



LRO

OREGON STATE LEGISLATURE

LEGISLATIVE REVENUE OFFICE

Memorandum

To: The Joint Interim Committee on Ways and Means Co-Chairs
Senator Kate Lieber and Representative Tawna Sanchez

From: Chris Allanach, Legislative Revenue Officer

Date: October 23, 2025

Subject: 2025-27 Agency Reduction Options

This memo is in response to the request from the Legislative Fiscal Officer, dated October 1, 2025, to provide the Interim Committee on Ways and Means with budget reduction options equaling a five percent reduction, in increments of 2.5 percentage points. The mission of the Legislative Revenue Office is specified in ORS 173.820 as follows:

- (a) Upon written request of a member of the Legislative Assembly or any committee thereof, prepare or assist in the preparation of studies and reports and provide information and research assistance on matters relating to taxation and to the revenue of this state and to any other relevant matters.
- (b) Ascertain facts concerning revenues and make estimates concerning state revenues.
- (c) Ascertain facts and make recommendations to the Legislative Assembly concerning the Governor's tax expenditure report.
- (d) Prepare analyses of and recommendations on the fiscal impact of all revenue measures reported out of committees of the Legislative Assembly and of all other measures reported out of committees of the Legislative Assembly that affect the revenue of this state.
- (e) Perform such duties as may be directed by joint or concurrent resolution of the Legislative Assembly.
- (f) Adopt rules relating to the submission, processing and priorities of requests. Rules adopted under this paragraph shall be in conformance with any applicable rule of the House of Representatives or the Senate. Requests made by joint or concurrent resolution of the Legislative Assembly shall be given priority over other requests received or initiated by the Legislative Revenue Officer. Rules adopted under this

paragraph shall be reviewed and approved by the appointing authority prior to their adoption.

- (g) Seek the advice and assistance of political subdivisions of this state, governmental agencies and any interested persons, associations or organizations in the performance of the duties of the Legislative Revenue Officer.
- (h) Perform such other duties as may be prescribed by law.

The approach to prioritizing budget reductions has been a three-step process. The first step was to consider General Fund reversions from the 2023-25 biennium. At this time, anticipated reversions are sufficient to achieve the goal of a five percent budget reduction. The second step would be to limit expenditures on services and supplies such as travel, training, hardware, and software. The third step would be to consider personnel reductions.

2025-27 Biennium

Detail of Reductions to 2025-27 Legislatively Adopted Budget									
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Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
1	1/GF	LRO		2023-25 General Fund Reversions	118,533					\$ 118,533	0	0.00	NA	Yes	Statute allows legislative agencies to retain unspent General Fund. LRO is projected to have GF totaling \$334,492 from the 2023-25 biennium. These funds can be used to meet a 2.5% reduction target of \$118,533.
2	2/GF	LRO		2023-25 General Fund Reversions	118,533					\$ 118,533	0	0.00	NA	Yes	LRO may have sufficient GF reversions from 2023-25 to meet an additional 2.5%. Based on current estimates, after the reduction above, there would be \$215,959 in 23-25 GF reversions that could be used to meet the second 2.5% reduction of \$118,533.
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Target (5%)
Difference

237,066
(0)

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