

Fiscal Year 2023

State of Oregon Financial Condition Report

September 2024

Report 2024-26



Oregon Secretary of State
Audits Division



Kip Memmott
Division Director

Fellow Oregonians:

Oregon state government plays a major role in the lives of all Oregonians. State agencies regulate industries for public health and safety, provide vital social services to vulnerable populations, and maintain the infrastructure in which you live every day. All of these important needs must compete for funding in an environment of limited financial resources.

For this reason, it is critical Oregon maintain sound financial condition. Various indicators — such as demographic information, expenditures, and revenues — can provide information for decision-makers, allowing them to capitalize on opportunities, tackle challenges, and manage the financial condition of the state.

We issue this report every few years to share high-level historical indicators of Oregon's financial condition. This report, for the period ending June 30, 2023, also includes information regarding the impacts of weather-related emergencies, opioid use, and a summary of COVID pandemic spending.

Since our 2020 report, the following aspects of Oregon's financial condition are worth noting:

- Human services continue to be the largest expenditures by program area at \$22.5 billion, or 51% of state expenditures. Approximately \$15.8 billion relates to the Medicaid program, with \$11.8 billion provided through federal funds.
- Education expenditures by K-12 institutions totaled \$9.9 billion, with state funding being the primary revenue source.
- Transportation expenditures decreased 16% from 2022, after a two-year upsurge.
- Oregon's unhoused population increased 37% since 2020, with assistance expenditures totaling \$193.6 million in 2023.
- Weather-related emergencies — including wildfires, heat, drought, and storms — have increased significantly in the past 20 years, with 64 executive orders issued by the Governor in the last three years alone.

I ask state leaders to give thoughtful consideration to the following information, as responsible governance of our resources will pay dividends for all Oregonians.

Sincerely,

LaVonne Griffin-Valade
Oregon Secretary of State

255 Capitol St NE, Ste 180
Salem, Oregon 97310

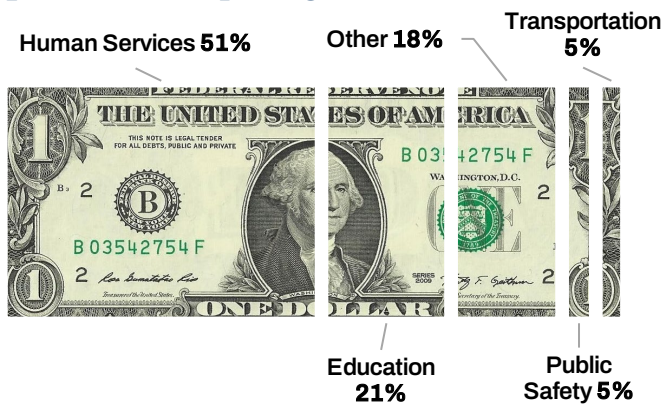
Report Highlights

Fiscal Year 2023

State of Oregon Financial Condition Report

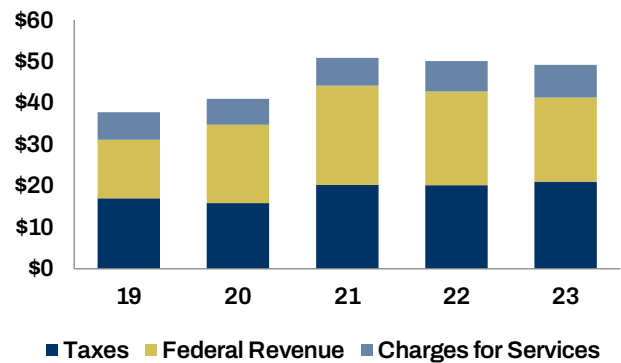
Oregon state government plays a major role in the lives of Oregonians. It provides vital services to a growing population in an environment of limited financial resources. Maintaining sound financial condition is key to sustaining and improving services. Various indicators can provide key information for decision-makers, enabling them to capitalize on opportunities, tackle challenges, and manage financial condition timely and effectively.

Expenditures by Program



Human Services continues to be the largest program, with the majority of expenditures for the Medicaid program, which assists low-income families in paying for medical care. Education spending includes K-12 schools, universities, and community colleges.

Revenues (in billions)



The state's main revenue sources are **taxes**, **federal revenues**, and **charges for services**. Since 2020, tax revenues have increased about \$5.2 billion.



The Rainy Day Fund increased to almost \$1.4 billion and remains available to weather economic downturns and uncertainties.



Oregon's 2024 kicker tax refund was \$5.6 billion, the largest in Oregon history. Kicker amounts are refunded to taxpayers through credits on subsequent tax returns.



Oregon had the highest rate of chronic homelessness in the nation with 44% of individuals experiencing homelessness showing patterns of chronic homelessness.



The state has funded about 74% of the pension liability, which is now \$7.7 billion. It is projected to reach 100% funded in 2040.



Oregon Secretary of State
Audits Division

Secretary of State **LaVonne Griffin-Valade**
Audits Director **Kip R. Memmott**

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Introduction

Objective, Scope, Methodology

The objective of this report is to provide information for the evaluation of the financial condition of the State of Oregon by decision-makers, the Oregon Legislature, and Oregonians.

To complete our objective, we used indicators from the Financial Trend Monitoring System developed by the International City and County Management Association. We selected financial and environmental indicators that we believed were most suited to evaluate Oregon's financial condition.

Revenue indicators disclose the main sources of state resources, revealing whether they may be vulnerable to changes in economic conditions or federal regulations. Expenditure indicators outline obligations of the state to serve Oregonians. Environmental indicators such as population and poverty rates can affect both revenue and expenditure trends.

Oregon operates with a balanced budget. If revenues decrease but the demand for services remains the same or increases, decisions would have to be made regarding new revenue streams or which services to reduce or eliminate. We believe the information in this report, when considered collectively, will assist with these important decisions.

The data in the report generally covers a 10-year period from fiscal year 2014 through 2023. Unless otherwise indicated, data is on a fiscal year basis (e.g., fiscal year 2023 represents July 1, 2022, through June 30, 2023). We express financial data in constant dollars to account for inflation by adjusting dollar amounts from each prior year to equal the purchasing power of money on June 30, 2023. We used the Consumer Price Index for the West region, as reported by the Bureau of Labor Statistics.

We reviewed information for reasonableness and consistency; however, we did not audit the accuracy of the source documents or the reliability of data in computer-based systems. Our review is not to give absolute assurance that all information is free from error. Rather, our intent was to provide reasonable assurance the reported information presents a fair picture of the state's financial condition. In addition, while the report offers financial highlights, it does not thoroughly determine the reasons for negative or positive performance. Explanations would require more analysis.

Data Sources

Nearly all financial information is from the State of Oregon's Annual Comprehensive Financial Reports. Additional information, such as environmental indicators, is from state and federal agencies and may present different time periods if only available on a calendar year basis. Some information useful to readers extends beyond the 10 fiscal years covered in the report. Resources used include the following:

Oregon Department of Administrative Services	University of Oregon
Oregon Department of Education	Oregon State University
Oregon Department of Forestry	Portland State University
Oregon Department of Human Services	Western Oregon University
Oregon Department of Revenue	Southern Oregon University
Oregon Department of Transportation	Eastern Oregon University
Oregon Employment Department	Oregon Institute of Technology
Oregon Governor's Office	Portland State University, Population Research Center
Oregon Health Authority	The White House
Oregon Higher Education Coordinating Commission	United States Bureau of Economic Analysis
Oregon Housing & Community Services Department	United States Bureau of Labor and Statistics
Oregon Office of Economic Analysis	United States Census Bureau
Oregon Public Employees' Retirement System	United States Centers for Disease Control and Prevention
Oregon Secretary of State	United States Congress
Oregon State Treasury	United States Department of Health and Human Services
Oregon State Lottery Annual Comprehensive Financial Report	United States Department of Housing and Urban Development
State Debt Policy Advisory Commission	United States Federal Bureau of Investigation
State of Oregon Annual Comprehensive Financial Report	United States Treasury Department
State of Oregon Single Audit	

This report is for informational purposes and does not constitute an audit performed in accordance with generally accepted government auditing standards.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of all state agencies during the course of this engagement.

Report team

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ABOUT THE SECRETARY OF STATE AUDITS DIVISION

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

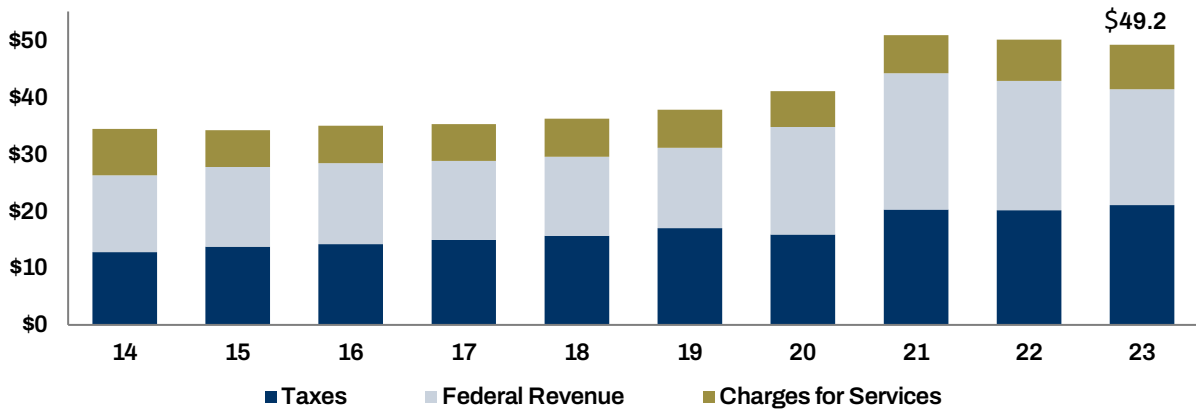
Revenues

Total Revenues

Revenues are affected by economic and policy changes and determine the capacity of the government to provide services to Oregonians. Total revenues consist of three categories: tax revenues such as income taxes, federal revenues, and charges for services such as transportation fees and Oregon Public Utility Commission payments by consumers. In 2023, total revenues consisted of 43% taxes, 41% federal revenue, and 16% charges for services.

Overall, total revenues have increased 43% since 2014. The substantial increase seen in 2021 was primarily related to a rising tax revenues, and federal revenues related to the COVID pandemic. Total revenues have been decreasing since 2021 as federal funding for the pandemic decreases.

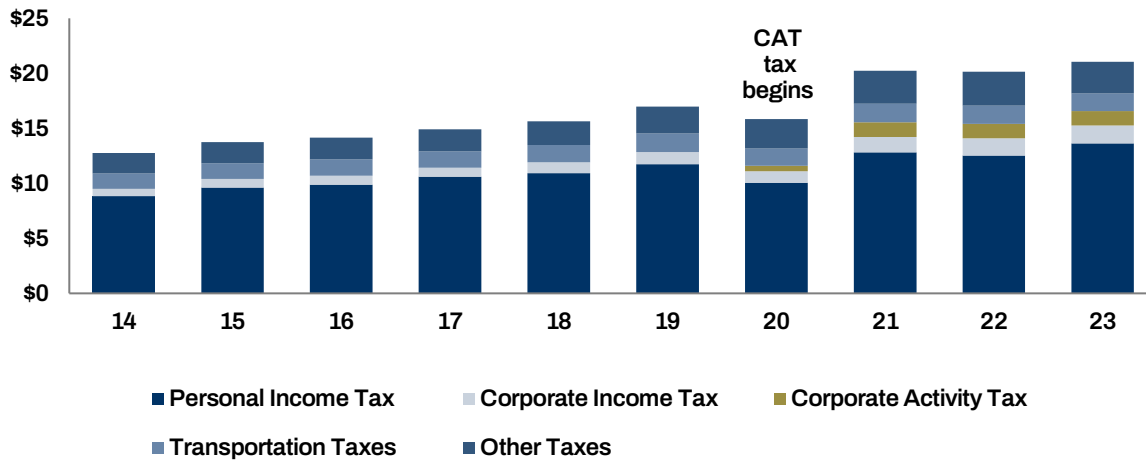
Chart 1: Total Revenues by Source, adjusted for inflation (in billions), FY ended June 30



Tax Revenues

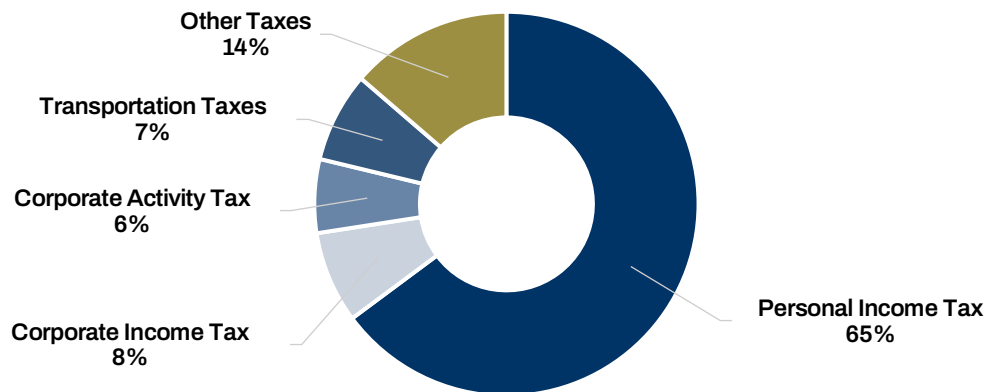
In 2023, Oregon ranked 14th nationally in state taxes collected per capita and first in terms of personal income tax collections per capita, which remains Oregon's primary source of tax revenues. The three taxes that have increased the most since 2020, adjusted for inflation, are corporate income taxes at 56%, tobacco taxes at 45%, and personal income taxes at 36%. Marijuana taxes peaked in 2021 at \$206 million and were \$168 million in 2023, making up less than 1% of 2023 tax revenue.

Chart 2: Tax Revenues, adjusted for inflation (in billions), FY ended June 30



The Corporate Activity Tax (CAT), adopted by the Legislature in 2019 to provide additional revenues for education spending, comprised 6% of 2023 tax revenues.

Chart 3: Fiscal Year 2023 Tax Revenues, adjusted for inflation

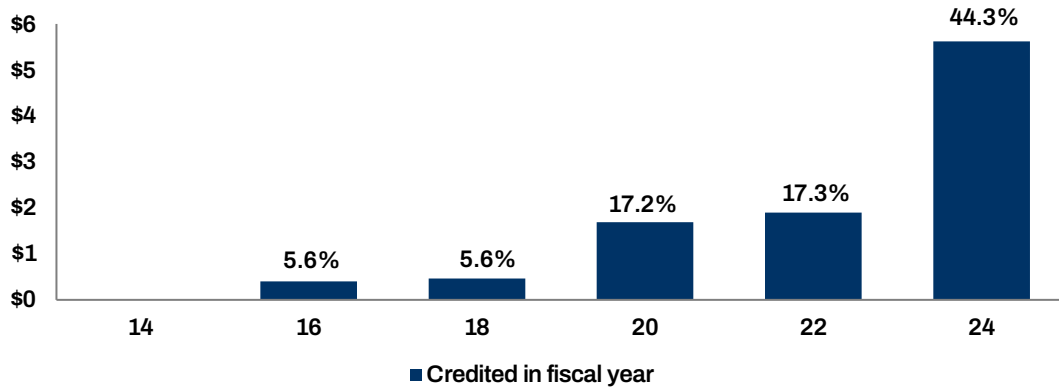


Personal Income Tax Kicker

When General Fund revenues, which are primarily made up of personal income taxes, exceed forecasted revenues by 2%, state law requires the excess amount (referred to as the “kicker”) be refunded to taxpayers. Kicker amounts are refunded to taxpayers through credits on subsequent tax returns. The \$5.6 billion kicker is the largest in Oregon history. It’s nearly three times larger than the previous record kicker of \$1.9 billion two years ago. The 2021-23 biennium is the fifth straight with a kicker and the current kicker is larger than the total of the kickers in the four previous biennia.¹

¹ 10 Things You Should Know About Oregon’s \$5.61 Billion Kicker, Robin Maxey, October 11, 2023, My Oregon News

Chart 4: Personal Income Tax Kicker Amount and Percentage of General Fund Surplus, not adjusted for inflation (in billions), FY ended June 30

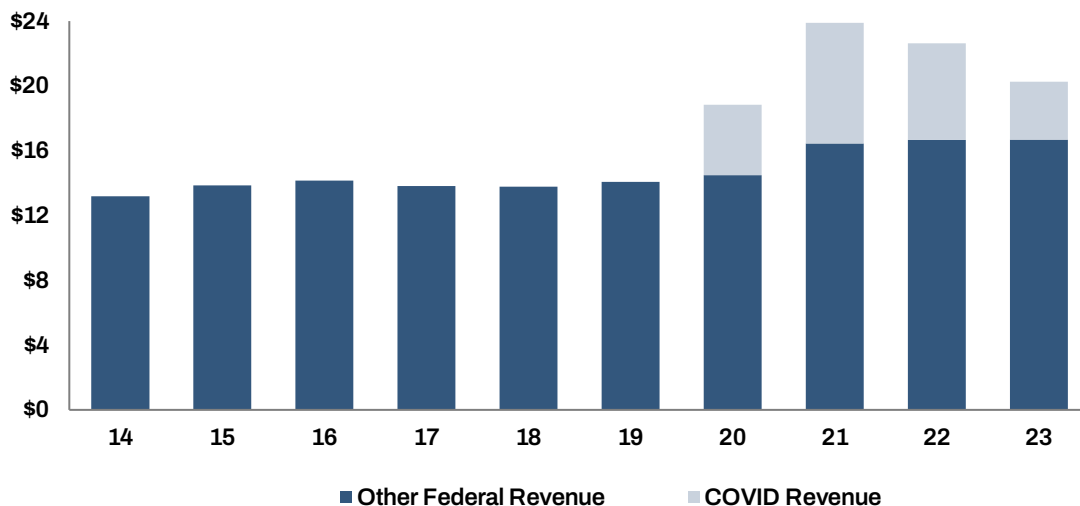


Federal Revenues

Federal revenues are grants and reimbursements received from the federal government for programs and services provided to eligible recipients and are often restricted in their use. The state received federal funding in response to the COVID pandemic consisting of \$6.55 billion in 2021, \$5.61 billion in 2022, and \$3.58 billion in 2023. The congressional actions included funding for expenditures resulting from the pandemic that were not previously budgeted for, as well as expanded unemployment benefits.

The state received \$5.4 billion in American Recovery and Reinvestment Act (ARRA) funds from 2009 to 2020 which were primarily expended by 2012; however, ARRA funds continue to be expended with \$231 million expended from 2014 through 2023.

Chart 5: Federal Revenues, adjusted for inflation (in billions), FY ended June 30

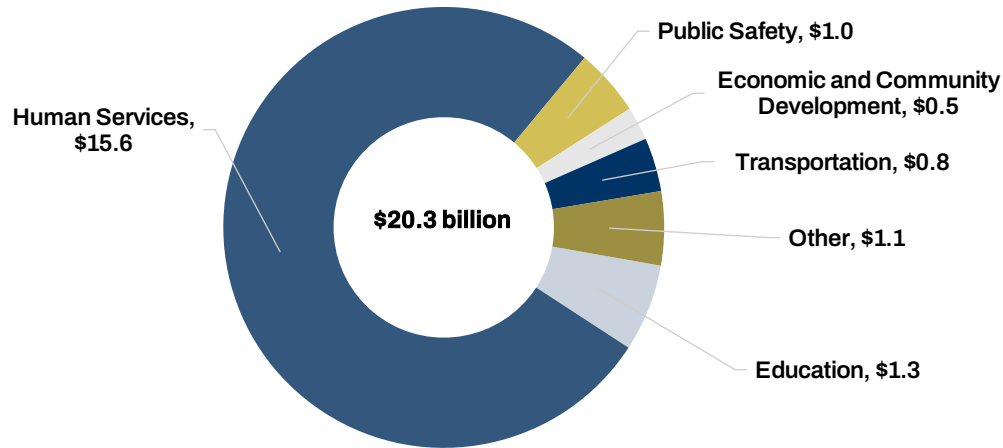


Federal Revenues by Program Area

The state received about \$20 billion in federal assistance in 2023. This represented a \$2.4 billion (10.5%) decrease since 2022, and an overall increase of \$7 billion (53%) since 2014.

Traditionally, the largest federal revenue source is the Medicaid program within the human services program area, at approximately \$11.8 billion in 2023. Significant increases in the education, public safety, and economic and community development programs occurred between 2020 and 2023, largely due to funding received related to the COVID pandemic.

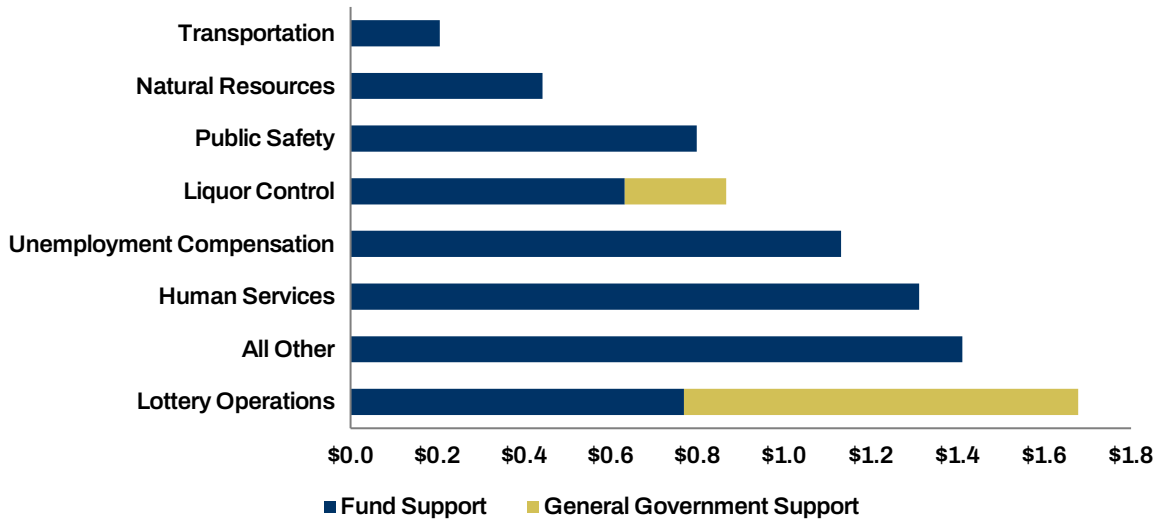
Chart 6: Fiscal Year 2023 Federal Revenues by Program (in billions)



Charges for Services

Charges for services are amounts collected from customers, applicants, employers, and others who use, purchase, or directly benefit from services provided. In 2023, charges for services totaled \$7.8 billion and represented 16% of total state revenues. When omitting charges related to the university system, which was reported as a state activity until 2015, charges for services increased \$1.7 billion, or 28.3%, since 2014. Charges for services generally support services of a particular program area; however, those of the Liquor Control Commission and Lottery support services of other program areas as well.

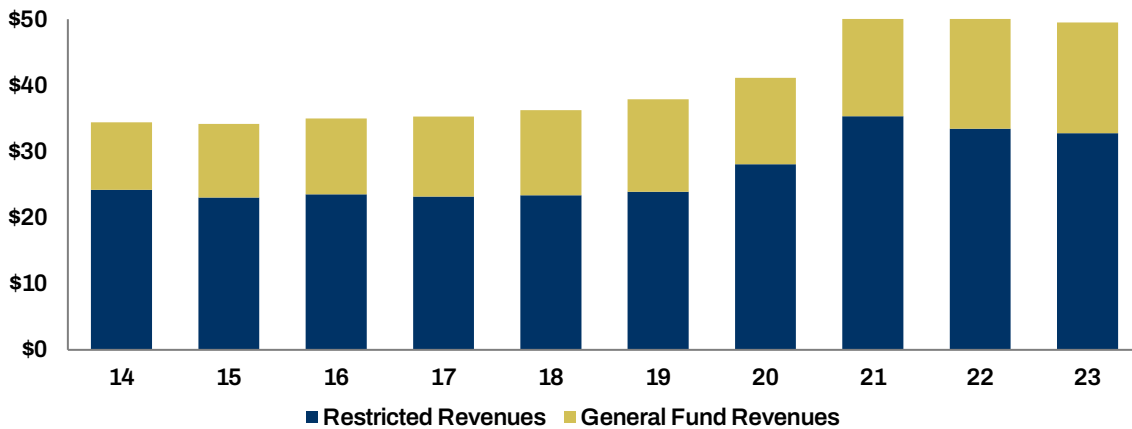
Chart 7: Fiscal Year 2023 Charges for Services (in billions)



Restricted and Unrestricted Revenues

The Legislature has discretion over spending General Fund revenues. Of the \$49.5 billion in total state revenues in 2023, approximately 34% are in the state General Fund with the majority available to fund education, human services, and public safety programs. Approximately 62% are federal revenues that can only be used for federal programs. The remaining revenues are restricted for specific purposes by grant agreements, the Oregon Constitution, or Oregon statutes, including motor fuel and other vehicle taxes.

Chart 8: Restricted and Unrestricted Revenues, adjusted for inflation (in billions), FY ended June 30

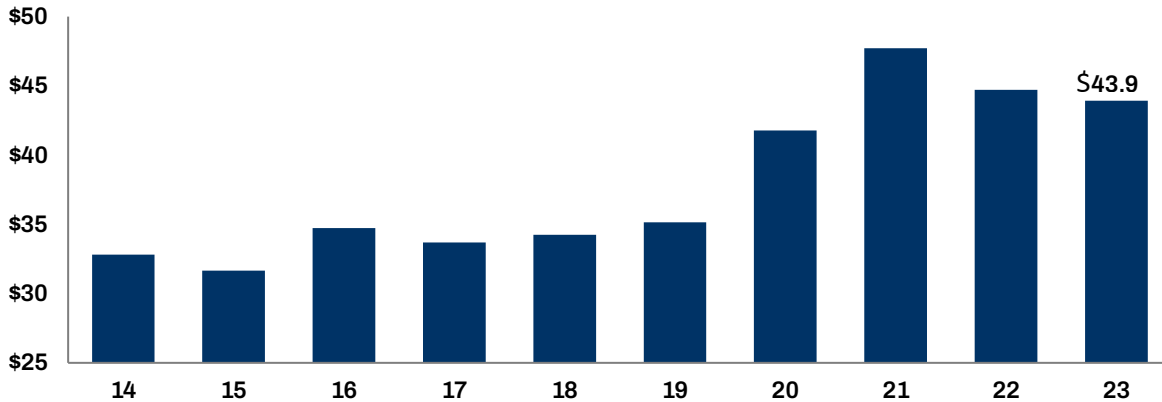


Expenditures

Total Expenditures

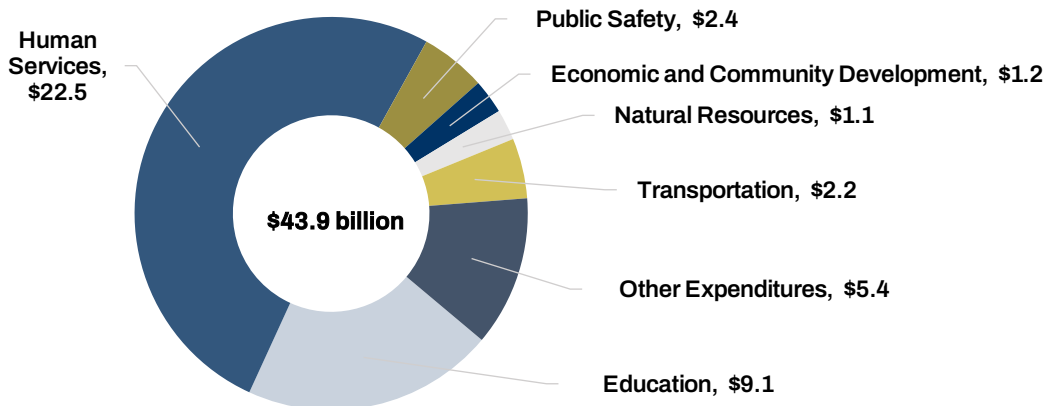
Expenditures remained fairly steady from 2014 to 2019, with increases beginning in 2020 related to the COVID pandemic response, most notably for human services, unemployment compensation and economic and community development programs. Expenditures spiked in 2021, then decreased as the pandemic impacts began to subside.

Chart 9: Total State Expenditures, adjusted for inflation (in billions), FY ended June 30



In 2023, about 82% of the state's \$43.9 billion in total expenditures occurred in four programs: human services (51%), education (21%), public safety (5%), and transportation (5%).

Chart 10: Fiscal Year 2023 Total Expenditures by Program Area (in billions)

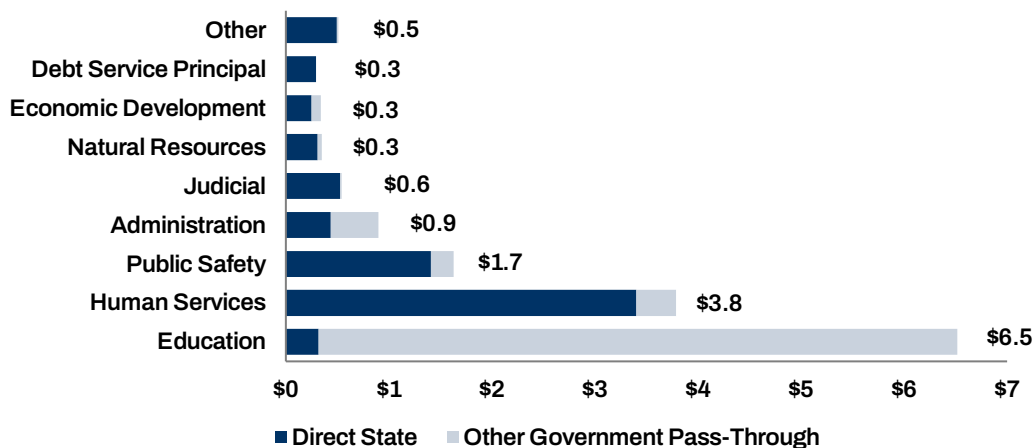


General Fund Expenditures

General Fund expenditures are those expenditures that are Legislatively dictated. These expenditures can either be directly spent by state agencies or passed through to other government units to provide services. For example, education expenditures are primarily passed-through to local school districts, public universities, and community colleges to provide education services.

Of the state’s \$43.9 billion in total expenditures, about \$14.9 billion (34%) were General Fund expenditures. The majority of General Fund spending occurred in three areas: education (44%), human services (25%), and public safety (11%). These three programs accounted for 79% to 88% of General Fund expenditures in each of the last ten years.

Chart 11: Fiscal Year 2023 General Fund Expenditures by Program (in billions)



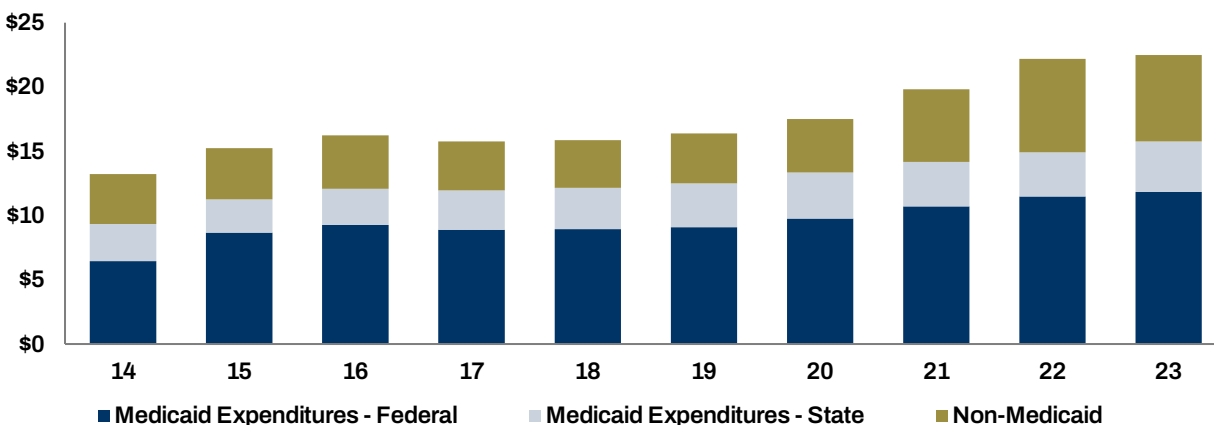
Human Services

Human services spending has steadily increased in the last 10 years, with spending at approximately \$22.5 billion in 2023. Increases in 2015 were due to expanded eligibility for the Medicaid program as part of the Affordable Care Act (ACA). Increases from 2020 to 2023 were primarily due to a temporary additional 6.2% federal medical assistance percentage (FMAP) increase to the federal share of expenditures beginning January 2020 in response to the COVID pandemic.

In 2023, a total of \$15.8 billion was spent for Medicaid. The state share of \$3.9 billion represents 36 cents of every state dollar — which is a 25.7% increase from the 29 cents of every dollar spent in 2014.

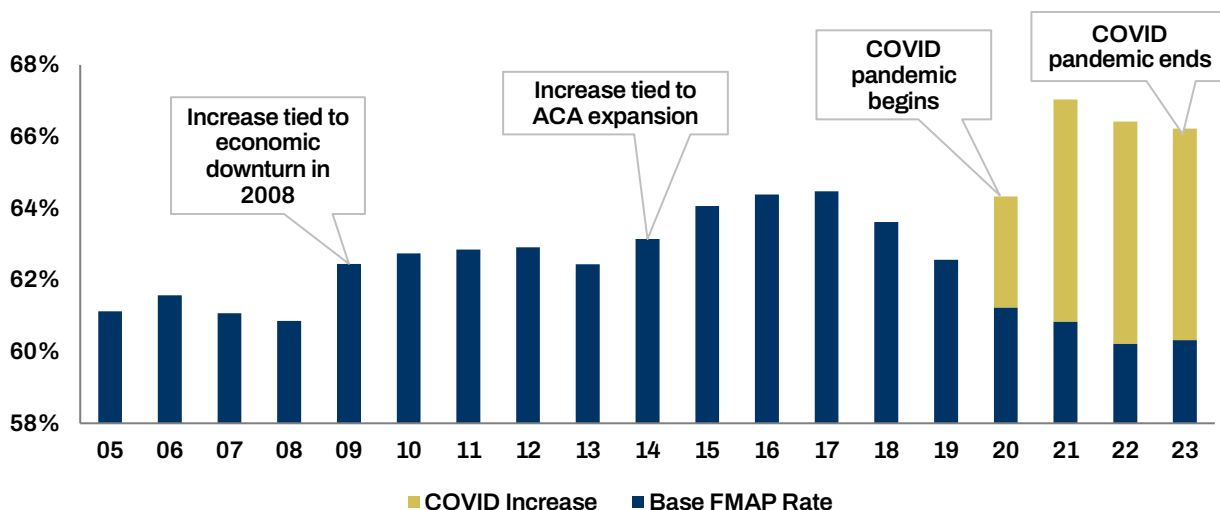
The Medicaid program compensates health care providers for services for eligible individuals and the state receives federal reimbursement for a portion of eligible Medicaid expenditures.

Chart 12: Human Services Expenditures, adjusted for inflation (in billions), FY ended June 30



Health care expenditures in Oregon rely heavily on federal reimbursements. Federal reimbursements are determined by FMAP rates which are calculated annually by the federal government. FMAP rates consist of two main elements: a formula which is heavily influenced by per capita income, meaning that higher federal reimbursements would be attributed to states with lower per capita incomes, and policy creation, such as the FMAP increase seen in response to the Affordable Care Act expansion and COVID.

Chart 13: Federal FMAP Rate, Federal FY Oct. 1 – Sept. 30

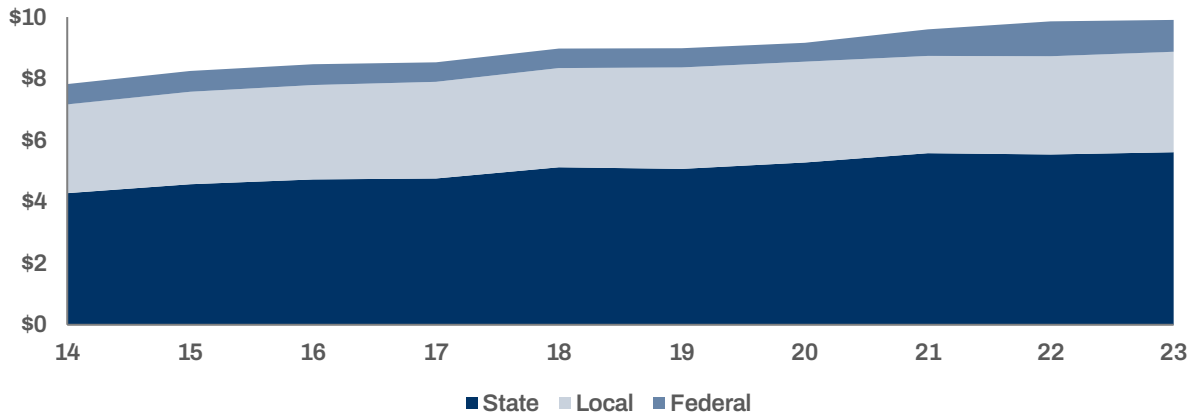


In the absence of policy creation, the FMAP rate is generally expected to decrease over time, leaving the state responsible for making up the difference. In 2023, a 1% decrease in the FMAP rate would cost the state approximately \$158 million in additional expenditures.

K-12 Education

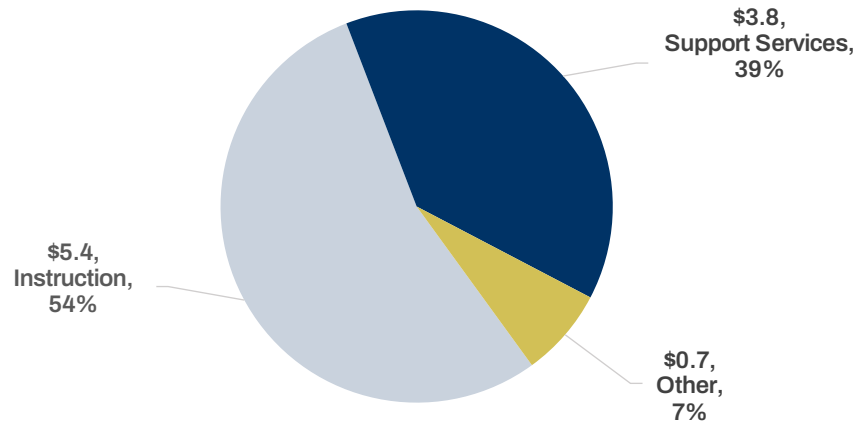
In 1990, Oregon voters passed Ballot Measure 5, which phased in property tax limitations for local governments and shifted a significant portion of the responsibility for school funding to the state. In 2023, state funding contributed 57% of K-12 expenditures and local funds provided 33%. The state legislatively funds K-12 education from three main sources: the General Fund (income taxes), lottery receipts, and the fund for Student Success Act, with funds from the Corporate Activities Tax. Funding is distributed through the State School Fund, through either the funding formula or grant-in-aid-programs. The formula allocates funds across school districts and educational service districts to achieve equal per-student funding and adjusts for cost differences through teacher experience adjustments, transportation grants, and weighted student counts. The grant-aid programs are usually denoted for a specific purpose such as nutrition, or special education.

Chart 14: Education (K-12) Revenue by Source, adjusted for inflation (in billions), School Year Ended



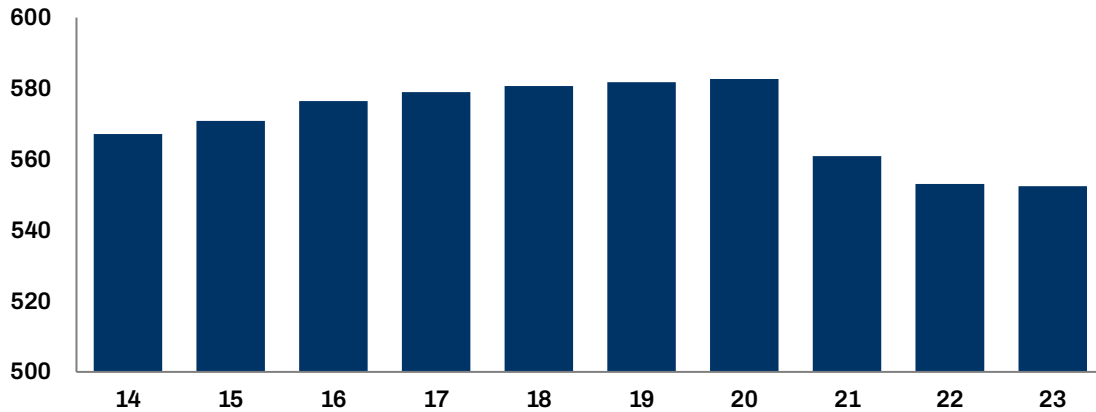
Total K-12 public education expenditures exceeded \$9.9 billion in the 2022-2023 school year. Adjusted for inflation, this is a decrease of 3.5% since 2021-2022 and an increase of 27% since 2013-2014. Most education spending at the district level, about \$9.2 billion (93%), occurred in the Instruction and Support Services categories, which relates to teaching students and services to facilitate and enhance instruction.

Chart 15: K-12 Education Expenditures by Category (in billions), School Year Ended 2023



Enrollment for K-12 public schools, which includes merged schools and charter schools, was 552,380 students in the 2022-2023 school year, with a significant decrease of 3.7% from the school years ended 2020 and 2021. The decline is due to homeschooling, drop outs, lack of kindergarten enrollment, and to a lesser extent, the switch to private school. Enrollment has continued to fall since the 2020-2021 school year, although the rate of decline has slowed. The decline is expected to remain due to lower birth rates.

Chart 16: Public K-12 School Enrollment, number of students (in thousands), School Year Ended



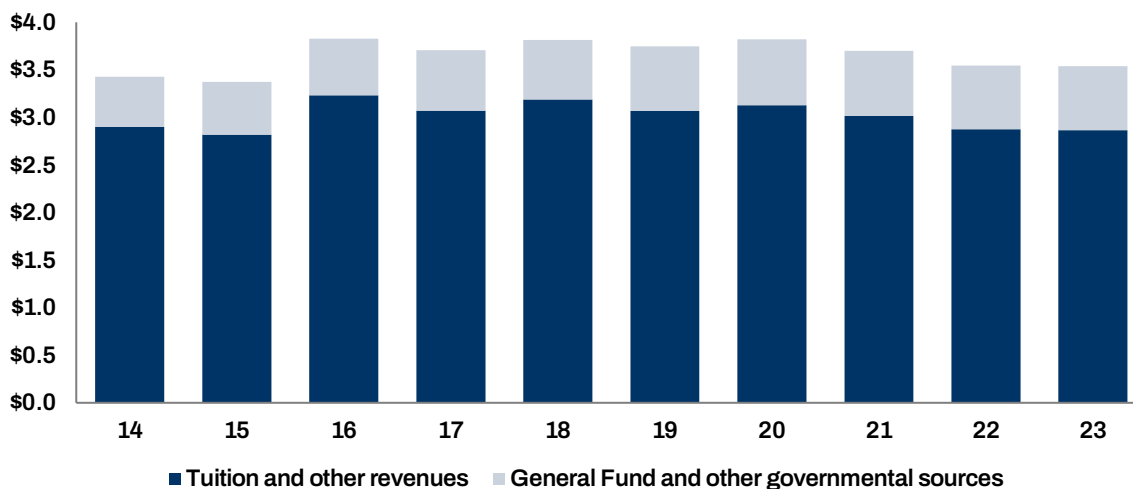
Public Universities

There are seven public universities in Oregon, the largest of which are Oregon State University, the University of Oregon, and Portland State University. University expenditures focus on instruction, research, public service, auxiliary services such as housing and dining, athletics, health services, and academic, student, and institutional support.

The majority of university funding is tuition and grants, with additional funding from the state’s General Fund, Lottery funds, and other sources. The Public University Support Fund is the state’s primary direct funding contribution for university operations. Funding is allocated to universities using the Student Success and Completion Model (SSCM). The SSCM is an outcomes-based formula comprised of three funding categories: mission differentiation, activity-based, and outcomes-based. Outcomes-Based Funding rewards degree and certificate completions by Oregon resident students, as well as completions by underrepresented students (minority, low-income, rural, and veterans) and those in academic disciplines in high-demand and high-reward fields with additional resources.

In 2023, the universities received \$590 million from the General Fund and \$82 million from other governmental sources, including Lottery funds and SELP debt service.

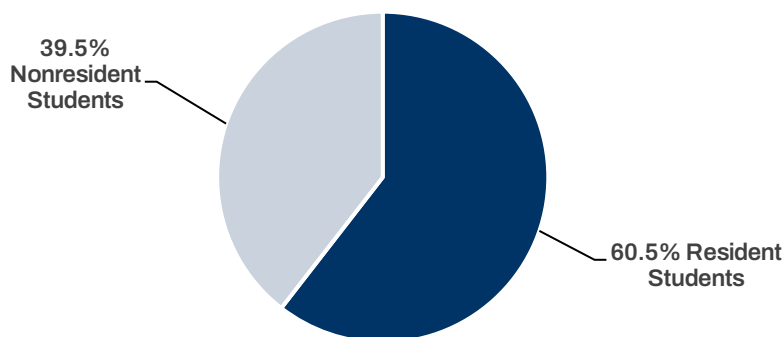
Chart 17: Public Universities Expenditures by Revenue Source, adjusted for inflation (in billions), FY ended June 30



Enrollment in public universities has decreased by 7% in the last ten years, to approximately 101,000 students in 2022-2023. The largest decreases in this time occurred between 2018-2019 and 2020-2021 when enrollment decreased more than 1% each year. The decrease is primarily related to closures of education institutions in response to COVID, however rising tuition costs, issues with the Free Application for Federal Student Aid, and a shift in the ratio of the enrollment population have contributed as well.

In school year 2022-2023, 60.5% of enrolled students were Oregon residents, down from 68.7% in 2013-2014. Despite the overall decrease in enrollment, the increased percent of nonresident students has resulted in a continued increase or maintained level in tuition revenues. Nonresident tuition is approximately three times the cost of resident tuition.

Chart 18: 2022-2023 School Year Enrollment by Residency Status



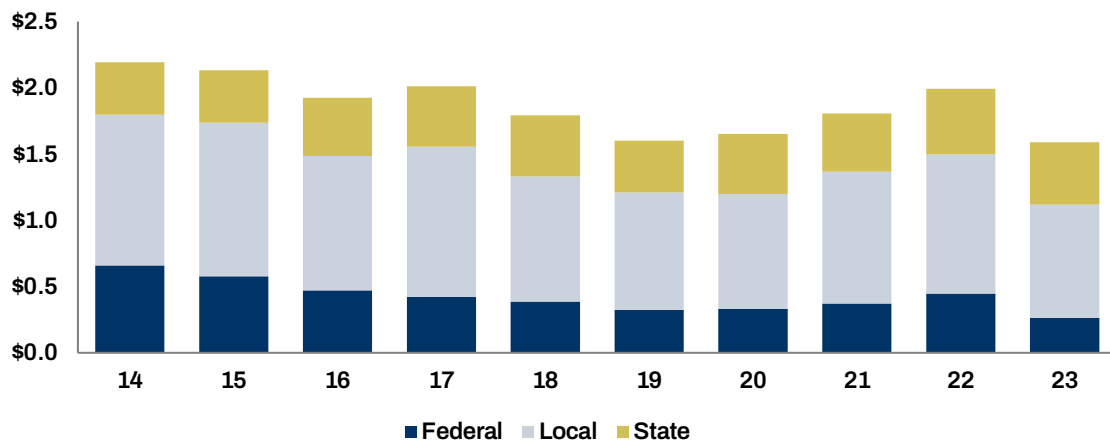
Community Colleges

Oregon has a network of 17 community colleges with locally elected boards that received approximately \$472.9 million in state funding in 2023 through the Higher Education Coordinating Commission. This is

19.3% more than in 2014 and 4.3% less than in 2022. Since 2014, community colleges have received an average of 54% of funding from local sources, such as tuition and property taxes, 22% from federal sources, and the remainder from state sources.

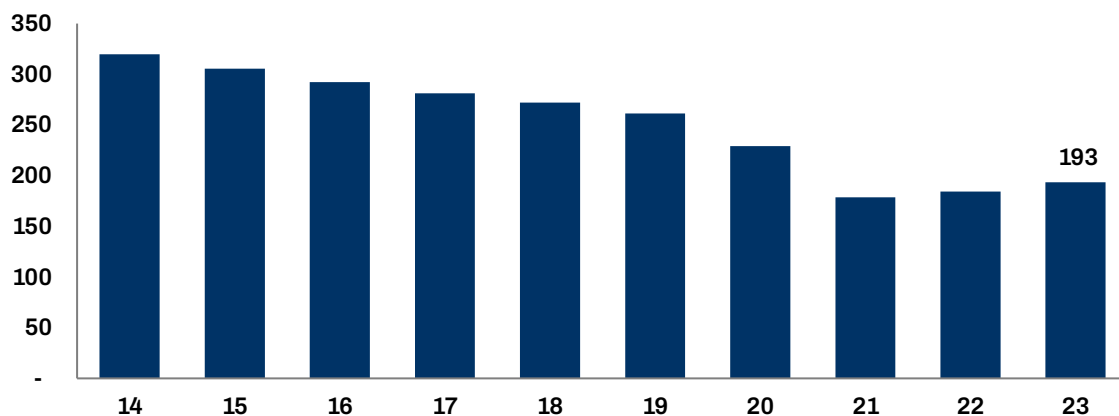
State funding is provided through the Community College Support Fund, which includes categorical funding for specific program areas, such as distributed learning, and base payments and enrollment funding to ensure equitable funding based on the full-time equivalent enrollment for Oregon, Idaho, Washington, Nevada, and California residents who take part in coursework offered within Oregon boundaries.

Chart 19: Community College Expenditures by Revenue Source, adjusted for inflation (in billions), FY ended June 30



Enrollment for community colleges has declined 39.5% since 2014, to 193,000 students in 2022-2023. The largest decreases in this period occurred during the 2019-2020 and 2020-2021 school years when enrollment decreased 12% and 22%, respectively. The primary reasons attributed to the decreases in enrollment include improving economic conditions prior to the COVID pandemic, which encouraged people to remain employed instead of seeking education for a career change, and the COVID pandemic, which caused disruption to the education system and the economy. Enrollment has been increasing since 2020-2021.

Chart 20: Community College Enrollment, number of students (in thousands), School Year End

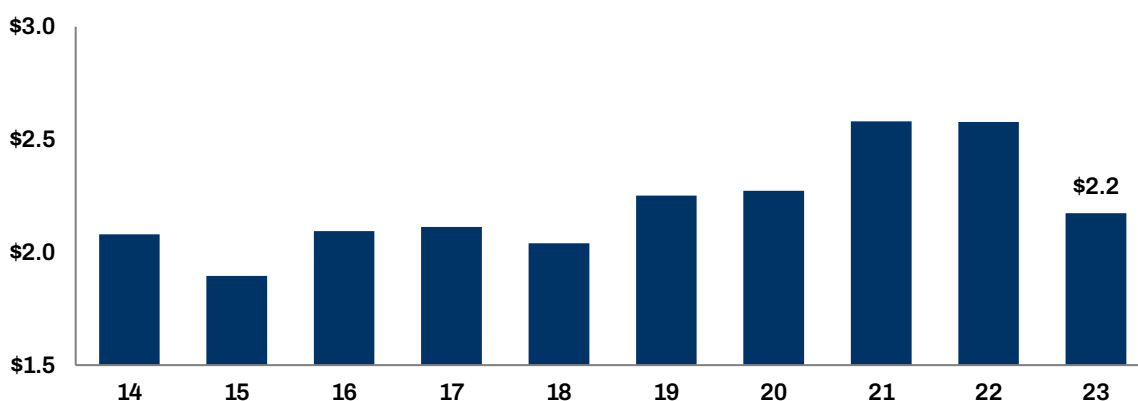


Enrollment declined during the COVID pandemic in school years ended 2020 and 2021 even though colleges saw an increase in revenue. In 2020, revenues from state sources increased by 16.7% (inflation adjusted) from 2019, including funding for operations, institutional support, and construction projects. Federal and local funding also increased in response to the COVID pandemic providing institutional support and aid for operations.

Transportation

Transportation expenditures consist of costs to maintain, build, and repair Oregon’s network of highways, tunnels, and bridges. Transportation revenues are primarily from the State Highway Fund, which includes constitutionally dedicated highway user taxes and vehicle registration taxes, in addition to various federal highway funds.

Chart 21: Transportation Expenditures, adjusted for inflation (in billions), FY ended June 30



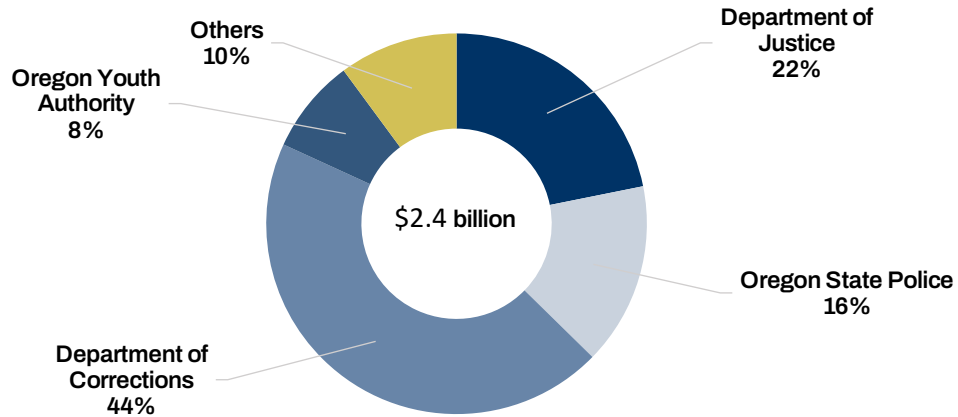
Expenditures increased 4% in the last decade. 2019 and 2020 increases were due to 2017’s passage of the Keep Oregon Moving Act. 2021 and 2022 increases were due to authorized issuances of Highway User Tax Revenue Bonds per the amended Keep Oregon Moving Act, and the federal Infrastructure Investment and Jobs Act of 2021. The sharp decrease in 2023 is due to a multitude of factors, including flattening and declining fuels tax revenues as consumers switch to more fuel-efficient, hybrid, and electric vehicles. State funding available for maintenance and agency operations went down as almost half the funding is sent to cities and counties and another quarter is dedicated by the Legislature to pay for construction projects and paying debt connected to past projects.

Distributions by the Oregon Department of Transportation to cities and counties as required by statutes decreased since 2020 to \$589 million; however, distributions remained the same percentage of all transportation expenditures at 27%.

Public Safety

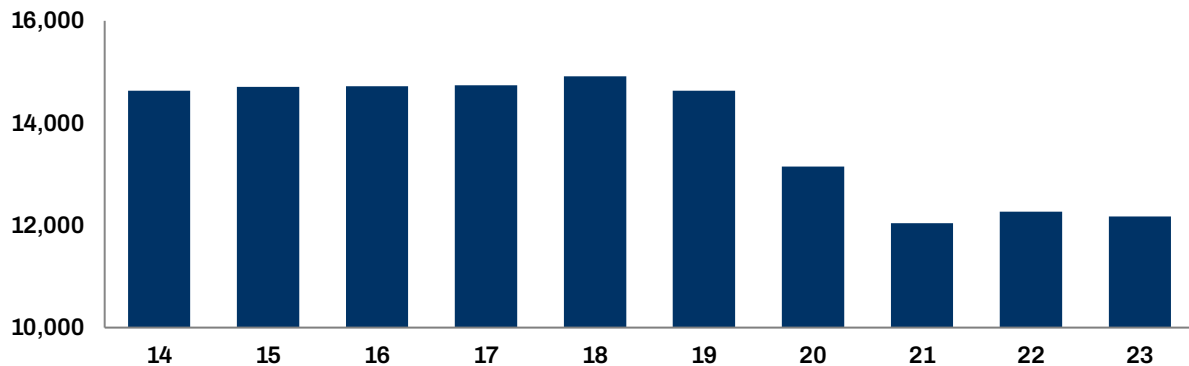
The Public Safety program provides services to ensure the safety of Oregonians and their property through police, military, courts, and correctional facilities. The majority of public safety expenditures were by the Department of Corrections to operate 12 correctional facilities, which house approximately 12,176 adults in custody.

Chart 22: Fiscal Year 2023 Public Safety Expenditures by Agency



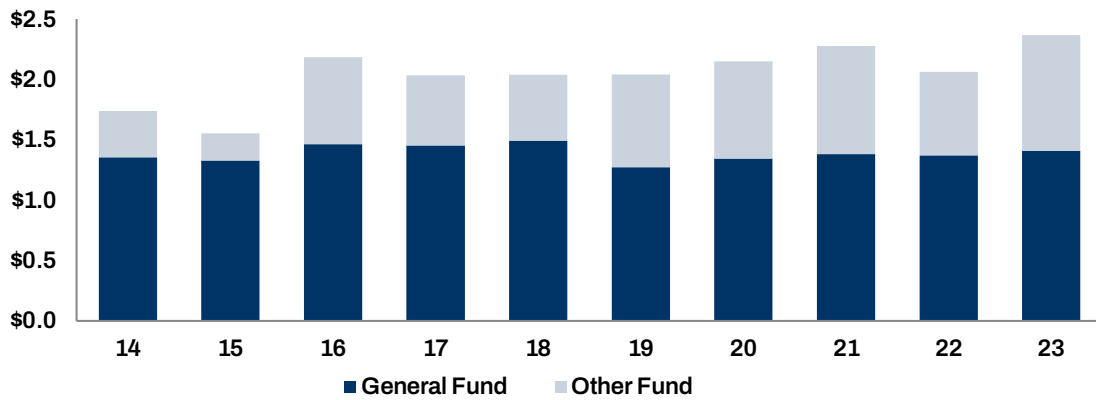
The number of adults in custody in Oregon’s prisons decreased 17% over the past decade. The decrease beginning in 2020 was primarily attributed to COVID pandemic factors, namely a sharp reduction in prison intakes. Ongoing decreases are due to higher than anticipated release rates, and a reduction in serious crime rate convictions in Oregon.

Chart 23: Oregon Prison Inmate Population, FY ended June 30



Overall, expenditures increased moderately over the past 10 years. 2016 increases were caused by the Oregon Supreme Court ruling in *Moro v. State of Oregon*, which reversed a significant portion of reductions and resulted in the recognition of \$373 million in pension expenses. Additionally, 2015 had a credit to expense with a 2016 debit to expense due to a change in government accounting of pension expenses.

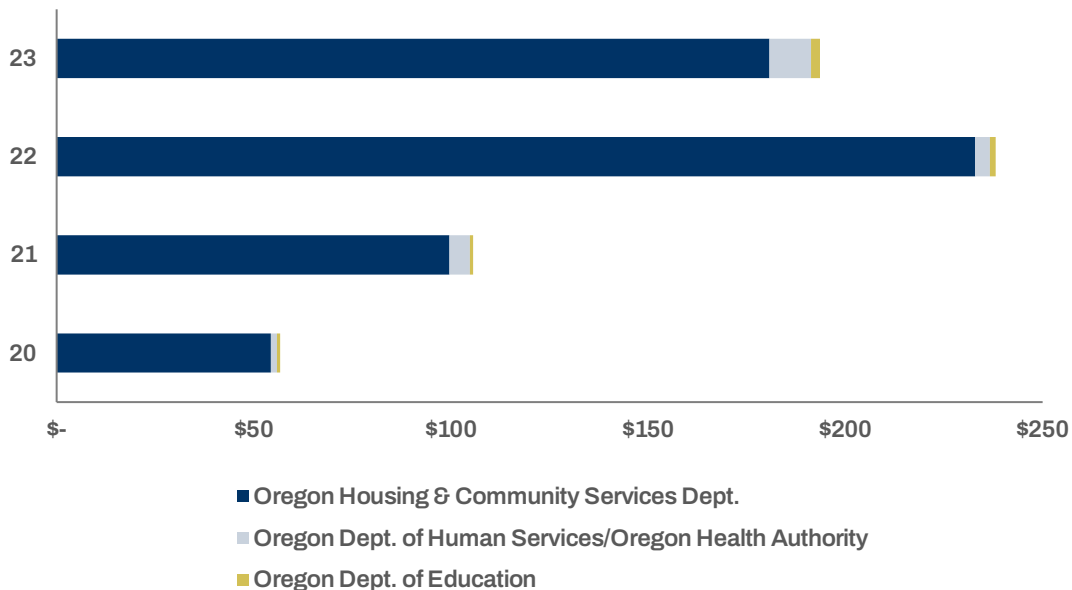
Chart 24: Public Safety Expenditures, adjusted for inflation (in millions), FY ended June 30



Unhoused Expenditures

The unhoused population in Oregon has increased 66% since 2014 to over 20,100 individuals. Housing assistance programs focus on helping low-income persons who are unstably housed or have emergency needs and work to reduce community poverty and ensure available shelter resources for the unhoused. Program expenditures totaled \$193.6 million in 2023 and are primarily funded by state sources. The 2022 increase was due to expanded federal funding for the Oregon Emergency Rental Assistance program to address the COVID pandemic.

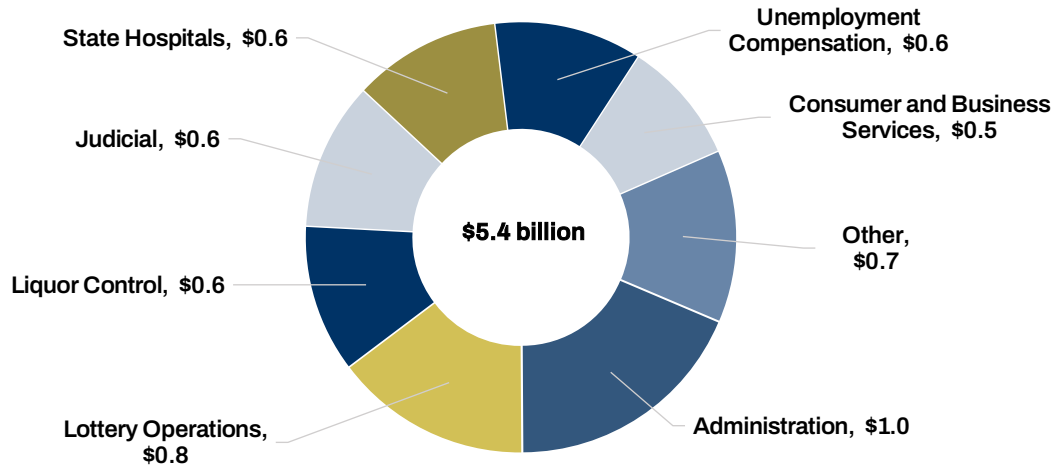
Chart 25: Unhoused Program Expenditures, adjusted for inflation (in millions), FY ended June 30



Other Expenditures

Governmental funds also support the operations of other smaller agencies and programs that account for a smaller extent of the state's total expenditures. In 2023, about \$5.4 billion, or 12.4% of the state's total expenditures were related to other expenditures including administration, liquor control costs, and operations of the Judicial and Lottery systems. See the appendix for expenditure details by program area and state agency.

Chart 26: Fiscal Year 2023 Other State Expenditures by Program Area, adjusted for Inflation (in billions)

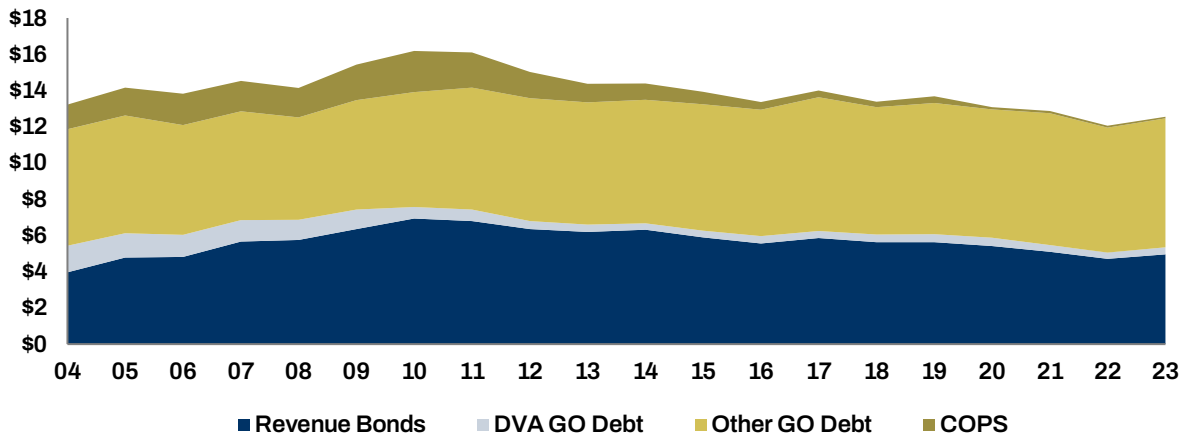


Long-Term Debt

Long-Term Debt Structure

The issuance of long-term debt allows the State to acquire major assets and finance large projects such as buildings, bridges and highways, prisons, technology upgrades, and infrastructure improvements. An increase in debt, however, limits the state’s ability to react to current economic conditions and unexpected or adverse events. When resources are committed to pay fixed amounts for debt service, the ability to maintain service levels becomes more difficult, especially when revenues decline.

Chart 27: Long Term Debt, adjusted for inflation (in billions), FY ended June 30



The Oregon Constitution and state statutes limit the total amount of debt the state may incur, but individual agencies may issue debt for specific programs pursuant to state law.

Oregon’s outstanding debt falls into four broad categories:

Revenue Bonds finance a variety of general government projects. Repayment is secured by a pledge of specific revenues, such as highway projects using highway user taxes as the repayment source. The amount of revenue bonds outstanding as of June 30, 2023, was \$4.95 billion.

General Obligation Bonds finance a variety of general government projects. These bonds are secured by a pledge of the full faith, credit, and taxing power of the state, and are limited to a percentage of the real market value of all taxable real property in the state. The amount of general obligation bonds outstanding as of June 30, 2023, was \$7.1 billion, or 7.3% of the maximum allowed.

DVA General Obligation Bonds issued by the Department of Veterans’ Affairs (DVA) finance housing loans for qualifying veterans. Veterans’ home loan repayments fund the debt service payments for these bonds, but other state funds are available if DVA is unable to repay the bonds. The amount of DVA general obligation bonds outstanding as of June 30, 2023, was \$391 million.

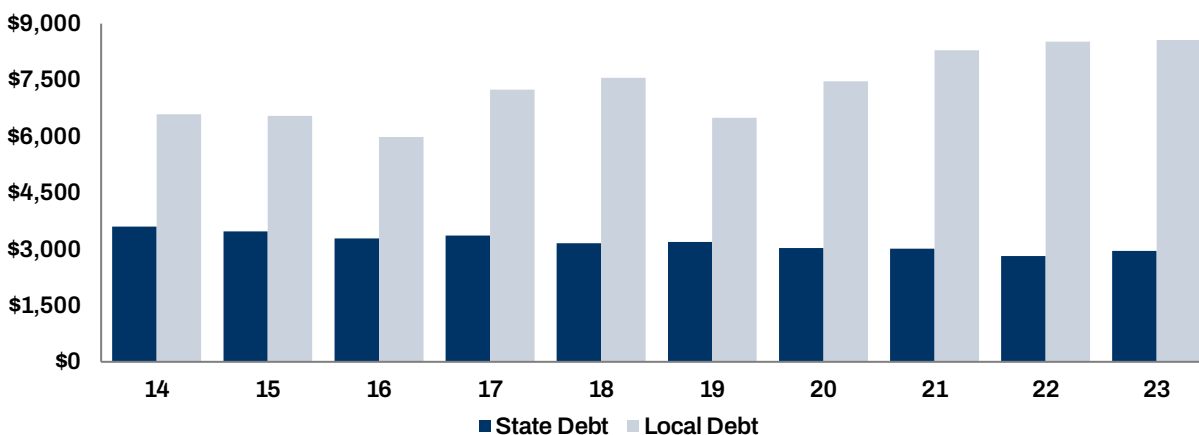
Certificates of Participation (COPS) are financing agreements used to purchase computer and telecommunications systems and other state facility projects. The amount of certificates of participation outstanding as of June 30, 2023, was \$85.7 million.

Debt Per Capita

For 2023, the state’s bonded debt totaled \$12.7 billion, or \$2,953 per Oregonian. This was less than \$3,000 for the first time in more than ten years beginning in 2022. The estimated local government outstanding debt totaled \$36.8 billion, or \$8,563 per Oregonian. Additionally, outstanding U.S. government debt was \$25.1 trillion, or \$74,943 per person.

2021 local debt increases were attributable to advance and current refunding activities and issuance of Pension Obligation Bonds. 2022 local debt was issued for a variety of purposes including pension, healthcare, transportation, public facilities, and education.²

Chart 28: Debt Per Capita, adjusted for inflation, FY ended June 30

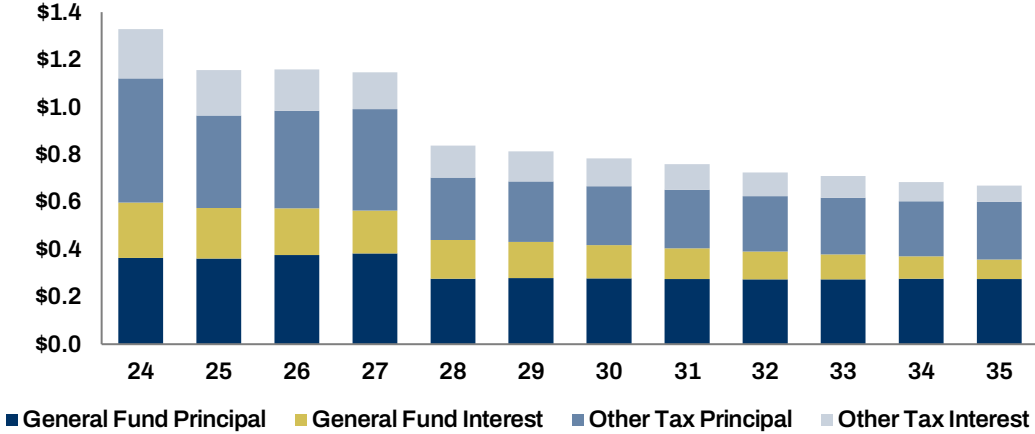


Future Debt Service

Expected future debt service payments are the amounts to be paid using General Fund monies and other tax revenues. The amounts in this section are not inflation adjusted. Other tax revenues include lottery revenue bond debt and highway user bond debt. As of June 30, 2023, the outstanding General Fund debt principal was \$5.3 billion, and the outstanding other tax supported debt principal totaled \$5 billion. The State expects to make approximately \$14.2 billion in future debt payments (principal and interest) until the debt is satisfied in 2049, with a significant decrease in annual debt service payments beginning in 2028 due to the completed repayment of pension obligation bonds.

² [Oregon Municipal Debt Advisory Commission 2022 Annual Report](#)

Chart 29: Future Debt Service Payments 2024-2035 (in billions), FY ended June 30

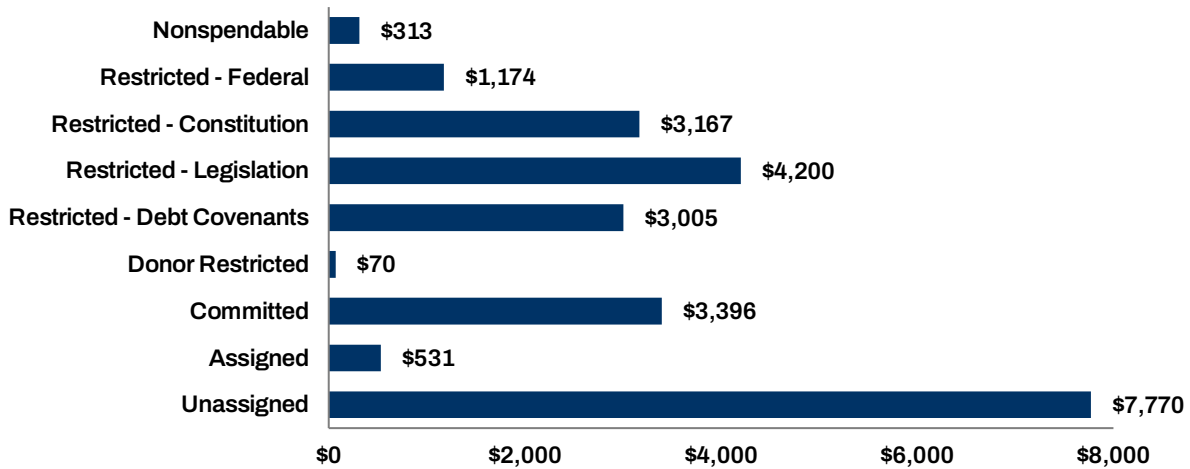


Fiscal Health

Governmental Fund Balance

Fund balance is the excess of assets over liabilities. Accounting standards require governments to report fund balance based upon constraints on the use of the resources reported in governmental funds. The five fund balance classifications are: nonspendable, restricted, committed, assigned, and unassigned. In general, nonspendable balances are “not in spendable” form, such as inventories. Restricted fund balances identify constraints imposed by state or federal law, the Oregon Constitution, or external parties such as creditors or grantors. Committed balances are constrained through the legislative process. Assigned balances reflect the state’s intent to use the funds for specific purposes. Unassigned balances are General Fund amounts not otherwise restricted, committed, or assigned.

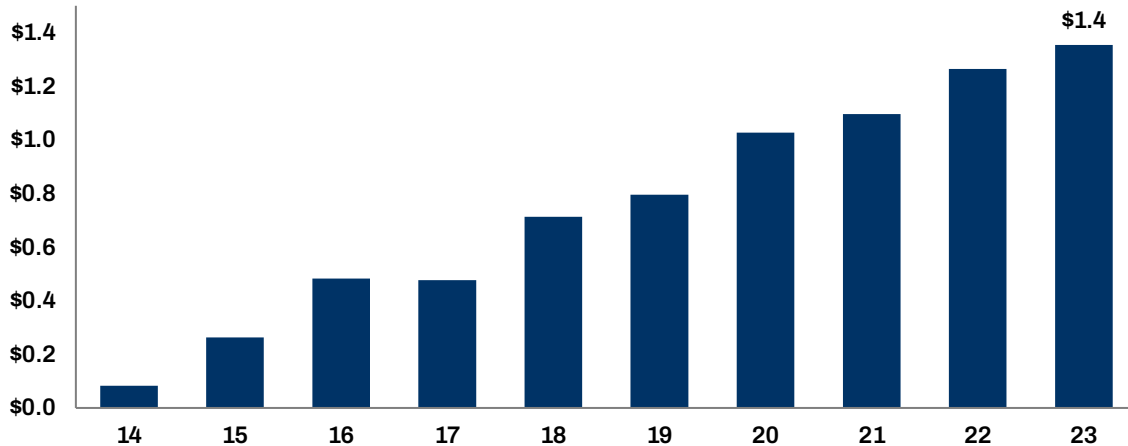
Chart 30: Governmental Fund Balance (in millions), June 30, 2023



Oregon Rainy Day Fund

The 2007 Legislature established the Oregon Rainy Day Fund through a transfer of excess corporate income taxes. Its purpose is to serve as a resource in times of economic downturns that significantly affect state government. State law requires General Fund transfers to the Oregon Rainy Day Fund when General Fund revenues exceed appropriations. For example, \$128.6 million was transferred to the Oregon Rainy Day Fund in 2023.

Chart 31: Oregon Rainy Day Fund, adjusted for inflation (in billions), FY ended June 30



State Retirement Liabilities

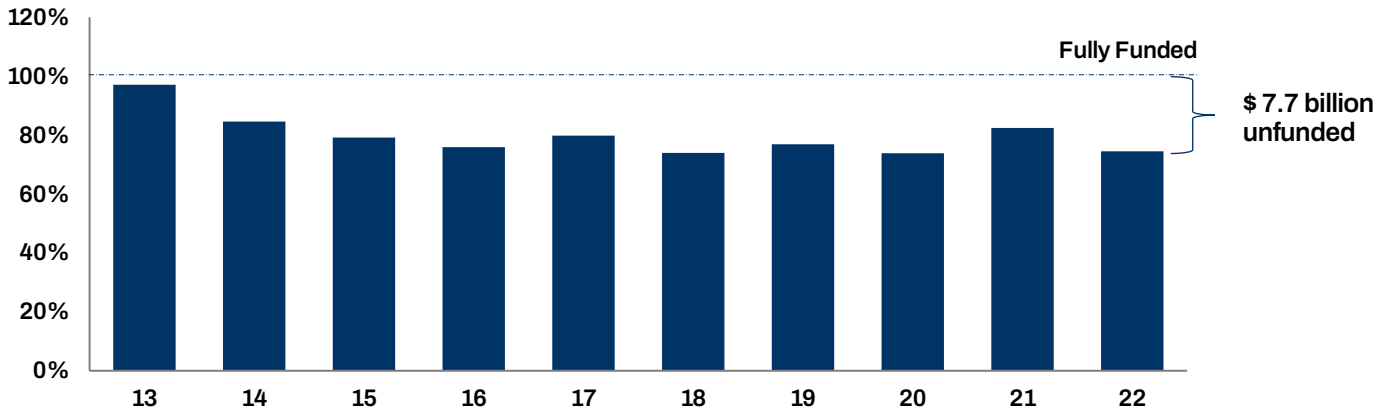
The State of Oregon provides pension and other retirement benefits to its employees, administered through the Public Employees Retirement System (PERS). PERS also administers pension plans for local governments, including cities, counties, and school districts. The following charts are limited to only the state's share of the pension liabilities and are not intended to provide a comprehensive analysis of all plans administered by PERS. The PERS 2023 financial statements are located on the PERS website.³

The funded ratio is an analysis of resources to pay estimated pension obligations; however, the funded ratio is only one factor to consider when evaluating the health of a pension plan. Other factors include the size of the pension obligation relative to the sponsor, the financial health of the sponsor, the funding or contribution policy and whether contributions are made in accordance with policy, and investment strategy.

As of December 31, 2022, the state's funded ratio was 74%, down from 82% in 2021, resulting in an unfunded PERS liability of about \$7.7 billion. According to the State Treasurer and PERS' actuarial firm, 2022 was a volatile investment market and not a great year for any pension system. As of June 30, 2023, actuaries estimated the average funded ratio of the 100 largest U.S. public pension plans was 76.8%. PERS' actuarial firm estimates the funded status is projected to reach 100% in 2040 with a steady +6.9% return scenario.

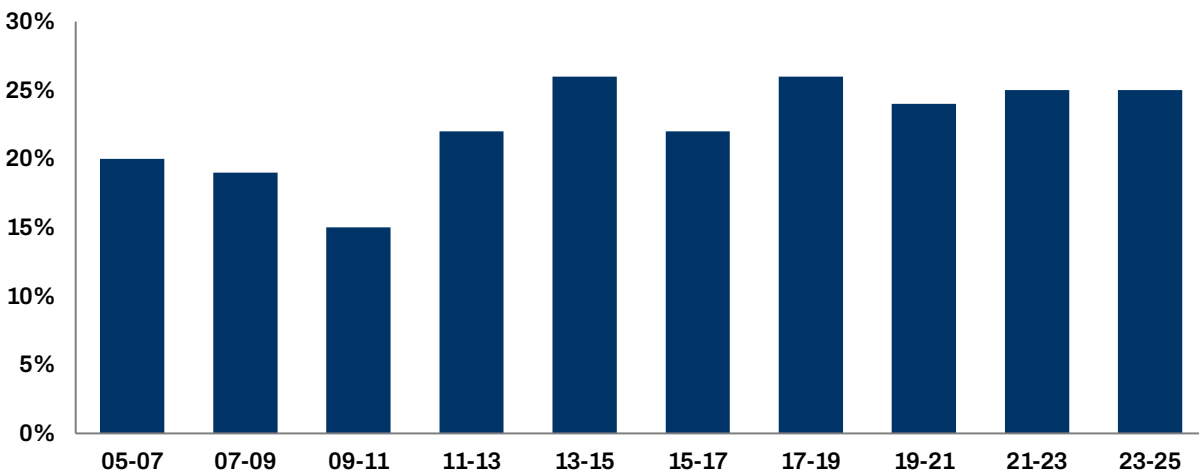
³ <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Chart 32: Funded Ratio: State Agencies, Calendar Year ended Dec 31



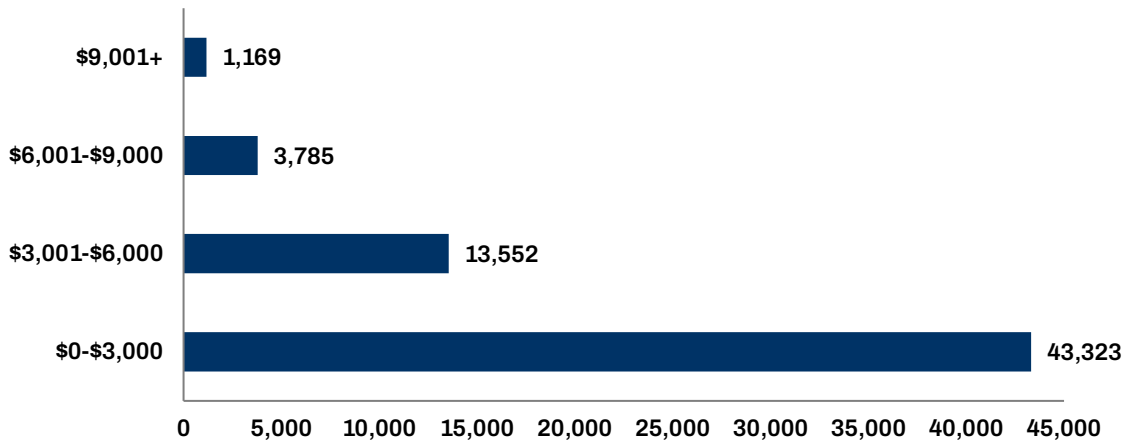
To fund pension benefits, agencies make required contributions based on a percentage of employee payroll. The required contribution includes an actuarially determined employer rate, updated every two years by the PERS Board, and a member contribution rate of 6%, set by statute.

Chart 33: State Agency Retirement Contribution Rates, percentage of payroll, Biennia ended June 30



Adjusted for inflation, the state paid approximately \$1.8 billion in retiree benefit payments in 2022 to 61,829 retirees, down from \$1.9 billion in 2021 to 60,697 retirees. About 70% of the 2022 monthly payments were for \$3,000 or less, with the average monthly state service payment of \$2,314. The average monthly payment in 2021 was \$2,415.

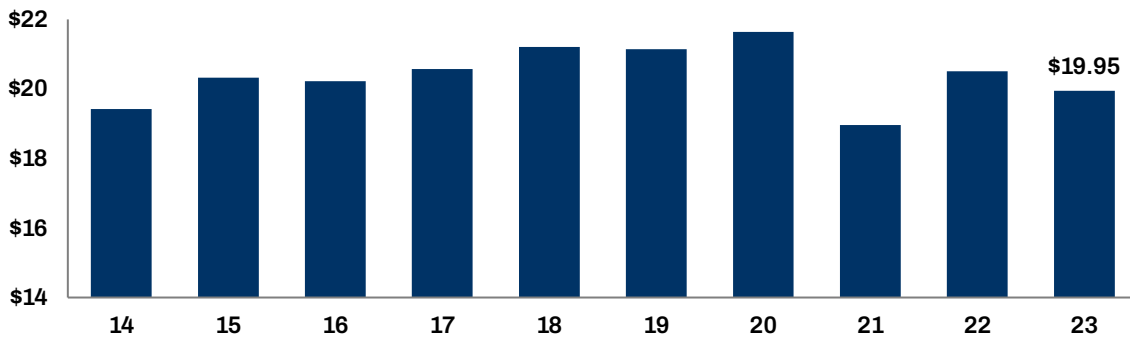
**Chart 34: State Service Retirement - Monthly Benefit Payments to Retirees, calendar year ended 2022
(not adjusted for inflation)**



Employee Health Care Costs

Although inflationary health care costs have declined since 2020, the average healthcare costs per employee have remained relatively steady over the last decade with an overall increase of 2.7%. In 2023, the state paid an average of \$19,949 per employee. Oregon added over 1,400 new employees in 2021, which was an atypical year for employee growth rates. The Oregon Employment Department, for example, added over 450 positions due to increased demands for unemployment insurance during the pandemic. One result of more employees without significant increases in costs is a lowering of the average health care costs per employee.

**Chart 35: Average Annual Health Care Costs per State Employee, adjusted for inflation (in thousands),
FY ended June 30**

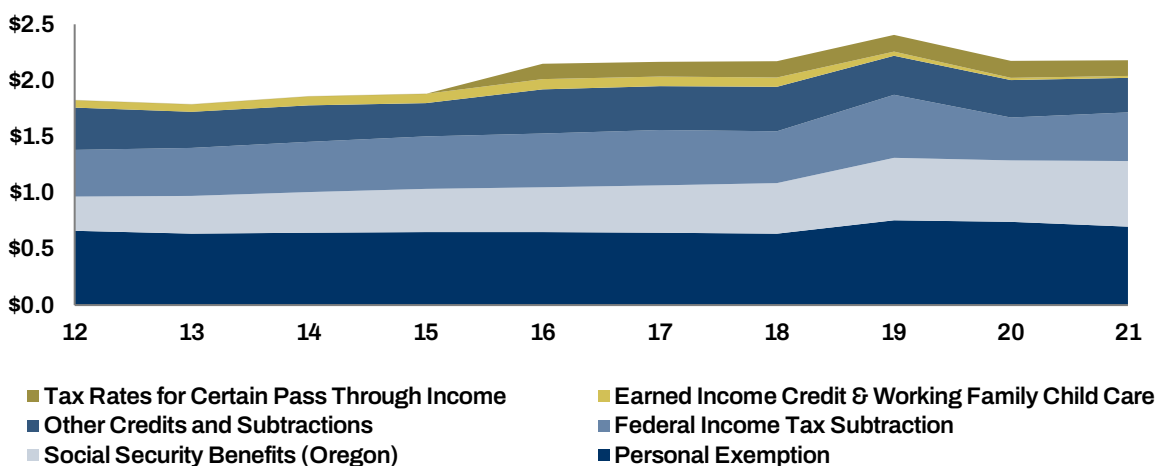


Tax Expenditures

Tax expenditures are federal or state laws that exempt certain persons, property, income, goods, or services from the impact of established taxes. These provisions primarily support specific activities or

assist specific groups of taxpayers. Thus, tax expenditures often accomplish the same goals as direct spending programs at the cost of reduced tax revenues.

Chart 36: Selected Oregon Income Tax Expenditures, Tax Years 2012-2021, adjusted for inflation (in billions)



The Legislature, as the law-making and budget-setting branch of state government, decides how to balance tax expenditures with other policies. While the Legislature can define most tax expenditures, some are beyond its ability to change due to pre-existing laws and regulations. For example, Article IX, Section 9, of the Oregon Constitution prohibits the taxation of social security benefits. Many other tax expenditures are the result of the Legislature’s desire for Oregon’s income tax laws to align with federal income tax laws.

The Governor issues a report outlining the estimated tax expenditures for the upcoming biennium pursuant to Oregon’s 1995 Budget Accountability Act. This Tax Expenditure Report helps legislators and Oregonians to understand the nature and estimated fiscal impact of tax expenditures. The complete tax expenditures report is available on the Department of Revenue website.⁴

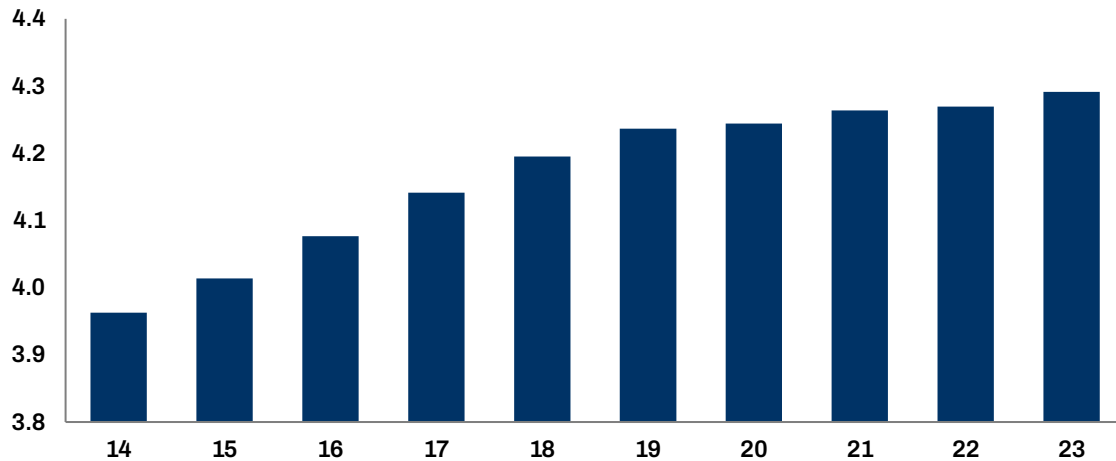
⁴ https://www.oregon.gov/dor/gov-research/Pages/tax_expenditure_report.aspx

Environmental

Population

Oregon has an estimated population of 4,291,525 as of July 1, 2023. The state's population has grown 8.3% since July 1, 2014, but the growth rate has lessened since 2019.

Chart 37: Oregon Population (in millions), July 1

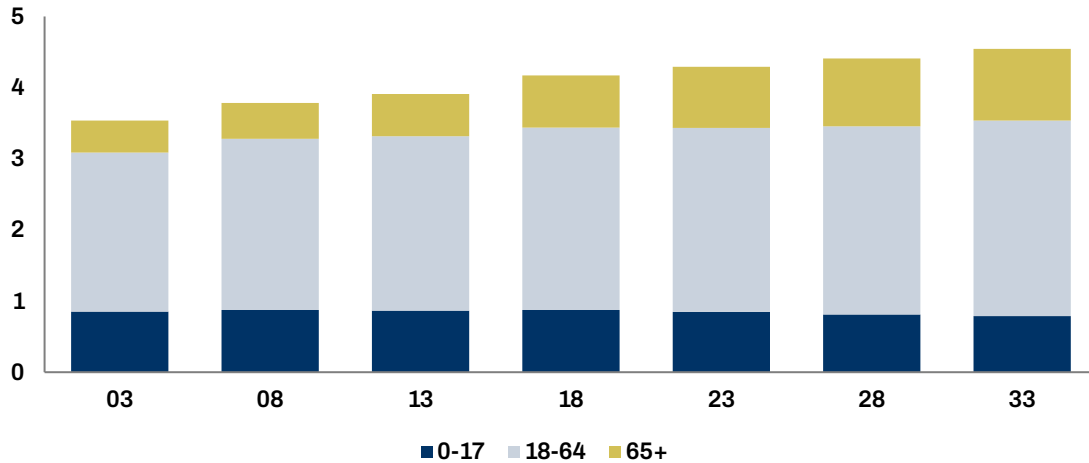


Age Demographics

As Oregon's population continues to age, more individuals are reaching retirement age and are eligible for Social Security and Medicare health care benefits. The expected average annual growth rate of the population over age 65 is 1.7% over the next decade. By 2033, roughly one in every five Oregonians will be over 65.

There is also a slowdown in the number of people having children, which may result in a stagnant or slowing population. By 2033, it is expected that 17% of the population will be under the age of 18, which is a 3% drop from the current rate of 20%.

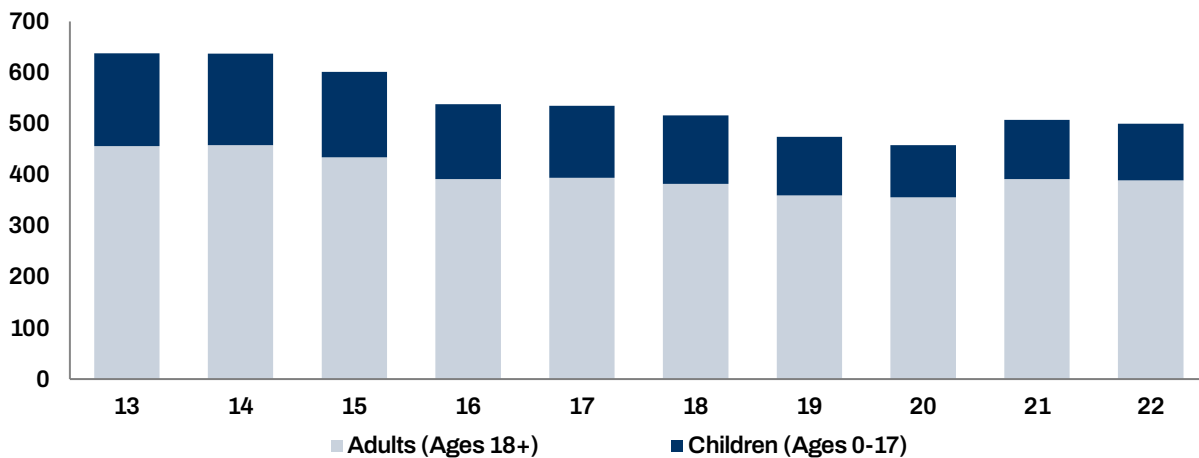
Chart 38: Oregon Age Structure 2003-2033 (number of people in millions), July 1



Poverty

The poverty threshold is the federally determined level of income necessary to achieve a minimum standard of living. For example, in calendar year 2022, a family of four with a gross annual income of less than \$29,950 (not inflation adjusted) would be considered living in poverty. People living in poverty drive demand for many state services such as health care, unemployment, and public assistance.

Chart 39: Number of Oregonians in Poverty 2013-2022 (in thousands), December 31



Twelve percent of the population in Oregon live in poverty, a decrease of 22% since 2013. For 2022, Washington County had the lowest poverty rate in the state at 7.6% and Malheur County had the highest at 19.8%. In 2022, Oregon ranked 27th for people in poverty in the U.S., an improvement from its ranking of 33rd in 2013.

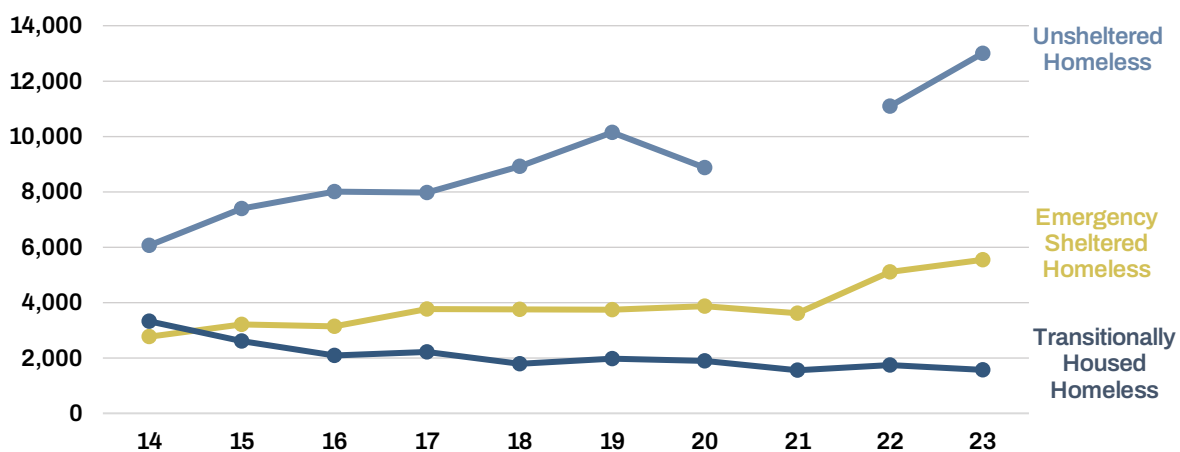
Unhoused Population

Oregon has an unhoused population of approximately 20,142 individuals, an increase of approximately 66% since 2014, with 2,617 of those individuals under the age of 18.

Compared to the percentage of population they comprise, houselessness is higher for non-White and non-Asian populations. Approximately 13,000 individuals were identified as unsheltered, or 65% of the unhoused population. The number of unsheltered houseless persons has increased 46% since 2020. Per a December 2022 U.S. Department of Housing and Urban Development report, Oregon had the highest rate of chronic homelessness in the nation with 44% of individuals experiencing homelessness showing patterns of chronic homelessness. Chronic homelessness means that someone has a disability and has been homeless for more than one year or has experienced homelessness multiple times over several years. They define disability as an individual having a condition that results in physical, mental, or emotional impairment, including impairments caused by substance abuse, and could be improved by more suitable housing conditions.

In January 2023, Governor Kotek issued executive orders declaring a state of emergency due to homelessness in certain continuum of care regions and instructing state agencies to prioritize reducing both sheltered and unsheltered homelessness in all areas of the state, not just those in which an emergency has been declared.

Chart 40: Unhoused Population, Point In Time January



2021 Note: Due to the COVID pandemic, the January 2021 point in time count of unsheltered persons was not conducted in most regions nationwide, including Oregon. Sheltered safe haven housing represents less than 23 persons.

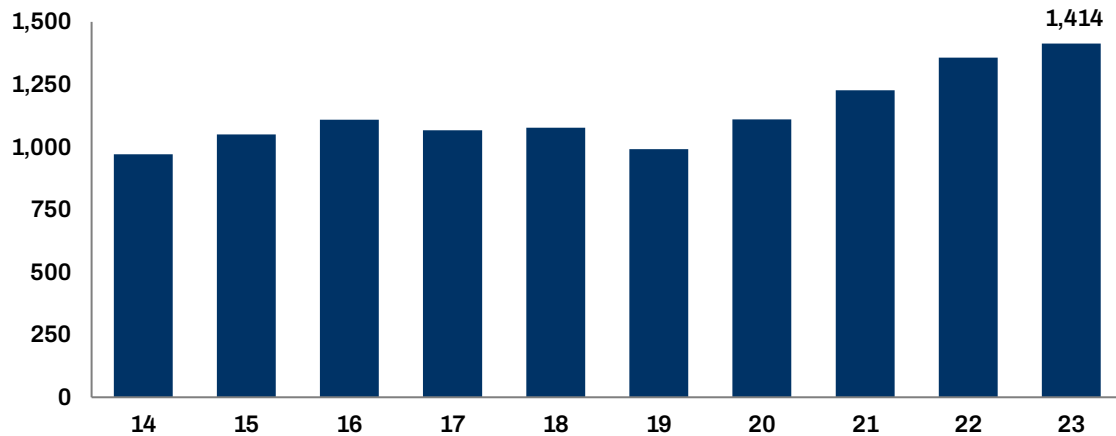
The different types of shelters for the unhoused include:

- **Emergency Shelters**, which are facilities with the primary purpose of providing temporary shelter;
- **Transitional Housing**, which are facilities that provide shelter combined with supportive services for up to 24 months; and
- **Safe Havens**, which are projects that provide temporary shelter and services to people experiencing severe mental illness; limited to no more than 25 people within a facility.

Oregon Health Plan

The Oregon Health Plan (plan) is a public/private partnership that provides access to basic health care for low-income Oregonians. Medicaid, the single largest state program, is the primary component of the plan. The increases beginning in 2020 occurred as more individuals qualified for the plan due to job loss and impacts from COVID. In 2023, nearly 33% of Oregon’s population was enrolled in the plan; this is an increase from 24.5% of the population in 2014.

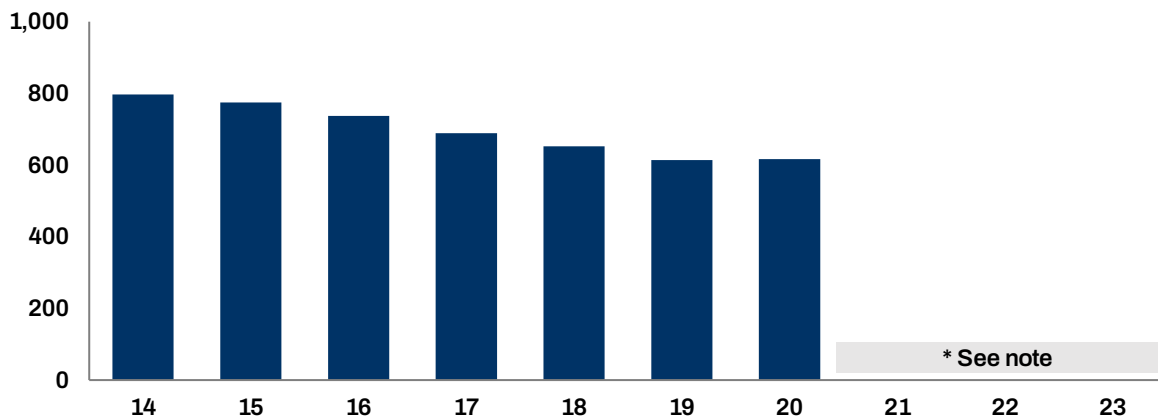
Chart 41: Oregon Health Plan Clients (in thousands), FY ended June 30



Supplemental Nutrition Assistance Program

In 2020, 15% of Oregon’s population participated in the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, relying partly on the government for supplemental assistance with purchasing basic groceries. In recent years, Oregon has typically ranked in the top five states in terms of percent of SNAP participants per capita.

Chart 42: Supplemental Nutrition Assistance Program Average Number of Individuals (in thousands), FY ended June 30

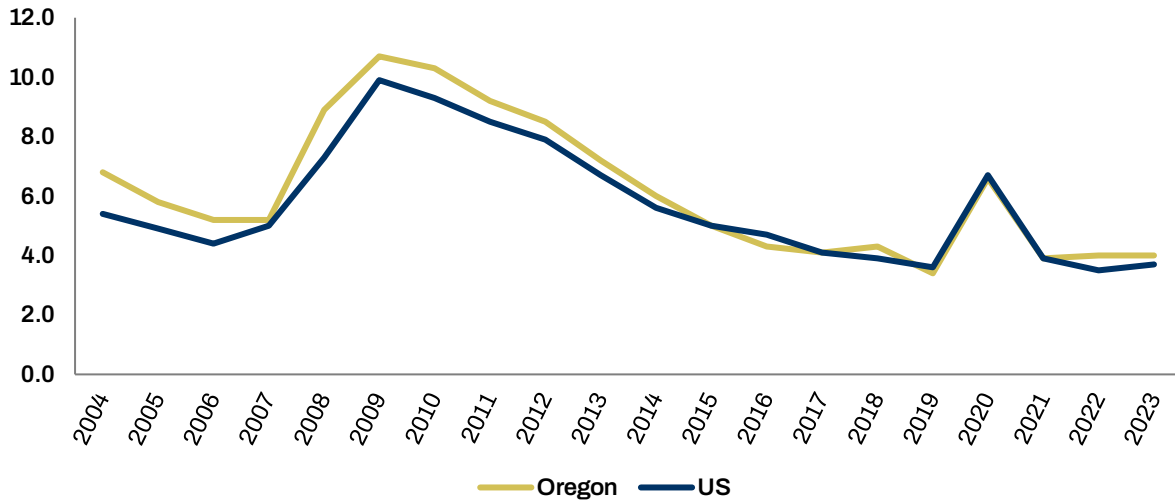


* At the time of this report’s finalization, data for fiscal years 2021-2023 were unavailable for reporting.

Percent Unemployed

The unemployment rate measures those without employment actively seeking employment. Oregon's calendar year 2020 unemployment rate spiked due to COVID but has since returned to near pre-pandemic levels. Oregon's rate in 2022 and 2023 was 4%; with U.S. rates at 3.5% and 3.7%. Oregon is tied with two other states at 35th for low unemployment, worsening from a ranking of 21st in 2019.

Chart 43: Percent of Labor Force Unemployment Rate (seasonally adjusted), Calendar Year ended Dec. 31



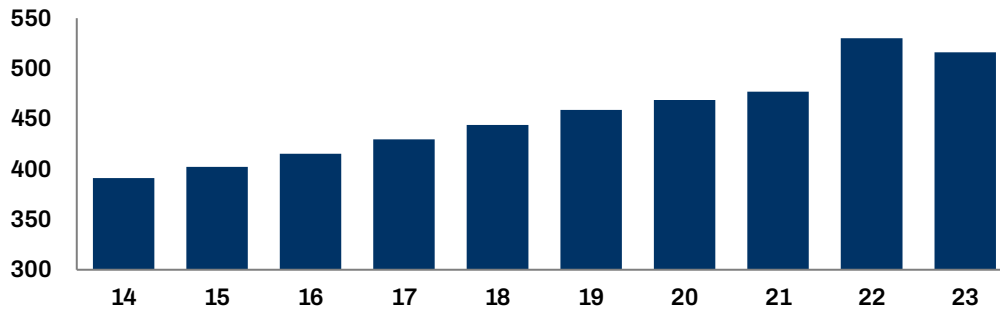
Within Oregon, Wheeler and Hood River counties have the lowest unemployment rates at 2.7% and 3.0%, respectively, while Crook and Lake counties have the highest rates of 5.7% and 5.0%, respectively.

In 2022 the U.S. Census Bureau estimated unemployment rates are higher for those with less education and non-White and non-Asian demographics.

Oregon Businesses

One measure of economic strength is the number of businesses in the state. Businesses provide goods and services for consumers and provide jobs and benefits for employees. Oregon business registrations peaked in 2022. The number of Oregon businesses increased 31.9% in the last ten years, and 10.1% since 2020.

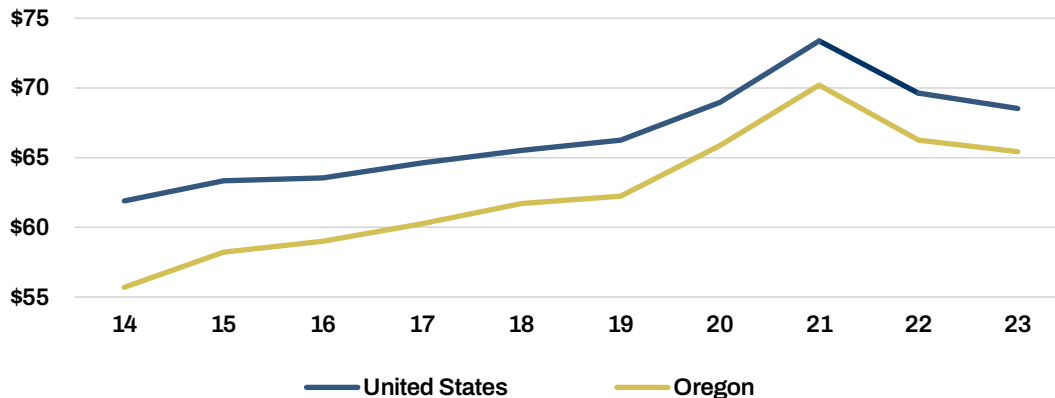
Chart 44: Number of Businesses Registered in Oregon (in thousands), FY ended June 30



Per Capita Personal Income

Oregon's per capita personal income (PCPI) continues to follow national trends in recent years but remains below the national average. In 2023, Oregon's PCPI was about 95% of the national average at \$65,426, making Oregon 22nd among states. The gap has steadily improved since 2014, when Oregon's PCPI was 90% of the national average. A 2022 report issued by the Oregon Employment Department stated the COVID pandemic impacted PCPI as many people lost their jobs and the pandemic drastically slowed the economy, however, the significant increase and peak seen in 2021 is primarily due to COVID federal stimulus funding, and increased unemployment insurance benefits.

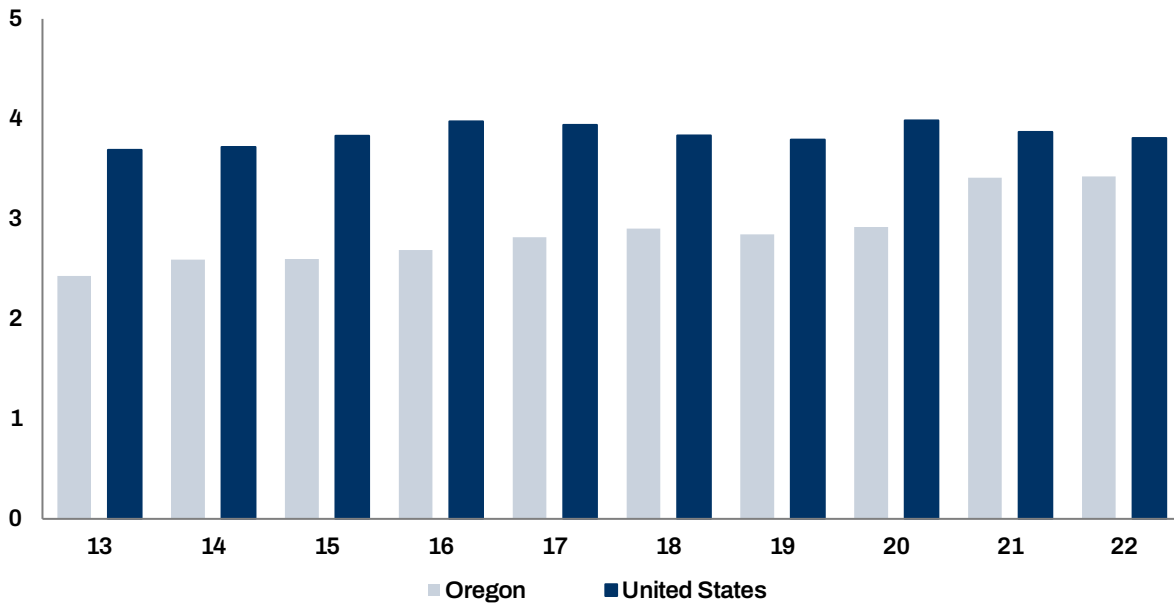
Chart 45: Per Capita Personal Income, adjusted for inflation (in thousands), FY ended June 30



Violent Crime Rate

Oregon's crime rate affects public safety expenditures, such as prisons and state police. The Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program defines violent crimes as those offenses involving force or threat of force. Violent crime is composed of four offenses: murder, rape, robbery, and aggravated assault. Oregon has historically had a lower violent crime rate than the nation, however, the disparity significantly lessened in calendar years 2021 and 2022. Oregon's violent crime rate has increased 20% since 2019 while the U.S. increase was 0.3%. In 2022, Oregon ranked 25th in violent crimes, up from 36th in 2019.

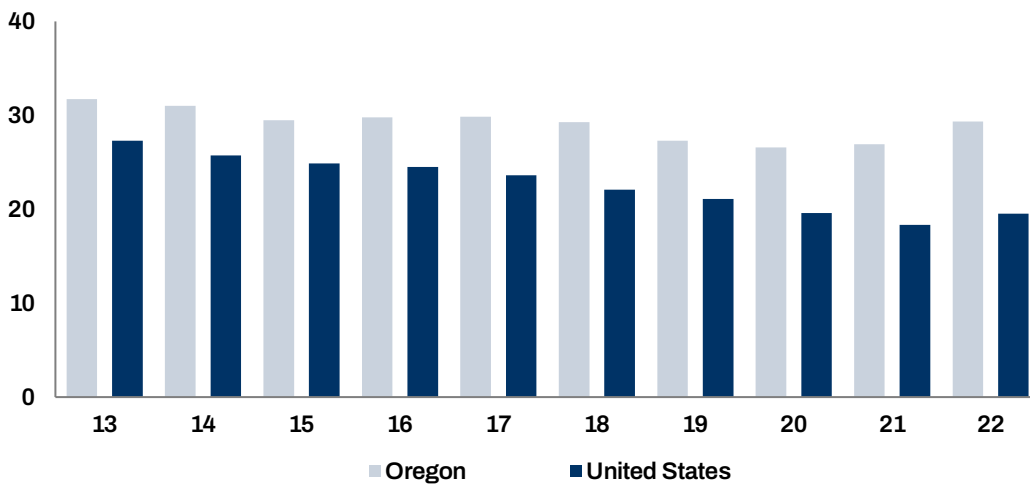
Chart 46: Violent Crime Rate per 1,000 Residents, Calendar Year basis



Property Crime Rate

In the FBI’s Uniform Crime Reporting Program, property crime is composed of four offenses: burglary, larceny-theft, motor vehicle theft, and arson. The object of the theft-type offense is the taking of money or property, but there is no force or threat of force against the victims. Historically, Oregon has had a higher property crime rate than the nation, but the disparity is increasing. Oregon’s property crime rate increased 7% since calendar year 2019 while the U.S. property crime rate decreased 7%. In 2022, Oregon ranked 4th in property crimes.

Chart 47: Property Crime Rate per 1,000 Residents, Calendar Year basis



2023 Significant Factors

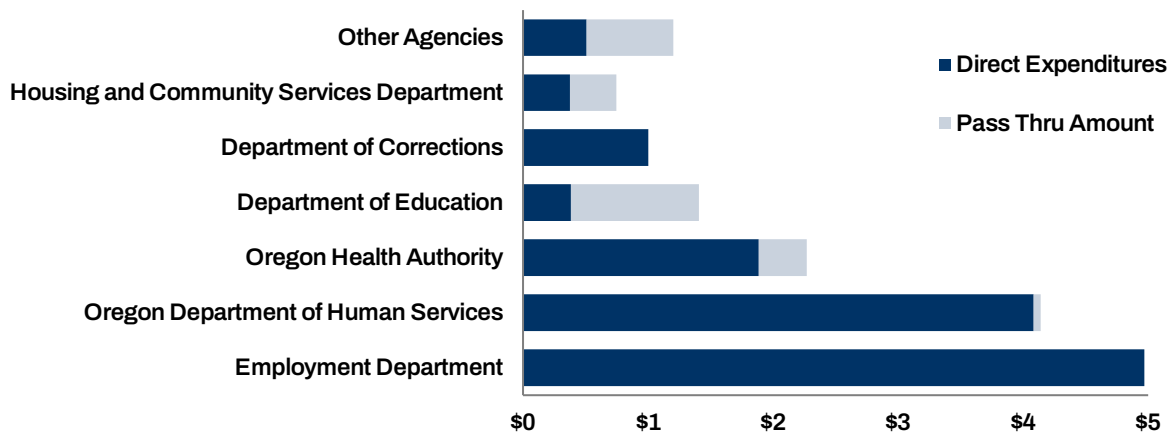
COVID Pandemic

In January 2020, the COVID pandemic began. The pandemic was declared a United States national emergency in March 2020 and had major impacts on the day-to-day lives of Oregonians. The COVID national emergency was in effect until legislation was signed into law on April 10, 2023, declaring an end to the national emergency.

During the COVID pandemic, the federal and state governments implemented various actions and procedures to mitigate the impacts of COVID and address economic slowdown. In total, 42 Oregon executive orders were signed into effect which included declaring a state emergency, sanitization and distancing practices to follow federal guidelines, and the ending of the state emergency. The state government was also responsible for administering the emergency pandemic funding received from the federal government. During the approximately three years, Oregon received and expended \$15.7 billion in federal pandemic funds with \$13.2 billion (84%) being direct expenditures by state agencies and \$2.5 billion (16%) in funds passed-through to local governments.

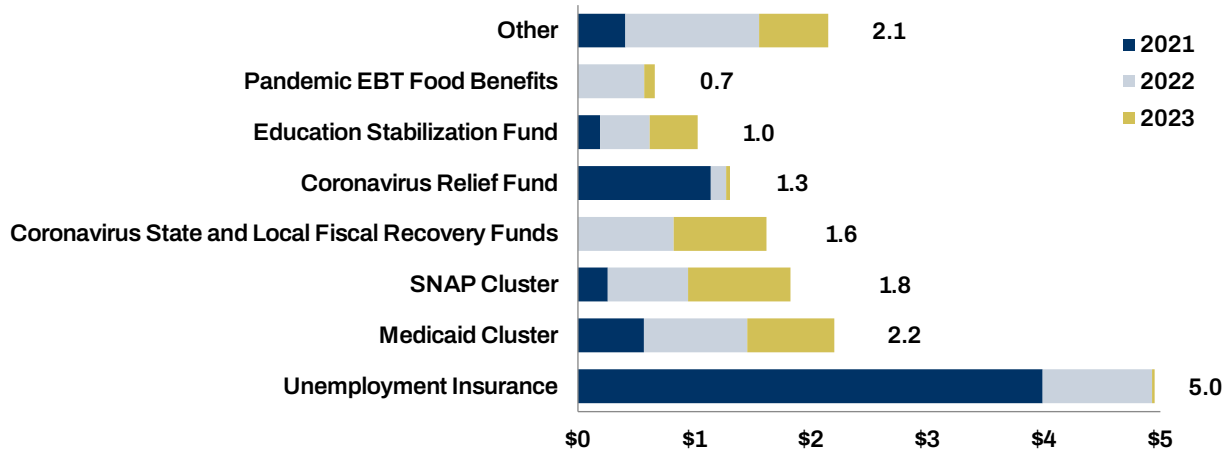
The majority of COVID funds received were expended by three state agencies: the Oregon Employment Department expended \$5 billion (32%); the Oregon Department of Human Services expended \$4.1 billion (26%); and the Oregon Health Authority expended \$2.3 billion (14%).

Chart 48: Total COVID Expenditures by Agency (in billions), Fiscal Years ended June 30, 2021-2023



The majority of COVID expenditures related to four programs: Unemployment Insurance (32%), Medicaid (14%), SNAP (12%), and Coronavirus State and Local Fiscal Recovery Funds (10%).

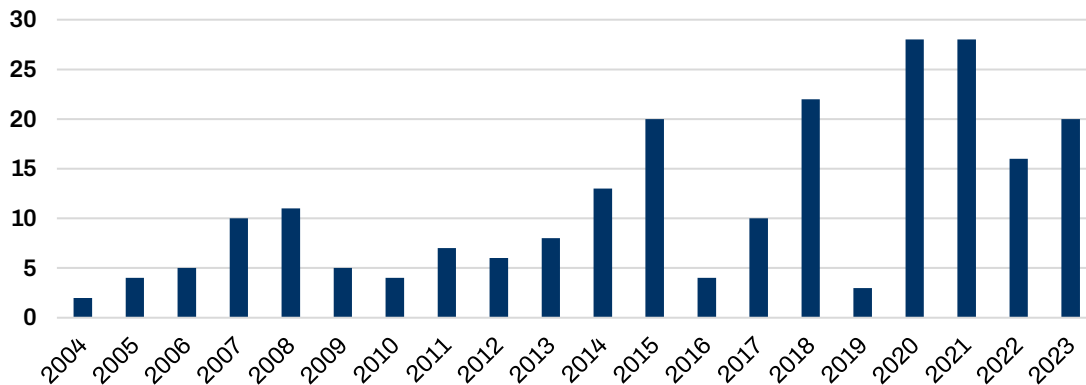
Chart 49: Total COVID Expenditures by Federal Program (in billions), FY end June 30 2021-2023



Weather-Related Emergencies

Weather-related emergencies in the state, consisting of fire, heat, drought, and storm, have increased during the last 20 years. The number of fire-related executive orders issued by the Governor averaged 2.5 per year from calendar year 2004 through 2013, then rose to an average of 7.9 per year from 2014 to 2023.

Chart 50: Number of Weather-Related Executive Orders, Calendar Year

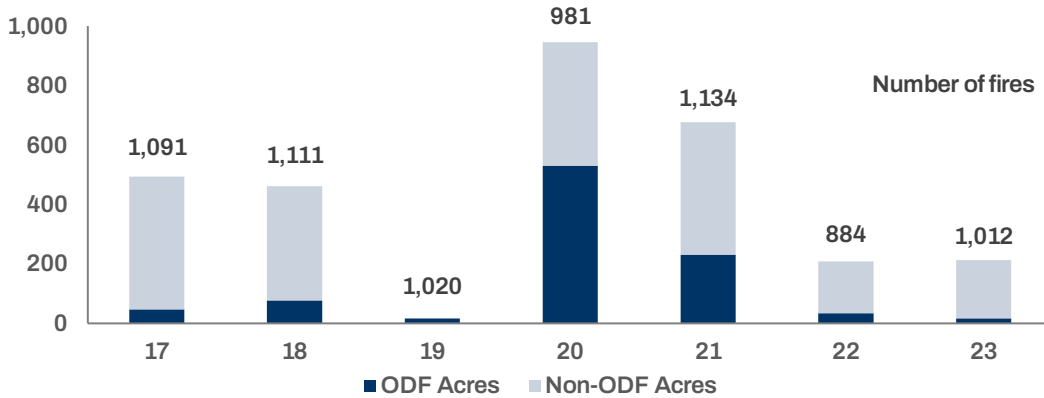


Wildfires

The Oregon Department of Forestry (ODF) fire program protects 16 million acres of public and private forestland, about one-half of the state’s total forest acreage. Most of the lands protected by the agency are working forests that produce revenue and support jobs. ODF’s firefighting policy is to prevent fire damage to the timber resource and to safeguard fish and wildlife habitats. Additionally, the Governor can authorize the state to assist in the protection of land that is outside the state’s responsibility through the Emergency Conflagration Act in response to fire, a heightened danger of fire, or a significant reduction in available firefighting resources.

Although the number of fires increased in both calendar years 2021 and 2023 since the historic Labor Day fires of 2020, the acreage burned each year has decreased.

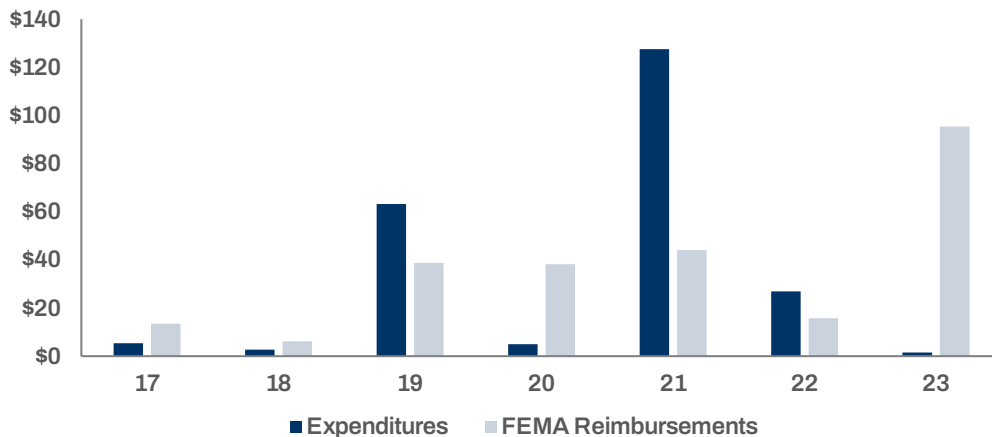
Chart 51: Acres Burned, ODF vs. Non-ODF Acres (in thousands), Calendar Year



Firefighting costs for large fires are covered through a combination of the state General Fund, federal funds, and public and private landowner funds. In 2023, the Oregon Department of Forestry did not renew its catastrophic wildfire insurance policy it held with Lloyd’s of London for 50 years due to increased premiums and deductibles. Per the department, the premium amount was higher than what the department had paid for past firefighting costs. The Federal Emergency Management Agency (FEMA) reimburses the state for qualified fires through a Fire Management Assistance Grant. Qualified fires are those that have significant potential to destroy homes and businesses, or to displace or risk lives.

Firefighting expenditures were \$1.5 million in 2023 compared to \$127.5 million in 2021, which were the result of wildfires in fall of 2020. FEMA reimbursements can lag behind fire expenditures for several years.

Chart 52: FEMA Firefighting Expenditures and Reimbursements (in millions), FY ended June 30

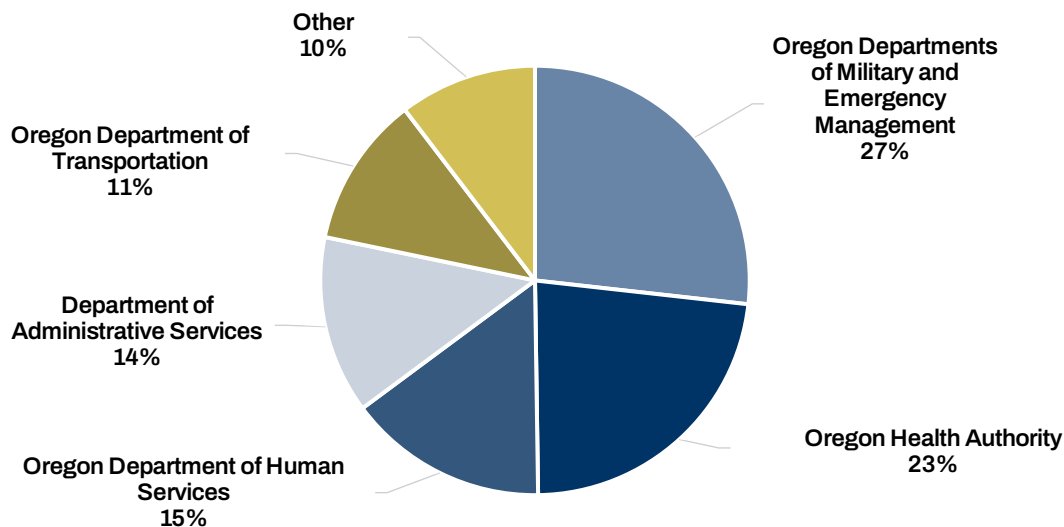


Other Disaster Expenditures

The objective of Disaster Grants - Public Assistance (Presidentially Declared Disasters), another federal program, is to assist states in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures, and the repair, restoration, reconstruction or replacement of public and eligible private non-profit facilities or infrastructure damaged or destroyed as the result of Presidentialy-declared major disasters or emergencies.

In 2021, 2022, and 2023, Oregon expended and passed-through a total of \$408 million, \$121 million, and \$499 million, respectively, in Disaster Grants.

Chart 53: Disaster Grant Expenditures by Agency, Fiscal Years 2021-2023 ended June 30⁵



Another \$7.9 million was expended in total those same years to reduce the risk of future damage in areas already affected by a major disaster, through the Hazardous Mitigation Grant, which provides funding support to states to reduce the risk of future damage, loss of life and property in any area affected by a major disaster.

Opioid Use

Like the rest of the nation, Oregon is experiencing an opioid crisis, involving misuse, abuse, overdose and death. Opioids include prescription painkillers such as oxycodone and morphine, as well as heroin and illicitly manufactured fentanyl.

As part of a strategic plan to reduce addiction and alleviate its impacts, former Governor Brown issued an executive order in March 2018, tasking nine state agencies to work with the Alcohol and Drug Policy Commission to create a Statewide Addiction Prevention, Treatment, and Recovery Plan.

As of calendar year 2021, Oregon continued to rank high nationally in rates of substance use disorders and low in access to treatment.⁶ Oregon's opioid overdose death rate is rapidly growing compared to the nation as a whole. Oregon's rate of increase was 58% in 2021 and 27% in 2022, compared to the U.S. rate of increase of 17% and 2%, respectively. In 2015 one in 12,196 persons died from opioid overdose, compared to one in 3,393 in 2023.

⁵ 2021 House Bill 2927 established the Oregon Department of Emergency Management as an independent agency breaking out from the Oregon Military Department.

⁶ *Oregon Health Authority and Oversight and Accountability Office: Funding and Delivery of Measure 110 Substance use Disorder Services Show Progress, but Significant Risks Remain*, Secretary of State Audits Division, December 2023

Chart 54: Opioid overdose deaths in Oregon as of December 31

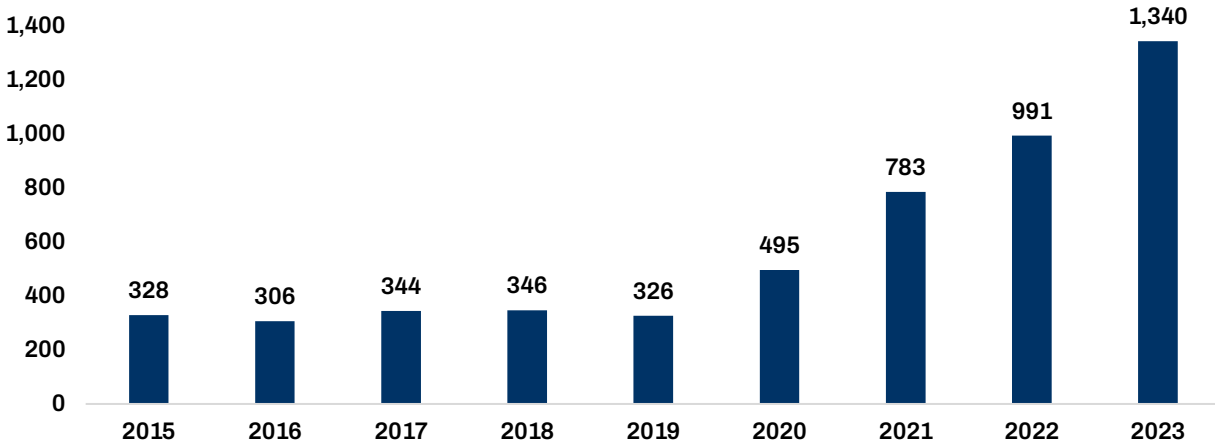


Chart 55: 2017⁷ Costs of Opioid Overdose and Use Disorder in Oregon, Adjusted for Inflation

	2017			2023
	Cases	Cost (millions)	Per capita cost	Cases
Fatal opioid overdose	344	\$ 10,403	\$ 2,511	1,340
Opioid use disorder	37,000	\$ 5,049	\$ 1,219	
		\$ 15,452	\$ 3,730	

Oregon’s Ballot Measure 110, the Drug Addiction Treatment and Recovery Act, became effective February 1, 2021. It was the first national program decriminalizing drug possession and allocated over \$100 million per year in cannabis revenue to expand treatment services. It is unclear whether policy makers and the public will be able to gauge the impact of the measure.⁸ Per an April 2024 report commissioned by the Oregon Health Authority, the total cost for meeting identified gaps in substance use disorder services and supports in Oregon is estimated at \$6.85 billion per year. On April 1, 2024, House Bill 4002 passed and rolled back key provisions of Measure 110, recriminalizing drug possession, but also expanding funding for substance abuse treatment.

Aging Systems and Workforce

Systems

Oregon relies on some outdated legacy systems for critical functions. The Statewide Financial Management Application, R*STARS, the Relational Statewide Accounting and Reporting System, is the

⁷ Florence C, Luo F, Rice K. The economic burden of opioid use disorder and fatal opioid overdose in the United States, 2017

⁸ Oregon Health Authority: *Too Early to Tell: The Challenging Implementation of Measure 110 Has Increased Risks, but the Effectiveness of the Program has Yet to Be Determined*, Secretary of State Audits Division, December 2023

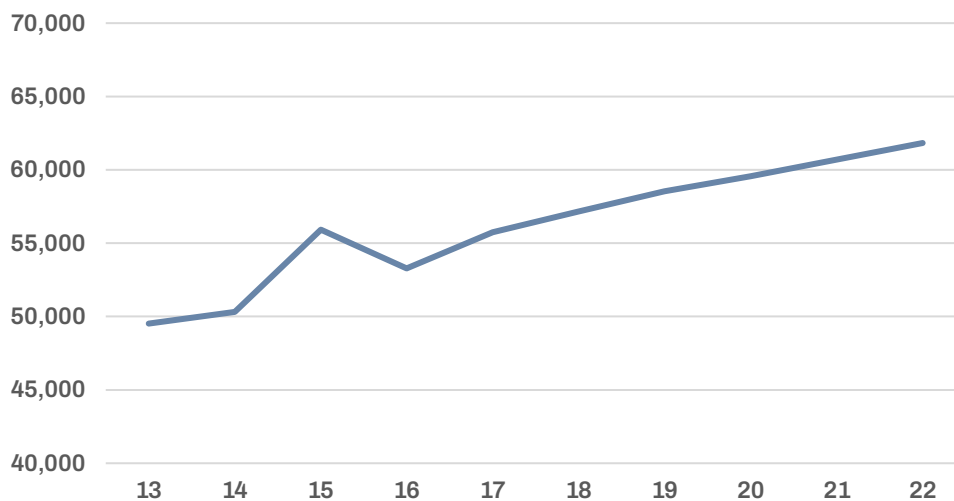
primary accounting application for the State of Oregon and is 29 years old. It is considered the book of record for financial reporting and becomes the basis for the amounts shown in the Annual Comprehensive Financial Report. The Oregon Department of Transportation (ODOT) implemented TEAMS in the 1990s, a subsidiary system that tracks payments, billings, and receipts before interfacing data to R*STARS. ODOT has several other systems that interface to TEAMS.

Outdated legacy systems may lack capacity for current data volumes, may no longer suit current business needs, and may be difficult to integrate with newer systems that are being implemented. Legacy systems also risk losing support from their original vendors, lack access to necessary updates, and can be challenging for staff unfamiliar with the programming code. Furthermore, out-of-market hardware systems may not provide adequate security for the latest vulnerabilities, increasing their susceptibility to common cyber threats.

Workforce

The percentage of overall employees eligible for retirement has remained steady since 2020. In 2023, over 14,000 (27%) of the state's active employees were eligible for retirement. Of those eligible for retirement, about 5,800 are enrolled in Tier 1 and Tier 2 pension plans which were closed to new entrants on January 1, 1996, and August 28, 2023, respectively. As a result, Tier 1 and Tier 2 participants have become eligible for retirement at an increased rate since 2020 and contributed to the steady increase in total retirees. When an agency faces retirements or turnover there is a risk the agency loses critical knowledge and skills necessary for the agency's success. It takes valuable time and resources to recruit, hire, and train for positions. To ensure the success and continuation of operations and service levels, state agencies should engage in succession planning and encourage knowledge transfer among existing staff.

Chart 56: Number of Retirees From State Service, FY ended June 30



Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Chief Education Office ⁴	2,381,231	18,123,218	3,585,915	4,160,245	1,913,201	2,869,605	(99)	-	-	-
Higher Education Coordinating Commission	1,620,737	3,420,841	1,057,704,449	1,095,955,804	1,214,856,431	1,187,523,712	1,423,871,182	1,263,304,632	1,501,630,777	1,524,212,083
Oregon Student Access Commission	65,597,267	67,942,412	(369,191)	-	-	-	-	-	-	-
Department of Education	4,077,959,368	4,388,400,994	4,571,698,837	4,722,392,027	5,148,109,407	5,285,662,650	5,591,143,536	6,423,060,919	7,156,176,394	7,419,073,970
Teacher Standards & Practices Commission	2,377,376	2,582,331	3,177,438	3,417,280	3,317,914	3,348,190	3,497,778	4,977,351	6,735,746	8,093,896
Community Colleges & Workforce Development	349,729,652	261,269,192	15,265,331	-	-	-	-	-	-	-
Oregon University System	2,566,484,000	334,943,000	-	-	-	-	-	-	-	-
Education Total	7,066,149,631	5,076,681,987	5,651,062,779	5,825,925,356	6,368,196,953	6,479,404,157	7,018,512,398	7,691,342,901	8,664,542,917	8,951,379,949
Department of Human Services	4,424,369,756	4,699,810,770	4,966,442,591	5,098,817,160	5,217,100,155	5,457,587,480	6,134,236,012	7,179,040,935	8,976,966,029	9,321,811,038
Long Term Care Ombudsman	1,488,455	1,695,144	2,586,841	3,120,550	3,066,948	3,760,924	4,034,613	4,487,662	5,241,269	6,240,034
Psychiatric Security Review Board	1,076,936	1,119,413	1,230,104	1,475,477	1,339,570	1,520,358	1,555,177	1,524,387	1,694,339	2,083,425
Oregon Health Authority	6,655,470,892	8,218,683,330	8,715,629,335	8,696,037,875	9,058,159,448	9,642,807,473	10,502,704,973	11,723,009,007	13,061,336,982	15,125,340,388
Commission for the Blind	8,031,352	8,006,035	8,508,364	10,557,455	10,579,162	10,868,692	12,209,846	11,856,878	11,620,768	12,557,636
Human Services Total	11,090,437,391	12,929,314,691	13,694,397,236	13,810,008,518	14,290,245,284	15,116,544,926	16,654,740,621	18,919,918,869	22,056,859,388	24,468,032,521
Department of Justice	215,331,259	222,477,424	282,236,828	275,772,782	290,703,768	269,800,933	322,993,432	345,203,194	382,416,502	514,018,629

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

District Attorneys and their Deputies	5,293,070	5,623,530	5,959,513	6,032,223	6,385,608	6,856,171	6,571,000	7,236,183	7,599,657	7,735,459
Oregon Criminal Justice Commission	23,510,631	8,491,938	28,387,534	30,702,716	35,376,176	37,741,801	36,525,007	49,196,080	44,833,990	89,768,407
Military Department	140,344,795	128,023,076	115,047,885	159,643,769	147,333,804	132,398,798	170,589,708	611,013,468	247,952,208	96,855,826
State Board of Parole and Post Prison Supervision	2,004,623	2,113,098	2,780,013	3,776,537	4,033,326	4,404,525	5,049,328	4,210,836	4,943,028	5,550,630
Department of State Police	167,558,374	174,961,634	198,975,385	198,363,099	223,662,527	236,536,110	248,233,586	279,880,795	315,386,906	371,905,545
Department of Emergency Management ⁵	-	-	-	-	-	-	-	-	-	302,441,366
Department of Public Safety Standards Training	18,786,119	21,431,558	25,878,985	26,012,586	29,487,479	31,761,811	30,128,862	29,775,914	30,167,865	36,614,473
Department of Corrections	747,886,443	749,221,836	800,121,631	815,786,500	868,701,995	897,758,843	968,759,505	1,005,515,523	1,052,866,189	1,082,312,034
Oregon Youth Authority	150,265,560	152,077,639	158,553,166	163,195,741	167,170,831	171,314,461	179,323,017	181,673,530	188,137,052	193,303,222
Public Safety Total	1,470,980,875	1,464,421,732	1,617,940,940	1,679,285,952	1,772,855,514	1,788,573,453	1,968,173,446	2,513,705,523	2,274,303,398	2,700,505,592
Business Oregon	90,519,961	95,951,211	99,304,806	121,316,618	162,520,148	200,111,511	223,220,389	430,173,541	216,817,525	304,549,896
Oregon Department of Veterans' Affairs	40,374,181	49,014,487	64,657,724	72,087,935	81,071,848	79,733,896	84,594,698	81,178,664	84,294,438	102,301,419
Employment Department	973,798,408	708,225,743	678,274,757	674,229,641	671,733,993	681,991,650	4,148,309,561	5,984,980,712	1,608,366,720	816,874,554
Housing & Community Services Department	222,652,456	219,451,998	239,362,052	245,554,059	251,922,890	284,889,990	305,063,550	639,254,502	964,014,409	767,070,527
Oregon State Lottery	500,963,009	526,946,242	600,010,390	589,576,034	616,000,884	644,486,752	595,251,591	667,913,940	711,624,161	772,721,080
Economic and Community Development Total	1,828,308,015	1,599,589,682	1,681,609,729	1,702,764,286	1,783,249,763	1,891,213,798	5,356,439,790	7,803,501,359	3,585,117,252	2,763,517,477

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

Department of State Lands	23,418,078	24,917,287	25,240,500	25,426,006	36,303,711	42,594,546	22,183,218	35,539,598	30,210,048	33,947,010
Oregon State Marine Board	12,393,581	16,922,197	13,675,010	16,636,629	14,397,289	16,411,004	13,332,583	18,766,583	13,057,613	20,166,180
Oregon Department of Energy	23,766,536	26,564,385	21,659,299	22,492,997	19,755,665	18,550,588	18,911,742	20,037,544	20,136,578	33,296,625
Department of Environmental Quality	86,495,836	95,341,695	95,551,769	103,691,408	100,488,525	120,688,965	131,712,168	159,386,402	159,390,144	196,369,604
Columbia River Gorge Commission	427,472	461,579	446,512	469,251	476,319	515,593	546,796	578,886	640,674	736,300
Oregon Department of Agriculture	43,573,717	45,500,571	49,204,836	51,121,561	53,545,935	55,765,081	59,025,546	57,821,344	82,045,476	73,916,345
Oregon Forest Resources Institute	3,734,086	3,870,971	4,172,094	4,206,238	4,101,673	4,092,929	3,837,329	2,657,549	3,638,572	4,040,926
Department of Forestry	185,743,692	181,081,293	193,026,253	158,702,725	190,553,019	256,625,314	202,287,830	329,434,083	356,648,439	249,306,208
Department of Geology & Mineral Industry	6,458,609	9,635,344	9,045,406	6,533,962	7,746,413	7,070,758	6,101,932	7,838,548	6,967,093	9,532,040
Parks and Recreation Department	87,493,442	93,098,026	83,240,184	98,855,445	94,633,462	103,981,149	101,012,495	90,167,863	98,917,747	125,753,673
Oregon Department of Fish & Wildlife	142,964,483	147,208,816	145,873,040	156,386,687	161,142,114	165,266,175	165,236,949	170,376,982	175,295,070	203,812,482
Department of Land Conservation & Development	8,020,075	9,981,742	8,317,511	9,565,295	7,821,949	12,381,309	9,943,611	13,782,240	12,519,762	19,830,533
Land Use Board of Appeals	792,281	856,298	915,082	931,726	1,000,834	973,327	1,038,852	1,147,315	1,209,436	1,396,314
Water Resources Department	16,215,802	19,043,178	20,412,688	23,143,073	28,635,769	26,742,659	40,546,542	30,757,627	38,502,146	67,328,417
Oregon Watershed Enhancement Board	38,267,939	35,381,892	41,141,201	45,038,690	43,541,462	46,678,220	55,770,702	53,546,864	40,788,015	68,253,433
Natural Resources Total	679,765,629	709,865,273	711,921,386	723,201,692	764,144,142	878,337,618	831,488,296	991,839,428	1,039,966,813	1,107,686,091
Department of Aviation	5,276,643	5,120,346	5,837,991	6,512,078	8,637,979	8,799,018	9,683,785	8,353,426	7,632,805	10,334,961

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

Department of Transportation	1,336,185,306	1,197,282,929	1,238,945,548	1,352,053,784	1,304,315,606	1,435,344,912	1,516,186,187	1,764,128,242	1,998,017,390	1,722,171,857
Transportation Total	1,341,461,949	1,202,403,275	1,244,783,538	1,358,565,863	1,312,953,585	1,444,143,930	1,525,869,972	1,772,481,668	2,005,650,195	1,732,506,818
Mental Health Regulatory Agency ²	-	-	-	-	1,428,007	1,761,290	1,869,133	2,082,132	2,221,118	2,732,072
Board of Licensed Professional Counselors & Therapists ²	472,603	516,102	644,654	674,297	-	-	-	-	-	-
State Board of Tax Practitioners	546,236	533,631	602,976	512,956	529,286	437,329	430,409	515,312	579,703	640,276
State Board of Accountancy	1,144,836	1,168,638	1,114,850	1,159,860	1,151,440	1,180,163	1,263,344	1,307,147	1,091,238	1,169,054
State Board of Psychologists Examiners ²	516,955	531,006	648,667	613,558	-	-	-	-	-	-
State Board of Licensed Social Workers	597,191	658,345	692,594	718,439	780,627	866,740	969,951	1,011,946	1,100,025	1,161,876
Department of Consumer & Business Services ³	200,571,691	190,112,140	207,538,583	210,546,721	195,324,259	209,106,901	727,740,511	518,645,062	480,533,043	674,079,115
State Board of Chiropractic Examiners	751,760	705,714	795,478	877,769	1,052,246	924,966	881,408	787,858	870,439	1,086,824
Oregon Health Licensing Agency ⁶	3,618,705	(106,215)	-	-	-	-	-	-	-	-
Health Related Licensing Boards	2,166,492	2,247,289	2,340,031	2,562,587	3,010,120	2,934,341	3,673,069	3,518,761	3,934,126	4,152,072
Board of Dentistry	1,313,857	1,346,039	1,380,272	1,469,712	1,478,009	1,521,009	1,583,705	1,627,538	1,747,029	1,961,616
Bureau of Labor and Industries	10,930,377	11,994,990	11,701,520	12,809,502	12,588,195	13,402,077	13,716,931	16,348,012	17,355,648	35,969,865
Oregon Medical Board	4,933,583	4,798,897	5,173,655	5,104,893	5,523,524	5,936,661	6,252,065	6,910,053	7,191,676	7,999,596
Board of Nursing	6,583,483	6,947,295	7,513,440	7,880,622	8,086,215	8,535,952	9,311,821	10,046,455	10,960,588	11,111,516
State Board of Pharmacy	2,570,414	3,052,531	3,055,459	3,261,800	3,445,004	3,528,579	4,058,029	4,011,989	4,374,808	4,692,088

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

Public Utility Commission	60,108,856	59,702,358	55,206,255	51,628,803	51,850,963	51,497,022	50,643,962	51,500,124	51,190,203	53,864,863
Construction Contractors Board	6,612,310	6,347,075	6,426,351	6,791,268	6,379,967	7,515,941	8,127,126	8,165,033	8,492,576	9,049,818
Real Estate Agency	3,176,033	3,544,553	3,312,991	3,529,201	3,777,699	3,689,199	5,319,095	6,615,735	7,054,059	5,596,840
Consumer and Business Services Total	306,615,380	294,100,389	308,147,775	310,141,988	296,405,561	312,838,169	835,840,562	633,093,159	598,696,278	815,267,491
Department of Administrative Services	491,832,768	800,847,779	1,282,744,192	826,415,874	606,897,501	682,235,935	1,029,552,035	1,623,649,796	901,160,696	999,990,092
Employment Relations Board	1,966,345	1,976,809	2,115,962	2,143,976	2,292,253	2,422,240	2,571,285	2,705,883	2,854,013	2,910,917
Office of the Governor	8,781,121	8,983,611	8,722,991	8,685,488	12,630,231	10,401,554	12,188,270	11,865,277	12,480,832	12,361,835
Oregon Advocacy Commissions Office	189,595	240,838	297,155	331,495	304,105	403,308	300,763	355,234	592,628	1,129,700
Department of Revenue ³	91,363,171	110,707,689	100,851,923	141,149,361	139,131,572	156,640,914	587,950,617	602,019,999	805,254,880	713,171,274
Secretary of State	26,387,812	30,007,598	33,317,980	33,419,538	36,340,657	38,342,392	42,883,555	46,398,955	48,421,221	53,826,324
Oregon State Treasury	21,397,221	22,896,672	29,314,901	30,739,487	34,585,543	39,977,253	42,774,914	46,391,168	50,474,894	56,180,066
Oregon Facilities Authority	204,656	237,775	277,541	324,495	297,413	219,899	232,270	244,870	195,191	309,081
Oregon Government Ethics Commission	918,540	1,076,765	1,236,946	1,249,855	1,243,843	1,325,828	1,407,614	1,421,319	1,405,623	1,612,299
Oregon Public Employees Retirement System ¹	4,590,438,649	4,700,710,394	4,990,121,863	5,138,220,721	5,604,638,747	5,646,995,528	5,996,214,349	6,142,372,186	6,551,544,784	6,707,405,769
Oregon State Library	6,690,677	6,511,071	6,907,249	8,210,690	7,432,842	8,012,945	6,891,303	8,084,420	9,883,698	9,444,162
Oregon Liquor Control Commission	385,255,945	404,347,404	427,625,200	453,471,369	478,153,278	508,431,761	563,223,825	607,743,225	655,029,552	671,299,009
Oregon Racing Commission	2,747,883	2,396,591	2,825,259	3,063,905	3,002,340	3,130,694	2,171,159	3,757,926	3,339,859	3,809,903

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

Central Agency/State General Fund	10,166,109	1,391,759	1,759,931	4,281,236	5,462,095	934,797	-	-	-	-
Administration Total	5,638,340,493	6,092,332,754	6,888,119,092	6,651,707,490	6,932,412,419	7,099,475,049	8,288,361,961	9,097,010,257	9,042,637,871	9,233,450,430
Office of the Legislative Counsel	4,800,477	6,086,962	5,558,239	6,148,870	5,956,105	7,186,094	7,722,118	9,011,933	8,572,004	10,042,619
Legislative Policy & Research Committee ⁷	-	-	-	-	3,973,176	4,917,875	4,505,804	6,616,816	6,755,432	9,197,882
Legislative Revenue Officer	1,156,757	1,437,078	1,397,672	1,363,473	1,306,424	1,427,935	1,344,271	1,713,402	1,687,999	1,704,716
Legislative Fiscal Officer	2,961,250	3,385,923	3,504,400	3,752,938	4,011,468	4,388,657	4,717,798	5,248,101	5,119,164	5,628,681
Legislative Assembly Legislative Administration Committee	17,170,132	19,110,903	17,852,634	21,141,424	18,826,856	24,777,367	22,913,375	29,820,411	28,156,959	32,599,037
Commission on Indian Services	16,886,034	18,038,811	10,703,439	17,735,986	19,255,727	32,698,891	61,940,767	39,110,502	26,338,199	28,694,465
	180,231	215,249	223,927	199,487	308,415	202,425	387,133	245,460	384,032	530,793
Legislative Total	43,154,881	48,274,926	39,240,311	50,342,178	53,638,171	75,599,243	103,531,265	91,766,626	77,013,789	88,398,192
Commission on Judicial Fitness	88,764	112,538	276,561	134,406	144,111	131,344	136,511	117,461	161,912	137,834
Judicial Department ⁸ Office of Public Defense Services	204,704,938	228,398,956	257,007,848	258,901,373	282,203,379	322,432,409	367,139,457	315,310,546	368,874,384	402,921,636
	130,667,820	128,782,935	141,893,541	145,587,215	154,862,235	159,699,231	175,846,753	192,899,222	204,470,626	243,312,124
Judicial	335,461,522	357,294,429	399,177,950	404,622,994	437,209,725	482,262,984	543,122,722	508,327,230	573,506,922	646,371,594
Total Expenditures	29,800,675,767	29,774,279,139	32,236,400,737	32,516,566,318	34,011,311,116	35,568,393,328	43,126,081,031	50,022,987,021	49,918,294,823	52,507,116,155

¹The Public Employees Retirement System (PERS) expenditures include distributions on non-state resources held in an agent capacity for local governments as PERS includes pensions for both state and non-state employees and retirees.

Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

² The Mental Health Regulatory Agency was formed on May 8, 2017, pursuant to ORS 675.160 through .178. It provides administrative and regulatory oversight to the State Board of Psychologists Examiners and the Board of Licensed Professional Counselors and Therapists.

³ Implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* in fiscal year 2020 included new requirements to report inflows and outflows related to activities where the State is holding assets on the behalf of others. This resulted in increased expenditures in various agencies.

⁴ Chief Education Office legislatively sunset as of June 30, 2019, and all functions transferred to other state agencies per Oregon Senate Bill 215, 2015.

⁵ Oregon House Bill 2927, 2021, established the Oregon Department of Emergency Management as an independent agency from the Oregon Military Department.

⁶ The Oregon Health Licensing Agency was an independent agency until House Bill 2074, 2013, moved it under the authority of the Oregon Health Authority.

⁷ The Legislative Policy and Research Office was established in 2013 by Senate Bill 1569.



Oregon Secretary of State
Audits Division

Secretary of State **LaVonne Griffin-Valade**
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This report is intended to promote the best possible
management of public resources.

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