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Senate Committee on Labor and Business
Oregon State Capitol
900 Court Se. NE
Salem, OR 97301

RE: Senate Bill 916

Dear Chair Taylor, Vice-Chair Bonham, and Members of the Senate Committee on Labor and Business:

On behalf of the City of Lebanon, I thank you for the opportunity to provide testimony on Oregon Senate Bill (SB) 916 (2025). The City of Lebanon opposes the provisions of SB 916 for several reasons, with the overall understanding that this bill will increase the length of strikes, diminishing the service to our constituents and increasing costs to the taxpayers.

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 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.

Will 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. This essentially results in an unfunded mandate.

Will Cost Government & Taxpayers

The impact on state (or school district, local government) budgets could be troubling if public unions strike. This is particularly alarming given the number and frequency of recent teacher strikes.

Sends a Message that the State Government is Picking a Side in Strikes

Strikes are, by their very nature, intended to inflict maximum pain on businesses so that they will accede to union demands. If the state essentially funds the act of striking, it is 1) putting the state's thumb on the scale in what should be a negotiation process between workers and employers and 2)

allowing the state to further financially hurt businesses in a labor dispute by adding increased Unemployment Insurance (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 employers' lone bargaining tool to incentivize workers to return to the bargaining table to settle the dispute.

Will 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 care for their 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 negotiation tool.

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.

Cities are struggling to meet our community's needs, with diminishing resources. Additional budgetary pressures while also impacting our ability to provide service to our community due to increased and prolonged strikes does not result in a positive impact to all Oregonians.

The City of Lebanon thanks this Committee for the opportunity to provide testimony and for your consideration.

Respectfully,



Ron Whitlatch
City Manager