

Budget Information Brief / 2025-2

2025-27 Legislatively Adopted Budget

General Fund and Lottery Funds Summary

On June 27, 2025, the Oregon Legislature adopted a 2025-27 budget comprised of planned expenditures totaling \$37.3 billion General Fund, \$1.8 billion Lottery Funds, \$56.1 billion Other Funds, and \$43.7 billion Federal Funds. The adopted state budget for the 2025-27 biennium of \$138.9 billion represents a 6.3% increase from the 2023-25 legislatively approved budget. The combined General Fund and Lottery Funds adopted budget for the 2025-27 biennium is up 11.7% from the 2023-25 legislatively approved level and is a 0.5% increase over the 2025-27 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 the adopted budgets for individual state agencies. 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 2025-27 General Fund and Lottery Funds budget that was adopted during the 2025 regular session of the Legislature. The table below summarizes the adopted budget by program area. Additional detail is anticipated to be provided no later than the first interim Legislative Days scheduled in September 2025.

2025-27 Legislatively Adopted Budget by Program Area and Fund Type

Program Area	General Fund	Lottery Funds	GF / LF Total	Other Funds	Federal Funds	Total Funds
State School Fund	9,868,987,525	606,501,675	10,475,489,200	883,953,490	-	11,359,442,690
Education - Post Secondary	3,137,997,751	205,264,120	3,343,261,871	868,794,149	174,111,211	4,386,167,231
Education - Other	1,561,767,954	77,957,096	1,639,725,050	3,662,427,276	1,826,937,901	7,129,090,227
Human Svcs - Oregon Health Authority	6,298,550,852	38,154,546	6,336,705,398	12,058,663,521	23,483,433,661	41,878,802,580
Human Svcs - Dept. of Human Services	7,456,846,684	-	7,456,846,684	1,304,300,928	14,244,129,234	23,005,276,846
Human Services - Other	31,273,837	-	31,273,837	2,495,657	22,158,954	55,928,448
Public Safety	4,851,955,855	12,511,840	4,864,467,695	1,464,455,193	1,631,878,495	7,960,801,383
Judicial Branch	895,452,695	-	895,452,695	167,906,600	5,408,623	1,068,767,918
Natural Resources	591,559,060	376,453,660	968,012,720	2,232,314,580	686,088,557	3,886,415,857
Economic Development	1,039,682,573	265,741,528	1,305,424,101	8,418,752,306	1,057,323,419	10,781,499,826
Consumer and Business Services	42,377,167	307,006	42,684,173	1,014,149,389	134,941,160	1,191,774,722
Transportation	52,661,026	128,031,158	180,692,184	5,706,191,621	242,551,419	6,129,435,224
Administration	434,336,589	103,822,345	538,158,934	18,261,897,158	176,235,725	18,976,291,817
Legislative Branch	258,480,976	-	258,480,976	15,971,357	-	274,452,333
Miscellaneous (Emergency Fund)	801,182,349	-	801,182,349	-	-	801,182,349
Total	37,323,112,893	1,814,744,974	39,137,857,867	56,062,273,225	43,685,198,359	138,885,329,451

The display on page 3 shows the General Fund and Lottery Funds revenues and expenditures as approved during the 2025 regular session. The revenue numbers are from the Office of Economic Analysis May 2025 Oregon Economic and Revenue forecast. Discretionary and constitutionally dedicated Lottery Funds are displayed separately because Measure 76 (M76) Lottery Funds are dedicated to specific natural resource uses and Measure 96 (M96) Lottery Funds are dedicated to veterans' services, and neither can be utilized as flexibly as General Fund and discretionary Lottery Funds.

RESOURCES

Resources are primarily tied to the May 2025 revenue forecast, including some adjustments related to actions taken during the 2025 session to rebalance 2023-25 biennium expenditures. Other resource adjustments include:

- General Fund resources are increased for estimated reversions and do not assume the 1% transfer to the Rainy Day Fund, which was suspended for the 2023-25 biennium.
- Lottery Funds are reduced by distributions for county economic development and projected transfers to the Education Stability Fund.
- The cost of tax credits beyond current law, as well as other reductions and increases 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, in conjunction with the September 2025 quarterly forecast.

EXPENDITURES

Expenditures reflect all budget actions taken by the Legislature during the 2025 regular session for the 2025-27 biennium, as approved through individual agency budget bills, statewide omnibus budget bills, and various policy bills containing appropriations.

ENDING BALANCES

Regular ending balances include \$472.8 million General Fund, \$45.3 million discretionary Lottery Funds, and \$36.3 million dedicated Lottery Funds. The Lottery Funds ending balances are for compensation adjustments, managing cash flow, and mitigating potential allocation reductions if 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 1.3% of expenditures and includes an amount toward the statutory Rainy Day Fund deposit (equal to 1% of projected expenditures from the ending balance) that would occur at the end of the 2025-27 biennium if a sufficiently large ending balance exists at that time to complete the transfer. The additional 0.3% is available to mitigate revenue fluctuations in future 2025-27 forecasts and potential needs during the biennium.

2025-27 Legislatively Adopted Budget				
May 2025 Forecast Revenues (millions \$)	General Fund	Lottery Discretionary	Lottery Dedicated	TOTAL
Revenues				
Beginning Balance	1,960.8	122.0	110.4	2,193.2
1% Appropriation to Rainy Day Fund	-	-	-	-
Projected Revenues (net of personal kicker)	35,570.6	1,507.7	384.7	37,463.0
Projected Reversions	191.0	-	-	191.0
Lottery ESF Interest Earnings	-	85.6	-	85.6
Less Dedications				
Education Stability Fund	-	(254.4)	-	(254.4)
County Economic Development	-	(59.8)	-	(59.8)
Forecast Revenues	37,722.4	1,401.2	495.1	39,618.7
Revenue Enhancements (Reductions)				
HB 2010 - Provider Assessment	(2.8)	-	-	(2.8)
HB 2087 - Tax Expenditures	(56.9)	-	-	(56.9)
HB 2339 - OR Kids Credit Foreign Earned Income	0.1	-	-	0.1
SB 817 - LUBA Filing Fee	0.0	-	-	0.0
Senior Property Tax Deferral Account Transfers to the General Fund	27.2	-	-	27.2
Other Transfers to the General Fund	12.6	-	-	12.6
Liquor General Fund Distribution from LAB Actions	2.0	-	-	2.0
2023-25 Rebalance Issues				
SB 5547 - DHS / OHA Rebalance	64.5	-	-	64.5
HB 5006 - ODE / ODVA	30.5	-	-	30.5
HB 5012 - OJD	(3.7)	-	-	(3.7)
TOTAL RESOURCES	37,796.0	1,401.2	495.1	39,692.3
2025-27 Program Area Expenditures				
Education - State School Fund*	9,869.0	606.5	-	10,475.5
Education - Post-Secondary	3,138.0	205.3	-	3,343.3
Education - Other	1,561.8	7.1	70.8	1,639.7
Human Services - Oregon Health Authority	6,298.6	31.8	6.4	6,336.7
Human Services - Department of Human Services	7,456.8	-	-	7,456.8
Human Services - Other	31.3	-	-	31.3
Public Safety	4,852.0	-	12.5	4,864.5
Judicial Branch	895.5	-	-	895.5
Economic and Community Development	1,039.7	242.6	23.1	1,305.4
Natural Resources	591.6	31.9	344.5	968.0
Transportation	52.7	126.9	1.1	180.7
Consumer and Business Services	42.4	-	0.3	42.7
Administration	434.3	103.8	-	538.2
Legislative Branch	258.5	-	-	258.5
Emergency Board	801.2	-	-	801.2
TOTAL 2025-27 BUDGETED EXPENDITURES	37,323.1	1,355.9	458.8	39,137.9
PROJECTED ENDING BALANCES	472.8	45.3	36.3	554.4

*State School Fund is \$11.4 billion including General Fund, Lottery Funds, Corporate Activity Tax, and Marijuana Funds

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