



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
House Committee on Finance
Friday, February 21, 2020 at 11:00 a.m.
by
Vassilis L. Syrmos
Vice President, Research and Innovation
University of Hawai'i System

HB 2090 HD2 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The University of Hawai'i strongly supports HB 2090 HD2, which would permanently remove the sunset provision of Act 39, Session Laws of Hawai'i 2017 and thereby allow the University of Hawai'i (UH) the necessary time to grow its Innovation and Commercialization Program to develop into a significant contributor to the state's economic and workforce growth.

Act 39 provides the UH express statutory authority to sponsor and directly participate in the transformation of innovations created by its researchers into viable commercial enterprises. Universities across the country increasingly recognize that they can play an active role to support the transformation of inventions and discoveries generated on their campuses and to transfer these technologies to the commercial realm. Through its Innovation and Commercialization Program, UH is seeking to contribute to the growth of an innovation economy to help boost the state's economy. However, commercial innovation is inherently risky and takes time to develop.

Act 39 recognizes that UH is uniquely positioned to assist home-grown fledgling ventures to navigate these uncertainties. The University of Hawai'i has established and manages an accelerator program that identifies promising start-ups built around innovations created by its faculty, students and alumni. This accelerator program provides focused training and networking opportunities to those ventures selected to participate in a cohort with other start-ups. Through this program, UH may provide initial seed funding if the venture reaches certain performance milestones. In return for the financial investment, UH may obtain equity shares in the venture. The University of Hawai'i may also provide temporary space to the startup at reasonable rents at its Mānoa Innovation Center.

Active participation in technology transfer is a comparatively new responsibility for a public university, but it has its parallels with a university's traditional mission of instruction. The University of Hawai'i selects incoming freshmen, instructs these students via multiple curricular offerings and pathways, provides career guidance and development, may grant financial scholarships or loans and may also provide temporary

housing, all of which are subsidized with public funds. The goal is to transform students into engaged and contributing members of society once they graduate – and UH's Innovation and Commercialization program does the same for promising start-up enterprises.

The University of Hawai'i supports this measure and respectfully requests that the sunset provision of Act 39, Session Laws of Hawai'i 2017, be removed.

Thank you for the opportunity to testify on this measure.