Honolulu, Hawaii

FEB 16 , 2024

RE: H.B. No. 2356

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 2356 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the per-grant cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program; and
- (2) Add the purchasing of renewable energy systems as an eligible expense, and clarify that training on new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Hawaii Technology Development Corporation; Makai Ocean Engineering, Inc.; Oceanit; Hawaii Food Industry Association; and Chamber of Commerce Hawaii.

Your Committee finds that the Hawaii Technology Development Corporation aims to encourage and assist new applicants to compete for available federal Small Business Innovation Research Grant Program and Small Business Technology Transfer Grant Program funds. Businesses applying for these federal grants may be awarded up to \$3,000 for grant writing assistance to increase their chance of success in being awarded the grants. However, because of increased costs, the \$3,000 maximum amount is no longer sufficient. Your Committee believes that increasing the maximum amount of funds that a business may be awarded for grant writing assistance will encourage new applicants to pursue federal grant funds.

Your Committee also finds that clarifying that training on new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program will promote local manufacturing and workforce development. Additionally, adding the purchasing of renewable energy systems as an eligible expense for the Manufacturing Development Grant Program will help manufacturers offset high energy costs in the State.

Your Committee has amended this measure by:

- (1) Inserting language to appropriate unspecified amounts of funds to the Hawaii Technology Development Corporation:
 - (A) For the Hawaii Small Business Innovation Research Program;
 - (B) For the Manufacturing Assistance Grant Program; and
 - (C) To support the Accelerator Grant Program;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2356, as amended herein, and recommends that it pass Second

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Reading in the form attached hereto as H.B. No. 2356, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

DANIEL HOLT, Chair

State of Hawaii

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 2356 Committee Referral: ECD, FW ECD, FIN 7/14/2024				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)				
2. LAMOSAO, Rachele F. (VC)				
3. HUSSEY-BURDICK, Natalia				
4. KONG, Sam Satoru				. S. S. S.
5. LA CHICA, Trish			Politika	
ANALYAMIDA Nading V				
6. NAKAMURA, Nadine K.				
7. QUINLAN, Sean			22611	
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8. PIERICK, Elijah				
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TOTAL (8)	1 xp			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				