

TED WHEELER  
STATE TREASURER



PHONE 503-378-4329  
FAX 503-373-7051

STATE OF OREGON  
OREGON STATE TREASURY  
159 STATE CAPITOL, 900 COURT ST NE  
SALEM, OREGON 97301-4043

State Treasurer Ted Wheeler

Testimony on HB 2519  
House Committee on Revenue

May 25, 2011

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HOUSE REVENUE COMMITTEE  
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SUBMITTED BY: MICHAEL  
SEC V16610

Good morning.

House Bill 2519 comes to you alongside the 2519-3 amendments, which I urge you to adopt and endorse.

The amendments replace the unrelated language of the current bill with two primary elements:

First, Sections 1 through 5 are a pair of public depository housekeeping measures that warrant little discussion beyond what has already been put on record.

Second, Sections 6 through 11 establishes the Economic Development Finance Authority. This portion of the legislation provides a roadmap to what I see as a fruitful partnership between the State of Oregon, our existing system of local community banks and credit unions, and Oregonians who are looking for – and ready to leverage – economic opportunity. It's a mere first step, but a good one.

Oregon's economic development resources are currently spread across different agencies – fragmented and without meaningful alignment or clear priorities. The legislation calls for an inter-agency board to serve as a strategic coordinator for all of Oregon's economic development efforts. Consisting of the Governor, the Treasurer, and a third member to be selected, it will be in a position to take a broad view of the state's disparate economic development programs – many of which are run by Business Oregon (and ably so) but many of which are not – and also the resources that could be available for economic development in the future. The goals are to decrease fragmentation, establish clear priorities, and ensure that we get the maximum bang for our buck with the limited resources we have.

The bill also sets up an advisory group made up of representatives of Oregon's business community, banks, credit unions, agricultural community, and other stakeholders to advise on fine-tuning that strategy and recommending further steps. Simply put, the bill provides what we have gone without: A unified framework into which we can build our economic development strategy.

This entity will simply work within the existing agency framework, and at this point, we are not requesting any changes in the statutory sideboards of any existing funds. But I do expect that we will be

able to identify new potential resources and ways to increase the flexibility and scope of the State's efforts.

A key element of this flexibility is the built-in accountability. Since the coordination is based on inter-agency cooperation, the onus is on the Authority board to make the case for each cooperative agreement within existing statute – and report back to the Legislature for any changes it feels are necessary outside of existing statute. This is a careful, measured approach to changing how we think about economic development strategy.

Rather than the metaphorical patchwork of subsistence sharecropping into which we've been planting our economic future up until now, this plan provides a wide field for us to put down roots and build something that's truly in Oregon's long-term best interest. We can and will cultivate not only lasting jobs – but lasting sectors – for this generation and the next.

I am looking forward to the work ahead, and I encourage this committee to pass this legislation with the 2519-3 amendments attached. I truly believe that it is the right first step on the road to a saner, more productive economic plan for the State of Oregon.

Thank you.

*Ted Wheeler, State Treasurer*