

SB 916 B STAFF MEASURE SUMMARY
House Committee On Labor and Workplace Standards

Carrier: Rep. Grayber

Action Date: 05/21/25
Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)
Vote: 4-3-0-0
Yeas: 4 - Fragala, Grayber, Munoz, Nelson
Nays: 3 - Boshart Davis, Elmer, Scharf
Fiscal: Fiscal impact issued
Revenue: Revenue impact issued
Prepared By: Erin Seiler, LPRO Analyst
Meeting Dates: 4/28, 4/30, 5/21

WHAT THE MEASURE DOES:

The measure provides that an individual who is otherwise eligible for unemployment insurance (UI) benefits from the Oregon Employment Department (OED) is not disqualified for UI benefits or waiting week credit for any week that the individual is unemployed because of a lockout. It specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike. The measure establishes a process to allow an otherwise eligible individual to not be disqualified for UI benefits or waiting week credit for any week following the first week that OED finds the individual is unemployed because of a strike.

Detailed Summary:

Section 1

Amends existing law to specify that an individual who is otherwise eligible for UI benefits is not disqualified for UI benefits or waiting week credit for any week that the Director of OED finds that the individual is unemployed because of a lockout at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement regardless of UI laws relating to availability to work, actively seeking work, or refusal to accept suitable work.

Specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike.

Specifies that regardless of unemployment insurance (UI) laws relating to availability to work, actively seeking work, or refusal to accept suitable work, an individual who is otherwise eligible for UI benefits is not disqualified for UI benefits or waiting week credit for any week following the first week that the Director of the Oregon Employment Department (OED) finds the individual is unemployed because of a strike at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement for:

- Any subsequent week of UI due to the strike, if the tax schedule in effect on the date on the strike begins is Fund Adequacy Percentage Ratio I, II, III, or IV.
- Any subsequent eight weeks of UI due to the strike, if the tax schedule in effect on the date on the strike begins is Fund Adequacy Percentage Ratio V, VI, VII, or VIII.

Section 2

Redefines "contribution" to mean taxes. Defines "labor dispute," "lockout," and "strike."

Section 3

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Provides an exception to the prohibition that back pay paid by an employer to an individual may not be reduced by the amount of UI benefits the individual received when the back pay was paid to resolve a strike to an employee who received UI benefits while on strike.

Section 4

Provides a process for the repayment or deduction of future UI benefits because an individual received UI benefits that the individual was not entitled to receive because the individual received back pay from an employer to resolve a strike.

Section 5

Prohibits the Director of OED from waiving recovery of overpaid benefits subject to repayment or deduction as a result of the individual receiving back pay from an employer to resolve a strike.

Section 7

Specifies that UI benefits charged to a school district or an education service district for weeks during a labor dispute must count toward the employee's total compensation in an applicable collective bargaining agreement. It specifies that the school district shall deduct from the employee's future wages the amount of UI benefits charged.

Specifies that the school district shall deduct from the employee's future wages the amount of UI benefits received.

Sections 8 through 10

Makes conforming amendments.

ISSUES DISCUSSED:

- Reasons employees strike
- Public Employee Collective Bargaining Act (PECBA) collective bargaining timeline
- Potential impact on employers who pay unemployment insurance (UI) taxes
- UI eligibility requirements
- Potential impact on decisions to strike and length of strike
- Potential impact on reimbursing employers
- Economic impact to Oregon
- Mechanics of UI Tax Rate Schedules and "experience rating"
- Potential impact on UI Trust Fund
- Other states that allow striking workers to collect UI benefits
- Conformity with Federal regulation of UI benefits
- Impact on school districts
- Ability of OED to report to the Legislature on measure outcomes
- Public employees prohibited from striking

EFFECT OF AMENDMENT:

The amendment resolves conflict with House Bill 2236 (2025).

The amendment specifies that regardless of unemployment insurance (UI) laws relating to availability to work, actively seeking work, or refusal to accept suitable work, an individual who is otherwise eligible for UI benefits is not disqualified for UI benefits or waiting week credit for any week following the first week that the Director of the Oregon Employment Department (OED) finds the individual is unemployed because of a strike at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement for:

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- Any subsequent week of UI due to the strike, if the tax schedule in effect on the date on the strike begins is Fund Adequacy Percentage Ratio I, II, III, or IV.
- Any subsequent eight weeks of UI due to the strike, if the tax schedule in effect on the date on the strike begins is Fund Adequacy Percentage Ratio V, VI, VII, or VIII.

It specifies that UI benefits charged to a school district or an education service district for weeks during a labor dispute must count toward the employee's total compensation in an applicable collective bargaining agreement. It specifies that the school district shall deduct from the employee's future wages the amount of UI benefits charged.

BACKGROUND:

Generally, unemployment insurance (UI) provides money to people who have lost their job or have had their hours reduced as they look for employment. Unemployment insurance is supported through contributions from Oregon employers into the Unemployment Insurance Trust Fund. The Oregon Employment Department (OED) administers the UI program in Oregon; collects the contributions that support the program; determines eligibility for UI benefits and pay benefits; and works to prevent fraud.

Currently, a person is disqualified for UI benefits for any week that the OED Director determines that the unemployment of the person is due to a labor dispute that is in active progress at the person's place of employment. There are exceptions to this law, such as when the unemployment is due to a lockout.

Senate Bill 916 B specifies that an individual who is otherwise eligible for UI benefits from OED is not disqualified for UI benefits or waiting week credit for any week that the individual is unemployed because of a lockout. The measure specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike and provides a process for an individual who is otherwise eligible for UI benefits from OED to not be disqualified for UI benefits or waiting week credit for any week following the first week that OED finds the individual is unemployed because of a strike.