



February 6, 2025

TO: Members of the Senate Committee on Labor and Business

FR: Paloma Sparks, Oregon Business & Industry

RE: Opposition to SB 916 – Unemployment Benefits for Striking Workers

Chair Taylor, Vice-chair Bonham, members of the Senate Committee on Labor and Business. For the record, I am Paloma Sparks, Executive Vice President & General Counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

The long-standing purpose of unemployment insurance is to provide a safety net for individuals who become unemployed **through no fault of their own**. The legal definition of a strike is "an organized and intentional stoppage or slowdown of work by employees, intending to make the employer comply with the demands of employees." The core principles behind these two concepts are, quite simply irreconcilable.

Collective bargaining is intended to be a negotiation process. Employers have an obligation to bargain in good faith. They do not have an obligation to agree to every proposal presented by a union. The most common understanding of bargaining assumes both parties compromise their positions and ultimately reach an agreement.

A strike is, ultimately, a way for workers to gain an advantage in this bargaining process. Strikes are intended to inflict sufficient pain on an employer so that they will accede to the union's demands in the negotiation. If the state requires employers to also pay workers who refuse to work for them, the entire system is upended, and employers are subject to multiple levels of punishment simply for negotiating in good faith. Additionally, providing UI benefits would incentivize strikes, rather than encouraging both parties to negotiate in good faith to reach an agreement.

Oregon employers fund our unemployment insurance system. In recent years, employers have stood up and worked with the Employment Department to fund increasing administrative costs when the federal government reduced those funds going to states. OBI has always valued the way OED has prioritized helping both employers and employees and we fear this bill could upend that.

Only two states in the nation allow striking workers to collect unemployment benefits – New Jersey and New York. This concept can only do further damage to Oregon at a time when we are seeing an alarming downward trend in our competitiveness with other states. A recent CNBC ranking of “America’s Top States for Business” ranked Oregon 28th overall but that reflects a drop of 10 spots from 2022 when Oregon was ranked 18th overall. Additionally, in the report’s ranking for business friendliness Oregon was 48th. Which states are considered to be less business friendly than Oregon – according to the 128 metrics used? New Jersey and New York.

Oregon already has a reputation for being unfriendly to business. In the past, labor unions understood that for their members to thrive, the businesses that employed them must also thrive. For some reason, that understanding has fallen away. We won’t pretend this is going to chase away all businesses, but it is yet another factor that weighs against Oregon.