



**Oregon State Chamber of Commerce  
Legislative Update  
February 2, 2023  
“Governor Kotek Announced Budget Proposal”**

Dear OSCC Members & Colleagues –

Governor Tina Kotek has officially unveiled her recommended budget for the 2023-25 biennium. Overall, the recommended budget is a pragmatic proposal, with many of the investments targeted to match the top priorities she articulated when she took office - housing, behavioral health and education.

The proposed budget outlines investments in these areas, including \$1 billion to address the housing and homelessness crisis including a massive \$770 million in bonding.

Her K-12 schools budget comes in at \$9.9 billion – more than the \$9.5 billion current service level requirement but far less than the \$10.3 billion being sought by school advocates.

Other notable priorities include \$40 million to support the public defense system and \$200 million aimed at incentivizing semiconductor production in Oregon.

The governor’s overall spending plan calls for about \$32 billion in spending while the state has about \$30.5 billion in revenues. While her plan does not include tapping into the state’s robust \$2 billion reserve fund, she did make the unique recommendation of diverting \$765 million that is scheduled to be added into the reserve fund this year. Such a diversion requires a 3/5<sup>th</sup> ‘supermajority’ vote of the legislature which will require Republican support.

The most notable feature of the Governor’s proposed budget is that it does not include any significant tax increases or program cuts - it is, in fact, a very stable and pragmatic proposal.

We will continue to watch this process, especially as state economists have said it is likely Oregon will enter a recession this year, which may impact available revenues. The next revenue forecast will come out later this month.

[You can read the Governor’s press release on the proposal here.](#)