

# **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 21<sup>st</sup> 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 3<sup>rd</sup> and 5<sup>th</sup> 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 3<sup>rd</sup> and 5<sup>th</sup> 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 3<sup>rd</sup>, 5<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> 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 3<sup>rd</sup> and 5<sup>th</sup> 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 3<sup>rd</sup> and 5<sup>th</sup> graders meeting or exceeding the state *reading* benchmarks within 4 years (by 2004-05);
- Significant progress in the percentage of 3<sup>rd</sup> and 5<sup>th</sup> graders meeting or exceeding the state *math* benchmarks within 4 years;
- Continued progress in increasing the percentage of 8<sup>th</sup> and 10<sup>th</sup> 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.