

Co-Chairs Gomberg and Beyer and Members of the Committee:

Thank you for the opportunity to speak today. My name is David Kenney and I am the Executive Director of VertueLab. We are one of the three signature research centers that receive funding from Business Oregon as part of the Oregon Innovation Council initiatives – we are based in Portland and support businesses all over Oregon. Our focus is on supporting technology innovators and entrepreneurs building products and companies that address environmental challenges – creating both economic value for the state and contributing to solving some of the world biggest challenges.

I am here in support of the Business Oregon budget, in particular the \$17.85 million for the Oregon Innovation Council programs.

Since VertueLab (formerly known as Oregon BEST) was first created with your support, we have built an organization that has both launched robust, enduring programs and has responded nimbly to the economic needs and opportunities of the time and to our state. Our team has used Business Oregon's support to leverage over \$2.1 million of additional programmatic funding from 12 federal grants from the US Economic Development Administration and the US Small Business Administration to support our work and we've also more recently achieved success in raising corporate and philanthropic support.

We've used state and federal grants to help hundreds of companies. The majority of our support has been given to over 100 small, young companies in the form of funding, funded university partnerships, an accelerator program, federal grant assistance, mentoring, and paid interns. These are companies that are developing innovative products, often based on deep science or engineering work, and that need support to successfully make the transition from the lab or garage to the marketplace. We help technical business founders to develop the skills or partnerships they need to build their companies and we help them connect to the hard-to-find capital for companies that haven't yet demonstrated commercial success. We've also played an active role in convening stakeholders support the launch of new industries in Oregon, including cross-laminated timber manufacturing and sustainable land-based aquaculture.

Because of the consistent support we've received from Business Oregon, we've been able to build a strong staff with deep expertise and industry connections. We've also built diversity, equity, and inclusion into our organizational values, decision making, and programmatic focus. We receive high praise for our work from the companies we support. Last week, completely unprompted by us, one of the CEOs we've helped with our federal grant support program publicly posted her thanks to VertueLab on a LinkedIn post, first thanking a few members of our team by name and then she went on to say: "Their team goes to tremendous lengths to serve and have never once (not once!) made a disingenuous commitment or failed to follow through. I seriously have no idea how I would have survived the grind that is Year 1 startup without them. They are gems and our region is fortunate to have such passionate advocates." The team and the program she's praising exists thanks to Business Oregon and a federal grant which required a substantial match which was provided by our Oregon Innovation Council resources.

One of the first indicators that our programs are successful is seen in the ability of the companies we support to secure additional investment or competitive grant capital to build their businesses. Since we started tracking this data just under 10 years ago, our companies have secured \$234 million in additional capital, mostly from private investors and mostly from outside Oregon. That's capital flowing in to

Oregon to build companies here. \$90 million of that funding came in this biennium. That's the primary capital that those companies have used to hire about 500 Oregonians to work for them. And many of our companies, like Arcimoto in Eugene, ESS in Wilsonville, Onboard Dynamics in Bend, DR Johnson in Riddle, and the Renewal Workshop in Cascade Locks, are employing Oregonians in manufacturing jobs as they make their products right here in the state.

Once they've successfully launched their product in the market, I'm especially proud to share that our supported companies have generated over \$100 million into their companies in the form of revenue from paying customers.

I started in this position in 2008, right as the full brunt of the great recession was about to hit. Our flexibility as an independent nonprofit and the consistent support of the Oregon Legislature, Business Oregon, and the Oregon Innovation Council enabled us to create programs, modify programs, and end programs as needed to support the innovators that helped Oregon bounce back strong from that massive economic downturn.

As I look to the years ahead of us, I'm grateful for the opportunity to serve the needs of the brave entrepreneurs who will lead our economy back to strength from the economic downturn brought on by the pandemic. I respectfully ask for your support for the Business Oregon budget.

Thank you.