

February 7, 2025

AGC Testimony Re: SB 916

Dear Chair Taylor, Vice Chair Bonham, and Members of the Committee:

Associated General Contractors – Oregon Columbia Chapter represents a broad cross-section of the commercial construction industry, including open shop and union, rural and metro, highway and building contractors. As an association that represents employers throughout the state, AGC feels strongly about ensuring that the employer-funded state unemployment insurance system stays healthy and able to provide assistance for those employees who find themselves out of work for no fault of their own. This system is critical to help keep Oregonians afloat when they find themselves unemployed, and AGC strongly supports the unemployment insurance program for that reason.

AGC’s concerns about this bill are two-fold. First, it changes the nature of labor disputes in Oregon. There is a balance of power in labor strikes, and this bill would upend that balance and put significant weight on the employee side of the labor dispute. In a labor dispute, employers are strained by limited ability to complete the functions they need to do to keep their businesses running, and their clients served. Not receiving a regular paycheck or regular work hours is part of what puts pressure on the employees. In the current situation, both parties feel the effects of the labor dispute, causing them to come to the table quicker to resolve the issue. However, if employees are receiving unemployment insurance, that pressure becomes far more one-sided, likely prolonging labor disputes to the detriment of all involved.

Also, within the construction industry, most unions have strike funds to help protect their members’ financial welfare in the case of a labor strike. This prevents some of the consequences that the proponents of the bill have listed as reasons why this bill is necessary. With the strike fund as part of a union’s protections for their membership, unemployment insurance is not needed to the same extent as expressed by bill proponents.

AGC’s other concern with this legislation is the threat it poses to the state’s unemployment insurance system financially. For AGC members who do not utilize a unionized workforce, this bill can still have significant impacts because of the potential impact to the unemployment insurance system’s financial viability. Employers across the state pay into the unemployment fund for protection for workers who are unable to work through no fault of their own. When this fund is used for other purposes (like proposed in this bill), the fund is diluted from being

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able to service its intended function. As a result, it seems likely that the fund will need to be replenished more substantially by all employers, regardless of whether their employees are unionized. This will financially impact all employers throughout the state, and all AGC members.

Thank you for the opportunity to provide testimony.

Sincerely,

Kirsten Adams  
Director and Counsel – Policy and Public Affairs  
Associated General Contractors, Oregon-Columbia Chapter

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