



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

February 11, 2014

To: House Rural Communities Committee
Representative Brian Clem, Chair
Committee Members

Re: Regional Solutions HB 4015, Support the -2 and -4 Amendments but More to Do

The League of Women Voters is a nonpartisan, grassroots political organization that encourages informed and active participation in government. One of the basic principles of the League of Women Voters is the belief that democratic government requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings, and making records publicly available.

The League supports the concepts around Regional Solutions Teams as ways to encourage state agencies to work together on behalf of local needs. We are seeing an increase in interagency cooperation and the culture of working together on behalf of Oregonians is improving. With that in mind, we were disappointed in the original language of HB 4015.

The -2 amendments being proffered by the Governor's office address only one of the concerns we have raised: to assure that the grant and loan programs mentioned in HB 4015 first honor the criteria set by rule or law as to the purpose of those programs. If, after those criteria are met, applicants can show a nexus to a Regional Priority, that fact should be considered. This concern is addressed although it still uses the words "and prioritize" on Page 1, line 25 of the bill which we would like to see deleted.

Allowing them an "extra checkmark" seems reasonable. Saying that they get the money first is problematic. For instance, we have many small cities, especially on the Oregon Coast, where their Comprehensive Plans and Development Codes are out of date. The loss of DLCD grant funds for these small cities will mean they will continue to be left in the 20th century instead of the 21st. Small rural communities also have a variety of infrastructure needs that currently hold them back from flourishing. DEQ and ODOT grants might help. Infrastructure and Workforce development are the two main issues brought up by our state economist surrounding rural economic development.

We are always interested in seeing state agency programs become more effective and efficient. As a member of the Oregon Conservation Network, we supported natural resource agency budgets last session that would increase staffing for both protecting and permitting responsibilities. The League specifically testified in support of three additional staff for the Dept. of Environmental Quality whose jobs would have a direct nexus to Regional Solutions. We were most pleased when the Governor and this Legislature increased General Funds for the programs run by our natural resource agencies. We are simply asking that those funds be

used for the purposes you have assigned. With an increased expectation that natural resource agencies will participate in Regional Solutions Centers without an appreciable increase in staffing, the League was (and continues to be) concerned that the protection of our land, air and water might be lessened in this increased demand on their time and resources.

The League followed the development and funding around HB 2620 (2013); in fact, the League supported the opportunity to increase public awareness and engagement as the Governor looks to invest state staff and funds in Regional Solutions projects. We were privileged to sit on the Steering Committee formed at the end of the 2013 legislative session.

League members participated in online surveys and attended the public meetings. They shared information about Regional Solutions—a program that is not well known statewide. With the increase in state funding for projects, the League believes a broad discussion and agreement should occur before monies are spent. This issue is addressed in the -4 amendments. Since these Regional Priorities are expected to access natural resource agency funds and staff, we believe that a broader representation on the Regional Solutions Committees is warranted and a more open public process should occur when setting these Regional Priorities.

Although the HB 2620 report submitted to the Legislature implies broad support for the current Regional Priorities, the unscientific survey notes that only about 22% of those participating said the Priorities matched well, while 52% said they matched “somewhat well”. That is NOT a glowing support for the lists. And the survey only allowed those within the zip code of that region to respond. I note that in the one region where a broader group (55%) of self-identified ordinary citizens participated, the Portland Metro area, only 18% said these priorities matched very well.

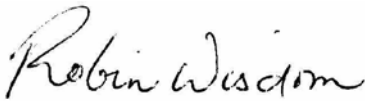
The League notes that the scientific Oregon Values and Beliefs Survey places Oregon’s environment third behind only support for education and public safety with a substantial majority of over 9,000 Oregonians around the state. Staff and monies spent on natural resource programs needs to be spent on protecting that environment while processing and administering any permits required under state law. That protection enhances our economy as it encourages today’s industries and workers to locate here.

Another issue not addressed by either the -2 nor -4 amendments is the issue of legislative oversight of what is now an Executive branch program. HB 4015 simply memorializes the program without adding any role for the Legislature. We believe the Legislature should find a way to insure it has a greater role in this expanding Executive program. This issue was brought up by the Legislative Fiscal Office (LFO) in a November 2013 memo to the Ways and Means Subcommittee on Transportation and Economic Development around the budgeted \$10 million to the Oregon Business Development Department in their 2013 budget with a newly created Regional Infrastructure Fund. We believe the recommendations on page 2 of the LFO memo need to be addressed. This bill seems to be the only bill this session filed relating to the Regional Solutions program, so it seems important for the Legislature to respond to those LFO points. We are open to whatever the Legislature feels is their appropriate role, but we believe that the state funds being invested should have legislative oversight--Senate confirmation of the Convener in each area or a role in selection of

Committee members are but two ideas. We are also looking for mechanisms to advance the public's view of this increasingly important program.

The League thanks the Governor's staff for allowing us to participate in the HB 2620 Steering Committee. Our members have learned a great deal about the Regional Solutions program. We want that to be true of other Oregonians. The way to do that is to increase visibility of this increasingly important program.

Sincerely,



Robin Wisdom
President



Peggy Lynch
Natural Resources Coordinator

cc: Michael Jordan, Governor's Chief Operating Officer
Greg Wolf, Governor's Intergovernmental and Regional Solutions Advisor
Richard Whitman, Governor's Natural Resources Advisor

From LFO November 2013 memo:

(<https://olis.leg.state.or.us/liz/201311/Downloads/CommitteeMeetingDocument/30937>)

LFO has the following specific recommendations to the Joint Committee on Ways and Means regarding the budget provisions of any proposed legislation:

- The Regional Infrastructure Fund was established in 2013 by the Legislature as a separate fund, continuously appropriated to OBDD, to contain state monies approved by the Legislature to support Regional Solutions projects, and OBDD was authorized to distribute monies in the fund for legislatively established purposes. The report requests that other agencies be allowed to distribute monies from this Fund as well. This may not be workable as requested, and the Committee should consider alternative processes to allow proper project management.
- The legislation should specify OBDD (and any other agency) fiduciary oversight and management responsibilities for state funds distributed through the program.
- The legislation should clarify legislative expectations relating to the presentation of funding requests, including whether specific approved projects are to be specified in a request for Regional Solutions project funding, or whether funding is to be provided on a prospective basis prior to the specification of projects.
- The Committee should review the request in the report that the bill authorize that the project identification process and the submittal for funding process should be established by administrative rule, instead of alternatively defining these processes directly in statute.
- LFO would advise against establishing a requirement for the Governor to include funding for the priority and endorsed projects of each region in the Governor's recommended budget. Such a requirement would impose undesirable restrictions on a Governor's latitude to develop budget recommendations. Under current law, Governors may choose to either include or exclude any such projects as their prerogative.