



Pacific International
Space Center for
Exploration Systems

Statement of
Rodrigo Romo
Program Director
Pacific International Space Center for Explorations Systems (PISCES),
Before the
Senate Committee on Energy, Economic Development, and Tourism
Monday, February 10th @ 14:50
State Capitol, Conference Room 414

In consideration of
SB2546
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

PISCES appreciates the intent of SB2546 which establishes the division of Aerospace Development within the Hawaii Technology and Development Corporation to grow job investments and job opportunities in the aerospace industry and for workforce development and offers the following comments:

PISCES is entering a transition period in which it will need to make some modifications to move from RCUH contract based operations into being an attached agency of the Department of Business, Economic Development and Tourism (DBEDT). In an effort to secure the continuation of PISCES, we are willing to work with the legislature to find a viable solution that will benefit PISCES and DBEDT and provide adequate support to the promotion of the Aerospace Industry in the State.

Thank you for this opportunity to offer comments.

Rodrigo Romo.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND
TOURISM
ON
SENATE BILL NO. 2546

February 10, 2020
2:50 p.m.
Room 414

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2546.

S.B. No. 2546 establishes the Division of Aerospace Development (DAD) within the Hawai'i Technology Development Corporation (HTDC); transfers all rights, powers, functions, and duties of the Department of Business, Economic Development and Tourism's (DBEDT) Office of Aerospace Development (OAD) and Pacific International Space Center for Exploration Systems (PISCES) to DAD; provides for the transfer of employees; repeals OAD and PISCES within DBEDT; establishes the Division of Aerospace Development Special Fund (DADSF); establishes the Hawai'i Broadband Office (HBO) within HTDC; and appropriates an unspecified amount of general funds for FY 21 to establish HBO.

Funds from the DADSF will be used for the operation, maintenance, and management of DAD projects, facilities, services, and publications. Funds may also be used for the design and construction of new facilities and for the renovation of or

addition to existing facilities. Revenues for the fund would be derived from revenues, moneys, and fees from services, rentals, publications, royalties, and patents generated; gifts, donations, and grants received by the division; and proceeds from revenue bonds issued by the Director of Finance.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2546, it is difficult to determine whether the proposed special fund would be self-sustaining.

B&F defers to DBEDT and HTDC regarding the operational impact of this measure.

Thank you for your consideration of our comments.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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DAVID Y. IGE
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MIKE MCCARTNEY
DIRECTOR

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

Monday, February 10, 2020
2:50 PM
State Capitol, Conference Room 414

In consideration of
SB 2546
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

The Department of Business, Economic Development & Tourism (DBEDT) appreciates the intent of SB 2546 which establishes the division of Aerospace Development and the Hawaii Broadband Office within the Hawaii Technology Development Corporation and offers the following comments.

In its mission to achieve a sustainable, innovative economy that is globally competitive, dynamic, and productive, DBEDT is currently working to reorganize the department to better align the programs and agencies to best position itself to address current and the changing dynamics of our economic environment. Since DBEDT is already working to strategically place the programs listed in this measure as part of the overall restructuring plan, we request that the committee defer this measure.

Thank you for the opportunity to testify.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
Senate Committee on Energy, Economic Development, and Tourism
Monday, February 10, 2020
2:50 p.m.
State Capitol, Conference Room 414

In consideration of
SB2546
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

The Hawaii Technology Development Corporation (HTDC) offers **comments** on SB2546 that establishes the division of aerospace development within the Hawaii technology development corporation to grow investments and job opportunities in the aerospace industry and for workforce development, transfers all rights, powers, functions, and duties of the office of aerospace development and Pacific international space center for exploration systems to the division of aerospace development, provides for the transfer of employees, repeals the office of aerospace development and Pacific international space center for exploration systems within DBEDT, establishes the Hawaii broadband office within the Hawaii technology development corporation, and appropriates funds.

HTDC comments that last session, the Hawaii Strategic Development Corporation was abruptly merged into HTDC. We are still working to integrate the mission of HSDC into our programs. We currently collaborate with DBEDT Aerospace, PISCES, and broadband divisions. HTDC understands DBEDT is currently working to reorganize the department to better align the programs and agencies to be best positioned to address current and the changing dynamics of our economic environment. We look forward to working with all stakeholders in moving our economy forward.

Thank you for the opportunity to offer these comments.