

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 2323-B

**Carrier – House: Rep. Read
Carrier – Senate: Sen. Shields**

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 22 – 2 – 2

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays: Freeman, Hanna

Exc: McLane

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Whitsett, Winters

Nays:

Exc: Thomsen

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Meeting Date: June 28, 2013

Agency

Oregon Business Development Department

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
<u>Oregon Business Development Department</u>					
Lottery Funds	\$ 0	\$ 0	\$ 100,000	\$ 100,000	100.0%
Total	\$ 0	\$ 0	\$ 100,000	\$ 100,000	100.0%

Position Summary

<u>Oregon Business Development Department</u>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50	

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Transportation and Economic Development Subcommittee Action

During the 2012 session the Legislature passed HB 4040, which established the Oregon Growth Board with a June 30, 2013 sunset date. HB 2323-A abolishes the sunset, which allows a number of provisions approved in HB 4040 to become operative. These provisions establish the Oregon Growth Fund (OGF), establish authority for the Oregon Growth Board to manage the Oregon Growth Fund, and transfer the management of the Oregon Growth Account (OGA) from the State Treasurer to the Oregon Growth Board. The provisions authorize the Board to use the Oregon Growth Fund to: (1) encourage investment in and availability of capital to instate businesses, and increase resources available to further economic development; and (2) use OGF monies to make investments in, and provide loans or grants to, businesses to promote economic development. The allowable use of OGA funds are expanded to include the allowable uses for Oregon Growth Fund monies, excluding the making of grants.

The Subcommittee adopted amendments to: (1) allocate \$1,900,000 in Lottery Funds to the Oregon Growth Fund; (2) allow the Oregon Growth Board to contract with either state agencies or management companies to manage the funds in the OGF and OGA by repealing a requirement that the Board contract with management companies to manage all of the funds; (3) correct operative dates of certain sections of the bill; and (4) add language to prevent the lapse of provisions before they become operative (to permit the sunset repeal to come into effect without complications).

The allocation of Lottery Funds to the Oregon Growth Fund is approved on a one-biennium basis, and will be phased out in the development of the 2015-17 biennium budget. Any request for an allocation of money to the Fund as part of the 2015-17 biennium budget must be included in a policy option package.

The Subcommittee approved the following budget note to establish reporting requirements for the Oregon Growth Board:

Budget Note:

The Oregon Growth Board shall adopt investment policy statements for management of the Oregon Growth Account and the Oregon Growth Fund. The Board shall report on these statements and include information on how the Board will measure the performance of investments and allocations approved by the Board, and the performance targets proposed by the Board. The report shall be submitted to the Joint Committee on Ways and Means, and to the committees of the Legislative Assembly with authority over the subject area of economic development, for their consideration during the 2014 regular session.

The Subcommittee allocated \$100,000 in Lottery Funds and provided an equivalent amount of Lottery Funds expenditure limitation to the Oregon Business Development Department, and established one half-time Operations and Policy Analyst 4 position (0.50 FTE), for the Department to provide administrative support to the Oregon Growth Board.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2323-B

**Oregon Business Development Department
Tamara Brickman - 503-378-4709**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<u>Oregon Business Development Department</u>									
<u>SCR 210 - Business, Innovation, Trade</u>									
Personal Services	\$ 0	\$ 90,511	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,511	1	0.50
Services and Supplies	\$ 0	\$ 9,489	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,489		
SUBCOMMITTEE RECOMMENDATION	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	1	0.50