

Written Statement of
Trung Lam, Executive Director

before the
House Committee on Economic Development and Technology

Friday, March 20, 2026
9:30 am
Conference Room 423 & Videoconference

In consideration of
SB3084 SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee,

The Hawai'i Technology Development Corporation (HTDC) strongly supports SB3084 SD1. While HTDC's SBIR and STTR matching programs have been successful in increasing federal participation and commercialization activity in Hawai'i, they represent only a portion of the federal R&D landscape. Agencies such as the Department of Defense, Department of Energy, NOAA, NASA, and others offer competitive R&D opportunities outside of SBIR/STTR. Many of these programs require non-federal cost share or matching funds. For early-stage Hawai'i companies—particularly in high-growth sectors such as space, ocean, advanced manufacturing, and dual-use technologies—these match requirements can present a significant barrier to entry.

SB3084 SD1 addresses that gap. By expanding grant eligibility, the State can help local companies leverage substantially larger federal investments, increasing the return on state dollars while strengthening our innovation ecosystem. In practice, a relatively modest state match can unlock multi-year federal awards, attract private capital, retain high-skilled talent, and anchor companies here in Hawai'i rather than forcing them to relocate to jurisdictions with stronger matching mechanisms.

This approach is consistent with HTDC's broader strategy of using public funds to de-risk early-stage innovation, crowd in private and federal capital, and accelerate commercialization in sectors aligned with Hawai'i's strategic advantages—particularly space and ocean technologies.

HTDC looks forward to working with the Legislature on clear guidelines and performance metrics to ensure effective and accountable implementation. We appreciate the Legislature's continued partnership in strengthening Hawai'i's innovation economy and respectfully urge passage of SB3084 SD1.





holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

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Page 1 of 1

Committee: House Committee on Economic Development and Technology
Bill Number: SB3084 SD1, Relating to the Hawai'i Technology Development Corporation
Hearing Date and Time: March 20, 2026, at 9:30am (Room 423)
Re: Testimony of Holomua Collaborative- Support

Aloha Chair Ilagan, Vice Chair Hussey, and Committee Members:

We write in support of Senate Bill 3084 SD1, Relating to the Hawai'i Technology Development Corporation. This measure expands the allowable uses of Hawai'i Technology Development Corporation (HTDC) grant funds to include providing grants to applicants for qualifying federal research and development awards and matching funds for recipients of those awards and related contracts.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing affordability challenges, including the high cost of living and limited economic opportunities. For Hawai'i to be affordable for local working families, we need to ensure that our local business community can expand and succeed in an uncertain economy. The challenges businesses face in thriving in Hawai'i are an unfortunate reality that has permeated public consciousness. *Only 19% of respondents in a recent survey of 3200 local residents agree that "Hawai'i is a good place to do business."* This statement also shows a high percentage of disagreement, with 44 percent *disagreeing* that Hawai'i is a good place to do business. And 9 out of 10 respondents agree that Hawai'i needs to recruit and retain critical workforce members.¹

SB3084 SD1 is crucial to our mission because it expands the allowable uses of HTDC grant funds, enabling more local businesses and entrepreneurs to access essential federal resources. This can foster the creation of high-quality, living-wage jobs that are vital for keeping kama'āina families rooted in our islands. Expanding HTDC's grant-making authority to provide matching funds for federal R&D awards aligns with best practices in economic and workforce development. By leveraging federal investment, Hawai'i can stimulate innovation and support the growth of local businesses, particularly in emerging industries. These opportunities are vital for diversifying our economy beyond tourism, increasing resilience, and providing career pathways that offer wages capable of supporting local families.

We urge you to support SB3084 SD1.

Sincerely,

Matthew Prellberg
Policy and Communications Director

¹ 2025 Affordability Survey, Holomua Collective. www.holomuacollective.org/survey-25.



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Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Advisor*
Maile Miyashiro, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Economic Development and Technology

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: March 20, 2026

TIME: 9:30am

RE: SB3084 SD1 Relating to the Hawaii Technology Development Corporation

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to expand the allowable uses of Hawai'i Technology Development Corporation (HTDC) grant funds. As the measure notes, "Hawaii's research and development ecosystem requires flexible funding to leverage federal investment opportunities." Many of our members and Made in Hawaii Festival vendors have successfully used HTDC programs over the year to grow, increase manufacturing capacity, modernize, and become more technologically enabled. When local companies are supported by the state and given the opportunity to grow and thrive our economy becomes more stronger, more diverse, and everyone benefits. We urge the Committee to pass this measure and we thank you for the opportunity to testify.



Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.
before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Friday, March 20, 2026
9:30 am

In consideration of
SB3084

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Ilagan, Vice Chair Hussey, and Members of the Committee

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB3084**, which would expand the allowable uses of Hawaii Technology Development Corporation grant funds to include providing grants to applicants for qualifying federal research and development awards and matching funds for recipients of those awards and related contracts. In particular, this measure would allow support for federal awards that require a non-federal funding match, up to fifty per cent of the required non-federal share, subject to the availability of funds.

Makai is a locally owned and operated technology company that has been based in Hawaii for over 50 years. Makai has successfully competed for federal research and development contracts and grants across a number of agencies, including the U.S. Department of Energy. These awards bring outside investment into Hawaii, support high-paying technical jobs, and help local companies develop technologies with long-term commercial and national security value.

However, many of these opportunities require significant cost share. Makai has received several Department of Energy contracts that required non-federal matching funds. While these opportunities are valuable, the cost share requirement can be a major barrier for small businesses in Hawaii, especially companies that are already committing substantial internal resources to technical development, staffing, prototyping, testing, and commercialization. In some cases, Makai has chosen not to pursue certain opportunities because of the cost share requirements and the limited resources available to meet them.

That is why this bill is so important. Hawaii already benefits when local companies win competitive federal awards, but too often, promising opportunities are out of reach because matching funds are difficult to secure. By allowing HTDC to help meet a portion of the required non-federal share, this measure would make it possible for more Hawaii companies to pursue high-value federal research and development opportunities that they might otherwise have to decline.

This is a practical and highly leveraged investment for the State. These are not speculative projects. They are competitive awards that have already been vetted by federal agencies and selected on the



basis of technical merit and potential impact. A relatively modest state contribution can unlock substantially larger federal investments, helping bring more research dollars, engineering work, manufacturing potential, and high-skilled jobs to Hawaii.

For Makai, this type of support would directly improve the company's ability to pursue additional DOE and other federal opportunities. It would help Hawaii companies remain competitive with firms in other states that may have greater access to private capital or stronger local matching programs.

For these reasons, Makai Ocean Engineering **STRONGLY SUPPORTS SB3084**. This bill would help Hawaii companies pursue more federal opportunities, bring more outside dollars into the State, and support the growth of high-quality technical and manufacturing jobs here at home.

Thank you for the opportunity to offer these comments.



Statement of Nalu Scientific before the
House Committee on Economic Development & Technology

Friday, March 20, 2026 9:30 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
SB 3084 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Dear Chair Ilgan, Vice Chair Hussey, and Members of the Committee on Economic Development & Technology,

Nalu Scientific **SUPPORTS** SB 3084 SD1 because it expands the allowable uses of HTDC's grant funds to include providing matching funds for recipients of qualifying federal research and development (R&D) awards. This expansion is a national best practice that strengthens Hawaii's competitiveness by enabling HTDC to better leverage federal R&D programs, specifically the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards. State matching programs increase the success rate of federal grant applications, maximize federal investment, and promote the growth of high-impact technology startups.¹

The Direct Impact of State Matching Funds

As the Founder and CEO of Nalu Scientific, a Hawaii-based microelectronics design and development company, I attest to the critical impact of the current SBIR matching program. Our company has received over 10 federal SBIR awards totaling over \$10 million in the past 10 years, and we strongly support establishing a permanent annual appropriation for this program.

The state matching funds were instrumental in our success, allowing us to:

- Hire additional staff
- Accelerate our development timeline
- Bridge crucial funding gaps
- Undertake advanced R&D with high returns on investment

Today, Nalu Scientific employs 16 people in Hawaii, and all staff earn over \$80,000 annually.

Efficiency and Talent Pipeline

The bill addresses two critical needs for the innovation sector:



- **Streamlined Administration is Essential:** The proposed approach of accepting the federal award as evidence of merit is efficient and appropriate. A duplicative state process adds delay and wastes critical resources, as the federal award has already undergone rigorous technical and business review.
- **Commitment to STEM Outreach:** We are fully committed to the STEM education outreach requirement. We work with faculty and students at both UH and HPU for early onboarding of their graduates, and most of our senior engineers started as interns at Nalu Scientific. Connecting students with successful technology companies is vital for building the pipeline of local talent.

Strategic Positioning for Hawaii's Future

Federal SBIR funding has been transformative, and state matching funds multiply that impact, demonstrating that Hawaii values and supports its innovation sector. Our underlying microelectronics technology has resulted in three US and one European patent, laying the foundation for our commercialization journey and leading to us being sole-source selected for several federal national lab funded awards. This work has put Hawai'i on the map for high-tech microelectronics development.

New microelectronics funding activity is slated for the forthcoming years through the CHIPS Act, and matching grants help us bridge to success and be ready at the table. This bill will enable more Hawaii companies to achieve similar success.

We urge the committee to pass this measure. Thank you for the opportunity to testify.

Respectfully submitted,

Isar Mostafanezhad, Founder and CEO at Nalu Scientific

**TESTIMONY ON SENATE BILL NO 3084, SD1 RELATING TO
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Position: **Support**

To Representative Greggor Ilagan, Chair; Representative Ikaika Hussey, Vice Chair; and members of the Committee on Economic Development & Technology:

Please accept this testimony in **strong support** of this bill, and its intentions to expand the allowable use of funds of the Hawaii Technology and Development Corporation to be used to support the Small Business Innovation Research (HSBIR) matching funding program.

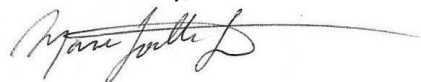
Simonpietri Enterprises LLC is an O'ahu-based small business developing innovative ways to recycle waste generated in Hawai'i into renewable fuels and other beneficial recycled-material products for use in Hawai'i. We strongly support the HTDC's matching funding programs and, as a previous awardee, SEL recognizes the matching funds program as a powerful way to multiply the State's funding to accelerate innovation and facilitate local manufacturing investment. The requirement to match funding to federal funds awards in the HSBIR program is a prudent way to leverage federal agency technical expertise and reward innovation while maintaining a level playing field.

In the 5+ years since launching our Aloha Carbon technology and project development effort with our first-ever SBIR award from the USDA, we have grown our team from one to ten skilled science, engineering and other industry adjacent positions, matured our innovations from concept to pilot scale, and secured a site in Campbell Industrial Park to be the future home for Aloha Carbon. We used the HSBIR funds in areas that the federal funds cannot cover: to support workforce development efforts through paid internships, five of whom are University of Hawaii undergraduate interns, three of whom are now full-time employees on our team. We've also applied for and received our first-ever patent and now are now working on four international patents.

We are currently designing a small manufacturing facility, the Aloha Sustainable Materials Recycling and Fertilizer Facility (Aloha SMRFF) in Campbell Industrial Park in Kapolei. Aloha SMRFF will serve as a pilot to Aloha Carbon and will divert over 200 tons per day of construction and demolition waste from the state's only C&D landfill, and remanufacture that waste to displace over 10,000 tons per year of imported fossil fuels, fertilizers, and building materials. Thanks in part to the assistance from HTDC and HSBIR, we were able to compete at the national level and win a \$4 million manufacturing grant from the USDA, to build the Aloha Fertilizer manufacturing line of our Aloha SMRFF project. State matching funds like the ones provided by HTDC allow us to actually bring in these federal funds and build this facility to employ 2 dozen skilled workers. This facility is the first step to demonstrating our Aloha Carbon manufacturing process to manufacture pipeline-quality renewable fuel from solid waste generated in Honolulu.

We appreciate the opportunity to testify on this measure, and urge your support for **Senate Bill 3084, SD1**.

Sincerely,



Marie-Joelle Simonpietri
President

About Simonpietri Enterprises LLC

Simonpietri Enterprises is a Kailua, Hawaii-based woman- and veteran-owned small business with ten employees, focused on technical innovation and first-of-kind project development of emerging clean and renewable technologies. Since founding in 2006, we have helped dozens of small and large industrial companies in Hawaii, the continental U.S., Australia, and Canada improve the environmental and economic sustainability of their operations through technical and business advice in renewable energy conversion, waste reduction and re-use, and greenhouse gas lifecycle impact reduction. Simonpietri Enterprises' founder and employees have participated in the strategy, planning, design, financing, development, construction, and energy efficiency/greenhouse gas reduction/sustainability renovation for over \$400 million in new renewable and first-of-kind sustainable fuel projects over the past 15 years. Since launching the Aloha Carbon waste-to-fuel technical development process in August 2020, Simonpietri Enterprises is now developing renewable fuel production facilities in its own right, starting with the Aloha Sustainable Materials Recycling and Fertilizer Facility (SMRFF) in Kapolei, Hawaii to divert wastes generated in Honolulu from landfilling and transform it to renewable fuel, organic fertilizer, and recycled-material building products.



WaiHome LLC
59-477 Hoalike Road
Haleiwa, HI, 96712

Statement of
Gregory Wong
Co-Founder and COO
WaiHome LLC
before the

House Committee on Economic Development & Technology

Friday, March 20, 2026 | 9:30 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
SB3084 SD1

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

To: Chair Ilagan, Vice Chair Hussey, and Members of the Committee

WaiHome stands in strong support of SB3084 SD1. As a Hawaii-based startup, our mission is to utilize our locally developed technology to solve one of our state's most pressing challenges: the 2050 cesspool conversion mandate.

We urge your support for this measure for the following reasons:

- **Solving Hawaii Problems with Hawaii Innovation:** WaiHome was founded specifically to address the high cost and geographic difficulty of cesspool conversions in our islands. By expanding HTDC grant eligibility, **this bill ensures that local companies like ours have the resources to build solutions designed specifically for Hawaii's** unique volcanic soil and coastal conditions—rather than relying on "off-the-shelf" mainland technology that often doesn't fit our needs.
- **Leveraging Federal Dollars for Local Benefit:** We have already successfully brought federal research dollars from the NSF and NOAA into the state. However, many larger federal awards require a non-federal match. SB3084 SD1 allows the state to act as a partner, helping us unlock significant federal investment that is then spent directly in Hawaii on local engineering and manufacturing.
- **Building a Self-Reliant Economy:** Supporting this bill is a direct investment in Hawaii's self-reliance. Grants like these help WaiHome transition from a research startup into a full-scale wastewater service company that hires from our local workforce and keeps intellectual property and high-wage technical jobs right here in the islands.

We are proof that Hawaii's innovation sector can solve our own environmental challenges while diversifying our economy. I urge the committee to pass SB3084, SD1.

Thank you for the opportunity to offer these comments,

A handwritten signature in black ink, appearing to read "Gregory Wong".

Gregory Wong
Co-founder and COO
WaiHome LLC

**Testimony to the House Committee on Economic Development & Technology (ECD)
Representative Greggor Ilagan, Chair
Representative Ikaika Hussey, Vice Chair**

**Friday, March 20, 2026, at 9:30AM
Conference Room 423 & Videoconference**

RE: SB3084 SD1 Relating to the Hawaii Technology Development Corporation

Aloha e Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 3084 Senate Draft 1 (SB3084 SD1), which expands the allowable uses of Hawai'i Technology Development Corporation grant funds to include providing grants to applicants for qualifying federal research and development awards and matching funds for recipients of those awards and related contracts.

SB3084 SD1 supports the Economic Action pillar of the Chamber's 2030 Blueprint for Hawaii by facilitating Hawaii's access to federal research and development investments and stimulating private sector innovation. The Economic Action pillar emphasizes strategic investments that enhance competitiveness, broaden Hawaii's economic base, and grow high-value jobs. Expanding HTDC's grant flexibility to support innovators pursuing federal R&D awards aligns with this priority by enabling local firms to compete more effectively for highly competitive national funding opportunities and accelerate commercialization of emerging technologies.

SB3084 SD1 also advances our Small Business pillar by providing critical resources to small, local companies that may otherwise lack the capital and technical support needed to harness federal research funding opportunities. Many small businesses rely on federal grant programs as a catalyst for growth. This bill directly stimulates Hawaii's innovation ecosystem, by allowing HTDC to preempt opportunities for federal matching grants that serve as a catalyst for innovation and business development.

We respectfully ask to pass Senate Bill 3084 Senate Draft 1. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT &
TECHNOLOGY
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423
FRIDAY, MARCH 20, 2026 AT 9:30 A.M.**

To The Honorable Representative Greggor Ilagan, Chair
The Honorable Representative Ikaika Hussey, Vice Chair
Members of the Committee on Economic Development & Technology

**SUPPORT SB3084 SD1 RELATING TO
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

The Maui Chamber of Commerce strongly supports fostering innovation and supporting local businesses, especially as Maui and the broader state continue to recover from recent economic challenges. Therefore, we support SB3084 SD1, as it proposes to expand the allowable uses of Hawaii Technology Development Corporation (HTDC) grant funds to include matching federal research and development awards and related contracts. This measure directly addresses the need for targeted investment in Hawai'i's technology and innovation sectors, which are critical to building a resilient and diversified economy.

Expanding HTDC's grant authority to provide matching funds for federal research and development awards will help local businesses leverage significant external resources, attract high-quality jobs, and stimulate the creation of new industries beyond tourism. Access to matching funds is often a key factor in a company's ability to secure competitive federal grants, and this support can make Hawai'i-based firms more attractive to investors and partners.

We appreciate the Legislature's efforts toward economic diversification and ask that you move SB3084 SD1 forward.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



House Committee on Economic Development & Technology

Friday, March 20, 2026

9:30 AM

State Capitol, Conference Room 423 & Videoconference

In consideration of

SB 3084 SD1

RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Aloha Chair Ilagan, Vice Chair Hussey, and Members of the Committee

Hawaii Fish Company Inc. (HFC) Strongly Supports SB 3084 SD1 which expands the allowable uses of HTDC's grant funds to include providing matching funds for applicants and recipients of qualifying federal research and development (R&D) awards. The proposed expansion of grant eligibility will enable HTDC to better leverage other federal R&D programs along with the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards. By providing matching funds, Hawai'i can help local companies attract and maximize federal investment, encourage the commercialization of cutting-edge technologies, and strengthen Hawai'i's competitiveness.

To better support the important purposes of SB 3084 SDI, HFC respectfully requests the Committee's consideration of an amendment to SECTION 2. (b) (1) and (2) or (3), as most appropriate, to extend HTDC grant eligibility to also include the sequential Phase IIA, Phase IIB, and Phase IIC awards offered by the DOE SBIR/STTR program to extend R&D, prototype development, bridge the "valley of death," and transition projects toward Phase III commercialization.

Established in 1978, HFC is Hawai'i's oldest land-based commercial fish farm, and a federal SBIR awardee and Hawaii SBIR matching grant awardee since 1993. In 2000, HFC was awarded the U.S. Small Business Administration's Tibbitts Award as a national model of excellence for the SBIR program and inducted into the SBIR Hall of Fame in Washington DC. Our continuing SBIR success, with fourteen awards to date, has been made possible by the HTDC training workshops and supplemental research support received from the HSBIR matching grant program.

As recent examples of the benefits of the HSBIR matching grant program, HFC was able to utilize two Phase I matching grant awards received in 2022 and 2023, totaling \$82K, to successfully compete for two Phase II awards with the U.S. Department of Energy and U.S. Department of Agriculture totaling \$1.8M to support sustainable aquaculture and aquaponic food production, respectively, in Hawai'i and nationally. We were awarded our U.S. patent for our novel renewable energy aquaculture aeration technology in January 2026.

Thank you for the opportunity to testify in strong support of SB 3084 SD1.

SB-3084-SD-1

Submitted on: 3/18/2026 5:06:15 PM

Testimony for ECD on 3/20/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sean Tangco	Small Kine Research and Action	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Sean Tangco, founder of Small Kine Research & Action, a Hawai'i-based practice supporting organizations in translating ideas into real-world impact.

I am writing in strong support of SB3084 SD1.

This measure strengthens Hawai'i's ability to compete for federal research and development funding by enabling matching funds for SBIR, STTR, and other qualifying programs. By lowering barriers for local applicants, it helps bring more federal investment into our state and supports the growth of innovative, high-impact companies.

At a time when Hawai'i is working to diversify its economy and retain local talent, this bill provides a practical pathway to expand opportunity and increase competitiveness.

SB3084 SD1 not only improves access to federal funding, but also strengthens our state's ability to turn innovation into meaningful economic and community impact.

I respectfully support this measure and encourage its passage as written.

Mahalo for your consideration.

Sincerely,
Sean Tangco
Founder, Small Kine Research & Action



Statement of
CHAD KUMABE
President
Second Wave Technologies LLC
before the
House Committee on Economic Development & Technology

Friday, March 20, 2026
9:30 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
SB 3084 SD1
RELATING TO HAWAI‘I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development & Technology:

Second Wave Technologies LLC **SUPPORTS** SB3084 SD1 because it expands the allowable uses of HTDC’s grant funds to include providing matching funds for applicants and recipients of qualifying federal research and development (R&D) awards. The proposed expansion of grant eligibility will enable HTDC to better leverage other federal R&D programs along with the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards. By providing matching funds, HTDC can help local companies attract and maximize federal investment, encourage the commercialization of cutting-edge technologies, and strengthen Hawai‘i’s competitiveness. National best practices show that state matching programs can increase the success rate of federal grant applications and promote the growth of high-impact technology startups.

Second Wave Technologies is a Honolulu-based small business specializing in dual-use artificial intelligence technology with applications across defense, healthcare, and the broader federal sector. Our flagship product, Tadata.ai, is an agentic workflow governance and trust platform that provides visibility and accountability into how AI agents execute tasks—ensuring organizations can verify, audit, and trust the actions their agentic systems take.

We are a current recipient of a Department of Defense SBIR Phase I award and have applied for HTDC’s existing state matching grant for that program. This firsthand experience with the SBIR process has shown me both the tremendous value of state matching support and the limitations of the current statute. While HTDC’s SBIR match helped us compete for and execute our Phase I work, our technology has applications well beyond the scope of a single DoD SBIR topic. Federal agencies including the Department of Health and Human Services, NOAA, ARPA-H, and other DoD programs increasingly offer competitive R&D funding opportunities that require non-federal cost sharing. These are opportunities that Hawai‘i companies like ours currently cannot leverage through HTDC because the existing law restricts matching grants to SBIR and STTR programs only.

SB3084 SD1 would directly change that. By expanding HTDC's authority to provide grants and matching funds for a broader range of qualifying federal R&D awards, this bill would allow companies like Second Wave Technologies to pursue funding from multiple federal agencies to develop and mature our AI platform. For us, this means the ability to diversify our technology development funding, reduce our dependence on any single program or agency, and accelerate the path from research to commercial product; all while keeping high-wage, STEM-based jobs here in Hawai'i.

As a company developing dual-use AI technology, we sit at the intersection of national security and commercial innovation. The federal government is actively seeking small businesses that can deliver AI solutions for defense and healthcare applications while also generating commercial value. Hawai'i's strategic location in the Pacific, its concentration of military installations, and its growing technology ecosystem make it a natural home for this kind of work. But without state-level support to match federal investments, our small companies are at a disadvantage compared to firms in states that already have flexible matching programs in place. Every federal R&D dollar that Hawai'i companies cannot match is a dollar, and the jobs and innovation it supports, that goes to another state.

I respectfully urge the Committee to pass SB3084 SD1. It is a practical, fiscally efficient measure that will strengthen Hawai'i's ability to compete for federal research funding, support the growth of our local innovation ecosystem, and help small businesses like mine turn early-stage research into technologies that serve both our national defense and our local economy.

Thank you for the opportunity to offer these comments.

Chad Kumabe
President, Second Wave Technologies LLC
chad@secondwavetech.com