



OREGON'S QUALITY EDUCATION MODEL

ISSUE BRIEF

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

Passage of Ballot Measures 5 (1990), 47 (1996), and 50 (1997) limited property tax rates and shifted primary responsibility for funding Oregon's schools from local communities to the state. To prepare for the increased state role and ensure an understanding of the amount of money needed to run a high-quality education system, Oregon established the Quality Education Model (QEM), managed by the Quality Education Commission (QEC). The Legislative Assembly considers both the amount determined by the QEM and the current service level (CSL) amount calculated by the executive branch each biennium in order to determine the State School Fund appropriation.

LEGISLATIVE HISTORY

In 1997, House Speaker Lynn Lundquist appointed a committee to determine the cost of a quality education for every student. The committee, consisting of educators, parents, business leaders, and legislators, met over the next biennium to devise a tool on which to base a kindergarten through 12th grade (K-12) budget. The committee presented its findings to the 1999 Legislative Assembly in the form of the Oregon Quality Education Model.

Governor John Kitzhaber and State School Superintendent Stan Bunn then appointed a Quality Education Commission (QEC) in fall 1999. As part of its work, that body offered a model that phased in the necessary funding.

The 2001 Legislative Assembly continued this work by enacting [House Bill 2295](#), codified at [ORS 327.497 to 327.506 \(2021\)](#), that placed the QEC in statute and directed it to refine and update the model on an ongoing basis.

COMMISSION MEMBERSHIP AND DUTIES

The QEC consists of 11 members appointed by the Governor, supported by staff from the Oregon Department of Education (ODE). No more than five of the members may be employed by a school district.

Each biennium, the commission must:

- determine the amount of money sufficient to ensure that the state's kindergarten through 12th grade education system meets the quality goals established in law;

- identify best practices that lead to high student performance, as well as the costs of implementing those practices; and
- issue a report that identifies current practices, the costs of those practices, and expected student performance under those practices as well as the best practices, the costs of those practices, and expected student performance under the best practices.¹

QUALITY EDUCATION MODEL

The Quality Education Model (QEM) identifies components of a quality education, then estimates the cost of those components. The model is based on prototypical schools, encompasses the goals and requirements established in statute, and includes quality indicators. The QEC meets to refine the model and makes changes in each biennial report.

Schools are not required to adhere to the model's components. In Oregon, school districts have the authority to devise local budgets according to their own needs, with community input required by state law.²

Prototype Schools

The QEM is a professional judgment model that relies on prototype schools to analyze the costs of specific policies. For 2022, the QEC defined the prototypical schools as an elementary school of 360 students, a middle school of 500 students, and a high school of 1,000 students.³

The elementary school prototype has:

- full-day kindergarten;
- average class size of 20;
- one librarian;
- one school nurse;
- one PE specialist;
- one music specialist;
- one family resource staffer; and
- computers for students and staff.

The middle school prototype has:

- average class size of 20.8;
- 1.5 additional teachers for math, English, and science;
- one librarian;
- one school nurse;
- ratio of one counselor to 250 students;
- alternative programs for special needs and at-risk students;

¹ [ORS 327.497 through 327.506 \(2021\)](#)

² [ORS 294.305 et seq \(2021\)](#)

³ Quality Education Commission, [Quality Education Model Report, Salem, OR, August, 2022](#), p. 7.

- volunteer coordinator;
- community outreach worker;
- campus security;
- one family resource staffer; and
- computers for students and staff.

The high school prototype has:

- average class size of 20.8;
- three additional teachers for math, English, and science;
- one librarian;
- one school nurse;
- ratio of one counselor to 250 students;
- alternative programs for special needs and at-risk students;
- volunteer coordinator;
- community outreach worker;
- campus security;
- school-to-work coordinator;
- one family resource staffer; and
- computers for students and staff.

After staff calculates the costs of operating these prototype schools, they scale those costs up for the entire state, based on the weighted average daily membership estimated for Oregon K-12 schools in the upcoming biennium.

Quality Goals

[ORS 327.506](#) (2021) establishes the following quality goals for Oregon's K-12 education system:

- the definitions established in [ORS 329.007 \(2021\)](#);
- the goals enumerated in [ORS 329.015 \(2021\)](#), including equipping students with certain academic and career skills; providing motivating environments for students; providing students with the skills necessary to pursue learning throughout their lives; and preparing students for successful transitions.
- the 19 school system characteristics outlined in [ORS 329.025 \(2021\)](#), including equal and open access to opportunities, high expectations, experiences that support academic growth, specialized programs, support for physical and cognitive growth, solid academic foundations, access to specific opportunities, rigorous content standards and instruction, increased learning time, access to the knowledge and skills necessary to participate in a constitutional republic and participatory democracy, access to the knowledge and skills needed to succeed at work, access to the knowledge and skills needed to lead a healthy lifestyle, access to the knowledge and skills needed for students to take responsibility for their decisions and choices, a variety of teaching strategies, involvement of parents and the community, safe transportation, a system that allows for cost differences and ensures local control over spending, and safe educational environments;

- the curriculum goals, performance indicators, and other characteristics listed in [ORS 329.045 \(2021\)](#); and
- the prohibition on enacting requirements without adequate funding established in [ORS 329.065 \(2021\)](#).

Link to Student Performance

Beginning with the report published in 2000, QEM reports have linked the model's funding to student performance. Since passage of legislation in 2001, state law requires the QEC to establish this link.⁴

From 2000 until 2012, QEM reports linked the model's funding to projected improvements in student proficiency rates on state standardized assessments. In 2010, the report added graduation rates as a measure of student performance. In 2014, the QEC developed a Student Achievement Model to link increased resources to increases in student achievement. Reports issued in 2014 and 2016 focused on third grade reading proficiency rates and attendance rates in middle and high schools as predictors of high school graduation. In 2018 and 2020, the QEM report began focusing on graduation rates as the sole measure of the impact of increased funding. Despite statutory requirements, the 2022 QEM report did not contain statistical analysis linking full funding of the model to improved outcomes for students.

FUNDING CALCULATIONS

Article VIII, Section 8 of the Oregon Constitution requires the Legislative Assembly to either appropriate the full amount to provide a high-quality education, or to issue a report explaining the reasons why it did not do so.⁵ The Legislative Assembly delegated this responsibility to its Joint Public Education Appropriation Committee, which meets in the interim every odd-numbered year.⁶ That committee relies on the QEM's calculation of the cost of a high-quality education system in order to fulfill the Legislative Assembly's constitutional obligations.

As part of its work, the QEC calculates the gap in funding amounts that Oregon would need for the state to fully implement the QEM vs. the amount the legislature has appropriated. Table 1 displays the gap between the QEM's required State School Fund (SSF) appropriation and the actual SSF appropriation since 1999.

Table 1: State School Fund Gap, 1999-2023, in Millions of Dollars

Biennium	SSF for Full QEM Implementation	Actual SSF Appropriation	Funding Gap	Percent Gap
1999-2001	\$5,654.2	\$4,562.0	\$1,092.2	23.9%
2001-2003	\$6,215.6	\$4,573.9	\$1,641.7	35.9%

⁴ [ORS 327.506 \(4\)\(b\) \(2021\)](#)

⁵ [Or. Const. Art. VIII, Sect. 8](#)

⁶ [ORS 171.857 \(2021\)](#)

2003-2005	\$6,659.2	\$4,907.6	\$1,751.6	35.7%
2005-2007	\$7,096.7	\$5,305.2	\$1,791.5	33.8%
2007-2009	\$7,766.2	\$6,131.0	\$1,635.2	26.7%
2009-2011	\$7,872.8	\$5,756.9	\$2,115.9	36.8%
2011-2013	\$8,004.9	\$5,799.0	\$2,205.9	38.0%
2013-2015	\$8,775.0	\$6,650.4	\$2,124.6	31.9%
2015-2017	\$9,158.4	\$7,376.3	\$1,782.1	24.2%
2017-2019	\$9,971.0	\$8,200.0	\$1,771.0	21.6%
2019-2021	\$10,773.9	\$9,000.0	\$1,773.9	19.7%
2021-2023	\$9,994.0	\$9,300.0	\$557.44	6.0%

Source: Legislative Policy and Research Office

Data: Quality Education Commission and Legislative Fiscal Office

Passage of the Student Success Act in 2019, which established a Corporate Activity Tax and continuously appropriated most of the proceeds to the state's K-12 education system, significantly narrowed the gap in funding.⁷

In addition to the amount set by the QEC, the Legislative Assembly considers the executive branch's calculation of current service level (CSL) funding for K-12 education. Each budget year, the executive branch calculates CSL as the amount it would cost for Oregon's school districts to fund all current services in the next biennium. The Joint Committee on Ways and Means considers both the QEM amount and the CSL amount, as well as available revenues and other legislative priorities, when determining a biennial appropriation for the State School Fund.

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⁷ [House Bill 3427 \(2019\)](#).