

**REVENUE: No revenue impact**

**FISCAL: Fiscal statement issued**

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	9 - 0 - 1
<b>Yeas:</b>	Bentz, Cameron, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read
<b>Nays:</b>	0
<b>Exc.:</b>	Davis
<b>Prepared By:</b>	Troy Rayburn, Administrator
<b>Meeting Dates:</b>	3/15, 4/8

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**WHAT THE MEASURE DOES:** Establishes Oregon Growth Board Task Force. Stipulates 10 member task force including: two appointees from the Senate President; two appointees from the Speaker of the House; four appointees from the Governor with one from banking, one from credit unions, one from managing investments, and one with small business employment experience; one appointee from the Treasurer’s Office; and one appointee from the Oregon Business Development Department; Requires the task force to make recommendations to the Legislative Assembly regarding the formation, functions, duties, and powers of the Oregon Growth Board, including but not limited to its interaction and cooperation with the Oregon Investment Council and the Oregon Growth Account Board; Stipulates that the Oregon Business Development Department shall provide staff support to the task force; Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Relationship between access to capital and economic recovery
- Importance of small business access to capital
- Tool for rural economies where the unemployment rate remains high
- Need for state to be active partner in growth objectives
- Need to remove sunset provision in the Oregon Investment Act
- Need to support overarching strategy for investing across capital continuum
- Need to balance drive for financial returns with sustainable high-wage jobs
- Future plan to create an Oregon Growth Fund with different funding sources and different disbursement obligations than Oregon Growth Account
- Need to provide the Board with allocation authority
- Importance of confirming that Board will neither invest in any specific project or company, nor compete with private capital resources
- \$5 million allocation to get the Oregon Growth Fund started

**EFFECT OF COMMITTEE AMENDMENT:** Transfers \$5 million from the General Fund to be deposited into the Oregon Growth Fund.

**BACKGROUND:** The Oregon Investment Act, established with enactment of House Bill 4040, was an effort to capitalize on the opportunity to dramatically improve the state’s efforts to attract and improve the availability of capital to help catalyze economic development across the state.

While Oregon can point to some notable success stories around capital deployment, many of the state’s efforts have been limited and fragmented – a study shows those efforts have fallen short of helping employers across the business spectrum to overcome a series of capital gaps. At the same time, the private sector alone has not sufficiently addressed capital needs for Oregon businesses.

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***This summary has not been adopted or officially endorsed by action of the committee.***

The Oregon Investment Act opened the door for Oregon to establish a new framework to address the state's shortcomings by being more strategic in deploying public resources, in concert with leveraged funding from private investors. Oregon is not unique in looking at new models that help local businesses attract private capital - at least 30 other states have varying investment models that help them assist businesses, in particular supporting business formation and growth capital.

This new strategy requires an innovative vision regarding capital deployment that brings together the strengths of the public and private sector. It also requires clear objectives and safeguards, and a clear methodology to measure results. And it requires the private sector to assume a substantial amount of risk. Finally, it requires willingness by government to consolidate disparate economic development dollars, and to collaborate to advance the best opportunities for job and wage growth.