

Federal Grant Application Request
Oregon Business Development Department
State Trade and Export Promotion

Analyst: Steven Bender

Request: Approve the submission of a federal grant application to the U.S. Small Business Administration in the amount of \$450,000, for funds available under the State Trade and Export Promotion program.

Recommendation: Approve the request.

Analysis: The Oregon Business Development Department (OBDD) is asking the Joint Committee on Ways and Means to approve submission of a federal grant application for \$450,000 under the State Trade and Export Promotion (STEP) grant program.

The U.S. Small Business Administration (SBA) is offering STEP grants to support state export programs that assist eligible small businesses. This is the fourth year the SBA has solicited applications for STEP grants. The agency applied for and received STEP grant awards in each of the previous three years. The application deadline for the current round of grant awards is May 20, 2015.

OBDD would use the STEP grant funds to expand the Oregon Trade Promotion Program (OTPP). The OTTP provides financial assistance to Oregon companies attending international trade shows or trade missions in order to enter new export markets or expand sales in existing markets. The financial assistance takes the form of grants to offset portions of the costs of attending the trade shows and missions. Financial grants of up to \$5,000 are awarded to eligible small businesses under the OTTP program. The agency also offers companies Global Trade Specialists who provide counseling and technical assistance services. The STEP funds would expand the OTTP to serve more companies, and to fund other expanded services including trade show booth rentals and promotion and marketing materials. Funds would also be used for smaller training grants to companies.

The STEP grant program includes a 25% percent state match requirement. Business Oregon would apply \$150,000 Lottery Funds in the OTTP program to meet the full 25% state match requirement. This will not impact the ability of the Lottery Funds to provide program services.

The Legislative Fiscal Office recommends approval of the request. The agency will be able to meet the required match requirements without taking resources or personnel away from other programs. Furthermore, there are no continuing requirements for the agency to maintain any programs or expenditure levels after the expiration of the grant. If the application is successful, the Legislature will need to increase the agency's Federal Funds expenditure limitation during the 2016 Session to accommodate expenditures of grant funds.