

Salem Report

By State Representative Brad Witt



State lawmakers received the June 2020 Economic and Revenue Forecast on May 20, and due to the pandemic, we are looking at a \$2.7 billion shortfall for the 2019-21 biennium. Oregon is in a COVID-19 caused economic recession, and it is expected to take years to fully recover. In all, the state economists project a loss of \$10.5 billion over the next five years.

With the Phase I reopening in most Oregon counties, people are beginning to go back to work, but until there is an effective treatment or vaccine for the novel coronavirus, the economy will not return to normal. Initially, with the reopening of the economy we will see a strong but incomplete rebound in consumer spending. This will result in slower growth over the next year, or until effective medical treatment is widely available. After that, we should see stronger economic growth, with projections having the state's economy return to health by the mid-decade.

This is a world-wide pandemic, with the greatest impacts in the United States. The federal government has stepped up with stimulus checks, which provided \$4 billion to Oregon households. Expanded unemployment benefit programs, provided another \$7 billion to displaced workers, and the Paycheck Protection Program funneled another \$6.83 billion into businesses in the state. These programs are slated to end this summer.

Oregon's revenue outlook is volatile due to our state's reliance on personal and business income taxes. Video lottery terminals were also shut down for eight weeks, but are now coming back online for counties in the Phase I reopening. Oregonians are demonstrating their pent up demand for gaming, and lottery terminals are already at about 60% of normal play. Due to the economic uncertainty and limited incomes, lottery revenue is not expected to reach pre-recession levels anytime soon.

Normally, state economists would have a clearer picture of income tax revenue by now, but the filing deadline was pushed from April 15 to July 15 to match the federal 90-day tax filing extension. Not surprisingly, people who will be receiving refunds have been filing their forms, and those who owe

money are waiting to file. Oregon's record \$1.7 billion personal kicker is being distributed, \$1 billion is already sent and the rest will be expended with the later filings.

In anticipation of the projected multi-billion dollar shortfall, Governor Brown asked all state agencies to reduce their budgets by 17%. These across the board budget cuts would help bring state spending in line with the revenue shortfall, but the unilateral approach is arguably not the best way to accomplish this goal. We need more targeted cuts and spending to meet the needs of our agencies and the citizens they serve.

I strongly believe that a Special Session of the Oregon Legislature needs to be convened to take up these important budgetary issues. Oregon has received \$1.39 billion through the federal CARES act, and we have \$1.6 billion in reserves. The decisions on how to best allocate these billions of dollars and determining the necessary budget cuts in the interest of our state and citizenry should now go to the people's elected representatives... the sooner the better, in my opinion.

During this pandemic-caused economic crisis, hundreds of thousands of Oregon families have been counting on their unemployment benefits to pay for their basic needs. The Oregon Employment Department has paid a record number of claims within two to three weeks, but for nearly 38,000 Oregonians, their claims are in a backlog.

My staff and I have been working with constituents and state employment officials resolving unemployment issues on a daily basis since this COVID-19 pandemic caused Oregon's economic shutdown. If you are still having problems, we want to help and are willing and able to step up and do our best to help you obtain whatever benefits are owed you. If you would like our assistance, please reach out to me by email, and supply your contact information, unemployment insurance claim number, and current address. We will then channel your requests to the appropriate person to best address your needs.

Oregon's Employment Department has been overwhelmed with unemployment applications, we are reaching unemployment rates not seen since the Great Depression. The agency has launched Project Focus 100, a new effort to work through 100 percent of the

claim backlog. To accomplish this goal they will:

- Continue Surge Hiring. The department has increased staffing to process claims. They now have more than six times the number of people processing claims than were in place before the COVID-19 claims began. Hiring and training of new employees will help facilitate every Oregonian receiving the benefits in a timely fashion.
- Focus experienced professional staff on the oldest and most complex claims. For the next two weeks the department will increase outbound calls to resolve claims that have been waiting the longest. Newer staff will answer the phones, freeing up the more experienced staff to dig into the more difficult cases.
- Increase proactive contact and communication. There is nothing more frustrating than not knowing the status of your claim, so the department is piloting new ways to contact Oregonians to update them on pertinent claim information.
- Use technology to close gaps and improve services. These new strategies are already moving claims through processing, and the department is working to streamline and improve them.

Even with automation, and improved technology, it's helpful to have a person on your side helping to navigate these frustrating times, and that's where I hope my staff and I can be of assistance. Please, don't hesitate to reach out for our help.

While the majority of Oregon counties have entered into the Phase I reopening, Marion County is still under the most restrictive stay-at-home orders. That is why the Legislative Days Committee meetings will be held remotely over the next couple of weeks.

On March 28 I chaired the House Natural Resources Committee, where we took testimony about how the COVID-19 virus is impacting our natural resources. More importantly, we focused on the witness' suggestions as to what policy improvements our state should take to ameliorate the problems that are identified.

The committee will received reports on the Natural Resource Agencies response to the COVID-19 pandemic. Invited speakers were from the Oregon Department of Fish and Wildlife, Oregon Parks and Recreation, and Department of Forestry.

This was followed by reports

from Natural Resource Industries, organizations and constituencies, including the Commercial Fishing and Processing, Forestry and Forest Products, Commerce and Transportation, Outdoor Sports and Recreation, and Conservation and Environmental sectors.

As is the case with many public spaces, the Capitol Building remains closed to the public, but my office staff and I monitor our email and phone daily, and we are working to assist constituents. If you need help or have an issue or concern please feel free to contact my office.

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