

SB 5515 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Sollman

Joint Committee On Ways and Means

Action Date: 06/17/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 7 - Broadman, Campos, Frederick, Lieber, Manning Jr, Smith DB, Sollman

Nays: 4 - Anderson, Bonham, Girod, McLane

House Vote

Yeas: 8 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Smith G, Valderrama

Nays: 3 - Breese-Iverson, Cate, Owens

Exc: 1 - Drazan

Prepared By: Ben DeYoung, Department of Administrative Services

Reviewed By: Wendy Gibson, Legislative Fiscal Office

CORRECTED

Department of Education

2025-27

Budget Summary*

| | 2023-25 Legislatively Approved Budget ⁽¹⁾ | 2025-27 Current Service Level | 2025-27 Committee Recommendation | Committee Change from 2023-25 Leg. Approved | |
|----------------------------|---|----------------------------------|-------------------------------------|--|----------------|
| | | | | \$ Change | % Change |
| General Fund | \$ 678,778,027 | \$ 721,169,952 | \$ 705,029,526 | \$ 26,251,499 | 3.9% |
| General Fund Debt Service | \$ 53,202,231 | \$ 78,578,573 | \$ 78,578,573 | \$ 25,376,342 | 47.7% |
| Lottery Funds | \$ - | \$ - | \$ 70,828,864 | \$ 70,828,864 | 100.0% |
| Lottery Funds Debt Service | \$ 3,227,390 | \$ 8,693,643 | \$ 8,693,643 | \$ 5,466,253 | 169.4% |
| Other Funds Limited | \$ 3,046,490,707 | \$ 3,112,653,897 | \$ 2,857,269,379 | \$ (189,221,328) | (6.2%) |
| Other Funds Debt Service | \$ 8,112,110 | \$ - | \$ - | \$ (8,112,110) | (100.0%) |
| Other Funds Nonlimited | \$ 165,171,224 | \$ 164,071,224 | \$ 164,071,224 | \$ (1,100,000) | (0.7%) |
| Federal Funds Limited | \$ 1,732,422,057 | \$ 1,038,800,691 | \$ 1,039,389,780 | \$ (693,032,277) | (40.0%) |
| Federal Funds Nonlimited | \$ 540,463,419 | \$ 540,463,419 | \$ 540,463,419 | \$ - | 0.0% |
| Total | \$ 6,227,867,165 | \$ 5,664,431,399 | \$ 5,464,324,408 | \$ (763,542,757) | (12.3%) |

Position Summary

| | | | | |
|--------------------------------------|--------|--------|--------|---------|
| Authorized Positions | 692 | 618 | 636 | (56) |
| Full-time Equivalent (FTE) positions | 644.81 | 608.18 | 622.45 | (22.36) |

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The 2025-27 budget for the Oregon Department of Education (ODE), not including the State School Fund (SSF), relies on a mix of General Fund, Other Funds, Federal Funds, as well as Lottery Funds.

Other Funds revenues, which comprise roughly 55% of the funding, are primarily derived from the corporate activity tax (CAT). CAT revenue transferred to the Fund for Student Success (FSS) is projected to decline by \$195.3 million relative to the needs projected in the current service level (CSL) budget, resulting in the need for program reductions to account for this shortfall. The CAT budget shortfall is due to the use of one-time CAT balances in the 2023-25 biennium to cover the costs of ongoing programs, the funding of new ongoing programs in 2023-25, and an increase in the transfer amount to SSF. Despite the revenue shortfall compared to expenditures, CAT revenues are projected to increase by \$353.3 million, or 12.5%, in 2025-27 compared to 2023-25. Other Funds revenues also include indirect cost recovery from federal programs, fees, transfers from SSF and other intra-fund transfers, revenues from other agencies for specific purposes, Common School Fund pass-through funding for school districts, and other miscellaneous sources.

Federal Funds revenue supports 29% of the budget, General Fund supports about 14%, and Lottery Funds revenue supports about 2%. Federal Funds revenues include funding for compensatory education, child nutrition, education for students with disabilities, vocational education, and youth development programs. With the expiration of Federal COVID-19 stimulus funding, Federal Funds are projected to drop by \$693.0 million, or 40.0%, compared to the 2023-25 legislatively approved budget (LAB). Federal revenues remain an important resource for Oregon’s K-12 system, supporting nearly \$1.6 billion in biennial expenditures during the 2025-27 biennium, including nutritional support.

Summary of Education Subcommittee Action

Senate Bill 5515 provides the budget expenditure authority for programs administered by the Oregon Department of Education (ODE). This bill excludes direct funding for SSF, which was addressed in Senate Bill 5516 (2025).

Through Senate Bill 5515, the Subcommittee recommended a total funding level of \$5,464,324,408 for the Department, which is a 12.3% decrease from the 2023-25 LAB as of January 2025, and a decrease of 56 positions (22.36 FTE). The decrease is primarily attributable to a decrease in Federal Funds revenue due to the expiration of Elementary and Secondary School Emergency Relief funds (ESSER) that were allotted to states through various COVID stimulus packages. Similarly, the decrease in FTE is due primarily to 72 limited duration positions, which are ending in the 2023-25 biennium, mostly due to the expiration of ESSER. Other Funds also declined from the phase-out of bond limitation from prior issuances and a reduction to the Student Success Act budget. General Fund increased by \$51.6 million, or 7.1% compared to LAB. Compared to 2025-27 CSL, the Subcommittee’s recommended budget is a decrease of \$200.1 million total funds, or 3.5%, and an increase of 18 positions (14.27 FTE).

Department Operations

The Department Operations unit includes most of the staff in the Department who are responsible for the administration of educational programs. The Subcommittee recommended a budget of \$361,392,401 total funds, including \$143,486,686 General Fund, \$131,679,370 Other Funds expenditure limitation, \$82,151,893 Federal Funds expenditure limitation, \$4,074,452 Nonlimited Other Funds, and 554 positions (546.02 FTE).

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package appropriates \$300,103 General Fund for a permanent, full-time Program Analyst 3 position (1.00 FTE) in Youth Development Oregon. The position replaces a limited duration position, which phased out with the loss of federal American Rescue Plan Act (ARPA) funding.

Package 102, State School Fund Modernization. This package appropriates \$2.1 million General Fund and adds 11 positions (6.73 FTE) to modernize the information technology system used to distribute the SSF, which has been in use since the early 2000s. These positions will help to manually manipulate and analyze the data used in the system, which is increasingly needed to ensure timely and accurate distribution of SSF funding. The positions include two permanent and one limited duration Information Systems Specialist 7 positions (1.63 FTE), two permanent Information Systems Specialist 8 positions (1.25 FTE), one permanent and one limited duration Information Systems Specialist 4 position (1.25 FTE), two limited duration Information Systems Specialist 6 positions (1.34 FTE), one permanent Operations and Policy Analyst 2 position (0.38 FTE), and one permanent Information Technology Cyber Security Manager 2 position (0.88 FTE).

Package 103, Grants Management System Replacement. This package appropriates \$4.0 million General Fund on a one-time basis to finish the replacement of ODE's Electronic Grant Management System (EGMS).

Package 201, Senate Bill 819 Infrastructure. This package provides \$1.3 million Federal Funds expenditure limitation to fund four permanent positions (4.00 FTE) that will help implement Senate Bill 819 (2023), which enacted new requirements related to the placement of students with disabilities, or who may have disabilities, onto abbreviated school days. The positions include three Education Program Specialist 2 positions (3.00 FTE) and one Administrative Specialist 1 position (1.00 FTE).

Package 202, OESO-RMO Team Capacity. This package provides \$945,098 Federal Funds expenditure limitation to shift three positions (3.00 FTE) from limited duration to permanent in the Office of Enhancing Student Opportunities (OESO)'s Individuals with Disabilities Education Act (IDEA) Fiscal Team. The positions include two Program Analyst 4 positions (2.00 FTE) and one Research Analyst 4 position (1.00 FTE).

Package 584, Early Literacy Summer Learning for 2025 and 2026. This package appropriates \$1.6 million General Fund and establishes four permanent positions (3.75 FTE) to administer the Summer Learning program, which was revised in House Bill 2007 (2025) to promote literacy activities. Historically, the Department administered the program with one-time funding and limited duration positions; however, House Bill 5047 (2025) provided ongoing funding for the summer program. The four positions include an Education Programs Manager 3, Program Analyst 2, Research Analyst 2, and an Education Program Specialist 2. This package includes \$531,734 General Fund in one-time services and supplies to cover the cost of professional services contracts and stakeholder engagement activities related to the program revision.

Package 801, LFO Analyst Adjustments. This package makes the following adjustments to ODE operations:

1. Abolishes two payroll positions (-2.00 FTE) and provides services and supplies funding of \$41,926 General Fund to utilize Department of Administrative Services (DAS) Shared Payroll Services for agency payroll needs. The budget for the payroll positions is moved to services and supplies for a net increase of \$41,926 General Fund.
2. Appropriates \$39,216 General Fund for the reclassification of an Internal Auditor position. The reclassification is related to a statewide classification adjustment by DAS.

3. Provides \$1.7 million Other Funds expenditure limitation to replace one-time Federal pandemic funding for eight positions supporting migrant and multilingual education. The positions were approved in Senate Bill 5506 (2023) and the funding should have shifted to the Statewide Education Initiatives Account (SEIA) during CSL development. Oregon schools teach approximately 17,000 migrant students, and nearly 100,000 students who are English language learners. The Migrant and Multilingual Education Team supports school districts in teaching these students and improving their educational success in Oregon schools.
4. Abolishes a net of two positions (-1.21 FTE) and reduces \$162,346 Other Funds expenditure limitation and \$92,352 Federal Funds expenditure limitation related to 32 position adjustments that were part of a Permanent Finance Plan submitted by ODE to DAS. The position reclassifications were approved by DAS Chief Human Resource Office.
5. Provides \$113,663 General Fund and \$113,663 Federal Funds expenditure limitation to reestablish a permanent Program Analyst 1 position (1.00 FTE) for the federal Summer Electronic Benefit Transfer (EBT) child nutrition program. The Department received the position in Senate Bill 5701 (2024), and it was inadvertently established as limited duration position instead of permanent, as intended. The Summer EBT program is a new, permanent program with benefits funded from the United States Department of Agriculture and administered by Oregon's Department of Human Services.

Package 806, Fund for Student Success Revenue Shortfall. This package reduces \$571,888 Other Funds expenditure limitation from the SEIA and abolishes two permanent positions (2.00 FTE) supporting the High School Success program. Per ORS 327.886(2) the agency is limited to 1.25% administrative funding to support the program. The elimination of two positions will bring the agency's expenditures in compliance with the administrative cap.

Additionally, this package provides \$13.0 million Other Funds expenditure limitation for ODE to invest in literacy efforts across the state. Revenue to support the investment comes from the SEIA.

Special Schools

The Department operates the Oregon School for the Deaf (OSD) located in Salem. OSD serves approximately 115 hearing impaired students during the school year, nearly half of whom reside at the school. The Subcommittee recommended a budget of \$25,353,217 total funds, which includes \$17,323,780 General Fund and 82 positions (76.43 FTE). The Subcommittee recommended no changes from CSL.

Educator Advancement Council Grant-In-Aid

The Educator Advancement Council (EAC) was created to expand efforts to further support educators statewide through professional development and continued learning. The EAC empowers, supports, and diversifies Oregon's educator workforce through local, educator-led networks and statewide resources to provide tools for quality teaching and learning. The Subcommittee recommended a budget of \$45,781,848 total funds. Funding comes from a carve-out in SSF, as well as funding for professional development from the FSS.

The Subcommittee recommended the following package:

Package 090, Analyst Adjustments. This net-zero package updates transfers from the EAC and reduces the transfer by \$2.7 million Other Funds for the Oregon Administrative Scholars program administered by the Teacher Standards and Practices Commission. The EAC will utilize Educator Advancement Fund beginning balance to support two currently budgeted transfers totaling \$6.4 million Other Funds to the Higher Education Coordinating Commission for the Equity Plan Program grants and the Oregon Teacher Scholar Program.

Youth Development Division Grant-in-Aid

The Subcommittee recommended a budget of \$35,870,057 total funds, including \$18,573,513 General Fund, for the Youth Development Oregon (YDO) programs. This set of programs provides services to youth through the age of 24. The programs support academic success and are designed to reduce involvement in the criminal justice system. Most of the work is achieved by providing direct grants to service providers. No changes were recommended from CSL for the Youth Development Grant in Aid budget. A position that supports Youth Development programs was funded within the Department’s Operations.

The table shows the final budget figures for the Youth Development Grant-in-Aid programs.

| YDO Grant-in-Aid | | |
|---|---------------------|--------------------|
| <i>Dollars in millions</i> | | |
| PROGRAM | GENERAL FUND | TOTAL FUNDS |
| Juvenile Crime Prevention | 6.9 | 8.3 |
| Gang Prevention and Intervention Grants | 2.6 | 3.2 |
| Youth Reengagement | - | 9.1 |
| Youth & Community | 4.3 | 10.3 |
| Youth & Innovation | 3.7 | 3.7 |
| Community Schools | 0.1 | 0.1 |
| Community Schools | 0.9 | 1.2 |
| TOTAL GRANT-IN-AID | \$18.6 | \$35.9 |

Grant-in-Aid

The Grant-in-Aid budget unit includes most of the K-12 funding, not including SSF, distributed to school districts, Education Service Districts, and other entities. The Subcommittee recommended a budget of \$4,047,671,479 total funds, which includes \$525,645,547 General Fund, \$2,026,203,521 Other Funds expenditure limitation, \$955,358,992 Federal Funds expenditure limitation, and \$540,463,419 Nonlimited Federal Funds.

This budget unit includes spending authority for many grants received and administered by the Department. Many of these grants come from the U.S. Department of Education and the U.S. Department of Agriculture and are distributed primarily to local education programs. In addition, state dollars provide resources for specific education-related purposes with General Fund and Other Funds. Many of the programs in this budget unit are funded with resources from the FSS. Programs that are primarily funded with Federal Funds include school nutrition, special education (IDEA), and federal Title I education grants.

The following table shows the final budgeted Grant-in-Aid program levels.

K-12 Grant-in-Aid Programs

Dollars in millions

| PROGRAM | GENERAL FUND | TOTAL FUNDS | PROGRAM | GENERAL FUND | TOTAL FUNDS |
|--|---------------|----------------|---|----------------|----------------|
| STUDENT SUCCESS GRANT PROGRAMS | \$12.4 | \$495.3 | STEM & CTE RELATED PROGRAMS | \$35.1 | \$72.7 |
| Start Making A Reader Today (SMART) | 0.3 | 0.3 | STEM Regional Network Grants | 7.3 | 7.3 |
| Reach Out to Read Program | 0.1 | 0.1 | CTE Revitalization Grants | 7.9 | 7.9 |
| Supporting Accelerated Learning Opportunities | 3.1 | 3.1 | Mathways | 2.2 | 2.2 |
| Physical Education Grants | 1.6 | 4.9 | CTE Career Pathway Fund | 8.8 | 8.8 |
| Every Day Matters (Chronic Absenteeism Grants) | 7.3 | 7.3 | STEM Innovation Grants | 5.7 | 5.7 |
| High School Success Grants (Measure 98) | - | 338.1 | Student Leadership Centers | 0.8 | 0.8 |
| Intensive Coaching Program | - | 27.2 | Future Farmers of America Association | 1.6 | 1.6 |
| School Safety and Emergency Management (SSEM) Program | - | 3.1 | Agricultural Summer Program Grants | 0.7 | 0.7 |
| Early Literacy School Grants | - | 93.8 | CTE Vocational Education Grant: Perkins Grant | - | 37.6 |
| Early Literacy Community and Tribal Grants | - | 10.4 | CLOSING THE ACHIEVEMENT GAP | \$1.8 | \$489.2 |
| Approved Recovery Schools | - | 6.9 | Student Success Grants | - | 20.0 |
| DISTRICT CAPACITY AND TECHNICAL ASSISTANCE GRANTS | - | \$62.1 | Tribal Attendance Grants | 1.8 | 1.8 |
| ESD Technical Assistance Support Grants | - | 44.6 | English Language Learners Grants | - | 10.4 |
| Healthy and Safe School Plan Grants | - | 2.2 | Rural Schools Technical Support Grants | - | 4.8 |
| Statewide School Safety & Prevention Systems | - | 3.6 | Low Income: Title I, Part A | - | 312.6 |
| Early Warning System Grants | - | 4.0 | School Improvement Grants | - | 23.1 |
| Electronic Warning System Technical Assistance Grants | - | 2.0 | Migrant Education (Title I, Part C) Grants | - | 53.0 |
| Foster Care Transportation Grants | - | 2.3 | English Language Acquisition (Title III) Grants | - | 15.5 |
| Other District Capacity Grants | - | 3.5 | Title IV-A Student Enrichment Grants | - | 24.4 |
| NUTRITIONAL PROGRAMS | \$13.2 | \$685.8 | Title IV-B 21st Century Community Learning Centers | - | 23.4 |
| Federal Reimbursement Programs | - | 540.5 | SPECIALIZED STUDENT SERVICES GRANT PROGRAMS | \$321.8 | \$945.1 |
| After School Meal/Snack Program | 0.6 | 0.6 | Vision Screenings Reimbursements | - | 1.5 |
| Breakfast and Summer Lunch Programs | 1.1 | 1.1 | Youth Corrections / Juvenile Education Programs (YCEP/JDEP) | 8.7 | 29.4 |
| Family Day Care Home Sponsorship Program | 0.7 | 0.7 | Transition Network Facilitator Grants (TNFs) | 1.6 | 1.6 |
| Breakfast After the Bell Program | - | 1.3 | Early Intervention/Early Childhood Education (EI/ECSE) | 250.2 | 415.9 |
| Hunger Free Schools Program Grants | - | 127.3 | Regional Programs | 32.5 | 69.3 |
| Farm to School Programs | 10.8 | 10.8 | Hospital Programs | 1.6 | 8.3 |
| Other Nutritional Grants | - | 3.5 | Long Term Care and Treatment | 22.3 | 61.0 |
| EDUCATOR EFFECTIVENESS & PROFESSIONAL DEVELOPMENT | - | \$46.4 | Blind and Visually Impaired | 1.8 | 1.8 |
| Educator Professional Development Grants | - | 3.7 | Individuals with Disabilities Act (IDEA) Grants | - | 245.0 |
| Title IIA Teacher and Principal Grant | - | 42.7 | Other Special Education Grants | - | 106.5 |

The Subcommittee recommended the following packages:

Package 801, LFO Analyst Adjustments. This package makes the following adjustments:

1. Reduces \$17.3 million General Fund related to a CSL development issue found when reconciling funding with program level budgets. The funding is not attached to any current programs.
2. Reduces \$7.0 million General Fund from student success plan programs to balance expenditures and revenue statewide with the May 2025 Oregon Economic Revenue Forecast. The shift represents a movement of all student success plan programming to be funded exclusively through the SEIA and subject to available revenues.
3. Removes a \$17.1 million transfer to the Department of Early Learning and Care from the K-12 Grant-in-Aid budget. The transfer is more accurately budgeted within the Department of Early Learning and Care budget section.

Package 806, Fund for Student Success Revenue Shortfall. The May 2025 Oregon Economic and Revenue Forecast, conducted by the DAS Office of Economic Analysis, projects the available CAT resources to total \$3,159.3 million for the 2025-27 biennium, which is \$195.3 million less than projected during CSL development. At this revenue level, the FSS is not be able to sustain the 2025-27 CSL budget.

To mitigate impacts on the academic success of Oregon’s students, a series of Other Funds investments and reductions were approved to maximize available funding and balance the FSS:

1. ORS 327.001(4)(b) requires the FSS maintain a revenue reserve for “cash flow and revenue shortfall purposes.” Historically, \$200 million was held in reserve due to the uncertainty of the new revenue source. The reserve is reduced by \$100 million to make more funding available to balance the shortfall. The 2025-27 FSS reserve is set at \$100 million. Additionally, a transfer equal to 50% of available FSS revenues, or \$1.1 billion, is made to the Student Investment Account.
2. Reduces Other Funds expenditure limitation by \$23.8 million for High School Success due to an error in the CSL calculation. The amount funded reflects an annual payment of \$977 per high school student in 2025-27 biennium, an 11.4% increase from the 2023-25 biennium.
3. Provides \$20 million Other Funds expenditure limitation for student success grants to support students with low academic achievement. Funding is consolidated to streamline grantmaking and reduce reporting redundancies for grantees.
4. Reduces Other Funds expenditure limitation by \$9 million for Summer Program Grants. The program is replaced by Summer Learning Program Grants, which received \$35 million per summer in ongoing funding for grants in House Bill 5047 (2025).
5. Three reductions to Other Funds expenditure limitation are carried forward from the Governor’s budget with adjusted amounts, including:
 - a. \$3.5 million reduction in professional development and educator training administered by the EAC;

- b. \$5.8 million reduction for Approved Recovery Schools. The reduced amount will allow for the three current Recovery Schools to continue providing services. Additional funding may be available through Medicaid programs.
- c. \$18.4 million reduction in the transfer made to the Student Success Teams Account for the Intensive Coaching Program. The reduction does not impact the current program expenditures, as the account has a sufficient beginning balance.

Package 840, Mandated Caseloads. This package adds \$24,663,979 total Other Funds expenditure limitation for three mandated caseloads:

1. \$1.6 million for the Youth Corrections Education Program and the Juvenile Detention Education Program targeted funding level. Senate Bill 1552 (2023) set forth a calculation and process by which the mandated caseload would be updated with any additional funding required provided through the SEIA.
2. \$15.8 million for the Long Term Care and Treatment program. The program receives funding through a carveout from the SSF. The revenue increase for the carveout amount was included in Senate Bill 5016 (2025).
3. \$7.3 million for the Early Intervention and Early Childhood Special Education program to meet the needs of the projected caseload. The funding is provided from the FSS Early Learning Account.

Department of Early Learning and Care

This area of the ODE budget is used to account for transfers from the Early Learning Account (ELA) to the Department of Early Learning and Care (DELIC). The ELA is a subaccount within the FSS and provides funding for programs within both ODE and DELIC. Since the ELA is continuously appropriated to ODE, transfers are made to DELIC to support budgeted early learning programs. The expenditure limitation for DELIC's programs is addressed as part of the DELIC budget. This budget reflects the expenditure limitation for the funding transferred from ODE to DELIC, which totals \$427,741,593 Other Funds.

The Subcommittee recommended the following package:

Package 806, Fund for Student Success Revenue Shortfall. This package reduces the transfer from the ELA to DELIC by \$31.1 million to align the transfer amount with DELIC's approved budget.

Common School Fund

The Common School Fund receives funds from the earnings of state lands controlled by the State Land Board and is considered a local revenue resource for purposes of the SSF distribution formula. ODE receives the funds from the Department of State Lands. The funds are counted as local revenues for the school funding formula, and ODE factors this amount in for each participating district's local contribution. The Subcommittee recommended a Nonlimited Other Funds budget of \$159,996,772. There is no change from the 2025-27 CSL.

Capital Bonds

This budget unit includes bond proceeds for the Oregon School Capital Improvement Matching (OSCIM) program. This program provides matching grants to school districts for capital costs, including construction, improvement, remodeling, equipment purchase, and maintenance and repair of facilities. It also allows for assessments, long-range planning of district facilities, and for hardship grants. The grants are funded with proceeds from the sale of Article XI-P general obligation bonds. The budget also includes a Lottery Fund transfer for OSCIM shown in the May 2025 Revenue Forecast. The Subcommittee recommended a budget of \$273,244,825 total funds.

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package reflects the additional expenditure limitation to the OSCIM program to account for the \$70,828,864 Lottery Funds transfer shown in the May 2025 Revenue Forecast. The Education Stability Fund is funded with 18% of the net proceeds from the state's lottery. The fund is capped at 5% of the General Fund revenues from the previous two-year period. Once the cap is reached, 15% of lottery proceeds are deposited into the School Capital Matching Fund. The adjustment in this package reflects the cap being met in 2025-27 biennium, with the excess budgeted in the OSCIM program.

Package 801, LFO Analyst Adjustments. This package phases out \$155.1 million Other Funds expenditure limitation from the OSCIM program for bond funding expended in the prior biennia. This action is typically included in the CSL budget development to accurately align the expenditure limitation with the available revenue.

Debt Service

The Subcommittee recommended a budget of \$78,578,573 General Fund and \$8,693,643 Lottery Funds for existing debt service. Most of the debt service is for payments on Article XI-P bonds issued for the OSCIM Program. Remaining debt service adjustments will be included in the end of session bill to reflect final debt service requirements calculated by the DAS Chief Financial Office.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Education
Ben DeYoung -- 503-931-6249

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|----------------|---------------|------------------|----------------|------------------|----------------|------------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2023-25 Legislatively Approved Budget at Jan 2025 * | \$ 731,980,258 | \$ 3,227,390 | \$ 3,054,602,817 | \$ 165,171,224 | \$ 1,732,422,057 | \$ 540,463,419 | \$ 6,227,867,165 | 692 | 644.81 |
| 2025-27 Current Service Level (CSL)* | \$ 799,748,525 | \$ 8,693,643 | \$ 3,112,653,897 | \$ 164,071,224 | \$ 1,038,800,691 | \$ 540,463,419 | \$ 5,664,431,399 | 618 | 608.18 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 010 - Department Operations | | | | | | | | | |
| Package 090: Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ 300,103 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 300,103 | 1 | 1.00 |
| Package 102: State School Fund Modernization | | | | | | | | | |
| Personal Services | \$ 1,898,205 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,898,205 | 11 | 6.73 |
| Services and Supplies | \$ 218,678 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 218,678 | | |
| Package 103: Grants Management System Replacement | | | | | | | | | |
| Services and Supplies | \$ 4,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,000,000 | | |
| Package 201: SB 819 Infrastructure | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ - | \$ - | \$ 1,242,948 | \$ - | \$ 1,242,948 | 4 | 4.00 |
| Services and Supplies | \$ - | \$ - | \$ - | \$ - | \$ 101,772 | \$ - | \$ 101,772 | | |
| Package 202: OESO-RMO Team Capacity | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ - | \$ - | \$ 900,557 | \$ - | \$ 900,557 | 3 | 3.00 |
| Services and Supplies | \$ - | \$ - | \$ - | \$ - | \$ 44,541 | \$ - | \$ 44,541 | | |
| Package 584: Early Literacy Summer Learning for 2025 and 2026 | | | | | | | | | |
| Personal Services | \$ 1,077,379 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,077,379 | 4 | 3.75 |
| Services and Supplies | \$ 531,734 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 531,734 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (328,545) | \$ - | \$ 1,559,694 | \$ - | \$ (1,700,729) | \$ - | \$ (469,580) | (3) | (2.21) |
| Services and Supplies | \$ 523,350 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 523,350 | | |
| Package 806: Fund for Student Success Revenue Shortfall | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (571,888) | \$ - | \$ - | \$ - | \$ (571,888) | (2) | (2.00) |
| Services and Supplies | \$ - | \$ - | \$ 13,000,000 | \$ - | \$ - | \$ - | \$ 13,000,000 | | |
| SCR 030 - Educator Advancement Council Grant-In-Aid | | | | | | | | | |
| Package 090: Analyst Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|------------------------|----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|------------|---------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 050 - Grant-In-Aid | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Special Payments | \$ (24,361,330) | \$ - | \$ (17,113,236) | \$ - | \$ - | \$ - | \$ (41,474,566) | | |
| Package 806: Fund for Student Success Revenue Shortfall | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ (90,733,097) | \$ - | \$ - | \$ - | \$ (90,733,097) | | |
| Package 840: Mandated Caseloads | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ 24,663,979 | \$ - | \$ - | \$ - | \$ 24,663,979 | | |
| SCR 060 - Department of Early Learning and Care | | | | | | | | | |
| Package 806: Fund for Student Success Revenue Shortfall | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ (31,105,931) | \$ - | \$ - | \$ - | \$ (31,105,931) | | |
| SCR 090 - Capital Bonds | | | | | | | | | |
| Package 090: Analyst Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ 70,828,864 | \$ - | \$ - | \$ - | \$ - | \$ 70,828,864 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ (155,084,039) | \$ - | \$ - | \$ - | \$ (155,084,039) | | |
| TOTAL ADJUSTMENTS | \$ (16,140,426) | \$ 70,828,864 | \$ (255,384,518) | \$ - | \$ 589,089 | \$ - | \$ (200,106,991) | 18 | 14.27 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 783,608,099 | \$ 79,522,507 | \$ 2,857,269,379 | \$ 164,071,224 | \$ 1,039,389,780 | \$ 540,463,419 | \$ 5,464,324,408 | 636 | 622.45 |
| % Change from 2023-25 Leg Approved Budget | 7.1% | 2,364.0% | (6.5%) | (0.7%) | (40.0%) | 0.0% | (12.3%) | (8.1%) | (3.5%) |
| % Change from 2025-27 Current Service Level | (2.0%) | 814.7% | (8.2%) | 0.0% | 0.1% | 0.0% | (3.5%) | 2.9% | 2.3% |

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 6/14/2025 2:57:14 PM

Agency: Department of Education

Mission Statement:

Increase Achievement for All Students

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2026 | Target 2027 |
|---|-------------------------------|-----------------------|----------------------|-------------|-------------|
| 1. REGULAR ATTENDANCE - Percentage of students who are present for 90% or more of their enrolled days in the school year | a) All students | Approved | | 85% | 85% |
| | b) Students of color | | | 82% | 82% |
| | c) Students with disabilities | | | 79% | 79% |
| 2. EARLY LITERACY - Percentage of students meeting or exceeding statewide academic achievement standards in 3rd grade language arts | a) All Students | Approved | 39% | 68% | |
| | b) Students of Color | | 22% | 60% | |
| | c) Special Ed Students | | 13% | 54% | |
| 3. STUDENTS ON TRACK TO GRADUATE - Percentage of 9th grade students on track to graduate. | a) All Students | Approved | 84.80% | 90% | 90% |
| | b) Students of Color | | 78.60% | 88% | 88% |
| | c) Special Ed Students | | 75% | 83% | 83% |
| 4. HIGH SCHOOL GRADUATION - Percentage of students who graduate high school within four years | All students | Approved | 81.30% | 86% | |
| | Students of color | | 77.60% | 84% | |
| | Special Education students | | 68.60% | 82% | |
| 5. COLLEGE GOING - College-going rate of Oregon residents into post-secondary institutions | | Approved | 53.30% | 74% | 74% |
| 7. CUSTOMER SERVICE - Percentage of customers rating the agency's customer service as "good" or "excellent" | Overall | Approved | 76% | 85% | 85% |
| | Expertise | | 76% | 85% | 85% |
| | Helpfulness | | 77% | 85% | 85% |
| | Timeliness | | 71% | 85% | 85% |
| | Accuracy | | 79% | 85% | 85% |
| | Availability of Information | | 72% | 85% | 85% |
| 5. CHRONIC ABSENTEEISM - Percentage of students who are absent more than 10% of days of the school year | All students | Legislatively Deleted | 34.30% | 15% | |
| | Students of color | | 42% | 18% | |
| | Students with disabilities | | 41.20% | 21% | |

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the KPMs and targets shown above with the exception of the proposed #6 KPM, as it is not recommended for funding.

SubCommittee Action:

The Education Subcommittee approved the Key Performance Measures and targets, as presented.