

Memorandum

PREPARED FOR: Senator Sollman
DATE: February 6, 2026
BY: Lisa Gezelter, LPRO Analyst
RE: Genesis of SB 1555



This memorandum responds to your request for information about the genesis of Senate Bill 1555.

Background

Article VIII, Section 8 of the Oregon Constitution requires the Legislative Assembly to appropriate a “sufficient” amount of funding for K-12 education or issue a report about funding insufficiency. That requirement was enacted into law in 2000 with the passage of Ballot Measure 1. To comply with this requirement, the legislature needs to know how much is sufficient. To answer that question, the legislature created the Quality Education Commission (QEC) and the Quality Education Model (QEM) in 1999.

An education cost model is a tool that helps states estimate the funding required to provide an adequate education for all students across all contexts within the state. The QEM is Oregon’s cost model for determining the sufficient amount of funding for K-12 education. The QEC is a governor-appointed body, currently with seven members, that decides what inputs go into the QEM. The Oregon Department of Education (ODE) is tasked in law with supporting the QEC and, therefore, with running QEM. The QEM takes the inputs determined by the QEC, calculates the costs associated with those inputs across three prototype schools (one elementary, one middle, and one high school), and then scales that calculation statewide.

The QEM report is issued in even-numbered years. In odd-numbered years, the legislature appoints the Joint Committee on Public Education Appropriation (JPEA) to consider the QEM report and issue its own report containing a sufficiency determination.

Modernizing Oregon’s Education Cost Model

In 2024, some QEC commissioners asked for funding to “modernize” the QEM. State Senator Michael Dembrow, then a member of the JPEA and Senate Education Committee chair, proposed conducting an outside evaluation before allocating more money to the QEM and included a requirement for that study in Senate Bill 1552 (2024).

American Institutes for Research (AIR) completed the evaluation in 2025. The researchers found that in many ways, the QEM was not aligned with professional best practices, as enumerated in the [“American Institutes for Research Evaluation of the Quality Education Model”](#) report and presentation, which was delivered before the JPEA in October 2025.

In November 2025, the JPEA found that the 2024 QEM report incorrectly calculated an insufficiency when the funding appropriation for the 2025–2027 biennium had, in fact,

reached sufficiency for the first time. The details of the Legislative Fiscal Office's findings are contained in the "[Report on the Adequacy of Public Education Funding](#)" presentation, specifically on slides 22 and 23, and a [video of the presentation is available online](#).

The co-chairs of the JPEA worked in the fall of 2025 on a new way for the legislature to calculate sufficiency based on the recommendations of the AIR evaluation. The report adopted by the JPEA identified the following nine opportunities for improvement:

1. Build alignment in education goals
2. Rely on neutral experts
3. Use best practices in education research
4. Itemize changes in the model's cost inputs and discuss those in the report
5. Conduct a quality review of the financial codes used in the QEC's calculations
6. Increase transparency of the calculations
7. Account for the variation of needs across schools
8. Enhance the scale-up assumptions
9. Develop a roadmap for educators

Senate Bill 1555

SB 1555 was introduced by the JPEA to implement the recommendations from the evaluation and address the opportunities for improvement identified in the JPEA's 2025 report. The measure does the following:

- Changes the educational goals on which the cost model rests to be measurable and calculable
- Places the work of selecting the cost model's inputs with professional judgment panels of currently practicing Oregon educators
- Places the work of determining a total cost for the model into the hands of neutral expert researchers who will be awarded a contract based on their track record of best practices
- Requires a legislative public hearing prior to the adoption of the new cost model
- Requires the cost model to account for variation across Oregon's schools
- Requires communication of the cost model's inputs to Oregon's school districts, which has not taken place under the current system
- Maintains the cost model's stability for eight years, providing for an updated dollar amount every biennium

