of the federal SBIR awarded to Hawai'i companies follows. Note: the difference between the federal SBIR dollars reported in the table above versus the federal SBIR dollars charted below are due to the lag between the calendar year that the Federal dollars are awarded versus the state fiscal year that the Hawai'i SBIR matching grant is awarded. The companies are

eligible to apply for Hawai'i State matching grants while the SBIR project is active, which is typically 18-24 months.



data from sbir.gov/awards

The data shows an upward trend in the amount of federal dollars the industry is awarded each year. The federal SBIR funds are highly competitive with a fixed budget each year. Therefore, the industry is securing for Hawai'i federal funds that would otherwise be awarded to companies in other states. Every year, there have been more qualified applicants than available funds. Since the Phase II/III program started in FY16, none of the applicants have received the full eligible amount. Over time, the program is anticipated to generate the same type of metrics of success as the Phase I matching program. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

HTDC is working with the University of Hawai'i Office of Innovation and Commercialization to continue growing the pipeline of companies pursuing SBIR funds and with several DoD and DoD related groups on developing further commercialization opportunities for Hawai'i companies developing new technologies. Due to budget shortfalls caused by the pandemic, HTDC did not receive an appropriation for FY21.

HTDC prefers the original draft of the bill as it includes an appropriation and a correct effective date. HTDC believes the grant programs provide leverage and positive economic development value for the State. Thank you for the opportunity to offer these comments.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2806, S.D. 1

April 4, 2022
1:30 p.m.
Room 308 and Videoconference

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2806, S.D. 1, appropriates an unspecified amount of general funds for FY 23 to the Hawai'i Technology Development Corporation (HTDC) for the Hawai'i Small Business Innovation Research (HSBIR) Program. B&F notes that the Governor's FY 23 Executive Supplemental Budget already includes an appropriation request of \$1,000,000 in general funds for HTDC for Phase II and III grants for the HSBIR Program.

B&F further notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.
before the
House Committee on Finance
Monday, April 4, 2022
1:30 pm
Videoconference
State Capitol, Conference Room 308
In consideration of
SB2806
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

Makai Ocean Engineering, Inc. **SUPPORTS SB2806** that makes an appropriation to HTDC to continue providing grants to businesses through the Hawaii small business innovation research program.

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for nearly 50 years and an active participant in the Small Business Innovation Research (SBIR) grant program. The SBIR program consists of three phases that encourages early stage investment and innovation in technology. Phase 1 provides a very small amount of money that is barely enough for proof of concept research. However, it is the Phase 2 and 3 funding stages that really provide a means of development for companies to transition the idea and research conducted in Phase I, to prototyping to commercialization.

According to HTDC, for every dollar invested through this program, Hawaii companies have attracted nearly 15 federal dollars in return to the state, plus commercialization funding. The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical in advancing development, which helps win later phase awards and assists in getting the technology out into the market. The SBIR matching grants assist companies that have a commercially-promising project that has a difficult development plan. Carefully selected matching grants represent more of a “sure bet” in terms of a successful and highly leveraged investment in economic development for the State, and growing our tech sector.

For example, Makai’s subsea cable laying software began as a Phase 1 SBIR (matched by State for \$20k in the year 2000) and then went on to Phase 2 and 3 and became the world’s #1 commercial cable laying software, with over \$35 million in commercial revenues and high tech jobs for Hawaii over the last 20+ years. This is a direct multiplier of more than 1,750X for the State’s investment, not counting the indirect benefits of retaining some of the world’s best engineers in Hawaii and the additional technologies they have generated during this time.

Makai is currently working on a Phase 2 SBIR program focused on development of a temperature sensing tow cable. Makai was also recently awarded a Phase III for this program. In



2018 HTDC awarded Makai an HSBIR Phase I grant for this program, that we believe was a key reason we were selected for the Phase II and III awards. This program alone, has already resulted in a direct multiplier of more than 120X the State's investment, in federal funds. This is expected to grow as the technology transitions to the Navy fleet and commercial markets in the coming years.

In addition, Makai and Referentia were two local companies honored with a national award, the SBIR Tibbetts Award at the Whitehouse in January, 2017. This award recognizes the very best SBIR companies in the country whose technologies have made a strong economic impact in terms of high paying jobs, and displaying success in **actually commercializing federal R&D**. We need this HTDC administered program to make possible more national success stories by local companies. See the Governor's press release about awards here: <http://governor.hawaii.gov/newsroom/latest-news/dbedt-news-release-htdc-small-business-grantees-honored-with-national-tibbetts-award-at-the-white-house/>

This is why we **SUPPORT SB2806**, which would provide the state matching funds for federal SBIR programs to enable companies to commercialize new technologies more effectively. Not only would this expansion of funding enable our tech industry to compete and win more Federal monies for technology development and manufacturing, it would provide highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to offer these comments.



HYPERSPECTIVE
INSPIRE BELIEF

Statement of:
Todd J. Robertson
President/CEO
Hyperspective
Before the
House Committee on Finance

Monday, April 4, 2022
1:30 PM
State Capitol, Conference Room 308 & Videoconference

In consideration of
SB2806 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Luke, Vice Yamashita, and Members of the Committee on Finance.

Chair Takayama, Vice Chair Clark, and Members of the Committee on Higher Education & Technology.

Hyperspective **supports** SB2806 SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

Hyperspective is a digital creative agency, focused on creating cutting edge creative media and products for use in the arts, entertainment, and communications both within the State of Hawaii and for global export. We support many local tech and manufacturing businesses within this sector.

Thank you for the opportunity to offer these comments.

HYPERSPECTIVE STUDIOS, INC.
677 ALA MOANA BLVD. #805
HONOLULU, HAWAII 96813

HYPERSPECTIVE.COM
808.353.3618

SB-2806-SD-1

Submitted on: 4/1/2022 12:07:51 PM

Testimony for FIN on 4/4/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jim Wyban	HIplan	Support	Written Testimony Only

Comments:

I am writing to express my strong support of SB2806 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) to continue the Hawaii Small Business Innovation Research (HSBIR) program.

I developed the World's first SPF shrimp broodstock company, High Health Aquaculture (HHA) based at NELHA in Kona. HHA was the beginning of what became a new export industry for Hawaii – SPF Shrimp Broodstock. Hawaii broodstock companies export more than \$30 M of Shrimp Broodstock per year and cumulatively have sold over \$250 million in SPF broodstock exports from Hawaii. SBIR (and HISBIR) funding were vital to developing this industry which is based on Hawaii-developed innovation.

During my tenure at HHA, we received 9 SBIR grants from various federal agencies (NSF, USDA, DOC). For each of these we also received Hawaii SBIR matching grants. All of these greatly contributed to our intellectual property (IP) development, which increased our company's value and success.

SBIR and HISBIR are extremely valuable initiatives that stimulate innovation leading to economic development.

After 20 years in business, we sold HHA to an Asian multinational (SIS), which expanded the business that continues today.

I strongly support the Hawaii SBIR program and urge you to fund it.

SB-2806-SD-1

Submitted on: 4/1/2022 1:22:05 PM

Testimony for FIN on 4/4/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dirk Koeppenkastrop	IL Gelato Hawaii	Support	Written Testimony Only

Comments:

Statement of

Dirk Koeppenkastrop, Ph.D.

Owner

IL Gelato Hawaii

before the

House Committee on Finance

Monday, April 4, 2022

1:30 PM

State Capitol, Conference Room 308 & Videoconference

In consideration of

SB2806 SD1

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Luke, Vice Yamashita, and Members of the Committee on Finance.

IL Gelato Hawaii **supports** SB2806 SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

We are a local small business and produce high quality gelato with all natural mostly local ingredients. We have many young employees who love and are proud about what they do. Doing business in Hawaii is very difficult and we need assistance grants in order to afford the equipment needed to efficiently produce and to keep up with productivity requirements to stay in business.

Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Monday, April 4, 2022, at 1:30 P.M.
Conference Room 308 & Videoconference**

RE: SB 2806 SD1 Relating to the Hawaii Technology Development Corporation

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

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 2806 SD1, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Small Business Innovation Research Program (SBIR).

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 Small Business Innovation Research Program (SBIR) is a highly competitive federal program that encourages domestic small businesses to engage in federal research and development that has the potential for commercialization. Through the Hawaii SBIR Program, Hawaii-based companies receive matching funds that can help them to enhance their project development, compete for more lucrative awards and ultimately reach successful commercialization.

The Hawaii Technology Development Corporation has provided assistance to SBIR awarded companies since 1988; as a result, Hawaii companies have attracted 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 the Hawaii Technology Development Corporation to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses here in Hawaii.

The Chamber of Commerce Hawaii believes an increase in funding would spur more economic growth for our small businesses and continue the advancement of technology and innovation through an increase in research and development.

Thank you for the opportunity to testify.



Ken Hayashida, P.E. | *President*
Michael Hunnemann, P.E. | *Vice President*

Statement of
Ken Hayashida
President
KAI Hawaii, Inc.
before the
House Committee on Finance

Monday, April 4, 2022
1:30 PM
State Capitol, Conference Room 308 & Videoconference

In consideration of
SB2806 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Luke, Vice Yamashita, and Members of the Committee on Finance.

KAI Hawaii, Inc. **supports** SB2806 SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

Thank you for the opportunity to offer these comments.

Sincerely,

Ken Hayashida

Ken Hayashida



1 April 2022

To : HOUSE FINANCE COMMITTEE

R.e. SB 2806 SD1

Scheduled to be heard by FIN on Monday, 04-04-22 1:30PM in House conference room 308.

Dear Chair Luke, Vice Chair Yamashita, and Representatives of the House Finance Committee,

I write in **strong support of SB2806 SD1** that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. **For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.**

We believe that these awards are critical to the development of innovative small businesses in Hawaii, and aid the transition from high-risk research to commercialization.

Our company is an exemplar of how these funds can aid in this transition. Consider our experience with the Velella Project, which was awarded one of **TIME Magazine's "25 Best Inventions of the Year"** for 2012. The Velella Project was funded by the National Science Foundation's SBIR program. Our Phase I and Phase II research work laid the ground-work for understanding the opportunity, but did not identify a ready path to commercialization. By the end of the Phase II project, we were still a long way from having a viable business plan.

By good fortune, one of our collaborating partners – the Illinois Soybean Association – had provided a significant matching contribution to our Phase II research to allow us to obtain a **further \$500,000 in Phase IIB funds from NSF**. This follow-on funding meant we could go back out offshore, and deploy and operate a modified version of the original concept, which could then more clearly demonstrate the social, ecological and commercial benefits of the project. Out of that Phase IIB work grew a new Lockheed-Martin spin-off company – Forever Oceans that now operates independently out of NELHA, with Kona-based employees totaling over fifteen engineers and biologists, with the head of biological research a UH Hilo graduate, and his deputy a UH Manoa graduate.

The Velella Project technologies developed through these matching funds also underpin the commercial expansions that we are pursuing offshore of `Ewa Beach, as well as in Florida. These

technologies are also applicable to the Kona-based kampachi farm, and other future offshore farms in Hawaii and the Pacific Islands.

Without the Phase II matching support of Illinois soybean farmers, then the NELHA-based Lockheed spin-off company, and our own ongoing research program at NELHA would all have wilted on the vine. As a Hawaii company, we cannot always rely on friends from Illinois; such critical support for Phase II and Phase III match needs to be also available locally.

Thank you for the opportunity to offer these comments, and for your ongoing support of high technology development in Hawai`i.

Mahalo, and aloha,



Neil Anthony Sims, M.Sc.
Founder, CEO, Ocean Era, Inc.



Statement of
Isar Mostafanezhad, Ph.D.
Founder and CEO, Nalu Scientific, LLC
before the
House Committee on Finance

Monday, April 4, 2022
1:30 PM
State Capitol, Conference Room 308 & Videoconference

In consideration of
SB2806, SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Rep. Sylvia Luke, Chair; Rep. Kyle T. Yamashita, Vice Chair; and members of the Committee on Finance:

Nalu Scientific, LLC **supports** SB2806, SD1, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Hawaii Small Business Innovation Research (SBIR) matching grant program. This program helps companies with Phase II and Phase III awards get their product to market.

Our company employs many UH graduates and former Hawaii residents who were able to return home to the islands and apply their specialized skills as we design and build high-end sensors and systems. HTDC matching grant programs have been a key reason why we have been able to provide these opportunities and to support Hawaii's innovation community.

I founded Nalu Scientific in 2016, and the company has participated in, and benefitted from, several SBIR funding opportunities. We have earned multiple large-scale federal grants totalling more than \$10 million.

For every dollar invested through the Hawaii SBIR program, Hawaii companies like ours have attracted over 20 federal dollars in return to the State, plus commercialization funding.

Thank you for the opportunity to offer these comments.



Written Statement of
DR. PATRICK K. SULLIVAN
PRESIDENT/CEO OCEANIT

Before the
HOUSE COMMITTEE ON FINANCE

Monday, April 4, 2022
1:30 p.m.
State Capitol, Conference Room 308 and Videoconference

Offers Comments to
**SB2806 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Representative Sylvia Luke, Vice Chair Representative Kyle Yamashita,
and Members of the Committee

From: Dr. Patrick K. Sullivan, President/CEO

Re: Comments relating to SB2806

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to offer comments to for SB2806

The technology industry in Hawaii has grown over the past 15 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to move the technology towards prototyping, customer interface, and commercialization,

The objectives of the SBIR grants are:

- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

Oceanit offers comments adopt SB2806 and to increase the cap to \$10M.



Statement of
Premier Solutions HI, LLC
before the
Senate Committee on Finance

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Honorable Chair Luke, Vice-Chair Yamashita, and Members of the Committee on Finance:

Premier Solutions HI, LLC (PSHI), a Honolulu-based, minority-owned and woman-owned small business that provides information technology, systems development and professional services to government and commercial customers, writes to offer our **strong support** of SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

PSHI has benefited greatly from the programs offered by HTDC, such as the Hawaii SBIR matching grant and the bi-annual Hawaii SBIR Conference. In 2017, PSHI was awarded our first Small Business Innovation Research contract from the Naval Supply Systems Command. In 2018, we were successful in winning Phase II funding of \$750,000 for that project. PSHI also won two additional Phase I SBIR awards from the Navy in 2018. HSBIR Phase I matching funds of \$60,000 were critical in this success, allowing us to travel from Hawaii to our mainland-based Navy customers, build invaluable relationships with our federal sponsors, and develop product prototypes that exceeded our customer's expectations. HSBIR funding also allowed us to make investments in our Hawaii-based engineering staff. To date, PSHI's efforts and investment in technology R&D have resulted in the award of six (6) SBIR Phase I, Phase II, and Phase III contracts, bringing more than \$9 million in revenues. PSHI was also invited to be a participant in the Department of the Navy (DoN) Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Transition Program (Navy STP) program. The Navy STP program assists small businesses with DoN Phase II SBIR/STTR contracts to transition their technology to a program of record or a commercial market. HTDC's support was vital to the success of our SBIR endeavors.

We plan to continue our growth as we build upon the new capabilities our SBIR success has provided and are currently seeking to hire more Hawaii-based engineers. We are very thankful for the support provided by HTDC and the State of Hawaii, and respectfully ask that the legislature pass SB2806. If you have any questions, please feel free to contact me at steveb@premiersolutionshi.com.

Very respectfully,

Steve Brennan
Business Development Director
Premier Solution Hi, LLC



Testimony Presented to
House Committee on Finance
Monday, April 4, 2022 1:30pm, Conference Room 308
by

Ron Weidenbach, Co-owner/President, Hawaii Fish Company Inc., Waiialua, HI

SUBJECT: Support for SB 2806 SD1 – RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Rep. Sylvia Luke, Chair, Rep. Kyle T. Yamashita, Vice Chair, and Members of Committee on Finance:

Hawaii Fish Company (HFC), established in 1978, is Hawaii's oldest commercial fish farm and a federal SBIR awardee and Hawaii SBIR matching grant awardee since 1993. In 2000, HFC was awarded the U.S. Small Business Administration's Tibbitts Award as a national model of excellence for the SBIR program, and a place in the SBIR Hall of Fame, Washington DC. Our success was made possible by the supplemental research support received from the Hawaii SBIR matching grant program.

HFC therefore strongly supports SB 2806 SD1 which appropriates funds for fiscal year 2022-2023 for the HTDC's Hawaii SBIR Matching Grant Program. This valuable program supports matching grants of up to 50% of the Federal SBIR Phase II/III awards to a maximum of \$500,000, enabling awardees to cover important research, development, intellectual property (IP) protection, and pre-commercialization expenses that are not covered by the federal awards, placing Hawaii companies in a favorable competitive position nationally.

This very successful program was the first of its kind in the nation and has since been widely copied and expanded upon by other States seeking to attract innovative technology companies and economic development to their respective States. The return on investment to the State of Hawaii in terms of small business start-ups, expansion, diversification, job creation, and economic impact has been impressive, with aquaculture and aquaponics companies being an active component of this State success. This program is critical to the continued efforts to diversify Hawaii's economy and to the continued commercialization success and growth of HFC. Thank you for the opportunity to testify in strong support of SB 2806 SD1.

Respectfully,

Ronald P. Weidenbach

Sustainability. Innovation. Quality.

P.O. Box 740 | Waiialua, HI 96791 USA | info@hawaiifishcompany.com | hawaiifishcompany.com

Statement of

Rachel Campbell
Chief Executive Officer/Chief Financial Officer and Owner
VisSidus Technologies, Inc.

before the
House Committee on Finance

Monday, April 4, 2022
1:30 PM
State Capitol, Conference Room 308 & Videoconference

In consideration of
SB2806 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Luke, Vice Yamashita, and Members of the Committee on Finance.

VisSidus Technologies, Inc. **supports** SB2806 SD1 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research Program (SBIR) to fund the matching grant for Phase II and Phase III awards to assist companies in getting their product to market. For every dollar invested through the Hawaii SBIR program, Hawaii companies have attracted over 20 federal dollars in return to the State, plus commercialization funding.

VisSidus focuses on the Research and Development (R&D) of technologies that enable small and inexpensive satellites to collaborate and accomplish tasks that are impossible to achieve with much larger and costlier satellites. Our objective is to launch a mission consisting of 12 satellites, each satellite the size of a college dorm room refrigerator and separated from its neighbor by the length of a football field. Together they form a mile-long radar at 200 miles altitude to generate weekly global maps of soil moisture and plant growth. Such maps are of commercial interest to the agriculture community and scientific interest to earth scientists.

To achieve VisSidus' ambitious vision, we have embarked on a long, lonely, and expensive journey due to the low technology readiness levels and the high business risks of the mission. However, through SBIR and STTR programs we have been able to secure R&D funding from the U.S. Army Space and Missile Defense Command (SBIR Phase I contract W9113M-16-C-0003) as well as NASA (STTR Phase I contract 80NSSC18P2136). In 2020 our proposal to NASA for a Phase II STTR (80NSSC20C0022), for the coordination and control of satellite swarms, was selected

and funded with a period of performance that ends in June 2022. With these contracts and internal funding, we have steadily advanced the state of the art and retired some of the technical risks. Our commercialization efforts proved fruitful through our participation as a subcontractor to a non-SBIR DARPA 2020-2021 seedling program on distributed radar (Master Agreement No.: HRO011-20-9-0110).

In late 2019 we moved from Florida to Hawaii attracted in part by matching incentives such as the HTDC SBIR Program. As we are all aware, the State of Hawaii started to feel the impact of the CoV-SARS 19 pandemic in March 2020. In late 2020, as our community adjusted to the pandemic, we engaged with the Aloha Connects Innovation program that introduced us to our full-time Avionics R&D Engineer and part-time Software Engineer Intern. During the summer of 2021 the STEMWorks program brought us two high school summer interns who turned into part time Software Developer Interns.

As founders who are organically growing our business while supporting the community, we are proud to employ local talent and provide growth opportunities to the Hawaii high technology workforce. The salaries of our new employees come from internal funding that at the time of this writing is stretching very thin. A matching grant from the Hawaii SBIR Program would allow VisSidus to significantly increase efforts to commercialize the technologies developed through SBIR and internally funded R&D projects, offer college tuition support to current employees, and hire new employees.

To conclude, we believe that funding from the Hawaii SBIR Program will further support and accelerate our undiluted growth, thus creating a solid foundation towards commercialization of our technologies.

Thank you for the opportunity to offer these comments.

Mahalo nui loa,
Rachel A. Campbell
CEO, CFO
VisSidus Technologies, Inc.
O: 386-868-2227
M: 206-617-2445
rachel.campbell@vissidus.com
590 Lipoa Pkwy, Suite #224
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Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: April 4, 2022
TIME: 1:30pm
PLACE: Via Videoconference

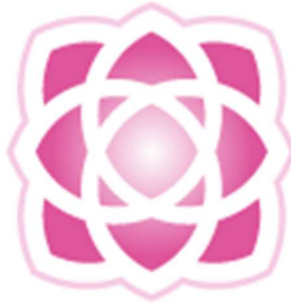
RE: SB2806 SD1 Relating to the Hawaii Technology Development Corporation

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.

HFIA is in support of this measure to appropriate funds to the Hawaii Technology Development Corporation (HTDC) for the Small Business Innovation Research Program.

HTDC is an important resource for our local business community and the Small Business Innovation Research Program helps companies further the development of new products to solve critical issues. We encourage you to vote yes on this measure and we thank you for the opportunity to testify.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
MONDAY, APRIL 4, 2022 AT 1:30 P.M.

To The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Members of the committee on Finance

SUPPORT SB2806 SD1 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

The Maui Chamber of Commerce **supports SB2806 SD1** to appropriate funding for the Hawaii Small Business Innovation Research Program within the Hawaii Technology Development Corporation (HTDC). This program is important to fund as it helps small businesses engage in federal research and development. Economic development is one of our top priorities and programs like this spur economic growth for local businesses in technology and innovation.

Mahalo for the opportunity to provide testimony and ask that you pass this bill so HTDC can continue their important work on this program.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2806-SD-1

Submitted on: 4/1/2022 2:44:50 PM

Testimony for FIN on 4/4/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2806. SBIR is an unquestionably proven program supporting local tech companies. Please pass this bill.

Mahalo for your consideration.

SB-2806-SD-1

Submitted on: 4/1/2022 3:49:44 PM

Testimony for FIN on 4/4/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
L Basha	Individual	Support	Written Testimony Only

Comments:

Innovation is key for economic growth. I strongly support this bill.

RYAN KAWAILANI OZAWA

P.O. Box 892727

Mililani, HI 96789-8332

Main: (808) 707-3027

Fax: (808) 427-9227



@hawaii A row of social media icons including Instagram, Twitter, YouTube, LinkedIn, Facebook, and others.

Email: hawaii@hey.com

April 1, 2022

Aloha, Rep. Sylvia Luke, Chair Rep. Kyle T. Yamashita, Vice Chair; and members of the Committee on Finance:

I am writing to express my **support** of SB2806, SD1, Relating to the Hawaii Technology Development Corporation.

The Hawaii Small Business Innovation Research (SBIR) program is among the brightest and most consistently productive programs for Hawaii's small business and startup community. Matching grants for Phase II and Phase III are critical to help companies in getting their product to market.

Hawaii companies have attracted over 20 federal dollars in return to the State for every dollar invested through the Hawaii SBIR program.

I have been active within and an advocate for Hawaii's innovation economy for more than three decades, and I have seen firsthand how these SBIR funds have created significant opportunities for many sectors of the Hawaii economy.

Mahalo for your consideration.



Ryan Kawailani Ozawa

SB-2806-SD-1

Submitted on: 4/2/2022 4:09:12 PM

Testimony for FIN on 4/4/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Orig	Individual	Support	Written Testimony Only

Comments:

I support this bill. It is helping to diversify our economy in Hawaii. Plus it is a great resource for businesses. It is so expensive and we are competing on a global scale that we need all the help we can get. Often times it is knowledge, experience, and captial that we need in order to get to the next level.