Budget Presentation
Reference Document

Transportation and Economic Development
Subcommittee of Ways and Means

March 2025

TABLE OF CONTENTS

Supplemental Links 1

Budget Summary 2
- 2025-27 Governor's Recommended Budget Summary 3
- Budget Summary Graphics 5

Agency Background 12

Agency Summary 22
- Mission Statement and Statutory Authority 23
- Agency Three-Year (2024-27) Strategic Plan Summary 23
- Criteria for 2025-27 Budget Development 24
- Agency 2025-27 Legislative and Budget Priorities 25
- Key Agency Programs & Business Units 26
- Environmental Factors 35
- 2025-27 Initiatives 36
- Major Information Technology Projects/Initiatives Summary 43

Organization Charts 2025-27 46

Audits 2025-27 52

Supervisory Span of Control Report 54

Program Prioritization for 2025-27 59

Information Technology Reports 61
- Information Technology: Strategic Plan 62
- Information Technology: Project Prioritization Matrix 73
- Information Technology: Business Case for Economic Development Management System 77
- Information Technology: Business Case for Economic Development Management System - Addendum 97
- Information Technology: Policy Option Package 104 – EDMS Modernization Program Continuation 100

10% Reduction Options 104

Long-Term Vacancies 109

Ending Balances: Other Funds, Lottery Funds, and ARPA 111

Supplemental Links

- Business Oregon: Home
- 2025-27 Governor's Recommended Budget
- 2024-2027 Strategic Plan
- Affirmative Action Plans
- Key Performance Measures/APPRs
- Annual Reports

Budget Summary

2025-27 Governor's Recommended Budget Summary

The Governor's Recommended Budget (GRB) was introduced December 2, 2024. The Governor's budget for Business Oregon is **$2.08 billion total funds**. This is an 8.5% decrease from the 2023-25 Legislatively Approved Budget (LAB), primarily due to a phase out of one-time funding.

	2025-27 Governor's Recommended Budget	2023-25 Legislatively Approved Budget	Changes
General Funds (GF)	$101,303,948	$217,229,120	-$115,925,172
GF Debt Service	$111,134,553	$101,570,704	$9,563,849
General Fund Total	**$212,438,501**	**$318,799,824**	**-$106,361,323**
Lottery Funds (LF)	$133,943,423	$127,928,392	$6,015,031
LF Debt Service	$66,293,285	$49,851,609	$16,441,676
Lottery Funds Total	**$200,236,708**	**$177,780,001**	**$22,456,707**
Other Funds (OF)	$1,125,288,509	$1,252,618,485	-$127,329,976
OF Debt Service	$0	$1,168,695	-$1,168,695
OF Non-limited	$436,396,993	$365,625,744	$70,771,249
OF Non-limited DS	$10,822,359	$15,599,577	-$4,777,218
Other Funds Total	**$1,572,507,861**	**$1,635,012,501**	**-$62,504,640**
Federal Funds	**$94,273,416**	**$141,262,092**	**-$46,988,676**
Total Funds	**$2,079,456,486**	**$2,272,854,418**	**-$193,397,932**

The Governor's budget includes new investments and additional investments for existing programs including business assistance, housing infrastructure, childcare facilities, seismic improvements to schools and emergency services buildings, port improvements, and completion of projects currently underway with one-time appropriations. The following were new additions to the GRB through the Governor's own package and agency Policy Packages:

Description	Funds	Fund Source
Governor's Budget Package:	**$30,750,624**	
PKG 090: Analyst Adjustment	$28,812,660	GF/LF/OF/FF
PKG 092: Statewide AG Adjustments	-$83,906	GF/LF/OF/FF/OF NL
PKG 093: Statewide Adjustment DAS Chgs	-$329,946	GF/LF/OF/FF
PKG 081: May 2024 E-Board	$2,351,816	OF/FF
Agency Requested POPs:	**$897,470,769**	
POP 100: Levee Ready Columbia	$21,884,206	LF/OF
POP 101: Lower Columbia Dredging	$15,160,371	OF
POP 102: Port Capital Improvement Program	$20,196,000	OF
POP 103: Operations Staffing	$1,693,265	LF/OF
POP 104: EDMS Modernization Program Continuation	$4,653,282	LF/OF
POP 105: Strategic Plan & DEI Plan Implementation	$350,000	LF/OF
POP 106: TA Underrepresented Businesses	$4,800,000	LF

POP 107: Expansion of Intl Trade & Investment	$400,000	LF
POP 109: EEIP Staffing	$92,485	OF
POP 110: Child Care Infrastructure Program Staffing	$344,233	OF
POP 114: Small Business Sustainability Fund	$1,000,000	LF
POP 115: Special Public Works Fund	$52,017,598	LF/OF NL
POP 116: Special Public Works Fund – Levee Subaccount	$10,129,500	OF
POP 117: Seismic Rehabilitation Grant Fund	$158,130,262	GF/OF
POP 118: Industrial Site Loan Fund	$10,129,500	OF
POP 119: Port Revolving Loan Fund	$11,122,648	LF/OF NL
POP 120: Marine Navigation Improvement Fund	$1,000,000	LF
POP 122: Child Care Infrastructure Fund	$30,339,000	OF
POP 123: Oregon Broadband Office (Placeholder)	$2	OF/FF
POP 124: Lottery Fund Carryover	$21,197,542	LF
POP 125: General Fund Carryover	$88,652,325	GF
POP 126: Other Fund Capital Projects Carryover	$322,515,883	OF
POP 500: HH-Housing Infrastructure & Site Readiness	$105,965,689	LF/OF/FF
POP 501: HH-Brownfields Redevelopment Fund	$10,129,500	OF NL
POP 502: HH-Brownfields Property Revitalization Fund	$5,567,478	LF/OF
TOTAL	**$928,221,393**	

DS: Debt Service, GF: General Funds, LF: Lottery Funds, OF: Other Funds, FF: Federal Funds, GRB: Governor's Recommended Budget, LAB: Legislatively Approved Budget, POPs: Policy Packages, FTE: Full Time Equivalent

2025-27 Governor's Recommended Budget By Use

Infrastructure
$1,531.1M / 73.6%

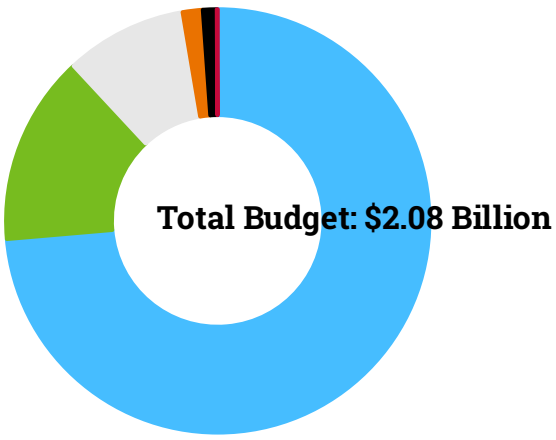
Business, Innovation, Trade
$300.3M / 14.4%

Debt Service
$192.6M / 9.3%

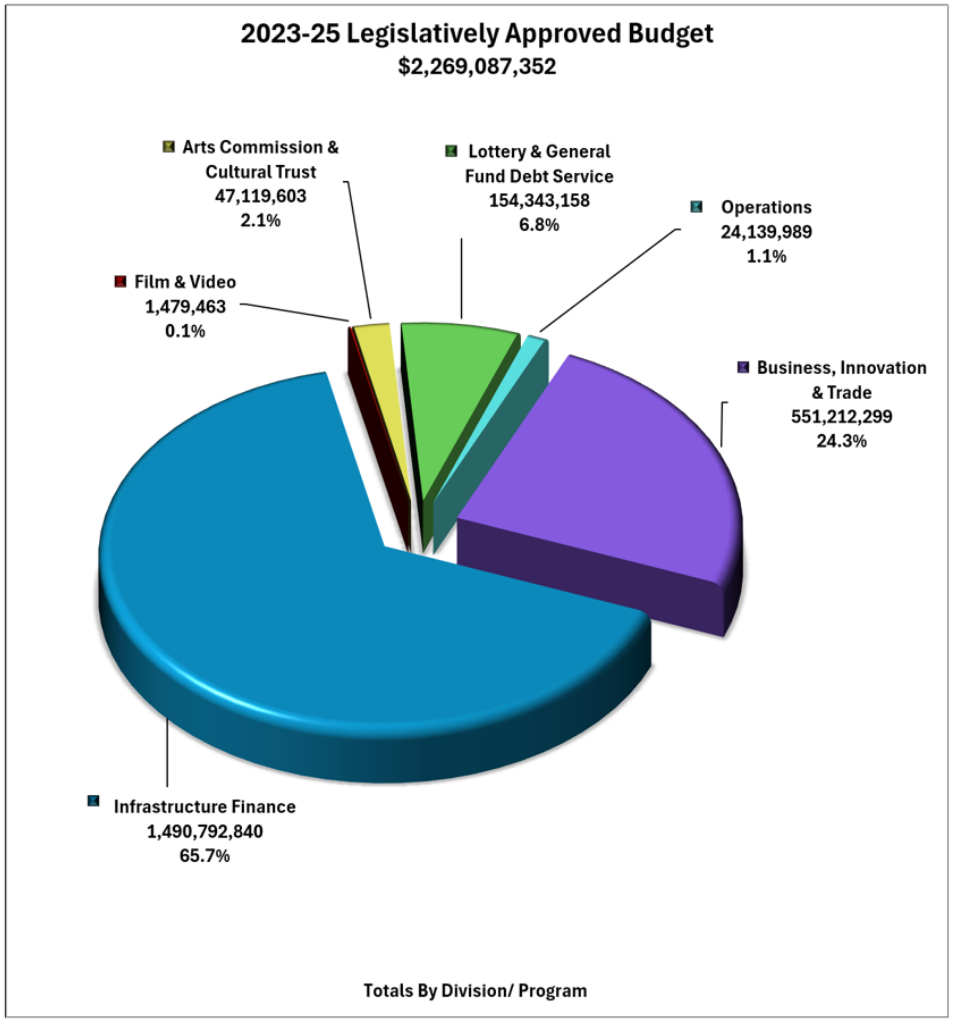
Operations
$31.8M / 1.5%

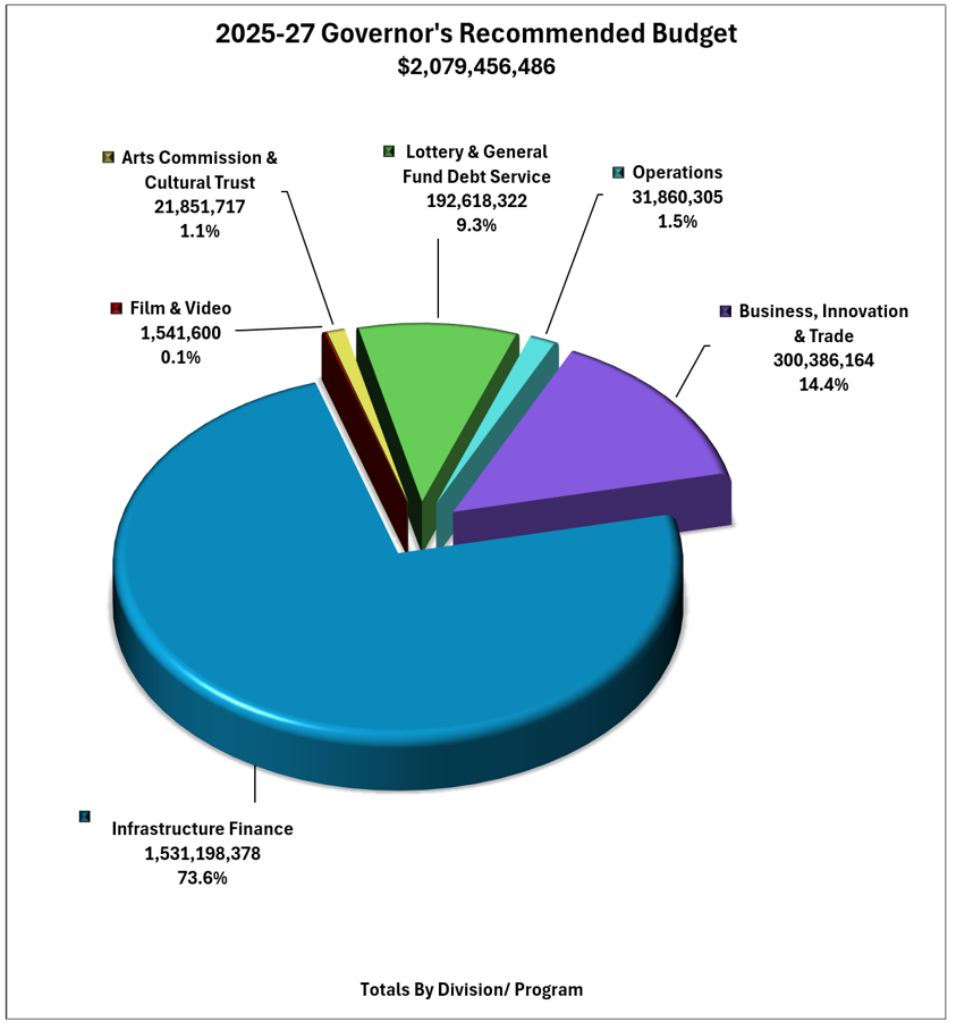
Arts & Culture
$21.8M / 1.1%

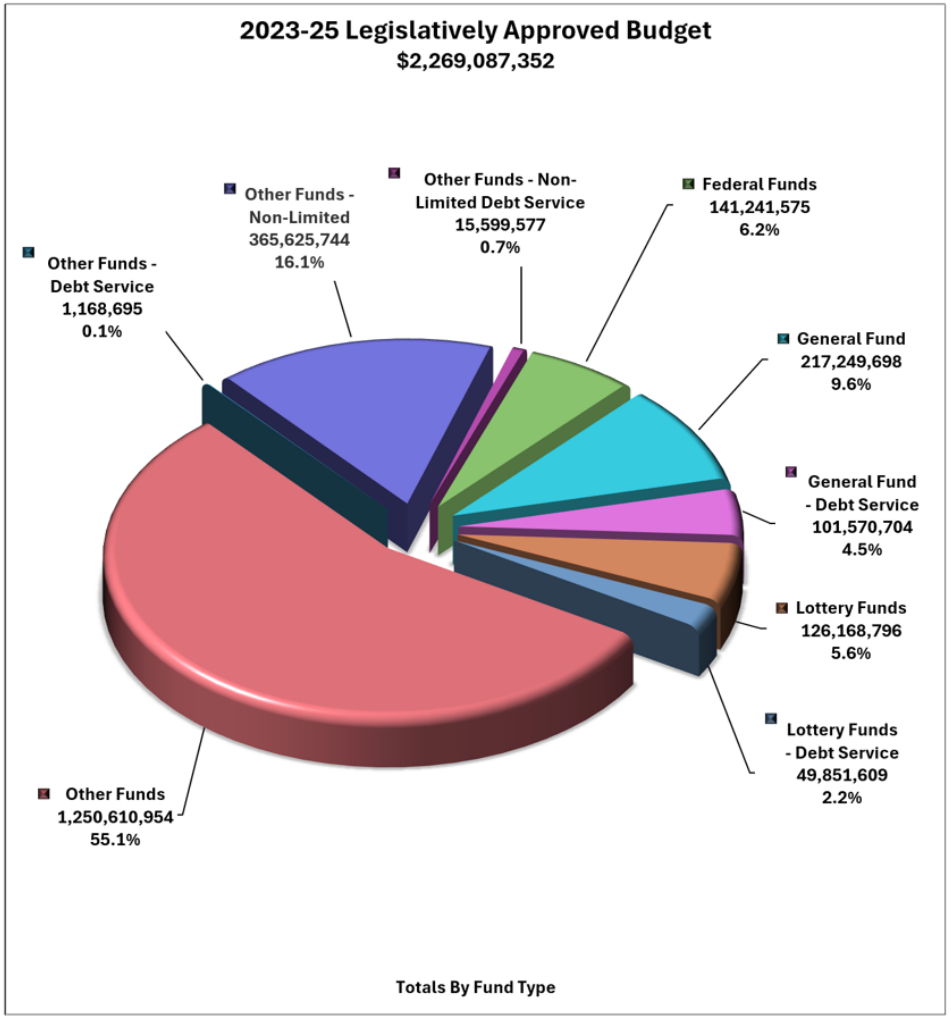
Film & Video
$1.5M / 0.1%

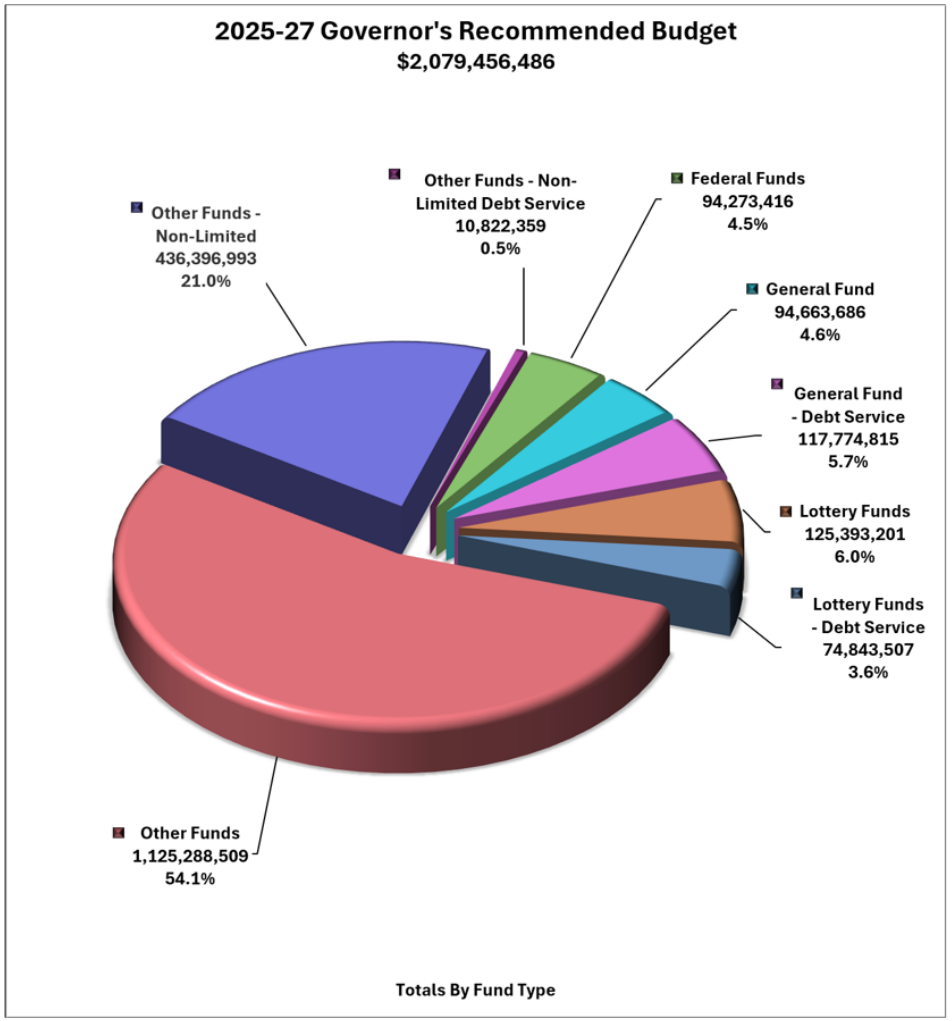


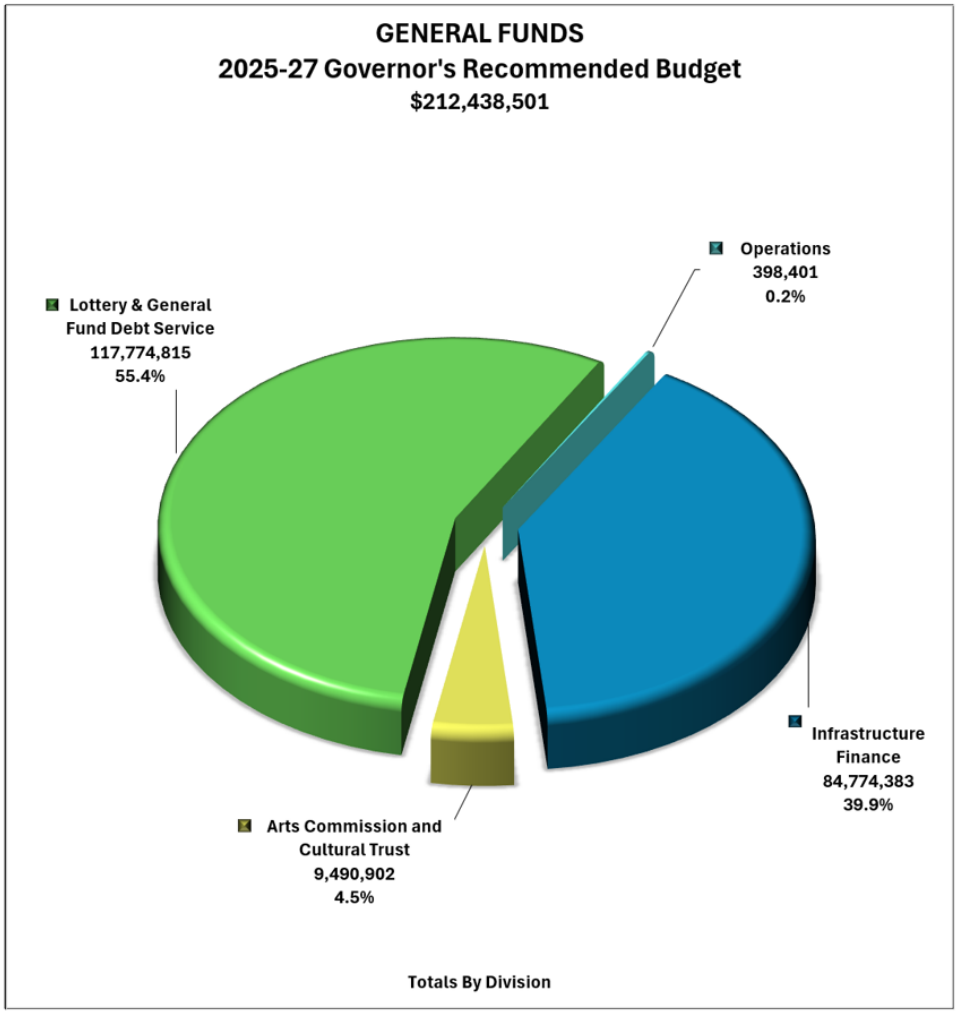
Published December 2024

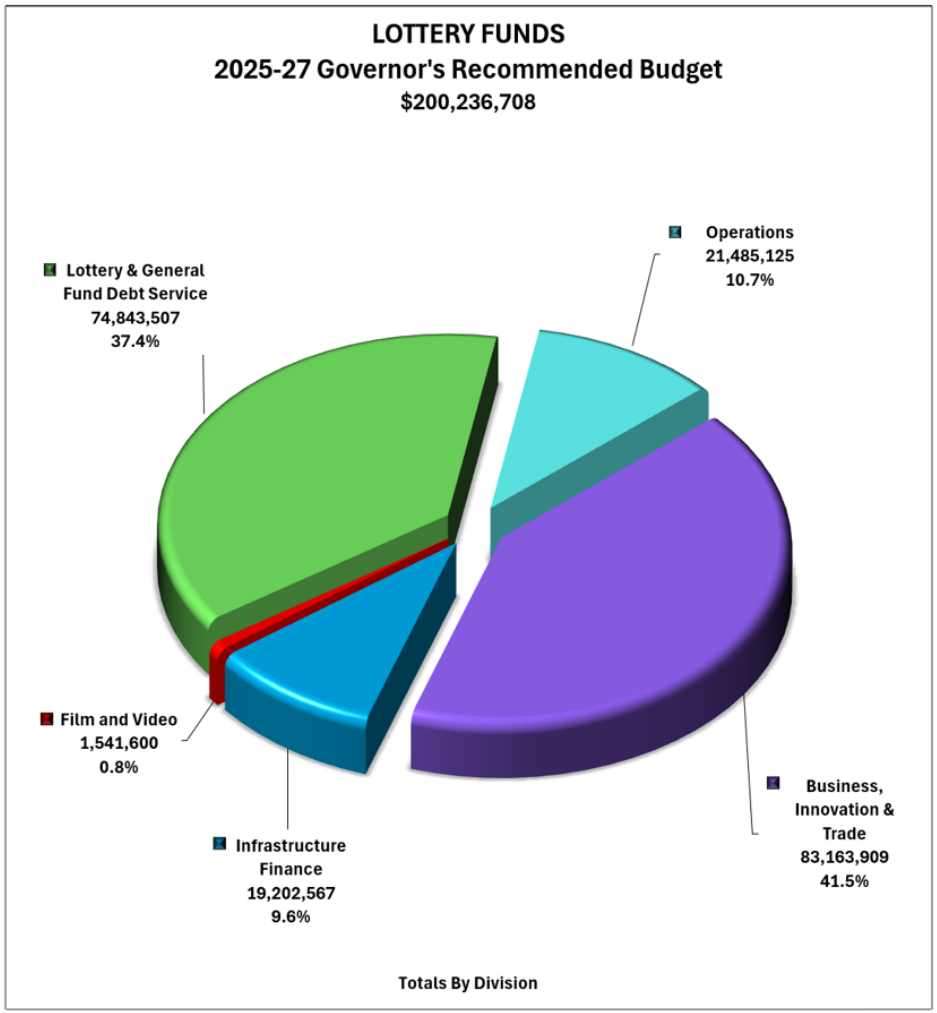

2023-25 Legislatively Approved Budget
$2,269,087,352
Arts Commission & Cultural Trust
47,119,603
2.1%
Lottery & General Fund Debt Service
154,343,158
6.8%
Operations
24,139,989
1.1%
Film & Video
1,479,463
0.1%
Business, Innovation & Trade
551,212,299
24.3%
Infrastructure Finance
1,490,792,840
65.7%
Totals By Division/ Program

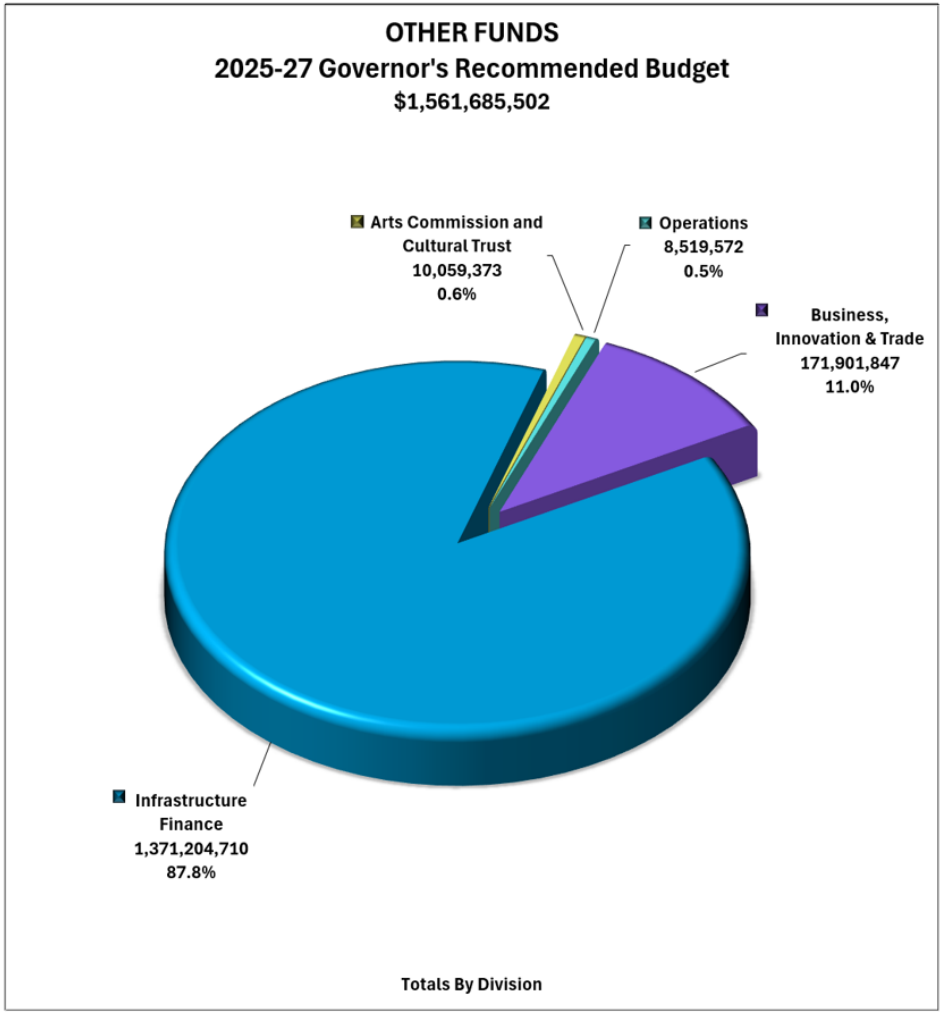

2025-27 Governor's Recommended Budget
$2,079,456,486
Arts Commission & Cultural Trust
21,851,717
1.1%
Lottery & General Fund Debt Service
192,618,322
9.3%
Operations
31,860,305
1.5%
Film & Video
1,541,600
0.1%
Business, Innovation & Trade
300,386,164
14.4%
Infrastructure Finance
1,531,198,378
73.6%
Totals By Division/ Program

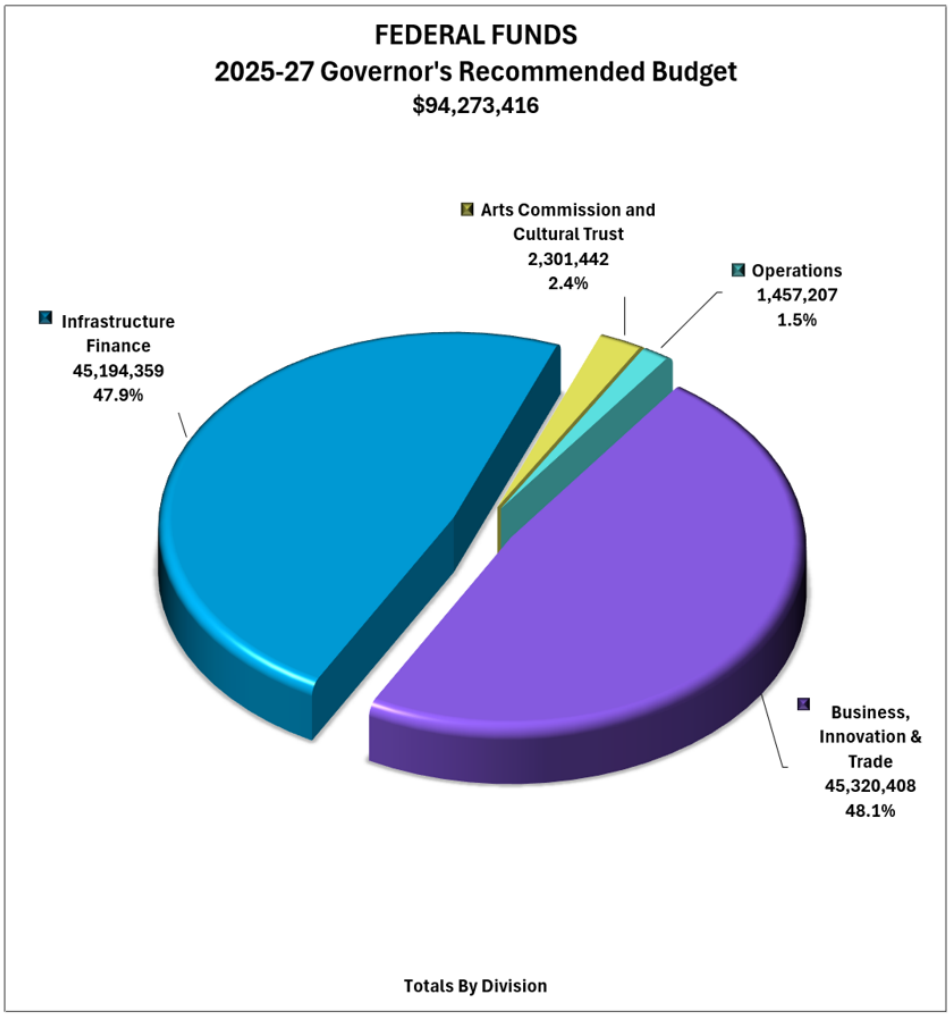

2023-25 Legislatively Approved Budget
$2,269,087,352
Other Funds - Non-Limited
365,625,744
16.1%
Other Funds - Non-Limited Debt Service
15,599,577
0.7%
Federal Funds
141,241,575
6.2%
Other Funds - Debt Service
1,168,695
0.1%
General Fund
217,249,698
9.6%
General Fund - Debt Service
101,570,704
4.5%
Lottery Funds
126,168,796
5.6%
Lottery Funds - Debt Service
49,851,609
2.2%
Other Funds
1,250,610,954
55.1%
Totals By Fund Type

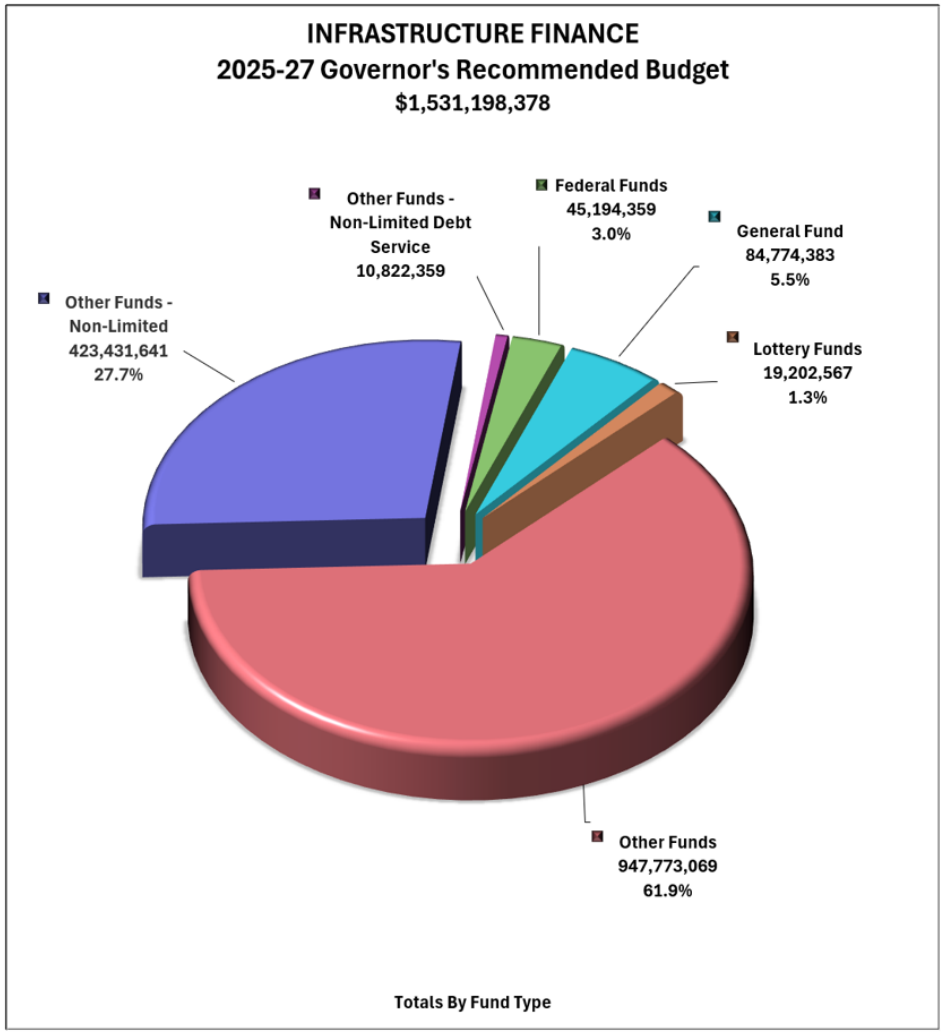

2025-27 Governor's Recommended Budget
$2,079,456,486
Other Funds - Non-Limited
436,396,993
21.0%
Other Funds - Non-Limited Debt Service
10,822,359
0.5%
Federal Funds
94,273,416
4.5%
General Fund
94,663,686
4.6%
General Fund - Debt Service
117,774,815
5.7%
Lottery Funds
125,393,201
6.0%
Lottery Funds - Debt Service
74,843,507
3.6%
Other Funds
1,125,288,509
54.1%
Totals By Fund Type

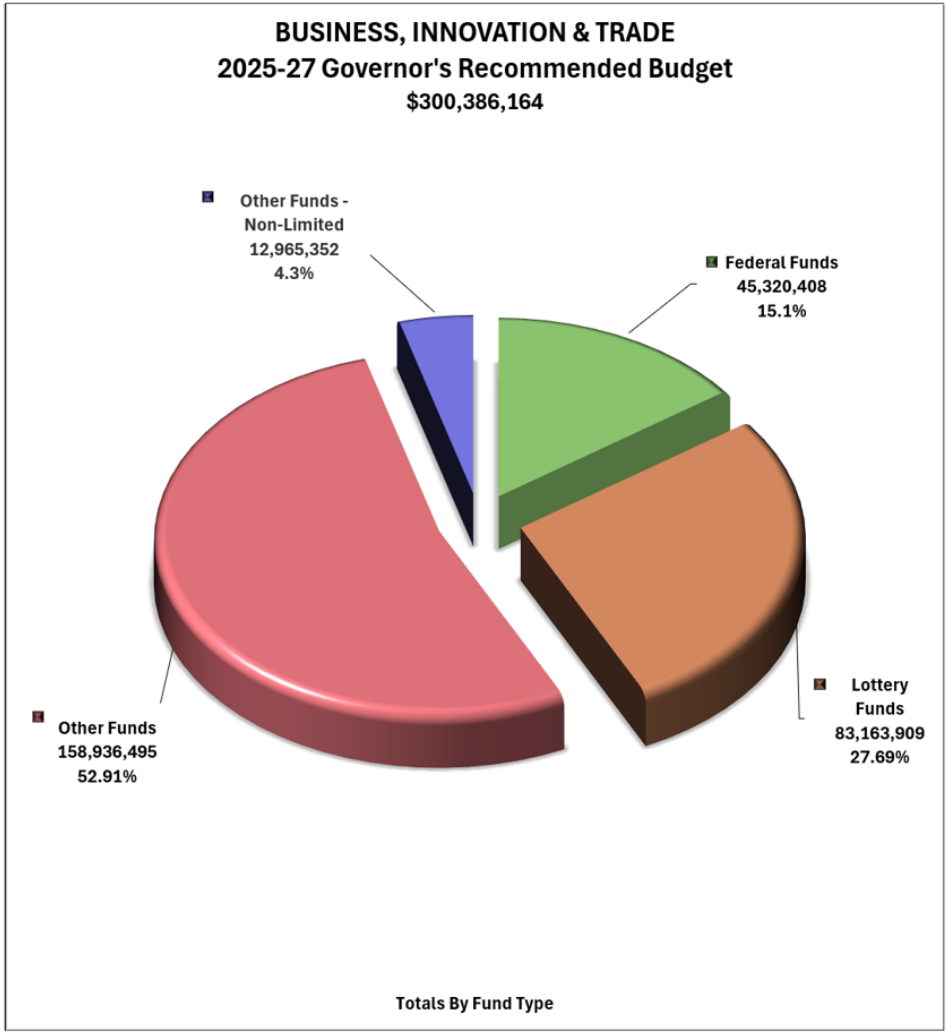

GENERAL FUNDS
2025-27 Governor's Recommended Budget
$212,438,501
Operations
398,401
0.2%
Lottery & General
Fund Debt Service
117,774,815
55.4%
Infrastructure
Finance
84,774,383
39.9%
Arts Commission and
Cultural Trust
9,490,902
4.5%
Totals By Division

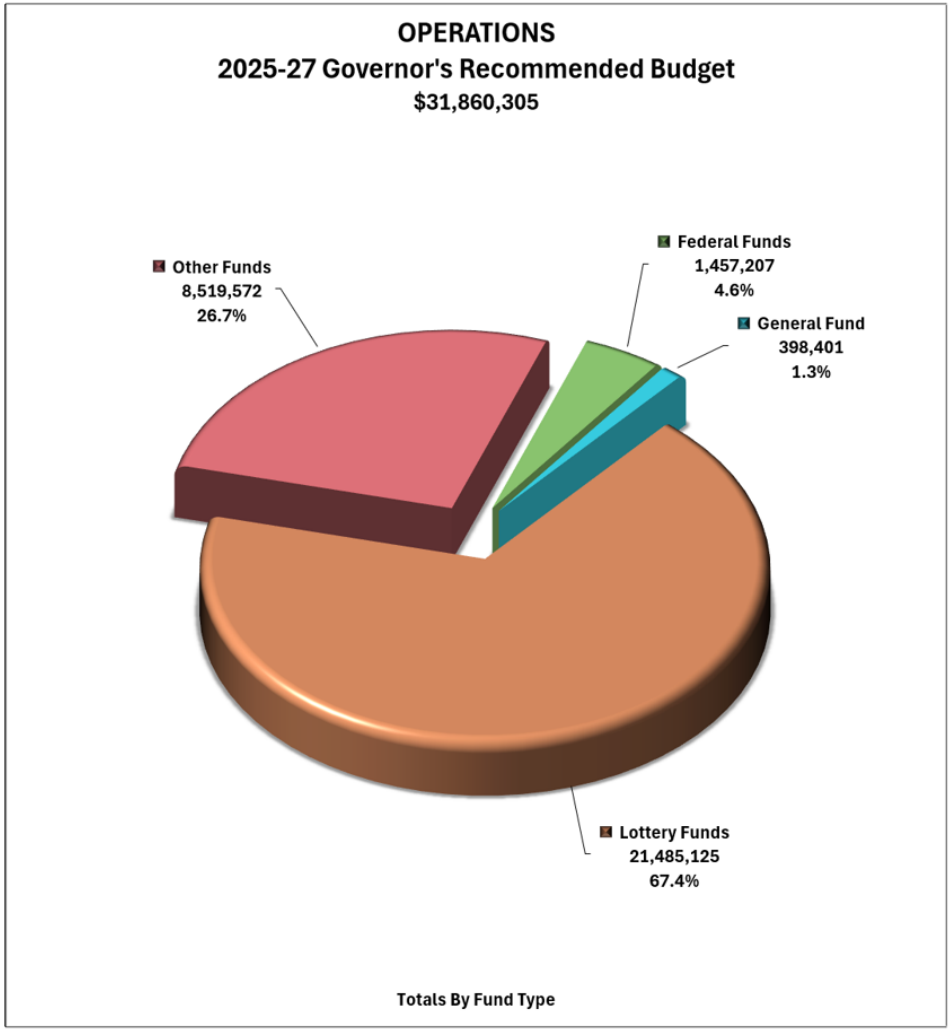

LOTTERY FUNDS
2025-27 Governor's Recommended Budget
$200,236,708
Operations
21,485,125
10.7%
Lottery & General
Fund Debt Service
74,843,507
37.4%
Film and Video
1,541,600
0.8%
Infrastructure
Finance
19,202,567
9.6%
Business,
Innovation &
Trade
83,163,909
41.5%
Totals By Division

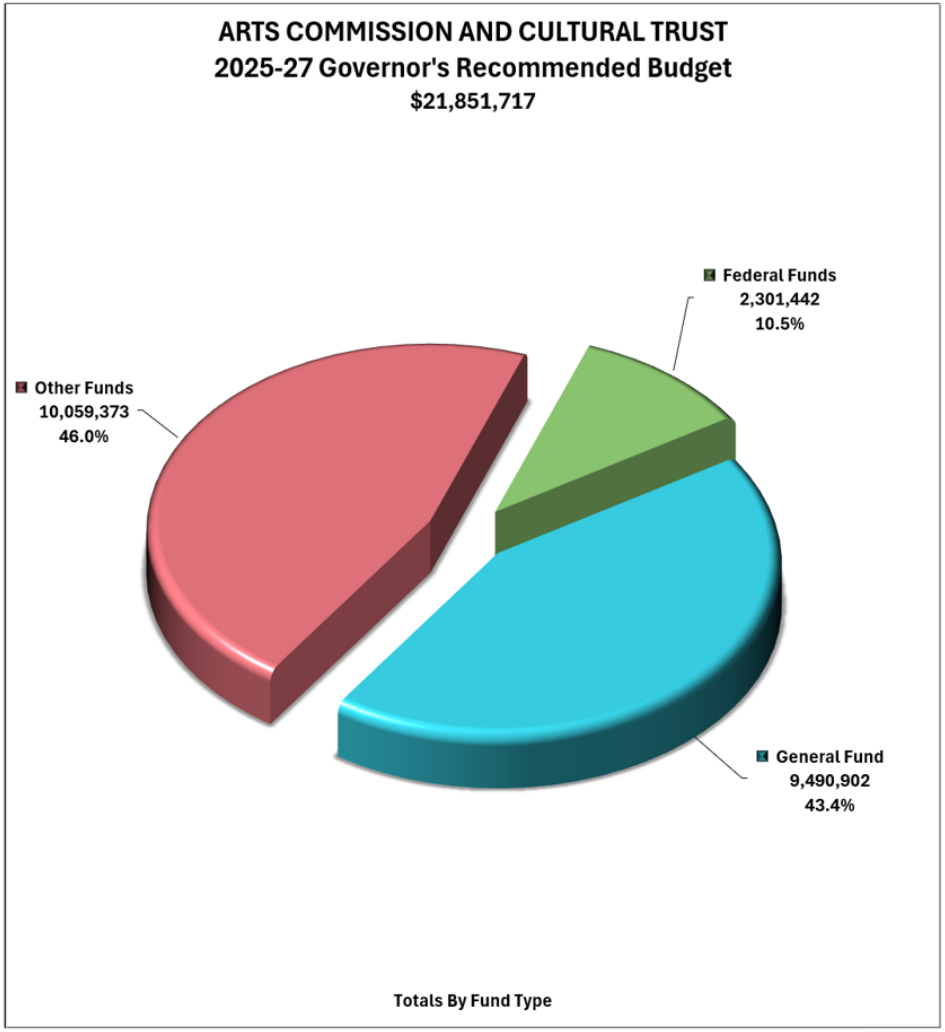

OTHER FUNDS
2025-27 Governor's Recommended Budget
$1,561,685,502
Arts Commission and Cultural Trust
10,059,373
0.6%
Operations
8,519,572
0.5%
Business, Innovation & Trade
171,901,847
11.0%
Infrastructure Finance
1,371,204,710
87.8%
Totals By Division

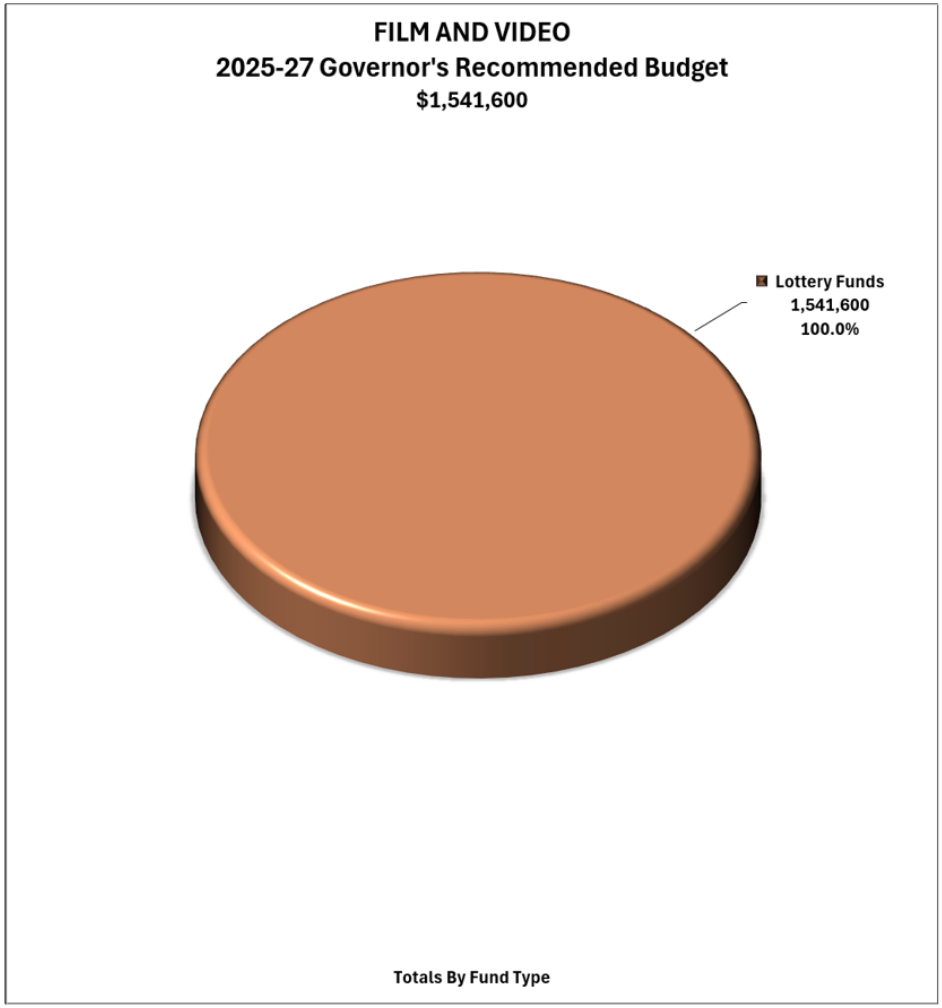

FEDERAL FUNDS
2025-27 Governor's Recommended Budget
$94,273,416
Arts Commission and Cultural Trust
2,301,442
2.4%
Operations
1,457,207
1.5%
Infrastructure Finance
45,194,359
47.9%
Business, Innovation & Trade
45,320,408
48.1%
Totals By Division

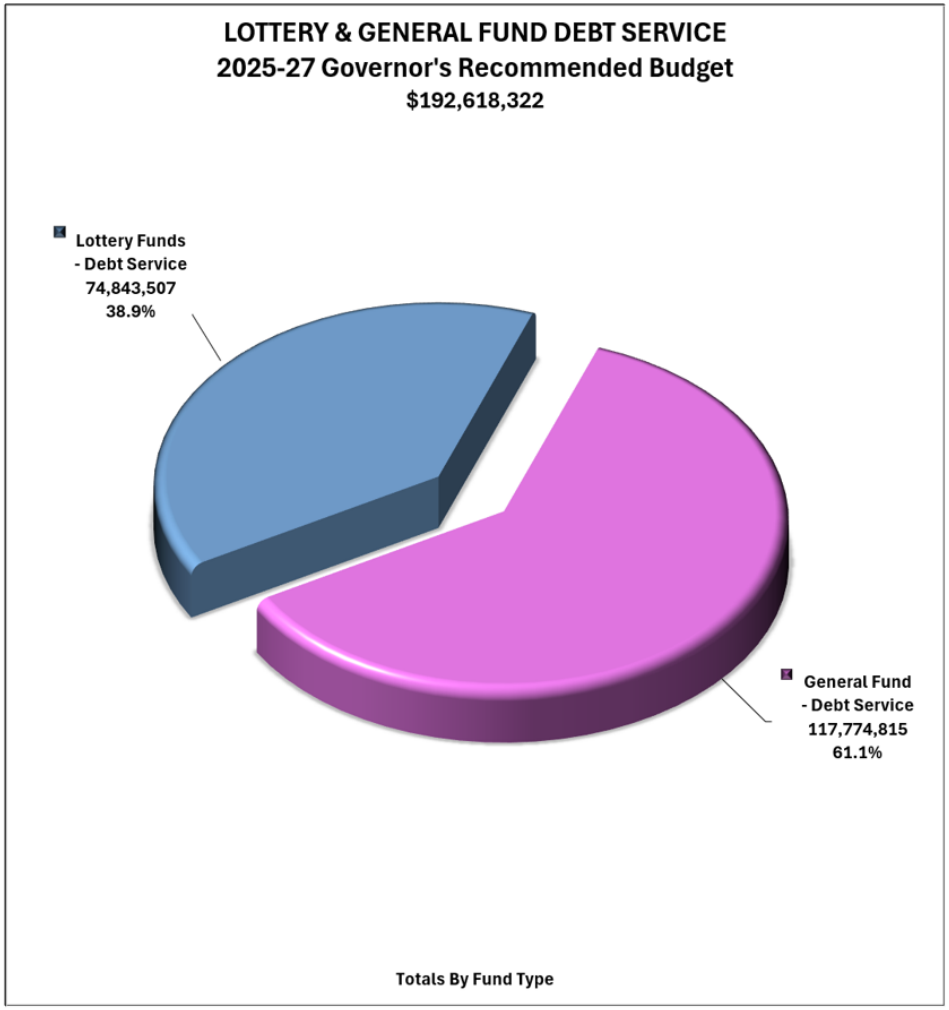

INFRASTRUCTURE FINANCE
2025-27 Governor's Recommended Budget
$1,531,198,378
Other Funds - Non-Limited Debt Service 10,822,359
Federal Funds 45,194,359 3.0%
General Fund 84,774,383 5.5%
Other Funds - Non-Limited 423,431,641 27.7%
Lottery Funds 19,202,567 1.3%
Other Funds 947,773,069 61.9%
Totals By Fund Type


BUSINESS, INNOVATION & TRADE
2025-27 Governor's Recommended Budget
$300,386,164
Other Funds - Non-Limited 12,965,352 4.3%
Federal Funds 45,320,408 15.1%
Other Funds 158,936,495 52.91%
Lottery Funds 83,163,909 27.69%
Totals By Fund Type


OPERATIONS
2025-27 Governor's Recommended Budget
$31,860,305
Other Funds
8,519,572
26.7%
Federal Funds
1,457,207
4.6%
General Fund
398,401
1.3%
Lottery Funds
21,485,125
67.4%
Totals By Fund Type


ARTS COMMISSION AND CULTURAL TRUST
2025-27 Governor's Recommended Budget
$21,851,717
Federal Funds
2,301,442
10.5%
Other Funds
10,059,373
46.0%
General Fund
9,490,902
43.4%
Totals By Fund Type


FILM AND VIDEO
2025-27 Governor's Recommended Budget
$1,541,600
Lottery Funds
1,541,600
100.0%
Totals By Fund Type


LOTTERY & GENERAL FUND DEBT SERVICE
2025-27 Governor's Recommended Budget
$192,618,322
Lottery Funds
- Debt Service
74,843,507
38.9%
General Fund
- Debt Service
117,774,815
61.1%
Totals By Fund Type

Agency Background

Agency History

- 1953: The Agency has its roots in the Economic Development Commission created in 1952
- 1973: Established as a separate agency called the Economic Development Department
- 1984: First trade office opened in Tokyo. State Lottery established, with revenues dedicated to economic development
- 1993: Oregon Arts Commission added to Agency
- 1999: Agency statutes revised, and Agency becomes the Oregon Economic and Community Development Department
- 2003: Oregon Cultural Trust added to Agency
- 2005: Oregon Innovation Council launched
- 2009: Agency becomes Oregon Business Development Department, set up as “Business Oregon” under Assumed Business Name. Infrastructure Finance Authority established.
- 2013: Seismic Rehabilitation Program added to Agency from Military
- 2014: Oregon Growth Board added to Agency from Treasury
- 2019: Oregon Broadband Office established

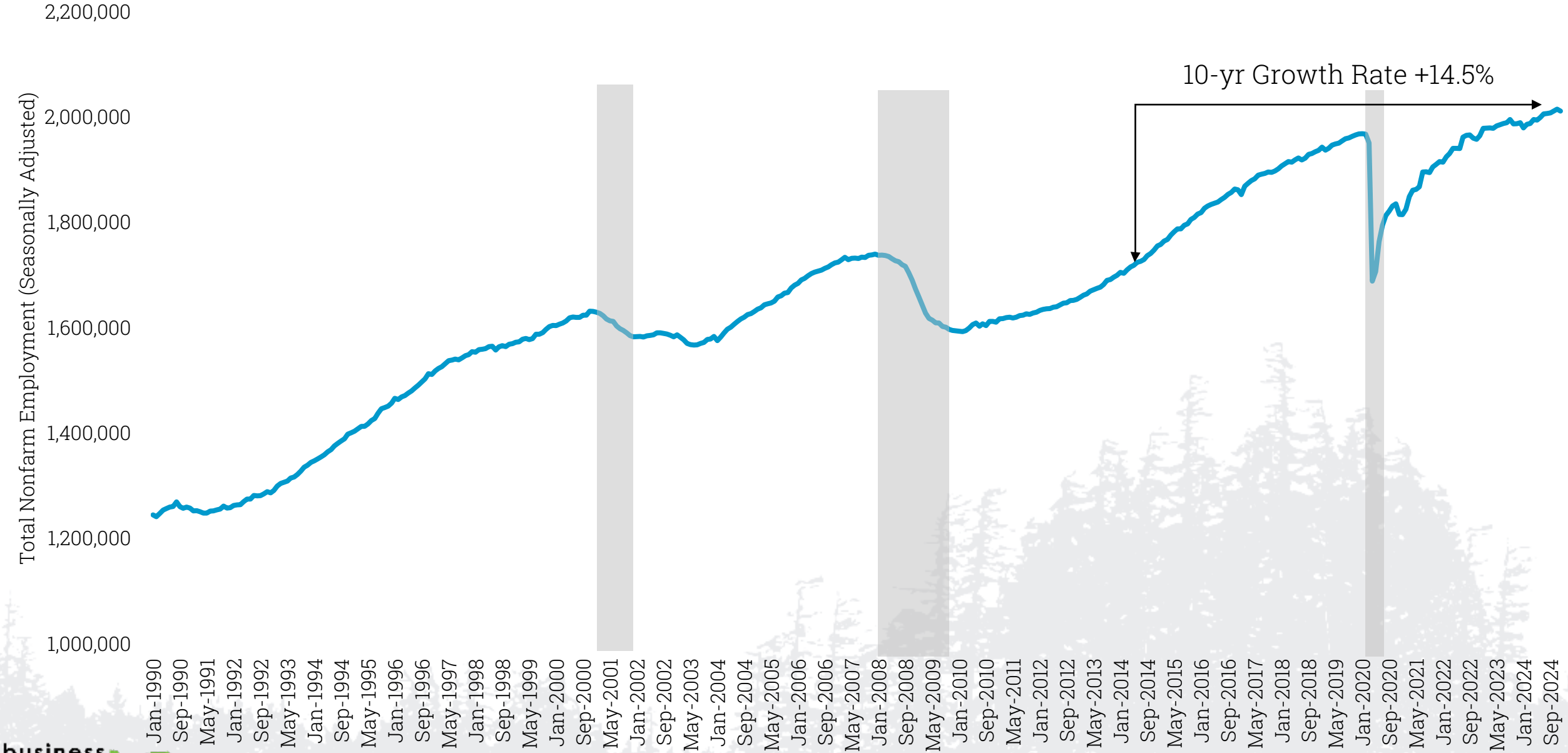
Economic Strengths

- **Innovation**: 7th highest Innovation Index score amongst states *(2024)*
- **Personal Income**: 8th fastest growth in personal income *(2013-2023), BEA*
- **Gross Output**: 9th fastest growth in gross domestic product *(2013-2023) BEA*
- **Labor Productivity**: 12th fastest gain in productivity per worker *(2013-2023) BLS, Labor Productivity Index*
  - 15th highest output per worker (2023), an improvement from 37th in 2013
- **Wage Growth**: 15th fastest growth in average wage *(2019-2023), BLS, QCEW*

Economic Headwinds

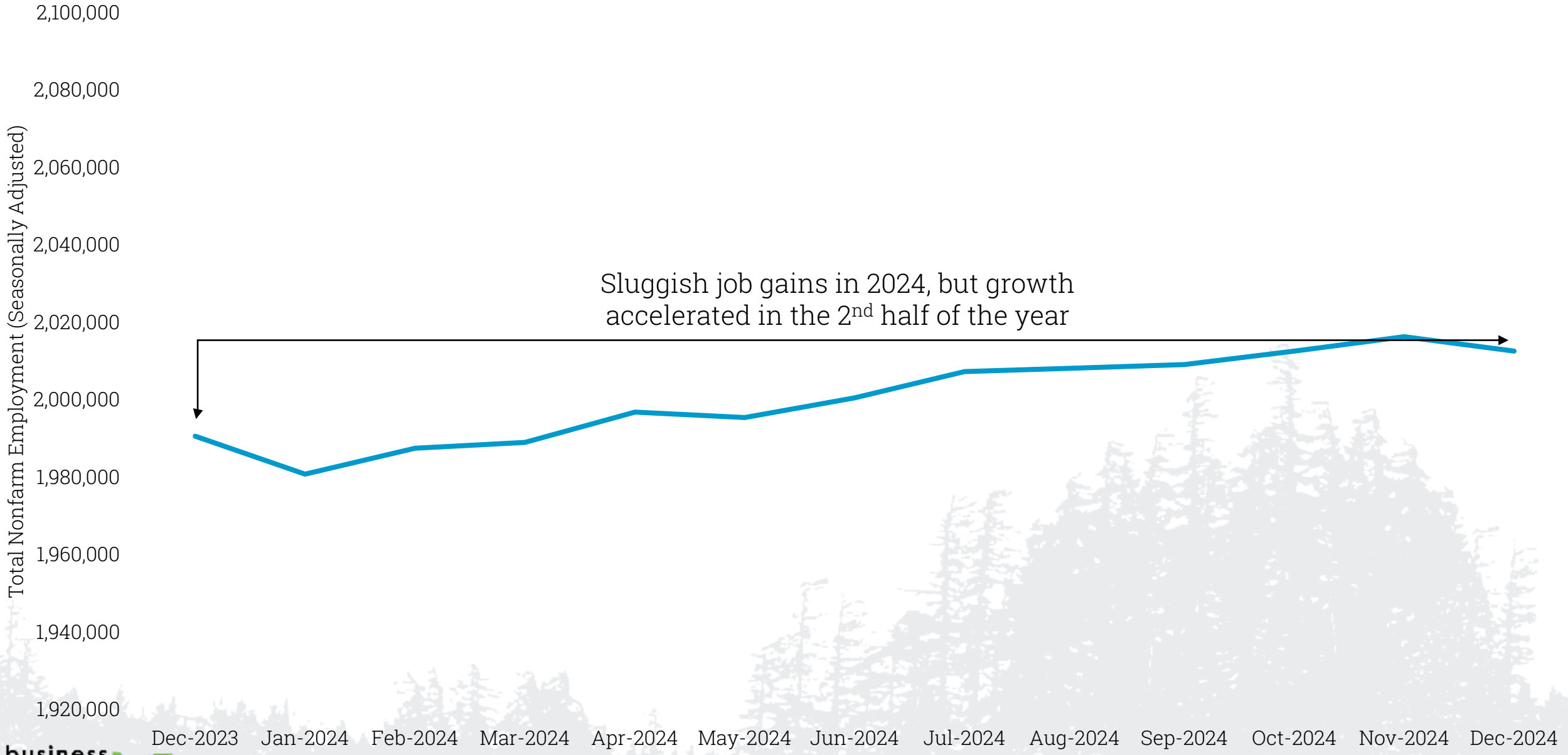
- **Job Growth:** Oregon posted slower job growth in past year, 0.3%
- **Population**: After subtle population declines in 2021, Oregon is growing, but at a very slow pace
  - +0.35% annually the past 3 years, *PSU, Population Research Center*
- **Demographics**: Oregon posted more deaths than births the last 3 years (-13,750). We rely exclusively on net in-migration for population and workforce growth.
  - 1 in 4 Oregon workers now 55 or older, *US Census*

The long-term view of Oregon's job growth



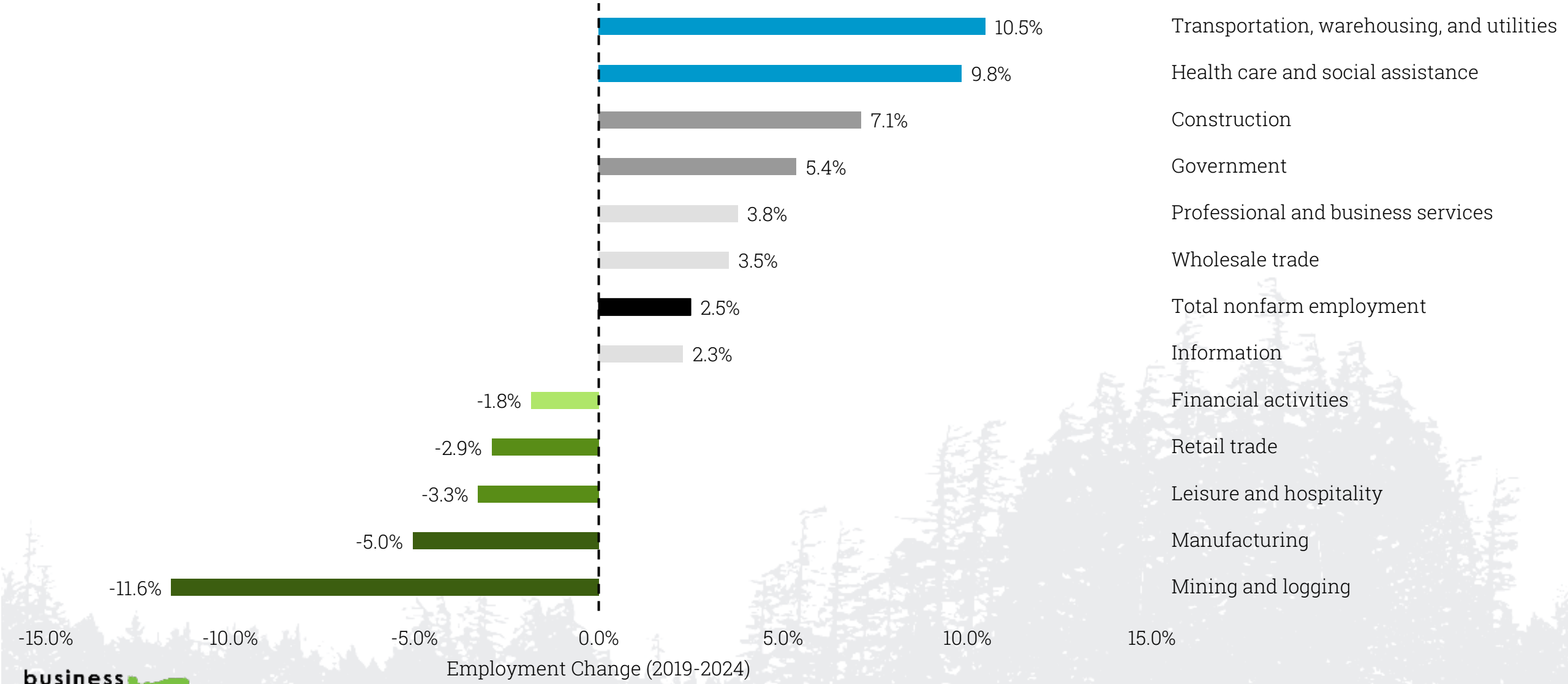
Source: Oregon Employment Department, Current Employment Statistics

The short-term view of Oregon's job growth



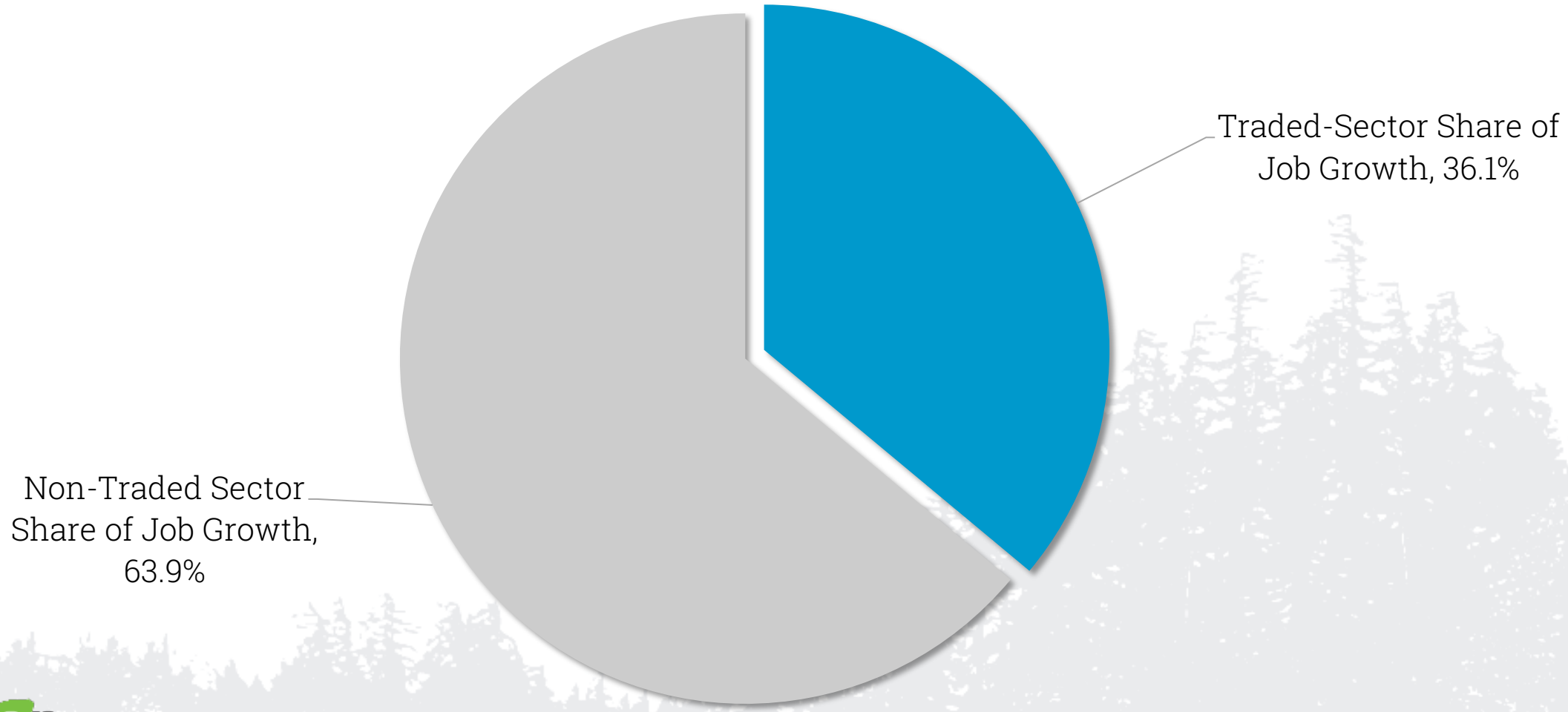
Source: Oregon Employment Department, Current Employment Statistics

Growth industries warehousing, health care, and construction, Meanwhile, Oregon's manufacturing sector experiencing declines



Source: Oregon Employment Department, Current Employment Statistics

Traded sector businesses accounted for 36% of Oregon's job gains over the past 5 years, higher than traded-sector's share of total employment (33%)



Source: Oregon Employment Department, Current Employment Statistics

Governor's Agency Expectations

Measure	Business Oregon	All Agencies
Strategic Planning: Strategic plan in place and updated within the prior 36 months	**Yes**	97%
DEI Planning: Diversity, Equity and Inclusion (DEI) plan updated in the prior 24 months	**Yes**	78%
Technology Planning: IT strategic plan submitted and approved, aligning with enterprise initiatives.	**Yes**	100%
Succession Planning: Annual succession plan in place	**Yes**	95%
Leadership: Agency director 360 review every two years	**Yes, Scheduled 4/2025**	
Employee Engagement: % of employees responding to employee satisfaction survey	**91%**	60%
Employee Engagement: Gallup Q12 Mean engagement score	**4.07/5**	3.75/5 (2023)
Emergency Preparedness: Complete COOP on Time	**Yes**	68%
Emergency Preparedness: % of OEM requirements that COOP Meets	**97%**	88%
Performance Feedback for Employees: % of Check-ins complete	**99%**	95%
Agency Hiring Practices: Time to Fill Vacant Positions	**44 Days**	63 Days
Agency Hiring Practices: Filled position percentage	**79%**	88%
Developing New Employees & Managers: New Employee Orientation (NEO) completed in 60 Days	**100%**	76%
Developing New Employees & Managers: Customer Service Training completed in 60 days	**100%**	99%
Developing New Employees & Managers: Managers Foundational Training Completed in 4 months	**2/3**	100/137
Developing New Employees & Managers: Uplift Your Benefits Training Completed in 30 days.	**100%**	91%

Definitions

- **Rural area:**
  Any area outside the Urban Growth Boundary of a city with a population of 30,000 or more is a rural area.

- **Small Business:**
  State: In our agency statutes, a small business has less than 100 employees.
  Federal: Small Business Administration's definition varies by industry, from 250 employees to as high as 1,500, plus distinctions based on annual revenue.

- **Economic Development Districts:**
  Established at the federal level by the EDA, Economic Development Districts (EDDs) are multi-jurisdictional entities, commonly composed of multiple counties. They help lead the locally-based, regionally driven economic development planning process that involves the public, private and non-profit sectors. This process results in a required Comprehensive Economic Development Strategy (CEDS), to guide the district.

- **Traded Sector:**
  Defined in statute as industries in which companies sell their goods or services into markets for which national or international competition exists.

Agency Summary

Mission Statement & Statutory Authority

The Oregon Business Development Department (Business Oregon) is charged with developing and implementing the state's economic development strategy. Business Oregon's vision is *Prosperity for all Oregonians.* The agency's mission is to *invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy*.

As the economic development agency for the state of Oregon, Business Oregon works with communities and businesses. We use our programs and expertise to help businesses grow, so they can in turn add jobs, diversify the economy, and increase Oregon prosperity. We work with communities to enhance and expand infrastructure, support community vitality, and increase community safety with projects such as water/wastewater systems, seismic rehabilitation for schools, support for cultural organizations, and rural broadband development. This also sets the stage for future business development. Given the agency's mission, Business Oregon is uniquely positioned to impact positive change, address economic inequities, and strengthen existing competitive advantages. The Department receives its statutory authority from Oregon Revised Statutes (ORS) Chapters 284, 285A, 285B, 285C, 359.010 through 359.142, 329.925, 777.267 and 777.277 through 777.287. The Department is also subject to Oregon Administrative Rule Chapter 123.

Agency Three-Year (2024-27) Strategic Plan

As Business Oregon has grown and diversified to take on emerging needs of the state's economy, with growth and diversification comes a need to step back and focus on what we must do as the state's economic development agency, while understanding there are many elements that impact economic development outside of our programs and services.

Business Oregon began that process to forge a new strategic plan at the end of 2023, and in June 2024 the new strategic plan was adopted by the Oregon Business Development Commission. Business Oregon's new strategic plan highlights a few shifts from the last plan. One agency goal that emerged through the process was the need to lead in the development of Oregon's economic development strategies. This means reviewing current approaches and leveraging regional strengths to elevate economic development work in Oregon and ensure there is a clear economic development path for the state. The planning process also resulted in a goal on how we can enhance customer service to meet business and community partner needs through internal strategies. And this plan doesn't stand alone. Our new Diversity, Equity, and Inclusion (DEI) plan was crafted at the beginning of our strategic planning process to put DEI at the forefront of this work. The DEI plan had its own analysis that informed it, resulting in the strategies supporting our goal to prioritize underserved communities to reduce barriers to prosperity.

The seven priorities for Business Oregon that emerged from the robust strategic planning process are:

1. Enhance Proactive Engagement and communication
2. Create Economic Opportunities through Excellence in Customer Service
3. Cultivate Community and Business Growth through Diverse and Responsive Services
4. Lead Development in Oregon's Economic Development Strategies
5. Care for our People and Culture
6. Strengthen our Relationships with Tribal Partners
7. Prioritize Underserved Communities to Reduce Barriers to Prosperity, in Alignment with the Agency DEI Plan

Business Oregon's complete Strategic Plan is included with this Governor's Recommended Budget packet and can also be found at our website. The agency's Strategic Plan was adopted by the Oregon Business Development Commission, the policy oversight body for Business Oregon. Other department policy and advisory bodies include the Infrastructure Finance Authority Board, the Oregon Broadband Advisory Council, the Oregon Arts Commission, the Oregon Cultural Trust Board, the Oregon Growth Board, and the Oregon Innovation Council, among others.

Criteria for 2025-27 Budget Development

Business, Innovation, Trade Program Criteria

- Will the program directly lead to livable wage job creation or business development?
- Will the program catalyze emerging industries or lead to the commercialization of new innovative products?
- Will the program address a critical small business growth resource barrier or create opportunities for underserved populations?
- Will the program enhance the development of competitive industry clusters to expand existing businesses and attract related businesses and services?
- Will the program enhance the state's business climate in a way that attracts and expands businesses while maintaining a high quality of life?

Infrastructure Financing Criteria

- Will the program increase the capacity or quality of local infrastructure systems?
- Will the program enhance the community's ability to compete for or develop new economic opportunities?
- Will the program streamline the time and costs associated with infrastructure?

Overall Criteria

In addition to meeting one or more of the above criteria, budget priorities were also based on:

- Does the program support all regions of the state, including rural communities?
- Does the program provide support to underserved individuals or communities?
- Will the program leverage other public and private resources?
- Can the outcomes of the program be sustained if state funding is reduced or eliminated?
- Does the program develop long-term capacity as well as short-term outcomes?

Agency 2025-27 Legislative and Budget Priorities

In the 2025-27 biennium, Business Oregon will focus on implementation of the agency's strategic plan priorities (see above). Maintaining current service level in terms of both human and budget resources is essential for Business Oregon to make progress in implementing our strategic plan next biennium. In addition to current service level, the agency is also requesting new resources for the 2025-27 biennium to ensure the agency remains on track to delivering outcomes under each of our priorities. The new resources (Policy Option Packages) can in most cases impact multiple priorities in the strategic plan, but for this budget prioritization exercise, we listed items under the following priorities:

1. Create Economic Opportunities through Excellence in Customer Service
2. Cultivate *Business* Growth through Diverse and Responsive Services
3. Cultivate *Community* Growth through Diverse and Responsive Services

Note that we took one of the agency priorities and split it in two for this exercise, to provide more context on what requests are more focused on community development and infrastructure improvements, and what requests are more focused on direct business growth and industry competitiveness work. We used these priorities as they were more directly relevant to the new programming funding requests.

Create Economic Opportunities through Excellence in Customer Service: Once we compel our customers to engage with us via our agency's priority around proactive communications, we want to provide excellent service and efficiently connect them with effective tools resources, or knowledge to help them prosper. Whether it's a municipality in search of infrastructure financing, a small business looking for expansion capital, or a community organization wondering how we could help them expand services, the budget requests connected to this goal are intended to help make it easy to do business with Business Oregon.

Cultivate *Community* Growth through Diverse and Responsive Services: The core of our programs and services are helping communities plan and finance infrastructure improvements and connecting businesses with resources necessary to grow. The community development portion of this work focuses on underlying strategies that address infrastructure financing targeted to rural communities, programs to enhance community livability, investments that improve the ability for goods to move through transportation systems, develops necessary infrastructure for business expansion opportunities, and programs that improve community safety.

Cultivate *Business* Growth through Diverse and Responsive Services: The business growth portion of this work focuses on underlying strategies that deliver resources for small businesses to scale and grow, including businesses from underrepresented communities; offer tailored services to grow targeted traded sector industries where Oregon holds existing or emerging competitive advantages; and increase Oregon exports of goods and services in key foreign markets.

Key Agency Programs & Business Units

To accomplish Business Oregon's mission, specific programs have been established in partnership with the Legislative Assembly, and in turn administered by agency staff within the agency organizational structure. The agency budget is complex, but divided into these high-level categories:

1. Business, Innovation, and Trade
2. Infrastructure Financing
3. Operations
4. Oregon Arts Commission and Oregon Cultural Trust
5. Oregon Film and Video Office

Business Oregon programs are described below in terms of key agency sections, grouped under the divisions listed above, though note there are programs which often support more than one outcome area.

BUSINESS, INNOVATION, AND TRADE (BIT)

BIT Budget Programs are structure as follows:

1. Business Services for Business Retention, Expansion, & Recruitment
2. Innovation and Business Resources
    a. Innovation and Entrepreneurship

b. Business Resources
c. Business Finance

Business Services for Business Retention, Expansion, & Recruitment

Business and Community Development programs exist to help Oregon businesses create or retain jobs and align local communities with infrastructure finance resources. Regional Development Officers serve as the gateway to Business Oregon's suite of services, working directly with community leaders and business partners to identify opportunities and address challenges related to business growth and community development. The agency's Business and Community Development unit is staffed by 30 positions. This program area is funded primarily by Lottery dollars but also includes Other Funds and Federal Funds.

- ***Regional Development.*** Provides technical assistance to companies to assist with the retention and expansion of existing businesses in Oregon. The team also serves as the lead relationship manager for local communities seeking assistance infrastructure funding from the agency. These services are led by the agency's 12 regional business development officers (RDOs) and 12 regional project managers (RPMs). This section is budgeted across both the agency's Business, Innovation, and Trade Division budget, and the Infrastructure Division budget.
- ***Global Trade & Recruitment.*** This section collaborates with partners to promote Oregon industries, goods, and investment opportunities. Global trade specialists connect small and medium-sized Oregon firms with overseas export opportunities, open new sales markets, and attract foreign direct investment. The team has two small business grant programs at its disposal. Staff serve as primary points of contact for trade missions to foreign markets and incoming delegations with an interest in Oregon's economic landscape. The team's recruitment officers manage business attraction and relocation projects to bring new employers to Oregon. This section also manages contracted foreign representatives to assist Oregon firms with exports in the respective countries, and to facilitate investment opportunities.
- ***Industry Competitiveness Fund (ICF).*** Supports strategies to increase the local, national, and global competitiveness of Oregon businesses and high-value industries. Current target industries include Advanced Materials, Apparel and Outdoor Gear, Business Services, Food and Beverage, Forestry and Wood Products, and High Technology, including Semiconductor and Clean Tech.
- ***Oregon CHIPS Program.*** The Oregon CHIPS Program provides $240 million in funding to assist Oregon semiconductor firms and suppliers expand in the state and take advantage of federal funding that is available from the federal CHIPS & Science Act. Forgivable loans and grants are available to companies to cover a portion of their project costs. The program was established by the Oregon legislature in Senate Bill 4 during the 2023 session. The ***Semiconductor Industrial Lands Loan Fund (SILL)*** is a part of Oregon CHIPS, with the purpose to accelerate investment in planning and improving industrial lands to support investment in semiconductor manufacturing uses and increase the state's inventory of project-ready industrial sites for semiconductor manufacturing industry investments. The SILL is one time funding under the Oregon CHIPS program, designed to reimburse government entities, property owners and businesses for development projects and planning activities.

- ***Business Incentives.*** Business Oregon's statewide Business Incentives offer several economic and tax incentive programs to Oregon businesses with the purpose of creating and retaining quality jobs in Oregon. The incentives encompass forgivable loan, property and state tax abatement, tax credit, and other targeted investment programs.
    - ***Strategic Reserve Fund.*** Discretionary incentive program designed to spur job creation and support catalytic economic development projects.
    - ***Business Expansion Program.*** Available to existing companies expanding operations in Oregon or new companies coming into the state. Cash-based incentive (forgivable loan) equivalent to the estimated increase in income tax revenue from new hiring.
    - ***Oregon Investment Advantage.*** Helps businesses start or locate new types of operations in a number of Oregon counties by providing an income tax subtraction, potentially eliminating state income tax liability on new operations over several years after they begin.
    - ***Enterprise Zone.*** Exempts businesses from local property taxes on new investments for a specified amount of time, which varies among the different zones across the state. There are currently 76 enterprise zones in Oregon: 58 rural and 18 urban. Local governments are responsible for creating, amending, managing, and renewing most of these zones.
    - ***Strategic Investment Program.*** A 15-year property tax exemption on a portion of very large capital investments. The program is available statewide.

Innovation & Business Resources

Innovation & Entrepreneurship

- ***Oregon Innovation Council (Oregon InC).*** Oregon InC is a unique body made up from the private sector, the state's four research universities, and government to create a new way to build innovation into the DNA of how Oregon does business. It has 15 voting members appointed by the Governor and 5 non-voting members appointed by Legislative leadership. Oregon InC develops and implements high-impact, strategic initiatives that allow existing innovation-based Oregon industries and emerging industries to grow through innovation. In the 2023-25 biennium, Oregon InC stood up two new programs: Centers of Innovation Excellence (CIEs) and Regional Innovation Hubs (RIHs), which were foundational in Oregon's 10-Year Innovation Plan. The Centers of Innovation Excellence (CIEs) focus on sector development, and the Regional Innovation Hubs take a regional approach to supporting innovators with business assistance, networking, and funding connections. As these programs were just launched in the 2023-25 biennium, they will be continued and evaluated for success during the 2025-27 biennium. Oregon InC will also continue to oversee the state's Small Business Innovation Research (SBIR) Support Program and the investment vehicle the Commercialization Gap Fund.
    - ***Oregon InC SBIR/STTR Support Program.*** Business Oregon manages a support program to help innovators, inventors, and entrepreneurs be more competitive in securing federal prototype grants through the national Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) grant programs. Support is offered in two ways: application support

grants and matching grants. Application support grants help Oregon entrepreneurs increase their chance of getting an award from the extremely competitive federal programs. Matching grants are awarded competitively to companies in Oregon that have received federal awards and help fill gaps where the federal funds cannot be used but are important activities to establishing a competitive business.

- ***Oregon InC Commercialization Gap Fund.*** Business Oregon manages the Commercialization Gap Fund to provide early-stage investment in science start-ups that typically take longer to reach the point where the private sector will fund the company. Business Oregon hires a fund manager to solicit and make investments in Oregon start-ups then supports them with connections with key partners and future funders. Any returns realized from the fund will be reinvested in the Oregon InC programs.
- ***Oregon InC Centers of Innovation Excellence.*** Centers of Innovation Excellence (CIEs) are a key strategy of the State's 10-Year Innovation Plan and are intended to support innovation in an emerging or established sector important to the state's economy. CIEs are public-private partnerships that concentrate on developing the funding, facilities, talent and support services in sectors where Oregon has or could develop business or other advantages. CIEs are expected to leverage increasing amounts of non-state funding over time.
- ***Oregon InC Regional Innovation Hubs.*** Regional Innovation Hubs (RIHs) are a key strategy in Oregon's 10-Year Innovation Plan. RIHs build and advance a regional innovation ecosystem, as well as provide access to technical assistance, capital, networking, mentorship and talent development for science and technology-based entrepreneurs.
- ***Oregon InC University Innovation Research Fund (UIRF).*** Business Oregon manages the UIRF as a fund for universities to use as match for larger federal funding opportunities. Collaborative projects amongst the research universities are encouraged and all projects must have a connection to economic development (not basic research projects). The fund is managed in partnerships with the research universities and Oregon InC.

- ***State Small Business Credit Initiative (SSBCI).*** SSBCI is a program funded by the US Treasury and is intended to provide capital to Oregon's small businesses. Business Oregon is administering the funding through five debt and equity programs. Innovation & Entrepreneurship is managing two equity programs while Business Finance manages the two debt programs and one equity program. The I&E team's equity programs are the Business Oregon Venture Fund Program and Business Oregon Direct Fund Program. The Fund program is hiring fund managers that will raise matching funds and invest all funds in Oregon start-ups. The Direct program is hiring a fund manager to allow SSBCI funds to be co-invested in individual deals with Oregon start-ups. In addition, Business Oregon is standing up a technical assistance program around SSBCI to provide support to businesses owned and controlled by underserved populations to help them better position themselves to receive debt or equity funding from SSBCI programs.

- ***The Oregon Growth Board (OGB).*** This public-private, 9-member board manages two pools of capital to support small businesses in Oregon.
    - ***Oregon Growth Account.*** Maximizes returns for the Education Stability Fund and improves access to capital by encouraging investments in Oregon companies. The account receives 1.8% of lottery net revenues each biennium to invest in institutional venture capital funds. The Oregon Growth Board manages the state's investments in the Oregon Growth Account.
    - ***Oregon Growth Fund.*** Supports the state's economic development work by providing access to investment capital to businesses particularly those in rural or historically underrepresented populations. The fund invests in a variety of Oregon-based equity vehicles that are meant to address those needs.

Business Resources:

- ***Rural Opportunity Initiative (ROI).*** The Rural Opportunity Initiative (ROI) is Business Oregon's strategic effort to empower rural communities to support entrepreneurs and small business growth. Through capacity building grants and access to consulting support, the program is designed to strengthen and consolidate entrepreneurial ecosystems across Oregon's rural communities while empowering local leaders to define and implement strategies that elevate the role of place-based entrepreneurship. The approach encourages communities to develop a shared vision, identify gaps in programming, services, policies, and capital and address shortfalls in order to build a more fulsome ecosystem that supports rural business development at all stages.
- ***Technical Assistance for Underrepresented Businesses (TA).*** The TA Program is a competitive grant program that supports organizations that provide culturally competent, linguistically appropriate, geographically aligned technical assistance resources to underrepresented and under-resourced small businesses. In addition to supporting the expansion and delivery of direct technical assistance, the program aims to help strengthen individual TA Program provider organizations while building a more integrated and cohesive statewide network of resource providers. This program is currently one-time funding in agency budget.
- ***Oregon Manufacturing Extension Partnership (OMEP).*** The Oregon Manufacturing Extension Partnership (OMEP) provides Oregon manufacturers with consultative and other services to maximize operational effectiveness at the company and industry level. OMEP's services are focused on key drivers of productivity, including implementation of LEAN principles, leveraging new technologies, solving workforce challenges and general business planning.
- ***Small Business Development Center Network (SBDC).*** Some SBDC funding is provided to the network via Business Oregon. Business Oregon staff also work directly with the statewide network of Oregon Small Business Development Center Network (SBDC) to provide services such as information, referral, technical assistance, and training to current and aspiring small business owners.

- ***APEX Accelerators (formerly Governmental Contract Assistance Program).*** Assists small businesses to compete for federal and state government contracts through technical assistance and training workshops.
- ***Economic Equity Investment Program (EEIP).*** The Economic Equity Investment Program was passed during the 2022 short session and allocated $15M in grant funding to distribute to culturally responsive organizations to provide outreach, support, and resources to eligible beneficiaries to address longstanding economic inequities. The program seeks to promote durable economic advancement among historically marginalized communities within the following key areas: land ownership and real property acquisition, entrepreneurship and business development, workforce, and intergenerational wealth building. In 2023, the program awarded grants to 36 recipient organizations to implement projects that advance economic equity. During the 2024 legislative session, the program received an additional $8M and will be making additional awards through a competitive application process. This program is currently one-time funding in agency budget.
- ***Business Retention Services.*** Provides technical assistance for companies to work with business consultants to evaluate the operational structure and costs to ensure they have framework in place to continue their operations successfully.
- ***Oregon Manufacturing Innovation Center (OMIC).*** OMIC is a co-located advanced manufacturing research and development (R&D) center in Columbia County. As a manufacturing innovation center, OMIC augments the state's metals, machinery, and manufacturing industry and provides training to industry on innovative equipment and practices. Three of the state's public universities, along with more than two dozen companies serve as the nexus for the R&D Center.
- ***Oregon Metals Initiative (OMI).*** The Oregon Metals Initiative (OMI) is a collaborative research program between Business Oregon, Oregon's metal manufacturing businesses and the research universities. The partners serve on OMI's board and identify a suite of research projects that the companies will work on with a university. Projects are joint funded by Business Oregon's OMI funds and the companies with each paying half of the project costs. Research projects focus on competitiveness or commercialization. Please note this program is also proposed to be cut in this Governor's Recommended Budget.
- ***Certification Office for Business Inclusion & Diversity (COBID).*** COBID certifies minority-owned, women-owned, and veteran-owned business owners and emerging small businesses interested in contracting with state, county, and city government agencies. Federal certifications administered by COBID include Airport Concessionaires Disadvantaged Business Enterprise (ACDBE) and Disadvantaged Business Enterprise (DBE). State programs administered by COBID include Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Veteran Business Enterprise (VBE), and Emerging Small Business (ESB).

Business Finance Capital Access Products:

The Business Finance Team provides financial tools to Oregon businesses and lending partners. These products include revolving loan funds for working capital and term loans; loan guarantees on bank loans; loans for startup businesses; and tax-exempt bond financing for manufacturers.

Below is a list of the financing programs and what each program provides. Also of note, a federal program the **State Small Business Credit Initiative,** will be providing up to $83.5 million into both innovation programs and business finance programs. The business finance programs seeing the federal funding are the Credit Enhancement Fund, the Oregon Royalty Fund (with a new Angel Loan program within it), and the Community Re-lender Fund (a new program planned for development that will provide low-cost capital to community lenders, such as Community Development Financial Institutions.)

- ***Oregon Business Development Fund*** *(OBDF)* provides direct loans that leverage private capital and provides incentives for businesses to expand or locate in Oregon.
- ***Entrepreneurial Development Loan Fund*** *(EDLF)* offers direct loans to help start-ups, micro-enterprises and small businesses expand or become established in Oregon.
- ***Oregon Royalty Fund*** provides direct loans to help early stage (post R & D and prototyping), scalable, and high-margin small businesses obtain short-term working capital to support rapid growth.
- ***Capital Access Program*** *(CAP)* provides a form of loan portfolio loss reserve so financial institutions may make business loans that carry higher than conventional risks while complying with federal and state banking regulations.
- ***Community Lender Loan Loss Reserve*** provides a form of loan portfolio loss reserve so unregulated financial institutions may make business loans that carry higher than conventional risks.
- ***Credit Enhancement Fund*** *(CEF)* provides loan guarantees to financial institutions in order to increase capital availability to small businesses.
- ***Industrial Development Bonds*** *(IDB)* are available to manufacturing projects, exempt facilities, and non-profit organizations to provide access to capital primarily for value-added manufacturing.

INFRASTRUCTURE FINANCE

Community Infrastructure

Community Infrastructure programs exist to assist local communities in building infrastructure capacity to address public health, safety, and compliance issues, as well as support their ability to attract, retain, and expand businesses. Basic infrastructure is particularly important for the state's rural communities. The primary customers of the agency's infrastructure programs are cities, counties, ports, special districts, and the nine federally recognized Tribes in Oregon. More than 80 percent of our infrastructure program dollars go into rural Oregon. These programs are primarily funded by lottery bond capitalization, loan repayments, and interest earnings for all programs except the Community Development Block Grant and Safe Drinking Water Program, which are federally funded. In addition, the Brownfields Redevelopment program includes Other Funds and Federal Funds.

- ***Special Public Works Fund (SPWF).*** Provides below market rate loans and grants for municipal infrastructure and other facilities that support economic and community development.
- ***Water/Wastewater Fund (WWF).*** Provides below market rate loans and grants for municipal design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act.
- ***Safe Drinking Water Fund (SDWF).*** Provides market rate (or below) loans and grants for the construction or improvement of public and private water systems to address regulatory compliance issues.
- ***Community Development Block Grant (CDBG*).** Uses Federal Funds to provide rural non-metropolitan cities and counties with grants to implement local economic and community development programs and create suitable living environments for low- and moderate-income households.
- ***Ports.*** Ports programs are comprised of the Port Revolving Loan Fund, the Port Planning and Marketing Fund, and the Marine Navigation Improvement Fund. These programs are designed to ensure Oregon ports remain a major contributor to Oregon's economic competitiveness.
- ***Seismic Rehabilitation Grant.*** Provides funding for the seismic rehabilitation of public schools and emergency services facilities.
- ***Brownfields Program.*** Combines state and federal funding to offer low-interest loans with flexible terms to private individuals, local governments, and non-profit organizations to determine the impact of brownfields in their community, as well as to complete the evaluation and cleanup of brownfields.
- ***Child Care Infrastructure.*** State funds for grants and loans to increase the capacity and quality of early learning and child care facilities in the State of Oregon.
- ***Industrial Lands***
  - ***Oregon Prospector.*** An online interactive tool that provides for searchable property available for commercial or industrial use throughout Oregon. The dynamic tool allows for mapping layers and search parameters to showcase community demographic data, enterprise zones, access to transportation infrastructure, and more.
  - ***Regional Significant Industrial Site (RSIS).*** RSIS is a profit-sharing economic development tool that offers state income tax reimbursements for approved industrial site readiness activities. Tax reimbursements go to the approved local entity on an annual basis starting the year after a project's employment thresholds are reached.

Oregon Broadband Office

The Oregon Broadband Office develops and administers grant programs that promote, support, and facilitate deployment of reliable, high-speed internet throughout Oregon. The office promotes digital equity to ensure that all people can access affordable and reliable broadband internet, affordable computing devices, and the skills needed to engage in online education, healthcare, remote work, and social connections. The OBO advocates for and secures federal funding for broadband development in Oregon to challenge the digital divide. The **Oregon Broadband Advisory Council** advises the OBO, to help with the implementation of statewide broadband strategies. The council's mission is to encourage coordination and collaboration between organizations and economic sectors to leverage the development and utilization of broadband for education, workforce development, and telehealth, and to promote broadband utilization by Oregonians and communities.

OPERATIONS

Operations Division

The department's Operations Division exists to provide essential services to the programmatic units of the agency. The Operations Division serves includes all central administrative services, including:

- Communications and Research
- Employee Services
- Fiscal and Budget Services
- Information Technology
- Policy, Audits, and Contracts
- Modernization and Internal Business Support

The primary customers of this program area are agency staff working in all program units, as well as their customers for external functions such as disbursements of loans and grants. This program area is primarily funded by Lottery Funds, a small amount of Federal Funds, and the remaining with Other Funds.

OREGON ARTS COMMISSION & OREGON CULTURAL TRUST

Oregon Art Commission and Oregon Cultural Trust Programs

The Oregon Art Commission and Oregon Cultural Trust Programs exist to build public support for — and access to — arts in Oregon communities, to increase and stabilize funding for the arts, and to increase arts education opportunities for Oregonians. The primary customers of these programs are Oregonians and Oregon's arts organizations, artists, other non-profit entities, Oregon's cultural coalitions (within each of the 36 counties and nine federally recognized tribes in Oregon), and independent cultural organizations. The Cultural Trust Programs raise significant new

public and private funds to invest in Oregon's arts, humanities, and heritage. In addition to the creation of a long-term, protected endowment, Trust funds are distributed annually through competitive grants to cultural organizations, grants to cultural coalitions in Oregon counties and within federally recognized tribes, and grants to statewide cultural agencies. Collectively, the programs are staffed by 9 FTE. This program area is funded by State General Fund dollars, Federal Funds, Other Funds, and private donations.

OREGON FILM AND VIDEO OFFICE

Film & Video Office

The Film & Video Office is a semi-independent agency designed to recruit and facilitate film and television production throughout the state. It attracts out-of-state and in-state film and TV production companies by using key recruitment tools, such as the Oregon Production Investment Fund and the Greenlight Oregon Labor rebate. The primary customers of this program are film, video and multimedia production companies. The Office's employees are not included in the department's FTE totals. This program area is funded by Lottery Funds.

Environmental Factors

As part of the robust strategic planning process that Business Oregon engaged in from October 2023 through June 2024, the agency completed a PESTLE analysis (Political, Economic, Social, Technological, Legal, and Environmental) of external factors potentially impacting the agency's work. This analysis helped inform the agency's 2024-27 strategic plan and is summarized in that strategic plan document.

As part of the strategic planning process, the agency created an equity statement that can help as we administer programs that could play a role in addressing inequities in Oregon communities. That statement says that through a commitment to diversity, equity, inclusion, and accessibility we can advance towards our vision of prosperity for *all.* As the state of Oregon's economic development agency, Business Oregon advances socio-economic justice by applying a diversity, equity, inclusion, and accessibility lens to our programs, partnerships, and investments. We expand collaboration with sovereign nations and under-resourced communities, and ensure DEI plays a central role in decision-making, resource allocation, and the development of all policies and practices within our agency.

State agencies need to continue to take a hard look at whom we serve and how we serve them. To compete long-term, the state must confront the current realities of disparate economic outcomes from underrepresented communities, a growing rural-urban divide, and policies that can create challenges for local business and industry to compete globally, or even with neighboring states.

Business Oregon's entire budget is one percent of the total state budget, and two-thirds of that budget is dedicated to large, public infrastructure projects throughout Oregon. We must focus our limited resources on the strategies that promise to have the greatest return on investment. The limited availability of lottery and other flexible funding sources in the state impacts how Business Oregon accomplishes its mission by requiring the agency to prioritize those programs that best fit our core mission of promoting economic development.

To successfully meet the needs of our dynamic economy within the fiscal constraints presented, implementation of Business Oregon's 2024-27 Strategic Plan must be executed with a regional approach. Oregon is a collection of regional economies each with unique strengths, opportunities, and challenges. Business Oregon has acknowledged this by building out regional development teams located in 12 regions across the state. Our 12 regions have representatives familiar with local industries, communities, and civic leaders.

Local and state partners are critical to the success of the agency. The Governor's Regional Solutions program, which includes interagency economic and community development teams throughout the state, is a key partner. Regional Solutions supports locally generated economic priorities by streamlining government and building partnerships across the public, private, and philanthropic sectors. Business Oregon is an active participant in Regional Solutions. Business Oregon also works closely on program implementation with local and regional economic development organizations.

2025-27 Initiatives

Create Economic Opportunities through Excellence in Customer Service

The following policy option packages (POPs) were included in the Governor's Recommended Budget to Create Economic Opportunities through Excellence in Customer Service:

POP-103 – Operations Staffing

~~$1,847,361~~ $1,693,265 – Modified in GRB

The Departments is requesting a total of ~~$1,847,361~~ $1,693,265, split ~~$1,614,730~~ $1,478,266 Lottery Fund and ~~$232,631~~ $214,999 Other Fund. The Department is requesting position authority and funding for 7 permanent positions (~~7.00~~ 6.16 FTE):

- ~~1.00~~ 0.88 FTE of Accountant 3
- ~~1.00~~ 0.88 FTE of Fiscal Analyst 1
- ~~1.00~~ 0.88 FTE of Accountant 1
- ~~1.00~~ 0.88 FTE of HR Manager 1
- ~~1.00~~ 0.88 FTE of ISS6 Asset Manager (currently limited duration)

- ~~1.00~~ 0.88 FTE of Procurement & Contracts Specialist 2 (currently limited duration)
- ~~1.00~~ 0.88 FTE of Procurement & Contracts Assistant (currently limited duration)

POP-104 – Economic Development Management System (EDMS) Modernization Program Continuation
$4,653,282
The Department is requesting a total of $4,653,282, split $2,466,239 Lottery Fund and $2,187,043 Other Fund. No additional staffing is requested for this policy option package.

POP-105 – Strategic Plan & DEI Plan Implementation
$350,000
The Department is requesting a total of $350,000, split $280,000 Lottery Fund and $70,000 Other Fund. No additional staffing is requested for this policy option package.

POP-108 – Program Process Coordinator Staffing
~~$319,674~~ – Not Funded in GRB
The Department is requesting a total of $319,674, split $159,837 Lottery Fund and $159,837 Other Fund. The Department is requesting new position authority for 1.0 FTE of permanent Operations and Policy Analyst 2 (OPA2).

POP-112 –Oregon Metals Initiative (OMI) Strategic Cut
~~($2,079,762) Reduction~~ – Not Funded in GRB
This strategic cut will free up $2,079,762 in additional Lottery Fund resources to support other agency priorities. There is no direct impact on Department staffing from the proposed reduction, but the budget includes other policy packages that will make use of the Lottery Fund Limitation.

POP-113 –Oregon Manufacturing Innovation Center (OMIC) Strategic Cut
~~($1,250,000) Reduction~~ – Not Funded in GRB
This strategic cut will free up $1,250,000 in additional Lottery Fund resources to support other agency priorities. There is no direct impact on Department staffing from the proposed reduction, but the budget includes other policy packages that will make use of the Lottery Fund Limitation.

Cultivate Business Growth through Diverse and Responsive Services

The following policy packages were included in the Governor's Recommended Budget to Cultivate Business Growth through Diverse and Responsive Services:

POP-106 – TA Underrepresented Businesses

~~$2,786,775~~ $4,800,000 – Modified in GRB

The Department is requesting a total of ~~$2,786,775~~ $4,800,000, split between ~~$2,500,000~~ $4,513,225 in ongoing Lottery Funds for grants to organizations and programmatic work, plus position authority and an additional $286,775 in Lottery Funds to transition the 1.0 FTE PA3 from limited duration to permanent status.

POP-107 – Expansion of International Trade & Investment Support

$400,000

The Department is requesting $400,000 in ongoing Lottery Fund dollars. There will be no staffing impacts associated with this request.

POP-109 – Economic Equity Investment Program (EEIP) Staffing

$92,485

The Department is requesting $92,485 in one-time Other Fund limitation that will come out of a recent $8,000,000 program recapitalization from the 2024 legislative session. This request asks for a 6-month extension for a limited duration Program Analyst (PA3) position.

POP-110 – Child Care Infrastructure Program Staffing

$344,233

The Department is requesting $344,233 in Other Funds limitation. Position authority and funding to extend and make permanent 1.0 FTE of limited duration Operations & Policy Analyst 3 (OPA3).

POP-114 – Small Business Sustainability Fund

~~$2,034,718~~ $1,000,000 (Fund Shift from OF to LF) – Modified in GRB

The Department is requesting ~~$2,000,000~~ $1,000,000 in Lottery Funds ~~one-time Lottery Bonds for capitalization~~, plus ~~$34,718 Other Funds for costs of issuance~~. No positions are required for the proposed action.

POP-122 – Child Care Infrastructure Fund

~~$50,616,194~~ $30,339,000 – Modified in GRB

The Department is requesting ~~$50,000,000~~ $30,000,000 in one-time Lottery Bonds, plus ~~$616,194~~ $339,000 Other Funds for costs of issuance. No additional staffing is requested for the policy option package.

Cultivate Community Growth through Diverse and Responsive Services

The following policy option packages were included in the Governor's Recommended Budget to Cultivate Community Growth through Diverse and Responsive Service:

POP-081 – May 2024 Emergency Board – Broadband

$2,351,816 (IFA - $1,253,247 and Operations - $1,098,569)

This package phases in the Personal Services and Services & Supplies associated with 8 positions approved in the May Emergency Board - Broadband Program:

- 4 Infrastructure positions (4.0 FTE), and the reclassification of one permanent position, for total of $1,253,247, split $1,100,165 Federal Funds and $153,082 Other Funds
  - 3 FTE of Program Analyst 3
  - 1 FTE of Administrative Specialist 2
  - 1 FTE of Business Operations Administrative 1 (Reclass Position)
- 4 Operations positions (3.5 FTE) for a total of $1,098,569, split $696,417 Federal Funds and $402,152 Other Funds.
  - 1 FTE of Human Resource Analyst 2
  - 1 FTE of Accounting Technician
  - 0.5 FTE of Accounting Manager
  - 1 FTE of Accountant 3

POP-100 – Levee Ready Columbia

$20,191,599

The Department is requesting $20,000,000 in one-time Lottery Bonds, plus $191,599 Other Funds for costs of issuance. No additional staffing is requested for this policy option package.

POP-101 – Lower Columbia Dredging

~~$15,162,958~~ $15,160,371 – Modified in GRB

The Department is requesting $15,000,000 in one-time Lottery Bonds, plus $~~162,958~~ $160,371 Other Funds for costs of issuance. No additional staffing is requested for this policy option package.

POP-102 – Port Capital Improvement Program

~~$20,191,599~~ $20,196,000 – Modified in GRB

The Department is requesting $20,000,000 in one-time Lottery Bonds, plus ~~$191,599~~ $196,000 Other Funds for costs of issuance. No additional staffing is requested for this policy option package.

POP-111 – Aquifer Recharge Program Staffing

~~$297,326~~ – Not Funded in GRB

The Department is requesting $297,326 of ongoing Lottery Funds. The proposed action is to extend and make permanent 1.0 FTE of Program Analyst 3 (PA3). This is an existing limited duration position and is currently filled.

POP-115 – Special Public Works Fund

~~$50,616,194~~ $50,536,859 – Modified in GRB

The Department is requesting $50,000,000 in one-time Lottery Bonds, plus ~~$616,194~~ $536,859 Other Funds for costs of issuance. No additional positions are requested for this policy option package.

POP-116 – Special Public Works Fund – Levee Subaccount

$10,129,500

The Department is requesting $10,000,000 in one-time Lottery Bonds, plus $129,500 Other Funds for costs of issuance. No additional positions are requested for this policy option package.

POP-117 – Seismic Rehabilitation Grant Fund

$151,490,000

The Department is requesting $150,000,000 in one-time Article XI general obligation bonds for capitalization, plus $1,490,000 Other Funds for cost of issuance.

POP-118 – Industrial Site Loan Fund

~~$40,692,275~~ $10,129,500 – Modified in GRB

The Department is requesting ~~$40,000,000~~ $10,000,000 in one-time Lottery Bonds for capitalization, ~~$286,775~~ $0 in ongoing Lottery Funds for staffing costs, plus ~~$405,500~~ $129,500 Other Funds for costs of bond issuance. The Department is requesting position authority for 1.0 FTE of permanent Program Analyst 3 (PA3) to administer the program.

POP-119 – Port Revolving Loan Fund

$10,130,497

The Department is requesting $10,000,000 in one-time Lottery Bonds, plus $130,497 Other Funds for costs of issuance. No additional staffing requested.

POP-120 – Marine Navigation Improvement Fund

~~$1,030,500~~ $1,000,000 (Fund Shift from OF NL to LF) – Modified in GRB

The Department is requesting $1,000,000 in Lottery Funds ~~one-time Lottery Bonds~~, plus ~~$30,500 Other Funds for costs of issuance~~. No additional staffing is requested for this policy option package.

POP-121 – Emergency Dredge Funding

~~$5,070,898~~ – Not Funded in GRB

The Department is requesting $5,000,000 in one-time Lottery Bonds, plus $70,898 Other Funds for costs of issuance. No additional staffing is requested for this policy option package.

POP-123 – Oregon Broadband Office

~~$3~~ $2 – Modified in GRB

The revenue source for the $1 BEAD and $1 DE placeholder requests is Federal Funds, the revenue source for the $1 Oregon Broadband Fund placeholder request is Other Funds transferred via the Public Utility Commission from Oregon's universal service fund. The Department intends to replace these placeholder amounts as more information on program funding and anticipated needs become available. We do not currently anticipate needing additional staff to implement these requests.

POP-124 – Lottery Fund Carryover

~~$11,922,542~~ $21,197,542 – Modified in GRB

The Department is requesting ~~$11,922,542~~ $21,197,542 in Lottery Funds be carried forward to the 2025-27 biennium, splits ($9,275,000 for Business, Innovation & Trade and $11,922,542 for Infrastructure Financing. No additional staffing is requested for this Policy Option Package.

POP-125 – General Fund Carryover

~~$2,149,108~~ $88,652,325 – Modified in GRB

The Department is requesting ~~$2,149,108~~ $88,652,325 in General Funds be carried forward to the 2025-27 biennium, splits ($83,972,032 for Infrastructure Financing and $4,680,293 for Arts. No additional staffing is requested for this Policy Option Package.

POP-126 – Other Fund Capital Projects Carryover

~~$214,967,183~~ $322,515,883 – Modified in GRB

The Department is requesting ~~$214,967,183~~ $322,515,883 in Other Funds be carried forward to the 2025-27 biennium, splits ($102,548,700 for Business, Innovation & Trade and $219,967,183 for Infrastructure Financing. No additional staffing is requested for this Policy Option Package.

POP-500 – HH-Housing Infrastructure & Site Readiness

~~$111,716,524~~ $102,504,624 (IFA - ~~$111,002,572~~ $101,854,404 and Operations - ~~$7,13,952~~ $650,220) – Modified in GRB

The Department is requesting a total net amount of ~~$111,716,524~~ $102,504,624, split ~~$110,000,000 General Fund~~ ~~($100,000,000 for housing infrastructure, $10,000,000 for site readiness~~), and ~~$1,812,011~~ $1,713,777 Lottery Fund for staffing costs, with an offsetting Federal Funds reduction of $95,487. Gross cost to ~~General Fund~~ $100,000,000 Lottery Bond proceeds and $956,011 costs of issuance and Lottery Fund is ~~$111,716,524~~ $102,504,624. The Department will require six new permanent positions (~~5.50~~ 4.90 FTE) to implement the two programs:

- ~~1.00~~ 0.88 FTE of Operations & Policy Analyst 3
- ~~1.00~~ 0.88 FTE of Program Analyst 2
- ~~1.00~~ 0.88 FTE of Grants, Loans, & Programs Manager 2
- ~~1.00~~ 0.88 FTE of Procurement & Contracts Specialist 3
- ~~1.00~~ 0.88 FTE of Accountant 2

- 0.50 FTE of HR Analyst 2

The POP will shift funding 0.30 FTE portion of an existing Operations & Policy Analyst 3 position from Federal Fund to Lottery Fund.

POP-501 – HH-Brownfields Redevelopment Fund
$10,129,500
The Department is requesting $10,000,000 in one-time Lottery Bonds, plus $129,500 Other Funds for cost of issuance. No additional staffing is requested for this policy option package.

POP-502 – HH-Brownfields Property Revitalization Fund
$5,070,898
The Department is requesting $5,000,000 in one-time Lottery Bonds, plus $70,898 Other Funds for costs of issuance. No additional staffing is requested for this policy option package.

Major Information Technology Projects/Initiatives

The Agency Strategic Plan (2024-27), DEI Plan, and IT Strategic Plan outlines a course of action and priorities for agency investments in technology modernization projects. These individual technology modernization projects will be part of an **overall technology modernization program** that will ensure the agency is equipped to achieve the plan's identified priorities. This technology modernization program aligns with the Governor's Modernizing State Information Technology Systems and Oversight Plan specifically by focusing on optimizing service delivery to the public and internally by modernizing agency business processes.

The goals of the technology modernization program are to:

- **Improve service delivery through enhanced customer experience.** Deliver online customer dashboards and self-service online applications, access to data, and improve business process and workflow automation and integration. Strive to meet or exceed Oregon's Accessibility Standards.
- **Modernize and standardize technology.** Replace the agency's aging loan, grant, bond, and tax-incentive portfolio management system and subsequently transform how the agency delivers its economic development programs from paper forms to a modern online system using a lifecycle lens. Take advantage of modern and modular technology platforms and approaches in standardization of software code and

integration to enable our systems to interact more fully without proprietary software restrictions. Interconnect our digital infrastructure to maximize performance and flexibility to adapt to changing program needs and the addition of new programs through planning, designing, deploying, and supporting while engaging our organization and stakeholders along the way.

- **Transform business processes.** Leverage modern system capabilities and software investments the agency has already made along with in-house development to integrate systems and provide improvements and efficiencies in business workflows.
- **Leverage data as a strategic asset and create a culture of data stewardship.** Adopt and embed Oregon's data practices and principles throughout our business processes and information systems. Create and implement an enterprise data architecture that will allow separate systems the ability to share data across the agency.
- **Improve security.** Improve our ability to anticipate and respond to security threats and manage risks.

As part of the Agency Modernization Program, the largest and most significant undertaking is the **Economic Development Management System (EDMS) project**, which is noted in POP 104. This project's primary goal is to modernize the Department's economic development incentive capabilities by providing an online software system. The system will be used by Department employees to manage and administer all economic development incentives (i.e., loans, grants, bonds, tax abatements, etc.), manage project, and manage related customer and business data. Customers and partners will use the system to manage their accounts, make online applications, and do business with the Department.

The project began in the 2019-21 biennium and has been revised from an in-house development project to a commercial off-the-shelf (COTS) solution. The project intends to replace the Department's legacy financial portfolio management system, Portfol. The Portfol system is a custom-built application used to manage loan and grant awards, including funding sources, loan terms, and repayment. However, the system has reached its end of life and needs to be replaced with an application that will allow the Department to continue to manage financial awards, as well as provide additional functionality for tracking tax incentives and meeting increased transparency and reporting requirements. Additionally, as the project has developed, the Department had identified several other internal and external facing systems that can be deployed as a part of the system modernization project.

The Department received some funding to continue project work in 2023-25 but was directed in the Budget Note to come back with any additional resource needs. The Legislature granted $1.74 million in Lottery Funds and $306,398 in Other Fund limitation for the project implementation expenses, and one permanent Business Process Analyst. At the time of passage of SB 5524, total software costs were not known since the procurement had not started.

In February 2024, the Department issued an RFP seeking up to five vendors that will meet the solution requirements. The Department has planned a phased implementation, prioritized the order of component implementation, and is requesting the funds to pay for the initial setup and first year software subscription costs for the first two components.

The Department requests funding for Software as a Service (SaaS) for the first two of five EDMS components. This will keep the project moving toward implementation of the new system, which will serve as a system record and allow the Department to manage and administer its economic development programs and services, manage related customer and business data, and provide access to a portal for Oregonians to conduct business with Business Oregon.

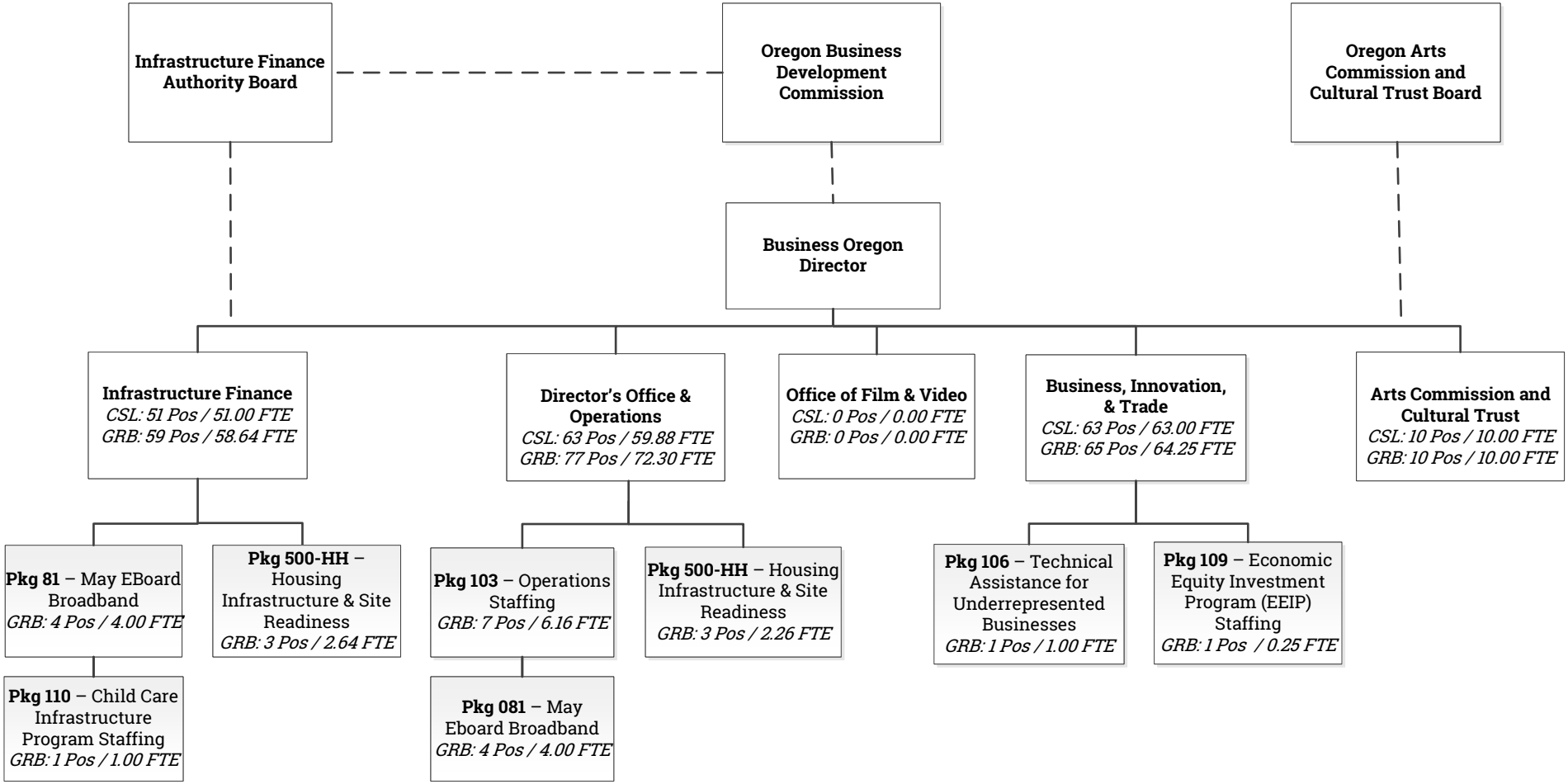
Organization Charts

Oregon Business Development Department

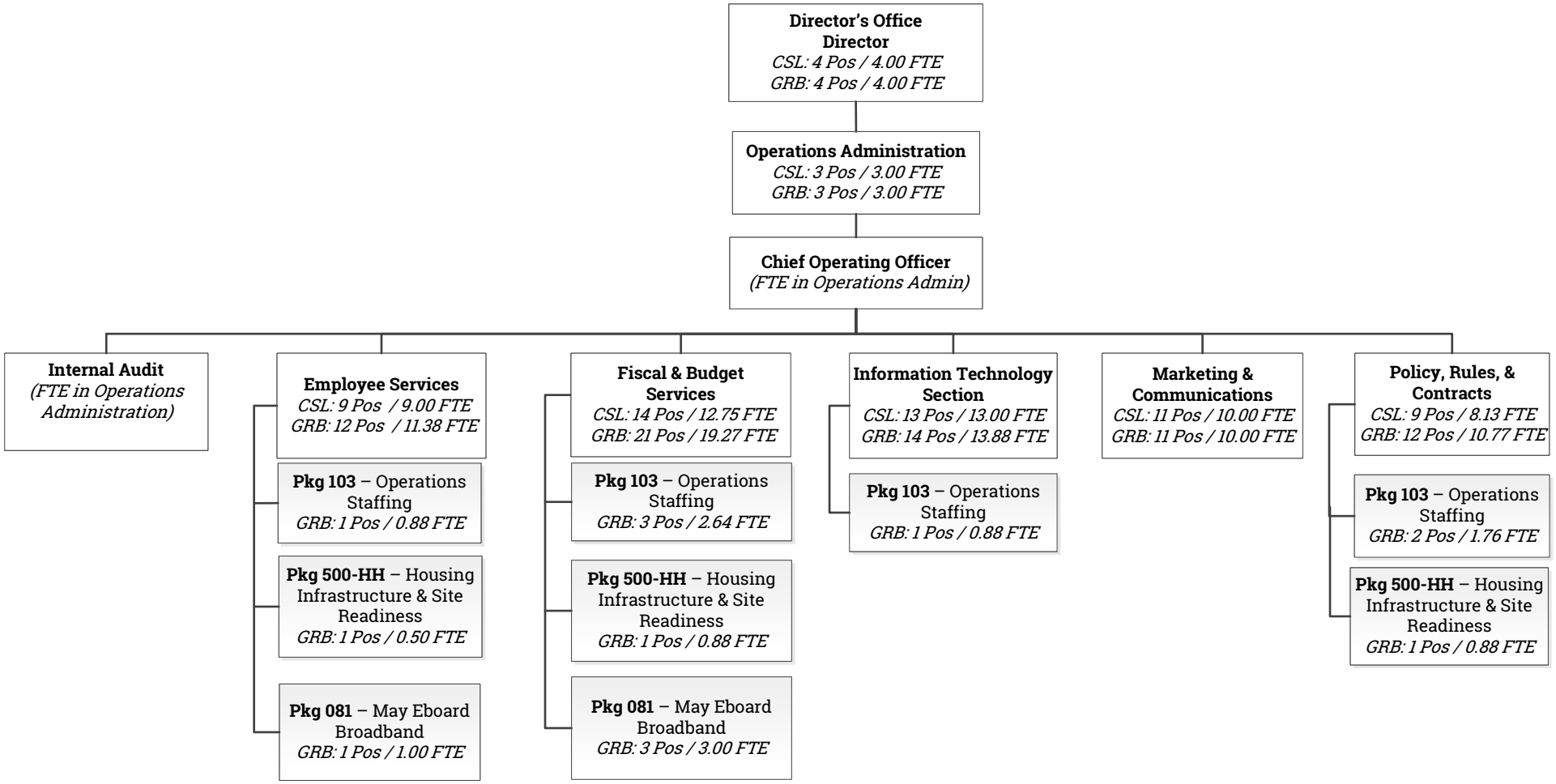
Overall Structure
2025-27 Governor's Recommended Budget

CSL = 187 Positions / 183.88 FTE

GRB = 211 Positions / 205.19 FTE

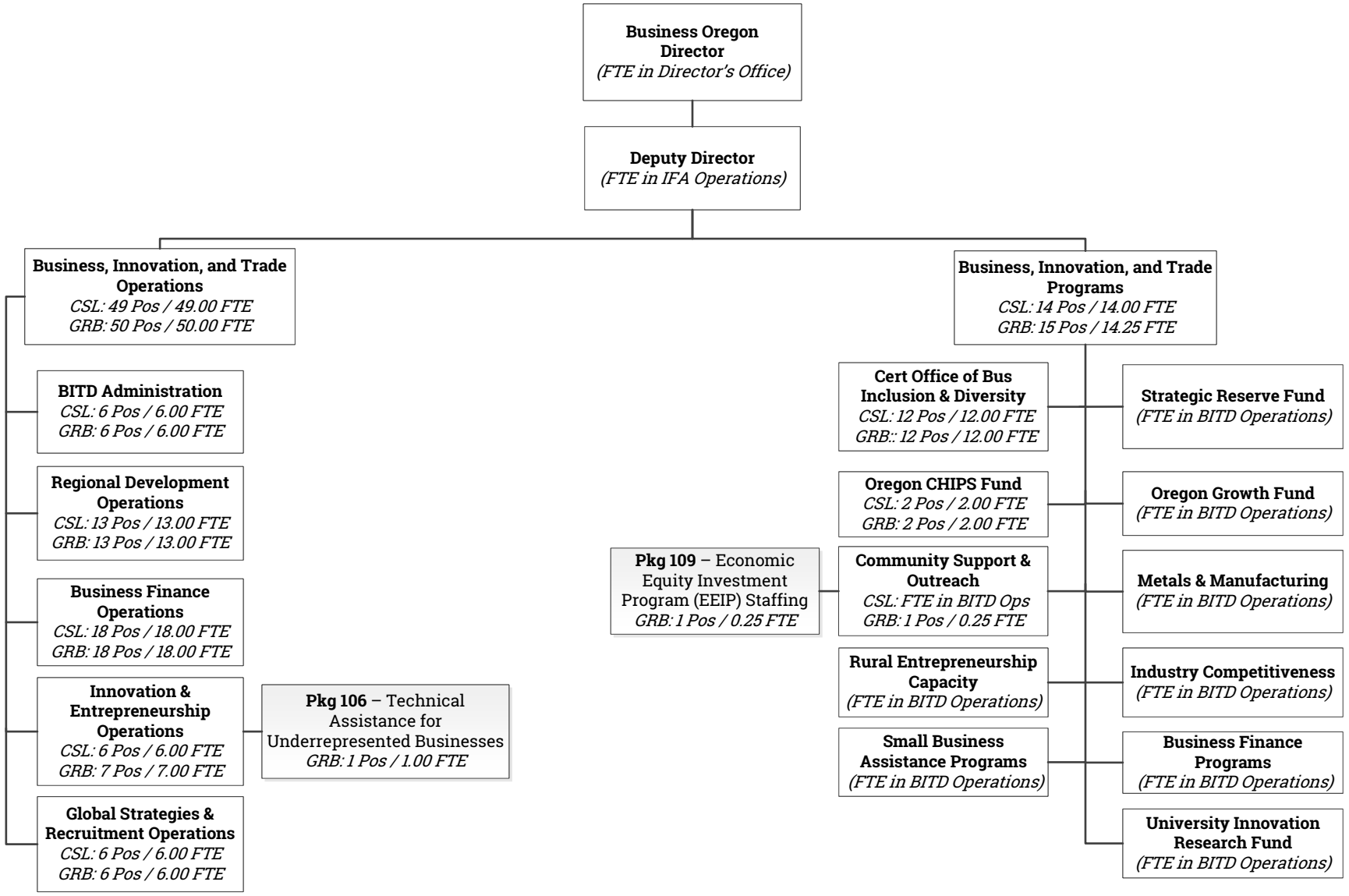


Oregon Business Development Department
Director's Office & Operations
2025-27 Governor's Recommended Budget
CSL = 63 Positions / 59.88 FTE
GRB = 77 Positions / 72.30 FTE



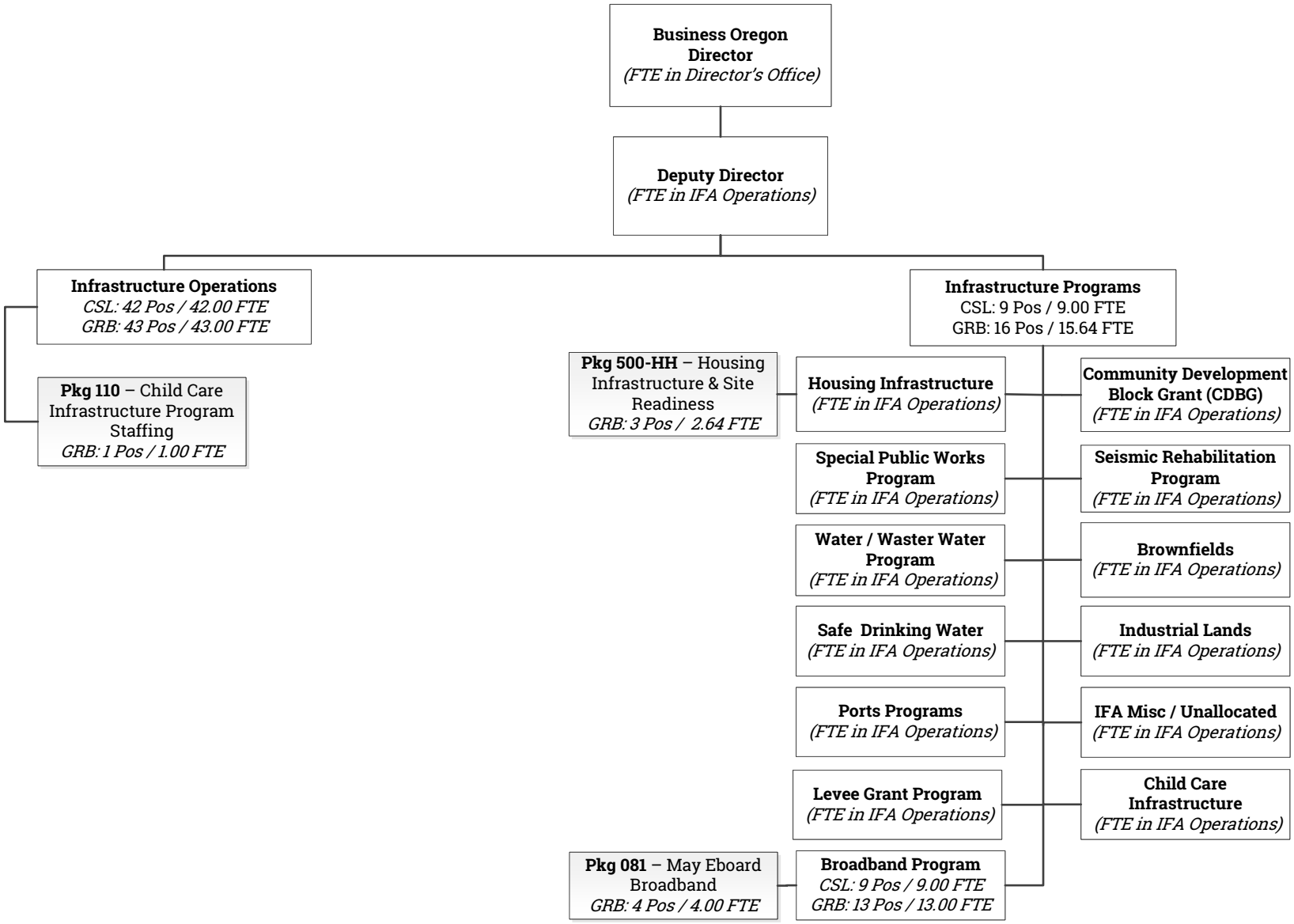
Oregon Business Development Department

Business, Innovation, and Trade
2025-27 Governor's Recommended Budget
CSL = 63 Positions / 63.00 FTE
GRB = 65 Positions / 64.25 FTE

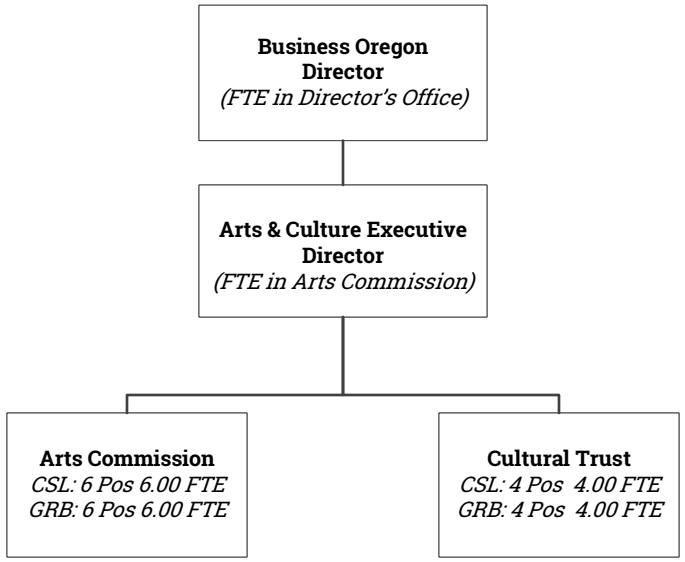


Oregon Business Development Department

Infrastructure Finance
2025-27 Governor's Recommended Budget
CSL = 51 Positions / 51.00 FTE
GRB = 59 Positions / 58.64 FTE



Oregon Business Development Department
Arts Commission and Cultural Trust
2025-27 Governor's Recommended Budget
CSL = 10 Positions / 10.00 FTE
GRB = 10 Positions / 10.00 FTE



Audits 2025-27

Audits Completed in 2023-25

- **Special Public Works Fund and Water Fund for the Fiscal Year End June 30, 2023**
  https://records.sos.state.or.us/ORSOSWebDrawer/Recordhtml/10067614
- **Statewide Single Audit of Selected Federal Programs for the Year Ended June 30, 2023**
  https://records.sos.state.or.us/ORSOSWebDrawer/Recordhtml/10144294
- **Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023**
  https://sos.oregon.gov/audits/Documents/2024-03.pdf
- **Selected Financial Accounts For the Year Ended June 30, 2023, Financial**
  https://records.sos.state.or.us/ORSOSWebDrawer/Recordhtml/10144293
- **On-site Monitoring, Community Development Block Grant Program (CDBG) for the month of May, 2023**
- **State Trade Expansion Program Financial Examination for the Period September 30, 2019 to September 29, 2021**

Supervisory Span of Control Report

PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, Oregon Business Development Department (OBDD) presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2023-25 biennium.

The agency actual supervisory ratio as of August 13, 2024 is 1:8

The Agency actual supervisory ratio is calculated using the following calculation;

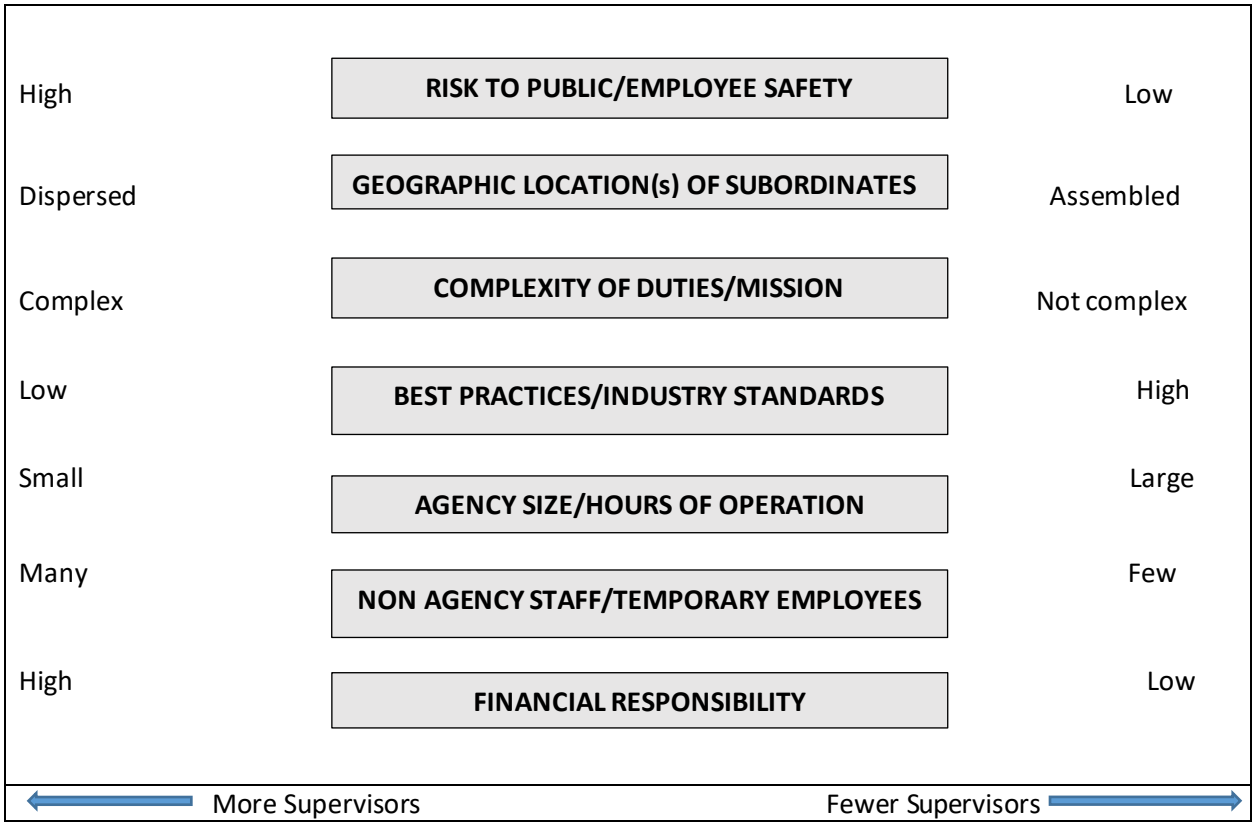
23 = 22 + 2 - (1)
(Total supervisors) (Employee in a supervisory role) (Vacancies that if filled would perform a supervisory role) (Agency head)

195 = 149 + 46
(Total non-supervisors) (Employee in a non-supervisory role) (Vacancies that if filled would perform a non- supervisory role)

The agency has a current actual supervisory ratio of-
1: 8.47 = 195 / 23
(Actual span of control) (Total non - Supervisors) (Total Supervisors)

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.

arrow Span Wide Span



Ratio Adjustment Factors

1. **Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio? No.**

2. **Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Yes.**

   Business Oregon provides economic development services across the state. Rural and urban communities often need different approaches and solutions to best serve their needs. Due to this factor, Business Oregon has three main offices (Salem, Portland, and Pendleton) and has an additional eleven regional offices throughout the state. Additionally, we have contractors internationally to conduct international trade business and recruitment missions. Since the location is spread out, we have the need to create separate supervisory positions for our regional and international employees.

3. **Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Yes**

   In evaluating the factors, we have determined two of them impact the necessary and appropriate ratio of supervisory to non-supervisory staff at OBDD. These are complexity of the duties/mission and financial responsibility. The diverse programming in the Oregon Business Development Department requires some unique circumstances.

   The Arts and Cultural program unit of the Department has a total of ten positions, which includes an Executive Director and 9.5 FTE. The duties/mission of the two programs are distinct and require their own supervisor.

   Another example is the Diversity, Equity & Inclusion Manager position, currently the incumbent is on a Manager 2 position classified as supervisory; however, they do not actually supervise employees.

4. **Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? No**

5. **Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio? No**

6. **Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? No**

7. Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Yes

OBDD has a large variety of programming including lottery bonding programs, loan programs, business incentive programs, seismic rehabilitation grant program, Arts and Cultural Trust, a large portfolio of infrastructure loan/grant programs, totaling just under $2 billion dollars. Each of the programs require specific expertise creating the need for supervisors with similar expertise. There are many complex financial constraints and reporting to adhere to which requires an Accounting Manager to focus on the daily operations of the Accounting functions of the agency.

As well the Chief Financial Officer must be focused on not only the overall financial health of the agency but also making accounting, budget and other political and management decisions. Within the Operations division in the fiscal and budget unit there are six accounting FTE for the Accounting Manager 2 to manage and five for the Accounting Manager 1 to supervise. As well within the entire fiscal and budget unit there are fourteen staff total for the CFO to manage which includes the Accounting Manager. The complexities of the financial mechanics of the agency require this structure.

The Broadband Office has been stood up over the last biennium and has two supervisory positions that manage 11 non-supervisory staff positions. Due to the high volume of funds and the novelty of this program a lower ratio is required in this team.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: __7__.

Unions Requiring Notification_____N/A_____

Date unions notified_____N/A_____

Submitted by: _Dana Northrup _____ Date:___August 13, 2024___

Signature Line _____ Date _____

Signature Line _____ Date _____

Signature Line _____ Date _____

Signature Line _____ Date _____

Program Prioritization for 2025 - 2027

Program Prioritization for 2025-27

Agency Name: Oregon Business Development Department (Business Oregon)

2025-27 Biennium — **Agency Number: 12300**

Agency-Wide

Program/Division Priorities for 2025-27 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agency	**Prog/ Div**																				
1	1	OBDD	BITD, IFA	Operations costs	1, 2, 3, 4, 5, 6, 7, 8	6	816,638	17,126,804	22,121,567	584,000	4,964,186		$ 45,613,285	93	93.00	N	Y	S			Additional staff requested in POPs 108, 110, 111, 118, and 500
1	1	OBDD	Operations	Operations costs	N/A	6	405,762	16,878,853	5,676,195		764,795		$ 23,725,605	63	59.88	N	Y	S			Additional staff requested in POPs 103, and 500. EDMS project in POP 104. Strategic and DEI Plan implementation in POP 105.
2	2	OBDD	IF Program	Infrastructure Financing Programs	7, 8, 9	2			23,361,875	339,623,210	34,372,680		$ 397,357,765			N	Y	S			Additional limitation for POP 100, 101, 102,115,116,117,118,119,120,121,123,124, 125,126, 501, and 502.
3	2	OBDD	SRF	Strategic Reserve Fund	1, 2, 3, 5	6		13,216,319	2,427,303				$ 15,643,622			N	Y	S			
4	3	OBDD	ICF	Industry Competitiveness Fund	4	6		3,978,068					$ 3,978,068			N	Y	S			
5	4	OBDD	BFS	Business Finance Programs	1, 2, 3, 5, 10	6		186,351	12,220,293	12,829,680	20,947,755		$ 46,184,079			N	Y	S			Additional limitation for POP 114- Small Business Sustainability Fund
6	5	OBDD	Oregon InC	Oregon Innovation Council	N/A	6		19,046,425					$ 19,046,425			N	Y	S			
7	6	OBDD	ROI	Rural Entrepreneurship Capacity	1, 3, 5	6		2,171,528					$ 2,171,528			N	N	S			
8	7	OBDD	COBID	Certification Office of Business Inclusion & Diversity	10	6			4,702,827				$ 4,702,827	12	12.00	N	N	S			
9	3	OBDD	IF Program	Broadband	7, 9	2		1,734,052	163,127,320		2,208,617		$ 167,069,989	9	9.00	N	Y	S			
10	4	OBDD	IF Program	Child Care Infrastructure	5, 7	6			25,654,161				$ 25,654,161			N	N	S			Additional limitation for POP 122 - Child Care Infrastructure Fund
11	5	OBDD	IF Program	Housing Infrastructure	7, 8, 9	2			1,830,235				$ 1,830,235			N	N	S			Limitation request in POP 500- Housing Infra and Site Readiness $100M
12	6	OBDD	IF Program	Industrial Lands	6	6			-				$ -			N	N	S			Lottery Bonds capitalization in POP 118 for $40M.
13	8	OBDD	OGF	Oregon Growth Fund (OGF)	5	6		712,538	339,736				$ 1,052,274			N	N	S			
14	9	OBDD	BITD-Comm Outreach	Business Resources	1, 2, 5	6			1,042,000				$ 1,042,000			N	N	S			Additional staff requested in POP 109 and additional limitation for POP106- TA for Underrepresented Business.
15	10	OBDD	Sm Bus	Small Business Assistance Programs	5	6		6,628,612					$ 6,628,612			N	Y	S			
16	1	OBDD	OAC	Arts Commission	10	11	4,839,713		1,329,506		2,301,442		$ 8,470,661	6	6.00	N	Y	S			
17	2	OBDD	OCT	Cultural Trust	10	11			8,741,323				$ 8,741,323	4	4.00	N	N	S			
18	1	OBDD	F&V	Film & Video Office	N/A	11		1,541,600					$ 1,541,600			N	N	S			
19	7	OBDD	IF Program	Seismic	7, 8, 9	2			135,460,000				$ 135,460,000			N	Y	S			Limitation request for POP 117- Seismic Rehab Grant Fund, General Obligation bonds for capitalization $150M
20	8	OBDD	IF Program	Brownfields	8	6			3,357,500	12,580,434	5,127,996		$ 21,065,930			N	Y	S			Limitation Requests for Site Readiness in POP 500, recapitalization for Brownfields Redevelopment Fund in POP 501, and Property Revitalization in POP 502
21	11	OBDD	Unallocated	Unallocated/Miscellaneous Business, Innovation & Trade Program Funds	N/A	6			10,895,139				$ 10,895,139			N	N	S			POP 125- General Fund Carryover $464K estimate, for SB5524 and SB5701
22	12	OBDD	UIRF	University Innovation Research Fund (URIF)	5	6			3,126,000				$ 3,126,000			N	N	S			
23	13	OBDD	OMI / OMIC	Oregon Metals Initiative / Oregon Manufacturing Innovation Center	N/A	6		11,973,768					$ 11,973,768			N	Y	S			Strategic Cuts in POPs 112 and 113, total $3,329,762
													$ -								
N/A	N/A	OBDD	IF DS	Infrastructure Financing Debt Service	7, 8, 9	2				10,822,359			$ 10,822,359			N	N	D			
N/A	N/A	OBDD	LB DS	Lottery Bond Debt Service - Bonds primarily issued for infrastructure programs	7, 8, 9	2		66,293,285					$ 66,293,285			N	N	D			Lottery Bond requests in POPs 100, 101, 102, 114, 115, 119, 121, 122,and 502.
N/A	N/A	OBDD	GOB DS	General Obligation Bond Debt Service - Bonds primarily issued for Seismic Rehabilitation Program	7, 8, 9	2	111,134,553						$ 111,134,553			N	N	D			General Obligation Bond request in POP 117- Seismic
													$ -								
													$ -								
							117,196,666	161,488,203	425,422,980	376,439,773	70,687,471	-	1,151,235,093	187	183.88						

6. Performance Measures

1 # jobs created
2 # jobs retained
3 Income tax generated
4 New export sales
5 Survivability of small businesses
6 # of individual lands sites certified
7 # of capital planning projects awarded
8 # of capital construction projects for public health & safety
9 # of capital construction projects for economic/community development
10 Customer Service

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code

C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

The agency executive team determined that retaining agency staff necessary to administer programs in support of the agency mission is our first priority. The remainder of agency programs were prioritized based on return of investment (# of jobs retained/created, personal income tax revenue to the General Fund, and leveraged funding opportunities) and community impacts.

Information Technology

Reports

business oregon

IT Strategic Plan

2019-2024

Table of Contents

Introduction. 2
Collecting Information. 2
Pain Points 2
Recommendations. 4
Next Steps. 7
Conclusion. 10

Acknowledgements

Business Oregon would like to acknowledge Chris Harder, our Director, and Robel Tadesse, our previous CIO, for their vision in calling for an IT Strategic Plan. Members of the Director's Executive Team also provided leadership: Brenda Bateman, Nick Batz, Bryant Campbell, Chris Cummings, Amy Croover, Brian Rogers, and Gina Wiedrick.

The IT Section/Operations Division members were and are critical to the success of the Plan: Cara Kaser, CIO; Leslie Chartier; Steve Heathcock; Colin Lancaster; Jessica Rogel; Jon Dufour; and Ranei Gattenby. In addition, the members of the IT Governance Committee are committing many past and future hours to this work as well: Lisa Ansell, Shanna Bailey, David Barnett, Carrie Baxendall, Jill Cuyler, Terry Hegle, Michael Meyers, Alina Putintsev, Brian Rogers, John Saris, Fumi Schaadt, Carmen Spuhler, Brian Wagner, and Ed Tabor.

The Office of the State CIO helped shaped these efforts with the expertise of Jared Choc. Finally, thank you to our consultants at Slalom Inc.: Jon Spurlock, Matt Ewalt, Derek Kipps, Ronald Olshausen, and Chris Gottshall.

Introduction

Business Oregon needs a five-year Information Technology (IT) Strategic Plan to guide it in prioritizing, planning, implementing, and managing current and future technology investments and resources. This plan aligns a technology roadmap and proposed investments with the agency's *Strategic Plan*. It also guides agency leadership in the effective use of technology to support agency operations.

Collecting Information

From March through July 2019, consultants from Slalom Inc. worked with Business Oregon to understand the information technology challenges facing the agency. Through a series of individual staff and group interviews, interviews of external customers, and an all-staff survey, Slalom was able to identify dozens of challenges or "pain points" that make it difficult—or at least frustrating—to conduct business.

Pain Points

The overarching themes that emerged were rooted in the lack of ownership and structure around data, missing change management and weak governance around technology, rollout and use, and large inefficiencies in process and workflow due to fragmentation and lack of needed technology and functionality.

Pain Points Reported to Slalom Inc.

The types of "pain points" reported by staff and customers fell into eight categories, including:

1. **Data, analytics, and reporting.** (26% of comments) In these interviews, staff reported multiple systems of record, poor data quality and consistency, lots of Excel processing and time spent reporting.
2. **Process and workflow**. (21%) In this category, respondents identified processes that are heavily manual, forms that are inadequate, few tools that allow for collaboration with other agencies, and the need to conduct research repeatedly on the same file.
3. **Tools and integration**. (13%) These "complaints" focus on data fragmentation, redundant data entry, and multiple systems of record. One often-heard refrain was that it takes "hours and hours" of work to wrestle data into Excel, in order to report on metrics.
4. **Website and customer experience.** (12%) Both staff and external customers report a desire for self-service, where customers can check a secure and user-friendly website to get updates on applications. Currently the department's public website is not ADA or mobile friendly.
5. **Adoption, training, and governance.** (9%) The challenge here is a poor tradition of "change management" at the agency, with little leadership, training, or documentation during the launch or adoption of new platforms.
6. **Project management and status.** (9%) There is no central way to track the status of projects. Staff keep these records on their own computers with no transparency, visibility, or continuity for the rest of the organization.
7. **Organization and Culture.** (5%) There is no clearly identified ownership of data, with no one staff person at the agency responsible for identifying and fixing data-related problems.
8. **IT support.** (4%) The agency has a strong culture of providing support to staff who need help with IT questions. The problem is that staff and customers rely on face-to-face or interpersonal communications instead of a ticketing system to address their needs, making it difficult to efficiently quantify and support needs of the IT Section.

Members of the IT Governance Committee and Working Group

Recommendations

The following nine recommendations are in priority order, condensed from Slalom's final roadmap report dated July 22, 2019.

#1 Standardize a Change Management Capability. The agency must adopt a culture of leadership during change—whether it be IT-related, or otherwise. The successful understanding, support, and adoption of changes is critical for success. And this is not a one-time change in mindset and behavior; rather, it needs to be ongoing and sustainable. This will require inter-divisional support, led by the Executive Team/Management Leadership Team.

Approx. Time to Deploy: 0-3 Months. Complexity Factor: Low.

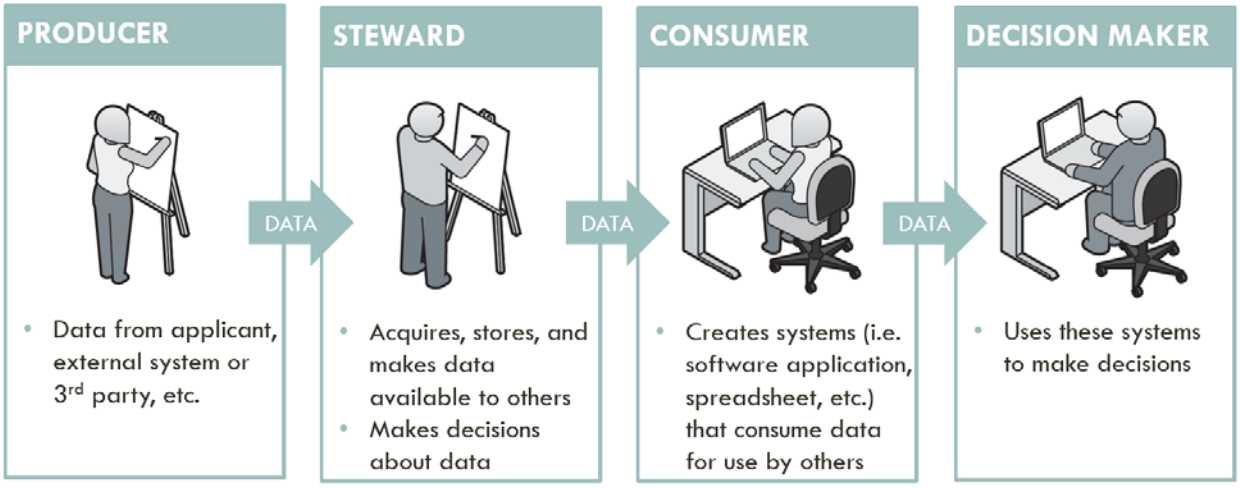
#2 Strengthen IT Governance. The focus here is on the list, or portfolio, of projects and IT investments that the agency is making. The obvious example of a project is building an integrated data platform to replace Portfol. But there will be many different and related projects along the way. We need to make sure we are making effective and efficient use of IT in enabling Business Oregon to do its work. We will need to establish procedures for collecting needs / suggestions (intake), making decisions, and overseeing activities.

Approx. Time to Deploy: 3-9 Months. Complexity Factor: Low.

#3 Establish Data Governance. Proper data governance gets the right data to the right people—data producers, data stewards, consumers, and decision makers—at the right time. It means establishing and enforcing standards through the use of data dictionaries, consistent use of fields, eliminating duplicate record systems, managing data across the enterprise, and having the ability to display, share, and report data accurately and timely. This may be the area where the IT Governance Committee has the biggest, ongoing role to play.

Approx. Time to Deploy: 3-9 Months Complexity Factor: Medium.

Getting the Right Data to the Right People at the Right Time



Members of the IT Governance Committee

#4 Create an Enterprise Data Model—Enterprise Data Architecture. This is the structure of the data itself. The architecture sets up relational databases and accurately reflects the connections between customers, locations, projects, and funding; these are not one-to-one relationships. Lax enforcement or absence of data integrity rules will lead to data quality problems.

Approx. Time to Deploy: 3-9 Months. Complexity Factor: Low.

#5 Establish a Unified Platform. A unified platform is a single tool or multiple tools with data integration and ability to streamline business processes. Such a platform should help Business Oregon support the full data lifecycle, moving from marketing into leads, customer relationship management, funding applications, contracts, and outcome delivery and reporting seamlessly, without having to transfer information onto other platforms or manually manipulate it. Slalom identifies Salesforce as the best platform to meet Business Oregon's needs. The company also recommends dedicating one full (or more than one) FTE as a Salesforce Administrator. Successfully moving through this task will require one Project Manager as well.

Approx. Time to Deploy: 9+ Months. Complexity Factor: High.

#6 Implement Tracked Workflows. This tracks and documents the work with a specific customer or project in a transparent and organized fashion. Removing much of the communication from an email format, the idea here is to use a platform like Salesforce or SharePoint to track the status of a project, alert the next staff when they have an action to perform, request and document needed approvals, and automatically report on the process. The goal is to show at a glance the overall steps, what tasks are pending, and the history and outcomes of each work item.

Approx. Time to Deploy: 9+ Months. Complexity Factor: High.

#7 Implement Enterprise Content Management & Governance. The focus of this recommendation is a centralized, digital filing system that is secure, but user friendly. It is the repository for notes, contracts, correspondence, maps and other exhibits. The process and technology used to manage digital files should be available across the enterprise. Properly managed, this system should help with version control, file sharing/access, document search, document assembly, cloud storage, and accessibility by personnel in the field. Business Oregon's 2019 performance audit by Merina + Co. echoes the need for such a records management system.

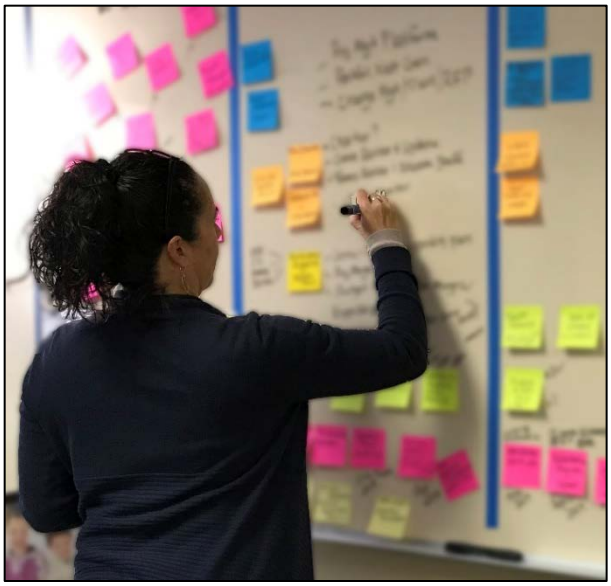
Approx. Time to Deploy: 3-9 Months. Complexity Factor: Medium.

#8 Modernize Website Technology. This recommendation identifies the need to modernize Business Oregon's website and also reconcile competing branding/web presence with the Cultural Trust and Arts Commission. The Slalom roadmap envisions a future where Marketing & Communications, Arts & Culture, and Technology Services all collaborate to ensure webpage consistency with brands, a style guide, ADA compliance, and mobile devices.

Approx. Time to Deploy: 9+ Months. Complexity Factor: Medium.

#9 Create a Customer Web Portal. The final recommendation assumes the creation of a modern website as a starting point. A customer portal on that foundation would then enable greater self-service for already-existing customers, who may want to check on the status of their applications or research the requirements of a grant or loan. This resource could free up staff time to work on higher value activities. Key features would include a secure login, and an ability to update contact information, to submit applications on-line, to check on project status, to submit requests and supporting documentation for reimbursement, to make payments, and to upload support documentation for key performance metrics or other reporting requirements.

Approx. Time to Deploy: 3-9 Months. Complexity Factor: Medium.



Members of the IT Governance Committee

Next Steps

The timeline, full-time equivalents (FTE), and organizational support required for successful implementation of Business Oregon's IT Strategy are spelled out in more detail here.

Activities Already Underway. A newly revamped IT Governance Committee (ITGC) is available to help the agency with decision-making and implementation of the IT Strategic Plan. Comprised of managers and data users that represent various geographies and program areas throughout the department, the committee meets at least monthly to intake and process the challenges that staff and customers bring to the group for resolution. The committee is updating its charter to reflect that many challenges or problems will be technical in nature and can be resolved by the committee using a consensus approach. Other matters may require a policy decision by the Executive Team, additional resources, redirected resources, or statutory change. The ITGC can help sort these categories and direct decision points to the appropriate decision makers.

IT Section Staff

Recommendations that can be implemented immediately:

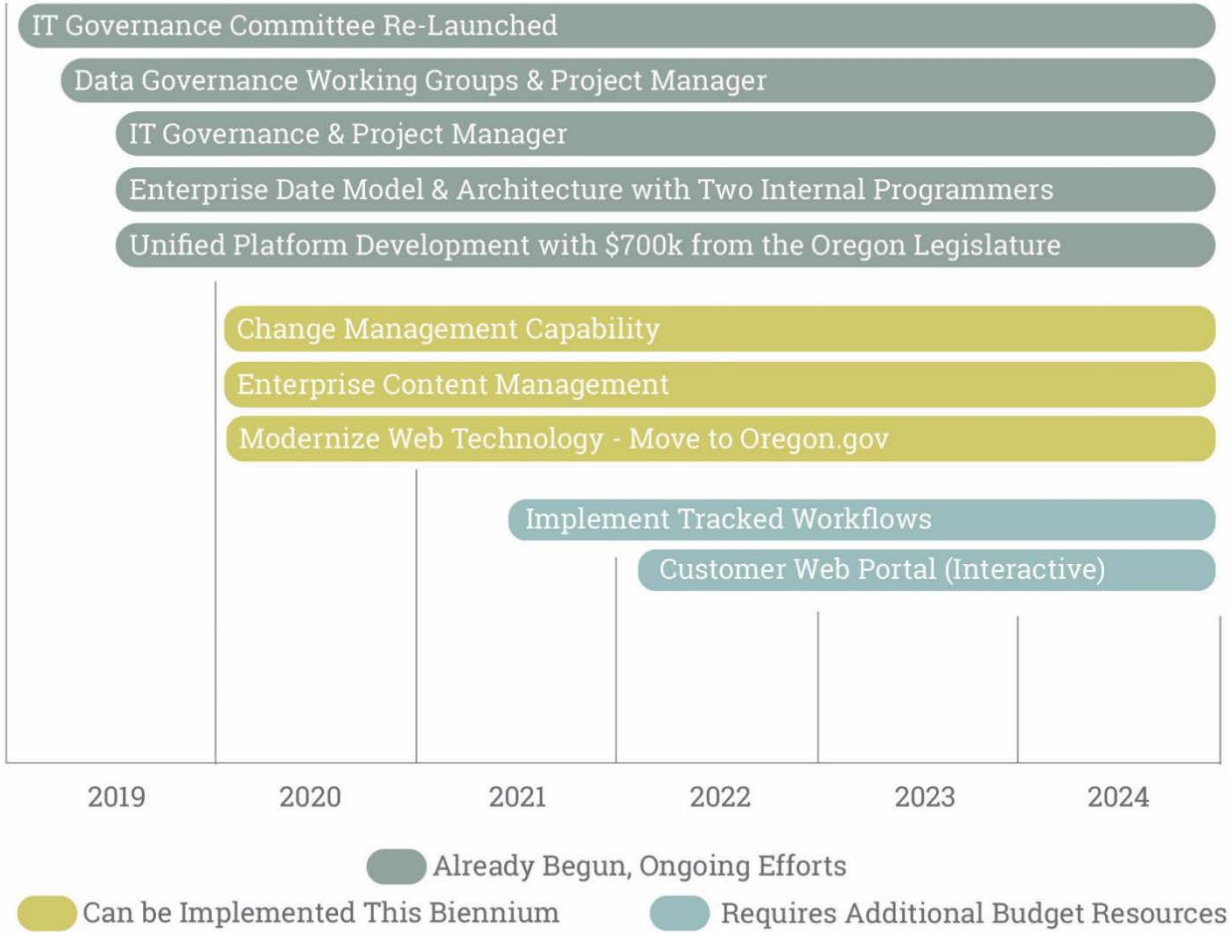
- Change Management. This will require a dedicated staff person to lead the effort, with assistance from outside consultants. Change Management duties can be added and prioritized as additional duties to an existing position description. External consultants will be brought in through an RFP process during 2019
- Data Governance. Data Governance will be the responsibility of program areas, with the support of the operations and finance division. Program specialists will "own" the data and can use the ITGC as a sounding board and resource.
- IT Governance. Information Technology Governance will be the purview of the Technology Services Section, who will track, manage, and provide professional expertise to develop a portfolio of technology projects and tools to serve the agency's business needs. The agency CIO will lead these efforts.
- Enterprise Data Model/Enterprise Data Architecture. The agency has an ISS7 developer on staff who already plays this role. This plan proposes to formally add these functions to the existing position description, and then also request an additional ISS7 developer from the Legislature. Currently, much of the agency's development work is awarded to external contractors who charge by the hour and take institutional knowledge with them at the completion of the project.

- Unified Platform. (The Oregon legislature provided $700,000 this biennium to begin to build this platform). Slalom recommends that the agency continue to build upon its Salesforce platform, as this is a powerful tool that can handle and host all the business functions that need to be integrated, including customer relationships, marketing, funding applications, contract management, and more. The agency already has a Salesforce Administrator on staff; Slalom recommends augmenting this capacity even further. In addition, the agency has Salesforce licenses for many staff members, but would need to purchase additional licenses in order to equip all staff to operate on this platform. Business Oregon may want to consider partnering with other agencies who have similar business needs.
- Enterprise Content Management (ECM). Work on this has already begun, with the Policy Section meeting with various program teams around the agency to convey best practices regarding content management. For each contract or project, they are sharing file naming conventions, as well as the types of files and exhibits that should be stored together. This system works for both paper and digital storage systems.

Recommendations that can be implemented with resources from the Oregon Legislature:

- Implement Tracked Workflows. The agency, with input from the IT Governance Committee and data users, will need to decide which platform (e.g., Salesforce or SharePoint) it will use to track workflows. The development and roll out of this platform will be conducted as part of the larger platform development and will be heavily dependent on robust project management and change management systems.
- Modernize Web Technology. The executive branch agencies are moving their website content onto a SharePoint platform under the auspices of Oregon.gov. The agency will need additional capacity to modernize and maintain its public websites—for Business Oregon, Cultural Trust, and Arts Commission—in a way that is user-friendly, as well as ADA and mobile accessible.
- Customer Web Portal. Agency customers are partners and businesses who are seeking technical and/or funding assistance for their work. Business Oregon will need additional resources from the Legislature, in order to create a secure and interactive customer portal that provides real-time status updates on projects and contracts.

Implementation of Business Oregon's IT Strategic Plan



Conclusion

Business Oregon has re-launched its IT Governance Committee and hired a new Chief Information Officer. Together with the leadership of the Executive Team, Management Leadership Team, IT Section, and data users, the agency is prepared to implement the nine recommendations put forth by its IT consultant, Slalom Inc. Some of this implementation has already begun, and some will require additional resources.

With an IT Strategic Plan designed to support the agency's 2018-2022 Strategic Plan, we will be able to align our investments, human resources, IT projects, and program areas in a more efficient and mature business process. This will allow us to serve both our internal and external customers as they make progress in economic development.

Aligning Our Resources into a Mature Business Process

Enterprise IT Project Prioritization | 2025-27

			EDMS
		TOTAL PROJECT SCORE (0-100)	**100**
CRITERIA	**WEIGHT**	**SCORING GUIDE**	
Technology and Strategic Alignment	**35%**	**WEIGHTED SUBTOTAL**	**35**
Alignment to Strategic Plans • Does this investment adhere to the Governor's Strategic Plan (Action Plan: User Friendly, Reliable and Secure: Modernizing State Information Technology Systems and Oversight)? • Does this investment align with and support the vision, goals, and guiding principles outlined in the EIS Strategic Framework, Cloud Forward: A Framework for Embracing the Cloud in Oregon, Oregon's Data Strategy: Unlocking Oregon's Potential, and the Modernization Playbook? • Does this investment align with and support the State of Oregon, Diversity, Equity, and Inclusion (DEI) Action Plan: A Roadmap to Racial Equity and Belonging, the sponsor's agency-specific Racial Equity Plan, and ethical use of date—investing in data justice and representation, visibility, and ethics to serve all Oregonians? • Does this investment optimize service delivery to the public and/or internally by modernizing agency-specific and cross-agency systems? • Does this investment align with and support the agency's IT and business strategic plans, including strategies for modernizing legacy systems? • Does this investment fulfill a legislative mandate, enable compliance with current State or Federal law, or address specific audit findings?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3
Technology Best Practices and Priorities • Does this investment align with and support the following enterprise information technology priorities? - ***Information Security*** **.** Improving the security and resilience of the state's systems - ***Modernization*** . Optimizing service delivery through resilient, adaptive, secure, and customer-centered digital transformation - ***A Better Oregon Through Better Data*** **.** Leveraging data as a strategic asset—improving data analysis, data quality, information-sharing, decision-making, and ethical use. - ***Cloud Forward*** . Enabling Oregon to conduct 75% of its business via cloud-based services and infrastructure • Does this investment align with IT best practices (e.g., cloud-first, modular implementation, agile practices, configuration over customization, open systems, transparency and privacy by design, security principles, and other modern hosting technologies)? • For system modernizations that include data or data systems, has the agency evaluated the current data being collected, its overall quality, and a migration approach if relevant? • Has there been evaluation of the data contained within the system to see if changes need to be made to the data collection itself?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3

Business and People-Centered Approach	25%	WEIGHTED SUBTOTAL	25
People-Centered Approach • Does this investment put people first—the people who rely on essential services and those working to provide those services? • Does this investment help to eradicate racial and other forms of disparities in state government? • Does this investment improve equitable access to services, programs, and resources, or make the agency's overall service portfolio more accessible or usable for diverse populations? • Does the agency intend to strengthen public involvement through transformational community engagement, access to information, and decision-making opportunities? • Does this investment reduce or eliminate administrative burdens* that have created barriers to access or reinforced existing inequalities for historically underserved and underrepresented communities? • Has the agency utilized the Racial Equity Toolkit within the DEI Action Plan in assessing and planning the project? • If the investment is for agency use, does it improve the agency users' experience?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3
Business Process Transformation • Does this investment contribute to business process improvement/transformation? • Does this investment improve service delivery to customers, partners, or other stakeholders? • Has the agency done public engagement, outreach, or an internal evaluation to identify which populations are most highly impacted (positively and negatively) by these business process changes (e.g., considering populations without home internet in creating a digital application process)? • Have measurable business outcomes and benefits been established, including the return on investment if applicable?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3
Investment Risk • Would inaction impact systems or solutions that support critical business functions? • Would inaction increase risk to continuity of services to customers, particularly vulnerable or underserved populations? • Are there community impacts of not undertaking this project? • Has the agency identified an inequity or imbalance in service provision that this initiative would resolve? • Is there increased risk if investment is not addressed during this budget cycle (e.g., security, safety, legal, funding source, or any other related risk)? • Does the investment address non-compliance of federal or state requirement, audit finding, or mandate? • Does this investment address an identified and documented highly probable agency risk?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3

Agency Readiness and Solution Appropriateness	40%	WEIGHTED SUBTOTAL	40
Organizational Change Management (OCM) • Does the investment significantly impact operations throughout the organization? • Does the agency have, or intend to acquire, OCM resources with the skillsets and experience for the size and complexity of the project? • Does the agency plan to address and mitigate impact or adoption risks through a change management plan or intend to follow a formal OCM methodology? • Has the agency identified community engagement or community involvement as a component of the change management process? • Is external outreach or training planned to implement this change with constituents?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3
Solution Scale and Approach • Has the agency engaged customers, partners, and communities to understand and structure the business problem, benefits, and outcomes? • Does the investment fully address the agency's business problem, benefits and outcomes? • Is the solution of the appropriate size and scale? • Does this investment adhere to principles in *EIS Cloud Forward* (p.4) or *Modernization Playbook* (p.6), etc.? • Will the agency continue to engage customers and communities to inform design, approach, and usability of the solution?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3

Capacity • Has the agency considered skillsets and capacity requirements needed to effectively resource this initiative? • Does the agency have resources with the necessary skillsets and knowledge, or can the agency acquire the resources? • Will this investment impact the agency's ability to deliver on its core business functions? • Has the agency considered capacity for various non-technical resources, including organizational change management, project management, business analysis, testing, communication and community engagement activities? • Does the agency or project environment foster an inclusive workplace culture and promote equitable hiring, retention, and promotion practices?	**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3
Governance and Project Management Processes • Does the agency have formal IT governance in place that will oversee this investment? • Does the investment have executive sponsorship and steering committee in place? • Does the agency employ adequate project governance structure and practices to oversee vendor/contract management, change control, quality control and quality assurance, and data management and usage? • For projects that impact data or data systems, is there a data governance body or other body responsible for data management that is engaged in the process? Is there an agency data lead who is engaged as part of the project? • Are agency DEI staff involved in the IT Governance and prioritization process? • Does the agency intend to involve customer or partner representation on project forums (i.e. steering committees, advisory boards, etc.)? • Has the agency established processes for community outreach, feedback, engagement, or advice in accordance with the Racial Equity Framework and DEI Action Plan? • Does the agency have, or intend to acquire, project management resources with the skillsets and experience for the size and complexity of the project? • Does the agency use mature project management practices (PMBOK)?	**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3

References:

*Administrative burdens include learning costs, such as finding out whether one is eligible for a program; compliance costs, such as burdensome paperwork and documentation; and psychological costs, such as the stress and stigma that people feel when interacting with government programs. Health Affairs, Herd, P., Moynihan, D. (2020, October 2). *How Administrative Burdens Can Harm Health* . www.Healthaffairs.Org. Retrieved February 9, 2022, from https://www.healthaffairs.org/do/10.1377/hpb20200904.405159/full/#:~:text=Administrative%20burdens%20include%20learning%20costs,when%20interacti

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Business Case for
Economic Development Management System

Oregon Business Development Department
dba Business Oregon

Operations & Finance Division
Technology Services Section

March 11, 2021
v. 3.6

Business Case – Authorizing Signatures

PROPOSAL NAME AND DOCUMENT VERSION #	**Economic Development Management System, v. 3.5** This version updates to current state and includes findings from the original approach.		
AGENCY	Business Oregon	**DATE**	3/11/21
DIVISION	Operations & Finance Division	**DAS CONTROL #**	
AGENCY CONTACT	Cara Kaser, Chief Information Officer	**PHONE NUMBER**	971-718-6674

The person signing this section is attesting to reviewing and approving the business case as proposed.

AGENCY HEAD OR DESIGNEE		
Sophorn Cheang		
Director		
Signature	**Date**	
AGENCY EXECUTIVE SPONSOR		
Brenda Bateman		
Assistant Director, Operations & Finance Division		
Signature	**Date**	
AGENCY CHIEF INFORMATION OFFICER (CIO)		
Cara Kaser		
Chief Information Officer		
Signature	**Date**	

Table of Contents

Business Case – Authorizing Signatures 2

Executive Summary..... 4

Problem and Opportunity..... 4
Purpose 5
Budget..... 5
Planning..... 5

Background and Purpose 6

Agency Overview 6
Background 6
Purpose 7

Problem or Opportunity Definition..... 8

Problem..... 8
Benefit Opportunity..... 10

Alternatives Analysis.....11

Risks 11
Anticipated Scope 12
Assumptions..... 13
Alternatives..... 13

Conclusions and Recommendations 19

Conclusions..... 19
Recommendations and Next Steps..... 19

Executive Summary

The Oregon Business Development Department (dba Business Oregon) is Oregon's economic development agency. Our mission is to invest in Oregon's businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. With a team of just over 140 employees, we deploy various services to grow and support businesses and communities across Oregon. We offer more than 80 core programs focused on prosperity for all Oregonians.

Through these programs, Business Oregon supports rural community development and infrastructure financing; business retention, expansion and recruitment; export promotion and international trade; industry research and development and entrepreneurship; small business assistance; and support for arts and cultural organizations. The agency's current portfolio stands at more than 2,100 open accounts worth nearly $2.8 billion in economic development loans, grants, bonds, and other economic development resources.

Problem and Opportunity

Today, almost all programs are accessed through paper application forms either in a Microsoft Word document or fillable PDF. The agency generally completes work by manual paper processes and one-to-one customer conversations during government business hours. Customers call and speak to a person or wait for a reply by email to learn about loan or grant balances, get a status update on applications, renegotiate payment plans, or otherwise discuss their specific needs. In most cases, customers need to know something about our programs to understand how we can help. Through manual data entry, the agency uses an internal system to manage loans, grants, bonds, tax incentives, and other economic development resources on a Microsoft Access-based software application called Portfol. Throughout most agency programs, information is further captured on a combination of Excel spreadsheets, Word documents, etc., and stored in different places on the agency's network.

Since implementing Portfol in 2007, Business Oregon's needs have changed. The agency's loan, grant, bond, and tax-incentive programs have changed in scope, and for example, some now have multiple contracts and terms that are extremely difficult to track, manage, view, and report out of the current system. The agency also has new legislative requirements to provide data and analysis to ensure the agency meets its goals and KPMs, and provides accurate and precise reporting to the legislature and other stakeholders. In addition, internal staff needs the ability to access information on-demand and automate program workflows where possible. Finally, Portfol has reached its technical end-of-life and while the vendor still provides minimal system patch updates, they will not be releasing any future enhancements to the current system platform.

The agency's historical financial records need to be transferred, and Portfol replaced with a system that will allow the agency to continue to act as a responsible steward of public resources and manage our programs' financial data. Continuing to rely on a legacy software solution that is difficult to manage due to the complexities of changing legislative requirements, and is now largely unsupported by the vendor leaves the agency and billions of dollars in loans and grants the system tracks in an extremely vulnerable position.

Business Oregon's Agency Modernization Program Business Case and accompanying agency and IT strategic planning documents outline a course of action to provide a program aimed at transforming business delivery. Our objective is to meet customers and partners evolving needs using technology and innovation to deliver a system that can provide an expandable foundation facilitating further enhancements into the future. The Economic Development Management System Project is identified specifically as one project within the Agency Modernization Program scope.

Purpose

As part of the Agency Modernization Program, the Economic Development Management System (EDMS) Project's primary goal is to modernize the agency's loan, grant, bond, and other economic development incentive capabilities which necessitates replacing Portfol, the agency's legacy loan, grant, bond, and tax-incentive portfolio management system. Portfol is a Microsoft Access-based software application built on over 30-year old technology and manages the agency's current economic development resources portfolio. The EDMS will provide an online internal-facing system for employees to manage and administer economic development resources such as loans, grants, bonds, and tax incentives.

Implementing the EDMS is intended to provide the following benefits:

- Increased system stability and resiliency.
- Increased standardization and automation of economic development program business processes.
- Ability to accommodate legislative changes.
- Increase in data integrity and consistency.
- Ability to track, roll-up, and report on loans, grants, and other economic development resources across business units.
- Improved system and information security.
- Use of modern technology platforms.

Budget

The agency requested and received a Policy Option Package for FY 2019-21 to perform project management, system analysis, design, and development work to replace Portfol with a modern and enterprise-scaled loan, grant, bond, and tax-incentive portfolio management system. The agency filled two Limited Duration positions to support this work, an ISS7 for an Application Developer and an ISS8 for Project Management.

The Legislature granted $550,000 for staff through Lottery funds (85%) and other funds (15%). In addition, another $150,000 of ongoing funds supports licensing and costs for software.

Planning

The recently completed Agency Modernization Program Business Case and accompanying Agency Strategic Plan (2018-22) and IT Strategic Plan (2019-23) outline a course of action and priorities for agency investments in technology modernization. The Agency Modernization Program ensures that the agency is equipped to achieve those priority goals and support the Governor's core values of a thriving statewide economy, creating jobs, and delivering efficient and effective government services. The overall strategy for modernization, as outlined in the Agency Modernization Program Business Case includes:

- Improving service delivery through enhanced customer experience.
- Modernizing and standardizing technology.
- Transforming business processes.
- Leveraging data as a strategic asset and creating a culture of data stewardship.
- Improving information security.

The Economic Development Management System (EDMS) Project is the first component of the Agency Modernization Program, and the Legislature dedicated funding for this project in FY 2019-21. The project will be managed using the Project Management Body of Knowledge (PMBOK) methodology under agency governance processes and EIS oversight when appropriate.

Background and Purpose

Agency Overview

Business Oregon is the assumed business name for the Oregon Business Development Department, the state's economic development agency. Business Oregon's mission is to invest in Oregon's businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Core functions include rural community development and infrastructure financing; business retention, expansion and recruitment; export promotion and international trade; industry research and development and entrepreneurship; small business assistance; and support for arts and cultural organizations. The department's overall work is guided by a nine-member commission with additional input and expertise provided by several other advisory bodies and boards.

The agency has four divisions that work together to deliver services to Oregonians:

- **Director's Office:** Sets the agency's strategic direction and is ultimately responsible for agency operations and providing staff support for the Business Oregon Commission.
- **Arts & Culture:** Provides funding and programs for community cultural development, including making grants and loans to artists, education organizations, counties, and tribal coalitions.
- **Economic Development:** Provides front-line customer contact and assistance, determining what products and services will benefit most. Programs, incentives, business certification, and business assistance is a primary function, as is business concept development (innovation), expansion, and international trade. The division supports the Oregon Innovation Council (Oregon InC) and its subcommittees; the Infrastructure Finance Authority (IFA) Board and its subcommittees; the Oregon Growth Board; the Broadband Advisory Council; and the Seismic Rehabilitation Grant Committee.
- **Operations & Finance:** Provides financial management tools and services and manages resources for fiscal and budget services, safety, technology, employee services, motor vehicles, and building maintenance. This group is also responsible for internal audits, agency policy, rule-making, tribal relations, strategic planning, and communications.

The agency's current portfolio stands at over 2,100 open accounts worth nearly $2.8 billion in economic development loans, grants, bonds, and other resources.

Background

In 2020, Business Oregon completed an Agency Modernization Program Business Case and accompanying Agency Strategic Plan and IT Strategic Plan that outline a course of action and priorities for agency investments in technology modernization. The Agency Modernization Program Business Case was reviewed and endorsed by Enterprise Information Services (EIS) in January 2021. The Agency Modernization Program includes the following desired benefits as part of its scope and is aligned with Business Oregon's strategic agency goals:

- Improved service delivery through enhanced customer experience;

- Modernized and standardized technology;
- Transformed business processes;
- Data leveraged as a strategic asset and the creation of a culture of data stewardship;
- Improved information security.

The Economic Development Management System (EDMS) Project is the first component project of the Agency Modernization Program. The primary goal of the EDMS Project is to modernize the agency's loan, grant, bond, and other economic development incentive capabilities. Business Oregon's current loan and grant management system, called Portfol, was designed in the 1980s. The core technology that supports Portfol was created using older technology available long before the widespread use of the internet to transmit information and conduct business. In 2016, the agency restructured the organization to create a more centralized agency and assessed program processes using lean principles and subsequently initiated improvement efforts. During that time, the agency began configuring and customizing a Customer Relationship Management (CRM) solution to support its operations. This CRM system has allowed the agency to start managing customer interactions and support information sharing between business units.

In 2017, Business Oregon began an internal review of its technology ecosystem as part of the work on the Agency Strategic Plan. The agency published an RFP and engaged a professional services firm to design, build, and implement a proof-of-concept using the agency's CRM system to convert one or more loan and grant programs that used a paper-based application submission and administration process to use an online application and administration process with automated workflows.

The proof-of-concept only focused on the viability and benefit of using online applications (in lieu of paper), and some administration processes with workflow automation for a handful of programs: Solar Development Incentives, Community Development Block Grant, Entrepreneurial Development Loan Fund (not completed), and a few of the Arts Commission grant programs. While the proof-of-concept was successful in creating applications via the CRM, it fell short in implementation. However, there were promising findings focused on data-driven decision making and opportunities to improve employee productivity, reduce operational complexity and increase internal controls through standardization and automation of business processes.

In 2019, the agency engaged the services of Slalom Consulting to use findings discovered through internal and external stakeholder interviews, a review of current technologies that support the agency's work, and analysis of these findings to develop a comprehensive and prioritized 5-year IT Strategic Plan for technology modernization. The IT Strategic Plan was adopted by the agency's IT Governance Committee later that year. Among the strategic priorities includes establishing a unified platform to streamline business processes and support the agency's full data lifecycle, moving from marketing into leads, customer relationship management, funding applications, contracts, and outcome delivery, to reporting seamlessly without having to manipulate or transfer information onto other platforms or systems manually.

Purpose

The EDMS Project is the first component of the Agency Modernization Program and is intended to deliver a foundational technology system to realize a subset of the benefits in the scope of the program. Specifically, the EDMS Project will provide an online internal-facing system for agency employees to manage and administer all economic development incentives such as loans, grants, bonds, and tax incentives or in-kind resources such as technical assistance, and manage related customer and business data. Specifically, the EDMS Project intends to deliver the following benefits:

- Increased technology system stability and resiliency for managing economic development programs.
- Increased standardization and automation of economic development program business processes.
- Increased ability to accommodate legislative changes to and mandates for business programs and processes.
- Increased business program data integrity and consistency.
- Increased ability to track, roll-up, and report on loans, grants and other economic development resources across all business programs.
- Improved technology system and information security.
- Use of modern technology platforms.

Problem or Opportunity Definition

Undertaking the Economic Development Management System (EDMS) Project as a component of the Agency Modernization Program allows Business Oregon to examine and improve business processes through standardization and automation; more efficiently and precisely accessing and managing data; improving system and information security; and positions the foundational technology system for future Agency Modernization Program component projects.

Problem

Business Oregon's business needs have outgrown the agency's existing systems and these current systems do not allow the agency to meet the changing needs and expectations of our customers. This is particularly true of the agency's existing loan, grant, bond, and tax-incentive portfolio management software, Portfol, a Microsoft Access-based software application. The Portfol software is intended for managing loans and bonds, and while the agency has attempted to also use it for managing grants and tax-incentives, it does not tabulate all elements required. Today, data is manually entered into Portfol by staff. Customer information for loans, grants, etc. is gathered from paper applications and other business processes or systems and then passed through individual staff across the organization who have access to Portfol. Each business unit has developed its own process for managing these entries, and managers ask support staff for data out of the system frequently.

One of the primary drivers for the Agency Modernization Program, and for the EDMS component project specifically, is the risk that legacy systems supporting core business functions may fail as vendor support is limited and continues to wane. In assessing the agency's core technology, business systems, and current business practices, we determined:

- **Manual and constrained business processes.** Many of our business processes are manual or constrained by system capabilities that do not provide the flexibility to meet our customers and partners' changing needs and expectations.
- **Outdated systems.** The systems that support Business Oregon are based on obsolete or outdated technology or are reaching maximum capacity. This poses a risk of system failure and difficulties in maintaining system support.
- **Decentralized data, analytics, and reporting.** We must provide secure and appropriate access to real-time and accurate data that supports the agency, and the network of partners that are working together to support agency services. We can transform from data entry and systems reconciliation to data analysis and strategic management. In a new modern system, many processes can be conducted

simultaneously, eliminating lag times, redundancies and reducing the potential for errors and submissions.

- **Insufficient security controls.** We must improve our ability to protect data, ensure confidentiality, respond to security threats, and easily manage access to our systems and data.

The agency began a proof-of-concept in 2017 using our CRM software (Salesforce) and converted a few paper applications via third-party vendors contracted to work on individual application processes. How the decision to use Salesforce as opposed to other software platforms was arrived at is unknown. While this research and initial implementation showed promising potential for Salesforce to be used as an online application platform, it fell short in actual implementation and on-going maintenance. Unfortunately, the proof-of-concept did not take a comprehensive approach in considering various service delivery elements of program administration such as application access, eligibility, intake, notification, submission, evaluation and selection, review and approval, service/benefit utilization, disbursement of funds, data security and integrity, tracking loan payments, and account maintenance and closure. The agency launched a few online applications to replace paper applications, but did not address creating a central data structure to gather the information nor adopted standardized business processes. Multiple contracted vendors created individual online application forms with little reference to each other's development, which left a fragmented approach to the overall work. Staff was left with little to no instruction on using the system other than the developed online applications themselves. Modifications and updates to online applications fields and data have become untenable as change management was not recorded or purposely deployed to update training materials, desk manuals, etc.

Ultimately, efforts to modernize the paper application processes fell short of modernizing foundational business processes, improving change management within the workforce, or tying in procurement and other systems that support the programs. In addition, developing these applications through different vendors left the agency with different approaches to the online application creation and a disjointed customer-facing presence. The agency has difficulty maintaining the original online application builds due to both the consequences of hiring multiple vendors to create different online applications as well as the limitations of Salesforce as a standardized development platform. The existing online applications are not scalable nor easily reused. There are limitations to field history tracking and validation rules, critical for keeping track of a financial management system. From three years ago, these builds have presented a haphazard approach to customer service for our agency. It's typical for the programs we offer to continue each year, and yearly - or more frequently - there may be minor or major changes to the program requirements as the program evolves. We see this most often in the Community Development Block Grants or brand new offerings as seen in the Coronavirus Relief Funds. The necessary changes are not easy to make or maintain within Salesforce, and there are limitations within the proprietary Salesforce development language (Apex), the number of custom fields allowed, among other limitations such as field history tracking or audit trails necessary to support a financial management system.

Most of our economic development programs supplement our data tracking or information gathering with manual or automated off-system (shadow) processes. Multiple shadow systems are in use throughout the agency to fill the void of functionality with paper processes and the disconnect within Salesforce online applications. This has led to unmanageable workloads and inconsistent data collection, likely increasing the probability of errors, inaccurate information for decision-making, and high potential for adverse audit findings or penalties.

Benefit Opportunity

Modernizing the agency's system for managing loans, grants, and other economic development incentives, and related customer and business data is an opportunity to implement not only a system based on modern software technology, but also the right system to bring together, standardize, and automate business processes; manage data to ensure integrity and consistency across business units; implement a modern technology foundation; and improve system and information security. Implementing a new system to manage loans, grants, and other economic development resources will positively impact the agency's employees, customers, and partners. Identified benefits of the EDMS component project include:

- **Increased technology system stability and resiliency.** The system that manages the agency's portfolio of loan, grant, and other economic development resources is at technical end-of-life, and does not meet the current needs of the agency. If this system fails, it would significantly impact the services the agency delivers to Oregonians, Oregon businesses, and the public trust of the agency. Implementing a system based on current best practices for software system design, scalability, integration, and security will increase system stability and resiliency.
- **Increased standardization and automation of economic development program business processes.** Many of our business processes are manual or constrained by current system capabilities that do not provide the flexibility to meet customers and partners' changing needs and expectations. Adopting a new system that can accommodate business processes changes will allow the agency to implement improved business processes without seeking system workarounds.
- **Ability to accommodate legislative changes.** Due to limitations of the agency's current system that manages loans, grants, and other economic development incentives, we have not always been able to comply with legislative requests and mandates for new programs or changes to existing programs. Unfortunately, this has resulted in cobbling together an ad-hoc solution to address these program requirements. Implementing a flexible system to accommodate new legislatively-mandated programs or changing program requirements will result in simplified and improved business processes.
- **Increase in data integrity and consistency.** The agency currently manages data in a distributed and non-integrated manner with multiple systems of record. Adopting a system that adheres to an enterprise data model and enterprise data architecture will improve data integrity and consistency.
- **Ability to track, report on, and visualize data for loans, grants, and other economic development incentives across business units.** Limitations with the current system for managing loans, grants, and other economic development resources, as well as inefficient business processes result in data being captured in multiple systems of record and an inability to share data between business units and across the agency easily. Implementing a system that can accommodate what data the agency needs to collect will improve the ability to perform data analysis and provide real-time insight into data across the agency. Additionally, implementing a data visualization capability will allow agency decision-makers to see new business patterns, risks, or opportunities.
- **Improved system and information security.** The current system that manages the agency's loans, grants, and other economic development incentives has limited security features. Controlling security is complex and managing users' access appropriately is challenging. Access review or investigation is conducted through manual reviews, making it difficult to respond to security threats promptly. Implementing a system designed to protect data, ensure cybersecurity compliance, respond to security threats, and manage and audit access to the system and corresponding data will improve system and information security.
- **Use of modern technology platforms.** The agency currently relies on a system to manage loans, grants, and other economic development resources that must be locally installed and operated from a PC

desktop. The user experience and interface are unintuitive, unable to be customized by the user, and slow to navigate. Adopting a system based on modern technology and UX/UI design patterns will enable the system to be more easily used and supported.

Alternatives Analysis

Risks

The agency has identified the following risks intended to be mitigated by the Economic Development Management System project. The ability of each alternative to address these risks will be assessed as part of the description and analysis of the alternative.

- **Impact of paper-based and manual processes.** Paper-based processes and manual workarounds that are currently required to augment the existing system prevent the agency from improving business processes. As a consequence, our current backlog of work continues to grow. Additional legislative mandates have exacerbated this in the wake of the coronavirus pandemic. Ultimately, this backlog has already -- and will continue to -- require increased staffing levels to maintain.
- **Impact of antiquated and "shadow" systems.** The current system for managing loans, grants, and other economic development resources is unstable and crashes randomly, causing lost and poor quality data and resulting in rework for staff. Additionally, multiple shadow systems, mostly in spreadsheets, are maintained within different business units to supplement data that cannot be captured readily by the current system. Not replacing our current system means these issues will continue, worsening data quality problems and further impacting work backlog.
- **Lack of ability to customize the system to accommodate new business processes or program requirements.** The current system for managing loans, grants, and other economic development resources cannot be changed to accommodate new business processes or program requirements as a result of legislative requests or mandates. One small example of this is, because out-of-the-box data fields cannot be customized, a single data field within Portfol can be used for different purposes depending on the business unit, which leads to data consistency and reporting issues. Not being able to change systems to accommodate changing business needs will mean that these issues will continue. Workarounds or ad-hoc solutions will continue to be needed within the agency.
- **Lack of controls to ensure data integrity and consistency.** A lack of a complete set of business and system controls for governing data has resulted in data captured in multiple systems of record and an inability to share data between business units and across the agency easily. Additionally, lack of controls can make providing quality data to stakeholders in a timely manner extremely difficult.
- **Insufficient reporting capability and inability to visualize data.** There is inadequate reporting capability in the current system, and there is currently no data visualization capability. While there is a current workaround for generating canned reports whereby staff uses a reporting service supplied by the system vendor, this service is being phased out, leaving staff with no viable way of easily generating reports from the system. The lack of a data visualization capability limits agency decision-makers to see new business patterns, risks, or opportunities.
- **System and information security limitations.** The lack of current system and information security features challenges our ability to share data or provide access easily. Controlling security is complex, and difficult to manage appropriate user access. Access review or investigation is conducted through manual reviews, making it challenging to respond to any potential security threats promptly.

Anticipated Scope

The EDMS project must review and assess all current business processes, data, and system needs related to the administration, contracting, and reporting of loans, grants, and other economic development incentives, and related customer and business data.

The agency's operational areas within scope include:

- All programs within the Arts & Culture Division
- Some programs within the Economic Development Division, including:
    - Business & Community Development
    - Innovation & Entrepreneurship
    - Programs & Incentives
- Some programs within the Operations & Finance Division, including:
    - Fiscal & Budget
    - Business Finance
    - Policy, Rules, and Contracts
    - Communications and Research

The following activities will be included:

- Evaluating current business processes and tools related to the management of loans, grants, and other economic development resources such as: initial data collection and entry; financing; contracting; monitoring; close-out; and reporting.
- Evaluating economic development program data and data architecture needs.
- Evaluating economic development program data governance stewardship and governance.
- Evaluating how the agency receives and sends information related to loans, grants, and other economic development resources among agency programs.
- Evaluating agency technology infrastructure and architecture related to economic development programs.
- Evaluating agency reports and reporting tools for internal and external consumers related to economic development programs.
- Collecting solution requirements
- Evaluating solution alternatives.
- Procuring and/or building solution.
- Implementing solution.
- Training users.
- Planning for ongoing operations and maintenance.

The scope of this project does not include:

- Changes to how customer-supplied data for applying for loans, grants, and other economic development resources is collected.
- External customer dashboard or impacts to Oregonians who access services we provide.
- Interface with SFMA, ORPIN or other statewide systems or any service delivery partners.
- Any other existing systems, tools, processes, data sources, or other tasks not required to meet the goals of modernizing the agency's loan, grant, bond, and other economic development incentive capabilities.

Assumptions

To achieve a successful project, the following assumptions are made:

- The Agency Modernization Program continues to be supported by agency leadership and current and future agency strategic planning.
- The EDMS project is accepted by the agency as a component of the Agency Modernization Program and is identified as a priority component within the program.
- The EDMS project is supported by agency leadership as well as current and future agency strategic planning.
- The EDMS project receives the necessary staff and funding to implement and provide ongoing operations and maintenance of a solution.
- Necessary internal and external approvals for each stage of the project are timely.
- Establish and follow a strong governance model supported by change management principles.
- The EDMS project is expected to be implemented during the 21-23 biennium.

Alternatives

The agency is exploring four alternative approaches:

- Option 1: Maintain the Status Quo
- Option 2: Commercial Off-The-Shelf System
- Option 3: Custom Developed System
- Option 4: Hybrid System

The EDMS project cannot be achieved by maintaining the status quo (Option 1). Rather, implementing a new system for managing loans, grants, and other economic development incentives could be achieved via three approaches: a Commercial-Off-The-Shelf System (Option 2); a Custom Developed System (Option 3); or a Hybrid System (Option 4). The Commercial-Off-The-Shelf approach would procure a system already offered on the market by a vendor. The Custom Developed System approach would build a completely custom system using either in-house staff, a contracted vendor, or some combination of in-house staff and contracted vendors. Lastly, the Hybrid System approach would create a system using a combination of procured COTS software offered on the market by a vendor, and custom software built using either in-house staff, a contracted vendor, or some combination of in-house staff and contracted vendors.

Key Selection Criteria

Several key selection criteria were identified to measure and determine viable alternative approaches to the degree to which the work establishes scope, quality, budget, and schedule expectations, and then delivers on those expectations:

- **Benefits:** Meets business benefits and provides opportunities for agency stakeholders as identified in the “Benefit Opportunity” sub-section.
- **Risks**: Mitigates agency exposure to risks as identified in the “Risks” sub-section.
- **Cost:** Maximizes the most cost effective and efficient solution.
- **Timeline:** Meets timeframe that supports business needs as identified in the “Assumptions” sub-section.

- **Strategic Alignment:** Meets gaps identified in the Agency Modernization Program Business Case, Agency Strategic Plan and IT Strategic Plan, and provides opportunities for our future state by providing incremental expandability and flexibility of adopted systems.
- **High-Level Requirements:** Meets high-level requirements identified by agency including providing opportunities for: integration with existing and future systems; flexibility to meet changing agency needs; and agency IT staff to provide maintenance and support, among others.

Key selection criteria were measured using the following scale:

- **Low:** Criterion meets less than 30% of expectations.
- **Medium:** Criterion meets great than 30% but less than 70% of expectations.
- **High:** Criterion meets great than 70% of expectations.

Option 1 – Maintain the Status Quo

Maintain and continue the use of the current system for managing the agency's economic development incentives and related customer and business data, and do nothing. Under this option, the agency would continue operating the same with limited to no ability to expand or enhance the current system, leaving current business processes for managing loans, grants, etc., and the Portfol system, specifically, as-is. In addition, this option would incur no additional new costs related to software procurement and/or personnel expenses, and would take the least amount of time to implement. Currently, economic development incentives are managed and tracked using different systems depending on the business unit. For example, loans and bonds are tracked using Portfol, but Portfol doesn't support all data entry points for bonds, specifically. Some grants are tracked using Salesforce, while others are tracked via spreadsheets. Tax incentives and technical assistance provided by programs are maintained, tracked, and reported on using spreadsheets. Data stored within all of these systems is not maintained in a central location, making reporting and tracking more difficult for auditing purposes.

The option of maintaining the status quo is the option with the most disadvantages. The current software is in a precarious state. Built as a Microsoft Access application, the software has the inherent weaknesses of all Access applications, notably its reliance on the Windows operating system and installation on the desktop, inability to be accessed remotely or via mobile, and limited concurrent users. While the agency mitigated this as much as possible by moving Portfol's data to a SQL Server database, the application still crashes frequently, is slow to use, and most importantly, cannot be enhanced for the agency's modern business needs.

Benefits produced through the EDMS project cannot be realized under this option.

Table A.1 below measures how well this alternative meets the key selection criteria:

Criteria	Option 1 (Status Quo)
Benefits	*Low*
Risks	*Low*
Cost	*High*
Timeline	*High*

Strategic Alignment	*Low*
High-Level Requirements	*Low*

Table A.1

Option 2 – Commercial Off-The-Shelf System

Identify, contract, procure, configure, provide training, implement, operate, and maintain a Commercial-Off-the-Shelf (COTS) software system for managing the agency's economic development incentives and related customer and business data. Under this option, the agency would identify commercially available software solutions for managing economic development incentives such as loans, grants, bonds, tax incentives, and technical assistance. The agency would conduct a competitive recruitment of current commercially available solutions used in other government organizations. Information collected through this search would build knowledge of COTS software solutions, the availability of these solutions, cost estimates, lessons learned from other government agencies (if available), alignment with agency benefits, and implementation timeline estimates. The agency would then contract with the vendor to procure the COTS system, configure and potentially customize the system to meet agency business and system requirements, train IT support staff in operations and maintenance of the system, train end users in the operation of the system, and then implement the system in a production environment.

The option of a COTS system has some advantages. In this option, the agency can acquire and implement a system supported by a contracted vendor that will provide on-going maintenance, updates, and new features. Once a procurement is made, implementing a COTS system would take more time than Option 1, should take less time than Option 3, and should take about the same amount of time as Option 4 since the system is pre-built, and many vendors provide ready-made training for user adoption. Agency IT staff would be needed to operate and administer the system, but the vendor would handle the system's infrastructure and any customization or modifications to the system. Most importantly, the agency would have a modern system that could improve data integrity and consistency, improve reporting and the capability to visualize data, and improve system and information security.

Disadvantages of a COTS system include a high likelihood that the system will not meet all of the agency's specific current and future business and program needs. This will mean either the agency limits its business processes to what the system is capable of supporting or that the agency further contract with the solution provider to customize the system. Another disadvantage is the upfront cost of acquiring, configuring, and implementing the system, and the long-term costs of maintenance and support of the system. Depending on the system, this on-going operations and maintenance may need to be completed by the vendor, increasing the likelihood of the agency becoming increasingly dependent on the vendor to make needed changes, resolve issues, and release required upgrades.

A majority of benefits produced through the EDMS project could be realized under this option.

Table A.2 below measures how well this alternative meets the key selection criteria:

Criteria	Option 2 (COTS)
Benefits	*High*
Risks	*High*
Cost	*Medium*
Timeline	*Medium*
Strategic Alignment	*Medium*
High-Level Requirements	*Medium*

Table A.2

Option 3 – Custom Developed System

Design, build, provide training, implement, operate, and maintain a custom developed software system for managing the agency's economic development incentives and related customer and business data. Under this option, the agency would design and build a completely custom system using its existing technology infrastructure and software platforms. The agency would identify potential technology stacks to operate, develop cost estimates and implementation timeline estimates. The agency would then design and build the system to meet agency business and system requirements, train IT support staff in operations and maintenance of the system, train end-users in the operations of the system, and implement the system in a production environment.

The option of a custom developed system has many advantages. In this option, the agency can design and build a custom system specifically for the agency's current and future business and program needs. Additionally, this alternative uses modern technology infrastructure the agency is already committed to investing in and there would be a higher degree of integration with other existing systems, ultimately leading to strategic alignment with agency goals. Most importantly, the agency would have a modern technology platform for building a system to improve data integrity and consistency, the opportunity to customize business process workflows when needed, improved reporting and the capability to visualize data, and improved system and information security.

Disadvantages of a custom developed system include the upfront cost of system development, either through a contracted vendor or using internal IT staff, and the long-term costs of maintenance and support of the system. Another disadvantage is the time to implement, although this can be mitigated by completing project planning following accepted PMBOK methodologies prior to development work occurring.

A majority of benefits produced through the EDMS project could be realized under this option.

Table A.3 below measures how well this alternative meets the key selection criteria:

Criteria	Option 3 (Custom Dev)
Benefits	*High*
Risks	*High*
Cost	*Medium*
Timeline	*Medium*
Strategic Alignment	*High*
High-Level Requirements	*High*

Table A.3

Option 4 – Hybrid System

Design, configure and integrate Commercial-Off-the-Shelf (COTS) software solutions the agency has already procured and implemented with a custom developed software component, and then provide training, implement, operate, and maintain this system for managing the agency's economic development incentives and related customer and business data. This option combines elements of Option 2 and Option 3, and would integrate our already procured and implemented COTS customer relationship management system (Salesforce) and our business analytics system (Microsoft Power BI) solutions with a custom developed software component. Under this option, the agency would continue to use and renew contracts with vendors for COTS software solutions already being used within the agency (and which are not within the scope to be modernized as a component of the Agency Modernization Program) and also develop a custom software component using the agency's existing technology infrastructure that integrates with both of these COTS solutions. The agency would identify potential technology stacks for development, and develop cost estimates and implementation timelines estimates. The agency would then design and create a system composed of both COTS and custom built solution components to meet agency business and system requirements, train IT support staff in operations and maintenance of the system, train end-users in the operation of the system, and then implement the system in a production environment.

The option of a hybrid system has the most advantages. In this option, the agency can choose how much of the system will use existing COTS software and custom built software components, thereby leveraging the benefits of both a vendor-managed and agency-managed system overall. The agency can take advantage of features that already exist and are already used in the agency within the COTS software which negates the need to recreate these features through custom development. For the agency's current and any future business and program needs that can't be met using existing COTS software components of the system, the agency can create a custom software component to meet these needs and that integrates with the COTS components. Since contracting, procurement, and implementation of COTS solutions are already complete, implementing a hybrid system should take less time than Option 2 and Option 3 because the agency would only design and build a custom software component of the system, rather than the entire system itself. For the COTS components of the system, agency IT staff would be needed to operate and administer those system components, but the vendor would handle the system's infrastructure and any customizations or modifications to those components of the system. For the custom built component of the system, the agency would use its existing technology infrastructure and IT staff to support that component of the system. Because the agency has already committed

to investing in these COTS solutions, there is less upfront cost overall under this option. Additionally, this option would use modern technology infrastructure and COTS solutions the agency is already committed to investing in, and there would be a high degree of integration among most of the agency's systems, ultimately leading to strategic alignment with agency goals. Most importantly, the agency would have a modern technology platform for building a system to improve data integrity and consistency, the opportunity to customize business process workflows when needed, improved reporting and the capability to visualize data, and improved system and information security.

Disadvantages of a hybrid system are similar to some of the disadvantages identified in Option 2 and Option 3, but are less pronounced. While the COTS components of the system would include a high likelihood of not meeting all of the agency's specific current and future business needs, the custom built component of the system could make up for that deficiency. While the upfront cost of system development is overall lower than Option 2 and Option 3, Option 4 would still require a continuing commitment by the agency to renew COTS solution contracts and costs associated with contracted vendors or internal IT staff to maintain custom build components of the system. These disadvantages can be mitigated by completing project planning following accepted PMBOK methodologies prior to system implementation work occurring.

The most benefits produced through the EDMS project could be realized under this option.

Table A.4 below measures how well this alternative meets the key selection criteria:

Criteria	Option 4 (Hybrid)
Benefits	*High*
Risks	*High*
Cost	*Medium*
Timeline	*High*
Strategic Alignment	*High*
High-Level Requirements	*High*

Table A.4

Table A.5 below compares how well all of the alternatives meet the key selection criteria:

Criteria	Option 1 (Status Quo)	Option 2 (COTS)	Option 3 (Custom Dev)	Option 4 (Hybrid)
Benefits	*Low*	*High*	*High*	*High*
Risks	*Low*	*High*	*High*	*High*
Cost	*High*	*Medium*	*Medium*	*Medium*

Timeline	*High*	*Medium*	*Medium*	*High*
Strategic Alignment	*Low*	*Medium*	*High*	*High*
High-Level Requirements	*Low*	*Medium*	*High*	*High*

Table A.5

Conclusions and Recommendations

Conclusions

Business Oregon knows that we need to be best prepared to help Oregon's businesses move faster than ever – at the speed of business – because the public demands it in these uncertain and dynamic times. More than ever, Oregon's businesses depend on the agency to deliver effective and efficient services. The agency wants the ability to meet our mission better and more quickly, keep costs low, and have less risk by implementing modern and interconnected business processes and technology systems. Ultimately, we need to achieve our mission and vision through increased ability to adapt to our business processes and systems to changing needs demanded by the public, support better data management, quality, accuracy, and timeliness, and improved system and information security.

As the first component of the Agency Modernization Program, the Economic Development Management System (EDMS) Project is intended to deliver a foundational technology system to realize a subset of the benefits within the scope of the program. Specifically, the primary goal of the EDMS Project is to modernize the agency's economic incentive capabilities by providing an online internal-facing system for agency employees to manage and administer loans, grants, bonds, tax incentives and in-kind resources such as technical assistance, and manage related customer and business data.

Adopting a new system to manage loans, grants, and other economic development incentives would address the agency's current limitations of its core system, Portfol, and the various "shadow" systems that have been created as workarounds to these limitations. As a result, implementing the EDMS will provide the following benefits, which in turn will mitigate future risks:

- Increased system stability and resiliency.
- Increased standardization and automation of economic development program business processes.
- Ability to accommodate legislative changes.
- Increase in data integrity and consistency.
- Ability to track, roll-up, and report on loans, grants and other economic development resources across business units.
- Improved system and information security.
- Use of modern technology platforms.

Recommendations and Next Steps

Business Oregon worked recently with Slalom Consulting to develop a five-year Information Technology Strategic Plan. The plan outlines pain points the agency now encounters with IT systems, and provides several

recommendations for how the agency can move forward. Among those recommendations is that the agency focus on choosing a platform as a base for our software needs. Our goal is to build our processes around our data and focusing on creating greater business efficiencies. To do this, we need an infrastructure and architecture we can scale, is efficient, and allows flexibility to accommodate new and changing business processes and programs.

Based on the potential benefit opportunities to transform manual and constrained business processes into business processes that are largely standardized, the ability to accommodate legislative changes to programs as they happen, centralization of data, analytics and reporting, and implementing greater security controls, we recommend that Business Oregon move forward with planning a hybrid system (Option 4). We also recommend that Business Oregon complete a solutions analysis that evaluates how much of the system will use existing Commercial-Off-the-Shelf (COTS) software and custom built software components, the costs associated with implementing, maintaining, and operating each solution, and the related benefits gained. The EDMS Project will be a major project that will deliver improved business capabilities and lay the groundwork for future Agency Modernization Program components. If the agency does not proceed with the EDMS Project, it faces substantial risks that would hinder its ability to achieve its mission.

Addendum to EDMS Business Case

2025-27 Agency Request Budget

February 25, 2025

Background

The EDMS project started in March 2021 as an in-house developed solution with a phased build by component and is funded with Lottery Funds and Other Funds. In the fall of 2022, the EDMS Project Team lost its Data Architect and both Developers, which prompted the Team to explore alternative approaches and perform market research for procuring software solution(s). In April 2023, the EDMS Steering Committee approved a change in project approach to a procure a Commercial Off-The-Shelf (COTS) solution for all EDMS components and an expansion of scope to include Investment Management (Oregon Growth Account and Oregon Growth Fund investments), Donor Management (Oregon Cultural Trust), and an external portal for customer and partner interactions. In December 2023, the project received a Stage Gate 2 re-approval.

Since December 2023, the EDMS Project Team has made significant progress in the planning and procurement phases of the project. The team has focused on business process mapping to document future state processes, ensuring readiness for system implementation. An RFP was released to solicit solution vendors in March of 2024.

Project Status

In September 2024, the RFP was awarded to a single vendor, Ignyte, to implement the ServiceNow platform**,** supporting all EDMS components. The project team has negotiated with Ignyte, and the contract draft is under review by the Department of Justice (DOJ) and the Enterprise Information Services (EIS) for final approval as a part of the Stage Gate 3 endorsement process

The project is currently completing the detailed planning phase, which includes the development of comprehensive project management plans and the establishment of project baselines. These plans will serve as the foundation for managing the project effectively and will be monitored throughout the project's duration to ensure adherence to schedule, budget, and scope. Planning documents required for Stage Gate 3 have been submitted to EIS Oversight and are in the process of review and refinement based on the feedback received. The Stage Gate 3

endorsement is expected in March 2025, with the executed contract following shortly thereafter.

Additionally, the three new positions funded during the 2024 Short Legislative Session—the Modernization Program Manager, Organizational Change Management (OCM) Analyst, and Senior Project Manager—have been filled. These new roles are expected to significantly enhance the Agency's internal project capacity, supporting continued progress as the project moves forward.

The Agency remains committed to aligning the EDMS project with the **EIS Cloud Forward and Strategic Framework vision**, ensuring that all solutions are cloud-hosted and compliant with **Statewide Information and Cyber Security Standards**. The project team continues to engage with key stakeholders, including P3 and CSS partners, the Governor's Office, and DAS, to ensure transparency and strategic alignment.

Funding and Resources

Summary of Funding Requested and Received for the EDMS Project:

1. **FY 2021-2023**:
    - **Policy Option Package**: Funds were requested to continue consulting services for the EDMS project and expand the project team. These funds supported project management, business analysis, business process improvement, and organizational change management services. Additionally, funding was requested for two permanent developer positions and a Data Architect.
        - The agency received funding to continue consulting services and to hire key positions (developers, Data Architect).
2. **FY 2023-2025**:
    - **Policy Option Package**: Funding was requested for the procurement of consulting services, supporting continued project management and business analysis services. This package also included funding to hire an additional business analyst for the project team.
        - The agency received funds to procure continued consulting services and hire an additional business analyst to the project team.
    - **2024 Short Legislative Session**: The agency requested and received funds and position authority for three new roles: a Modernization Program Manager, an Organizational Change Management (OCM) Analyst, and a Senior Project Manager. This will help the agency transition from professional services contractors to permanent internal staff.
        - The agency received the requested funds and position authority for three new positions to further support the project.

3. **2025-2027 Biennium**:
    - **Policy Option Package (POP 104)**: Funding is being requested to support licensing and platform costs, as well as Design, Development, and Implementation of the EDMS system through a two-phased release, post implementation operation and maintenance costs, and costs to continue Independent QA through implementation. The request is informed by negotiated costs and timelines for the system and implementation, estimated extension of IQMS services to support 16-month project implementation starting in April of 2024, and ongoing support services through the remainder of the biennium.

      This request also includes funding for 0.88 FTE of a Learning & Development Specialist to support staff readiness for User Acceptance Testing (UAT), system rollout, and long-term operations as well as funding to extend 4 positions received in a rebalance request for 23-25. Those positions include a Project Manager (PM2), a Business Process Analyst (OPA3), a Systems Analyst - Product Owner (ISS7), and a Systems Analyst - Technical Support (ISS7).

Policy Option Package 123-104 – EDMS Modernization Program Continuation REVISED Update 2/2025

$6,029,193 (Modified)

Purpose

Today, most of the more than 80 programs managed by the Department are accessed through paper application forms either in a Microsoft Word document or fillable PDF. The Department generally completes work by manual paper processes and one-to-one customer conversations during government business hours. Customers call and speak to a person or wait for a reply by email to learn about loan or grant balances, get a status update on applications, renegotiate payment plans, or otherwise discuss their specific needs. Through manual data entry, the Department manages loans, grants, bonds, tax incentives, and other economic development resources on a legacy system called Portfol, a Microsoft Access-based software application built on more than 30-year-old technology. Program information is further captured on a combination of Excel spreadsheets and Word documents, stored in different places on the Department's network.

As part of the Agency Modernization Program, the Economic Development Management System (EDMS) Project's primary goal is to modernize the Department's loan, grant, bond, and other economic development incentive capabilities, which necessitates replacing Portfol. The EDMS will serve as a system of record that allows the Department to manage and administer its economic development programs and services, manage related customer and business data, and provide access to a portal for Oregonians to access applications and securely share necessary supporting documentation.

How Achieved

The EDMS project started in March 2021 as an in-house developed solution with a phased build by component. In the fall of 2022, the EDMS project team lost its data architect and both developers, which prompted the team to explore alternative approaches and perform market research for procuring software solutions. In April 2023, the EDMS Steering Committee approved a change in project approach to a procurement approach for all EDMS components and an expansion of scope to include Investment Management (Oregon Growth Account and Oregon Growth Fund investments), Donor Management (Oregon Cultural Trust), and an external portal for customer and partner interactions. In December 2023, the project received a Stage Gate 2 re-approval.

Since December 2023, the project team has engaged in detailed planning, including business process mapping to document desired future state processes in preparation for working with selected vendor(s) to implement the EDMS. The team also prepared and released an RFP to seek solution vendor(s) to provide products that will comprise the EDMS.

In September 2024, the RFP was awarded to one vendor, Ignyte, to implement the ServiceNow platform to support all components. The project team negotiated with Ignyte, and the resulting contract draft is currently under review with the Department of Justice (DOJ) and Enterprise Information Services (EIS) as part of the Stage Gate 3 approval process.

Based on the current draft Ignyte contract and estimated extension of IQMS services to support 16-month project implementation starting in April of 2024, and ongoing support services through the remainder of the biennium, the Department estimates a total cost of $4,535,650 to fund the following:

- ServiceNow license and platform costs - $1,206,640
- System Design, Development, and Implementation costs - $2,002,639
- System Admin Training on the ServiceNow Platform - $75,000
- Legacy System Costs through Implementation - $624,120
- Estimated iQMS vendor fees through Implementation - $260,580
- Ignyte Post Implementation Support - $366,670

Staffing Impact

In addition to the costs above, the Department is also requesting position authority and funding for five permanent positions: 0.88 FTE of Learning & Development Specialist 2, 1.0 FTE of Project Manager 2, 1.0 FTE of Operations & Policy Analyst 4, and 2.0 FTE of Information Systems Specialist 7.

The 0.88 FTE request for the Learning & Development Specialist 2 position reflects 21 months of funding for a full-time position. Additionally, the agency's request includes extending into the 25-27 biennium the other four positions listed above, which were initially approved through a rebalance request for 23-25. These positions will remain at 1.0 FTE for the biennium, ensuring 24 months of full-time funding.

The responsibilities of each position, along with the justification for each request, are detailed below.

Training and Development Specialist (LDS2)

- **Responsibilities:** Design and deliver training programs, develop training materials, and support end-users during and after implementation.
- **Justification:** Training is essential for successful adoption of the new system. This position addresses a current gap and ensures staff readiness for User Acceptance Testing (UAT), rollout, and ongoing operations. Without adequate training resources, the Department risks poor user adoption and reduced system effectiveness. Post-implementation, this role will be vital in providing continued training and support for new employees and ensuring staff remain adept at using the system effectively.

Project Manager (PM2)

- **Responsibilities:** Support the Senior Project Manager with coordinating project activities, managing schedules, and assisting with communication, documentation, and vendor management.

- **Justification:** The scale and complexity of the EDMS project require dedicated coordination to ensure that all components stay on track and align with project timelines. This position will provide critical support for the Senior Project Manager by handling day-to-day coordination tasks, enabling the project leadership to focus on high-level strategy and risk management.

Business Process Analyst (OPA)

- **Responsibilities:** Manage policy, process, and procedure changes. Oversee data migration by standardizing templates, forms, and collection processes. Develop plans to phase out legacy systems while maintaining historical data accessibility.
- **Justification:** Existing analysts focus on system design and development. This position is critical for aligning business processes with new system functionalities and ensuring a smooth transition to the modernized platform.

Systems Analyst (ISS7) – Product Focused

- **Responsibilities:**
  - Product owner for the new system, overseeing change requests, bug/defect prioritization, contract/vendor administration, and enhancement planning.
  - Coordinate with stakeholders to align system features and updates with business needs.
  - Manage user stories, acceptance criteria, and system reporting requirements.
- **Justification:** This role will focus on ensuring the new system delivers value and aligns with business priorities. It is essential for managing vendor relationships and providing oversight for system enhancements and change requests, which are critical for maintaining a functional and adaptable system. There is no current resource designated for this role, and without this position, the system risks falling short of meeting user and business needs, compromising long-term success. Beyond implementation, this position will ensure the system remains aligned with business needs, providing ongoing support for feature updates and performance monitoring.

Systems Analyst (ISS7) – Technical-Focused

- **Responsibilities**:
  - Address tier-one bug and defect management, including troubleshooting and coordinating fixes with the vendor.
  - Oversee technical testing processes, including test case development, execution, and defect tracking during User Acceptance Testing (UAT).
  - Generate and manage technical reports to support system monitoring, data analysis, and performance evaluation
  - Provide frontline support to users, including identifying whether reported issues are system bugs or user errors, and assisting with user troubleshooting and training as needed.
- **Justification:** This position is critical now to ensure the system's successful development and deployment. Early onboarding will allow this position to actively participate in system development and testing phases, collaborate with the vendor to address technical issues, and build a foundation for effective user support post-implementation. Without this role, the project may face delays in addressing technical challenges, resulting in potential disruptions during rollout. This role will be critical for ongoing system maintenance, ensuring technical issues are resolved promptly, and supporting long-term operational efficiency.

Quantifying Results

The Agency Modernization Program business case outlines the following program benefits: improved service delivery through enhanced customer experience; modernized and standardized technology; transformed business processes; and improved information and system security.

Equity Analysis

By making the Department's programs more accessible and user-friendly for customers, EDMS will lower barriers to access which will support ongoing efforts to increase utilization of the Department's programs by underserved communities.

Revenue Source

The Department is requesting a total of $6,029,193, split $3,195,473 Lottery Fund and $2,833,720 Other Fund.

10% Reduction Options

Oregon Business Development Department (OBDD)

2025-27 Biennium

Detail of Reductions to 2025-27 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**														
IFA	8	OBDD	12300-300-00-00-00000	IFA - reduce S&S and S&S Inflation		30,000					$ 30,000	0	0.00	No	Reduces S&S funds, limited impact on agency
IFA	12	OBDD	12300-300-00-00-00000	IFA - achieve greater personal services savings		131,682					$ 131,682	0	0.00	No	Achieve personal savings, limited impact on agency
IFA	1	OBDD	12300-300-00-00-00000	Seismic Rehabilitation Grant Program			21,271,149				$ 21,271,149	0	0.00	No	Reduces program awards used for seismic improvements to schools and emergency services buildings
IFA	2	OBDD	12300-300-00-00-00000	Seismic Rehabilitation Grant Program			4,935,520				$ 4,935,520	0	0.00	No	Reduces program awards used for seismic improvements to schools and emergency services buildings
IFA	3	OBDD	12300-300-00-00-00000	ARPA- Capital Project Funds (Broadband)			16,335,629				$ 16,335,629			No	Reduces program awards used for ARPA- Capital Projects Fund- Broadband
IFA	1	OBDD	12300-300-00-00-00000	Special Public Works Fund				10,750,000			$ 10,750,000	0	0.00	No	Reduces program awards used for planning, design and construction of utilities and facilities essential to industrial growth, commercial enterprise and job creation
IFA	2	OBDD	12300-300-00-00-00000	Water/Wastewater Financing Program				3,750,000			$ 3,750,000	0	0.00	No	Reduces program awards used for the design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act
IFA	3	OBDD	12300-300-00-00-00000	Safe Drinking Water				3,780,871			$ 3,780,871	0	0.00	No	Reduces program awards used for planning, design and construction of drinking water facility improvements
IFA	4	OBDD	12300-300-00-00-00000	Special Public Works Fund				10,750,000			$ 10,750,000	0	0.00	No	Reduces program awards used for planning, design and construction of utilities and facilities essential to industrial growth, commercial enterprise and job creation
IFA	5	OBDD	12300-300-00-00-00000	Water/Wastewater Financing Program				3,750,000			$ 3,750,000	0	0.00	No	Reduces program awards used for the design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act
IFA	6	OBDD	12300-300-00-00-00000	Safe Drinking Water				3,780,871			$ 3,780,871	0	0.00	No	Reduces program awards used for planning, design and construction of drinking water facility improvements

Oregon Business Development Department (OBDD)

2025-27 Biennium

Detail of Reductions to 2025-27 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**														
IFA	1	OBDD	12300-300-00-00-00000	CDBG					1,750,000		$ 1,750,000	0	0.00	No	Reduces program awards used for developing livable urban communities for persons of low and moderate income
IFA	2	OBDD	12300-300-00-00-00000	Brownfields					298,919		$ 298,919	0	0.00	No	Reduces program awards used for the full range of environmental activities associated with brownfields redevelopment
IFA	4	OBDD	12300-300-00-00-00000	CDBG					1,750,000		$ 1,750,000	0	0.00	No	Reduces program awards used for developing livable urban communities for persons of low and moderate income
IFA	5	OBDD	12300-300-00-00-00000	Brownfields					298,919		$ 298,919	0	0.00	No	Reduces program awards used for the full range of environmental activities associated with brownfields redevelopment
BITD	6	OBDD	12300-210-00-00-00000	Business Finance Operations		30,000					$ 30,000	0	0.00	No	Reduces S&S funds, limited impact on agency
BITD	9	OBDD	12300-210-00-00-00000	Oregon Innovation Council (OR InC)		187,474					$ 187,474	0	0.00	No	Reduces program awards used for a variety of projects
BITD	10	OBDD	12300-210-00-00-00000	Business Finance Operations		162,906					$ 162,906	0	0.00	No	Achieve personal savings, limited impact on agency
BITD	1	OBDD	12300-210-00-00-00000	Small Business Assistance Program/SBDC		994,292					$ 994,292	0	0.00	No	Reduces SBDCs ability to provide business counseling and training services to emerging small businesses statewide
BITD	2	OBDD	12300-210-00-00-00000	Oregon Manufacturing Innovation Center		1,728,801					$ 1,728,801	0	0.00	Yes	OMIC brings together industry, higher education and government to development new techniques in manufacturing
BITD	3	OBDD	12300-210-00-00-00000	Oregon Manufacturing Extension Partnership (OMEP)		200,000					$ 200,000	0	0.00	No	OMEP works with Oregon manufacturing companies to solve problems, create strategies to reduce production cost (lean practices), and gain competitive advantages.
BITD	13	OBDD	12300-210-00-00-00000	Small Business Assistance Program/SBDC		1,657,153					$ 1,657,153	0	0.00	No	Reduce SBDCs ability to provide business counseling and training services to emerging small businesses statewide
BITD	14	OBDD	12300-210-00-00-00000	Oregon Manufacturing Innovation Center		864,401					$ 864,401	0	0.00	Yes	OMIC brings together industry, higher education and government to development new techniques in manufacturing

Oregon Business Development Department (OBDD)

2025-27 Biennium

Detail of Reductions to 2025-27 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**														
BITD	15	OBDD	12300-210-00-00-00000	Business Retention Services Program (BRS)		50,000					$ 50,000	0	0.00	No	The BRS is a program that matches businesses with consultants to prevent the business closure and retain those businesses in OR or to help a business pivot to a new process in order to remain competitive.
BITD	4	OBDD	12300-210-00-00-00000	Industry Competitiveness (ICF)		94,703					$ 94,703	0	0.00	No	Reduces program awards to increase the local, national and global competitiveness of Oregon businesses and high-value industries
BITD	5	OBDD	12300-210-00-00-00000	Strategic Reserve Fund		1,741,949					$ 1,741,949	0	0.00	No	Reduces program awards used for a variety of projects affecting economic development
BITD	16	OBDD	12300-210-00-00-00000	Strategic Reserve Fund		1,388,775					$ 1,388,775	0	0.00	No	Reduces program awards used for a variety of projects affecting economic development
BITD	3	OBDD	12300-210-00-00-00000	State Small Business Credit Initiative (SSBCI)					1,470,910		$ 1,470,910	0	0.00	No	The SSBCI is a Federal program that will bring up to $83M to Oregon businesses over the next 10 years. We currently have access to the first tranche of funding.
BITD	6	OBDD	12300-210-00-00-00000	State Small Business Credit Initiative (SSBCI)					1,500,000		$ 1,500,000	0	0.00	No	The SSBCI is a Federal program that will bring up to $83M to Oregon businesses over the next 10 years. We currently have access to the first tranche of funding.
Arts	1	OBDD	12300-600-00-00-00000	Arts Commission/ Cultural Trust: Reduces program awards for Oregon artists - Operating Support Grants, Career Opportunity Grants, Arts Learning Grants	303,106						$ 303,106	0	0.00	No	Reduces program awards for Oregon artists - Operating Support Grants, Career Opportunity Grants, Arts Learning Grants
Arts	2	OBDD	12300-600-00-00-00000	Arts Commission/ Cultural Trust: Reduces program awards for Oregon artists - Operating Support Grants, Career Opportunity Grants, Arts Learning Grants	303,106						$ 303,106	0	0.00	No	Reduces program awards for Oregon artists - Operating Support Grants, Career Opportunity Grants, Arts Learning Grants
Operations	7	OBDD	12300-110-00-00-00000	Reduces Services & Supplies Funds for: Director's Office, Operations Administration, Fiscal and Budget Services, Employee Services, Information Technology, Policy, Rules & Contracts, Marketing & Communications		5,000					$ 5,000	0	0.00	No	Reduces S&S funds, limited impact on agency

Oregon Business Development Department (OBDD)

2025-27 Biennium

Detail of Reductions to 2025-27 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**														
Operations	11	OBDD	12300-110-00-00-00000	Achieve Personal savings for: Director's Office, Operations Administration, Fiscal and Budget Services, Employee Services, Information Technology, Policy, Rules & Contracts, Marketing & Communications		252,355					$ 252,355	0	0.00	No	Achieve personal savings, limited impact on agency
											$ -				
				TOTAL	**606,211**	**9,519,492**	**42,542,298**	**36,561,741**	**7,068,747**	**-**	**$ 96,298,489**	**0**	**0.00**		

Long-Term Vacancies

Oregon Business Development Department (OBDD)

2025-27 Biennium

Long-term vacancies as of December 31, 2024

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Agency	**SCR**	**DCR**	**Pos No**	**Position Class Comp**		**Position Title**	**Pos Type**	**GF Fund Split**	**LF Fund Split**	**OF Fund Split**	**FF Fund Split**	**FTE**	**2025-27 GF PS Total**	**2025-27 LF PS Total**	**2025-27 OF PS Total**	**2025-27 FF PS Total**	**2025-27 Total Bien PS BUDGET**	**Vacant Date**	**Position eliminated in GRB? Y/N**	**Reason for vacancy**
OBDD	12300-110-00-00-00000	12300-110-07-00-00000	3023049	UA	UA C0438 AP	PROCUREMENT & CONTRACT SPECIALIST 3	PP	-	-	1.00	-	1.00	-	-	31,886	-	31,886	7/1/2023	N	No Funding Available
												-					-			
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						TOTAL		**0.00**	**0.00**	**1.00**	**0.00**	**1.00**	**0**	**0**	**31,886**	**0**	**31,886**			

Ending Balances: Other Funds, Lottery Funds, and ARPA

Oregon Business Development Department (OBDD)

2025-27 Biennium

Contact Person (Name & Phone #): Dao Vue / (971) 382-2336

Updated Other Funds Ending Balances for the 2023-25 and 2025-27 Bienna

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Other Fund Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or statutory reference**	**2023-25 Ending Balance**		**2025-27 Ending Balance**		**Comments**
					In LAB	**Revised**	**In CSL**	**Revised**	
Limited	12300-110-00-00-00000 Director's Office	00927	Operations	SB5524	(2)	74,688	76,919	6,919	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Operation's Administration	00927 00401	Operations	SB5524	791,848	2,856,532	264,655	266,484	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Employee Services	02143 00927	Operations	SB5506 SB5524	(57,862)	201,786	183,593	141,360	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Fiscal and Budget Services	02143 00927 00433	Operations	SB5506 SB5524	-	1,932,653	582,579	592,769	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Information Technology Section	02143 00927	Operations	SB5506 SB5524	(500,947)	1,844,778	2,470,349	248,650	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Marketing & Communications	00927	Operations	SB5524	(15,005)	413,170	46,992	49,613	Intra-agency fund transfer to support OF Operations
Limited	12300-110-00-00-00000 Policy, Rules and Contracts	02143 00927	Operations	SB5506 SB5524	(218,032)	-	329,198	207,265	Intra-agency fund transfer to support OF Operations
Limited	12300-210-00-00-00000 Regional Development Operations	00927	Operations	SB5524	(561,149)	2,264,884	104,271	113,299	
Limited	12300-210-00-00-00000 Business Finance Operations	00471 00541 00613 00654 00927 01425 01426 01558 01838 02028	Operations	SB5524	427,723	12,514,994	797,324	819,603	
Limited	12300-210-00-00-00000 Innovation & Entrepreneurship Operations	00927	Operations	SB5524	-	-	-	1,364	
Limited	12300-210-00-00-00000 Global Strategies & Recruitment Operations	00927	Operations	SB5524	6,029	(1,501)	-	-	
Limited	12300-210-00-00-00000 BITD Administration	00927	Operations	SB5524	1,299,211	23,349	-	-	
Limited	12300-210-00-00-00000 Strategic Reserve Fund	00927	Loan Program	SB5524	37	1,298,700	76,797	(1,221,903)	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-210-00-00-00000 Oregon Growth Fund	01549	Loan Program	SB5524	1,546,758	348,293	1,356,264	1,106,264	
Limited	12300-210-00-00-00000 Metals & Manufacturing	00927	Grant Fund	SB5524	-	-	-	-	
Limited	12300-210-00-00-00000 Industry Competitiveness	01254	Grant Fund/Loan Program	SB5524	-	-	-	-	
Nonlimited	12300-210-00-00-00000 Business Finance Programs	00471 00613 00654 01077 01425 01426 01838	Loan Program	SB5524	12,587,001	25,928,330	15,156,117	15,166,815	
Limited	12300-210-00-00-00000 Business Finance Programs	00927 00541 02028	Loan Program	SB5524	(538,435)	425,789	-	-	
Limited	12300-210-00-00-00000 Business Retention Services	00412	Loan Program	SB5524	1,280	28,101	3,624	3,624	
Limited	12300-210-00-00-00000 Oregon Innovation Council (OR InC)	00927	Grant Fund/Loan Program	SB5524	-	-	-	-	
Limited	12300-210-00-00-00000 Small Business Assistance Programs	00927	Grant Fund/Loan Program	SB5524	-	-	-	-	
Limited	12300-210-00-00-00000 Cert Office of Bus Inclusion & Diversity	00927	Operations	SB5524	123,385	12,417,339	791,635,460	974,031,798	
Limited	12300-210-00-00-00000 BIT Misc/Unallocated	00927 02332 01775 02136 02137	Loan Program	SB5524	(68,046)	53,829,574	113,338,609	113,338,609	
Limited	12300-210-00-00-00000 Oregon CHIPS Fund	02327	Operations	SB5524	(52,083)	87,250,000	18,105,360	(69,133,259)	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-210-00-00-00000 University Innovation Research Fund	01967	Grant Fund	SB5524	-	13,000,000	277,072	(12,722,928)	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-210-00-00-00000 Community Support & Outreach	02205	Operations	SB5524 SB5701	(64,148)	1,000,000	10,418,900	9,326,415	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-300-00-00-00000 Infrastructure Operations	02431 00927 00433 00655 00473 00768 00809 02331 02432	Operations	SB1537 SB5524	(309,014)	4,858,353		345,654	
Nonlimited	12300-300-00-00-00000 Special Public Works Program	00433 00995 00996 00997 01027 01044 01157 01720 02031 02032 01906 01907 02170	Loan Program/Grant Fund	SB5524	16,036,293	42,860,345	22,802,773	22,809,352	
Limited	12300-300-00-00-00000 Special Public Works Program	01514 02168 02417	Loan Program/Grant Fund	SB5524	(60,795)	36,783,753			
Nonlimited	12300-300-00-00-00000 Special Public Works Program	01514 02168 02417	Loan Program/Grant Fund	SB5524	-	5,307,275		-	
Nonlimited	12300-300-00-00-00000 Water/Waste Water Program	00655 00995 00996 01027 01044 01075	Loan Program/Grant Fund	SB5524	6,749,028	3,000,000	5,482,524	5,482,524	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-300-00-00-00000 Water/Waste Water Program	02378	Loan Program/Grant Fund	SB5524	(40,282)	7,853,216		(3,000,000)	
Nonlimited	12300-300-00-00-00000 Safe Drinking Water Program	00797 01027 01068 01069 01075	Loan Program/Grant Fund/Investment Pool	SB5524	126,903,537	100,919,883	124,167,384	124,167,384	
Nonlimited	12300-300-00-00-00000 Ports Programs	00473 01712 01309	Loan Program	SB5524	-	1,857,254	586,051	586,051	
Limited	12300-300-00-00-00000 Ports Programs	00473 00510	Loan Program	SB5524	361,489	5,564,510	406,688	406,688	
Nonlimited	12300-300-00-00-00000 IFA Misc/Unallocated	01514	Other	SB5524	-	-			
Limited	12300-300-00-00-00000 IFA Misc/Unallocated	00927 01334 02039 02158 02296 02023	Other	SB5524	364,233,795	214,967,183	355,712,994	140,745,811	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-300-00-00-00000 Housing Infrastructure	02431	Operations	SB1537	-	1,000,000		(1,000,000)	Other Funds Capital Projects Carryover (POP 126)
Nonlimited	12300-300-00-00-00000 Seismic Rehabilitation Program	02009	Grant Fund	SB5524	-				
Nonlimited	12300-300-00-00-00000 Seismic Rehabilitation Program	02009	Grant Fund	SB5524	-				
Limited	12300-300-00-00-00000 Seismic Rehabilitation Program	01818 02009 02072 02073 02178 02179 02263 02264 02409 02410	Grant Fund	SB5524	4,800,000	110,028,351		4,907,766	
Nonlimited	12300-300-00-00-00000 Brownfields	00768 01027 02169	Loan Program	SB5524	-	3,140,193	52,115	52,115	
Limited	12300-300-00-00-00000 Brownfields	02331	Loan Program	SB5524	(56,148)	(3,525,888)	208,688	208,688	
Limited	12300-300-00-00-00000 Industrial Lands	00927 02328	Loan Program	SB5524	(3,358,977)	10,990,131		16,923,792	
Limited	12300-300-00-00-00000 Broadband Program	02143 00927 01500	Operations/Grant Fund/Investment Pool	SB5524	(432,929)	8,695,853		11,571	
Limited	12300-300-00-00-00000 Levee Grant Program	02168	Grant Fund	SB5524	-	(48)			
Limited	12300-300-00-00-00000 Child Care Infrastructure	02416 02433 02432	Loan Program/Grant Fund	SB5506 SB5524	-	1,000,000		(1,000,000)	Other Funds Capital Projects Carryover (POP 126)
Limited	12300-600-00-00-00000 Arts Commission	001138	Operations	SB5524	195,770	161,511	1,206,933	1,209,825	
Limited	12300-600-00-00-00000 Cultural Trust	01085 01138	Operations/Investment Pool/Trust Fund	SB5524	42,157,453	42,759,478	43,122,419	43,130,983	
Limited	12300-600-00-00-00000 Special Projects	02292 02293 02294 02295 02297 02298 02299 02300 02301 02302	Grant Fund	SB5524		(7,993,913)	288,018	288,018	
Nonlimited	12300-900-00-00-00000 Lottery Bond Debt Service		Other - Debt Service	SB5506		2,158,556		-	
Debt Service	12300-900-00-00-00000 Lottery Bond Debt Service		Other - Debt Service	SB5506		120,495,984		1,075,495	
Debt Service	12300-900-00-00-00000 General Fund Debt Service	01564 01565	Other - Debt Service	SB5506 SB5524		74,501		25,220	
					571,886,783	**930,607,940**	**1,509,260,670**	**1,389,719,698**	

Oregon Business Development Department (OBDD)

2025-27 Biennium

Contact Person (Name & Phone #): Dao Vue / (971) 382-2336

Updated Lottery Funds Ending Balances for the 2023-25 and 2025-27 Bienna

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Lottery Funds Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or statutory reference**	**2023-25 Ending Balance**		**2025-27 Ending Balance**		**Comments**
					In LAB	**Revised**	**In CSL**	**Revised**	
Economic Development Fund (EDF)	12300-110-00-00-00000 Director's Office	00571	Operations	SB5524	-	-	(72,447)	(72,447)	
Economic Development Fund (EDF)	12300-110-00-00-00000 Operation's Administration	00571	Operations	SB5524	-	-	(43,572)	(42,609)	
Economic Development Fund (EDF)	12300-110-00-00-00000 Employee Services	00571	Operations	SB5524	-	-	14,006	14,006	
Economic Development Fund (EDF)	12300-110-00-00-00000 Fiscal and Budget Services	00571	Operations	SB5524	-	-	842,245	842,244	
Economic Development Fund (EDF)	12300-110-00-00-00000 Information Technology Section	00571	Operations	SB5524	-	-	(1,092,189)	(1,092,189)	
Economic Development Fund (EDF)	12300-110-00-00-00000 Marketing & Communications	00571	Operations	SB5524	-	-	(124,799)	(125,762)	
Economic Development Fund (EDF)	12300-110-00-00-00000 Policy, Rules and Contracts	00571	Operations	SB5524	-	-	476,757	476,757	
Economic Development Fund (EDF)	12300-210-00-00-00000 Regional Development Operations	00571	Operations	SB5524	173,258	-	(152,109)	(152,109)	
Economic Development Fund (EDF)	12300-210-00-00-00000 Business Finance Operations	00571	Operations	SB5524	-	-	6,609	6,609	
Economic Development Fund (EDF)	12300-210-00-00-00000 Innovation & Entrepreneurship Operations	00571	Operations	SB5524	44,099	-	-	99,620	
Economic Development Fund (EDF)	12300-210-00-00-00000 Global Strategies & Recruitment Operations	00571	Operations	SB5524	83,588	-	-	251,819	
Economic Development Fund (EDF)	12300-210-00-00-00000 BITD Administration	00571	Operations	HB3410 SB5524	1,494,624	500,000	-	(1,242,412)	Lottery Funds Carryover (POP 124)
Economic Development Fund (EDF)	12300-210-00-00-00000 Strategic Reserve Fund	00570	Loan Program	SB5524	-	7,500,000	7,669,130	7,669,130	Lottery Funds Carryover (POP 124)
Economic Development Fund (EDF)	12300-210-00-00-00000 Oregon Growth Fund	01549	Loan Program	SB5524	-	-	13,313	13,313	
Economic Development Fund (EDF)	12300-210-00-00-00000 Metals & Manufacturing	00767	Grant Fund	SB5524	-	-	-	(3,278,639)	
Economic Development Fund (EDF)	12300-210-00-00-00000 Industry Competitiveness	01254	Grant Fund/Loan Program	SB5524	-	775,000	-	832,569	Lottery Funds Carryover (POP 124)
Economic Development Fund (EDF)	12300-210-00-00-00000 Business Retention Services	00412	Loan Program	SB5524	-	-	3,482	3,482	
Economic Development Fund (EDF)	12300-210-00-00-00000 Oregon Innovation Council (OR InC)	01181	Grant Fund/Loan Program	SB5524	-	-	-	355,862	
Economic Development Fund (EDF)	12300-210-00-00-00000 Small Business Assistance Programs	00767 00571	Grant Fund/Loan Program	HB3410 SB5524	-	500,000	-	(2,386,963)	Lottery Funds Carryover (POP 124)
Economic Development Fund (EDF)	12300-210-00-00-00000 BIT Misc/Unallocated	00767 00571	Loan Program	HB3410 SB5524	-	-	(2,854,025)	(2,854,025)	
Economic Development Fund (EDF)	12300-210-00-00-00000 Oregon CHIPS Fund	02327	Operations	SB5524	-	-	-	-	
Economic Development Fund (EDF)	12300-210-00-00-00000 Rural Entrepreneurship Capacity	00767	Grant Fund	SB5524	-	-	-	40,573	
Economic Development Fund (EDF)	12300-210-00-00-00000 Community Support & Outreach	00571	Operations	SB5524	-	-	(337,206)	(337,206)	
Economic Development Fund (EDF)	12300-300-00-00-00000 Infrastructure Operations	00571	Operations	SB5524	71,580	-		1,469,906	
Economic Development Fund (EDF)	12300-300-00-00-00000 IFA Misc/Unallocated	00571	Grant Fund	SB5506 SB5524	-	11,922,542	(1,669,261)	(1,669,261)	Lottery Funds Carryover (POP 124)
Economic Development Fund (EDF)	12300-300-00-00-00000 Housing Infrastructure	02431	Operations	SB1537	-	-			
Economic Development Fund (EDF)	12300-300-00-00-00000 Seismic Rehabilitation Program	00927	Grant Fund	SB5524	-	-		19,378	
Economic Development Fund (EDF)	12300-300-00-00-00000 Broadband Program	00571	Operations/Grant Fund	SB5524	-	-		179,977	
Economic Development Fund (EDF)	12300-300-00-00-00000 Levee Grant Program	02168	Grant Fund	SB5525	-	-	-	-	
Economic Development Fund (EDF)	12300-500-00-00-00000 Film and Video	00571	Other - Pass-Through Fund	SB5524		-		-	
Debt Service	12300-900-00-00-00000 Lottery Bond Debt Service		Other - Debt Service	SB5524		-		-	
Debt Service	12300-900-00-00-00000 General Fund Debt Service		Other - Debt Service						
					1,867,149	**21,197,542**	**2,679,934**	**(978,377)**	

Oregon Business Development Department (OBDD)

2025-27 Biennium

Contact Person (Name & Phone #): Dao Vue / (971) 382-2336

2023-25 ARPA Ending Balances

(a)			(b)	(c)	(d)	(e)	(f)	(g)	(h)
Program Area (SCR)	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or statutory reference**	**2023-25 Leg. Approved Budget (LAB)**	**2023-25**		**2025-27 POP**		**Comments**
					Ending Balance	**Amount Obligated**	**Y/N**	**POP #**	
12300-110-00-00-00000 Employee Services	00927	Operations	SB5524	39,586	-				
12300-110-00-00-00000 Fiscal and Budget Services	00401 00927	Operations	SB5524	550,379	-				
12300-110-00-00-00000 Marketing & Communications	00927	Operations	SB5524	310,969	-				
12300-210-00-00-00000 Business Finance Operations	01425 01426 02028	Operations	SB5524	1,738,586	-				
12300-210-00-00-00000 Global Strategies & Recruitment Operations	00401	Operations	SB5524	328,174	-				
12300-210-00-00-00000 BITD Administration	00401	Operations	SB5524	442,495	827,198		N		
12300-210-00-00-00000 Business Finance Programs	01425 01426 02028	Loan Program	SB5524	63,529,289	7,707,347		N		
12300-300-00-00-00000 Infrastructure Operations	02333 00401	Operations	SB5524	2,103,077	-				
12300-300-00-00-00000 Community Development Block Grant	00401	Grant Fund	SB5524	32,987,217	-				
12300-300-00-00-00000 IFA Misc/Unallocated	00401	Grant Fund	SB5524	14,650,000	-				
12300-300-00-00-00000 Brownfields	01176 02334 02333	Loan Program	SB5524	6,289,688	-				
12300-300-00-00-00000 Broadband Program	00401	Grant Fund	SB5524	15,536,686	-				
12300-600-00-00-00000 Arts Commission	00401	Operations	SB5524	2,208,186	-				
					8,534,545	-			