

JAN 30 2026

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# A BILL FOR AN ACT

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RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

1       SECTION 1. The legislature finds that the Hawaii  
2 technology development corporation serves as a facilitative  
3 catalyst for technology and innovation in the State and will  
4 align the State with emerging technologies, including computer  
5 software, biotechnology, ocean science, energy, nanotechnology,  
6 artificial intelligence, sensor and communication systems,  
7 health, medical devices, medical tests or other health care  
8 technologies, and aerospace and defense.

9       The legislature further finds that, according to the  
10 National Academies of Sciences, Engineering, and Medicine's 2026  
11 review of the Department of Defense Small Business Innovation  
12 Research and Small Business Technology Transfer programs:

13       (1) States underserved by venture capital markets, such as  
14 Hawaii, benefit disproportionately from the programs  
15 in building their own innovation ecosystems;



(2) For every dollar invested in the programs,  
participating firms attract more than four dollars in  
additional federal research and development funding;

(3) The programs serve as gateways for small firms to  
enter the defense innovation ecosystem and defense  
industrial base;

(4) Firms receiving five or more Small Business Innovation  
Research and Small Business Technology Transfer  
program awards demonstrate higher rates of patent  
generation, follow-on financing, and successful  
technology transition; and

(5) Firms receiving state matching support are more likely  
to secure follow-on federal contracts, generate  
intellectual property, and contribute to national  
security capabilities.

The legislature additionally finds that the State's unique  
strategic position in the Indo-Pacific, combined with federal  
facilities including military bases and research institutions,  
creates exceptional opportunities for Hawaii-based companies to  
support critical defense and dual-use technology development.



1       The legislature also finds that the federal government's  
2 rigorous Small Business Innovation Research and Small Business  
3 Technology Transfer review process provides sufficient technical  
4 and business merit evaluation, and requiring an additional  
5 state-level review would create an unnecessary administrative  
6 burden and delay time-sensitive technology development.

7       The legislature believes that a permanent state Small  
8 Business Innovation Research and Small Business Technology  
9 Transfer matching program with streamlined approval will enable  
10 the State to leverage federal investments, build a sustainable  
11 innovation ecosystem, and contribute to both economic  
12 diversification and national security priorities.

13       Accordingly, the purpose of this Act is to:

14       (1) Establish the Hawaii small business innovation  
15 research matching program within the Hawaii technology  
16 development corporation to provide matching grants to  
17 Hawaii-based companies that have received federal  
18 Small Business Innovation Research or Small Business  
19 Technology Transfer program awards;

20       (2) Establish the science, technology, engineering, and  
21 mathematics education outreach program within the



1 Hawaii technology development corporation to be  
2 administered in collaboration with the department of  
3 education, to require participants in the Hawaii small  
4 business innovation research matching program to  
5 deliver presentations to public school students in the  
6 State; and

7 (3) Require the development corporation to submit annual  
8 reports to the legislature.

9 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is  
10 amended by adding two new sections to be appropriately  
11 designated and to read as follows:

12 **"§206M-A Hawaii small business innovation research**  
13 **matching program; established.** (a) There is established the  
14 Hawaii small business innovation research matching program  
15 within the development corporation to provide matching grants to  
16 Hawaii-based companies that have received federal Small Business  
17 Innovation Research or Small Business Technology Transfer  
18 awards.

19 (b) Any company with a principal place of business in the  
20 State that has received a federal phase I or phase II award from  
21 the Small Business Innovation Research or Small Business



Technology Transfer programs from any federal agency shall be eligible for state matching funds without additional state technical or business review. The Hawaii small business innovation research matching program shall be open to companies that are first-time participants to the Small Business Innovation Research or Small Business Technology Transfer programs and companies that have previously received funding from the Small Business Innovation Research or Small Business Technology Transfer programs.

Receipt of a federal Small Business Innovation Research or Small Business Technology Transfer program award shall constitute sufficient evidence of technical and business merit.

(c) The Hawaii small business innovation research matching program shall match funds equal to fifty per cent of the federal Small Business Innovation Research or Small Business Technology Transfer program award amount.

(d) Companies seeking to participate in the Hawaii small business innovation research matching program shall submit an application to the development corporation within ninety days of receiving the Small Business Innovation Research or Small



1 Business Technology Transfer program award notification. The  
2 application shall include:

3 (1) A copy of federal award notice;

4 (2) Documentation of the company's principal place of  
5 business in the State;

6 (3) A brief description of how state matching funds will  
7 be used to advance the project; and

8 (4) An acknowledgement of the Hawaii small business  
9 innovation research matching program's reporting  
10 requirements.

11 (e) The development corporation shall approve or deny  
12 applications within thirty days of receipt. Applications  
13 meeting the requirements of subsection (b) shall be  
14 automatically approved unless insufficient funds remain.

15 (f) The development corporation shall establish an annual  
16 application period for matching fund requests. If applications  
17 for matching funds exceed available funding, the corporation  
18 shall distribute funds as follows:

19 (1) All eligible applications received within the  
20 application period shall be considered together; and



1        (2) If the total requested matching funds exceed available  
2        funds, the development corporation shall distribute  
3        the available funds on a pro-rata basis to all  
4        eligible applicants, calculated proportionally based  
5        on each applicant's requested matching amount relative  
6        to the total requested matching funds.

7        Any unallocated funds remaining at the end of each fiscal  
8        year shall carry forward to the next fiscal year, subject to any  
9        applicable appropriations law.

10       (g) The development corporation shall submit an annual  
11       report to the legislature no later than twenty days prior to the  
12       convening of each regular session containing:

13       (1) The total state matching funds provided under the  
14       Hawaii small business innovation research matching  
15       program and the total federal Small Business  
16       Innovation Research or Small Business Technology  
17       Transfer program awards leveraged;

18       (2) The number of applications received, approved, and  
19       denied, including reasons for denial;

20       (3) The average time each approved application took for  
21       approval;



1        (4)    The distribution of awards by company;

2        (5)    Any instances where insufficient funds required  
3           equitable distribution measures pursuant to subsection  
4           (f);

5        (6)    Any follow-on federal research and development  
6           contracts and procurement awards received by a company  
7           that received matching funding under the Hawaii small  
8           business innovation research matching program;

9        (7)    The number of phase I to phase II Small Business  
10           Innovation Research or Small Business Technology  
11           Transfer programs award transitions;

12       (8)    The number of patents filed and awarded by companies  
13           received matching funding under the Hawaii small  
14           business innovation research matching program;

15       (9)    Any private sector investment attracted due to the  
16           program;

17       (10)   The number of jobs created and retained in the State  
18           as a result of the program, including the annual  
19           salary ranges reported in the following ranges:

20           (A)    Under \$50,000;

21           (B)    \$50,000 to \$79,999;





- 1            (C)    \$80,000 to \$99,999;
- 2            (D)    \$100,000 to \$124,999;
- 3            (E)    \$125,000 to \$149,999;
- 4            (F)    \$150,000 to 199,999; and
- 5            (G)    \$200,000 or more;
- 6        (11)   Any technologies transitioned into defense or
- 7            commercial use;
- 8        (12)   Any partnerships established with defense prime
- 9            contractors and federal facilities;
- 10       (13)   The geographic distribution of supported companies
- 11           across the State's counties;
- 12       (14)   The total payroll dollars generated by companies
- 13           supported by the Hawaii small business innovation
- 14           research matching program;
- 15       (15)   Participating company revenue growth, including total
- 16           annual revenues and percentage change from the prior
- 17           year;
- 18       (16)   The number of science, technology, education, and
- 19           mathematics education presentations delivered to
- 20           public school students in the State under the science,



1           technology, engineering, and mathematics outreach  
2           program established under section 206M-B;

3       (17) The technology sector and industry classifications of  
4           supported companies; and

5       (18) The return on investment ratio, calculated as total  
6           federal funding secured per state dollar invested.

7       **§206M-B Science, technology, engineering, and mathematics**  
8 **outreach program; established.** There is established within the  
9 development corporation the science, technology, engineering,  
10 and mathematics outreach program to promote science, technology,  
11 engineering, and mathematics education and career awareness in  
12 the State. The development corporation shall collaborate with  
13 the department of education to administer the program. Under  
14 the program:

15       (1) Each company receiving matching funds from the Hawaii  
16           small business innovation research matching program  
17           established under section 206M-A shall deliver a  
18           minimum of two presentations to public school students  
19           in the State within one year of receiving the matching  
20           funds. The presentations shall:



1           (A) Showcase innovation and technology development  
2           occurring in the State;

3           (B) Describe career pathways in science and  
4           technology fields; and

5           (C) Encourage students to pursue education and  
6           careers in science, technology, engineering, and  
7           mathematics; and

8       (2) The development corporation shall coordinate with the  
9       department of education to schedule the presentations  
10       required pursuant to paragraph (1) and identify  
11       appropriate grade levels and schools, with priority  
12       being given to schools in underserved communities."

13       SECTION 3. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$                   or so  
15 much thereof as may be necessary for fiscal year 2026-2027 to  
16 support the economic diversification of, and the development of  
17 a defense innovation ecosystem in the State, to be allocated as  
18 follows:

19       (1) \$                   for the Hawaii small business innovation  
20       research matching program established by section 2 of  
21       this Act;



1           (2)   \$                   for the manufacturing development program  
2                   established by section 206M-15.1, Hawaii Revised  
3                   Statutes, to help Hawaii-based manufacturers become  
4                   globally competitive and support the scale-up and  
5                   transition of Small Business Innovation Research or  
6                   Small Business Technology Transfer program-developed  
7                   technologies into production; and

8           (3)   \$                   for commercialization and technology  
9                   transition support, including:

10           (A)   Accelerator and small business training programs  
11                   to help develop companies that are solving large-  
12                   scale problems in the community using innovative,  
13                   advanced manufacturing, and technology-based  
14                   solutions;

15           (B)   Support for intellectual property protection,  
16                   market research, and business development  
17                   activities identified by the National Academies  
18                   of Science, Engineering, and Medicine as critical  
19                   success factors for Small Business Innovation  
20                   Research or Small Business Technology Transfer  
21                   program commercialization;



(C) Facilitation of partnerships between the Small Business Innovation Research or Small Business Technology Transfer companies in the State and defense prime contractors, acquisition program offices, and research institutions to support technology transition; and

(D) Assistance in navigating federal procurement processes and transitioning technologies into programs of record.

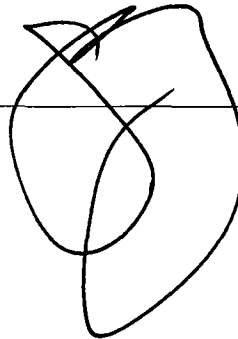
The sum appropriated shall be expended by the Hawaii technology development corporation for the purposes of this Act.

SECTION 4. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 5. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2026.

INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, consisting of a large, stylized loop with a crossbar, followed by a vertical stroke and a small hook at the end.

# S.B. NO. 3284

**Report Title:**

HTDC; DOE; Hawaii Small Business Innovation Research Matching Program; Science, Technology, Engineering, and Mathematics Education Outreach Program; Establishment; Reports; Appropriation

**Description:**

Establishes the Hawaii Small Business Innovation Research Matching Program within the Hawaii Technology Development Corporation to provide matching grants to Hawaii-based companies that have received federal Small Business Innovation Research or Small Business Technology Transfer awards. Establishes the Science, Technology, Engineering, and Mathematics Education Outreach Program within HTDC to be administered in collaboration with the Department of Education to require participants in the Hawaii Small Business Innovation Research Matching Program to deliver presentations to public school students in the State. Requires HTDC to submit annual reports to the Legislature. Appropriates funds.

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

