

Sen Boquist

From: LEHNER Joshua * DAS <Joshua.LEHNER@oregon.gov>
Sent: Tuesday, March 17, 2020 11:59 AM
To: Sen Boquist
Cc: Allanach Christopher; LEHNER Joshua * DAS; MCMULLEN Mark * DAS; HORNER Leah * GOV; Sen Roblan; Rep Evans; Pursinger Branden; Brecht Justin; Rep Barreto
Subject: Re: HR 6201 Small Business Impact - Coronavirus & Supply Chain
Follow Up Flag: Follow up
Flag Status: Flagged

It certainly is. A 4 week stop in Video Lottery translates into about \$50 million in state resources.

Best,
Josh

Josh Lehner
Economist
Oregon Office of Economic Analysis
(971) 209-5929 <— New Phone (Call or Text)

Sent from my iPhone

On Mar 17, 2020, at 11:47 AM, Sen Boquist <Sen.BrianBoquist@oregonlegislature.gov> wrote:

Josh:

Again, be reminded lottery revenue is all but stopped now. Impacting businesses, lottery, and state bonding.

Brian

From: LEHNER Joshua * DAS <Joshua.LEHNER@oregon.gov>
Sent: Tuesday, March 17, 2020 10:42 AM
To: Allanach Christopher <Christopher.Allanach@oregonlegislature.gov>; Sen Boquist <Sen.BrianBoquist@oregonlegislature.gov>; LEHNER Joshua * DAS <Joshua.LEHNER@state.or.us>; MCMULLEN Mark * DAS <Mark.MCMULLEN@oregon.gov>
Cc: Sen Roblan <Sen.Arnieroblan@oregonlegislature.gov>; Rep Evans <Rep.PaulEvans@oregonlegislature.gov>; Pursinger Branden <Branden.Pursinger@oregonlegislature.gov>; Brecht Justin <Justin.Brecht@oregonlegislature.gov>; HORNER Leah * GOV <Leah.HORNER@state.or.us>; Rep Barreto <Rep.GregBarreto@oregonlegislature.gov>
Subject: RE: HR 6201 Small Business Impact - Coronavirus & Supply Chain

Sen. Boquist,

Our office has been looking into some of the impacts of COVID-19 and been in discussion with the CFO office and LFO and LRO in recent days. Our office just released a brief statement on how we see the current situation and our plans and process moving forward.

<https://oregoneconomicanalysis.com/2020/03/17/statement-on-covid-19-and-the-economic-outlook/>

The challenge is that there is a high probability of recession and severe, quick drop in economic activity. However we have no real data showing the impacts on the economy. Economic data is always backward looking, but given the shifting landscape in recent weeks this is even more so today. We just got the February 2020 employment report for Oregon this morning. No surprise, it looks good, but is also largely irrelevant today. We won't get data on March consumer spending until April, the April employment report (first month of real impact since the March estimates won't show much) won't come out until early May, and so forth.

Our office's plan in terms of the economic and revenue outlook is maintain our current schedule with the next release on May 20th. This is because we lack any data today and the changes will rely upon assumptions more than usual. We need to get this right. By allowing for a few more weeks and months of data, we can at least get a handle on some of the initial decent. More importantly, it will also allow us the time needed to gather input from our advisory groups. We need that before formalizing any changes to the outlook, particularly when the changes will represent a big shift from previous quarterly forecasts.

Best,
Josh

Josh Lehner
Economist
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From: Allanach Christopher [<mailto:Christopher.Allanach@oregonlegislature.gov>]

Sent: Tuesday, March 17, 2020 10:33 AM

To: SEN Boquist <Sen.BrianBoquist@oregonlegislature.gov>; LEHNER Joshua * DAS <Joshua.LEHNER@state.or.us>

Cc: SEN Roblan <Sen.ArnieRoblan@oregonlegislature.gov>; REP Evans <Rep.PaulEvans@oregonlegislature.gov>; PURSINGER Branden

<Branden.Pursinger@oregonlegislature.gov>; BRECHT Justin <Justin.Brecht@oregonlegislature.gov>;

HORNER Leah * GOV <Leah.HORNER@state.or.us>; REP Barreto

<Rep.GregBarreto@oregonlegislature.gov>

Subject: RE: HR 6201 Small Business Impact - Coronavirus & Supply Chain

Sen. Boquist,

I wanted to let you know I received your email and such analysis is ongoing. I've been reviewing the federal legislation and have had conversations with OEA about the potential economic impacts of the COVID-19 outbreak. One challenge we have is a landscape that is shifting very quickly. The data we have to date does not reflect any slowdown, despite the fact that we know it's occurring.

Chris

From: Sen Boquist <Sen.BrianBoquist@oregonlegislature.gov>
Sent: Monday, March 16, 2020 8:00 AM
To: Allanach Christopher <Christopher.Allanach@oregonlegislature.gov>; LEHNER Joshua * DAS <Joshua.LEHNER@state.or.us>
Cc: Sen Roblan <Sen.ArnieRoblan@oregonlegislature.gov>; Rep Evans <Rep.PaulEvans@oregonlegislature.gov>; Pursinger Branden <Branden.Pursinger@oregonlegislature.gov>; Brecht Justin <Justin.Brecht@oregonlegislature.gov>; HORNER Leah * GOV <Leah.HORNER@state.or.us>; Rep Barreto <Rep.GregBarreto@oregonlegislature.gov>
Subject: HR 6201 Small Business Impact - Coronavirus & Supply Chain

Gentlemen:

We are in a crisis. Exactly what is very unclear as everything I have been officially provided does not indicate anything but an political crisis at the moment. What to emphasize the worst is certainly not arrived as the State is not running 24/7 emergency operations just 8 to 5 at the moment. CCOs for the most part are operating normally except enhanced planning. The hospitals in my District are actually running under normal admittance and operations. I have visited them. OHA's own official reports do not match the news media or press conferences. Thus we may still have time to get prepared. Or not.

None-the-less, the joint committee meets on Wednesday so need an economic analysis by then.

Congress is about to pass H.R. 6201 which provides up to 12 weeks of pay to employees paid by the employer. Unions exempt. Employers over 500 exempt.

The propaganda being spread claims it will not hurt these employers as they will be fully protected ... this is false. The so-called protections are after the fact under the tax code. Mostly under the employer side of the social security tax via a capped credit. There appears to be some partial recovery for self employed again after the fact.

Text of the bills on the links:

<https://www.congress.gov/bill/116th-congress/house-bill/6201/text>

<https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Families%20First%20Summary.pdf>

Please provide a nonpartisan evaluation of the impact and implementation of the paid leave portions (two) and the actual tax impact on the affected businesses. Again, it is clear the proposed hold harmless tax credits will never cover 100% of the actual paid employee expenses. Then most of the tax credit scheme is against social security not income taxes.

Additionally, would like an economic and production analysis of the results of a shut down. If businesses are ordered closed for any length of time the supply chain stops ... if the supply chain for basic needs stops then where does food, water, power, etc come from? You folks are the experts on the supply chain economic analysis.

Again, we meet Wednesday AM so your timely assistance is appreciated so the joint committee can determine the state's own plan support etc.

Sincerely requested,

Brian J. Boquist
State Senator
Joint Committee