

2026 OSBA/COSA Legislative Report

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This OSBA/COSA Legislative Report describes the bills enacted during the 2026 regular session of the 83rd Oregon Legislative Assembly that affect Oregon students, educators and public schools. It was prepared jointly by the Oregon School Boards Association and the Coalition of Oregon School Administrators, whose continuing collaboration ensures that the interests of students, board members and school administrators are at the forefront when state laws affecting public education are drafted and enacted.

Oregon public schools are represented full time in Salem by Morgan Allen and Parasa Chanramy from COSA and Stacy Michaelson and Adrienne Anderson from OSBA.

In the fall of 2025, concerns emerged about the potential for significant mid-biennium budget cuts, including to the State School Fund, because of the impacts of federal legislation. Fortunately, with an improved February 2026 Oregon revenue forecast and action taken by the Legislature to maintain Oregon's tax revenues, we avoided cuts to the State School Fund and the Fund for Student Success.

We believe legislators were committed to protecting student-facing funding thanks to the advocacy of education leaders before and during the legislative session. We want to extend a special thank you to those who contacted lawmakers directly, who held regional legislative events and who traveled to Salem to represent Oregon public schools' interests.

This session, we held our first joint Education Advocacy Day, coordinated by COSA, OSBA, the Oregon Association of School Business Officials and the Oregon Association of Education Service

Districts. Bringing to the Capitol dozens of districts and school leaders across multiple roles proved to be an effective strategy, and it is something we plan to do again.

The Oregon budget will continue to be stretched thin over the next two biennia as the 2025 federal H.R. 1 tax and spending bill shifts Medicaid and Supplemental Nutrition Assistance Program costs from the federal government to the states. This session we saw the direct impact of federal funding cuts on the larger state budget picture and funding for essential services. Legislators vigorously debated accessing, and ultimately used, funds that support K-12 schools to help a financially distressed hospital ([HB 4075](#)). We are concerned this dynamic will only worsen as state budget challenges grow. We will need all of you and your local advocacy to ensure legislators remain committed to protecting services for students.

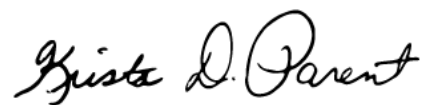
Just as local district leaders plan for the coming school year while navigating the operational needs of the current year, we must prepare for the 2027 legislative session while continuing to weigh in on implementation of measures passed in 2025 and 2026. Our organizations are deeply engaged in discussions with the state about attendance, accountability, curriculum adoption and district accounting systems among other issues. We are also preparing for conversations with legislators about instructional time, class size, employee benefits and other cost drivers in advance of 2027. We will be getting your input on these big issues and how they affect your district during our fall regionals.

We cannot do this work alone. We will continue to keep you informed and hope that you will continue to engage in advocacy efforts alongside us. The work to prepare for the 2027 legislative session begins now.

Sincerely,



Emielle Nischik
Executive Director
OSBA



Dr. Krista Parent
Executive Director
COSEA

2026 LEGISLATIVE SESSION

The Oregon Legislative Assembly began the 2026 session in earnest Monday, Feb. 2, and adjourned March 6.

On even-numbered years, the Legislature convenes for no more than 35 days, also known as a “short” session. The short sessions were instituted to focus on making necessary and timely technical fixes, responding to urgent and emergent issues and, as needed, re-balancing the state budget.

Despite the compressed timeline, the scope of legislative work during short sessions has expanded. But, short sessions have limits on the number of bills that can be introduced. With that being said, more than 300 bills were filed this session. The OSBA and COSA teams tracked over 70 bills that would have potentially impacted students and schools.

OSBA and COSA collaborated on shared legislative priorities:

- Centering students and protecting education funding that directly serves students.
- Pursuing opportunities to make technical fixes on current statutes.
- Responding to bills that may exacerbate unfunded mandates and/or have unintended impacts on students and schools, like class size as a mandatory subject of bargaining.

Given the impact of H.R. 1, the federal 2025 tax and spending bill, and the cuts to the Supplemental Nutrition Assistance Program and Medicaid, state legislative leaders and budget writers were under immense pressure to develop and pass a re-balanced budget that protects core services, gets the most for every dollar, mitigates uncertainty and prioritizes funding in key areas.

Major issue areas prioritized by legislative leaders included responding to the impacts of H.R. 1, addressing federal immigration enforcement, dealing with the transportation funding package, and balancing the state budget – all while trying to navigate a variety of ever-shifting dynamics at the state and federal level.

Even with the relief of an improved revenue forecast released Feb. 4 and progress in partially disconnecting from the federal tax code ([SB 1507](#)), we told OSBA and COSA members to stay vigilant. We called on you to continue to make a clear and convincing case to center the growing needs of our students while protecting all K-12 programs from cuts or reductions in the 2025-27 budget and to keep advocating for your students and asking legislators to use the Education Stability Fund to close any K-12 budget holes.

You advocated at the Capitol and in your district and school communities. You met with lawmakers. You called them. You emailed them. And you delivered for your students.

Key Budget Takeaways

The K-12 education budget was protected because of your advocacy. The Legislature did not make any major cuts or reductions to K-12 funds that go directly to students, school districts and education service districts (see: House Bill [5204](#) and Senate Bills [1601](#) and [5703](#)). This includes the State School Fund, all Student Success Act-funded programs and state grant-in-aid programs.

There was one notable budget reduction in [SB 1601](#) (aka the Program Change Bill). The Legislature redirected approximately \$17 million in unspent funds for the Safe Routes to Schools program to shore up the Oregon Department of Transportation budget.

There were also no add backs to programs that had been previously cut, such as Outdoor School, and no new investments to expand School Meals for All.

Additionally, the Legislature did not make use of the Education Stability Fund or the state's Rainy Day Fund to balance the budget, despite meeting the economic triggers to access those funds.

We also know that all state agencies will be asked to hold open vacancies among other cost cutting measures, but we do not yet have full details on how this may impact the Oregon Department of Education. For example, we do know ODE has been directed to make about \$3 million in budget reductions internally, but which departments or staff may be impacted is unknown.

Although the Hospital Finance Bill ([HB 4075](#)) does not impact current school budgets, [K-12 advocates voiced concerns](#) about the funding source. The bill directs the state treasurer to guarantee a loan to the Bay Area Hospital in Coos Bay of up to \$44 million using funds from the Unclaimed Property and Estates Fund. These funds normally would go to the Common School Fund, earning interest and adding to the yearly distributions to school districts across Oregon. Aside from the estimated \$19 million that will not be distributed to school districts over the next 20 years, of greater concern is the precedent of using funds that have been earmarked to help fund K-12 education to help the financially distressed hospital. Many hospitals and health systems in Oregon are in challenging financial positions that are exacerbated by the passage of H.R. 1 and may look to this type of funding mechanism in the future to protect the crucial services they provide.

Key Policy Takeaways

Given the harmful impact increased immigration enforcement actions have had on students, staff, schools and communities in Oregon and around the country, a group of lawmakers introduced a package of bills to strengthen policies in Oregon. Two policies that passed directly relate to public schools. [HB 4079](#) requires school districts and institutions of higher education to adopt policies outlining processes for responding to verified immigration enforcement actions on campus, including notifications to students, families, staff and service providers. [SB 1538](#) codifies Plyler v. Doe into Oregon law. The landmark 1982 Supreme Court case helps ensure that all children, regardless of immigration or legal status, have guaranteed access to and enrollment in the nation's public schools.

There were a number of other policy bills that passed this session, including codifying the McKinney-Vento Homeless Assistance Act in Oregon law ([HB 4149](#)), updating state attendance and chronic absenteeism data and reporting ([HB 4154](#)), and amending instructional time rules to permit play-based learning ([SB 1596](#)).

Looking Ahead

Before we can fully turn our focus to the next legislative session, we must navigate implementation of measures that passed in 2025 and 2026. At the same time, given some of the bills that did not advance this legislative session, we also anticipate additional workgroups coming together in the interim to discuss the Quality Education Model, class size as a mandatory subject of bargaining and more.

With key elections on the horizon, we will also be tracking Oregon's gubernatorial election and state legislative races, as well as mid-terms at the federal level that could potentially shape the balance of power and future policies at the state and national level.

Throughout the interim, we will monitor - and respond to - the evolving federal landscape with our state, regional and local partners so that we can continue to center the academic, social, emotional and mental health needs of our students in our collective efforts to support every student equitably.

Please take some time to review this 2026 Legislative Report, familiarize yourself with the changes and reach out with any questions.

We are always here to support you in navigating the legislative process, and as always, we encourage you to reach out to the OSBA legislative team, Stacy Michaelson and Adrienne Anderson, or the COSA legislative team, Morgan Allen and Parasa Chanramy, if you have any questions or want to discuss any of the bills or budgets contained in this report.

Our collective advocacy helped protect and mitigate cuts to K-12 funding on behalf of our students and our schools this session, and there is still a lot of work ahead given the unprecedented challenges our leaders and schools are helping students and families navigate each day.

Thank you again for your continued leadership, service and advocacy.

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BILL INDEX

Bill summaries have been reported in numerical sequence. For your convenience, the following bill index has been organized by category. Individual bill summaries have been hyperlinked to the corresponding Oregon Legislative Information System overview.

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BILL SUMMARIES

HB 4022 (Chapter 8)

Effective January 1, 2027

Programs

Creates new provisions.

House Bill 4022 establishes the Oregon Imagination Library Program to provide free books to children from birth to age 5. The bill authorizes the Oregon Department of Early Learning and Care to implement and administer the program and contract with a statewide nonprofit entity. HB 4022 outlines the responsibilities of the statewide nonprofit entity to ensure that the program is available to all eligible children, provide funding to cover the costs of purchasing and mailing books, and solicit and manage donations to support the program.

HB 4027 (Chapter 30)

Effective June 5, 2026

Finance

Creates new provisions and amends ORS 279C.825, 656.506, 656.605 and 656.630.

House Bill 4027 creates a Bureau of Labor and Industries Expenses Fund. It amends the Workers' Benefit Fund assessment statute to direct the Department of Consumer and Business Services to set an additional assessment rate for deposits into the new BOLI Expenses Fund to cover administrative costs at BOLI as well as DCBS' costs associated with administering the fund. The legislation sets targets for the amount to be retained in the fund and sets a cap on the amount used to cover new BOLI positions but does not include a cap on the rate of the new fee. The bill also increases the fee that public agencies pay to BOLI for projects subject to prevailing wage from a maximum of \$7,500 to a maximum of \$12,500.

HB 4057 (Chapter not yet assigned)

Effective Upon Governor's Signature

Personnel,

Programs

Creates new provisions and amends ORS 326.440 and 329A.500.

Given the long waitlists for Employment Related Day Care subsidies, House Bill 4057 directs the Oregon Department of Early Learning and Care to provide public information to families seeking early learning and care programs and resources for applicants to the care program. The bill also specifies that the department shall provide care applicants with information on Preschool Promise, Oregon PreK, infant and toddler programs, Healthy Families Oregon, Early Learning Hubs, resource and referral entities, relief nurseries, and Oregon Head Start and Early Head Start programs.

HB 4066 (Chapter 42)

Effective March 31, 2026

Programs

Creates new provisions and amends ORS 240.546, 286A.630, 326.552, 326.604, 326.606, 328.542, 332.018, 332.334, 332.356, 332.365, 334.100, 343.065, 343.287, 343.955, 344.755, 353.040, 427.430, 430.217 and 459.488 and section 3, chapter 195, Oregon Laws 2025, and section 1, chapter 568, Oregon Laws 2025.

House Bill 4066 is an education omnibus bill that contains a handful of narrow technical statutory changes. The K-12 education-related fixes include:

- Amends current statutes to clarify that school districts are not required to include at least one member of the district equity advisory committee on the district's budget committee if a member of the district equity advisory committee is unwilling or unable to serve on the budget committee.
- Updates Oregon statute related to the Military Interstate Children's Compact to align with model language used by other states so there is stronger coordination with districts and families to support military students.
- Adds education service districts to the list of entities that may purchase fluorescent bulbs through 2029, despite the current statewide ban on sales of such bulbs.
- Gives rulemaking authority to the State Board of Education in areas of statute that incorrectly grant such authority to the Oregon Department of Education.
- Adds education service district boards to the statute allowing board members to receive a stipend of up to \$500 per month.

HB 4075 (Chapter not yet assigned) Effective Upon Governor's Signature
Creates new provisions.

Finance

House Bill 4075 directs the state treasurer to guarantee a loan to the Bay Area Hospital in Coos Bay of up to \$44 million using funds from the Unclaimed Property and Estates Fund. These funds normally would go to the Common School Fund, earning interest and adding to the yearly distributions to school districts across Oregon. Aside from the estimated \$19 million that will not be distributed to school districts over the next 20 years, of greater concern is the precedent of using funds that have been earmarked to fund K-12 education to help the financially distressed hospital. Many hospitals and health systems in Oregon are in challenging financial positions that are exacerbated by the passage of H.R. 1 and may look to this type of funding mechanism in the future to protect the crucial services they provide.

HB 4079 (Chapter 48) Effective September 30, 2026
Creates new provisions.

Operations

House Bill 4079 requires each school district, education service district and charter school board to adopt a policy for providing notice when federal immigration authorities are confirmed on the school property for immigration enforcement. The policy must:

- Identify at least one administrator or designee who shall confirm and give notice that a federal immigration authority has entered school property for immigration enforcement;
- Require that, unless prohibited by law or court order, reasonable efforts are made to provide notice to a student or to the parent/guardian when the school district has provided information related to the student to a federal immigration authority;
- Identify which grades of students will receive the notification;
- Provide a process for community-based organizations that provide direct services to the school district to receive the notification;

- Require that the notice is provided to students who attend the school, school parents/guardians, school employees and community-based organizations that request the notice;
- Specify the contents and delivery requirements of the notice and that the notice contain the general location of the federal immigration authority and whether classes or school operations are affected by the federal immigration authority's presence.

The notice must be provided as expediently as possible. The bill also requires that the administrator or their designee charged with enforcing the policy receive an initial training and then an additional training at least every two years. The policy must be made available in the student handbook and on the school district's website in culturally appropriate languages. Any officer, employee or agent of a school district is immune from liability for any claim for injury to or death of any person or injury to property resulting from an act or omission made under the bill if the act or omission was reasonable and made in good faith.

HB 4084 (Chapter 50) Effective June 5, 2026 **Finance**
Creates new provisions and amends ORS 285C.090, 285C.135, 285C.140, 285C.155, 285C.160, 285C.180, 285C.200, 285C.205 and 285C.210 and section 12, chapter not assigned, Oregon Laws 2026 (Enrolled Senate Bill 1507).

House Bill 4084 creates the Joint Permitting Council, which is directed to administer a “fast-track” permitting program to allow projects related to economic development to receive expedited permit approval from state agencies. The council is directed to develop project eligibility criteria, review applications and forward eligible projects to the governor’s office for consideration. The council is required to submit an annual report to the Department of Administrative Services and the governor that outlines projects allowed to move forward in the previous year.

Directly relevant to K-12 school districts, the bill changes the requirements for an area to be designated an “enterprise zone.” Specifically, “the Oregon Business Development Department (OBDD) is to determine whether an area demonstrates a need for economic development and establish approval criteria through rulemaking for waivers or pilot programs allowing an organization to qualify as an eligible business firm within an enterprise zone” and “HB 4084 allows an enterprise zone sponsor to enter into a written agreement with an eligible business firm to extend the period during which the qualified property is exempt from taxation beyond three years.”(Legislative Fiscal Office Summary – March 2) School districts are allowed to charge a “school support fee” under ORS 285C.162 to businesses granted tax exemptions in enterprise zones.

HB 4121 (Chapter not yet assigned) Effective Upon Governor's Signature **Finance**
Creates new provisions and amends ORS 401.114, 401.913 and 409.760.

House Bill 4121 includes a number of state emergency preparedness and management elements, including a new statewide training office within the Department of Public Safety Standards and Training, creation of the Oregon Disaster

Recovery Authority to act as an advisory group within the governor's office as well as an associated fund, a new Oregon Preparedness Grant Account, new duties for the Oregon Department of Emergency Management and updates to resilience hub and resilience network definitions. Most relevant to schools is the creation of an Oregon Public Assistance Grant Program. Grants under the program must be used to pay for work performed before, during or after an emergency to protect public health, safety or property, including, without limitation, debris removal and work to protect or restore public services or public infrastructure. The governor shall determine when to activate the program, and counties or tribal governments may request funds on behalf of eligible recipients, which include school districts and education service districts, as well as nonprofit organizations that provide critical services or essential social services, including schools.

HB 4138 (Chapter 66) Effective March 31, 2026
Creates new provisions and amends ORS 399.035.

PACE

House Bill 4138 prohibits public bodies, including school districts, education service districts, public charters and public universities, from intentionally assisting a federal or out-of-state law enforcement agency in investigating, apprehending, or arresting people:

- On the basis of a person's exercise of constitutional rights related to speech, expression, association or assembly.
- On the basis of a person's membership in a protected class.
- As part of an unlawful search or seizure or other unconstitutional activity.

It is not a violation of the law if the public body's action or conduct is required by state or federal law, required by a judicial subpoena, or is in response to a public records request. Public bodies must establish policies within 180 days of the measure taking effect.

The bill allows public bodies to obtain a sworn attestation from the federal or out-of-state law enforcement agency prior to cooperating stating that the request to cooperate is not related to activity that would violate the prohibitions listed above. The bill establishes a cause of action to enjoin a public body that violates the prohibitions and policy requirements for cooperation with out-of-state and federal law enforcement. The bill provides a defense for the public body if the public body was compelled to provide prohibited information or assistance by a compulsory court-issued legal process.

HB 4149 (Chapter 68) Effective January 1, 2027
Creates new provisions and amends ORS 339.115, 339.133, 343.035 and 343.155.

Programs

In response to concerns that the McKinney-Vento Homeless Assistance Act may be in jeopardy of changing, legislators codified the current federal law in Oregon statutes. House Bill 4149 mirrors the current federal law, which conveys key rights for school access and services to students who are experiencing homelessness, adding these protections to Oregon statutes and ensuring these rights are enshrined in state law.

HB 4154 (Chapter 69)

Effective March 31, 2026

Operations, Programs

Creates new provisions and amends ORS 327.13.

House Bill 4154 requires the Oregon Department of Education to use student attendance submitted by school districts to calculate the total number of students in average daily membership for school districts and public charter schools, the total number of students in average daily membership who are regular attenders and those who are chronically absent, and the percentage of students who are chronically absent after a student has been enrolled in a school district and public charter school for at least 10 days during the reporting period.

The bill requires ODE to publish this data four times a year. Prior to making the data public, ODE shall provide each school district with at least 15 business days to review and validate the data. When the data is published, ODE shall describe the data requirements and any changes in methodology. The department shall also provide guidance on how the data should be interpreted and used and note any limitations of the data when comparing districts, schools and reporting periods. New reporting and data requirements will start in the 2026-27 school year.

HB 4159 (Chapter not yet assigned)

Effective Upon Governor's Signature

PACE

Amends ORS 40.225 and 244.250.

House Bill 4159 requires the Oregon Government Ethics Commission to include at least one person with local government experience. OGEC consists of nine members. The governor appoints eight from recommendations by the leadership of the Democratic and Republican parties in each chamber of the Legislature, and one member is named without leadership recommendation.

The bill also clarifies that attorney-client privilege is maintained when OGEC is investigating a public meeting violation. Public bodies must turn over all meeting minutes and other documents, including attorney-client privileged communication, to OGEC for the investigation.

HB 4160 (Chapter 72)

Effective July 1, 2027

Operations, Personnel, PACE

Creates new provisions and amends ORS 339.345 and 339.405.

Advocacy organizations like the American Heart Association have previously introduced measures that would require school districts to update safety plans, train more staff in cardiopulmonary resuscitation, and purchase more automated external defibrillators (AEDs). House Bill 4160 is a slimmed down version of legislation that did not move forward in 2025. The bill requires every public and private school in the state to have an updated cardiac emergency response plan for responding to medical emergencies and requires all athletic coaches and other key staff to be trained in cardiopulmonary resuscitation (CPR) and the use of AEDs by July 1, 2027.

Oregon Ethics Law prohibits public officials from using or attempting to use their official positions or offices to obtain a financial benefit for themselves, relatives or businesses they are associated with if that financial benefit or opportunity for financial gain would not be available except for the position or office held. House Bill 4161 adds food and beverages and certain merchandise as exceptions to the financial benefit law. It permits public bodies to offer food and beverages to public officials during meetings or other official events held by the public body. It also allows a public body to provide merchandise to its public officials if the cost does not exceed \$100 in a calendar year or as otherwise established in the public body's policy.

HB 4177 (Chapter not yet assigned) Effective Upon Governor's Signature **PACE**
Creates new provisions and amends ORS 192.610, 192.630, 192.640, 192.650, 192.670, 192.685, 192.690, 192.700, 192.705, 244.260 and 244.350.

House Bill 2805 in 2023 changed the law to specify that it is considered a meeting subject to the public meetings law requirements when serial electronic written communication is used and when another person is used to communicate by and between members. The measure required annual training for certain public bodies; created a complaint process, including first filing a written grievance with the public body; and gave the Oregon Government Ethics Commission the authority to conduct investigations, make findings and impose penalties for violations of the entire public meetings law, not just executive session violations. House Bill 4177 made changes to the law.

Serial Communications

HB 4177 seeks to clarify what is considered a serial communication for purposes of public meetings law. It defines deliberation as "discussion or communication in which the members of a governing body examine, weigh or reflect upon the reasons for or against a decision that is subject to the jurisdiction of the governing body." It prohibits a quorum of a governing body from meeting in private or using a series of communications of any kind, either directly or through intermediaries, to circumvent the public meetings law. The following are exempt from the serial communications prohibition:

- Communications related to procedural matters with no deliberation or decision on substance.
- Communications that share the views of outside parties, published articles or constituent letters.
- Communications with the media, constituents or the public, unless those parties are being used as an intermediary to engage in deliberation.
- Communications for gathering information related to deliberation or decision of the governing body.

Annual public meetings training

HB 4177 changes the law to require every member of a governing body to receive annual training if the public body that the governing body governs has total expenditures for a fiscal year of \$1 million or more and the governing body has decision-making authority over the public body on questions of policy or administration. A member of a governing body that only has authority to make recommendations to a public body on policy or administration is not required to attend the training. If a member is required to attend the training, the member may attend the training at any time between the three months before assuming office and 12 months after taking office.

Grievances

HB 4177 allows a grievance to be filed when a person believes a public body, not just a governing body, has acted in violation of its responsibilities under the law. It extends the deadline for filing a written grievance from 30 days to 90 days after the alleged violation and requires the public body to provide an initial response to the grievance within 21 days.

HB 5204 (Chapter not yet assigned) Effective Upon Governor's Signature **Finance**
Creates new provisions and amends section 13, chapter 616, Oregon Laws 2025, and sections 4 and 110, chapter 628, Oregon Laws 2025.

House Bill 5204 is an omnibus budget reconciliation bill that adjusts state agency budgets, programs and Emergency Board funding for the 2025-27 biennium. Changes for K-12-related budgets include:

- A one-time appropriation of \$1.9 million in General Fund to the Oregon Department of Education to be distributed to the East Multnomah Outreach Prevention Intervention program.
- A one-time appropriation of \$550,000 in General Fund to the Riddle Elementary School schoolyard project.
- The Oregon Department of Education was directed to reduce their services and supplies budget by \$2.9 million to help balance the state budget.
- ODE received a one-time increase of \$468,750 General Fund for the State School Fund modernization project.
- The Oregon Schools Capital Improvement Matching program (OSCIM) received a reduction of \$2.7 million in Lottery Funds to match the March 2026 revenue forecast for projected transfers required by the Oregon Constitution.
- Grant-in-aid budget adjustments totaled \$4.1 million Other Funds and included a one-time increase of \$2.1 million Other Funds expenditure limitation from the Student Investment Account to distribute the available ending fund balance and a one-time increase of \$2 million Other Funds for the Healthy School Facilities Fund to expend a beginning balance for grants for costs associated with testing for elevated levels of polychlorinated biphenyl exposure.

- The State School Fund rebalance included an increase of \$29.5 million General Fund, a decrease of \$22.3 million Lottery Funds, and a decrease of \$7.2 million Other Funds expenditure limitation from the Fund for Student Success to reflect the March 2026 Revenue Forecast; the total appropriation of \$11.36 billion for the biennium is not changed.
- There were two additional changes to State School Fund “carve-outs” approved in the bill:
 - The carve-out for pediatric nursing was increased by \$410,740 to cover the increased costs and was paid for by an equal decrease to the transfer for the Healthy Schools Fund.
 - The Local Option Equalization Grants carve-out was increased by \$402,835 on a one-time basis to fully cover payments for the 2025-26 school year and was paid for by an equal decrease in the transfer to the Oregon Virtual School District Fund.
 - Both the Healthy Schools Fund and the Oregon Virtual School District Fund will use beginning balances to offset the decreased carve-outs and budgets were not cut.

SB 1504 (Chapter 21) Effective January 1, 2027 **Operations, PACE**
Amends ORS 339.866, 339.867, 339.871, 433.800, 433.815 and 433.817.

School districts are required to adopt policies and procedures that provide for the self-administration of medication for students in kindergarten through grade 12 with asthma or severe allergies. The definition of medication is “any prescription for bronchodilators or auto injectable epinephrine prescribed by a student’s Oregon licensed health care professional for asthma or severe allergies.”

In 2024, the FDA approved a single-dose epinephrine nasal spray for adults and children who weigh at least 66 pounds. Senate Bill 1504 changes the definition of “medication” to include “premeasured doses of epinephrine” to permit the use of the approved nasal spray in school.

SB 1507 (Chapter not yet assigned) Effective Upon Governor’s Signature **Finance**
Creates new provisions and amends ORS 178.300, 178.375, 238A.005, 238A.125, 238A.150, 238A.170, 238A.230, 238A.370, 238A.400, 238A.410, 238A.415, 238A.430, 238A.435, 305.239, 305.494, 305.690, 305.842, 314.011, 314.306, 314.772, 315.004, 315.266, 316.012, 316.147, 316.157, 317.010, 317.097, 317A.100, 458.670, 657.010 and 657B.010.

Senate Bill 1507 makes changes to Oregon’s tax code, updates some connection dates to the federal tax code and disconnects from other federal tax code provisions. The bill requires Oregonians to pay taxes on any gains from the exchange or sale of qualified small business stock that is excluded on their federal taxes. The bill requires Oregonians to add back to their Oregon taxable income any first-year bonus depreciation applied to their federal taxable income for property placed in service on or after Jan. 1, 2026. The bill requires taxpayers to add back to their

Oregon taxable income any passenger vehicle loan interest deducted from federal taxable income. The bill establishes a tax credit for individuals or corporations that create new jobs meeting certain criteria. The bill also increases the Earned Income Tax Credit that may be applied to Oregon taxes. SB 1507 is estimated to recoup \$300 million in Oregon tax revenue that would otherwise have been foregone following federal tax changes adopted in the summer of 2025.

SB 1517 (Chapter not yet assigned) Effective Upon Governor's Signature
Creates new provisions.

PACE

Senate Bill 1517 allows recreative operators to require a participant in a sport, fitness or recreational activity who is 18 years of age or older, or a parent/guardian on behalf of participants under the age of 18, to sign a liability release for ordinary negligence for injuries arising out of a sport, fitness or recreational activity or out of volunteering to maintain facilities or places used for the activity. The definitions of operators and activities affect schools as well.

SB 1517 makes the determination of whether a risk is inherent to the activity a question of law for the court. It applies to waivers executed on or after the effective date of the measure.

SB 1519 (Chapter 78) Effective January 1, 2027
Creates new provisions and amends ORS 656.206, 656.210 and 656.211.

Finance

Senate Bill 1519 changes the compensation benefit for temporary and permanent disability under workers' compensation insurance. The new rate is:

- 75% of the worker's wage that is equal to or less than 75% of the state average weekly wage in effect on the date of injury, but not less than the amount of 90% of the worker's weekly wage, or \$50 per week, whichever is less; and
- 65% of the worker's wage that is greater than 75% of the state average weekly wage, but not more than 133% of the average weekly wage in effect on the date of injury.

It applies to claims with a date of injury on or after Jan. 1, 2027.

SB 1520 (Chapter 3) Effective June 5, 2026
Amends ORS 657B.430.

Finance, Personnel

Senate Bill 1520 grants the Oregon Employment Department director authority to establish a Paid Leave Oregon accounting system that allows for funds to be tracked by employee vs. employer contributions and for benefits to be paid specifically from a certain contribution type. The bill is in response to a federal IRS ruling that requires medical leave paid to an employee through a state program and funded through employer contributions to be considered wages for federal employment tax purposes. SB 1520 allows the Employment Department to avoid using employer contributions for sick leave, ensuring compliance with federal tax reporting and withholding requirements.

SB 1527 (Chapter 24) Effective January 1, 2027 **Finance, Personnel**
Creates new provisions and amends ORS 243.144, 243.877 and 743B.005.

Senate Bill 1527 requires individual and group insurance plans, including those provided through the Public Employees' Benefit Board and the Oregon Educators Benefit Board, to fully cover the cost of cervical cancer screenings and any medically necessary follow-up examinations. The bill prohibits insurers from applying deductibles, coinsurance, copayments or out-of-pocket costs on these follow-up screenings, aligning with existing law that prohibits cost-sharing for follow-up examinations for colon and breast cancer.

SB 1535 (Chapter 82) Effective June 5, 2026 **Programs, PACE**
Creates new provisions and amends ORS 329A.500.

Senate Bill 1535 gives the Department of Early Learning and Care discretion regarding Employment Related Day Care's priority consideration for families under the Temporary Assistance for Needy Families program, making it optional rather than required. The bill also directs DELC to convene a work group to study the cost and availability of liability insurance and other liability issues for child care providers regulated by the agency. The work group may study impacts to programs or entities that would typically be exempt from DELC regulation. The work group must produce a report to the Legislature by Nov. 1, 2027, and the workgroup is repealed on Jan. 2, 2029.

SB 1538 (Chapter 25) Effective July 1, 2026 **Operations**
Creates new provisions and amends ORS 180.810, 185.650, 332.405, 336.187, 339.115, 339.133, 340.005 and 659.850.

Senate Bill 1538 amends the anti-discrimination statute to prohibit school districts, education service districts and charter schools from discriminating on the basis of someone's immigration or citizenship status. The bill also requires the attorney general to consult with the Office of Immigrant and Refugee Advancement and with organizations representing school boards and public school professionals to draft model policies. The model policies must include a process for verifying the validity of any warrant or court order involving immigration enforcement; a requirement that the superintendent of the school district or ESD, or their designee, review and approve any response to a law enforcement request involving immigration enforcement; provisions that encourage the superintendent or designee to consult with legal counsel of the district or a statewide/regional organization prior to responding to any immigration enforcement efforts; requirements to ensure compliance with Oregon's sanctuary state laws; and recommendations for how employees of the district or ESD will respond to immigration enforcement efforts. The bill requires school districts and ESDs to provide the model policies to their employees.

SB 1594 (Chapter 98)

Effective March 31, 2026

Operations, PACE*Creates new provisions and amends ORS 180.810.*

Senate Bill 1594 amends parts of Oregon’s sanctuary state policy law. It requires the Department of Justice to consult with the Office of Immigrant and Refugee Advancement when it develops, reviews or updates the model policies. The bill also resolves a conflict with SB 1538. Both bills amend the same statute, and SB 1594 combines the two bills.

SB 1596 (Chapter 27)

Effective January 1, 2027

Finance, Programs*Creates new provisions.*

Senate Bill 1596 defines “free play,” “guided play” and “play-based learning” and permits the Oregon State Board of Education to allow play-based learning to be considered as instructional time for K-5 students. The bill also clarifies that play-based learning does not include participation in physical education or recess.

SB 1601 (Chapter not yet assigned)

Effective Upon Governor’s Signature

Finance*Creates new provisions and amends.*

Senate Bill 1601 relates to state financial administration and is referred to as the “program change bill.” Please note that the bill does not include any appropriations but makes statutory changes needed to implement budget changes made in other bills passed during the 2026 session for the 2025-27 biennium.

Changes specific to K-12 include:

- Language allowing for “testing of elevated levels of polychlorinated biphenyl exposure” was added to the list of approved uses for the Healthy Schools Facilities Fund.
- The Oregon Department of Education is required to prepare a report summarizing data related to the summer learning program submitted by grant recipients to the Joint Committee on Ways and Means “no later than January 30 of each year.”

SB 5701 (Chapter not yet assigned)

Effective Upon Governor’s Signature

Finance*Creates new provisions and amends section 15, chapter 746, Oregon Laws 2007; section 1, chapter 596, Oregon Laws 2023; section 44, chapter 599, Oregon Laws 2023; sections 1, 2, 3 and 12, chapter 630, Oregon Laws 2025; and sections 3, 7, 11 and 20, chapter 633, Oregon Laws 2025 and repeals section 37, chapter 633, Oregon Laws 2025.*

Senate Bill 5701 is one of two linked capital construction bills, making adjustments to projects funded through bonds in the 2025 legislative session as well as adding funding for new projects. This bill modified the scope of a project at Southwestern Oregon Community College.

SB 5702 (Chapter not yet assigned) Effective Upon Governor's Signature **Finance**
Creates new provisions and amends sections 1, 3a and 5, chapter 597, Oregon Laws 2023, and sections 1 and 3, chapter 631, Oregon Laws 2025.

Senate Bill 5702 is the other half of the capital construction pair of bills. SB 5702 includes the funding adjustment for the scope adjustment included in SB 5701 for the project at Southwestern Oregon Community College.

SB 5703 (Chapter not yet assigned) Effective Upon Governor's Signature **Finance**
Amends sections 3, 4, 5, 6, 7, 9, 14, 15, 17, 20, 21, 22, 23, 25 and 26, chapter 632, Oregon Laws 2025.

Senate Bill 5703 modifies the 2025-27 allocations from state revenue sources, including the Administrative Services Economic Development Fund, Veterans' Services Fund, Criminal Fine Account, Oregon Marijuana Account and Fund for Student Success (Student Success Act/Corporate Activity Tax) to align with projected revenues in the March 2026 revenue forecast.

Key changes to K-12 allocations for the 2025-27 biennium include:

- Lottery revenues sent to the State School Fund were decreased by \$22.3 million as part of a net-zero rebalance; the fund did not receive a reduction in total allocations.
- There will be an additional \$2.1 million distributed through the Student Investment Account, for a total of \$1.11 billion, to maintain the 50% spending threshold. Additionally, technical adjustments were made to revenue transfers with the Early Learning Account and Statewide Education Initiatives Account to utilize larger-than-anticipated ending fund balances. There were no net increases or decreases to programmatic funding in either fund.