

STAFF MEASURE SUMMARY

House Committee On Higher Education, Innovation, and Workforce Development

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 02/18/15

Action: Do Pass With Amendments, Be Printed Engrossed And Be Referred To Ways And Means By Prior Reference.

Meeting Dates: 02/13, 02/18

House

Yeas: 9 - Gallegos, Hayden, Johnson, McKeown, Williamson, Read, Reardon, Whisnant, Nearman

Prepared By: Victoria Cox, Committee Administrator

WHAT THE MEASURE DOES:

Transfers appropriation of moneys in Oregon Growth Fund from Oregon Growth Board to Oregon Business Development Department. Authorizes department to use moneys in fund and Oregon Growth Account to pay administrative costs, and for purposes related to duties and responsibilities of Oregon Growth Board. Makes Director of Oregon Business Development Department voting member of Oregon Growth Board. Adds additional member at-large to board. Allows board to waive requirement for reinvestment in Oregon an amount at least equal to amount of principal transferred to management company for investment. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Availability of funding for Oregon business start-ups
- Oregon Growth Board membership
- Need for flexibility regarding reinvestment requirements

EFFECT OF COMMITTEE AMENDMENT:

Allows board to waive requirement for reinvestment in Oregon an amount at least equal to amount of principal transferred to management company for investment.

BACKGROUND:

The Oregon Growth Board was created by the 2012 Legislative Assembly in an effort to spur more economic growth in Oregon, with a focus on increasing the state's ability to grow companies from early stages to large, locally headquartered firms. An important focus is placed on leveraging state resources to improve the availability of capital for high-growth companies.

The board is currently comprised of seven voting members and three non-voting, ex-officio members, all of whom receive Senate approval. House Bill 2280-A adds two members to the board: the Director of the Oregon Business Development Department and an additional at-large member. The measure also replaces the board as the recipient of state appropriations with the Oregon Business Development Department.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2280 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Krista McDowell
Reviewed by: Steve Bender
Date: 2/18/2015

Measure Description:

Transfers appropriation of moneys in Oregon Growth Fund from Oregon Growth Board to Oregon Business Development Department, eliminates requirement that a portion of Oregon Growth Account- and Oregon Growth Fund-supported investments be made in the state.

Government Unit(s) Affected:

Business Development Department (Business Oregon)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
Lottery Funds	83,968	83,968
Total Funds	\$83,968	\$83,968
Positions	0	0
FTE	0.50	0.50

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill transfers the appropriation of monies in the Oregon Growth Fund from the Oregon Growth Board (Board) to the Oregon Business Development Department. Additionally, the bill makes the Director of Business Oregon a voting member of the Board and adds an additional at-large Board member.

Members of the board may receive compensation and reimbursement for expenses. Reimbursement costs for additional members of the board, as a result of this legislation, are assumed to be minimal and absorbable within the existing parameters of the agency's budget.

Business Oregon is also directed to provide staff support to the Board as necessary. Currently, Business Oregon has existing half-time Operations & Policy Analyst 4 position (0.50 FTE) to provide staff support to the Board. This position is anticipated to require an additional 0.50 FTE at a cost of \$83,968 Lottery Funds (LF) in the 2015-17 and 2017-19 bienniums. The Department has included a request for additional funds to convert the position to full-time in its agency request budget (POP 109), and would maintain this request even if HB 2280 did not become law.

HB 2280 - A also eliminates a condition governing the investment of money in both the Oregon Growth Account and Oregon Growth Fund. Currently, an investment of funds must ensure that that an amount equal to that investment be made in the state. (As an example, if \$5 million of funds from the OGA or OGF are invested in a partnership that is raising \$25 million from all sources in total, then at least \$5 million of that partnership's \$25 million of investments must be made in Oregon.) The bill eliminates this requirement.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2280 - A

Date: 2/18/2015

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NOTICE OF NO REVENUE IMPACT

The Legislative Revenue Office has reviewed the proposed legislation and determined that it has No Impact on state or local revenues analyzed by this office.

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