

**SB 418 A STAFF MEASURE SUMMARY**

**Senate Committee On Business and General Government**

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**Action Date:** 03/07/19

**Action:** Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

**Vote:** 4-0-1-0

**Yeas:** 4 - Girod, Hass, Olsen, Riley

**Exc:** 1 - Dembrow

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 3/7

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**WHAT THE MEASURE DOES:**

Modifies requirement that start-up businesses that may be assisted by regional collaboration facilitated by Oregon Business Development Department (Business Oregon) have as purpose commercialization of university-based or university-assisted academic activities and increasing number, and ensuring retention, of such businesses. Appropriates \$1 million to Business Oregon for distribution to OSU Advantage and RAIN Eugene with condition that recipients must match funds with equal amounts. Requires start-up businesses assisted with appropriated funds be traded sector business or businesses that have potential to become traded sector businesses. Requires OSU Advantage and RAIN Eugene to report specified information to Legislative Assembly on or before September 15, 2020. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Approximately 300 start-ups, over 300 jobs, and over \$15 million in business revenues supported by OSU Advantage and RAIN Eugene accelerator programs since their creation in 2014
- Survival rate of 67 percent for accelerator-supported start-up businesses compared to 25 percent for all start-up businesses nationally
- Business potential of non-research university-assisted academic activities
- Community investments to support local business creation and growth under accelerator programs

**EFFECT OF AMENDMENT:**

Replaces references to university-based or university-assisted research to university-based or university-assisted academic activities.

**BACKGROUND:**

Senate Bill 241 (2013) required Business Oregon to to facilitate regional collaboration among the University of Oregon, Oregon State University, and the Oregon Solutions Network to support technology-based start-ups that could commercialize university-based or university-assisted research and create local business growth and retention. OSU Advantage and RAIN Eugene are the accelerator networks that help local entrepreneurs convert university-assisted academic activities into viable businesses. According to testimony provided by OSU Advantage and the City of Eugene, these accelerators have assisted in the creation of approximately 300 jobs and over \$15 million in revenue.

Senate Bill 418-A appropriates \$1 million to Business Oregon for distribution to OSU Advantage and RAIN Eugene for their core mission of supporting local start-ups that commercialize university-based or university-assisted academic activities. The start-ups must be traded sector businesses or businesses with the potential to become such. The networks must raise matching funds and are required to report to the Legislative Assembly on

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businesses supported, funding raised, jobs created, and industry sectors represented by the start-up businesses assisted by this appropriation.