

Honolulu, Hawaii

FEB 16, 2024

RE: H.B. No. 2356
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 2356 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the per-grant cap for awards to assist
businesses applying for the Small Business Innovation
Research Grant Program and the Small Business Technology
Transfer Grant Program; and
- (2) Add the purchasing of renewable energy systems as an
eligible expense, and clarify that training on new and
existing manufacturing equipment is an eligible expense,
for the Manufacturing Development Grant Program.

Your Committee received testimony in support of this measure
from the Department of Business, Economic Development, and
Tourism; University of Hawai'i System; Hawaii Technology
Development Corporation; Makai Ocean Engineering, Inc.; Oceanit;
Hawaii Food Industry Association; and Chamber of Commerce Hawaii.



Your Committee finds that the Hawaii Technology Development Corporation aims to encourage and assist new applicants to compete for available federal Small Business Innovation Research Grant Program and Small Business Technology Transfer Grant Program funds. Businesses applying for these federal grants may be awarded up to \$3,000 for grant writing assistance to increase their chance of success in being awarded the grants. However, because of increased costs, the \$3,000 maximum amount is no longer sufficient. Your Committee believes that increasing the maximum amount of funds that a business may be awarded for grant writing assistance will encourage new applicants to pursue federal grant funds.

Your Committee also finds that clarifying that training on new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program will promote local manufacturing and workforce development. Additionally, adding the purchasing of renewable energy systems as an eligible expense for the Manufacturing Development Grant Program will help manufacturers offset high energy costs in the State.

Your Committee has amended this measure by:

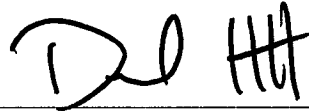
- (1) Inserting language to appropriate unspecified amounts of funds to the Hawaii Technology Development Corporation:
 - (A) For the Hawaii Small Business Innovation Research Program;
 - (B) For the Manufacturing Assistance Grant Program; and
 - (C) To support the Accelerator Grant Program;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2356, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as H.B. No. 2356, H.D. 1, and
be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,

Handwritten signature of Daniel Holt, consisting of a stylized 'D' and 'H'.

DANIEL HOLT, Chair



