



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

May 15, 2015

To: Joint Committee on Ways and Means Subcommittee on Capital Construction
Senator Fred Girod and Representative Tobias Read, Co-Chairs
Members of the Committee
WaysandMeans.CapitalConstructionSub@state.or.us

Re: HB 5030, Lottery Bond Allocation, Section 2 (2), Regional Infrastructure Fund -
CONCERNS

The League of Women Voters is a nonpartisan, grassroots political organization that encourages informed and active participation in government. The League has strong positions on citizen participation and access. As such, we have watched the evolution of the Regional Solutions program as it has grown from a program where agencies work together on economic development to a broader regional governance structure where a few select citizens meet with limited public notice to first set “regional priorities” that not only include economic development, but also housing, workforce and a myriad of other issues and are authorized to select projects for funding by the Legislature. In 2014 those select citizens provided the Legislature with a list of projects to be funded. You chose to call out those projects specifically rather than just filling a slush fund.

Also in 2014, the former Governor instructed these same regional committees to come up with a list of projects--\$2 million for each of the 11 regions—to be included in his 2015 budget. Again, these funding requests were selected with limited public notice and opportunity to provide input. The Oregon Business Development Department (OBDD), under its Infrastructure Facilities Authority, began rulemaking at the beginning of this year to more clearly set criteria for allocation of this relatively new Regional Infrastructure Fund (listed in Section 2(2) in HB 5030). However that rulemaking was not completed—at least the League has been given no notice of same since we provided testimony on that rulemaking to try to improve public access to this process.

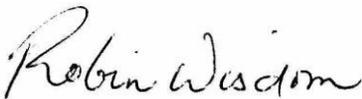
The potential list of projects was provided to the Joint Ways and Means Subcommittee on Transportation and Economic Development on April 21 (<https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/67036>). The League believes that again the Legislature should consider each project individually and NOT simply authorize \$14 million in lottery bonds to this Regional Infrastructure Fund. (The Regional Solutions “ask” also includes \$7 million in lottery dollars. There is a cost of issuance of \$260,620 and already their 2015 budget includes \$1,474,380 in debt service.) As a side note, we understand that 40 cents of every OBDD dollar is now debt service, a dangerous situation should we see an economic downturn, as you well know that debt service must be paid first before other program expenses. Cuts to OBDD could be devastating.

Some of these regional projects are worthy of funding. Some simply add on to other programs you may be considering for funding—making it important that you see these expenditures in total, rather than piecemeal. There are requests for forest collaboratives, which you see in other budget packages, for instance. And workforce housing separate from the affordable housing bond package you discussed last week. There are education programs, workforce development and transportation projects. If these projects are worthy, perhaps they belong in the particular agency budgets where other like projects exist.

To be clear, the League is NOT asking that you NOT fund some of these projects. We just believe that you have the responsibility of selecting which projects the state can afford this session and should be funded with lottery dollars and lottery bonds. And we are hoping that, in the future, these regional committees provide broader public notice and have a broader, more inclusive membership, and that these projects not be piecemeal requests that don't provide you with a complete picture of expenditures.

Thank you for considering these comments. We look forward to your thoughtful decisions.

Sincerely,



Robin Wisdom
President



Peggy Lynch
Natural Resources Coordinator

cc: Sean M. Robbins, Director, Oregon Business Development Department
Annette Liebe, Regional Solutions Director