



OREGON
STATE
TREASURY

Elizabeth Steiner, MD
Oregon State Treasurer

George Naughton
Deputy State Treasurer

February 9, 2026

To: Senate Committee on Transportation

From: Jessica Howell - Director of Government Affairs, Oregon State Treasury

Re: SB 1543

Chair Gorsek, Vice-Chair Weber and Members of the Committee,

The Treasurer is charged with maintaining strong credit ratings which are vital and have a direct impact on the state's ability to borrow, the cost of that borrowing, and the overall fiscal health of the state. A strong credit rating assures investors that a state is a low-risk borrower, making it easier for the state to issue bonds and avoid the need to offer higher yields to attract investors.

Section 6(4) sets out to set a fixed limit of debt, in terms of debt service, with respect to resources in the State Highway Fund. This changes the way we currently describe resources available for ODOT bonds. This is important because it could change how rating agencies and bond investors assess ODOT's credit.

Section 7(1) inserts the Oregon Transportation Commission into the issuance process by requiring its approval before Treasury can issue bonds at the request of ODOT. This new approval power over debt issuance deviates from established practices for the State's debt programs and duties of the State Treasurer and could add uncertainty in terms of ODOT's capital plan, potentially complicating the planning and scheduling of debt issuances.

Combined, these changes could increase the uncertainty related to ODOT's capital planning and finances which could negatively affect ODOT's bond credit rating. A lower credit rating and the potential lack of investor confidence can translate to limited participation and a higher cost of capital.



Treasurer's Office - Capitol
900 Court Street NE, Room 159
Salem, OR 97301-3896
503.378.4329

Main Office
867 Hawthorne Ave SE
Salem, OR 97301
503.378.4000

oregon.gov/treasury
oregon.treasurer@state.or.us