

JAN 17 2008

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

16 The Hawaii Small Business Development Center Network
17 assists entrepreneurs and small businesses with accessing
18 capital, developing management capabilities, and building



1 financial skills to make their businesses thrive. In addition
2 to providing confidential one-on-one counseling by qualified
3 business professionals free of charge, the network also offers a
4 variety of in-class workshops, seminars, and online training.

5 The legislature further finds that investing in long term
6 business counseling has significant returns. In 2006, the
7 Hawaii Small Business Development Center Network provided long
8 term counseling to two hundred fifty-five small businesses and
9 aspiring entrepreneurs and helped them obtain \$6,300,000 in
10 financing. Long term counseling generated forty-two cents in
11 tax revenues for every \$1 spent on the Hawaii Small Business
12 Development Center Network program in 2006. Hence, for every \$1
13 spent on programs, the Hawaii Small Business Development Center
14 Network leveraged \$4.82 raised from external sources.

15 The purpose of this Act is to appropriate moneys to the
16 Hawaii Small Business Development Center Network to further its
17 mission of providing counseling, training, and research services
18 to small businesses and entrepreneurs.

19 SECTION 2. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$542,910 or so much
21 thereof as may be necessary for fiscal year 2008-2009, for
22 creating sustainable economic development through consulting,



1 training, and research services at the Hawaii Small Business
2 Development Center Network as follows:

3 (1) To re-establish a consulting and \$113,260
4 training program in Kailua-Kona to
5 service small businesses and
6 entrepreneurs in west Hawaii;

7 (2) To add one full-time business consultant \$187,400
8 position in the Oahu center and two
9 half-time business consultant positions
10 (one assigned to the Kauai center and
11 another assigned to the east Hawaii
12 center) to address the demand for
13 consulting services and to reduce the
14 five to six week waiting period in each
15 respective office;

16 (3) To create two full-time business \$172,400
17 Development associate positions and the
18 establishment of the Center's E
19 Division to support entrepreneurial
20 initiatives premised on the generation
21 of revenues and the enhancement of the



1 network's capacity to serve Hawaii's
 2 small business community; and
 3 (4) To fill the vacant research \$ 69,850
 4 librarian position at the Center's
 5 business research library to offset the
 6 client demand for research services and
 7 provide a research support arm for the
 8 E Division.

9 SECTION 3. The sum appropriated shall be expended by the
 10 University of Hawaii for the purposes of this Act.

11 SECTION 4. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

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Report Title:

Hawaii Small Business Development Center; Appropriation

Description:

Appropriates funds to support the statewide economic development program of the Hawaii Small Business Development Center Network hosted by the University of Hawaii at Hilo.

