



HOUSE OF REPRESENTATIVES

Co Chair Holvey, Co Chair Roblan and members of the Joint Special Committee On Coronavirus Response,

There is no denying that the health and wellness of all Oregonians comes first. Yet, it is apparent that the COVID-19 pandemic, is equal parts health and economic crisis. Truly small businesses and their workers already operating within close margins are suffering. Our office has been receiving a plethora of messages from small business owners asking about resources to help them compensate workers and recoup lost revenue. Some resources have been on the ground for a few days, but they are insufficient to meet the present and long term needs of the small business community and our state's economic virility.

Real Time Impacts

My office worked in partnership with Built Oregon to collect data around collateral damage that COVID-19 has catalyzed for small business. We heard from roughly 900 business entities in 21 counties across the state and discovered the following information:

- **78%** of businesses revealed weekly sales revenue losses of at least \$5,000 per week, totaling a minimum estimated **loss of \$4.8 million statewide per week**
- **58%** expressed their primary concern as employee welfare
- **53%** shared their **primary concern as making commercial lease payments**
- **52%** were **primarily concerned with making payroll**
- **25%** of the businesses are owned by people from traditionally underrepresented groups
- **69%** of the businesses are owned by people who identify as women

Specific Requests

I. Moratorium on Rents & Foreclosures (Residential and Commercial)

- Many small business owners are also renters. With a decline in revenue due to caution, social distancing, and not being able to gather or have events, these business owners are reaching a threshold where they won't be able to pay rent for their home or their businesses.
- The City of Portland placed a moratorium on evictions, citing the need to give residents experiencing hardship more time to pay, however we can't give only one side relief without considering small landlords who have mortgages and will run the risk of losing their properties if they can't collect rents.

II. Subsidies and Grants not Loans

- The aid small businesses need is subsidies or grants not loans, many small businesses already have substantial loans and cannot be burdened by debt
- Forbearance on existing loans giving them extra time to pay this can be in the form of no interest or principal payments for the next 6-9 months
- If you must institute a loan program institute low to zero interest and no principal payments for 6-9 months, if paid back sooner no penalty, and no compounded interest to recoup loss of interest payment during the period of restraint
- Limit barriers to qualify or gain access to loans as some of our bills last session highlighted many small businesses don't have collateral, and would need different criteria to qualify for loans
- Create incentives, including tax credits, for investments in job retention, extended paid time off and remote work opportunities.
- Extend tax filing deadlines.



- Protect employers from increased rates and penalties when employees make claims for unemployment due to reduced hours or business closures.
- Enable a larger percentage of the lodging tax to go to small business lodging
- Create a tax credit for concert venues, restaurants, and lodging operations along with other operations and facilities that issue refunds for cancelled events.
- Specific supports for independent contractors (i.e. freelancers and sole proprietorships)

III. Elevate Communications to Small Businesses about Resources currently available to them

- Workshare and expanded Unemployment Insurance is available to businesses and their employees but
 - These are not all in one easily digestible place.
 - They don't know where to look to find resources - Business Oregon should be doing more outreach and communications work to bring truly small businesses along.
- Workshare has several barriers
 - It is limited to businesses that have been open for more than 1 year. According to the 2019 data on small business, many woman and minority-owned small businesses have been open for less than 1 year leaving them out of the equation, disabling their employees from gaining benefits while working reduced hours.

IV. Create a small business study to survey the landscape of small business in Oregon

- Direct Business Oregon to identify where we are, where the gaps are, and create a plan for small business resiliency. These types of viral pandemics, and other interruptions to economic growth are imminent. We need to be more prepared to help these businesses and their workers remain.

V. Expand Mental Health & Addictions Coverage

As with any financial downturn or mass shift in the way people live, work, and communicate rates of depression, suicide, and drug abuse tend to rise.

- Mandate the private insurers pay for mental health treatment and OHP expand therapist eligibility to include more mental health professionals
- Do more to increase resources for those battling drug addiction

Thank you for your consideration,



Representative Akasha Lawrence Spence

Oregon House District 36

