



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to preferences for small businesses in public procurement; prescribing an effective date.

Government Unit(s) Affected: Oregon Business Development Department, Department of Administrative Services

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ 233,373	\$ -	\$ -	\$ 233,373	1	0.75
Total Fiscal Impact	\$ -	\$ 233,373	\$ -	\$ -	\$ 233,373	1	0.75

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ 308,090	\$ -	\$ 308,090	1	1.00
Total Fiscal Impact	\$ -	\$ -	\$ 308,090	\$ -	\$ 308,090	1	1.00

- The table reflects the agency’s request for Lottery Funds in the 2025-27 biennium and Other Funds proceeds from the inter-enterprise COBID assessment for the 2027-29 biennium.

Measure Description

The measure directs the Oregon Business Development Department (OBDD) to establish a certification program to designate small business enterprises in Oregon. The measure requires OBDD to adopt rules to specify eligibility criteria and a certification process for qualifying businesses. The program would be a new sector for the Department’s Certification Office for Business Inclusion and Diversity (COBID). The measure directs the Department of Administrative Services (DAS) to develop guidelines for state agencies in identifying suitable small business procurement opportunities, create participation strategies for small businesses, market the program, and suggest changes in statute and administrative rule to streamline and implement a small business procurement preference strategy. DAS is also directed to establish program targets to eliminate disparities identified in its State of Oregon Disparity Study (2023), which assessed whether businesses owned by people of color, women, and service-disabled veterans face barriers as part of Oregon’s contract and procurement process. The measure directs DAS to report to the Legislature no later than December 31 of each year.

Fiscal Analysis

The total estimated fiscal impact for the measure is \$233,373 Lottery Funds for the 2025-27 biennium and \$308,090 Other Funds for the 2027-29 biennium, which includes one new permanent full-time position.

Oregon Business Development Department

The proposed measure introduces a new, race-and gender-neutral Oregon Small Business Certification with characteristics different than the six federal and state certification programs OBDD currently administers through its Certification Office for Business Inclusion and Diversity. OBDD estimates there are approximately

147,254 business with fewer than 100 employees in Oregon and assumes the new certification will generate a significant increase in applications for certifications. One permanent full-time Compliance Specialist 2 position (0.75 FTE in the 2025-27 biennium and 1.00 FTE in the 2027-29 biennium) will conduct research, policy alignment, rule development and stakeholder engagement for development, and ongoing certification and compliance monitoring. Personal services and position related costs are estimated at \$174,357 for the 2023-25 biennium.

Travel, information technology services, and Attorney General legal expenditures totaling \$55,000 in the 2025-27 biennium and \$57,750 in the 2027-29 biennium are also assumed, to facilitate outreach, legal review, and system software updates associated with the new certification.

The measure is anticipated to have minimal fiscal impact to the Department of Administrative Services. The measure codifies work that the agency is currently doing pursuant to the 2023 Disparity Study and Executive Order No. 22-15.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The measure is repealed on December 31, 2031.