

SUBCOMMITTEE RECOMMENDATION

HB 5024

Oregon Business Development Department

To: Ways and Means Full Committee
From: Transportation and Economic Development Subcommittee
Carrier: Representative Gomberg

HB 5024 is the budget bill for the Oregon Business Development Department.

The Transportation and Economic Development Subcommittee recommends a total funds budget for the Oregon Business Development Department of \$1.8 billion and 200 positions. This is a 20.8% decrease from the 2023-25 legislative approved budget and a 56.5 % increase from the 2025-27 current service level.

This budget recommendation carries forward General Fund, Lottery Funds, and Other Funds and Federal Funds expenditure limitation for projects approved in previous biennia that are estimated to have expenditures in 2025-27. Services and supplies expenditures were reduced, reflecting an inflation factor of less than 4.2%. Personal services expenditures were reduced assuming vacant positions would be open for an additional month before being filled. The recommendation assumes Lottery Funds support for the Strategic Reserve Fund of \$12.1 million.

Major investments in the recommended budget include:

- Eight positions and \$162.5 million total funds limitation to support the deployment of federal broadband program funding;

- Four positions, \$3.1 million Lottery Funds and \$2.8 million Other Funds to support of the Department's Economic Development Management System information technology project, which is already underway; and
- An additional ongoing investment of \$400,000 Lottery Funds in support of international trade activities.

Recapitalization of various agency infrastructure funds that support loan and grant programs will be determined by the Capitol Construction Subcommittee.

The Transportation and Economic Development Subcommittee recommends HB 5024 be amended by the –3 amendment and be reported out do pass, as amended.