



## **HB 3377 Improving our Economic Development Subsidies**

Testimony for House Economic Development and Trade – Jody Wisner – 4.3.2017

We are pleased to see HB 3377, responding to the Secretary of State's critical audit of Business Oregon's programs. The bill requires better review of Oregon's business subsidy programs including stronger analysis before making benefits available. Most importantly, it calls for Business Oregon to provide recommendations for improvements to the Legislative Assembly, the Governor and the Oregon Business Development Commission.

If you pass this bill, you should receive recommendations in September of this year to guide legislation for the 2018 session. One or more bills making statutory changes should assure that in the future we will not subsidize jobs that pay below average county jobs, which the audit points out may currently be the case. The audit found:

*... the majority of 2011-12 awards [those for which they could review 3 years of history] went to businesses with average wages below that of the county they operated in, an important result given Business Oregon's mission to encourage living-wage jobs.*

Clearly, the current wage/compensation requirements need improvements. We hope as well to see specific recommendations for changes to our subsidies for data centers, since they are getting subsidies in Oregon based on old laws not written in anticipation of huge investments with so few jobs.

Further, the bill calls for changes that should mean that in the future we won't see reports on our transparency website where the department has hidden the pay information from public disclosure, or has not insisted on, and confirmed the jobs reported for every business whose property tax subsidies are based on job requirements. Clearly, improvements need to be made in terms of eligibility requirements, transparency, program oversight responsibility, and evaluation.

This bill is a good step in the right direction.

*We read the bills and follow the money*