



March 18, 2025

Subject: Testimony in Support of HB 5024 -
CO-Chair Senator Aaron Woods
CO-Chair Representative David Bomberg
Members of the Joint Ways and Means Subcommittee on Transportation and Economic
Development

Dear Co-Chairs Woods and Gomberg and Members of the Committee:

My name is Dwayne Johnson, and I am honored to serve as the President of the Oregon Innovation Foundation, previously known as the Technology Association of Oregon Foundation. Today, I share our heartfelt support for HB5024 Business Oregon's 2025-27 budget and advocate for continued investment in our vital Regional Innovation Hubs, the SBIR Matching Grant, and the Commercialization Gap Fund programs. These initiatives are not just programs; they are lifelines for strengthening Oregon's economic resilience, bolstering technological innovation, and ensuring all communities across our state can prosper equitably.

Oregon's Innovation Ecosystem: A Critical Juncture

Oregon is at an exciting yet challenging crossroads in its economic journey. The rapid rise of artificial intelligence, automation, and advanced manufacturing is changing industries faster than we can keep up. This technological shift opens up incredible opportunities but also poses some tough challenges:

- Our traditional industries face disruption, demanding that our workforce adapt.
- New business models need flexible support systems that help entrepreneurs thrive.
- A growing divide exists between technology-driven and traditional sectors.
- We risk leaving our rural and underserved communities behind.

These issues will worsen without bold and smart investment, darkening our economic future. Our Regional Innovation Hubs provide the essential infrastructure needed to help Oregon navigate these changes and prosper and compete globally.

The Importance of Regional Innovation Hubs

Regional Innovation Hubs are remarkable economic growth and innovation drivers, both in urban centers and rural heartlands. Their impact goes beyond just nurturing entrepreneurs; they are crucial for workforce development, business growth, and enhancing Oregon's technological resilience. Here are a few reasons why these hubs are indispensable:

1. Optimizing Existing Resources for Greater Impact

Rather than starting from scratch, these hubs build on and improve existing local resources, ensuring that businesses, startups, and innovators receive the tailored support they need right when they need it. For instance, the Oregon Frontier Regional Innovation Hub has successfully brought together entrepreneurs across ten counties, providing customized assistance to help them launch, grow, and compete.

2. Driving Economic Growth Across the Entire State

Innovation Hubs cultivate public-private partnerships, foster local business networks, and provide essential resources that help transform ideas into thriving enterprises. This approach is especially important for our rural communities, ensuring that economic opportunities are not just concentrated in certain areas.

3. Enhancing Oregon's Technological Competitiveness

Oregon must embrace and integrate emerging technologies proactively to stay relevant nationally and globally. These hubs play a vital role in:

- Helping workers develop skills to meet the demands of evolving industries.
- Supporting businesses as they adopt new technologies for better competitiveness.
- Promoting collaboration across different sectors to drive innovation and share knowledge.

As we envision our future, continued investment in these programs isn't just an option—securing Oregon's success in a rapidly changing world is necessary.

The Cost of Underfunding: A Step Backward for Oregon

We are deeply concerned about recent discussions that suggest significant budget cuts, including a possible 50% reduction in Innovation Hub funding. Such cuts would have dire consequences, including:

- Fewer businesses receiving the vital support necessary for them to launch and grow.

- A slowdown in job creation, particularly in the areas that need it the most.
- Communities facing greater hardships in adapting to fast-paced technological changes.
- Oregon risking its competitive edge in the national and global innovation economy.

As other states are stepping up with substantial investments in their regional technology ecosystems, Oregon must prioritize innovation if we want to remain competitive.

A Call for Sustained Investment

From our extensive engagement with Oregon's innovation landscape, we strongly urge the following:

- Maintain full funding for Regional Innovation Hubs to ensure that economic opportunities are available across all regions.
- Continue supporting the SBIR Matching Grant program, which empowers Oregon companies to secure essential federal innovation funding.
- Preserve investment in the Commercialization Gap Fund, a crucial resource that brings research to market-ready products.
- Recognize the strategic importance of these programs in strengthening Oregon's economy for the long haul.

Conclusion: Investing in Innovation is Investing in Oregon's Future

Regional Innovation Hubs are not just instruments for economic development—they are the backbone that equips Oregon to succeed amid rapid technological changes.

On behalf of the Oregon Innovation Foundation and the broader innovation community we represent, I sincerely urge you to prioritize full funding for these essential programs in the 2025-27 biennium.

Oregon's innovation economy depends on it.

With gratitude,

Dwayne Johnson
President
Oregon Innovation Foundation