

Testimony in Support of HB 2240

March 25, 2015

House Transportation and Economic development Committee

To: Chair McKeown and Members of the Committee

From: Gerritt Rosenthal, former candidate for HD 37; member – Taxpayer Return on Investment (TRIA) Coalition; Onward Oregon activist

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mob.*

Dear Committee Members:

We all believe in investment for Oregon's future and the need for good long-term jobs and a healthy economy. With these goals in mind, I support prudent business investments (revenue expenditures). Of course, government is not a business and not all investments turn out well. But we still need to try a bit harder than we have in the past.

I consider the cornerstones of wise investment of "OUR" monies to be the following:

1. A reasonable expectation of a beneficial return though up-front agreements
2. Transparency & accountability on the investments to prevent over commitment and abuse
3. A Plan B for recovery when the investments do not pay off

With that in mind the TRIA Coalition has been working on a prototype bill for about 18 months. This potential bill, LC(HB) 2087, covers those three elements: transparency/accountability, agreements on performance, and a Plan B for expenditure termination or recovery.

HB 2240 is the first step in what should be a diligent and systematic process. But compilation of data is only the first step. HB 2630, also under consideration, is one of four bills that cover important elements of these principles. HB 2630 deals with the expenditure agreements and with the "Plan B" for recovery. Two others, HB 2940 and HB 2077, both in the Revenue Committee, deal with transparency/ accountability and expenditure goals.

Although I support HB 2240, I have to point out that getting consistent data for effective evaluation, both under this bill and going forward, is not a trivial. For this reason the TRIA Coalition emphasis has been on a bill (HB 2087) that would help create a unified and consistent database that is also "transparent". We are currently working to get some elements of these concepts added as amendments to other existing bills such as HB 2630 and HB 2940.

The point I want to make is that HB 2240 is a good step but it needs follow-up in the form of bills like HB 2630 and HB 2940. And in all of these cases, the following principles need to be kept in mind: 1) the data base needs to be inclusive and consistent (apples to apples wherever possible); 2) it needs to be transparent (these are "public monies"), and 3) it needs follow-through in the form of audits or some sort of Plan B (how do we close out a bad investment and cut our losses?).

HB 2240 is good first step but I urge you to follow through with the other mentioned bills and I would also urge you to check out HB 2087, our TRIA bill, that is an attempt to roll these principles into a complete package. We need a common standard in evaluating the multitude of ways we subsidize business investment with public monies.