



February 10, 2021

MEMORANDUM

TO: HTDC File

SUBJECT: **Process for Hawaii Small Business Innovation Research Matching Grant Application Review and Award of State Funds**

The Hawaii Small Business Innovation Research and Small Business Technology Transfer Grant Program (HRS §206M-15) was established and appropriated by the legislature to award grants to qualified small business applicants. Per HAR 15-32-7 (b), the board is responsible for the final decisions on awards. Act 56, Session Laws of Hawaii 2019 ended the terms of the Hawaii Technology Development Corporation (HTDC) board effective May 31, 2020. A new board was expected to be confirmed prior to this date. However due to the Coronavirus pandemic, the DBEDT Director is the only current board member. A new board is scheduled to be appointed during the 2021 legislative session.

On November 16, 2020, The Governor issued the “Fifteenth Proclamation Related To The Covid-19 Emergency” declaring “Section 206M-2(b), HRS, establishment of the Hawaii technology development corporation, to the extent necessary to delegate the powers, duties, and authority of the board to the chief executive officer for the purpose of awarding and dispensing State funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act to awardees or grantees.” for the purposes of making grant awards to small businesses as part of the Personal Protective Equipment (PPE) Supply chain program.

Until a new board is appointed, an interim procedure is required to administer the program. The Board Chair, Executive Director, and Program Director are in concurrence on use of the following process to make awards for the Hawaii Small Business Innovation Research and Small Business Technology Transfer Grant Program.

The process has been adapted from application evaluation and award practice standards of the Hawaii Manufacturing Development Program (HRS §206M-15.1; HAR §§15-33-1 – 15-33-11) and the Hawaii PPE Supply Chain Program (Act 009, SLH 2020).

- 1) A review Committee, comprised of a minimum of 3 and a maximum of 5 state employees, with expertise in business, economic development, and/or high technology industries, will review proposals and presentations, and make recommendations of awards including recommendation of amounts to the HTDC Executive Director.

- 2) The HTDC Executive Director will review the proposals and accept the committee's recommendations and make the awards or can make a recommendation to the HTDC Board Chair if the Director does not agree with the committee's recommendation.
- 3) The HTDC Board Chair will decide the award.

Prior to fiscal year 2021, the review and award process were as follows:

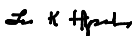
- 1) The Ad Hoc Committee, comprised of 3 – 5 volunteers from the business, economic development, and high technology industries, reviewed proposals and presentations, gave each applicant feedback, guidance, and recommendations on their presentations in preparation for the Federal Projects Committee, scored applications, and suggested award amounts.
- 2) The Federal Projects Committee, comprised of 3 or more HTDC Board members, would review proposals and application presentations, scored applications, and recommended award amounts to the Board of Directors.
- 3) The Board of Directors decided the award.

The procedures post award will be the same as prior. This document will be posted on the HTDC website under RULES and Board Actions.

Concurrence:



Mike McCartney
Chairman, Board of Directors, Hawaii Technology Development Corporation
Director, Department of Business, Economic Development and Tourism



Len Higashi
Acting Executive Director and CEO, Hawaii Technology Development Corporation



Wayne Inouye
Innovate Hawaii Center Director, Hawaii Technology Development Corporation