

STAND. COM. REP. NO.

3195

Honolulu, Hawaii

MAR 25 2026

RE: H.B. No. 2545
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred H.B. No. 2545, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Hawaii Technology Development Corporation to establish the Small Business Innovation Research (SBIR) Matching Program;
- (2) Require the Hawaii Technology Development Corporation, in collaboration with the Department of Education, to establish a Science, Technology, Engineering, and Mathematics (STEM) Education Outreach Program, under which recipients of funds from the SBIR Matching Program must deliver presentations to public school students;
- (3) Require and appropriate funds for the Hawaii Technology Development Corporation to develop an Economic Diversification Strategic Plan; and
- (4) Appropriate funds for economic diversification and defense ecosystem development.



Your Committee received testimony in support of this measure from the Department of Education; Military and Community Relations Office of the Department of Business, Economic Development, and Tourism; Hawai'i Technology Development Corporation; Chamber of Commerce Hawaii; Hawaii Food Industry Association; Oceanit Laboratories, Inc.; Simonpietri Enterprises LLC; WaiHome LLC; Hawaii Fish Company; and Maui Chamber of Commerce.

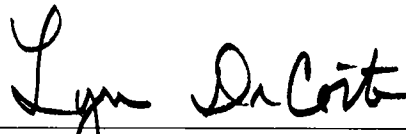
Your Committee finds that access to capital is a consistent barrier to growth for local small businesses. While the Hawaii Technology Development Corporation has yielded significant returns from its small business support programs, its matching program for the federal Small Business Innovation Research and Small Business Technology Transfer awards, which helps awardees in the State to maximize federal funding, is severely underfunded and not codified in statute. Your Committee further finds that the structure of the matching program presents an opportunity to better align the State's public investment with education, workforce development, and economic diversification. This measure codifies the Development Corporation's Small Business Innovation Research Matching Program, requires matching fund recipients to support STEM education in public schools, and advances efforts to diversify the State's economy and retain local talent in high-growth sectors.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2545, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2545, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



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



LYNN DECOITE, Chair



