



February 5, 2020

Re: HB 4033

Chair Lively, Vice-Chairs Fahey and Wilson, Members of the Committee:

My name is Beth Cooke and I am here today on my own behalf in support of House Bill 4033. I have spent over twenty years involved in Oregon's start-up and business community, beginning with my time as a program manager at Portland State University, and then as the west coast marketing manager for Babson College - one of the top schools for entrepreneurship in the country.

I have served the small business and startup community in a variety of roles, from selecting and managing sponsorships for support organizations such as the Oregon Entrepreneurs Network, TiE Oregon and others, to advising and working directly with emerging companies. I am the former Executive Director of the Oregon Growth Board, and I am a proud member of the board of Micro Enterprise Services of Oregon, also known as MESO.

I won't repeat all that others have said regarding the need for improved access to capital for our underrepresented communities. The need is clear. I want to thank Ashley Henry and Better Business Portland for helping bring this bill forward. This is an amazing effort.

I would like to focus on the benefits the bill provides.

I am encouraged by efforts to find ways to supplement reserve funds. These mechanisms allow organizations such as MESO to do more, at a lower cost to our borrowers. This is an important way for the state to leverage resources in an innovative way, enabling community partners to loan funds at more affordable rates to borrowers.

The study within the bill offers the opportunity to tie the knowledge gained in the existing Oregon Capital Scan with the voices and experiences of the business owners who are at the greatest need. The Oregon Entrepreneurs Network is a trusted resource within our business community. OEN will be able to bring together the partners and stakeholders needed to provide better information on the experiences of women, minority, rural and veterans doing business in our state, and will help identify ways services and programs can be improved.

OEN is well positioned to take on this role. Amanda Osborne, OEN's new executive director, has a proven track record of being able to successfully manage research projects, for instance, working throughout the state with stakeholders within the food industry while at EcoTrust. I know Amanda has the expertise to manage the elements needed to successfully lead this study - I am excited to see it completed.

I was one of the advocates who worked to pass the Oregon Investment Act in 2012, and later worked with Business Oregon to implement the program. The Oregon Growth Board, which manages the

Oregon Growth Fund, has shown talent in deploying funds to assist in improving access to capital. The Oregon Growth Fund started making investments in 2014. I was tasked at the time with conducting the due diligence on those early investments, and I have been excited to see their success. I felt privileged to find and work with dedicated managers at programs such as Oregon's Community Development Financial Institutions (CDFIs) including Nita and the team at MESO, and Lynn Meyer at NEDCo's Community Lending Works, as well as many others.

For instance, look at the TiE Angels Tap Fund I. From a small initial investment in that first fund by the Oregon Growth Fund it led to the creation of the Impact Fund by the same team. The Impact Fund led the team to create Elevate Capital, which focuses on "Forging Great Companies with Venture Capital and Mentorship." Elevate Capital is an inclusive venture capital fund, with 82% of its investments made in women, minority, or veteran-led companies. Seventy-eight percent of Elevate's investments have been made in Oregon, and the 38 companies where investments have been made have already created over 360 jobs.

This story is not unique. From Cascade Angels and Seven Peaks in Central Oregon, to MESO in the Metro area and beyond, and Community Lending Works in Springfield, the Oregon Growth Board has proven how relatively small sources of capital from the state can lead to great things happening within our small business and startup community, particularly for those entrepreneurs who may have been previously shut out and unable to access resources to grow their companies.

Whether it is a company that intends to grow rapidly to scale, or the owner who wants to create and hold onto what they build, the need is the same. Better access to capital, open to all communities. Ways of combining capital with the technical assistance and mentorship needed to help business owners thrive. Providing access to capital within our own communities. Working with managers of programs who are engaged and ready to help take companies to the next level, whether it be a previously "un-bankable" borrower moving from a CDFI to their local bank or credit union, to the entrepreneur who is ready to move forward and access additional levels of venture investment needed as their company grows and succeeds. It all starts here, with you.

I am asking for your support in this effort. Please pass HB 4033, and then help to see that the necessary funding within the bill is secured. I know that this is a bigger ask during a February session, but the time is now.

You have a team in place at Business Oregon that is passionate about this topic and ready to work with you and advocates such as Better Business Portland. The talent at Business Oregon, including Kate Sinner, along with John Saris, and the newly hired director of the Oregon Growth Board Ricardo Lopez, have the expertise needed to help vet partners that will be successful. I am particularly excited to see Ricardo take on his new role, with his background in Finance at Treasury.

This bill will directly and positively impact a broad range of entrepreneurs, from the micro-lending borrower who may be taking out that \$100 loan to help establish credit, to entrepreneurs looking for venture capital and hoping to scale their companies. House Bill 4033 is a worthy investment and I hope you will lend it your vote.

Sincerely,

Beth Cooke