



House bill 4038

House Committee on Energy Environment and Water
2.2.2012 Peggy Woolsey

Unemployment remains high and Oregon provides huge subsidies from our budget, in the name of economic development. Taxpayers are right to ask if such expenditures are creating a substantial number of good quality jobs. Because tax expenditures have grown from 36% to 46% of potential revenue in the last dozen years, we need to know what we're getting. Both green energy and film and video have been "sold" on the basis of jobs.

If you remove the requirements for submission of jobs related data, by applicants, you message to taxpayers becomes, "We don't care about jobs!"

We need to require more jobs, with higher wages and benefits in return for our subsidies. We also need to show the public a cost benefit with more accountability.

Good Jobs First has a December 2011 report, Money for Something, which analyzed requirements and accountability of public subsidies in all states. Each state was ranked on job performance and accountability. Oregon received a D- and ranked fourth from the bottom. This indicates a real need for improvement. Here is a link to the report:
<http://www.goodjobsfirst.org/sites/default/files/docs/pdf/moneyforsomethingexecsum.pdf>

We've heard from businesses, the problem with the energy job reporting mechanism is that they are asked how many jobs did you create? That is hard to answer when the job was to replace four windows on a home. The correct question should be: How many hours of paid labor were involved and was the total gross cost in wages paid. One should either exclude all benefits, or include them separately from wages.

We are happy to see a change from tax credits, which are auctioned to grants. This is far more straightforward and simple. However, for both the agencies and the businesses the simplicity reduces their cost. Thus, you could easily justify reducing the benefit caps by 10%.

With amendments, this could be a step in the right direction and we could support it!