

Honolulu, Hawaii

MAR 20 2018

RE: H.B. No. 1958
H.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Economic Development, Tourism, and
Technology, to which was referred H.B. No. 1958, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate funds to continue the Small Business
Innovation Research program; and
- (2) Authorize the Hawaii Technology Development Corporation
to match a percentage of phase III awards or contracts
of the federal Small Business Innovation Research
program or Small Business Technology Transfer program
that are funded by private sector or government sources
outside of the program.

Your Committee received testimony in support of this measure
from the Hawaii Technology Development Corporation; Oceanit
Laboratories, Inc.; Hawaii Evolutionary Development, LLC;
TeleVoice 2000; Premier Solutions; Chamber of Commerce Hawaii;
Marine Genetics; Makai Ocean Engineering, Inc.; O'ahu County
Committee on Legislative Priorities of the Democratic Party of
Hawai'i; Kolohala Holdings, LP; DewPoint System, LLC; Jonah Heller,
Creative; Spectrum Photonics; Jun Innovations, Inc.; Hawaii Fish



Company; Nalu Scientific, LLC; Hyperspective Studios, Inc.; and four individuals.

Your Committee finds that, pursuant to section 15-32-3, Hawaii Administrative Rules, the purpose of the Small Business Innovation Research program (SBIR) and Small Business Technology Transfer grant program (STTR) is to "provide funds to complement federal SBIR and STTR awards to increase the competitiveness of small businesses in Hawaii and to enhance their prospects for bringing subsequent SBIR and STTR awards of federal funds into the State . . ." Your Committee further finds that phase I grants have been assisting small businesses since 1989. In fiscal year 2015-2016, the Hawaii Technology Development Corporation began awarding the larger phase II and III grants to selected companies that have more difficult and commercially promising projects.

Your Committee believes that supporting small businesses by allocating more funding through the SBIR and STTR programs will allow Hawaii businesses to sustain their businesses in a highly competitive market. Your Committee notes that for every dollar that is invested through the SBIR program, companies in Hawaii have attracted over twenty federal dollars in return to the State, plus commercialization funding. Your Committee believes that the grant program will provide a positive economic development value for the State by supporting projects with vetted technology and backed with federal funds.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Tourism, and
Technology,

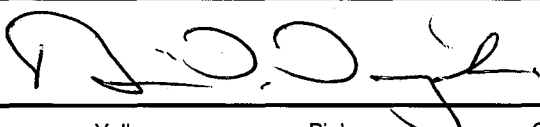


GLENN WAKAI, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development, Tourism, and Technology
ETT

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1958 HD1	ETT, WAM	3/12/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood				✓
THIELEN, Laura H.	✓			
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes