

2025-27 GOVERNOR'S RECOMMENDED BUDGET

Oregon Department of Education



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Chief Financial Office

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Oregon Department of Education

2025-27 Governor's Budget Overview



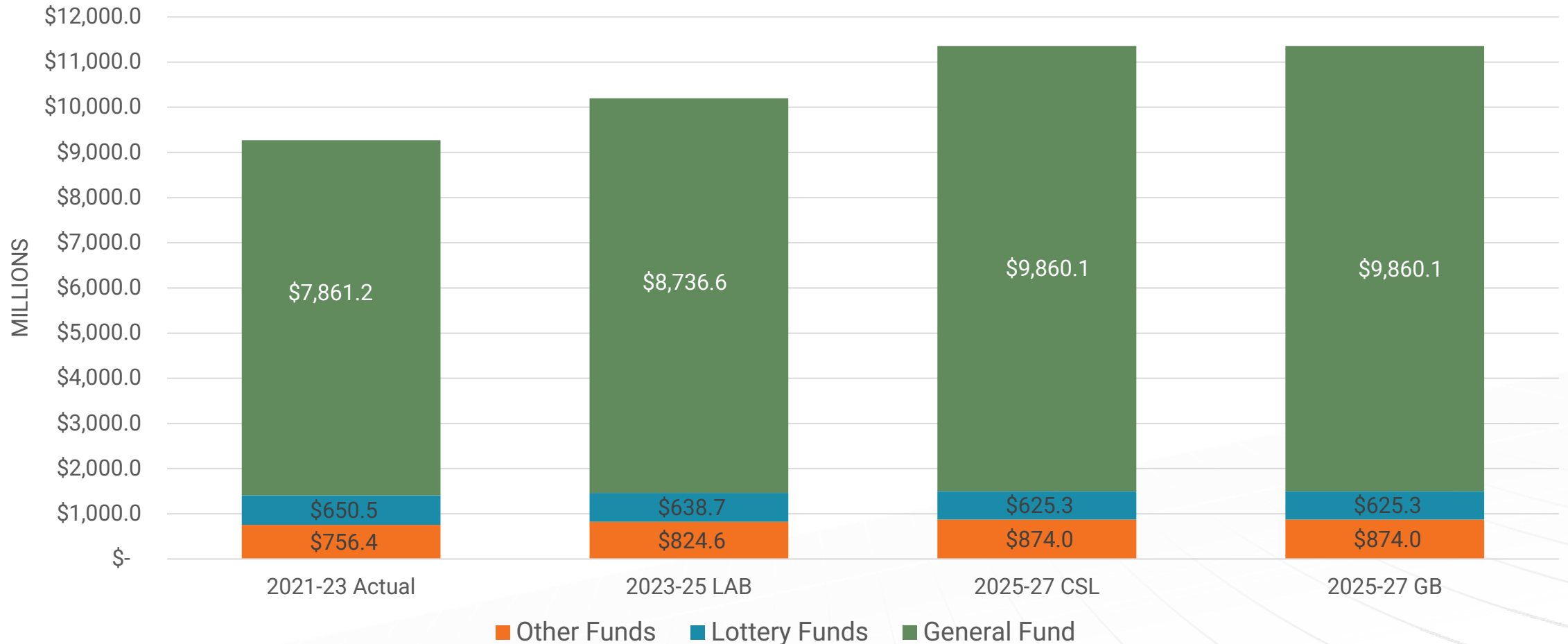
Governor's Priority focusing on:

- Continued efforts to address learning loss
- Early literacy
- Whole child approach
- Accountability
- Critical IT infrastructure (State School Fund modernization and Electronic Grants Management System)

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State School Fund – State Funds Only - \$11.36 billion

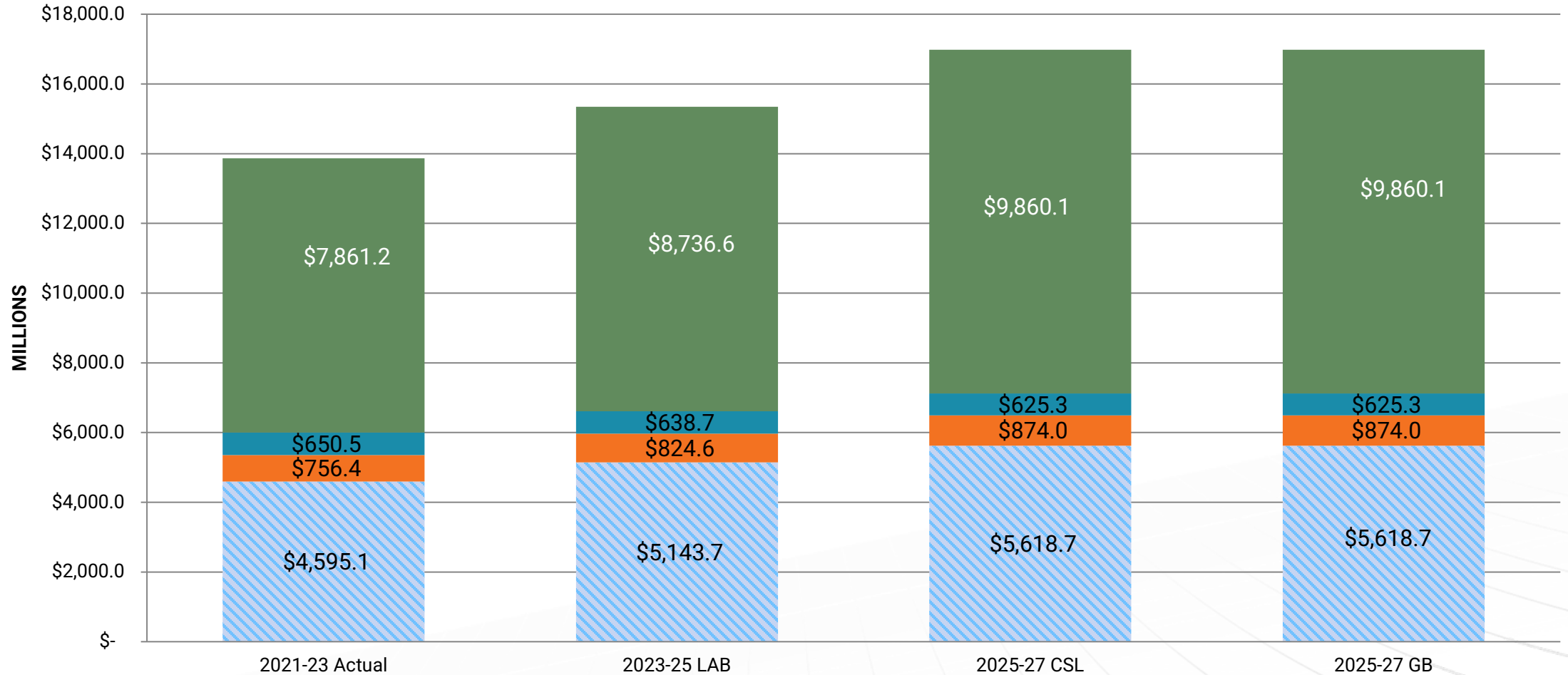
Expenditure History + 2025-27 Governor’s Budget



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State School Fund – State and Local-\$16.74 billion

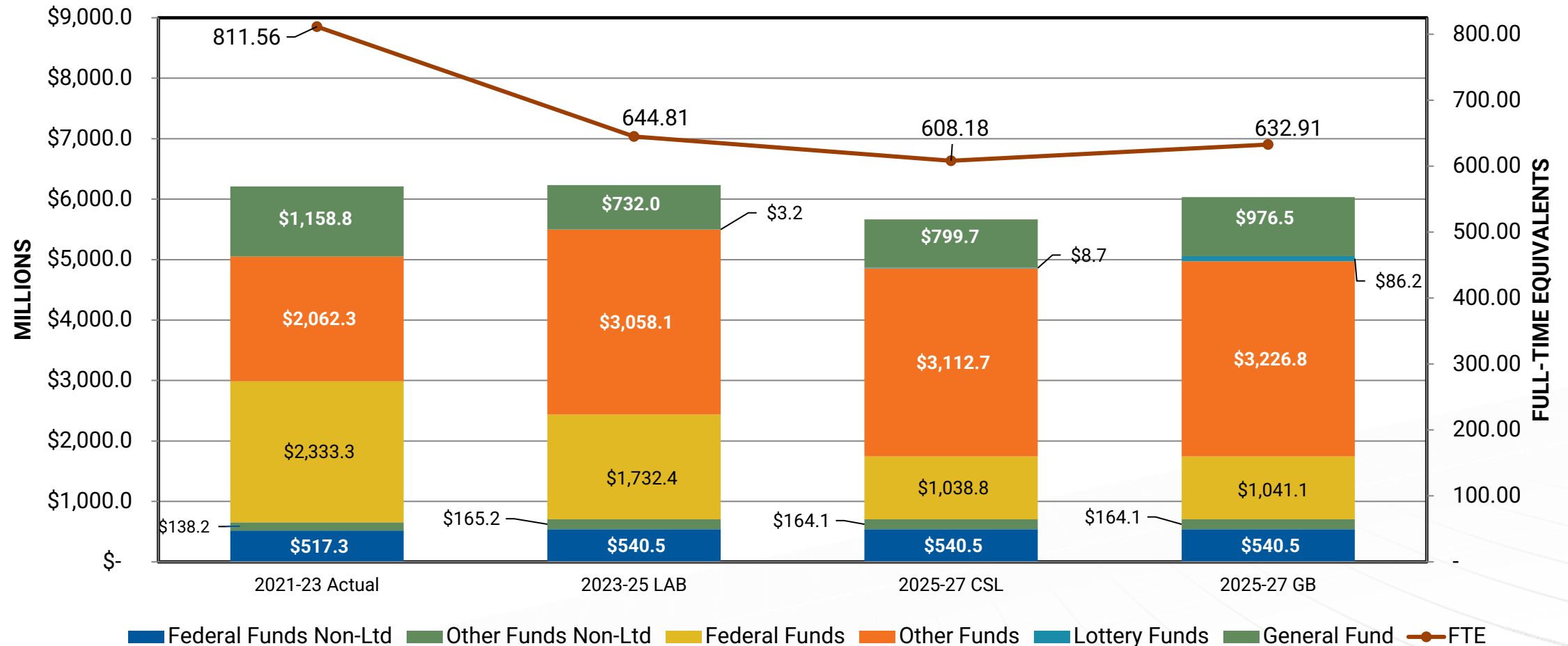
Expenditure History + 2025-27 Governor’s Budget



2021-23 local funding is budgeted amount.
Local funding is primarily from property taxes

■ Local Funds
 ■ Other Funds
 ■ Lottery Funds
 ■ General Fund

Oregon Department of Education Expenditure History + 2025-27 Governor's Budget (Excluding State School Fund)

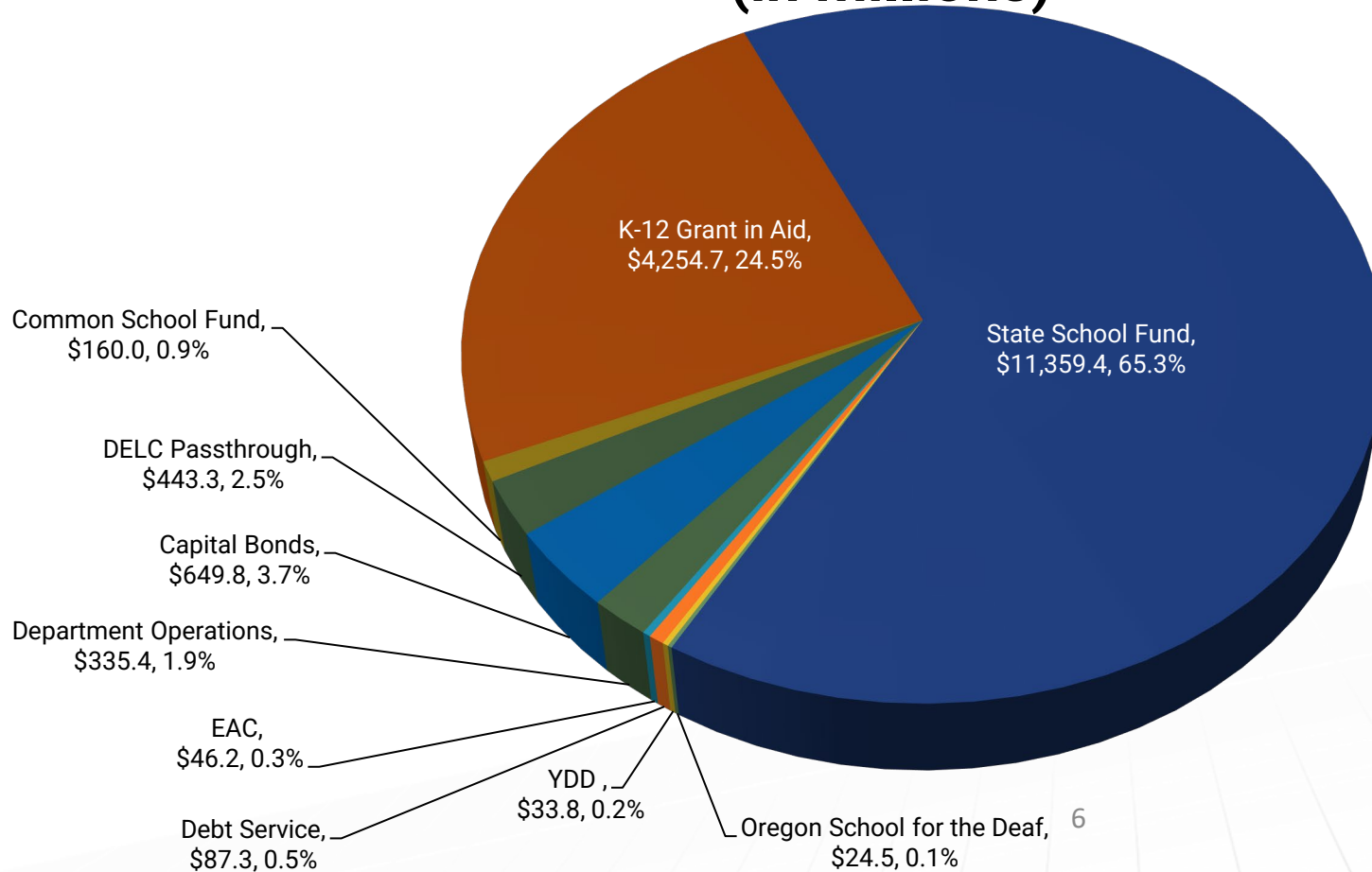


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2025-27 Governor's Budget



Governor's Budget by Agency Program (in millions)



EAC = Educator Advancement Council
YDD = Youth Development Division
DELIC = Department of Early Learning and Care

Student Success Act



Revenue Requirements:

- Foregone revenue equivalent to Personal Income Tax cuts in the SSA goes to State School Fund
- Reserve (currently at \$200 million and kept at that level in Governor's Budget)
- 50 percent of amount remaining after first two bullets must go to Student Investment Account
- Up to 30 percent to the Statewide Education Initiative Account
- At least 20 percent to the Early Learning Account (supports EI/ECSE and early learning programs)

Revenue Shortfall:

- Use of one-time balances to cover ongoing program costs in 2023-25
- Governor's Budget aligns revenues and expenditures - reduction of \$59.8 million Other Funds
- Revenues are still growing by 12.1 percent or \$336.9 million

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2025-27 Governor's Budget - Investments



State School Fund Current Service Level Development:

- Update local revenue estimate for base budget development
- 49/51 split for determining jump off year funding level
- 10-year average compensation model forecast error correction

Early Literacy Success Initiative:

- School district grant increase - \$100 million General Fund
- Community and Tribal grant increase - \$10 million General Fund

Summer Learning:

- Summer learning funding support for summer 2025 and 2026 - \$75 million General Fund
- Summer learning evaluation and infrastructure - \$3.5 million General Fund (7 positions, 7.00 FTE)

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2025-27 Governor's Budget – Investments continued



Capital infrastructure:

- Capital Improvement Matching program - \$186.4 million total funds
- Connecting Oregon Schools – \$5.1 million Other Funds
- OSD Facilities Improvements - \$100.9 million total funds

IT infrastructure and Operations:

- Grants management system replacement - \$4.0 million General Fund
- State School Fund system modernization - \$2.1 million General Fund (11 positions, 6.73 FTE)
- Senate Bill 819 (2023) implementation support - \$1.3 million Federal Funds (four positions, 4.00 FTE)
- IDEA Fiscal Team - \$0.9 million Federal Funds (three positions, 3.0 FTE)
- Director's Office accountability team and Youth Development Division position - \$1.1 million General Fund (four positions, 4.00 FTE)

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2025-27 Governor's Budget – Savings and Reductions



- Vacancy rate - \$4.7 million General Fund decrease
- Services and Supplies reduction - \$2.8 million General Fund
- Grant in Aid reductions - \$17.5 million General Fund
- Corporate Activity Tax revenue shortfall reductions (\$59.8 million):
 - Vacancy savings - \$1.6 million
 - Services and Supplies reduction - \$7.5 million
 - Intensive Coaching program - \$18.5 million
 - High School Success program - \$18.3 million
 - ESD Technical Support grants - \$7.5 million
 - Recovery Schools - \$6.3 million

Thank you

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