



## **STATEMENT OF ANDREW HOAN, PRESIDENT & CEO, PORTLAND METRO CHAMBER**

Governor Kotek's leadership in calling for a pause in the collection, evaluation of the program scope, and rate reduction of the Preschool for All (PFA) Tax is bold, appropriate, evidence based and should be immediately acted on by the County Commission.

We have still not recovered all the jobs lost in the pandemic in Multnomah County. Our population outlook is stagnant. Local governments are struggling to fund core services. Businesses are relocating or downsizing. This is confirmed by the [May 2025 Oregon Employment Department economic update](#), which shows Multnomah County down a deeply worrisome 4,200 jobs year over year in nearly every sector important to the regional economy. We are in a structural economic crisis, and one of the main drivers is the PFA tax.

This reality was on display in the Multnomah County Chair's proposed budget that directed cuts to behavioral health, public safety and other essential initiatives while raising revenue on the backs of small businesses like restaurants – all of this with the PFA tax reserve fund sitting on hundreds of millions of unspent dollars. With so much money unused, we must reject the false choice of raising fees to pay for services. That is why this proposal from Governor Kotek is the right thing to urgently interrupt and reverse our current negative economic cycle.

We have years of clear and irrefutable data that indicates the PFA tax is having an impact on our highly mobile middle class and higher-income earners who are choosing to leave. While we fully support the idea of early learning, the tax mechanism threatens the very funding source that propels the program. It is time to stop collecting the tax and instead spend the reserves to keep PFA going. This will allow for the prioritization of the core services most important to the public. We should take this opportunity to reconsider the tax mechanism and scope.

Doing so will provide relief to middle income families and beyond so that we have an economy left for the children currently in the program to be able to raise their own families in the county they call home.