



There are substantial economic resources available in the state of Oregon, fragmented across different agencies. Reforming the way that these resources are managed can improve the way Oregon handles economic development by adding:

Coordination, Flexibility, and Leverage

1. Coordination

- **CURRENTLY:** *Tools for job creation and retention are scattered across multiple state agencies and have no strategic connection to one another.*
- **WITH THE OREGON INVESTMENT ACT:** Economic development resources will be coordinated under an Oregon Growth Board, which will establish a unified strategic framework for all economic development resources. Businesses looking to grow jobs in Oregon will be able to find a full menu of assistance options in one place.

2. Flexibility

- **CURRENTLY:** *The Legislative appropriations process silos a large amount of resources behind very specific and rigid sideboards. These resources may be brought to bear in some situation but remain out of play in many others.*
- **WITH THE OREGON INVESTMENT ACT:** The Oregon Growth Board will have broad authority over the Oregon Growth Fund, and be able to re-allocate resources where they will be most efficiently put to use. The Board will not make individual investment decisions, but instead will operate more like the Oregon Investment Council – able to allocate resources down to managers who make specific decisions. In this way, Oregon’s job-creation tools will be more nimble and more responsive to changing economic opportunities while still accountable to statutory goals and benchmarks.

3. Leverage

- **CURRENTLY:** *Some job-creation tools in Oregon seek out leverage from other sources in order to increase their effectiveness, while some do not.*
- **WITH THE OREGON INVESTMENT ACT:** Because the State has had a significant measure of success in terms of leveraging in-state investments with out-of-state dollars (e.g.: the Oregon Investment Fund), the Oregon Investment Act seeks to emphasize this practice for every portfolio to seek out private sector leverage – so that the State is not a lone investor and so that our resources and efforts are multiplied.
- Further, the Act encourages additional resources through a private sector investment vehicle (similar to the State’s College Savings accounts).

Legislation Outline

SECTIONS 1-2

Definitions and Legislative intent: “to encourage investment in and availability of capital to new and existing businesses in Oregon and to increase resources available to local governments and state agencies that create, facilitate, maintain and promote financial services and support and to other efforts that further economic development in Oregon.”

SECTION 3

- Establishes Oregon Growth Board. (See attached sheet for membership breakdown)
- Board to be staffed by Business Oregon.

SECTION 4

Term of office for Board members is 4 years, staggered.

SECTION 5

Establishes powers for Board:

- Maintain, invest, and reinvest moneys in Oregon Growth Fund consistent with prudent standards.
- Broad allowances for economic development activities.
- Allowance to certify businesses as eligible for such tax advantages as may be available to the Board (none are made available through this legislation).
- Allowance to collaborate with local governments in furthering economic development.
- Allowance to seek out additional resources.

Requires Board to recommend to Legislature:

- Appropriation of moneys into fund,
- Terms of any tax advantages or other incentives that will promote economic development activities and any legislation needed to implement recommendations.

SECTION 6

Requirement to conduct activities through managers or as limited partners (at “arms length”), similar to existing language governing the Oregon Growth Account.

SECTION 7

Establishes the Oregon Growth Fund, with broad receipts authority.

SECTION 8

Requires Board to report to Legislature by January 1, 2013 on:

- Plan adopted by Board for fund management,
- Status of administrative setup/finances,
- Recommendations for legislation.

SECTIONS 9-25

Transfer of Oregon Growth Account (ORS 348.702) to Oregon Growth Board and conforming language.

SECTIONS 26-28

Operative dates and emergency clause.

Oregon Growth Board makeup:

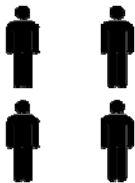
7 voting seats:



State Treasurer (or designee)



A list of 4 names is generated by legislative presiding officers + minority leaders (one name each). Governor selects two names, not from the same party. Confirmed by the Senate.



Four members appointed by the Governor.
Confirmed by the Senate.

Out of the six Gubernatorial selections:

- There must be at least one from each Congressional District.
- At least one must have experience in banking.
- At least one must have experience in investment or loan portfolio management.
- At least two must have experience as small employers in Oregon.

3 nonvoting:



Director of the Oregon Business Development Department



Two State Legislators agreed to by the presiding officers and minority leaders; must be from two different parties. (If no agreement is reached, than the appointments simply do not occur.)

Members (except ex-officio members) serve staggered 4-year terms.

The Board shall select, from among its members, a Chair.

The Board shall select, from among its members, a member to serve as a liaison to local governments.

Members will complete a Statement of Economic Interest (pending an amendment).