

The State of Small Business

Oregon aims to be a small business-friendly state. However, the number of complex regulations and costly requirements affecting small businesses continues to grow. During the 2023 legislative session, the Office of Small Business Assistance tracked 200 bills affecting small business, 60 of which passed into law. While not every bill increased burdens for small businesses, some new laws created penalties for businesses that don't comply. Learning about these new laws takes substantial time, and tracking bills and analyzing the content is often a full-time job, which many small businesses cannot afford.



Some state agencies limited customer access in 2023. Long telephone wait times, untimely responses to emails, and failure to explain complex requirements in plain language are common ways state agencies fall short of communicating effectively with small businesses. This office heard from small businesses about agencies engaging with customers only by email, eliminating telephone service on certain days of the week, and requiring that license applicants test in-person only in Salem—with no available remote testing option. Agencies have struggled to remain accessible and responsive to the public, failing to accommodate customers who cannot, or prefer not to, communicate exclusively by email.

New requirements at the federal level specifically require small businesses to report Beneficial Ownership Information starting in 2024. The City of Eugene has enacted a local payroll tax and Salem sought to enact a similar tax, creating additional payroll complexities for small businesses. Efforts have also been made in some counties to incorporate rural business licenses, increasing the operating costs for those located outside city limits. While new requirements don't always have an associated monetary cost, they often impose administrative burdens on small business owners. The time and effort required to understand and comply with new requirements takes entrepreneurs away from their daily operations. It's easy to suggest that a small business hire a payroll service, legal counsel, an accountant, or other professional to assist with compliance. Yet so many small business owners struggle with the cost of running their business and affording such support is often beyond their reach.

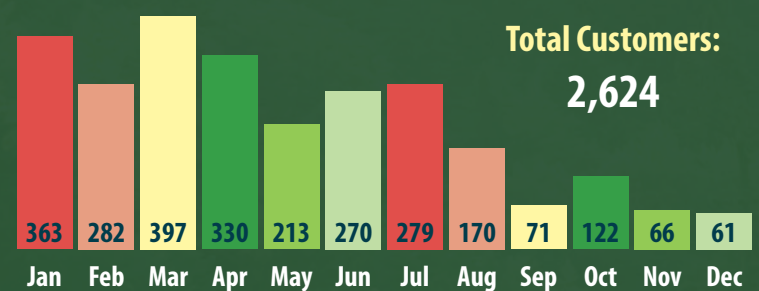
Although Oregon does well distributing funds into communities, these opportunities often come via competitive grant applications. Larger established companies have a distinct advantage over smaller competitors who may not have the capacity to track or respond to these opportunities. Most Oregon small businesses are "mom and pop" operations that are navigating compliance, payroll obligations, taxes, and applying for financial assistance without professional staff or resources to guide them.

Oregon, to its credit, has increased accessibility to procurement opportunities by increasing direct award thresholds and expanding preference options to Benefit Companies and certified Veteran Business Enterprises. These opportunities benefit certain small companies that meet the criteria, although they also require Oregon procurement offices to purposely exercise this discretionary authority.

Oregon can do better to support small businesses. As public servants, we have a collective responsibility at every level of government to:

- Proactively communicate better with businesses about laws, rules, policies, and compliance updates
- Ease cumbersome processes
- Improve equitable access to services, programs, and resources
- Establish accountability measurements to ensure improvements are made

Number of Customers per Month



Problem Categories



61% of all OSBA cases involved customers seeking information. Of those 1600 inquiries, 1,239 were inquiries about business registrations and the Corporation Division. The 79 cases involving legal components either resulted in connections to the State Bar for legal referrals or were situations involving legal advice unavailable from OSBA.

Starting or Closing a Business



Oregon startups slowed in 2023, with 341 customers contacting OSBA with startup questions. 103 customers had questions about closing their business.

Small Business and Administrative Rules Study

In February, OSBA released a study examining how state agencies involve small businesses in Oregon's rulemaking process. The report found the Small Business Rules Advisory Committee, which was established in law in 2018 to help small businesses have a voice in agency rulemaking, has not yet met or been formally organized. The committee exists in statute but not in actuality – a missed opportunity for the state to engage with small businesses.

View the full report on our Reports page at <https://www.oregon.gov/smallbusiness/Pages/reports.aspx>.



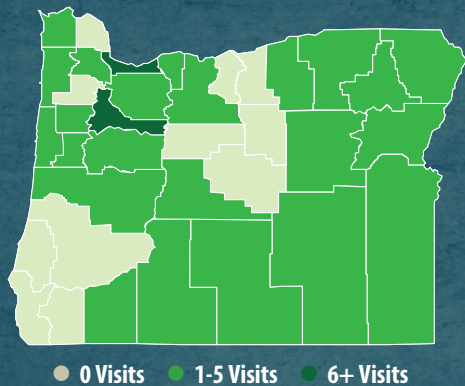
Public Outreach

Employer Lunch and Learns

In partnership with the Employment Department and the Eastern Oregon Workforce Board, OSBA engaged with employer communities throughout eastern Oregon. Lunch and Learn events enabled the office to share information, answer questions, and engage with businesses. The collaborative efforts of **7 state agencies**, including the Office of Small Business Assistance, covered **9 communities in 7 counties** and reached **nearly 300 employers** in eastern Oregon. Efforts are already underway to continue this program and bring it to other parts of the state.

Additionally, OSBA's outreach efforts continue to bring valuable assistance to small business in every part of Oregon.

105
Outreach Events
25
Counties Visited



Minding Your Business

Minding Your Business, OSBA's quarterly newsletter, reached **9,377 subscribers**, an increase of 26% since 2022. Covering such topics as new regulations, obscure licensing requirements, where to find technical assistance, and how to engage with the legislature, *Minding Your Business* provides Oregon small businesses with essential information to help them thrive.

Video Series

3
New Videos
Posted

40
Total Videos in
OSBA Channel

65,610
Number of Times Videos
Viewed Since 2018

Agency Collaboration

OSBA Worked With 96 Units Of Government



21
Cities



14
Counties

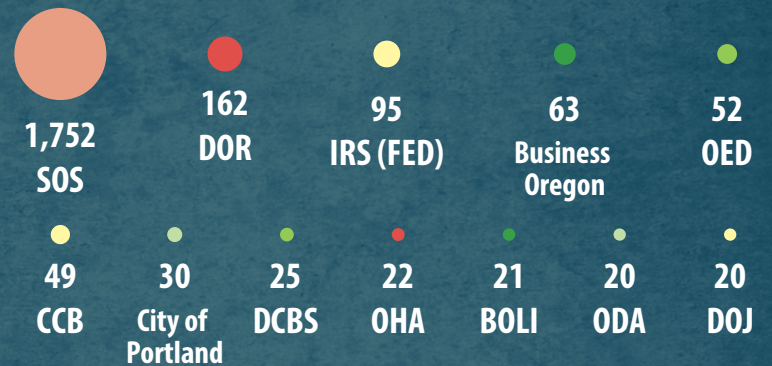


56
State
Agencies



5
Federal
Agencies

12 Government Entities Had More Than 20 Cases



In 2023, these cases accounted for more than 88% of OSBA's work. The remaining 313 cases involved 84 other agencies and fewer than 20 instances of customer questions or complaints.

Contact Methods



1,876
by Phone



407
by Web Form



335
by Email



6
In-Person

OSBA accessibility remains a priority, and customers can reach us by phone, email, web form, or through in-person contact. The majority of customers contacted OSBA by phone in 2023.

What's Next for OSBA?

OSBA continues to seek out and respond to input from small business communities across Oregon. We'll engage with underserved communities by expanding outreach and communication to ensure all small businesses have access to important and relevant information. We're developing a series of regularly scheduled webinars on starting a business. We're working to educate other agencies about what OSBA does and how we can collaborate with those agencies to better serve small business. We're also considering the best ways to capture customer satisfaction and demographic data. Finally, we're planning on publishing additional reports on how state and local government agencies can improve the small business climate in Oregon.

10 Years of OSBA

The Office of Small Business Assistance opened to the public in January 2014. Since then, the office has grown from one staff member to a team of 5. We've been to every county in Oregon, attended hundreds of public events, and **helped over 14,000 small business customers**.



14,530
Customers
Helped



2,717
Startups



283
Cities, Counties, & Other
Agencies Worked With



3,136
Cases Involving
Licensing



1,762
Cases Involving
Licensing Taxes



21
Published
Reports



9
Quarterly
Newsletters

About OSBA

Launched in January 2014, the Office of Small Business Assistance serves as the statewide ombudsman for Oregon's small businesses and nonprofit entities. Organizations with 100 or fewer employees turn to us when they need help interacting with state or local government agencies. We work collaboratively with small businesses, government agencies, and technical assistance providers to make navigating state and local government easier. Together with our partners, we update and distribute both the *Oregon Start a Business Guide* and the *Oregon Employer's Guide*, and we maintain the Business Xpress website.

The Office of Small Business Assistance has statutory authority to receive small business and nonprofit complaints concerning interactions with state agencies. As an ombudsman office, we are independent, objective, and confidential. Our role is to help resolve problems in a non-adversarial manner. We are independent advocates for fair, transparent, and responsive government that serves all Oregonians. Accordingly, we adhere to the professional standards adopted by the United States Ombudsman Association, a nonprofit organization that fosters the development of public sector ombudsman offices.