

## ANALYSIS

### Item 27: Oregon Business Development Department Pandemic Economic Recovery Planning

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**Analyst:** Matt Stayner

**Request:** Approve, retroactively, the submission of a federal grant application to the United States Department of Commerce in the amount of \$1 million for pandemic economic recovery planning.

**Analysis:** On September 8, 2021, the Oregon Business Development Department (OBDD) provided notification to the Legislature of its intent to apply for a grant from United States Department of Commerce, Economic Development Administration (EDA) grant. The grant application deadline was September 22, 2021. An invitation to apply for the funding made available through the American Rescue Plan Act (ARPA) was sent to Governor Brown on July 27th. The EDA Statewide Planning Grant Program allotted \$1 million to each state for a variety of economic development planning activities, excluding construction projects. The grant proceeds do not require state matching funds.

OBDD intends to use half of the available funding for two broadband mapping projects. The first of these creates an investment map to guide broadband investment strategy and the other is a broadband planning map that includes specific metadata detailing network capacity, age, usage, interconnection points, and network access points. This work, in conjunction with agency participation in the National Telecommunications and Information Administration's National Broadband Availability Map project, is foundational to state investments in broadband infrastructure through the ARPA Capital Project Fund.

The other half of the funding will be used to implement findings and recommendations of the COVID-19 Equitable Economic Recovery Plan currently in development by OBDD. To do this the agency will add a Statewide Recovery Coordinator to oversee the plan implementation, including the review of barriers to economic development and state resources for Oregon tribal communities, as those communities have been identified as disproportionately impacted by the pandemic. The funding will also be used to extend disaster recovery staffing in each economic development district, and to support consulting services for export development and foreign direct investment strategy development.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

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Oregon Business Development Department  
McDonald

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**Request:** Retroactive authorization to apply for a grant of \$1.0 million from the United States Department of Commerce, Economic Development Administration (EDA), for statewide economic recovery planning efforts.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Business Development Department (OBDD) is seeking retroactive authorization to apply for a \$1.0 million grant from the EDA as part of the American Rescue Plan Act (ARPA) “to prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus.” The Statewide Planning Grant Program within the EDA is providing one-time relief funds intended to support states as they plan for economic recovery related to the coronavirus pandemic. Each state has been allotted \$1.0 million to implement one or more elements in the grant’s scope of work. Eligible uses include economic development planning activities, supporting statewide broadband planning efforts, hiring disaster recovery coordinators, conducting statewide skills gap analyses, and other related activities. Award funds may not be used for construction activities. If awarded grant funds, OBDD intends to begin implementing action items from the statewide Economic Recovery Plan currently underway; and support broadband mapping throughout Oregon, to identify unserved and underserved areas for broadband investment.

Economic Recovery Plan: OBDD is currently developing an EDA-funded COVID-19 Equitable Economic Recovery Plan. The scope includes a comparative analysis of Oregon’s current economy versus the pre-pandemic economy; a review of recovery plans from partner organizations; a comprehensive stakeholder engagement effort emphasizing outreach to communities most affected by the pandemic and historical economic inequity. The resulting plan will summarize findings and offer policy and resource recommendations to guide the state toward an equitable economic recovery.

Broadband Mapping: Oregon’s broadband landscape is most often split between urban and rural areas, and complicated by the state’s geographic distances and features. Areas with low population density and difficult terrain often remain underserved, or unconnected. The 2021-23 Legislatively Adopted Budget for OBDD includes \$120.0 million from the ARPA Capital Projects Fund for broadband infrastructure. To utilize this funding, and potential future funding, OBDD is planning to create a state broadband investment map and a project planning map. These maps will enable Oregon to take advantage of anticipated federal funds and other future broadband funding opportunities.

The grant application was due September 10, 2021, however, OBDD was provided an extension until September 22, 2021. The period of performance is 30 months, with no start date specified. No match is required and no additional FTE will be needed to administer the grant. The award date is not specified in the published grant documentation. The letter of invitation to apply reads “EDA anticipates making funding decisions expeditiously following the receipt of a complete application.” If retroactive authorization is granted and the grant application is successful, OBDD will return to seek additional Federal Funds expenditure limitation in accordance with the interim guidelines.



**October 15, 2021**

Senator Elizabeth Steiner Hayward, Co-Chair  
Senator Betsy Johnson, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairpersons:

### **Nature of the Request**

The purpose of this letter is to request retroactive approval of the submission of a federal grant application for statewide economic recovery planning efforts. The Oregon Business Development Department (Department) applied for a grant with the United States Department of Commerce, Economic Development Administration (EDA) for \$1M on September 22, 2021.

### **Agency Action**

#### **Background**

The EDA recently received a supplemental appropriation “to prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus,” as part of the American Rescue Plan Act. The Statewide Planning Grant Program aims to support states as they plan for economic recovery and prepare to build back better. Through the Statewide Planning Grant Program, EDA has allotted \$1M to each state. Eligible uses of the funds include development of a coordinated state-wide plan for economic development and data, tools, and institutional capacity to evaluate and scale evidence-based economic development efforts, including through communities of practice and provision of technical assistance among existing and new EDA grantees.

There is no match requirement for this grant and one limited duration FTE may be necessary to carry out the grant activities.

In accordance with the authorized scope of work for the Statewide Planning Program, the Department proposed the following activities that focus on economic development and recovery for the state:

#### **Broadband Mapping**

Oregon’s broadband landscape has distinct splits between urban and rural areas, with Oregon’s challenges further complicated by its geographic distances and features. Areas with low population density and difficult

terrain remain underserved, or even unconnected, while much of Oregon's geography in urban areas is well served by terrestrial broadband. The broadband map strategy that the state currently has is neither high quality nor effective. The Legislatively Adopted Budget for the Department for 2021-23 includes \$120M from the ARPA Capital Project Fund for broadband infrastructure. In order to be prepared for this funding, and potential future funding, the Department needs to create a state broadband investment map, as well as a planning map. These maps will position the state to fully utilize anticipated federal funds coming through the bipartisan infrastructure bill and other future broadband funding opportunities.

### **Economic Recovery Plan Implementation**

The Department is in the midst of developing an EDA-funded COVID-19 Equitable Economic Recovery Plan. The scope of this planning effort includes a comparative analysis of Oregon's pre-pandemic and current economies, a review of recovery plans from partner organizations (including Economic Development Districts & Tribes); a comprehensive stakeholder engagement effort that emphasizes outreach to communities most affected by COVID and experienced historical economic inequity. The resulting plan will summarize findings and offer policy and resource recommendations that guide the state toward an equitable economic recovery.

The Department proposed to fund Equitable Economic Recovery Plan recommendations, which are anticipated to include:

- Statewide Recovery Coordinator (or Consultant): Establish coalitions around recovery objectives, facilitate work sessions with coalition members to align and coordinate recovery efforts, collaborate on development of new programs, and identify opportunities for leveraging resources.
- Tribal Collaboration: The Department will co-host four workshops to discuss Tribal priorities and needs, barriers to economic development, state resources available to Tribal Governments. Lastly, working with Tribal employees to identify technical assistance needs as it relates to Tribal projects and interests.
- Extend the Oregon Economic Development District's Disaster Recovery Staff to collaborate with the Statewide Recovery Coordinator on the implementation of recovery activities as identified in District's recovery plans and the statewide recovery plan.
- Export Development & Foreign Direct Investment (FDI) Implementation: The pandemic has changed the playing field for exports and FDI and both businesses and economic development organizations have a clear need to develop new tools. Currently, the Department is developing a global business development strategic plan for exports and foreign direct investment (FDI). A portion of the statewide planning grant will fund implementation of the strategic plan and the creation of a tool kit for export development and FDI attraction.

### **Action Requested**

The Department respectfully requests retroactive approval of the submission of a federal grant application with the United States Department of Commerce, Economic Development Administration (EDA) for \$1M for a Statewide Planning Grant.

**Legislation Affected**

The request to apply for this grant does not affect current legislation.

Sincerely,

Sophorn Cheang  
Director