



Martha Sonato
Legislative Advocate
Oregon Law Center
msonato@oregonlawcenter.org

To: Senate Committee on Business and Labor
From: Martha Sonato, Legislative Advocate
Re: Opposition to SB 622
Date: February 13, 2025

Chair Taylor, Vice-Chair Bonham, and members of the committee,

Thank you for the opportunity to submit testimony in opposition to SB 622 on behalf of the Oregon Law Center (OLC).

SB 622 proposes to exempt employers from paying unemployment insurance (UI) taxes on wages paid to noncitizens performing agricultural labor under H-2A visas. This proposal is deeply flawed, as it undermines the fairness and stability of Oregon's UI system and create unfair advantages in the labor market.

Our mission at OLC is to achieve justice for Oregon's low-income communities by providing high-quality civil legal services. We have a dedicated farmworker program that serves agricultural workers across the state—offering free legal support, connecting workers to vital resources, and advocating for their rights. Based on our extensive history working with farmworker clients, we have several serious concerns about this legislation.

Fairness in employer contributions and the purpose of unemployment insurance

Unemployment insurance was created in 1935 to help people who lose their jobs through no fault of their own. UI contributions are based on employment, not eligibility. Employers pay UI taxes based on total wages paid and the number of employees, regardless of whether those employees individually qualify for benefits. This system operates like pooled insurance: contributions from all employers fund benefits for eligible workers across the board.

While H-2A workers may not typically qualify for UI benefits due to visa restrictions that prevent them from seeking other employment in the U.S., this does not mean that employers hiring these workers should be exempt from contributing. Allowing such an exemption undermines the shared responsibility that supports Oregon's UI system and weakens the safety net for all workers.

The Oregon Law Center's mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services.

Unfair advantage for employers who utilize the H-2A program

Exempting employers who hire H-2A workers from paying UI taxes creates an uneven playing field. Employers who choose to hire local workers will still be required to contribute to the UI system, while those relying on H-2A workers would not. This unfair advantage could incentivize employers to prioritize hiring temporary foreign workers over local labor, further limiting opportunities for Oregon's domestic agricultural workforce.

Additionally, this proposal rewards reliance on an inherently flawed H-2A system, which is long overdue for reform. The H-2A program has a history of failing both foreign agricultural workers and domestic agricultural workers by perpetuating unsafe working conditions, wage violations, and worker exploitation.

Negative impacts on domestic agricultural workers:

In theory, the H-2A program is supposed to protect domestic workers. To hire H-2A workers, employers must get approval from the Department of Labor, showing that:

1. The job is temporary or seasonal.
2. There aren't enough U.S. workers available and qualified for the job.
3. Hiring foreign workers won't negatively affect the wages or working conditions of U.S. workers.

However, in practice, these safeguards look vastly different. Employers are required to recruit local workers through state job systems and private efforts, posting job listings 60 to 75 days before work begins with fair, non-discriminatory requirements. But on the ground, we often see employers:

- Failing to adequately recruit local workers.
- Setting unrealistic productivity quotas to discourage U.S. applicants.
- Scheduling inconvenient interviews or offering inconsistent hours to drive local workers away.

We've seen a preference for a workforce of younger, able-bodied men who can meet physically demanding productivity rates. In fact, most H-2A workers are male.¹ This excludes many older workers, women, and workers with families from jobs they've historically relied on.

¹ [https://www.gao.gov/products/gao-25-106389#:~:text=H%2D2A%20workers%20were%20mostly,and%20married%20\(60%20percent\).](https://www.gao.gov/products/gao-25-106389#:~:text=H%2D2A%20workers%20were%20mostly,and%20married%20(60%20percent).)



Additionally, the number of H-2A visas has sharply increased. Between FY 2018 and FY 2023, approved H-2A jobs and visas rose by over 50%, with the Department of State issuing nearly 310,000 H-2A visas in 2023 alone.²

Impacts on H-2A workers:

The H-2A system is widely recognized as being vulnerable to [worker abuse](#). Since workers are dependent on a single employer for their visa, housing, transportation, and sometimes even food, they are less likely to report violations such as wage theft, unsafe working conditions, or labor trafficking.

From FY 2018 through FY 2023, the [Department of Labor](#) found violations in 84% of employer investigations, with wage violations being the most common. This reflects the systemic issues within the H-2A program, not just isolated bad actors.

For all these reasons, we urge you to oppose SB 622. Exempting employers from paying unemployment taxes for H-2A workers will incentivize the use of temporary foreign labor at the expense of Oregon's farmworkers and undermine the fairness of our unemployment system.

All employers benefit from a strong, stable UI system and should contribute their fair share, regardless of the workers they employ. Oregon's policies should support local workers and fair business practices—not create loopholes that encourage employers to bypass these responsibilities.

Thank you for your time and consideration.

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Legislative Advocate
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² [https://www.gao.gov/products/gao-25-106389#:~:text=From%20fiscal%20year%20\(FY\)%202018,2A%20visas%20in%20FY%202023.](https://www.gao.gov/products/gao-25-106389#:~:text=From%20fiscal%20year%20(FY)%202018,2A%20visas%20in%20FY%202023.)