



# Oregon

Tina Kotek, Governor



OREGON  
DEPARTMENT OF  
EDUCATION

*Oregon achieves . . . together!*

**Dr. Charlene Williams**

Director of the Department of Education

March 14, 2024  
Secretary Cardona  
(sent via [OESE@ed.gov](mailto:OESE@ed.gov) email only)  
U.S. Department of Education  
Lyndon Baines Johnson Department of Education Building  
400 Maryland Ave, SW Washington, DC 20202

Re: Oregon Department of Education Waiver Request from Section 2004(a) of the American Rescue Plan Act (ARPA) and Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

Dear Secretary Cardona:

The Oregon Department of Education submits this letter and its accompanying attachments to request a waiver of the Maintenance of Effort (MOE) requirements from Section 2004(a) of the American Rescue Plan Act (ARPA) and Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA).

### **Oregon maintains its commitment to funding public education.**

Oregon is proud of its commitment to and ongoing support for students in elementary, secondary, and higher education. As prescribed by the MOE agreement, Oregon did not reduce funding support for K-12 education. Rather, the State of Oregon created a new revenue source, known as the Corporate Activities Tax (CAT) in 2019 for the dedicated purpose of infusing over \$1 billion more per year into our public K-12 education and early learning systems. This tax, passed as part of the Student Success Act, resulted in an overall funding increase of \$6.5 billion for K-12 education since its creation.

We have also noted that national education finance experts who developed the School Finance Indicators Database have recently released their [profile of Oregon](#) comparing states' fiscal efforts for K-12 education. They find that Oregon is a "high fiscal effort" state ranking 15<sup>th</sup> out of 50 states and spending 3.84 percent of its economic capacity on its K-12 public schools. That is 0.30 percentage points higher than the unweighted U.S. average. While there are multiple measures of education funding and spending, including Maintenance of Effort, our state is also looking to compare to other states to inform future state-level education funding and spending. These sources help us understand that our measure of success is not just how much we fund our education systems at the state level, but how that spending translates to high-quality education for our students. We are looking at these and other national measures, along with state and local measures, as we dive deeply into modernizing our education funding systems and improve academic success for all students. Governor Kotek and our Department of Education are currently working with the legislature and education partners to advance this during her first term.

## **Oregon’s budgeting structure creates challenges to meeting ARPA MOE requirements.**

There are two unique features of our budgeting structure that impact our MOE requirements.

1. Oregon's unique kicker law requires a refund to taxpayers of income tax collected once certain triggers are met, thereby reducing the available General Fund for education and other areas of the budget. This requirement is enshrined in Oregon’s Constitution. In the fiscal year 2022, we anticipated the kicker would result in \$3.9 billion returned to Oregonians. The final kicker amount, based on actual collections, is substantially higher at \$5.6 billion. For context, Oregon is about \$1.5 billion away from meeting the proportional share target. While the kicker law serves to limit unplanned state revenue growth, it also puts more dollars back into the pockets of Oregon households.
2. The new Corporate Activity Tax dedicated to additional education and early learning funding in our state budget system is counted as “Other Funds,” whereas the base investment in education had historically been “General Fund.” This distinction means the expansion of Other Funds expenditures in education did not mean we would need to limit spending in areas of the budget outside of education. Oregon created the new tax to infuse more money into the public education system as a supplement to General Fund investments. By doing so, the State effectively increased the overall size of the education budget, without maintaining the same proportional share of General Fund investments as the baseline years for the MOE calculation. By including Other Funds educational investments in the numerator, the State determined those same expenses should be included in the denominator, per the MOE calculation criteria. Put simply, Oregon raised the overall size of the whole pie, rather than increasing education investments at the expense of other General Fund budget priorities, including priorities that also benefit young Oregonians.

## **Oregon is meeting whole-child needs.**

Despite the increased allotment and expansion of services and supports for schools and students, Oregon is unable to achieve the Maintenance of Effort technical requirements for fiscal year 2023. The proportional level of the State’s support for elementary and secondary education relative to Oregon’s overall spending declined in fiscal year 2023 because of the State’s necessary investments in addressing other urgent priorities, including whole-child needs that address student basic needs. For example, we know that student success is based in part on their health. Oregon is proud to be the [first state](#) in the country to allow children to be continuously enrolled in Medicaid until their sixth birthday. Additionally, the state has made significant investments in the newly created Department of Early Learning and Care, which began operating as a new, independent state agency on July 1, 2023. Excluding program transfers, General Fund and Student Success Act investments have increased the state’s early learning budget by over 25% in the 2023-25 biennium from the prior two-year budget cycle. Needed investments in early learning and other urgent priorities have required immediate funding, which has naturally decreased the percentage of education spending relative to the overall State budget in fiscal year 2023. Though the proportional percentage of spending decreased in fiscal 2023 when compared to the baseline years, total funding on a dollar basis increased substantially. Oregon has a two-year budget, so the reasons explained

in the State's 2022 Maintenance of Effort waiver request are consistent for fiscal 2023, which represents the second fiscal year of the same 2021-23 biennial budget.

Other investments we've made to support whole-child needs include a large-scale focus on addressing Oregon's housing and homelessness crisis and other factors (more detail for these is provided in Appendix E):

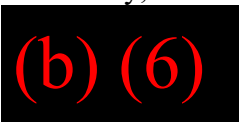
1. Ongoing response to the public health emergency stemming from the COVID-19 pandemic.
2. Emergency response, recovery, and restoration efforts in response to historic wildfire seasons in calendar years 2020 and 2021.
3. An ongoing housing and homelessness crisis exacerbated by the pandemic.
4. Drought conditions impacting much of the state.
5. Federal requirements related to Medicaid enrollment.
6. Despite the many competing priorities for funding, the state also experienced growth in its General Fund revenues. This growth allowed the state to make additional investments in education spending for fiscal year 2023. Due to necessary expenditures in other areas of the state budget, as listed above, the increase in education investments is less apparent when compared only to overall General Fund spending. The State of Oregon remains committed to whole-child investments, including housing, behavioral support and access to mental health and health care, as well as education.

Thank you for your consideration of our waiver request. Attached is information providing details and explanation of Oregon's estimated noncompliance with the MOE provisions within ARPA and CRRSA:

- Appendix B is the required MOE Data Submission form.
- Appendix C contains the MOE waiver request form.
- Appendix D contains the additional submission information required in Appendix B.
- Appendix E contains responses to questions asked at the end of Appendix C.

Please don't hesitate to contact me, should you have any questions or need additional information.

Sincerely,

A black rectangular redaction box covering the signature area. The text "(b) (6)" is written in red, bold, sans-serif font over the black background.

Dr. Charlene Williams  
Oregon Deputy Superintendent of Public Instruction  
Director, Oregon Department of Education

## Appendix B: MOE Data Submission

State \_\_\_\_\_

### Data Submission Timelines

	State support for elementary and secondary education	State support for higher education	Overall State spending
<b>FY 2017</b>	Submitted September 1, 2020; May be updated by May 17, 2021		Due May 17, 2021
<b>FY 2018</b>			
<b>FY 2019</b>			
<b>FY 2020</b>	Submitted December 30, 2020; May be updated by May 17, 2021		
<b>FY 2021</b>	Collected by December 30, 2021		
<b>FY 2022</b>	FY 2022 data on appropriated or allocated amounts for State support for elementary and secondary education, State support for higher education, and overall State spending will be collected by December 30, 2021. The Department intends to collect final expenditure data in spring 2023 when data are available.		
<b>FY 2023</b>	FY 2023 data on appropriated or allocated amounts for State support for elementary and secondary education, State support for higher education, and overall State spending will be collected by December 30, 2022. The Department intends to collect final expenditure data in spring 2024 when data are available.		

### Data for State support and overall State spending

A State must submit the required information below. Additionally, a State may use this form to update previously submitted MOE data for FYs 2017, 2018, 2019, and 2020.

	State support for elementary and secondary education	State support for higher education	Overall State spending	State support for elementary and secondary education as a proportion of overall State spending	State support for higher education as a proportion of overall State spending
<b>FY 2017</b>	\$	\$	\$	%	%
<b>FY 2018</b>	\$	\$	\$	%	%
<b>FY 2019</b>	\$	\$	\$	%	%
<b>Average FYs 2017-2019</b>				%	%
<b>FY 2020</b>	\$	\$	Not required	Not required	Not required
<b>FY 2021</b>	\$	\$	Not required	Not required	Not required
<b>FY 2022 interim data*</b>	\$	\$	\$	%	%
<b>FY 2022 (final data)</b>	\$	\$	\$	%	%
<b>FY 2023 interim data*</b>	\$	\$	\$	%	%
<b>FY 2023 (final data)</b>	\$	\$	\$	%	%

\*Appropriated or allocated

**Additional submission requirements:** In an attachment, identify and describe the data sources used in determining the levels of —

- (a) State support for elementary and secondary education;
- (b) State support for higher education; and
- (c) Overall State spending.

NOTE: You are only required to submit this information for data categories included in your submission above.

To the best of my knowledge and belief, all of the information in this MOE data submission is true and correct and the failure to submit accurate data may result in liability under the False Claims Act, 31 U.S.C. § 3729 et seq.; OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department in 2 CFR part 3485; and 18 USC § 1001, as appropriate, and other enforcement actions.

Dr. Charlene Williams

(503) 947-5600

Governor or Chief State School Officer or Authorized Representative (Typed or Printed Name) Telephone

Signature of Governor or Chief State School Officer or Authorized Representative

3/14/2024

Date

### **Public Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0745. Public reporting burden for this collection of information is estimated to average 5.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit under section 18008 of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, Division M, Section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) Act, and Section 2004(a) of the American Rescue Plan Act of 2021 (ARP Act) If you have any comments concerning the accuracy of the time estimate, suggestions for improving this individual collection, or if you have comments or concerns regarding the status of your individual form, application or survey, please contact Britt Jung, Office of State and Grantee Relations, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202-6450, email: [SGR@ed.gov](mailto:SGR@ed.gov) directly.

## Appendix C: MOE Waiver Request

This form must be used for the submission of a request for a waiver of the requirements noted below. For assistance, please contact your State mailbox, which is [State].[oeese@ed.gov](mailto:oeese@ed.gov) .

State \_\_\_\_\_

On behalf of my State, I request a waiver of the following State maintenance of effort (MOE) requirements for the following fiscal years:

*Please check all that apply:*

- FY 2020 MOE requirement for elementary and secondary education under section 18008 of the CARES Act.
- FY 2020 MOE requirement for higher education under section 18008 of the CARES Act.
- FY 2021 MOE requirement for elementary and secondary education under section 18008 of the CARES Act.
- FY 2021 MOE requirement for higher education under section 18008 of the CARES Act.
- FY 2022 MOE requirement for elementary and secondary education under section 317(a) of the CRRSA Act and section 2004(a) of the ARP Act.
- FY 2022 MOE requirement for higher education under section 317(a) of the CRRSA Act and section 2004(a) of the ARP Act.
- FY 2023 MOE requirement for elementary and secondary education under section 2004(a) of the ARP Act.
- FY 2023 MOE requirement for higher education under section 2004(a) of the ARP Act.

### Data for State support and overall State spending

A State must resubmit the baseline data for FYs 2017, 2018, and 2019 (baseline years) as part of this MOE waiver request. If these baseline data differ from a State’s previously submitted data, please provide a description of the reason for the change. Additionally, a State must submit MOE data for the years in which it is requesting this waiver.

	State support for elementary and secondary education	State support for higher education	Overall State spending *	State support for elementary and secondary education as a proportion of overall State spending	State support for higher education as a proportion of overall State spending
<b>FY 2017</b>	\$	\$	\$	%	%
<b>FY 2018</b>	\$	\$	\$	%	%
<b>FY 2019</b>	\$	\$	\$	%	%
<b>Average FYs 2017-2019</b>				%	%
<b>FY 2020</b>	\$	\$	\$	Not Required	Not Required
<b>FY 2021</b>	\$	\$	\$	Not Required	Not Required
<b>FY 2022</b>	\$	\$	\$	%	%
<b>FY 2023</b>	\$	\$	\$	%	%

\*For overall State spending, a State may request a waiver based on final allocations or appropriations. For more information, see FAQ 10.

### Additional submission requirements

In an attachment, please provide:

1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to the coronavirus and an explanation of how those fiscal burdens affected the State's ability to maintain fiscal effort (e.g., the status of and any changes to the State's rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses); and
2. Documentation and data supporting the description of the State's fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).
3. In addition, in its waiver request, a State should submit information on the relevant factors listed below to support its request. The Secretary may ask States for additional information after States submit the MOE waiver request form.

In determining whether to grant a State an MOE waiver, the Secretary may consider factors such as:

**Has the State increased support for education?**

The Department understands that it is possible that a State has maintained or increased overall funding for education and the proportion of the State budget for education has still declined because of increases in other areas of the budget (e.g., public health). In these cases, the Secretary may consider:

- Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
- Has total State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?
- Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?

**Are there exceptional circumstances that caused the State to be unable to maintain support for education?**

If a State's support for education declined, the Secretary may consider:

- Are there specific severe effects of the COVID-19 pandemic on the State's economy that necessitated reductions in support for elementary and secondary education and for higher education?
- What steps did the State take to avoid and/or minimize such reductions?
- Did the State use Coronavirus State and Local Fiscal Recovery Funds awarded by the U.S. Department of the Treasury under section 9901 of the ARP Act to support elementary and secondary education and higher education?
- How did reductions in support for elementary and secondary education and for higher education compare to other budget categories?
- Did the State take steps that reduced or will it take steps to proactively reduce its financial resources in a way that impacted or will impact its ability to meet MOE requirements (e.g., tax changes (and in what context), additional contributions to rainy day funds)? If so, what was the impact of the reduction (e.g., to what extent were its resources reduced or will its resources be reduced)?

**Has the State used or will it use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education?**

It is important for the Department to understand the State's use of pandemic-related Federal funds when reviewing a request for a waiver. The Secretary may therefore consider:

- Will all unallocated ESSER or GEER funds relevant to the waiver be used to provide net new resources to K-12 schools and to higher education and not be used to replace existing State commitments to K-12 education and to higher education?
- Will all unallocated HEER funds be used to provide net new resources to higher education and not be used to replace existing State commitments to higher education?
- Has the State previously used any ESSER, GEER, or HEER funds to replace State funding for education?

To the best of my knowledge and belief, all of the information in this MOE data submission are true and correct and the failure to submit accurate data may result in liability under the False Claims Act, 31 U.S.C. § 3729 et seq.; OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department in 2 CFR part 3485; and 18 USC § 1001, as appropriate, and other enforcement actions.

Dr. Charlene Williams

(503) 947-5600

Governor or Chief State School Officer or Authorized Representative (Typed or Printed Name)

Telephone

3/14/2024

Signature of Governor or Chief State School Officer or Authorized Representative

Date

### **Public Burden Statement**

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# Appendix D

## **Additional submission information as required in Appendix B**

Identify and describe the data sources used in determining the levels of —

- (a) State support for elementary and secondary education;
- (b) State support for higher education; and

This response combines the response to both (a) and (b). The data sources for K-12 and higher education funding come from the Statewide Financial Management Application (SFMA).

- (c) Overall State spending.

Overall state expenditures for actuals were obtained from the state's Annual Comprehensive Financial Report (ACFR) produced by the Statewide Accounting and Reporting Services unit within the Chief Financial Office of the Department of Administrative Services. Totals were obtained from the Required Supplementary Information section of the ACFR, which contains statewide total expenditures by fund type for the relevant fiscal years of the fiscal effort demonstration. Total state expenditures includes General Fund, Lottery Funds and only Other Funds that are earmarked specifically for education.

The state did dedicate Federal COVID SLFR dollars, primarily to Higher Education and those dollars were included in the fiscal effort calculation.

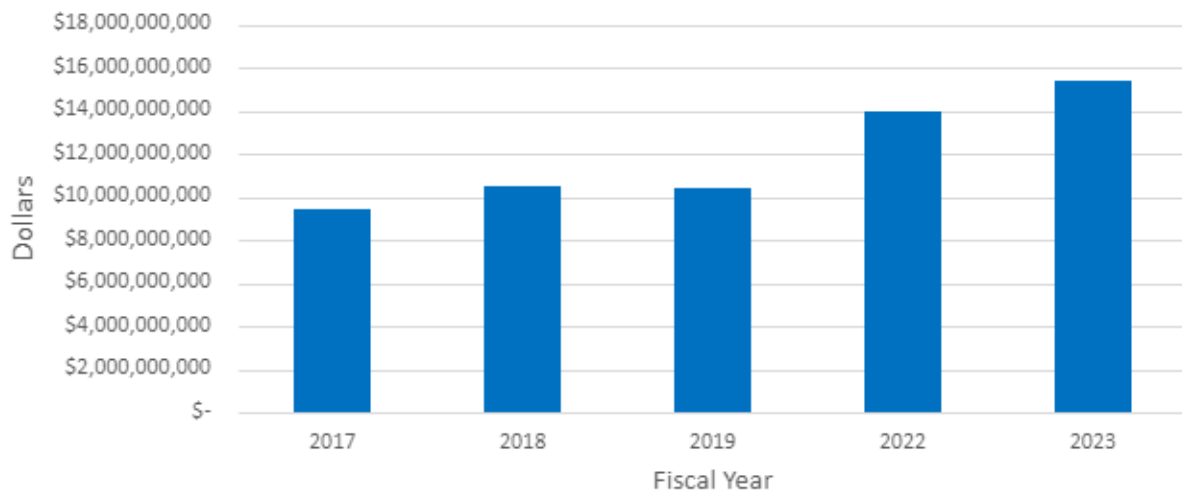
# Appendix E

## **Requirements from USED for waiver letter (from Appendix C):**

*1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to the coronavirus and an explanation of how those fiscal burdens affected the State's ability to maintain fiscal effort (e.g., the status of and any changes to the State's rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses)*

In 2019, the State of Oregon made an historic investment in public education with the passage of the Student Success Act. The legislation established a Fund for Student Success to expand K-12 and early learning investments, greatly increasing the State's financial commitment in education. The investments were made possible by the legislative passage of a new tax, earmarked specifically for K-12 education and early learning programs. The new tax, known as the Corporate Activity Tax (CAT) is a .57 percent tax applied to taxable Oregon commercial activity above \$1 million. The tax is expected to generate approximately \$1.4 billion a year for Oregon's K-12 education and early learning systems. The funds are distinct and separate from the State's General Fund, are budgeted as Other Funds within the State's budget, and are earmarked solely for education and early learning support.

## K-12 and Higher Education Support: General and Other Funds Actuals



The added investments from the Student Success Act greatly increased overall education spending, but the increases show up in both the numerator and denominator of the proportional calculation. This calculation methodology does not grow the overall percentage of education spending at a rate that is sufficient to account for necessary growth in other areas of the budget to deal with other ongoing and emerging priorities in Oregon. The list below provides information about some, but not all, of the other budget drivers the state has had to address in recent years.

1. The worldwide COVID-19 pandemic resulting in unprecedented service demands in Oregon for a variety of areas including health care, human services, mental and behavioral health, housing and workforce. As the public health emergency comes to a close, resources for certain aspects from this work will begin to diminish. The State of Oregon remains committed to whole child investments, including housing, behavioral support and access to mental health and health care, as well as education.
2. Historic wildfire disasters occurred in the fall of 2020 and summer of 2021, drastically impacting communities throughout the state and elevating service needs in restoration and cleanup, forest management, housing, and providing wrap-around services to citizens and communities impacted. Oregon has shown a commitment to focusing on restoration efforts to try and help reduce the number and severity of fires in the state.
3. A housing and homelessness crisis across the state also impacts Oregonians and requires investments. Per the U.S. Department of Housing and Urban Development the states homeless population has grown by 22.5 percent since 2020. This increase has caused the state to invest in solutions to provide immediate temporary relief, as well as look for long term solutions to the housing crisis.

4. The state continues to experience a long-term drought, resulting in needed relief in areas throughout the state, as well as providing assistance to communities, farmers, residents, and looking for long-term solutions to this ongoing problem.
5. Since March 2020, states have provided continuous enrollment in Medicaid in exchange for enhanced Medicaid match rate. Oregon's Medicaid population has increased considerably from about 1 million to nearly 1.5 million between March 2020 and March 2023. Medicaid caseload increases caused an associated increase in General Fund needed to support the increase in enrollees. The federal requirement to provide continuous coverage to all enrollees expired in April 2023. At approximately 85%, the renewal rate for Oregonian's benefits, post-redetermination, is the second highest rate in the nation behind Maine, according to the [Kaiser Family Foundation Data from February 2024](#). Additionally, Oregon's overall Medicaid population has declined less than any other state in the post-pandemic redetermination period. This means that health insurance benefits for most Oregonians remain intact after a period of rapid increase during the pandemic. This also means the State's share of the budget for Medicaid continues to increase, impacting the proportional share of the budget available for education. Medicaid is a mandated federal program, and the Federal Medicaid Assistance Percentage, is completely outside the State's control. Oregon's FMAP rate continues to move in a direction that places more of the Medicaid funding responsibility in the hands of the State.
6. Oregon's unique "Two Percent Kicker" law requires the state to refund excess revenue to taxpayers when actual General Fund revenue exceeds the biennial close of session forecast by more than two percent. Oregon's Personal Income Tax kicker is driven by forecast assumptions and can serve to limit overall state budget growth and potential opportunities to increase education investments. This can greatly impact the state's ability to invest resources above and beyond what has been planned, according to the forecast. The latest economic forecast shows a historic kicker rebate to be paid out as tax credits in 2024 in the amount of \$5.6 billion. Since the Kicker function is codified in the Oregon Constitution, kicker funds are not accessible for state agencies, legislators or the Governor for investment, even in times of crisis or great need. This revenue restriction that is unique to Oregon, limits the state's ability to increase the education budget when revenues exceed the forecast.

Despite the many competing priorities for funding, General Fund revenue growth allowed the state to make additional investments in education for fiscal years 2022 and 2023, although the state was unable to meet the technical, proportional share requirements of the ARPA MOE due to spending pressures in other areas of the state's General Fund budget.

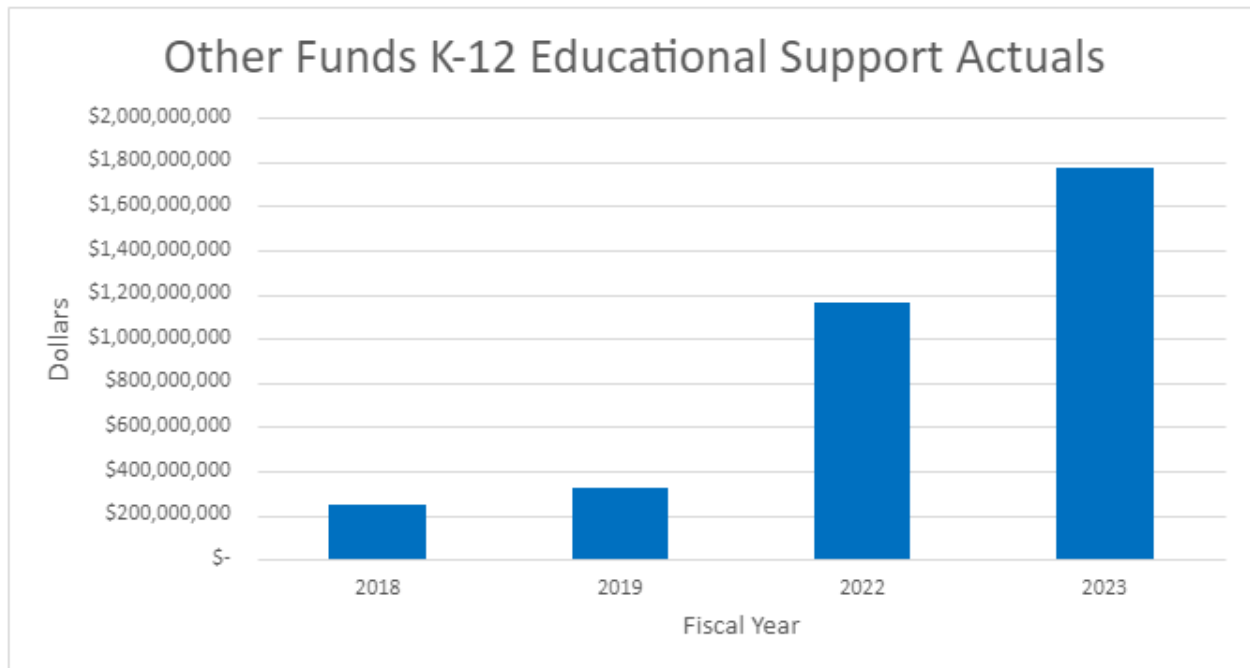
In addition to expected growth over the next several biennia in the General Fund, the state also makes deposits into an Education Stability Fund (ESF). This fund was established constitutionally in 2002 and is funded with 18 percent of the net proceeds from the Oregon Lottery. The fund is capped at 5 percent of the amount accrued in General Fund revenues during the prior biennium. These funds can be used by the Legislature if there is an economic downturn that meets certain criteria. Per the March 2024 Oregon Economic and Revenue Forecast it is estimated the ESF will have a balance of \$1.0 billion by the end of the 2023-25

biennium. Though the state cannot use these funds at any time for education expenses, the reserve demonstrates Oregon's commitment to stabilizing educational funding levels in the event of adverse economic conditions.

*2. Documentation and data supporting the description of the State's fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).*

While there was a significant investment increase in education between the baseline years and the 2021-23 biennium (fiscal years 2022 and 2023, the relative percentage of overall General Fund support decreased, primarily due to investments in other critical areas of state government. The areas of investment were highlighted in detail in the state's fiscal 2022 waiver request and remain consistent with fiscal 2023, year two of the biennial budget. The Legislatively Approved Budget included the following General Fund investments: COVID-19/behavioral health (\$368.8 million), wildfire response and recovery (\$374.8 million), housing/homelessness (\$716.1 million), water and drought issues (\$182.1 million), and fully funding the Medicaid caseload growth within the Oregon Health Authority, which included a substantial increase in the children's Medicaid population that represents approximately one-third of the state Medicaid population.

The chart below shows how spending from Other Funds has significantly increased in the Department of Education over time. This is primarily due to the availability of additional revenue from the newly enacted Corporate Activity Tax. Due to the proportional share definition of MOE, the \$1.5 billion annual increase in Other Funds spending shows up in both the numerator and the denominator under the MOE calculation, preventing the state from meeting the technical MOE requirement despite significant investments to continually improve funding for Education in Oregon.



3. In addition, in its waiver request, a State should submit information on the **relevant factors listed below** to support its request. The Secretary may ask States for additional information after States submit the MOE waiver request form.

*In determining whether to grant a State an MOE waiver, the Secretary may consider factors such as:*

**Has the State increased support for education?**

*The Department understands that it is possible that a State has maintained or increased overall funding for education and the proportion of the State budget for education has still declined because of increases in other areas of the budget (e.g., public health). In these cases, the Secretary may consider:*

- Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?*
- Has total State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?*
- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?*

- Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?

There was an increase when comparing the overall spending for the 3-year average of FY17, FY18, and FY19 compared to FY23 of 35.8%. There is a year over year increase of 4.3% when comparing FY22 and FY23.

There was also an increase in per pupil spending for K-12 and higher education compared with the prior fiscal year and the baseline year. Please see the chart below as reference to all questions in this section.

	2017 Actuals	2018 Actuals	2019 Actuals	3-yr avg. Actuals	2022 Actuals	2023 Actuals	
<b>K-12 Education:</b>	3,731,123,136	4,230,683,554	4,230,683,554	<b>4,064,163,415</b>	5,256,506,249	5,489,898,483	
<b>Higher Education:</b>	744,421,572	903,799,033	797,370,807	<b>815,197,137</b>	1,157,316,373	1,135,402,720	
	4,475,544,708	5,134,482,587	5,028,054,361	<b>4,879,360,552</b>	6,413,822,622	6,625,301,203	
K-12 Enrollment:	578,947	580,684	581,730	<b>580,454</b>	553,012	552,380	
K-12 per-pupil rate:	6,445	7,286	7,273	<b>7,001</b>	9,505	9,939	
Higher Ed Enrollment:	82,018	81,520	78,325	<b>80,621</b>	78,172	78,547	
Higher Ed per-pupil rate:	9,076	11,087	10,180	<b>10,114</b>	14,805	14,455	
Total Enrollment:	660,965	662,204	660,055	<b>661,075</b>	631,184	630,927	
Total Per-pupil rate:	6,771	7,754	7,618	<b>7,381</b>	10,162	10,501	
\$ variance 3-yr avg:					1,534,462,070	1,745,940,651	
% variance 3-yr avg:					31.4%	35.8%	
						211,478,581.00	:\$ FY22 to FY23
						4.3%	:% FY22 to FY23

- Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?

The State passed the Student Success Act in 2019 utilizing the Corporate Activity Tax (CAT) tax as the revenue source. The funds first reached LEAs in 2021. Since that time, the SSA budget has increased significantly. The SSA budget, which includes early learning investments is near \$3.0 billion for the 2023-25 biennium, an increase of approximately 19.2% compared to the prior biennial budget. Additionally, the State School Fund has increased from \$9.3 billion to \$10.2 billion in the 2023-25 biennium, an increase of 9.7%, signifying continued General Fund investment in the state's largest single program in the budget. The State School Fund also considers the availability of local revenues for schools, namely property taxes, which are projected to increase in 2023-25 to \$5.1 billion. Local revenues remain with the districts where it is collected but are considered a part of the School Formula revenue for distribution purposes of the State School Fund. The full formula for Oregon's schools totals \$15.3 billion, an increase of \$1.3 billion or 9.3%.

*Are there exceptional circumstances that caused the State to be unable to maintain support for education?*

No, support for education increased.

*If a State's support for education declined, the Secretary may consider:*

The State of Oregon's support for education did not decline.

*•Are there specific severe effects of the COVID-19 pandemic on the State's economy that necessitated reductions in support for elementary and secondary education and for higher education?*

Not applicable, the State of Oregon's support for education did not decline.

*•What steps did the State take to avoid and/or minimize such reductions?*

Not applicable, the State of Oregon's support for education did not decline.

*•Did the State use Coronavirus State and Local Fiscal Recovery Funds awarded by the U.S. Department of the Treasury under section 9901 of the ARP Act to support elementary and secondary education and higher education?*

Not applicable, the State of Oregon's support for education did not decline.



- How did reductions in support for elementary and secondary education and for higher education compare to other budget categories?*

Not applicable, the State of Oregon's support for education did not decline.

- Did the State take steps that reduced or will it take steps to proactively reduce its financial resources in a way that impacted or will impact its ability to meet MOE requirements (e.g., tax changes (and in what context), additional contributions to rainy day funds)? If so, what was the impact of the reduction (e.g., to what extent were its resources reduced or will its resources be reduced)?*

Not applicable, the State of Oregon's support for education did not decline.

*Has the State used or will it use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education?*

The State of Oregon did not use pandemic-related federal funds to replace State funding for education.

*It is important for the Department to understand the State's use of pandemic-related Federal funds when reviewing a request for a waiver. The Secretary may therefore consider:*

- Will all unallocated ESSER or GEER funds relevant to the waiver be used to provide net new resources to K-12 schools and to higher education and not be used to replace existing State commitments to K-12 education and to higher education?*

Not applicable, the State of Oregon did not use pandemic-related federal funds to replace State funding for education.

*•Will all unallocated HEER funds be used to provide net new resources to higher education and not be used to replace existing State commitments to higher education?*

Not applicable, the State of Oregon did not use pandemic-related federal funds to replace State funding for education.

*•Has the State previously used any ESSER, GEER, or HEER funds to replace State funding for education?*

Not applicable, the State of Oregon did not use pandemic-related federal funds to replace State funding for education.