

A CITIZEN'S GUIDE TO KENTUCKY EDUCATION

Reform, Progress,
Continuing Challenges

JUNE 2016



KENTUCKY EDUCATION THROUGH THE YEARS

1980s

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1985

66 poor school districts sued the state, arguing that Kentucky's financing of schools was inadequate and inequitable.

1989

In *Rose v. Council for Better Education, Inc.*, the state's Supreme Court declared Kentucky's entire system of common schools to be unconstitutional. The General Assembly was ordered to recreate funding of the state's school system.

1990

The Kentucky General Assembly enacted the Kentucky Education Reform Act (KERA), sweeping legislation that restructured and redefined the way the state designed, delivered, governed and financed education.

1998

The Commonwealth Accountability Testing System (CATS) was enacted by the General Assembly to address the concerns of educators, researchers and policymakers about the value and effectiveness of Kentucky Instructional Results Information System (KIRIS) in improving student performance.

2000

The KIDS NOW initiative was passed by the Kentucky General Assembly, addressing health care, family assistance, quality education and community involvement issues relating to early childhood.

2009

CATS was replaced by a system based on higher academic standards mandated by the General Assembly. Kentucky joined 47 other states to develop standards that could be used in states across the nation.

2010

Kentucky's three key educational governing boards adopted higher standards in mathematics and English language arts.

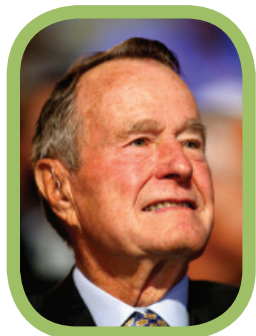
2011

Kentucky ranked 33 on the Index of Educational Progress – up from 48 in 1990, an increase that was more than almost any other state.

2016

The University of Kentucky's Center for Business and Economic Research studied attainment and achievement factors of all state education systems, finding that Kentucky is 29th across all states.

Elementary & Secondary Education



“In Kentucky, an entirely new philosophy of management is being put into place which is based on . . . accountability. That kind of creative thinking is government’s best role in education – setting goals, providing incentives, and then demanding accountability.”

President George H.W. Bush
April 1990

1980-1990

This presidential praise was prompted by the 1990 General Assembly’s enactment of the Kentucky Education Reform Act (KERA), sweeping legislation that restructured and redefined the way the state designed, delivered, governed and financed education.

The demanding, comprehensive program established by KERA came in a state that *Business Week* described as “an unlikely place” for such an initiative. Similar descriptions were not uncommon at the time – and with reason. Here is the context of the Harvard Family Research Project’s conclusion that Kentucky had “nowhere to go but up” in education and its description of what prompted the change:

Kentucky’s history has been marked by consistently poor performance in education. . . . In the 1980s, Kentucky ranked 50th in the nation in adult literacy and the percentage of adults with a high school diploma, 49th in percentage of college graduates, 42nd in per pupil expenditure, and 41st in pupil-teacher ratio. In 1983, the state was described by MIT economist David Birch as a Third World country with the nation’s most uneducated workforce.

After decades of failed initiatives resulting from piecemeal proposals and limited political will, substantive change began in 1985 when 66 poor school districts sued the state, arguing that Kentucky’s financing of schools was inadequate and inequitable. The lower court found glaring disparities in funding, salaries, materials, curricula, and class size. In a 1989 landmark decision, the state’s Supreme Court declared Kentucky’s entire system of common schools to be unconstitutional (*Rose v. Council for Better Education, Inc.*). As a result, the General Assembly was ordered to recreate, not just equalize, funding of the state’s school system to ensure equal educational opportunities for all children.



Although funding disparities provided strong motivation for the reform movement, other factors were also of particular concern – especially governance and nepotism.

At the time of KERA’s passage, the chief education executive in the state was chosen by popular election. The Superintendent of Public Instruction, as the officeholder was then known, was not required to have experience or expertise in education policy or practice, and the operations of the state Department of Education were perceived to be, or actually were, subject to the vicissitudes of partisan politics.



As a constitutionally created position, the office of the Superintendent of Public Instruction could not be abolished by legislative action. But the General Assembly did transfer the superintendent's duties, powers and operations to a newly designated commissioner of education. The 1990 legislation also directed that the education commissioner be hired by the Kentucky Board of Education, the members of which are appointed by the governor and confirmed by the legislature to serve staggered terms.

The elective office of superintendent was eliminated in 1992 with voter approval of a constitutional amendment that also allowed the governor and other statewide officeholders to serve two terms and made other changes.

Nepotism was a critical concern at the local level, where school districts were – and remain – among the largest employers in some communities. In 1989, for instance, all but two of the 174 Kentucky school districts that responded to a state Department of Education survey had some incidence of “kinship hiring.” Then-state Senator John Rogers, R-Somerset, who pushed for legislation to curb nepotism, said that, on average, there was a relative hired for almost every school superintendent and board member in the state.

This reality had negative ramifications for teachers, students and families whose efforts to ensure a quality education in every school could be thwarted by personnel considerations that did not share that goal. “The feeling that family relationships, nepotism, hiring practices, and partisan politics are so influential in local schools has been an obstacle to public confidence for many years,” Robert Sexton, then-executive director of the Prichard Committee for Academic Excellence, told a newspaper reporter.

The 1990 law enacted specific prohibitions against the hiring of relatives of school board members, superintendents, principals and other school district employees – prohibitions that have been

upheld by the courts although there has been some weakening by legislative action.

In addition to the nepotism and governance reforms, here, in brief, are the key principles and elements of the Kentucky Education Reform act:

- Academic expectations reflecting high standards were created by teachers, parents, business leaders and other citizens to define what students should know and be able to do.
- An assessment and accountability system (that included specific consequences such as financial rewards and sanctions) was created to measure schools' progress and ensure public awareness of performance.
- School-based councils were created to ensure local decision-making about how individual schools were organized and operated, what curriculum was used and how teachers delivered instruction in their classrooms.
- Professional development funding was increased to help teachers improve their skills and knowledge.
- With the focus on equalizing funding among poor and wealthy districts, a new system of distributing public money was developed. This was the SEEK formula, which remains in place today.
- A legislative oversight agency, the Office of Education Accountability, was created and the state Department of Education was reorganized.
- Family resource and youth services centers were developed to help students and their families connect with health, social and community services.
- Major technology investments gave students more high-tech experiences.
- Preschool programs were created for at-risk 4-year-olds and 3- and 4-year-olds with disabilities.

1998-1999

The Kentucky Preschool Program became the foundation of continuing efforts to improve children's personal and educational outcomes by giving them a strong start. The Governor's Early Childhood Task Force, created in 1999, led to the unanimous passage by the 2000 General Assembly of the KIDS NOW initiative. At the time the most comprehensive package of early childhood legislation in the nation, KIDS NOW addressed health care, family assistance, quality education and community involvement issues relating to early childhood.

Subsequent efforts have promoted quality and accountability for early childhood programs, collaboration among providers and improving children's kindergarten readiness.

Academic standards provided the foundation of the 1990 reforms, established in the law as learning goals identifying what students should know and be able to do. High standards were



critical for improving students' academic performance. Determining whether students were meeting them was the focus of the assessment and accountability system created to measure student performance in math, language arts, science, social studies, arts and humanities, and practical living/vocational studies. Although the standards were set at the state level, local schools and districts determined how and what students would be taught. The same remains true today.

As is frequently the case with major change, the implementation of KERA faced its share of challenges, and many of them centered on the assessment and accountability system that at the time was called the Kentucky Instructional Results Information System (KIRIS). Although test scores showed improvement between 1993 and 1998, the concerns of educators, researchers and policymakers about the value and effectiveness of KIRIS in improving student performance led the 1998 General Assembly to direct the creation of an improved system, the Commonwealth Accountability Testing System or CATS, that retained strong accountability elements.

2009

Also based on standards, CATS remained in place for more than a decade before being superseded by a system based on higher academic standards mandated by the 2009 General Assembly. As the state's legislators focused on accelerating student learning through higher standards, Kentucky joined 47 other states in an effort organized by the National Governors Association and the Council of Chief State School Officers to develop standards that could be used in adopting states across the nation. State leaders, teachers, parents, school administrators, education experts and

academics provided input into the development of the standards.

At a historic joint meeting in February 2010, Kentucky's three key educational governing boards – the Kentucky Board of Education, the Council on Postsecondary Education and the Education Professional Standards Board – adopted the standards in mathematics and English language arts with public statements of support coming from many quarters, including from legislators representing both political parties.

The new standards prompted the development of a new assessment and accountability system that has been in place in Kentucky schools since 2012. Again, with change of such magnitude comes challenges, and the accountability system has been criticized as being complex and of questionable value in improving students' academic performance. The state's new education commissioner, who was named to the position in September 2015, has described the system as "a work in progress" that will be streamlined in 2016-2017.

The state's academic standards also are undergoing revisions following an online review process in 2015 that attracted comments from 4,500 people (the majority of them educators). Content-matter specialists are reviewing suggested changes and proposed revisions will be released for public comment before final consideration by the Kentucky Board of Education.

Kentucky has made measurable progress in education since undertaking its ambitious reforms, although much remains to be achieved.

2011

In 2011, a study by the University of Kentucky's Center for Business and Economic Research concluded that the state's rank-

ing on the Index of Educational Progress had risen by more than almost any other state in the preceding 20 years – moving up to 33rd from 48th in 1990.

The index included the percentage of residents with high school, two-year or bachelor’s degrees; ACT scores; high school dropout rates; advanced placement test scores and national scores in reading, math and science.

2016

More recently, in a January 2016 report, the UK center combined 12 educational attainment and achievement factors into a single index and reported that Kentucky is statistically higher than eight states, lower than 15 states and not statistically different from 26 states. The indicators were similar to those used in the earlier study.

The study also took into account the obstacles that Kentucky students face (such as poverty, poor health, parents with low educational attainment and disabilities) and concluded that Kentucky is one of only eight states whose academic performance for every \$1,000 of public funds invested is better than expected, as measured by the National Assessment of Education Progress.

As shown in the table below, Kentucky’s per-pupil appropriation has consistently trailed the national average.

The 2016 Quality Counts report produced by the national publication Education Week found Kentucky moving up two places from the previous year to 27th place nationally. Kentucky received an overall grade of C, the same as the national average, but ranked in the top 10 in improvement in its graduation rate between 2002 and 2012 (a 12.2 percent gain) and in improvement in 4th grade math and reading scores.

The state continues to face critical challenges in closing the

Supporting the standards

As the education landscape has changed through the years, one thing has remained constant – the strong support of the business and advocacy communities for Kentucky’s Academic Standards. The Kentucky Chamber of Commerce, the Prichard Committee for Academic Excellence and other groups have consistently worked on behalf of the adoption and retention of the standards. This work has involved informational and advocacy campaigns such as Ready Kentucky and Building Employer Support for Student Success and has used fact-based arguments to successfully counter opposition. The support continues with Slam Dunk Kentucky – a game plan that will build on the positive momentum in our schools.

achievement gaps that persist between groups of students. As a combined group, African-American, low-income, Hispanic, English learners and students with disabilities are not narrowing those gaps and moving toward achieving at the same levels as other students. Their scores have improved in most subjects, but not at the same pace as their classmates. Kentucky cannot afford to waste the talents of those large groups of learners.

Kentucky’s Per-Pupil Appropriation

| | KY | U.S. Average | KY as Share of U.S. Average | KY Rank Among 50 States |
|---------|-----------|---------------------|------------------------------------|--------------------------------|
| FY 2002 | \$6,316 | \$8,206 | 77.0% | 42 |
| FY 2003 | \$6,608 | \$8,471 | 78.0% | 40 |
| FY 2004 | \$6,818 | \$8,798 | 77.5% | 41 |
| FY 2005 | \$7,108 | \$9,237 | 77.0% | 43 |
| FY 2006 | \$7,827 | \$9,798 | 79.9% | 41 |
| FY 2007 | \$8,582 | \$10,537 | 81.4% | 41 |
| FY 2008 | \$8,916 | \$11,056 | 80.6% | 41 |
| FY 2009 | \$8,935 | \$11,092 | 80.6% | 41 |
| FY 2010 | \$8,561 | \$10,757 | 79.6% | 41 |
| FY 2011 | \$8,825 | \$10,890 | 81.0% | 39 |
| FY 2012 | \$9,105 | \$11,097 | 82.0% | 36 |
| FY 2013 | \$9,266 | \$11,254 | 82.3% | 37 |

Source: Public School System Finance reports issued annually by the Census Bureau, downloaded on February 10, 2016 from <http://www.census.gov/govs/school/index.html> by Susan Perkins Weston



Postsecondary Education

Expanding the culture of improvement to postsecondary education prompted the Postsecondary Education Reform Act of 1997. This legislation set a goal of raising Kentucky's educational attainment to the national average by 2020 and was crafted around a theme of using higher education to drive improvements in the state's economy and quality of life.

A key element of the 1997 reform was the creation of the Kentucky Community and Technical College System, building from the community college system formerly governed by the University of Kentucky.

Unlike with elementary and secondary education, there is no regular assessment of the performance of the state's postsecondary system. However, there have been intermittent status reports. One was conducted in 2007 by the Kentucky Chamber of Commerce to mark the ten-year anniversary of the reforms. That review found that the goals of the 1997 reforms were still valid, but that barriers to progress included weak links between postsecondary education and state and regional economic development; inadequate policy coordination, discipline and accountability; threats to affordability; and comparatively low productivity, or degree production (reflecting the need for sustained public investment and more effective use of resources).

The National Center for Higher Education Management Systems produced a more recent status report, in February 2015,

which found that Kentucky's strong performance in improving educational attainment following the reforms had slowed in recent years.

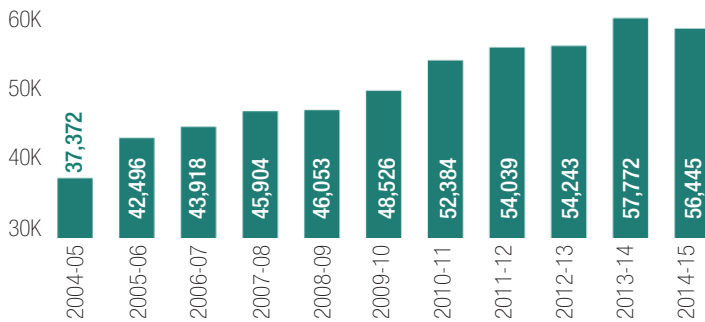
For instance, Kentucky had the nation's second-highest change between 2000 and 2009 in the percent of 25- to 44-year-olds with associate degrees and higher. That declined to 24th-highest between 2009 and 2013. Similarly, Kentucky recorded the nation's highest change between 2000 and 2009 in the number of undergraduate credentials awarded per 1,000 18- to 44-year-olds with no college degree. Between 2009 and 2013, Kentucky's performance had slipped to 32nd highest in the nation.

Education officials attributed the decline to reduced public funding for postsecondary institutions.

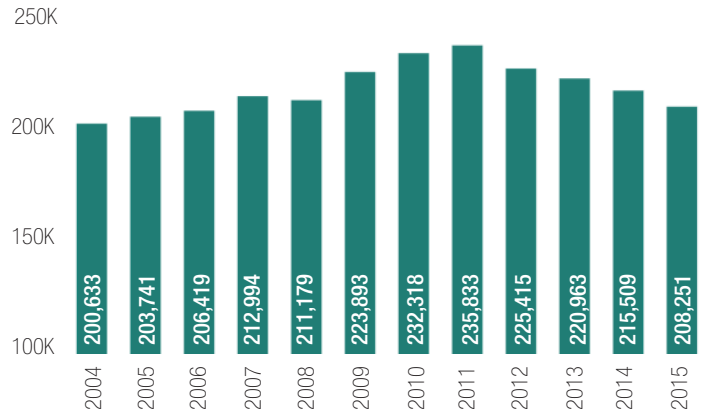
Public postsecondary institutions in Kentucky receive funds from a number of sources, as tracked by the Kentucky Council on Postsecondary Education. These include:

- state General Fund appropriations
- tuition and fees charged to students
- revenue from hospital and auxiliary operations
- agency funds (which include local appropriations, grants and contracts, private gifts, investment income and sales of services)
- federal funds (for research and other purposes)

Total Degrees and Credentials Awarded by Public Institutions, 2004-2015



Total Headcount Enrollment, Public Institutions, Fall 2004-Fall 2015



Source: Kentucky Council on Postsecondary Education

The chart on the right shows the total annual revenue for postsecondary institutions and the percentage of funds derived from each of these sources from fiscal year 2003 to fiscal 2015.

There are regular reports about enrollment and degree attainment. After steady growth for several years, there have been recent declines in both enrollment and in degree and credential attainment (see two charts above).

The Council on Postsecondary Education is currently developing a new strategic plan for the state's postsecondary system. The agenda includes three focus areas:

Opportunity – Ensure postsecondary education is broadly accessible to all Kentucky residents, students have college-going resources/support, and students are academically prepared for credit-bearing work.

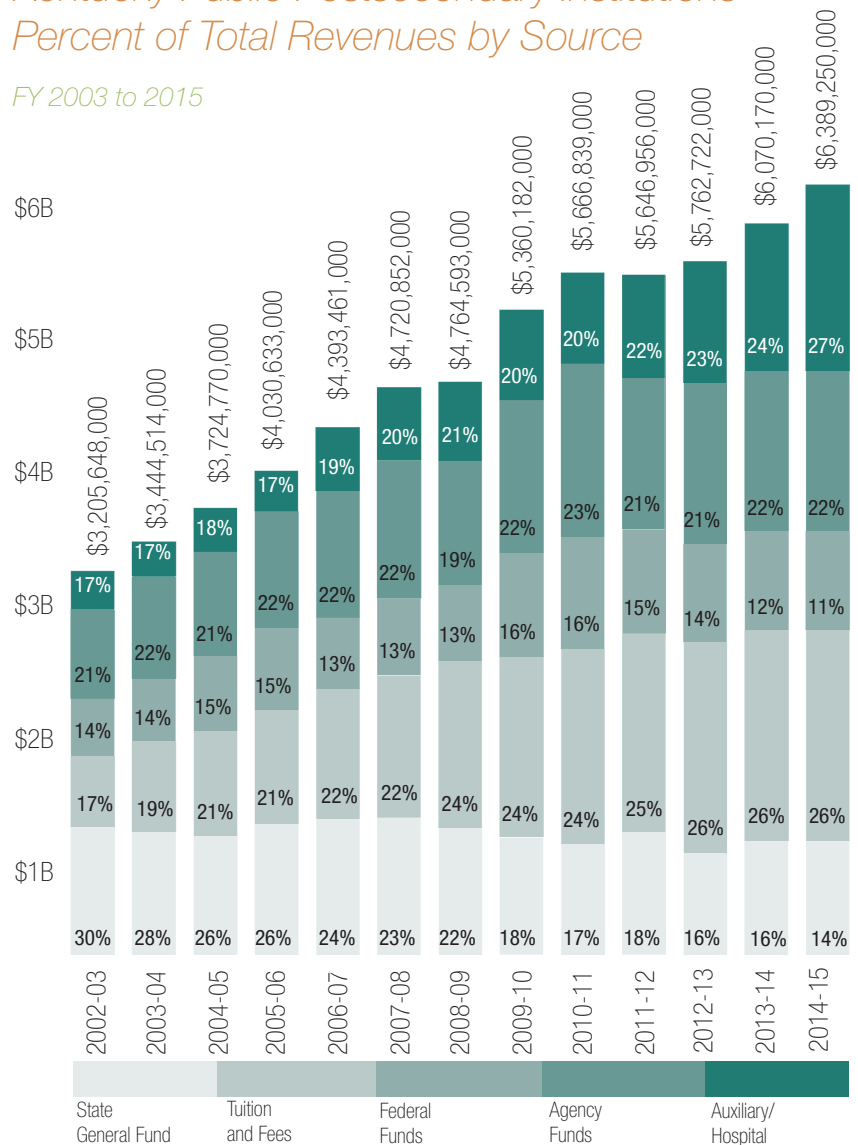
Success – Ensure more people complete college with the skills and abilities to be productive, engaged citizens.

Impact – Strengthen the commonwealth by generating new knowledge and research, improving communities, increasing the educational attainment of citizens, and producing a well-educated, highly skilled citizenry prepared for life and work.

The creation of the Kentucky Community & Technical College System has been described as the most substantial change to the state's postsecondary system; the results are considered one of the key success stories of the 1997 reforms.

Kentucky Public Postsecondary Institutions Percent of Total Revenues by Source

FY 2003 to 2015



Source: Kentucky Council on Postsecondary Education

An October 2014 report by the National Center for Higher Education Management Systems details the KCTCS performance:

- The number of students participating in KCTCS increased from 73,000 in 2000-01 to 135,000 in 2012-13; Kentucky ranked 25th among the states in the annual enrollment per 100 adults aged 18 to 34 with no college degree (the age group most likely to be affected by KCTCS).
- From 2000 to 2012, KCTCS ranked fifth among the nation's community and technical college systems in improving its reach to younger working-age adults without college degrees – improving by 8 points, from 10 to 18 percent.
- Associate degree production nearly tripled from 2000-01 to 2012-13 (from 3,300 to 8,900 a year) but remains slightly below the U.S. average relative to the population in need.
- Certificate production rose from 1,800 in 2000-01 to nearly 18,000 in 2012-13; one reason was the creation of shorter-term certificate programs, beginning in 2003, that were designed as career pathways for students to earn workforce-relevant credentials.
- Data compiled by KCTCS show positive employment outcomes for graduates at all levels and fields of study, with wages exceeding those earned by working adults with no postsecondary credentials.

KCTCS has a particularly strong workforce focus. In 2015, the system's 16 schools awarded 69 percent of the allied health care and emergency services credentials that were earned statewide



and 82 percent of the credentials needed for such high-demand occupational trades as construction, linemen, plumbing and welding. The system also provided customized workforce training to more than 5,900 businesses and 39,000 employees.

KCTCS is also developing a strategic plan with the goal of aligning its work with that of the Council on Postsecondary Education, the Kentucky Chamber of Commerce, the Kentucky Department of Education and the Kentucky Workforce Innovation Board. The system has identified five over-arching issues as part of this process:

- Educational attainment at all levels
- Long-term economic development and job growth
- A world-class, 21st-century workforce
- Global competitiveness of business and industry
- Prosperity of Kentucky citizens

Moving Ahead

Kentucky continues to make significant progress in education, the result of forward-thinking policymakers and the commitment and hard work of education professionals, parents, students, advocates and community and business leaders. But clearly, we still have far to go.

While the state must remain attentive to all aspects of education to ensure excellence, some focus areas have emerged that warrant greater attention in the near future:

- Career and technical education
- Closing achievement gaps between groups of students
- Teacher and administrator effectiveness
- Alternative paths to graduation that lead to postsecondary success in college and career

Appropriate support for and emphasis on these critical areas would equip Kentucky to build on its foundation of progress to create an education system that spurs individual success for Kentuckians and workforce quality and economic prosperity for the state as a whole.



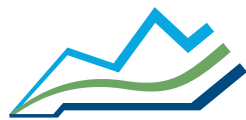
Sources: The Kentucky Encyclopedia, 1993; “Nepotism common in Kentucky,” Kentucky New Era, February 7, 1989; Mobilizing Citizens for Better Schools, Robert F. Sexton, Teachers College Press, 2004; Harvard Family Research Project, May 2000; Gaining Ground: Had Work and High Expectations for Kentucky Schools, Prichard Committee for Academic Excellence, 1999; UK Center for Business and Economic Research Issue Briefs, July 2011 and January 2016; Report of the Kentucky Chamber of Commerce Task Force on Postsecondary Education, December 4, 2007; A Status Report on Kentucky’s Postsecondary Education System, National Center for Higher Education Management Systems, February 3, 2015; Kentucky Council on Postsecondary Education, Data and Reports; The Kentucky Community and Technical College System: The Rise of a Premier Public Two-Year System, National Center for Higher Education Management Systems, October 2014; History of KIDS NOW, Governor’s Office of Early Childhood, 2016.

Advocate and business support is key to progress

Educators and policymakers have contributed tirelessly to Kentucky's efforts to build a world-class education. But they have not tackled the problems alone.

The state's advocacy and business communities have been consistent partners in this work – sometimes pointing out shortcomings and calling for change, sometimes conveying messages of celebration, but always remaining steadfast in their support of Kentucky's schools.

Through the passage of the Kentucky Education Reform Act, the adoption of tougher academic standards, the reforms of postsecondary education and other key developments, business and community leaders have been consistent in their outspoken advocacy on behalf of Kentucky's future and the high-quality education system essential to building it.



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