

# Economic development programs would benefit from more scrutiny



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Rep. Kim Thatcher, R-Keizer, sponsored HB2370.

At first glance, legislative efforts to increase the transparency of Oregon's economic development programs might look like one more obstacle for the state to overcome as it tries to retain and attract jobs. But those who take a longer look at these programs might instead be surprised at how effective they are. The only way to know is to make it easier to evaluate them.

That's what [House Bill 2370](#), scheduled for a hearing Monday in the Joint Subcommittee on General Government, seeks to do. The bill would require [Business Oregon](#) and a handful of other state agencies to increase the amount of information posted to the state's transparency website.

It's understandable for Business Oregon officials to raise questions about the legal and procedural implications of such requirements, as they have. But the bill's sponsors are right to push to increase government transparency overall and to expand public knowledge about economic development operations in particular. Anyone interested in job growth should embrace this effort.

Many Oregonians are naturally distrustful of big business and any group aligned with corporate interests. The decadeslong economic slump in rural Oregon and high-profile failures such as the [Business Energy Tax Credit](#) have increased the suspicion. The lack of trust often leaves Business Oregon, the state's economic development agency, playing defense when it seeks funding and support for programs. Increased transparency should remove some of those suspicions.

[Rep. Kim Thatcher, R-Keizer](#), one of the sponsors of HB2370, said one of her goals is to make it easier to tell which programs are working. Posting reports to the website is only a first step, she acknowledges. But expansion of information available on the site will make it easier for others -- whether in government or the private sector -- to obtain data, add context and make judgments about which economic efforts are effective. "Now, we don't even have an inventory of what (programs) we have," she said.

The Portland-based OSPIRG Foundation, a think tank that pushes for government transparency among other things, this month [issued a report analyzing information made available](#) in the two years since implementation of the law requiring that annual reports on economic incentives be posted to the website. The report concluded that "available information remains insufficient to evaluate economic development tax subsidies."

Without adequate information, too many people assume the worst. In fact, Business Oregon might be more highly regarded outside the state than at home. The agency won the Council of Development Finance Agencies' top award for its use of the federal Small Business Credit Initiative to help finance small businesses. "Their work as a state agency is cutting-edge, innovative and an example of best practices in our industry," said council President Toby Rittner.

Business Oregon spokesman Nathan Buehler said the national group was impressed both with the range of finance programs offered in Oregon and with the agency's efforts to build relationships across the state with small businesses and lenders.

The success of the finance programs illustrates another fact that Business Oregon Director Tim McCabe wishes was better known: Economic recruitment constitutes a small percentage of the agency's work. Its most important programs help channel financing and expertise to small businesses, promote export opportunities and foster efforts to retain existing businesses.

Economic challenges hit Oregon with the frequency and ferocity of ocean waves. To be prepared, the state must have a trusted and effective state economic development agency.

The increased transparency that HB2370 seeks to require would be a short-term hassle for an agency that already has a lengthy and important to-do list. But in the long term it should increase public trust and help the agency do its job better.

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