

## **SB 1579 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

---

**Prepared By:** Wenzel Cummings, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/8

---

#### **WHAT THE MEASURE DOES:**

Directs the Oregon Business Development Department (OBDD) to develop and implement an Economic Equity Investment Program to award grants to qualified organizations that provide culturally responsive services disadvantaged individuals, families, businesses, and communities. Specifies the qualifications of an applicant to receive grant moneys, including a proven ability to provide outreach, support, and resources to individuals, families, businesses, or communities whose future is at risk because of two or more specified economic equity risk factors as measured by real estate ownership, entrepreneurship, business development, workforce development, and intergenerational wealth building. Requires the OBDD to conduct biennial evaluations of organizations receiving grant moneys and specifies the contents of the evaluations and requires OBDD to report on the evaluations by September 15 of each even-numbered year to the Legislative Assembly. Establishes the Economic Equity Investment Fund as separate and distinct from the General Fund and to be appropriated to the OBDD for purposes of developing and implementing the Economic Equity Investment Program. Appropriates \$50 million to the OBDD out of the General Fund for the biennium ending June 30, 2023. Becomes operative on January 1, 2023. Takes effect on the 91st day after sine die.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

No amendment.

##### **BACKGROUND:**

The Oregon Business Development Department, more commonly known as “Business Oregon,” is the state’s economic development agency. Business Oregon’s mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. The overall work of Business Oregon is guided by the nine-member Business Development Commission with additional input and expertise provided by several other advisory bodies and boards associated with specific programs, including business finance programs that are backed by lottery dollars for direct loan and loan guarantees.

According to Business Oregon’s Strategic Plan, most minority groups in Oregon are growing in their population, yet significant disparities exist. Eleven percent of Oregon firms are minority-owned, compared to 18 percent nationally. Household income and wages are lowest for Oregon’s African American, Native American, and Hispanic communities. These groups are also disadvantaged in their access to capital and are underrepresented in employment within the professional and technical services sectors.

Senate Bill 1579 directs Business Oregon to implement an Economic Equity Investment Program to award grants to qualified organizations that provide culturally responsive services to disadvantaged individuals, families, businesses, and communities.