

SUBCOMMITTEE RECOMMENDATION

SB 5515

Department of Education

To: Ways and Means Full Committee

From: Education Subcommittee

Carrier: Senator Sollman

SB 5515 is the budget bill for the Department of Education. The 2025-27 budget for this agency totals \$5.5 billion and 636 positions, which is 622.45 FTE. This budget does not include the \$11.4 billion State School Fund.

There are several investments in the Department's budget, including a \$24.6 million Other Funds increase for mandated caseload growth in the Long Term Care and Treatment program, Youth Corrections and Juvenile Detention Education Programs, and the Early Intervention and Early Childhood Special Education program; \$13 million Other Funds for increased literacy efforts across the state; \$6 million General Fund on a one-time basis for modernization IT projects related to the State School Fund distribution system and the electronic grants management system; and \$1.6 million General Fund for permanent Summer Learning staff.

Additionally, various technical adjustments were approved to correct current service level errors, including the removal of \$17.3 million General that is not attached to any current programs and removal of \$158.6 million Other Funds from the Oregon Schools Capital Improvement Matching program.

Lastly, the May 2025 Revenue Forecast projects the available Corporate Activity Tax resources to total \$3.16 billion for the 2025-27 biennium. This represents a decrease of \$195.3 million from the current service level budget. At this revenue level, the Fund for Student Success is not able to sustain the 2025-27 current service level budget. The recommended budget includes a series of reductions from the Fund for Student Success to maximize available resources, mitigate impacts on academic success, and balance the Fund. Balancing actions include reducing the Fund for Student Success reserve from \$200 million to \$100 million; funding the Student Investment Account at 50% of available revenues, or \$1.1 billion; reducing High School Success by \$23.8 million to correct a calculation error and fully fund the program at \$977 per high school student; funding \$20 million for Student Success Grants to consolidate and streamline the grantmaking process; reducing \$9 million from Summer Program Grants, which is being replaced with Summer Learning Program Grants approved in HB 5047; and carrying forward three reductions recommended by the Governor.

The Education Subcommittee recommends SB 5515 be amended by the –2 amendment and be reported out do pass, as amended.