



March 23, 2020

The Honorable Arnie Roblan
The Honorable Paul Holvey
The Joint Special Committee on Coronavirus Response
Oregon State Capitol
Salem, OR 97301

Dear Co-Chairs Roblan and Holvey and Members of the Committee:

Thank you for the tireless work you are doing to respond to Oregon's needs in this time of crisis. I have been working with my cultural colleagues in Portland, as well as with the Association of Art Museum Directors (AAMD), to assess how this crisis will affect our local arts and cultural sector. I anticipate these conversations continuing as this unprecedented situation continues to evolve, and wanted to provide additional insights as you consider solutions and support for the State of Oregon.

OUR SITUATION

The Portland Art Museum and Northwest Film Center (NWFC) continue to evaluate all avenues for relief, including public funds from the Oregon Cultural Trust corpus, funding from local foundations, and individual patron support. As we've shared previously, we will suffer \$1 million in losses per month as a result of our closure. We have committed to paying our staff through March and are exploring options to reduce costs in the near term. While upholding our fiscal responsibility, it is also important for us to preserve the 257 jobs held by talented and committed individuals. With our team in mind, the Museum has already requested \$800,000 in emergency funding in our letter dated March 18, 2020.

The Museum and NWFC operate on razor-thin margins and may have to make tough decisions like other small and large organizations have already made. We now project that our organization will suffer losses aggregating to \$5 million during

closure from March 14th through June 30th. Among the anchor arts institutions in Portland, we have determined that a minimum of \$16 million will be needed to weather this crisis. That does not include the needs of the larger community of arts and cultural nonprofits or the extended community of artists, musicians, performers, and other individuals that will be affected by this crisis. Large and small, we all need support during this difficult time.

CONSIDERATIONS FOR THE COMMITTEE

After reviewing the draft of "Temporary Relief for The Duration of Emergency Declaration Immediate Actions to be Taken by the Legislature by March 31st", which was initially shared with us on March 19, 2020, I offer the following for your consideration.

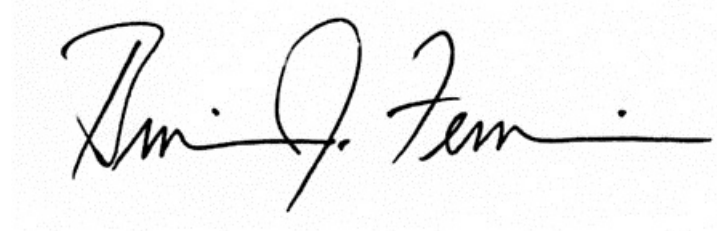
As you evaluate repurposing state funds as stated in #19 and via other channels, we would advocate that a minimum of \$15 million be allocated to relief for Oregon's arts and cultural sector. This additional state funding would augment the ongoing efforts of the Cultural Trust, federal government, and local foundations. We estimate that the relief funding required for the preservation of our state's arts and cultural sector will likely exceed \$50 million. The reverberations in terms of economic impact are difficult to calculate, but we know that the nonprofit arts and culture sector is a significant industry in the State of Oregon—one that generates \$687 million in total economic activity each year and 22,299 full-time equivalent jobs. Outright relief funding is our best opportunity to prevent huge losses in this vital sector.

In addition, we applaud the unemployment insurance considerations in #7 and #8. We would also encourage a provision that allows nonprofits that have opted out of State Unemployment Insurance (SUI), in an effort to cut costs under normal circumstances, to immediately access the program without a waiting period. We appreciate the provision included in #17 that waives SUI charges during the emergency. The Museum and NWFC are self-insured for unemployment insurance and therefore, any reduction of staff will provide little relief. These provisions would ensure that our employees have support while we are closed.

Finally, we support the requirements for banks and lenders in #18. In addition to outright relief funding, we will need low-interest, long-term loans to cover costs while we forgo revenue from admissions and other earned income. Loans will be required in the event that we resort to unpaid leave, since employees will have the opportunity to cash in accrued sick and vacation hours. While this is positive for our team, it will compound our short-term cash flow issues. Under normal circumstances employers would not face a flood of these payments, and laws may compel employees to use these resources immediately especially in these uncertain times.

I would like to send my gratitude for your attention to the needs of the arts and cultural sector. This is a challenge none of us could have imagined but, together, we are focused on making sure that the Museum and NWFC can be part of the community's restoration when we come out on the other side of this pandemic. As stewards of our cultural heritage, we must honor the Museum's 127-year history and also ensure that we can continue to offer inspiration and connection for future generations of Oregonians. We face difficult choices today and need your assistance.

Sincerely,

A handwritten signature in black ink, reading "Brian J. Ferriso". The signature is written in a cursive style with a large initial "B" and a long horizontal line extending from the end.

Brian Ferriso
Executive Director and Chief Curator