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American Institutes for Research Evaluation of the Quality Education Model Methodology: Summary of Findings

PREPARED FOR: Joint Public Education Appropriation Committee
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BY: Monica Cox, Senior Research Analyst

Overview of the AIR Evaluation

- Senate Bill 1552 (2024) directed an evaluation of the methodology used to develop the Quality Education Model (QEM).
- The American Institutes for Research (AIR) independently conducted the evaluation. Their findings were published in a report in January 2025 and presented at a joint informational meeting to the House and Senate Education Committees in February 2025.
- **Overall, the evaluation did not find any fundamental errors in the QEM; but it did identify several areas of misalignment with methodological best practices that impact the model's usefulness for connecting cost estimates to education policy and programs.**

Overview of the QEM Methodology: Professional Judgement Panel

- The Professional Judgement Panel (PJP) is considered one of the most rigorous and widely used methods for estimating education costs.
- **PJP Strengths**
  - Robust cost estimations.
  - Generates insights into how funds should be spent to achieve expected outcomes.
  - Can be used for measurable and abstract education goals.
- **PJP Limitations**
  - Lacks evidence of the link between resources and outcomes.
  - Does not capture all education contexts.

Six Steps to Estimating the Cost of Adequate Education using the **Professional Judgement Panel Best Practices**

1. Define Education Goals
2. Develop Prototype Schools
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In the Professional Judgement Panel approach, groups of active educators, the panels, work together to identify the resources necessary to provide an adequate education to all students, then researchers determine the prices of those resources and estimate the total cost.

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The PJP process should start with a goals statement that reflects Oregon's education priorities. Panelists are tasked with designing prototype schools to achieve these goals. *It is best practice to:*

a) Set goals based on published aims and public values. They can be specific and measurable or broader and more abstract.

b) Use multiple goals.

c) Balance having a variety of goals with not overwhelming the expert panelists.

Defining Education Goals: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Set goals to reflect Oregon's education priorities, based on published aims and public values.	The QEM uses the goal of a 90% graduation rate, but it does not consider Oregon's other published education goals, including those defined in ORS 327.506.	**Partially follows** best practice
b) Use multiple goals.	The QEM uses only one goal, a 90% graduation rate.	**Does not follow** best practice
c) Balance having a variety of goals with not overwhelming the panelists.	The QEM uses only one goal, so there is ample room to add more before it becomes overwhelming.	**Does not follow** best practice

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Prototype schools should reasonably represent the breadth of school contexts, characteristics, and student needs in Oregon that are outside the control of schools and districts.
It is best practice to:

a) Generate numerous prototypes.

b) Generate realistic prototypes using current data on enrollment size and student needs.

c) Balance the number of prototypes with not overwhelming the panelists.

Developing Prototype Schools: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Generate numerous prototypes.	The QEM has 3 prototypes based only on school level. Prototypes do not represent geographic differences nor varying levels of student needs.	**Does not follow** best practice
b) Generate realistic prototypes using current data on enrollment size and student needs.	The QEM prototypes use enrollment sizes based on decades-old research estimates. It considers student needs using statewide averages that do not account for cost differences in providing adequate resources to schools with higher or lower levels of student needs.	**Partially follows** best practice
c) Balance the number of prototypes with not overwhelming the panelists.	The QEM uses only three prototypes, so there is room to add more before it becomes overwhelming.	**Partially follows** best practice

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The panels are tasked with determining the types and amounts of resources the prototype schools need. Panels should represent a breadth of experience and perspectives to design education programs for the prototype schools. *It is best practice to:*

a) Recruit panelists who are active educators in schools and districts reflecting the prototype settings, including geographic locale.

b) Ensure a variety of roles in the school are represented.

c) Include panelists familiar with different grade levels and student needs for the prototype schools they are designing.

d) Run multiple panels per prototype to generate cost variation.

Recruiting Educator Panels: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Recruit panelists who are active educators reflecting the prototype school settings.	The QEC's 11 members make up the only panel, and they are not all active educators. The number of panels should increase as the number of prototype schools increases; each panel should consist of about 10 members.	**Partially follows** best practice
b) Ensure a variety of roles in the school are represented.	The QEC panel partially represents a variety of roles within the school setting. These roles should include, for example, instructors, instructional specialists, administrators, and business officials.	**Partially follows** best practice
c) Include panelists familiar with different grade levels and student needs.	The QEC panel partially represents the experiences of educators in school settings with different characteristics and levels of student needs. Panelists should have experience serving the school settings for which they are developing prototypes.	**Partially follows** best practice
d) Run multiple panels per prototype to generate cost variation.	The QEM does not use multiple panels to estimate the costs for the same prototype schools. Multiple panels bring different perspectives, which helps to reduce the risk of any one panel over- or underestimating the resource needs.	**Does not follow** best practice

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Resource identification is a critical step in the process. Program components and base assumptions about what to include as costs should be in place before panels meet to specify resources. Some resources are outside the scope of panels and should be determined by an analysis of existing data. *It is best practice to:*

a) Compile an exhaustive list of resources.

b) Define resources the panelists will specify; differentiate by school level.

c) Define resources the research team will specify and determine costs for.

d) Give panelists base assumptions about costs and resources.

Identifying Education Resources: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Compile an exhaustive list of resources.	The QEC documents the resources specified for the prototype schools, but many resources are omitted in part because education programs are being designed for just one goal and three prototype schools.	**Partially follows** best practice
b) Define resources the *panelists* will specify; differentiate by school level	Panelists should be given a pre-defined framework of education program components to use for determining the types and quantities of resources needed for the prototype schools they are designing. Currently, QEC members both define the program components and specify resources.	**Partially follows** best practice
c) Define resources the *research team* will specify and determine costs for.	The QEM uses actual spending data to estimate costs for resources that are outside the prototype school setting or are too complex for QEC members to consider. The PJP should use a pre-defined framework of such costs (e.g., food service, district overhead, facilities maintenance), and analyze existing data to determine resource needs and develop accurate cost estimates.	**Partially follows** best practice
d) Give panelists base assumptions about costs and resources.	The QEM currently uses a clear set of base assumptions for determining the types and quantities of resources needed for the prototype schools they are designing. Base assumptions should make clear what is and is not included in cost estimates.	**Follows** best practice

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Establishing prices for the resources identified by panelists is another critical step in the PJP process. Prices should be realistic, reflecting state context and aligning resource categories with school definitions. *It is best practice to:*

a) Use statewide average prices, when possible.

b) Adjust to state-level costs when using national average prices.

c) Structure resource types to facilitate accurate cost identification.

Establishing Resource Prices: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Use statewide average prices, when possible.	The QEM's prices are determined using school and district financial data from the Oregon Dept. of Education.	**Follows** best practice
b) Adjust to state-level costs when using national average prices.	The QEM does not use national prices except for determining growth rates in computer and textbook costs. State-level adjustments are not needed for rates.	**Follows** best practice
c) Structure resource types to facilitate accurate cost identification.	The QEM uses staffing categories that align with job titles used in Oregon's public schools.	**Follows** best practice

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The final step in the PJP process is to generate a statewide cost estimate. This step estimates the per-pupil costs determined for each prototype school based on the panels' resource specifications and prices, estimates the average variation in costs by student needs and school context, predicts school-level costs for each school in the state, then calculates district-level costs to derive the final cost estimates.

This step provides insight into how school-level costs vary by such factors as enrollment size, geographic locale, socioeconomic disadvantage, and the population of students needing special education and/or English learner services. *It is best practice to:*

a) Estimate average variation in costs based on student needs and school characteristics.

b) Predict actual cost levels for each school in the state.

c) Aggregate school costs to the district level, add central districts costs, and apply regional cost adjustments.

Generating Cost Estimates: Does the QEM follow best practices?

Best Practice	QEM Practice	AIR Evaluation Rating
a) Estimate average variation in costs based on student needs and school characteristics.	The QEM estimates costs variation across school levels, the 3 prototype schools. This does not account for cost differences based on geographic locale or levels of student needs.	**Partially follows** best practice
b) Predict actual cost levels for each school in the state.	The QEM produces a per-pupil cost estimate for each school level (the 3 prototypes – elementary, middle, and high schools), then multiples those estimates by the total number of students enrolled in each school level to estimate statewide cost. It does not predict costs for each school in the state.	**Does not follow** best practice
c) Aggregate school costs to the district level, add central districts costs, and apply regional cost adjustments.	The QEM estimates costs for each school level. It does not predict costs for each school in the state and subsequently does not estimate costs for each school district, which would account for central district costs and provide insight about funding gaps at the district level.	**Does not follow** best practice

Summary: where does the QEM *follow* best practices?

1. Giving panelists assumptions about costs and resources.

2. Using statewide average prices, when possible.

3. Adjusting to prices to state-level costs when using national averages.

4. Structuring resource types to facilitate accurate cost identification when establishing prices.

Summary: where does the QEM *partially follow* best practices?

1. Setting goals to reflect Oregon's education priorities, based on published aims and public values.
2. Generating realistic prototypes using current data on enrollment size and student needs.
3. Balancing the number of prototypes with not overwhelming the expert panelists.
4. Recruiting panelists who are active educators in schools and districts reflecting the prototype school settings, including geographic locale.
5. Ensuring a variety of roles in the school are represented on panels.
6. Including panelists familiar with the grade levels and student needs for the prototype schools they are designing.
7. Compiling an exhaustive list of education resources to include in the cost estimate.
8. Defining resources the *panelists* will specify; differentiate by school level
9. Defining resources the *research team* will specify and determine costs for.
10. Estimating average variation in costs based on student needs and school characteristics.

Summary: where does the QEM *not follow* best practices?

1. Using multiple goals.

2. Balancing having a variety of goals with not overwhelming the panelists.

3. Generating numerous prototype schools.

4. Running multiple panels per prototype school to generate cost variation.

5. Predicting actual cost levels for each school in the state.

6. Aggregating school costs to the district level, adding central districts costs, and applying regional cost adjustments.

Additional considerations for using the Professional Judgement Panel approach to estimating the QEM

- The PJP process is time and resource intensive.
  - Requires substantial time commitment from active educators who serve as panelists, which could make recruitment difficult.
  - Requires effective facilitation of panels, including at least one lead facilitator plus supporting staff, and an experienced research team.
  - The process could take up to a year, followed by routine maintenance to ensure resource prices and cost estimates are up to date.
- Documentation should clearly and thoroughly detail the goals, program components, base assumptions, resource specifications, prices, and calculations used to develop the cost estimate.
- The QEM should be responsive to changing education contexts and needs, but changes should be incremental to ensure stability of the cost estimate.
- The Professional Judgement Panel approach, like other education cost studies, has limitations that should be taken into consideration when translating findings into policy and practice.

Resources: Examples of the Professional Judgement Panel in practice[1]

- *Early On® Systems Costs: Understanding Early Intervention in Michigan* (2023), American Institutes for Research.
- *What Does It Cost to Educate California's Students? A Professional Judgment Approach* (2018), American Institutes for Research.
- *Professional Judgement Study Report* (Nevada, 2015), APA Consulting.
- *The New York Adequacy Study: "Determining the Cost of Providing All Children in New York an Adequate Education"* (2004), American Institutes for Research.
- *A Professional Judgement Approach to School Finance Adequacy in Kentucky* (2003), Kentucky Dept. of Education.

[1] LPRO has not vetted nor evaluated these studies for adherence to the best practices described in this presentation. They are being shared as examples of how other states have used the Professional Judgement Panel approach for estimating the cost of adequate education.