



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2026 Regular Session

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 Date: February 12, 2026

Bill Title: Relating to the constitutional requirements for public education appropriations; declaring an emergency.

Government Unit(s) Affected: Department of Administrative Services, Legislative Assembly, Legislative Policy and Research Office, Office of the Governor, Department of Education, Legislative Fiscal Office, School Districts

Summary of Fiscal Impact:

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Legislative Policy and Research Office	\$ 766,491	\$ -	\$ -	\$ -	\$ 766,491	1	0.50
Total Fiscal Impact	\$ 766,491	\$ -	\$ -	\$ -	\$ 766,491	1	0.50
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2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Legislative Policy and Research Office	\$ 54,731	\$ -	\$ -	\$ -	\$ 54,731	1	0.17
Total Fiscal Impact	\$ 54,731	\$ -	\$ -	\$ -	\$ 54,731	1	0.17

Measure Description

The measure declares the state's quality education goals and modifies the process for determining the state funding required to support a quality public education. The Joint Interim Committee on Ways and Means is required to prepare the report determining the sufficiency of state funding for public education based on a cost model developed by an entity contracted by the Legislative Policy and Research Office (LPRO). The Joint Interim Committee on Ways and Means must use the education cost model (ECM) to determine whether the Legislature has allocated enough funding to achieve the public education quality goals. The measure specifies the requirements for the cost model, which must be updated at least every six years. In interim biennia, the Department of Administrative Services (DAS) will update the cost estimates of the model consistent with Governor's Budget process.

Fiscal Analysis

Legislative Policy and Research Office

The fiscal impact for LPRO is estimated to be \$766,491 General Fund and one position (0.50 FTE) in the 2025-27 biennium and \$54,731 General Fund and one position (0.17 FTE) in the 2027-29 biennium. The measure directs LPRO to contract with an entity to develop an ECM every six years, contingent on legislative appropriations. To implement the measure, LPRO will need to contract with a third-party to develop a new ECM, including convening educators to develop a revised cost model. This requires LPRO to engage in a public contracting process and oversee the 18-21 month project every six years. This would mean that contract dollars and staffing would need to be reallocated every six years, or sooner, if the Legislature directs the effort to begin at an earlier date. The estimated cost of this contract in the 2025-27 biennium is \$600,000 General Fund. However, it is important to note that the final project scope will determine the overall budget. In addition, LPRO would need

one limited-duration, full-time Senior Analyst (0.50 FTE) to oversee the work of the contractors, including review and final reporting of the ECM, panels, and the model specifications. The estimated cost of this position, including position-related services and supplies, is \$166,491 General Fund in the 2025-27 biennium and \$54,731 General Fund in the 2027-29 biennium.

Legislative Fiscal Office

This measure moves the responsibility for drafting and publishing the report related to the sufficiency of public education from the Joint Public Education Appropriations (JPEA) Committee to the Joint Committee on Ways and Means. The Legislative Fiscal Office currently provides staff support to the JPEA to develop the education sufficiency report. The additional meetings of the Joint Committee on Ways and Means can be absorbed with existing staff.

Department of Administrative Services

Once the ECM is completed, the measure requires DAS to update the estimates and provide revised figures to the Joint Interim Committee on Ways and Means. This additional work will have a minimal fiscal impact on DAS.

Other entities

The measure is anticipated to have a minimal fiscal impact on the Oregon Department of Education and no fiscal impact on the Office of the Governor, Legislative Assembly, and school districts.

Relevant Dates

The measure declares an emergency and takes effect on passage.