

BALLOT MEASURE 1 REPORT

GOVERNOR JOHN A. KITZHABER, M.D.

DECEMBER 1, 2000

“This measure constitutionally requires the Legislature to provide funding adequate to meet the quality education goals established by law – and to explain how the legislatively adopted budget meets those goals. In short, this is about accountability. It will force the K-12 debate in Salem to take place not around large, abstract numbers -- \$5.8 billion, \$4.9 billion – but rather around what we want those dollars to achieve in the classroom to advance the goals of the Education Act.”

*Governor Kitzhaber’s State of the State Address
January 21, 2000*

Ballot Measure 1 (adopted by voters in November 2000): The Legislative Assembly shall appropriate in each biennium a sum of money sufficient to ensure that the state’s system of public education meets quality goals established by law, and publish a report that either demonstrates the appropriation is sufficient, or identifies the reasons for the insufficiency, its extent, and its impact on the ability of the state’s system of public education to meet those goals.

GOVERNOR’S FINDINGS

The Governor’s Recommended Budget for primary and secondary schools (K-12) for 2001-03 is not sufficient to ensure that the state’s system of public education meets the quality goals established by law. The budget does not appropriate the funding levels estimated by the Quality Education Commission, established under Executive Order 99-16, as being sufficient for Oregon’s students to meet the academic standards established through the Oregon Educational Act for the 21st Century. The recommended budget is \$862 million below the level estimated by the Commission to fully meet the costs. However, the budget addresses the priority targets identified by the Quality Education Commission for phase-in to eventual full funding.

REASON FOR THE INSUFFICIENCY

Revenues available under current law cannot support the continuation of all state programs into the 2001-03 biennium at the program levels currently in place. The Governor’s budget recommends program reductions throughout the state budget to deal with this revenue gap. Funding available to K-12 has been increased to focus on those performance targets identified by the Quality Education Commission as being the highest priority for expansion.

GOVERNOR’S RECOMMENDED 2001-03 BUDGET FOR K-12

The Governor’s Recommended 2001-03 Budget for K-12 is comprised of the following elements:

State School Fund	\$ 7,141.5 million (Total, including Property Taxes) 4,994.6 million (State Appropriation)
School Improvement Fund	220.0 million (State Appropriation)
TOTAL	\$ 7,361.5 million (Total) 5,214.6 million (State Appropriation)

The amount appropriated to the School Improvement Fund (\$220 million) is the estimate of the amount necessary to meet the priority focus recommended by the Quality Education Commission, namely 90% of 3rd and 5th graders meeting or exceeding the state reading benchmarks within 4 years (by 2004-05). The proposed legislation for the School Improvement Fund will require school districts to utilize the funds, available on a per-student basis, for activities directly related to increases in student achievement. The districts will also be required to establish goals for increases in student performance, specifically focused on 3rd and 5th grade reading, before accessing those funds.

To provide \$220 million for these activities, \$110 million was reduced from the State School Fund budget and moved to the School Improvement Fund budget. An additional \$110 million in tobacco settlement monies were then added to the School Improvement Fund budget for a total of \$220 million.

IMPACT ON THE ABILITY TO MEET THE QUALITY GOALS

The Quality Education Commission developed the Quality Education Model (QEM-2000) as the means for determining the statewide level of resources necessary for schools and students to meet the quality education goals. The Commission described the current average allocation of resources in elementary, middle and high schools and then recommended best practices and levels of resources that would be necessary to support 90% of Oregon’s students meeting the state benchmarks at the 3rd, 5th, 8th and 10th grades over time. The Commission outlined those findings and recommendations through the use of “prototype” school models. The Commission also established its expectations for student performance against those academic benchmarks under both the current allocation and the recommended allocation. *Those descriptions and expectations are included in Attachment A.* (More details on the Commission’s work and recommendations can be found at <http://dbi.ode.state.or.us/qualityed>).

The Commission also recommended that a phase-in to the “full model” should focus initially on 90% of 3rd and 5th graders meeting or exceeding the reading benchmarks within 4 years. The Commission determined that developing reading skills in the early grades provides an essential foundation for student success. The Commission provided two examples of investments that would provide schools the resources to achieve those targets. Subsequent to the Commission’s recommendations to the Governor and State Superintendent of Public Instruction, the five educator members of the Commission were asked to consider two other sets of possible investments that would result in those outcomes. They agreed that the following types of additions to the current average elementary school resources, either of which would cost approximately \$220 million in 2001-03, could be reasonably expected to achieve those outcomes:

Example 1 – Elementary School Investments

- Additional textbooks, supplies and materials
- Additional time for students not meeting standards (e.g. tutoring, after school assistance)
- Additional professional development for teachers and administrators
- 1 FTE reading specialist
- .5 FTE instructional improvement staff

Example 2 – Elementary School Investments

- Additional textbooks, supplies and materials
- Additional time for students not meeting standards (e.g. tutoring, after school assistance)
- Additional professional development for teachers and administrators
- Class size reduction in grades K-3 from average of 24 to average of 20

It should be noted that the model does not mandate that schools utilize resources in this manner. The QEM is a budget model that describes and estimates the costs of activities that could be expected to result in identified outcomes.

As noted above, \$110 million was reduced from the State School Fund and moved to the School Improvement Fund for a focus on reaching these reading targets. Assuming that the amount being reallocated is currently being spent on the middle and high school levels, this means that impacts may also be felt at those levels. For instance, if a district chose to take that reduction from class size, the average class size at the middle and high school levels would be estimated to *increase* by 1.5 students per class. Another alternative might be to eliminate counselors at those levels. Again, districts will have the discretion to determine where specific reductions will need to occur.

Although some level of reallocation from middle schools and high schools may be necessary at the district level, other investments in the Governor's Recommended Budget for the Oregon Department of Education provide more targeted assistance to schools, especially at those levels. Specifically, the budget contains approximately \$7 million to provide assistance to low-performing schools and to address dropout prevention.

An analysis that compares the possible impacts resulting from the Governor's recommended budget with both the current (baseline) allocation and "full model" allocation is included as Attachment B. As can be seen, it is anticipated that enhancements would occur at the elementary level with some reductions occurring at the middle and high school levels.

Under the Governor's Recommended Budget for 2001-03, the performance expectations are as follows:

- 90% of 3rd and 5th graders meeting or exceeding the state *reading* benchmarks within 4 years (by 2004-05);
- Significant progress in the percentage of 3rd and 5th graders meeting or exceeding the state *math* benchmarks within 4 years;
- Continued progress in increasing the percentage of 8th and 10th graders meeting or exceeding the state reading and math benchmarks during that time, although the increase expected would not be as great as those outlined under those projected for "current resource levels."

GOVERNOR'S FINDINGS CONCERNING POSTSECONDARY EDUCATION

Although community colleges and higher education are important parts of the "state's system of public education," the Governor finds that neither of those systems has the type of measurable statutory goals that exist for K-12. Therefore, until such goals for community colleges and higher education are developed and placed into statute, the provisions of Measure 1 do not apply to them.

The components of the three prototype schools – elementary, middle, and high – are described in Tables 1, 2, and 3. The tables compare components under two different scenarios – the full prototype schools funded at the recommended research-based, best practice levels versus a baseline (current) school that assumes existing levels of funding will continue and, aside from inflation, no new resources will be added.

In the tables, the features of the full prototype schools are compared with the features of a demographically comparable baseline school. The baseline school is an approximate characterization of what the prototype elementary, middle and high schools would look like under current practice and funding levels.

Table 1		
Quality Education Model 2000 Key Components		
Prototype Elementary School -- 340 Students		
Baseline Compared to Full Prototype		
	Baseline	Full Prototype
Kindergarten	Half-day	Full-day
Class size	24 average, no cap	20 for grades K-3
K-5 classroom teachers	13.5 FTE	15.0 FTE
Specialists for areas such as art, music, PE, reading, math, TAG, ESL, library/media, second language, or child development	2.2 FTE	4.5 FTE
Special Education licensed staff	1.0 FTE	1.5 FTE
English as a second language licensed staff	0.5 FTE	0.5 FTE
Licensed substitute teachers	\$66 per student	\$66 per student
On-site instructional improvement staff	None	0.5 FTE
Instructional support staff	5.0 FTE	6.0 FTE
Additional instruction time for students not meeting standards	Limited	Summer school, after-school programs, Saturday school, or tutoring, 20% of students
Professional development time for teachers	3 days	Based on equivalent of 7 days, can be used for any combination of extended contracts, stipends, per diem, substitutes, etc.
Leadership training for administrators	Limited	Based on equivalent of 4 days
Students per computer	12	6
Textbooks	\$50 per student	\$60 per student
Classroom materials & equipment	\$113 per student	\$163 per student
Other supplies	\$47 per student	\$47 per student
Operations and maintenance	\$535 per student	\$535 per student
Student transportation	\$241 per student	\$241 per student
Centralized special education	\$60 per student	\$66 per student
Technology Services	\$95 per student	\$95 per student
Other centralized support	\$142 per student	\$142 per student
District administrative overhead	\$208 per student	\$208 per student
Total cost per ADMw in 1998-99 School Year*	\$4,393	\$5,448**

* ADMw is weighted student enrollment which is adjusted to reflect the additional costs of educating students with special needs.

** Calculated based on ADMw with kindergarten at full-time.

Table 2
Quality Education Model 2000 Key Components
Prototype Middle School – 500 Students
Baseline Compared to Full Prototype

	Baseline	Full Prototype
Class size in core subjects of math, English, science, social studies, second language	23 average, no cap	Average 22, with maximum of 29 in core academic subjects
Staffing in core subjects	16.8 FTE	17.0 FTE
Extra teachers in math, English, and science	None	1.5 FTE
Additional staffing for core courses or electives	4.0 FTE	4.0 FTE
Special Education licensed staff	3.0 FTE	3.0 FTE
English as a second language licensed staff	0.5 FTE	0.5 FTE
Media/Librarian	1.0 FTE	1.0 FTE
Counselors	One for every 333 students	One for every 250 students
Licensed substitute teachers	\$66 per student	\$66 per student
On-site instructional improvement staff	None	1.0 FTE
Instructional support staff	11.0 FTE	11.0 FTE
Additional instruction time for students not meeting standards	Limited	4 wks of summer school, after-school programs, Saturday school, or tutoring, 20% of students
Professional development time for teachers	3 days	Based on equivalent of 7days but to be used for any combination of extended contracts, substitute time, etc.
Leadership training for administrators	Limited	Based on equivalent of 4 days
Students per computer	12	6
Textbooks	\$50 per student	\$60 per student
Classroom materials & equipment	\$126 per student	\$176 per student
Other supplies	\$49 per student	\$49 per student
Operations and maintenance	\$535 per student	\$535 per student
Student transportation	\$241 per student	\$241 per student
Centralized special education	\$60 per student	\$66 per student
Technology Services	\$95 per student	\$95 per student
Other centralized support	\$142 per student	\$142 per student
District administrative overhead	\$208 per student	\$208 per student
Total cost per ADMw in 1998-99 School Year*	\$4,961	\$5,442

* ADMw is weighted student enrollment that is adjusted to reflect the additional costs of educating students with special needs.

Table 3
Quality Education Model Key Components
Prototype High School -- 1,000 Students
Baseline versus Full Prototype

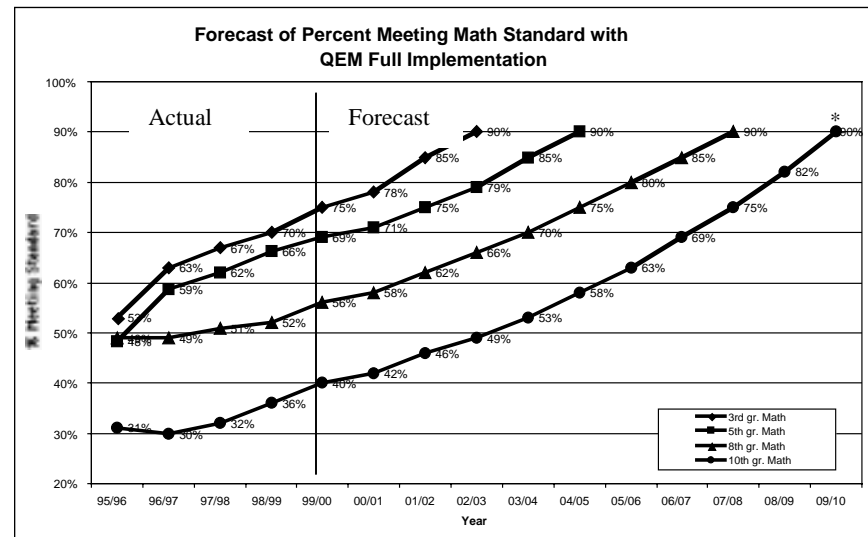
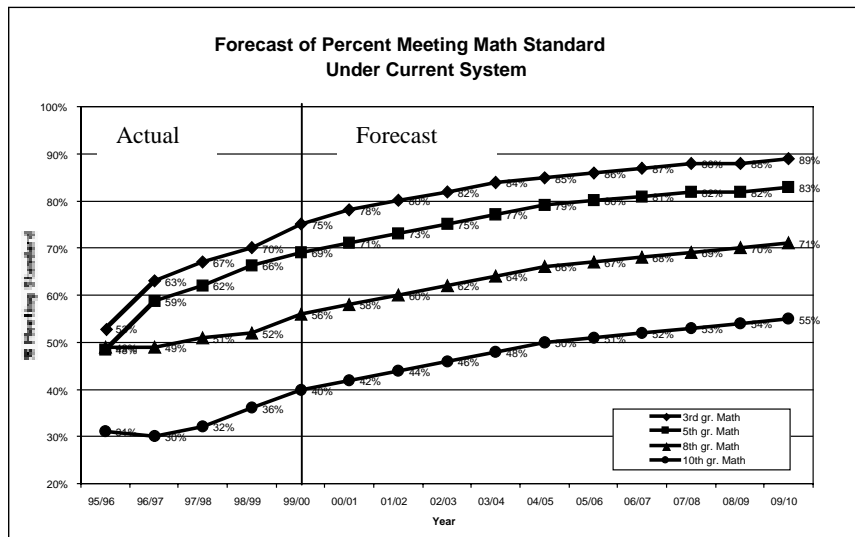
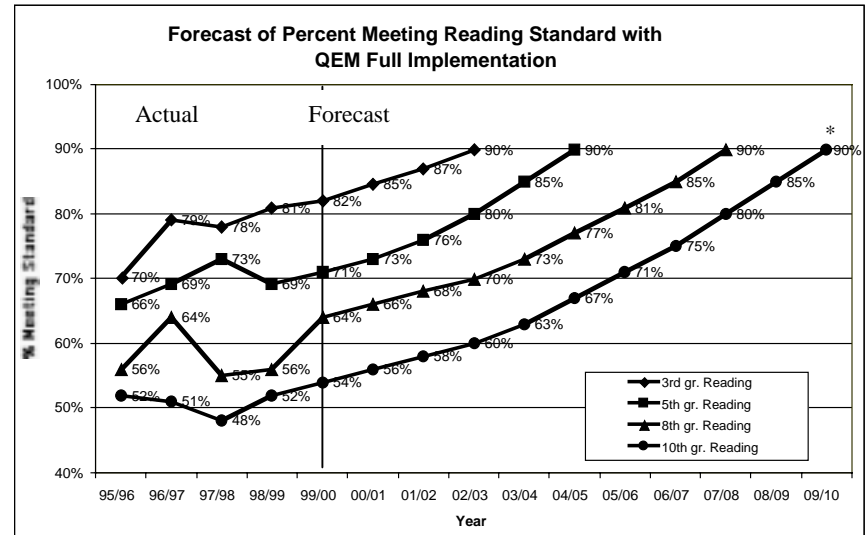
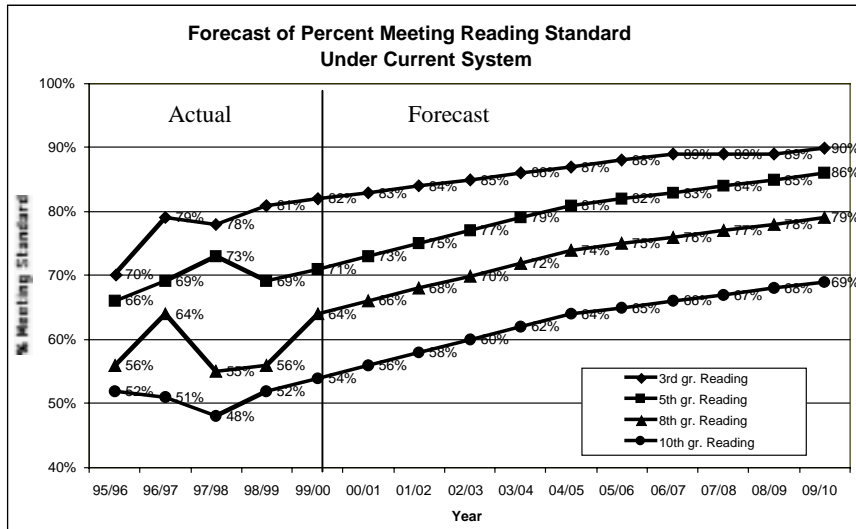
	Baseline	Full Prototype
Class size in core subjects of math, English, science, social studies, second language	24 average, no cap	Average 21, with maximum class size of 29 in core academic subjects
Staffing in core subjects	35.6 FTE	37.6 FTE
Extra teachers in math, English, and science	None	3.0 FTE
Additional staffing for core courses or electives	6.4 FTE	6.4 FTE
Special Education licensed staff	3.75 FTE	3.75 FTE
English as a second language licensed staff	0.5 FTE	0.5 FTE
Media/Librarian	1.0 FTE	1.0 FTE
Counselors	One for every 333 students	One for every 250 students
Licensed substitute teachers	\$66 per student	\$66 per student
On-site instructional improvement staff	None	1.0 FTE
Instructional support staff	20.0 FTE	20.0 FTE
Additional instruction time for students not meeting standards	Limited	4 wks of summer school, Saturday school, after-school programs, or tutoring, 20% of students
Professional development time for teachers	3 days	Based on equivalent of 7 days but to be used for any combination of extended contracts, stipends, per diem, etc
Leadership training for administrators	Limited	Based on equivalent of 4 days
Students per computer	12	6
Textbooks	\$50 per student	\$75 per student
Classroom materials & equipment	\$159 per student	\$279 per student
Other supplies	\$66 per student	\$66 per student
Operations and maintenance	\$535 per student	\$535 per student
Student transportation	\$231 per student	\$231 per student
Centralized special education	\$60 per student	\$66 per student
Technology Services	\$95 per student	\$95 per student
Other centralized support	\$142 per student	\$142 per student
District administrative overhead	\$208 per student	\$208 per student
Total cost per ADMw in 1998-99 School Year*	\$4,978	\$5,615

- ADMw is weighted student enrollment that is adjusted to reflect the additional costs of educating students with special needs.

Forecast of Percentage of Students Meeting Reading and Math Standards At the Benchmark Levels -- Grades 3, 5, 8, 10

Projected at Current Resource Levels

Projected at Full QEM Implementation



* The Commission was less confident forecasting the date by which 90 percent of tenth-graders would meet standard.

Quality Education Model Key Assumptions

Prototype Elementary School -- 340 Students

Differences Between Baseline, Governor's Budget, and Full Prototype

Component	Baseline	Governor's Budget*		Full Prototype
		Example 1	Example 2	
Kindergarten	Half-day	Half-day	Half-day	Full-day
Class size	24 average	24 average	20 for grades K-3 24 for grades 4-5	20 for grades K-3 24 for grades 4-5
K-5 classroom teachers	13.5 FTE	13.5 FTE	15.0 FTE	15.0 FTE
Specialists for areas such as art, music, PE, reading, math, TAG, library/media, second language, or child development	2.2 FTE	3.2 FTE (Addition of 1.0 FTE Reading Specialist)	2.2 FTE	4.5 FTE
Special Education licensed staff	1.0 FTE	1.0 FTE	1.0 FTE	1.5 FTE
On-site instructional improvement staff	None	0.5 FTE	None	0.5 FTE
Instructional support staff	5.0 FTE	5.0 FTE	5.0 FTE	6.0 FTE
Additional instruction time for students not meeting standards	Limited	After-school programs, tutoring--20% of students	After-school programs, tutoring--20% of students	Summer school, after-school programs, tutoring--20% of students
Professional development time for teachers	3 days	7 days	7 days	7 days
Leadership training for administrators	Limited	4 days	4 days	4 days
Students per computer	12	12	12	6
Spending on textbooks, supplies, materials, & equipment	\$163 per student	\$223 per student	\$223 per student	\$223 per student

* Two examples of how districts might allocate resources to meet the target of 90% of 3rd and 5th graders meeting or exceeding state reading benchmarks within 4 years. The additional cost of these investments in elementary schools under either example is approximately \$220 million for 2001-03 when aggregated on a statewide basis. Example 2 might require additional capital (facility) costs, which are not included in the total.

Quality Education Model Key Assumptions

Prototype Middle School -- 500 Students

Differences Between Baseline, Governor's Budget, and Full Prototype

Component	Baseline	Governor's Budget*		Full Prototype
		Example 1	Example 2	
Class size in core subjects of math, English, science, social studies, second language	Average of 23, no cap	Average of 24.5	Average of 23, no cap	Average of 22, with maximum of 29 in core academic courses
Staffing in core subjects	16.8 FTE	16.8 FTE	16.8 FTE	17.0 FTE
Extra teachers in math, English, and science	None	None	None	1.5 FTE
Additional staffing for core courses or electives	4.0 FTE	2.5 FTE (see resulting changes in class size above)	4.0 FTE	4.0 FTE
Counselors	One for every 333 students	One for every 333 students	None	One for every 250 students
On-site instructional improvement staff	None	None	None	1.0 FTE
Additional instruction time for students not meeting standards	Limited	Limited	Limited	Summer school, after-school programs, tutoring--20% of students
Professional development time for teachers	3 days	3 days	3 days	7 days
Leadership training for administrators	Limited	Limited	Limited	4 days
Students per computer	12	12	12	6
Spending on textbooks, supplies, materials, & equipment	\$176 per student	\$176 per student	\$176 per student	\$236 per student

* Two examples of how districts might reallocate resources away from the middle and high school levels, either of which would save approximately \$110 million for 2001-03 when aggregated on a statewide basis. These reallocations, along with an additional \$110 million, would support the investments outlined in the elementary model.

Quality Education Model Key Assumptions

Prototype High School -- 1,000 Students

Differences Between Baseline, Governor's Budget, and Full Prototype

Component	Baseline	Governor's Budget*		Full Prototype
		Example 1	Example 2	
Class size in core subjects of math, English, science, social studies, second language	Average of 24, no cap	Average of 25.5	Average of 24, no cap	Average of 21, with maximum of 29 in core academic courses
Staffing in core subjects	35.6 FTE	35.6 FTE	35.6 FTE	37.6 FTE
Extra teachers in math, English, and science	None	None	None	3.0 FTE
Additional staffing for core courses or electives	6.4 FTE	3.4 FTE (see resulting changes in class size above)	6.4 FTE	6.4 FTE
Counselors	One for every 333 students	One for every 333 students	None	One for every 250 students
On-site instructional improvement staff	None	None	None	1.0 FTE
Additional instruction time for students not meeting standards	Limited	Limited	Limited	Summer school, after-school programs, tutoring--20% of students
Professional development time for teachers	3 days	3 days	3 days	7 days
Leadership training for administrators	Limited	Limited	Limited	4 days
Students per computer	12	12	12	6
Spending on textbooks, supplies, materials, & equipment	\$209 per student	\$209 per student	\$209 per student	\$354 per student

* Two examples of how districts might reallocate resources away from the middle and high school levels, either of which would save approximately \$110 million for 2001-03 when aggregated on a statewide basis. These reallocations, along with an additional \$110 million, would support the investments outlined in the elementary model.