

OREGON  
BUSINESS  
& INDUSTRY



## **POLICY PRINCIPLES**

**2021**

These policy principles will guide Oregon Business & Industry (OBI) as we represent our members and the broader Oregon business community throughout the 2021 legislative session.

The principles are focused on the policies that will be critical as Oregon recovers from the COVID-19 recession, getting people back to work and restoring the financial stability of families across our state. We believe that the single most important ingredient to a successful economic recovery is a healthy and vibrant business community. Business investment and activity leads to job creation, and quality jobs translate to more stability for Oregon families – and stable tax revenue for important government services. These policies are focused on actions that will impact Oregon’s struggling business community as we get back on our feet.

The OBI Board of Directors has adopted these principles to guide our staff as they advocate for members throughout the state of Oregon during the 2021 legislative session. Thank you for your support – and for joining our effort to rebuild an even stronger Oregon.

Adopted by OBI Board of Directors  
November 12, 2020



## INTRODUCTION

In 2021, the Oregon Legislature will face unprecedented challenges.

- They will be faced with addressing the deep economic recession and the human impacts resulting from the COVID-19 pandemic, as well as the 2020 wildfire crisis.
- They will face a continuing imperative to address racial equity issues that have been the focus of conversations at the national, state, and local levels in 2020.
- They will be rebuilding relationships following a deeply divisive election season.
- They will need to conduct business in a manner that complies with COVID-19 safety protocols, which means limited in-person interactions – with each other, with staff and with the public.
- They will have to address the immediate issues of 2021 but maintain a long-term view of Oregon's economic prosperity.

In the face of these challenges, OBI urges the 2021 Legislature to sharpen its focus on policies that will lead the state out of this deep recession, assist communities in need of help, and achieve recovery with an equity lens. They must eschew any actions that will increase the regulatory and financial burden already being carried by Oregon's employers.

Recognizing that the business tax increases imposed in 2019 have limited the state's ability to compete for business investments and jobs, lawmakers should make an affirmative decision not to raise new taxes to balance the budget. Rather, they should adopt a fiscal plan that reorders spending priorities, focusing on programs critical to Oregonians during this time of need. New programs should be off the table, and regulatory burdens should be carefully assessed to determine whether they are helpful – or harmful – to job growth.

Additionally, the Legislature must make every effort to ensure the public can robustly engage in the development of policies that will impact them. The number of bills should be limited because of the constraints on the usual legislative process, and extra time should be built into the process for evaluating those bills that do move forward to ensure a thorough public review at every stage.

At the end of the day, transparency and public engagement should not be sacrificed for expediency, even in this unprecedented crisis. We urge the legislative leadership to reaffirm their commitment to Oregon's tradition of fair and open processes as they make plans for the 2021 legislative session.

## **RECOVERY PRINCIPLES**

Achieving economic recovery in the face of the deepest recession to impact our state since the Great Depression must be the primary focus of the 2021 Legislature. Policy efforts must be conducted through the lens of achieving job recovery and helping businesses impacted by the COVID-19 pandemic and the wildfires to get back on their feet, so that they can bring Oregonians back to work.

Many policy areas will impact economic recovery. OBI's response to specific legislation will be guided by the following principles.

### **Do No Harm**

- Refrain from adding new costs to struggling businesses. The cost of running a business should not be increased through the imposition of new taxes and regulation.
- Protect programs key to business success, such as a viable and affordable workers' compensation system.

### **Provide Assistance to Struggling Businesses**

- Enact liability protections to guard against unfair lawsuits resulting from the COVID-19 pandemic.
- Assist businesses, particularly small businesses, with the cost of meeting new regulations, including the purchase of personal protective equipment as well as physical distancing adjustments necessary to meet new Oregon Occupational Safety and Health Administration (OSHA) requirements.
- Prioritize additional help for the most impacted industries, such the restaurant and hospitality industry.

### **Provide Assistance to Struggling Communities**

- Prioritize assistance for the Oregon communities impacted by the 2020 wildfire tragedies.
- Identify communities most impacted by the economic fall-out from the COVID-19 pandemic and develop economic recovery programs for them.
- Establish new housing development as a top priority.

### **Achieve Recovery through an Equity Lens**

- Provide assistance to minority-owned businesses disproportionately impacted by the COVID-19 pandemic.
- Create long-term programs to support minority-owned businesses across the state.
- Create pathways to quality jobs for disadvantaged Oregonians that have been disproportionately impacted by the recession through targeted training programs and job placement assistance.

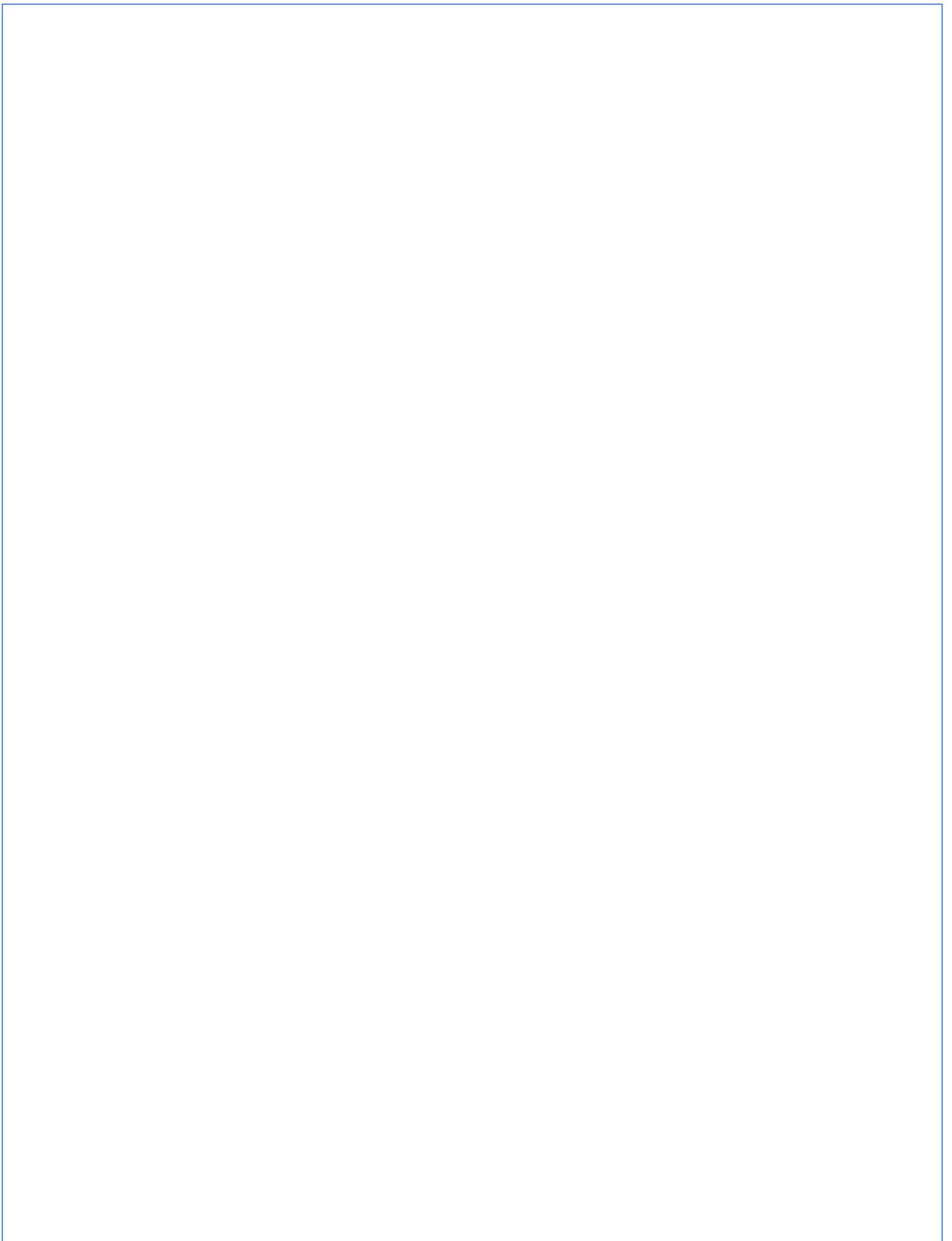
### **Address System Issues**

- Fix Oregon's broken unemployment insurance system to address issues uncovered by the COVID-19 crisis.
- Stop OSHA's efforts to enact regulations that are beyond the agency's statutory authority.

### **Keep an Eye to the Future**

- Identify infrastructure investments, like broadband access, that will ensure healthy communities not just today but for years to come.

- Avoid policies that provide near-term relief but have an unsustainable cost long-term.



## EDUCATION AND WORKFORCE DEVELOPMENT POLICY

The COVID-19 pandemic, along with the associated economic recession, historic unemployment, and school closures, have made it clear that Oregon legislators must prioritize access to education during the upcoming 2021 legislative session. All of OBI's 1,600+ members rely on the effectiveness of our public education system, from pre-K through postsecondary. For our economy to recover fully, our students must have access to comprehensive distance learning (CDL), and need-based aid programs that support postsecondary students must be fully funded. New legislation must consider the supports Oregon students will need as many recover from academic deficits due to challenges with nontraditional learning platforms. The Legislature's priority must be getting students back into classrooms safely.

In 2021, OBI's education priorities will include:

**Protect Post-Secondary Success for all Oregonians:** Oregon employers depend on our state's public education system to produce an educated workforce. We must recognize that the face of post-secondary education in Oregon has changed. If we want to protect opportunities for Oregon's Black, Indigenous and people of color (BIPOC) communities, the state should maintain thoughtful investments in our higher education institutions and need-based aid programs. Historically, during economic downturns, Oregon has made deep cuts to colleges, universities, and need-based aid programs. In 2020, when forced to balance the budget, the Legislature protected funding for the entire education continuum. State leaders should continue this approach and ensure that investments in students from Pre-K through postsecondary are shielded from disproportionate cuts that will exacerbate opportunity gaps and lead to a lifetime of debt students cannot afford to pay back.

OBI supports development of postsecondary options that provide credentialing or training for Oregonians to be prepared for the workforce, including removal of barriers to transferring credits earned in high school, especially through a CTE Program of Study, to four-year colleges and universities. Support legislation that helps align credit options resulting in reduced student debt.

**Transparency and Accountability:** Support the implementation of provisions in existing and new legislation that require transparency in spending across the education system, from the Oregon Department of Education to each school district. Every dollar should be accounted for and tied to a measurable outcome for Oregon's students.

**Prioritize Education Stability:** As lawmakers seek to balance budgets in the face of inevitable shortfalls, stabilizing the entire education continuum must be a priority. The state's budget writers should focus on maintaining critical programs, and serving students most adversely impacted by CDL, including low-income students and special learners. New programs should not be launched unless they are determined critical and their costs are covered by reductions in other portions of the overall budget. We must also encourage legislators to evaluate existing programs to determine effectiveness when making budget decisions. Cost savings and good governance goals can be achieved through rigorous evaluation of underperforming programs.

**Equity and the Digital Divide:** The current economic and health crisis has exacerbated educational inequities for low-income and rural students that do not have reliable access to CDL. OBI supports legislation that strengthens CDL programming, including public-private partnerships that facilitate the connection between marginalized students and their teachers, but also encourages a thoughtful shift from text-based education to effective technological platforms. OBI recognizes that minority communities continue to be underserved by our

existing education system and supports programs to close the achievement gap affecting students across our state.

**Student Success Act (SSA):** Support legislation that ensures appropriate oversight of Student Success Act (SSA) expenditures and holds the Department of Education and school districts accountable to stated goals and outcomes. Transparency measures should mirror other agency accountability measures. OBI is neutral on any amendments to the accountability measures (testing, etc.) as long as those amended measures track student and teacher progress accurately. When possible, encourage districts to utilize funds for increased access to science, technology, engineering, art and math (STEAM) and career technical education (CTE) programs, as well as financial literacy education. The SSA also includes innovative accountability measures for districts, which OBI strongly supports. To the extent that projected funding for the SSA falls short of projections for the biennium due to the recession, OBI will support efforts to maintain existing programs but delay new ones until adequate economic recovery is achieved.

**Continuation of CTE/STEAM Investments:** OBI supports continuation of CTE/STEAM policies that include but are not limited to, weighted funding, continued funding for revitalization grants, teacher licensure pathways, regional hubs, and course equivalency standards. The Legislature must encourage the department, and districts, to adopt career readiness goals that all Oregon students can benefit from.

## ELECTION AND CAMPAIGN POLICY

Election law will be a major issue during the 2021 legislative session, as lawmakers seek to write implementing legislation for the new Oregon constitutional provisions allowing campaign contribution limitations, as well as completing the once-a-decade task of redrawing state legislative and congressional district boundaries.

The outcome of these efforts is critical to every Oregonian. Fair elections are the cornerstone of democracy in Oregon and across the nation. Candidates must have fair access to funding, regardless of their parties or political philosophies. Additionally, legislative districts must be drawn in a balanced, even-handed manner, that accurately represents Oregon communities.

OBI's engagement in these efforts will be guided by these principles:

- Campaign contribution limitations should be fair and should not discriminate against potential donors. They must ensure a level playing field where all donors are treated in the same manner, with the same opportunities and the same limitations.
- Campaign contributions limitations must be designed to ensure that all candidates can raise adequate money to finance viable campaigns, regardless of party or political philosophy.
- New laws impacting campaign donations must provide adequate opportunity to grandfather existing Political Action Committee (PAC) funds and to adjust to new requirements.
- The legislative redistricting process must avoid gerrymandering to favor incumbents or one political party over the other. The Legislature must follow the procedure, set in 1979 that prescribes that the newly drawn districts must 1) be contiguous; 2) be of equal population; 3) utilize existing geographic or political boundaries; 4) respect "communities of common interest"; and 5) be connected by transportation links.
- If the redistricting process includes the creation of a new congressional district, the Legislature should ensure that the effort results in newly drawn districts that maintain geographic integrity and ensure rural Oregon is adequately represented.
- Legislative redistricting should be overseen by a non-partisan commission with no stake in the outcome, rather than incumbent politicians potentially seeking to protect their own political positions. Any redistricting legislation passed by the Legislature in 2021 should include language creating a commission-based redistricting process for future years.

## EMPLOYMENT PRACTICES POLICY

Even before the new mandates of the COVID-19 pandemic response, employers were already reeling from a multitude of policy changes impacting their operations. In just the past five years, employers have been asked to adjust to a complex minimum wage law, paid leave mandates, pay equity, scheduling laws, limits on working hours, expanded liability for employee lawsuits and many more regulatory directives from state agencies. The COVID-19 pandemic and resulting recession have hit employers with new regulatory requirements just as they were learning how to implement these new labor and employment laws. For years, employers have been asking for a break from new regulations, and they need it now more than ever. Our primary employment policy principle for 2021 will be “do no harm.” We will call for a moratorium on new employment regulations and ask legislators to give us time to implement all the new regulations before us and space to recover our businesses.

Policy positions OBI will take include:

### WORKERS' COMPENSATION

**SAIF:** Oppose legislation that in any way weakens the financial position of SAIF or reduces its ability to fulfill its statutory mission to make workers' compensation insurance available to as many Oregon employers as possible.

OBI's position includes but is not limited to:

- Any payment by SAIF to the Public Employees Retirement System (PERS) or any other government entity.
- Any reduction in the SAIF capital account.
- Any encumbrance on or use of future revenue streams.

**Workers' Benefit Fund:** Oppose legislation that reduces or encumbers the Workers' Compensation Benefit Fund.

**Workers' Compensation:** Support the Management Labor Advisory Council (MLAC) process. Oppose legislation not approved by MLAC. Oppose legislation that would create presumptions for coverage. Support exclusive remedy protections for all Oregon employers. Support a strengthened Managed Care Organization structure. Support current definitions of “attending physician.” Oppose proposals to expand “attending physician” status to physician assistants and nurse practitioners.

### UNEMPLOYMENT

**COVID-19 Unemployment Insurance (UI) Benefits:** Support policies that mitigate the impact on businesses from claims caused by COVID-19 and government-ordered shutdowns.

**Unemployment Insurance Benefits:** Support strengthening provisions for denial of UI benefits for workplace misconduct and oppose the expanded use of UI benefits beyond their intended use, including legislative “sweeps” of UI funds, diversion of UI funds for striking workers or employees on family or medical leave, or for job training purposes.

**Unemployment Insurance System:** Support legislation that protects the integrity and solvency of the Unemployment Insurance (UI) Trust Fund while maintaining a stable and predictable tax structure.

### SAFETY AND HEALTH

**Ergonomics:** Support current ergonomic standard for Oregon employers.

**Oregon OSHA:** Oppose expansion of Oregon OSHA authority to cite or penalize employers. Oppose increased Oregon OSHA enforcement staff unless it is preceded by an increase in consultation staff. Continue to oppose any effort by the division to act outside of its regulatory authority.

**Safety and Health:** Support policies and legislation that are consistent with the Oregon Court of Appeals ruling in *OSHA v. CC&L Roofing*, where the court found that employers are not liable for supervisor misconduct. Oppose any rulemaking, regulatory action or legislation that undermines the basic principle that employers should not be liable for employee misconduct.

## **EMPLOYMENT AND LABOR**

**Attorney Fees:** Support proposals that provide for prevailing party attorney fees. Support proposals that allow attorney fees for employers in merit-less cases.

**Concurrent Leave Laws:** Support legislation that more closely aligns all Oregon leave laws with federal leave laws to ease unnecessary administrative burdens on Oregon employers. Oppose any additional regulatory burdens.

**Discrimination:** Support general principles of non-discrimination and existing laws. Oppose expansion of causes of action. Oppose legislation that would expand definition beyond current law. Oppose legislation that would create greater burdens of proof for employers.

**Family Leave:** Support employee-paid family leave legislation if it aligns with other policy principles but oppose state mandates for employer-paid family leave.

**Labor:** Support the right of employees to engage in fair and secret ballot elections in union organizing campaigns. Support the right of employers to communicate their views on unionization with their employees and an election process that gives employers adequate time and a fair opportunity to convey their views. Oppose legislation or regulation, including card check systems, which limit the ability of workers to vote in a secret ballot union election. Oppose any expansion of employee rights to use employer resources for purposes of organizing or other union-related activity.

**Non-compete agreements:** Oppose legislation that would eliminate the ability of businesses to protect trade secrets through enforcement of non-compete agreements.

**Overtime:** Support a flexible weekly overtime standard that mandates overtime payments for all hours worked in excess of 40 per week without requiring redundant extra pay for daily and weekly overtime. Support legislation that restores employer flexibility and does not restrain the ability of employees to work overtime if they so choose. Support the right of employers and employees to agree to overtime and maximum working hours.

**Pay Equity:** Support legislation that prohibits pay discrimination based on the ten protected classes listed in Oregon's equal pay law while allowing pay differences based on any non-discriminatory reason.

**Penalty Wages:** Support legislation that limits liability for penalty wages when there is a dispute over wages due after an employee has left employment.

**Personnel Information:** Support appropriate personnel file policies that protect the secrecy of confidential workplace investigations.

**Preemption:** Support statewide preemption of local government employment-related mandates.

**Private Right of Action:** Oppose expansion of private rights of action in statute. Support requirements that complaints be filed with state agencies prior to right to sue. Oppose legislation that allows for unions and trial lawyers to file suit outside of existing processes.

**Scheduling:** Support legislation that allows employers and employees flexibility in scheduling work hours, as well as meal and rest break periods.

**Workplace Drugs and Alcohol:** Support policies and legislation that support an employer's right to apply and enforce zero-tolerance workplace drug and alcohol policies. Oppose policies and legislation that weaken or undermine the Oregon Supreme Court's decision in *Emerald Steel Fabricators v. BOLI (2010)*. Oppose legislation that would encumber employers' abilities to enforce zero-tolerance workplace drug and alcohol policies or employer drug testing policies.

**Workplace Regulation:** Oppose expansion of employer liability through new and expanded protected classes and activities.

## ENERGY, ENVIRONMENT AND NATURAL RESOURCES

### ENERGY AND ENVIRONMENT

Businesses have long demonstrated their commitment to preserving our state's environment and natural resources, while also providing critical necessities like energy, food, products and jobs. Many have acted ahead of regulations to voluntarily adopt business practices and controls that reduce their environmental impacts. Companies remain dedicated to operating in a manner that benefits Oregon's people and economy while also promoting and improving Oregon's natural environment.

However, Oregon's regulated community is taking on more than ever before. Increased stringency in new, expanding and existing regulatory programs are demanding that businesses make costly investments in response to increasingly complex and difficult-to-navigate regulatory schemes. It is important that regulatory requirements do not unduly burden Oregon businesses or place them at a competitive disadvantage, and it is important to ensure that any requirements that are put in place result in actual environmental benefits. This is especially true during a time when we must be focused on creating an environment that supports job creation so that we can put Oregonians back to work and help Oregon families recover from the COVID-19 recession.

Looking ahead to the next biennium, OBI's policies for energy, environment, natural resources, air and water policy will be guided by these principles:

**Climate Policy:** OBI recognizes that climate change is real, and the business community plays an important role in leading a lower-carbon economy and we support state greenhouse gas emissions reduction policies that:

- Result in actual global greenhouse gas reductions
- Are not used as a general revenue source
- Are focused on positive environmental and economic outcomes
- Are fair and affordable for all Oregonians
- Do not result in a competitive disadvantage to Oregon businesses
- Do not focus on a single sector of the economy
- Address the unique challenges of Oregon's diverse business sectors
- Are commensurate with the state's emissions relative to global emissions and goals
- Nurture Oregon-based innovation
- Include adaption and mitigation strategies for long-term planning
- Provide regulatory and compliance certainty for businesses

**Biofuels and Biomass and Energy Recovery:** Support state and federal incentives to promote use of biofuels and oppose new laws and regulations that burden the utilization of biofuels and biomass and/or energy recovery from otherwise discarded or disposed material.

**Chemical Use Laws:** Support advancing the safe and responsible use of chemicals, including chemical laws that are based on sound science and recognize that many public health and consumer protections safety regulations are currently in place. When sound science identifies the need for chemical regulations, we support state-based laws that are consistent with federal laws

and not unnecessarily duplicative. Oppose the addition of burdensome, state-specific regulations that do not align with other state and federal regulations.

**Consistent Regulatory Authority:** Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new or expanded regulatory overlays at the local level.

**Department of Environmental Quality (DEQ) Fees:** Support regulatory certainty. Support increased fees if increases serve the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are not accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass through surcharges for other state agency activities.

**Energy Infrastructure:** Support cost-effective state and federal policies that encourage, streamline, and facilitate the planning, permitting, and construction of upgraded, expanded, and new electric and natural gas infrastructure.

**Food Innovation:** Support policies that advance Oregon's food and beverage industry in the areas of research and development/technical assistance, workforce development, distribution infrastructure, market development, and government regulation.

**Forest Resilience:** Support the role active forest management plays in addressing and preventing tree-related disease, increasing forest productivity, reducing the risk of catastrophic wildfire, and providing both commodity and non-commodity values.

**Franchise Taxes:** Ensure any expansion/increase of franchise taxes demonstrates benefit to consumers to warrant added cost burdens.

**Government Procurement Protocols:** Oppose the imposition of unnecessary or unduly burdensome requirements on governmental purchasing protocols.

**Maintenance of Regulatory Application for Departments of Agriculture and Forestry:** Support the current regime wherein environmental activities relating to agriculture and forestry are regulated by their respective departments.

**Mass Timber:** Support policies that encourage the development and use of mass timber products.

**Oregon Agricultural Heritage Program:** Support voluntary, statewide incentives that encourage agricultural landowners to keep land in agricultural protection while supporting fish, wildlife, or other natural resource values on those lands.

**Renewable Portfolio Standards:** Support renewable power and allow increased flexibility within the portfolio with appropriate rate protections in place.

**Tax Incentives for Extra Environmental Investments:** Ensure any state environmental regulations that exceed federal requirements include tax incentives to improve environmental outcomes and help Oregon's economy.

## AIR POLICY

**Consistent Regulatory Authority:** Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new expanded regulatory overlays at the local level. Programs must be consistent with the underlying statutes and not seek to expand DEQ authority beyond that delegated by the Legislature.

**Objective and Consistent Regulation:** Support unbiased and prompt processing of state and federal permits and other actions.

**New State Environmental Impact Statements:** Generally, oppose imposition of new layers of regulatory oversight and permitting, opposing a state Environmental Impact Statements program.

**Ambient Monitoring:** Support funding further monitoring of state air quality, so long as increased monitoring is not funded primarily on unreasonable fee increases to the regulated community.

**State Delegation of Federal Programs:** Support federal delegation of programs to the state level for implementation.

**Air Quality Statutes and Regulations:** Support air quality laws and regulations that Oregon businesses can comply with, that do not create a competitive disadvantage compared to other states, and do not inhibit economic activity without commensurate health benefits.

**Exceptional Events:** Support policies and proactive requests to the Environmental Protection Agency (EPA) to exclude ambient monitoring data influenced by natural events, such as wildfires, to provide a representative dataset to use in air permit applications to ensure industry is not penalized for events outside of industry's or DEQ's control.

**DEQ Fees:** Support regulatory certainty. Support increased fees if increases serve the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass through surcharges for other state agency activities.

**Core Regulatory Programs:** In light of limited funding, it is important to prioritize core regulatory programs over emerging programs that increase regulatory requirements and stretch DEQ staffing. Oppose new regulatory programs that are not scientifically supported or do not seek to resolve environmental challenges first through existing regulatory channels.

## WATER POLICY

**Consistent Regulatory Authority:** Support state-level, consistent, and uniform application of delegated air, water, clean up and energy regulatory and permitting authority. Oppose new expanded regulatory overlays at the local level. Programs must be consistent with the underlying statutes and not seek to expand DEQ authority beyond that delegated by the Legislature.

**Objective and Consistent Regulation:** Support unbiased and prompt processing of state and federal permits and other actions.

**Water Storage and Delivery:** Support innovative solutions to address increasing competition for scarce water resources that balance the needs of irrigated agriculture, municipal and industrial demand, hydropower, and sustainable fisheries. This includes continued investment in infrastructure for new storage, withdrawals from the Columbia River and other rivers to improve efficiency.

**New State Environmental Impact Statements:** Generally, oppose imposition of new layers of regulatory oversight and permitting, opposing a state Environmental Impact Statements program.

**Effluent Trading/Market Development:** Support creation and use of voluntary and equitable trading and market-based options for effluent reductions and habitat improvement.

**Ambient Monitoring:** Support funding further monitoring of state water quality, so long as increased monitoring is not funded primarily on unreasonable fee increases to the regulated community.

**Water Quality Statutes and Regulations:** Support water quality laws and regulations that Oregon businesses can comply with, that do not create a competitive disadvantage compared to other states and that do not inhibit economic activity without commensurate health benefits.

**DEQ Fees:** Support regulatory certainty. Support increased fees if increases serve the regulated community. Fees must support workable and reasonable permit programs vetted by industry and processed with clear conditions and timelines to minimize impact on business operations. Oppose fee increases that are not accompanied by proportional increases in non-fee funding, if a program does not meet the needs of the regulated community, or if used for unrelated/non-beneficial state activities or pass through surcharges for other state agency activities.

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## HEALTH CARE POLICY

In recognition of the unprecedented health care crisis our nation and world has faced in recent months, OBI encourages health care-related legislation during the 2021 legislative session that both ensures stable access to high-quality health care for Oregonians and reduces the total cost of care. All businesses, including hospitals, insurers, drug manufacturers, and other providers, are severely financially burdened by the consequences of the COVID-19 pandemic, and have worked tirelessly to provide coverage to employees and community members during these extremely challenging times.

Policy principles will include:

**Addressing Disparities in Health Care:** Support legislative efforts to evaluate and address disparities across the health care system. OBI recognizes that all Oregonians are not served equally in our state health care system. The COVID-19 pandemic has impacted communities of color disproportionately, and long before that, health outcomes between racial groups has been inequitable.

**Access and Quality of Health Care:** Promote efforts to contain health care costs and improve access to high-quality health care by supporting a health care system that is affordable and improves the overall health of Oregon citizens. Support efforts to address social determinants of health and improve health equity. Promote efforts to reduce medical errors and expand the use of Oregon's Early Discussion and Resolution program. Support legislation that evaluates the ongoing effectiveness of expanded telehealth and scope-of-practice policies that proved to be effective during the COVID-19 pandemic.

**Cost of Care and Shift to Employers:** Support policies and initiatives that address health care coverage of the underinsured and uninsured without penalizing or shifting costs to employers. Protect ERISA provisions for self-insured plans; defend and preserve employer health plans against efforts to tax premiums or claims. Oppose any efforts that may raise the cost of insurance, prescription drugs or other necessary health care. Carefully evaluate new and existing mandates on employers. Continue to support cost transparency efforts that apply to system-wide healthcare.

**Oregon Health Plan (OHP):** As the economic recession continues and Oregonians remain unemployed, OBI recognizes the need to support coordinated care organizations (CCOs) and efforts to ensure the Oregon Health Plan (Medicaid) has adequate, sustainable, broad-based funding. Legislators must acknowledge that OHP funding is tied to the overall health of our economy, and this is not the time to raise additional revenue from businesses struggling to make ends meet. Coordinate with OBI Tax and Fiscal Policy Committee on matters that intersect with health care costs and funding mechanisms.

**Advanced Value-Based Payment (VBP) Models:** OBI recognizes the growth rate cap established and principles adopted by the Sustainable Health Care Cost Growth Target Implementation Committee. As the state moves toward recommending value-based payment models as opposed to fee-for-service models, OBI will advocate for additional public transparency measures that can allow Oregon businesses to accurately benchmark the cost of healthcare with peers across the country. Additionally, it is critical that any requirements around VBP models ensure maximum flexibility, recognizing that a one-size-fits-all approach will not work.

**Cost Growth Rate Target Enforcement:** Track the work of the Sustainable Health Care Cost Growth Target Implementation Committee. Any proposed enforcement mechanisms must recognize the challenges health care entities are facing in the current economy. Additionally, it is critical that any enforcement authority be clear to all stakeholders and approved by the Sustainable Health Care Cost Growth Target Implementation Committee. OBI has long

supported reducing unnecessary costs and increasing transparency of cost-drivers across the system.

**Decrease Tobacco Use in Oregon:** Support a comprehensive approach to decreasing the state's tobacco use, including smoking and chewing tobacco, and vaping/e-cigarette use.

**Association Health Plans:** Retain, enhance, and expand employer private market options such as Association Health Plans (AHPs) as a viable solution to fulfill and serve the healthcare insurance needs for employers and their workforce.

## RETAIL POLICY

Retailers have been hit particularly hard by the COVID-19 recession and aiding in their recovery will be critical to the long-term viability of the Oregon retail sector. In recent years retailers have been asked to pay ever-increasing costs of doing business while seeing much of their traditional business shrink. They have invested heavily in new technology and service delivery models in very short timeframes to continue to serve their customers. Government should focus on helping with those difficult transitions, not impose additional costs on the delivery of services and supplies. Our primary policy principle for 2021 will be to ask the legislature not to add to the costs of doing business for retailers, such as new taxes and regulations.

Our policy principles will include:

**Consumer Protection:** Support consumer protection legislation that addresses narrowly defined, specific, and empirically proven dangers and that would make a meaningful difference.

**Consumer Privacy:** Support public policies that support the retail industry's need to protect consumer privacy while providing the flexibility necessary for innovative use of data.

**Organized Retail Crime:** Support legislation that would clarify and strengthen Oregon's current laws combating organized retail crime. The Retail Council also supports legislation that would increase penalties for individuals who manufacture and/or sell counterfeit merchandise to consumers throughout the state. Such counterfeit goods not only affect the bottom line of honest merchants, but certain products also pose a serious health threat to the consumers who use them.

**Credit and Finance:** Oppose efforts to inhibit the flow of information necessary to render appropriate decisions for every customer and meet their preferences.

## GENERAL RETAIL POSITIONS

### OBI and the Oregon Retail Council Support

- The use of biometric data for drivers' licenses
- Manufacturer responsibility for electronic product stewardship recycling
- A security freeze on credit for victims of identity theft
- Increased penalties for shoplifting

### OBI and the Oregon Retail Council Oppose

- Expansion of the Unlawful Trade Practices Act
- Market controls such as policies about price discrimination
- Point-of-sale purchasing requirements
- Policies that limits retailer conveniences for customers
- Bans of specific classes of retailers
- Packaging bans
- New labeling laws
- Pesticide sales reporting
- Broad manufacturer and retailer product stewardship programs
- Additional tax burdens on businesses, particularly retailers

## TAX AND FISCAL POLICY

According to an analysis done by the accounting firm Ernst & Young for the State Tax Research Institute (STRI) and the OBI Foundation, Oregon's business tax burden, measured as projected tax collections, will increase 41% by 2022 due to tax increases adopted in the 2019 legislative session. Oregon moved from No. 40 among the 50 states for business tax burden to No. 19, a shift that is unparalleled in STRI's years of analyzing business taxes in the U.S. On top of those statewide increases, the Ernst & Young study also showed that local business tax increases in some locales are adding even more cost to Oregon businesses, making Oregon less attractive for business investment.

Oregon's overall business tax burden now exceeds the national average and is greater than most other western states. In any economy, such an increased business tax burden – and reduced competitiveness – would be a cause for concern, particularly in terms of the state's ability to attract business and grow jobs. But in the historic 2020 COVID-19 recession, which undoubtedly will continue through 2021 and likely into 2022, these new tax burdens present even more stress points and will inevitably impact Oregon's ability to create jobs that will restore family incomes. Lawmakers must put the brakes on new tax increases.

As lawmakers address expected budget shortfalls for the next two fiscal biennia, OBI's response to the effort will be guided by these principles:

- **Do no harm.** Raising businesses taxes and fees, as businesses are struggling to get back on their feet and adjust to the staggering new tax burden, should be off the table.
- **Protect the projected 2019-2021 ending balance of \$1.7 billion.** Dedicate it to maintenance of critical state services in the 2021-2023 biennium.
- **Balance the budget sensibly.** In the 2021-2023 budget, prioritize maintenance of existing critical services; introduce no new programs; freeze employee wages; and adopt targeted reductions in less critical service areas.
- **Focus on private-sector job restoration.** Oregon is an income tax-dependent state. The best opportunity for recovering from the recession, and addressing the state budget shortfalls, is getting Oregon businesses back on their feet so that they can restore lost jobs which, in turn, means more tax revenue.

### 2021 Tax Policy Positions

- Oppose temporary and permanent increases to any business taxes.
- Recognizing the increasing burden on personal taxpayers, as well as pass-through business entities both statewide and at the local level, oppose temporary and permanent increases to the Oregon personal income tax.
- Avoid sector-specific taxes unless they are supported by the impacted sector.
- Support connecting with the federal tax code.
- Oppose disconnecting from the federal tax code on provisions related to the U.S. CARES Act relief.
- Support tax credits to promote economic development and business investment.
- Support legislation to reduce the pyramiding effects of the 2019 Corporate Activity Tax (CAT) through targeted adjustments to the statutory language and, where appropriate, exclusions.
- Oppose any adjustments to the CAT that will have the effect of increasing tax burden for any taxpayer either temporarily or permanently.  
Support establishing an interim committee to review Oregon's property tax system and to make recommendations to the 2023 Legislature.

Oppose any proposal to change Oregon's property tax structure that disrupts the balance between business property taxpayers and personal property taxpayers.

### **2021 Budget Policy Positions**

- Support prioritization of existing critical programs, and put a hold on development of new programs while revenue shortfalls are anticipated.
- Support consideration of a wage freeze for state employees. Savings from a wage freeze will reduce the number of positions that may have to be eliminated as the state makes budget cuts to deal with revenue shortfalls.
- Urge the Legislature to continue to look for opportunities to reduce the cost of legacy programs, such as PERS and PEBB, which impact not only state budgets but also local government budgets.

## TRANSPORTATION

Investment in Oregon's transportation infrastructure is a critical need to move both people and freight to support our state's economic growth. High priority projects included in the 2017 transportation package have yet to be funded and must be implemented to ease congestion and drive the economy.

Finding equitable funding solutions should be a priority in any economic situation, but, given the historic COVID-19 recession and significant projected increases in tax burdens, revenue options should be weighed carefully with an eye toward allowing businesses to recover.

### INFRASTRUCTURE POLICY

**Infrastructure Improvements:** Support expanded and enhanced multimodal transportation infrastructure to improve both people and freight mobility as necessary to support statewide economic growth.

**Interstate Bridge:** Support collaborative effort with the state of Washington to replace the Interstate Bridge and advocate for funding mechanisms that do not unfairly burden Oregon businesses.

**HB 2017:** Support completion of HB 2017 transportation package projects.

**Alternative Fuel:** Support alternative vehicle infrastructure investment and incentive programs.

### TRANSPORTATION REVENUE POLICY

**Tolling and Congestion Pricing:** Support congestion pricing and tolling in amounts that help fund strategic infrastructure projects that can help reduce congestion and improve freight mobility.

**Public Transit:** Support revenue sources that fund critical public services that will not place a disproportionate burden on state or regional employers and/or employees. Oppose the creation of new funding mechanisms to subsidize public transit programs throughout the state unless funding is tied to the benefits derived by those paying fees or taxes.

**Highway Funds:** Support long-term, sustainable funding streams for the state's roads, bridges, and resiliency needs. Funding could include equitably increasing the fuels tax and/or vehicle fees, alternative options, and tolling, among others.