



Preliminary Recap: 2026 Legislative Session

Last updated March 6, 2026. All information is preliminary. A full legislative session summary will be completed in late March.

This recap provides an abbreviated overview of 2026 legislative policy and budget action taken by the Oregon Legislative Assembly during its short session.

KEY BILLS ADOPTED

HB 4079: FEDERAL IMMIGRATION ENFORCEMENT NOTIFICATION ON CAMPUSES

Requires the governing boards of public universities, community colleges, and OHSU to adopt a policy for notifying the campus community, including students and employees, when a federal immigration authority is confirmed to have entered a campus for immigration enforcement. The policy must specify at least one administrator or their designee who is charged with confirming the presence of a federal immigration authority and notifying the campus who will receive training on a regular basis. The policy is also required to be posted on the institution's website.

HB 4124: REPORT ON IMPROVEMENTS TO THE PUBLIC POSTSECONDARY EDUCATION SYSTEM

The bill directs the HECC to study the condition of Oregon's postsecondary education system and develop recommendations for an improved framework that supports access to postsecondary education institutions for students across geographic locations; fuels regional and statewide economic development and employment opportunities; and improves the financial viability of each postsecondary institution and the system as a whole by addressing factors like enrollment, increased personnel costs, changes in federal law, and sector-specific inflationary costs. The study must evaluate the distinct missions of each category of postsecondary institution and opportunities for collaboration, restructuring, or integration in the postsecondary system. HECC is required to consult with faculty, staff, students, and other public institution partners in the development of the report, and must preliminarily report to the Legislature by October 1, 2026, and submit a final report by April 1, 2027.

HB 4134: INCREASE IN STATE LODGING TAX FOR WILDLIFE AND WILDFIRE PREVENTION PROGRAMS

This bill increases the transient lodging tax and allocates 0.1 percent of the increase to the HECC for the Oregon Conservation Corps program. This is anticipated to raise \$7M for OCC in the first full biennium (2027-2029). The change in tax is effective January 1, 2027.

SB 1512: PROSPERITY 10,000 PROGRAM

The bill slightly modifies the goals and purposes of the Prosperity 10,000 workforce development program. It removes references to priority populations as the focus of the program; it also removes specific hourly wage goals for participants and adds new requirements that local workforce development boards award grants that address local critical workforce shortages and strategic workforce opportunities and consider grantees' history of providing workforce development services, as well as their intention to collaborate with other entities to deliver workforce development services, including K-12 and postsecondary institutions, employers, and community-based organizations.

BUDGET ADJUSTMENTS AND REVENUE ACTION

Despite a significant risk of adverse budget action at the start of the session, the legislature did not make reductions to the HECC budget. It took the following action:

1. The Legislature put \$15M into a Special Purpose Appropriation to support cash flow needs this biennium at SOU. This appropriation will be released to Southern if it meets the conditions of budget notes listed below.
2. The Legislature appropriated \$500,000 to HECC for consulting support for meeting the terms of the first budget note.
3. The Legislature appropriated \$2.5M to HECC to support the report called for by HB 4124.
4. The Legislature adopted HB 4134, which increases the state transient lodging tax and lists the Oregon Conservation Corps as a recipient of 0.1 percent of the new tax rate. This is anticipated to raise \$7M for OCC in the first full biennium (2027-2029). The change in tax is effective January 1, 2027.

BUDGET NOTES

Budget notes are policy directives adopted by the Ways and Means Committee at the time of the adoption of certain appropriations bills. While they do not have the force of law, they are considered important and inviolable direction to agencies regarding implementation of certain budget items.

FUTURE HIGHER EDUCATION DELIVERY IN SOUTHERN OREGON

Southern Oregon University shall collaborate with the Higher Education Coordinating Commission (HECC) to develop a plan for future delivery of higher education in southern Oregon, without reliance on ongoing increases in state support, by no later than April 30, 2026. The plan must align existing and potential revenue sources with budgeted expenditures to achieve a balanced budget for the 2027-29 biennium and long-term structural fiscal balance; identify programs and functions of the university that are both specifically meaningful to southern Oregon or the state and that are capable of sustained delivery; and evaluate options for sustainability that may include partnership with other institutions or as part of an alternative higher education structure.

SOU FINANCIAL HEALTH, MODELING, AND REPORTING

The Higher Education Coordinating Commission (HECC) must report to the Emergency Board no later than June 2026 on Southern Oregon University's updated financial modeling and operational plan to continue through June 30, 2027. Prior to the report, SOU must collaborate with HECC to submit a report to HECC by April 30, 2026, that details the actions the university will take to ensure continued operations through June 30, 2027, including updated financial modeling, endorsed by external budget and accounting experts, demonstrating the institutions' ability to meet all obligations through June 30, 2027. Additionally, beginning May 2026, SOU must provide monthly financial statements, and an updated cash flow forecast to HECC, the Department of Administrative Services Chief Financial Office, and Legislative Fiscal Office, and on a quarterly basis summarize the operational status of the institution and identify any risks affecting contractual commitments and obligations to students.

CAPITAL CONSTRUCTION

The legislature approved the following capital construction items:

1. OSU-Cascades Student Health and Recreation Center – \$32M, Article XI-G bonds and \$10M, Article XI-Q bonds: The project includes land reclamation, site development, and construction of a student health and recreation center on the Cascades campus.
2. PSU Performing Arts and Culture Center – \$35M, Article XI-Q bonds and (-\$35M) Article XI-G bonds: During the 2025 session (SB 5505), the legislature approved \$85M in Article XI-G bonds for the Center. A portion of matching was intended to come from City of Portland tax increment financing (TIF). However, the timeline for that process will extend beyond the deadline required for match to sell the bonds in Spring 2027, jeopardizing approximately \$35M in match.
3. PSU Student Housing – \$15M, Article XI-F bonds: During the 2025 session, the legislature approved \$85M in Article XI-F bonds for a new student housing facility at PSU. The project involves demolishing an existing, aged building and constructing a new residential building on west campus supporting approximately 576 beds and student support spaces. Increasing costs will require an additional \$15M in bonds to complete the project.
4. WOU – Roof Replacement, Heritage Hall Student Housing, \$3.1M, Article XI-Q bonds: \$3.1M in emergency funding to replace the roof for Heritage Hall, which is a student housing facility. Capital improvement and renewal funds are not available, as a prohibition exists against using CIR funding for auxiliary facilities
5. PSU Performing Arts and Culture Center – Expansion of scope: During the 2025 session, the legislature approved \$52.5M in Article XI-F bonds for a parking structure for the Center. The Center itself will be a public-private partnership. As part of the negotiations, PSU staff have determined flexibility in the use of authorized financing is necessary beyond the parking portion of the Center. PSU has been granted a change to broaden the scope of the project to incorporate the construction, furnishing and equipping of structured parking as well as other auxiliary uses as may be necessary. This may include the construction and furnishing of commercial kitchen, conference, office, banquet, studio, and retail spaces.