

**HB 5006 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Emergency Board**

**2025-27**

**Various Agencies**

**2025-27**

**Emergency Board**

**Long Term Care Ombudsman**

**Department of Environmental Quality**

**Marine Board**

**Public Defense Commission**

**Department of Education**

**2023-25**

## Budget Summary

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### 2025-27 Committee Recommendation

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#### Emergency Board

General Fund - General Purpose	100,000,000
General Fund - Special Purpose Appropriations	
State Agencies for state employee compensation	300,000,000
State Agencies for non-state employee compensation	75,000,000
OHA and DHS Caseloads	100,000,000
Natural Disasters	150,000,000
Roseburg Veterans' Home	35,000,000
ODF Fire Severity	24,000,000
Implementation of SB 243 and BM 114	12,182,349

#### ADMINISTRATION PROGRAM AREA

##### Department of Administrative Services

General Fund	55,950,289
General Fund Debt Service	(315,880)
Lottery Funds Debt Service	(2,334,794)
Other Funds	163,284,112
Other Funds Capital Improvements	2,819,680
Other Funds Debt Service	4,760,657

##### Department of Revenue

General Fund	142,858
General Fund Debt Service	(173,205)
Other Funds	1,865,676
Other Funds Debt Service	552,000

##### Employment Relations Board

General Fund	(2,489)
Other Funds	(1,763)

##### Office of the Governor

General Fund	(368,141)
Lottery Funds	29,293
Other Funds	25,207

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### 2025-27 Committee Recommendation

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#### Oregon Advocacy Commissions Office

General Fund	294,610
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#### Oregon Government Ethics Commission

Other Funds	35,644
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#### Oregon Liquor and Cannabis Commission

Other Funds	8,745,246
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Other Funds Debt Service	6,833,583
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#### Public Records Advocate

Other Funds	7,200
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#### Racing Commission

Other Funds	31,040
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#### Public Employees Retirement System

Other Funds	801,177
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#### Secretary of State

General Fund	66,433
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Other Funds	(282,357)
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Federal Funds	10,413
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#### State Library

General Fund	(6,460)
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Other Funds	(56,027)
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#### State Treasurer

Other Funds	805,993
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### CONSUMER AND BUSINESS SERVICES PROGRAM AREA

#### Bureau of Labor and Industries

General Fund	2,118,513
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Other Funds	(213,138)
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Federal Funds	(52,372)
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### 2025-27 Committee Recommendation

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#### Department of Consumer and Business Services

General Fund	265,349
Other Funds	963,224
Federal Funds	362

#### State Board of Accountancy

Other Funds	60,755
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#### State Board of Chiropractic Examiners

Other Funds	44,047
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#### Construction Contractors Board

Other Funds	61,226
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#### Oregon Board of Dentistry

Other Funds	35,003
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#### Health Related Licensing Boards

Other Funds	62,986
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#### Oregon Medical Board

Other Funds	164,994
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#### Oregon State Board of Nursing

Other Funds	259,702
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#### Board of Licensed Social Workers

Other Funds	27,865
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#### Mental Health Regulatory Agency

Other Funds	155,535
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#### Board of Pharmacy

Other Funds	128,176
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#### Public Utility Commission

Other Funds	614,944
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#### Real Estate Agency

Other Funds	45,824
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#### State Board of Tax Practitioners

Other Funds	14,370
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## Budget Summary

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### ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

#### Oregon Business Development Department

General Fund	20,730,490
General Fund Debt Service	(3,936,498)
Lottery Funds	5,959,618
Lottery Funds Debt Service	5,199,728
Other Funds	393,339,911
Other Funds Nonlimited	30,000,000
Other Funds Debt Service Nonlimited	8,026,000
Federal Funds	(9,963)

#### Employment Department

Other Funds	(828,480)
Federal Funds	46,642

#### Housing and Community Services Department

General Fund	13,471,744
General Fund Debt Service	21,237,840
Lottery Funds Debt Service	2,609,888
Other Funds	69,300,024
Other Funds Debt Service	1,712,388
Federal Funds	(25,359)

#### Department of Veterans' Affairs

General Fund	513
Lottery Funds	(2,197)
Other Funds	152,971
Other Funds Debt Service	414,260
Other Funds Debt Service Nonlimited	(1,168,586)

### EDUCATION PROGRAM AREA

#### Department of Early Learning and Care

General Fund	(82,980)
Other Funds	832
Federal Funds	63,726

## Budget Summary

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### 2025-27 Committee Recommendation

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#### Department of Education

General Fund	18,180,623
General Fund Debt Service	(11,985,310)
Lottery Funds	(18,757,768)
Lottery Funds Debt Service	(1,565,411)
Other Funds	78,994,210
Other Funds Debt Service	9,597,000
Federal Funds	14,204

#### Higher Education Coordinating Commission

General Fund	5,802,520
General Fund Debt Service	(22,488,075)
Lottery Funds Debt Service	(2,812,377)
Other Funds	9,195,566
Other Funds Debt Service	8,632,895
Federal Funds	(24,808)
Federal Funds Debt Service Nonlimited	3,899,000

#### Teacher Standards and Practices Commission

Other Funds	274,607
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#### HUMAN SERVICES PROGRAM AREA

##### Commission for the Blind

General Fund	24,990
Other Funds	1,282
Federal Funds	23,254

##### Oregon Health Authority

General Fund	11,955,218
General Fund Debt Service	1,168,773
Lottery Funds	226
Lottery Funds Debt Service	(3,610,976)
Other Funds	89,989
Other Funds Capital Improvements	4,788,000
Other Funds Debt Service	401,000
Federal Funds	24,673,246

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#### Department of Human Services

General Fund	13,011,704
General Fund Debt Service	(1,900)
Other Funds	464,695
Other Funds Debt Service	2,100
Federal Funds	6,381,609

#### Long Term Care Ombudsman

General Fund	129,380
Other Funds	814

#### Psychiatric Security Review Board

General Fund	(42,387)
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#### JUDICIAL BRANCH

##### Commission on Judicial Fitness and Disability

General Fund	5,491
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##### Judicial Department

General Fund	5,160,180
General Fund Debt Service	(2,157,864)
Other Funds	5,035,000

#### LEGISLATIVE BRANCH

##### Legislative Administration Committee

General Fund	20,096
General Fund Debt Service	(5,125,414)
Other Funds Debt Service	3,849,000

##### Legislative Assembly

General Fund	(153,647)
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##### Legislative Counsel

General Fund	(9,492)
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##### Legislative Fiscal Office

General Fund	5,973
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##### Legislative Policy and Research Office

General Fund	35,763
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## Budget Summary

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### 2025-27 Committee Recommendation

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#### Legislative Revenue Office

General Fund	1,099
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#### Commission on Indian Services

General Fund	865
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#### NATURAL RESOURCES PROGRAM AREA

##### State Department of Agriculture

General Fund	5,091,755
General Fund Debt Service	1,563,352
Lottery Funds	89,240
Other Funds	6,640,776
Federal Funds	38,311

##### Columbia River Gorge Commission

General Fund	(8,193)
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##### State Department of Energy

General Fund	5,935
Other Funds	50,082
Federal Funds	4,795

##### Department of Environmental Quality

General Fund	1,157,960
General Fund Debt Service	284,181
Lottery Funds	14,710
Other Funds	3,026,994
Federal Funds	21,270

##### State Department of Fish and Wildlife

General Fund	942,948
General Fund Debt Service	2,324,868
Lottery Funds	208
Lottery Funds Debt Service	(131,260)
Other Funds	(129,652)
Other Funds Capital Improvements	(28,987)
Other Funds Debt Service	348,000
Federal Funds	4,596



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### 2025-27 Committee Recommendation

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#### Department of Forestry

General Fund	20,019,831
General Fund Debt Service	889,373
Lottery Funds Debt Service	(571,207)
Other Funds	6,008,530
Other Funds Debt Service	2,112,273
Federal Funds	67,662

#### Department of Geology and Mineral Industries

General Fund	(76,353)
Other Funds	17,895

#### Department of Land Conservation and Development

General Fund	315,369
Other Funds	6,460
Federal Funds	4,408,002

#### Land Use Board of Appeals

General Fund	(21,477)
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#### State Marine Board

Other Funds	143,201
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#### Department of Parks and Recreation

General Fund Debt Service	(1,750,000)
Lottery Funds	(526,318)
Lottery Funds Debt Service	(106,090)
Other Funds	(454,323)
Other Funds Debt Service	1,780,000

#### Department of State Lands

General Fund	442,576
Other Funds	56,768

#### Water Resources Department

General Fund	9,598,364
Lottery Funds Debt Service	(2,746,691)
Other Funds	15,677,636

#### Watershed Enhancement Board

Lottery Funds	(15,776)
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## Budget Summary

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### 2025-27 Committee Recommendation

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Lottery Funds Debt Service	(41,460)
Other Funds	36,803

#### PUBLIC SAFETY PROGRAM AREA

##### Department of Corrections

General Fund	6,671,605
General Fund Debt Service	(4,724,665)
Other Funds	4,389,043
Other Funds Debt Service	5,331,000

##### Department of the State Fire Marshal

General Fund	13,014,514
Other Funds	13,247,096
Federal Funds	199

##### Oregon Criminal Justice Commission

General Fund	6,220,621
Other Funds	4,988,515
Federal Funds	(12,954)

##### District Attorneys

General Fund	84,423
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##### Oregon Department of Emergency Management

General Fund	(630,803)
General Fund Debt Service	1,576,358
Other Funds	10,151,227
Other Funds Debt Service	358,000
Federal Funds	290

##### Department of Justice

General Fund	10,106,523
General Fund Debt Service	2,558,869
Other Funds	21,866,695
Other Funds Debt Service	(255,798)
Federal Funds	575,887

##### Oregon Military Department

General Fund	395,477
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## Budget Summary

### 2025-27 Committee Recommendation

General Fund Debt Service	408,284
Other Funds	229,359
Other Funds Debt Service	1,322,000
Federal Funds	1,535,042

#### Oregon Board of Parole and Post Prison Supervision

General Fund	223,312
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#### Department of State Police

General Fund	988,978
General Fund Debt Service	(3,171,851)
Lottery Funds	(17,093)
Other Funds	51,085
Other Funds Debt Service	4,033,000
Federal Funds	3,049

#### Public Defense Commission

General Fund	337,388
General Fund Debt Service	2,392,222
Other Funds	13,915,000

#### Department of Public Safety Standards and Training

General Fund	422,609
General Fund Capital Improvements	500,000
General Fund Debt Service	1,172,155
Other Funds	3,598,137

#### Oregon Youth Authority

General Fund	5,343,323
General Fund Capital Improvements	100,000
General Fund Debt Service	6,290,326
Other Funds	15,960,065
Other Funds Debt Service	1,133,300
Federal Funds	165,474

#### TRANSPORTATION PROGRAM AREA

#### Department of Aviation

Other Funds	19,425
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### 2025-27 Committee Recommendation

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#### Department of Transportation

General Fund	2,000,000
General Fund Debt Service	(2,801,828)
Lottery Funds Debt Service	(16,658,268)
Other Funds	43,837,653
Federal Funds	170,834

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#### **2025-27 Budget Summary**

<b>General Fund Total</b>	1,025,538,139
<b>General Fund Capital Improvements Total</b>	600,000
<b>General Fund Debt Service Total</b>	(16,765,889)
<b>Lottery Funds Total</b>	(13,225,857)
<b>Lottery Funds Debt Service Total</b>	(22,768,918)
<b>Other Funds Total</b>	897,042,552
<b>Other Funds Capital Improvements Total</b>	7,578,693
<b>Other Funds Debt Service Total</b>	52,916,658
<b>Other Funds Nonlimited Total</b>	30,000,000
<b>Other Funds Debt Service Nonlimited Total</b>	6,857,414
<b>Federal Funds Total</b>	38,083,411
<b>Federal Funds Debt Service Nonlimited Total</b>	3,899,000

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## Budget Summary

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### 2023-25 Adjustments

#### Budget Summary

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##### Emergency Board

General Fund - Special Purpose Appropriations  
Roseburg Veterans' Home (35,000,000)

##### Department of Education

General Fund 4,488,092  
Other Funds (4,488,092)

##### Department of Environmental Quality

Other Funds 810,780

##### Long Term Care Ombudsman

Other Funds 76,697

##### State Marine Board

Other Funds 2,235,584

## Position Summary

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### ADMINISTRATION PROGRAM AREA

#### Department of Administrative Services

Authorized Positions 2  
Full-time Equivalent (FTE) positions 2.00

#### Oregon Advocacy Commissions Office

Authorized Positions 2  
Full-time Equivalent (FTE) positions 1.00

#### Department of Revenue

Authorized Positions 2  
Full-time Equivalent (FTE) positions 1.63

## Position Summary

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#### State Treasurer

Authorized Positions	2
Full-time Equivalent (FTE) positions	1.76

#### CONSUMER AND BUSINESS SERVICE PROGRAM AREA

#### Department of Consumer and Business Services

Authorized Positions	5
Full-time Equivalent (FTE) positions	4.15

#### ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

#### Oregon Business Development Department

Authorized Positions	5
Full-time Equivalent (FTE) positions	4.52

#### Housing and Community Services Department

Authorized Positions	2
Full-time Equivalent (FTE) positions	1.50

#### EDUCATION PROGRAM AREA

#### Department of Education

Authorized Positions	8
Full-time Equivalent (FTE) positions	7.50

#### Higher Education Coordinating Commission

Authorized Positions	2
Full-time Equivalent (FTE) positions	2.00

#### NATURAL RESOURCES PROGRAM AREA

#### State Department of Agriculture

Authorized Positions	2
Full-time Equivalent (FTE) positions	1.76

#### Department of Environmental Quality

Authorized Positions	3
Full-time Equivalent (FTE) positions	2.64

## Position Summary

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### 2025 Committee Recommendation

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#### **Department of Fish and Wildlife**

Authorized Positions	2
Full-time Equivalent (FTE) positions	2.00

#### **Department of State Lands**

Authorized Positions	2
Full-time Equivalent (FTE) positions	1.52

#### **PUBLIC SAFETY PROGRAM AREA**

#### **Oregon Department of Emergency Management**

Authorized Positions	(7)
Full-time Equivalent (FTE) positions	(7.00)

#### **Department of Justice**

Authorized Positions	42
Full-time Equivalent (FTE) positions	40.13

#### **Department of State Police**

Authorized Positions	7
Full-time Equivalent (FTE) positions	0.91

#### **Public Defense Commission**

Authorized Positions	8
Full-time Equivalent (FTE) positions	7.40

#### **Oregon Youth Authority**

Authorized Positions	9
Full-time Equivalent (FTE) positions	9.00

## **Summary of Revenue Changes**

The General Fund appropriations and Lottery Funds adjustments included in HB 5006 are within the level of resources projected in the May 2025 state economic and revenue forecast published by the Department of Administrative Services, Office of Economic Analysis. Other Funds expenditure limitations are adjusted to support capital projects funded with bond proceeds; satisfy debt service obligations; make payments from statutory accounts capitalized with General Fund or other revenue sources; expend American Rescue Plan Act (ARPA) State Fiscal Recovery Funds carried over from the 2023-25 biennium; and make other expenditures for agencies that rely on Other Funds revenue, within forecasted amounts. The measure increases Federal Funds expenditure limitations to account for federal Medicaid match for the Essential Health Care Worker Trust and recognize legislatively approved federal grants.

## **Summary of Capital Construction Subcommittee Action**

HB 5006 is an omnibus budget bill that appropriates General Fund to the Emergency Board for general and targeted purposes and makes other adjustments to agency budgets and position authority in the 2025-27 biennium. The measure also includes adjustments to the 2023-25 budget for the Department of Education, Department of Environmental Quality, Oregon State Marine Board, Public Defense Commission, and the Long-Term Care Ombudsman.

For the 2025-27 biennium, the measure increases General Fund appropriations by \$1 billion, decreases Lottery Funds expenditure limitation by \$36 million, increases Other Funds expenditure limitation by \$957.5 million, increases Federal Funds expenditure limitation by \$38.1 million, and establishes 103 positions (88.67 FTE). Major adjustments in the measure include:

- \$796.2 million General Fund appropriated to the Emergency Board for general purposes (\$100 million) and special purposes (\$696.2 million)
- \$125.8 million General Fund, not including appropriations to the Emergency Board, for investments that address wildfire (\$40.5 million), long-term care workforce (\$17 million), immigration legal services (\$15 million), housing (\$14.9 million), economic development (\$10.2 million), and illegal marijuana enforcement (\$5 million)
- \$77.6 million General Fund for capital projects
- \$64.9 million General Fund and \$12.1 million Lottery Funds for debt service related to the issuance of new bonds
- \$809.1 million Other Funds to expend proceeds from the issuance of bonds

The Subcommittee also approved six budget notes included below for the Oregon Business Development Department, Higher Education Coordinating Commission, Housing and Community Services Department, Department of Human Services, Department of Fish and Wildlife, and Oregon Youth Authority. The amendment recommended by the Subcommittee includes the legal citations necessary to effectuate the omnibus budget adjustments, which are described in the narrative below.



## **Emergency Board**

The Emergency Board allocates General Fund from the Emergency Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated expenditures when the Legislature is not in session. The Subcommittee recommends a \$100 million General Fund appropriation to the Emergency Board for general purposes. HB 5006 also establishes seven special purpose appropriations to the Emergency Board totaling \$696.2 million. Agencies must submit requests to the Emergency Board for the funds to be allocated for the authorized purposes. The General Fund special purposes appropriations include:

- \$300 million for state employee compensation plan changes
- \$75 million for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees
- \$150 million for natural disaster prevention, preparedness, response, and recovery
- \$100 million for changes in Department of Human Services and Oregon Health Authority caseload levels
- \$35 million for construction of the Roseburg Veterans' Home
- \$24 million for allocation to the Department of Forestry for fire severity protection expenses
- \$12.2 million for allocation to the Department of State Police for implementation of SB 243 (2025) and Ballot Measure 114 (2022)

## **Statewide Adjustments**

Statewide adjustments impact agency budgets based on changes to the cost of debt service on outstanding bonds, Department of Administrative Services rates and service charges, and Attorney General legal rates. Overall, statewide adjustments result in decreases of \$73 million General Fund and \$35.3 million Lottery Funds and increases of \$15.4 million Other Funds and \$7.9 million Federal Funds. Section 224 of the measure identifies these changes for each agency and the amounts are included in the summary table at the beginning of this report.

## **Adjustments to 2025-27 Agency Budgets by Program Area**

### **ADMINISTRATION**

#### **Advocacy Commissions Office**

The Subcommittee approved \$288,912 General Fund, on a one-time basis, to continue two limited duration positions to support the work performed under HB 4052 (2022) related to Affinity Group Task Forces. The two positions, an Operations and Policy Analyst 3 (0.50 FTE) and a Public Affairs Specialist 1 (0.50 FTE) will continue to support the requirement of submitting final recommendations to the Legislature by June 30, 2026, after which the positions will phase-out.

## **Department of Administrative Services**

The Subcommittee approved a General Fund appropriation of \$10.5 million to the Department of Administrative Services (DAS), on a one-time basis, for deposit into the Universal Representation Fund under ORS 9.865 and a corresponding increase of \$10.5 million Other Funds expenditure limitation for disbursement from the Universal Representation Fund to Oregon Worker Relief as the fiscal agent for legal services, through the Universal Representation Program under ORS 9.860, for providing a statewide integrated, universal navigation and representation system for immigration matters.

The Subcommittee approved General Fund appropriations to DAS to distribute for the following purposes:

- \$1,468,500 for the Oregon Historical Society to support ongoing operations
- \$229,000 for Oregon Public Broadcasting

The Subcommittee approved one-time General Fund of \$4.6 million to provide as grants for the treatment of western juniper to minimize the negative impacts of western juniper on water resources and ecological health, to soil and water conservation districts in the following counties pursuant to ORS 568.970, as follows:

- \$1,235,000 for Crook County
- \$715,000 for Jefferson County
- \$585,000 for Klamath County
- \$585,000 for Deschutes County
- \$580,000 for Harney County
- \$455,000 for Lake County
- \$455,000 for Wheeler County

A total of \$650,000 General Fund is included for distribution to the Central Oregon Intergovernmental Council, with \$150,000 for coordination and administrative support for soil and water conservation districts related to implementing ORS 568.970, and \$500,000 for distribution to soil and water conservation districts for monitoring, or contracting for monitoring, related to implementing ORS 568.970 and 568.972.

Additional one-time investments include \$3 million General Fund for distribution to the Portland Business Alliance Charitable Institute, Inc. to support festivals in the Tom McCall Waterfront Park in the City of Portland; \$750,000 for Pueblo Unido PDX to facilitate the creation of additional language evaluations for interpreters of Indigenous languages spoken in present-day Mexico and Central and South America; and \$2,000,000 for Oregon Worker Relief to provide farmworker disaster relief.

An increase in Other Funds limitation totaling \$697,783 was approved, including establishment of two positions (2.00 FTE) to support the alignment of state pay practices with the Workday system. The Subcommittee also approved increasing the Other Funds limitation for the Office of the State Chief Information Officer by \$275,000 for continued membership within the Multi-State Information Sharing and Analysis Center.

An increase of \$4.5 million Other Funds is included for debt service costs associated with the repayment of general obligation bonds approved in SB 5505 (2025) that will be issued during the 2025-27 biennium to support DAS projects; an additional increase of \$1.1 million Other Funds is included for bond costs

of issuance. The Subcommittee also approved \$3.4 million in additional Lottery Funds debt service for repayment of lottery bonds that will be issued during the biennium.

The Subcommittee approved a total Other Funds expenditure limitation increase of \$146.6 million to facilitate the pass-through of proceeds from 2025-27 lottery bond sales, including \$1.7 million for the cost of issuance. Projects are detailed below and approved in SB 5531 (2025). A total of \$3.4 million Lottery Funds was provided to support repayment of lottery bonds approved in SB 5531 that will be issued before the end of the 2025-27 biennium. Debt Service payments on all the projects described below are estimated to be \$29.2 million Lottery Funds for the 2027-29 biennium and \$283.8 million over the life of the bonds. The approved projects and amounts are:

- \$3 million for the City of Beaverton Meadowlark Senior Housing Project.
- \$5 million to the Oregon Museum of Science and Industry (OMSI) for construction of OMSI District infrastructure to support affordable housing and mixed-use development.
- \$3.4 million for the Mid-Willamette Family YMCA Albany Veterans Apartments Project.
- \$8 million for the City of Gresham Fire Station 74 replacement project.
- \$10 million to the Central Oregon Intergovernmental Council for the CORE3 emergency coordination center and public safety training facility.
- \$3 million to the McMinnville Fire District for a new fire station.
- \$14.5 million for the Lane County Stabilization Center.
- \$6 million for the Columbia Memorial Hospital expansion.
- \$3.1 million for the Deschutes County Central Oregon Child Psychiatric Facility.
- \$4 million for the Mosaic Community Health Connors Campus, which includes primary care and other services.
- \$4.7 million for the Santiam Hospital and Clinics Foundation Ambulance Facility.
- \$4 million to the Mittleman Jewish Community Center for deferred maintenance, enhancing the accessibility of the pool area, and renovations to expand childcare on site.
- \$6 million to the Marion Polk Food Share, Inc. for land acquisition to support an expanded food bank warehouse and Meals on Wheels production kitchen.
- \$5 million for the Happy Valley Community Recreation Center.
- \$45 million for the Willamette Falls Inter-Tribal Access Project.
- \$4 million for the Corvallis School District Osborn Aquatic Center Structural Rehabilitation Project.
- \$10 million to the James Beard Public Market for creation of a public market in Portland.
- \$3.8 million for the Warm Springs Commissary Project.
- \$2.5 million for the Union County Fairgrounds water and wastewater improvements.

The Subcommittee approved additional one-time General Fund appropriations for the following capital projects:

- \$855,000 for the Oregon State Fair Grounds and Exposition Center (OSFEC) Regional Emergency Center. This project includes updates to emergency communication systems (security cameras, public address system, wi-fi and server upgrades, radio and phone upgrades and other related improvements), water bottle filling stations, and a water container system allowing for easy access to potable water connections in case of emergency site usage.
- \$1.9 million for the Jefferson County Fire District #1 building expansion and remodel.

- \$149,385 for the Hubbard Fire District protective gear.
- \$1 million for the Fourth Dimension Recovery Center Adolescent and Family Recovery Campus.
- \$800,000 for the Columbia County Child Abuse Assessment Center for a permanent building for Children's Advocacy Services in Columbia County.
- \$2 million for the Northwest Regional Education Service District antkwak Early Learning Center.
- \$1.5 million for the Clackamas County Children's Commission Gladstone Head Start Center.
- \$495,330 for the City of Medford Santo Center for Discovery Preschool enhancements.
- \$950,000 for the Mid-Willamette Valley Community Action Agency, Inc. Woodburn Head Start Modular Classroom Replacement project.
- \$1.75 million to the City of Monmouth for equipment and operations of the Monmouth and Independence Trolley.
- \$2 million for the Northwest Youth Corps Campus Capacity Upgrade Project.
- \$1 million for the Mt. Scott Youth Center.
- \$63,559 for the Prospect School District Back-up Power Project.
- \$500,000 for the Wheeler County Food Pantry.
- \$2 million for the Hoyt Arboretum Friends Foundation Growing for the Future, A Campaign for Hoyt Arboretum's Next Century.
- \$2 million for the City of Woodburn Historic Settlemier Park Revitalization Project.
- \$824,780 for the City of Salem Fairview Park Masterplan - Interpretative Space Park planning and development.
- \$750,000 for the City of Keizer Rapids Park Synthetic Turf Fields Project.
- \$1.3 million for the Canby Center Growing to Serve Project.
- \$400,000 for the Wallowa History Center, Inc. Bear Sleds Ranger Station House Restoration Project.
- \$200,000 for the Gresham Historical Society Historic Church Restoration Project.
- \$750,000 for the Willamette Heritage Center Preserving History and Strengthening Our Community's Gathering Place Project.
- \$1 million for the City of Hermiston Carnegie Library Renovation.
- \$952,514 for Helping Hands Resources warehouse purchase, remodel, and expansion.
- \$200,000 for the Oswego Lake Watershed Council West Willamette Watersheds Collaboration Project.
- \$1 million for the Jackson County Community Justice Transitional Housing Program.
- \$2 million for the High Desert Partnership Center for Collaboration.
- \$176,721 for the Community Cancer Foundation for quality assurance equipment and the electronic medical records upgrade project.
- \$3 million for the City of Tigard Police, Public Works, and Emergency Operations Center design work.
- \$600,000 for the City of Oakridge Community Health and Medical Services Center at the Willamette Activity Center.
- \$90,000 for the City of Cottage Grove Armory ADA Access Improvement Project.
- \$504,000 for the Sutherlin Fire Department Training Center improvements.

### **Department of Revenue**

The Subcommittee approved a one-time increase of \$2 million Other Funds for the Department to spend Article XI-Q bond proceeds for the Electronic Valuation System (ELVIS) project. The ELVIS project replaces a 20-plus year-old system for the Property Tax Division's assessment and valuation programs. Phase 1, completed during the 2021-23 biennium, addressed central assessment work for communications, transportation, and utility company properties. Phase 2 focuses on the appraisal of large industrial properties with over \$1 million of machinery and equipment, which DOR is required to appraise. The

Subcommittee also approved increases of \$35,000 Other Funds for bond costs of issuance and \$418,304 General Fund for 2025-27 debt service on those bonds.

The Subcommittee approved an increase of \$552,000 Other Funds for the Capital Debt Service and Related Costs program to utilize interest earned on prior proceeds for debt service payments.

The Subcommittee approved \$198,812 General Fund, \$222,885 Other Funds, and two permanent full-time positions (1.63 FTE) to implement HB 3940 (2025), which establishes a new tax on oral nicotine products. For the Information Technology Services Division this includes \$198,812 General Fund, \$44,983 Other Funds, and one permanent full-time Information Systems Specialist 6 position (0.88 FTE) to configure the GenTax system for new nicotine product tax distributions, modify 530 and 531 tobacco tax forms to include nicotine products, update forms related to distributor retailer inspections, create new tax letters for violations, and to support ongoing system updates and reporting requirements related to nicotine products. For the Business Division, this includes \$177,902 Other Funds and one permanent full-time Compliance Specialist 1 position (0.75 FTE) to ensure compliance with nicotine product tax reporting, verify taxes paid reconcile with the appropriate number of discrete consumable units, and to perform required inspections of distributor retailers.

### **Oregon Liquor and Cannabis Commission**

The Subcommittee approved an Other Funds expenditure limitation increase of \$6.1 million for debt service and \$537,217 for the costs of issuance on bonds reauthorized for the land and construction of the agency's new warehouse (\$45.9 million) and materials handling system (\$10 million). Other Funds expenditure limitation was also increased by \$8 million for new bonding authority for the agency's distilled spirits supply chain information technology system, with \$1.3 million in associated debt service and \$87,055 for costs of issuance.

### **State Treasurer**

The Subcommittee approved an increase of \$568,589 Other Funds and two permanent full-time positions (1.76 FTE) for the Trust Property program to implement the provisions of HB 2089 (2025), which requires the agency to track unclaimed property related to foreclosure surplus proceeds. This is a new type of property for the State Treasury to track under this program and will require two additional Program Analyst 2 positions that will focus on receiving, tracking, and disbursing of the related proceeds.

## **CONSUMER AND BUSINESS SERVICES**

### **Bureau of Labor and Industries**

The Subcommittee approved a one-time General Fund appropriation of \$2.5 million for the Firefighter Apprenticeship Program. The pilot program, established in HB 2294 (2023) and initially funded with \$5 million General Fund, provides on-the-job training and education and collaborates with associations representing fire service professionals. The program sunsets January 1, 2027.

### **Department of Consumer and Business Services**

The Subcommittee approved a \$260,118 General Fund appropriation to the Department of Consumer and Business Services for implementation of HB 2658 (2025), which impacts the workload within the Building Codes Division. The funding supports a permanent full-time Operations and Policy Analyst 4 (0.63

FTE) to conduct rulemaking, provide legal review, deliver education, training, and outreach to local governments, and oversee implementation across state-administered programs. The estimated position costs and associated services and supplies totals \$226,573 General Fund. An additional \$33,545 General Fund is included for initial implementation and ongoing annual updates to the ePermitting system and related rulemaking.

The Subcommittee approved an increase of \$1,089,903 Other Funds for the Department of Consumer and Business Services for four Plans Examiner Commercial and Residential positions (3.52 FTE) to address the anticipated increase in the Building Codes Division workload related to housing. These positions will provide timely plan review to customers and local governments through mutual aid and increase the number of plans reviewed by the Department. Funding for these positions comes from fees paid for plan examinations and a portion of the state surcharge on permits.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Oregon Business Development Department**

The Subcommittee approved multiple adjustments related to lottery bond proceeds authorized for infrastructure projects, the recapitalization of several existing programs, and the Housing Infrastructure program established in HB 3031 (2025). Overall, there is a one-time increase of \$2.1 million Other Funds expenditure limitation associated with lottery bonds costs of issuance and \$4.4 million Lottery Funds for debt service on approved bonds.

The Subcommittee approved adjustments to Other Funds Nonlimited expenditures for net lottery revenue bond proceeds totaling \$30 million, with \$20 million to be deposited in the Special Public Works Fund (SPWF), and \$10 million for deposit into the Brownfields Redevelopment Fund.

Other Funds expenditure limitation was increased by \$10 million to allow expenditures of lottery bond proceeds from the SPWF Levee Project Grant Fund; \$20 million for Portland Metro levee system improvements from Sauvie Island to Troutdale; and \$15 million for lower Columbia River channel improvements. Additional Other Funds expenditure limitation for new programs created for the 2025-27 biennium include \$20 million for the Port Container Improvement Fund for infrastructure improvements at the Port of Portland's Terminal 6, and \$10 million for the Industrial Site Loan Fund created in HB 2411 (2025).

A technical adjustment is included to clarify the name and project scope for \$5 million approved in SB 5506 (2023) for the Umatilla Electrical Cooperative Association to be used for infrastructure and utility improvements on newly dedicated industrial land in Morrow and Umatilla Counties.

The Subcommittee approved increases in Other Funds expenditure limitation total \$55.7 million for the distribution of lottery revenue bond proceeds for economic development infrastructure related capital projects. The projects are as follows:

- \$2.9 million - Morrow County, Clean Water Consortium Nitrate Water Project - West Glen Neighborhood
- \$5 million - City of Estacada, Estacada Wastewater Treatment Plant
- \$5 million - City of Sandy, Sandy Clean Waters Project
- \$3.3 million - Oak Lodge Water Services Authority, Inflow and Infiltration Reduction Program
- \$6 million - City of Eugene, Clear Lake Road Economic Development Infrastructure

- \$10 million - South Suburban Sanitary District, Wastewater Treatment Plant Upgrades
- \$2.4 million - City of Hubbard, Wastewater Facilities Plan Projects Phase 1 and 2
- \$3 million - City of Burns, to repair drainage and wastewater treatment infrastructure impacted by flooding
- \$5 million - City of John Day, Wastewater Treatment Facility Construction
- \$4 million - City of Adair Village, Wastewater Treatment Plant Improvements
- \$3.2 million - City of Sherwood, Brookman Trunk Sewer Extension Project
- \$3 million - Confederated Tribes of Warm Springs, for work on the existing drinking water treatment plant's filtration system
- \$3 million - Harney County, to minimize flooding through the repair and improvement of infrastructure, including work on dikes, levees, dredging, and vegetation thinning along waterways.

The Subcommittee recommended General Fund appropriations totaling \$5.2 million for infrastructure project grants, to be disbursed as follows:

- \$325,000 - City of Dundee, 5th Street Water Line Upgrade
- \$500,000 - City of Rainier, Westside Sewer and Storm Line Rehabilitation
- \$1.4 million - City of Monmouth, Recycled Water Use Site Development
- \$1.7 million - City of Veneta, Wastewater Treatment Plant Expansion Wetland Mitigation Credits
- \$946,700 - City of Winston, Abraham & Highway 42 Sewer Improvements
- \$379,705 - City of Culver, Mainline Sewer Reroute to Residential Development

The Subcommittee approved several one-time General Fund appropriations, including \$3.2 million for Center for Innovative Excellence grants to signature research centers, \$1.5 million for Portland Center Stage, and \$2.5 million for the Oregon Shakespeare Festival.

The Subcommittee approved \$8.3 million General Fund for deposit into the Cultural Resources Economic Fund, with a corresponding Other Funds expenditure limitation for the disbursement of grants to the following entities:

- \$700,000 - Columbia River Maritime Museum, Mariners Hall Exhibition and Education Building
- \$1 million - World Forestry Center, Campus Transformation Project
- \$325,000 - Coos Art Museum, REFRESH Capital Campaign
- \$600,000 - Eastern Oregon Regional Theater, Baker Orepheum Theater Phase 5 Structural Upgrades
- \$1.5 million - The Museum at Warm Springs, Permanent Exhibition Renewal
- \$350,000 - B-17 Alliance, Campaign to purchase Lacey Lady's Home
- \$150,000 - Historic Jacksonville, Inc., Jacksonville Museum Without Walls
- \$450,000 - Mt. Hood Cultural Center and Museum, Phase 1 Capital Expansion Project
- \$175,000 - Salem Art Association: Historic Bush House Museum Restoration and Accessibility
- \$300,000 - Maxville Heritage Interpretive Center, Maxville Historic Restoration Project

- \$375,000 - Oregon Shakespeare Festival Association, Black Swan Theatre Renovation for New Works Development
- \$2 million - High Desert Museum, High Desert Museum
- \$350,000 - Historic Elsinore Theatre, Elsinore Theater Facade renovation and new signage

\$150 million of Other Funds expenditure limitation was approved to expend the proceeds of general obligation bonds for the seismic rehabilitation grant program, with \$100 million for public school buildings and \$50 million for emergency services facilities. The associated cost of issuance for these bonds is \$1.5 million Other Funds. An associated \$6.6 million General Fund is included for debt service related to these bonds.

\$100 million of Other Funds expenditure limitation was approved to expend the proceeds of general obligation bonds for the Coos Bay channel deepening, with associated cost of issuance totaling \$815,000 Other Funds.

Lottery Funds in the amount of \$4.8 million was approved on a one-time basis to provide technical assistance grants for underrepresented businesses, including continuation of a limited duration Program Analyst position (1.00 FTE). Cost of the position totals \$256,775 for personal services and \$30,700 for services and supplies, with approximately \$4.5 million made available as grants to organizations that provide culturally competent technical assistance to underrepresented small businesses.

An Other Funds expenditure limitation of \$1 was established for the new Housing Infrastructure Fund, created in HB 3031 (2025), with an anticipated \$10 million of lottery bonding approved in SB 5531. The Subcommittee approved the following budget note related to implementation of this program:

#### **BUDGET NOTE**

The Oregon Business Development Department is directed to report to the Joint Committee on Ways and Means in February 2026 on the implementation of the Housing Infrastructure Fund program. The report shall include recommendations for financing awards to municipalities and tribal councils for shovel-ready infrastructure projects that meet criteria included in section 2 of HB 3031 (2025), supporting specified proposed housing developments. The report shall include information on the number of program applications and amount of requested financing, as well as prioritized recommendations for project awards. The recommendations shall include information on individual projects, including location, number of units created, other sources of funding contributed to the project, affordability covenants, and whether the housing will be for renters or owner-occupied.

The Subcommittee approved administrative costs related to the Housing Infrastructure program totaling \$1.3 million Lottery Funds, and four permanent full-time positions (3.52 FTE). Positions include a Program Manager, Operations and Technical Analyst, Procurement and Contracts Specialist, and an Accountant to provide business support. Of the total, \$961,454 is for personal services costs and \$256,132 is for position-related services and supplies costs.

An Other Funds Nonlimited increase of \$8 million was also approved for debt service on outstanding revenue bonds issued to finance the Department's loan programs.

#### **Housing and Community Services Department**

The Subcommittee approved budgetary adjustments to reflect debt service and cost of issuance for bonds being recommended to finance the Local Innovation Fast Track (LIFT) housing development program, affordable housing preservation, and manufactured home park preservation.



The budget reflects \$4.9 million Other Funds expenditure limitation for costs of issuance and \$30.4 million General Fund for debt service related to Article XI-Q bonds authorized in SB 5505 (2025) for the following: \$465 million for LIFT multifamily affordable rental housing development, \$100 million for LIFT homeownership development, and \$80 million to support the development of 400 additional permanent supportive housing units. General Fund in the amount of \$2.5 million was approved for a \$5,000 increase per unit per year in the cost of providing services to residents of new units that are expected to be occupied by the end of the 2025-27 biennium.

A one-time increase of \$654,194 Other Funds expenditure limitation is included to support the cost of issuing lottery bonds to finance affordable housing preservation (\$50 million) and manufactured home park preservation (\$2.5 million). Additionally, the Subcommittee approved \$2.5 million Lottery Funds for the related debt service obligations. General Fund in the amount of \$11 million was added on a one-time basis to augment eviction prevention payments and capacity for service delivery organizations for the 2025-27 biennium. The Subcommittee approved the following budget note related to affordable housing preservation financing:

**BUDGET NOTE:**

The Housing and Community Services Department is directed to report to the Legislative Assembly during the 2026 legislative session on the feasibility of using Article XI-Q general obligation bonds to support affordable housing preservation projects. The report shall include findings regarding the benefits and constraints of Article XI-Q bonds as a possible funding source for affordable housing preservation, and recommendations regarding the types of preservation projects best and least suited to be funded with Article XI-Q bonds. The Department shall include a summary of changes to program rules and project review processes that may be required, and the estimated cost of implementing possible changes.

HB 3589 (2025) incentivizes the development of housing for older adults and persons with disabilities. Funding for the program is provided through a transfer of \$24 million from the Senior Property Tax Deferral Revolving Account to the General Fund, which is then deposited into the General Housing Account established for the Department. Other Funds expenditure limitation is increased by \$11.2 million to reflect expected 2025-27 disbursements from the General Housing Account for the program, consisting of \$10.4 million in special payments, and costs associated with program administration. Personal services costs are \$416,746 and related services and supplies total \$39,700 for two positions: a limited duration Program Analyst 4 (0.75 FTE) to stand up program rules and procurement of technical assistance, and a permanent full-time Program Analyst 3 (0.75 FTE) position to administer disbursement of funds and track transfers from the Senior Property Tax Deferral Revolving Account.

A technical adjustment to modify the purpose of a 2021 appropriation for manufactured home park infrastructure or development in Lane County was also approved.

**Department of Veterans' Affairs**

An increase of \$414,260 Other Funds is included for debt service costs associated with the repayment of general obligation bond proceeds approved in SB 5505 (2025) that will be issued before the end of the biennium to support capital projects at the Department's headquarters building in Salem, with an additional \$61,000 of Other Funds is included for the cost of issuance of the bonds.

Other Funds Nonlimited was also decreased by \$1.2 million for debt service on the Department's outstanding bonds.

## EDUCATION

### Department of Education

The Subcommittee approved the establishment of eight permanent full-time positions (8.00 FTE) to support the U.S. Department of Agriculture's Child Nutrition Program. These positions have been approved as limited duration within the Department's budget for more than three biennia. Ongoing funding for the positions is included in the Department's budget.

Due to a shortfall in the Fund for Student Success, continuation of the Educator Advancement Council's (EAC) Grow Your Own program and the Oregon Administrator Scholars program was not recommended in SB 5515, the Department of Education's budget bill. The Subcommittee recommended a \$14 million Other Funds expenditure limitation increase to utilize the beginning balance in the Educator Advancement Fund for the currently enrolled licensees to complete their programs.

The Subcommittee approved \$50 million Other Funds expenditure limitation for the Oregon School Capital Improvement Matching program. Proceeds from the sale of Article XI-P general obligation bonds authorized in SB 5505 (2025) will be used for grants to school districts that can match the grant with proceeds of locally issued bonds for the construction and improvement of school district buildings and property.

The Subcommittee approved \$15 million Other Funds expenditure limitation for lottery bond proceeds authorized in SB 5531 (2025) for deposit into the Connecting Oregon School Fund (COSF) for expanding internet connectivity in schools and maximizing the use of available federal resources. The agency will use COSF to provide state grants to school districts, education service districts, and public charter schools that are successful in applying for federal E-rate funding from the Universal Service Administrative Company (USAC) for special construction projects. These projects will provide new or improved existing internet connectivity for schools in which the federal E-Rate funding would typically provide between 60-80% of project costs. The Department will provide state grants for up to 10% of project costs which will leverage an additional matching federal contribution, which may enable sufficient funding to pay for the entire cost of the project. State funding will be allocated through a formula that prioritizes schools based on income levels, rural and remote areas of the state, and the current type of internet connectivity and download speeds.

A total of \$617,359 Other Funds expenditure limitation was approved for the cost of issuance of general obligation bonds and lottery bonds. These include the costs for bonds issued for the Oregon School Capital Improvement Matching program (Article XI-P bonds) and Broadband Connecting Oregon Schools grants (lottery bonds). Lottery Funds expenditure limitation of \$1.5 million was established for debt service on the anticipated sale of lottery bonds supporting the COSF and \$9.6 million Other Funds expenditure limitation was established for debt service on bonds sold in prior periods.

The Subcommittee approved an increase of \$18.8 million General Fund and a reduction of \$18.8 million Lottery Funds in the State School Fund. This change reflects the final balance of available Lottery Funds usage across the state budget and maintains the total State School Fund budget of \$11.4 billion for the 2025-27 biennium.

### **Higher Education Coordinating Commission**

The Subcommittee approved, on a one-time basis, a \$200,000 General Fund appropriation for the Higher Education Coordinating Commission to distribute to the Oregon State University Foundation, Rural Mental Health Fund for the expenses of the Oregon State University Extension Service in operating the AgriStress Helpline in Oregon.

The Subcommittee approved \$5 million General Fund, on a one-time basis, for deposit into the Oregon Conservation Corps Fund to fund grant supported projects related to the Oregon Conservation Corps Program. The program was established in SB 762 (2021) to reduce the risk of wildfires, assist in the creation of fire-adapted communities, and engage youth and young adults in workforce training. In addition, the Subcommittee approved a corresponding Other Funds expenditure limitation increase of \$5 million for expenditures from the Oregon Conservation Corps Fund.

An additional one-time General Fund appropriation of \$247,500 was approved for distribution to Southwestern Oregon Community College for the Tioga Hall elevators emergency modernization project.

The Subcommittee approved a net zero adjustment related to the National Career Readiness Certification (NCRC) program. Historically, high schools use the NCRC to demonstrate work readiness, earn college credit, and to meet Essential Learning Skills for graduation. With the elimination of the Essential Learning Skills requirement for a high school diploma pursuant to SB 744 (2021), the number of schools and students participating in this certification program have significantly decreased. As a result, the Commission proposed reducing the NCRC funding by \$804,639 General Fund, which reflects vendor costs for proctored exams and preparation software, to fund two permanent positions. These positions include a Policy Development Manager (1.00 FTE) and an Education Specialist (1.00 FTE) to support the agency's direct admissions and transfer pathways for Oregon students going through the college application process.

The Subcommittee approved increasing Other Funds expenditure limitation by \$385,000 for the costs of issuing bonds authorized in SB 5505 (2025) for community colleges and by \$3.8 million for public universities. Capital construction limitation for new public university and community colleges capital projects is provided in SB 5506 (2025) and project descriptions are included in SB 5505 (2025).

In addition, the Subcommittee approved two General Fund appropriations, on a one-time basis, to the Higher Education Coordinating Commission to distribute to the Oregon Health and Science University. The first is \$500,000 to distribute to the Oregon Perinatal Collaborative for the purpose of coordinating statewide efforts for quality improvement in maternal and childhood health and developing policy recommendations to further maternal and childhood health. The second is \$100,000 to study and review the current and future financial viability of the Oregon National Primate Research Center (ONPRC). A corresponding budget note is included:

#### **BUDGET NOTE**

The Oregon Health and Science University (OHSU) will study and review the current and future financial viability of the Oregon National Primate Research Center (ONPRC). OHSU shall complete a report and submit it to the House Emergency Management, General Government, and Veterans Committee of the Oregon State Legislature by no later than January 1, 2026. The report shall include:

- All funding sources used for ONPRC operations since 2023, and including projected funding sources through the 2027 fiscal year.
- The projected impact of funding reductions from the National Institutes of Health (NIH) and any other federal sources.

- Confirmation that no state general funds (including direct appropriations, indirect allocations, or pass-through funds) are or will be used for any costs associated with the operation, maintenance, administration, or research activities of the ONPRC. Such costs include, but are not limited to, personnel costs, infrastructure support, utility expenses, or any institutional overhead that directly or indirectly support ONPRC activities.
- A comprehensive plan and a proposed agreement for timely closure in the event that ONPRC experiences a reduction exceeding 25% of its total NIH grant income compared to fiscal year 2024 levels, or if state general funds (including direct appropriations, indirect allocations, or pass-through funds) are needed to be used for any costs associated with the operation, maintenance, administration, or research activities of the ONPRC. Such costs include, but are not limited to, personnel costs, infrastructure support, utility expenses, or any institutional overhead that directly or indirectly support ONPRC activities.
  - The plan for closure shall include:
    - A detailed timeline for closure.
    - Disposition of animals.
    - Staff transition and retraining planning.
    - Reallocation or repurposing of state supported infrastructure.
    - Potential impacts to university operations and mitigation plans.

Finally, s Federal Funds Nonlimited increase of \$3.9 million was also approved for debt service on outstanding Build America Bonds issued for public universities and community colleges.

## **HUMAN SERVICES**

### **Oregon Health Authority**

The Subcommittee approved a technical adjustment to move \$3 million General Fund between the Oregon State Hospital division and the Behavioral Health division at the Oregon Health Authority to align the budgetary authority with the correct programmatic expenditure of the funds. This action results in no overall change to the agency's budgeted expenditures.

Increased capital improvement expenditure limitation of \$4.8 million Other Funds was approved for improvements to the air handler return equipment at the Oregon State Hospital's Junction City campus to properly address air quality in the event of environmental air concerns, such as forest fires. The underlying source of funding for this project is the net proceeds of general obligation bonds for which a General Fund appropriation of \$1.7 million for debt service is also included. An additional \$82,000 increase in Other Funds expenditure limitation is provided for the bond issuance costs.

Other Funds expenditure limitation of \$401,000 is established on a one-time basis for the Health Authority for the payment of debt service on general obligation bonds from accrued interest received on bond proceeds.

A one-time \$1.5 million General Fund appropriation was approved to support activities in the Lower Umatilla Basin Groundwater Management Area (LUBGWMA) in response to high levels of nitrate in their domestic well water and rural residents experiencing water insecurity due to contaminated drinking

water from their domestic wells. The funding supports education, outreach and community engagement in the LUBGWMA, testing and kitchen-tap treatment systems, Oregon Department of Human Services field operations to collect and transport water samples for laboratory testing, paid media expenses, development and maintenance of case management data systems, and contracting with Morrow and Umatilla Counties local public health authorities to support residents in accessing safe water services. This funding is in addition to \$725,246 of General Fund included in the agency's budget bill, HB 5025, for the same purposes.

Finally, the Subcommittee approved a \$17 million General Fund appropriation and associated \$25.5 million Federal Funds expenditure limitation increase for an ongoing investment in the Essential Workforce Health Care Program Trust established to provide health insurance to the long-term care workforce.

### **Department of Human Services**

The Subcommittee approved \$2 million General Fund on a one-time basis for grants to refugee resettlement agencies and community-based organizations to provide immigration services and supports for refugees and asylum seekers. Additionally, \$2,100 Other Funds expenditure limitation is included for debt service costs associated with repayment of Article XI-Q bond proceeds.

A one-time \$2.5 million General Fund appropriation was approved to support water delivery in the Lower Umatilla Basin Groundwater Management Area in response to high levels of nitrate in their domestic well water and rural residents experiencing water insecurity due to contaminated drinking water from their domestic wells.

The Subcommittee approved a budget note directing the agency to seek additional input from stakeholders to inform the development of a comprehensive operational plan to close certain Stabilization and Crisis Unit homes as part of an effort to realign the program with its original purpose of offering short-term crisis stabilization services as recommended by the Governor.

#### **BUDGET NOTE**

The Department of Human Services is directed to develop an operational plan that shortens the length of stay in Stabilization and Crisis Unit (SACU) homes with the intent of achieving and maintaining full HCBS-compliance. The plan should maintain appropriate federal funding and include person-centered transition strategies for individuals currently residing in SACU homes who are best suited for placement in less restrictive, home and community-based settings. In creating the plan, the Department must gather input from individuals receiving services, community partners, and other interested parties. The operational plan must be phased and prepared for the initial phase to begin no later than July 1, 2027. A detailed report on the plan must be submitted to the Joint Interim Committee on Ways and Means by September 30, 2026.

## **JUDICIAL BRANCH**

### **Oregon Judicial Department**

The Subcommittee approved two one-time General Fund appropriations: \$1.3 million for the Washington County Courthouse Replacement Planning Project, and \$4.5 million for distribution to the Oregon State Bar for immigration legal services.

The Subcommittee approved a \$5 million Other Funds expenditure limitations for the Oregon Courthouse Capital Construction and Improvement Fund for both state (\$2.5 million) and local matching funds (\$2.5 million) for the Morrow County Circuit Courthouse. The revenue source for the state match is an Article XI-Q bond issuance. The Subcommittee also approved, on a one-time basis, a separate increase to Other Funds expenditure limitation of \$35,000 associated with costs of bond issuance.

## **LEGISLATIVE BRANCH**

### **Legislative Administration**

The Subcommittee approved \$3.8 million Other Funds expenditure limitation to utilize interest earned on prior bond proceeds for debt service payments.

## **NATURAL RESOURCES**

### **Department of Agriculture**

The Subcommittee approved a one-time General Fund appropriation of \$1 million to increase funding for the Wolf Depredation Compensation and Financial Assistance Grant Program. This program administers grants to counties that have created and implemented a county wolf depredation compensation program.

The measure includes Other Funds expenditure limitation of \$6.1 million to expend proceeds from general obligation bonds approved through SB 5505 (2025). The bond proceeds support Project OneODA, an information technology project to modernize the Department's customer relationship management system and deliver a cohesive platform for licensing, inspection, and compliance. Additionally, the Subcommittee approved a one-time General Fund appropriation of \$1.6 million for the payment of debt service associated with the authorized bonds and \$85,000 Other Funds expenditure limitation for the costs of issuance.

The Subcommittee approved a one-time General Fund increase of \$3.25 million and the establishment of one limited duration Information and System Specialist 8 (0.88 FTE) and one limited duration Accountant 2 (0.88 FTE) to support Project OneODA, including transitioning the Department from Mac products to Microsoft under the enterprise license and related project costs that are not eligible for bond financing.

### **Department of Environmental Quality**

The Subcommittee approved an appropriation of \$999,684 General Fund to support three permanent, full-time positions (2.64 FTE) in the Water Quality division dedicated to service delivery and technical assistance related to high priority housing production projects that require water quality permitting and/or certification. Positions include an Operations and Policy Analyst 3 (0.88 FTE), a Natural Resources Specialist 3 (0.88 FTE), and an Environmental Engineer 3 (0.88 FTE).

Lastly, the Subcommittee approved a one-time increase of \$1.3 million in Other Funds expenditure limitation, supported by general obligation bond proceeds, for the replacement of aging capitalizable laboratory infrastructure and monitoring equipment. DEQ was also provided with a one-time increase

of \$29,500 in Other Funds expenditure limitation to support the costs of bond issuance, as well as an appropriation of \$355,481 General Fund to pay debt service obligations on the bonds in the 2025-27 biennium.

### **Department of Fish and Wildlife**

The measure includes a one-time General Fund increase of \$2.1 million for the payment of debt service associated with bonds authorized to finance \$20 million of capital renewal and improvement projects on hatchery related facilities and \$5.25 million for capital construction work on the North Willamette Watershed District Office. The Subcommittee also approved \$250,000 Other Funds expenditure limitation for the costs of issuance related to the bonds. The \$25.3 million Other Funds expenditure limitation is provided in the capital construction bill (SB 5506).

The Subcommittee approved a one-time General Fund appropriation of \$1.4 million, in the Inland Fisheries Division, for two limited duration positions (2.00 FTE) and associated services and supplies. These positions will maintain limited operations, which include collecting fish to transport to Cole Rivers Hatchery to rear and then return to release at Rock Creek Hatchery. Of the amount, \$400,000 is to support research to support a recommendation for hatchery operations in the Umpqua Basin. Additionally, the Subcommittee approved the following budget note:

#### **BUDGET NOTE**

The Oregon Department of Fish and Wildlife is directed to provide a report, in consultation with the Cow Creek Band of Umpqua Tribe of Indians, to the Joint Committee on Ways and Means prior to the 2026 session regarding potential hatchery operations in the Umpqua Basin. The report shall include recommendations for overall hatchery operations in the Umpqua Basin, based on the Hatchery Resiliency Assessment, including but not limited to:

- An evaluation of returning Rock Creek Hatchery to operability and in what capacity, including estimated initial and ongoing costs, and timeline for implementation.
- An assessment of other hatchery location options in the Umpqua Basin, including estimated initial and ongoing costs, and timeline for implementation.
- An assessment of available revenue streams and financial partnerships to support the recommendations.

### **Department of Forestry**

The Subcommittee approved a one-time General Fund appropriation of \$7 million for deposit into the Landscape Resiliency Fund, established under ORS 477.502. Additionally, ODF is provided with a one-time increase of \$7 million in Other Funds expenditure limitation to spend monies deposited into the fund. The Landscape Resiliency Fund and the associated grant program was established through SB 762 (2021) to improve forest restoration and resiliency. The program funds projects to reduce wildfire risk on public and private lands through restoration of landscape resiliency and reduction of hazardous fuels.

The Subcommittee approved a one-time General Fund appropriation of \$7.5 million to offset potential increases in landowner forest patrol assessments for fire protection. Additionally, the Department is provided an ongoing General Fund appropriation of \$1.5 million to support the offset provisions of HB 3940 (2025) related to forestland, classified as Class 3 under ORS 526.324, and located within a forest protection district. Assuming passage of HB 3940, the \$1.5 million shall apply equally to each acre of Class 3 land. Lastly, the Subcommittee approved a one-time General Fund appropriation of \$4 million to the Fire Protection division for the purchase of wildfire detection cameras.

Several bond-supported capital improvement projects for the Department are included in SB 5505 (2025), with six-year expenditure limitation provided in SB 5506 (2025). To pay for the related debt service obligations in the 2025-27 biennium, the Subcommittee approved an increase of nearly \$2.2 million in Other Funds expenditure limitation and an appropriation of nearly \$1.2 million General Fund. Additionally, a one-time increase of \$374,947 in Other Funds expenditure limitation is provided for the cost of bond issuance.

#### **Department of Land Conservation and Development**

The Subcommittee approved a one-time Federal Funds expenditure limitation increase of \$4.5 million for the Collins Creek land acquisition partnership. The expenditure limitation for this land acquisition was initially approved for the 2023-25 biennium by the Emergency Board in September 2024, however the property closing was extended and is now planned to take place in the early months of the 2025-27 biennium.

#### **Department of State Lands**

The Subcommittee approved a General Fund appropriation of \$442,576 and establishment of two permanent full-time Natural Resource Specialist 4 positions (1.52 FTE) to support the Governor's statewide Housing and Homelessness Initiative. One position will serve as a single point of contact for local governments navigating land use planning and the other will serve as an aquatic resource planner to support wetland mitigation and housing specific permits.

#### **Parks and Recreation Department**

The Subcommittee approved an increase of \$73,123 in Other Funds expenditure limitation for the Parks and Recreation Department to expend insurance proceeds, resulting from damage to the Ruble House, for site improvements and interpretation. The measure also includes a \$1.8 million increase in Other Funds expenditure limitation for debt service expenditures in the 2025-27 biennium.

#### **Water Resources Department**

The Subcommittee approved a one-time General Fund appropriation of \$1 million for deposit into the Water Well Abandonment, Repair and Replacement Fund (WARRF) established by ORS 537.766, and a corresponding increase of \$1 million in Other Funds expenditure limitation to expend monies deposited into the fund. The WARRF was established to provide financial assistance to low to moderate income households for well abandonment, repair, or replacement, particularly in areas impacted by drought or wildfire.

A one-time General Fund appropriation of \$1 million was approved for feasibility study grants to help individuals and communities evaluate the feasibility of developing water conservation, reuse, and storage projects.

The Subcommittee approved an increase of \$8 million in Other Funds expenditure limitation for making grants and loans from lottery bond proceeds deposited into the Water Supply Development Account established under ORS 541.656. Water Supply Development grants and loans are made to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water.



The Subcommittee approved an increase of \$6.5 million in Other Funds expenditure limitation, supported by lottery bond proceeds, for construction of the Henrici Reservoir #2, intended to address a critical water storage deficiency for Oregon City. The property for the reservoir was recently purchased by the city, and the project includes design and construction of a reservoir capable of storing 2.5 million gallons of water for the community.

WRD is provided with a one-time increase of \$172,999 in Other Funds expenditure limitation to support the cost of issuing lottery bonds authorized for the Water Supply Development program and the Henrici Reservoir #2 project. Additionally, the Subcommittee approved an increase of \$341,064 in Lottery Funds for the payment of the related debt service obligations in the 2025-27 biennium.

The Subcommittee approved a one-time appropriation of \$2.5 million General Fund to the Department to enter into an agreement with the Office of Columbia River within the State of Washington Department of Ecology to fund six projects in the Walla Walla River Basin. The projects and amount of funding include:

- \$1.5 million for strategic piping to modernize irrigation infrastructure and benefit stream flows
- \$75,000 to increase filtration of storm water to improve surface water quality
- \$500,000 to reconnect floodplain to reduce flood risk and restore habitat
- \$150,000 for water rights transactions to restore stream flows
- \$50,000 to improve passage and habitat in Mill Creek
- \$220,000 to minimize water quality impacts to the South Fork Walla Walla River through alternative access.

The Subcommittee approved five one-time General Fund appropriations totaling just over \$5 million for grants to support water supply projects. The individual recipients, projects, and grant awards include:

- \$1.2 million - City of Dayton, Fisher Farm Wells Improvements
- \$1.8 million - City of Tualatin, Seismic Valving at Six Water Reservoirs
- \$280,000 - City of Sublimity, Sublimity's Well #5 Improvement Project
- \$1.5 million - City of Maupin, Water Lines - Distribution System Improvements
- \$258,100 - City of Central Point - Gebhard Road Waterline Extension

## **PUBLIC SAFETY**

### **Criminal Justice Commission**

The Subcommittee approved two one-time General Fund appropriations: \$1.2 million to support the Legal Services Pilot Program at the Coffee Creek Correctional Facility, and \$5 million General Fund to be deposited into the Illegal Marijuana Market Enforcement Grant fund. A corresponding \$5 million Other Funds limitation was approved to enable the disbursement of monies from the fund.

### **Department of Corrections**

The Subcommittee approved an overall net-zero rebalance of the agency's personal services budget, positions, and FTE. Within the Operations Division, the agency eliminates 15 vacant security positions (15.00 FTE) across the prison system and establishes 15 positions (15.00 FTE) of equal budgetary value in food services, counseling, a superintendent position, and recreation specialists. Also included are the reclassification of two correctional officer positions to correctional sergeants. In Central Administration, the budget is reduced by \$211,704 for personal services differentials and five positions (5.00 FTE) are abolished to create five positions (5.00 FTE) in auditing, safety, facilities maintenance, public affairs, and to reclass an Operations and Policy Analyst 2 to an Operations and Policy Analyst 3. No layoffs are occurring in the creation or abolishment of these positions.

A one-time increase of \$3.4 million Other Funds was included to allow the agency to utilize remaining American Rescue Plan Act (ARPA) State Fiscal Recovery Funds received by the Department of Administrative Services and transferred to the Department of Corrections for maintaining public safety services. This includes \$2.5 million Other Funds for proceeds carried over by the agency from 2023-25 for the electronic health records project, and an additional \$882,496 Other Funds that offsets an equal reduction in General Fund for the 2025-27 biennium.

Several bondable projects were approved for the Department, including the Institution Staff Deployment System, Computerized Maintenance Management System, Wireless Communication System, and capital improvements. The associated cost of issuance for these totals \$655,000 Other Funds. General Fund debt service of \$1.7 million is added for the Wireless Communication System. The other projects have bond sales in spring 2027, so no debt service is incurred until 2027-29. Other Funds debt service of \$5.3 million was approved to utilize interest earned on prior proceeds for debt service payments. Additionally, a one-time \$2 million General Fund appropriation was approved for non-bondable activity related to capital improvement projects.

Finally, Other Funds expenditure limitation related to Article XI-Q bonds was approved, including \$2.3 million for the Computerized Maintenance Management System project and \$600,000 for the Institution Staff Deployment System.

### **Department of Emergency Management**

The Subcommittee approved a net-zero rebalance to correct the placement of positions in the appropriate divisions. The Administration Division is reduced by \$1.4 million General Fund, \$23,883 Federal Funds, and four positions (4.00 FTE), with a corresponding increase in the Preparedness and Response Division. In addition, seven positions (7.00 FTE) are eliminated that were inadvertently added to the agency's budget in SB 5517 (2025).

The State Preparedness and Incident Response Equipment (SPIRE) grant program received Article XI-Q bond funding totaling \$10 million Other Funds. Of the total, \$5 million was reauthorized from 2023-25 (fall 2025 sale date) and a new issuance of \$5 million is scheduled to be sold in spring 2027. The cost of issuance for both sales totals \$140,000 Other Funds, with debt service of \$1.9 million General Fund. Debt Service of \$358,000 Other Funds was approved to utilize interest earned on prior proceeds for debt service payments.

### **Department of Justice**

The measure includes a funding shift to remove the Protection and Education budget from within the Civil Enforcement Division and establish it as a separate expenditure limitation. This results in a decrease of \$25.1 million Other Funds and 27 positions (26.80 FTE) from the Civil Enforcement Division and an increase of \$25.1 million and 27 positions (26.80 FTE) for Protection and Education, with a net zero impact on the Department's overall budget. The purpose of the new Protection and Education budget is to carry out requirements found in ORS 180.095.

Also included is \$8.2 million Other Funds and 20 positions (18.13 FTE) to support Protection and Education activities, pursuing cases in defense of state interests, and cases the agency is currently unable to pursue due to lack staffing capacity. Any related settlements and litigated awards will be deposited into the Protection and Education Account as defined in ORS 180.095.

The Crime Victim and Survivor Services Division budget is increased by \$400,000 General Fund to support the Oregon Sexual Assault Examiners (SAE) and Oregon Sexual Assault Nurse Examiners (SANE) Certification Commission, including outreach, training, technical assistance, establishing competencies and standards, membership oversight and multidisciplinary work with law enforcement agencies, hospitals and community-based victim services organizations.

For the continuation of the Legal Tools Replacement information technology project, \$7.2 million of Article XI-Q bonds were reauthorized from 2023-25 for issuance in fall 2025, along with a new bond issuance of \$6.1 million to be sold in spring 2026. Total bond-related costs are \$13.3 million Other Funds and 19 limited duration positions (19.00 FTE). The combined sales include the cost of issuance of \$155,000 Other Funds and debt service of \$2.6 million General Fund for the biennium. Finally, a one-time \$4.5 million General Fund increase, and three limited duration positions (3.00 FTE) were approved for non-bondable costs associated with the project.

### **Oregon Military Department**

The Subcommittee approved a General Fund appropriation of \$1.9 million for debt service payments related to bond-financed capital construction projects approved in SB 5505 (2025). The Subcommittee approved, on a one-time basis, \$195,000 Other Funds expenditure limitation associated with costs of bond issuance and \$1.3 million Other Funds expenditure limitation for debt service payments on previously authorized bonds.

### **Public Defense Commission**

The Subcommittee approved, on a one-time basis, \$13.8 million Other Funds expenditure limitation for the implementation of the Financial Case Management System and authorized the establishment of eight limited duration positions (7.40 FTE). The source of revenue is Article XI-Q bond proceeds. The Subcommittee also approved a General Fund appropriation of \$2.4 million for 2025-27 debt service payments related to the project and \$145,219 Other Funds expenditure limitation on a one-time basis for costs of bond issuance. Separately, the Subcommittee approved a \$370,000 General Fund appropriation for non-bondable costs for the Financial Case Management System.

### **Department of State Police**

The Subcommittee approved a General Fund appropriation of \$1.3 million for 2025-27 debt service payments related to bond-financed capital construction projects approved in SB 5505 (2025). The Subcommittee approved, on a one-time basis, \$121,814 Other Funds expenditure limitation associated with costs of bond issuance. The Subcommittee also established \$4 million of Other Funds expenditure limitation for debt service payments on previously authorized bonds.

The Subcommittee approved a \$146,195 Other Funds expenditure limitation for an outfitter guide enforcement contract funded through revenue provided from an outfitter and guide fee that is transferred from the Oregon State Marine Board.

Finally, the Subcommittee approved a General Fund appropriation of \$1.8 million and authorized the establishment of seven permanent full-time positions (0.91 FTE) for initial implementation of Ballot Measure 114 (2022) and SB 243 (2025). Services and supplies total \$1.6 million, of which \$800,000 is associated with anticipated one-time expenditures for legal costs and information technology. Due to an ongoing legal challenge, this represents the first funding appropriated to the Department for the implementation of BM 114. Given the continued uncertainty surrounding BM 114 and any potential implementation timelines, a special purpose appropriation of \$12.2 million has also been established to the Emergency Board. The Department may request funding for additional costs related to implementation of BM 114, should that be ruled constitutional, and SB 243, should that become law.

### **Department of Public Safety Standards and Training**

The Subcommittee approved \$3.4 million Other Funds limitation for Article XI-Q bond proceeds for a new learning management system (LMS) information technology project. Other Fund limitation of \$105,910 was approved to support costs of issuance for both the LMS project, and other deferred maintenance bonding included in SB 5505, with \$1.2 million General Fund included for the debt service on these projects. In addition, one-time General Fund was approved for the non-bondable costs related to the deferred maintenance (\$500,000) and the LMS project (\$422,609).

### **Department of the State Fire Marshal**

The Subcommittee approved a one-time \$13 million General Fund appropriation for deposit into the Community Risk Reduction Fund with a commensurate amount of Other Funds expenditure limitation for the purposes of carrying out community risk reduction and local government financial assistance.

### **Oregon Youth Authority**

To continue the work related to the Juvenile Justice Information System (JJIS), the Subcommittee approved \$12.1 million Other Funds expenditure limitation for Article XI-Q bond funding and nine positions (9.00 FTE). Of the total, \$7.7 million represents bonds reauthorized from the 2023-25 biennium and \$4.4 million of new bonds, with \$153,954 Other Funds limitation approved for the costs of issuance.

Several other bond reauthorizations were approved, including Camp Riverbend dorm renovation, MacLaren west cottages, Oak Creek Youth Correctional Facility, Tillamook dorms, Tillamook medical and dental areas. Combined with new bond authorizations for CCTV and access control and the MacLaren infirmary and pharmacy, \$526,807 Other Funds was approved for the cost of issuance.

Debt service of \$7.6 million General Fund was approved, with an additional \$1.1 million Other Funds limitation to utilize interest earned on prior proceeds for debt service payments.

For non-bondable activities related to the various projects, \$7.2 million General Fund and \$222,010 Federal Funds was approved on a one-time basis related to the JJIS project, and \$100,000 General Fund was approved for capital improvement projects approved in SB 5506 (2025).

Finally, the agency received an additional one-time \$3.1 million Other Funds limitation to utilize remaining proceeds from the American Rescue Plan Act (ARPA) before those funds expire at the end of 2026.

The Subcommittee adopted the following budget note related to the Professional Standards Office, which investigates complaints of youth mistreatment and are currently experiencing a significant backlog of cases, and for which additional resources were provided in the agency's budget bill (HB 5041):

### **BUDGET NOTE**

The Oregon Youth Authority shall convene a work group in coordination with the Department of State Police and the Department of Human Services to review rules and procedures relating to processing cases assigned to the Professional Standards Office. The Oregon Youth Authority shall submit a written report of recommendations to the Interim Joint Committee on Ways and Means no later than December 31, 2025.

## **TRANSPORTATION**

### **Department of Transportation**

The committee approved two one-time General Fund appropriations of \$1 million each for the City of Cascades Locks McCord Creek Bridge Powerline Relocation Project and planning and design for the Boone Bridge Replacement Project.

An increase of \$45.4 million Other Funds expenditure limitation was approved to cover bond issuance costs and expenditures related to the Hood River-White Salmon Bridge Replacement Project.

Finally, an increase in Other Funds expenditure limitation of \$1.8 million was approved to support the costs of issuance for \$250 million of general obligation bond proceeds authorized in SB 5505 (2025) for the Interstate 5 Bridge Replacement Project.

## **Adjustments to 2023-25 Agency Budgets**

### **Emergency Board**

HB 5006 disappropriates \$35 million General Fund from the Emergency Board. This amount represents the balance remaining in the special purpose appropriation for the Roseburg Veterans' Home. A corresponding special purpose appropriation is established in the 2025-27 biennium.

### **Department of Education**

The Subcommittee approved a reduction of \$4.5 million Other Funds expenditure limitation from the Fund for Student Success and an increase of \$4.5 million General Fund for the 2023-25 State School Fund (SSF). This change reflects the most recent forecast of the Fund for Student Success revenues statutorily transferred to the SSF. The overall 2023-25 State School Fund budget total of \$10.2 billion is not changed.

### **Department of Environmental Quality**

The Subcommittee approved a one-time increase of \$810,780 Other Funds expenditure limitation for the 2023-25 biennium to purchase replacement laptops and cover other information security expenses associated with response to the April 2025 cyberattack on the Department.

### **Long Term Care Ombudsman**

The Subcommittee approved a \$76,697 Other Funds expenditure limitation increase to allow the agency to receive and expend grant funds from the Department of Human Services.

### **Public Defense Services**

The Subcommittee approved, on a one-time basis, a net zero agency-wide rebalance that would move \$5.2 million General Fund between seven of the agency's 10 budgeted programs. Major components of the rebalance includes supplemental funding for Preauthorized Expenses (\$1 million) and Court Mandated Expenses (\$4.2 million) which is funded through transfers of General Fund from the following areas: Adult Trial Division (\$2.5 million), Administrative Services Division (\$1.5 million), Parent Child Representation Program (\$600,000), Executive Division (\$350,000), and the Juvenile Trial Division (\$200,000).

### **State Marine Board**

The Subcommittee approved a one-time increase of \$2.2 million Other Funds expenditure limitation to address a reduction of a federal U.S. Coast Guard Recreational Boating Safety grant. This funding, provided on a reimbursement basis, had previously supported law enforcement operations and administrative functions. The Board has experienced costs to maintain uninterrupted marine law enforcement services contracts through the end of the 2023-25 biennium, which are no longer federally reimbursable, and requires an increase of \$2.1 million Other Funds for the Law Enforcement program and \$167,825 Other Funds for Administration and Education program.