



February 8, 2022

Hon. John Lively, Chair  
Hons. Jami Cate and Jason Kropf, Co-Chairs  
House Economic Recovery and Prosperity Committee  
Oregon Legislature  
Salem, OR 97301

**RE: SUPPORT HB 4040**

Dear Chair Lively, Vice Chairs Cate and Kropf and Committee Members,

As Oregon's only statewide non-profit historic preservation organization, Restore Oregon works with thousands of people across the state each year to preserve, reuse, and pass forward the historic places and spaces that embody Oregon's diverse cultural heritage. By helping our fellow citizens preserve our state's unique built, natural and cultural environments, we help celebrate and promote much of what makes Oregon special.

As a member of the Cultural Advocacy Coalition of Oregon, Restore Oregon enthusiastically **supports passage of HB 4040**, and encourages you to equitably invest \$50 million in the continued recovery of Oregon's cultural sector, especially in support of the **vital small nonprofits that remain in deep distress all across the State**.

In order to be as equitable as possible to Oregon's cultural organizations, from micro to macro in size and impact, we would like to offer two observations, and request consideration of minor modifications to the draft bill to fine-tune the language defining which organizations are eligible, and how "significant loss of earned revenue" is tallied.

- 1) Section 2, lines 13-18 broadly define a "cultural organization" yet lines 24-25 seem to tightly constrict the funding to just three subsets of cultural organizations: "venues, performing arts and museums" Many small cultural organizations, like those in the heritage and humanities sectors, do not fit into these three sub-categories. Clarifying the intent behind which organizations should be eligible for funding would ensure equitable access and broad investment.
- 2) Section 2, lines 8-12 narrowly define "earned revenue" in a way that favors for-profit entities and creates a significant disadvantage for nonprofit cultural organizations who cannot define revenue only as "sales of goods or services." A simple clarification to ensure that meaningful revenue loss from a nonprofit is also accepted as part of the definition might be:

**(a)(A) <<Earned revenue>> means income from the sales of goods or services, including, but not limited to, admission tickets, merchandise, food and beverages, advertising sales and contracted presentation income and/or charitable donations.**

**(B) <<Earned revenue>> does not include other sources of income, including, but not limited to, ~~donations~~, federal, state and local governmental assistance or returns on investments.**

Restore Oregon is concerned that the full range of diverse arts and culture nonprofit organizations **may be at a disadvantage, or worse, be excluded entirely** from eligibility for this lifeline of financial support.

Restore Oregon received Oregon's CARES Act relief funding in 2020 (thank you, Oregon Legislature!), but was ineligible for the Shuttered Venues funding - even though we generate 35% of our revenue through live-in-person education events and tours. Due to the pandemic and ongoing in-person event limitations, we are experiencing year-over-year revenue loss from both sales and charitable donations raised at events. Our overall revenue from presenting events and charitable contributions is down over 50% from 2020 levels, which were significantly lower than 2019. With the strong likelihood of no in-person events for much of 2022 due to Omicron, we will not be able to sustain our work and impact in Oregon and may need to explore staff cuts and other drastic measures, which will further reduce our statewide impact.

Our analysis of funding shows that many hundreds of nonprofits who received Oregon's CARES Act relief grants distributed from Oregon Cultural Trust's Community Coalitions were ineligible or unable to secure Shuttered Venue funding. Just 11% of these entities received both.

All of Oregon's cultural organizations are desperate for financial help and will continue to need critical support until the pandemic subsides. By working together, nonprofits, for-profits, and the Oregon Legislature can build back this large, vital sector of Oregon's economy with the passage of HB 4040.

With appreciation for your leadership and support of Oregon's entire cultural sector,



Nicole Possert  
Executive Director

cc: Hon. Rob Nosse  
Hon. Akasha Lawrence Spence  
Cultural Advocacy Coalition of Oregon