

HB 2337 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Skarlatos

Joint Committee On Ways and Means

Action Date: 06/17/25

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

House Vote

Yeas: 8 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Smith G, Valderrama

Nays: 4 - Breese-Iverson, Cate, Drazan, Owens

Senate Vote

Yeas: 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Oregon Business Development Department

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
Lottery Funds	\$ -	\$ -	\$ 233,373	\$ 233,373	100.0%
Total	\$ -	\$ -	\$ 233,373	\$ 233,373	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.75	0.75

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 2337 provides \$233,373 Lottery Funds to the Oregon Business Development Department's (OBDD) Certification Office for Business Inclusion and Diversity (COBID) to establish a new certification program to designate small business enterprises as an "Oregon small business enterprise" if the business meets certain eligibility criteria.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2337 directs 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. This bill creates a new business sector for COBID. The bill also 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. Finally, the bill directs DAS to report to the Legislature no later than December 31 of each year. House Bill 2337 essentially codifies work being done pursuant to the 2023 Disparity Study and the Governor's Executive Order 22-15.

The Subcommittee recommended \$233,373 Lottery Funds for one permanent full-time Compliance Specialist 2 position (0.75 FTE) for OBDD, for implementation and administration of the new certification program.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Business Development Department
 Tamara Brickman -- (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 210 - Business, Innovation, Trade									
Personal Services	\$ -	\$ 163,423	\$ -	\$ -	\$ -	\$ -	\$ 163,423	1	0.75
Services and Supplies	\$ -	\$ 69,950	\$ -	\$ -	\$ -	\$ -	\$ 69,950		
TOTAL ADJUSTMENTS	\$ -	\$ 233,373	\$ -	\$ -	\$ -	\$ -	\$ 233,373	1	0.75
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ 233,373	\$ -	\$ -	\$ -	\$ -	\$ 233,373	1	0.75

*Excludes Capital Construction Expenditures