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Oregon Business Plan emphasizes immediacy

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Oregon business leaders on Monday cranked up the pressure on elected officials to address the state's volatile revenue system and underfunded public pension plan.

At a one-day gathering known as the Oregon Leadership Summit, executives ranging from Nike's [Julia Brim-Edwards](#) to Interworks' [Debbie Kitchin](#) said the state needs to take immediate action.

The Leadership Summit, now in its 16th year, is an annual one-day event at the Oregon Convention Center that attracts around 1,200 business, political and civic leaders. The event culminates in the publication of the [Oregon Business Plan](#), a policy paper meant to guide state lawmakers as they prepare for the next legislative session.

The Oregon Business Plan is a joint effort of the Oregon Business Council, Oregon Business & Industry and the Portland Business Alliance.

Four years ago, the Business Plan described [fixing the state's revenue system](#), which is heavily reliant on income tax, as a "long-term goal." [Two years ago](#), it upgraded fixing the revenue system to an "urgent task."

Monday's event went even further, framing the need for fiscal reform around the tagline "Time to Act" because state expenses are expected to exceed revenue for the foreseeable future despite low unemployment and a strong economy.

"We've studied, analyzed and debated our revenue system for a long time and the status quo really is untenable," said Brim-Edwards, Nike's senior director of government and public affairs.

Kitchin outlined two "promising options" for addressing the state's revenue system: reforming the state's kicker law and adding a business activities tax.

Eliminating the kicker, which returns tax money when state revenue exceeds expenses, would make it easier to build up reserves. Kitchen said lawmakers should consider dedicating kicker savings to K-12 education, which would "still honor the intent of voters."



BETH CONYERS, COURTESY OF PORTLAND PUBLIC SCHOOLS
Nike's Julia Brim-Edwards on Monday invoked early Nike endorser Steve Prefontaine in her call to think of new approaches to solving the state's fiscal problems.

She also pitched a business activities tax, which would tax total company revenue, minus purchases from other businesses.

"There are many advantages compared to gross receipts taxes," Kitchin said, including that business activities taxes don't have the "pyramiding" effects of gross receipts taxes, which are simply based on a company's top line.

Like at previous summits, Tim Nesbitt, former head of the Oregon AFL-CIO, explained the need to reform PERS, the pension plan for public employees. The plan has an estimated \$22 billion unfunded liability and is expected to eat up an escalating share of state, local and county budgets.

"What we're facing now is a fairly daunting prospect," Nesbitt said.

Nesbitt said it's possible to reduce the plan's costs without "retreating to substandard benefits" by taking steps such as asking state employees to contribute to the plan and giving them a choice between a traditional pension and a 401(k)-type plan.

He said it's critical to address the PERS problem in order to have more money to fix Oregon's ailing K-12 education system, which ranks near the bottom for outcomes.

Early Nike endorser and distance runner Steve Prefontaine was known for running at the front of the pack, a rebellious style that defied convention. Brim-Edwards invoked Prefontaine in her closing remarks.

"What I think we need to do heading into the legislation is disrupt the status quo," she said. "We're looking to find partners and find common ground where we haven't in the past."

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