



# ODE Budget Reduction Scenario

November 2025

# Statewide Budget Reduction Planning Request

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**All state agencies received a memo on October 1st from the Legislative Fiscal Office (LFO)**

- September 2025 forecast projects revenue shortfall.
- LFO requested budget reduction planning from all agencies.
  - This is a normal exercise.
  - It is being shared, however, that there is a likelihood that some reductions would be needed especially at the General Fund 2.5% level.
- Purpose is to prepare options for the Legislature to consider in 2026 session.

# Guiding Principles for Our Planning Work

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ODE prioritized protecting core services for students, families and districts.

- Ensure statutory and mandated services remain intact.
- Prioritize minimizing impacts on core instructional programs and student-facing services.
- Pursue balanced approaches to reductions across agency divisions.
- Align with and protect key initiatives where possible.
- Maintain organizational capacity and critical staff resources serving districts, students, families and Oregonians to the greatest extent possible.

We also recognize that every program contributes to Oregon's education system in meaningful ways. Any reduction, no matter how carefully planned, has an impact.

# Where We Are in the Process

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We understand that conversations about potential reductions can feel difficult and uncertain. This moment reflects responsible planning, not immediate change. Our focus remains on clarity, care, and continuity as we navigate the state's required budget planning process.

- **No reductions are being implemented.**
- This remains a **planning process** intended to prepare options for legislative consideration.
- **Programs continue as normal.** Allocations have been released using current, legislatively adopted budgets, and those funds should continue to be used as intended.



# Before We Get to Detailed Reduction Scenarios

# Reduction Targets

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ODE prepared separate potential reduction options across four fund types.

## Specific Reduction Request

- **5% - General Fund** (2.5% increments)
  - 2.5% = 18.8 million
  - 5% = 37.6 million
- **5% - Other Funds**(2.5% increments)
  - 2.5% = 11.1 million
  - 5% = 22.2 million
- **CAT-Funded Programs** (2.5% increments)
  - 2.5% = 57.3 million
  - 5% = 114.7 million
- **5% - State School Fund** (smaller increments, likely .05%)
  - .50% 56.8 million
  - 5% 564.9 million

# GIA Programs Held Harmless

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African American Education Plan Grants  
After School Meal/Snack Program  
American Indian/Alaskan Native Student Success  
Blind & Visually Impaired  
Breakfast & Summer Lunch Programs  
Breakfast After the Bell Program  
Early Intervention (EI) & Early Childhood Education (ECSE)  
Family Day Care Home Sponsorship Program  
Farm to School Programs  
Foster Care Transportation Grants  
Healthy & Safe School Plan Grants  
Hospital Programs  
Latino State Plan  
LGBTQ State Plan  
Literacy Community and Tribal Grants  
Literacy School Grants

Long Term Care and Treatment  
Native Hawaiian/Pacific Island State Plan  
Other Specialized Student Service Grants  
Public Charter School Equity  
Reach Out to Read Program  
Refugee/Immigrant Student Success Plan  
Regional Programs  
Rural Schools Technical Support Grants  
Statewide School Safety & Prevention Systems  
Summer Learning Programs  
Tribal Attendance Grants  
Vision Screening Reimbursements  
YCEP/JDEP  
YDO - Juvenile Crime Prevention  
YDO - Strategic Initiatives Grants  
YDO - Youth Investments

# Operations Reduction Options

| Program                        | 2.5%               | 2nd 5%             | Total               | Fund Type                      |
|--------------------------------|--------------------|--------------------|---------------------|--------------------------------|
| Educator Advancement Council   | \$-                | \$554,105          | \$554,105           | Other Fund                     |
| Educator Advancement Council   | \$1,497,352        | \$-                | \$1,497,352         | Student Success Act-Other Fund |
| Oregon Department of Education | \$3,558,414        | \$739,454          | \$4,297,868         | General Fund                   |
| Oregon Department of Education | \$3,426,208        | \$7,321,774        | \$10,747,982        | Student Success Act-Other Fund |
| Oregon School for the Deaf     | \$316,206          | \$235,905          | \$552,111           | General Fund                   |
| Youth Development Oregon       | \$89,721           | \$89,721           | \$179,442           | General Fund                   |
| Youth Development Oregon       | \$28,874           | \$28,874           | \$57,748            | Student Success Act-Other Fund |
| Total                          | <b>\$8,916,775</b> | <b>\$8,969,833</b> | <b>\$17,886,608</b> |                                |





# General Fund

# General Fund GIA Reduction Options

The following programs are proposed for reduction at the 2.5% level, which would eliminate second-year funding for these programs within the biennium.

| Program  | GF          | 2.5%          | 5%            | Note for 2.5%                 |
|--|-------------|---------------|---------------|-------------------------------|
| Start Making a Reader Today                        | \$307,283   | (\$153,643)   |               | Reduction of 2nd year funding |
| Supporting Accelerated Learning (Regional Promise) | \$2,613,997 | (\$1,306,999) |               | Reduction of 2nd year funding |
| Mathways   | \$2,171,528 | (\$1,085,764) |               | Reduction of 2nd year funding |
| STEM Innovation Grants                             | \$5,745,372 | (\$2,872,686) |               | Reduction of 2nd year funding |
| Student Leadership Centers                         | \$822,810   | (\$411,405)   |               | Reduction of 2nd year funding |
| Future Farmers of America Association              | \$1,619,407 | (\$809,704)   |               | Reduction of 2nd year funding |
| Agricultural Summer Program Grants                 | \$679,472   | (\$339,736)   |               | Reduction of 2nd year funding |
| STEM Regional Network Grants                       | \$7,299,150 |               | (\$3,649,575) | Reduction of 2nd year funding |
| Transition Network Facilitators                    | \$1,585,433 |               | (\$792,716)   | Reduction of 2nd year funding |

# General Fund GIA Reduction Options

Partial reductions reflect decreases in funding rather than full program eliminations, allowing essential program activities to continue at a reduced level.

| Program   | GF            | 2.5%          | 5%            | Note for 2.5%                 |
|---|---------------|---------------|---------------|-------------------------------|
| Every Day Matters                                   | \$7,331,242   | (\$1,887,284) |               | Partial reduction             |
| CTE Revitalization Grants                           | \$7,949,261   | (\$1,891,507) | (\$3,974,631) | Partial reduction             |
| CTE Career Pathway Fund                             | \$8,783,497   |               | (\$1,920,809) | Partial reduction             |
| PE Grants   | \$1,601,955   | (\$200,000)   |               | Partial Reduction of Prof Dev |
| YDO - EMOPI & Gang Prevention & Intervention Grants | \$3,486,614   | (\$440,807)   | (\$487,869)   | Partial reduction             |
| YDO - Youth Engagement                              | \$9,059,615   |               | (\$380,504)   | Partial reduction             |
| Intrafund x-fer from GF - High School Success       | \$138,927,716 | (\$3,473,193) | (\$6,484,367) | Partial reduction             |



# Other Funds

# Other Funds

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## Other Funds

2.5% = 11.1 m

5% = 22.2 m

Reductions reflect full program elimination in year 2 of the biennium of the EAC and a small reduction in HSS.

| Program                      | OF            | 2.5 %          | 5%            | Notes   |
|------------------------------|---------------|----------------|---------------|---|
| High School Success          | \$138,927,716 | (\$3,473,193)  | (\$6,946,386) | Admin reductions depending on amount taken    |
| Educator Advancement Council | \$59,781,848  | (\$26,712,824) |               | Full program elimination in 2nd year of 25-27 |

# If EAC Elimination is Selected

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If the legislature selects this reduction option, ODE would remove specific General Fund reductions historically tied to programs that provide direct student services.

The following programs are suggested to be preserved:

- Intrafund Transfer (High School Success transfer)
- Student Leadership Centers
- Future Farmers of America (FFA)
- Supporting Accelerated Learning (Regional Promise)
- Every Day Matters / Attendance
- STEM Innovation
- CTE Revitalization



# Other Funds SSA

# Other Fund SSA



OF CAT

2.5% = 57.3 m

5% = 114.7 m

The following programs are proposed for reduction at the 2.5% level, which would eliminate second-year funding for these programs within the biennium.

| Program                                   | OF CAT      | 2.5%          | 2nd 2.5% | Notes                      |
|---|-------------|---------------|----------|----------------------------|
| Early Warning System Grants               | \$3,963,581 | (\$1,981,791) |          | Full reduction in 2nd year |
| Electronic Warning System Tech Assistance | \$1,983,346 | (\$991,673)   |          | Full reduction in 2nd year |
| Educator Professional Development Grants  | \$3,743,048 | (\$2,767,644) |          | Full reduction in 2nd year |



# Other Fund SSA

OF CAT

2.5% = 57.3 m

5% = 114.7 m

Partial reductions reflect decreases in funding rather than full program eliminations, allowing essential program activities to continue at a reduced level.

| Program                                      | OF CAT          | 2.5%           | 5%             | Notes                             |
|--|-----------------|----------------|----------------|-----------------------------------|
| Student Investment Program-Formula Grants    | \$1,109,828,482 |                | (\$21,940,710) | Partial reduction                 |
| High School Success Grants (Measure 98)      | \$199,151,203   |                | (\$9,957,560)  | Partial reduction                 |
| Student Investment Intensive Prog: High Need | \$27,178,844    | (\$975,404)    | (\$6,885,252)  | Partial reduction                 |
| Recovery Schools                             | \$5,785,858     | (\$144,646)    | (\$144,646)    | Partial reduction                 |
| ESD Technical Assistance Support Grants      | \$44,606,659    | (\$7,500,000)  |                | Roll Back GRB                     |
| Hunger Free Schools Program Grants           | \$127,345,728   | (\$27,345,728) |                | BB reduction only                 |
| YDO - Youth Engagement                       | \$9,059,615     |                | \$(380,504)    | Partial reduction                 |
| DELC ELA Transfer                            | \$427,741,593   | \$(10,693,540) | \$(21,387,080) | Transfer reduction at 2.5% and 5% |



# State School Fund

# State School Fund General Fund Reduction Options

|  |                            |
|--|----------------------------|
| 25-27 LAB SSF General Fund                                   | \$9,868,987,525            |
| <b><i>0.5% (Carveouts and Ending Fund Balances only)</i></b> | <b><i>\$49,344,938</i></b> |
| 1.00%  | \$98,689,875               |
| 1.50%  | \$148,034,813              |
| 2.00%  | \$197,379,751              |
| 2.50%  | \$246,724,688              |
| 3.00%  | \$296,069,626              |
| 3.50%  | \$345,414,563              |
| 4.00%  | \$394,759,501              |
| 4.50%  | \$444,104,439              |
| 5.00%  | \$493,449,376              |

# SSF Carve Outs - Held Harmless



| Program  | SSF           |
|--|---------------|
| School Safety and Emergency Management         | \$3,000,000   |
| School Facilities Office (includes TAP grants) | \$10,000,000  |
| Pediatric Nursing Facilities                   | \$2,124,448   |
| High Cost Disability                           | \$110,000,000 |
| Digital Learning                               | \$1,600,000   |
| English Language Learners                      | \$12,500,000  |
| Healthy Schools Fund                           | \$6,000,000   |
| Small School Supplement                        | \$5,000,000   |
| Youth Challenge Program                        | \$4,906,249   |
| Hospital/Residential Care                      | \$44,827,044  |

# State School Fund GF Carveout Reduction Option

| Carveout/Ending Balances                             | Reduction at .5%    | Notes  |
|--|---------------------|--|
| 10th Grade Assessment                                | \$968,000           | Full program reduction                                   |
| Educator Advancement Fund (ending fund bal only)     | \$1,768,143         | Reduction in transfer only, funding with ending fund bal |
| Educator Advancement Fund Transfer                   | \$26,712,824        | Program reduction in 2nd year                            |
| English Language Learners (ending fund balance only) | \$7,000,000         | Reduction in transfer only, funding with ending fund bal |
| Healthy Schools Fund (ending fund balance only)      | \$6,000,000         | Reduction in transfer only, funding with ending fund bal |
| Local Option Equalization Grants                     | \$4,000,000         | Full program reduction                                   |
| Menstrual Products                                   | \$2,595,000         | Full program reduction                                   |
| Speech Pathologist                                   | \$150,000           | Full program reduction                                   |
| Talented and Gifted                                  | \$150,971           | Program reduction in 2nd year                            |
| <b>Total</b>   | <b>\$49,344,938</b> |  |



# Next Steps

# What Does this Mean for Programs Right Now?

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- Programs should continue operating as usual.
- Allocations are being distributed as planned using current, legislatively adopted budgets.
- Use those funds as intended to support students and programs while ODE and the Legislature continue discussions.
- No funding reductions or changes are being implemented at this time.

# Continuing the Conversation

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- ODE will meet directly with programs and partners most impacted by the proposed reductions to discuss implications, answer questions, and ensure clarity around the planning process.
- Additional meetings will be offered to any programs or organizations that wish to learn more or share feedback.



# What is Next?

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- ODE submitted its required planning materials to LFO on November 3.
- The Legislative Fiscal Office and Legislators will review materials.
- ODE will provide information as requested and present to the legislature during legislative days.
- Any formal budget decisions would occur during the 2026 Legislative Session.
- Until that time, the planning scenarios are simply part of the broader statewide fiscal conversation.

# Key Messages

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- This is a required planning process, not a budget cut.
- The Legislature will decide what, if any, reductions occur — not ODE.
- No reductions or staffing changes are happening now.
- Allocations are being released and should be used as intended.
- Information is public on OLIS, and ODE websites
- Updates will continue to be shared through ODE channels.
- Our focus remains on serving students and communities while planning for the future.