



OREGON
ASSOCIATION OF
NURSERIES

Testimony before the Senate Committee on Labor and Business

Senate Bill 622 - Exempts employers of noncitizens in agricultural labor who are not eligible for unemployment insurance benefits from liability for contributions related to that labor.

By Jeff Stone, Executive Director, Oregon Association of Nurseries
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Chair Taylor, Vice-Chair Bonham, members of the committee, my name is Jeff Stone, and I serve as the Executive Director of the Oregon Association of Nurseries. We are pleased to provide comments on Senate Bill 622 relating to unemployment insurance (UI) and the H2A workforce.

Background on the Nursery and Greenhouse Industry

The nursery and greenhouse industry is the state's largest agricultural sector, with over \$1.2 billion in sales across the nation and the globe. Nationally, Oregon ranks third in nursery production. **Traded Sector:** Nearly 80% of the nursery stock grown in our state leaves our borders – with over 50% reaching markets east of the Mississippi River. **By the numbers:** #1 in US: sales of conifers, shade trees, Christmas trees, and flowering trees. \$443.2 million in annual payroll - \$44,108 average annual pay. We send ecologically friendly, carbon sequestering, green products out of the state, and we bring traded sector dollars back to Oregon. **Who we are:** Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill, and Multnomah Counties.

SB 622 is limited in scope and fair

The OAN is supportive of the policy that enacts certainty so that employers do not have to pay unemployment taxes on the wages of non-citizens who work here on H-2A visas. Agriculture in Oregon is facing a labor crisis, and growers are looking toward temporary visa programs to meet demand for producing their products with greater regularity.

The H-2A system is a federal guest worker program that allows agricultural employers to bring nonimmigrant foreign workers to the U.S. to perform temporary or seasonal

agricultural labor. It covers standard agricultural jobs and also includes nursery or greenhouse employees. Many in Oregon do not realize that this program is run by the U.S. Department of Labor. The process is not an easy one and farm operations must meet a rigorous set of requirements to bring foreign nationals to the U.S. to fill temporary ag jobs. This program has a limited and set time of employment and is not viewed by the OAN as a replacement to the needs of a year-round workforce. Securing H2A workers is very expensive. Employers must pay an Adverse Effect Wage Rate, or AEWR (\$19.82 per hour in Oregon), provide housing -free of charge, as well as transportation to and from their employees' home country. Employers must also recruit and preferentially hire U.S. workers over H-2A workers.

Support SB 622

The OAN believes that exempting H-2A (and H-2B) employers from paying UI taxes that their workforce doesn't benefit from is appropriate. In addition we believe HB is fair and would reduce some of the cost pressures facing Oregon agriculture. We feel that since other states exempt the H2A workers from UI would alleviate some of the cost pressures of doing business in Oregon. Other states exempt H-2A and H-2B workers from this tax and urge the committee to support SB 622. Thank you for your attention to our comments.