

May 6, 2020

TO: Senate President Peter Courtney Speaker Tina Kotek
Senate Majority Leader Ginny Burdick House Majority Leader Barbara Smith Warner
Senate Republican Leader Fred Girod House Republican Leader Christine Drazan
Members of the Oregon Legislature

FROM: Oregon Business COVID-19 Response Coalition

RE: Special Session

As representatives of Oregon's business community, we believe the Legislature should reconvene the Joint Committee on Coronavirus Response in order to determine actions necessary to address both the public health and economic ramifications of the Governor's Executive Orders to determine what steps are needed in a special session to assist Oregonians and the businesses Oregonians depend on.

When the COVID-19 crisis hit Oregon, the Legislature took the strategic step to convene the Joint Committee on Coronavirus Response to determine actions the Legislature needed to take to immediately to protect Oregonians during the public health crisis. In coordination with the Governor, in light of the Governor's authority during an emergency, and because of actions happening at the federal level, the Legislature ultimately decided to delay special session until after the May revenue forecast.

While some of the issues the Legislature considered during the Joint Committee on Coronavirus Response have been dealt with, others have not. Since that time, additional issues have emerged. Our economy will not easily restart, and the damage done to businesses across the state will not immediately improve once the Governor's Stay Home order is lifted, nor will all of the hundreds of thousands of jobs lost thus far be immediately restored. The Legislature has a responsibility to tackle issues now in order to plan for swift action once the May forecast is released.

On March 17, our coalition submitted a list of ideas to the Joint Committee on Coronavirus Response to suggest ways the Legislature could begin to help our economy survive this crisis. Our commitment to the health of all Oregonians remains, but it is also imperative to begin to determine now how we will restore and rebuild our state's economy. States across the country have taken action to mitigate the economic damage of COVID-19. While Oregon started with a well-executed Stay Home order, our state has done little to address the long-term impacts this virus will have on our economy. Now is the time to analyze what issues we face, to develop strategies to mitigate the economic harm Oregonians have suffered due to the virus, and to work together to restore lost jobs and family incomes. We urge you to reconvene the Joint Committee on Coronavirus Response to consider:

- Delaying implementation of the new Corporate Activities Tax – while first quarter payments were due April 30, we suspect many businesses were not able to make these tax obligations and the Legislature should revisit the CAT and delay it until the economy is back on track.
- Excluding Paycheck Protection Program funds and other federal programs from taxation – businesses need certainty that the funds they receive from the federal government to help them manage this crisis will not be taxed by the State of Oregon.

- Liability protections – virtually every business faces liability exposure because of COVID-19. The Legislature should analyze the threats businesses face, especially as they begin to reopen, to determine what liability protections are necessary to ensure businesses can reopen without the threat of unwarranted lawsuits.
- Extending deadlines and lifting requirements for regulations that are impracticable to comply with – an analysis should be done of the regulatory burden businesses face and how those can be relaxed as our economy restarts, including issues concerning predictive scheduling.
- Analysis of the Unemployment Insurance Fund – we need to determine the health of the fund and to ensure businesses do not face higher rates due to the forced unemployment that’s occurred during the shutdown. Additionally, analysis is needed to determine how Oregonians were served by the unemployment system during this crisis, and steps that can be taken immediately to prevent delayed payments and other issues in the future.
- Temporary delay of the scheduled minimum wage increase - businesses that are operating or restarting should not be faced with an increase in costs at the exact time they will be trying to restart or sustain jobs.
- Loans and grants for struggling businesses – while the federal funds have helped many businesses, the parameters of those funds do not meet the needs for every business suffering during this crisis. The state should consider additional financial incentives to help businesses.
- Budgetary options – while we will not know the full extent of the budget crisis facing the state until after the May forecast, we do know the Legislature will have to tap reserves and cut budgets. While every business in this state has had to revisit their budgets, the state has done very little to scale back in this downturn. Analysis and planning will help ensure the budget is managed in a way that protects key services but mitigates over-spending on programs we can no longer afford.
- Economic Recovery Plan – we need to start now to plan and execute Oregon’s economic recovery. This will require targeted actions, including financial investments, as well as many of the items listed above. This plan should be developed in partnership with Oregon’s business leadership, since the vast majority of the jobs lost to date were from the private sector.

Never before has Oregon faced a crisis like the crisis we are currently dealing with. This situation and the economic fallout will be challenging to manage, and we know difficult decisions will need to be made. We stand ready to help you work through these issues and to identify solutions that will get our economy running again, our citizens back to work and our state back on track. Thank you for your commitment to Oregon and for your consideration.





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