

Brown says state may have trouble providing ‘basic services’

Oregon Health Authority also confirmed three more Oregon deaths

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SALEM — Oregon lawmakers are getting closer to the first of what many believe could be several special legislative sessions this year, as the state grapples with the spread of the coronavirus.

But with some predicting Gov. Kate Brown could convene lawmakers early next week, a lot of uncertainty remains.

A special joint committee created to respond to the coronavirus pandemic is still winnowing down ideas for what might be achieved in the urgent special session. Those include financial assistance and eased regulations meant to help families stay in their homes and businesses remain viable at a time when the state’s economy has been upended in order to slow the spread of COVID-19.

At a Tuesday meeting, lawmakers worked to debate and refine proposals they hope will address the most urgent needs faced by the state, with less pressing ideas being put off for another day.

“We did find out that we will not be having a special session this week,” committee co-chair Sen. Arnie

Roblan, D-Coos Bay, said at the outset of the meeting. “But it certainly looks like it could possibly happen next week.”

Oregon and other states will get help from the federal stimulus package Congress and President Trump are working to hammer out. Still, many of the options Roblan and others are preparing involve significant outlays of cash — for instance to potentially help businesses and residents pay their rent, or put up homeless Oregonians in hotels to self-quarantine. There’s little clarity over just how much cash the state will have to address the crisis.

“Until we see (bill) language and money, we’re kind of walking in circles,” said state Rep. Duane Start, R-Grants Pass.

State economists don’t believe they’ll have an updated picture of how the virus has impacted expected state revenues until mid-May, well after lawmakers are expected to act.

Further muddling matters, Brown has yet to decide whether the state will extend its filing deadline for state taxes to July 15, as the federal government has.

“We’ll be making that



AP Photo/Anna Reed, File

The Joint Special Committee on Coronavirus Response, created to respond to the coronavirus pandemic, is still narrowing down ideas for what might be achieved in an urgent special session.

decision quickly,” Brown told reporters Tuesday. “Sometime within the next 48 hours.”

Brown’s choice could impact how nimbly the state can respond to the coronavirus outbreak. While the deadline extension is meant to offer at least some stability to taxpayers in seismic times, pushing back tax day could limit how much cash the state has on hand as it forms a response.

According to state Sen. Elizabeth Steiner Hayward, a co-chair of the Legislature’s budget committee, delaying the tax deadline by three months would create a temporary cash flow short-

fall of between \$300 million and \$500 million. The state could issue short-term bonds to paper over that shortfall, she said, but that could prove expensive at a time other states will be rushing to do the same.

“Logically, it’s the right thing to do,” Steiner Hayward, a Portland Democrat, said of extending the tax deadline. But she added: “This is not as easy a decision as it might seem to most of us.”

Rep. Paul Holvey, D-Eugene, also voiced concern about extending the deadline. If Oregon were to take that step and agree to other tax deferrals that have been

proposed to assist businesses, Holvey said, the state could see a \$1.5 billion hit. “That \$1.5 billion cash flow is going to be coming at a time when we have all these other buckets and needs that we want to fill,” said Holvey. “That’s a huge cash flow problem.”

It was not immediately clear where Steiner Hayward and Holvey got their monetary figures. Both are involved in high-level discussions on the state’s response.

Republicans on the committee bristled at the notion that the state would be unduly burdened by a tax delay.

“Cash flow problems? Really?” said state Sen. Tim Knopp, R-Bend. “The government just shut down 90 percent of the businesses in the state, who now have massive cash flow problems. For the government to complain about cash flow ... after what they have done to business quite frankly seems incredibly hypocritical.”

Brown, too, has voiced repeated concerns about how much Oregon might have on hand to fight the coronavirus.

On Tuesday, she told reporters that she’ll call on lawmakers to give the Legislature’s emergency board \$250 million to respond to COVID-19. But she once again cautioned lawmakers

to be “extraordinarily fiscally prudent” as they prepare spending packages.

“As you are well aware, the economy is tumbling down,” the governor said. “I am gravely concerned about our ability to deliver basic services over the next six months to a year given the drop in revenues.”

Despite those concerns, a spokeswoman for Brown said Monday that she had not ordered any cost-saving measures in the agencies she controls. That includes an order to hold off on filling vacant positions, which some see as a first step to finding savings.

“At this time, the governor is not considering cuts to existing state government programs and services,” spokeswoman Liz Merah said. “We know that all Oregonians are experiencing impacts from this crisis, and we know that many are — or will be — relying on state government programs and services to weather this storm. So at this time, state agencies are continuing programs that were funded for this biennium and we are not implementing cuts.”

That’s the case even though the governor has closed off most state agencies to the public, Merah said, since employees continue to work in some capacity.

Forecast for Pendleton Area

