

SB 916 A STAFF MEASURE SUMMARY**Carrier:** Sen. Bonham**Senate Committee On Labor and Business****Minority Report****Action Date:** 03/06/25**Action:** Do pass with different amendments. (Printed A-Eng.) Minority**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Report Signers:** Sen. Bonham, Sen. Hayden**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 2/6, 2/11, 2/18, 2/27, 3/4, 3/6**WHAT THE MEASURE DOES:**

The measure states whereas clauses. The measure provides that an individual who is otherwise eligible for unemployment insurance (UI) benefits from the Oregon Employment Department (OED) is not disqualified for UI benefits or waiting week credit for any week that the individual is unemployed because of a lockout. It specifies that an individual is disqualified for UI benefits for the first three weeks that OED finds that unemployment of the individual is due to a strike and provides a process for an individual to receive UI benefits when unemployed due to a strike after the first three weeks. The measure makes it unlawful for any public employee to participate in a strike, specifies that a labor organization may not declare or authorize a strike of public employees, and eliminates the process for a public employee to lawfully strike.

Detailed Summary:

States whereas clauses related to the measure and legislative processes.

Section 1

- Amends existing law to specify that an individual who is otherwise eligible for unemployment insurance (UI) benefits is not disqualified for UI benefits or waiting week credit for any week that the Director of the Oregon Employment Department (OED) finds that the individual is unemployed because of a lockout at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement regardless of UI laws relating to availability to work, actively seeking work, or refusal to accept suitable work.
- Specifies that an individual is disqualified for UI benefits for the first three weeks that OED finds that unemployment of the individual is due to a strike.
- Specifies that an individual who is otherwise eligible for unemployment insurance (UI) benefits is not disqualified for UI benefits or waiting week credit for any week following the first three weeks that OED finds the individual is unemployed because of a strike at the factory, establishment, or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement regardless of UI laws relating to availability to work, actively seeking work, or refusal to accept suitable work.
- Makes conforming amendments.

Section 2

Specifies that Sections 3 through 5 of the measure are added to ORS chapter 657, which contains Oregon laws for unemployment insurance.

Section 3

Specifies that UI benefits an individual receives as a result of unemployment resulting from a strike constitute a debt owed to the Unemployment Compensation Trust Fund (Fund). Specifies interest rate for the UI benefits until repaid in full and provides that if the amount of UI benefits is repaid within one year the interest is abated.

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Specifies that a labor organization that represents a person subject to repayment for UI benefits, if any, is responsible for repayment on behalf of the person to OED for deposit in the Fund. Specifies that UI benefits constituting a debt to the Fund because they were received as a result of a strike may not be charged to the account of the employer of the individual who received the UI benefits.

Section 4

Specifies when payment of UI benefits begin for individuals who are eligible for UI benefits as a result of unemployment resulting from a strike when the individual is a member of a labor organization that maintains a strike fund that has sufficient funds to provide weekly payments for not less than four consecutive weeks during the period of the strike of \$836 to each member of the labor organization and during the period of the strike, offers strike fund money to all represented employees regardless of their participation in strike support activities.

Section 5

Specifies that UI benefits received by an employee of a school district or education service district during a lockout shall count toward the employee's total compensation in an applicable collective bargaining agreement. Specifies that a school district shall deduct UI benefits received from the employee's future wages.

Section 6

Redefines "contribution" to mean taxes. Defines "labor dispute," "labor organization," "lockout," "strike," and "strike fund."

Section 7

Provides an exception to the prohibition that back pay paid by an employer to an individual may not be reduced by the amount of UI benefits the individual received when the back pay was paid by an employer to resolve a strike to an employee who has not repaid the UI benefits for the period during which the strike was in progress.

Section 8

- Provides a process for the repayment or deduction of future UI benefits because an individual received UI benefits because of unemployment resulting from a strike.
- Makes conforming and technical amendments.

Section 9

Prohibits the Director of OED from waiving recovery of UI benefits subject to repayment or deduction as a result of the individual receiving UI benefits because of unemployment resulting from a strike.

Sections 10 through 14

Makes conforming amendments.

Section 15

Specifies that when bargaining representatives for a public employer and employees have been unable to reach an agreement and the Employment Relations Board (board) has rendered assistance to resolve the labor dispute, but no agreement has been reached within the specified schedule, the public employer shall submit the issues in dispute to final and binding arbitration. Eliminates right for public employees to strike when no agreement has been reached under these circumstances. Makes conforming amendment.

Section 16

Makes it unlawful for any public employee to participate in a strike. Specifies that a labor organization may not declare or authorize a strike of public employees. Eliminates process for a public employee to lawfully strike. Makes conforming amendment.

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Section 17 through 19

Makes conforming amendments.

Section 20

Makes conforming amendment as a result of the repeal of ORS 243.736 by defining "emergency communications worker."

Sections 21 through 27

Makes conforming amendments.

Section 28

Repeals ORS 243.732, which addresses when a public employee refuses to cross a picket line. Repeals ORS 243.736, which makes it unlawful for specified public employees to strike or recognize a picket line of a labor organization while in the performance of official duties. Repeals ORS 243.738, which makes it unlawful for specified public employees to strike or recognize a picket line of a labor organization while in the performance of official duties.

ISSUES DISCUSSED:

- Potential impact on employers who pay unemployment insurance (UI) taxes
- Potential impact on reimbursing employers
- Meaning of "reimbursing employer"
- Mechanics of UI Tax Rate Schedules
- Potential impact on UI Trust Fund
- Mechanics of "experience rating" on an employer's UI tax rate
- Other states that allow striking workers to collect UI benefits
- Federal regulation of UI benefits
- Other states prohibition on public employees striking
- Oregon's unfunded mandate law
- Tax implications of strike funds

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Generally, unemployment insurance (UI) provides money to people who have lost their job or have had their hours reduced as they look for employment. Unemployment insurance is supported through contributions from Oregon employers into the Unemployment Insurance Trust Fund. The Oregon Employment Department (OED) administers the UI program in Oregon; collects the contributions that support the program; determines eligibility for UI benefits and pays benefits; and works to prevent fraud.

Currently, a person is disqualified for UI benefits for any week that the OED Director determines that the unemployment of the person is due to a labor dispute that is in active progress at the person's place of employment. There are exceptions to this law, such as when the unemployment is due to a lockout.

In Oregon, participation in a strike by a public employee is currently lawful under specified circumstances. For example, the public employee must be in an appropriate bargaining unit involved in a labor dispute. Oregon law also specifies that certain types of public employees are prohibited from striking, such as employees of a municipal bus system, firefighters, police officers, or emergency communications workers.

In contrast, New York prohibits public employees from striking and establishes penalties for violations pursuant to N.Y. Civ. Serv. sect. 210. In New Jersey, there is no statute governing whether public employees generally can

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strike. However, the Supreme Court of New Jersey has consistently held that public employees do not have the right to strike.

Senate Bill 916 MRA provides a process for an individual to receive UI benefits when the individual is unemployed because of a strike. SB 916 MRA also makes it unlawful for any public employee to participate in a strike and specifies that a labor organization may not declare or authorize a strike of public employees.