



## EXECUTIVE SUMMARY

<b>Meeting Date:</b>	November 20, 2025
<b>Agenda Item:</b>	Board Priority: Financial Stewardship - Financial Update
<b>Item Type:</b>	Report
<b>Administrator:</b>	Brad Earl
<b>Objective:</b>	Provide a Financial Update Report on the District

### Background:

At the Board Retreat on September 5, 2025, the Board requested monthly financial updates. In response, Brad Earl will provide an update on the current financial status at this meeting, along with a progress report on the Fiscal Stability Study Group.

On October 1, 2025, all state agencies, including the Oregon Department of Education (ODE), received a memo from the Legislative Fiscal Office (LFO) requesting budget reduction scenarios. Specifically, agencies were asked to prepare scenarios for both a 2.5% and a 5.0% reduction. For the State School Fund (SSF), the reductions were requested in increments of 1%.

Following this, ODE held a meeting with school district Superintendents and Business Managers on Monday, November 10, 2025, to review and discuss the reduction scenarios they are submitting to the LFO.

ODE remains optimistic that the Legislature will defer any school cuts until the second year of the biennium, which begins on July 1, 2026. However, it may take until February to receive clarity on the outcome of this decision.

In preparing the reduction scenarios, ODE has proposed that the 2.5% and 5.0% cuts be applied across all areas except the SSF by recommending partial or full program cuts, rather than implementing across-the-board reductions.

For the SSF, specifically, ODE's proposal is to achieve the first 0.5% reduction by eliminating or reducing "carve outs" and, in some cases, reducing or eliminating ending fund balances in carve-out programs. Beyond the initial 0.5%, ODE has provided the LFO with a list of dollar amounts for further reductions in 0.5% increments to aid in legislative budget planning. Each 1% reduction equals approximately \$98.7 million.

For our district, assuming property tax collection is excluded from the estimate, each 1% reduction would result in approximately \$1.4 million less in funding. This estimate applies only to the SSF portion of our funding.

**Additional Materials:**

Information will be provided in the slide deck at the meeting.

**Recommendation:** N/A

**Suggested Motion:** N/A