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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. The legislature finds that small businesses  
2           comprise over 96 per cent of all businesses in Hawaii and create  
3           83 per cent of all net new jobs in the state. The Hawaii Small  
4           Business Development Center Network (Center) assists small  
5           businesses by providing high-quality counseling, training, and  
6           research services to entrepreneurs and small businesses in the  
7           areas of business startup, retention, and expansion through its  
8           counseling centers on the islands of Hawaii, Kauai, Maui, and  
9           Oahu. Funded in part by a cooperative agreement with the United  
10          States Small Business Administration, the Center requires state  
11          matching funds and an affiliation with a university or community  
12          college. The University of Hawaii at Hilo has been designated  
13          as the host institution for the Center

14          The Center assists entrepreneurs and small businesses with  
15          accessing capital, developing management capabilities, and  
16          building financial skills to make their businesses thrive. In  
17          addition to providing confidential one-on-one counseling by  
18          qualified business professionals free of charge, the network



1 also offers a variety of in-class workshops, seminars, and  
2 online training.

3 The legislature further finds that investing in long-term  
4 business counseling has significant returns. In 2006, the  
5 Center provided long-term counseling to 255 small businesses and  
6 aspiring entrepreneurs, helping them obtain \$6,300,000 in  
7 financing. Long-term counseling generated 42 cents in tax  
8 revenues for every \$1 spent on the Center's programs in 2006.  
9 Hence, for every \$1 spent on programs, the Center leveraged  
10 \$4.82 raised from external sources.

11 The purpose of this Act is to appropriate funds to the  
12 Center to further its mission to create sustainable economic  
13 development through counseling, training, and research services  
14 to small businesses and entrepreneurs.

15 SECTION 2. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$4 or so much thereof  
17 as may be necessary for fiscal year 2008-2009 to create  
18 sustainable economic development through counseling, training,  
19 and research services at the Hawaii Small Business Development  
20 Center Network as follows:

21 (1) To re-establish a consulting and \$1



1 training program in Kailua-Kona to  
2 service small businesses and  
3 entrepreneurs in west Hawaii;

4 (2) To add one full-time business consultant \$1  
5 position in the Oahu center and two  
6 half-time business consultant positions  
7 (one assigned to the Kauai center and  
8 another assigned to the east Hawaii  
9 center) to address the demand for  
10 consulting services and to reduce the  
11 five- to six-week waiting period in  
12 each respective office;

13 (3) To create two full-time business \$1  
14 development associate positions and the  
15 establishment of the center's E  
16 Division to support entrepreneurial  
17 initiatives premised on the generation  
18 of revenues and the enhancement of the  
19 network's capacity to serve Hawaii's  
20 small business community; and





**Report Title:**

Hawaii Small Business Development Center Network; Appropriation

**Description:**

Appropriates funds to the Hawaii Small Business Development Center Network, hosted at UH-Hilo, to further its mission to create sustainable economic development through counseling, training, and research services to small businesses and entrepreneurs. (HB2020 HD1)

