

SB 1579 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Action Date: 02/11/22

Action: Do pass and refer to Ways and Means by prior reference.

Vote: 3-1-1-0

Yeas: 3 - Jama, Lieber, Taylor

Nays: 1 - Knopp

Exc: 1 - Hansell

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/8, 2/10, 2/11

WHAT THE MEASURE DOES:

Directs the Oregon Business Development Department (Business Oregon) to develop and implement an Economic Equity Investment Program to award grants to qualified organizations that provide culturally responsive services to 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 Business Oregon to conduct biennial evaluations of organizations receiving grant moneys and specifies the contents of the evaluations and requires Business Oregon to report on the evaluations to the Legislative Assembly by September 15 of each even-numbered year. Establishes the Economic Equity Investment Fund as separate and distinct from the General Fund and to be appropriated to Business Oregon for purposes of developing and implementing the Economic Equity Investment Program. Appropriates \$50 million to Business Oregon out of the General Fund. Becomes operative on January 1, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Need to address economic gaps for women
- Critical need for intergenerational wealth building
- Lack of access to wealth building for most Oregonians
- Effectiveness of culturally responsive organizations at providing assistance at culturally specific programs
- Focus of measure on addressing historical issues left unaddressed
- Harms caused by housing discrimination and war on drugs

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 advisory bodies and boards associated with specific programs, including business finance programs that are backed by lottery dollars for direct loan and loan guarantees.

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Business Oregon's Strategic Plan for 2018-2022 notes that persistent economic disparities exist among people of color and other represented communities, despite growth rates higher than the state's overall population. 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. The Strategic Plan states that 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.