



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
Senate Committee on Higher Education
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by

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SB 3059 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Kim, Vice Chair Kidani and Members of the Committee:

The University of Hawai'i (UH) supports this bill.

This measure would remove the sunset provision of Act 39, Session Laws of Hawai'i 2017, and thereby allow UH to sustain its Innovation and Commercialization Program. Act 39 provides the University of Hawai'i express statutory authority to sponsor and directly participate in the transformation of innovations created by UH researchers into viable commercial enterprises. Pursuant to Act 39, the program is now codified as Subpart P, of Part IV of Chapter 304A, Sections 1951 through 1959.

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. The University of Hawai'i needs to match its peers to remain competitive to attract sponsored research, enterprising faculty and talented students.

Commercial innovation is inherently risky and takes time to develop. The path leading from an idea, through its development and refinement, through protection of intellectual property, through formally organizing a corporate structure and hiring managers and staff, through locating a facility to physically incubate the venture, through obtaining external financing, and ultimately leading to a successful and sustainable commercial operation is fraught with uncertainty.

Act 39 recognizes that UH is uniquely positioned to assist a home-grown fledgling venture navigate these uncertainties. The University of Hawai'i has established and manages an incubator 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. The University of Hawai'i's Innovation and Commercialization program does the same for promising start-up enterprises.

To sustain the Innovation and Commercialization Program, the University of Hawai'i respectfully requests that the sunset provision of Act 39, Session Laws of Hawai'i 2017, be deleted.