

June 13, 2017

Dear President Courtney, Speaker Kotek, Senator Ferrioli and Representative McLane,

As business owners, we urge you to consider, debate, and approve legislation to comprehensively address the looming budget crisis by both bringing rising state spending under control and reforming Oregon's corporate tax structure during the current legislative session.

Let us be clear: cost containment and revenue reform need to happen at the same time. We now have strong solutions to both sides of the budget equation to consider and these solutions should be debated, voted on, and sent to Governor Brown's desk before the legislature adjourns in four weeks' time.

While actions to curb the rising costs of public employee benefits, including pensions and health plans, are necessary, spending cuts in the absence of improvements to the state's business tax structure will only create continued uncertainty for businesses in an increasingly volatile global economic climate. And with the 2017-2018 school year just three months away, it will also delay critical investments in K-12 education and unnecessarily jeopardize the future of Oregon's children. Cutting the budget alone won't spur economic growth or put more teachers in our classrooms. We cannot emphasize enough the importance of a strong, well-funded public school system in attracting and retaining a talented workforce.

The revenue package put forth this past week by Senator Hass and Speaker Kotek represents a vast improvement over the corporate tax outlined in Measure 97. As they crafted this plan, Senator Hass and his staff have made every effort to listen to—and respond to—the concerns of businesses of all sizes, industries, and corners of the state. The lines of communications between the Legislature and business leaders have been, and remain, open for feedback. The result is a thoughtful bill that specifically addresses concerns that business owners had with Measure 97 and with earlier proposals for revenue reform. There is of course still time for collaboration between legislators, the business community, and taxpayers, but we have the foundation for a bill that should be passed with bipartisan support this session.

The cost containment strategies that have been put forth as a complement to the new revenue package build upon progress lawmakers have made over the last several years to address the largest drivers of state spending increases. As economist John Tapogna pointed out in a recent op-ed in the *Oregonian*, Oregon has already been successful in slowing the rise in health care and corrections spending. By adding needed pension and health plan changes, including requiring a shared-risk approach to the costs of employee benefits that are currently borne by public employers, these containment strategies represent a strong approach that promises to set us on a path toward fiscal stability.

While some interest groups are calling for continued delay in addressing our state's budget challenges, we see an urgent need for action this session. To plan for the future and continue on our current trajectory of economic growth, businesses need certainty – in our tax structure and in our commitment to adequately fund K-12 education. Deferral of these tough budget decisions beyond the current legislative session threatens to slow economic growth by causing businesses to push off decisions about investment, hiring, and expansion.

We urge you and each of your colleagues to put partisan politics aside, engage in meaningful debate, and consider these proposals on their merits. We urge you to support both the cost containment proposals before you and act to fix our broken tax structure by passing HB 2830.

Sincerely,

Mat Ellis
Founder & CEO
Cloudability

Sam Pardue
Founder
Indow

Kiel Johnson
Founder
Go By Bike

Elly Blue
Co-Owner
**Microcosm
Publishing**

Tom Paul
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Jen Thomas
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Philip Graham
Owner
Ear Trumpet Labs

Kat Schon
Owner
**Portland Store
Fixtures**

Brian Gotts
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Kimberly Pray
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Joshua Lifton
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Crowd Supply

Stephen Aiguier
Founder &
President
Green Hammer

Lyf Gildersleeve
Owner
**Flying Fish
Company**

Anthony Effinger
Founder
Banter Partners

Ben Parzybok
CTO/Founder
Walker Tracker

Cory Huff
Founder & CEO
**The Abundant
Artist**

Tripp Royce
Owner
**Harrison Royce
Architecture**

Bill Stites
Owner
Truck Trike

Patty Merrill
Bridgid Blackburn
Owners
Cargo

Sarah Willson
Owner
Huckleberry Kids

Gordon Feighner
Owner
Jam on Hawthorne

Bryan Steelman
Owner
**¿Por Qué No?
Taquería**



CROWD SUPPLY



PixelSpoke



Smith
& Connors



POP ART



GOBY BIKE

THE
BEAUTY
SHOP



FAT PENCIL STUDIO

