

SUBCOMMITTEE RECOMMENDATION

Item 30: Business Development Department State Small Business Credit Initiative

To: Emergency Board Full Committee
From: Human Services Subcommittee
Carrier: Senator Manning

The Education Subcommittee recommends that the Emergency Board increase the Federal Funds expenditure limitation for the Business Development Department by \$26.5 million and authorize the establishment of four permanent positions (2.0 FTE) for the administration and expenditure of federal State Small Business Credit Initiative program funds.

The Oregon Business Development Department was granted approval to apply for federal grant funds from the U.S. Treasury Department under the State Small Business Credit Initiative program during the January 2022 meeting of the Interim Joint Committee on Ways and Means. Program funding is intended to increase availability and access to capital for small businesses, particularly to businesses owned by or supporting socially and economically disadvantaged individuals.

The total anticipated award of \$87.5 million to Oregon is to be accessed by the agency in three tranches, the first of which is \$26.5 million. The grant performance period runs through December 2031. Funding will be used to expand venture capital programs, loan participation programs, loan guarantee programs, and technical assistance programs. The federal funding requires an initial matching of one dollar of private capital for each dollar of federal funding, with a goal of leveraging ten dollars of private capital over a ten-year period for each dollar of federal funding.

The Subcommittee recommends approval.