



Written Statement of
Len Higashi
 Acting Executive Director
 Hawaii Technology Development Corporation
 before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, February 22, 2022
 10:00 a.m.
 Videoconference

In consideration of
SB2806
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee

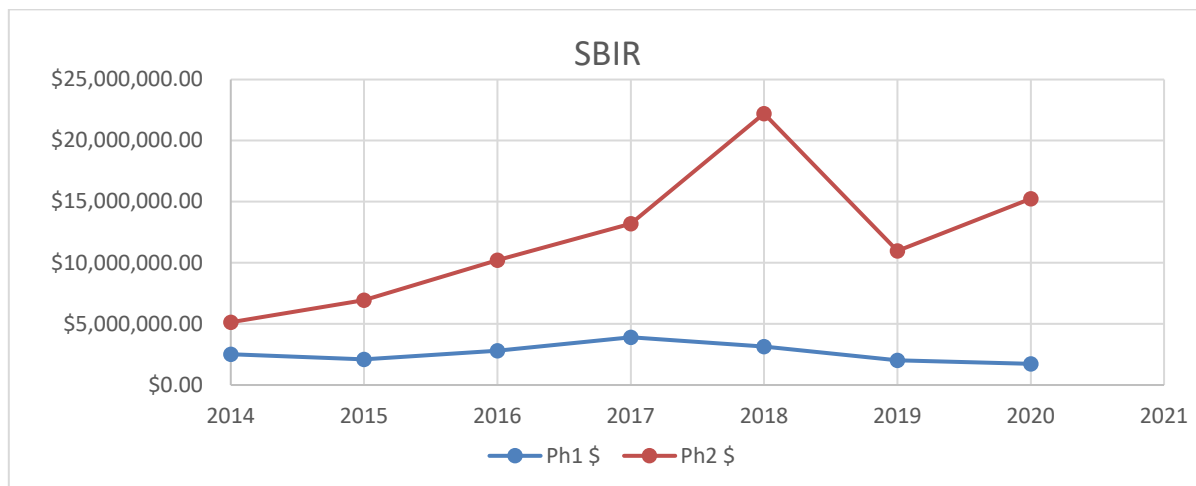
The Hawai'i Technology Development Corporation (HTDC) **supports** SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program.

HTDC supports initiatives aimed at promoting technology and 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 Hawai'i SBIR program, Hawai'i 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 believes the grant programs provide leverage and positive economic development value for the State. We support this request provided it does not supplant the Governor's priorities in the Administrative budget. Thank you for the opportunity to offer these comments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented to the
Senate Committee on Ways and Means
Tuesday, February 22, 2022 at 10:00 a.m.

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

SB 2806 – RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

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 (UH) supports this bill that appropriates funds to 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.

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 testify in support of this measure.

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 SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2806

February 22, 2022
10:00 a.m.
Room 211 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 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, 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.



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

Before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, February 22, 2022
20:00 a.m.
State Capitol, Conference Room 211 and Videoconference

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

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, 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 SB3358 and to increase the cap to \$10M (rather than \$1.5M) and we appreciate your continued support of the technology industry.



643 Ilalo St #203 Honolulu, HI 96813
Telephone: +1.808.664.0053 | Email: info@ShiftedEnergy.com

Statement of

Forest Frizzell
Co-Founder & CEO
Shifted Energy

Senate Committee on Energy, Economic Development, and Tourism

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 224 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

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

SB-2806

Submitted on: 2/16/2022 3:52:18 PM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Steve Miller	Testifying for Sweet Brown Hawaii	Support	No

Comments:

Hello Legislators,

I have utilized the services of HTDC in the past and found them to be very helpful! I hope to be able to use them in the future should the need arise. As a small business in Hawaii I fully support them and their continued mission.

I ask that you please continue to fund the HTDC, thank you.

Aloha and stay safe,

Steve

Steve Miller - Owner Sweet Brown Hawaii

SB-2806

Submitted on: 2/16/2022 4:09:47 PM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
fung yang	Testifying for small kine farm	Support	No

Comments:

see attached file.



HYPERSPECTIVE
INSPIRE BELIEF

Statement of:
Todd J. Robertson
President/CEO
Hyperspective
Before the
Senate Committee on Ways and Means
Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806 RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Hyperspective **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.

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



KYD, Inc. dba k. yamada distributors

An independent leader in packaging and wholesale distribution

P.O. BOX 29669, Honolulu, Hawaii 96820 Phone: (808) 836-3221 Fax: (808) 833-8995

Statement of
Dexter Yamada
President
KYD, Inc.
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

KYD, 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.

We are planning on installing Photovoltaic systems at our manufacturing plant. This will help us save on electric bills which will make our products more competitive and provide continued employment to our 44 manufacturing employees.

Thank you for the opportunity to offer these comments.



WILL CALL, G&A, AND WAREHOUSE OFFICES: 2949 Koapaka Street, Honolulu, Hawaii 96819-1923 Phone: (808) 836-3221 Fax: (808) 833-8995

MANUFACTURING FACILITIES: 747 Umi Street, Honolulu, Hawaii 96819-2394 Phone: (808) 836-3221 Fax: (808) 845-7754

SB-2806

Submitted on: 2/17/2022 10:16:42 AM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gary T. Yoshioka	Testifying for Diamond Bakery Co., Ltd.	Support	No

Comments:

Dear Honorable Senators,

Support.

The need to increase access and use of SBIR resources in conjunction with the research strength of the University of Hawaii System has never been greater. And the recognition and initiative shown by HTDC and its partners is both visionary and pragmatic.

These resources will bring together our brightest young kamaaina minds with world class researchers to allow commercially viable ideas go to market for economic growth in Hawaii.

Our innovation and startup ecosystem will flourish if this kind of support comes to fruition.

Who could argue with such a sought after objective. Mahalo nui loa.



Statement of
Kelsey Amos
Chief Operating Officer
Purple Mai'a Foundation
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Purple Mai'a Foundation **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.

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 the Purple Prize, which has provided funding and capacity building resources to local technology projects and companies, many of which consider the SBIR an important resource. The Hawaii SBIR program is critical to the success and development of our innovation and technology economy.

Thank you for the opportunity to offer these comments.

A handwritten signature in black ink, appearing to read "Kelsey Amos".



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

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*

TO: Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 22, 2022
TIME: 10am
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.

Statement of
Nelson Kanemoto
President and CEO
Referentia Systems Incorporated
before the
Senate Committee on Ways and Means
Tuesday, February 22, 2022
10:00 a.m.
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Referentia Systems Incorporated strongly **supports** SB2806, that appropriates funds to the Hawaii Technology Development Corporation (HTDC) 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.

Referentia Systems is a technology company with headquarters in Honolulu, Hawaii. Over the past 15 years, HTDC's SBIR grant funding has supported and enabled Referentia to develop proprietary technologies that are being commercialized within the State and on the U.S. mainland through a proven technology spin-off model.

One such technology and spin-off is LiveAction Inc., www.liveaction.com, which is supporting over a thousand enterprise companies such as Netflix, Home Depot and Walmart. Most recently, with SBIR funding from HTDC, has positioned Referentia and its T-REX/in2lytics technology to help accelerate the Cyber Mission Assurance process for the US Air Force.

The grant that we received from HTDC significantly helped further develop and expand the capabilities of this product, increasing its value to our customers. In addition, the funding helped position our technology platform to be the back-end database for a solution being deployed to over 50 electric utilities on the mainland and partner with 900 electric utility co-operative customers. This achieves the State's objectives of increasing technology exports to grow high-tech companies and jobs at home.

Thank you for the opportunity to offer these comments.



Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.

before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022

10:00 am

Videoconference & State Capitol, Conference Room 211

In consideration of

SB2806

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Dela Cruz, Vice Chair Keith-Agaran, 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.

SB-2806

Submitted on: 2/18/2022 10:11:40 AM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Collin Kobayashi	Testifying for 3D Innovations	Support	No

Comments:

Statement of

Collin Kobayashi

President

3D Innovations

before the

Senate Committee on Ways and Means

Tuesday, February 22, 2022

10:00 AM

State Capitol, Conference Room 211 & Videoconference In consideration of

SB2806

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

3D Innovations **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.

Support for SBIR programs allows R&D companies to further develop products for commercialization and will significantly increase the chances of companies reaching this tough milestone.

Thank you for the opportunity to offer these comments.



4009 Black Point Rd, Honolulu, HI 96816

Statement of
Rex Jakobovits, PhD
President,
Experiad Solutions
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Experiad 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. Our story is direct proof that the HTDC SBIR program is critical to attracting high tech startups to Hawaii, and it has brought millions of additional federal dollars to our local economy.

My software startup Experiad has received matching funds for our Phase I and Phase II SBIRs, funded by the National Institutes of Health (NIH) to develop software for behavioral therapists who **treat kids with autism**. The funds distributed by HTDC have been critical to our success, allowing us to conduct an extensive field test of our prototype product in the homes of kids with autism. The data we gathered allowed us to win a new fast-track NIH grant proposal last year. We could not have done it without the research funded by the Hawaii matching grant. Thus, **the Hawaii SBIR matching grant was directly responsible for us being awarded \$3.6M in additional federal dollars**. That money is feeding the local high tech economy, and acting as critical seed capital that will generate dozens of high tech jobs in Hawaii if we succeed.

Furthermore, HTDC has served as a critical conduit for bringing Hawaii tech entrepreneurs together, leading to collaboration and team-building that propelled our success. We met our VP of Clinical Product, Emaley McCulloch, when she was building a business within HTDC's manoa site in 2015, and



4009 Black Point Rd, Honolulu, HI 96816

without her, we would not be where we are today. HTDC is a vital hub for Hawaii's technology entrepreneurship, and we are an example of that.

HTDC is exactly the type of investment that our economy needs right now.

Mahalo for listening!

A handwritten signature in black ink that reads "Rex Jakobovits". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Rex Jakobovits, PhD
President, Experiad Solutions



Testimony Presented to
Senate Committee on Ways and Means
February 22, 2022 10:00am Conference Room 211

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

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

Chair Dela Cruz, Vice Chair Keith-Agaran, members of the Committee:

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 which appropriates \$1.5M for HTDC Hawaii SBIR Matching Grant Program. This valuable program supports matching grants of up to 50% of the Federal SBIR Phase II/III 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 diversify Hawaii's economy.

Thank you for the opportunity to testify in strong support of SB 2806.

Respectfully,

Ronald P. Weidenbach
Co-owner and President
Hawaii Fish Company Inc.

Sustainability. Innovation. Quality.

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



Statement of
Isar Mostafanezhad, Ph.D.
Founder and CEO
Nalu Scientific, LLC
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Senator Donovan M. Dela Cruz, Chair; Senator Gilbert S.C. Keith-Agaran, Vice Chair; and members of the Senate Committee on Ways and Means:

Nalu Scientific, LLC **supports** SB2806, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Hawaii Small Business Innovation Research (SBIR) matching grant program 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.

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
Meli James
Cofounder
Mana Up
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Mana Up supports SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research (HSBIR) 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.

Mana Up is an accelerator and venture fund for Hawai'i-based products growing to markets globally, with the mission to increase economic opportunity and jobs for the people of Hawai'i. Since launching Mana Up in 2018, we have helped 63 local companies graduate from our six-month accelerator program that provides expansion opportunities and helps solve business challenges.

For over 30 years, HTDC has provided matching grants to Hawaii companies that receive Federal Small Business Innovation Research Grants (SBIR). The Hawaii SBIR matching program has been tremendous in providing money needed to help local companies in innovation that are advancing technology to solve critical issues. Hawaii's SBIR Phase II and Phase III winners are creating the best technology solutions in the nation, and this program has played a crucial role in building Hawaii's innovation space and helping it to thrive.

Many of the solutions these awarded companies offer positively impact our business community and can help to solve challenges that many of the small local companies we work with face. SB2806 would help Hawaii-based innovators and small local businesses alike to develop new products that can reach global markets. Ultimately, the funds invested through the HSBIR program will help bring many new products to market, and therefore potentially generate 20x more in revenue for our state helping to further diversify and expand our local economy.

We respectfully ask for your support of SB2806 to foster innovation amongst our local community and to create solutions to challenges that many of our island-based companies face. Mahalo for the opportunity to submit this testimony on behalf of Mana Up.

Sincerely,

Meli James
Cofounder, Mana Up

February 20, 2022

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

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

Tuesday, February 22, 2022

10:00 a.m.

State Capitol, Conference Room 211 & 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.

VisSidus Technologies, Inc. **supports** SB2806 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelsior (Accelerator) program.

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 large and costly satellites. Our mission consists of 12 satellites, each satellite the size of a 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 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/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 risks.

In late 2019 we moved from Florida to Hawaii attracted in part by matching programs 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 work force. 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 continue the R&D projects and hire new employees.

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
Kihei, HI 96753



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Tuesday, February 22, 2022, at 10:00 A.M.
Conference Room 211 & Videoconference**

RE: SB 2806 Relating to the Hawaii Technology Development Corporation

Chair Dela Cruz, Vice Chair Keith-Agaran, 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.

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 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.

LATE



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
TUESDAY, FEBRUARY 22, 2022 AT 10:00 A.M.**

To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair
Members of the committee on Ways and Means

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.

Statement of
Meli James
President
HVCA
before the
Senate Committee on Ways and Means

Tuesday, February 22, 2022
10:00 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB2806
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

HVCA supports SB2806 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research (HSBIR) 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.

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Our organization helps to foster entrepreneurship through education and exposure to key members in our business community in order to support our islands' emerging entrepreneurs, all while sustaining a vibrant and successful business community.

For over 30 years, HTDC has provided matching grants to Hawaii companies who receive Federal Small Business Innovation Research Grants (SBIR). The Hawaii SBIR matching program has been tremendous in providing money needed to help local companies in the innovation space that are advancing technology to solve critical issues. Hawaii's SBIR Phase II and Phase III winners are creating the best technology solutions in the nation, and this program has played a crucial role in fostering innovation throughout our State and helping it to thrive.

Many of the solutions these awarded companies offer positively impact our business community and can help to solve challenges that many of the small local companies we work with face. SB2806 would help Hawaii-based innovators and small local businesses alike to develop new

products that can reach global markets. Ultimately, the funds invested through the HSBIR program will help bring many new products to market, and therefore potentially generate 20x more in revenue for our state helping to further diversify and expand our local economy.

We respectfully ask for your support of SB2806. Mahalo for the opportunity to submit this testimony on behalf of HVCA.

Sincerely,

A handwritten signature in black ink, appearing to read 'Meli James', with a stylized flourish at the end.

Meli James
President, HVCA

SB-2806

Submitted on: 2/16/2022 3:32:39 PM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jim Wyban	Individual	Support	No

Comments:

I strongly support passage of SB2806 to continue funding HTDC's support for HISBIR program. This program provides critical funding to Hawaii entrepreneurs that matches Federal SBIR awards. This funding leverages Hawaii's support for entrepreneurs and innovators and leads to economic development of Hawaii's innovation economy.

SB-2806

Submitted on: 2/16/2022 4:13:04 PM

Testimony for WAM on 2/22/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Steven Singer	Individual	Support	No

Comments:

HTDC has provided an invaluable service over the years by both supporting entrepreneurs and small business, as well as the emerging IT workforce. Here is an organization that does not just talk, it does something about these issues that so many of us in the state say are important and need support for our economy and community to grow. As a long time member of the local IT educational workforce community, I support wholeheartedly this bill, SB2806.

Mahalo and Aloha,

Prof. Steven A Singer, Ed.D.

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

February 18, 2022

Aloha, Senator Donovan M. Dela Cruz, Chair; Senator Gilbert S.C. Keith-Agaran, Vice Chair; and members of the Committee on Ways and Means:

I am writing to express my **support** of SB2806 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.

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 Kawailani Ozawa