Enrolled
Senate Bill 1601

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

CHAPTER ....

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 $220,596.

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

SEX OFFENDER CLASSIFICATION

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

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

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

(b) "Existing registrant" means a person for whom the event triggering the obligation to make 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 (3)(a)(A) occurs before January 1, 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUMMER LEARNING GRANT PROGRAM REPORTING

SECTION 3. ORS 327.342 is amended to read:

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

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

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

(A) Prioritizing the improvement of student academic outcomes;

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

(C) Using a variety of learning strategies that:

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

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

(iii) When appropriate, assist with credit recovery.

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

(3) A summer learning program must be provided for a minimum of 80 total hours for each session of the program. Calculations made under this subsection may include hours provided by an entity with which a partnership has been entered into, as described in subsection (4)(c) of this section.

(4)(a) Any school district, education service district, public charter school or federally recognized Indian tribe in this state, or any combination thereof, may apply to receive a grant under this section for a summer learning program.

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

(A) A description of the summer learning program and how the program satisfies the requirements described in subsections (2) and (3) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Providing personnel and staffing for a summer learning program, including professional development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) Each biennium, the department shall review statewide student academic outcomes to determine which academic content areas to prioritize for summer learning programs for the upcoming biennium.

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

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 for expenses necessarily incurred but not otherwise provided for.

SECTION 7. ORS 292.930 is amended to read:

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

(1) Governor.

(2) Secretary of State.

(3) State Treasurer.

(4) Attorney General.

(5) Commissioner of the Bureau of Labor and Industries.

(6) Chief Judge of the Court of Appeals.

(7) Court of Appeals Judge.

(8) Chief Justice of the Supreme Court.

(9) Supreme Court Judge.

(10) Circuit Court Judge.

(11) Tax Court Judge.

FUNDING FOR PCB TESTING

SECTION 8. ORS 327.008 is amended to read:

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

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

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

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

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

(b) Each biennium, the Department of Education shall distribute amounts available for the general purpose grant and the transportation grant, based on calculations made prior to any modifications made by the Emergency Board or the Legislative Assembly, as follows:

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

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

(3) For the first school year after a public charter school ceases to operate because of dissolution or closure or because of termination or nonrenewal of a charter, there shall be apportioned from the State School Fund to each school district that had sponsored a public charter school that

ceased to operate an amount equal to the school district's general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

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

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

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

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

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

(9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

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

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

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

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

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

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

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

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

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

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

(15) Each biennium, the Department of Education may expend up to $150,000 from the State School Fund for the administration of a program to increase the number of licensed speech-language pathologists and certified speech-language pathology assistants under ORS 348.398.

(16) Each biennium, the Department of Education shall transfer $2 million from the State School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337. Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School Facilities Fund under this subsection only as grants for costs associated with testing for elevated

levels of lead in water used for drinking or food preparation **and for testing for elevated levels of polychlorinated biphenyl exposure**.

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

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

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

TRANSFERS FOR GENERAL GOVERNMENTAL PURPOSES

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

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

DEPARTMENT OF TRANSPORTATION
OPERATIONS AND MAINTENANCE

SECTION 11. (1) Notwithstanding ORS 367.095 (4), the Department of Transportation shall expend $35,000,000 of the moneys described in ORS 367.095 (4) for operations and maintenance.

(2) Moneys described in ORS 367.095 (4) that are not expended for operations and maintenance shall be allocated as described in ORS 367.095 (4).

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

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

(2) No later than January 1, 2024, the commission shall allocate the following amounts to each region, as described in ORS 366.805, for the projects listed below, provided that the commission determines that the projects could constitutionally be funded by revenues described in Article IX, section 3a, of the Oregon Constitution:

(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 the City of Halsey

(D) State Highway 214 pedestrian safety improvements at the intersection with Jefferson Street in the City of Silverton

(E) Territorial Highway jurisdiction transfer as described under ORS 366.483

(F) U.S. Highway 20 safety upgrades from the City of Albany to the City of Corvallis

[*(G) State Highway 58, adding*] [*passing lanes west of the*] [*City of Oakridge*]

[*(H)*] **(G)** State Highway 22 and Center Street Bridge, seismic retrofit in the City of Salem

[*(I)*] **(H)** State Highway 99 in City of Eugene jurisdiction transfer as described under ORS 366.483

[*(J)*] **(I)** State Highway 126 Florence-Eugene Highway for environmental impact study

[*(K)*] **(J)** 42nd Street in the City of Springfield

[*(L)*] **(K)** Newberg and Dundee Bypass, State Highway 99W, Phase II, shovel ready preparations

(c) Region 3:............................ $ 75 million

(A) Scottsburg Bridge on State Highway 38 in Douglas County

(B) Southern Oregon seismic triage transportation project

(d) Region 4:............................ $ 76,493,000

(A) U.S. Highway 97 Cooley Road mid-term improvements

(B) U.S. Highway 97 at Terrebonne

(C) Improvements to Alder Creek Road in Wheeler County

(D) Pedestrian safety improvements in the City of Dufur

(E) Pedestrian safety improvements in the City of Prineville

(F) Tom McCall Road roundabout

(G) Pedestrian safety improvements in the City of Arlington

(e) Region 5:............................ $ 43,647,000

(A) Port of Umatilla Road

(B) Hermiston North First Place Project in the City of Hermiston

(C) State Highway 30 and Hughes Lane intersection in Baker County

(D)	Eastern Oregon Trade and Event Center access road
(E)	Pedestrian safety improvements in the City of Heppner
(F)	Pedestrian safety improvements in the City of Milton-Freewater
(G)	Columbia Development Authority Access Road
(H)	Pedestrian safety improvements in the City of Burns
(I)	Pedestrian safety improvements in the City of Irrigon
(J)	U.S. Highway 20 freight mobility enhancements
(K)	Cedar Street and Hughes Lane enhancements in Baker County

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

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

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

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

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

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

SECTION 15. (1) Notwithstanding ORS 367.095 (4), the Department of Transportation shall expend $85,000,000 of the moneys described in ORS 367.095 (4) for operations and maintenance.

(2) Moneys described in ORS 367.095 (4) that are not expended for operations and maintenance shall be allocated as described in ORS 367.095 (4).

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

SECTION 17. (1) Notwithstanding ORS 320.435 (2)(a)(B), and subject to subsection (2) of this section, during the biennium ending June 30, 2027, the Department of Revenue shall

transfer the moneys attributable to the privilege tax imposed under ORS 320.405 that would otherwise be transferred to the Connect Oregon Fund under ORS 320.435 (2)(a)(B) to the State Highway Fund described in ORS 366.505, to be used for operations and maintenance.

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

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

SECTION 19. (1) Notwithstanding ORS 367.081 (3), and subject to subsection (2) of this section, during the biennium ending June 30, 2027, the Department of Transportation shall transfer the moneys that would otherwise be transferred to the Multimodal Active Transportation Fund under ORS 367.081 (3) to the State Highway Fund described in ORS 366.505, to be used for operations and maintenance.

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

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

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

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

SECTION 22. (1) Notwithstanding ORS 184.643, and subject to subsection (2) of this section, during the biennium ending June 30, 2027, the Oregon Department of Administrative Services and the Department of Transportation shall transfer the moneys that would otherwise be transferred to the Department of Transportation Operating Fund under ORS 184.643 to the State Highway Fund described in ORS 366.505, to be used for operations and maintenance.

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

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

COUNTY FAIR ACCOUNT ALLOCATION

SECTION 24. ORS 565.447 is amended to read:

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

Consumers of the Portland, Oregon, Standard Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics, for January 1, 2001].

(2) The allocation of moneys from the Administrative Services Economic Development Fund under this section is subject to the requirements in section 4, Article XV of the Oregon Constitution, for deposit of specified amounts of the net proceeds from the Oregon State Lottery into the Education Stability Fund and into the Parks and Natural Resources Fund and shall be made only after satisfaction or payment of:

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

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

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

SECTION 25. The amendments to ORS 565.447 by section 24 of this 2026 Act become operative on July 1, 2027.

CAPTIONS

SECTION 26. The unit captions used in this 2026 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2026 Act.

EMERGENCY CLAUSE

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

Passed by Senate March 6, 2026

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Obadiah Rutledge, Secretary of Senate

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Rob Wagner, President of Senate

Passed by House March 6, 2026

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Julie Fahey, Speaker of House

Received by Governor:

........................M.,.., 2026

Approved:

........................M.,.., 2026

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Tina Kotek, Governor

Filed in Office of Secretary of State:

........................M.,.., 2026

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Tobias Read, Secretary of State