



## VOTE NO on SB 916

### Protect Integrity of Oregon's Unemployment Insurance Program

Employers pay 100% of unemployment taxes. Public employers, including cities, counties and school districts, typically reimburse the state for benefits paid to former employees. The increased costs of providing unemployment benefits for workers on strike would be spread among all employers, consumers, and local taxpayers.

#### Contradicts the Purpose of Unemployment Insurance

Unemployment insurance is designed to support people who find themselves out of work through **no fault of their own**. Striking workers voluntarily choose to stop working as part of a dispute.

#### Signals that the State Government is Picking a Side in Strikes

Strikes are, by their very nature, intended to inflict maximum pain on employers so that they will accede to union demands. If the state essentially funds the act of striking, they are 1) putting the state's thumb

on the scale in what should be a negotiation process between workers and employers and 2) allows the state to further financially hurt employers in a labor dispute by adding increased UI taxes.

### **Undermines the Purposes of Strikes**

Strikes are typically a way for workers to gain leverage in contract negotiations, aiming to create enough pressure on the employer to force the employer to agree to increased wages or benefits. If striking workers can access UI benefits, it weakens the lone bargaining tool employers have to incentivize workers to return to the bargaining table to settle the dispute.

### **Would Prolong Strikes and Lead to More Frequent Strikes**

Customarily, unions establish a strike fund to help their members make ends meet if a work stoppage is likely to be called during contract negotiations. SB 916 would remove or reduce labor unions' obligation to take care of its own striking members, shifting that burden to employers and taxpayers. With striking workers receiving employer-funded benefits meant for people who are unemployed, there would be less urgency to sit at the bargaining table and do the hard work of compromise. This will lead to longer strikes and make strikes a more frequent tool of negotiation.

### **Puts Oregon's Unemployment Insurance Trust at Risk**

Providing unemployment benefits to striking workers will strain the fund, especially if many workers use these benefits over an extended period. The trust fund is built to handle layoffs due to economic downturns, not labor disputes.

### **Would Raise Unemployment Insurance Payroll Taxes on Oregon Employers**

Employers fund the unemployment insurance system through payroll taxes, and if benefits are extended to striking workers, those employers will pay more. In turn, those employers would have less to invest in wages and benefits, need to raise prices or both.

### **Costs Taxpayers More**

If public unions strike, the impact to state, local or school district budgets could be significant. Money paid into the trust fund for strike benefits means money that isn't going to a critical program or service. This is particularly alarming given the number and frequency of recent teacher strikes and the vast number of different public employee unions in local communities across the state.

**VOTE NO on Unemployment Insurance Benefits for Striking Workers**