



To: Chair Taylor, Vice-Chair Bonham, and members of the Senate Committee on Labor and Business
From: Martha Sonato, Legislative Advocate at the Oregon Law Center
Re: Senate Bill 748 – Adding drug testing to Oregon Unemployment Insurance
Date: January 28, 2025

Dear Chair Taylor, Vice-Chair Bonham, and members of the Senate Committee on Business and Labor,

The Oregon Law Center (OLC) opposes [Senate Bill \(SB\) 748](#). OLC's mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. Many of our clients have incomes at or below the federal poverty level and work hard to provide the necessities for themselves and their family.

We see this policy proposal as adding unnecessary complexity within, and barriers to, our unemployment insurance (UI) system, a critical safety net for Oregon workers trying to stay afloat between jobs.

What SB 748 would change in the law:

SB 748 proposes to allow the Oregon Employment Department (OED) to require drug testing for an initial claim for UI benefits if: (1) the person requesting the benefits was fired by their most recent employer for unlawful use of a controlled substance, defined in federal law, or (2) where the suitable work available to the person requesting benefits is a job field that regularly conducts drug testing, defined in federal law. It also permits OED to disqualify workers from UI if they fail a drug test and continue disqualification of workers until they pass drug tests.

ORS 657.176 already requires the OED to disqualify persons terminated for drug use from receiving unemployment benefits until they requalify.¹ Once disqualified, a person remains disqualified from unemployment benefits until they have earned four times or more of their estimated weekly benefit amount, for the week in which the disqualifying event happened (when they were terminated), in any subsequent employment. ORS 657.176(2).

What this would mean for workers in Oregon's Unemployment Insurance system:

¹ ORS 657.176(9) and (10).



Under the first circumstance proposed in SB 748, a disqualified person could not file for UI again, after already earning four or more times their last weekly benefit (requalifying), until they pass a drug test administered by and paid for by the State of Oregon. This will add time and strain to the UI process. Additionally, if someone has lost a job because of drug use, making it harder for them to pay rent, buy food, and bridge the gap between jobs will make their circumstances worse. Increased stress and decreased stability only add to the likelihood that someone with a substance use problem will struggle to leave that problem behind. Destabilizing workers needing help will also delay folks in getting back to the workforce.

Under the second circumstance in SB 748, if the person applying for benefit's work experience is within a job field that regularly requires drug testing, as laid out in 20 CFR 620.3, they may be subject to a drug test in an initial unemployment benefits claim. These fields include law enforcement officers, pilots, members of the Coast Guard, among many others. This will needlessly delay getting these folks access to UI by adding a costly, time-consuming additional step that increases strain on families trying to make ends meet during times of job loss.

Adding to the complexity of implementing this policy is that, under SB 748, all controlled substances under federal law would be subject to drug testing, including cannabis, recreational use of which is legal in Oregon.² SB 748 does not address how that complexity should be handled.

What this would mean for our Oregon Employment Department:

The OED's job is already complicated, and the agency seeks to serve Oregonians – workers and employers, alike – efficiently and accurately. It is also important to consider how the new [Frances](#) system, launched less than a year ago, could accommodate this proposed policy change.

SB 748, if implemented, would potentially cost state funds and agency staff time to create, launch and administer a drug testing system that would only delay getting unemployment insurance benefits to working people who need them in times of job loss.

For these reasons, we ask that you decline to support SB 748.

² Under federal law, cannabis is a Schedule I drug. See United States Drug Enforcement Administration, "Drug Scheduling," available at: <https://www.dea.gov/drug-information/drug-scheduling> (accessed January 27, 2025).



Oregon Law Center

WORKING TOGETHER TO ACHIEVE JUSTICE FOR LOW INCOME OREGONIANS

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Thank you,

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