



September 16, 2025

Frequently Asked Questions

Related to Governor's Letter to Agency Leaders regarding 2025-27 Target Budget Reductions.

What is the change in the forecast in more detail?

	Beginning Balance	Revenues	Appropriations	Ending Balance
Close of Session (6/28/25)	2,243.1	35,552.9	(37,323.1)	472.8
Beg Balance Change	(224.4)			(224.4)
Economic Changes		38.3		38.3
H.R. 1		(888.2)		(888.2)
Kicker Credit Change		228.8		228.8
September Forecast	2,018.7	34,931.8	(37,323.1)	(372.7)

How were reduction targets determined for each agency?

Since current budgets are not reconciled in the state budget system yet, reduction targets were developed based on an agency's current service level budget (as adjusted in GRB). Adjustments were made for 24/7 operations, State Government Services Charges, Attorney General rates, rent, and data processing accounts.

Can I request to have my target adjusted?

There is not a formal process to adjust the target, but an agency should reach out to their Chief Financial Office analyst if they have concerns. Analysts will be reaching out to connect with agencies on the plan to achieve the savings target.

Does the vacancy savings that is already built into my 2025-27 budget count towards my reduction target?

No. If the agency chooses to make vacancy savings part of their spending reduction strategy it should be in addition to any budgetarily approved vacancy savings. In general, the statewide vacancy savings rate assumed for most agencies was five percent, unless the Legislature took specific action to adjust the amount from 2025-27 current service level.

If I hold positions vacant to create savings, my vacancy rates will increase on my quarterly reporting, which will negatively impact my quarterly reporting of vacancies. How is this being accounted for?

Agencies have been reporting on vacancies as part of the Governor's Expectation; however, there is not an established target agencies must meet. Agencies report their vacancies, including the reason for each position open more than six months. Going forward, if an agency is holding a vacancy open to create savings, they should note that on the vacancy report submittal.

There is an additional expectation for the time to fill positions – agencies must maintain an average of 50 or fewer days from the date the recruitment is posted until the candidate receives an offer letter. Holding positions vacant will not negatively impact progress on this expectation.

Can I request an exception for out-of-state travel?

No. The agency director has discretion to determine if the out-of-state travel is essential to the business and aligns with [Oregon Accounting Manual Chapter 40](#) and [ORS 292.230](#). As a reminder, even if an association, board, or organization is paying for your travel, there are often costs to the agency associated with travel such as per diem.

Should I cancel travel that has already been booked?

No, if travel is already booked the intention is not to have agencies cancel these plans. If an agency determines cancelling is appropriate, please consider costs associated with cancellations.

When will the DAS Chief Financial Office release additional information on potential reductions for the 2026 session?

Next steps for the budget balancing process are being developed and will take time as we watch for the next revenue forecast and prepare for the 2026 Legislative Session. Look for an email as we learn more. Agency leadership will receive future communication regarding the next steps in this process.

Will agencies be asked to reduce allotments, as allowed in ORS 291.261?

The Governor is not using her allotment reduction authority at this point. Instead, each agency is being asked to reduce spending as outlined in the Governor's letter, dated September 16, 2025.

Are salary freezes or furloughs being considered as a cost containment strategy?

These types of adjustments are not being considered at this time.

Will restrictions be placed on the use of temporary employees and/or contract employees?

No. Agencies need to be prudent in the use of these positions and understand that creation or use of these types of positions means reductions may need to occur elsewhere to meet reduction targets.

Will guidance be provided to assist agencies with determining whether to cut existing services versus postpone implementation of new investments made during the 2026 session?

Enterprise-wide guidance will not be provided, but an agency should work closely with their CFO analyst and Governor's Office Policy Advisor if they are considering delaying or stopping work on a new program or investment.

Can I include reductions to new or one-time funding received?

These types of reductions should be discussed with your CFO analyst and Governor's Office Policy Advisor prior to making any decisions.

Will the reductions taken in the 2026 session change base budget/current service level for the 2027-29 biennium?

It has not been determined whether these reductions will be one-time or part of an agency's ongoing budget. This decision will be made after additional forecasts have been released and projections of potential spending for 2027-29 current service level have been analyzed.