



Oregon

Tina Kotek, Governor

Employment Department

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Salem, Oregon 97311

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June 11, 2025

The Honorable Representative Nancy Nathanson, Chair
The Honorable Representative E. Werner Reschke, Vice-Chair
The Honorable Representative Jules Walters, Vice-Chair
House Committee on Revenue
900 Court Street NE, HR-A
Salem, OR 97301

RE: Follow up on Senate Bill (SB) 143A

Dear Chair Nathanson, Vice-Chair Reschke, and Vice-Chair Walters,

Thank you for giving me the opportunity to share my testimony with you and other members of the House Revenue Committee yesterday regarding Senate Bill (SB) 143A.

During the Public Hearing, Vice-Chair Reschke asked several questions about the potential cumulative impact of this bill along with another bill, SB 916B, which relates to Unemployment Insurance (UI) benefits for striking workers. I explained that we cannot predict how the UI Trust Fund will be impacted by SB 916B with any certainty, given the difficulty of predicting future strike activity. This is accurate.

However, I want to clarify that the Employment Department had considered what the potential impact of SB 916B would be based on recent strike activity and reached the conclusion that it would not result in a change to UI tax schedules in the foreseeable future.

If future strike activity is similar to the average from the last three years, it would decrease the UI Trust Fund by approximately \$5.3M in the 2025-27 biennium and \$5.9M in the 2027-29 biennium. If we use an average of the past ten years, as opposed to the last three years, it would decrease the UI Trust Fund \$2.6M in the 2025-27 and \$2.1M in the 2027-29 biennium.

The estimated impact of SB 143A is \$38.6M in the 2025-27 biennium and \$44.8 in 2027-29 biennium. Assuming the higher impact of the three-year average of strike activity, the cumulative impact of SB 143A and SB 916B would be \$43.9M in the 2025-27 and \$50.7M in the 2027-29 biennium. OED forecasts that the cumulative impact from these two pieces of legislation does not create a risk there would be a change to projected tax schedules through at least 2032.



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I appreciate the concern for the health of Oregon's UI Trust Fund and in minimizing taxes on Oregon businesses. I also appreciate the concern for supporting OED's ongoing commitment to improving customer service. Without SB 143A, the Employment Department will need to make significant budget cuts which will hurt customer service across our programs, whether SB 916B passes or not.

Sincerely,



David Gerstenfeld
Director

Cc: Chris Allanach, Legislative Revenue Officer, Legislative Revenue Office
Michael Doughty, Economist, Legislative Revenue Office