



March 5, 2026

Honorable Arthur J. Corvese  
Chairman, House Labor Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

RE: H7440 - AN ACT RELATING TO LABOR AND LABOR RELATIONS –  
EMPLOYMENT SECURITY - BENEFITS

Dear Chairman Corvese and Honorable Members of the Committee:

As the Executive Director of Rhode Island Business Leaders Alliance (the “Alliance”), I am grateful for the opportunity to provide the House Labor Committee with this written testimony in response to H7440 - AN ACT RELATING TO LABOR AND LABOR RELATIONS – EMPLOYMENT SECURITY - BENEFITS, which allows unemployment benefits for workers who are on strike or are locked out of their workplaces by their employer due to a labor dispute.

For decades, unemployment insurance systems across the United States in all fifty states have operated under a consistent principle: workers who leave employment due to a strike or active labor dispute are not eligible to receive unemployment benefits during the period of the dispute. This uniform rule has served several important purposes:

- Maintaining the neutrality of unemployment insurance systems in labor disputes.
- Preserving limited unemployment trust fund resources for individuals who lose jobs through no fault of their own.
- Preventing the state from subsidizing either party’s bargaining position during private labor negotiations.

While many states, including Rhode Island, have statutory exceptions to protect workers who are not involved in the labor dispute, the longstanding core principle has been clear: striking workers deserve to be disqualified from receiving unemployment benefits.

It was not until January 1, 2026 that Oregon and Washington became the first states in the country to depart from this foundational framework by permitting unemployment benefits for striking workers after a short waiting period. H7440 would position Rhode Island as only the third state to adopt this approach—and the first on the East Coast—despite the absence of long-term data on how these groundbreaking changes will affect unemployment trust funds, employer contribution rates, labor negotiations, or the broader business climate.

Allowing unemployment benefits for striking workers would fundamentally change the nature of labor negotiations in Rhode Island and would give labor unions even more power to dictate the terms and conditions of employment. Unemployment insurance systems were not designed to serve as a financial support mechanism during strikes—periods when employment separation is voluntary and strategic, not involuntary or unavoidable.

By shifting the burden of strike activity onto the state's unemployment trust fund—and ultimately onto Rhode Island employers across all industries—H7440 risks:

- Dramatically increasing employer UI tax rates.
- Extending strike durations.
- Injecting state financial support into private labor disputes.
- Reducing the neutrality and core purpose of the UI system.
- Placing significant financial strain on Rhode Island's UI system—a system that is already underfunded and that may not survive another shock like the COVID-19 pandemic.

Rhode Island employers are already navigating some of the highest unemployment insurance tax burdens in the country. Adding a completely new category of UI claimants—individuals who are intentionally withholding their labor—would place further stress on an already fragile system.

H7440 represents a significant departure from decades of sound, well-established nationwide unemployment insurance policy. Before Rhode Island becomes one of only a handful of states undertaking this major shift, we respectfully urge the Committee to study the long-term fiscal, economic, and labor-relations consequences for employers, workers, and the state as a whole.

Thank you for your time and consideration, and please feel free to contact me to continue this important conversation.

Respectfully submitted by:

*Gregory Tumolo*

Gregory Tumolo, Executive Director  
Rhode Island Business Leaders Alliance