



**Testimony Before the House Economic Development Committee
Relating to Support of HB 3110 -1
March 4, 2019**

Submitted by Jim McCauley, Legislative Director League of Oregon Cities

Chair Lively and Vice-Chairs Fahey and Bonham, on behalf of Oregon's 241 cities we are offering the following comments in support of the goal of HB 3110 and support of the -1 amendments for HB 3110.

As originally envisioned, HB 3110 would form the Oregon Rural Service Center and would have established an operating role for the League of Oregon Cities and the Association of Oregon Counties. Based on additional conversations with Rep. Bonham, former legislator John Huffman, Business Oregon, and Economic Development Districts it was clear there was a better framework that would implement the goals of HB 3110, and take advantage of staffing and infrastructure available within Business Oregon and the Economic Development Districts.

The -1 amendments reflect a more mature version of the concept that originally created HB 3110 and the League of Oregon Cities is on board with the amendments. We still have some details to work through with Business Oregon regarding overhead, or fees related to administering the program, but the framework is solid.

HB 3110 fits into a series of rural investment opportunities for the 2019 session. There are several bills that as a package, are capable of moving the bar for Oregon's smaller communities in need. These bills include HB 3110, but also include investments in broadband, public safety, affordable housing, and water infrastructure.

The League is very aware of the limitations that smaller cities and communities have in front of them. These communities do not staff economic development, grant writing or a host of other needs that larger cities and counties have in place. In many cases these same communities lack funds to even contract these services.

HB 3110 is effectively a capacity building program for rural communities. It provides an infusion of \$875,000 for the 2019-2021 biennium that will help fill a needed gap for cities under 2,500 and counties less than 12,000 in population for grant writing services for anything from local school needs, to economic development and other critical infrastructure needs. For cities alone, over half the 241 cities that are part of this targeted legislation will qualify for funding. My guess is that there will be requests that exceed this funding level just given the constant narrative of needs expressed by cities across Oregon.

In addition to funding, HB 3110 establishes oversight with the formation of a board that will include members of the League of Oregon Cities and AOC along with legislators and other professionals. I'm confident the infusion of money into the program along with an oversight board, the legislature can feel confident as well rural Oregon will benefit from HB 3110.