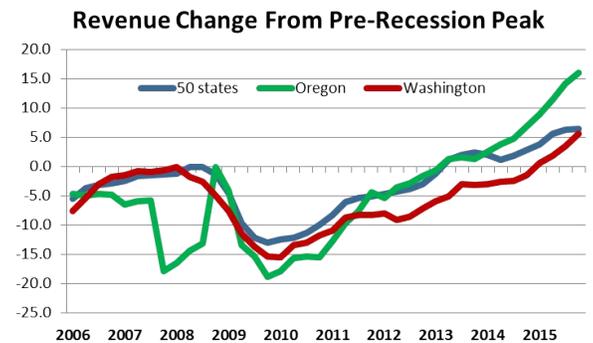


Revenue Rebound Boosts State Education Investment

Oregon's revenue growth since the Great Recession has outpaced Washington and the U.S. average, leading to a significant increase in education spending. Forecasts call for continued revenue growth.

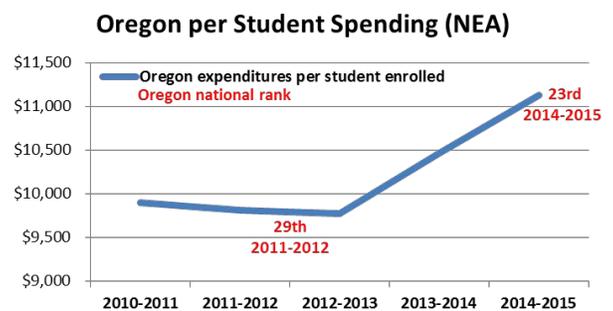
Oregon Revenue Growth Has Been Exemplary

Oregon's state revenues at the end of 2015 were 16 % higher than the recession-era peak (Q4 2008). That was well above the 50-state average (6.5 %) and Washington State's revenue recovery (5.6 %) and was 7th best in the nation.¹ The increased revenue has been a result of a growing economy. Personal income tax revenues were up 15.2 % in 2013-2015 over 2011-2013 and corporate income tax revenues were up 26.3 % over the same period.²



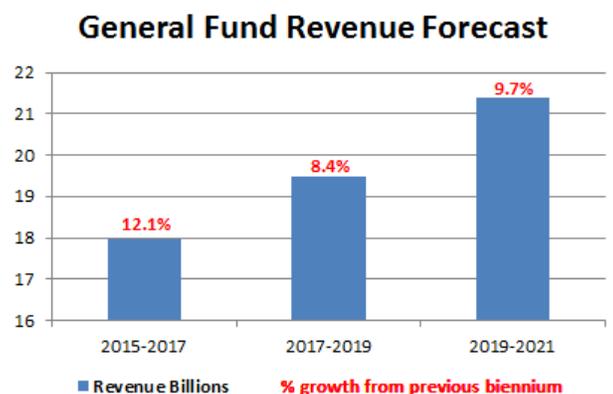
New Dollars Have Gone to Public Education

Revenue growth has led to big education investments. Oregon's 16% increase in higher education funding for fiscal year 2016 led the nation,³ and the 2015 Oregon Legislature funded universal full-day kindergarten for the first time. The National Education Association (NEA) reports that Oregon's spending per-student enrolled in K-12 education moved up six places from 29th in the U.S. in 2011-2012 (\$9,811) to 23rd in 2014-2015 (\$11,127).⁴



The Revenue Outlook Remains Positive, but Risks Exist

State revenues are projected to grow by \$1.95 billion this biennium over the last, and the State Economist forecasts revenue growth of \$1.5 billion in 2017-2019 and \$1.9 billion in 2019-2021.⁵ The forecast is highly dependent on economic performance, so it's important that Oregon stay focused on growing businesses and jobs. Also, Oregon needs to use this period of expansion to build up budget reserves to protect against an inevitable future downturn. Experts suggest that reserves should equal 7% of expenditures. Under existing law, and provided that the forecast bears out, reserves will reach this level at the end of the 2017-2019 biennium.⁶



1. Pew Charitable Trusts Fiscal 50. <http://www.pewtrusts.org/en/multimedia/data-visualizations/2014/fiscal-50#ind0>

2. Oregon Economic and Revenue Forecast September 2016. Table R.2 Pg 25. <https://www.oregon.gov/das/OEA/Documents/forecast0916.pdf>

3. Illinois State University and the State Higher Education Executive Officers (SHEEO). http://education.illinoisstate.edu/grapevine/Grapevine_FY16_Press_Release.pdf

4. NEA Rankings and Estimates: Rankings of the States 2015 and Estimates of School Statistics 2016. Table H-11, Pg 55. <http://www.nea.org/home/44479.htm>

5. Oregon Economic and Revenue Forecast September 2016. Table R.2 Pg 25. <https://www.oregon.gov/das/OEA/Documents/forecast0916.pdf>

6. Oregon Economic and Revenue Forecast September 2016. Pg 31. <https://www.oregon.gov/das/OEA/Documents/forecast0916.pdf>