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81<sup>st</sup> LEGISLATIVE ASSEMBLY  
JOINT COMMITTEE ON PUBLIC EDUCATION APPROPRIATIONS

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August 22, 2022

John Rexford, Chair  
Quality Education Commission  
c/o Oregon Department of Education  
255 Capitol St NE  
Salem, OR 97310-0203

Dear Mr. Rexford:

We write to express our concerns about the 2022 Quality Education Model (QEM) report issued by the Quality Education Commission (Commission). Our concerns fall into three broad categories: the report does not meet its statutory requirements, the report misstates key facts, and the report does not clearly include Student Success Act funding in its calculation of the education funding gap.

The statutory requirements for your commission's report are listed in ORS 327.506:

- (4) Prior to August 1 of each even-numbered year, the commission shall issue a report to the Governor and the Legislative Assembly that identifies:
  - (a) Current practices in the state's system of kindergarten through grade 12 public education, the costs of continuing those practices and the expected student performance under those practices; and
  - (b) The best practices for meeting the quality goals, the costs of implementing the best practices and the expected student performance under the best practices.
- (5) In addition, the commission shall provide in the report issued under subsection (4) of this section at least two alternatives for meeting the quality goals. The alternatives may use different approaches for meeting the quality goals or use a phased implementation of best practices for meeting the quality goals.

The 2022 QEM report does not include sufficient information on the cost or expected student performance of continuing current practices, nor does it contain the cost or expected student performance under the newly identified best practices selected by the Commission in the 2022 report. For example, while the report identifies specific ratios of nurses and school counselors to students, it does not explain the costs for implementing each of those ratios. Previous reports

have included a great many more figures and tables explaining costs and calculations, including figures showing current expenditures and current student performance, the costs of implementing best practices, and expected student performance under each scenario, as required in statute. Additionally, previous reports have used high school graduation rates to measure the impact of both current and quality-model policies, while this report contains no information on the impact of current or quality-model policies whatsoever.

In addition to not meeting statutory requirements, the 2022 QEM report misstates two key facts:

- **Misstatement 1:** the corporate kicker must be allocated to the State School Fund
  - **Corrected:** the corporate kicker must be allocated to the General Fund and used to support K-12 education. (cf. Oregon Constitution, article IX, section 14(3))
- **Misstatement 2:** Student Success Act funding was used to supplant General Fund in the State School Fund budget for 2021-2023
  - **Corrected:** The Student Success Act requires a CAT tax transfer into the State School Fund of the amount of General Fund estimated to be foregone due to the reduced personal income tax rates in HB 3427 (2019).

Lastly, the report omits Student Success Act funding from the total in order to calculate the gap in funding. HB 3427 (2019) continuously appropriated Student Success Act funds to the Department of Education, the bulk of which go toward K-12 education. Therefore, those funds must be counted as an available resource in any calculation of the total gap. Student Success Act funds were available during the second half of the 2019-21 biennium and were included in the Commission's 2020 report. Omitting this funding source in the 2022 report materially misstates the amount of funding the state provides to K-12 education and conflicts with figures published by the Commission in its 2020 report. We recommend including figures and tables that clearly label all sources and uses of funds required for full implementation of the Quality Education Model.

We ask that the Commission reissue a report with all of these problems corrected. As you may be aware, the Legislative Assembly depends on the Commission's report in order to meet its constitutional and statutory reporting obligations under Article VIII, Section 8 of the Oregon Constitution and ORS 171.857. The Legislative Assembly requires the biennial QEM report to be both complete and factually accurate, and to satisfy all statutory requirements.

Thank you very much for your time and attention.

Sincerely,

**Susan McLain**

Representative Susan McLain  
Co-Chair

**Lew Frederick**

Senator Lew Frederick  
Co-Chair

Cc: Colt Gill, Oregon Department of Education  
Dan Farley, Oregon Department of Education

Signature: 

Email: [rep.susanmclain@oregonlegislature.gov](mailto:rep.susanmclain@oregonlegislature.gov)

Signature: 

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# Letter to QEC - August 2022 final

Final Audit Report

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