

Enhance Oregon's Innovation Ecosystem: Support HB 2417 and HB 2418

Oregon is at the forefront of innovation, thriving on a diverse blend of talent and resources. Central to this ecosystem are Entrepreneurial Support Organizations (ESOs), which foster the growth of innovation by providing support, mentoring, and training for entrepreneurs and early-stage businesses. Federal Small Business Innovation Research (SBIR) grants, likewise, stimulate technological innovation and provide opportunities for research and development with commercialization potential. HB's 2417 and 2418 supplement Oregon's current entrepreneurial investments through additional funds for ESOs (designated by Business Oregon as "Centers of Innovation Excellence" (CIEs)) and for SBIR state matching grants.

Adding to the Governor's Revised Budget as contemplated by HB 2417 and HB 2418 can enhance Oregon's ability to back-fill needed funds for innovation and to jump-start sectors.

HB 2417 ASK: An additional **\$6 million** in Lottery Funds for current CIEs, to help meet rising costs and expand opportunities for Oregon Entrepreneurs

Funded by Business Oregon through the Oregon Investment Council, CIEs are ESOs that exemplify how targeted support can drive commercialization in emerging industry sectors where Oregon has strong competitive advantages. These centers focus on various emerging industries, providing crucial resources to innovation-based entrepreneurs.

"The Oregon Bioscience Incubator [the state's bioscience CIE] has introduced us to investors and resource groups such as CTIP, a West-coast organization that is funded by the FDA and has helped us with funding and regulatory advice. Hemex has raised over \$33M in investment funding and \$12M in grants since we came to OBI. And we also employ 24 people here in Oregon. We have found OBI to be a very collaborative environment. We share our expertise and network as do the other organizations with us."

-Patti White, CEO of Hemex Health

Amount Leveraged in FY 2024:

Centers of Innovation Excellence (CIEs)

\$4,050,000

Total \$ Invested

\$145,620,725

Leveraged Funding

HB 2418 ASK: An additional **\$3 million** in Lottery Funds for SBIR Grants, to catalyze innovation and accelerate growth in Oregon's nano-bio-clean tech sectors.

Oregon's innovation landscape is significantly enhanced by its Innovation Grants. Business Oregon's SBIR support program, in particular, complements the federal SBIR initiative with matching grants that address funding gaps not covered by federal awards, thereby bolstering the viability of new technologies.

"These [SBIR] matching grants have played a pivotal role in our ability to grow and scale by bridging critical financial gaps created by expenses that federal SBIR funding explicitly disallows. Without these SBIR matching grants, startups like Rewire face critical challenges as essential business expenses such as legal counsel, IP protection, and growth initiatives are not often eligible for [federal] SBIR funds. If these foundational costs aren't met, potentially groundbreaking technologies risk failing before they even reach the market."

-John Harkness, Founder & CEO of Rewire AI

Amount Leveraged in FY 2024:

Small Business Innovation Research (SBIR)

\$981,331

Total \$ Invested

\$11,825,393

Leveraged Funding

We Support the Funding Dedications in HB 2417 and HB 2418, which recognize the Complementary Functions of ESOs and Innovation Grants

The synergy between ESOs and Innovation Grants creates a robust framework essential for the success of entrepreneurs and innovators in Oregon. While ESOs, through the CIEs, provide foundational support in areas such as mentorship, access to capital, and market commercialization resources, the innovation grants address financial barriers that might impede technological advancement.

The undersigned urge your strong support for enhancing Oregon's innovation ecosystem, through dedicating additional funds to the Business Oregon CIE and SBIR programs as contemplated in HB 2417 and HB 2418

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