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To: Capital Construction Subcommittee
From: John Terpening, Legislative Fiscal Office
Date: June 24, 2025
Subject: SB 5530 – Revenue Allocations
Work Session Recommendations

SB 5530 allocates Lottery Funds and revenue from the Criminal Fine Account, Oregon Marijuana Account, Fund for Student Success, and Tobacco Settlement Funds Account for programs approved in the 2025-27 budget. The revenue allocations are within available resources that were either included in the May 2025 state revenue forecast or otherwise from available balances. An adjustment is also included for the 2023-25 biennium to reflect a decline in projected Criminal Fine Account revenues.

The -2 amendment replaces the measure and makes the following allocation adjustments:

- **Lottery Revenue:** The measure includes lottery allocations of \$1.29 billion for veterans' services, county economic development, Outdoor School, gambling addiction prevention and treatment, the State School Fund, and debt service on outstanding lottery revenue bonds, among other distributions.
- **Criminal Fine Account:** Forecasted revenue totals \$103.2 million in 2025-27. SB 5530 allocates almost the entire amount, with no anticipated deposit into the General Fund.
- **Oregon Marijuana Account:** Available marijuana tax revenue totals \$301.3 million in 2025-27. Of this, the Department of Revenue will distribute \$21.8 million to cities and counties. SB 5530 allocates the remaining \$279.5 million for statutory distributions, including the Drug Treatment and Recovery Services Fund (\$192.3 million), State School Fund (\$43.6 million), Mental Health Alcoholism and Drug Services Account (\$21.8 million), Department of State Police (\$16.3 million), and alcohol and drug abuse prevention and treatment services (\$5.4 million).

- **Fund for Student Success:** Based on the May 2025 state revenue forecast and estimated beginning balances in each account, the following allocations are made from the Fund for Student Success to support expenditures in the 2025-27 legislatively adopted budget:
 - \$1.1 billion to the Student Investment Account
 - \$559.4 million to the Statewide Education Initiatives Account
 - \$550.4 million to the Early Learning Account
- **Tobacco Settlement Funds Account:** Payments under the Master Settlement Agreement are deposited in the Tobacco Settlement Funds Account administered by the Department of Administrative Services. SB 5530 allocates \$119.3 million from the account for purposes consistent in prior biennia, including \$98.1 million for the Oregon Health Plan; \$15.3 million for community mental health programs; \$3.1 million for physical education related grants; and \$2.8 million for enforcement activities by the Department of Justice.

Allocations from the Economic Development Fund, Veterans' Services Fund, Criminal Fine Account, Oregon Marijuana Account, and Fund for Student Success are provided in the attached tables.

Amendment

LFO recommends adoption of the –2 amendment.

MOTION: I move adoption of the –2 amendment to SB 5530. *(vote)*

Final Subcommittee Action

LFO recommends that SB 5530, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5530, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

LOTTERY FUNDS CASH FLOW SUMMARY

	2023-25 Legislatively Approved Budget	2025-27 Legislatively Adopted Budget
ECONOMIC DEVELOPMENT FUND		
RESOURCES		
Beginning Balance	84,396,435	\$ 45,085,738
Lottery Funds Reversions under ORS 461.559	5,685,238	-
REVENUES		
Transfers from Lottery		
Net Proceeds	1,808,589,754	1,885,292,599
Administrative Actions	42,882,044	-
Other Revenues		
Interest Earnings	2,000,000	2,000,000
Other	-	-
Total Revenue	1,853,471,798	1,887,292,599
TOTAL RESOURCES	\$ 1,943,553,471	\$ 1,932,378,337
DISTRIBUTIONS / ALLOCATIONS		
Distribution to Education Stability Fund	(333,264,924)	(254,358,031)
Distribution to Oregon School Capital Improvement Matching Fund	-	(70,828,864)
Distribution to Parks and Natural Resources Fund	(277,720,770)	(282,793,890)
Distribution for Veterans' Services Fund	(27,772,077)	(28,279,389)
Distribution for Outdoor School Fund	(36,406,064)	(48,060,583)
Distribution of Video Revenues to Counties	(59,982,296)	(59,783,760)
Distribution for Sports Programs	(18,329,943)	(18,852,926)
Distribution for Gambling Addiction	(18,472,837)	(18,853,152)
Distribution for County Fairs	(3,828,000)	(5,744,348)
Distribution to PERS Employer Incentive Fund	(28,186,388)	-
Allocation to State School Fund	(638,737,863)	(606,501,675)
Debt Service Allocations	(336,702,668)	(389,965,797)
Other Agency Allocations	(119,063,903)	(108,355,922)
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (1,898,467,733)	\$ (1,892,378,337)
ENDING BALANCE	\$ 45,085,738	\$ 40,000,000
EDUCATION STABILITY FUND		
(not including the Oregon Growth Account balances)		
RESOURCES		
Beginning Balance	708,394,230	\$ 1,008,332,375
Revenues		
Transfer from the Economic Development Fund	299,938,431	228,922,228
Interest Earnings	85,116,231	85,629,606
Oregon Growth Account Earnings Distributions	12,054,200	-
Total Revenue	\$ 397,108,862	\$ 314,551,834
TOTAL RESOURCES	\$ 1,105,503,092	\$ 1,322,884,209
DISTRIBUTIONS		
Oregon Opportunity Grant Program	(97,170,431)	(85,629,606)
Debt Service Allocations to Department of Education	-	-
Education Stability Fund Withdrawal	-	-
Treasury Account Fees	(286)	-
TOTAL DISTRIBUTIONS	\$ (97,170,717)	\$ (85,629,606)
ENDING BALANCE	\$ 1,008,332,375	\$ 1,237,254,603

Notes:

- Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included in the Education Stability Fund.
- Transfers from the Economic Development Fund to the Education Stability Fund (ESF) represent those made only to the main ESF account and do not include the 10% transferred to the Oregon Growth Account.
- 2023-25 and 2025-27 amounts are based on the May 2025 revenue forecast.

2025-27 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

ECONOMIC DEVELOPMENT FUND	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	2025-27 LAB Expenditure Limitation	Ending Lottery Balance
DEBT SERVICE COMMITMENTS					
Higher Education Coordinating Commission Outstanding bonds	44,350,611	-	-	44,350,611	-
Business Development Department Outstanding and Proposed bonds	71,493,013	-	-	71,493,013	-
Housing and Community Services Department Outstanding and Proposed bonds	43,110,880	-	-	43,110,880	-
Department of Transportation Outstanding bonds	126,921,540	-	-	126,921,540	-
Department of Administrative Services Outstanding and Proposed bonds	51,577,723	-	-	51,577,723	-
State Forestry Department Outstanding Bonds	1,986,913	-	-	1,986,913	-
Department of Fish and Wildlife Outstanding Bonds	2,306,533	-	-	2,306,533	-
Watershed Enhancement Board Outstanding Bonds	669,619	-	-	669,619	-
State Parks and Recreation Department Outstanding bonds	5,361,307	-	-	5,361,307	-
Water Resources Department Outstanding and Proposed bonds	21,605,821	-	-	21,605,821	-
Department of Veterans' Affairs Outstanding Bonds	551,000	-	-	551,000	-
Oregon Health Authority Outstanding Bonds and Proposed bonds	12,902,605	-	-	12,902,605	-
Department of Education Outstanding Bonds	7,128,232	-	-	7,128,232	-
OTHER ALLOCATIONS					
Higher Education Coordinating Commission Collegiate Athletics	18,852,926	-	-	18,852,926	-
Outdoor Schools	48,060,583	-	-	48,060,583	-
Oregon Health Authority Gambling Addiction Treatment	18,853,152	-	-	18,853,152	-
Department of Administrative Services Distribution to County Fairs	5,744,348	-	-	5,744,348	-
Public Employees Retirement System Employer Incentive Fund	-	38,985,050	2,302,052	41,287,102	-
Department of Education State School Fund	606,501,675	-	-	606,501,675	-
Office of the Governor Regional Solutions	5,213,172	-	-	5,213,172	-
Business Development Department Operations	20,346,833	-	-	20,346,833	-
Business, Innovation, and Trade	75,381,963	8,500,000	-	83,881,963	-
Infrastructure	5,872,354	15,805,418	-	21,677,772	-
Film and Video	1,541,600	-	-	1,541,600	-
TOTAL ECONOMIC DEVELOPMENT FUND	1,196,334,403	63,290,468	2,302,052	1,261,926,923	-
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Higher Education Coordinating Commission Opportunity Grants	85,629,606	13,671,500	-	94,000,000	5,301,106
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND	85,629,606	13,671,500	-	94,000,000	5,301,106

VETERANS' SERVICES FUND

	2023-25	2025-27
	Legislatively Approved	Legislatively Adopted
RESOURCES / REVENUES		
Beginning Balance	\$ 5,528,837	\$ 5,738,063
Lottery Funds Reversions under ORS 406.141	1,323,552	-
Lottery Revenue	27,772,077	28,279,389
Interest Earnings	-	-
TOTAL RESOURCES	\$ 34,624,466	\$ 34,017,452
ALLOCATIONS		
Department of Veterans' Affairs		
Veterans' Services Program	\$ (14,672,060)	\$ (15,108,297)
County Veteran Service Officers	(7,788,605)	(8,115,726)
National Service Organizations	(541,693)	(564,444)
Total ODVA Allocations	\$ (23,002,358)	\$ (23,788,467)
Bureau of Labor and Industries		
Veterans' Outreach	(316,222)	(307,006)
Criminal Justice Commission		
Veterans' Specialty Courts	(603,177)	(628,510)
Oregon Health Authority		
Veterans Behavioral Health	(2,233,850)	(2,879,455)
Veterans Dental Program	(2,730,796)	(3,519,334)
TOTAL ALLOCATIONS	\$ (28,886,403)	\$ (31,122,772)
ENDING BALANCE	\$ 5,738,063	\$ 2,894,680

Note: 2023-25 and 2025-27 amounts are based on the May 2025 revenue forecast.

CRIMINAL FINE ACCOUNT ALLOCATIONS

	2023-25 Legislatively Approved Budget	SB5530 Adjustments	2025-27 Current Service Level	2025-27 Legislatively Adopted Budget (SB5530)
May 2025 Revenue Forecast	\$ 100,104,440	\$ (3,716,079)	\$ 119,735,938	\$ 103,195,820
Criminal Fine Account Revenues	\$ 100,104,440	\$ (3,716,079)	\$ 119,735,938	\$ 103,195,820
Criminal Fine Account Allocations:				
Department of Public Safety Standards and Training				
Operations	\$ 55,016,548		\$ 63,073,786	\$ 65,846,019
Public Safety Memorial Fund	279,677		322,411	-
Subtotal:	\$ 55,296,225	\$ -	\$ 63,396,197	\$ 65,846,019
Department of Justice				
Child Abuse Multidisciplinary Intervention Account	\$ 12,210,883		\$ 14,289,302	\$ 14,289,302
Regional Assessment Centers	920,490		959,151	959,151
Criminal Injuries Compensation Account	10,272,994		10,704,460	10,704,460
Child Abuse Medical Assessments	779,144		811,868	811,868
Subtotal:	\$ 24,183,511	\$ -	\$ 26,764,781	\$ 26,764,781
Department of Human Services				
Domestic Violence Fund	\$ 2,668,697		\$ 2,850,674	\$ 2,850,674
Sexual Assault Victims Fund	605,216		630,635	630,635
Subtotal:	\$ 3,273,913	\$ -	\$ 3,481,309	\$ 3,481,309
Oregon Health Authority				
Emergency Medical Services & Trauma Services	\$ 331,824		\$ 331,824	\$ -
Alcohol & Drug Abuse Prevention	42,884		42,884	-
Law Enforcement Medical Liability Account	1,300,000		1,300,000	-
Intoxicated Driver Program	4,323,000		4,323,000	-
Drug Treatment and Recovery Services Fund	31,200		31,200	-
Subtotal:	\$ 6,028,908	\$ -	\$ 6,028,908	\$ -
Oregon Judicial Department				
State court security and emergency preparedness	\$ 4,614,833	\$ (792,500)	\$ 5,087,487	\$ 5,087,487
County court facilities security	3,326,651		3,552,863	1,852,863
State Court Technology Fund	2,927,500	(2,927,500)	4,004,125	-
Subtotal:	\$ 10,868,984	\$ (3,720,000)	\$ 12,644,475	\$ 6,940,350
Oregon State Police				
Driving Under the Influence Enforcement	\$ 351,572	\$ -	\$ 351,572	\$ -
Department of Corrections				
County correction programs and facilities, and alcohol and drug programs	\$ -	\$ -	\$ 5,948,237	\$ -
Department of Revenue				
Administrative Expenses	\$ 100,000	\$ -	\$ 100,000	\$ 159,700
Total Allocations:	\$ 100,103,113	\$ (3,720,000)	\$ 118,715,479	\$ 103,192,159
Transfer to the General Fund:	\$ 1,327	\$ 3,921	\$ 1,020,459	\$ 3,661

2025-27 Oregon Marijuana Account

	2023-25 Legislatively Approved Budget	2025-27 Legislatively Adopted Budget
Cities	10,187,665	10,892,069
Counties	10,187,665	10,892,069
Subtotal Local	20,375,330	21,784,138
Drug Treatment and Recovery Services Fund	185,125,730	192,330,671
State School Fund	40,750,659	43,568,275
Mental Health Alcoholism & Drug Services Account	20,375,329	21,784,137
State Police Account	15,281,497	16,338,103
Drug and alcohol abuse prevention and treatment	5,093,832	5,446,034
Subtotal State	266,627,047	279,467,220
Total	287,002,377	301,251,358

Note: 2023-25 and 2025-27 amounts are based on the May 2025 revenue forecast.

FUND FOR STUDENT SUCCESS CASH FLOW SUMMARY

	2023-25 Legislatively Approved Budget (May 2025) ¹	2025-27 Legislatively Adopted Budget (May 2025) ²	SB 5530 Adjustments and other Revenue Adjustments
FUND FOR STUDENT SUCCESS			
RESOURCES			
Beginning Balance	\$ 326,038,120	\$ 111,227,970	(214,810,149)
REVENUES			
Transfers from Department of Revenue			
Net Proceeds	2,735,289,869	3,071,710,705	336,420,837
Administrative Actions	(21,312,000)	(23,656,320)	(2,344,320)
Retain as a reserve/cash flow - ORS 327.001(4)(b)	(200,000,000)	(100,000,000)	100,000,000
Total Revenue	2,513,977,869	2,948,054,385	434,076,517
TOTAL RESOURCES	\$ 2,840,015,988	\$ 3,059,282,356	\$ 219,266,368
TRANSFERS / ALLOCATIONS			
Transfer to the High Cost Disabilities Account - ORS 327.001(4)(a)(A)	(40,000,000)	(40,000,000)	-
Transfer to the State School Fund - ORS 327.001(4)(a)(B)	(752,727,407)	(799,625,392)	(46,897,985)
Allocation to the Student Investment Account	(1,087,178,997)	(1,109,828,482)	(22,649,485)
Allocation to the Statewide Education Initiatives Account	(548,451,330)	(559,443,881)	(10,992,551)
Allocation to the Early Learning Account	(500,430,284)	(550,384,601)	(49,954,317)
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (2,928,788,018)	\$ (3,059,282,356)	\$ (130,494,338)
ENDING BALANCE	\$ (88,772,030)	\$ -	\$ 88,772,029
STUDENT INVESTMENT ACCOUNT - ORS 327.175			
RESOURCES			
Beginning Balance	\$ 4,882,252	\$ -	(4,882,252)
Revenues			-
Allocation from the Fund for Student Success	1,087,178,997	1,109,828,482	22,649,485
Total Revenue	\$ 1,092,061,249	\$ 1,109,828,482	17,767,233
TOTAL RESOURCES	\$ 1,092,061,249	\$ 1,109,828,482	17,767,233
EXPENDITURES			
Grants to education programs	(1,092,061,249)	(1,109,828,482)	(17,767,233)
TOTAL STUDENT INVESTMENT ACCOUNT	\$ -	\$ -	\$ -
ENDING BALANCE	\$ -	\$ -	\$ -
STATEWIDE EDUCATION INITIATIVES ACCOUNT - ORS 327.250			
RESOURCES			
Beginning Balance	\$ 82,327,152	\$ 58,901,314	(23,425,838)
Revenues			
Allocation from the Fund for Student Success	548,451,330	559,443,881	10,992,551
Total Revenue	\$ 630,778,482	\$ 618,345,195	(12,433,287)
TOTAL RESOURCES	\$ 630,778,482	\$ 618,345,195	(12,433,287)
EXPENDITURES			
Grants to education programs	(630,778,482)	(618,345,195)	12,433,287
TOTAL STATEWIDE EDUCATION INITIATIVES ACCOUNT	\$ -	\$ -	\$ -
ENDING BALANCE	\$ -	\$ -	\$ -
EARLY LEARNING ACCOUNT - ORS 327.269			
RESOURCES			
Beginning Balance	\$ 67,860,084	\$ 24,900,000	(42,960,084)
Revenues			
Allocation from the Fund for Student Success	500,430,284	550,384,601	49,954,317
Total Revenue	\$ 568,290,368	\$ 575,284,601	6,994,233
TOTAL RESOURCES	\$ 568,290,368	\$ 575,284,601	6,994,233
EXPENDITURES			
Grants to education programs	(568,290,368)	(575,284,601)	(6,994,233)
TOTAL EARLY LEARNING ACCOUNT	\$ -	\$ -	\$ -
ENDING BALANCE	\$ -	\$ -	\$ -

1. The 2023-25 Legislatively Approved Budget is based on the May 2025 forecast of 2023-25 resources.

2. The 2025-27 Legislatively Adopted Budget is based on the May 2025 forecast of 2025-27 resources.