



Hawaii Technology Development Corporation
521 Ala Moana Blvd, Ste 255 | 808-539-3806
Honolulu, Hawaii 96813 | www.htdc.org

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

LATE

Written Statement of
Wayne Inouye
Director
Hawaii Technology Development Corporation
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room #229

In consideration of
HB 2356 HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Decoite, Vice Chair Wakai and members of the Committee.

The Hawaii Technology Development Corporation (HTDC) strongly supports HB 2356 HD2 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

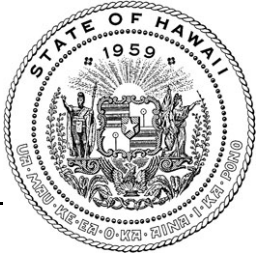
To encourage new applicants to compete for the federal SBIR and STTR funds the HTDC aims to increase the cap for awards from (\$3,000 to \$6,000) that may be used to contract grant writing assistance. The current cap is no longer sufficient due to increased costs and by securing more grant writing assistance small businesses will receive higher award rates. Additionally, in regard to the Manufacturing Development Grant Program, HTDC is also adding purchasing renewable energy systems relating to manufacturing facilities as an eligible expense to offset high energy costs in Hawaii. These clarifications will grant more companies eligibility to participate in the Manufacturing Development Grant Program.

HTDC also greatly appreciates the appropriation for its three core programs. We are dedicated to advancing the infrastructure, capital, and talent essential for fostering the

growth of technology and manufacturing jobs in Hawai'i. Aligned with our mission, HTDC's programs are designed to offer both technical and financial assistance to innovative small businesses, offering support from any phase to reach expansion and global outreach. These initiatives are closely coordinated with other programs from the Department of Business, Economic Development and Tourism (DBEDT) and the University of Hawaii (UH) to maximize their impact and effectiveness.

HTDC believes the 3 core grant programs provide leverage and positive economic development value for the State and are willing to discuss more about the programs. HTDC also acknowledges that the changes made in HD2 and fully support them.

Thank you for the opportunity to testify.



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
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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Fax: (808) 586-2377

Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room #229

In consideration of
HB 2356 HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Decoite, Vice Chair Wakai and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports HB 2356 HD2 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program and the Small Business Technology Transfer (STTR) Grant Program and add additional eligible expenses for the Manufacturing Development Grant Program.

With this bill, the Hawaii Technology Development Corporation (HTDC) aims to increase the cap for awards that may be used to contract grant writing assistance in hopes of encouraging new applicants to compete for the federal SBIR and STTR funds. The current cap is no longer enough due to increased costs. By securing more grant writing assistance small businesses will receive higher award rates. HTDC's Manufacturing Development Grant Program is also adding clarifications to grant more companies eligibility to participate in the program. Clarifications include purchasing renewable energy systems relating to manufacturing facilities as an eligible expense to offset high energy costs in Hawaii. Thank you for the opportunity to testify.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented to the
Senate Committee on Energy, Economic Development, and Tourism
Tuesday, March 12, 2024 at 1:00 p.m.

by

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

HB 2356 HD2 – RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION

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

The University of Hawai'i (UH) supports HB 2356 HD2.

This measure seeks to increase the cap on Hawaii Technology Development Corporation (HTDC) awards to businesses applying for the Hawaii Small Business Innovation Research Grant and the Small Business Technology Transfer Grant Program. Additionally, it clarifies both the purchase of renewable energy systems and training on manufacturing equipment as eligible expenses under the Manufacturing Development Grant Program; and appropriates funds to the SBIR, MAP and Accelerator Grant programs.

Like HTDC, UH shares a similar vision to help establish a thriving innovation-based sector to boost the local economy, create jobs and to develop a highly skilled technical workforce. Support for HTDC's award programs are crucial to moving these efforts forward in the state.

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



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

March 12, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

TESTIMONY ON HB 2356, HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 229 & Videoconference
1:00 PM

Aloha Chair DeCoite, Vice-Chair Wakai, and Members of the Committee:

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 2356, HD2, which increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation, adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant 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 result in value-added food producers just being able to break even.

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

The strength of Hawai'i's economy depends upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities. The HTDC programs support this goal.

Thank you for this opportunity to testify in support of this measure.



**Testimony to the Senate Committee on Energy, Economic Development, and Tourism
Tuesday, March 12, 2024, at 1PM
Conference Room 229 & Videoconference**

RE: HB2356 HD2 Relating to the Hawaii Technology Development Corporation

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports HB2356 HD2**, which increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program (SBIR) and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation, adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program.

As advocates for innovation and economic growth, The Chamber endorses the increased allocation of funds for research and development purposes, especially for small businesses struggling to find the financial support needed to prosper in our state. Investing in these endeavors not only propels scientific progress but also supports local business and our local workforce. By supporting R&D, we pave the way for groundbreaking discoveries, technological advancements, and economic growth, ensuring a more lucrative future for our state. The increased cap on award amount for small businesses will enable small business applicants to further pursue their endeavor for the benefit of our state.

HTDC has aided SBIR awarded companies since 1988; as a result, Hawaii companies have attracted federal dollars in return to the state plus commercialization funding for every state dollar invested through the program. This bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses in Hawaii.

As stated in this measure, the manufacturing industry is a critical part of the State's economy. This program has become a positive resource to aid local companies with their investments in manufacturing equipment, training, and energy efficiency purposes. Continued and increased funding of these grant programs will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. To diversify Hawaii's economy and help Hawaii's economic recovery, the state needs to support Hawaii companies.

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.

Thank you for the opportunity to testify.



1050 Bishop St. PMB 235 | Honolulu, HI 96813
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Executive Officers

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Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Energy, Economic Development, and Tourism

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 12, 2024
TIME: 1pm
PLACE: Room 229

RE: HB2356 HD2 Relating to the Hawaii Technology Development Corporation

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

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

HFIA is in support of this measure. Many local businesses have successfully made use of the programs that this measure supports, and we believe the changes mentioned here will make them even more beneficial.

Allowing for the purchasing of renewable energy as an eligible expense for the Manufacturing Development Grant Program helps promote renewable energy usage and integrates sustainable energy into our local manufacturing sector. Clarifying that training is an eligible expense for this program also helps promote local manufacturing and workforce development within this sector. We urge the committee to pass this measure and we thank you for the opportunity to testify.



Small Kine Farm

PO Box 600, Kailua, HI 96734

808-262-2724

smallkinefarm@gmail.com

www.smallkinefarm.com

Statement of
Fung Yang President Small Kine Farm
before the
Senate Committee on Energy, Economic Development, and Tourism

Tuesday, March 12, 2024

1:00 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Small Kine Farm **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

My company is the only USDA Certified organic mushroom farm in the State. This grant helped me purchase necessary heavy machinery to increase my scale of production and to be competitive to the imported mushrooms. I am currently employing 5 full time and 2 part time workers at the farm. Last year revenue was \$430,000.

Thank you for the opportunity to offer these comments.



Hawaii Integrated Analytics, LLC
Ruben Juarez, PhD
Chief Executive Officer

March 10, 2024

Honorable Lynn DeCoite, Chair
Honorable Glenn Wakai, Vice Chair
Senate Committee on Energy, Economic Development, and Tourism
Hawaii State Legislature
415 South Beretania Street
Honolulu, HI 96813

Dear Chair DeCoite, Vice Chair Wakai, and Members of the Senate Committee on Energy, Economic Development, and Tourism,

I am writing to you as the CEO of Hawaii Integrated Analytics (HIA), a start-up based at the Manoa Innovation Center, to express our strong support for Bill 2356 HB, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

As a small business at the forefront of technological development in Hawaii, we recognize the importance of fostering innovation and nurturing the growth of the high-technology sector within our state. The Hawaii Technology Development Corporation (HTDC) has been instrumental in providing the resources and support necessary for start-ups like ours to thrive. However, the competitive landscape for Small Business Innovation Research (SBIR) grants at the federal level is becoming increasingly challenging.

Bill 2356 HB is a pivotal piece of legislation that promises to bolster our efforts in securing federal funding by enhancing the support and services provided by the HTDC. For Hawaii Integrated Analytics, and many other small businesses within our community, the passage of this bill would mark a significant step forward in our collective endeavor to drive technological innovation, create high-quality jobs, and stimulate economic growth in Hawaii.

The support for Bill 2356 HB from your esteemed committee would not only aid in leveling the playing field for Hawaii's small businesses in the fierce competition for federal SBIR grants but also ensure that Hawaii remains at the cutting edge of technological advancement. The potential for local innovation to contribute to our state's economic prosperity is immense, and with the support of the HTDC, bolstered by this bill, we are confident in our ability to make substantial contributions to Hawaii's economy and workforce.

We appreciate your leadership and commitment to the economic development and technological progress of Hawaii. It is our sincere hope that you will recognize the importance of Bill 2356 HB for the future of Hawaii's innovation ecosystem and lend your support to its passage.

Thank you for your time and consideration of our request. We are hopeful for your positive response and are available for any further information or discussion as needed.

Sincerely,

Ruben Juarez, PhD
CEO
Hawaii Integrated Analytics

HIA.LLC
2800 Woodlawn Dr Ste 141 Honolulu, Hawaii 96822
An Equal Opportunity/Affirmative Action Employer



Ai.Fish LLC

424 Iliwahi Loop
Kailua, HI 96734
info@ai.fish
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+1.808.262.2666

Statement of
Jimmy Freese
CEO
Ai.Fish LLC
before the
Senate Committee on Energy, Economic Development, and Tourism

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORA-
TION

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

Ai.Fish **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.



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Ai.Fish LLC

Being one of the few companies, not only in Hawaii, but in the world that performs cutting edge Artificial Intelligence development in the marine space, this type of funding is critical for us to attract and keep the necessary talent to perform machine learning and computer vision algorithm development.

Our work in the marine space using computer vision is perfect for us to remain in Hawaii. We have worked with UH, specifically HIMB (Coconut Island), identifying and classifying different corals from drone footage, the Hawaii Longline Association and NOAA identifying and counting fish on longline boats among many other interesting projects in a space in which we have carved out a nice niche. Among our local projects helping Hawaii's marine life we now receive sole source contracts with the government of Canada to set up and administer their country's Artificial Intelligence fisheries electronic monitoring program. This is along with projects in Alaska, the north east Atlantic (US and Canada) and Costa Rica to name a few.

The SBIR program and HTDC matching grant have been extremely valuable for us. It has enabled us to avoid having to go to ask for venture capital, usually from the mainland which can often lead to a relocation out of Hawaii. We currently employ 15 people with a few of them UH students and are in the process of bringing an AI Engineer and a Full Stack Developer from the mainland to work in Hawaii. **In the current AI space, things are extremely competitive** and for us to stay a thriving company based in Hawaii the support from HTDC is instrumental.

Please don't hesitate to have anyone from your office contact me with any questions a business owner and multiple entrepreneur might be able to answer for you.

Mahalo,

Jimmy Freese

CEO and Co-Founder, Ai.Fish

jimmy@ai.fish

(808) 262 2666

HB-2356-HD-2

Submitted on: 3/11/2024 6:21:43 AM

Testimony for EET on 3/12/2024 1:00:00 PM

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

Comments:

Aloha, We strongly support hb2356. As a State with a very imbalanced economy we need to be investing in manufacturing to diversify and strengthen our economy.

Mahalo

HB-2356-HD-2

Submitted on: 3/11/2024 6:24:34 AM

Testimony for EET on 3/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Judiah McRoberts	Testifying for Kauai Hemp Company	Support	Written Testimony Only

Comments:

Dear Committee Chair, Vice-chair, and Members,

On behalf of Omao Labs LLC, I would like to voice our support of this bill. The HTDC has been an important resource for many local businesses here on the islands including ours. We employ agriculture, manufacturing and STEM jobs here on Kauai and have a strong commitment to keep jobs local. Due to the competitive landscape and the elevated cost of doing business here in Hawaii, it is important that grants and support administered through the HTDC continue. Without such, the risk of losing local STEM business and jobs increases.

Please continue to support the HTDC through passage of this bill.

Thank you,

Judiah McRoberts

President

Omao Labs LLC

4445-C Koloa Rd.

Koloa, HI 96756



Testimony Presented to
Committee on Energy, Economic Development, and Tourism
Senator Lynn DeCoite, Chair, Senator Glenn Wakai, Vice Chair
Tuesday, March 12, 2024 1:00pm, Conference Room 229 & Videoconference
by
Ron Weidenbach, Co-owner/President, Hawaii Fish Company Inc., Waialua, HI
SUBJECT: Strong support for HB 2356 HD2 – RELATING TO THE TDC

Aloha Senator DeCoite, Chair, Senator Wakai, Vice Chair, and Members of the Committee:

Hawaii Fish Company Inc. (HFC) strongly supports HB 2356 HD2 which will increase in the cap for awards to assist businesses applying for the SBIR and STTR grant program and adds clarification for the MAP grant program along with the appropriation of funds for our core programs.

Established in 1978, HFC is Hawaii's oldest commercial fish farm and a federal SBIR awardee and Hawaii SBIR matching grant awardee since 1993. In 2000, HFC was awarded the U.S. Small Business Administration's Tibbitts Award as a national model of excellence for the SBIR program, and a place in the SBIR Hall of Fame. Our continuing SBIR success, with fourteen awards to date, has been made possible by the supplemental research support received from the Hawaii SBIR matching grant program.

HFC therefore strongly supports HB 2356 HD2 which appropriates matching funds up to 50% of the Phase I, II, and III awards, to a maximum of \$500,000, enabling awardees to cover important research, development, intellectual property (IP) protection, and pre-commercialization expenses that are not covered by the federal awards, placing Hawaii companies in a favorable competitive position nationally. The very important MAP grant program for manufacturing assistance, including related renewable energy installations, is also supported by this measure.

This very successful program was the first of its kind in the nation and has since been widely copied and expanded upon by other States seeking to attract innovative technology companies and economic development to their respective States. The return on investment to the State of Hawaii in terms of small business start-ups, expansion, diversification, job creation, and economic impact has been impressive, with aquaculture and agriculture companies being an active component of this State success. This program is critical to the continued efforts to diversity Hawaii's economy and to the continued commercialization success and growth of HFC.

Thank you for the opportunity to testify in strong support of HB 2356 HD2.

Respectfully,

Ronald P. Weidenbach

HB-2356-HD-2

Submitted on: 3/11/2024 9:35:24 AM

Testimony for EET on 3/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ethan West	Testifying for Piko Provisions	Support	Written Testimony Only

Comments:

Statement of

Ethan West

CEO

Piko Provisions

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

Tuesday, March 12, 2024

1:00 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of

HB2356 HD2

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Piko Provisions supports HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is

an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

Founded in 2020, applicant entity Punahale Provisions, PBC is a certified disability-owned small business enterprise specialized in the manufacturing and sales of Hawai'i's leading baby food product sold under the brand name Piko Provisions. The company's mission as a Public Benefit Corporation (PBC) is to nourish the next generation and regenerate local food systems by producing the highest quality baby foods. Piko Provisions' products are made with 100% locally-sourced fruits and vegetables grown by Hawai'i farmers, and the products are made using minimal processing and transparent labeling and marketing.

Since launching in 2020, Piko Provisions has delivered over 200,000 infant meals through online and retail markets statewide. The company has sourced more than 40,000 pounds of produce from 300 local farmers to date, paying over \$250,000 for local agricultural and food products through direct purchases and food hubs. In 2023 alone, product sales exceeded \$200,000, with over 76,000 meals served. Piko Provisions proudly participates in the Made in Hawai'i with Aloha and Hawai'i Seal of Quality labeling program administered by the Hawaii Department of Agriculture.

Thank you for the opportunity to offer these comments.

HB-2356-HD-2

Submitted on: 3/11/2024 9:39:38 AM

Testimony for EET on 3/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Chi	Testifying for Hawaii Innovations & Technologies	Support	Written Testimony Only

Comments:

Statement of

Robert Chi

Director of R&D

Hawaii Innovations & Technologies

before the

Senate Committee on Energy, Economic Development, and Tourism

Tuesday, March 12, 2024

1:00 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of

HB2356 HD2

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Hawaii Innovations & Technologies **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

Hawaii Innovations & Technologies is proud to express our strong support for HB2356 HD2, which aims to increase the cap for awards assisting businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation (HTDC).

As a recipient of a recent USDA grant totaling \$100,000, Hawaii Innovations & Technologies is poised to harness this funding to drive forward the development of a novel and environmentally friendly product. However, to expedite the commercialization process and maximize the impact of this grant, we recognize the invaluable support that HTDC's programs can provide.

By advocating for the passage of HB2356 HD2, we are not only advocating for our own business but also for the broader economic benefits it will yield. Increased support for small businesses through programs like those offered by HTDC translates into job creation across various sectors, including manufacturing, product services, distribution, and marketing.

To put it into perspective, Hawaii Innovations & Technologies will employ 25 number of individuals and generates approximately two millions in revenue annually. With the assistance of HTDC's enhanced grant programs, we anticipate a substantial growth trajectory both in terms of revenue and employment opportunities.

We urge policymakers to recognize the significance of supporting initiatives like HB2356 HD2, as they play a pivotal role in fostering innovation, driving economic growth, and creating a sustainable future for Hawaii's business landscape.

Thank you for the opportunity to offer these comments.

Best Aloha,

Statement of
Collin Kobayashi
President
3D Innovations
before the
Senate Committee on Energy, Economic Development, and Tourism

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

3D Innovations **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

3D Innovations supports companies developing new technology and products. With the support of HTDC, our technology and manufacturing sectors have greatly benefited from these programs. The additional funding and support helps with further development and prototyping that leads to commercialization. Without the support of these programs that HTDC creates, the commercialization process would take years longer to achieve and, in some cases, not be possible

Thank you for the opportunity to offer these comments.

HB-2356-HD-2

Submitted on: 3/11/2024 10:53:29 AM

Testimony for EET on 3/12/2024 1:00:00 PM

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

Comments:

Blue Startups supports HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.



Written Statement of
DR. PATRICK SULLIVAN
CEO, OCEANIT

Before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Tuesday, March 12, 2024
1:00 p.m.
State Capitol, Conference Room 229 and Videoconference

Offers Comments to
**HB2356 HD2 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Senator Lynn De Coite, Chair, Senator Glenn Wakai, Vice Chair, and Members of the Committee

From: Dr. Patrick Sullivan, CEO

Re: Comments relating to HB2356 HD2

Honorable Chair, Vice-Chair and Committee Members:

Testimony in Support for HB2356, HD2

The technology industry in Hawaii has grown over the past 20 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to move the technology towards prototyping, customer interface, and commercialization.

The objectives of the SBIR grants are:

- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

When the SBIR matching program started a few decades ago, Hawaii was ranked close to the bottom in the US. After this program, Hawaii's success ranking improved to 29th out of 50 States. Accordingly, there is a direct correlation between the State's SBIR Matching Grant Program and improving Hawaii's position in receiving federal SBIR funds. Adding more funds is expected to further improve Hawaii's position and contribute significant research capital into the State of Hawaii, providing a positive ROI, plus supporting the diversification of Hawaii's economy.



Statement of
Isar Mostafanezhad
Founder and CEO
Nalu Scientific, LLC
before the
Senate Committee on Energy, Economic Development, and Tourism

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Nalu Scientific, LLC **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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 started Nalu Scientific, LLC in 2016. Since then, Nalu Scientific has grown from 2 employees to 18 and has received over 25 Federal Small Business Innovation Research (SBIR) awards to design sensors and microchips for the DOE, DOD, NOAA, NIH, and NASA. Our technology is now used in national labs active in areas such as basic energy research and plasma and matter interactions with the purpose of sensing invisible particles in order to understand their behavior which impacts areas such as material science, medicine and environmental monitoring.

During the past 8 years of operation, Nalu Scientific has benefited greatly from the SBIR match grants awarded by the State of Hawaii through the Hawaii Technology Development Corporation. The Hawaii Small Business Innovation Research (SBIR)

match grant funding that Nalu Scientific has received to date has allowed Nalu Scientific to invest in product development and commercialization as well as in retaining skilled local talent. Thus, the HSBIR funding has been instrumental in helping Nalu Scientific to grow and thrive in the Hawaii economy.

An increase in the HSBIR award cap will allow Nalu Scientific and other Hawaii small businesses to continue to scale and, in turn, grow the local talent pool for technology and R&D experts. Therefore, we enthusiastically support HB 2356.

Once again, I am very grateful for the support that Nalu Scientific receives from the State of Hawaii and I want to stress that this continued support is essential for the growth of my business and many others like mine in Hawaii.

Sincerely,

Isar Mostafanezhad



ALOHA SHOYU COMPANY

Statement of
David Y. Morikawa
Vice President - Operations

**Testimony to the House Committee on Energy,
Economic Development, and Tourism
Tuesday, March 12, 2024 at 1:00 P.M.
Conference Room 229, State Capitol**

In consideration of
HOUSE BILL 2356 HD2
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

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

The Aloha Shoyu Company, Ltd. **supports** HB 2356 HD2 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the HTDC. It also adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Assistance Program. Appropriates funds.

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

Our company has received the benefit of partial funding through the manufacturing grant program resulting in plant equipment expansion and upgrades. If the program is extended, we intend to continue utilizing grant funding for equipment upgrades and provide more products to Hawaii and to the mainland.

Thank you for the opportunity to offer these comments.

Statement of
Meli James
Cofounder
Mana Up

HB2356 HD2, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Mana Up **supports** HB2356 HD2 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawai'i Technology Development Corporation and adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program, plus appropriates funds.

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 85 local companies graduate from our six-month accelerator program that provides expansion opportunities and helps solve business challenges, and this year another 10 companies will participate in the program.

For over 30 years, HTDC has provided matching grants to Hawaii companies that receive Federal Small Business Innovation Research Grants (SBIR). Many of the solutions these awarded companies offer positively impact our business community and can help to solve challenges that many of the small local companies we work with face. SB2356 HD1 would help Hawaii-based innovators and small local businesses alike to develop new products that can reach global markets. Ultimately, the funds invested through the HSBIR program will help bring many new products to market, and therefore potentially generate 20x more in revenue for our state helping to further diversify and expand our local economy.

We respectfully ask for your support of HB2356 HD2 to foster innovation amongst our local community and to create solutions to challenges that many of our island-based companies face. Mahalo for the opportunity to submit this testimony on behalf of Mana Up.

Sincerely,

Meli James | Cofounder, Mana Up



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Tuesday, March 12, 2024, 1:00 PM

To The Honorable Senator Lynn DeCoite, Chair
The Honorable Senator Glenn Wakai, Vice Chair
Members of the Committee on Energy, Economic Development, and Tourism

SUPPORT HB2356 HD2 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

The Maui Chamber of Commerce **SUPPORTS HB2356 HD2.**

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

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

The Chamber endorses the increase of the allocation of funds for research and development purposes, especially for small businesses struggling to find the financial support needed to prosper in our state. Investing in these endeavors not only propels scientific progress but also cultivates a culture of creativity and problem-solving. By supporting R&D, we pave the way for groundbreaking discoveries, technological advancements, and economic growth, ensuring a more lucrative future for our state. The increased cap on award amount for small businesses will enable small business applicants to further pursue their endeavor for the benefit of our state.

For these reasons we **SUPPORT HB2356 HD2.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

Statement of
Gregory Wong
Co-Founder and New Product Introduction Engineer
WaiHome LLC
before the
House Committee on Finance

Tuesday, March 12, 2024
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

WaiHome **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

Over the past couple years, HSBIR funding has been pivotal for WaiHome in advancing our next generation of wastewater treatment solutions, addressing Hawaii's critical cesspool replacement mandate. This support has fueled R&D efforts aimed at making cesspool replacement more affordable for homeowners in an eco-friendly way. As WaiHome moves towards local manufacturing, the increase of such funding is essential for this crucial transition, promising significant impact on both environmental sustainability and local economic growth and diversity.

Thank you for the opportunity to offer these comments,



Gregory Wong
Co-founder and New Product Introduction Engineer
WaiHome LLC



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

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Page 1 of 1

Committee: Senate Committee on Energy, Economic Development, and Tourism
Bill Number: HB 2356, HD2, Relating to the Hawaii Technology Development Corporation
Hearing Date and Time: March 12, 2024 at 1:00pm (Room 229)
Re: Testimony of Holomua Collaborative in support

Aloha Chair DeCoite, Vice Chair Wakai, and Committee Members:

We write in support of HB 2356, HD2 Relating to the Hawai'i Technology Development Corporation. Among other things, this bill appropriates funds to support the accelerator grant program; increases the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program and the Small Business Technology Transfer (STTR) Grant Program of the Hawai'i Technology Development Corporation (HTDC); and clarifies that training on new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program

Holomua is focused on helping to keep all local working families in the state by making sure that they can afford to stay. To accomplish that, we must have a healthy, local diversified economy. As the authors of HB 2356, HD2 correctly note, Hawaii's manufacturing industry is a critical part of the State's economy. And local small businesses are a vital part of our manufacturing industry.

To encourage more applicants to compete for SBIR and STTR funds, HTDC wants to raise the cap for awards that can be used to contract grant writing assistance. The current cap is inadequate for rising costs, and by securing more grant writing assistance, small businesses will have a greater chance of receiving awards. Also, HTDC is expanding the eligibility criteria for the Manufacturing Development Grant Program to include the purchase of renewable energy systems for manufacturing facilities.

HTDC has consistently played a key role in supporting these local small business manufacturers through administering programs like the small business innovation research program, the manufacturing assistance grant program, and the accelerator grant program. To invest in our *future* as a state – and to give our current and budding entrepreneurs a reason to stay and grow our local economy – we must keep investing in these programs.

We are pleased to support this bill and appreciate the opportunity to testify.

Sincerely,

Josh Wisch
President & Executive Director

Statement of
Michael Bennett
Cofounder & President
OceanBit Inc

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

Tuesday, March 12, 2024
1:00 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of
HB2356 HD2
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

OceanBit **supports** HB2356 HD2 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

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.

OceanBit designs and develops new generation technologies and power plants that deliver 24/7 carbon-free ocean thermal energy. Ocean thermal is the world's largest untapped renewable energy resource, and Hawaii has been the center of R&D efforts over the past decades. Our technology and IP combines ocean thermal energy conversion (OTEC) and high-density compute e.g. data center, so that we can deliver affordable, abundant, and firm energy to the grid and offshore demand centers e.g. green hydrogen production. We've been a recipient of US Department of Energy funding, as well as private investment by angel investors both locally in Hawaii and from leading technology companies like Google.

HTDC's programs and team help our company, and other renewable energy-technology companies in Hawaii, to strengthen our positions as technology leaders and materially increase the probability of commercial success. They are integral to developing the State of Hawaii as a national and global leader in both R&D and

commercialization of energy technologies, and clean energy specifically. Their programs are critical to companies like ours focused on energy technology systems, intellectual property, and high-value job development. By 2030, we plan to scale from startup to hiring dozens more engineers and hitting tens of millions in revenue. Our plan is to scale globally while keeping our home state of Hawaii as our headquarters. The continuance of HTDC's programs help our company's economic and strategic imperative to stay in Hawaii.

Their specific programs, including the SBIR Grant programs, are an economic multiplier for companies like ours. These not only help us extend federal Department of Energy R&D funding but are critical as a means to attract private investment from high-technology investors both in Hawaii, Silicon Valley, and globally. One private investor recently told me that the HTDC programs are a superpower for OceanBit and will play a huge role in the successful growth of our company from R&D to commercial scale. They make Hawaii companies more competitive, attract more investment dollars, and position Hawaii to become a global technology leader in the trillion-dollar clean energy market.

Thank you for the opportunity to offer these comments.