

JAN 25 2006

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# A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR SMALL BUSINESS DEVELOPMENT.

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

1           SECTION 1. A sustainable economy is one that integrates  
2 long-term economic growth, environmental quality, and social  
3 fairness. Sustainable economic development is important to  
4 establishing a firm economic foundation in Hawaii, especially in  
5 the small business sector.

6           The Hawaii small business development center network  
7 creates a sustainable economy by providing consulting and  
8 training to existing small businesses and new ventures. The  
9 Hawaii small business development center network provides  
10 consulting and training to more than two thousand businesses  
11 annually, helping them to succeed and expand. The Hawaii small  
12 business development center network is the only statewide  
13 business assistance organization in Hawaii. It is a matching-  
14 funds, partnership program that is administered by the  
15 University of Hawaii and partially funded by the United States  
16 Small Business Administration, the University of Hawaii at Hilo,  
17 and a consortium of other federal, state, and private-sector  
18 sponsors and partners.



1 Management-force training promotes improvements in the  
2 conditions under which small businesses thrive. The Hawaii  
3 small business development center network has the experience to  
4 deliver such training, having provided management-force training  
5 statewide since 1990.

6 This investment in human capital will produce residual  
7 benefits that will lead to real, sustained growth and high  
8 productivity. Funding would generate approximately \$29,000,000  
9 in annual economic impact. This projection is based on an  
10 independent economic impact study completed in 2004, *The Annual*  
11 *Economic Impact of the Hawaii Small Business Development Center*.  
12 According to the study, for every dollar invested by the State,  
13 \$4.45 is returned to the State in the first year in new,  
14 incremental taxes through new job creation, safeguarding of  
15 existing jobs, and sales increases.

16 The purpose of this Act is to appropriate moneys to the  
17 Hawaii small business development center network to further its  
18 work of providing assistance to small businesses through  
19 management-force training.

20 SECTION 2. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$680,000, or so much  
22 thereof as may be necessary for fiscal year 2006-2007, to expand



1 management-force development through consulting and training  
2 services at the small business development center as follows:

- 3 (1) \$285,000 for consulting and training programs in
- 4 Kailua-Kona and Honolulu in compliance with the
- 5 requirements of the United States Small Business
- 6 Administration;
- 7 (2) \$75,000 to fill a vacant position at the Hawaii
- 8 business research Library;
- 9 (3) \$225,000 for program support; and
- 10 (4) \$95,000 to fund an existing, but vacant position for
- 11 an associate state director.

12 The sum appropriated shall be expended by the University of  
13 Hawaii for the purposes of this Act.

14 SECTION 3. This Act shall take effect on July 1, 2006.

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SB2202

**Report Title:**

Hawaii Small Business Development Center; Appropriation

**Description:**

Appropriates \$680,000 to support the statewide economic development program of the Hawaii small business development center network.

