



February 5, 2024

Interim House Committee on Economic Development
and Small Business

The Certification Office for Business Inclusion and Diversity (COBID) is where the public and private sector turn to find businesses of color for contracting opportunities in Oregon. The problem with this system is that the process to become certified is so challenging that many business owners of color, especially Black business owners, struggle to complete the process or simply choose not to pursue COBID certification. As a result, the COBID database is not representative of businesses of color that are licensed to operate in Oregon.

Every business that wants to operate in the state of Oregon must apply for a business license and renew the license annually through the Secretary of State's Office. While it is possible to view all businesses that are licensed to operate in Oregon through the Secretary of State website portal, there is no way to identify which businesses are owned by people of color.

There are many businesses owned by people of color that are licensed to do business in Oregon, but it is difficult to find out who owns the businesses and where they are located. This makes it challenging for private sector businesses to find businesses of color for contracting opportunities. It also makes it difficult for organizations that can help businesses get COBID certification, identify and locate businesses owned by people of color to help them get certified. Businesses owned by people of color are not getting enough contracting opportunities in the private and public sector because of this issue and legislative proposal can help remedy this problem.

A new approach to help Oregon do a better job in helping create opportunity for businesses owned by people of color, is legislation that would allow every business that applies for or renews a business license, to identify the ethnicity of the business owner or principal of any corporation legally operating in state of Oregon on the business license application. In addition, the Secretary of State website portal should be updated to allow the non-profit organizations that serve businesses owned by people of color to request a list of businesses using the race or ethnicity of the business owner as a filter.

2022 marked the 20th year for Annual Leadership Summit, a forum that draws business, community, and elected leaders from across the state to address policy issues critical to Oregon's economy and life.

In preparation for the event, Oregon Business prepared a preliminary 10-point policy agenda with an overarching vision of Shared Prosperity, that will present opportunities for action in 2023 and beyond. Point number 9 of the policy is, **"Economic Development: Create an economic development infrastructure that supports business expansion statewide."**

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The preamble of Policy Point 9 states, “It’s time to rethink how we organize for economic development. Effective economic development efforts bring community leaders together to provide responsive services and to make the case for doing business here. Currently, Oregon’s public and private efforts are well-meaning, but scattered and misaligned. As a result, Oregon is missing opportunities to create, recruit and grow businesses.”

One of the 3 recommendations in this section is to, **“Create a state-level forum to identify and address the specific challenges of minority and women owned businesses.”**

To be successful with this recommendation, it is important for the state to be able to identify the individual businesses that are owned by people of color and where their businesses are physically located. This is the best way to identify and address specific challenges of businesses owned by people of color.

State Representative Janelle Bynum State Representative supported by her colleagues, have introduced Oregon House Bill 4101 which authorizes the Secretary of State to collect, share and communicate with approved organizations, information about ethnicity, gender, and veteran status of businesses that have chosen to operate in Oregon.

This legislation calls for the establishment of a Business Registration Information Center within the Office of the Secretary of State to collect culturally specific data from existing and new registrants and share the information with community-based organizations that foster economic development culturally specific businesses. The data will make it easier for these economic development organizations to find all of businesses that already exist and help them grow, hire employees, increase their revenues, and pay more taxes. When all businesses are doing well in the state, Oregon’s economy will be stronger.

Sincerely,

A handwritten signature in cursive script that reads "Lance".

Lance J. Randall
Executive Director
Black Business Association of Oregon