



February 24, 2021

Joint Committee on Ways & Means - Transportation & Economic Development Subcommittee

900 Court St. NE

Salem, Oregon 97301

Chair Beyer, Chair Gomberg, and Members of the Committee:

As a community and economic development organization involved in fostering a vibrant entrepreneurial and small business ecosystem in our region, Klamath Falls Downtown Association is alarmed by a proposed \$1.8 million cut to Business Oregon's budget that will impact the Oregon Small Business Development Center Network and Oregon's local SBDCs, particularly during what will likely be the greatest time of need many of our small businesses have or ever will face.

In our region, the Klamath Community College SBDC – with support from the state SBDC network – provides critical support to our small businesses and entrepreneurs, particularly as they face the often shocking and everchanging dynamics of this pandemic. KFDC and other Main Street organizations around Oregon often refer business owners and entrepreneurs to the SBDC for assistance in a number of areas including business planning, capital access, cashflow management, intellectual property issues, and succession planning. We know through reports from our business owners that the SBDC has played a critical role in helping them through their pandemic response and also during recovery as they begin to proactively address deficiencies exposed during the pandemic. Immediately following the onset of the pandemic, the SBDC was designated as THE technical service provider for SBA programs such as EIDL and PPP. I am confident that – were it not for the SBDC – the number of businesses lost to the pandemic would be significantly higher in our region. The SBDC also played a significant role in deploying tens of millions of dollars of timely federal aid into the hands of our small business owners.

Local SBDCs are critical in all of the areas they serve in Oregon, but especially in economically fragile areas. In many of these communities there are no other resources capable of backfilling the no-cost business advising and highly specialized training currently provided by local SBDCs. Local SBDCs have relationships in their communities so they know how to make sure the right services are available to the right small businesses at the right time. They are uniquely positioned to ensure that ALL of our small businesses – be they woman- or minority-owned, failing or prospering, startup or multi-generation – have access to the services and local resources they require to be successful. There is no way this model could be duplicated with centralized delivery of SBDC services on a super-regional or statewide basis. Make no mistake, the impact of this change will be disproportionately damaging in rural communities where it is likely SBDCs will no longer be viable without state funding to match their local communities' investment. If this proposed budget cut is not averted, a vacuum will be created across rural Oregon where essential small business services once existed.

We urge the legislature to actively work to dispose of this harmful proposal and protect vital funding for the Oregon SBDC Network and our local SBDCs.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "W. Darin Rutledge".

W Darin Rutledge, Executive Director