



April 4, 2018

Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means  
Hawaii State Capitol, Conference Room 211

**LATE**

RE: Testimony on HB 2080, HD1, SD1 – RELATING TO TECHNOLOGY DEVELOPMENT

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

My name is Christine Sakuda and I serve as the executive director of Transform Hawai'i Government (THG), a coalition of organizations and individuals who believe in improving government services for every Hawaii resident on every island. THG strongly supports HB 2080, HD1, SD1 Relating to Technology Development, which establishes a program to be administered by the Hawaii Technology Development Corporation (HTDC) to provide grants and mentorship to teams that develop proof of concepts resulting from application challenges.

These challenges, such as the Hawaii Annual Code Challenge and the Agricultural code challenge known as the AGathon, engage the technology development community and state government agencies in collaborative efforts to develop innovative solutions to an array of issues facing our state. Application challenges are intended to generate proofs of concepts, but not complete or even prototype products. Without additional resources, the fruition of these proofs of concepts and their potential benefits cannot be realized.

The appropriation provided by this measure bridges the existing gap between a proof of concept, a prototype and a commercial product. Moreover, it not only creates a pathway for the development of civic technology but also enables the teams themselves to evolve into startup businesses. Accordingly, these challenges, when coupled with the appropriation provided by this measure, further both business and workforce development in our state. THG also supports the provisions regarding the use of funds for the identified purposes and the prescribed leveraging of matching funds to extend the impact of this appropriation.

In addition, THG supports Hawaii State government efforts to develop and implement a long-term IT strategic plan to modernize and improve service quality and citizen satisfaction; empower the State's workforce to earn living wages in an ever-increasingly technology-dependent economy; secure citizens'

data and information entrusted to agencies; and promote overall effectiveness, efficiency and transparency in government operations and expenditure of taxpayer funds.

Thank you for the opportunity to provide THG's input on this important bill.

Mahalo,

Christine

Christine Mai'i Sakuda

Executive Director

Transform Hawai'i Government

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**LATE**

**COMMITTEE ON WAYS AND MEANS**  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Wednesday, April 4, 2018, 10:30 AM  
State Capitol, Conference Room 211

**In consideration of  
HB2080 HD1, SD1**

**RELATING TO TECHNOLOGY DEVELOPMENT**

We support the creation of a fund (and requires matching private funds) that grants participants in software application challenges so that the proofs of concept created during the challenges can be developed into prototypes suitable for local and state government.

DevLeague (<http://www.devleague.com/>) is the premier technical boot camp in the Pacific designed to provide mentorship and training to motivated individuals seeking a career change. We design our own curriculum based on relevant industry standards, teach in-demand technical skills such as JavaScript Web Engineer, Cyber Security Professional, Big Data Analyst and Enterprise Software Developer to help our adult students onboard with career starts into the software industry.

For the last four years, DevLeague has created, lead and participated in global, mainland, state-wide and local software development related hackathons. We were the technical founding members in Hawaii Annual Coding Challenge (HACC) in 2016 and 2017 and the Hawaii chapter of the NASA Space Apps Challenge in 2016 and 2017. We actively participate in hackathons such as AT&T hackathon, Global Game Jam, and Uber-DevLeague hackathon.

We typically field teams from our alumni and current JavaScript Web Engineer cohorts. We also field teams from middle and high school programs where we have Jr DevLeague courses at DOE public schools. The latter gives exposure to students whose first experience in a hackathon will be in front of their classmates, friends and family. Some of these student teams have won first, second and third place in the hackathons.

The proof of concepts and prototypes built in these three-day to one-month long hackathons, such as HACC, are often missing key features and functionality such that participants and winners still need much more development, business collaboration and funding to get it to production level where users can run the applications on a real-world basis.



Small amounts of funding with matching funds, in a private-public partnership, will enable creators of these prototypes to collaborate with sponsoring state agencies to bring software solutions to its users. This benefits the public in that it spurs civic duty, government innovation in technology and with proper seed funding, may lead teams to company formation and subsequently job creation.

Thank you for the opportunity to offer this testimony.

Mahalo!

A handwritten signature in black ink, appearing to read "Russel C. H. Cheng", with a long horizontal stroke extending to the right.

Russel Cheng  
Co-founder, Director



Written Statement of  
**Elemental Excelsator**  
before the  
**Senate Committee on Ways and Means**  
Wednesday, April 4, 2018  
10:30 a.m.  
State Capitol, Conference Room 211

In consideration of  
**HB2080**  
**RELATING TO TECHNOLOGY DEVELOPMENT**

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

Elemental Excelsator respectfully submits our strong support of HB2080 that provides an appropriation for grants to participants in software application challenges so that the proofs of concept created during the challenges can be developed into prototypes suitable for local and state government.

Elemental Excelsator is a Honolulu-based growth accelerator program founded and operating Hawaii. Each year, we select 15-20 companies that best fit our mission and fund each company up to \$1 million. Our selection process is competitive – we accept about 5% of our applicants each year. We recruit entrepreneurs from around the world to come to Hawaii and work on our agriculture, water, energy, and transportation challenges to help us achieve our 100% clean energy goals.

We strongly support HB2080 for three main reasons:

- 1) **State investment is a catalytic economic development activity.** To date, Elemental Excelsator has awarded over \$22 million (all of which comes from federal funding and other off-island resources) to more than 60 companies. These companies have gone on to raise more than \$350 million in follow-on funding and generate millions of dollars in revenue, creating job opportunities. With grant funding, the State, as a catalytic player, has the opportunity and potential to increase our overall pipeline and creation of local companies and employment opportunities.
- 2) **State support helps to create a solid pipeline of educational and professional opportunities for our keiki.** A number of groups work directly with youth empowering them with coding and computer science skills. By creating incentives that can be catalyzed into start-up companies, the State would help to create a tech sector that would provide our keiki the opportunity to make a decent wage and stay in Hawaii.

- 3) **Support for groundbreaking innovation elevates Hawaii's attractiveness as a place to do business across the U.S. and the Asia-Pacific.** Hawaii's unique challenges as an island state create economic conditions that attract top-tier entrepreneurs, who have the ability to solve complex problems. Moreover, a vibrant innovation economy attracts attention and helps to build partnerships across the Pacific.

The Hawaii Annual Code Challenge has successfully produced useful proofs of concept that could revolutionize Hawaii by unearthing investment opportunities, innovative thinking and solutions for painpoints unique to our community. Appropriating funds to provide grants to take proof of concept ideas to prototype is the next step to enhancing Hawaii's role as a leader in innovation. Further, the State's support of innovation provides opportunities to our keiki to live and work here and creates a vibrant technology and innovation sector that provides solutions to complex problems. The State's support strengthens the entrepreneurial network and business relationships between Hawaii and the rest of the world.

Mahalo for the opportunity to provide testimony on this bill.