



Written Statement of
Len Higashi
Executive Director
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

The Hawaii Technology Development Corporation (HTDC) **supports** SB1297, SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following our mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export. HTDC programs are coordinated with other Department of Economic, Development and Tourism (DBEDT) and University of Hawaii (UH) programs to maximize their effectiveness.

Through the COVID-19 pandemic, HTDC ramped up new programs such as the \$10 million Personal Protective Equipment (PPE) Supply Chain program, appropriated by the legislature and a \$600 thousand digital marketing and e-commerce training, funded by the federal Economic Development Administration. HTDC is currently administering the \$62 million Hawai'i Small Business Capital Program (HI-CAP), funded by the U.S. Treasury, with \$500 thousand support from the State, to provide access to capital to small businesses. These programs demonstrate HTDC's ability to administer new programs.

This HTDC omnibus bill provides a framework to accelerate economic diversification efforts through substantial, strategic, coordinated investments. The bill aligns individual projects toward larger state objectives with input from the community and ensures transparency and accountability with predetermined reporting requirements and objectives. HTDC looks forward to working with all stakeholders in moving Hawai'i forward.

Thank you for the opportunity to offer these comments.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
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Statement of
CHRIS J. SADAYASU
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 2, 2023
10:30 AM

State Capitol, Conference Room #211 & Videoconference

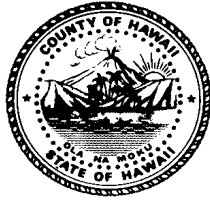
In consideration of
SB1297, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business Economic Development and Tourism (DBEDT) **supports** SB1297, SD1, an administration bill that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to the Hawaii Technology Development Corporation (HTDC) to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

DBEDT believes that the State should accelerate economic diversification efforts as part of the economic recovery. Through public private partnerships, HTDC programs provide leverage to the State. DBEDT looks forward to working with HTDC and all stakeholders in moving Hawai'i forward.

Thank you for the opportunity to testify.

Matt Kāneali‘i-Kleinfelder
Hawai‘i County Council
District 5
Phone No.: (808) 961-8263
matt.kanealii-kleinfelder@hawaiicounty.gov



Finance Committee
Chair

Policy Committee Health, Safety, Well-Being
Vice Chair

Hawai‘i County Council
County of Hawai‘i
Hawai‘i County Building
25 Aupuni Street, Suite 2405 • Hilo, Hawai‘i 96720

Date: February 28, 2023

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
And Members of the Senate Committee on Ways and Means

RE: TESTIMONY IN SUPPORT OF SENATE BILL 1297 SD1, RELATING TO THE HAWAI‘I TECHNOLOGY DEVELOPMENT CORPORATION.

My name is Matt Kāneali‘i-Kleinfelder. I currently represent District 5 in the Hawai‘i County Council and also serve as the Chairman on the Committee on Finance. I am submitting testimony in **SUPPORT** of SB 1297 SD 1, relating to the Hawai‘i Technology Development Corporation.

Thank you for the opportunity to submit testimony in **SUPPORT** of this measure and for your consideration.

Mahalo,

Matt Kāneali‘i-Kleinfelder

MKK:ac



Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.
before the
Senate Committee on Ways and Means
Wednesday, March 1, 2023
10:30 am
State Capitol, Conference Room 211
In consideration of
SB1297
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION

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

Makai Ocean Engineering, Inc. **SUPPORTS SB1297** that re-establishes the Hawaii Office of Naval Research Grant Program.

Makai is a locally-owned and operated technology company based in Hawai`i for 50 years. One of the driving reasons behind Makai's existence is to help Hawai`i achieve energy independence using clean, alternative and renewable resources.

Hawai`i is blessed with abundant natural resources such as wind, solar, geothermal, hydro, biofuels, and ocean energy. While wind and especially solar contributions to the energy portfolio are now commercial and have grown significantly, other options like ocean energy have the potential to significantly contribute to the supply of base load / firm / constant renewable power, but are worryingly underrepresented. These alternative options are at the same place solar and wind was 25 years ago, and require R&D to reach the same level of maturity and commercialization.

Makai is currently performing R&D and working towards commercialization of ocean thermal energy conversion (OTEC) at the Natural Energy Laboratory of Hawai`i Authority (NELHA) in Kailua-Kona. Makai employs six highly-paid, highly-skilled engineers and scientists in the high tech / renewable energy field in rural Kailua-Kona. This program has achieved a huge milestone of connecting to the grid, making Hawai`i the home of the first US-grid-connected OTEC plant, and the clear leader in ocean thermal energy. Plans are in the works for new developments to move this technology even further, including research and development on patent pending heat exchangers that will not only help OTEC achieve commercial adoption, but increase the efficiencies in traditional power generation systems and enable other energy harvesting technologies such as concentrated solar power and heat recovery systems.

Governor David Ige was present to dedicate the OTEC power plant and 'flip the switch,' and in his keynote address he said, "One big difference with OTEC is that it is a firm power



source; it allows us to generate electricity consistently... and in the evening hours when other renewable sources are not available, which really is the key to a 100% renewable future.”

With the help of programs like this bill, Makai has been able to secure additional competitively awarded federal funding from the U.S. Navy, U.S. Air Force, U.S. Army, and the Department of Energy, and bring home national honors, such as the Small Business Administration’s Tibbetts Award. This national award recognizes the very best in small innovative companies in the country whose technologies have made a strong economic impact in terms of high paying jobs, and demonstrating success in actually commercializing federal R&D and increasing taxable revenue for the state.

This is why we **SUPPORT SB1297**. Not only would this program develop alternative energy technology for our 100% renewable future, it would enable our tech industry to compete and win more federal monies for technology development and support high-paying, highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to testify.



HIplan
www.HIplan.biz

**PO Box 1095
Kurtistown Hawaii
96760
808-938-2840**

February 28 2023

RE: **SB1297 SD1** THAT APPROPRIATES FUNDS TO CONTINUE SBIR PROGRAM

Dear Committee:

I am writing to express my strong support of **SB1297 SD1** that appropriates funds to the Hawaii Technology Development Corporation (HTDC) to continue the Hawaii Small Business Innovation Research (HSBIR) program.

I developed the World's first SPF shrimp broodstock company, High Health Aquaculture (HHA) based at NELHA in Kona. HHA was the beginning of what became a new industry in Hawaii – SPF Shrimp Broodstock, which exports more than \$30 M of product per year.

During my tenure at HHA, we received 9 SBIR grants from various federal agencies (NSF, USDA, DOC). For each of these we also received Hawaii SBIR matching grants. All of these greatly contributed to our IP development, which increased our company's value and success. This is a very valuable initiative that I strongly support.

After 20 years in business, we sold HHA to an Asian multinational (SIS), which expanded the business and continues today.

I strongly support the Hawaii SBIR program and urge you to fund it.

Thanks,

Jim Wyban PhD
President

Statement of
Seibert Murphy
CEO
Guide Star Engineering LLC
before the
Senate Committee on Ways and Means

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Guide Star Engineering LLC, Kapolei, (GSE), **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

GSE is a hardware and software technology company ready to develop products that have potential to open new global market opportunities. It is impossible to overemphasize the importance of the **HSBIR** matching grant program and the **MAP** grant accelerator programs, and other HTDC initiatives, that help make functional production happen. Specifically, these are important to us so that we can make advanced prototypes of new products. For example, we are currently undertaking an investment campaign to raise over \$5M. With continued support we will provide full and part time jobs to 10 people that pay more than \$20 per hour (+\$41,585). If we expect our graduating students and families to be successful and grow in Hawai'i then we must make the opportunities for success and growth possible now.

Thank you for the opportunity to offer these comments.

Mahalo nui loa,

Seibert Murphy



4009 Black Point Rd, Honolulu, HI 96816

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

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Experiad **supports** SB1297 SD1 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. As a small business owner, I have experienced firsthand the impact that these grants can have on the local economy. By providing state funds to match Small Business Innovative Research grants, we are investing in the growth and development of small businesses in our state. This not only benefits the business owners, but also the employees and local community.

As you know, small businesses are the backbone of our local economy, providing jobs and driving innovation. By providing these businesses with access to additional funding, we are supporting their ability to grow and expand, leading to increased economic activity and job creation. Furthermore, SBIR grants provide valuable opportunities for small businesses to bring their innovative ideas to market, which can have a positive impact on the local economy by attracting new businesses and industries to our state.

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



4009 Black Point Rd, Honolulu, HI 96816

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 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.

In conclusion, I strongly urge the Senate Committee to consider appropriating state funds to match Small Business Innovative Research grants. This investment in our small businesses will pay dividends for our local economy, creating jobs and driving economic growth. 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 flourish extending from the end of the name.

Rex Jakobovits, PhD
President, Experiad Solutions



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Thursday, March 2, 2023, at 10:30 A.M.
Conference Room 211 & Videoconference**

RE: SB 1297 SD1 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 1297 SD1, which establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii Technology Development Corporation to implement specific projects that address those goals. Requires the Hawaii Technology Development Corporation to submit annual reports to the legislature. Authorizes the Hawaii Technology Development Corporation to temporarily re-establish the Hawaii Office of Naval Research Grant Program to provide fifty per cent matching grants to Hawaii awardees of alternative energy research grants from the Department of Defense Office of Naval Research. Establishes the Alternative Energy Research and Development Revolving Fund. Appropriates moneys into and out of the revolving fund.

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.

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.

The HTDC omnibus bill provides a framework to accelerate economic diversification efforts through substantial, strategic, coordinated investments. This bill will continue to push Hawaii's economy in the right direction and help diversify our economy.

Thank you for the opportunity to testify.

SB-1297-SD-1

Submitted on: 2/28/2023 1:59:39 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Garrett W. Marrero	Testifying for Maui Brewing Co.	Support	Written Testimony Only

Comments:

Strong support of SB1297 and the work HTDC does on behalf of manufacturers in the State. These programs should not only continue to be funded but expanded to do more. Independence comes from being able to produce more in this State and rely less on shipments from the mainland. We could solve many of the States issues if we made more in Hawaii. Good paying jobs, infrastructure, food supply, etc etc etc could be addressed if the State focused on these types of businesses more. Not everyone will be in tech, film, or military.



1144 10th Avenue, Suite 200 Honolulu, HI 96816 Tel: 808-539-3706 Fax: 808-791-4075 info@oicinc.com www.oicinc.com

Written Statement of
Roxanne Howell
Chief Executive Officer
Oceanic Imaging Consultants, Inc.
before the
Senate Committee On Ways and Means
Thursday, March 2nd, 2023
10:30 A.M.
Conference Room 211 & Videoconference
In consideration of
SB1297 SD1

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Oceanic Imaging Consultants **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

OIC is a Hawaii small business that got its start from within the walls of the Manoa Innovation Center in 1998. Since then OIC has become a leading manufacturer of easy-to-use seafloor mapping software systems. Our software systems are used by commercial, federal, military, and academic clients worldwide.

OIC was awarded SBIR Phase 1 and 2 contracts for topic N211-036, Innovative Simultaneous Localization and Mapping Techniques for Unmanned Underwater Vehicles. OIC received HSBIR matching funds in 2022. Given the economic difficulties caused by the Covid-19 pandemic, HSBIR matching funds played a critical role in OIC's ability to perform during phase 1. We are confident that 2023 HSBIR matching funds will be equally beneficial in phase 2.

Thank you for the opportunity to offer these comments.

Statement of
Susan Yamada
Chairman
Pacific Asian Center for Entrepreneurship at UH
before the
Senate Committee on Ways and Means

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

The Pacific Asian Center for Entrepreneurship (PACE) **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

PACE has worked closely with HTDC to provide educational opportunities for UH students as they prepare for jobs in the developing innovation and technology industries here in Hawaii. HTDC's accelerator programs have supported UH startup company entrepreneurs as they validate their business models and grow their businesses. Significant progress has been made in the past decades to create more high paying jobs, less reliant on the hospitality industry, and HTDC has been a constant supporter. I strongly recommend your support of this important bill.

Thank you for the opportunity to offer these comments.

Sincerely,



Susan Yamada
Susan3@hawaii.edu

Written Statement of
Meli James
President
Hawaii Venture Capital Association (HVCA)
before the
House Committee On Finance
Thursday, March 2, 2023
10:30 a.m.
Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

HVCA **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. The mission of HVCA is to help 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.

HVCA strives to create a thriving local product ecosystem in Hawaii that will help solve challenges our island economy faces. By creating this ecosystem, we hope to (1) create meaningful job opportunities for the next generation as Hawaii is one of the only states to have a declining local population, with more Native Hawaiians leaving than ever before, (2) foster sustainable tourism by integrating local people and companies, (3) diversify the economy through exports based on our unique niche in the international market, bringing in new dollars to the state and expanding our economic growth, (4) through value added agricultural products, generate use of agricultural land.

We believe that this bill is important to support the economic development work that is being undertaken by the accelerators and others. Grants in the past have made it possible for HVCA

to be in existence. We hope this momentum continues as we leverage these early successes and continue to strengthen the diversification of the economy.

SB1297 SD1 accelerates economic diversification by building upon HTDC core programs: Accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP). Many local companies involved in HVCA have participated in the MAP grant. These grants help companies to enhance their manufacturing capacity. The companies report that each piece of manufacturing machinery helps to grow their revenue and add employees.

Thank you for the opportunity to offer these comments.

Sincerely,



Meli James
President
Hawaii Venture Capital Association (HVCA)

Written Statement of
Meli James
Cofounder
Mana Up
before the
House Committee On Finance
Thursday, March 2, 2023
10:30 a.m.
Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

Mana Up **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

Mana Up's mission is to create a thriving local product ecosystem in Hawaii that will help solve challenges our island economy faces, including lack of affordability for many residents and an outmigration trend of Hawaii-born residents. By creating this ecosystem, we hope to (1) create meaningful job opportunities for the next generation as Hawaii is one of the only states to have a declining local population, with more Native Hawaiians leaving than ever before, (2) foster sustainable tourism by integrating local people and companies, (3) diversify the economy through exports based on our unique niche in the international market, bringing in new dollars to the state and expanding our economic growth, (4) through value added agricultural products, generate use of agricultural land.

Mana Up has operated an accelerator for the past five years, with seven cohorts and 74 graduates. 100% of companies are headquartered in Hawaii. In 2021, this portfolio accounted for \$61 million in annual revenue (with 67% of revenue coming from markets outside Hawaii, bringing new dollars into the State), 498 jobs, and a 33% median growth rate. In analyzing revenues of graduates before and after the program, Mana Up has helped add \$35 million in annual revenue in 2021 – and revenues continue to grow.

We believe that this bill is important to support the economic development work that is being undertaken by the accelerators and others. Accelerator grants in the past have made it possible

for Mana Up to be in existence. We hope this momentum continues as we leverage these early successes and continue to strengthen the diversification of the economy.

SB1297 SD1 accelerates economic diversification by building upon HTDC core programs: Accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP). Many Mana Up companies have participated in the MAP grant. These grants help companies to enhance their manufacturing capacity. The companies report that each piece of manufacturing machinery helps to grow their revenue and add employees.

Thank you for the opportunity to offer these comments.

Sincerely,

Meli James
Cofounder
Mana Up

SB-1297-SD-1

Submitted on: 2/28/2023 4:43:55 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

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

Comments:

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

Blue Startups supports SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Blue Startups is a Honolulu-based venture accelerator founded by leaders in the Hawaii entrepreneurial community. Blue Startups invests in and provides hands-on mentorship to capital-efficient and scalable-technology companies, including Internet, software, mobile, gaming and e-commerce. Blue Startups is a nexus of entrepreneurial activity not only in Hawai'i, but also between Asia and the Continental U.S. and is an integral part of building Hawaii's reputation as Startup Paradise. Blue Startups is a member of the Global Accelerator Network (founded by Techstars) providing access to the extensive resources of this network of more than 100 accelerators globally.

Blue Startups has a network of more than 200 mentors reaching from Hawaii and Asia to North America. The interaction of mentors with teams assists in the rapid development of the Blue Startups companies by bringing in expertise, capital and other resources from across the Pacific.

All companies entering the Blue Startups program receive \$25,000 as an up-front investment, the potential for \$75,000 in follow on funding, and access to over \$500,000 in in-kind services. The 12 week program in Honolulu brings companies through the lean startup process and prepares all companies to attract external investors. A capstone program in Silicon Valley is arranged as an optional 13th week to the program. Workspace for the founding team (up to three people) is also provided at the Blue Startups offices (co-located with the worldwide Tetris® office). In exchange for the capital and in-kind services provided, Blue Startups takes an equity stake in each company. Blue Startups has invested in 110 companies to date which have gone on to raise \$500 million in venture capital.

Sponsors and partners include Hawaii Angels, Servco, Ulupono Initiative, Builders VC, and Wilson Sonsini. Blue Startups is supported by funding from HTDC which is critical to our operations.

Thank you for the opportunity to offer these comments.

SB-1297-SD-1

Submitted on: 2/28/2023 5:24:58 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tracy Taira Carnate	Testifying for Pacific Asian Center for Entrepreneurship	Support	Written Testimony Only

Comments:

February 28, 2023

RE: Bill [SB1297 SD1](#) - In Support

Thank you for the opportunity to submit testimony in support of Bill SB1297 SD1. As a staff member of the Pacific Asian Center for Entrepreneurship (PACE) at the University of Hawaii at Manoa, I support this bill for a number of reasons.

Since 2000, PACE has been dedicated to developing entrepreneurial and problem-solving graduates by offering startup mentorship, funding and hands-on training activities. We serve students at all startup stages - from students interested in exploring entrepreneurship to new founders who are seeking investment. Many of the companies that are mature enough to seek investment are born from UH technology. Our Center works with the founders and researchers for many years to fine tune commercialization potential and viable business models.

HTDC's goals are very much aligned with PACE's mission. One of our goals is to prepare early-stage UH companies for entry into a local or national accelerator and / or to educate new student founders in the lean startup methodology, which makes the team attractive when applying for SBIR grants.

The funds appropriated to HTDC will serve to aid various local entities that are working toward the same goals of economic diversification, high-paying job creation, and local talent retainment. Their funding allows programs and agencies like PACE to do what they do best - educate the next generation of leaders and change-makers in our State. Having worked for PACE for over 20 years, and have seen first-hand how a little bit of funding and support in the way of educational programming can give a student the confidence to build a new venture and make Hawaii a better place to live.

For these reasons, I respectfully ask you to support appropriation of funds to HTDC.

SB-1297-SD-1

Submitted on: 2/28/2023 6:22:50 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqui Hoover	Testifying for Hawaii Island Economic Development Board	Support	Written Testimony Only

Comments:

The Hawaii Island Economic Development Board (HIEDB) supports SB 2197 and economic diversification efforts.

SB-1297-SD-1

Submitted on: 2/28/2023 7:39:54 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Victor Lee	Testifying for Purple Maia Foundation	Support	Written Testimony Only

Comments:

I support Bill SB1297 SD1 and believe that this funding is vital to help HTDC continue its mission of diversifying Hawaii’s economy. HTDC has been such a big supporter of local business and entrepreneurs in our community to grow and flourish through grants, infrastructure, and talent development.

They have also done a great job of building community and relationships through their Sandbox Programs. Despite the COVID pandemic, HTDC still continued to host webinars and other events to foster a collaborative and innovative environment.

Led by Len Higashi, HTDC has a strong and talented team that really cares about the communities and the people that they serve. Although HTDC is tech focused, they are people first and grounded in our local values and culture.

I support Bill SB1297 SD1. Hawaii desperately needs these types of innovative, out-of-the-box programs that only HTDC can provide.

Mahalo,

Victor Lee

Program Director

Purple Maia Foundation

THE SENATE
THIRTY-SECOND LEGISLATURE, 2023
STATE OF HAWAII

S.B. NO. 1297
S.D. 1

A BILL FOR AN ACT

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

PART I

SECTION 1. The legislature finds that, in light of the State's ongoing economic recovery from the outbreak of the coronavirus disease 2019 (COVID-19), the State must accelerate its economic diversification efforts through substantial, strategic, coordinated investments.

This Act establishes a policy framework for Hawaii technology development corporation projects that will ensure economic success. The legislature finds that the implementation of this framework will not require a significant additional investment in overhead resources but will require funds for specific projects that are identified collaboratively by the legislature and the Hawaii technology development corporation. The implementation will also require the establishment of specific goals that these projects shall address and reports to the legislature that assess the effectiveness of the projects in meeting those goals.

The legislature finds that through this Act, the Hawaii technology development corporation will serve as a facilitative catalyst for innovation in the State and will help to align the State with the emerging knowledge-based, zero-emission, and digital global economy while putting Hawaii on the path toward economic prosperity.

The purpose of this Act is to promote economic recovery and diversification by:

- (1) Establishing state goals for economic growth fueled by innovation and technology;
- (2) Appropriating funds to the Hawaii technology development corporation to implement specific projects that address those goals;

(3) Requiring the Hawaii technology development corporation to submit annual reports to the legislature that summarize:

- (A) The progress of projects assigned to the Hawaii technology development corporation by this Act;
- (B) The outcomes of the projects assigned to the Hawaii technology development corporation, including an assessment of each project's effectiveness in achieving state goals; and
- (C) Any other findings and recommendations, including any proposed legislation; and

(4) Re—establishing the two—year Hawaii office of naval research grant program.

PART II

SECTION 2. (a) The legislature declares that the projects for which funds are appropriated pursuant to sections 4 and 5 of this Act align with one or more of the following goals that address economic diversification:

(1) Economic diversification through participation in the digital economy: projects shall address economic diversification by strengthening Hawaii's participation in the digital economy, including:

- (A) Accessing new markets and market opportunities;
- (B) Strengthening business capacity and readiness to participate in the digital economy;
- (C) Retaining and strengthening businesses that are increasing revenues through the digital economy;
- (D) Strengthening digital economy infrastructure including broadband affordability and coworking

facilities; and

- (E) Increasing the number of businesses, revenue, and employees dedicated to the digital economy.

(2) Economic diversification through strengthened trade activities: projects shall address economic diversification by strengthening traded activities that redistribute Hawaii's gross domestic product, including:

- (A) Increasing the export of goods manufactured in the State;
- (B) Increasing the export of knowledge-based professional services;
- (C) Increasing the value of knowledge-based professional services through research and development and intellectual property;
- (D) Strengthening the post-production capacity for value-added agriculture and manufacturing; and
- (E) Increasing the number of businesses, revenue, and employees in traded sectors.

(3) Economic diversification through increase in activity to reduce and mitigate climate change: projects shall address economic diversification by focusing on activities at the intersection of technology development and climate change mitigation, including:

- (A) Making renewable energy more affordable;
- (B) Retaining and strengthening businesses that are increasing revenues through solutions to reduce climate change;
- (C) Increasing the export of knowledge-based professional services related to climate change

mitigation; and

- (D) Increasing the number of businesses, revenue, and employees in renewable energy sectors.

(b) The Hawaii technology development corporation shall implement the projects for which funds are appropriated in sections 4 and 5 of this Act for the purpose of meeting the goals described in subsection (a); provided that the Hawaii technology development corporation may work with any other state or county agency for the implementation of the assigned projects.

(c) No later than twenty days prior to the convening of the regular sessions of 2024, 2025, and 2026, the Hawaii technology development corporation shall submit a report to the legislature that includes:

(1) A summary of the progress of the projects assigned to the Hawaii technology development corporation by this Act;

(2) The outcomes of the projects assigned to the Hawaii technology development corporation by this Act, including an assessment of each project's effectiveness in achieving the goals described in subsection (a); and

(3) Any findings and recommendations, including any proposed legislation.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 to be deposited into the strategic development programs revolving fund.

SECTION 4. There is appropriated out of the strategic development programs revolving fund the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 for the

purposes of stimulating private capital investments into small businesses in Hawaii and for administrative support of the state small business credit initiative.

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

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$11,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 for the purpose of economic diversification, as described in section 2(a) of this Act as follows:

- (1) \$2,000,000 to accelerate economic diversification by supporting and enhancing existing accelerator grant programs and encouraging new accelerator programs;
- (2) \$2,000,000 to support economic development opportunities with the trade sector, especially for products manufactured in Hawaii, by working with strategic partners to build awareness of Hawaii-made products outside of the State;
- (3) \$2,000,000 for operations, administration, and awarding of grants by the Hawaii small business innovation research program;
- (4) \$2,000,000 to support economic development opportunities with the defense sector including aerospace and supporting companies conducting small business innovation research to transition past grants into large contracts;
- (5) \$1,500,000 for operations, administration, and awarding of grants by the manufacturing assistance program; and
- (6) \$1,500,000 to reduce and mitigate climate change through renewable energy technology demonstration projects such as hydrogen, geothermal, or clean ground, air, and sea transportation in support of Hawaii's hydrogen hub proposal to the United States Department of Energy.

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

SECTION 6. The appropriation made for projects authorized by section 5 of this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2025, shall lapse as of that date.

PART III

SECTION 7. (a) There is established within the department of business, economic development, and tourism, a two-year Hawaii office of naval research grant program to provide grants to qualified businesses conducting research and development in alternative energy. The purpose of the program shall be to promote the research and development of alternative energy in Hawaii by authorizing the Hawaii technology development corporation to provide matching grants to businesses that meet criteria established in subsection (b).

(b) Subject to the availability of funds, the Hawaii technology development corporation may provide a grant to any business that:

- (1) Has been awarded a competitive contract from the Department of Defense Office of Naval Research that is related to research on alternative energy and energy efficiency technologies in the fields of geothermal, solar, wind, ocean power, hydrodynamics, bioenergy, biomass, solid waste, smart grids, transportation, or demand response;
- (2) Is sixty per cent or more resident-owned; provided that for purposes of this paragraph, "resident" shall have the same meaning as defined in section 235-1, Hawaii Revised Statutes;
- (3) Is a for-profit entity organized under the laws of the State;
- (4) Has been doing business in the State for not less than one year;
- (5) Agrees to expend all grant funds awarded pursuant to this Act in the State; and

(6) Conducts research in alternative energy that has a high technology readiness level or high potential for implementation as evidenced by a contract, funded by moneys designated by the United States Congress as funding for alternative energy and a national defense budget funding directive, with the Department of Defense Office of Naval Research that is existing and active or was granted within three years prior to the effective date of this Act;

provided that the amount of any grant awarded pursuant to this Act shall not exceed fifty per cent of the amount of the grant awarded to the business by the Department of Defense Office of Naval Research; provided further that the business shall not be eligible for a grant pursuant to this section if the business has obtained any other state grant for the same research, other than the grant awarded to the business by the Department of Defense Office of Naval Research, at the time of or during the duration of the grant from the Hawaii office of naval research grant program.

(c) The Hawaii office of naval research grant program shall cease to exist on June 30, 2025.

(d) The department of business, economic development, and tourism shall adopt rules, pursuant to chapter 91, Hawaii Revised Statutes, necessary for the purposes of implementing the Hawaii office of naval research grant program.

SECTION 8. There is established the alternative energy research and development revolving fund for the purpose of promoting alternative energy research and development in Hawaii.

The alternative energy research and development revolving fund shall be abolished on June 30, 2025, and all unencumbered balances shall lapse to the credit of the general fund.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or

so much thereof as may be necessary for fiscal year 2024-2025 to be deposited into the alternative energy research and development revolving fund.

SECTION 10. There is appropriated out of the alternative energy research and development revolving fund the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the purpose of the Hawaii office of naval research grant program; provided that the moneys appropriated by this Act shall not lapse at the end of the 2024-2025 fiscal year; provided further that any moneys that remain unencumbered on June 30, 2025, shall lapse on that date.

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

SECTION 11. This Act shall take effect on July 1, 2023.

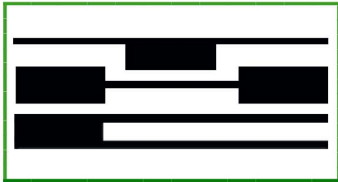
Report Title:

Hawaii Technology Development Corporation; Economic Diversification; Appropriation

Description:

Establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii Technology Development Corporation to implement specific projects that address those goals. Requires the Hawaii Technology Development Corporation to submit annual reports to the legislature. Authorizes the Hawaii Technology Development Corporation to temporarily re-establish the Hawaii Office of Naval Research Grant Program to provide fifty per cent matching grants to Hawaii awardees of alternative energy research grants from the Department of Defense Office of Naval Research. Establishes the Alternative Energy Research and Development Revolving Fund. Appropriates moneys into and out of the revolving fund. (SD1)

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



TEA HAWAII & COMPANY

February 28, 2023

Aloha Hawai'i State Legislature SB 1297 Committee,

On behalf of Hawaii's tea manufacturing business community I support SB 1297 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

HTDC has played a significant role in supporting the production of Hawaii grown specialty crop *Camellia sinensis* teas in Hawaii allowing for the state to contribute to the global tea market. The grant programs made available through HTDC that include Hawaii Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP) grants have helped in building sustainable tea manufacturing and job creation integration for a variety of districts and distribution channels throughout Hawaii. Bill SB 1297 will further innovation throughout the state in business, agriculture and our education sectors.

Mahalo,
Eva Lee

PO Box 362 Volcano, Hawaii 96785
Tel/Fax (808) -967-7637 email teahawaii@gmail.com
www.teahawaii.com

Statement of

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

before the
Senate Committee on Ways and Means

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

VisSidus Technologies, Inc. **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

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 much larger and costlier satellites. Our objective is to launch a mission consisting of 12 satellites, each satellite the size of a college 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 have 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 and 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. Moreover, several technologies developed for the NASA project have been used to successfully demonstrate the feasibility of a highly autonomous spacecraft for on-orbit service, manufacture, and assembly for a Space Force STTR Phase I project (contract# FA945322CA070). With these contracts and internal funding, we have steadily advanced the state of the art and retired some of the technical risks. Our commercialization efforts proved fruitful through our participation as a subcontractor to a non-SBIR DARPA 2020-2021 seedling program on distributed radar (Master Agreement No.: HR0011-20-9-0110).

In late 2019 we moved from Florida to Hawaii attracted in part by matching incentives 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 workforce. 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 significantly increase efforts to commercialize the technologies developed through SBIR and internally funded R&D projects, offer college tuition support to current employees, and hire new employees.

To conclude, we strongly believe that funding from the HTDC projects 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.

Rachel A. Campbell
CEO, CFO
VisSidus Technologies, Inc.
O: 386-868-2227



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Kihei, HI 96753



March 1, 2023

To: Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means

Subject: SB1297 Relating to the Hawaii Technology Development Corporation

Aloha nō,

Purple Mai'a Foundation supports SB1297 because it establishes goals for economic growth fueled by innovation and technology, economic diversification through Hawai'i's participation in the digital economy, and economic diversification through increase in activity to reduce and mitigate climate change.

We also support this bill because it appropriates funding to support existing and new accelerator programs. Accelerator programs play an important role in Hawai'i's innovation ecosystem by increasing entrepreneur knowledge and capacity, creating connections to mentorship and funding opportunities, and facilitating Hawai'i entrepreneurs' exposure to social impact models and the most innovative practices.

As part of our mission to educate and empower the next generation of culturally grounded, community serving technology makers and problem solvers, we at Purple Mai'a have operated our own successful accelerator programs that contribute to Hawai'i's economic diversification, and that we believe could one day benefit from HTDC funding to enhance and support them:

Hawai'i FoundHer, the nation's only accelerator tailored specifically to the needs of Native Hawaiian, Asian American, and Pacific Islander (NHAAPI) women, is in its second year of operation, having served a pilot cohort of women-owned businesses that increased their revenue by 330% a year after program completion.

The Purple Prize, which ran from 2016-2020, and is now on hiatus, resulted in new businesses, created jobs, supported Native Hawaiian innovators and entrepreneurs, and spurred the cause of Indigenous innovation that combines ancestral knowledge



with contemporary technologies in order to solve problems and support the thriving of land and people.

In closing, we humbly ask that you support SB1297.

Me ka ha'aha'a,

A handwritten signature in black ink, appearing to read "DKA", with a long horizontal flourish extending to the right.

Donavan Kealoha
Chief Executive Officer, Purple Mai'a

Written Statement of
Nam Vu
COO
Hub Coworking Hawaii
before the
Senate Committee On Energy, Economic Development, And Tourism
Thursday, March 2, 2023 10:30 a.m.
Conference Room 211& Videoconference

In consideration of
SB1297_SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Hub Coworking Hawaii supports SB1297_SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

Hub Coworking Hawaii is a small part of the innovation and small business community and works to enable and assist businesses and individual entrepreneurs to thrive in Hawaii. With our partnerships with HTDC, SBA, Chamber of Commerce Hawaii, we are leveraging our resources to assist our members and the community at large to build a more diverse, inclusive and equitable robust Hawaii economy.

Now, more than ever, businesses like ours need support from the State of Hawaii to build a better Hawaii; one where our children and their children are able to thrive and call Hawaii home. We cannot build this if we do not have a thriving economy for all of our residents. HTDC through its many programs have helped so many businesses. We have benefitted greatly from HTDC and hope that the State continues to support HTDC.

In addition to support for HTDC, the HBIR, MAP and incubators, we feel that the Coworking community could benefit from additional support. Incubators and accelerators have been a good model in the past for innovation, but Coworking spaces, like ours, are now the hotbeds for innovation, collaboration. Coworking spaces are where spontaneous collaborations happen, where networking occurs naturally, and where conversations lead to ideas which lead to companies. We represent over 240 companies and over 500 active members and have hosted hundreds of digital nomads sharing ideas and information from across the globe.

Thank you for the opportunity to offer these comments.

Statement of
Dr. Michael Reiley
President, HNU Photonics, LLC
before the
Senate Committee on EET & WAM
Thursday, March 2, 2023
10:30 a.m.
State Capitol, Conference Room 211

In consideration of
SB1482
RELATING TO AEROSPACE DEVELOPMENT

HNU Photonics **STRONGLY SUPPORTS** SB1297 to establish a public policy framework that addresses state goals in the area of economic diversification.

My companies, HNU Photonics and HNU Energy, headquartered on Maui, have been innovation leaders in the renewable energy industry for 17 years. In addition to successfully completing many SBIR's and Manufacturing initiatives, we have designed, constructed, commissioned and maintained many megawatts of alternative energy sources.

We also have worked closely for over a decade with the Hawaii Technology Development Corporation and the Hawaii Center for Advanced Transportation Technologies. We were a key contributor to the PEARL microgrid and HTDC has supported several of our successful Small Business Innovative Research (SBIR) awards including awards from NASA, DARPA, and the Department of Defense.

I strongly support this measure.



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

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Nalu Scientific, LLC **supports** SB1297 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

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
Todd Robertson
President/CEO
Hyperspective Studios, Inc.
before the
Senate Committee on Ways and Means

Thursday, March 2, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
SB1297 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Hyperspective **supports** SB1297 SD1 which establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Hyperspective has been a media and technology company doing business and employing staff in Hawaii for more than two decades. HTDC has been an integral supporter of our business throughout the years and is an essential organization to the technology industry.

Mahalo for the opportunity to testify,

HYPERPERSPECTIVE STUDIOS, INC.
643 ILALO STREET
HONOLULU, HI 96813

MAIL TO:
P.O. BOX 893636
MILILANI, HI 96789

HYPERPERSPECTIVE.COM
808.353.3618



Written Statement of
KEN CHEUNG
S&T MANAGER/OCEANIT

Before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 2, 2023
10:30 a.m.
State Capitol, Conference Room 415 and Videoconference

Offers Comments to
**SB1297 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Senator Donovan Dela Cruz, Chair, Senator Gilbert Keith-Agaran, Vice Chair,
and Members of the Committee

From: Ken Cheung, S&T Manager

Re: Support and Comments relating to SB1297

Honorable Chair, Vice-Chair and Committee Members:

To diversify Hawaii's economy and the help Hawaii's economic recovery, the State
needs to support Hawaii technology companies.

The State's support of the Small Business Innovation Research (SBIR) program has
helped Hawaii advance from being nearly 48/50 to 30/50 US States. For each dollar the
comes to Hawaii, there are between \$2 to \$7 dollars circulated in Hawaii's economy.
Hawaii's investment into supporting successful Hawaii SBIR applicants has a
significantly positive ROI for Hawaii's economy and major social benefit to Hawaii's
community, creating high paying jobs that help manage Hawaii's high cost of living
costs. The continuation of the SBIR matching grants program is both helps local
companies compete, mature technology and eventually commercialize technology.

Therefore, we support this program and request that the matching grant fund be
increased to \$5M.



**Testimony of Elemental Excelsior to the
Committee on Ways and Means
in consideration of SB 1297, March 1, 2023**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee.

Elemental Excelsior respectfully submits our **strong support** for SB 1297.

Elemental Excelsior is a Honolulu-based non-profit organization that supports climate positive startup companies that help solve Hawai'i's most urgent environmental problems. Each year, we select 15-20 companies that best fit our mission and fund each company with up to \$1 million in investment. To date, we have awarded over \$60 million to 150+ companies, and additionally supported more than 100 new tech demonstration projects including many right here in Hawai'i & the Asia Pacific.

We are strong supporters of this bill that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

Initiatives like this are key to building a thriving environment that supports our local entrepreneurs. This is a great opportunity for the State to be able to provide matching funds for technology research and investments around alternative energy. SB 1297 has the potential to unlock large competitive federal funding opportunities that require local matching funds. With the passing of CHIPS, Inflation Reduction Act and the bipartisan infrastructure bills, there is well over a trillion dollars nationally in funding available for clean energy initiatives. Local jurisdictions that have matching funds and local capacity on the ground to deploy solutions will be the most successful in attracting these funds.

Elemental Excelsior has helped support over a hundred climate tech companies that create good jobs, help transition our economy to 100% clean energy, and accelerate access to clean energy technologies - lowering the cost of utility bills for residents and increasing transparency of our energy usage.

SB 1297 is a key piece of legislation to ensure Hawaii is competitive to bring more funding to our State to achieve our clean energy goals. **Elemental Excelsior strongly supports the passage of SB 1297.**

Thank you for the opportunity to testify.

SB-1297-SD-1

Submitted on: 2/28/2023 2:00:21 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ryan Kawailani Ozawa	Testifying for Hawaii Hui LLC	Support	Written Testimony Only

Comments:

Hawaii Hui supports SB1297 SD1, which addresses state goals in the area of economic diversification by appropriating funds to HTDC. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawaii.

As a startup CEO (Smart Yields) and co-founder (Kahanu), entrepreneur (Hawaii Hui), community nonprofit lead (Kilinahe Foundation), and independent journalist (Hawaii Bulletin), I have observed over the years the important role HTDC plays in fostering Hawaii's innovation ecosystem. This agency does quite a lot with limited resources, and I encourage you to provide as much funding as you can make available—regardless of what it requests.

SB-1297-SD-1

Submitted on: 2/28/2023 3:09:46 PM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tarik Sultan	Individual	Support	Written Testimony Only

Comments:

HTDC's Hawaii Small Business Innovation Research (HSBIR) and the Manufacturing Assistance Program (MAP) grant programs are crucial for supporting innovation, startups, and overall economic development and prosperity in Hawaii. I support Bill SB1297.

Tarik Sultan

To: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways & Means

From: Nicole Brodie

Date: March 1, 2023

RE: **Testimony in support of SB 1297 - RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

I write in support of SB 1297 because of the ways it can support economic growth through innovation and technology. Supporting this legislation, and in turn, the Hawaii Technology Development Corporation, would provide an opportunity for Hawaii to diversify its economy and give the needed boost to become a national leader in desperately needed climate solutions.

These funds will support existing and new accelerator programs who thoughtfully invest and support companies in ways that increase entrepreneur knowledge, exposure and capacity. This is the key to ensuring our local businesses and residents thrive and succeed.

Supporting Hawaii's small businesses and entrepreneurs is how we raise the tide that lifts all boats.

Thank you for your consideration. I humbly request that you support SB 1297.

Respectfully submitted,

Nicole Brodie

SB-1297-SD-1

Submitted on: 3/1/2023 9:09:23 AM

Testimony for WAM on 3/2/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Pickett	Individual	Support	Written Testimony Only

Comments:

I support SB1297 because it establishes goals for economic growth fueled by innovation and technology, economic diversification through Hawai‘i’s participation in the digital economy, and economic diversification through increase in activity to reduce and mitigate climate change.

I also support this bill because it appropriates funding to support existing and new accelerator programs. Accelerator programs play an important role in Hawai‘i’s innovation ecosystem by increasing entrepreneur knowledge and capacity, creating connections to mentorship and funding opportunities, and facilitating Hawai‘i entrepreneurs’ exposure to social impact models and the most innovative practices.

In closing, I humbly ask that you support SB1297.