



DAVID Y. IGE  
GOVERNOR

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of  
**Gwen Yamamoto Lau**  
**Executive Director**  
before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM**  
Friday, January 28, 2022  
Time: 3:00 P.M.  
State Capitol, Conference Room No. 224 & Videoconference

In consideration of  
**SENATE BILL NO. 2808**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Thank you for the opportunity to testify on Senate Bill 2808, relating to the Hawaii Technology Development Corporation (“HTDC”). This bill proposes to appropriate funds to support the State Small Business Credit Initiative Program. The Hawaii Green Infrastructure Authority (“HGIA”) **supports** this bill.

Hawaii is unique in that 93.9% of its total land area is considered rural and 75% of its population are classified as minority. In addition to its existing Venture Capital Program, with funds that will be appropriated to the State Small Business Credit Initiative (“SSBCI”) under The American Rescue Plan Act, HTDC will be expanding Hawaii’s SSBCI Program to also include two credit enhancement programs. In partnership with HTDC, HGIA will be launching the Collateral Support and Loan Participation Programs, both designed to address market barriers and increase access to capital for Hawaii’s business, inclusive of socially and economically disadvantaged individuals (SEDI-owned businesses) and very small businesses.

Thank you for this opportunity to testify in support of SB 2808.



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  
**SB2808**  
**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** SB2808 that appropriates funds to the Hawaii Technology Development Corporation for the State Small Business Credit Initiative Program.

HTDC is designated the lead agency for the State of Hawai'i for the federal State Small Business Credit Initiative - a 7-year \$56+ million program funded through the American Rescue Plan Act. HTDC has partnered with DBEDT and the Hawai'i Green Infrastructure Authority to implement the program, expanding access to capital for small businesses statewide in the form of loans and investments. For more information on the program, a summary report is linked below.  
<https://www.htdc.org/wp-content/uploads/2021/11/SSBCI-Report.pdf>

In 2011, the Hawai'i Strategic Development Corporation implemented the first version of SSBCI and used the state \$2 million appropriation for the LAVA program and the \$6 million appropriation for the HI-Growth Initiative to offset uncovered SSBCI expenses. This is recommended as a best practice for the program. The federal program provides a fixed percentage of the funds to be used for management and administration. The additional funding allows HTDC the ability to implement the program most effectively for the state. For example, a compliance consultant/auditor helps to assure compliance with all regulations.

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.

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 ENERGY, ECONOMIC DEVELOPMENT,  
AND TOURISM  
ON  
SENATE BILL NO. 2808

**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. 2808 appropriates \$1,000,000 in general funds for FY 23 to the Hawai'i Technology Development Corporation for the State Small Business Credit Initiative (SSBCI) Program. B&F notes that a State match is not necessary to receive the federal funds designated for Hawai'i under the SSBCI Program.

B&F 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.



# Chamber of Commerce HAWAII

*The Voice of Business*

## 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 2808 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 2808, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the State Small Business Credit Initiative Program (SSBCI).

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.

SSBCI was created in 2021 when Congress appropriated funds for the program to assist small businesses accessing capital during the COVID-19 pandemic. The State of Hawaii will receive over \$56 million in federal funds to provide capital assistance to our small businesses in Hawaii.

While the SSBCI program requires private capital to match these funds, the program has the potential to create over \$600 million in capital and investment into Hawaii's small businesses that faced significant impacts and challenges caused by the COVID-19 pandemic.

In general, loan guarantee programs provide an assurance to lenders of partial repayment if a loan goes into default once the lender makes every reasonable effort to liquidate available collateral and collect on personal guarantees.

The Chamber supports a state-level funding match to the already existing federal small business credit initiative to help support our small businesses access capital and recover from the pandemic.

Thank you for the opportunity to testify.



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#### **Executive Officers**

**Charlie Gustafson**, Tamura Super Market, *Chair*  
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**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: SB2808 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 State Small Business Credit Initiative Program.

This is an important opportunity for the State to use Federal funds to support Hawaii's small businesses that faced significant impacts and Challenges caused by the COVID—19 pandemic. We encourage you to support this measure and we thank you for the opportunity to testify.



**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 SB2808 RELATING TO THE  
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

The Maui Chamber of Commerce supports SB2808 to appropriate funding for the State Small Business Credit Initiative program. This program is important as it helps small business access capital and this funding covers the state-level match to the federal small business credit initiative. Access to capital is key for starting and growing a business and is especially critical given the challenges businesses have faced during the pandemic

Mahalo for the opportunity to provide testimony and ask that you pass this bill.

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.