



Date: January 24, 2023

To: Chair and Members of the Senate Labor and Business Committee

From: Scott Bruun, OBI

RE: Testimony in support of SB 44

Chair,

Thank you for the opportunity to testify in support of SB 44, a bill which would help employers navigate Oregon's increasingly complex and constantly changing regulatory and permitting landscape. As you can imagine, as the state's largest business trade association, OBI is in a position where we hear often about the challenges that employers have in fully understanding and working effectively within our ever-shifting regulatory environment.

This last summer, for example, OBI led a statewide manufacturing bus tour. During most of August, we visited more than two dozen manufacturers across the state. And at each stop, we were delighted to be joined by local and state elected leaders, and even federal elected leaders at several of the tours. We heard about and saw the great things these innovative businesses are doing for their employees, their communities, and how they are - without exception - proactive leaders in sustainable practices. It was fantastic. But we also heard about the challenges these innovators face, including significant challenges managing, understanding or working within Oregon's regulatory and permitting systems.

One example among many: We heard from a major Oregon employer about a project at one of its Oregon facilities, and an identical project at one of its facilities in Georgia. The project was to invest in and install equipment which would improve the recovery of waste materials in its manufacturing processes. Incidentally, this project when complete creates 25-30 new, permanent, good-paying jobs. In Georgia, it took 9 months from permit application to completion of the project. In Oregon it took nearly two years for the permitting process alone, and the project is still not completed.

Now I do want to say that our support for SB 44 and for other regulatory improvement concepts this session should not be construed as a critique of the people and teams working very hard throughout our state agencies. We all know and have seen that expert talent abounds at every level throughout state government. We also appreciate that several state agencies have established small business advocate offices and are usually very helpful when people can find them. But obviously something isn't working quite right because we hear all the time that people just don't know where to go or what to do.

And at the same time, we must acknowledge the increasing regulatory cost and complexity faced by businesses in Oregon. Simply put, it places Oregon businesses at a competitive disadvantage. It makes it harder for Oregon businesses to compete with firms outside of Oregon; it makes it harder to attract new investment and new jobs into Oregon; and unfortunately, it's one more factor that an Oregon employer will consider when it considers whether to stay in Oregon or grow in Oregon.

One of the ways we can improve the environment for Oregon's employers is through SB 44, which would create the office of business ombuds at the Dept of Administrative Services. Simply put, this new office would assist Oregon businesses operating in good faith toward regulatory compliance. As the bill says, the new office would work collaboratively to avoid problems and penalties in favor of achieving workable resolutions.

A few of the key goals and benefits include:

- Communication: It would be a central office that can help communicate with businesses to make sure they know where to go, where to start.
- Ease: it's a one-stop shop. It would help businesses that may have regulatory needs or challenges that span several agencies. Here, business compliance issues can be triaged with the help of a customer service focused ombuds. The office can leverage experts from other agencies, of course, but this would be a place where consumers would have the confidence to start. In effect, this is a source of regulatory constituent services for businesses in Oregon.
- Doing this at DAS also provides consolidated data collection & reporting: A central office that gathers info both from businesses and from other agencies would provide a more comprehensive picture of the environment. Toward that, the ombuds office would be required to report on the issues its seeing and being asked to solve, which in turn will provide the legislature and the governor's office with data and insight in order to help address some very real systemic challenges.
- Size: this office would work well for both smaller and larger businesses. Certainly, a smaller business which does not have the HR, compliance or regulatory team resources that a larger business may have would benefit from an ombuds office. But this helps larger businesses too, especially those which are growing or expanding.

I'll close this by saying this is in many ways like a bill you passed in 2021, the Office of Taxpayer Advocate which is now up and operating at the Department of Revenue. Like that office, the Business Ombuds office would be a key, front line advocate and customer service provider for Oregonians and Oregon businesses who want to thrive and have much to give back to our state but need assistance navigating an increasingly complex landscape.

Thank you.

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