



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented to the
House Committee on Economic Development
Wednesday, February 1, 2023 at 10:00 a.m.

by

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

HB 396 – RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The University of Hawai'i (UH) supports this bill that appropriates funds to support the Manufacturing Assistance Program (MAP) at the Hawai'i Technology Development Corporation (HTDC).

HTDC's MAP offers Hawai'i-based manufacturers up to a 20 percent reimbursement of up to \$100,000 on qualified expenses to help them become globally competitive. These expenses include: equipment purchases, training, energy efficiency projects, and manufacturing feasibility studies.

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. Manufacturing is an important component of this process to help keep these businesses in Hawai'i.

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

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

HB-396

Submitted on: 1/30/2023 11:29:38 AM

Testimony for ECD on 2/1/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chenoa Farnsworth	Blue Startups	Support	Written Testimony Only

Comments:

In consideration of

HB396

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Blue Startups supports HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State’s support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Many Blue Startups companies engage in light manufacture here in Hawaii. In particular, in developing prototypes and beta products. This program assists in off-setting some of the expense, keeping this activity in the State.

Thank you for the opportunity to offer these comments.

Aloha Edibles, Inc



Statement of
Carri Loui
Manager
Aloha Edibles Inc.
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Aloha Edibels supports HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Aloha Edibles is a small snack manufacturer that caters to all both the local and tourist market. In the past few years we have learned that pivoting is critical to our survival.

We've had to invest in new equipment to keep up with this. The MAP grant is a tremendous help in our efforts to keep our people employed and to survive the economic climate in Hawaii.

Thank you for the opportunity to offer these comments.

Respectfully yours,

A handwritten signature in black ink that reads 'Carri Loui'.

Carri Loui

94-334 UKEE STREET, WAIPAHU, HI 96797

PH: 808-732-2292 EMAIL: ALOHAEDIBLES@GMAIL.COM FEIN # 46-5734I4I

Statement of
Ann Chung
Corporate Communications Consultant
PacMar Technologies
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

PacMar Technologies **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

PacMar Technologies was founded in 1979 with its home office and headquarters in Honolulu, Hawaii. PacMar Technologies' research team has world-class expertise in advanced ship hull hydrodynamic research, naval architecture, alternative energy, autonomy and artificial intelligence, and other maritime technologies. PacMar Technologies produces innovation through research—inventing, innovating, developing, building, and testing advanced technologies. The Manufacturing Assistance Program allows us to invest in machinery and equipment to support the transition from design and concept, to modeling and simulation, to prototypes in the hands of end users, which is extremely unique for a company this size. The MAP grants are a vital opportunity for us to scale our prototyping capabilities, on the path towards commercialized products.

Thank you for the opportunity to offer these comments.

Hawaii State Legislature
January 30, 2023
Re: HB396

Hawaii's SBIR MAP grant program supports manufacturing in high-tech and scientific areas that conventional funding sources such as banks and venture capitalists usually avoid.

SBIR MAP grant program funding helps to assure that valuable innovations and inventions from Hawaii companies actually get manufactured, and Hawaii will have a more profitable future as a result.

Please support and pass this bill, as I believe it is essential to continuing to develop innovations and progress in Hawaii's high-tech manufacturing sector.

Please feel free to call or email with any questions,

With Warm Aloha, Tim Mann, President, Ocean People, Inc.

Tim Mann

HB-396

Submitted on: 1/30/2023 12:22:53 PM

Testimony for ECD on 2/1/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Paparelli	The Patisserie Inc	Support	Written Testimony Only

Comments:

I support HB396 fully

Statement of
Adrian Hong
President
Island Plastic Bags, Inc.
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Island Plastic Bags, Inc. **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

The grant we received from this program helped us modernize our production process. The new equipment we purchased helped us improve our efficiency, productivity, and safety. Island Plastic Bags, Inc. is grateful to have participated in this program and we hope other companies will be able to do so as well.

Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development
Wednesday, January 30, 2022, at 10:00 A.M.
Conference Room 423 & Videoconference**

RE: HB 396 Relating to the Hawaii Technology Development Corporation

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 396, which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Manufacturing Assistance Program (MAP).

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.

Continuing to support the Manufacturing Assistance Program is vital to Hawaii Technology Development Corporation's mission. This program has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continued funding of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export, and this amendment will help companies in Hawaii to start or grow their operations.

Hawaii Technology Development Corporation and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an increasing desire for 'Made in Hawaii' products from consumers globally, which will continue to economically benefit our state. Hawaii Technology Development Corporation and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

Thank you for the opportunity to testify.



Statement of
Brian Watanabe
President
Island Grown Foods, Inc.
dba: Hawaii Food Products
Before the
House Committee on Economic Development

Wednesday, February 1, 2023,
10:00 AM HST
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
Relating to Hawaii Technology Development Corporation

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Island Grown Foods, Inc. dba: Hawaii Food Products **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses, capped at \$100,000.00. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Hawaii Food Products (HFP) has benefited from the Hawaii Technology Development Corporation's (HTDC) guidance and assistance with the Manufacturing Assistance Program to develop sales opportunities by providing consulting and sourcing of equipment which allows HFP to compete in the marketplace. Large companies such as Costco, Sam's Club, and local retailers requires specific equipment for food safety by data capture and/or detection to ensure consumer safety. HTDC has been invaluable in securing over \$100,000.00 in sales and retention of 40-local employees.

Thank you for the opportunity to offer these comments.



Televoice 2000

Statement of
Tom Leonard
Owner
Televoice 2000
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Televoice 2000 **supports** HB396 that appropriates funds to the Hawaii Technology Development Corporation for the Hawaii Small Business Innovation Research (HSBIR) Program to fund the matching grant for SBIR 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.

TV2k does consulting in telecommunications and manufacturing, and advises Hawaii companies on a wide range of issues including product development. Throughout the years, I have regularly referred my clients to HTDC for support in solving manufacturing problems. A MAP grant has been the only way for them to achieve the greater efficiency and improved performance they needed.

Thank you for the opportunity to offer these comments.

Tom Leonard

Statement of
Maui Kahawaiolaa
President
Federal Industrial Corporation
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Federal Industrial Corporation **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Our company mission was to fight against covid in Hawaii. To be the first to set up Hawaii's first complete mask production line to serve the people of Hawaii. We purchased in 2021 a 3 ply mask machine capable of producing 120 masks per minute which is still in the crate in the FTZ warehouse we are still accumulating cost . Along with a packaging machine and raw material for making 1.5 million masks all for \$105K. However, I did not factor in the impact Covid had on the supply chain issues added with skyrocketing labor and shipping costs due to covid thus our delay.. We just completed putting up a new warehouse which added an additional 100K cash for manufacture after the FTZ no longer allowed manufacturing in its facility. This 20% reimbursement bill would greatly help to get our operations started. Covid will be around for a while and we feel our company is aligned to keep Hawaii safe.

Thank you for the opportunity to offer these comments.

Statement of
Seibert L Murphy
CEO
Guide Star Engineering, LLC
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Guide Star Engineering, LLC, Kapolei, Hawai'i **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

We are a technology company ready to develop dual use technology that opens new market opportunities. The **MAP** grant is important to us so that we can make advanced prototypes of new products. For example, we are currently planning an investment campaign to raise over \$5M. With continued support we provide full and part time jobs to 10 people over two years. If we expect our families to grow in Hawai'i then we must make the opportunities for growth possible.

Thank you for the opportunity to offer these comments.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 1, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

TESTIMONY ON HB 396
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 423 & Videoconference
10:00 AM

Aloha Chair Holt, Vice-Chair Lamosao, and Members of the Committees:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 396, which appropriates funds to the Hawai'i Technology Development Corporation for its manufacturing assistance program.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. One way farmers can do this is by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

High production costs are a major driver of narrow profit margins for Hawai'i's farmers and value-added food producers. Labor, taxes, land, transportation, utilities, and supplies are all costs of doing business that often results in value-added food producers just being able to break even.

Hawai'i is potentially losing millions of dollars because of the cost to process agricultural crops into value-added products. HFB supports any program that supports the production of value-added products so that farmers can increase their income while allowing locally produced value-added goods can compete with imported products, strengthening our local economy.

The strength of Hawai'i's economy is dependent upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities. The HTDC manufacturing assistance program supports this goal.

HB-396

Submitted on: 1/31/2023 7:08:36 AM

Testimony for ECD on 2/1/2023 10:00:00 AM

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

Comments:

We support this bill to help strengthen and diversify our economy.

We support HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State’s support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.



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

before the
House Committee on Economic Development

Wednesday, February 1, 2023

10:00 am

Videoconference

State Capitol, Conference Room 423

In consideration of

HB396

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Holt, Vice Chair Lamosao, and Members of the Committee

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB396** that makes an appropriation to HTDC to provide grants to businesses through the manufacturing assistance program.

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for 50 years. While Makai has historically been an engineering services provider, with the help of the State's manufacturing assistance program, Makai has been able to diversify into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for 50 years, and began a heat exchanger R&D program in 2009. Now, we are ramping up production from a small manufacturing plant for heat exchangers on the Big Island of Hawaii, which is sustaining approximately 6 highly-skilled, high-paying STEM / engineering jobs in rural Kona. We have a strategic advantage for developing and manufacturing low-volumes of these components in Hawaii for two reasons: the U.S. Navy and Air Force's presence in Hawaii, and Makai already owns and operates a marine heat exchanger test facility and marine corrosion lab on the Big Island. As an example, Makai has been awarded contracts by the U.S. Air Force, U.S. Army, and U.S. Department of Energy to design new heat exchangers for vehicle cooling and renewable energy applications. We hope to continue and scale-up manufacturing units over the coming years.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. Because they are matching funds, a manufacturer is eligible only if they are already making an investment in the local community and providing jobs. The program amplifies these efforts, and shows the State's support for local manufacturers willing to make the investment and commitment to adding jobs, and growing their businesses and the industry in Hawaii.

This is why we **STRONGLY SUPPORT HB396**, which would provide the state matching funds for manufacturing assistance to enable companies to build a manufacturing base in the islands. Not only would this expansion of funding enable our tech industry to advance manufacturing within the State, it would provide highly-skilled manufacturing jobs for our keiki here at home.

Thank you for the opportunity to offer these comments.



Written Statement of
Len Higashi
Executive Director
Hawaii Technology Development Corporation
before the
House Committee On Economic Development
Wednesday, February 1, 2023
10:00 a.m.
Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) **supports** HB396 that appropriates funds to the Hawai'i Technology Development Corporation for the Manufacturing Assistance Program.

HTDC supports initiatives aimed at growing tech and innovation jobs. The Manufacturing Assistance Program (MAP) provides matching grants and wrap-around support services to local manufacturers who are increasing their capacity to manufacture within the State. The companies provide diverse job opportunities in the State, strengthen our resilience, decrease our dependence on imports, and increase our export capacity. The goals of the program are to increase the number of Hawai'i manufacturers, increase their revenues, and increase the number of jobs in the State.

HTDC has been providing MAP matching grants to manufacturers since FY16. A summary of the awards made by the matching grant program is listed below:

	FY16	FY17	FY18	FY19	FY20	FY21/22	FY23
Appropriation	\$2 MM	\$1 MM	\$1 MM	\$1 MM	\$500 K	-	\$1 MM
# of Applications	82	42	51	69	45	-	85
# of Awards	51	25	29	37	18	-	TBD
\$\$ Awarded	\$2 MM	\$932K	\$931K	\$899K	\$486 K	-	TBD
Company investment	\$31 MM	\$5.5 MM	\$13.6MM	\$13.4MM	\$9.0MM	-	\$25.8MM
Estimated New Jobs	-	353	230	465	281	-	TBD

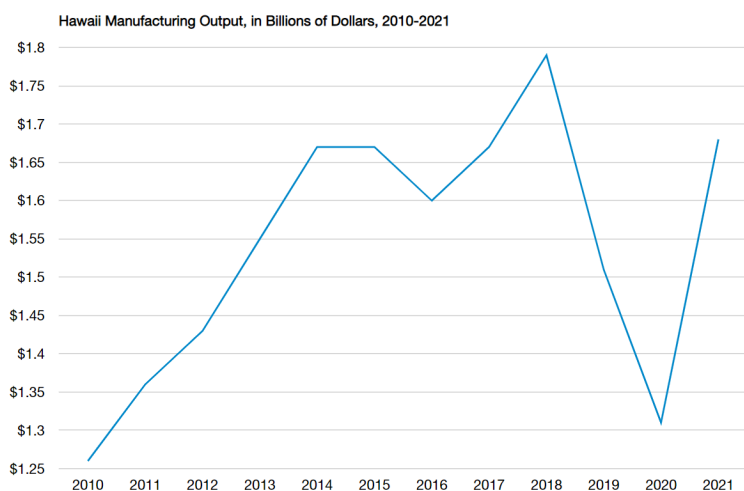
Every year, there have been more qualified applicants than available funds. The funding awarded to companies provides a partial reimbursement (20%) for equipment upgrades and other eligible expenses. Through our federally funded INNOVATE Hawai'i program, HTDC provides

wrap-around support services for the matching grants to help Hawai'i manufacturers become more globally competitive.

In HTDC's economic impact survey conducted in 2019, 54 MAP grant companies reported \$748 million of economic impact with \$425 million of revenue, and 2,387 jobs in Hawai'i.

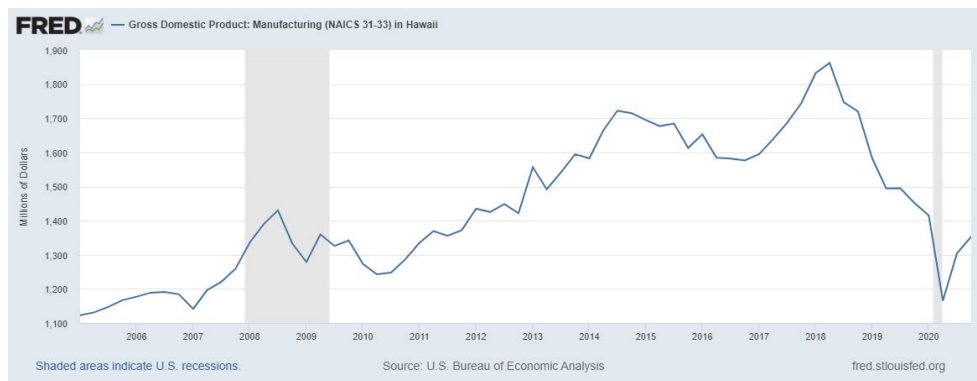
Hawai'i's Manufacturing Sector Snapshot

Manufacturing Firms in Hawaii (2019)	740
Total Manufacturing Output (2021)	\$1.68B
Percent share of total GDP (2021)	1.63%



<https://www.nam.org/state-manufacturing-data/2022-hawaii-manufacturing-facts/>

2022 Hawaii Manufacturing Facts – Gross Domestic Product NAICS 31-33



The industry was greatly impacted by the COVID-19 pandemic and is still on the road to recovery. Despite the setbacks, HTDC believes manufacturing is a key strategic sector for the state to increase exports and reduce imports. Thank you for the opportunity to offer these comments.

Aloha Chair Holt, Vice Chair Lamosao, and the members of the House Committee on Economic Development,

I am writing to support HB396 relating to the Hawaii Technology Development Corporation

For the past 16 years I have been part of my family business called La Tour Bakehouse where we provided fresh baked goods for the people of Hawaii. The manufacturing business is tough, with hard manual labor, and razor thin margins, but we understand the importance of having locally made, fresh, quality products available.

In order to thrive we invested in automation to increase our output, which allowed us to compete for large customers like Costco and Hawaiian Airlines. **The MAP Grant funding we received allowed us to grow into one of the largest bakeries in Hawaii.**

Since then I have become an automation consultant, tasked with helping other small businesses grow, and I see similar hurdles. For a lot of these companies, they cannot find people to do the manual labor so their options are to shut down their business, move to the mainland, or invest in automation. **The MAP grant helps de-risk the investment in automation equipment so that companies can stay open and in Hawaii.**

The increased sales and profits from these small businesses means the State of Hawaii benefits from both increased GET and State Tax collected. Funding the MAP Grant is a sound decision that helps local companies thrive and provides a solid return on investment to the State of Hawaii.

Mahalo nui Loa,

Trung Lam

Statement of
Nelson Kanemoto
President & CEO
Referentia Systems
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Video Conference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Referentia Systems **supports** HB396 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the **Manufacturing Assistance Program (MAP)**. 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Although Referentia has yet to be a recipient of a MAP grant from HTDC, we see many benefits for the State of Hawaii. Modernization of our manufacturing infrastructure on the islands is critical, especially being so remote from the rest of the mainland US and the rest of the world.

Thank you for the opportunity to offer these comments.

Statement of
S Morris Wise
Owner
Kō Bakery
before the
House Committee on Economic Development

Wednesday, February 1, 2023
10:00 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Holt, Vice Chair Lamosao, and Members of the Committee on Economic Development.

Kō Bakery **supports** HB396 that appropriates funds 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 MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry. We are beneficiaries of this service, and it has made us a true force in the bakery industry on Kauai. Since our inception in 2013, we have grown to be the premier cake supplier on Kauai and many businesses and individuals are supported through our efforts. Each customer since 2016 (the year of our first grant) has been touched by HTDC through us.

Thank you for your consideration of this valuable program.

A BILL FOR AN ACT

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii
2 technology development corporation is a key state agency in the
3 development and support of the State's manufacturing industry.
4 Furthermore, continued support for the manufacturing industry is
5 essential to Hawaii's economy.

6 The legislature further finds that the Hawaii technology
7 development corporation's manufacturing assistance program plays
8 an important role in providing support to many Hawaii-based
9 manufacturers.

10 The purpose of this Act is to appropriate funds for the
11 manufacturing assistance program under the Hawaii technology
12 development corporation.

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$1,500,000 or so much
15 thereof as may be necessary for fiscal year 2023-2024 and the
16 same sum or so much thereof as may be necessary for fiscal year
17 2024-2025 for the operations, administration, and provision of



H.B. NO. 396

1 grants for the manufacturing assistance program under the Hawaii
2 technology development corporation.

3 The sums appropriated shall be expended by the Hawaii
4 technology development corporation for the purposes of this Act.

5 SECTION 3. This Act shall take effect on July 1, 2023.

6

INTRODUCED BY:

Dan Helt

JAN 20 2023



H.B. NO. 396

Report Title:

Hawaii Technology Development Corporation; Manufacturing Assistance Program; Appropriation

Description:

Appropriates funds for the manufacturing assistance program under the Hawaii technology development corporation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





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

Wednesday, February 1, 2023
 10 a.m.
 VIA VIDEOCONFERENCE, Conference Room 423

In consideration of
HB396
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Mana Up **supports** HB396 that appropriates funds for the small business innovation research program under the Hawaii technology development corporation—appropriating the sum of \$2,000,000 or so and the same sum or so much thereof as may be necessary 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.

This bill also appropriates funds 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 MAP grant 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.

This bill also appropriates funds for the **accelerator grant program**. The state has partnered/co-invested/sponsored many of the private sector accelerator programs. This model is an extremely cost-effective way of providing support to emerging Hawai’i businesses. Before the accelerator programs were established in Hawai’i, entrepreneurs had to leave the state to receive this type of capital and business support.

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 74 local companies graduate from our six-month accelerator program that provides expansion opportunities and helps solve business challenges. In 2021, we found that over 70% of our Mana Up portfolio companies manufacture their products locally, meaning that a large number of these companies could benefit from this funding.

Investing in HB396 will help Hawaii-based innovators and small local businesses alike to develop new products that can reach global markets. This then creates an opportunity to potentially attract 20x the investment in federal dollars to the State, which can help contribute to further diversifying and expanding our local economy through job creation and dollars generated within the State. In 2021, we found that over 60 of our portfolio companies headquartered here in Hawaii collectively contributed \$60 million to the state economy in annual revenue (generated from their product businesses) and created 415 jobs for locals. This being said, we fully support HB396.

Mahalo for the opportunity to submit this testimony on behalf of Mana Up.

Sincerely,

Meli James
Cofounder, Mana Up