Followup to Joint Interim Committee on Ways and Means Subcommittee on Transportation and Economic Development

Date: November 21, 2025

To: Interim Joint Committee on Ways & Means Subcommittee on Transportation and Economic Development

From: Sophorn Cheang, Director, Business Oregon
Chris cummings, Deputy Director, Business Oregon

RE: Follow-up to November 18 agency testimony and committee questions

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Co-Chair Gomberg and Co-Chair Golden:

Please accept the following agency response to subcommittee questions or follow-up clarification to agency testimony on November 18, 2025 regarding the budget reduction exercise directed by the Oregon legislature. The question/comments from the committee members below aren't exact quotes but rather are paraphrased from staff notes. We're happy to clarify any additional information as well.

1) Can we see the whole list of all the things that have these funds?

Attached is a spreadsheet with the entire agency 2025-27 Legislatively Approved Budget by fund type and program area (screenshot of spreadsheet below).

Summary 2025-27 LAB	Fund Type								
Program Area	FF	GF	GF - DS	LF	LF - DS	OF	OF - NL	OF - NLDS	Grand Total
12300-110-00-00-00000- Operations Division									
Director's Office				$2,050,704		$42,515			$2,093,219
Operation's Administration				$3,183,764		$543,856			$3,727,620
Employee Services	$206,260	$21,360		$2,201,222		$502,115			$2,930,957
Fiscal and Budget Services	$874,897	$367,553		$1,843,339		$2,004,642			$5,090,431
Information Technology Section				$2,679,788		$1,037,451			$3,717,239
Marketing & Communications	$377,213			$2,740,105		$334,367			$3,451,685
Policy, Rules & Contracts		$10,420		$1,583,703		$1,209,362			$2,803,485
Modernization and Internal Business Support				$4,064,208		$3,328,987			$7,393,195
									$31,207,831
12300-210-00-00-00000- Business Innovation and Trade Division									
Regional Development Operations	$319,658			$2,556,695		$2,492,220			$5,368,573
Business Finance Operations	$1,689,552			$389,392		$4,285,138			$6,364,082
Innovation & Entrepreneurship Operations				$2,765,221					$2,765,221
Global Strategies & Recruitment Operations	$341,957			$4,196,964					$4,538,921
BITD Administration	$504,899			$4,629,184		$2,679,062			$7,813,145
Strategic Reserve Fund				$17,951,320		$3,736,003			$21,687,323
Oregon Growth Fund				$462,538		$589,736			$1,052,274
Metals and Manufacturing				$11,973,768					$11,973,768
Industry Competitiveness	$2,000,000			$4,878,068					$6,878,068
Business Finance Programs	$54,477,561					$12,227,855	$12,976,050		$79,681,466
Business Retention Services				$186,351		$119,958			$306,309
Oregon Innovation Council (OR InC) Programs		$3,220,001		$19,346,425					$22,566,426
Small Business Assistance Programs				$7,628,612					$7,628,612
Cert Office of Bus Inclusion & Diversity				$233,373		$4,691,992			$4,925,365
B.I.T. Project Funding						$10,895,139			$10,895,139
Oregon CHIPS Fund						$30,753,522			$30,753,522
Rural Entrepreneurship Capacity				$2,171,528					$2,171,528
University Innovation Research Fund						$16,126,000			$16,126,000
Community Support & Outreach				$4,512,525		$1,748,585			$6,261,110
									$249,756,852
12300-300-00-00-00000- Infrastructure Finance Authority Division									
Infrastructure Operations	$2,178,674	$803,919		$3,357,438		$10,897,510			$17,237,541
Community Development Block Grant	$34,372,680								$34,372,680
Special Public Works Program						$259,997	$240,898,044	$10,822,359	$251,980,400
Water/Waste Water Program		$100,000				$3,000,000	$50,912,956		$54,012,956

The agency was asked to propose reductions in General Fund (GF), Lottery Fund (LF), and Other Fund (OF) fund types. We understand the subcommittee is more focused on General Fund and Lottery Fund, those two fund types are highlighted on the spreadsheet.

As we mentioned in testimony, you'll notice that there are many program areas that do not have GF or LF funding and therefore could not be included in this reduction exercise to get to our target amount. As we thoughtfully looked at options to carry out this reduction exercise, our proposal reflects those options that limit overall aggregate impacts to the state and its economic development priorities.

Of note, you'll see that the agency's total GF amounts to $120,185,928. The vast majority (97%, or $116.7M) of these funds are "Special Payments" consisting of direct legislative appropriations for specific projects and similar project appropriation carryover from the previous biennium. In addition to project funding, the $116.7M includes Arts Commission funding of $2.6M. To make the $6M required reduction (5% of GF), project funding must be reduced. Personnel and Services & Supplies only make up $3.5M, less than 3% of total GF. Overall, the agency's payroll is less than 3% of total budget.

A few additional notes to help interpret the spreadsheet. The "Program Area" column as labeled here are program areas that often hold multiple individual sub-programs, or have groups of projects within them. For example, "IFA Project Funding" is funding that is typically direct legislative allocations to specific projects, or carryover limitation from ongoing projects from the previous biennium. Same with "Special Projects" in the Arts and culture area.

To help interpret a couple other labels, "Small Business Assistance Programs" is the Small Business Development Center Network and Government Contract Assistance Program. "Community Support and Outreach" is the popular Technical Assistance Program.

We're happy to clarify anything else in our budget detail or the reductions identified for this exercise.

2) What training have your 200 people have received that is "non-essential" such as DEI training?

We have professional development budgeted for our people as part of the standard Services & Supplies allocation per employee, so that they can continue to develop skills and knowledge associated with their work. We consider developing our people a core responsibility of the management team.

Staff engage in lots of training opportunities, from our global trade team taking training on changes to federal trade grant programs to updates on public records law. Applicable staff are encouraged to seek out training in technical areas such as data visualization, contract drafting, or GIS mapping.

All our staff take advantage of the resources provided by DAS through Workday Learning. No paid DEI training is planned for this biennium.

Business Oregon 2025-27 Legislatively Adopted Budget (LAB)

Program Area	FF	GF	GF - DS	LF	LF - DS	OF	OF - NL	OF - NLDS	Grand Total
	Fund Type								
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Metals and Manufacturing				$11,973,768					$11,973,768
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Business Finance Programs	$54,477,561					$12,227,855	$12,976,050		$79,681,466
Business Retention Services				$186,351		$119,958			$306,309
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Community Development Block Grant	$34,372,680								$34,372,680
Special Public Works Program						$259,997	$240,898,044	$10,822,359	$251,980,400
Water/Waste Water Program		$100,000				$3,000,000	$50,912,956		$54,012,956
Safe Drinking Water Program							$65,907,837		$65,907,837
Ports Programs						$1,604,639	$2,341,534		$3,946,173
IFA Project Funding	$14,650,000	$15,614,092		$15,805,418		$469,194,146			$515,263,656
Housing Infrastucture Projects		$79,800,206		$646,540		$2,960,733			$83,407,479
Seismic Rehabilitation Program				$156,022		$286,950,000			$287,106,022
Brownfields	$5,523,859					$3,487,000	$22,580,993		$31,591,852
Industrial Lands						$10,129,500			$10,129,500
Broadband Programs	$163,253,006			$1,712,353		$164,662,873			$329,628,232

Levee Grant Program						$33,129,500			$33,129,500
Child Care Infrastructure						$26,654,161			$26,654,161
									$1,744,367,989
12300-500-00-00-00000 - Film and Video									
12300-500-01-00-00000 Film and Video				$1,541,600					***$1,541,600***
12300-600-00-00-00000- Arts and Cultural Trust									
Arts Commission Programs	$2,301,442	$4,815,489				$1,327,742			$8,444,673
Cultural Trust Programs						$10,704,552			$10,704,552
Special Projects		$15,432,888				$12,653,300			$28,086,188
									$47,235,413
12300-900-00-00-00000 - Debt Services									
Lottery Bond Debt Service					$71,493,013				$71,493,013
General Fund Debt Service			$107,198,055					$8,026,000	$115,224,055
									$186,717,068
Total	**$283,071,658**	**$120,185,928**	**$107,198,055**	**$127,448,168**	**$71,493,013**	**$1,136,964,158**	**$395,617,414**	**$18,848,359**	**$2,260,826,753**

Summary of Budget by Expenditure Objects

	FF	GF	GF - DS	LF	LF - DS	OF	OF - NL	OF - NLDS	Grand Total	%of Total Budget
3000 - Personnel Services	$6,669,394	$2,431,512		$30,155,998		$27,463,002			$66,719,906	*2.95%*
4000 - Services and Supplies	$9,198,096	$1,027,752		$10,334,017		$17,385,790	$584,090		$38,529,745	*1.70%*
6000 - Special Payments	$267,204,168	$116,726,664		$86,958,153		$1,092,115,366	$395,033,324		$1,958,037,675	*86.61%*
7000 - Debt Services			$107,198,055		$71,493,013			$18,848,359	$197,539,427	*8.74%*
Grand Total	**$283,071,658**	**$120,185,928**	**$107,198,055**	**$127,448,168**	**$71,493,013**	**$1,136,964,158**	**$395,617,414**	**$18,848,359**	**$2,260,826,753**	***100%***
Deduct Budget for bond proceeds						-$637,161,481				
Deduct Budget for ARPA - Other Funds received from DAS						-$360,262,835				
GF, LF, OF Budget as the base for the 5% reduction	N/A	$120,185,928	N/A	$127,448,168	N/A	$139,539,842	N/A	N/A	**$387,173,938**	
GF, LF, OF 5% reduction target - agencywide		*$6,009,296*		*$6,372,408*		*$6,976,992*			*$19,358,697*	