

SB 569 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/28, 3/18, 3/20

WHAT THE MEASURE DOES:

The measure directs the Oregon Business Development Department (department) to establish a program to provide grants to qualified nonprofit or community-based organizations that assist businesses in becoming certified by the Certification Office for Business Inclusion and Diversity (COBID) as minority-owned businesses. The measure directs the department to develop criteria for qualifying an organization to receive grants and provides what the criteria must include at a minimum. The measure directs the department to monitor and evaluate the extent to which recipients of grant moneys enabled businesses to become certified by COBID as minority-owned business and how any increases in certifications affected the economic resilience of communities within which the newly certified businesses operate. Defines key terms. Directs the department to submit a report to the Legislative Assembly by September 1, 2026 and specifies what the report must include. Appropriates \$4,000,000 from the General Fund to the department for the biennium beginning July 1, 2025.

May have fiscal impact, but no statement yet issued

May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Process to become certified by the Certification Office for Business Inclusion and Diversity
- Existing grant programs
- Ability to compete in the public procurement process
- Role of the Small Business Legal Clinic at Lewis and Clark Law School
- Need for business development

EFFECT OF AMENDMENT:

-1 Replaces the measure. The amendment directs the Oregon Business Development Department (department) to establish a program to provide a grant to the Small Business Legal Clinic (clinic) at Lewis and Clark Law School to assist underserved businesses with access to legal services needed to form appropriate entities, enter into appropriate contracts, become certified as a minority-owned business with the Certification Office for Business Inclusion and Diversity, and otherwise develop, operate, or expand. The amendment directs the department to monitor and evaluate how successfully the clinic carries out the purposes for the grant and the effect of the clinic's assistance on economic resilience of communities within which underserved businesses operate. The amendment directs the department to submit a report to the Legislative Assembly by September 1, 2026. Appropriates \$4,000,000 from the General Fund to the department for the biennium beginning July 1, 2025.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: No revenue impact

BACKGROUND:

Oregon law allows a business or enterprise to apply to the Certification Office for Business Inclusion and Diversity (COBID) for certification as a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns, or an emerging small business. Public contracting

agencies are to consider these certifications in certain public contracting opportunities.

The Oregon Business Development Department (department) has many responsibilities, one of which is coordinating state and federal economic and community development programs. The Oregon Business Development Commission (Commission) provides oversight and direction to the department. The Commission consists of nine members, with most members serving four year terms.

Senate Bill 569 directs the Oregon Business Development Department to establish a program to provide grants to qualified nonprofit or community-based organizations that assist businesses in becoming certified by the Certification Office for Business Inclusion and Diversity as minority-owned businesses.