

**To: Joint Committee on Ways and Means Natural Resources Subcommittee**

**From: Sharla Moffett**

**Date: July 24, 2020**

**Re: Testimony Supporting Budget Rebalancing Plan**

Co-Chairs Taylor and Reardon and members of the committee,

My name is Sharla Moffett. I am Director of Energy, Environment, Natural Resources and Infrastructure at Oregon Business & Industry (OBI). We represent more than 1,600 employers across Oregon who employ more than 300,000 Oregonians.

OBI understands the difficult budget climate which requires the legislature to prioritize increasingly limited resources. For natural resource agencies, that means prioritizing many of the core programs. As a result, we support continuing general fund investments in our core water, air, and land quality programs while delaying implementation of the Cleaner Air Oregon program.

In view of the historic economic downturn caused by the Coronavirus pandemic, agency budgets must reflect the state's highest priorities for addressing the challenges we face as the catastrophic economic impacts related to the current health crisis. All agencies and programs are having to make very difficult choices about where to focus greatly reduced resources and we agree that implementation of Cleaner Air Oregon is not among the state's highest budgetary priorities given the austerity measures the Legislature must take in order to make do with much less.

Moreover, these austerity measures will set budget priorities for the state's 2021-2023 fiscal year. As happens every two years, businesses are asked to pay more through either fees or tax dollars to support state regulatory programs. Unfortunately, nearly all Oregon businesses are in distress and experiencing hardship. They are struggling to keep the doors open, pay their employees, keep their employees safe and address the dozens of previously unforeseen logistical and operational implications this pandemic has brought. Given widespread closures, decreases in production, employee layoffs, supply chain interruptions, production delays, depressed markets, demand crashes, restricted cash flow, massive capital uncertainty, and workforce and workflow disruptions, OBI does not believe this is the time to add to business's burden by seeking additional fee increases to cover the budgetary shortfalls in the permitting programs. These businesses are facing shortfalls of their own and increasing fees at this point imperils their ability to recover. Priorities should be set now to ensure the state does not need more fee dollars from struggling businesses.

The more we add to the heavy load being shouldered by business during these unprecedented times, the more we risk delayed economic recovery at best and additional business closures at

worst. OBI supports the proposed budget rebalancing plan that will delay implementation of Cleaner Air Oregon and requests that permit holders not be unduly burdened with fee increases to compensate for the state's revenue reductions.

Thank you for your consideration.