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| Date: | February 6th, 2025 |
| To: | Chair Taylor, Vice Chair Bonham, and Members of the Senate Labor and Business Committee |
| From: | Association of Oregon Counties Legislative Affairs Manager, Justin Low |
| Subject: | Neutral – SB 916 |

Thank you for the opportunity to submit testimony in a neutral manner on SB 916. For the record, my name is Justin Low, and I am a Legislative Affairs Manager offering testimony on behalf of the Association of Oregon Counties (AOC).

The Association of Oregon Counties (AOC) is a non-partisan member organization that advocates on issues that unite all county governing bodies and have an impact on county functions, governance, budgets, and services—SB 916 could have significant impact on all prior listed aspects.

As representatives of county governments and fiscal stewards of county budgets, we recognize and respect the rights of employees to engage in labor actions; however, we must highlight the broad implications of this legislation and its potential financial and operational impacts on county governments.

The current language of this bill could extend beyond traditional and lawful strikes. A "labor dispute" is a broad and inclusive term that could encompass a wide range of employment disagreements, including but not limited to:

- Sympathy strikes, where employees refuse to work in solidarity with other striking workers, which are illegal under PECBA;
- Unfair labor practices;
- Arbitration and mediation processes;
- Termination grievances, regardless of merit; and
- Unpaid leave during an investigation, which is a routine and necessary procedure in employment law.

This expansive definition creates significant concern for counties. Unlike private employers, county governments cannot simply absorb unpredictable increases in costs. Counties operate within constrained budgets that rely on taxpayer dollars, and any expansion of liability for unemployment benefits must be carefully evaluated to assess its potential long-term financial burden.

One of the major concerns concerning fiscal impacts of this bill is its effect on county budgets as a reimbursement-type employer. This means that counties reimburse the state unemployment fund, dollar-for-dollar, for each unemployment benefit paid to a former employee. Many counties prepare for these future expenses by building unemployment insurance risk pools into their budgets. These pools are funds that are paid into for future unemployment reimbursements.

If this legislation results in an increase in labor disputes leading to unemployment claims—especially given the broad definition of a labor dispute—counties would be forced to expand their contributions to these pools significantly, in order to fulfill their obligations of reimbursing the state unemployment fund. The financial implications of this could be substantial, diverting resources away from critical services such as public safety, infrastructure maintenance, and social services.

Additionally, the operational impact of this legislation cannot be overstated. Expanding eligibility for unemployment benefits in the context of labor disputes could create unintended consequences, including increased employment disagreements and prolonged disputes, which would lead to disruptions in county services that residents rely on daily.

We respectfully urge the committee to consider the financial and operational ramifications of this legislation on county governments. A more targeted and precise definition of qualifying labor disputes—like ensuring that only those disputes involving lawful strikes are covered—could mitigate some of these concerns. Counties must balance fair labor policies with their responsibility to deliver vital public services efficiently and sustainably.

We appreciate your time and consideration of these important concerns. Counties stand ready to work collaboratively to find a solution that supports employees while maintaining fiscal responsibility and uninterrupted public services.

Respectfully submitted,

Justin Low
Legislative Affairs Manager, Governance and Revenue