

Submitter: John Randles
On Behalf Of:
Committee: House Committee On Labor and Workplace Standards
Measure, Appointment or Topic: SB916

Dear Members of the Oregon Legislature,

I am writing to express my concerns regarding Senate Bill 916, which seeks to extend unemployment insurance benefits to individuals unemployed due to active labor disputes, including strikes.

1. Preservation of the Unemployment Insurance Fund

The unemployment insurance system is designed to provide temporary financial assistance to individuals who lose their jobs through no fault of their own. Expanding eligibility to include those who voluntarily participate in strikes could strain the fund, potentially impacting its ability to serve its primary purpose. As noted by Senate Minority Leader Daniel Bonham, Oregonians trust that the Legislature will protect the sanctity of this fund so that it's there in their time of need—not their time of desire. ? ?

2. Financial Impact on Public Services

Public employers, such as school districts and local governments, may face increased financial burdens due to this bill. For instance, during the 2023 Portland teachers' strike, the district would have been required to divert \$8.7 million from educational services to cover unemployment benefits if SB 916 had been in effect. Such reallocations could detract from essential public services. ? ?

3. Potential for Increased Strikes

Providing unemployment benefits during strikes might inadvertently encourage more frequent or prolonged labor disputes, as the financial risk to striking workers is mitigated. This could disrupt economic stability and public services, affecting not just employers but the broader community. ?

4. Uncertain Fiscal Implications

The Oregon Employment Department has indicated difficulty in predicting the exact financial impact of this bill. Depending on future strike activities, the state could see payouts ranging from \$4.7 million to \$11.2 million over two years. Such uncertainty poses challenges for budget planning and fiscal responsibility. ?

In conclusion, while supporting workers is a commendable goal, it's essential to consider the broader implications of SB 916 on the unemployment insurance system, public services, and the state's fiscal health. I urge the Legislature to thoroughly evaluate these concerns before proceeding with this legislation.