

**A-Engrossed**  
**Senate Bill 1601**

Ordered by the Senate March 4  
Including Senate Amendments dated March 4

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS (at the request of Senator Kate Lieber)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: The Act makes changes to the law that are related to budget decisions. (Flesch Readability Score: 69.9).**

*[Digest: The Act fixes an error in a law about judicial pay. (Flesch Readability Score: 72.6).]*

**Amends an incorrect internal reference in a law relating to judicial compensation. Extends the deadline for sex offender classification. Modifies reporting requirements relating to summer learning grants. Eliminates references to monthly pay for certain state officials. Authorizes the use of certain funding for PCB testing.**

**Transfers specified moneys to the General Fund for general governmental purposes. Transfers certain moneys and redirects certain revenues for Department of Transportation operations and maintenance.**

**Removes the cap on transfers of lottery moneys to the County Fair Account.**

**Declares an emergency, effective on passage.**

**A BILL FOR AN ACT**

Relating to state financial administration; creating new provisions; amending ORS 292.010, 292.039, 292.311, 292.411, 292.930, 327.342, 327.008 and 565.447 and section 7, chapter 708, Oregon Laws 2013, and section 71d, chapter 750, Oregon Laws 2017; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**JUDICIAL SALARIES**

**SECTION 1.** ORS 292.411 is amended to read:

292.411. (1)(a) The annual salary of the Chief Justice of the Supreme Court shall be \$157,076 for the period beginning on January 1, 2019, and ending on June 30, 2020.

(b) On July 1, 2020, the annual salary of the Chief Justice of the Supreme Court, as adjusted under ORS 292.428, shall be increased by \$5,000.

(c) On July 1, 2025, the annual salary of the Chief Justice of the Supreme Court shall be \$224,784.

(d) On July 1, 2027, the annual salary of the Chief Justice of the Supreme Court shall be 110 percent of the salary specified in paragraph (c) of this subsection, as adjusted under ORS 292.428.

(2)(a) The annual salary of each other judge of the Supreme Court shall be \$154,040 for the period beginning on January 1, 2019, and ending on June 30, 2020.

(b) On July 1, 2020, the annual salary of each other judge of the Supreme Court, as adjusted under ORS 292.428, shall be increased by \$5,000.

(c) On July 1, 2025, the annual salary of each other judge of the Supreme Court shall be

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 \$220,596.

2 (d) On July 1, 2027, the annual salary of each other judge of the Supreme Court shall be 110  
3 percent of the salary specified in [subsection (3) of this section] **paragraph (c) of this subsection**,  
4 as adjusted under ORS 292.428.

5  
6 **SEX OFFENDER CLASSIFICATION**  
7

8 **SECTION 2.** Section 7, chapter 708, Oregon Laws 2013, as amended by section 27, chapter 820,  
9 Oregon Laws 2015, section 31, chapter 442, Oregon Laws 2017, section 1, chapter 488, Oregon Laws  
10 2017, and section 1, chapter 430, Oregon Laws 2019, is amended to read:

11 **Sec. 7.** (1) As used in this section and ORS 163A.200 to 163A.210:

12 (a) “Event triggering the obligation to make an initial report” has the meaning given that term  
13 in ORS 163A.110.

14 (b) “Existing registrant” means a person for whom the event triggering the obligation to make  
15 an initial report under ORS 163A.010 (3)(a)(A), 163A.015 (4)(a)(A) or 163A.020 (1)(a)(A), (2)(a)(A) or  
16 (3)(a)(A) occurs before January 1, 2014.

17 (2)(a) No later than [December 1, 2026] **June 30, 2030**, the State Board of Parole and Post-Prison  
18 Supervision shall classify existing registrants in one of the levels described in ORS 163A.100. The  
19 Department of State Police shall enter the results of the classifications described in this section into  
20 the Law Enforcement Data System within a reasonable time after receipt.

21 (b) The board shall classify an existing registrant as a level three sex offender under ORS  
22 163A.100 (3), if:

23 (A) The person was previously designated a predatory sex offender and the designation was  
24 made after the person was afforded notice and an opportunity to be heard as to all factual questions  
25 at a meaningful time and in a meaningful manner; or

26 (B) The person is a sexually violent dangerous offender under ORS 137.765.

27 (c) The Psychiatric Security Review Board may complete the risk assessment of an existing  
28 registrant who is under the jurisdiction of the Psychiatric Security Review Board, regardless of  
29 whether the person has been found guilty except for insanity of a sex crime or was previously con-  
30 victed of a sex crime, if the State Board of Parole and Post-Prison Supervision and the Psychiatric  
31 Security Review Board mutually agree that the Psychiatric Security Review Board has adequate  
32 resources to perform the assessment and that the performance of the assessment by the Psychiatric  
33 Security Review Board would assist in classifying the existing registrant in a more timely manner.

34 (3) As soon as practicable following the classification of an existing registrant under this sec-  
35 tion, the classifying board shall notify the person of the classification by mail.

36 (4)(a) An existing registrant who seeks review of a classification made under this section as a  
37 level two or level three sex offender as described in ORS 163A.100 may petition the classifying board  
38 for review. The petition may be filed no later than 60 days after the board provides the notice de-  
39 scribed in subsection (3) of this section.

40 (b) Upon receipt of a petition described in this subsection, the classifying board shall afford the  
41 person an opportunity to be heard as to all factual questions related to the classification.

42 (c) After providing the person with notice and an opportunity to be heard in accordance with  
43 this subsection, the board shall classify the person in accordance with the classifications described  
44 in ORS 163A.100, based on all of the information available to the classifying board.

45 (5) The boards shall adopt rules to carry out the provisions of this section.

1 (6) An existing registrant may not petition for reclassification or relief from the obligation to  
2 report as a sex offender as provided in ORS 163A.125 until either all existing registrants have been  
3 classified in one of the levels described in ORS 163A.100 or December 1, 2018, whichever occurs  
4 first.

5 (7) Notwithstanding ORS 163A.225 or any other provision of law, the Department of State Police  
6 may until December 1, 2018, continue to use the Internet to make information available to the public  
7 concerning any adult sex offender designated as predatory as authorized by the law in effect on  
8 December 31, 2013.

9 (8)(a) If the State Board of Parole and Post-Prison Supervision or the Psychiatric Security Re-  
10 view Board does not classify an existing registrant under ORS 163A.100 because the person has  
11 failed or refused to participate in a sex offender risk assessment as directed by the State Board of  
12 Parole and Post-Prison Supervision or the Psychiatric Security Review Board, the appropriate board  
13 shall classify the person as a level three sex offender under ORS 163A.100 (3).

14 (b) If an existing registrant classified as a level three sex offender under this subsection notifies  
15 the State Board of Parole and Post-Prison Supervision or the Psychiatric Security Review Board of  
16 the willingness to participate in a sex offender risk assessment, the appropriate board shall perform  
17 the assessment and classify the existing registrant in one of the levels described in ORS 163A.100.

18 (9) The State Board of Parole and Post-Prison Supervision or the Psychiatric Security Review  
19 Board may reassess or reclassify an existing registrant placed in one of the levels described in ORS  
20 163A.100 under this section if the classifying board determines that a factual mistake caused an  
21 erroneous assessment or classification.

22  
23 **SUMMER LEARNING GRANT PROGRAM REPORTING**

24  
25 **SECTION 3.** ORS 327.342 is amended to read:

26 327.342. (1) The Department of Education shall establish and administer the Summer Learning  
27 Grant program.

28 (2)(a) Under the grant program, the department shall award grants for summer learning pro-  
29 grams that are provided to incoming kindergarten students through outgoing grade 12 students.

30 (b) A summer learning program is eligible for a grant if the program focuses on improving a  
31 student's reading proficiency by:

32 (A) Prioritizing the improvement of student academic outcomes;

33 (B) Incorporating evidence-based literacy instruction and interventions designed to support stu-  
34 dents who are reading below grade level; and

35 (C) Using a variety of learning strategies that:

36 (i) Align with academic content standards adopted under ORS 329.045;

37 (ii) Are focused on evidence-based literacy, mathematics, science or language arts; and

38 (iii) When appropriate, assist with credit recovery.

39 (c) A summer learning program may include enrichment activities if the activities are designed  
40 to improve student academic outcomes and are combined with evidence-based interventions.

41 (3) A summer learning program must be provided for a minimum of 80 total hours for each ses-  
42 sion of the program. Calculations made under this subsection may include hours provided by an  
43 entity with which a partnership has been entered into, as described in subsection (4)(c) of this sec-  
44 tion.

45 (4)(a) Any school district, education service district, public charter school or federally recog-

1 nized Indian tribe in this state, or any combination thereof, may apply to receive a grant under this  
2 section for a summer learning program.

3 (b) The department shall award a grant to an applicant based on whether the applicant meets  
4 the requirements for the grant. An application for a grant must include:

5 (A) A description of the summer learning program and how the program satisfies the require-  
6 ments described in subsections (2) and (3) of this section.

7 (B) Documentation that the applicant has a plan for summer learning, which may include:

8 (i) An early literacy success plan developed under ORS 327.831 to receive a grant under the  
9 Early Literacy Success School Grant program; or

10 (ii) A plan developed under ORS 327.883 to receive a grant under the High School Graduation  
11 and College and Career Readiness Act.

12 (C) An identification of the assessments that the applicant will provide at the beginning of the  
13 summer learning program and after the summer learning program. Assessments are subject to ap-  
14 proval by the department and shall be used for the purpose of the report described in subsection  
15 (7)(e) of this section.

16 (D) A description of the budget for how the grant will be used, including the budget of the ap-  
17 plicant related to the provision of a summer learning program.

18 (c)(A) An applicant for a grant may enter into a partnership with one or more entities as de-  
19 scribed in this paragraph to provide a summer learning program that is funded by a grant under this  
20 section.

21 (B) Entities with which an applicant may enter into a partnership include a school district, an  
22 education service district, a public charter school, an institution of higher education, a unit of local  
23 government as defined in ORS 190.003, a local service district as defined in ORS 174.116, a federally  
24 recognized Indian tribe in this state, a community-based organization or a nonprofit entity.

25 (C) An applicant may enter into a partnership with an entity identified in subparagraph (B) of  
26 this paragraph if the entity has demonstrated an ability to assist in literacy instruction and activ-  
27 ities or academic enrichment, as determined by the applicant.

28 (D) If an applicant applies for a grant based on a plan that includes a partnership with an entity  
29 identified in subparagraph (B) of this paragraph, the applicant must provide with the application a  
30 written letter of support from the entity. The letter must include a description of services to be  
31 provided by the entity and the budget of the entity for the provision of those services.

32 (5)(a) When awarding grants, the department shall prioritize applicants that:

33 (A) Submit a summer learning plan that uses research-aligned literacy strategies, as defined in  
34 ORS 327.825.

35 (B) Have the lowest rates of reading proficiency, as determined based on criteria provided by  
36 the department.

37 (C) Have focused interventions that target students who have demonstrated academic needs,  
38 including students whose level of proficiency is not at grade level.

39 (b) The department shall establish the process and timelines for awarding a grant under this  
40 section. The process must be communicated on the department's website and be easily accessible  
41 by applicants.

42 (6)(a) Grants awarded under this section may be used for all expenses related to:

43 (A) Providing personnel and staffing for a summer learning program, including professional de-  
44 velopment.

45 (B) Providing summer learning, including curriculum, technology and other supplies.

1 (C) Contracting with third parties to provide a summer learning program.

2 (D) Providing facilities that will support and accommodate a summer learning program.

3 (E) Providing student transportation for a summer learning program.

4 (F) Providing nutritious snacks and meals to participants of a summer learning program when  
5 snacks or meals are not provided through the United States Department of Agriculture's Summer  
6 Food Service Program or through a summer meals program that is part of a national lunch program.

7 (b) Expenses for allowed uses identified in paragraph (a) of this subsection may include the ad-  
8 ministrative expenses of an entity with which a recipient of a grant has entered into a partnership  
9 as described in subsection (4)(c) of this section.

10 (c) A recipient of a grant received under this section may use a percentage of the grant moneys  
11 for the administrative expenses of the recipient as follows:

12 (A) Five percent of the grant amount, excluding any amounts used for student transportation,  
13 if the recipient has entered into a partnership with an entity as described in subsection (4)(c) of this  
14 section to administer the summer learning program in its entirety, with the exception of the pro-  
15 vision of student transportation; or

16 (B) Ten percent of the grant amount, excluding any amounts used for student transportation, for  
17 a recipient who has not entered into a partnership with an entity as described in subparagraph (A)  
18 of this paragraph.

19 (7) Recipients of a grant must provide to the department a report that includes:

20 (a) The number and demographics of students served by the summer learning program;

21 (b) Activities of the summer learning program, including the number of hours for each activity;

22 (c) Information regarding staffing levels of the summer learning program and training provided  
23 to staff of the summer learning program;

24 (d) A description of how activities of the summer learning program supported the requirements  
25 described in subsections (2) and (3) of this section;

26 (e) An evaluation of the assessments provided at the beginning of the summer learning program  
27 and at the end of the summer learning program to identify changes in students' academic outcomes  
28 and to determine the effectiveness of the program;

29 (f) The identification of any successful activities or strategies and of any activities or strategies  
30 that may need to be modified;

31 (g) The identification of the number of credits earned by participants of the summer learning  
32 program, if applicable; and

33 (h) A budget report on how the grant moneys were used.

34 (8) Each year, the department shall prepare *[reports that summarize]* **a report that summarizes**  
35 the reports received from recipients of a grant under subsection (7) of this section. The department  
36 shall provide **the report** to *[the subcommittee of]* the Joint Committee on Ways and Means *[related*  
37 *to education:]* **no later than January 30 of each year.**

38 *[(a) A preliminary report no later than January 15 of each year.]*

39 *[(b) A final report no later than February 15 of each year.]*

40 (9) Each biennium, the department shall review statewide student academic outcomes to deter-  
41 mine which academic content areas to prioritize for summer learning programs for the upcoming  
42 biennium.

43 (10) The State Board of Education may adopt any rules necessary for the administration of this  
44 section.

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**PAY FREQUENCY**

**SECTION 4.** ORS 292.010 is amended to read:

292.010. The salaries of the Governor, Secretary of State, State Treasurer, Attorney General, judges of the Supreme and circuit courts, district attorneys, and all other state officers, and all persons employed by the state whose salary or compensation is payable by law out of the State Treasury, shall be paid [*monthly or on a biweekly basis*] **at a frequency of at least once per month.**

**SECTION 5.** ORS 292.039 is amended to read:

292.039. (1) The payment of the salary or compensation of the employees of the Department of Transportation and the officers and employees of any state agency, as defined in ORS 291.002, if such agency is authorized by the Director of the Oregon Department of Administrative Services, where such salary or compensation is payable out of the State Treasury and is fixed by law or the proper governing board or authority at a definite rate per day, week, month or year, shall be made [*monthly*] **periodically**, as provided in this section.

(2) The superintendent, president or chief executive officer of the institutions, boards, commissions or state agencies listed in subsection (1) of this section, or such other officer thereof as may be, with the approval of the department, designated by the proper governing board or authority, shall, at the end of each [*month*] **payroll period**, make out, certify and transmit to the department, a payroll, duly verified by the superintendent, president or chief executive officer or designated other officer and approved by the proper auditing committee or officer, showing the names of the several officers and employees during the preceding payroll period, the rate of compensation of each by the day, week, month or year, the time employed, the amount due and any other facts the department requires. The department, if it approves the payroll, shall draw a warrant on the State Treasurer for the aggregate amount allowed by it thereon, in favor of the superintendent, president or other officer of the institution, board, commission or state agency, who shall immediately pay over the moneys received thereon to the several parties entitled thereto, taking receipts therefor, which shall be transmitted to the department.

**SECTION 6.** ORS 292.311 is amended to read:

292.311. The incumbents of each of the following offices shall be paid an annual salary [*on a monthly basis,*] as follows:

(1) Governor, \$98,600 for the year beginning January 1, 2014, and for each year thereafter. The Governor shall also be paid \$1,000 per month regularly for expenses necessarily incurred but not otherwise provided for.

(2) Secretary of State, \$77,000 for the year beginning January 1, 2014, and for each year thereafter. The Secretary of State shall also be paid \$250 per month regularly for expenses necessarily incurred but not otherwise provided for.

(3) State Treasurer, \$77,000 for the year beginning January 1, 2014, and for each year thereafter. The State Treasurer shall also be paid \$250 per month regularly for expenses necessarily incurred but not otherwise provided for.

(4) Attorney General, \$82,200 for the year beginning January 1, 2014, and for each year thereafter. The Attorney General shall also be paid \$250 per month regularly for expenses necessarily incurred but not otherwise provided for.

(5) Commissioner of the Bureau of Labor and Industries, \$77,000 for the year beginning January 1, 2014, and for each year thereafter. The commissioner shall also be paid \$250 per month regularly

1 for expenses necessarily incurred but not otherwise provided for.

2 **SECTION 7.** ORS 292.930 is amended to read:

3 292.930. Each of the following elective officers shall be paid an annual salary [*on a monthly*  
4 *basis*] as determined by the Legislative Assembly each biennium:

- 5 (1) Governor.
- 6 (2) Secretary of State.
- 7 (3) State Treasurer.
- 8 (4) Attorney General.
- 9 (5) Commissioner of the Bureau of Labor and Industries.
- 10 (6) Chief Judge of the Court of Appeals.
- 11 (7) Court of Appeals Judge.
- 12 (8) Chief Justice of the Supreme Court.
- 13 (9) Supreme Court Judge.
- 14 (10) Circuit Court Judge.
- 15 (11) Tax Court Judge.

16  
17 **FUNDING FOR PCB TESTING**

18  
19 **SECTION 8.** ORS 327.008 is amended to read:

20 327.008. (1)(a) There is established a State School Fund in the General Fund.

21 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,  
22 grants, donations and other moneys from public and private sources for the State School Fund.  
23 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

24 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,  
25 moneys transferred from the Fund for Student Success, moneys transferred from the Education Sta-  
26 bility Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b)  
27 of this subsection.

28 (d) The State School Fund is continuously appropriated to the Department of Education for the  
29 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.356 to  
30 327.359, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

31 (2)(a) There shall be apportioned from the State School Fund to each school district a State  
32 School Fund grant, consisting of the positive amount equal to a general purpose grant and a trans-  
33 portation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS  
34 327.011 and 327.013.

35 (b) Each biennium, the Department of Education shall distribute amounts available for the gen-  
36 eral purpose grant and the transportation grant, based on calculations made prior to any modifica-  
37 tions made by the Emergency Board or the Legislative Assembly, as follows:

38 (A) Forty-nine percent of the amounts available for distribution in the first year of the biennium;  
39 and

40 (B) Fifty-one percent of the amounts available for distribution in the second year of the  
41 biennium.

42 (3) For the first school year after a public charter school ceases to operate because of dissol-  
43 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned  
44 from the State School Fund to each school district that had sponsored a public charter school that  
45 ceased to operate an amount equal to the school district's general purpose grant per extended

1 ADMw multiplied by five percent of the ADM of the public charter school for the previous school  
2 year.

3 (4) There shall be apportioned from the State School Fund to each education service district a  
4 State School Fund grant as calculated under ORS 327.019.

5 (5) All figures used in the determination of the distribution of the State School Fund shall be  
6 estimates for the same year as the distribution occurs, unless otherwise specified.

7 (6) Numbers of students in average daily membership used in the distribution formula shall be  
8 the numbers as of June of the year of distribution.

9 (7) Each biennium, the Department of Education may expend from the State School Fund no  
10 more than \$3 million for expenses incurred by the department in providing support to school dis-  
11 tricts, education service districts and public charter schools at any time before, during or after a  
12 threat or hazard that may affect a school district, an education service district or a public charter  
13 school and for the purpose of helping to improve the safety and security of students and staff.

14 (8) Each biennium, the Department of Education may expend from the State School Fund no  
15 more than \$10 million for expenses incurred by the Office of School Facilities under ORS 326.125  
16 (1)(b) to (g).

17 (9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-  
18 ity Account established in ORS 327.022 the amount necessary to pay the costs of educational ser-  
19 vices provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

20 (10) Each fiscal year, the Department of Education shall transfer the amount of \$55 million from  
21 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

22 (11)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State  
23 School Fund to the Educator Advancement Fund established under ORS 342.953.

24 (b) For the purpose of making the transfer under this subsection:

25 (A) The total amount available for all distributions from the State School Fund shall be reduced  
26 by \$6 million;

27 (B) The amount distributed to school districts from the State School Fund under this section and  
28 ORS 327.013 shall be reduced by \$16.75 million; and

29 (C) The amount distributed to education service districts from the State School Fund under this  
30 section and ORS 327.019 shall be reduced by \$16.75 million.

31 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same  
32 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204  
33 direct the state agencies to adjust their agency budget requests for special payments under ORS  
34 291.216 (6)(a)(C).

35 (12) Each biennium, the Department of Education shall transfer \$12.5 million from the State  
36 School Fund to the Statewide English Language Learner Program Account established under ORS  
37 327.344.

38 (13) Each fiscal year, the Department of Education may expend up to \$550,000 from the State  
39 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
40 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
41 amount expended by the department under this subsection.

42 (14) Each biennium, the Department of Education may expend up to \$350,000 from the State  
43 School Fund to provide administration of and support for the development of talented and gifted  
44 education under ORS 343.404.

45 (15) Each biennium, the Department of Education may expend up to \$150,000 from the State

1 School Fund for the administration of a program to increase the number of licensed speech-language  
2 pathologists and certified speech-language pathology assistants under ORS 348.398.

3 (16) Each biennium, the Department of Education shall transfer \$2 million from the State School  
4 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.  
5 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School  
6 Facilities Fund under this subsection only as grants for costs associated with testing for elevated  
7 levels of lead in water used for drinking or food preparation **and for testing for elevated levels**  
8 **of polychlorinated biphenyl exposure.**

9 (17) Each biennium, the Department of Education shall transfer an amount not to exceed  
10 \$5,595,000 for the purpose of making tampons and sanitary pads available as provided by ORS  
11 326.545.

12 (18) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from  
13 the State School Fund to the Small School District Supplement Fund established in ORS 327.359.

14 (19) Each biennium, the Department of Education shall transfer to the Oregon Military Depart-  
15 ment the amount necessary to pay the costs of educational services provided to students admitted  
16 to programs operated by the military department for at-risk youth, as described in ORS 396.360, that  
17 are outstanding after any General Fund appropriations and the calculation of available federal funds  
18 for the programs.

19  
20 **TRANSFERS FOR GENERAL GOVERNMENTAL PURPOSES**

21  
22 **SECTION 9. Notwithstanding ORS 276A.209, the amount of \$23,000,000 is transferred from**  
23 **the State Information Technology Operating Fund to the General Fund for general govern-**  
24 **mental purposes. The transfer shall be made on May 31, 2027.**

25 **SECTION 10. Notwithstanding ORS 285A.103, the amount of \$29,700,000 is transferred**  
26 **from the Oregon Infrastructure Finance Fund to the General Fund for general governmental**  
27 **purposes. The transfer shall be made on May 31, 2027.**

28  
29 **DEPARTMENT OF TRANSPORTATION**  
30 **OPERATIONS AND MAINTENANCE**

31  
32 **SECTION 11. (1) Notwithstanding ORS 367.095 (4), the Department of Transportation**  
33 **shall expend \$35,000,000 of the moneys described in ORS 367.095 (4) for operations and main-**  
34 **tenance.**

35 **(2) Moneys described in ORS 367.095 (4) that are not expended for operations and main-**  
36 **tenance shall be allocated as described in ORS 367.095 (4).**

37 **SECTION 12. Section 71d, chapter 750, Oregon Laws 2017, as amended by section 5, chapter**  
38 **93, Oregon Laws 2018, is amended to read:**

39 **Sec. 71d.** (1) On and after January 1, 2020, the Oregon Transportation Commission shall use the  
40 proceeds of bonds, as defined in ORS 367.010, authorized under ORS 367.620 (3)(d) to finance the  
41 transportation projects listed in this section. The commission shall determine the order of com-  
42 pletion for the projects listed in subsection (2) of this section.

43 (2) No later than January 1, 2024, the commission shall allocate the following amounts to each  
44 region, as described in ORS 366.805, for the projects listed below, provided that the commission de-  
45 termines that the projects could constitutionally be funded by revenues described in Article IX,

1 section 3a, of the Oregon Constitution:

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- (a) Region 1:..... \$ 249,700,000
    - (A) State Highway 211 improvements beginning where the highway intersects with State Highway 213 and ending where the highway intersects Molalla Avenue in the City of Molalla
    - (B) WaNaPa Street improvements in the City of Cascade Locks
    - (C) Port of Hood River bridge replacement environmental impact study
    - (D) Columbia Boulevard pedestrian safety
    - (E) Southeast Powell Boulevard jurisdiction transfer as described under ORS 366.483
    - (F) Interstate 205 active traffic management project
    - (G) Interstate 205 corridor bottleneck project
    - (H) State Highway 217 Northbound project
    - (I) State Highway 217 Southbound project
    - (J) Improvements to Graham Road where it intersects with Interstate 84 in the City of Troutdale
  - [(b) Region 2:..... \$ 201,950,000]
  - (b) Region 2:..... \$ 195,950,000**
    - (A) Oregon Manufacturing Innovation Center Access Roads in Columbia County
    - (B) Interstate 5 at the Aurora-Donald interchange, Phase I
    - (C) State Highway 99E in

- 1 the City of Halsey
- 2 (D) State Highway 214
- 3 pedestrian safety
- 4 improvements at the
- 5 intersection with
- 6 Jefferson Street in the
- 7 City of Silverton
- 8 (E) Territorial Highway
- 9 jurisdiction transfer
- 10 as described under
- 11 ORS 366.483
- 12 (F) U.S. Highway 20 safety
- 13 upgrades from the
- 14 City of Albany to the
- 15 City of Corvallis
- 16 [(G) *State Highway 58, adding*
- 17 *[passing lanes west of the]*
- 18 *[City of Oakridge]*
- 19 [(H)] (G) State Highway 22 and Center
- 20 Street Bridge, seismic
- 21 retrofit in the City
- 22 of Salem
- 23 [(I)] (H) State Highway 99 in
- 24 City of Eugene
- 25 jurisdiction transfer
- 26 as described
- 27 under ORS 366.483
- 28 [(J)] (I) State Highway 126
- 29 Florence-Eugene
- 30 Highway for
- 31 environmental impact study
- 32 [(K)] (J) 42nd Street in the City
- 33 of Springfield
- 34 [(L)] (K) Newberg and Dundee Bypass,
- 35 State Highway 99W,
- 36 Phase II, shovel ready
- 37 preparations
- 38 (c) Region 3:..... \$ 75 million
- 39 (A) Scottsburg Bridge on
- 40 State Highway 38 in
- 41 Douglas County
- 42 (B) Southern Oregon seismic
- 43 triage transportation
- 44 project
- 45 (d) Region 4:..... \$ 76,493,000

- 1 (A) U.S. Highway 97 Cooley
- 2 Road mid-term
- 3 improvements
- 4 (B) U.S. Highway 97 at
- 5 Terrebonne
- 6 (C) Improvements to Alder
- 7 Creek Road in
- 8 Wheeler County
- 9 (D) Pedestrian safety
- 10 improvements
- 11 in the City of Dufur
- 12 (E) Pedestrian safety
- 13 improvements in the
- 14 City of Prineville
- 15 (F) Tom McCall Road
- 16 roundabout
- 17 (G) Pedestrian safety
- 18 improvements
- 19 in the City of Arlington
- 20 (e) Region 5:..... \$ 43,647,000
- 21 (A) Port of Umatilla Road
- 22 (B) Hermiston North First
- 23 Place Project in the
- 24 City of Hermiston
- 25 (C) State Highway 30 and
- 26 Hughes Lane intersection
- 27 in Baker County
- 28 (D) Eastern Oregon Trade and
- 29 Event Center access road
- 30 (E) Pedestrian safety
- 31 improvements in the
- 32 City of Heppner
- 33 (F) Pedestrian safety
- 34 improvements in the
- 35 City of Milton-Freewater
- 36 (G) Columbia Development
- 37 Authority Access Road
- 38 (H) Pedestrian safety
- 39 improvements
- 40 in the City of Burns
- 41 (I) Pedestrian safety
- 42 improvements
- 43 in the City of Irrigon
- 44 (J) U.S. Highway 20 freight
- 45 mobility enhancements

1 (K) Cedar Street and Hughes  
2 Lane enhancements in  
3 Baker County  
4

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5  
6 (3)(a) When the commission determines that a project described in this section is completed, the  
7 commission shall reallocate any amount remaining from the allocation made under this section to  
8 another project described in the same region.

9 (b) When the commission determines that all of the projects within a region are completed, the  
10 commission shall reallocate any amount remaining from the allocation made under this section to  
11 any other project listed in this section.

12 (4) The amounts described in this section for jurisdiction transfers described in ORS 366.483 may  
13 not be allocated until after the transfer for which the allocation is dedicated occurs.

14 **SECTION 13.** (1) **The amendments to section 71d, chapter 750, Oregon Laws 2017, by**  
15 **section 12 of this 2026 Act are intended to cancel the project approved for State Highway 58.**  
16 **Such cancellation does not constitute completion of the project for purposes of section 71d**  
17 **(3)(a), chapter 750, Oregon Laws 2017.**

18 (2) **The amount of \$6,000,000 formerly approved under section 71d (2)(b), chapter 750,**  
19 **Oregon Laws 2017, for the State Highway 58 project shall be expended by the Department of**  
20 **Transportation for operations and maintenance.**

21 **SECTION 14.** **The Department of Transportation may expend up to \$85,000,000 of unobli-**  
22 **gated federal funds to finance projects described in section 71d, chapter 750, Oregon Laws**  
23 **2017, as amended by section 12 of this 2026 Act.**

24 **SECTION 15.** (1) **Notwithstanding ORS 367.095 (4), the Department of Transportation**  
25 **shall expend \$85,000,000 of the moneys described in ORS 367.095 (4) for operations and main-**  
26 **tenance.**

27 (2) **Moneys described in ORS 367.095 (4) that are not expended for operations and main-**  
28 **tenance shall be allocated as described in ORS 367.095 (4).**

29 **SECTION 16.** **Notwithstanding ORS 367.080, the amount of \$35,000,000 is transferred from**  
30 **the Connect Oregon Fund to the State Highway Fund described in ORS 366.505, to be used**  
31 **for operations and maintenance. The transfer shall be made on the effective date of this 2026**  
32 **Act.**

33 **SECTION 17.** (1) **Notwithstanding ORS 320.435 (2)(a)(B), and subject to subsection (2) of**  
34 **this section, during the biennium ending June 30, 2027, the Department of Revenue shall**  
35 **transfer the moneys attributable to the privilege tax imposed under ORS 320.405 that would**  
36 **otherwise be transferred to the Connect Oregon Fund under ORS 320.435 (2)(a)(B) to the**  
37 **State Highway Fund described in ORS 366.505, to be used for operations and maintenance.**

38 (2) **Subsection (1) of this section applies only to the first \$7,000,000 that would otherwise**  
39 **be transferred to the Connect Oregon Fund under ORS 320.435 (2)(a)(B).**

40 **SECTION 18.** **Notwithstanding ORS 367.091, the amount of \$6,000,000 is transferred from**  
41 **the Multimodal Active Transportation Fund to the State Highway Fund described in ORS**  
42 **366.505, to be used for operations and maintenance. The transfer shall be made on the ef-**  
43 **fective date of this 2026 Act.**

44 **SECTION 19.** (1) **Notwithstanding ORS 367.081 (3), and subject to subsection (2) of this**  
45 **section, during the biennium ending June 30, 2027, the Department of Transportation shall**

1 transfer the moneys that would otherwise be transferred to the Multimodal Active Trans-  
2 portation Fund under ORS 367.081 (3) to the State Highway Fund described in ORS 366.505,  
3 to be used for operations and maintenance.

4 (2) Subsection (1) of this section applies only to the first \$2,000,000 that would otherwise  
5 be transferred to the Multimodal Active Transportation Fund under ORS 367.081 (3).

6 **SECTION 20.** (1) Notwithstanding ORS 367.095 (2)(b), and subject to subsection (2) of this  
7 section, during the biennium ending June 30, 2027, the moneys that would otherwise be  
8 transferred to the Safe Routes to Schools Fund under ORS 367.095 (2)(b) shall be transferred  
9 to the State Highway Fund described in ORS 366.505, to be used for operations and mainte-  
10 nance.

11 (2) Subsection (1) of this section applies only to the first \$17,000,000 that would otherwise  
12 be transferred to the Safe Routes to Schools Fund under ORS 367.095 (2)(b).

13 **SECTION 21.** Notwithstanding ORS 184.642, the amount of \$2,000,000 is transferred from  
14 the Department of Transportation Operating Fund to the State Highway Fund described in  
15 ORS 366.505, to be used for operations and maintenance. The transferred amount must con-  
16 sist solely of revenues described in ORS 184.642 (2)(a). The transfer shall be made on the  
17 effective date of this 2026 Act.

18 **SECTION 22.** (1) Notwithstanding ORS 184.643, and subject to subsection (2) of this sec-  
19 tion, during the biennium ending June 30, 2027, the Oregon Department of Administrative  
20 Services and the Department of Transportation shall transfer the moneys that would other-  
21 wise be transferred to the Department of Transportation Operating Fund under ORS 184.643  
22 to the State Highway Fund described in ORS 366.505, to be used for operations and mainte-  
23 nance.

24 (2) Subsection (1) of this section applies only to the first \$18,000,000 that would otherwise  
25 be transferred to the Department of Transportation Operating Fund under ORS 184.643.

26 **SECTION 23.** Notwithstanding ORS 336.810, the amount of \$5,000,000 is transferred from  
27 the Student Driver Training Fund to the State Highway Fund described in ORS 366.505, to  
28 be used for operations and maintenance. The transfer shall be made on the effective date of  
29 this 2026 Act.

30  
31 **COUNTY FAIR ACCOUNT ALLOCATION**

32  
33 **SECTION 24.** ORS 565.447 is amended to read:

34 565.447. (1) Subject only to the availability of unobligated net lottery proceeds, there is allocated  
35 from the Administrative Services Economic Development Fund to the County Fair Account created  
36 under ORS 565.445 an amount equal to one percent of the net proceeds from the Oregon State  
37 Lottery[, *but not to exceed \$1.53 million annually, adjusted biennially pursuant to an inflation factor*  
38 *determined by dividing the Consumer Price Index for All Urban Consumers, West Region (All Items),*  
39 *as published by the Bureau of Labor Statistics of the United States Department of Labor, for January*  
40 *1 immediately preceding commencement of the biennium, by the Consumer Price Index for All Urban*  
41 *Consumers of the Portland, Oregon, Standard Metropolitan Statistical Area, as compiled by the United*  
42 *States Department of Labor, Bureau of Labor Statistics, for January 1, 2001].*

43 (2) The allocation of moneys from the Administrative Services Economic Development Fund un-  
44 der this section is subject to the requirements in section 4, Article XV of the Oregon Constitution,  
45 for deposit of specified amounts of the net proceeds from the Oregon State Lottery into the Educa-

1 tion Stability Fund and into the Parks and Natural Resources Fund and shall be made only after  
2 satisfaction or payment of:

3 (a) Amounts allocated to Westside lottery bonds issued under ORS 391.140 or to the reserves  
4 or any refunding related to the Westside lottery bonds in accordance with the priority for allocation  
5 and disbursement established by ORS 391.130;

6 (b) All liens, pledges or other obligations relating to lottery bonds or refunding lottery bonds  
7 due or payable during the year for which an allocation is to be made; and

8 (c) Amounts required by any other pledges of, or liens on, net proceeds from the Oregon State  
9 Lottery.

10 **SECTION 25. The amendments to ORS 565.447 by section 24 of this 2026 Act become op-**  
11 **erative on July 1, 2027.**

12  
13 **CAPTIONS**

14  
15 **SECTION 26. The unit captions used in this 2026 Act are provided only for the conven-**  
16 **ience of the reader and do not become part of the statutory law of this state or express any**  
17 **legislative intent in the enactment of this 2026 Act.**

18  
19 **EMERGENCY CLAUSE**

20  
21 **SECTION 27. This 2026 Act being necessary for the immediate preservation of the public**  
22 **peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect**  
23 **on its passage.**

24 \_\_\_\_\_