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Written Testimony in Support of SB 1585 – Grant Match Relief for Small Cities

Submitted to: **Senate Committee on Commerce and General Government** (Public Hearing – Feb. 9)

February 2026

Chair and Members of the Committee,

On behalf of the City of North Bend, I write in strong support of Senate Bill 1585 and respectfully urge your “do-pass” action and continued movement of this bill forward. SB 1585 is targeted, practical, and fiscally responsible: it does not expand the size of state grants—it improves the ability of small cities to *actually use* them to deliver real projects for Oregonians.

SB 1585 does two things that matter immensely for cities like ours:

1. It sets clear, population-based ceilings on required local match for capital construction and municipal infrastructure matching grants for incorporated cities with populations not greater than 20,000.
2. It explicitly allows grant funds to be used for all phases of a funded project—not only construction—including engineering, planning, and support.

Those two changes go straight to the heart of what keeps smaller communities from “even getting in line” for state assistance: the inability to assemble large cash matches *and* the inability to fund the early technical work needed to develop a project to the point it can compete for a grant.

Why this bill is necessary—and why it’s smart policy

Across Oregon, the testimony you’ve received reflects the same structural problem: when match expectations are effectively “one-size-fits-all,” they function as a gatekeeping mechanism that favors jurisdictions with larger tax bases and deeper reserves. For example, the City of Halsey notes the inequity of a small city and a much larger city being held to the same match expectations, despite radically different local capacity.

Even when a community is disciplined and grant-savvy, high match requirements divert scarce local dollars away from other critical needs. The City of Florence reports that across three state grant-funded capital projects, it contributed roughly \$416,000 in match, with match requirements varying from 30% to 68%—funds that could otherwise have supported core infrastructure needs.

And for the smallest communities, current match structures can prevent even submitting an application—regardless of project merit. The City of Powers describes drafting but being unable to submit grant applications for emergency response and energy resilience projects because required matching funds were unattainable given its limited budget capacity.

SB 1585 addresses these realities directly by:

- Creating predictability (clear match ceilings tied to population).
- Improving project delivery by allowing grant dollars to cover the project lifecycle, including the costly early phases that most often stall progress in small cities.
- Protecting state investments by reducing delay, redesign, and under-scoping that can occur when planning and engineering are underfunded. (This is echoed in testimony noting that early-phase costs are often the biggest barrier and that underfunding them slows projects and increases costs.)

Why North Bend's voice matters here

North Bend is exactly the type of community this bill is designed to help: a small city with significant public infrastructure obligations, high public expectations, and limited “extra” capacity in any single budget cycle. Like many cities under 20,000, our capital needs are real and ongoing—streets, water, wastewater, stormwater, and the supporting infrastructure that makes housing, business expansion, and public safety possible.

At the same time, North Bend has demonstrated what Oregon gets when the state's local partners can compete and deliver: for the last five years, we have successfully leveraged grants as a core strategy to sustain our budget stability while completing public projects and limiting additional burden on local taxpayers and ratepayers. In other words, we have a track record of turning awards into outcomes. SB 1585 helps ensure cities like North Bend can keep doing that—more consistently, more predictably, and with less disruption to essential services.

For these reasons, the City of North Bend urges the Committee's support for SB 1585 and asks you to advance the bill. The measure is carefully bounded (incorporated cities not greater than 20,000; match ceilings by population; applicability to matching grants awarded on or after the effective date) and it strengthens—not weakens—accountability by making it feasible for small cities to plan, engineer, and deliver projects successfully.

On behalf of the City of North Bend, I respectfully urge your support for SB 1585.

Sincerely,

A handwritten signature in black ink, appearing to read 'DM', with a stylized flourish at the end.

David Milliron