



Parkrose Legislative Advocacy 24-25

Governor's Recommended Budget - Overview

Governor's Recommended Budget (GRB) Released December 2nd

- Oregon's Constitution requires the Governor to release a balanced budget in December
- Starting Point for Budget Conversations with Legislators
- State Dollars = \$39.3 Billion out of \$39.4 Billion in projected state revenue streams

Governor's Three Budget Priority Areas For Investment

- Homelessness and Housing
- Mental Health, Behavioral Health, and Addiction Treatment
- Education

Transportation Package "Placeholder"

- \$1.75 Billion with details to be negotiated during Session

Governor's Recommended Budget - Highlights

State School Fund

- \$11.36 billion is a +\$600 million over “old” CSL calculation
- 11.4% increase over 2023-25 (\$10.2 billion)

Student Success Act

- Student Investment Account: \$1.212 billion (11% increase)

High School Success/M98

- \$340.8 million (4.9% increase)

OSCIM Bond Matching Grants

- \$186.4 million

Seismic Rehabilitation Grants

- \$100 million

GRB - Highlights, Cont'd

Early Intervention/Early Childhood Special Education & Regional Inclusive Services

- \$408 million - EI/ECSE
- \$69.2 million - RIS

Key Initiatives for Governor Kotek

- Summer Learning and After School Opportunities
 - \$78.5 million (for 2025 and 2026)
- Early Literacy Total School District Grant Investment
 - \$193.5 million (\$100 million increase)

Areas That Need Additional Advocacy

- ESD Technical Assistance
- Funding for 2020 Wildfire Impacted School Districts
- COSA special education funding priorities (SPED Cap, High Cost Disability Account, EI/ECSE, and RIS).

PERS Update

- Final PERS rates were set at the October PERS Board meeting
- Projected costs to K-12 employers in 2025-27 are projected to be \$670 million gross and \$565 million net. A projected \$105 million will be paid for by the employee redirect.
- Lots of factors determine rates, but two key drivers of the 25-27 increase were:
 - a. Significant growth in payroll
 - b. PERS investments returned less than half of what was projected

PERS IMPACT

	<u>Current Rate</u>	<u>New Rate</u>	<u>Change</u>
TIER I & II	9.17%	13.48%	4.31%
OPSRP	6.33%	10.30%	3.97%

Estimated fiscal impact to the district for FY 25/26 is around \$900k to \$1 million - it all depends on our final payroll numbers.

Also these rate increases are in effect for 2 years so we will also have to deal with this increase again in FY 26/27