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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 purpose of this Act is to appropriate  
2 moneys to the Hawaii Small Business Development Center Network  
3 to further its mission of providing assistance to small  
4 businesses through management-force training. Management-force  
5 training promotes improvements in the conditions under which  
6 small businesses thrive and promotes sustainable economic  
7 development. The Hawaii Small Business Development Center  
8 Network has provided management-force training statewide since  
9 1990.

10           A sustainable economy is most effectively garnered through  
11 an educated workforce. This includes the short-term education  
12 of small business owners and managers who create new jobs and  
13 generate greater tax revenues for the State. These increased  
14 tax revenues support the social, health, and educational  
15 programs of the government.

16           The Hawaii Small Business Development Center Network  
17 promotes a healthy and sustainable economy by providing  
18 consulting and training to existing small businesses and new



1 ventures. It is the only accredited business assistance  
2 organization in Hawaii and the only such organization that  
3 conducts third-party annual economic impact studies of its  
4 outcomes. Moreover, it is part of a matching-funds program  
5 partially funded by the United States Small Business  
6 Administration, the University of Hawaii at Hilo, and a  
7 consortium of other federal, state, and private-sector sponsors  
8 and partners.

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

18 SECTION 2. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$712,000 or so much  
20 thereof as may be necessary for fiscal year 2007-2008, to create  
21 sustainable economic development through consulting and training



1 services at the Hawaii Small Business Development Center Network  
2 as follows:

3 (1) \$114,000 to fund an existing, but vacant, position for  
4 an associate state director.

5 (2) \$215,000 to re-establish a consulting and training  
6 program in Kailua-Kona that will bring the Hawaii  
7 Small Business Development Center Network into  
8 compliance with the requirements of the United States  
9 Small Business Administration;

10 (3) \$268,000 to fill a vacant position at the Hawaii  
11 Business Research Library and at the Honolulu center  
12 and to create an additional position at the Honolulu  
13 center; and

14 (4) \$80,000 to restore funds lost to indirect fees.

15 The sum appropriated shall be expended by the University of  
16 Hawaii-Hilo for the purposes of this Act.

17 SECTION 3. This Act shall take effect on July 1, 2007.

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**Report Title:**

Appropriation; Small Business Development

**Description:**

Appropriates funds for small business development.

