

2025-27 Budget Reduction Exercise

Joint Interim Committee on Ways and Means
Subcommittee on Transportation and Economic Development

November 18, 2025

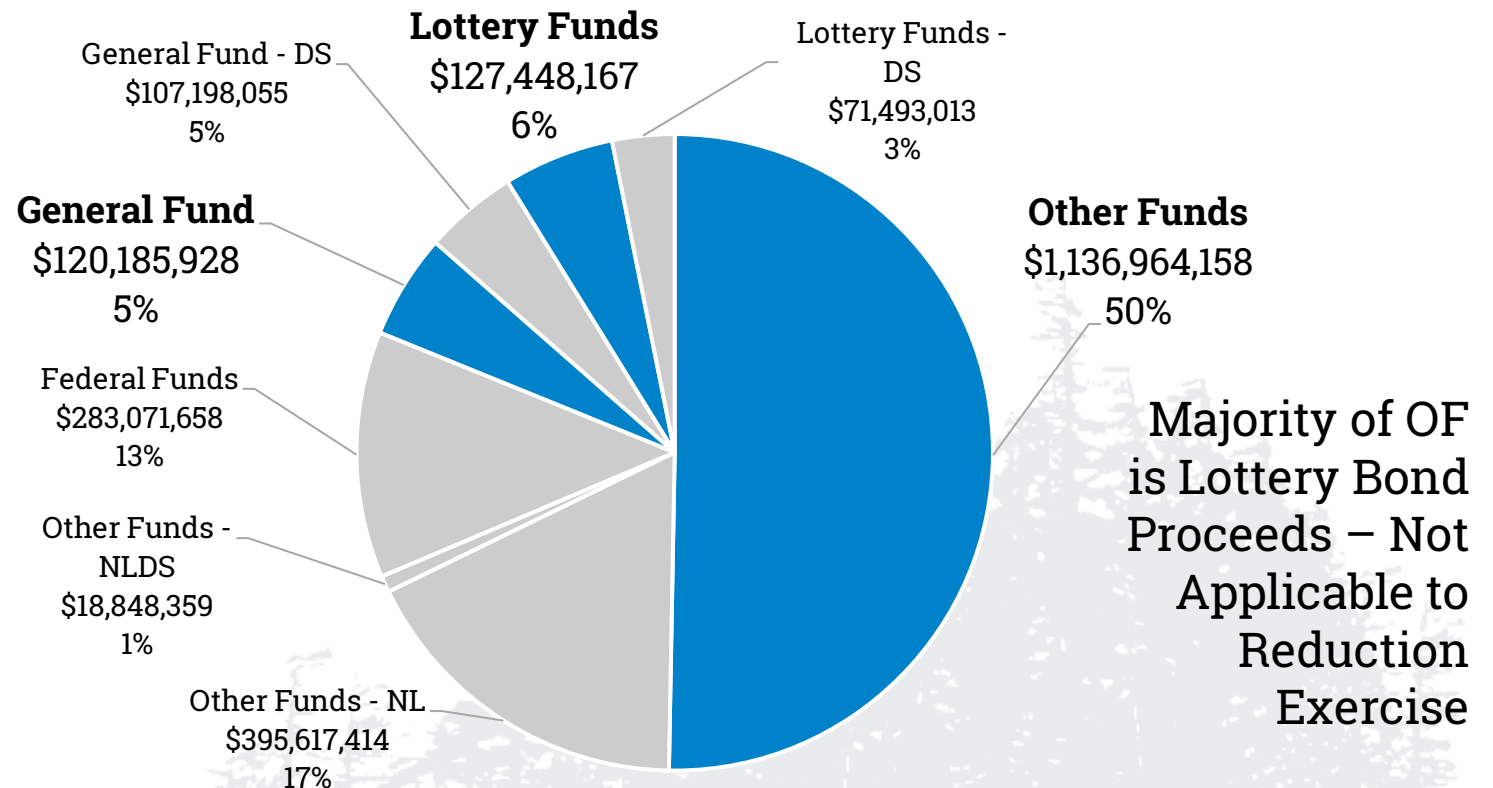


2025-27 Legislatively Approved Budget

General Funds:
5% of budget

Lottery Funds:
6% of budget

Other Funds:
50% of budget
(*OF without Bonds: 6%*)



Total Funds: \$2,260,826,753

DS: Debt Service
NL: Non-limited
NLDS: Non-limited Debt Service

Total 5% Across Fund Types

Total reduction: **\$19,358,696**

- General Fund: \$6,009,296 (5% of \$120,185,928)
- Lottery Funds: \$6,372,408 (5% of \$127,448,167)
- Other Funds: \$6,976,992 (5% of \$139,539,841)

Per LFO request, Business Oregon has submitted options that reduce its budget by **5%**, in **2.5%** increments.

First 2.5%: \$9,679,348				
Section	GF	LF	OF	
Innovation & Entrepreneurship	\$681,898	\$2,577,038	\$14,299	\$3,273,235
Business Services	-	\$437,169	\$3,033,261	\$3,470,430
Infrastructure	\$1,709,000	\$73,074	\$14,053	\$1,796,127
Arts & Culture	\$613,750	-	\$416,642	\$1,030,392
Film & Video	-	\$38,540	-	\$38,540
Operations	-	\$60,383	\$10,241	\$70,624
	\$3,004,648	\$3,186,204	\$3,488,496	\$9,679,348

Full 5%: \$19,358,697				
Section	GF	LF	OF	
Innovation & Entrepreneurship	\$1,363,796	\$4,115,815	\$28,600	\$5,508,211
Business Services	-	\$962,169	\$6,066,523	\$7,028,692
Infrastructure	\$3,418,000	\$1,156,961	\$28,105	\$4,603,066
Arts & Culture	\$1,227,500	-	\$833,284	\$2,060,784
Film & Video	-	\$77,080	-	\$77,080
Operations	-	\$60,383	\$20,481	\$80,864
	\$6,009,296	\$6,372,408	\$6,976,993	\$19,358,697

As these reduction options must be by fund type some programs have already funded projects that are underway, therefore some proposed options necessitate program reductions at levels above 5%.

Agency Approach

- Minimizing impacts to programs that:
 - leverage federal or private investment
 - support our regional economies
 - uplift small and traded sector businesses
- Reviewed fund balances, implementation timelines, and statutory obligations.
- Prioritized reductions that are one-time in nature, have minimal long-term impact, are not yet under contract, or reflect unspent or underutilized allocations.
- Increase virtual attendance to minimize travel that's not critical to agency business

Agency Approach – General Fund (GF)

Approach:

- Prioritized cuts on awardees not yet under contract
- Prioritized one-time funding to minimize lasting longer term program impacts

Process:

- General Funds are used in a handful of programs, so impact is more concentrated
- Reduce additional Center for Innovation Excellence funding from Omnibus bill
- 3 Infrastructure projects not yet under contract

Agency Approach – Lottery Funds (LF)

Approach:

- Prioritized cuts on awardees not yet under contract
- Prioritized funding for health and safety projects
- Prioritized cuts on carryover projects slow to draw funds

Process:

- Lottery Funds more spread out through programs than General Funds.
- Options minimize broader impact to small businesses using Innovation & Entrepreneurship programs
- Delay hiring of 3 unfilled positions

Agency Approach – Other Funds (OF)

Approach:

- Prioritized cuts on awardees not yet under contract
- Prioritized unallocated funds

Process:

- Other Funds reductions concentrated in Oregon CHIPS program
- Arts & Culture grant awards reduced
- Administrative service and supply reduced across agency

