



DIANE ROSENBAUM

SENATE MAJORITY LEADER

To: House Committee on Rural Communities
From: Senator Diane Rosenbaum
Date: Tuesday, February 18, 2014
RE: Testimony in Support of SB 1563-A: Entrepreneurial Development Loan Fund (EDLF)

Chair Clem, Members of the Committee,

For the record I am Diane Rosenbaum, State Senator representing Senate District 21, which includes inner Southeast and Northeast Portland, Milwaukie and Oakgrove. Thank you for the opportunity to be here today to testify in support of Senate Bill 1563-A, which raises the cap on loans provided to new small businesses through Business Oregon.

Oregon's economy is improving overall. Recently we learned that Oregon posted the third-fastest job growth rate in 2013. There are promising signs of acceleration in hiring and shrinking unemployment, but we can do more to ensure that both rural and urban parts of the state share in the recovery and return to prosperity.

The availability of affordable credit can mean the difference between hiring new people to expand your business, on one hand, and cutting those jobs, on the other. Currently, small businesses can receive up to \$70,000 in support from Business Oregon through the Entrepreneurial Development Loan Fund (EDLF). SB 1563-A raises the overall cap to \$100,000. That's a critical expansion that really means a lot for small businesses who need to hire that extra employee, or expand their premises or invest in new equipment.

Since mid-2009, Business Oregon has provided over 50 loans to small businesses through EDLF. Nearly 60% of loans provided through this program go to small businesses outside of the Portland, Salem, and Eugene areas. SB 1563-A also ensures Business Oregon continues its focus on entrepreneurial and small business development in rural communities and lengthens the repayment period from five to ten years. This program has helped many small businesses in a wide variety of industries get off the ground. It's time we expanded this program so that we can provide more support.

The bottom line is that this bill will create jobs and help Main Street businesses all over Oregon. I urge the Committee to support and give SB 1563-A a "Do Pass" recommendation.

Thank you,

Diane Rosenbaum

Senator Diane Rosenbaum
Senate Majority Leader
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