

JUMPSTART OREGON STIMULUS PROPOSAL

The Jumpstart Oregon agenda summarized in the table below proposes actions that can boost Oregon’s economy immediately *and* make it more productive, innovative, and resilient for the long-term. Through close collaboration among federal, state, and local governments, and the private sector, Oregon should be able to move quickly in each of these areas. It is clear that the Obama Administration will act on a stimulus package right away. Already the President-elect has warned states that if they aren’t ready, funds will not flow to them. Oregon must be poised to move at once.

Beyond the specific recommendations below, we will be inviting additional suggestions to jumpstart the economy.

Given the potential scale of the downturn, the federal government has a critical role to play in stimulating economic demand and creating jobs. State and local governments can’t do that because they must balance their budgets. In fact, balanced-budget requirements often force state and local governments, as tax revenues drop, to cut public services and lay off public employees, which has the perverse effect of cutting local purchasing power and making the recession worse. Temporary federal support to states could help stabilize the economy and provide for those most vulnerable. An extension of unemployment insurance benefits and support for health and social services programs could make an important difference to the economy overall.

Tax policy also can also be employed to fight the recession. Selected tax cuts to increase spending and to spur investment may be warranted. However, any increase in taxes must be done with great care or risk exacerbating what already appears to be a dire economic outlook.

Judicious use of reserves provides one important tool for stimulating the economy. As explained in the Public Finance White Paper available in the Leadership Summit packet, Oregon has built up reserves. We will almost certainly need to apply them in the course of this recession.

Jumpstart Oregon: Actions to Support Immediate Job Creation and Long-Term Prosperity

Education			
Education is at the heart of Oregon's strategy for economic prosperity. Roller coaster funding undermines progress towards higher standards and toward expanded access to higher education. Funding cuts disrupt and demoralize schools, displace staff, and add to unemployment. In sharp contrast to the last recession, through disciplined withdrawals from the reserve funds, we may be able to hold school funding roughly at current levels through the recession. By diverting future kickers, we help ensure long-term stability.			
Action	State Role	Federal Role	Benefits
Provide funding to ensure full school year at current program level and access to all who wish to attend higher education.	Establish a disciplined policy to tap the Education Stability Fund. Modify kicker policy to direct portions of future kickers (personal and corporate) to help refill Education Stability Funds.	Provide one-time general revenue sharing to states as part of federal stimulus package to offset some of the steep state and local revenue losses created by the financial crisis.	Assures employers that critical education services will be maintained. Enables continued work on meeting specific needs for high-demand, high-skill opportunities and raising standards across the system.

			Establishes Oregon's as a place committed to expanding high quality education
Increase maintenance and new construction on schools and other public facilities to make them safer, more durable, and more energy efficient.	Prepare project list for maintenance and new construction of schools and other public facilities Issue bonds to help pay for improvements.	Provide resources for school buildings as part of stimulus package, either for direct support or low interest bonds, or both.	Immediate job creation. Critical upgrades and replacement of aging buildings reduce operating costs, cut emissions, improve learning and enhance safety.

Transportation

Oregon's roads and highways are in disrepair. The Governor has proposed additional revenues and Congress appears poised to stimulate the economy through road and transit projects. Congress has the opportunity to provide additional support. Job creation, especially on maintenance projects, can begin as soon as dollars are available. Every \$10 million translates into 140 jobs.

Action	State Role	Federal Role	Benefits
Expand road maintenance and launch shovel ready, high priority road and transit projects.	Identify and expedite projects that can be done quickly. Issue bonds for constructions as part of transportation package.	Increase transportation outlays immediately as part of stimulus package	Immediate job creation. Increase long-term productivity of economy.

Forest Health

Oregon remains the leading location on the planet for forest products industries. Over 50 percent of Oregon's forests are federally owned, and good stewardship of federal forest is critical for communities throughout the state. Currently nearly 13 million acres of federal forests face the threat of catastrophic fire unless they are thinned. An aggressive forest health program would bring enormous benefits to many rural communities.

Action	State Role	Federal Role	Benefits
Accelerate thinning on national forests, providing resources for mills and energy production	Coordinate state agencies to ensure quality plans are ready for federal forest management. Support regulatory policy to encourage development of biomass energy.	BLM and forest service rapidly complete plans for thinning. Federal funding to facilitate large scale forest thinning	Jobs in the woods and in mills; 2,500 jobs in rural communities for every 250,000 acres treated. Wood products supply and biomass electric energy Reduced catastrophic fire risk, improved ecological health. Savings in millions of dollars in fire emergency costs.

Energy			
Oregon is well positioned in renewable energy (especially wind and solar), green buildings, energy efficiency materials (e.g. doors and windows) and energy efficiency services. The state has already taken supportive steps to encourage energy efficiency within Oregon. Oregon's opportunity here is two-fold: 1) to attract federal dollars to step up retrofits in Oregon (creating jobs in the home and commercial improvement sector); and 2) to attract and grow our burgeoning clusters by taking a growing share of the <i>national</i> and <i>international</i> market for energy efficient buildings and renewable energy as the federal government encourages capacity building in these sectors.			
Action	State Role	Federal Role	Benefits
Step up efforts to upgrade building codes and retrofit homes and buildings to increase energy efficiency.	Review current processes to accelerate retrofits. Mobilize utilities, energy services contractors, the Energy Trust, and others to develop concerted plan for local retrofits.	Provide targeted funding and tax credits to encourage accelerated home and commercial energy efficiency nationwide.	Immediate job creation Long-term savings in energy Reduced carbon emissions A stronger Oregon energy efficiency cluster, including building products suppliers
Launch national campaign to promote green building practices for all new buildings.	Mobilize local companies with green building and energy efficiency expertise to market green-building practices and services outside of Oregon.	Provide tax incentives for energy efficient buildings. Require new federal buildings to meet green standards.	Creation of immediate opportunities for Oregon's green building cluster.
Upgrade electricity and natural gas transmission systems, including LNG.	Create incentives for utility and other private investment	BPA partners with electric utilities to provide infrastructure. Expedite siting of LNG terminal	Immediate job creation Infrastructure critical for implementing renewable energy path and providing affordable natural gas
Expand Oregon's employment in renewable energy and clean technology	Continue Business Energy Tax Credits. Fund aggressive recruiting of companies here. Fund Oregon Inc. Globally market Oregon through public-private partnerships.	Extend tax credits for renewable energy sources. Include clean-technology as part of stimulus package.	Immediate job creation as Oregon takes position as a leader in design and manufacturing renewable energy Creation of new cluster, adding diversity to economy long-term