

May 20, 2020

TO: Gov. Kate Brown
Senate President Peter Courtney
Speaker Tina Kotek
Senate Majority Leader Ginny Burdick
Senate Minority Leader Fred Girod
House Majority Leader Barbara Smith Warner
House Minority Leader Christine Drazan

FROM: The Coronavirus Recovery Business Coalition

Today's revenue forecast confirmed what we all have been expecting for weeks: The sudden and massive loss of jobs resulting from the COVID-19 crisis will translate to a severe decline in tax revenue to the state, and likely reductions to critical public services like education, health care and social safety nets, not just for the remainder of the current biennium, but likely also into the next.

We urge you again to bring the business community to the table immediately to develop a strategy for restoring and rebuilding our state's economy so that Oregonians can go back to work, which will enable them to earn incomes – and pay the taxes that fund those critical public services.

Oregon is an income-tax-dependent state. As we saw in the Great Recession a decade ago, private-sector job losses inevitably result in declines in public revenue and cuts to critical services. The single most effective strategy you can deploy to protect public services is to work with business leaders on strategies to repair the damage to the many sectors hit hard by the COVID-19 crisis so that they can bring employees back to work and generate income taxes to support the state budget. Our goal must be to look beyond the reopening process to a longer-term goal of rebuilding Oregon's economy, so that we can emerge from this crisis as a stronger and more united Oregon.

Specifically, we urge you to work with the business community to develop a bipartisan plan that would:

- Continue the process of safely and systematically reopening all of Oregon, allowing as many Oregonians as possible to go back to work, while implementing measures to avoid a spike in COVID-19 cases.
- Plan now for a strategy to address a potential recurrence of the COVID-19 outbreak next fall in a manner that will be less disruptive to Oregon's overall economy and to the household incomes of individual Oregonians.
- Identify tools and assistance Oregon companies will need to repair the damage they have sustained as a result of the Stay Home orders, as well as the fallout from the global disruptions caused by this pandemic. Present a bipartisan economic recovery package for passage by the Oregon Legislature as soon as possible.
- Consider all of Oregon. We know from experience that urban Oregon tends to come back from economic declines faster than the rural corners of our state, and that

communities of color and other marginalized Oregonians sometimes feel left out of strategies to lift the economy. Develop tools that ensure all Oregonians feel the benefits of an economic recovery strategy, starting with access to a good job.

Almost 400,000 Oregonians have filed for unemployment since mid-March, and the vast majority of those individuals were employed in the private sector. We know public sector job losses will follow if we don't act immediately to repair the damage to Oregon businesses so that we can bring back the jobs that were lost, restoring family incomes and enabling Oregonians to pay taxes again. Helping businesses restore lost jobs is not just the best way to protect critical public services, it is the only way to be sustainable over time.

As representatives of Oregon's leading business sectors, we are prepared to work with you in the weeks ahead to identify what it will take to make this happen. Please bring us to the table.

