

House Bill 4132

Sponsored by Representatives EVANS, BOWMAN, HELFRICH, PHAM H, Senators MANNING JR, SMITH DB; Representatives BOICE, BUNCH, CHAICHI, DOBSON, GRAYBER, ISADORE, LEVY B, MCDONALD, MUNOZ, NELSON, NGUYEN D, OWENS, RIEKE SMITH, RUIZ, WISE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes changes to veteran laws. (Flesch Readability Score: 66.4).

Declares that it is the goal of the Legislative Assembly to fund the Department of Veterans' Affairs in an amount that is not less than \$10,000,000, from the General Fund, in 2015 dollars, adjusted for inflation.

Requires the Director of Veterans' Affairs to add additional full-time positions within the department. Creates in the department the position of Veterans Employment Coordinator.

Requires the director to be a veteran who has received a discharge or release under other than dishonorable conditions. Allows the director to appoint a deputy director, subject to approval by the Governor.

Directs the department to develop and implement a grant program for suicide prevention and workforce training and preparation. Allows moneys in the Veterans' Services Fund to be used for the grant program.

Directs the director to distribute moneys appropriated for county veterans' service officer programs on a quarterly basis. Directs the department to provide a report on the quarterly distribution process.

Changes who are allowed to request county veteran discharge records.

Increases, from \$5,000 to \$10,000, the cap on the individual grant amount that is allowed under the Veteran Educational Bridge Grant Program.

Directs the Judicial Department, in consultation with the Oregon Criminal Justice Commission, to study methods for providing access to veterans' treatment courts to residents of each county or judicial district.

Transfers each biennium unexpended and unobligated moneys in the School Districts Unfunded Liability Fund and the Employer Incentive Fund to the Veterans' Services Fund.

Takes effect on July 1, 2026.

A BILL FOR AN ACT

Relating to veterans; creating new provisions; amending ORS 192.390, 406.020, 406.140, 406.462, 408.115 and 408.425 and sections 2 and 24, chapter 105, Oregon Laws 2018; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. This 2026 Act shall be known and may be cited as the 2026 Oregon Veterans' Services Supplemental Investments Initiative.

FUNDING GOAL

SECTION 2. It is the goal of the Legislative Assembly to fund the Department of Veterans' Affairs at a level that is no less than \$10,000,000, from the General Fund, as measured in 2015 and adjusted for inflation as calculated by the Legislative Fiscal Office.

ADDITIONAL STAFF POSITIONS

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

SECTION 3. (1) The Director of Veterans' Affairs shall establish, hire for and staff within the Department of Veterans' Affairs, no later than July 1, 2028, the following additional full-time equivalent positions:

- (a) Two assistant division directors.**
- (b) One coordinator for incarcerated veterans.**
- (c) One research analyst.**
- (d) One grant coordinator.**

(2) The director shall establish, hire for and staff within the department, no later than July 1, 2030, the following additional full-time equivalent positions:

- (a) One state approving agency staff.**
- (b) One behavioral health specialist.**
- (c) One coordinator for houseless veterans.**
- (d) One deputy communications director.**

(3) The director shall establish, hire for and staff within the department, no later than July 1, 2032, the following additional full-time equivalent positions:

- (a) One women veterans coordinator.**
- (b) One coordinator for incarcerated veterans.**
- (c) One LGBTQIA2S+ coordinator.**

SECTION 4. The position of Veterans Employment Coordinator is created in the Department of Veterans' Affairs. The responsibilities of the coordinator include, but are not limited to, all of the following:

- (1) Assisting veterans with finding employment.**
- (2) Providing veterans with career and job resources.**
- (3) Serving as a liaison between the Department of Veterans' Affairs and county veterans' service officers.**
- (4) Contacting any service member who separates from the Oregon National Guard within two weeks from the date of separation.**
- (5) Contacting any service member who separates from the Armed Forces of the United States and who resides in or is moving into this state within two weeks from the date the coordinator is informed of the service member separating and residing in or moving into this state.**

DIRECTOR AND DEPUTY DIRECTOR

SECTION 5. ORS 406.020 is amended to read:

406.020. The Department of Veterans' Affairs shall be under the supervision and control of the Director of Veterans' Affairs. The Governor shall appoint the director subject to confirmation by the Senate in the manner provided in ORS 171.562 and 171.565. The appointment may not be made without the written approval of the Advisory Committee provided for in ORS 406.210. The director shall be a veteran[,] who received a discharge or release under other than dishonorable conditions, chosen on the basis of executive and administrative ability.

SECTION 6. The Director of Veterans' Affairs, subject to approval by the Governor, may appoint a deputy director. In appointing a deputy director, the director shall consider the experience that a veteran may bring if a veteran is appointed to the position. The deputy director serves at the pleasure of the director, has full authority to act for the director and

1 is subject to the control of the director.

3 VETERANS SUICIDE PREVENTION GRANT PROGRAM

5 **SECTION 7.** (1) As used in this section, “veteran” has the meaning given that term in
6 ORS 408.225. “Veteran” includes a disabled veteran as defined in ORS 408.225.

7 (2) The Department of Veterans’ Affairs shall develop and implement a grant program
8 for veteran suicide prevention and workforce training and preparation. The purpose of the
9 grant program is to help veterans with suicide prevention and transition to the workforce
10 and business community.

11 (3) Under the grant program, the department shall award grants through a request for
12 proposal process to entities involved in pairing suicide prevention with workforce training
13 and preparation.

14 (4) The department shall:

15 (a) Develop criteria for entities that provide programs for suicide prevention and
16 workforce training and preparation;

17 (b) By rule, establish processes and procedures for veterans to apply for assistance from
18 entities that are awarded a grant under the grant program; and

19 (c) Prioritize awarding grants to entities that provide opportunities for veterans to par-
20 ticipate in the veterans’ local communities.

21 (5) The department may solicit and accept gifts, grants and donations from public and
22 private sources to further the purposes of this section.

23 (6)(a) The department may use moneys in the Veterans’ Services Fund established pur-
24 suant to Article XV, section 4f, of the Oregon Constitution, to develop, implement and
25 maintain the grant program.

26 (b) The department shall use moneys in the Veterans’ Services Fund established pursu-
27 ant to Article XV, section 4f, of the Oregon Constitution, for the initial moneys used to de-
28 velop, implement and maintain the grant program.

29 (7) The department may adopt rules to implement the provisions of this section.

30 **SECTION 8.** Not later than January 2, 2028, the Department of Veterans’ Affairs shall
31 prepare and submit a report to the interim committees of the Legislative Assembly related
32 to veterans on the status of the grant program developed and implemented under section 7
33 of this 2026 Act.

34 **SECTION 9.** (1) Section 7 of this 2026 Act is repealed on January 2, 2029.

35 (2) All moneys for the grant program developed and implemented under section 7 of this
36 2026 Act that are unexpended and unobligated on the date of the repeal of section 7 of this
37 2026 Act shall revert to the Veterans’ Services Fund and become available for use pursuant
38 to Article XV, section 4f, of the Oregon Constitution.

40 VETERANS’ SERVICES FUND

42 **SECTION 10.** ORS 406.140 is amended to read:

43 406.140. There is established in the State Treasury, separate and distinct from the General Fund,
44 the Veterans’ Services Fund, to be administered by the Oregon Department of Administrative Ser-
45 vices. Interest earned by the fund is credited to the fund. Pursuant to Article XV, section 4f, of the

Oregon Constitution, one and one-half percent of the net proceeds from the Oregon State Lottery shall be deposited in the Veterans' Services Fund. All moneys transferred from the State Lottery Fund and all other moneys authorized to be transferred to the Veterans' Services Fund from whatever source are appropriated continuously to provide services for the benefit of veterans. **The department shall hold no more than 12 percent of the fund in reserve.**

COUNTY VETERANS' SERVICE OFFICER PROGRAM

SECTION 11. ORS 406.462 is amended to read:

406.462. (1) Moneys appropriated to the Director of Veterans' Affairs for the purposes described in ORS 406.450 must be distributed to county governing bodies and expended for the purposes of ORS 406.450 and may not be used to supplant moneys currently budgeted by the director for services provided by county veterans' service officers.

(2) The director shall distribute moneys appropriated to the director for the purposes described in ORS 406.450 on a quarterly basis as follows:

(a) Each fiscal year, the director shall notify each county governing body of the amount of moneys to be distributed to the county governing body for the fiscal year.

(b) The county governing body shall provide the director a copy of the county's budget for the services to be provided by the county veterans' service officer for the fiscal year.

(c) At the end of each calendar quarter, the county governing body shall provide the director a report on the moneys the county expended during the calendar quarter for the services provided by the county veterans' service officer.

(d) Upon receipt of the county governing body's quarterly report, the director shall distribute to the county governing body a portion of moneys allocated to the county governing body in an amount that is based on the proportion of all moneys budgeted for all services provided by county veterans' service officers that were expended during the calendar quarter.

(e) At the end of each calendar quarter, the county governing body may also provide the director documentation for moneys the county expended during a previous calendar quarter in the fiscal year for the services provided by the county veterans' service officer that the county had not previously reported to the director and for which the county governing body has not received a distribution of moneys from the director. Upon receipt of the documentation, the director shall distribute to the county governing body a portion of moneys allocated to the county governing body in an amount that is based on the proportion of all moneys budgeted for all services provided by county veterans' service officers that were expended during the calendar quarter within which the county expended the moneys for which the county governing body provided the director documentation.

(3) At the end of each fiscal year, the director shall calculate the remaining moneys not distributed during the fiscal year and distribute the remaining moneys using a formula established under ORS 406.454 to each county governing body that expended 90 percent or more of the moneys that the county budgeted for services provided by the county veterans' service officer for the fiscal year as specified under subsection (2)(b) of this section. The director shall distribute the remaining moneys within 90 days from the last date of the fiscal year.

[(2)] (4) Notwithstanding subsection (1) of this section, the director may reduce the amount of moneys distributed to county governing bodies for county veterans' service officers if there is a de-

crease in the amount of General Fund **or State Lottery Fund** revenues appropriated to the director for the purposes described in ORS 406.450 for the same period of time.

SECTION 12. Not later than January 2, 2030, the Department of Veterans' Affairs shall prepare and submit a report to the interim committees of the Legislative Assembly related to veterans and the Association of Oregon Counties on the distribution of moneys under the process provided by the amendments to ORS 406.462 by section 11 of this 2026 Act.

COUNTY RECORDS: VETERAN DISCHARGE PAPERS

SECTION 13. ORS 408.425 is amended to read:

408.425. (1) Each county clerk who receives a request to inspect veteran discharge papers that are recorded under ORS 408.420 shall produce the recorded discharge papers for inspection if:

(a) The request for inspection is made in writing;

(b) The request sets forth the name, address and telephone number of the requester;

(c) The request sets forth the name and the date of birth or the last four digits of the Social Security number of the veteran; and

(d) The request is made by:

(A) The veteran or [*the spouse, legal guardian*] **a person holding a power of attorney for the veteran** or personal representative of the veteran;

(B) A county veterans' service officer appointed under ORS 408.410;

(C) A representative of the Department of Veterans' Affairs; or

(D) A licensed funeral establishment seeking to ascertain if a decedent was a veteran for the purpose of obtaining veteran's burial benefits.

(2) This section does not create a cause of action and may not be asserted as the basis of a per se negligence claim.

(3) Each county clerk may adopt additional policies in order to protect recorded discharge papers from malicious or unlawful use and policies regarding copying of recorded discharge papers.

(4) Each county clerk shall maintain in the records of the county clerk a copy of each request for inspection of recorded discharge information for a period of at least 10 years after the date the request is received by the county clerk.

SECTION 14. ORS 192.390 is amended to read:

192.390. (1) Notwithstanding ORS 192.338, 192.345 and 192.355 and except as otherwise provided in ORS 192.398, public records that are more than 25 years old shall be available for inspection.

(2) This section does not apply to records that are exempt from disclosure pursuant to ORS 192.355 (37) or 408.425.

VETERAN EDUCATIONAL BRIDGE GRANT PROGRAM

SECTION 15. ORS 408.115 is amended to read:

408.115. (1) The Veteran Educational Bridge Grant Program is established within the Department of Veterans' Affairs. Under the program, the department shall conduct outreach and provide grants to veterans who:

(a) Are pursuing and enrolled in a course of study that is in or part of:

(A) Any program for which United States Department of Veterans Affairs education benefits may be used;

(B) A career school licensed under ORS 345.010 to 345.340;

(C) An apprenticeship program that is registered with the State Apprenticeship and Training Council; or

(D) An on-the-job training program offered by a public employer;

[(b)(A) Are eligible to receive federal, state or other financial assistance based on prior service in the Armed Forces of the United States; or]

[(B) Demonstrate a need for student financial aid from any federal or state assistance program, including Title IV of the Higher Education Act of 1965;]

[(c)(A)] (b)(A) Are unable to complete a degree, apprenticeship or training program within the expected completion period because one or more required courses or apprenticeship or training hours are not available until a later date; *[or]*

(B) Have debt on a student account due to an overpayment of federal or state tuition benefits or prior course withdrawal that prevents enrollment in a future term; *[and]* **or**

(C) Are experiencing an instance of financial hardship that is interfering with or could endanger the ability to remain enrolled in a degree, apprenticeship or training program; and

[(d)] (c) Are making satisfactory academic **or training** progress *[or progress]* in a program described in paragraph (a) of this subsection.

(2) Grants under the program:

(a) May not exceed *[\$5,000]* **\$10,000** per veteran; and

(b) May be made only when there are sufficient moneys in the Veteran Educational Bridge Grant Program Fund established under ORS 408.125 to make the grants.

(3) The Department of Veterans' Affairs shall adopt rules for the implementation and operation of the program, including eligibility requirements for grant applicants.

(4) As used in this section, "veteran" has the meaning given that term in ORS 408.225 and includes disabled veterans, as defined in ORS 408.225.

VETERANS' TREATMENT COURT

SECTION 16. (1) As used in this section:

(a) **"Service member"** means a person who is a member of the Armed Forces of the United States, the reserve components of the Armed Forces of the United States or the National Guard.

(b) **"Veteran"** means a person who:

(A) Served as a member of the Armed Forces of the United States, the reserve components of the Armed Forces of the United States or the National Guard; and

(B) Received an honorable discharge, a general discharge under honorable conditions or a discharge under other than honorable conditions.

(c) **"Veterans' treatment court"** means a treatment drug court program, as defined in ORS 3.450, that serves service members and veterans.

(2) The Judicial Department, in consultation with the Oregon Criminal Justice Commission, shall study methods for providing access to veterans' treatment courts to the residents of each county or judicial district. The study must include the identification and recommendation of innovative, cost-efficient and data-driven means to extend the availability of veterans' treatment courts that are consistent with applicable standards developed under ORS 137.680. The commission shall assist the department in conducting the study.

(3) In conducting the study and developing recommendations, the department and the commission may consult with stakeholders and entities that engage with veterans' treatment courts.

(4) The department shall submit a report on its findings in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to the military and veterans no later than November 1, 2026.

SECTION 17. Section 16 of this 2026 Act is repealed on January 2, 2027.

FUNDING

SECTION 18. Section 2, chapter 105, Oregon Laws 2018, as amended by section 47, chapter 355, Oregon Laws 2019, and section 9, chapter 135, Oregon Laws 2021, is amended to read:

Sec. 2. (1)(a) The Public Employees Retirement Board shall establish a process for distributing the moneys in the Employer Incentive Fund established under section 1, chapter 105, Oregon Laws 2018.

(b) The process must allow a participating public employer to apply to reserve matching amounts in the Employer Incentive Fund by committing to make a qualifying lump sum payment of at least \$25,000 to an account established under ORS 238.229.

(2) The board shall adopt rules establishing:

(a) The percentage of a lump sum payment that may be matched by distributions from the fund, not to exceed 25 percent of a qualifying lump sum payment.

(b) The maximum matching amount that may be reserved by a participating public employer, not to exceed the greater of:

(A) Five percent of the unfunded actuarial liability attributable to the employer, as determined in the most recent report prepared under ORS 238.605; or

(B) \$300,000.

(c) The qualifications for lump sum payments that may be matched under this section, including a requirement that a qualifying lump sum payment may not be a payment from moneys borrowed by the employer.

(d) A requirement that the participating public employer participate in the Unfunded Actuarial Liability Resolution Program to develop a plan under ORS 238.730.

(3)(a) For 90 days after the board begins accepting applications under subsection (1) of this section, a participating public employer may apply to reserve matching amounts from the Employer Incentive Fund under subsection (1) of this section only if the unfunded actuarial liability attributable to the employer, as determined in the most recent report prepared under ORS 238.605, is more than 200 percent of the employer's payroll for members of the Public Employees Retirement System.

(b) After the 90-day period described in paragraph (a) of this subsection, any participating public employer may apply to reserve matching funds from the Employer Incentive Fund under subsection (1) of this section.

(4)(a) The board shall approve applications that meet the qualifications established under subsection (2) of this section in the order in which the applications are submitted. The board shall continue approving applications as long as adequate moneys in the Employer Incentive Fund are available.

(b) After all of the moneys available in the Employer Incentive Fund are reserved for matching under paragraph (a) of this subsection, the board may establish a waiting list for the remaining

1 timely submitted applications and, if sufficient moneys in the Employer Incentive Fund become
 2 available, shall approve, in the order in which the applications were submitted, applications that
 3 meet the qualifications established under subsection (2) of this section.

4 (5) The board shall transfer matching amounts approved under subsection (4) of this section from
 5 the Employer Incentive Fund to the approved employers' accounts established under ORS 238.229.

6 (6) The board may transfer moneys from the Employer Incentive Fund to the Public Employees
 7 Retirement Fund established under ORS 238.660 for crediting to the reserves for pension accounts
 8 and annuities as provided in ORS 238.670 (2).

9 (7) The board may use moneys in the Employer Incentive Fund for reasonable administrative
 10 costs incurred under this section.

11 **(8) Notwithstanding section 1 (2), chapter 105, Oregon Laws 2018, on July 1 of each odd-**
 12 **numbered year, any moneys in the Employer Incentive Fund that are unexpended and un-**
 13 **obligated for the biennium that ends on June 30 of that year shall be transferred to the**
 14 **Veterans' Services Fund, established under ORS 406.140, and become available for use pur-**
 15 **suant to Article XV, section 4f, of the Oregon Constitution.**

16 **SECTION 19.** Section 24, chapter 105, Oregon Laws 2018, as amended by section 51, chapter
 17 355, Oregon Laws 2019, section 19, chapter 10, Oregon Laws 2020 (second special session), and sec-
 18 tion 1, chapter 18, Oregon Laws 2025, is amended to read:

19 **Sec. 24.** (1) The School Districts Unfunded Liability Fund is established in the State Treasury,
 20 separate and distinct from the General Fund. Interest earned by the School Districts Unfunded Li-
 21 ability Fund shall be credited to the fund. The fund consists of moneys transferred, allocated or
 22 appropriated to the fund.

23 (2) Moneys in the fund are continuously appropriated to the Public Employees Retirement Board
 24 for the purpose of reducing the liabilities of participating public employers, as defined in ORS
 25 238.005, that are school districts.

26 (3) Moneys in the fund shall be invested in the Oregon Short Term Fund established under ORS
 27 293.728.

28 (4)(a) No later than June 30, 2025, the board shall apply all moneys in the fund on February 28,
 29 2025, in equal amounts against all school district employers' individual 2025-2027 employer contri-
 30 bution rates.

31 (b) The board shall apply any moneys that are credited to the fund after February 28, 2025, in
 32 equal amounts against all school district employers' individual employer contribution rates for the
 33 biennium following the crediting.

34 (5) No later than February 1 of each odd-numbered year, the board shall report to the Oregon
 35 Department of Administrative Services and the Legislative Fiscal Officer an estimate of how moneys
 36 will be distributed under this section in the following biennium.

37 **(6) Notwithstanding subsections (2) and (4)(b) of this section, on July 1 of each odd-**
 38 **numbered year, any moneys in the School Districts Unfunded Liability Fund that are unex-**
 39 **pended and unobligated for the biennium that ends on June 30 of that year shall be**
 40 **transferred to the Veterans' Services Fund, established under ORS 406.140, and become**
 41 **available for use pursuant to Article XV, section 4f, of the Oregon Constitution.**

42 CAPTIONS

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 45 **SECTION 20.** The unit captions used in this 2026 Act are provided only for the conven-

1 ience of the reader and do not become part of the statutory law of this state or express any
2 legislative intent in the enactment of this 2026 Act.

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EFFECTIVE DATE

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6 SECTION 21. This 2026 Act takes effect on July 1, 2026.

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