

QUALITY EDUCATION MODEL

Executive Summary
August 2024



Quality Education Commission

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The Quality Education Model (QEM) was developed as a research and data-driven tool to evaluate educational practices and estimate the level of state school funding required to meet Oregon’s education goals. The model provides key data, national research, and lessons learned from Oregon schools to promote more informed dialogue among policymakers, educators, the public, and other community partners. The legislatively-mandated Quality Education Commission (QEC) develops the QEM and assists others in using it for policy analysis and decision-making. The goal is for the report to inform decisions for a more equitable system that prepares students for postsecondary success in higher education, meaningful employment, and/or enlistment in the military. For the 2024 QEM Report, the QEC uses estimates of implementing school- and district-based activities focused on the following best practices:

- Foundational Skills Development;
- Regular School Attendance;
- English Language Learner Success;
- Creating a Supportive Student Learning Environment;
- Being on Track to Graduate High School;
 - Career and Technical Education Success; and
- Educator Recruitment and Retention.

This report, written by the QEC, also describes the current environment in K-12 public education in Oregon, supported by data on funding, enrollment, attendance, 4-year graduation rates, 5-year completion rates, and state test scores for Oregon’s [focal student groups](#). These data add context for a more accurate evaluation of Oregon’s K-12 progress and remaining challenges. Leveraging extensive research and current school data, the QEM estimates costs for two scenarios:

1. Maintaining current practices and resource levels (“Current Service Level” or “CSL”) for the 2025-27 biennium; and
2. Enacting the “Fully-Implemented QEM,” which represents the State School Fund allocated dollars (SSF; general funds, lottery funds, and other funds) resource levels needed to complement other available school funding to achieve a system of effective schools.

The CSL and Full QEM have never represented the totality of funding that is available to districts and Education Service Districts within the State of Oregon, only those funds which were allocated to districts by the State School Funding formula. Other sources of funding, such as federal funding, local revenue (generated outside the formula distribution), Food Service Enterprise revenues, and PERS Side Account Earnings net of Debt Service obligations reduce the totality of funding needs that the legislature is asked to appropriate to the State School Fund. The CSL and Full QEM projections have historically represented the Legislatively-appropriated SSF funds. The recent addition of the Student Success Act transfer to the SSF is also now included in these projections. In addition to all other sources of funding, the Full QEM funding model requires a \$12.705 legislative State School Fund appropriation, combined with an \$822 million Student Success Act Transfer, for a total of \$13.526 billion.

In this biennial report, the QEC elected to make no additions or changes to the model inputs in relation to best

practices. However, there were several changes to the model due to actual expenses. These changes impact both the CSL and the Full QEM. Future QEM reports and the CSL and Full QEM projections may change as a result of findings and recommendations from a planned third-party QEM evaluation, to be conducted by the Legislative Policy and Research Office (LPRO). Historically, the Commission incorporates evidence-based inputs that are feasible and demonstrate meaningful benefits for Oregon’s students. These inputs have been added over time to ensure that recommended best practices are implemented in the public K-12 education system. The Commission also tracks potential system inputs that are not incorporated, as it is also mindful of the system’s ability to evolve toward more equitable funding structures and the fact that this process takes time.

The QEC continues its commitment to demonstrate the connections between the model and the referenced best practices. In 2024, this included engagement with Oregon educators, a best practices survey completed by Oregon educators, and analyzing experiences in Oregon schools. The Fully-Implemented QEM includes funding for the resources necessary to implement the best practices contained in this report. If the Fully-Implemented QEM is not funded, Oregon districts will not have sufficient funds sufficient for implementing these best practices that lead to attainment of Oregon’s education goals. As the state collectively works toward that end, the QEC has identified several programs and activities that are aligned with the best practices conveyed in this report, and reinforce key systems change principles that should be carried forward in service of Oregon’s students, including the following:

- Consistent with the analyses provided by recent [Secretary of State audits](#), support for the [Student Success Act](#) (SSA) and [High School Success](#) program must continue. Changing system outcomes requires consistency and time. The pandemic disrupted the state’s ability to fully implement the SSA initially. Oregon districts now have plans in place and have set Longitudinal Performance Growth Targets ([LGPTs](#)) with regard to five central indicators: 1) regular attendance, 2) 3rd Grade English language arts (reading), 3) 9th Grade On Track, 4) 4-year graduation rates, and 5) 5-year completion rates. Targets are set for all student focal groups, orienting the system to focus its attention on student groups who have been, and continue to be, marginalized by Oregon’s K-12 public education system.
- Attendance is a serious challenge for Oregon, as it is with other states. Continued support for the [Every Day Matters Program](#) and the best practices it leverages is necessary to ensure that Oregon students attend school to benefit from the instruction and supports provided.
- The state must continue to promote co-development of policy implementation and related practices for local and state education leadership and reciprocal responsibility, as modeled by the [Integrated Guidance](#) project. Decisions driven by individual schools, districts, and their communities are critical as they are highly contextualized and nuanced, but without a consistent framework and protocols for implementing effective practices and processes, Oregon’s schools and students cannot reach their full potential.

The QEC continues its focus on the structure of the educational system as a whole and the processes required to make it function more effectively in serving the broad range of student needs in Oregon schools in this report.

KEY FINDINGS

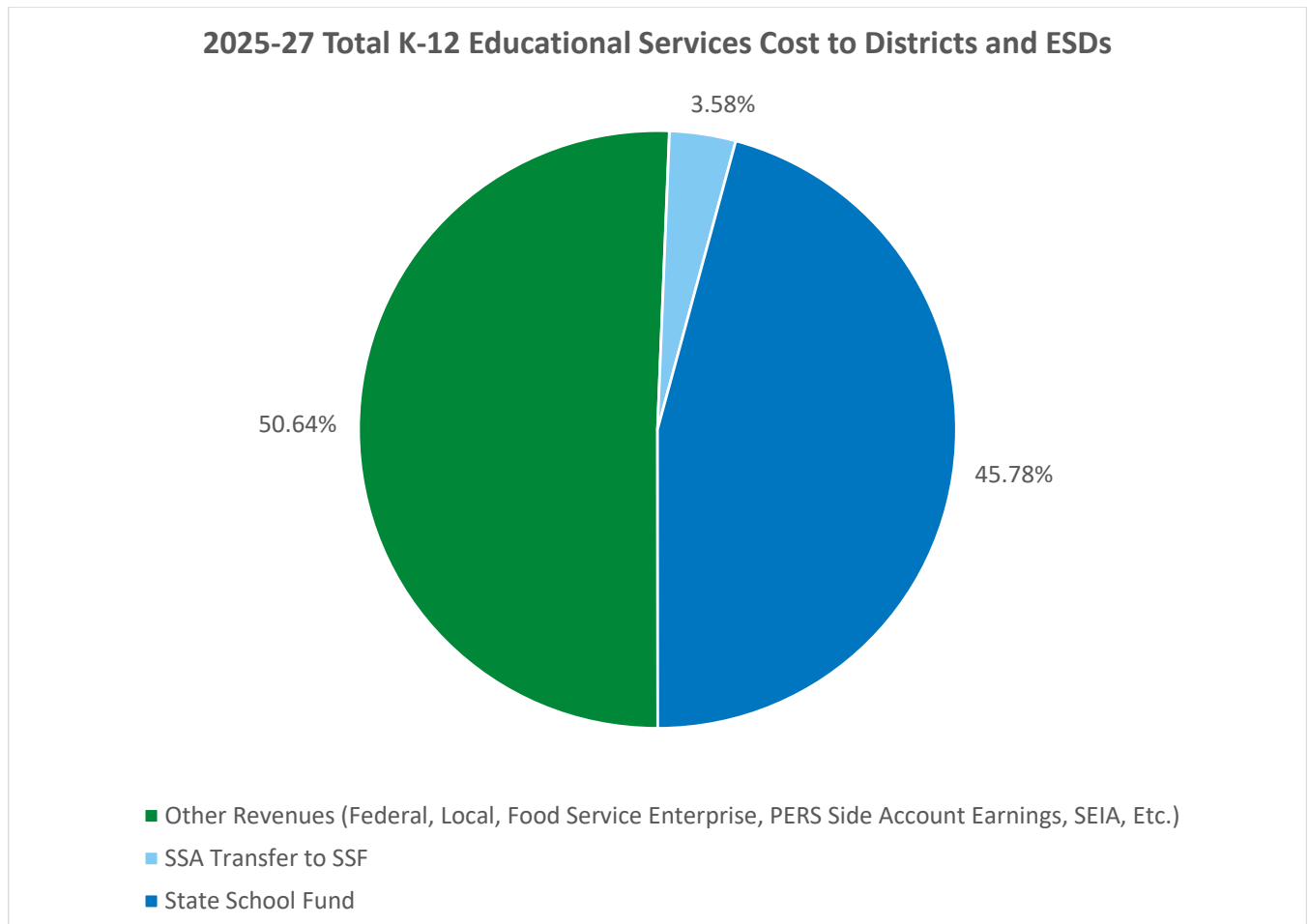
- The funding gap between the state’s proposed 2025-27 Current Service Level (CSL) and the fully implemented QEM as a percentage of total K-12 school funding is the smallest amount in the history of the QEM.
- The Governor’s Office and DAS partnered to ensure consistent CSL determination, contributing to better system alignment and additional funding for Oregon’s schools.

- For the upcoming 2025-27 biennium, the QEM estimates that it will require a State School Fund (SSF) investment of \$12.705 billion and Student Success Act (SSA) transfer of \$822 million, for a total Full QEM model projection of \$13.526 billion. This is \$2.252 billion more than the \$11.275 billion investment the state forecasts to maintain the current service level provided during the 2023-25 biennium. This is a 9.9% gap in comparison to total public K-12 funding (\$22.849 billion).
- Due to tax revenue barriers and decreased prioritization of K-12 public education funding over the past 25 years, Oregon is projected to fund its K-12 system close to two billion dollars less per biennium than is needed to run a system of effective schools.
- According to [US Census data from 2022](#), Oregon ranked 13th in state-sourced per pupil funding. If Oregon were to fund its schools at the level recommended in this report, our national ranking would rise to 6th. Oregon ranked 18th in state-sourced [per-pupil funding in 1999](#), when the first Full Implementation QEM projection was conducted.
- The Full Implementation of the QEM is not aspirational. It is attainable. There are several important funding needs that are not represented in the 2024 Full QEM. The Commission continues to analyze new inputs for future integration in the model, including, but not limited to, transitioning to a 180-day school year.

Oregon's education system funding requirements are demonstrated in Exhibit 1 below. The table shows the CSL level of total funding from all key sources, including federal revenues, local revenues, and those that are distributed by the SSF.

Historically, the QEM has modeled only the portion of funding that supports Oregon's public K-12 schools that is distributed through the SSF; a new source of SSF revenue was put in place with the adoption of the Student Success Act in 2019 (SSA), in the form of an SSA transfer. Oregon's total public K-12 funding and revenue sources are shown in Exhibit 1 below. The portion shaded in dark blue, the SSF, is what has been historically modeled by the QEM. The SSA transfer that is distributed through the SSF has been added since 2019. This SSA transfer is shaded in light blue. All other revenue sources are shown in dark green. The Full QEM projection of \$13.526 Billion fills the gap between other revenue sources and overall need. It includes both the legislatively-appropriated SSF (\$12.705 Billion) and the anticipated SSA transfer to the SSF (\$822 million).

EXHIBIT 1: 2025-27 TOTAL K-12 EDUCATIONAL SERVICES COST TO DISTRICTS AND ESDS



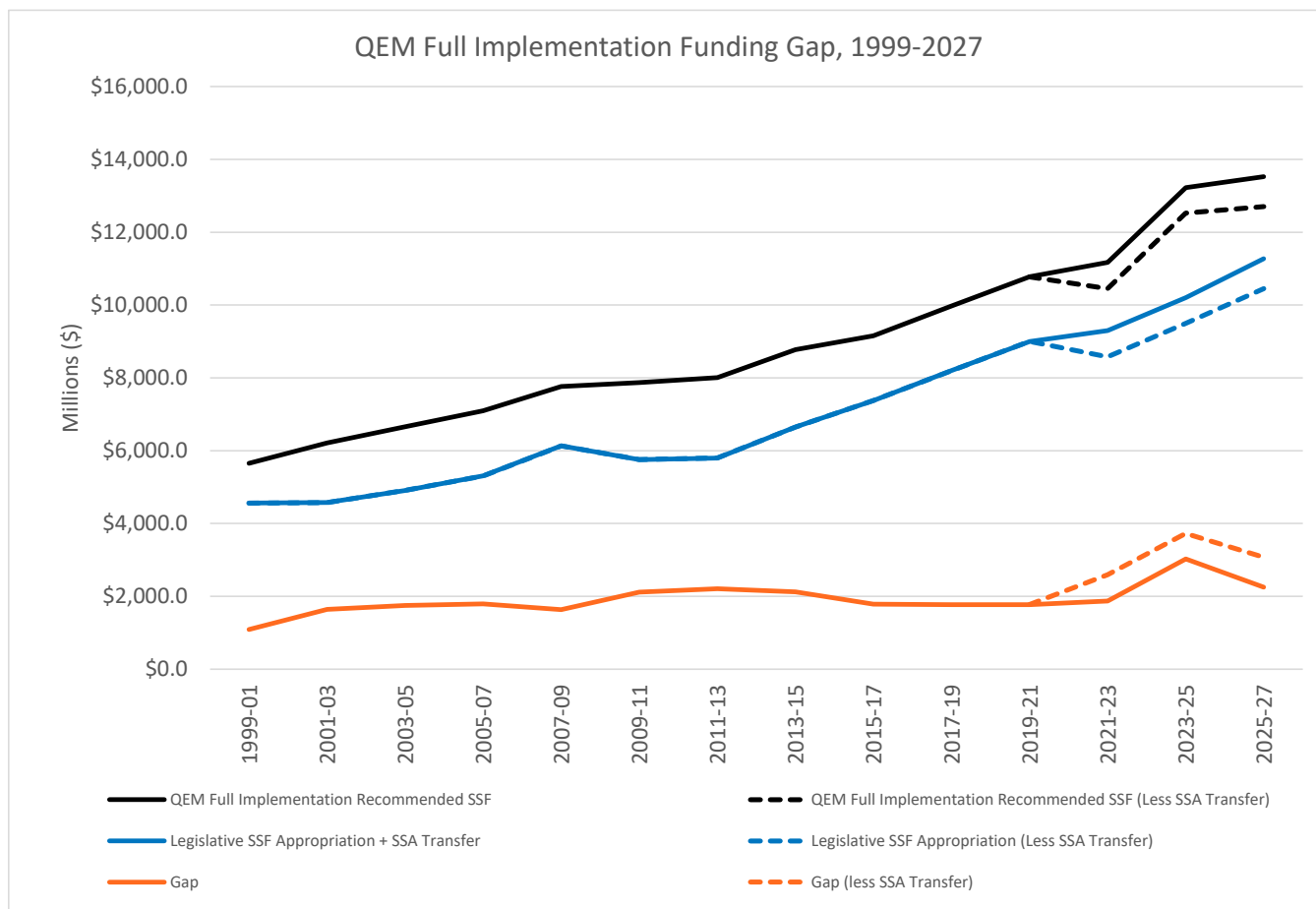
Note: The federal dollars represented in the dark green portion in Exhibit 1 above include expiring ESSER III funds that were expended during the 2023-25 biennium. Non-SSF/SSA Transfer sources of revenue also include Corporate Activities Taxes and local revenues that are expected to increase.

EXHIBIT 2: OREGON EDUCATION SYSTEM FUNDING REQUIREMENTS (\$ IN MILLIONS)

Description	2021-23	2023-25	2025-27
Current Service Level Total Funding Requirements from All Sources	\$16,980.20	\$19,217.80	\$22,848.70
▪ Less: Local, Federal, and Non-State School Fund Sources	\$7,819.80	\$8,508.00	\$11,516.60
QEM CSL Estimate	\$9,160.40	\$10,709.80	\$11,332.10
▪ Percent Change from Prior Biennium	4.4%	16.9%	5.8%
State School Fund Appropriation	\$9,300.00	\$10,200.00	\$11,274.50*
▪ Percent Change from Prior Biennium	3.3%	9.7%	10.5%
Fully-Implemented Quality Education Model Funding Requirements from All Sources	\$18,990.30	\$21,735.00	\$25,043.50
▪ Less: Local, Federal, and Non-State School Fund Sources	\$7,819.80	\$8,508.00	\$11,516.60
State School Fund Allocated Funding Requirements for Fully-Implemented Quality Education Model	\$11,170.50	\$13,227.00	\$13,526.90
▪ Percent Change from Prior Biennium	3.7%	18.4%	2.3%
Funding Gap: Amount Fully-Implemented Model is Above Current Service Level	\$1,870.50	\$3,027.00	\$2,252.40
▪ Percent Change from Prior Biennium	5.4%	61.8%	-25.6%
▪ Gap as a Percent of the Current Service Level SSF Appropriation	20.1%	29.9%	19.98%
▪ Gap as a Percent of the CSL Total Funding Requirements from All Sources	11.0%	15.8%	9.9%
* For 2025-27, the State School Fund Appropriation (Including SSA Transfer to SSF) is assumed to be the DAS SSF CSL Projection, as the QEC Report is published before the budget is legislatively adopted.			

Historical data that show the relationship between the Full QEM and Legislative State School Fund (SSF) appropriations is provided in the line graph below. The SSF has been steadily increasing across this time period, and the SSA investments have been substantial. However, the appropriations have not been sufficient to support statewide implementation of best practices and related increases in Oregon's education goals.

EXHIBIT 3: QEM FULL IMPLEMENTATION FUNDING GAP, 1999-2027



The 2024 QEM Report sets a new standard for transparency, with the complete workbook, including inputs and algorithms used for calculations, now available to the public. The work of the Commission is complex, as is the data analysis, research, and facilitation support provided by ODE. The Commission, and the modeling and reporting process, would benefit from the provision of additional staff for ODE, in the form of an additional Senior Research Analyst to assist with data visualization and model validation, and a Policy Analyst to help manage meeting and report design, facilitation, and related planning.

The Commission wants to emphasize that the Full Implementation of the QEM is not aspirational. It is attainable. There are several important funding needs that are not represented in the 2024 Full QEM. The Commission continues to analyze new inputs for future integration in the model, including, but not limited to, transitioning to a 180-day school year.



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