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Special Legislative  
Committee on Public  
Education Appropriation

Report on Adequacy of  
K-12 Education Funding  
As Required by Article VIII,  
Section 8, of the Oregon  
Constitution

2003-2005 Education Budget

**Special Legislative  
Committee on Public  
Education  
Appropriation**

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## **Introduction: Ballot Measure 1**

Oregon voters enacted Ballot Measure 1 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.<sup>1</sup>*

The 2001 Oregon Legislature enacted ORS 171.857 that specified the contents of the report. That statute reads, in part,

*. . . The Legislative Assembly in the report shall demonstrate 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 identify the reasons that the amount appropriated for the state system's 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 . . . .*

“Quality goals” for kindergarten through grade 12 (K-12) education are specified in ORS 327.506, which references goals in the Oregon Educational Act for the 21<sup>st</sup> Century statutes found in ORS chapter 329. In regard to post-secondary education, the same statute 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.*

<sup>1</sup> Section 8(1), Article VIII, Oregon Constitution.

## K-12 School Funding

### Meeting Oregon's Education Quality Goals

"Quality goals" for Oregon's state system of kindergarten through grade 12 public education include those established under ORS 329.007, 329.015, 329.025, 329.035, 329.045, 329.065, 329.465, and 329.475.<sup>2</sup> These sections of statute include a statement of education goals, definitions, characteristics of school system, legislative findings, need to review and modify common curriculum goals, a requirement that adequate funding be in place prior to the implementation of ORS chapter 329 provisions, Certificates of Initial Mastery requirements, and Certificate of Advanced Mastery requirements.

To ascertain what level of funding is sufficient, one must identify measurable goals. How do we measure success in meeting the quality education goals in Oregon? There are a variety of methods, some of which are listed below.

- *Oregon Benchmarks.* The Oregon Progress Board reports each biennium to the Legislature on the progress the state has made toward a set of 90 benchmarks, or measures, of economic, social, and environmental health. There are a number of education benchmarks. The Progress Board found progress had been made in most categories in 2003. It did not find progress being made in the area of Labor Force Skills Training and found progress for Eighth Grade Skill Levels had stagnated since 2000.<sup>3</sup>
- *SAT and ACT scores.* Oregon has the second highest combined Scholastic Aptitude Test college entrance examination scores among states with high participation rates (states in which over 50% of graduating seniors take the SAT college entrance exam are defined as having high participation rates).<sup>4</sup> Oregon ranks first in the nation in ACT scores.<sup>5</sup>
- *Report Cards.* The state-issued 2004 report card found 130 schools (12.3%) rated "exceptional," 339 schools (32.1%) rated "strong," 548 schools (51.9%) rated "satisfactory," 34 (3.2%) schools rated "low," and 5 schools (.5%) rated "unacceptable."<sup>6</sup> The number of students earning a Certificate of Initial Mastery is steadily increasing: 24% in 2001; 27% in 2002, and 28.5% in 2003.<sup>7</sup> The State Board of Education and the Legislature postponed implementation of the Certificate of Advanced Mastery program until 2008<sup>8</sup>, citing lack of funding.
- *Achievement Gap.* While the percentage of Oregon students that meet state standards has steadily increased, a significant gap exists between the average statewide numbers and those for Native American, African American and Hispanic students. For example, while 43% of 10<sup>th</sup> grade students met state math standards, only 17% of Hispanic students met standards.<sup>9</sup>

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<sup>2</sup> ORS 327.506

<sup>3</sup> Education benchmarks: Ready to Learn, Third Grade Skill Levels, Eight Grade Skill Levels, Certificate of Initial Mastery, High School Dropout Rate, High School Completion, Some College Completion, Adult Literacy, Computer/Internet Usage, Labor Force Skills Training. Is Oregon Making Progress? The 2003 Benchmark Performance Report. <http://www.econ.state.or.us/opb/2003report/Report/2003BPR.pdf>.

<sup>4</sup> Oppel, Shelby, "NW Teens Still Lead Nation on SAT," *The Oregonian*, August 20, 2003.

<sup>5</sup> Hammond, Betsy, "Oregon Scores Stay High on ACT Test," *The Oregonian*, August 20, 2003.

<sup>6</sup> Bridges, John, Oregon Department of Education updated figures.

<sup>7</sup> Evans, Gene, *Class of 2003's CIM Numbers Increase*. News release. January 5, 2004.

<sup>8</sup> Chapter 303 (2003 Oregon Laws).

<sup>9</sup> Oregon Department of Education. *Oregon Report Card 2002-03*. p. 10.

- *Dropout rates.* The state's dropout rate for the 2002-03 school year was 4.4%, down from last year's 4.9%, with an expected four-year rate of 12.2%.<sup>10</sup>
- *Federal criteria.* The No Child Left Behind Act rates schools on student academic achievement for all groups of students. The 2004 report card found 330 schools (31.25%) failing to make "adequate yearly progress (AYP)."<sup>11</sup>
- *College entry and success.* A 2001 survey of Oregon high school graduates showed that 75% of respondents were attending some sort of college.<sup>12</sup> A 2003 study by the Oregon University System found that performance at the 10<sup>th</sup> grade benchmark level closely aligned with a college freshman's performance two years later.<sup>13</sup>
- *National tests.* Using test results from the National Assessment of Educational Progress, 33% of 4<sup>th</sup> graders taking the test were proficient in math; 32% of 8<sup>th</sup> graders were proficient in math; 31% of 4<sup>th</sup> graders were proficient in reading; and 33% of 8<sup>th</sup> graders were proficient in reading.<sup>14</sup>
- *National rankings.* *Education Week* annually ranks all the states on a variety of criteria. Oregon's grades in the *Quality Counts 2004* edition are as follows: Standards and Accountability, B-; Improving Teacher Quality, C-; and School Climate, C. Oregon was ranked 19<sup>th</sup> highest in the country with a B- grade for the category "adequate resources" and was ranked 7<sup>th</sup> highest in the country with a B grade in the category of "equitable resources."<sup>15</sup>

### What Funding Level is Sufficient?

The funding level sufficient for K-12 students to meet Oregon's education quality goals has not been inarguably identified. Many states are grappling with this concept. Education finance litigation continues to play an influential role in states' education funding policies in 2004. Continuing the trend that began during the 1990s, education *adequacy* remains the major education funding issue for state courts, with 19 states involved in active cases during 2002 and early 2003.<sup>16</sup>

According to Education Week's *Quality Counts 2004*, in 2000-01 Oregon spent \$7791 per student, or 105.6% of the national average; 17 states spent more.<sup>17</sup> According to a recent National Education Association report, Oregon's ranking in per-student expenditures has fallen from 22nd in 2001-02 (\$7713) to 31st (\$7242) in 2002-03.<sup>18</sup>

Several approaches may be taken in determining adequacy. Two methods are the *professional judgment* or *market basket* approach, such as used by the Quality Education Model (below), and the *successful schools* approach.

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<sup>10</sup> Loew, Tracy, "Report: McKay tops dropout rate," *Statesman Journal*, January 21, 2004. p. 1.

<sup>11</sup> Hammond, Betsy, "Schools record better marks," *The Oregonian*, January 29, 2004.

<sup>12</sup> [http://www.ous.edu/irs/01WHOGG/Full\\_Report.pdf](http://www.ous.edu/irs/01WHOGG/Full_Report.pdf).

<sup>13</sup> <http://www.ous.edu/news/FullReport.pdf>.

<sup>14</sup> [http://www.edweek.org/sreports/qc04/rc/rcard\\_frameset.htm](http://www.edweek.org/sreports/qc04/rc/rcard_frameset.htm).

<sup>15</sup> [http://www.edweek.org/sreports/qc04/rc/rcard\\_frameset.htm](http://www.edweek.org/sreports/qc04/rc/rcard_frameset.htm).

<sup>16</sup> <http://www.ncsl.org/programs/educ/Litigation02OV.htm>.

<sup>17</sup> <http://www.edweek.org/sreports/qc04/reports/resources-t1.cfm>. Numbers were drawn from the U.S. Department of Education, National Center for Education Statistics, "Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2000-01," June 2003. Figures were adjusted using the NCES Geographic Cost of Education Index. The per-student appropriation represents an unweighted student count performed on October 1; an unweighted per-student figure will be larger than a weighted figure and should be considered when comparing numbers. These calculations also reflect not only equalization formula revenues but other funding sources.

<sup>18</sup> National Education Association, Rankings & Estimates Update, Fall 2003.

<http://www.nea.org/edstats/images/03rankingsupdate.pdf>

*Quality Education Model*

In 1997, House Speaker Lynn Lundquist created a council in an attempt to determine the cost of a quality K-12 education. This effort was endorsed by Governor John Kitzhaber and codified by the Legislature in 2001. This council became the Quality Education Commission (QEC).

The QEC is assigned the task of determining “the amount of moneys sufficient to ensure that the state’s system of kindergarten through grade 12 public education meets the quality goals”<sup>19</sup> and attempts to link school spending with student performance, using the “professional judgment” approach. In the December 2002 Quality Education Commission report, the QEC reported that full implementation of the Quality Education Model (QEM) would cost \$6.995 billion<sup>20</sup> for the 2003-05 biennium, or \$6,589/ADMw<sup>21</sup> in the first year and \$6,832/ADMw in the second year.<sup>22</sup> Actual funding for 2003-05 was \$5.2 billion, later reduced to \$4.9 billion due to the failure of Measure 30 in February 2004. This represents funding K-12 education at 69% of the amount recommended by the QEC. *NOTE: The model used specific growth rates in areas such as retirement benefits that are higher than what will likely be experienced by schools. Lower growth rates in several areas will reduce the overall cost of the QEM for 2003-05.*

The QEC suggests that adequacy be defined as “the resources required to offer each student an opportunity to reach a given level of outcomes, and to continue to make significant progress when those outcomes are met early.”<sup>23</sup>

*Funding Levels of Successful Schools*

Another measurement of determining adequate funding is to examine the funding levels of “successful schools.” Using one possible measurement of success, the table below shows a random list of elementary schools that were successful in getting their third graders to read at state benchmark levels and the approximate amount of funding each school received. It should be noted that school and student characteristics vary and comparisons should not be made without adequate information.

SCHOOL	% of 3 <sup>rd</sup> Graders Reading At Benchmark	2002-03 Spending Per Student, (Oct 1 Count) School General Fund <sup>24</sup>
Briscoe Elementary Ashland School District	95+%	\$5,565
Ainsworth Elementary Portland School District	95%	\$6,589
Elmonica Elementary Beaverton School District	92%	\$5,812
Brooklyn Elementary School Baker School District	93%	\$5,389
Lewis & Clark Elementary School Astoria School District	92%	\$6,464
Powell Butte Elementary School Crook County Unit School District	95%	\$6,445

<sup>19</sup> ORS 327.506(2)

<sup>20</sup> Quality Education Commission figures refer to state General Fund support only.

<sup>21</sup> "ADMw" refers to average daily membership, weighted; the student count plus special student weightings (ORS 327.013).

<sup>22</sup> Quality Education Commission, *Quality Education Model 2002*, p. 34.

<sup>23</sup> *Ibid*, p. 30.

<sup>24</sup> Oregon Database Initiative. School Profile Report. 2002-03. “General Fund” refers to a school district’s General Fund, constituting primarily of local property taxes plus the distribution it gets from the state through the formula.

**2003-05 K-12 Budget:**

*2003-05 Close of Session Budget*

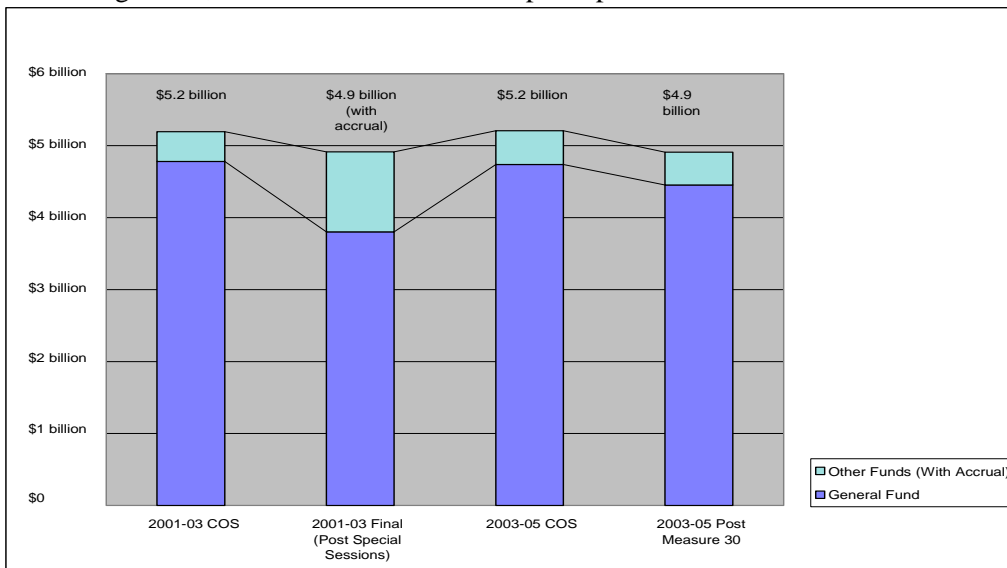
The 2003 Legislature approved a base amount of \$5.2 billion for the State School Fund grants to school districts and education service districts in 2003-05. This funding level is essentially the same as that approved by the 2001 Legislature for K-12 support (including the School Improvement Fund) prior to 2002 special session reductions. However, it represents an increase of approximately \$522 million, or 11%, over the 2001-03 legislatively approved level of \$4.7 billion after special session reductions.<sup>25</sup>

Based on this \$5.2 billion level of funding, the preliminary estimate of the statewide average for ADMw spending in 2003-04 was about \$5,286. This is a 13% increase over the 2002-03 statewide average of \$4,695, which reflects special session reductions without any accrued resources. With accrued resources, 2002-03 per student funding is about \$5,004. The 2003-04 amount then becomes about a 6% increase.

To potentially reach a K-12 funding level of \$5.3 billion, the Legislature provided that the State School Fund could receive additional funding if economic recovery occurs. In summary, if certain statutory criteria of HB 5077 and SB 5554 are met, schools could receive up to an additional \$100 million over the legislatively adopted budget from the General Fund, lottery revenues, or some combination from these two sources.

*Changes to the 2003-05 Legislatively Adopted Budget  
Ballot Measure 30/HB 2152*

Funding at the legislatively recommended \$5.2 billion level depended upon a package of temporary income tax increases, which was expected to raise approximately \$800 million. Following the end of the 2003 legislative session, citizens gathered enough signatures to refer this tax increase to the ballot. The voters rejected the proposed tax increase on February 3, 2004. Failure of the measure put in motion a series of budget cuts (HB 5077). Among them, the State School Fund was reduced by \$284.6 million General Fund. The defeat of the measure, which included a cap on the discount for early payment of property taxes, also results in a reduction of about \$14.3 million in Other Funds from property taxes for the State School Fund. The following table shows the change in K-12 funding from the close-of-session level due to the failure of the ballot measure. For comparative purposes, it also displays 2001-03 funding levels, both close-of-session and post-special sessions.



<sup>25</sup> If all districts used statutory provisions to accrue, collectively, up to \$211 million as revenue for 2002-03 so that 2001-03 resources were \$4.9 billion, the 2003-05 adopted budget of \$5.2 billion represents a 6.3% increase over 2001-03 resources.

### *Lottery Support*

The adopted budget includes \$330 million in unobligated lottery revenues as well as an estimated \$122 million transfer to the State School Fund from the Education Stability Fund in May 2005. Included in these sources of lottery support is approximately \$80 million over the 2003 close-of-session forecast that is contingent upon the effects of legislation passed to expand the number of lottery machines at authorized locations and other actions to be taken by the Lottery Commission to increase lottery revenues. As of the March 2004 forecast, about \$27 million in additional lottery revenues was projected for 2003-05 over the close-of-session forecast, potentially leaving a gap of \$53 million in the 2003-05 legislatively adopted budget for the State School Fund.

### *Common School Fund*

Recent growth in the Common School Fund's value will result in increased funding to schools from this source. The fund's value as of December 31, 2003, which determines distributions for 2004-05, has increased significantly from the estimated value that was used to develop the distributions included in the 2003-05 legislatively adopted budget. As a result, the 2004-05 amount will increase from \$13.8 million to \$40.2 million, bringing the total for 2003-05 to \$53.5 million. The Common School Fund is one of many local revenue sources included in the statutory distribution formula. These sources often change from the original estimates that are considered when establishing the legislatively adopted budget for K-12. Current projections for 2003-05 local formula revenues are about \$2.29 billion compared to previous projections of \$2.268 billion. The additional Common School Fund distributions are the reason for the increase in total local formula revenues.

### **Funding Sufficiency**

It is the determination of the Ballot Measure 1 Committee that the level of K-12 funding is insufficient to meet Quality Education Commission recommended levels. The failure of Ballot Measure 30 increased the level of insufficiency.

### **Factors Leading to Funding Insufficiency**

Both declining revenues and increasing costs resulted in schools being funded at an insufficient level.

### **Declining Revenue Findings**

#### *Falling State Revenue – National Economic Decline*

The 2001 recession and its aftermath severely damaged the fiscal position of state governments throughout the country. Two factors combined to make the fiscal crisis particularly severe in Oregon. The first was the disproportionate impact of the recession on Oregon's economy. The drop-off in capital goods spending—especially technology-related equipment—made Oregon's economy one of the most severely affected in the country.

A second factor is the state's reliance on income taxes. Both personal and corporate income taxes fell sharply in response to the economic downturn. Oregon is more dependent on income taxes than any other state in the nation.

With these two revenue sources dropping sharply, Oregon's fiscal position was particularly vulnerable to the 2001 recession and its aftermath. Oregon's deteriorating revenue situation can be seen by comparing revenue forecasts at different points in time. The May 2001 revenue forecast for the 2003-05 biennium showed General Fund revenue at \$12,406.1 million. By May of 2003, the forecast for 2003-05 revenue had declined to \$9,765.5 million, a drop of more than \$2.6 billion.<sup>26</sup>

#### *Ballot Measure 5 – Equalization – School Distribution Formula*

School districts are experiencing the results of state policy put into effect in 1991. Passage of Ballot Measure 5 limited the amount of local property taxes collected and used for schools, shifting the bulk of funding from the local property tax to the state's General Fund. In response to Ballot Measure 5 and lawsuits, the state created a school fund distribution formula and began the process of equalizing the amount of funding school districts received per

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<sup>26</sup> Warner, Paul, *Ballot Measure 30 Referendum on Legislative Revenue Plan*, December 2003.

student, an amount that had been disparate between districts. In the equalization process, highly-funded school districts' funding was frozen and then reduced, while lower-spending districts' funding was increased. In addition, Ballot Measure 5 capped districts' ability to raise operating revenue locally; however, school districts do have the ability to raise some additional revenue locally within limits ("local option").

**Increased Costs**

*Federal Mandates: Special Education and No Child Left Behind*

The passage of the federal Individuals with Disabilities Education Act (IDEA) was with the intention that the federal government would fund up to 40 percent of the Act's costs. This level of funding has never been realized. In 2001-02 federal money covered 15% of costs, and in 2002-03 it covered an estimated 17% of costs.<sup>27</sup>

The school distribution formula accounts for special needs students by double-weighting these students. School districts report that this weight can still fall short of actual costs. Because the IDEA mandates a level of service for these students, funding may be shifted from the general education program to cover special education costs.

In addition, the costs of implementing provisions of the *No Child Left Behind Act* (NCLB) are uncertain. Although some states have attempted to quantify these costs, Oregon has not. In the President's recently proposed budget for 2005, Oregon's Title 1 funding would increase by about 8%, but it is not known if this amount is sufficient to fund NCLB.

**PERS**

Because school payroll costs account for approximately 80% of district spending, increased Public Employees Retirement System (PERS) costs significantly impact a school's budget; 40% of the PERS is made up of school employees. School districts, as public employers, are facing a PERS unfunded actuarial liability (UAL). The UAL is the difference between what PERS can generate based on expected earnings and what it needs to pay current and future estimated pensions. The gap is currently estimated to be approximately \$6.7 billion for the system, of which \$3 billion is school district shortfall.<sup>28</sup> School districts currently pay 11.11% of covered salary as employers. About 67.5% of districts also pay ("pick up") the 6% employee contribution to PERS.<sup>29</sup> The employers that pay the employee's 6% have a rate of approximately 17.11% beginning July 1, 2003. The 11.11% rate will likely stay in effect until July 1, 2005, if past practices of the PERS board continue.

Historic PERS Employer Rates	
1973	7.5%
1976	7.6%
1978	9.15%
1979	10.45%
1980	11.75%
1981	11.67%
1983	12.17%
1984	10.30%
1988	11.80%
1992	10.86%
1993	9.88%
1997	9.93%
1999	12.25%
2001	12.73%
2003	11.11%

The 2003 Legislature made PERS reform a priority and enacted a number of bills with the goal of reducing employer rates. As a result, the PERS board dropped its employer rates. However, litigation is pending and it remains to be seen whether the legislation, and the subsequent reduced rates, will survive court challenges.

*Health Care*

According to the Kaiser Family Foundation, premiums for job-based health benefits rose 13.9%, the third year of double digit premium increases. Premium increases in 2003 exceeded the overall rate of inflation by nearly 12 percentage points. Implementation of these increases will vary among districts because of current employee contracts and future contract negotiations.

**Impact of Insufficiency**

<sup>27</sup> Legislative Fiscal Office figures.

<sup>28</sup> Figures supplied by Steve Delaney, Public Employee Retirement System, and are based on the December 31, 2002 valuation.

<sup>29</sup> Data collected by Ron Wilson, Oregon School Boards Association.



Failure of Ballot Measure 30 and cost increases in K-12 are expected to impact school districts and their ability to deliver a quality education. The extent of the impact will vary from district to district. Some districts anticipated the failure of the tax raising measure and did not build that money into their budgets, while others did.

The Confederation of Oregon School Administrators (COSA) estimates districts will have to cut their budgets by about five percent next year given the failure of Measure 30.<sup>30</sup> Schools responded to the 2001-03 budget cuts in a number of ways, but because personnel costs make up about 80% of a school's budget, many districts opted for staff reductions, staff salary and benefit adjustments, and/or a shortened school year. Similar approaches to shortfalls can be expected this biennium. The eight school districts in Multnomah County will be somewhat insulated by the shortfall due to an estimated \$67 million coming from the county's new local income tax. Other levels of local governments elsewhere are also seeking ways to assist schools.

The impact on schools in 2003-05 of the budget reduction from \$5.2 billion to \$4.9 billion will not likely be as dramatically evident as the 2002-03 reduction, when nearly half of Oregon's school districts had to close their doors early for the summer. It is likely that the 2004-05 school year will be more severely affected than the first year of the biennium, as school funds for 2003-04 have already been allocated at about half of the \$5.2 billion biennial level; the disappropriation that takes effect as a result of HB 5077 affects the 2004-05 state allocation to schools.

### *Best Practices and Student Performance*

Oregon statute directs the Quality Education Commission to "identify best practices that lead to high student performance and the costs of implementing those best practices in the state's kindergarten through grade 12 public schools."

The 2002 Quality Education Commission reviewed educational research and concluded that successful schools and high student achievement occur only when a clear, consistent plan is in place and "through systematic, proven strategies that become embedded in the core values and operating systems of the district."<sup>31</sup> The Commission identified 11 circumstances where best practices occur.

- Each student has a personalized education program.
- Instructional programs and opportunities are focused on individual student achievement of high-quality standards.
- Curriculum and instructional activities are relevant to students' lives.
- Each student has access to a rich, varied elective co-curricular and extra-curricular program.
- The school makes data-informed decisions about the capability of programs to foster individual student achievement.
- The school provides and encourages connections with significant adults, including parents, mentors and other advisors, to ensure that each student develops a connection to the greater community, along with a strong sense of self.
- The school creates small learning environments that foster student connection.
- The school uses community-based and worksite learning as integral components of its instructional program.
- The school has a comprehensive induction program that guides recruitment and employment, and provides ongoing professional development programs.
- Time is considered a variable, not a constant, in achieving high student success.
- Cost-effective management of resources allows school districts to better meet the needs of the greatest numbers of students.

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<sup>30</sup> Carter, Steve, "Schools Brace for Defeat of Measure," *The Oregonian*, January 15, 2004.

<sup>31</sup> *Oregon's Quality Education Model December 2002*. p. 11.

These findings were not individually priced in the report, but are reflected in the model’s overall calculation of a quality education.<sup>32</sup>

If the Quality Education Model were fully implemented, the model forecasts the following percentage of students would meet state benchmarks in 2004-05:<sup>33</sup>

	3 <sup>rd</sup> grade	5 <sup>th</sup> grade	8 <sup>th</sup> grade	10 <sup>th</sup> grade
Reading	90 %	87%	70%	58%
Math	87%	84%	65%	54%

The 2002 QEM does not forecast the impact of budget reductions on best practices and student performance, but states that, “with the current system and funding, and without the QEM focus, it is reasonable to assume that improvement rates will slow in future years as students still not at the standard are unable to meet reasonable education outcomes.”<sup>34</sup>

*Impact on Student Performance and Current Practices*

As budget cuts are made through teacher layoffs, shortened school calendars, and larger classrooms, the percent of those students meeting state standards are expected to stagnant, or perhaps decline. Test scores for 2003 held steady for the most part, with increases in 5<sup>th</sup> and 8<sup>th</sup> grade math and 10<sup>th</sup> grade writing scores and a decrease in 10<sup>th</sup> grade math.<sup>35</sup> Some subject areas were not tested due to budget cuts.

**Recent Assessment Results - Percentage Meeting Standards**

Year/test	2000	2001	2002	2003
3rd grade reading	82%	84%	85%	86%
3rd grade math	75%	75%	77%	79%
5th grade reading	73%	77%	79%	80%
5th grade math	69%	73%	75%	79%
5th grade writing	65%	64%	69%	-----
5th grade math problem-solving	64%	76%	62%	-----
8th grade reading	64%	62%	64%	63%
8th grade math	56%	55%	55%	61%
8th grade writing	66%	68%	67%	-----
8th grade problem-solving	55%	58%	51%	-----
10th grade reading	51%	52%	53%	53%
10th grade math	40%	42%	45%	43%
10th grade writing	42%	79%	79%	82%
10th grade math problem-solving	36%	57%	50%	51%

**LEGISLATIVE FINDINGS CONCERNING POSTSECONDARY EDUCATION**

The Legislature finds community colleges and higher education are critical to the state, but while these are components of the state's system of public education, they do not have the same type of statutory goals identified for K-12 schools, and thus, are exempt from the reporting requirements of Ballot Measure 1.

<sup>32</sup> Oregon’s Quality Education Model December 2002. p. 34.

<sup>33</sup> Ibid, p. 18. Note: Because percentages are graphed and not specifically identified, percentages are approximate.

<sup>34</sup> Ibid, p. 17.

<sup>35</sup> Oregon Department of Education, 2002-03 Statewide Report Card, p. 2-8.