

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference

Vote: 7 - 0 - 1

Yeas: Bailey, Bentz, Gilliam, Holvey, Thatcher, Witt, Read

Nays: 0

Exc.: Galizio

Prepared By: Barbara Allen, Administrator

Meeting Dates: 3/10, 4/14

WHAT THE MEASURE DOES: Changes the name of the Oregon Economic and Community Development Commission to the Oregon Business Development Commission. Changes the name of the Oregon Economic and Community Development Department to the Oregon Business Development Department (OBDD). Creates the Oregon Infrastructure Finance Authority (IFA) and the Oregon Infrastructure Finance Authority Board within the Oregon Business Development Department. Establishes the Oregon Infrastructure Finance Fund. Continuously appropriates moneys in fund to the Oregon Infrastructure Finance Authority to promote infrastructure development. Transfers responsibilities of the Oregon Economic and Community Development Commission and the Oregon Economic and Community Development Department to and among the Oregon Business Development Commission, the Oregon Business Development Department and the Oregon Infrastructure Finance Authority. Transfers the Office of Minority, Women and Emerging Small Business from the Department of Consumer and Business Services to the Oregon Business Development Department. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Strengthening the job creation component of the Department
- Proactively retaining existing businesses while attracting new businesses
- More effectively managing the funding of infrastructure project grants
- Align with the federal stimulus package objectives
- Transparency and accountability of Commission decision-making
- Nimble on-the-ground regional support by the Department

EFFECT OF COMMITTEE AMENDMENT: Significant amendments are as follows: Creates Infrastructure Finance Authority (IFA): Adds a Treasurer's Office representative, or designee, to the Board; Clarifies that voting members of the Board constitutes a quorum; Clarifies who IFA advises and on what programs; Adds the Board's powers to approve grants/loans – omitted from initial draft. Administration of the Community Development Block Grant program: Outlines rulemaking authority regarding rulemaking authority. Oregon Business Development Commission Administrative Provisions: Reinserts language regarding infrastructure, ports, arts and capacity building in rural and distressed areas; Clarifies OBD Commission membership regarding locally elected official. Oregon Business Development Department Administrative Provision: Reinserts previous language regarding rules for contracts. Oregon Business Development Fund (agency business finance program): Reverts back to the OBD Commission having oversight approval of loans issued under the program. Regional Investment Program: Adds consulting regional representatives on economic strategies. Administration of the Special Public Works Fund (SPWF) to the IFA: Adds acknowledging the goals of the program beyond strict job creation. Changes

administration/oversight of the Office for Minority, Women and Emerging Small Business from the DCBS to OBDD. Provides the Director the authority to prescribe duties and assignments for officers and employees within this Office.

BACKGROUND: At the conclusion of the 2007 Legislative Session, Governor Kulongoski and the Oregon Economic and Community Development Commission initiated a third-party assessment of the Oregon Economic and Community Development Department (OECDD) to evaluate the agency's structure and programs.

After a five-month study, the Governor signed Executive Order 08-11 on May 12, 2008 directing the Department and the Commission to separate the operation and administration of OECDD's community development and business development functions, while undertaking a project to study each program of the Department and provide recommendations on how best to organize the agency.