

Governor's Small Business Cabinet Recommendations

September 21, 2016

Cabinet Members:

Mitch Daugherty, Built Oregon

Celeste Edman, Lunar Logic

Kanth Gopalpur, Business Oregon Commission Chair

Stephen Greene, Elevate Capital

Rosa Martinez, PMG Demolition and Abatement

Stuart Phillips, Red Wagon Creamery

Jamie Danek, Humm Kombucha

Legislative Members:

Representative David Gomberg

Representative Greg Smith

Agency Members:

Chris Harder, Business Oregon Executive Director

Heather Stafford, Business Oregon Assistant Director

Ruth Miles, Secretary of State's Small Business Advocate

Cabinet Meetings:

- March 8, 2016 – September 21, 2016
- Bi-monthly meetings

Issues and Cabinet Focus:

- Small Business opportunities and challenges unique to Oregon.
- Regulatory Barriers
- Access to Capital
- Mentorship and Promotion of Entrepreneurship

Recommendations on Access to Capital

- Establish the **Small Business Expansion Program (SBEP)** in statute to assist small businesses seeking growth capital not currently served by traditional banks or lending institutions. SBEP would utilize a revenue payment or royalty model and uniquely seek to assist small businesses in industries – such as consumer product and food & beverage - that historically have had difficulty accessing growth capital. This recommendation is supported by Business Oregon's Legislative Concept LC-468, which will be submitted in the 2017 legislature.
- Develop a plan to create a permanent funding source for the **Oregon Growth Fund** to better stimulate entrepreneurial growth in underserved communities. Currently, Oregon lacks important tools to connect traditionally underserved populations (women, communities of color, veterans, native populations and rural small business owners) to small business capital. The Oregon Growth Fund was originally created to close early-stage capital gaps, but a reliable funding has been elusive.
- Through an Executive Order, instruct Business Oregon to develop a comprehensive **state capital access plan** that makes recommendations to improve structural alignment between the Oregon Growth Board, the Oregon Innovation Council, the agency's own financial programs, and other state resources to ensure the most effective and efficient utilization of state funds to support small business growth. This plan should leverage the insights and data gathered from the Capital Scan reports issued in 2014 as well as the upcoming report.

Recommendations on Mentorship and Promotion of Entrepreneurship

- Support a statewide initiative that identifies and supports statewide, locally driven strategies designed to increase access to existing business services for entrepreneurs. The initiative should focus on building an integrated solution developed by, and for, local stakeholders who best recognize the needs and economic strengths of their communities. The strategy should rely on the strength of the local network to develop a shared vision, identify concrete local gaps in programming, services, access to capital, and address shortfalls as a collective to better serve rural business development at all stages. Recommended initiatives should encourage community engagement efforts be led by local entrepreneurs to encourage collaboration, connections, and long term sustainability.

Focus on regions and communities that demonstrate the greatest need for business support capacity and the greatest probability to successfully connect to an integrated platform - namely rural Oregon and underrepresented populations. Support should be competitively awarded to communities and programs with the greatest potential to maximize and sustain the capacity-build.

- Establish a single point of contact, interactive website detailing existing business development resources around the state to act as a comprehensive directory and connectivity platform.
- Include business development, regulatory and access to capital content and collaboration with local and non-local service providers to the existing statewide roadshow focused on procurement of government contracts for Minority, Women and Veteran entrepreneurs; bringing together regional entrepreneurship collaboratives.

Recommendations on Regulatory Barriers to Small Business

- Ask all applicable agencies to submit a brief report on how they comply with ORS 183.335 which requires agencies to submit the below statements when writing a rule.
ORS 183.335
 - (a) An estimate of the number of small businesses subject to the proposed rule and identification of the types of businesses and industries with small businesses subject to the proposed rule;*
 - (b) A brief description of the projected reporting, recordkeeping and other administrative activities required for compliance with the proposed rule, including costs of professional services.*
 - (c) An identification of equipment, supplies, labor and increased administration required for compliance with the proposed rule; and*
 - (d) A description of the manner in which the agency proposing the rule involved small businesses in the development of the rule.*

When the reports are collected, analyze the responses, and consider amendments to the statute that might be needed to ensure small businesses are considered in the writing of rules.

- Require each agency to host a button link on their home page that would direct the user to the office of small business assistance.
- Develop a pilot program beginning with one agency where a small business would get its permit fee or processing fee back if the permit was not completed in the specified timeframe. Although COBID certifications do not have fees, establish a similar requirement for this process.
- Require all agencies to review their forms before January 1, 2018 and provide a report on how forms could be streamlined, made more accessible through digital means, and be combined with other similar forms.

Minority, Women, and Veteran Owned Business – Procurement

- Require all agencies to report consistent data showing the utilization of Minority, Women, and Veteran Owned Businesses for procurement. Break out Emerging Small Businesses (ESBs) into a separate data set so actual data is tracked for each category. Set goals for each agency in year-to-year improvement of metrics.