

Item 9: Oregon Business Development Department

Statewide Business and Cultural Support

Analyst: Steve Bender

Request: Establish a \$50,200,000 Other Funds expenditure limitation for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Oregon Business Development Department for business, innovation and trade, for Regional Economic Preservation.

Description: Funding is requested to preserve key regional economic drivers during the COVID-19 pandemic. The funds would be distributed through the existing Regional Solutions program. The Regional Solutions program operates eleven Regional Solutions Advisory Committees, each including public and private sector participants, that identify issues of regional economic development concern and work to address these issues.

The requested Emergency Board action would provide \$50 million of Coronavirus Relief Fund monies to Regional Solutions to address the regional impacts of the COVID-19 pandemic. An additional \$200,000 would be retained by the Oregon Business Development Department (OBDD) for administrative costs of this program and other programs funded by Coronavirus Relief Fund monies. The funds would finance a new Regional Economic Preservation Fund within the Regional Solutions program, dedicated to COVID-19 relief. Regional Solutions Advisory Committees would be charged with identifying specific business and cultural challenges that regions face because of the pandemic, and with developing proposals to address those challenges. The proposals will distribute funds to specified businesses and organizations and will be forwarded to OBDD which will review them and administer the associated grant agreements.

Distribution amounts to the eleven Regional Solutions regions will range from \$1,492,000 for the least populous region to \$18,458,000 for the largest. The distributions will be primarily based on population, with \$9 million set aside to provide an additional base funding amount equal to \$1 million for the six smallest regions and reduced additional base funding to the larger regions. Funds are to be directed to entities that are key economic drivers for the region that have long-term viability. These can include regional cultural institutions and events; emphasis will be given to minority- and woman-owned businesses.

Funds would be provided from the state's distribution of CARES Act Coronavirus Relief Fund (CRF) monies. The Department of Administrative Services would transfer \$50.2 million of CRF funds to OBDD for the program and for administration. CRF funds are restricted to necessary expenditures incurred due to the public health emergency with respect to COVID-19 during the period from March 1, 2020 through December 30, 2020. Grant recipients would not receive payment for services provided or costs incurred after these dates.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of establishing a \$50,200,000 Other Funds expenditure limitation for the Oregon Business Development Department, for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to OBDD for business, innovation and trade, for Regional Economic Preservation.