



To: Chair Grayber and Members of the House Committee On Labor and Workplace Standards

From: Nellie deVries, BOMA

Date: February 5, 2025

Re: House Bill 2125

The Building Owners and Managers Association (BOMA) of Oregon is a commercial real estate organization representing over 40 million square feet of commercial real estate in Oregon.

While BOMA appreciates the need to protect our workers, but it has some concerns with HB 2125 regarding how this affects employers. For example, if the State Declared Emergency lasts a week due to weather, for Township, a family-owned Facilities Management, Janitorial, and Engineering company in the Western U.S., it would put about 400 staff on unemployment for one week. This would have a massive effect on Township's Experience Factor because they usually do not have anyone claiming Unemployment Benefits.

The experience factor adjusts a business's premium rate by comparing its experience with all businesses in the same risk classification. If a business's actual loss for a year is **less** than expected loss, L&I will set an experience factor for the next year that is less than 1.0. This means the business is expected to have **lower** costs per unit of insurance exposure (usually hours) than the benchmark for its class.

However, if the actual losses are **greater** than expected loss, the experience factor will be greater than 1.0. This means the business is expected to have **higher** costs than the benchmark for its risk class.

A weeklong event would raise Township's Experience Factor, which would raise its cost of doing business, which would then be passed on to clients. BOMA would very much like to be a part of the conversation on how to better serve employers and employees during these natural events but does not believe HB 2125 is the complete solution.

Thank you for the opportunity to provide testimony, and BOMA again urges you to look deeper into a more holistic solution.

