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76th LEGISLATIVE ASSEMBLY
JOINT SPECIAL COMMITTEE ON PUBLIC EDUCATION APPROPRIATION
State Capitol
900 Court St. NE, Rm. 453
Salem, OR 97301
503-986-1664

January 18, 2012

The Honorable Peter Courtney, President
The Honorable Bruce Hanna, Co-Speaker
The Honorable Arnie Roblan, Co-Speaker
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Oregon Education Investment Board
Governor's Office
155 Cottage Street, NE, Third Floor
Salem, OR 97301

RE: Report on Adequacy of Public Education Funding as Required by Article VII, Section 8, of the Oregon Constitution

President Courtney, Co-Speaker Hanna, Co-Speaker Roblan and Members of the Oregon Education Investment Board,

The Joint Special Committee on Public Education Appropriation met in September and November of 2011 and fulfilled its constitutional and statutory obligations to accept the enclosed Report on the Adequacy of Public Education Funding. During the course of its deliberations, Committee members articulated significant concerns regarding both the content of the report and the process by which it was developed. It is hoped that the recommendations contained in this letter will inform future actions of the OEIB as well as the Legislature's education committees with regard to the work of the Quality Education Commission.

This process was established by Ballot Measure 1 which Oregon voters passed in 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.*

The 2001 Oregon Legislative Assembly enacted ORS 171.857 specifying the content of the report. The statute reads, in part,

> *. . .The Legislative Assembly in the report shall [:] [d]emonstrate that the amount within the budget appropriated for the state's system of kindergarten through grade 12 public education is the amount of moneys as determined by the Quality Education Commission . . . that is sufficient to meet the quality goals; or [i]dentify the reasons that the amount appropriated for the state's system of kindergarten through grade 12 public education is not sufficient, the extent of the insufficiency and the impact of the insufficiency on the ability of the state's system of kindergarten through grade 12 public education to meet the quality goals In identifying the impact of the insufficiency, the Legislative Assembly shall include in the report how the amount appropriated in the budget may affect both the current practices and student performance identified by the commission . . . and the best practices and student performance identified by the commission. . . .*

With regard to post-secondary public education, ORS 171.857 states:

> *The Legislative Assembly shall identify in the report whether the state's system of post-secondary public education has quality goals established by law. If there are quality goals, the Legislative Assembly shall include in the report a determination that the amount appropriated in the budget is sufficient to meet those goals or an identification of the reasons the amount appropriated is not sufficient, the extent of the insufficiency and the impact of the insufficiency on the ability of the state's system of post-secondary public education to meet those quality goals.*

In each of the last five biennia, the Quality Education Commission has reported its Quality Education Model to the Legislative Assembly, and a Joint Special Committee has produced a report explaining why moneys appropriated for education were not adequate to fully fund it. The funding gap has increased from $1.64 billion in 2001-2003 to $3.04 billion in 2011-2013 (with one funding gap decrease in 2007-2009).

After ten years' experience with this process of justifying inadequate funding of public education, and in the light of impending structural changes contemplated by the OEIB, the Committee believes that it is time to review this process in order to maintain any sort of relevance to current education funding practices.

To that end, it is the recommendation of the Joint Special Committee on Public Education Appropriation that the Oregon Education Investment Board review the functions of the Quality Education Commission and the content of the Quality Education Model with an eye to absorbing the Commission and taking upon itself the duty to determine what constitutes a quality education.

Additionally, the Committee recommends that future Reports on the Adequacy of Public Education Funding include the following additional information:

1. Specific information regarding academic performance of racial/ethnic/socio-economic subgroups.

2. Impact of PERS, health insurance and inflation on education cost increases.

3. Discussion of the correlation between spending and educational achievement.

4. Comparison of achievement of Oregon students with those in other countries.

Finally, the Committee recommends that the House Education Committee and the Senate Education and Workforce Development Committee consider the issues raised by the Report on Adequacy of Public Education Funding and the recommendations contained herein.

Sincerely,

Sen. Rod Monroe, Co-Chair

Rep. Betty Komp, Co-Chair

Rep. Sherrie Sprenger, Co-Chair