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On Behalf Of:

Committee: Senate Committee On Labor and Business

Measure, Appointment or Topic: SB916

Unlike private employers, county governments cannot simply absorb the unpredictable increases in employment costs that this bill will bring, especially since counties pay the state’s UI fund back dollar-for-dollar for all unemployment benefits that are paid out to individuals.

Counties will need to build these new liabilities into their 2025-2026 fiscal year budgets at a time when many are already facing significant budget deficits. Planning their budgets around potential UI reimbursements will mean that counties have to decide between currently funding critical public services or funding unemployment risk pools or reserves for a future strike.

Lastly, the current waiting period before unemployment insurance kicks in is one week. This relatively low threshold could incentivize individuals to prolong labor disputes and strikes beyond seven days to allow for unemployment benefits to kick in. And, at most, Oregonians can currently receive unemployment benefits for 26 weeks total. The low floor, and high ceiling, offered to individuals seeking UI benefits could create serious financial impacts for public employers that cannot simply raise property taxes to accommodate the increased costs. Instead, this would likely result in cuts to current services and programs on which Oregonians rely.