

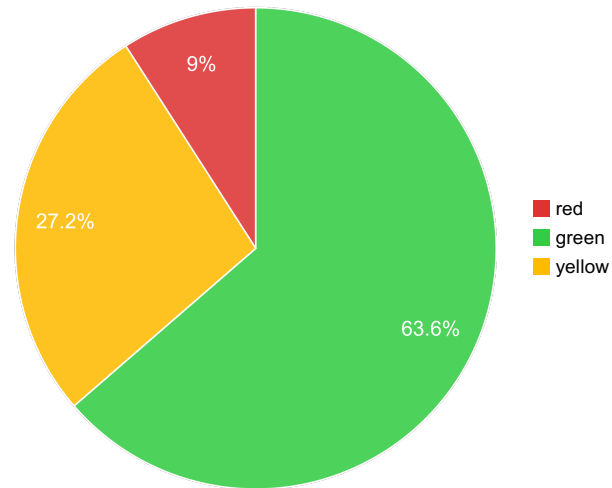
# Oregon Business Development Department

Annual Performance Progress Report

Reporting Year 2024

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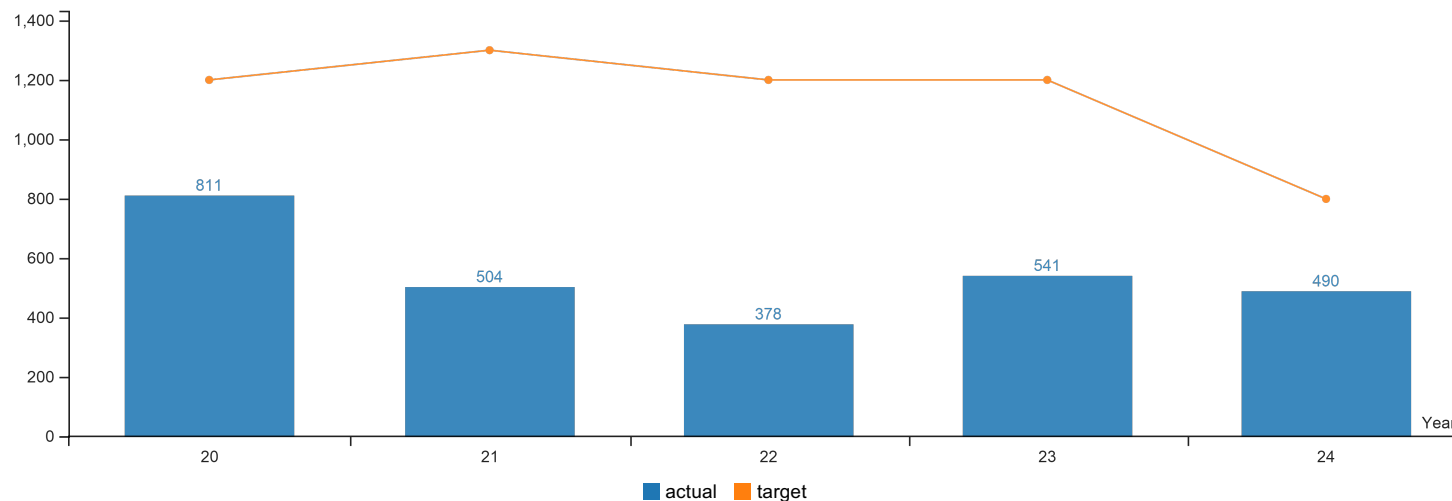
KPM #	Approved Key Performance Measures (KPMs)
1	Number of jobs created -
2	Number of jobs retained -
3	Personal income tax generated by the Department's investment in jobs -
4	New export sales of assisted clients -
5a	Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance. -
5b	Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance. -
6	Additional Jobs Created through Property Tax Abatement Programs - New jobs created at businesses that used either the Enterprise Zone program or Strategic Investment Program.
7	Number of community capital projects assisted for planning (infrastructure, community and organizational). -
8	Number of community capital construction financing projects that address public health and safety issues. -
9	Number of community capital construction financing projects that assist with future economic and community development. -
10	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
<b>Summary Stats:</b>	63.64%	27.27%	9.09%

KPM #1	Number of jobs created -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Total jobs created</b>					
Actual	811	504	378	541	490
Target	1,200	1,300	1,200	1,200	800

### How Are We Doing

Business Oregon tracks the new jobs created for businesses that receive any of the 18 active or recent programs where job creation was an expected outcome of the funding. Examples of these projects could be a direct loan for equipment purchase to expand a manufacturing line, or a forgivable loan to offset costs associated with a property expansion that is forgiven if job creation minimums are met.

These businesses created **490 jobs** in fiscal year 2024, short of the target of 800, but consistent with the average over the last three years. Jobs created is identified by using payroll employment records from the Oregon Employment Department. The businesses that receive funding are tracked for five consecutive years, and each fiscal year their new job creation is reported in this Key Performance Measure. This measure reflects the jobs added between fiscal year 2023 and fiscal year 2024 for businesses that received funding over the last 5 years.

### Factors Affecting Results

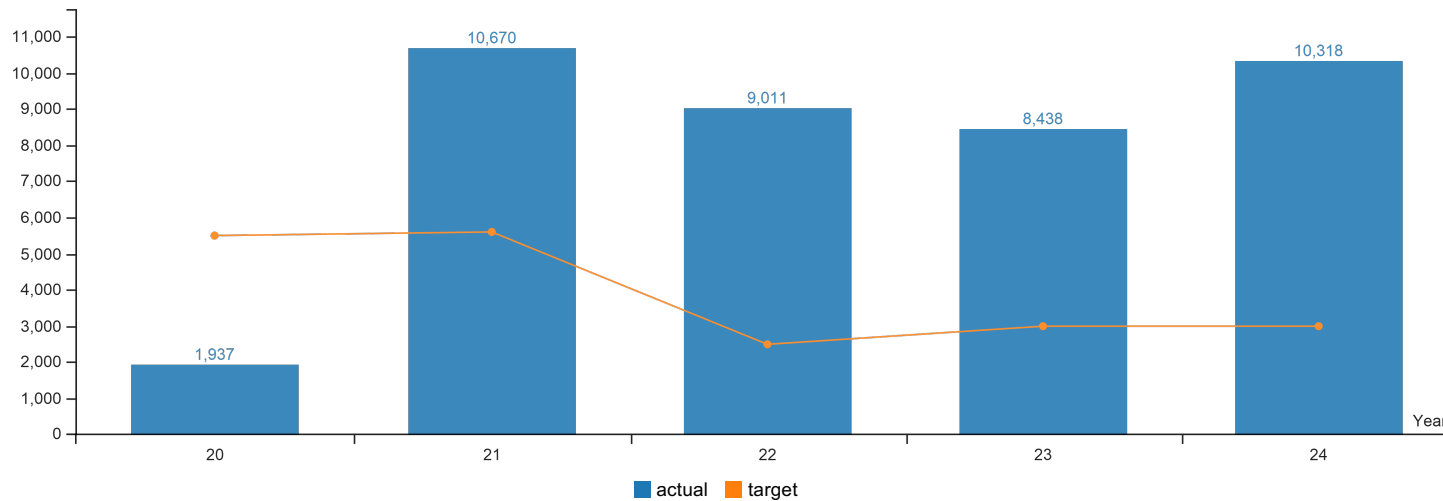
The largest share of job growth came from the Strategic Reserve Fund, which created **271 jobs at 24 establishments** reporting job growth in fiscal year 2024 within that program. There were also notable jobs created from the Emerging Opportunities Fund (+49) and the Credit Enhancement Fund (+48).

Overall job growth across the state slowed dramatically in FY 2024. Total non-farm employment only rose by 17,140 jobs over the past year, a growth of **less than 1%**. This slowdown in the overall economy following the recovery from the pandemic recession was reflected in the outcomes of businesses supported by Business Oregon. Of the 277 establishments that were supported in the past five years by Business Oregon programs where job creation was an expectation, 91 of them added jobs in FY 2024, 111 saw their employment largely unchanged, and 75 posted job losses.

*Note on Job Creation Methodology Shift:* Starting in FY 2024 Business Oregon is now reporting employment as average annual employment. Business Oregon adopted a new agency policy (Policy #OBDD.112) to count jobs in this manner across all its programs that necessitate job calculations. The agency now uses the Oregon Employment Department's *Quarterly Census of Employment & Wages* to identify the monthly employment at these business establishments. Monthly employment is summed together for the fiscal year then divided by 12 to produce an annual average. Previous KPMs reported employment as full-time equivalent (FTE), using unemployment insurance wage records to estimate full time equivalent employees by dividing total hours at a business by the average full-time hours one works in a year. Business Oregon moved away from this method due to data quality concerns from the dataset used to calculate FTE. The unemployment insurance wage records reported by businesses to the Oregon Employment Department have become unreliable as a source of data for evaluating program impacts. Additionally, this dataset did not allow Business Oregon to effectively report employment impacts at the establishment level, for businesses that have multiple establishments in different locations within the state, but the new dataset does allow that level of detail.

KPM #2	Number of jobs retained -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Total Jobs Retained</b>					
Actual	1,937	10,670	9,011	8,438	10,318
Target	5,500	5,600	2,500	3,000	3,000

### How Are We Doing

Business Oregon tracks the number of jobs retained for those businesses that receive funding from a program where job retention is an expectation of the funding or where layoff aversion is an expectation of the program. Business Oregon programs **retained 10,318 jobs** in FY 2024, an increase over FY 2023 and significantly higher than the target of 3,000. Jobs retained are either the number of jobs the business claimed they were going to retain due to the funding or the total number of jobs at the establishment, whichever is lower.

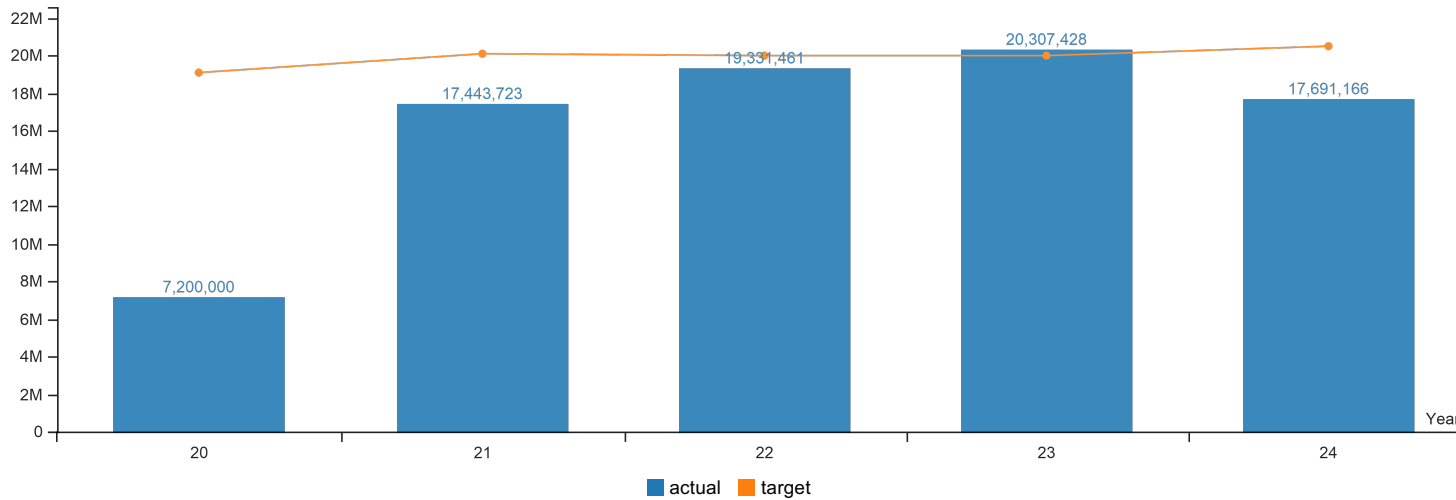
### Factors Affecting Results

A significant share of the jobs retained (92%) are within two programs, Emergency Business Assistance grants and Operational Cost Assistance grants, that were allocated to Business Oregon as COVID-19 specific funding programs, during immediate pandemic economic response and recovery. Roughly 1,590 business establishments that received funding through these layoff aversion programs continued to retain jobs in FY 2024. These programs will show up for one more year in the data, falling off after 2025.

For Business Oregon's more "standard" business programs, approximately 770 jobs were retained across 75 establishments where layoff aversion was a component of the funding. Another factor here is there were some large businesses the agency assisted in 2019, where 2023 was their final year showing up in the data for KPM #2 and KPM #3, such as Genentech and Boise Cascade.

KPM #3	Personal income tax generated by the Department's investment in jobs -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>State Income Tax Revenue</b>					
Actual	\$7,200,000.00	\$17,443,723.00	\$19,331,461.00	\$20,307,428.00	\$17,691,166.00
Target	\$19,100,000.00	\$20,100,000.00	\$20,000,000.00	\$20,000,000.00	\$20,500,000.00

### How Are We Doing

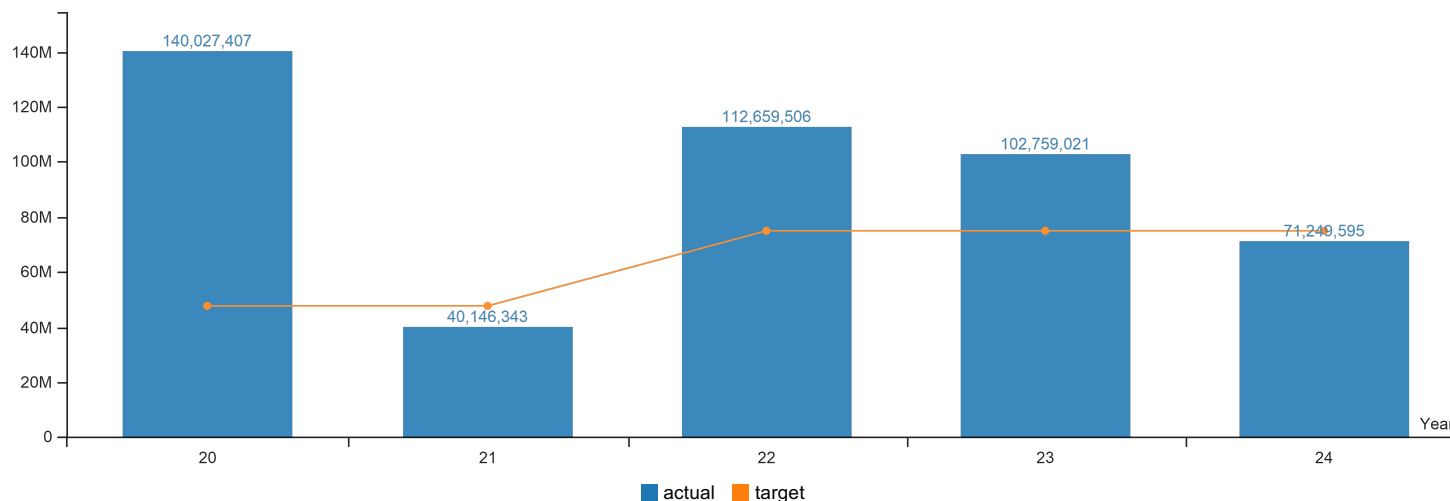
The estimated state personal income taxes generated from the jobs created and retained by Business Oregon programs (represented in KPMs #1 and #2) **exceeded \$17.5 million**, 14 percent short of the established target. There are twelve programs that fed into this metric this year, but roughly 71 percent of this tax revenue came from the retention of jobs within two programs, Emergency Business Assistance grants and Operational Cost Assistance grants, that were allocated to Business Oregon as COVID-19 specific funding programs, during immediate pandemic economic response and recovery. There was also significant state income tax generated from the Strategic Reserve Fund (\$3.4 million), Oregon Business Development Fund (\$436k), and Innovation (\$316k).

### Factors Affecting Results

This measure is tied to the jobs created and retained in Key Performance Measures #1 and #2. While the COVID-19 programs did contribute a large percentage of the taxes here, the average wage of jobs created and retained from those programs — and therefore the resulting estimated personal income taxes paid by individuals in those jobs — is much lower than the higher-paying traded sector jobs that are normally the focus of the department's program. The COVID-19 relief programs were targeted to businesses in industries that happen to pay low wages (such as restaurants, salons, bars, etc.).

KPM #4	New export sales of assisted clients -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>New export sales of assisted clients (in millions of dollars)</b>					
Actual	\$140,027,407.00	\$40,146,343.00	\$112,659,506.00	\$102,759,021.00	\$71,249,595.00
Target	\$47,800,000.00	\$47,800,000.00	\$75,000,000.00	\$75,000,000.00	\$75,000,000.00

### How Are We Doing

Documented new **export sales for FY 2024 was \$71,249,595**, just shy of the KPM target. Business Oregon helps small- to medium-sized enterprises (up to 500 employees) to increase export sales that increase competitiveness and diversify customer bases. Export sales include immediate and expected sales reported by Oregon businesses, supported with both technical and financial assistance from Business Oregon. Within our Export Promotion Program (EPP), we continue to use both a state-funded export grant program, the Oregon Trade Promotion Program (OTPP), and a federally funded export grant program, the State Trade Expansion Program (STEP). Both programs help companies attend international trade events and support a host of other services including U.S. Commercial Service facilitated Gold Key matchmaking meetings with distributors and businesses. Our federal partners include the Small Business Administration (SBA) and the Export Import Bank of the U.S. (EXIM Bank), and sales revenue resulting from these partnerships is reflected in this measure.

### Factors Affecting Results

Overall exports from Oregon last year were **nearly \$28 billion**, a drop of about 19 percent from the previous year due primarily to the drop in exports to China by 50%, which in large part is due to tariffs that have been implemented by both the U.S. and China during the past few years. Our export promotion program continues to be a key success story for the agency and small businesses across the state, however demand and competition for the program continues to grow while federal funding was reduced by more than 33% last year, leaving many Oregon companies without export assistance. Exports remain a strong and growing part of Oregon's economy with markets in the Pacific Rim, along with the EU/UK, showing tremendous growth opportunities for Oregon exporters. Despite some continuing supply chain issues, inflated freight costs, trade agreement issues, a strong U.S. dollar that makes U.S. goods and services more expensive, our businesses have proved resilient in trade and exports.

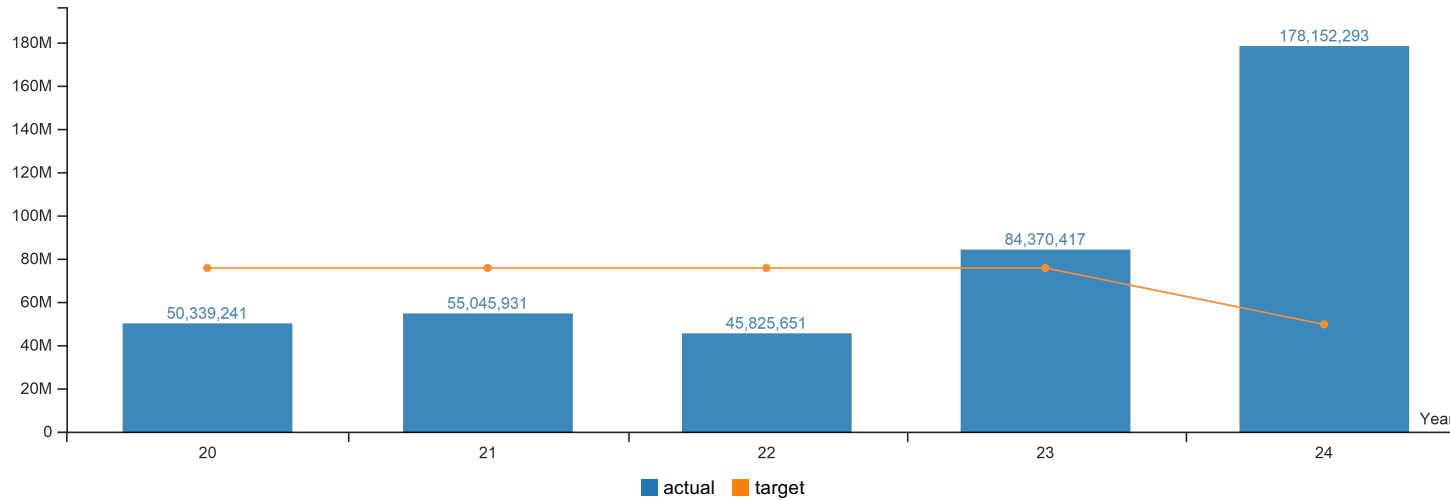
For the upcoming STEP grant period which begins on October 1<sup>st</sup>, 2024, **Business Oregon secured a 42% increase** over last year in federal STEP grant funding. The STEP grant award can swing

dramatically from year to year, and most other states have a larger pool of state trade funding to be able to offset any reductions from the federal program. There will still likely be more demand for this program in Oregon than funds available.

Direct assistance to companies seeking to increase their international sales also may not always lead to immediate sales opportunities, especially for new to export companies, or underserved businesses. Export development takes time and a commitment to a multi-year export development plan. Often, attendance at an international trade event is only the first step that will eventually lead to export sales.

KPM #5a	Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance. -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Total amounts of federal contracts awarded</b>					
Actual	\$50,339,241.00	\$55,045,931.00	\$45,825,651.00	\$84,370,417.00	\$178,152,293.00
Target	\$76,000,000.00	\$76,000,000.00	\$76,000,000.00	\$76,000,000.00	\$50,000,000.00

#### How Are We Doing

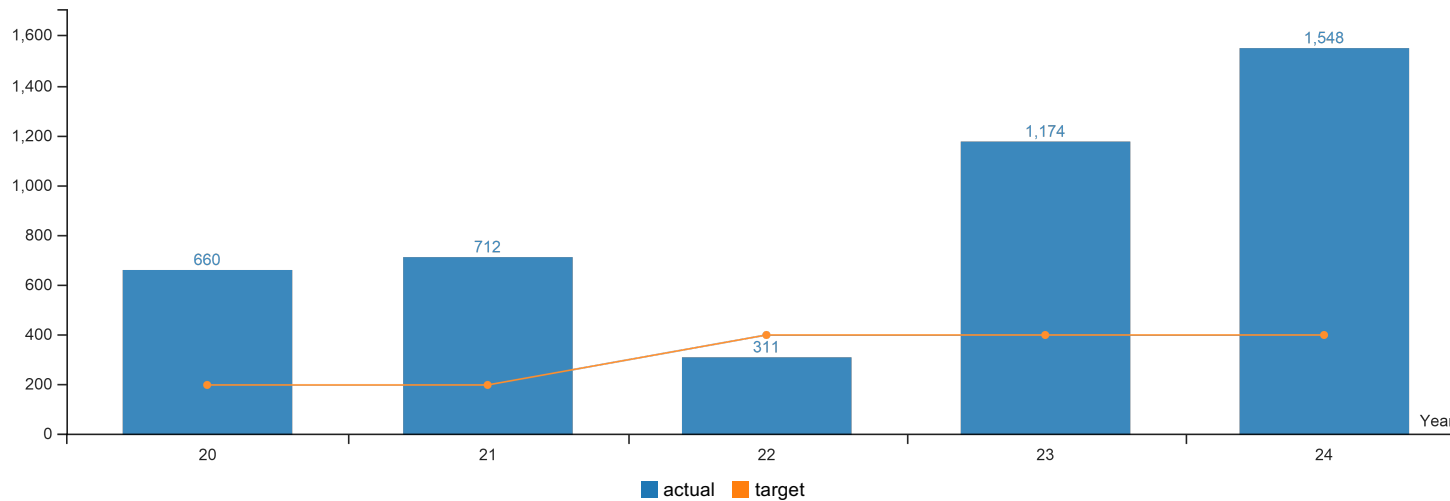
The total amount of federal contracts Government Contract Assistance Program (GCAP) achieved in fiscal year 2024 was **\$178,152,293**, a significant increase over FY 2023. Business Oregon does not administer this program or perform this work, but funds and administers a contract with the Organization for Economic Initiatives' (dba Apex Accelerators) GCAP program, to assist start-ups and small firms seeking to grow their businesses through government contracting opportunities.

#### Factors Affecting Results

GCAP is contractually required to help Oregon small businesses secure \$152 million in federal contracts per biennium. FY 2024 showed a phenomenal increase over the FY 2023 federal dollars, and GCAP has already met its biennial requirement in just one year.

KPM #5b	Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance. -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Total Number of Federal Contracts Awarded through services provided by GCAP</b>					
Actual	660	712	311	1,174	1,548
Target	200	200	400	400	400

#### How Are We Doing

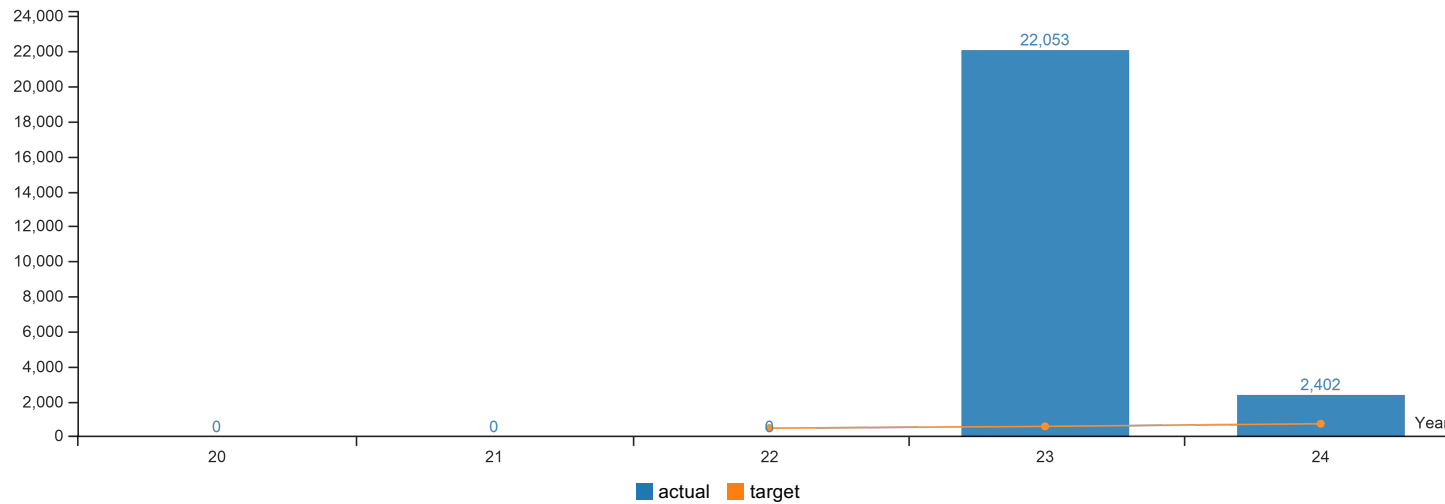
Business Oregon does not administer this program or perform this work, but funds and administers a contract with the Organization for Economic Initiative's GCAP program, to assist start-ups and small firms seeking to grow their businesses through government contracting opportunities. GCAP assisted Oregon small businesses **secure 1,548 federal contracts** during the fiscal year, a significant increase over FY 2023 and prior fiscal years.

#### Factors Affecting Results

In spite of staffing difficulties similar to those of other organizations in the public and private sectors, GCAP has been able to help more Oregon companies obtain federal contracts and bring in more federal money than in previous fiscal years and biennia. Their work contributed not only to an increase in the number of federal contracts awarded, but unlike previous fiscal years, there was a commensurate increase in the amount of federal money brought into the state through their efforts.

KPM #6	Additional Jobs Created through Property Tax Abatement Programs - New jobs created at businesses that used either the Enterprise Zone program or Strategic Investment Program.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Additional Jobs Created through Property Tax Abatement Programs</b>					
Actual				22,053	2,402
Target			500	600	750

### How Are We Doing

Property tax abatement programs managed by Business Oregon **created 2,402 jobs in FY 2024**. 1,982 of those jobs were based in businesses utilizing the state’s traditional enterprise zone program. An additional 495 jobs were created through the Strategic Investment Program (SIP) and Long-term Enterprise zones. Some companies use both programs, which is why the total of 2,402 is 75 jobs lower than two programs’ totals combined, to avoid double-counting jobs.

These programs are critical drivers of economic development throughout the state. These jobs are not included in agency KPMs #1 and #2 because it is not direct agency program funding and did not fit within the established KPM methodology. Nevertheless, property tax abatement programs are administered by the agency and used by regional staff with their local partners in every corner of the state, with several hundred businesses using these programs.

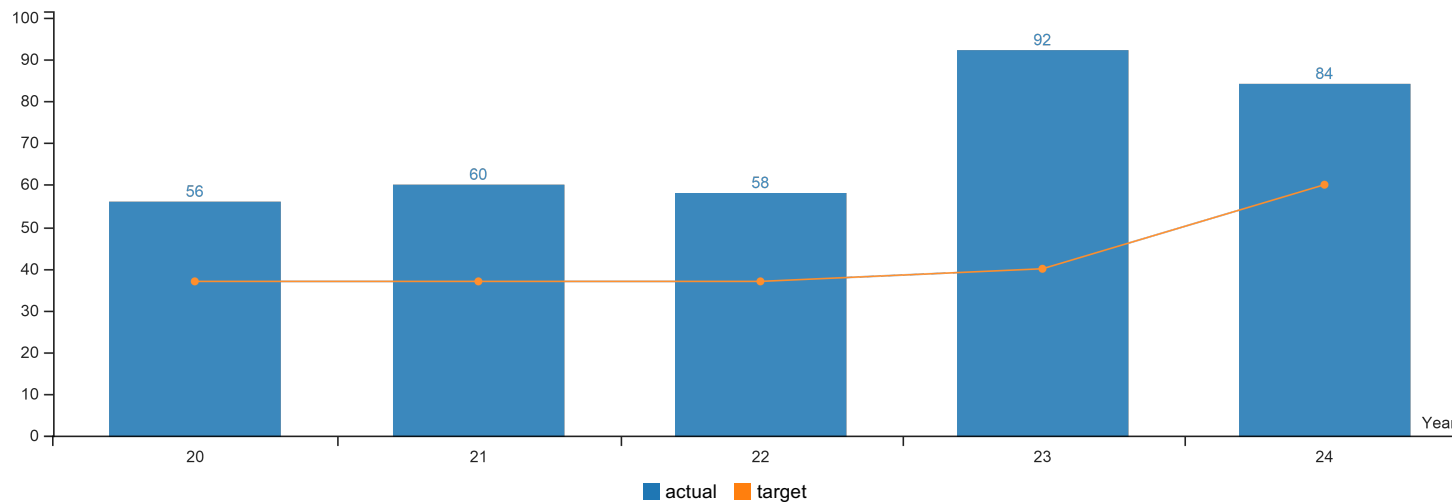
These 2,402 jobs also generated an estimated **\$11.48 million in personal income tax revenue** for the state (which is not reflected in KPM #3).

### Factors Affecting Results

Note that the first year of implementing this new measure, FY2023, Business Oregon used an alternative methodology to calculate this measure, relying on existing company reporting that occurs for the programs that includes self-reported job creation numbers. This data has been found to be inaccurate as it is reported with inconsistency. Some companies may not be interpreting the definition of the data point correctly, such as possibly reporting job creation over multiple years or listing full existing employment, versus job creation over the immediate past fiscal year as intended. In FY2024 Business Oregon was able to use the new job reporting methodology developed for KPMs #1 and #2 to more accurately report this metric as well, using verified jobs data from the Oregon Employment Department for the business establishments using these programs. This more accurate methodology will continue to be used moving forward.

KPM #7	Number of community capital projects assisted for planning (infrastructure, community and organizational). -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Number of community capital projects assisted for planning</b>					
Actual	56	60	58	92	84
Target	37	37	37	40	60

### How Are We Doing

Business Oregon awarded funds for **84 planning projects** in FY 2024, exceeding the target of **60**. These projects represent approximately **\$14.6 million** in planning funds. This measure includes projects from Business Oregon’s Special Public Works Fund, Water/Wastewater Fund, Brownfields programs, Ports funding programs, Safe Drinking Water Revolving Loan Fund, and Community Development Block Grants. Examples of planning projects include brownfield site assessments, industrial land development, drinking water and wastewater facility plans, and feasibility studies supporting community infrastructure objectives such as wastewater treatment, safe drinking water, and modern community facilities.

Business Oregon’s support for planning projects continues to lay the groundwork for vibrant, resilient communities by ensuring that essential infrastructure needs are identified and addressed in preparation for future growth.

### Factors Affecting Results

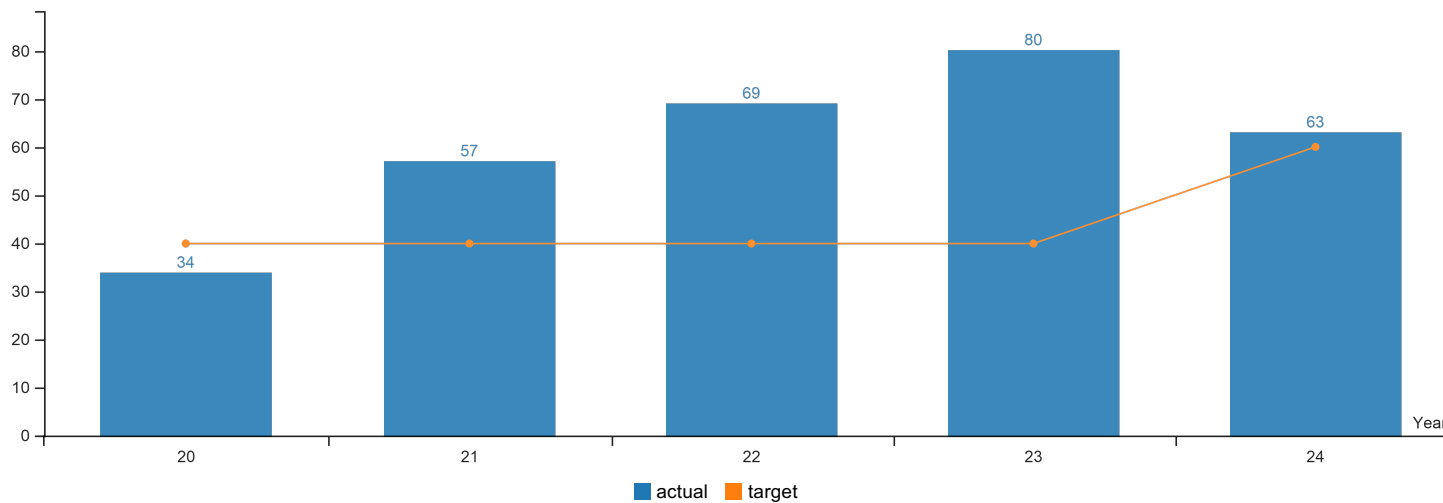
Oregon communities continue to face aging infrastructure, keeping the demand for planning projects consistently high. Some communities have been unprepared for the level of growth experienced over the past decade, with anticipated future population growth making it critical for them to plan now for the infrastructure needed to support sustained economic and community development.

The availability of statewide infrastructure funding opportunities, particularly through the federal Bipartisan Infrastructure Law, has driven an increase in planning initiatives as communities seek to identify and prioritize projects for upcoming funding proposals. Historically, demand for planning funds has varied with economic conditions, but the rising costs of project development due to inflation and supply chain challenges are prompting communities to focus on projects that maintain essential services, especially those related to health and safety (KPM 8).

The increased availability of federal investment, combined with grant and low-interest funding programs, is expected to sustain a high level of demand for Business Oregon's planning assistance in the coming years. Of note, 11 Brownfields projects were included in KPM 7 this year, reflecting a growing focus on site assessments and redevelopment efforts.

KPM #8	Number of community capital construction financing projects that address public health and safety issues. -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Number of community capital projects that address water quality and environmental health issues</b>					
Actual	34	57	69	80	63
Target	40	40	40	40	60

### How Are We Doing

Business Oregon exceeded the target of 60 projects, awarding **63 projects** with a total investment of approximately **\$153.1 million**, including **32 Seismic projects totaling \$74.0 million**. The recent high pace of funding awards for planning projects (KPM #7) may be driving increased interest in capital construction financing projects focused on health and safety (KPM #8). This trend is expected to continue as the state legislature prioritizes seismic preparedness and the availability of federal funding through the Bipartisan Infrastructure Law generates additional interest in Business Oregon's existing funding programs. The combination of state and federal support is likely to sustain a strong demand for infrastructure investments in the near future.

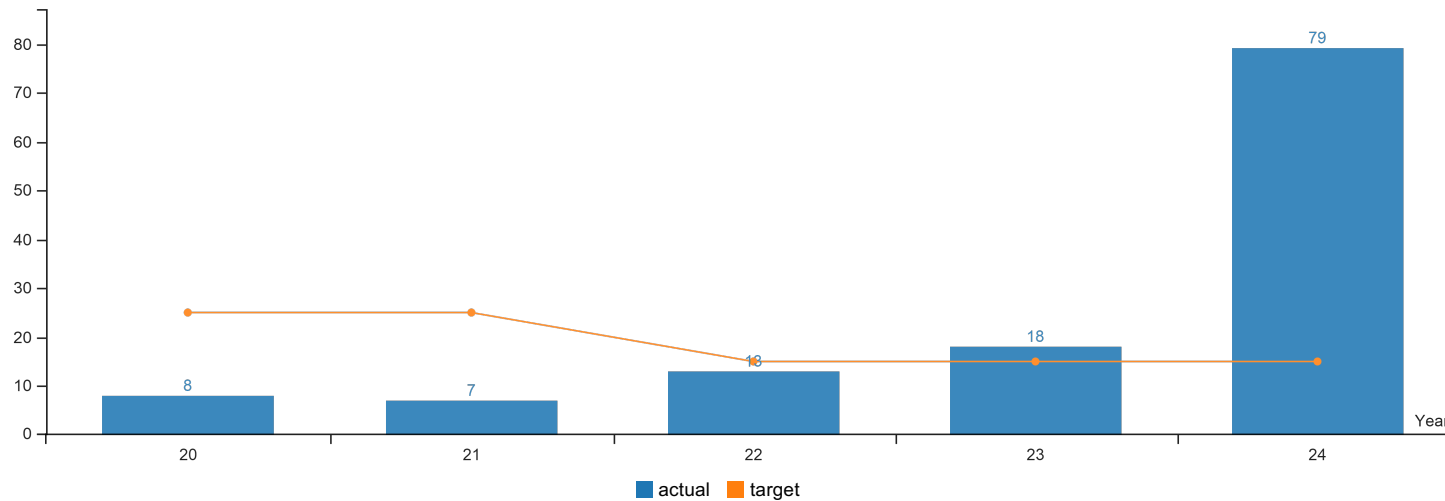
### Factors Affecting Results

The demand for municipal infrastructure improvements remains high, particularly as communities address aging infrastructure and growing needs for health, safety, and economic development projects. Rising project costs due to inflation and supply chain challenges have further underscored the importance of state-supported, low-interest financing, especially for small and rural communities that typically lack bond ratings.

Business Oregon continues to meet these needs by providing financial assistance and leveraging programs like the Oregon Bond Bank. However, recapitalization through lottery funds remains essential to the department's ability to assist communities with infrastructure financing. The increased availability of federal funding through the Bipartisan Infrastructure Law also requires state matching funds, a need that the legislature has supported by capitalizing Business Oregon's Special Public Works Fund. This combination of state and federal funding is expected to play a pivotal role in helping communities secure the resources necessary for critical infrastructure improvements.

KPM #9	Number of community capital construction financing projects that assist with future economic and community development. -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Number of community capital projects that assist with future economic and community development</b>					
Actual	8	7	13	18	79
Target	25	25	15	15	15

### How Are We Doing

Business Oregon completed **79 projects** this year, significantly exceeding the target of 15, with a total of approximately **\$119.2 million** in financing. Over the past few years, communities have continued to prioritize health and safety projects, particularly water and wastewater infrastructure, as these projects are high-need and high-cost. Our programs have aligned with this demand, focusing resources on essential infrastructure projects that support public health.

However, with the pressing need for housing across the state, especially in rural areas, we are starting to see a shift in priorities. Through direct legislative appropriation, Business Oregon awarded **49 projects** with a total of **\$95.9 million** to communities for infrastructure related to housing development, which accounted for most of the large shift in this measure. Communities are increasingly looking to our infrastructure programs to support the development of municipally-owned infrastructure that enables affordable housing projects. By building out essential infrastructure, communities can attract developers to create housing for working families, which, in turn, drives economic and community development. Even without the housing programs, Business Oregon completed **30 projects** with **\$23.3 million** in financing.

### Factors Affecting Results

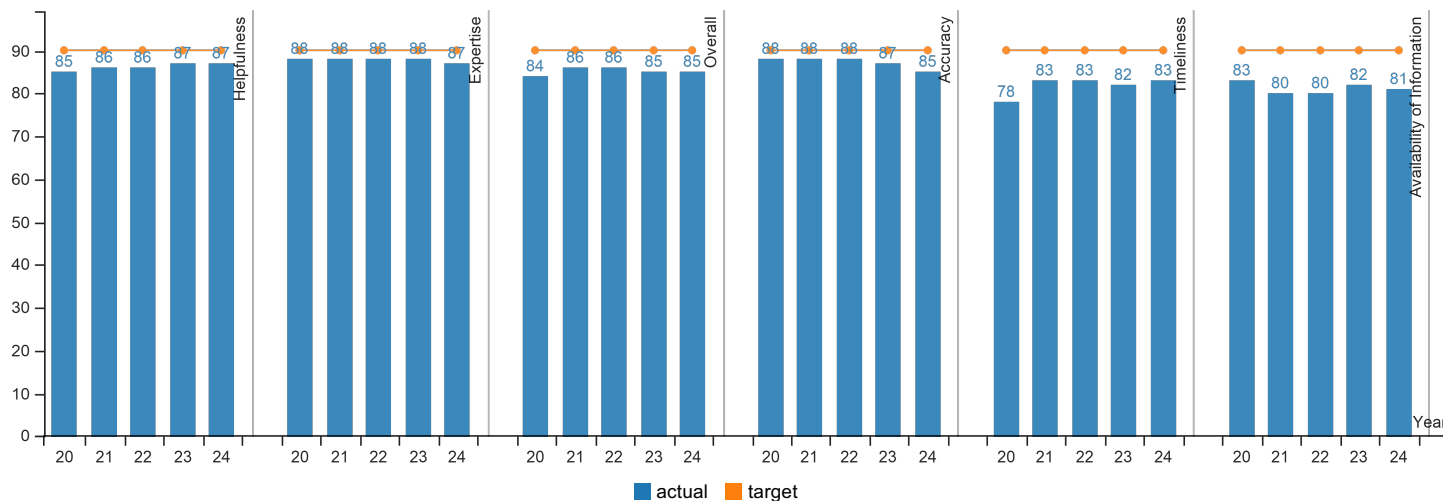
The need for municipal infrastructure construction remains high, and demand for financing continues to grow as communities address critical infrastructure needs to support business opportunities and future growth. Water and wastewater infrastructure projects, which are typically large, high-need, and high-cost, remain a central focus due to their importance in maintaining public health and facilitating future development.

At the same time, the growing demand for affordable housing, particularly in rural areas, is influencing how communities prioritize their infrastructure projects. Municipalities are increasingly turning to

state-supported infrastructure programs to build out the necessary public utilities that make housing development more feasible and affordable. This shift is essential to addressing Oregon's housing crisis while promoting economic development. This shift toward housing and infrastructure for economic growth reflects broader goals to address Oregon's critical housing shortage while ensuring long-term sustainability and development opportunities for communities across the state. The 49 projects noted above tied to housing-related infrastructure certainly impacted this measure.

Inflation and rising construction costs, along with supply chain challenges, are further impacting project planning and budgeting, making it more important than ever for communities to secure low-interest financing and strategically prioritize their infrastructure needs. Business Oregon will continue to work with key partners — including the League of Oregon Cities, the Association of Counties, Ports, and Special Districts — to ensure communities can access the resources needed to support both essential infrastructure and long-term economic and community development.

KPM #10 Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2020	2021	2022	2023	2024
<b>Helpfulness</b>					
Actual	85%	86%	86%	87%	87%
Target	90%	90%	90%	90%	90%
<b>Expertise</b>					
Actual	88%	88%	88%	88%	87%
Target	90%	90%	90%	90%	90%
<b>Overall</b>					
Actual	84%	86%	86%	85%	85%
Target	90%	90%	90%	90%	90%
<b>Accuracy</b>					
Actual	88%	88%	88%	87%	85%
Target	90%	90%	90%	90%	90%
<b>Timeliness</b>					
Actual	78%	83%	83%	82%	83%
Target	90%	90%	90%	90%	90%
<b>Availability of Information</b>					
Actual	83%	80%	80%	82%	81%
Target	90%	90%	90%	90%	90%

How Are We Doing

**85 percent of customer survey respondents** rated their overall satisfaction with agency services as “good” or “excellent” in the 2024 survey. This survey is now conducted every year, a shift from conducting it biennially so that we have better, up-to-date insight from our customers. Results for 2024 were collected in the spring and summer of 2024.

As in years past, the survey was emailed to external customers via an online survey tool. Sample lists were created largely from Salesforce (Business Oregon’s Customer Relationship Management software) with supplemental lists coming from some programs not currently using Salesforce. The survey list was compiled of customers interacting with Business Oregon over the past year, prioritizing those who received direct agency financial assistance. **Over 7,800 surveys** were sent and a total of **353 surveys** were completed for a response rate of five percent. Respondents reported using the following agency programs (percentages do not add up to 100% as some customers use multiple programs):

- Business Development, Finance, Global Trade, and Innovation and Entrepreneurship: 52%
- Infrastructure/Community Development: 27%
- Certification Office for Business Inclusion and Diversity (COBID): 18%
- Arts Commission and Cultural Trust: 12%

The survey included questions ranking Business Oregon on timeliness, helpfulness, expertise, availability of information, information accuracy, and overall satisfaction. Results are provided below, as well in the table above (percent of customers giving Business Oregon a mark of “good” or “excellent.”) Satisfaction ratings for this survey were generally consistent with prior years.

- Timeliness – 83%
- Helpfulness - 87%
- Expertise - 87%
- Availability of information – 81%
- Information accuracy – 85%
- Overall satisfaction with department services – 85%

#### **Factors Affecting Results**

The five percent survey response rate is roughly in-line with most KPM 10 surveys conducted in the past. Organizational email filters may have prevented some surveys from being delivered to recipients, as is the case with many mass email technologies.