



February 5th 2025

## **Testimony in Opposition to Oregon Senate Bill 916**

Honorable Chair Taylor, Vice-Chair Bonham, and Members of the Senate Committee on Labor and Business,

The Tigard Area Chamber of Commerce represents a diverse network of businesses that collectively drive economic growth and provide jobs throughout our community and the Portland Metro Area. On behalf of our members, we submit this testimony in opposition to SB 916, which proposes extending unemployment insurance (UI) benefits to striking workers.

While we fully support fair labor practices and workers' rights, this legislation introduces policies that could destabilize Oregon's economy, burden small businesses who are far removed from the issues at hand and undermine the foundational purpose of the unemployment insurance system in our State.

### **Key Concerns with SB 916**

#### **Unemployment Insurance Should Support Involuntary Unemployment**

The core intent of Oregon's UI system is to provide temporary financial relief to individuals who lose their jobs through no fault of their own, such as layoffs or business closures. Extending UI benefits to workers who voluntarily choose to strike contradicts this purpose and sets a concerning precedent that blurs the distinction between voluntary and involuntary unemployment.

#### **Increased Financial Burden on Businesses and the UI Trust Fund**

Oregon employers fund the UI system entirely through payroll taxes. Expanding benefits to striking workers would increase claims, requiring higher payroll taxes to maintain the fund's solvency. This additional cost would disproportionately impact small businesses—many of which already operate on tight margins—potentially leading to job reductions, stalled expansion plans, or even business closures.

#### **Disrupting the Collective Bargaining Process**

Providing UI benefits to striking workers could disrupt the balance of labor negotiations, reducing the incentive for good-faith bargaining. This shift could pressure businesses into

making financial concessions that may not be sustainable, ultimately harming both employers and employees in the long run. A fair and effective collective bargaining process relies on balanced negotiations, not external or internal financial interventions that prolong disputes.

## **Protecting Oregon's Economic Stability**

Oregon's economy depends on policies that foster a stable and predictable business environment. SB 916 introduces financial uncertainty at a time when businesses are already managing workforce challenges, rising costs, and economic volatility. Instead of expanding UI in ways that burden employers, we encourage solutions that strengthen Oregon's workforce while maintaining the integrity of the unemployment insurance system.

For these reasons, the Tigard Area Chamber of Commerce urges the committee to reject SB 916.

We remain committed to policies that support both businesses and workers, ensuring a strong and resilient economy for our community for many decades to come.

Thank you for your time and consideration.

Regards,



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