



Written Statement of  
**Len Higashi**  
 Acting Executive Director  
 Hawaii Technology Development Corporation  
 before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC  
 DEVELOPMENT, AND TOURISM**

Friday, January 28, 2022  
 3:00 p.m.  
 Videoconference

In consideration of  
**SB2806**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha and Members of the Committee

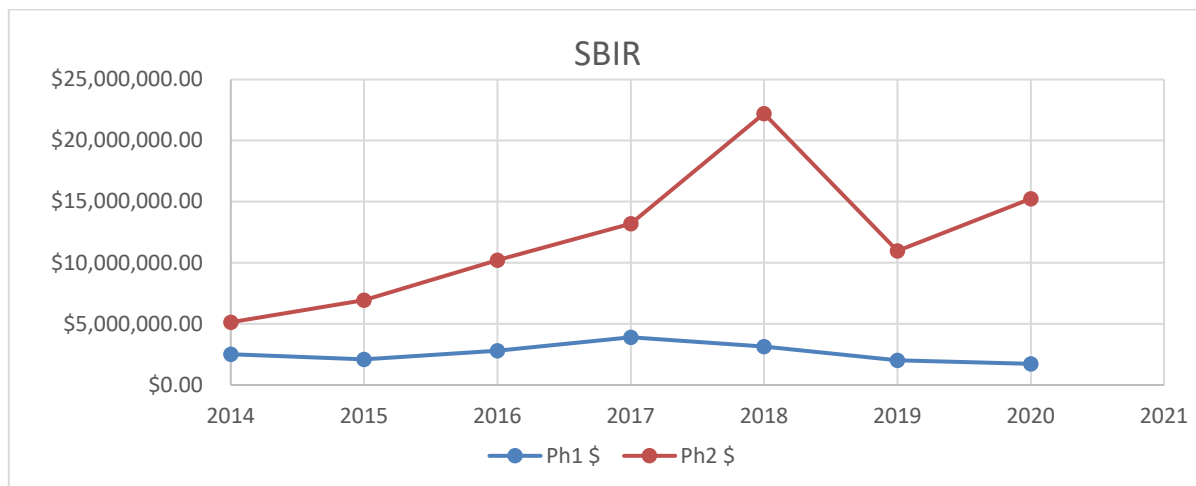
The Hawai'i Technology Development Corporation (HTDC) **supports** SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program.

HTDC supports initiatives aimed at promoting technology and innovation 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](https://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.

Thank you for the opportunity to offer these comments.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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

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 SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND  
TOURISM  
ON  
SENATE BILL NO. 2806

**January 28, 2022**  
**3:00 p.m.**  
**Room 224 & 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 appropriates \$1,500,000 in 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 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.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Written Testimony Presented to the  
Senate Committee on Energy, Economic Development, and Tourism  
Friday, January 28, 2022 at 3:00 p.m.

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

### SB 2806 – RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

The University of Hawai'i (UH) supports this bill that appropriates funds to support important innovation-related programs at the Hawai'i Technology Development Corporation (HTDC).

The University of Hawai'i shares a similar vision with 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.

In order to build a successful innovation ecosystem in Hawai'i, all parties involved must work and support each other in their endeavors. With programs such as HSBIR, continued or increased funding for HTDC is crucial to moving innovation and commercialization efforts forward in the state.

The University of Hawai'i appreciates the opportunity to testify on this measure.

THE SENATE  
THE THIRTY-FIRST LEGISLATURE SESSION OF 2022  
COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

DATE: 28 JAN 2022  
TIME: 3 P.M.  
PLACE: Conference Room 224

**TESTIMONY ON SENATE BILL NO. 2806, RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

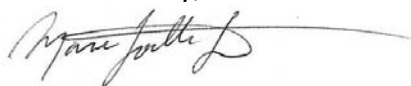
Position: **Support**

To the Honorable Glenn Wakai, Chair; the Honorable Bernadette Misalucha, Vice Chair; and Members of the Committee:

Our company is an Oahu-based small business developing new ways to recycle waste generated in Hawaii into sustainable aviation fuel, green hydrogen, and other beneficial products such as new building materials. In part thanks to the coaching and commercialization planning assistance from the Hawaii Technology Development Corporation, we received our first-ever competitive Small Business innovation Research award a little over a year ago, and have now won our first-ever Phase II SBIR award. The matching funding provided by the State's HSBIR program were critical to be able to double our number of employees (all of whom are local) and cover the commercialization and patent protection costs that SBIR awards cannot fund. We have been able to use the SBIR and HSBIR funds to hire five University of Hawaii at Manoa and at West Oahu undergraduate interns for paid internships in Science, Technology, Engineering, and Math (STEM) projects over the past year. Our federal funding awards to date combined total over \$900,000, and our HSBIR matching funding grant last year was \$28,000. This represents a 32-times multiple on the State's funding for our company alone.

Please accept this testimony in support of this bill. In addition to allocating base funding for the Phase I SBIR matching funding program, please also consider restoring funding to the Phase II SBIR and Manufacturing Assistance Programs, at least to pre-pandemic levels, as well. We will also continue to complete a feasibility study for a renewable jet fuel, green hydrogen, and firm renewable power manufacturing plant using the technology, processes, and community input accelerated by these SBIR awards. With the matching funding from those programs, we will be able to compete at the national level for the larger multi-million dollar competitive solicitations from federal agencies, such as the U.S. Department of Energy's \$5-8 million grants to construct pilot plants for new sustainable aviation fuel and green hydrogen manufacturing processes.

Sincerely,



Marie-Joelle Simonpietri  
President

### *About Simonpietri Enterprises*

Simonpietri Enterprises is an industrial innovation and sustainability company focused on technical innovation and first-of-kind project development of emerging clean and renewable technologies. We help established industrial companies improve the environmental and economic sustainability of their operations through technical and business advice in renewable energy conversion, waste reduction and re-use, and greenhouse gas lifecycle impact reduction. Simonpietri Enterprises is the voluntary convenor of the Federal Aviation Administration's public-private Commercial Aviation Alternative Fuels Initiative ([www.CAAFI.org](http://www.CAAFI.org)) focal for Hawaii and tropical regions, and serves as an industry advisory committee member of the Federal Aviation Administration's Aviation Sustainability Center of Excellence on renewable aviation fuel production and certification ([www.ascent.aero](http://www.ascent.aero)).



**Testimony to the Senate Committee on Energy, Economic Development, and  
Tourism**

**Friday, January 28, 2022, at 3:00 P.M.  
Conference Room 224 & Videoconference**

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

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2806, 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.

HTDC 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 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.

The Chamber believes an increase in funding by \$1.5 million 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.





1050 Bishop St. PMB 235 | Honolulu, HI 96813  
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#### **Executive Officers**

**Charlie Gustafson**, Tamura Super Market, *Chair*  
**Eddie Asato**, Pint Size Hawaii, *Vice Chair*  
**Gary Okimoto**, Safeway, *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schliff**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

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TO: Committee on Energy, Economic Development, and Tourism  
Senator Glenn Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: Friday, January 28, 2022  
TIME: 3pm  
PLACE: Via Videoconference

RE: SB2806 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.

**SB-2806**

Submitted on: 1/27/2022 12:18:52 PM

Testimony for EET on 1/28/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Adrian Hong	Testifying for Island Plastic Bags, Inc.	Support	No

Comments:

Statement of

**Adrian Hong**

**President**

**Island Plastic Bags**

before the

**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022

3:00 PM

State Capitol, Conference Room 224 & Videoconference

In consideration of

**SB2806**

**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

Island Plastic Bags, Inc. **supports** 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.

Thank you for the opportunity to offer these comments.





643 Ilalo St #203 Honolulu, HI 96813

Telephone: +1.808.664.0053 | Email: [info@ShiftedEnergy.com](mailto:info@ShiftedEnergy.com)

Statement of

Forest Frizzell  
Co-Founder & CEO  
Shifted Energy

**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022

3:00 PM

State Capitol, Conference Room 224 & Videoconference

In consideration of

SB2806

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

Shifted Energy supports 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.

Shifted Energy is a venture funded, Hawaii-based technology startup working to advance renewable energy integration by managing behind the meter energy loads such as water heaters, thermostats, and EV chargers. Shifted's platform, Grid Maestro, aggregates Internet connected controllers using patent-pending software to provide advanced energy management services to electrical grid operators. Shifted operates projects in Hawaii, multiple U.S. cities, and several countries. Shifted operates in the fast growing Demand Response industry providing modern energy services that will be required on nearly every electrical grid worldwide. While we have not directly benefited from SBIR grant programs, we recognize and support scaling and diversifying access to funds for early stage startups is integral to building a ecosystem of innovation and entrepreneurship.

Thank you for the opportunity to offer these comments.

Forest Frizzell

Statement of  
**Doug Nelson**  
President  
**Studio Kinection, Inc. (dba Kinection)**

before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

Kinection **strongly supports** 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.

Companies that successfully complete Phase II projects often face a “valley of death” where they lack the funds to move from the working prototype developed under SBIR funding to a commercial product. This is where the HTDC matching funds can make a crucial difference for Phase II companies.

In 2016, we received funds under this program for our “Warrior Stories” software application, originally developed under contract with the Dept. of Defense. With the HTDC funding, we have hired a Hawaii-based employee, added key features to our software, and attracted new customers. Additionally, we secured additional federal funding to match the HTDC grant.

Small businesses are the innovation engine of the new economy, and supporting small businesses to develop sustainable product lines should continue to be a key priority for the State.

Thank you for the opportunity to offer these comments.

**SB-2806**

Submitted on: 1/27/2022 12:54:46 PM

Testimony for EET on 1/28/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Steve Brennan	Testifying for Premier Solutions	Support	No

Comments:

Honorable Chair and Committee Members,

Premier Solutions HI LLC, a Honolulu-based, SBA-certified disadvantaged 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 which allocates funding to HTDC for the small business innovation research program.

Premier Solutions HI (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, and progressed through Phase II with the support of the Innovate Hawaii HSBIR matching funding. In 2021, based on that original Phase I award, we were successful in winning more than 7 million in Phase III contracts from the US Navy and US Marine Corps. PSHI has also won multiple additional Phase I & II SBIR awards and is currently working on an exciting new R&D effort with the Marine Corps Warfighting Laboratory involving the application of artificial intelligence and machine (AI/ML) to help improve logistics and speed delivery of medical supplies at remote locations such as Pacific Islands.

HSBIR Phase I matching funds have been critical in our success, allowing us to travel from Hawaii to our mainland-based Navy and Marine Corps 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 key investments in tools and training for our Hawaii-based engineering staff.

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](mailto:steveb@premiersolutionshi.com)

Very respectfully,

Steve Brennan

Director of Business Development  
Premier Solutions LLC  
600 Kapiolani Blvd Suite 302  
steveb@premiersolutionshi.com

# RYAN KAWAILANI OZAWA

P.O. Box 892727

Mililani, HI 96789-8332

Main: (808) 707-3027

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

Email: hawaii@hey.com

January 27, 2022

Aloha e Senator Glenn Wakai, Chair; Senator Bennette E. Misalucha, Vice Chair; members of the Committee on Energy, Economic Development, and Tourism:

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

The Hawaii Small Business Innovation Research 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.

As a result of this program, 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 Kawaiiani Ozawa





January 27, 2022

Statement of  
**Sandeep Patil MD PhD**  
**CEO**  
**Praxis Bioresearch**  
before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

**Praxis Bioresearch supports** 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. HTDC support of local life science cluster and work force is highly essential as many companies in this sector take a long time to become profitable due to a lengthy research process.

Praxis Bioresearch is an innovative biopharmaceutical company focused on developing safe and effective solution for the treatment of neurobehavioral problems in Alzheimer's Disease (AD).

Thank you for the opportunity to offer these comments.

# Skywriting by...nico

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[www.SkywritingbyNico.com](http://www.SkywritingbyNico.com)



I am responding to the testimony request for SB2806

My name is Nicole Fisher and I own a small business marketing company in Maui County.

I have on several occasions needed training or resources on Maui before Covid-19 and during. HTDC has been such a great support to our community and I'm hoping they get the backing to continue doing the planning, organization, and networking that they are so good at. They go a step beyond by offering their connections to get the best speakers for events and help shape the course of business for many of us.

I work as a co-organizer for the Maui Business Brainstormers and the HTDC has participated in many events with their knowledge and structure to help make the events the best they can be. They also have assisted us in the Global Entrepreneurship Week which celebrate entrepreneurs and inspire others – particularly those who face structural barriers or may have never considered the idea of launching their own start-up, planning, and marketing.

I urge you to keep the support going for this fine group of talented community organizers who treat Maui County businesses with class and strength.

I appreciate your allowing me to gush. It's a great group.

Nicole "nico" Fisher  
Owner/Lead Project Manager  
Skywriting by...nico  
808-866-0475  
[nico@skywritingbynico.com](mailto:nico@skywritingbynico.com)



Statement of  
Brian Watanabe  
President  
Island Grown Foods, Inc.  
dba: Hawaii Food Products  
Before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee of Energy Economic Development, and Tourism.

Hawaii Food Products **Supports** 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.

Hawaii Food Products manufactures Hawaiian and local foods favorites such as Lau Lau, Kalua, Roast Pork (Lechon, Chinese style, Char Siu), Pastele, and other Ready to Eat products. Funding support for SB2806 allows us to invest in equipment that create opportunities which would otherwise not be possible. Case in point: The purchase of a metal detector is a requirement which allows us to market our products through Costco Wholesale. This opportunity positively impacted our sales and direct ability to hire and employ approximately 50 local residents.

Thank you for the opportunity to offer these comments.



Statement of  
**Hermann Kugeler**  
**Business Development Manager**  
**Makai Ocean Engineering, Inc.**

before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022

3:00pm

State Capitol, Conference Room 224 & Videoconference

In consideration of

**SB2806**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee.

Makai Ocean Engineering, Inc. **STRONGLY 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 **STRONGLY 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.

# TeleVoice 2000

Statement of  
**Tom Leonard**  
Owner

**TeleVoice 2000**

before the

**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022

3:00 PM

State Capitol, Conference Room 224 & Videoconference

In consideration of

**SB2806**

**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

TeleVoice 2000 **supports** 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.

Our company has supplied telecommunications and information technology consulting services to Hawaii companies since 1997. For the past 6 years, we have actively participated in HTDC's programs to promote economic growth in the State through support for development of an active and robust technology sector.

The programs administered by HTDC are some of the major resources available to entrepreneurs in Hawaii to support them to safely navigate the early stages of bringing their businesses to full commercial reality. In our experience, many entrepreneurs have a keen understanding of the products and services they wish to supply, but lack the practical business experience needed to bring their ideas to fruition. HTDC, through its programs of workshops, grants, community building efforts, legislation and sponsorships successfully addresses this need. Through HTDC's mentorship program, clients throughout the State have access to a group of seasoned business professionals with real-world business management experience to support them through their early stages of development and beyond.



Statement of  
Isar Mostafanezhad, Ph.D.  
Founder and CEO  
**Nalu Scientific, LLC**  
before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

Nalu Scientific, LLC **supports** 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.

I founded Nalu Scientific in 2016. Nalu Scientific has participated in, and benefitted from, several SBIR funding opportunities. We have earned multiple large-scale federal grants totalling more than \$10 million. Nalu Scientific was named Hawaii's Most Innovative Company in 2019 by both the U.S. Small Business Administration (SBA) and Hawaii Business Magazine.

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. The HTDC matching grant program has been a key reason why we have been able to provide these opportunities and to support Hawaii's innovation community.

Thank you for the opportunity to offer these comments.

Statement of  
**Blair Stultz**  
**Vice President**  
**Bear Machinery Inc.**  
before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

**Bear Machinery Inc. supports** 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.

HTDC has been a good friend to Bear Machinery by connecting us to potential new customers in Hawaii. HTDC understands that a core part of Bear Machinery's business is in manufacturing R&D prototypes. This helps keep work in the state and continues to strengthen high tech employment. The Hawaii SBIR program is a strong factor in energizing local companies for research and developing new products and technologies. The State of Hawaii is well served by funding this matching grant program, and I support this bill.

Thank you for the opportunity to offer these comments.





Statement of  
**Kelsey Amos**  
**Chief Operating Officer**  
**Purple Mai'a Foundation**  
before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2807**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

Purple Mai'a Foundation **supports** SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Manufacturing Assistance Program. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helping to grow the industry.

The Purple Mai'a Foundation (PMF) is a 501(c)(3) non-profit organization based in Honolulu, HI whose mission is to educate and inspire the next generation of culturally grounded, community serving technology makers and problem solvers. PMF has offered several innovation and entrepreneurship programs including Hawai'i FoundHer, which has provided funding and capacity building resources to local small businesses led by women of color, many of which are on a path to becoming manufacturers. The Hawaii Technology Development Corporation's Manufacturing Assistance Program is critical to the success and development of our small business and manufacturing economy.

Thank you for the opportunity to offer these comments.



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

Before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT and TOURISM**

Friday, January 28, 2022  
3:00 p.m.  
State Capitol, Conference Room 224 and Videoconference

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

To: Chair Senator Wakai, Vice Chair Senator Misalucha, 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 to increase the cap to \$10M (rather than \$1.5M) and we appreciate your continued support of the technology industry.

**LATE**

**SB-2806**

Submitted on: 1/27/2022 5:07:57 PM

Testimony for EET on 1/28/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Ronald Weidenbach	Testifying for Hawaii Aquaculture & Aquaponics Association	Support	No

Comments:

The Hawaii Aquaculture and Aquaponics Association (HAAA) strongly supports SB2806 which appropriates \$1.5M for HTDC's Hawaii SBIR Matching Grant Program. This valuable program supports matching grants of up to 50% of Federal SBIR Phase I and Phase II awards, enabling awardees to cover important research, development, 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 success. This program is critical to the continued efforts to diversity Hawaii's economy. The HAAA strongly supports this measure.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224  
FRIDAY, JANUARY 28, 2022 AT 3:00 P.M.**

To The Honorable Glenn Wakai, Chair;  
The Honorable Bennette E. Misalucha, Vice Chair; and  
Members of the Committee on Energy, Economic Development, and Tourism,

**SUPPORT SB2806 RELATING TO THE  
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

The Maui Chamber of Commerce supports SB2806 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.

**LATE**

Statement of  
**Tarik Sultan**  
Managing Partner  
**XLR8HI**  
before the

**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM

State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**

**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

**XLR8HI supports** 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.

XLR8HI elevates and empowers Hawaii founders and business owners at all stages of growth by fostering a culture of innovation and inclusion within Hawaii's entrepreneurial community. Our team carries a successful track record of working with and investing in Hawaii's entrepreneurs, startups, and small businesses. Through the Hawaii SBIR Program and partnerships with HTDC, we are able to nurture Hawaii businesses in accelerating and amplifying their growth, further strengthening Hawaii's economic resilience and force as a regional economy.

Thank you for the opportunity to offer these comments.

Respectfully submitted,



Tarik Sultan  
Managing Partner  
XLR8HI

Statement of  
**Omar Sultan**  
**Managing Partner**  
**Sultan Ventures**

**LATE**

before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, January 28, 2022  
3:00 PM  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB2806**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development, and Tourism.

**Sultan Ventures supports** 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.

Sultan Ventures is a collaborative venture firm that builds visionary startups and innovation hubs. Founded in Honolulu, the company works closely with innovative early-stage startups and entrepreneurs focused on transformative solutions. This means we're engaged from initial idea to long-term success. Guided by a people-first approach, Sultan Ventures also invests in human capital by developing opportunities to educate and elevate entrepreneurs. Through the Hawaii SBIR Program and partnerships with HTDC, we are able to amplify access by Hawaii businesses to pivotal resources via our network of experts and investors, while providing the hands-on expertise necessary to encourage innovation, accelerate growth and contribute to a strengthened economic resilience throughout the state.

Thank you for the opportunity to offer these comments.

Respectfully submitted,



Omar Sultan  
Managing Partner  
Sultan Ventures

**SB-2806**

Submitted on: 1/27/2022 2:17:23 PM

Testimony for EET on 1/28/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Donavan Kealoha	Individual	Support	No

Comments: