

Date:	April 30th, 2025
To:	Chair Grayber, Vice Chairs Munoz and Elmer, and Members of the House Committee on Labor and Workplace Standards
From:	Association of Oregon Counties Legislative Affairs Manager, Justin Low
Subject:	Oppose – SB 916 A

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). Thank you for the opportunity to offer testimony in opposition to SB 916 A.

AOC is a non-partisan member organization that advocates on issues that unite all county governing bodies, and we represent just one segment of your partners in local government who are stewards of the Oregonian’s taxpayer dollars which are meant provide essential services and resources to our communities. We recognize and respect the rights of employees to engage in labor actions; however, we are concerned that this legislation will have significant financial and operational impacts on county governments.

Counties have estimated that the financial impact to reimburse the state unemployment fund dollar-for-dollar if striking workers receive UI benefits is as follows:

- Largest population counties \$850,000 - \$1 million per week
- Medium population counties \$110,000 - \$330,000 per week
- Smallest population counties \$10,000 - \$20,000 per week.

And this is just to cover reimbursing the state unemployment fund. These costs do not take into account the additional funds counties will have to expend to hire replacement workers, especially for essential services that counties provide, like road care and maintenance, public health services, courthouse services, medical examiners, and planning departments for land use permitting and decision-making, which are all statutorily required services in state law.

Therefore, if any of these services have a bargaining unit in a county that experiences a strike, counties will have to reimburse the state for unemployment benefits **and** for replacement workers to continue providing services to the public and remain in compliance with state law.

Unlike private employers, county governments cannot simply absorb unpredictable increases in costs. Like other local governments, we operate with constitutionally

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constrained budgets that rely on taxpayer dollars. This year alone, during local government budgeting season, 60% of our county membership reported that they are facing a budget gap as they try to plan for the next fiscal year. Some of our largest-populated counties have revealed their budget proposals to close these gaps, and they propose cuts to crucial personnel and capacity reductions for everyday services. All of these budget issues are ongoing as we speak, and they don't even have to factor in the impact of a significant piece of legislation like SB 916 A.

Speaking of, should SB 916 A pass, the budget impact will actually be felt immediately, and not just after a strike occurs, requiring the state unemployment fund to be replenished. Many of our counties, if not all, have risk management funds where they set aside funds annually from each department to cover costs like workers' compensation, liability insurance, and reimbursing unemployment claims.

If this legislation passes and increases the potential for and volume of unemployment claims, from a risk perspective, counties would be forced to increase their contributions to these risk management funds significantly. The financial implications of this could be substantial, diverting general fund dollars away from critical services every year, such as public safety, infrastructure maintenance, and social services—all without a strike even taking place.

Therefore, we respectfully urge the committee to consider the financial and operational ramifications of this legislation on county governments. While AOC is opposed to the bill as written, we are open to conversations that could mitigate the financial and operational concerns that we have with SB 916 A. Thank you for your time and consideration of these important concerns.

Sincerely,

Justin Low
Legislative Affairs Manager for Governance and Revenue