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Chair Frederick, Vice-Chair Weber Honorable former colleagues, I'm former Senate Education Chair, now Citizen Michael Dembrow. I've been asked to provide some background to the steps leading up to SB 1555 and to answer any questions you might have about that history. I'm happy to do so.

As a member of the Joint Public Education Appropriation Committee between 2021 and 2025—along with Senators Frederick and Weber—I can say, and I'm sure my former colleagues would agree—that there has been growing concern that the QEM, first created in 1999 under the excellent leadership of Speaker Lynn Lundquist, is no longer meeting current needs. The original model with its three prototype schools doesn't capture the diversity of the state in terms of geography, school size, high poverty, and special needs. Using high school graduation rates as the sole measure of success was seen as inadequate and overly simplistic.

It seemed already clear in 2021 that the QEM was badly in need of updating, and the Commission was already requesting a budget to do so.

We did also have questions about the way that the sufficiency inputs were being calculated—whether or not funds from the Student Success Act and other grant programs were being adequately included when total state investments were being calculated. We had concerns around transparency and about ODE's capacity and ability to support a high-quality, independent sufficiency assessment.

The Joint Committee's transmittal letter for the 2021 sufficiency report reflected these concerns and among its specific recommendations, it asked that “the statutes relating to the Quality Education Model and Quality Education Commission be reviewed”

During the 2023 session, Senate Education introduced a committee bill, SB 281, to secure the funding needed to do the update. Unfortunately, although the bill passed out of committee unanimously, it died in Ways and Means and the funding was not secured.

Our concerns only increased, however, when we received the Commission's next sufficiency report. In it we saw a big, unexpected jump in cost. As a result, what had been a slow, steady narrowing of the sufficiency gap suddenly reversed itself without a clear explanation. The big jump in cost in the 2022 report generated controversy among legislators both within and outside the JPEA, including legislative leadership, and initiated a debate over the purpose and methodology of the QEM,

That would be reflected in the JPEA's 2023 recommendations to the Legislature at the end of 2023, which were quite detailed and *Which recommended passage of legislation to initiate the modernization of the Quality Education Model and the process involved in its creation and use.*

It was clear to us that we needed a high-quality objective assessment of Oregon's education funding. By then we had seen the latest Oregon education finance profile from the national *School Finance Indicators Database (SFID)*, which suggested that Oregon was actually among the better states in terms of its efforts to fund K-12 education relative to its GDP, but that those dollars weren't necessarily going to the students who needed them most to be successful.

As a result of these concerns, along with the requests from the Commission and from the Joint Committee, I included this issue in the 2024 Education Omnibus bill, SB 1552. Sections 13-15 of that bill directed a study by national experts of education funding and spending in Oregon that would result in recommendations to the Legislature for modernizing the QEM and potentially changing the process by which education quality and funding are assessed.

After passage of the bill in March 2024, LPRO initiated a selection process that resulted in the choice of the American Institutes for Research to do this work. AIR is a very well-respected organization with lots of experience and

had the capacity to provide national perspective on best practices and the necessary technical calculations. They completed their work a year ago, ultimately too late for it to be used for legislation in the 2025 session. You may remember that they presented it to a joint meeting of this committee and House Education last Feb.26. Their report was long and detailed, and it provided a series of key findings and recommendations that the 2025 JPEA, with support from LPRO and LFO, was able to assess and that ultimately led to the bill that is before you today.

Senators, I do believe that SB 1555, particularly with the -5 amendments, is the logical next step in this process. It is time for change. I respect and am grateful for those who have volunteered to serve on the QEC over these many years, but we really need the broader participation by working educators from around the state that the bill envisions, and we need the objective, independent perspective of an organization that assesses and makes recommendations regarding school funding and spending on a full-time professional basis. I also think it's time to further streamline the process by eliminating the JPEA, which really dates from a time when the Legislature met every two years and a special committee was needed. What we need is direct, ongoing oversight by the Ways and Means Education Subcommittee, by those who will be directly involved in budget deliberations. Making these changes now will get us on track to modernize the QEM quickly and allow us to make the case for investments that will really make a difference for our kids.

I'm happy to answer any questions.