



Budget Information Brief / 2023-1

2023-25 Legislatively Adopted Budget General Fund/Lottery Funds Summary

On June 25, 2023, the Oregon Legislature adopted a 2023-25 budget comprised of planned expenditures totaling \$31.876 billion General Fund, \$1.617 billion Lottery Funds, \$49.870 billion Other Funds, and \$37.901 billion Federal Funds. The adopted state budget for the 2023-25 biennium of \$121.264 billion represents a 3.6% decrease from the 2021-23 legislatively approved budget. This decrease is primarily attributable to a lower level of Federal Funds expenditures compared to the prior biennium, which included the influx of federal funding provided to help offset economic and other impacts of the COVID-19 pandemic. The combined General Fund and Lottery Funds adopted budget for the 2023-25 biennium is up 17.2% from the 2021-23 legislatively approved level and is a 12.1% increase over the 2023-25 current service level.

After each session of the Legislature, the Legislative Fiscal Office (LFO) produces publications that summarize the overall state budget and provide details on individual state agency adopted budgets. This process takes several weeks and is ultimately dependent upon final actions by the Governor on bills and the official close-of-session revenue forecast. However, due to public interest in budget details, LFO prepared this Budget Information Brief to provide preliminary data on the General Fund/Lottery Funds budget that was adopted for the 2023-25 biennium during the 2023 regular session of the Legislature. The table below summarizes the adopted budget by program area; additional detail is expected to be provided no later than the first interim Legislative Days scheduled in September 2023.

2023-25 Legislatively Adopted Budget by Program Area and Fund Type

Program Area	General Fund	Lottery Funds	GF&L Total	Other Funds	Federal Funds	Total Funds
State School Fund	8,852,568,809	604,125,973	9,456,694,782	743,305,218	-	10,200,000,000
Education - Post Secondary	2,909,601,367	203,517,893	3,113,119,260	826,673,623	160,231,898	4,100,024,781
Education - Other	1,203,858,855	3,227,390	1,207,086,245	3,586,155,326	2,461,644,456	7,254,886,027
Human Svcs - Oregon Health Authority	5,514,969,561	29,481,244	5,544,450,805	10,200,390,735	20,028,988,567	35,773,830,107
Human Svcs - Dept. of Human Services	5,705,675,225	-	5,705,675,225	1,034,093,144	11,805,222,793	18,544,991,162
Human Services - Other	24,288,578	-	24,288,578	2,643,477	18,857,846	45,789,901
Public Safety	3,449,153,588	9,998,862	3,459,152,450	1,218,726,179	1,500,011,158	6,177,889,787
Judicial Branch	1,282,576,707	-	1,282,576,707	204,961,676	1,589,232	1,489,127,615
Natural Resources	606,062,118	319,935,027	925,997,145	1,963,095,747	435,889,909	3,324,982,801
Economic Development	795,876,846	223,656,033	1,019,532,879	7,183,187,629	934,601,295	9,137,321,803
Consumer and Business Services	44,565,490	297,187	44,862,677	859,464,051	138,559,372	1,042,886,100
Transportation	33,878,686	136,718,150	170,596,836	5,767,867,275	230,574,604	6,169,038,715
Administration	406,750,742	86,191,969	492,942,711	16,043,854,548	184,736,668	16,721,533,927
Legislative Branch	215,631,154	-	215,631,154	235,355,245	-	450,986,399
Miscellaneous (Emergency Fund)	830,399,386	-	830,399,386	-	-	830,399,386
Total	31,875,857,112	1,617,149,728	33,493,006,840	49,869,773,873	37,900,907,798	121,263,688,511

The budget display on page 3 shows the General Fund and Lottery Funds revenues and expenditures as approved during the 2023 regular session. The core revenue numbers come from the Office of Economic Analysis May 2023 Oregon Economic and Revenue Forecast. Discretionary and constitutionally dedicated Lottery Funds are displayed separately. This split is shown since Measure 76 (M76) Lottery Funds are dedicated to specific natural resource uses and Measure 96 (M96) Lottery Funds are dedicated to veterans' services; neither can be used as flexibly as General Fund and regular discretionary Lottery Funds.

The attached table has three sections – resources, expenditures, and ending balances.

Resources

- Resources are primarily tied to the May 2023 revenue forecast, including some adjustments related to actions taken during the 2023 session to rebalance 2021-23 biennium expenditures.
- General Fund resources are increased for estimated reversions and decreased for the projected savings of Ballot Measure 110 that are transferred to the Drug Treatment and Services Recovery Fund.
- Lottery Funds are reduced by distributions for county economic development and projected transfers to the Education Stability Fund.
- Additional resources approved by the Legislature during the session are identified.
- The cost of tax credits beyond current law, as well as other reductions in projected revenues related to actions approved by the Legislature, are included.
- Actual final resources will be officially presented in the close-of-session forecast in late September (along with the September 2023 quarterly forecast).

Expenditures reflect all budget actions taken by the Legislature during the 2023 regular session for the 2023-25 biennium, as approved in agency budget bills, statewide omnibus budget bills, and various policy bills containing appropriations.

Ending Balances

- Regular ending balances include \$437.6 million General Fund, \$48.3 million discretionary Lottery Funds, and \$62.3 million dedicated Lottery Funds. The Lottery Funds ending balances are for compensation adjustments, managing cash flow, and mitigating potential allocation reductions in case of lottery revenue declines in future forecasts. Dedicated Lottery Funds are for specific purposes, including the Parks and Recreation Department, other Natural Resource program area agencies that receive M76 funding, as well as veterans' services under M96 primarily budgeted in the Department of Veterans' Affairs.
- The General Fund projected ending balance represents 1.4% of expenditures and includes an amount toward the statutory Rainy Day Fund deposit (1% of projected expenditures from the ending balance) that would occur at the end of the 2023-25 biennium if a sufficiently large ending balance exists at that time to complete the transfer. The additional 0.4% is available to mitigate revenue fluctuations in future 2023-25 forecasts and potential needs during the biennium.

2023-25 Legislatively Adopted Budget				
May 2023 Forecast Revenues (millions)	General Fund	Lottery Discretionary	Lottery Dedicated	TOTAL
Revenues				
Beginning Balance	7,002.1	115.2	90.8	7,208.1
1% Appropriation to Rainy Day Fund	(271.3)	-	-	(271.3)
Projected Revenues (net of personal kicker)	25,180.0	1,532.6	305.4	27,017.9
Projected Reversions	254.6	-	-	254.6
Lottery ESF Interest Earnings	-	73.7	-	73.7
Less Dedications				
Ballot Measure 110 Savings	(37.1)	-	-	(37.1)
Education Stability Fund	-	(329.9)	-	(329.9)
County Economic Development	-	(60.0)	-	(60.0)
Forecast Revenues	32,128.3	1,331.5	396.2	33,856.0
Revenue Enhancements (Reductions)				
HB 2009 - Economic Development	(24.8)	-	-	(24.8)
HB 2071 - Omnibus Tax Credit	(0.3)	-	-	(0.3)
HB 2812 - Wildfire Deduction	(0.6)	-	-	(0.6)
HB 3235 - Child Tax Credit	(71.5)	-	-	(71.5)
HB 3308 - Alcohol Delivery	3.9	-	-	3.9
HB 3406 - Short Line Railroad Tax Credit	(0.4)	-	-	(0.4)
SB 129 - Oregon Opportunity Grant Tax Credit	13.7	-	-	13.7
SB 498 - Estate Tax	(8.0)	-	-	(8.0)
PEBB Transfer to the Risk Fund (\$50M) and General Fund (\$40M)	40.0	-	-	40.0
Other Transfers to the General Fund	0.8	-	-	0.8
CFA Transfer to GF from LAB Actions (includes HB 2095)	(3.9)	-	-	(3.9)
Liquor GF Distribution from LAB Actions	(2.4)	-	-	(2.4)
SOS Corporation Division Revenues from LAB Actions	1.8	-	-	1.8
2021-23 Rebalance Issues				
HB 5047 - OHA/DHS Rebalance	229.6	-	-	229.6
SB 5512 - OJD	0.9	-	-	0.9
SB 5532 - PDSC	3.8	-	-	3.8
SB 5506 - DHS	2.5	-	-	2.5
TOTAL RESOURCES	32,313.5	1,331.5	396.2	34,041.2
2023-25 Program Area Expenditures				
Education - State School Fund*	8,852.6	604.1	-	9,456.7
Education - Post-Secondary	2,909.6	203.5	-	3,113.1
Education - Other	1,203.9	3.2	-	1,207.1
Human Services - Oregon Health Authority	5,515.0	24.5	5.0	5,544.5
Human Services - Department of Human Services	5,705.7	-	-	5,705.7
Human Services - Other	24.3	-	-	24.3
Public Safety	3,449.2	-	10.0	3,459.2
Judicial Branch	1,282.6	-	-	1,282.6
Economic & Community Development	795.9	201.8	21.9	1,019.5
Natural Resources	606.1	23.8	296.1	926.0
Transportation	33.9	136.1	0.7	170.6
Consumer and Business Services	44.6	-	0.3	44.9
Administration	406.8	86.2	-	492.9
Legislative Branch	215.6	-	-	215.6
Emergency Board	830.4	-	-	830.4
TOTAL 2023-25 BUDGETED EXPENDITURES	31,875.9	1,283.3	333.9	33,493.0
PROJECTED ENDING BALANCES	437.6	48.3	62.3	548.2

*State School Fund is \$10.2 billion including General Fund, Lottery Funds, Corporate Activity Tax, and Marijuana Funds