

From the desk of Representative Ed Diehl



Stayton Sublimity Chamber of Commerce

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Dear Members of the Committee on Labor & Business,

I am writing on behalf of the Stayton Sublimity Chamber of Commerce to express our strong opposition to **Senate Bill 916**, which proposes extending unemployment benefits to workers engaged in labor disputes. While we acknowledge the importance of supporting workers, this bill presents significant concerns for both taxpayers and businesses.

Unintended Financial Burdens on Taxpayers and Small Businesses

Extending unemployment benefits to striking workers would impose substantial financial burdens on taxpayers and small businesses. Currently, unemployment insurance is designed to assist individuals who lose their jobs through no fault of their own. Strikes, however, are voluntary actions initiated by employees during labor disputes. Shifting the cost of these voluntary actions onto the public undermines the foundational principles of the unemployment insurance system.

For public employers, including school districts, the financial implications are particularly concerning. As highlighted by the Oregon School Boards Association, if teachers were to receive unemployment benefits during strikes, districts would be required to reimburse the state for each dollar paid, potentially diverting funds from essential educational services. For instance, a one-month teacher strike at Portland Public Schools could have cost the district \$8.7 million under the requirements of SB 916. www.oregonlive.com

Incentivizing Strikes and Prolonged Labor Disputes

Providing unemployment benefits to striking workers could inadvertently encourage more frequent and prolonged strikes. The availability of financial support during strikes removes a critical incentive for employees to seek timely resolutions, potentially leading to extended disruptions that harm both the economy and public services. This shift could destabilize the balance in labor negotiations, placing additional strain on the state's unemployment insurance system. oregonbusinessindustry.com

Precedent for Future Labor Actions

Enacting SB 916 could set a concerning precedent, signaling to workers that they can engage in strikes with reduced financial consequences. This may lead to an increase in labor disputes, as the financial risks traditionally associated with striking are mitigated. Such a shift could disrupt various sectors, affecting the delivery of essential services and the overall stability of the labor market.

So, while the intent of SB 916 is to support workers during labor disputes, the potential consequences for taxpayers, small businesses, and the integrity of the unemployment insurance system are significant. We urge the committee to consider these implications and **oppose** the passage of SB 916 to maintain a fair and balanced approach to labor relations in our state.

Thank you for considering our perspective on this critical issue.



Carmelle Bielenberg

President & CEO

Stayton Sublimity Chamber of Commerce

Representative for Government Affairs

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