

**From:** Mat Ellis  
**To:** [LRO](#)  
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**Subject:** Copy of Testimony provided to Joint Committee On Tax Reform by Mat Ellis of Cloudability - 6/13/17  
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I've been asked to send a copy to this email address of the testimony I gave to the Joint Committee on Tax Reform this morning.

Thanks

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Good morning to the Committee. Thank You Co-Chairs Senator Hass and Representative Barnhart for the opportunity to speak with you today.

My name is Mat Ellis, and I'm the Founder and CEO of a company called Cloudability. I'll tell you just a bit about what we do since the name may not be familiar to you.

Cloud technology is where companies rent computer systems instead of buying them. If you have watched a movie on Netflix or taken a ride on Uber you have used the cloud. Cloudability supports companies like these to make their cloud more efficient and powerful.

The point of my telling you about what my company does is to convey just how common it is that companies like mine are needed for every-day business in our modern society. I know that technology can sometimes seem amorphous and maybe a bit off-putting, but there's a good chance that you rely on a technology similar to ours in your own lives.

Given the ever-increasing use of technology in our society for everything from education to farming, companies like mine are going to continue to grow in this state. We started with 3 employees 6 years ago and now employ nearly 100 in Portland with a median salary of over \$100K. Companies like mine make very significant contributions to the Oregon economy, and our perspective on corporate taxes should be taken seriously.

I am here today advocating on behalf of my employees. I am competing with companies like Google and cities all over the world to retain my highly skilled workforce. A big factor in our favor is the perceived quality of life here in Oregon. Yet when they have children they encounter an underfunded school system combined with a reluctance to consider anything beyond spending cuts to solve the myriad problems. It's not as if I don't pay them enough so that they couldn't send their kids to private school. But they do not want to send their kids to private schools. They want to live in a community which adequately invests in education and other critical services.

And that's not what's been happening. In response I've lost staff to places like London, Austin, Berlin and Helsinki, drawn by a higher quality of life, which public education is big part of. And that's just so far this year.

We're located in the Pearl district in Portland, and have been a member of the Portland Business Alliance for 3 Years. Earlier this year, we seized the opportunity to also become Founding Members of Business For A Better Portland because we believe that business should do more than just advocate for itself through its associations. We absolutely must also advocate for the community that is supporting our staff and their families.

It is unconscionable to me that some business organizations want to prevent you from even considering revenue reform. Let me be clear, I was opposed to Measure 97. It was the wrong approach to a Corporate Activities Tax. This time, you have taken the time to hear from businesses and address our concerns. You've modified the rate structure to address the different types of businesses and it will be phased in over several years to give the state

time to figure out important implementation details.

It sounds to me as if you've done exactly what your opponents have asked you to do.

If you want to foster a vibrant tech industry in this state and the well paid jobs that come with it then you will have to make the necessary investments, starting with an appropriately funded education system. So I encourage you and your fellow legislators to pass this measure in this session and not impose on Oregonians another divisive, costly ballot measure. We have great plans this year at our company to grow not only our business but also to increased our corporate philanthropy programs in partnership with Business For A Better Portland. I would much rather allocate our time and energy to helping homeless folks at Christmas than having to squirrel that money away for a needless ballot measure campaign that could have been avoided by asserting your leadership here in the State Capitol.

Thank you