



April 18, 2019

Joint Committee on Student Success
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Dear Co-Chair Roblan and Co-Chair Smith Warner and members of the committee:

Thank you for the opportunity to comment on HB 3427-1, the Student Success Act.

NIKE's global headquarters are based in Washington County, Oregon. NIKE's roots run deep in Oregon. The company was founded on a handshake, \$500 and mutual trust between legendary University of Oregon track coach Bill Bowerman and Phil Knight, a talented runner for Bowerman's track program in Eugene. From that handshake, NIKE has grown into the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities, employing thousands of Oregonians. Oregon is home to our World Headquarters with more than 14,000 employees and Air Manufacturing Innovation (Air MI), a Nike subsidiary which is one of our largest US manufacturing sites and best known for producing the cushioning Air soles for the iconic line of Nike Air footwear models.

NIKE appreciates the important work and leadership of the Joint Committee on Student Success. We want Oregon to be a great place for our employees to live and work and for businesses to grow and thrive. This includes strong, healthy schools as well as community colleges and public universities, safe neighborhoods, public places to play, and support for other essential public services.

The framework of the Student Success Funding Plan as reflected in HB 3427-1 is headed in the right direction to deliver meaningful investments for Oregon public schools and as currently drafted meets established criteria for sound tax policy. Given Oregon's current mix of business and individual taxes, this framework addresses some of the challenges related to Oregon's unique tax system.

Key criteria include a transparent, low-rate consumption tax that applies broadly and equitably across business entity types, provides stability to the state revenue system, is administratively feasible, reduces over-reliance on personal income taxes, and dedicates funds to improve Oregon's public education system.

If the committee chooses to shift to a basic commercial activities tax (CAT) based on the framework under discussion this session, we believe it would even more effectively meet the key criteria. It treats entities equally, is replicated in other states, includes simplicity for purposes of implementation and taxpayer compliance and would provide revenue stability. The other benefit of the basic CAT is that the rate can be lower than with a modified CAT.

While we will want to review the final language before providing an endorsement, we look forward to providing feedback and support as you continue to refine and modify this important new policy and thank the Committee for your thoughtful work to date.

Sincerely,

Julia Brim-Edwards
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Operations, World Headquarters & Public Engagement

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