



Honorable Members of the Oregon State Senate:

February 5, 2025

I am writing to express our strong opposition to Senate Bill 916, which seeks to repeal the current law denying unemployment benefits to individuals unemployed due to an active labor dispute. We urge you to reject this bill.

Current Oregon law appropriately recognizes the complex dynamics of labor disputes. It protects the state's unemployment insurance system from being used as a financial weapon in these disputes. Repealing this protection would fundamentally alter the intended purpose of unemployment insurance and create several negative consequences.

SB 916 would effectively subsidize striking workers with taxpayer dollars. This would inject the state into labor negotiations, potentially prolonging disputes and unfairly tilting the balance in favor of striking workers.

Unemployment insurance is designed to provide temporary support to individuals who lose their jobs through no fault of their own, such as layoffs or business closures. A labor dispute, by its very nature, is a deliberate action taken by employees, and using unemployment funds in this context misrepresents the program's core function.

Furthermore, this change would place an undue burden on Oregon businesses, who already contribute to the unemployment insurance system. Additionally, this will have the effect of making Oregon's already expensive unemployment insurance taxes even more expensive as all small businesses in Oregon will be required to pay "strike benefits" for striking workers far removed from your individual businesses. It is a cost shift of labor disputes squarely on the back of Main Street businesses.

Forcing businesses to indirectly fund strikes against themselves creates a significant financial hardship and disincentivizes job creation and investment in the state. This is particularly concerning for small businesses, which may struggle to absorb the increased costs.

The potential for increased costs to the state's unemployment insurance system is also a major concern. Prolonged labor disputes, fueled by unemployment benefits, could deplete these funds and potentially lead to increased taxes on businesses to replenish the system. This would negatively impact Oregon's economic climate and make it less attractive for businesses to operate here.

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Finally, SB 916 disrupts the delicate balance of power in labor negotiations. By providing unemployment benefits to striking workers, the state essentially removes a key incentive for both sides to reach a swift and amicable resolution. This could lead to more protracted and contentious labor disputes, harming both workers and employers.

For these reasons, we strongly urge the members of the Senate to reject SB 916. Maintaining the current law protects the integrity of the unemployment insurance system, supports Oregon businesses, and encourages balanced and productive labor relations.

Respectfully Submitted on behalf of the Canby Area Chamber of Commerce and our member businesses,

//s// Belinda Goody

CEO

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