



**HOUSE OF REPRESENTATIVES**

**Testimony in Support of HB 4093**

February 16, 2022

Chair Lively, Vice-Chairs Cate and Kropf and members of the committee,

For the record, my name is Khanh Pham, State Representative for House District 46. As the chief sponsor for HB 4093, I am here to share my strong support for the creation of an annual Genuine Progress Indicator for the state of Oregon, and an update on the next steps that are recommended for a successful implementation.

**HB 4093 would direct the Oregon Office of Economic Analysis to research and compile a report around Oregon's GPI, or Genuine Progress Indicator, on an annual basis.** This report would be largely drawn from data that Oregon state agencies already regularly track for how our economy performs each year in producing economic, social, and environmental gains and losses.

Currently, GDP (Gross Domestic Product) is used by the government as the primary measure of economic health, but by focusing solely on how much is bought and sold, and the market values of goods, **GDP is incomplete and unable to truly measure the costs and benefits of our state government's policies and programs.**

The Genuine Progress Indicator (GPI) provides better insight into all the different factors that shape people's well-being. As a member of the House Revenue Committee, I find it helpful to have metrics that reflect a more comprehensive set of indicators for our state's prosperity, including economic, environmental, and social factors.

As we've seen in recent years, **our GDP can be high, but that does not necessarily mean that our economy is sustainable or prosperous.**

GDP measures the amount of dollars that are spent in our economy each year. It doesn't care what those dollars are spent on, if they nurture health or actually reflect a decline in community health and well-being.

In fact, GDP doesn't capture the real costs of environmental destruction or the harms to public health. Economists call this externalizing the costs.

In the crude metrics of GDP, the devastating wildfires in Southern Oregon and the Santiam Valley have generated tremendous economic activity—we're spending money to rebuild homes and towns that were burned down. Allowing a factory to pollute



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groundwater is an economic boon to GDP in the short run, even if it means the loss of clean drinking water for generations to come.

For BIPOC communities and women, systemic inequality and historical disparities worsen our ability to access wealth, health, and economic growth. In my district along the major roadways of 82nd Avenue, Powell Boulevard and Interstate 205, communities experience increased air pollution, heat islands, car accidents and traffic fatalities - all of which contribute to health disparities and higher medical bills. These costs register as profit for the healthcare system and insurance companies but this is not economic health and well-being.

Essentially what we're doing is privatizing the profits, while socializing the costs. A few individual companies may profit, while our society as a whole, bears the costs, usually with low-income communities and communities of color bearing the greatest burdens.

**This model will bankrupt our future if we don't start incorporating the true costs of our choices into how we're evaluating our progress.**

**GPI is consistent with our priorities and values in Oregon. We need more tools to measure what matters.** GPI gives Oregon a way to incorporate the real values of our forests and farmlands, investments in health and livability, the benefits of addressing racial and gender disparities and acting now on climate change. Oregon's Genuine Progress Indicator will allow our state to more accurately understand and make decisions based on our holistic health. We have to be able to have these conversations alongside economic considerations of growth and wealth.

**After discussion this session with Oregon's Department of Administrative Services, we are pivoting from a formal bill to a one-time budget request for a contract to produce a GPI report that will identify gaps and capacity needed for the state to institute an ongoing Genuine Progress Indicator.** This would provide necessary information to pass effective and strategic legislation to create and implement an annual OR GPI in a future session, rather than ask at this time for permanent staff additions to the DAS team to cover GPI reporting.

This session, we are submitting a budget note allocating \$250,000 for DAS to contract this work for an initial GPI report. DAS would put out a request for proposals to research the current data being gathered by various state agencies, report about

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current gaps in state data collection, and work with state agencies to produce a Genuine Progress Indicator report. This is a one-time budget ask and would not require hiring any FTEs within DAS. **Both of our General Government Ways and Means Subcommittee chairs are in support and are submitting the budget note to the Ways and Means Co-Chairs.**

We appreciate the opportunity to share testimony in this public hearing to document the support from the many, diverse community and business groups, advocates, stakeholders, and supporters from other states who support this bill and are here today to offer their testimony on the benefits of an annual Oregon GPI for the public record. Thank you.