

JAN 20 2017

---

---

# A BILL FOR AN ACT

RELATING TO RESEARCH AND TECHNOLOGY GRANTS.

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

1           SECTION 1. The legislature recognizes the importance of  
2 fostering science, technology, engineering, and mathematics  
3 education in the public education system from grade school  
4 through university level and beyond. Each year, the legislature  
5 appropriates significant moneys to fund initiatives that further  
6 science, technology, engineering, and mathematics education at  
7 all levels of education. This type of education, and a culture  
8 of innovation, are essential to help grow and diversify Hawaii's  
9 economic sectors with new products, services, and processes.

10           The legislature finds, however, that each year many  
11 residents leave Hawaii for careers in science, technology,  
12 engineering, and mathematics across the United States and the  
13 globe. Many residents do not want to leave, but have no choice  
14 because there are not enough local career opportunities in  
15 science, technology, engineering, and mathematics.

16           The legislature finds that funding science, technology,  
17 engineering, and mathematics educational initiatives alone does



1 not ensure jobs for Hawaii's residents in these fields.  
2 Educational efforts to promote science, technology, engineering,  
3 and mathematics must be matched with initiatives that help  
4 foster jobs in research and technology because research and  
5 technology are the core of innovation and the critical first  
6 step in a product development cycle.

7       The legislature further finds that innovation is essential  
8 for creating new jobs in the high technology sector. In recent  
9 years, innovation has led to new jobs in sectors as diverse as  
10 defense or dual-use, software and information technology, life  
11 sciences and biotechnology, and clean energy. At the same time,  
12 innovations ripple through the economy, creating jobs for  
13 workers building advanced infrastructure such as clean energy  
14 solutions, installing broadband networks, and utilizing new  
15 devices and products in service industries such as health care  
16 and tourism. Innovation is critical for sustaining the vitality  
17 and resilience of Hawaii's economy.

18       The legislature recognizes that, while future challenges  
19 are impossible to predict, the State's economy will be able to  
20 respond to challenges by adopting innovative solutions and re-  
21 deploying old activities and jobs, thereby making the State's



1 industries less susceptible to adversity. Innovation is the key  
2 to remaining competitive globally, creating new and better  
3 science, technology, engineering, and mathematics jobs for  
4 Hawaii's residents, and creating a resilient economy. Support  
5 for research and development stimulates the growth of jobs in  
6 science, technology, engineering, and mathematics.

7 Therefore, the purpose of this Act is to support research  
8 and development by establishing a research and technology grant  
9 program to be administered by the high technology development  
10 corporation.

11 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is  
12 amended by adding a new section to part I to be appropriately  
13 designated and to read as follows:

14 "§206M- Research and technology grant program;  
15 established. (a) There is established the research and  
16 technology grant program, through which the development  
17 corporation shall provide grants to qualified research and  
18 technology companies in Hawaii for eligible projects. The  
19 program shall be developed and administered by the development  
20 corporation.



- 1        (b) The development corporation shall award program grants  
2 only to research and technology companies that:
- 3        (1) Have applied for and received United States and  
4        foreign patents on their technology;
- 5        (2) Have applied for and received federal research  
6        contracts;
- 7        (3) Comply with all applicable federal, state, and local  
8        laws, rules, ordinances, and policies;
- 9        (4) Agree not to use state funds for entertainment or  
10       lobbying activities;
- 11       (5) Allow the development corporation, legislative  
12       committees and their staff, and the auditor full  
13       access to their records, files, and other related  
14       documents and information for purposes of monitoring,  
15       measuring the effectiveness of, and ensuring the  
16       proper expenditure of the grant;
- 17       (6) Are incorporated under the laws of the State;
- 18       (7) Have been in operation for at least five years; and
- 19       (8) Submit a grant application requesting funding for an  
20       eligible project.



1           (c) Eligible projects that may receive grants from the  
2 research and technology grant program shall:

3           (1) Foster science, technology, engineering, and  
4 mathematics education at the K-12 or university  
5 levels;

6           (2) Be based on the principles of robotics, engineering,  
7 science, or mathematics; and

8           (3) Involve the direct participation or input of students  
9 at the K-12 or university levels.

10          (d) Preference for award of a grant shall be given to  
11 projects that bring in resources and federal or private funding  
12 into the State.

13          (e) Each grant shall be equal to fifty per cent of the  
14 eligible project's costs that were paid in the State during the  
15 previous calendar year, or project costs paid in the state after  
16 January 1, 2016.

17          (f) No research and technology company shall receive a  
18 grant exceeding \$                    in any given year and not more than  
19 one grant in any given year.

20          (g) The development corporation shall submit a report to  
21 the legislature no later than twenty days prior to the convening



1 of each regular session held in an even-numbered year. The  
2 report shall include the following items:

- 3 (1) The total number of grant applications received;
- 4 (2) The total number of grants awarded;
- 5 (3) The actual economic and workforce development benefits  
6 realized as a result of each grant provided;
- 7 (4) The total amount of money awarded for each grant; and
- 8 (5) Any other information about the research and  
9 technology grant program that the development  
10 corporation deems necessary.

11 (h) The development corporation shall adopt rules pursuant  
12 to chapter 91 necessary for the purposes of this section.

13 (i) Grants awarded pursuant to this section shall not be  
14 subject to chapters 42F, 103D, and 103F. All grants shall be  
15 made in accordance with the standards and conditions specified  
16 in this section.

17 (j) Moneys appropriated for the research and technology  
18 grant program may be used to pay for the cost of administering,  
19 operating, and marketing the grant program, as determined by the  
20 board of directors.



1        (k) For the purposes of this section "research and  
 2 technology company" means a for-profit company in Hawaii that is  
 3 primarily engaged in research, science, technology, engineering,  
 4 and math activities as evidenced by the receipt of patents or  
 5 federal research contracts performed in the State."

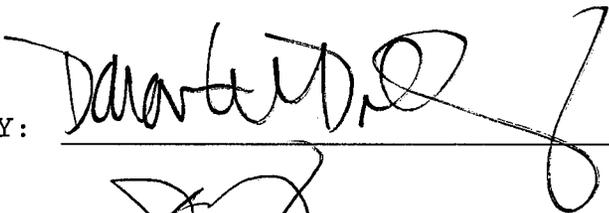
6        SECTION 3. There is appropriated out of the general  
 7 revenues of the State of Hawaii the sum of \$                    or so much  
 8 thereof as may be necessary for fiscal year 2017-2018 and the  
 9 same sum or so much thereof as may be necessary for fiscal year  
 10 2018-2019 for the awarding of grants under the research and  
 11 technology grant program established pursuant to this Act.

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

14        SECTION 4. New statutory material is underscored.

15        SECTION 5. This Act shall take effect on July 1, 2017.

16

INTRODUCED BY:   
  


**Report Title:**

Research and Technology Grant Program; High Technology Development Corporation; Appropriation

**Description:**

Establishes the research and technology grant program within the high technology development corporation to provide grants to qualified research and technology companies in Hawaii for eligible projects. Establishes program guidelines and eligibility criteria for research and technology companies. Requires eligible projects to foster science, technology, engineering, and mathematics education at the K-12 or university levels. Appropriates funds to the program.

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

