



2025 Oregon State Legislative Session Summary June 28, 2025

The Legislative Assembly gavelled in to begin the 2025 Legislative Session on January 22 and adjourned *sine die* on June 27 at 11:15pm. During this regular six-month session, the Legislature introduced approximately 3,500 bills – a record even to those with long institutional memories.

With new leadership at the helm, and so many bills in play, the session often felt like being in a dingy adrift at sea. Of the six in leadership positions, Senate President Rob Wagner (D – Lake Oswego) and House Republican Leader Christine Drazan (R – Canby) were the only two with previous leadership experience. Speaker Julie Fahey (D – Eugene), House Majority Leader Ben Bowman (D – Tigard), Senate Republican Leader Daniel Bonham (R – The Dalles), and Senate Majority Leader Kayse Jama (D—Portland) were all new in their roles. Compared to prior years, the 2025 session felt less structured and focused. In previous years, it was usually clear what issues were priorities, which bills were moving out of committees and which bills were not, and which chamber, legislator, and stakeholders were leading on any given bill. During this session, except for a few priority issues like transportation funding, Medicaid funding, and housing, it was challenging to tell which bills had life and were moving and which did not until chamber deadlines came and went. The sheer number of bills clogged most committee agendas and often led to short hearings, limited testimony, and limited time for questions, causing concern from policymakers and stakeholders alike about the thoroughness of policy vetting, rushed amendments at the last minute, and overall transparency in the process.

The session began with rising economic uncertainty at the national and state level. Oregon had been on a multi-year run of positive economic and revenue forecasts, but forecasts over the previous year contained signs of a weakening state economy. That economic weakness finally showed up in the data during the May 2025 economic and revenue forecast. For the first time in recent history, state revenues came in below the previous forecast, leaving budget writers with less General Fund resources to fund critical budget areas like K-12 education, health care, and public safety. In addition, “Doge” cuts to federal spending and development of the 2025 Federal Budget Reconciliation Bill that includes significant cuts to Medicaid were squarely on the minds of legislators and stakeholders. The 2025 – 2027 biennial budget was impacted by the decrease in revenue from the prior forecasts. Even the Governor’s priority investments in housing infrastructure, behavioral health, and early literacy received significantly less funding than requested.

Although session adjourned without the disruptive “walk outs” of previous sessions, including the last regular session in 2023, emotions nevertheless ran high, especially into the second half of session. One topic that fueled discontent was the proposed \$15 billion transportation funding package that was introduced as HB 2025 in the final weeks of session. The discontent was not partisan. Two Democrats on the Joint Committee on Transportation Reinvestment were removed from their positions to secure the votes necessary to advance HB 2025 to the floor. Almost simultaneously, the Senate Co-Chair removed himself from the committee following an outburst directed at the House Republican Vice-Chair. The transportation funding conversation culminated on the final day of session with the failure of HB 2025 and a last-ditch effort to pass a stop-gap funding measure to prevent near-term cuts at the Oregon Department of Transportation. That effort failed as well, and the legislature adjourned shortly thereafter.

The Legislature did make progress on other statewide priorities, like extending the premium tax and hospital assessment to fund Medicaid and wildfire funding, instituting a new tax on oral nicotine products and directing a portion of interest on the Rainy-Day Fund to support wildfire funding needs. The bipartisan agreement also included repealing state wildfire maps created by SB 762 (2023) that were having a negative impact on rural communities.

Given the potential for funding cuts at the federal level, particularly for Medicaid, and the failed transportation package, there were rumblings of a possible special session this fall. Until the federal budget reconciliation passes, we won’t know the impact on the state budget and services, but policymakers and stakeholders are watching the situation closely. Aside from that, as we move into the 2025 legislative interim, you can expect very little activity over the next two months, with interim committee meetings and conversations about the 2026 short legislative session starting in earnest after Labor Day.