



**GINNY BURDICK  
SENATE MAJORITY LEADER**

DATE: February 7, 2018

TO: The Honorable Senator Beyer, Chair  
Senate Committee on Business and Transportation

FROM: Senate Majority Leader Ginny Burdick

SUBJECT: Senate Bill 1516 with the -1 Amendment

Chair Beyer and Members of the committee, for the record, my name is Ginny Burdick. I serve as the State Senator for District 18, which includes the city of Tigard and portions of Northwest and Southwest Portland.

I'm here today to discuss Senate Bill 1516 with the -1 amendment. Senate Bill 1516 establishes the Small Business Expansion Loan Fund as a distinct fund in the State Treasury. The Small Business Expansion Loan Fund will be administered by the Oregon Business Development Department. It will be used to fund loans for early-stage growth of traded sector business ventures. The -1 amendment will help guide the Oregon Business Development Department in setting the terms of repayment for the Small Business Expansion Loan Fund. Loan recipients must fit certain eligibility criteria including reasonable potential for growth, demonstrated market readiness and sufficient profits to support royalty payments.

Launched as a pilot in December 2015, the Oregon Small Business Expansion Loan Program currently resides in the Oregon Business Development Fund. The Small Business Expansion Loan Program serves companies in earlier developmental stages and with different financing needs than those served by the Oregon Business Development Fund. SB 1516 will help preserve the intent of the Oregon Business Development Fund by separating the programs.

Early-stage, high-growth companies often face difficulties in securing capital as they seek to expand their fledgling ventures. Small businesses owned by women and people of color, and those located in rural Oregon, face additional funding barriers. Up to 20 percent of loans made through the Small Business Expansion Loan Fund may be reserved for applicants who are underrepresented in Oregon business ownership. The Oregon Business Development Department may adopt rules that establish preference for individuals in underserved or rural communities who have insufficient access to traditional financing.

The Oregon Small Business Expansion Loan Fund will help strengthen innovation and job growth in our state.

I strongly urge your support for Senate Bill 1516 with the -1 amendment.