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Oregon Legislators Sound Alarm on Federal Budget Cuts

*Committee hearings detail how Trump admin policies
raise costs, cut benefits, and slash Oregon's safety nets*

SALEM, Ore. — Oregon legislators returned to Salem this week for three days of interim committee hearings to prepare for the 2026 legislative session. A central theme among the hearings was the ripple effects of recent federal budget cuts and policy changes that threaten programs Oregonians rely on every day, from health care and food assistance to schools, clean energy, disaster relief, and consumer protection.

“Donald Trump’s funding cuts and health care policies are putting Oregon on the road to disaster,” said **Oregon House Speaker Julie Fahey** (D-West Eugene/Veneta). “Trump and his Republican enablers are pulling out the rug from under working families—taking away health care and food assistance, slashing our emergency preparedness safety net, undermining our education system, and eliminating protections for aging Oregonians who fall victim to scammers. These policies will devastate Oregon families for years to come.”

This document summarizes the key testimony and data points presented in seven House committees. Recordings of hearings and all meeting materials are available on the Oregon Legislative Information System for each day of hearings: [Sept. 29](#), [Sept. 30](#), and [Oct. 1](#).

Health Care

Trump's budget and Medicaid changes will devastate Oregon's healthcare system. New federal rules will push up to 200,000 Oregonians off the Oregon Health Plan (OHP), significantly drive up monthly premiums for families with private insurance, and force safety net clinics and rural hospitals to cut services or close their doors.

The sections below outline three major takeaways from the [House Interim Committee on Health Care Sept. 30 hearing](#) on H.R. 1 implications for Oregon's health system.

Up to 200,000 Oregonians projected to lose Medicaid coverage

The provisions of Trump's budget that implement new work-reporting rules and frequent eligibility checks will push hundreds of thousands off OHP, even though most still qualify.

- Northwest Human Services projects that at just one of Oregon's 34 community health centers, more than 3,700 patients will lose coverage, cutting about \$10 million in revenue from that clinic alone (see [Northwest Human Services/OPCA memo](#)).
- Cancer and chronic-illness patients are at particular risk of losing treatment mid-course if they can't keep up with reporting requirements.

Higher monthly premiums for families with private insurance

When federal premium tax credits expire under Trump's budget, most Marketplace customers will see their premiums jump by \$90-\$165 a month (see [OHA's presentation](#), slide 17).

Revoking these credits will send shockwaves through the health care system: as healthier people are priced out of Marketplace coverage, it shrinks the risk pool, forcing insurers to raise rates across the board. This means higher premiums and medical costs even for Oregonians who get coverage through their employer.

Rural hospitals and safety net clinics at risk of closure or service cuts

Because Oregon's Federally Qualified Health Centers (FQHCs) rely on Medicaid for as much as 60% of their revenue, every disenrolled patient means less money to keep their doors open to the community (see [Northwest Human Services/OPCA memo](#)).

- Clinics warn they could be forced to lay off staff or scale back dental, mental health, and other crucial services as uncompensated care grows.

- Rural communities face the greatest risk: if patients delay care until they're in crisis, local emergency rooms and small hospitals could be overwhelmed.

Early Childhood and Human Services

The sections below outline major takeaways from the [House Interim Committee on Early Childhood and Human Services' Sept. 29 hearing](#) on impacts of federal-level changes.

Less food on the table for families who need it most

Trump's budget bill will strip \$3 billion in food assistance from Oregonians over the next six years. Expanded work-reporting rules for adults 18-64 and tighter county waivers mean 310,000 Oregonians—nearly half of the total number of current SNAP enrollees—must be rescreened; many will lose benefits despite remaining eligible (see [ODHS presentation](#), slide 9).

Food benefit cuts hit tens of thousands of SNAP recipients

29,000 households will see their SNAP benefit cut by an average of \$58 a month because of changes to the Standard Utility Allowance (see [ODHS presentation](#), slide 10). About 3,000 legally present immigrants—including refugees and asylees—will lose SNAP eligibility altogether.

State contributions mean Trump budget hole will widen

For the first time in history, Oregon will be required to pay a share of SNAP benefits, creating a hole in our state budget that we cannot possibly backfill.

- Starting Oct. 2027, the state will have to pay up to 15% of SNAP benefit costs, based on the state's current error rate—a major shift from decades of full federal funding.
- Beginning Oct. 2026, Oregon's share of SNAP administrative costs will rise from 50% to 75%

Education

Trump's budget gambles with Oregon's future by undermining our education system, from preschool to college. It blocks student loans for modest-paying but essential jobs like Head Start teachers and social workers, slashes financial aid that families count on to send their kids to college, and even threatens the free school meals and early-learning services that help children start school healthy, fed, and ready to learn.

The sections below outline three major takeaways from the [House Interim Committee on Education's Oct. 1 hearing](#) on HR 1 overview, higher education, and student loans.

New student loan rule threatens Head Start, social work, and other public service careers

Trump's budget bill creates a new "Institutional Accountability" rule (see [NCSL presentation](#), slide 9). This rule eliminates federal student loan eligibility for:

- Any undergraduate program where most graduates earn less than the typical high school graduate in that state, and
- And graduate program where most alumni earn less than the typical bachelor's degree holder.

This puts early childhood education, social work, behavioral health, and other modest-paying but essential fields at risk of losing student loan access—shrinking the pipeline for Head Start teachers, school-based mental health staff, and caregivers.

Massive cuts to higher education aid

Nationally, Trump's budget bill cuts roughly \$284 billion from federal student loan programs over 10 years, and forces borrowers into more expensive repayment plans (see [NCSL presentation](#), slides 2 and 10). That means less affordable college, fewer opportunities for low-income and rural students, more families forced into private loans, and fewer adults able to finish the advanced degrees that Oregon's workforce needs.

Cuts to SNAP and Medicaid threaten free school meals and early learning services

SNAP cuts in Trump's budget bill will shrink the number of children who qualify for free school meals, which could cause districts to lose their [Community Eligibility Provision](#) and free meal eligibility. Medicaid cuts will reduce reimbursements that fund early intervention and early childhood special education services. The combined effect: more chronically hungry kids and less funding for the early interventions that help children start school healthy and ready to learn.

Labor and Workforce Development

The Trump administration's new labor rules will chip away at the basic protections working people count on. They will make it harder for farmworkers to speak up about abuse, weaken safety standards for construction crews and mill workers, and put private information about laid off workers at risk.

The sections below outline three major takeaways from the [House Interim Committee on Labor and Workforce Development's Sept. 30 hearing](#).

Rolling back protections for frontline and vulnerable workers

The U.S. Department of Labor has weakened or proposed repealing key safeguards for thousands of Oregon workers in high-risk jobs, like farmworkers, construction crews, and shipyard or mill workers:

- OSHA safety rollbacks include proposed repeal of construction-site lighting standards and respirator rules for asbestos, benzene, lead, and other hazardous exposures (see [LPRO memo](#), pages 6-10).
- Rollback of site-specific safety input by eliminating the Construction Safety Advisory Committee and placing new limits on OSHA's ability to require extra ventilation at dangerous worksites.
- Farmworker protections rolled back, including repeal of rules that coordinated enforcement to protect migrant laborers.

Gutting workers' data privacy

A new federal rule would require Oregon's unemployment program to share workers' confidential benefit records with federal officials for "oversight and audits" (see [LPRO memo](#), page 3).

That means personal wage histories, employer information, and in some cases immigration-related data would be transmitted to the federal government, raising privacy risks and creating a chilling effect for immigrant and mixed-status households who may hesitate to file legitimate claims for fear their data could be misused.

Undermining pathways to good jobs

Another rule would repeal non-discrimination protections, affirmative action plans, and anti-harassment training in registered apprenticeship programs, stripping away safeguards that have helped Oregon's construction and manufacturing apprenticeships open doors for women, veterans, and people of color.

At the same time, the repeal of Workforce Investment Act regulations removes long-standing oversight of federal job-training dollars, leaving fewer tools to hold programs accountable for delivering quality workforce development services.

Climate, Energy, and Environment

President Trump's budget and policy decisions are driving up energy costs for Oregon families, slowing our transition to clean power, and taking away programs that help people save on their bills. These changes will raise monthly costs for Oregonians, eliminate jobs, and make it more difficult to meet our state's climate goals.

The sections below outline three major takeaways from the [House Interim Committee on Climate, Energy, and Environment's Sept. 29 hearing](#) on impacts of recent federal actions on energy and environment-related agency operations and renewable energy development in Oregon:

Higher energy bills and job losses from clean-energy rollbacks

Trump's budget bill ends or shortens federal solar and battery tax credits. The residential credit ends at the end of 2025, and the commercial credit at the end of 2027.

That change alone will raise the cost of a typical 8-kilowatt home solar system from about \$13,700 to more than \$23,500 (see [ODE Director Janine Benner's presentation](#), slides 5-6). Analysts project the loss of these credits will raise the average Oregon household's annual energy costs by \$100-\$140 by 2030-35, increase wholesale power rates by 15-20%, and cost the state 4,800-5,300 energy sector jobs, including about 1,500 solar industry jobs that are expected to disappear in 2026 due to the credit rollback (see [Assoc. Prof. Greg Dotson's presentation](#), slide 11).

Cuts and cancellations shrink access to affordable solar energy

In August 2025, the EPA canceled Oregon's \$86.6 million Solar-for-All grant, which would have funded 1,800 solar installations for low-income single-family homes. These cuts wipe out an estimated \$88 million in lifetime energy-bill savings for Oregon families and eliminate \$2.9 million in planned solar workforce training funds—hitting low-income and rural households the hardest (see [ODE presentation](#), slide 10).

Federal rollbacks stall Oregon's clean energy transition and undercut clean air standards

New federal orders have halted or delayed wind and solar permitting on both public and private land. The Republican Congress has also voted to block EPA waivers that let Oregon enforce zero-emission car and truck rules, meaning Oregon will lose one of its biggest tools to cut climate pollution.

Emergency Management

Policies under the Trump administration weaken our safety net when disaster strikes by cutting funding and raising the bar for when Oregon can qualify for disaster aid.

The sections below outline three major takeaways from the [House Interim Committee on Emergency Management and Veterans](#) hearing on federal directives and emergency management:

Cuts to county emergency management funding threaten disaster readiness

The federal Building Resilient Infrastructure and Communities (BRIC) program, a key funding source for disaster mitigation initiatives like seismic upgrades, has been eliminated under the Trump budget.

Without these grants, counties lose one of their few dedicated funding streams for hazard mitigation work that helps us be more prepared for when wildfires or earthquakes strike.

Delayed emergency management grants squeeze already thin county budgets

The Emergency Management Performance Grant (EMPG), which normally covers about 50% of emergency managers' salaries in most Oregon counties, has been held up in federal court since early 2025. With two-thirds of Oregon counties running one- or two-person emergency management divisions, the continued delay threatens year-round services like evacuation planning and alert and warning systems.

Higher local disaster costs threaten recovery services in rural areas

FEMA has proposed changes that would **cap** the federal share of disaster recovery costs at 75%, instead of guaranteeing a 75% floor. The changes would also quadruple the minimum dollar amount of documented damage that must be reached before the federal government would declare a "major disaster" and release funds (see [AOC presentation](#), slide 3).

Consumer Protection

The Trump administration has gutted the Consumer Financial Protection Bureau (CFPB), the federal watchdog that protected people from scams, hidden fees, and abusive lenders. By slashing oversight and enforcement, it's leaving Oregonians more exposed to predatory practices and making it harder for them to get their money back when they've been taken advantage of.

The sections below outline three major takeaways from the [House Interim Committee on Commerce and Consumer Protection](#) hearing on the impact of federal actions on consumer protection in Oregon:

Less protection from scams and unfair fees

With supervisory exams at the CFPB cut in half and 67 consumer protection guidance documents rescinded, that means mortgage servicers, payday lenders, debt collectors, and private student loan companies face far less scrutiny.

Harder for victims to be made whole

Federal enforcement actions have dropped 37% and penalties fell 32% in early 2025 compared to late 2024 (see [OCBS Division of Financial Regulation presentation](#), slide 4). Aging Oregonians who are over charged or scammed will be less likely to see refunds or compensation.

Weaker safety net for resolving complaints

A proposed 88% staff cut (currently blocked by a judge) and a hiring freeze have left the CFPB short staffed, slowing responses to fraud and complaint investigations.

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