

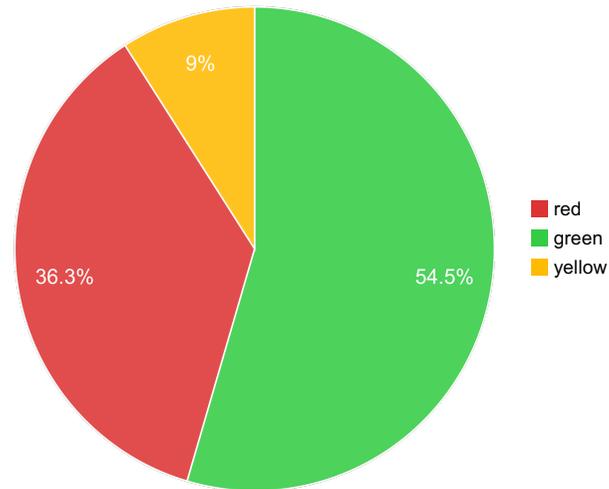
Business Oregon

Annual Performance Progress Report

Reporting Year 2022

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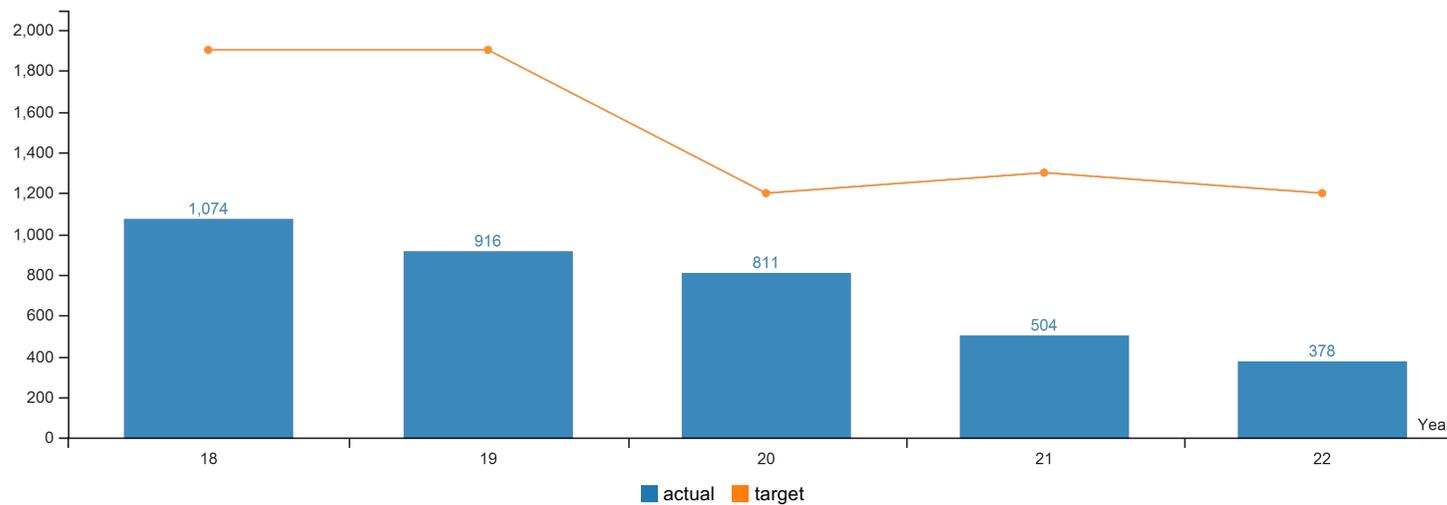
KPM #	Approved Key Performance Measures (KPMs)
1	Number of jobs created -
2	Number of jobs retained -
3	Personal income tax generated by the Department's investment in jobs -
4	New export sales of assisted clients -
5a	Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance. -
5b	Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance. -
6	Number of new industrial sites/acres certified "project ready." -
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%
Summary Stats:	54.55%	9.09%	36.36%

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

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Total jobs created					
Actual	1,074	916	811	504	378
Target	1,900	1,900	1,200	1,300	1,200

How Are We Doing

Business Oregon funds supported the creation of 378 jobs in Oregon in FY 2022. This was short of the FY 2022 target of 1,200 jobs created. The 378 jobs created primarily reflect investments from the Strategic Reserve Fund, Business Expansion Program, business finance programs, and Oregon Innovation Council (Oregon InC). Current Oregon InC investments and programs included are SBIR/STTR matching grants, VertueLab, Oregon Nanoscience & Microtechnologies Institute (ONAMI), and Oregon Translational Research & Development Institute (OTRADI).

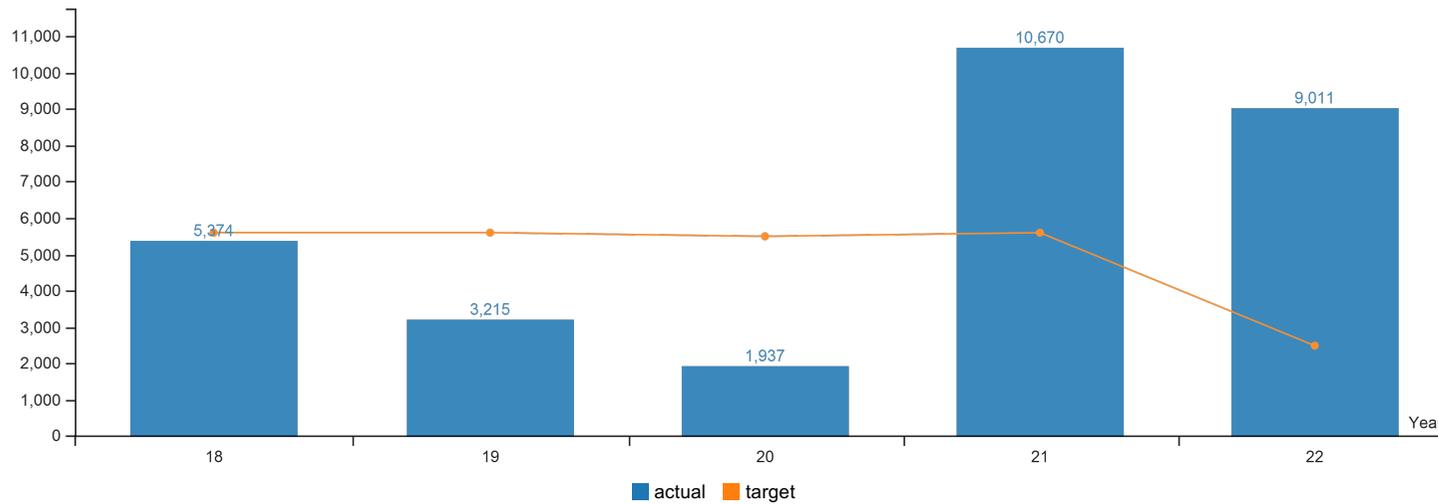
Factors Affecting Results

This measure counts only jobs created via businesses with direct funding through the agency and that also have contractual job creation requirements. Projects using property tax abatement programs such as Enterprise Zone and Strategic Investment Program are not included, nor are projects that the Business Oregon recruitment team advised on but did not use direct funding. With COVID-19, businesses have now added back jobs lost due to impacts from the pandemic, so while that does not account for the declining job creation number, Oregon businesses were focused on recovery and filling jobs eliminated during the pandemic, not yet taking on new financing to expand from pre-pandemic levels.

Related to this factor, is Business Oregon's low expenditures on direct job creation projects. The COVID-19 pandemic and necessary emergency response from the state and the department was certainly a factor in the low amount of job creation projects, which typically dip leading into and during recessions. Recent increases of the agency's overall budget by the state of Oregon has not come from new investment in flexible job creation programs that impact this metric, but rather in infrastructure, broadband, and seismic rehabilitation programs.

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

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Total Jobs Retained					
Actual	5,374	3,215	1,937	10,670	9,011
Target	5,600	5,600	5,500	5,600	2,500

How Are We Doing

Business Oregon funds supported the retention of 9,011 jobs in Oregon in FY 2022. This was 360 percent higher than the FY 2022 target of 2,500 jobs retained. The number of jobs retained in FY 2022 was 7,074 more than jobs retained in pre-pandemic FY 2020, an increase of 365 percent.

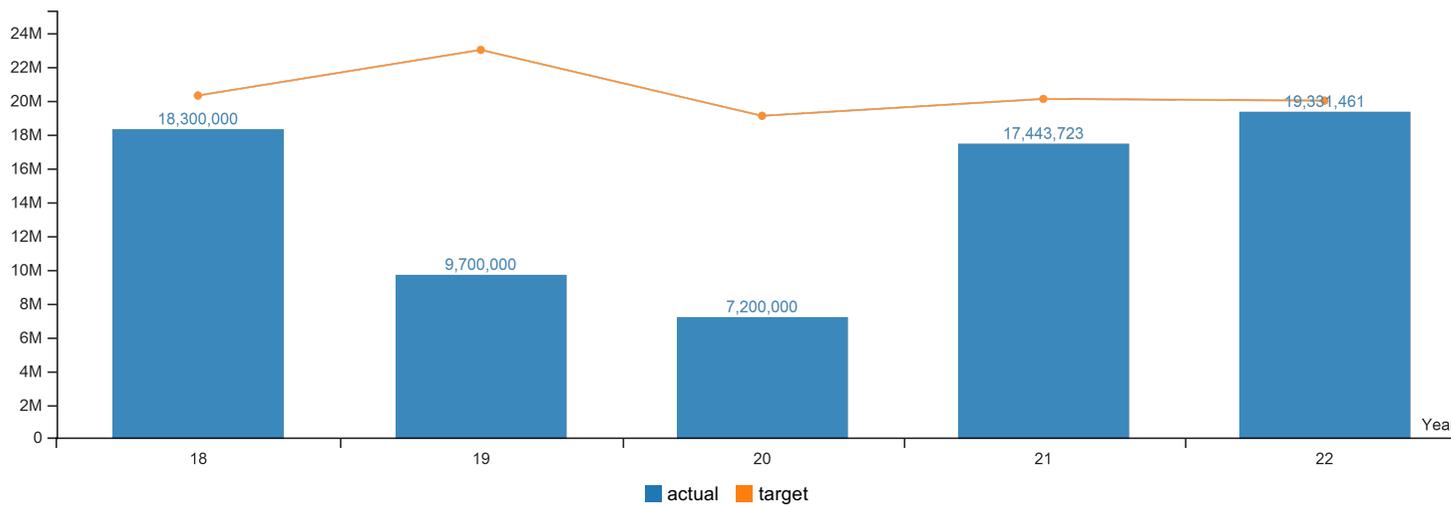
The 9,011 jobs retained primarily reflect investments from the Strategic Reserve Fund, Business Expansion Program, business finance programs, Oregon Innovation Council (Oregon InC), and two emergency COVID-19 relief programs – Emergency Business Assistance Grants and Operational Cost Assistance. Current Oregon InC investments and programs included are SBIR/STTR matching grants, VertueLab, Oregon Nanoscience & Microtechnologies Institute (ONAMI), and Oregon Translational Research & Development Institute (OTRADI).

Factors Affecting Results

FY 2021 saw a dramatic increase in the number of jobs retained by the department due to two emergency COVID-19 relief programs – Emergency Business Assistance grants and Operational Cost Assistance grants – which provided direct financial assistance to small and medium-sized businesses impacted by COVID-19 in Oregon. FY 2022 continues to reflect the impact of those two programs, as they account for 7,936 of the jobs in this measure. This also reflects the agency staff and resources shifted to focus on these programs to get these new targeted funds out to help Oregon small businesses.

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	2018	2019	2020	2021	2022
State Income Tax Revenue					
Actual	\$18,300,000.00	\$9,700,000.00	\$7,200,000.00	\$17,443,723.00	\$19,331,461.00
Target	\$20,300,000.00	\$23,000,000.00	\$19,100,000.00	\$20,100,000.00	\$20,000,000.00

How Are We Doing

In FY 2022, jobs created and retained at businesses funded by Business Oregon generated an estimated \$19.3 million in state personal income tax revenue. This was 3 percent less than the FY 2022 target of \$20 million. Estimated state personal income tax revenue from jobs created and retained in FY 2022 was 11 percent higher than FY 2021 (\$17.4M), and this measure saw a previous jump of 142% from FY 2020 to FY 2021.

The \$19.3 million in state personal income tax revenue primarily reflects investments from Strategic Reserve Fund, Business Expansion Program, business finance programs, Oregon Innovation Council (Oregon Inc), and two emergency COVID-19 relief programs – Emergency Business Assistance grants and Operational Cost Assistance grants.

Factors Affecting Results

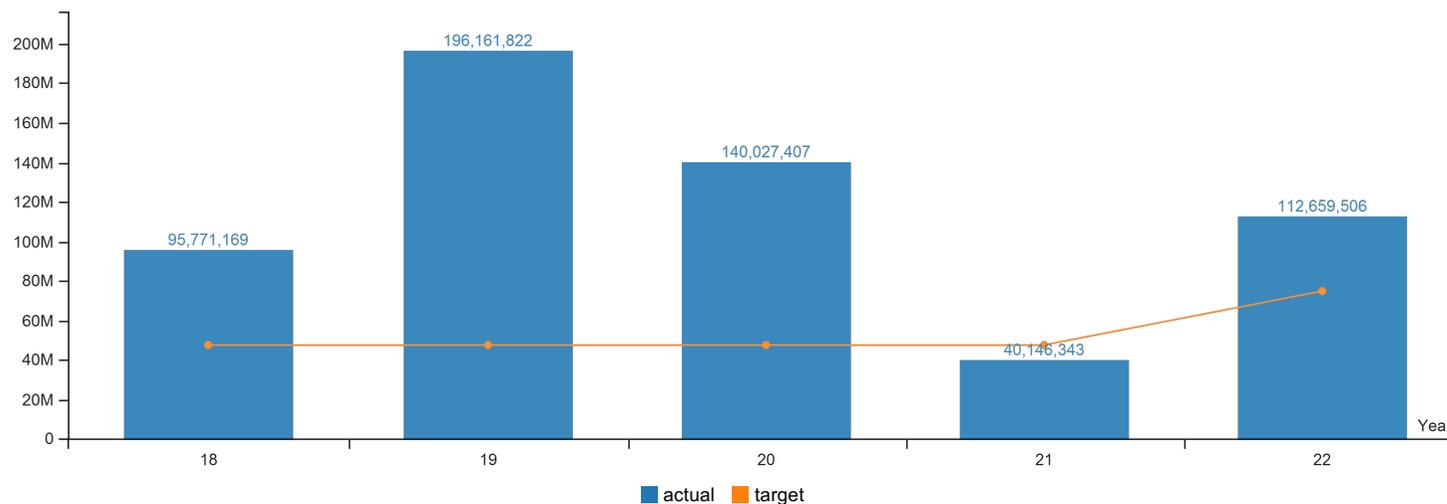
The jobs retained in FY 2022 were much higher than pre-pandemic FY 2020, which led to higher personal income taxes generated in FY 2022. FY 2022 saw a dramatic increase in the number of jobs retained by the department due to two emergency COVID-19 relief programs – Emergency Business Assistance grants and Operational Cost Assistance grants – which provided direct financial assistance to small and medium-sized businesses impacted by COVID-19 in Oregon. FY 2022 continues to reflect the impact of those two programs.

Lower personal income taxes generated by the department since FY 2015 – excluding those generated by COVID-19 relief programs – are primarily the result of lower jobs created and retained over that time. Another factor affecting results over time is lower average wages of jobs created and retained. The average wage of jobs created and retained in FY 2021 was also much lower since the COVID-19 relief programs were targeted to businesses in industries that happen to pay low wages (such as restaurants, salons, bars, etc.) especially compared to higher paying traded sectors that are normally the focus of the department's programs. Lower average wages have resulted in lower income tax revenue per job created and retained, despite slight increases in effective tax rates

between FY 2015 and FY 2022.

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

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
New export sales of assisted clients (in millions of dollars)					
Actual	\$95,771,169.00	\$196,161,822.00	\$140,027,407.00	\$40,146,343.00	\$112,659,506.00
Target	\$47,800,000.00	\$47,800,000.00	\$47,800,000.00	\$47,800,000.00	\$75,000,000.00

How Are We Doing

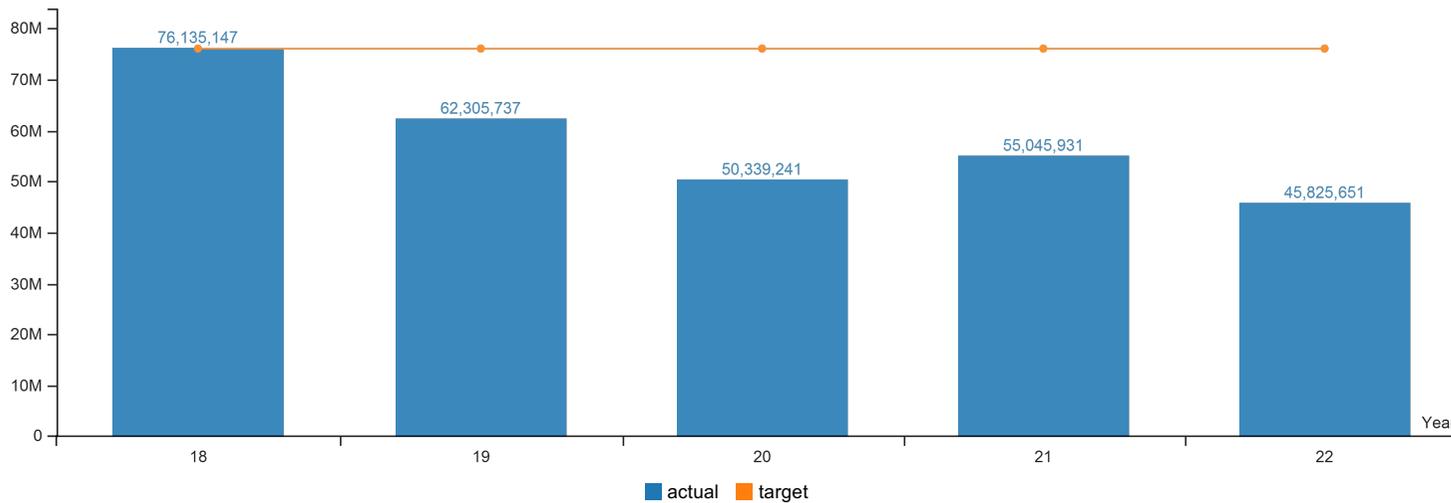
Documented new export sales for FY 2022 is \$112,659,506, exceeding the KPM target. Export sales include immediate and expected sales reported by Oregon businesses supported with both technical and financial assistance from Business Oregon. Business Oregon leverages both state and federal funds to achieve export sales goals by supporting trade events, and opportunities for Oregon small business exporters in target industry groups. Our federal partners include the Small Business Administration, ExIm Bank, and the Softwood Export Council. Sales revenue resulting from these partnerships are reflected in this key performance measure.

Factors Affecting Results

The global pandemic continued to have huge impacts on global trade. Despite continued supply chain issues, inflated freight costs, stalled trade agreements, a high U.S. dollar that makes U.S. goods and services more expensive, Oregon business have proved resilient in trade and exports. Although most international shows have returned to in-person events, attendance is not what it was pre-pandemic and neither were reported sales. Business Oregon export programs have made pivots to digital channels encouraging Oregon small businesses to further develop digital strategies, including websites with SEO, internationalization, translation, re-design, e-commerce, social media, and video production. Business Oregon held seminars and trainings on these topics, and participation is increasing. Ultimately, however, most Oregon exporters' sales are coming from in-person events and we see a much stronger ROI for companies when they are able to engage in face to face meetings and trade events.

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	2018	2019	2020	2021	2022
Total amounts of federal contracts awarded					
Actual	\$76,135,147.00	\$62,305,737.00	\$50,339,241.00	\$55,045,931.00	\$45,825,651.00
Target	\$76,000,000.00	\$76,000,000.00	\$76,000,000.00	\$76,000,000.00	\$76,000,000.00

How Are We Doing

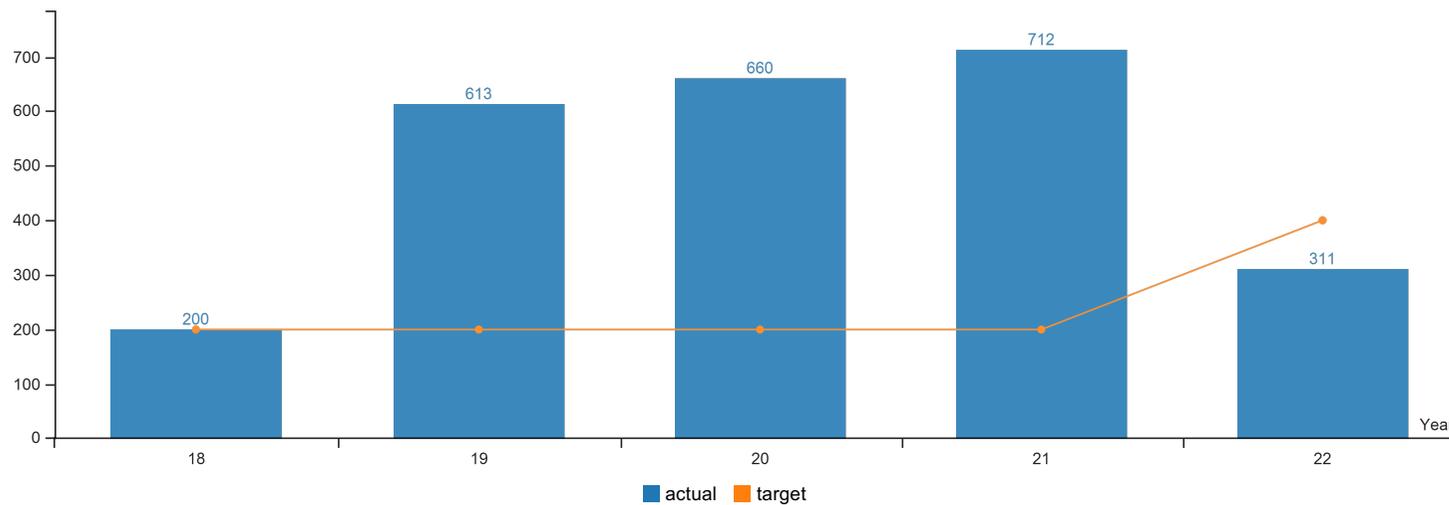
The total amount of federal contracts Government Contract Assistance Program (GCAP) achieved in fiscal year 2022 was \$45,825,651, lower than the KPM target. Business Oregon, through its partnership with the Organization for Economic Initiative's GCAP program, assists start-ups and small firms seeking to grow their businesses through government contracting opportunities. The organization has more than 25 years of experience in working with small businesses on early-stage growth issues and training them on how to seek and secure federal and state procurement opportunities.

Factors Affecting Results

Quarterly data shows quarters 2 and 3 fell far short of the typical quarterly number of contracts and dollar amount awarded. We have shared this with GCAP leadership and asked them to explore what steps need to be taken to improve those numbers in the future. GCAP has contractual obligations to Business Oregon to help Oregon businesses receive \$100,00 in federal contracts during the 2021-2023 biennium. While the number of contracts (KPM #5b) has exceeded the target, contract values have been smaller generally. COVID-19 may have also had a negative impact on the ability for firms to perform and secure larger federal contracts. Of note, this is a pass-through program not run by Business Oregon staff, and a tiny slice of Business Oregon's budget, with funding going to Organization for Economic Initiatives. The agency has proposed deleting this metric in future Annual Performance Reporting.

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	2018	2019	2020	2021	2022
Total Number of Federal Contracts Awarded through services provided by GCAP					
Actual	200	613	660	712	311
Target	200	200	200	200	400

How Are We Doing

Oregon small businesses using the Government Contract Assistance Program (GCAP) received 311 federal contracts in fiscal year 2022, a significant decrease from 2021, above the previous annual targets 200, but below the new target of 400.

Business Oregon, through its partnership with the Organization for Economic Initiative's Government Contract Assistance Program (GCAP), assists start-ups and small firms seeking to grow their businesses through government contracting opportunities. The organization has more than 25 years of experience in working with small businesses on early-stage growth issues and training them on how to seek federal and state procurement opportunities.

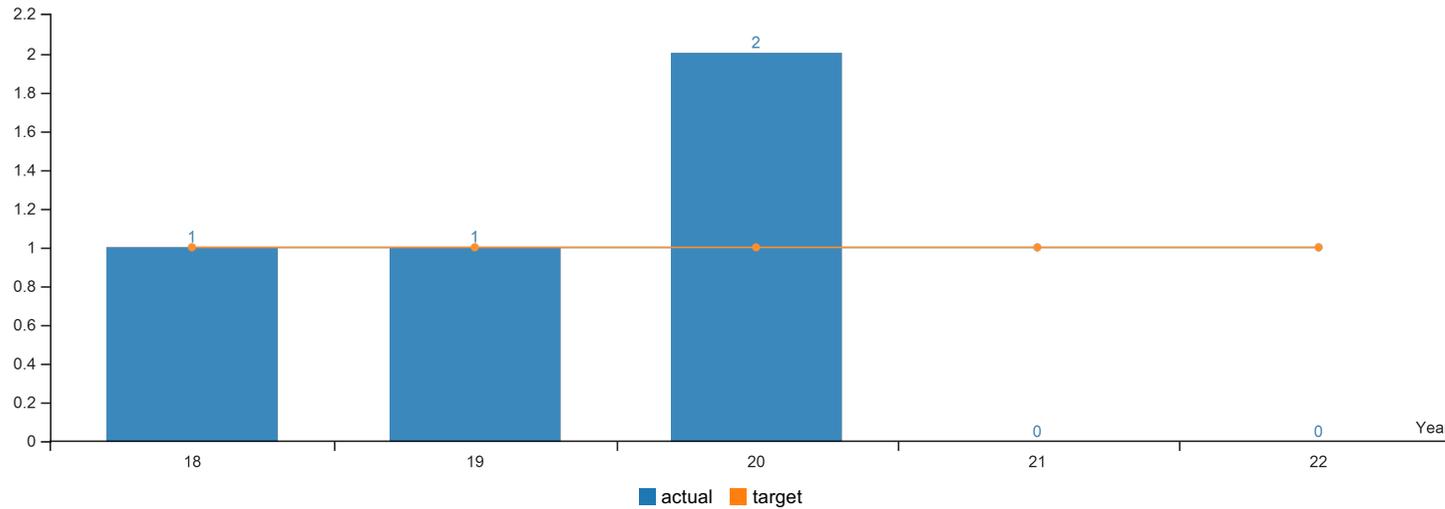
Factors Affecting Results

Quarterly data shows quarters 2 and 3 fall far short of the typical quarterly number of contracts and dollar amount awarded. We have shared this with GCAP leadership and asked them to explore what steps need to be taken to improve those numbers in the future. GCAP has contractual obligations to Business Oregon to help Oregon businesses receive \$100,000 in federal contracts during the 2021-2023 biennium. COVID-19 may have also had a negative impact on the ability for firms to perform and secure larger federal contracts.

Of note, this is a pass-through program not run by Business Oregon staff, and a tiny slice of Business Oregon's budget, with funding going to Organization for Economic Initiatives. The agency has proposed deleting this metric in future Annual Performance Reporting.

KPM #6	Number of new industrial sites/acres certified "project ready." -
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Number of new industrial sites certified					
Actual	1	1	2	0	0
Target	1	1	1	1	1

How Are We Doing

The Industrial Lands programs currently lack a funding stream. There are no Industrial Lands programs or specific Business Oregon programs to directly financially incentivize public or private property owners to prepare industrial sites for immediate developmental readiness. Existing specific industrial lands programs include:

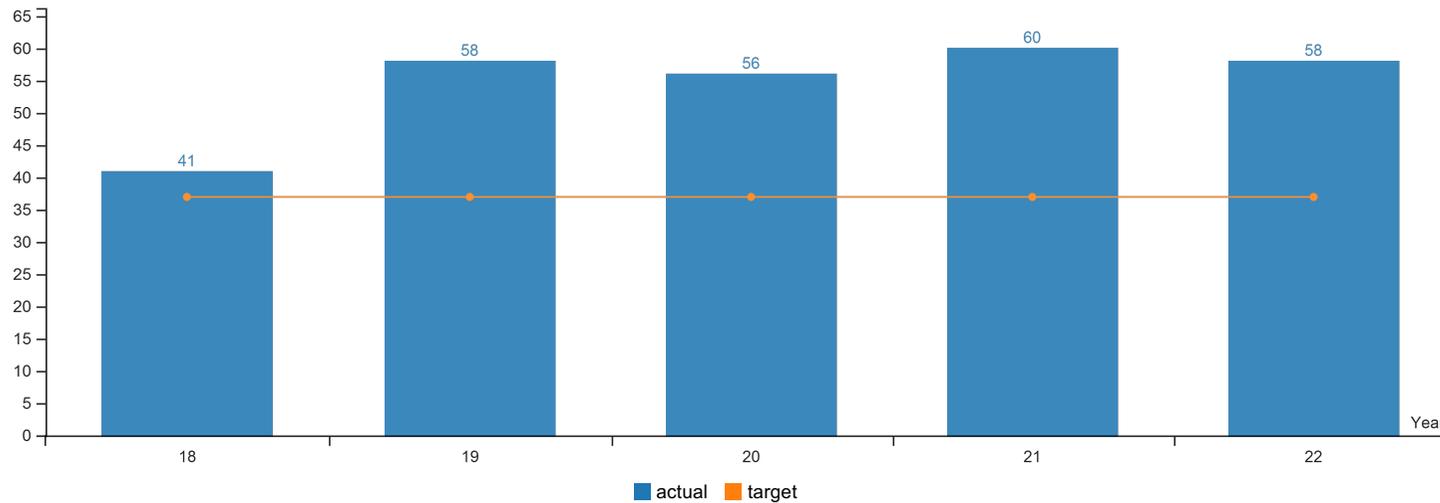
- The Shovel Ready Certification program is an incentive to incur the costs of site preparation for property owners but certified sites are an inventory of available industrial property only, there is no funding allocated to the program.
- The Regionally Significant Industrial Site program is a long-term reimbursement program based on employers yet to be sited. Reimbursement is based on jobs yet to be created and it cannot be measured for KPM purposes at this time.
- The Regionally Significant Industrial Area program is an instrument to create collaboration and to expedite permitting processes of various state regulatory agencies. This program is not accepting new applicants, and no reportable activity has occurred for KPM purposes.

Factors Affecting Results

The industrial site certification program that represents this metric is no longer funded in the agency budget, and the current metric target is only 'one'. The agency has proposed deleting this metric in future Annual Performance Reporting.

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	2018	2019	2020	2021	2022
Number of community capital projects assisted for planning					
Actual	41	58	56	60	58
Target	37	37	37	37	37

How Are We Doing

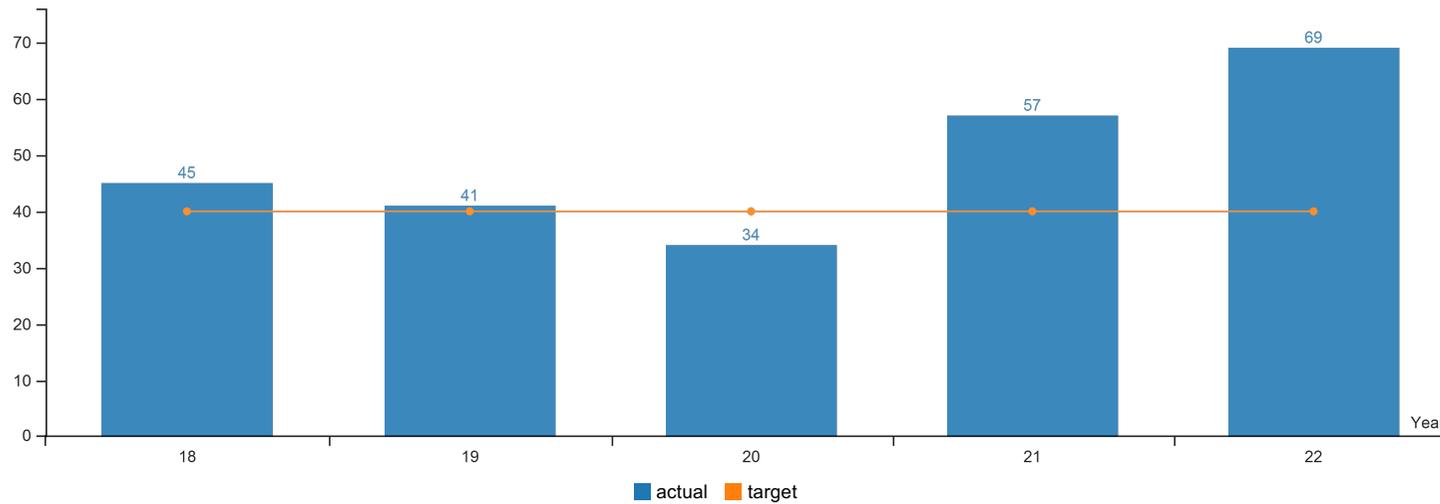
Business Oregon awarded funds for 58 planning projects, exceeding the target of 37. The 58 projects represent approximately \$6.8 million in planning funds. This measure includes projects associated with Business Oregon’s Special Public Works Fund, Water/Wastewater Fund, ports funding programs, Safe Drinking Water Revolving Loan Fund, and Community Development Block Grants. Examples of planning projects are plans for industrial lands development, drinking water and wastewater facility plans, and feasibility studies that support community infrastructure objectives such as wastewater treatment, safe drinking water, and modern community facilities. Business Oregon planning project assistance lays the foundation for vibrant and resilient communities.

Factors Affecting Results

Communities across Oregon continue to face aging infrastructure, keeping demand for planning projects high. Some communities did not anticipate the level of growth seen in the past 10 years, with expected future population growth requiring communities to plan now to ensure adequate infrastructure to support the continued community and economic development. Upcoming statewide infrastructure funding opportunities associated with the federal Bipartisan Infrastructure Law resulted in communities pursuing planning initiatives to identify and prioritize projects for funding proposals. Historically, demand has increased and decreased with overall economic conditions. As communities continue to recover from the impacts of COVID-19 and project development and implementation costs continue to increase communities may seek to prioritize those projects that maintain essential utility services such as capital construction projects associated with health and safety objectives (KPM 8). Additionally, increased federal investment into funding programs that offer grant and low interest rates may result in a high level of program demand over the coming years.

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	2018	2019	2020	2021	2022
Number of community capital projects that address water quality and environmental health issues					
Actual	45	41	34	57	69
Target	40	40	40	40	40

How Are We Doing

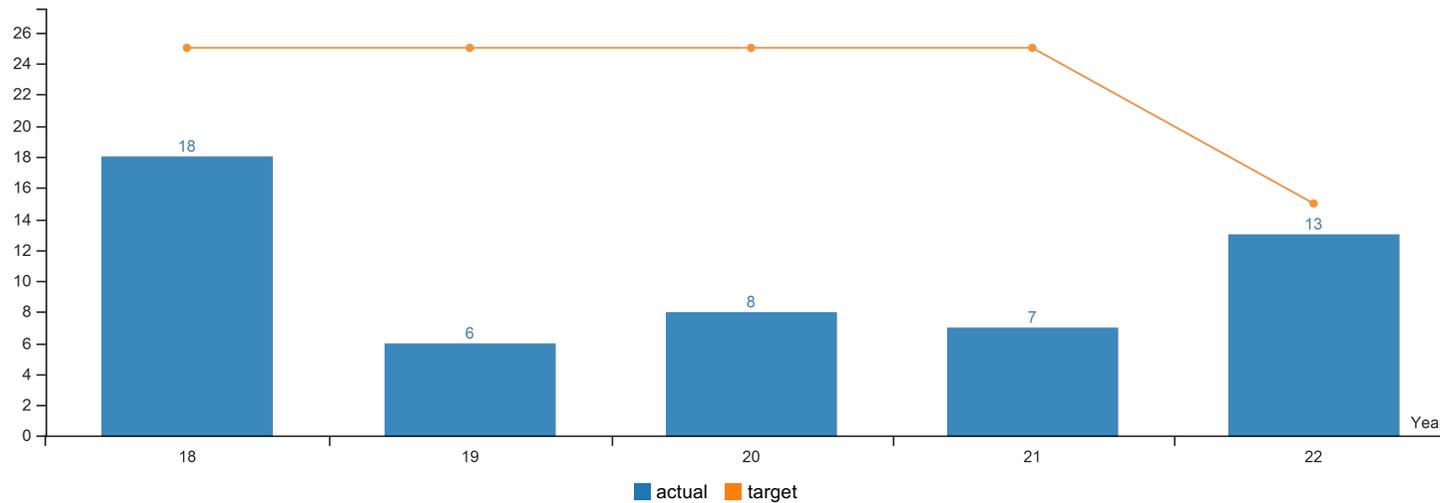
Business Oregon exceeded the target, awarding 69 projects with an investment total of approximately \$70.1 million. The high funding award pace for planning projects in recent years (KPM #7) may be driving increased interest in community capital construction financing projects with a health and safety focus (KPM #8). The pace of these awards may continue to be high as federal funding availability under the Bipartisan Infrastructure Law results in increased interest in existing Business Oregon funding programs.

Factors Affecting Results

The need for municipal infrastructure improvements remain high, as is the demand for financing. Project costs continue to grow, and state-supported low-interest financing is vital to small and rural communities that generally do not have bond ratings. Business Oregon will continue to strive to meet the demand of local communities for financial assistance. While the Oregon Bond Bank is one tool the department can utilize to supplement some of the infrastructure programs, recapitalization through lottery funds remains vital to the department's ability to assist communities with financing projects. Enhanced availability of federal funding through the Bipartisan Infrastructure Law will require additional state matching funds provided through Business Oregon's Special Public Works Fund.

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	2018	2019	2020	2021	2022
Number of community capital projects that assist with future economic and community development					
Actual	18	6	8	7	13
Target	25	25	25	25	15

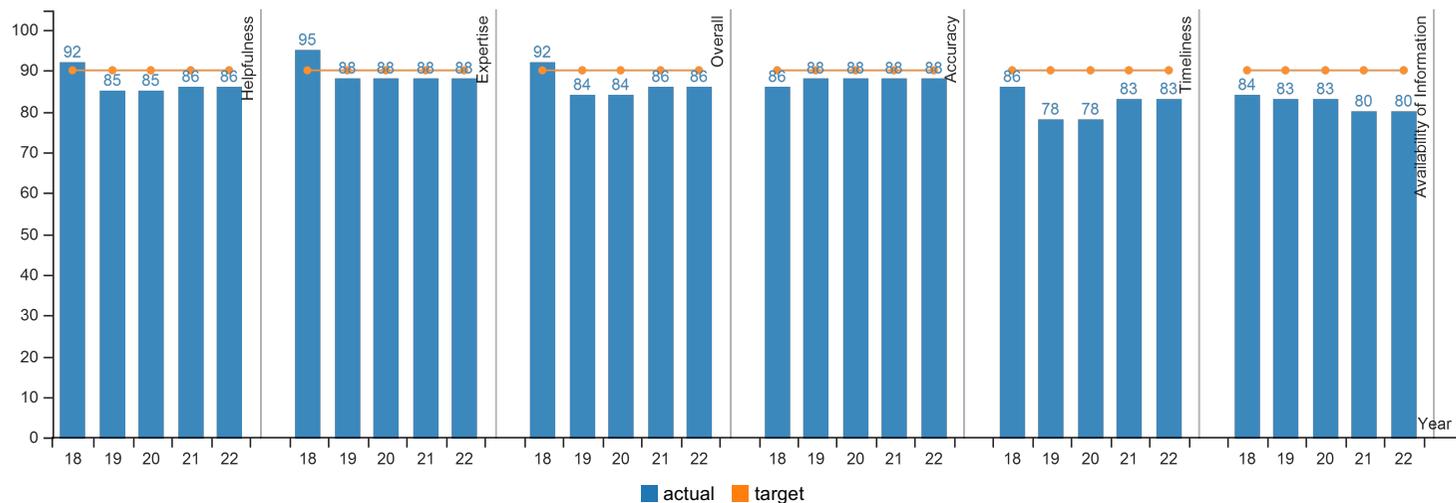
How Are We Doing

Business Oregon completed thirteen projects out of a target of 15, totaling approximately \$27.6 million in financing. As we have seen in the last three years, communities continue to focus their efforts and limited resources on health and safety projects, primarily water and wastewater projects, and not on economic and community development projects. Our programs serve the need of communities, so our resources have also focused on these other projects. However, with the results of the Economic Recovery Plan and the critical need for housing, especially in rural Oregon, we have seen a slight shift in some of the priorities and communities are starting to look at ways to provide housing opportunities. Communities are looking to some of our infrastructure programs to build out the municipally-owned infrastructure which, in turn, allows a developer to build housing at a much more affordable level for working families. This will allow economic and community development in these communities.

Factors Affecting Results

The need for municipal infrastructure construction remains high and the demand for financing will continue to rise as communities address infrastructure needs for business opportunities. Communities continue to focus their efforts on water and wastewater infrastructure, which are generally larger, high-need and high-cost projects. That said, water and wastewater projects are the basis for future economic and community development activities as the latter cannot occur without the former. Business Oregon will work with its program partners (League of Oregon Cities, Association of Counties, Ports, and Special Districts) and communities to identify opportunities to fund capital construction projects that serve both health/safety and assist with future economic and community development. Such projects will be instrumental to economic recovery efforts as the threat and resulting economic impacts of COVID-19 subsides.

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	2018	2019	2020	2021	2022
Helpfulness					
Actual	92%	85%	85%	86%	86%
Target	90%	90%	90%	90%	90%
Expertise					
Actual	95%	88%	88%	88%	88%
Target	90%	90%	90%	90%	90%
Overall					
Actual	92%	84%	84%	86%	86%
Target	90%	90%	90%	90%	90%
Accuracy					
Actual	86%	88%	88%	88%	88%
Target	90%	90%	90%	90%	90%
Timeliness					
Actual	86%	78%	78%	83%	83%
Target	90%	90%	90%	90%	90%
Availability of Information					
Actual	84%	83%	83%	80%	80%
Target	90%	90%	90%	90%	90%

How Are We Doing

Business Oregon conducts a customer service survey every other year. The following results are from FY 2021, and new survey results will be reported for FY2023.

Overall satisfaction with agency services was 86 percent in fiscal year 2021, up from the previous year but below the target of 90%. The fiscal year 2021 survey was emailed to approximately 5,300 external customers using an online survey tool. Sample lists were created largely from Salesforce (Business Oregon's customer management tool) 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 two years. It should be noted that most agency Customer Satisfaction surveys are conducted every two years (thus identical annual numbers for most years in the table above).

A total of 538 surveys were completed in April – June, 2021 for a response rate of 10 percent. In terms of the number of surveys completed and the survey response rate, these were the highest response figures ever for KPM 10. Respondents reported using the following agency programs (percentages do not add up to 100% as some customers use multiple programs):

- Business Development, Global Trade, Infrastructure, and Innovation and Entrepreneurship (55%)
- COVID-19 Pandemic Relief Assistance Programs (54%)
- Arts (39%)
- COBID (34%)

The survey included questions ranking Business Oregon on timeliness, helpfulness, expertise, availability of information, information accuracy, and overall satisfaction. Results with comparisons to recent KPM surveys are provided below (percent of customers giving Business Oregon a mark of "good" or "excellent".)

- Timeliness - 83% (vs. 78% in 2020; 82% average from 2016-2019)
- Helpfulness - 86% (vs. 85% in 2020; 86% average from 2016-2019)
- Expertise - 88% (vs. 88% in 2020; 90% average from 2016-2019)
- Availability of information - 80% (vs. 83% in 2020; 80% average from 2016-2019)
- Information accuracy - 88% (vs. 88% in 2020; 87% from 2016-2019)
- Overall satisfaction with department services - 86% (vs. 84% in 2020; 85% from 2016-2019)

Factors Affecting Results

The 2021 Customer Satisfaction survey built on the 2019 approach of mining more robust contact lists via Salesforce, which resulted in a better sample, response rate, and total number of completed surveys. The 2021 sample was bolstered by additional clients receiving COVID-19 pandemic-related assistance who also completed the survey. Additionally, Business Oregon sent more survey reminders than in past years, which likely assisted in encouraging more customers to open and complete the survey.