



Oregon PERS Retirees Inc.

# POLITICAL INSIGHTS THAT MATTER



## In this issue:

- **2026 Session Overview**
- **PERS Bill Stalls in Short Session**
- **Defining Issues for 2026 Session**

## Oregon's 2026 Short Session in Focus

The 35-day legislative “short session” opened on February 2nd with one major objective – to find enough money to balance the state’s budget and build enough of a financial cushion to weather any potential revenue fluctuations for the remaining 15 months of the 2025-27 biennium.

The federal passage of HR 1 (‘One Big Beautiful Bill’) in early July 2025 dealt the state a significant financial hit. Instead of being in a cash surplus position, the state quickly sunk into a \$360 million deficit.

The tax cuts in HR 1 – and Oregon’s automatic connection to the federal tax code – cut \$880 million of anticipated revenue. In addition, HR 1 also stemmed the flow of federal dollars into Oregon’s Medicaid and SNAP benefits.

By winter of 2025, legislators were exploring ways to generate about \$750 million in revenue to bring the state back into surplus. In the end, legislators received positive a positive revenue forecast in November 2025 (+\$300 million in added corporate tax revenue) and another positive forecast on February 4th (+\$286 million in added overall revenue).

Combined with the passage of a \$300 million tax package, the legislature was able restore its fiscal surplus and actually added \$200 million in new state spending with only modest cuts – a little over \$100 million – coming from eliminating unfilled positions across state government.

### About OPRI

The Oregon PERS Retirees, Inc. (OPRI) is the state’s largest organization that exists solely to protect the rights and benefits of Oregon’s retired public employees. We serve retirees like you by monitoring PERS disbursements, advocating for you at the Legislature and, when necessary, defending you in court. To learn more, please visit our website: [www.opri.org](http://www.opri.org)

## PERS Bill to Expand Classification Does Not Advance

There is just one bill relating to PERS this session: **Senate Bill 1569**.

The bill proposed expanding the definition of “police officer” within PERS to include several additional job classifications that perform public safety-related duties. Employees classified in this category receive enhanced retirement benefits, including earlier retirement eligibility and higher benefit calculation factors.

Positions discussed for inclusion under the expanded definition included:

- Assistant Attorneys General performing certain law-enforcement functions
- Juvenile custody services specialists and juvenile court counselors
- Forensic scientists and evidence technicians working for local law enforcement agencies
- Fingerprint identification specialists employed by law enforcement agencies
- Certified medicolegal death investigators
- Force protection officers in the Oregon Military Department

The bill received a hearing in the Senate Committee on Labor and Business in the opening days of session. During the hearing, the PERS agency testified that while this bill would increase the number of people in this category and employer contribution rates, the exact impact was unknown because job titles are created by local jurisdictions rather than by the PERS agency.

Committee members also discussed potential challenges related to how this expanded definition would align with the federal definitions. They also referred to the letter from Governor Kotek asking lawmakers to pause further expansions of PERS classifications that change benefits following the passage of House Bill 4045 during the 2024 session.

Ultimately, Senate Bill 1569 was referred to the Joint Committee on Ways and Means and did not move forward this session.



### Your Voice Matters - Stay Connected with OPRI

To best represent OPRI members, we need to hear from you! Stay informed and find out how you can get involved by following us on Facebook. Join the conversation, share your thoughts, and help shape the future of OPRI. Follow us **@ORPersRetirees**



## Defining Issues for the 2026 Legislative Session

**Tax increases.** The most consequential action of 2026 was the passage of Senate Bil 1507 to disconnect from certain tax incentives in the federal HR 1 – the most notable and sizable of which was the \$267 million of bonus depreciation tax incentives due to Oregon businesses for investments in capital equipment. The majority Democrats came to internal agreement early on this bill and used their majorities to pass the legislation without Republican votes. This \$311 million tax bill was the linchpin of the session as it set the budget in place.

Republican legislators and taxpayer groups appear poised to collect signatures to refer the legislation to voters at the next general election.

**Gas tax referendum election.** The biggest headline-grabbing issue of the session was Senate Bill 1599 – an effort by Democratic leadership to move the election date of the gas tax referral up from the November general election to the May primary election. In a demonstration of political power, Democrats succeeded in overcoming an onslaught of emotional and popular opposition to the bill to help eliminate a potential political liability for Democratic incumbents in the 2026 general election.

**Moda Center.** Very few things bring Oregonians together more than their professional basketball team – the Portland Trailblazers. SB 1501 authorized \$365 million of state bonding capacity and created a dedicated revenue stream - income tax revenues paid by the Portland Trailblazers and other athletes and performers – to service the debt needed to make renovations to the Moda Center. In taking an ownership stake in the Moda Center, the legislature was looking to step in and prevent the team from possibly re-locating. These improvements were deemed to be essential in the effort to keep the Trailblazers in Portland. The dealmaking to pass SB 1501 in many ways provided the blueprint to peaceably adjourn the 2026 legislature as surplus state revenues were generously appropriated to rural and Republican districts as part of the “go home” package.

**The Trump effect.** The person who exerted more influence on this year’s session than anyone else was President Trump. Many bills introduced this session were intended to counter federal policy, largely related to immigration enforcement and fiscal policy. SB 1507 is a notable example, as it was seen as a necessary rebuttal to federal tax policy. HB 4138 attempts to prohibit federal law enforcement from wearing masks; HB 4127 to keep Planned Parenthood opened in Oregon; SB 1570 to require hospitals to have policies in place to address hospital response if a federal law enforcement authority arrives at the hospital; HB 4111 to provide that evidence of a party’s immigration status is not admissible as evidence in a civil proceeding; HB 4114 to create a civil cause of action against federal law enforcement who enter certain property without a warrant or an exception to the warrant requirement.





PO Box 12945 | Salem, OR 97309



## Board of Directors

**Chair:** Jay Osborne

**Vice Chair:** Bob Oleson

## Board Members at Large

Colleen Johnson

Greg Monahan

Helga Thompson

Deanna Woods

## Contact us to receive your newsletter by email

If you would prefer to receive your OPRI newsletter by email, please contact us at 503-373-3710 or email us at [info@opri.org](mailto:info@opri.org)



Find us on Facebook [@ORPersRetirees](https://www.facebook.com/ORPersRetirees)

## Help OPRI protect your rights and benefits by contributing to the OPRI PAC

Use your Oregon political tax credit—donate up to \$100/couple or \$50/person and you could get it all back at tax time. Your contribution helps advocate for member interests. [opri.org/donate-to-pac](https://opri.org/donate-to-pac)

