



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 5, 2026

To: [**Rep Ben Bowman**](#), Chair, [**House Committee on Rules**](#)

Re: [**HB 4143 – REVISED TESTIMONY**](#) Federal Funding Violating Court Orders – **COMMENTS**

House bill 4143 provides a legal recourse to the state of Oregon for payment lapses or absence of federal funding, unlawfully withheld, in violation of court orders. We cite relevant League positions and add information about the established “right to offset”. The League of Women Voters believes:

- No person or group shall suffer legal, economic, or administrative discrimination. It is likely we haven’t cited this before to defend Oregonians from denial of contractually paid federal funds.
- Efficient and economical government requires clear assignment of responsibilities, adequate financing, and coordination among the different agencies and levels of government.
- Responsible governments should share in the solution of economic and social problems that affect the general welfare, [and] promote a sound economy.

The “right to offset”, mentioned in the public hearing, could apply. For example, a bank has a legal right to take money from your checking account to pay off a debt you owe *at that bank*. HB 4143 does not authorize nonpayment or redirection for other uses. Funds would be held, as if in escrow. This is federally established as [TOP, \[US\] Treasury Offset Program](#), including SRP, the State Reciprocal Program:

“TOP offsets non-tax federal payments for delinquent debt owed to state agencies, if the state has entered into an agreement with Fiscal Service for the collection of that type of debt. Debts collected in the other state programs listed on this webpage can also be collected through SRP, as can other types of debts. Using SRP, in return, states can offset payments for delinquent debt owed to the federal government.”

Debtor information is searched to match with delinquent funds collected by federal agencies, to determine which debts it could legally pay. States similarly reciprocate payments to the federal government. As they find matches, withheld payments are forwarded to balance between appropriate state and federal agencies.

From [LWVOR’s Legislative Report](#): HB 4143 pertains to \$4.6B litigated in 2025 in Oregon, [verified with OR DoJ staff](#). “Oregon’s Attorney General filed 53 lawsuits in 2025, winning an overwhelming majority of them, safeguarding \$4.6B for Oregon (not including a tariff case). For example, because FEMA funding suddenly stopped, a winning suit protected \$128M for 29 building projects, mostly rural. Legal action cost less than \$20K, a tremendous ROI, return on investment.” The [Legislative Fiscal Office reports](#) Oregon’s 25-27 biennial budget expected \$43.7B in federal funds. The federal funding gap, \$43.7B minus \$4.6B, reduces federal funding by 10.5%. Oregon Attorney General Dan Rayfield is working to recover [those various withheld federal funds](#).

Given our revenue volatility, we urge you to reconsider options, with possible bill amendments.

We urge further consideration for HB 4143. Thank you for the opportunity to discuss this legislation.

Barbara Klein
Acting President LWVOR

Rebecca Gladstone
Governance Co-Coordinator