Testimony Presented Before the Senate Committee on Media, Arts, Science and Technology and Senate Committee on Business and Economic Development

> March 21, 2006 by David McClain, President

HB2181, HD2, Proposed SD1 – RELATING TO ECONOMIC DEVELOPMENT

Chairs Fukunaga and Espero, Vice Chairs Ige and Fukunaga and Members of the Committees:

Thank you for the opportunity to present testimony on the subject measure which would merge the HSDC into the HTDC, establish an innovations research and development grant program and allow the HTDC to invest in enterprises in high technology, life sciences, and renewable energy fields.

The University of Hawaii would like to testify on only one aspect of this bill at this time.

As you know well, the University of Hawaii is widely recognized as one of the most important engines for economic development in the State. Our role is particularly critical in the areas of high technology, life sciences and renewable energy. Success in these fields is highly dependent on original research and development, much of which takes place at the University of Hawaii.

The proposed legislation would change the organizational structure and Board membership of one of the most important public organizations tasked with advancing Hawaii's economic diversification into new areas. We believe that the University of Hawaii can best support the efforts of the State in these areas by collaborating with our public and private sector partners through leadership at the Board level.

We therefore respectfully request that the President of the University of Hawaii System be named to serve ex-officio on the Board of the High Technology Development Corporation. The President will then be able to ensure appropriate University participation in the diverse activities of the organization across the State. This will allow the University to provide more systemic and sustained support to the State's efforts than would under other models.

Thank you for the opportunity to testify on this measure.