

Honolulu, Hawaii

May 1

, 2015

RE: H.B. No. 1069  
H.D. 1  
S.D. 2  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1069, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to move Hawaii towards a more diversified economy, assist small businesses conducting innovative research with their efforts toward commercialization, and promote manufacturing in Hawaii by, among other things:

- (1) Adding the receipt of Phase II or III Small Business Innovation Research awards or contracts from any participating federal agency to the qualifying criteria for businesses to receive grants from the High Technology Development Corporation;



- (2) Appropriating funds for the Department of Business, Economic Development, and Tourism to provide grants and loans through the High Technology Development Corporation;
- (3) Establishing the Hawaii Manufacturing Capital Grant Program to provide grants to manufacturers for expenses relating to equipment, planning for new facilities, and training programs; and
- (4) Appropriating funds to the High Technology Development Corporation for the Hawaii Manufacturing Capital Grant Program.

Since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research award recipients to reach their commercial potential through the provision of grants. This has proven to be successful for both the businesses awarded a grant and the State: every dollar invested through this grant program has been leveraged to attract approximately \$20 in federal funds as well as additional commercialization funding. Your Committee on Conference finds that expanding the scope of the grant program will allow for more companies to achieve commercialization and increase the beneficial economic impacts of this program to the State.

Additionally, your Committee on Conference finds that there is a great need for Hawaii to develop and support manufacturing in the State. The lack of available resources and the overuse of obsolete equipment have had a detrimental effect on the market competitiveness of Hawaii businesses. Your Committee on Conference believes that it is incumbent upon the State to ease the financial burdens facing particular businesses that will work to ensure the long-term financial and economic sustainability of the State. However, your Committee on Conference notes that another measure currently moving through the conference process will assist manufacturing businesses and accomplish this goal.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$2,000,000 for Fiscal Year 2015-2016 to provide grants and loans for phase II and III awardees;
- (2) Deleting language that would have established the Hawaii Manufacturing Capital Grant Program and appropriated funds for the Program;

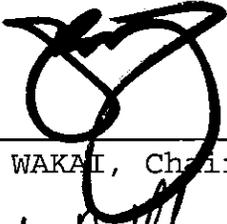


- (3) Changing its effective date to July 1, 2015; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

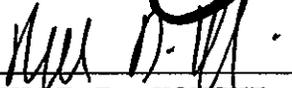
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1069, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1069, H.D. 1, S.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

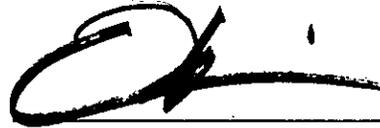


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GLENN WAKAI, Chair



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RONALD D. KOUCHNI, Co-Chair

ON THE PART OF THE HOUSE



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DEREK S.K. KAWAKAMI, Co-Chair



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SYLVIA LOCKE, Co-Chair



