



OREGON SMALL BUSINESS DEVELOPMENT CENTER NETWORK

Helping Build Oregon's Best Businesses

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February 19, 2019

Representative John Lively, Chair
House Committee on Economic Development
900 Court St. NE
Salem, OR 97301
RE: Support for the Oregon Growth Fund

Dear Chair Lively and members of the Committee,

On behalf of the Oregon Small Business Development Center Network (OSBDCN) and most importantly, the businesses we serve throughout the state, I want to express our appreciation for the good work of the Oregon Growth Fund (OGF) administered by our colleagues at the Innovation & Entrepreneurship (I&E) division of the Oregon Business Development Department. As early stage businesses start and grow, they need different types of funding including microloans, seed equity capital, and angel equity capital (often accompanied with specific industry expertise or mentoring).

Through our 19 centers across Oregon, hosted in partnership with 17 community colleges and two state universities, we help small businesses succeed with one on one counseling and other services. We partner with the US Small Business Administration, the Oregon Business Development Department and other state and local organizations with a common goal of supporting small business. Since our inception in 1983, the OSBDCN has provided one-on-one advising to over 160,000 current and prospective businesses. In addition, over 550,000 individuals have attended OSBDCN sponsored business education classes and events.

The OGF helps to fill gaps in the traditional capital ecosystem by supplying low-interest loans and small equity investments to Oregon funders targeting under-represented entrepreneurs and sectors including rural and minority-led businesses. Seed and early-stage capital can be particularly difficult to access for some communities and industries, particularly traditionally underserved populations. The OGF is a critical funding tool to help provide non-traditional capital options to Oregon businesses.

The Oregon SBDC Network works closely with the knowledgeable staff at OGF who are deeply connected with the statewide funding needs of Oregon's entrepreneurs. OGF

funds the funders who provide many of the non-traditional capital solutions to Oregon entrepreneurs. These non-traditional capital providers are an important part of Oregon's capital eco-system as reported on in the 2018 Oregon Capital Scan. Each year many SBDC clients seek funding from non-traditional funders supported by OGF investments. The Oregon SBDC Network works closely with OBDD staff to track capital needs statewide and identify high-value funding opportunities. As Oregon's largest business assistance provider, the Oregon SBDC Network values OGF's contributions to the non-traditional capital ecosystem in Oregon to help small businesses in our communities.

Creating a stable funding source for the Oregon Growth Fund will ensure that private dollars continue to be leveraged along with expertise to serve Oregon's entrepreneurs. With the recent increase in later stage investors statewide, it is critical that early-stage funding options exist to fill investment pipelines, keeping growing businesses in Oregon, and employing Oregonians. OSBDCN shares these observations and experience as the Legislature considers funding for the Oregon Growth Fund.

Oregon Small Business Development Centers are funded in part through a cooperative agreement with the U.S. Small Business Administration, and by the Oregon Business Development Department. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.

Sincerely,

A handwritten signature in black ink that reads "Mark Gregory". The signature is written in a cursive style with a long, sweeping underline.

Mark Gregory
State Director
Oregon SBDC Network