



TINA KOTEK
GOVERNOR

April 7, 2026

The Honorable Tobias Read
Secretary of State
900 Court Street NE
Salem, OR 97301

RE: House Bill 4075

Dear Secretary Read,

Today, I am signing House Bill 4075, which aims to maintain critical health care services in rural Southwest Oregon.

Hospitals across Oregon, particularly rural hospitals, are facing increasing fiscal uncertainty as the Trump Administration pursues policies that undermine the federal Medicaid infrastructure many Oregonians depend on. In this moment of instability, the state must remain focused on protecting access to care in communities where the local hospital is often the backbone of the health care system. In signing this bill, I am taking action to maintain access to care, and I am also establishing my expectations of financial accountability and reporting from Bay Area Hospital. This bill should not establish precedent for how similar situations are addressed in future sessions.

Through bipartisan collaboration, the Legislature took a necessary and unusual step to leverage significant public funds in support of the community that Bay Area serves. Now, Bay Area Hospital's leadership must be responsible to the state by continuing and accelerating their work to make their operations sustainable.

House Bill 4075 requires annual reporting to the State Treasurer under Section 2. If a loan is guaranteed and Section 4 is authorized for the Treasurer to use dollars from the Unclaimed Property and Estates Fund, my clear expectation is that Bay Area Hospital administrators will work collaboratively with the Oregon Health Authority (OHA) to produce quarterly statements to my office. These statements should include updates on the hospital's overall financial health and operations, as well as policy and administrative decisions to improve Bay Area Hospital's overall financial condition to support ongoing service in the community.

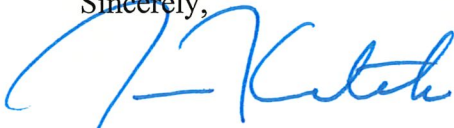
The overall performance of Bay Area Hospital is critical to the ability to manage any guarantee issued under this law. To date, Bay Area Hospital has not missed a loan payment under their original debt. Ongoing engagement between the hospital and OHA will allow us to have confidence that this practice will continue if Section 4 is enacted.

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Furthermore, while the law carries implications for the Common School Fund through leveraging dollars in the Unclaimed Property and Estates Fund, this action should not establish a precedent. The Common School Fund represents a long-standing commitment to Oregon's students and must remain protected as a stable and dedicated resource for public education.

At the same time, I recognize that both health care and education are essential to the well-being, stability, and long-term success of Oregonians. House Bill 4075 reflects a one-time balancing of those shared priorities, not a shift in policy or principle regarding the enduring purpose of the Common School Fund.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tina Kotek", with a large, stylized initial "T" and "K".

Governor Tina Kotek