

SUBCOMMITTEE RECOMMENDATION

HB 5204

Budget Reconciliation

To: Ways and Means Full Committee
From: Capital Construction Subcommittee
Carrier: Senator Lieber

HB 5204 is the omnibus budget reconciliation bill for the 2026 legislative session. The measure modifies state agencies' 2025-27 legislatively approved budgets and adjusts General Fund appropriations to the Emergency Board.

Major adjustments in the measure include, but are not limited to, the following:

- \$272.8 million net General Fund increase to the Department of Human Services and Oregon Health Authority for implementing provisions of HR 1.
- \$49.5 million net General Fund decrease to rebalance the Department of Human Services and Oregon Health Authority budgets.
- \$78.2 million in Other Funds reductions to the Department of Transportation to balance the agency budget to available State Highway Fund revenues.
- \$77.1 million General Fund for 2025 fire season costs.
- \$321.5 million General Fund across state agency budgets to fund pension obligation bond adjustments and negotiated state employee compensation adjustments.

- \$10 million for deposit into the Regional Infrastructure Fund.
- \$5 million General Fund to support horse racing events at county fairgrounds.
- \$5 million General Fund for deposit into the Industrial Site Loan Fund.
- \$128.1 million General Fund and Lottery Fund reductions through a combination of cost-containment measures, fund shifts, and carryover balances.

The measure also decreases existing Emergency Board balances and establishes a new special purpose appropriation of \$15 million to address a projected operational funding shortfall for Southern Oregon University.

The Capital Construction Subcommittee recommends HB 5204 be amended by the –2 amendment and be reported out do pass, as amended.