



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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House Committee on Higher Education
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by
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HB 2414 – RELATING TO UNIVERSITY OF HAWAII RESEARCH

Chair Choy, Vice Chair Ichiyama and Members of the Committee:

Thank you for this opportunity to testify in support of this measure.

The University of Hawai'i (UH) strongly supports this bill to authorize UH to promote, financially support and directly participate in innovation and commercialization of university-related research. The legal framework is adapted from the existing statutory authority currently applicable to the State of Hawai'i's Department of Business, Economic Development and Tourism (DBEDT).

With its array of program strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH is the primary public institution generating academic research in the state.

A significant portion of the academic research has commercial potential. In the past, UH secured patents on its inventions and took a relatively passive approach in licensing its technology to private companies. It is now clear that more aggressive and focused efforts are needed by UH to achieve its potential as a major contributor to the economic health and workforce diversification of the state.

To do so, UH must be able to 1) identify the most viable proposals created by its researchers, 2) actively assist researchers with the development and refinement of successful business plans, 3) systematically develop the managerial and executive level capacity of its researchers, and 4) to directly participate in and contribute to the financing and capital requirements of these new enterprises.

Through prior legislation, other state agencies currently have explicit statutory authority to transform promising concepts into viable economic drivers. For example, chapter 211F, Hawai'i Revised Statutes, establishes the Hawai'i Strategic Development Corporation (HSDC) and confers broad statutory powers to encourage economic

development and diversification in Hawai'i. This state-established corporation may also use public funds to co-invest with private interest.

Currently, UH operates a proof of concept center/venture accelerator program named "XLR8UH" to turn university-related research into viable commercial products in cooperation with private investment. However, it could more efficiently contribute to this state-wide initiative if a clear legal framework authorizing UH to participate directly and indirectly in new enterprises were established. This express legal authority would reduce the uncertainty in creating and operating new ventures affiliated with UH, and thereby would induce greater private sector participation in promising concepts.