



DATE: April 12, 2013
TO: Members of the Joint Committee on Ways and Means
Sub-Committee on Transportation and Economic Development
FROM: Tim McCabe, Director
SUBJ: Responses to Questions Posed during OBDD Budget Hearings
April 9th – 10th, 2013

The following questions were raised during Phase 2 of the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development on April 9th and 10th. Please find the answer to each question in the attached document.

- Is there another company in Central Oregon that is also working on Unmanned Aerial Systems development?
- How does the PIE/Oregon Story Board initiative impact the state film office's efforts at retention of existing video productions such as Grimm?
- Provide the specific citations that authorize Regional Solutions to operate.
- Provide the 2011-13 Industry Competitiveness Fund projects leveraging federal funds.
- Provide the committee with an explanation of how the money to assist with workforce development is not duplicative of efforts made by Employment.
- Provide the base budget numbers for the Small Business Development Centers and the Strategic Reserve Fund.

I would be glad to provide any further data or answer any questions or concerns.

Thank you.

Is there another company in Central Oregon that is also working on Unmanned Aerial Systems development?

Paradigm is a small Central Oregon business advertising itself as having expertise in “aerospace management and UAS/payload/CONOPS.” It is one of the 17 organizations working together on the UAS proposal that has applied for Oregon InC funding.

Paradigm is also conducting UAS planning and flights under FAA-authorized COAs with the public sponsorship of Oregon State University. (COAs are single flight authorizations overseen by a public entity; all flights outside FAA test sites operate under COA protocols.) It is also part of the Oregon team working on the Alaska/Oregon/Hawaii application for one of six FAA Test Site designations.

Both Vic Cordell and Josh Brungardt (see below) are part of the steering committee for the proposed Oregon InC initiative.

Principals include:

- Vic Cordell, Founder and President, whose posted background includes “Business Development, Product Design, Operations and Intelligence positions for more than 44 years.....projects in concert with the Marine Corps, Army, and Air Force; Department of Energy National Laboratories; private corporations; and Native American Tribes.”
- David Blair, Director, Government and Public Relations, “recently retired from a 27 year career serving members of Congress from Montana, Colorado, and Oregon. He served in Washington, D.C. as Legislative Assistant for environmental and natural resource issues for Congressman Pat Williams (D-MT), Senator Ben Nighthorse Campbell (R-CO), and Senator Ron Wyden (D-OR).”
- Josh Brungardt, Director, Unmanned Systems, “considered one of the nation's academic experts in the development and management of unmanned aircraft systems. He recently relocated to Bend from Kansas State University, where he directed the Unmanned Aircraft Systems Program. At K-State Josh worked with the FAA to generate a wide variety of flight opportunities serving university research and students.”

How does the PIE/Oregon Story Board initiative impact the state film office’s efforts at retention of existing video productions such as Grimm?

The initiative enhances the Governor’s Film Office’s retention efforts by creating additional sources of audience enhancement/revenue opportunities for productions both already in Oregon or deciding whether to locate here.

Productions are adding web content to supplement their broadcast products and broaden the number and type of audiences accessing their production - when you watch Grimm on television, the show also invites its audience to participate in Grimm-related productions on the web, through social media, etc., each offering a unique experience to a targeted audience.

The creative talent that would be trained by the PIE/Oregon Story Board initiative would create the companies that produce this bonus content. Having these companies on-site in Oregon helps the state offer a more attractive and complete “package” to productions. For instance, the on-site ability of local companies to produce special effects was cited by producers as a strong factor in bringing Grimm to Oregon.

While the Film Office supports the initiative because it will give offer another tool in its digital toolbox to sell Oregon as a prime location for film and video productions, Oregon InC is proposing the initiative because it will create new companies and jobs and spur economic development.

Provide the specific citations that authorize Regional Solutions to operate.

The Regional Solution Teams were previously known as Economic Revitalization Teams, (ERT). The citation is ORS 284.555, ORS 284.560 and ORS 284.570. Currently, SB 5533, is before the Legislature to amend ORS 285B.555, Sections 2, 3 and 4. SB 5533 is referred as the Bond Bill and adds 2 new programs with funding and specific accomplishments.

There is an Executive Order No. 11-12 establishing the Oregon Solutions Network and connecting the work of the Regional Solutions Centers, Oregon Solutions and the Oregon Consensus Program.

Provide the 2011-13 Industry Competitiveness Fund projects leveraging federal funds.

Industry Competitiveness Fund

2011-13 projects leveraging federal funds (as of 4/9/13)

| | ICF Funding | Federal Funds |
|--|--------------------|----------------------|
| Oregon Manufacturing Extension Partnership | 490,000 | 2,523,740 |
| State Trade & Export Promotion (STEP) – 1 st year | 62,500 | 375,000 |
| State Trade & Export Promotion (STEP) – 2 nd year | 83,175 | 499,049 |
| Total | 635,675 | 3,397,789 |

Ratio of \$1 : \$5.35

Provide the committee with an explanation of how the money to assist with workforce development is not duplicative of efforts made by others.

The Community College and Workforce Development and Oregon Employment Department provide funding to market each respective agency’s tools and resources. The Community College Workforce Development markets the National Career Readiness Certificate and Certified Work Ready Community program services and benefits. The Employment Department promotes awareness of One-Stops, WorkSource Center locations and services.

As a partner agency, Business Oregon’s funding request for the Certified Work Ready Communities will provide us with financial resources to work closely with local and regional economic development organizations and workforce partners to increase their business development outreach and marketing efforts that are critical to new business growth that are directly tied to their economic development strategies.

Provide the base budget numbers for the Small Business Development Centers and the Strategic Reserve Fund.

| | 2012 and 2013 | |
|---|----------------------|----------------------|
| | SBDC Funding | Federal Funds |
| Small Business Development Centers – 1 st year | 860,625 | 1,217,657 |
| Small Business Development Centers – 2 nd year | 835,625 | 1,283,312 |
| Total | \$1,696,350 | \$2,500,969 |

Ratio of \$1 : \$1.47

There will be a 10% reduction of federal funds for the Small Business Development Centers due to the sequestration.

2013 – 15
GRB Base Budget

| | |
|------------------------|-------------------|
| Strategic Reserve Fund | |
| Lottery Fund | 13,900,000 |
| Other Fund | 311,515 |
| Total | 14,211,515 |