

PRE-K | K-12 | HIGHER ED  
**#BIGBOLDA\$K**

\$1 billion in additional education investments by 2026

House Budget Review Subcommittee on Primary & Secondary  
Education & Workforce Development – January 22, 2020



**PRICHARD COMMITTEE  
FOR ACADEMIC EXCELLENCE**

STUDY • INFORM • ENGAGE

- We began in 1983 as an independent, nonprofit organization with committee members from across the Commonwealth.
- We engage families, students, business and community leaders on education issues from early childhood to postsecondary.
- We produce independent, solutions-oriented policy research and recommendations, supported and informed by engagement of citizens across Kentucky.
- We focus on moving Kentucky to top tier of states for educational excellence WITH equity.



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*“There is one factor that is more important than all the others, and that is education. By investing in it, we can improve household incomes, individual health, and our overall quality of life. The key to Kentucky’s economic future lies in its human capital.”*

University of Kentucky’s Center for Business and Economic Research,  
*2018 Kentucky Annual Economic Report*

**Education Excellence:  
Building A Path to a Larger Life**



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*“Each child, every child, in this Commonwealth must be provided with an equal opportunity to have an adequate education. Equality is the key word here. The children of the poor and the children of the rich, the children who live in the poor districts and the children who live in the rich districts must be given the same opportunity and access to an adequate education. This obligation cannot be shifted to local counties and local school districts.”*

1989 KY Supreme Court Ruling, *Rose v. Council for Better Education*

**Education Excellence with Equity – Kentucky’s Obligation**

**Research shows beneficial returns to public investment in all levels of education – from early childhood through postsecondary – include:**

- better employment outcomes
- higher earnings
- more tax revenue
- lower crime rates
- less chronic disease
- lower demand for public service programs

**Student Success: The Return On Investment Is Worth It**

## PRE-K

Early childhood investments return **\$5 for every \$1** invested.

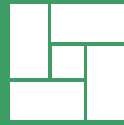
## K-12

**\$335 billion** added to GDP if all K-12 students achieve at the “basic” level or higher on NAEP tests.

## HIGHER ED

**\$900 million** in new tax revenue and cost savings if Kentucky’s postsecondary attainment reaches the national average.

# The Return On Investing In Education At All Levels



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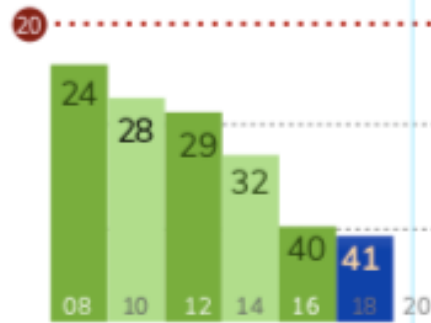
\$1 billion in additional education investments by 2026

# Top 20 by 2020

## 41<sup>st</sup> PRESCHOOL ENROLLMENT OF CHILDREN AGES 3 & 4

**HAWAII** is 20th at 47.1% >  
Kentucky's rate is 41.3%

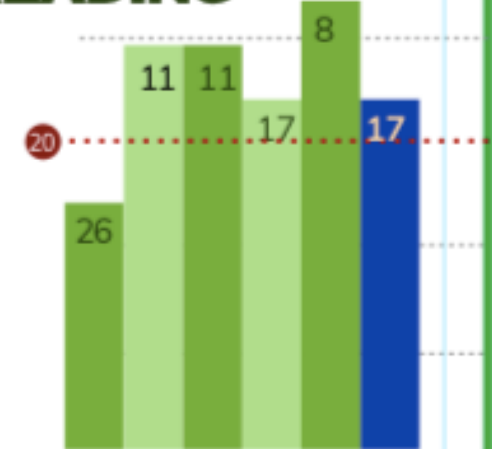
SOURCE: 2006, 2009, 2011, 2013, 2014  
& 2016 three-year average estimates  
(American Community Survey)



## 17<sup>th</sup> FOURTH GRADE READING

**KANSAS** is 20th at 223  
Kentucky scored 224

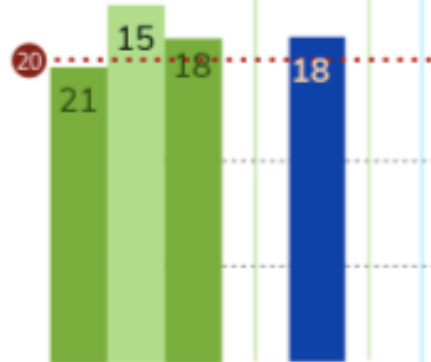
SOURCE: 2007, 2009, 2011, 2013, 2015 &  
2017 scores on a 0 to 500 scale (National  
Assessment of Educational Progress)



## 18<sup>th</sup> EIGHTH GRADE SCIENCE

**OHIO** is 20th at 157.1  
Kentucky scored 157.2

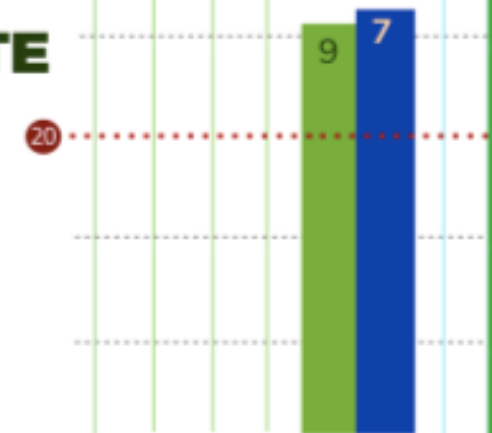
SOURCE: 2005, 2009, 2011 & 2015  
scores on a 0 to 300 scale (National  
Assessment of Educational Progress)



## 7<sup>th</sup> HIGH SCHOOL GRADUATION RATE

**VIRGINIA** is 20th at 86.7%  
Kentucky's rate is 88.6%

SOURCE: 2014 & 2016 four-year adjusted  
cohort rate (NCES Common Core of Data)





# PRE-K

## Early Childhood Investments by 2026

- **\$251 million** to provide childcare assistance to 23,000 more young children with family incomes below 200% of poverty
- **\$80 million** to provide preschool to 10,000 additional 4-year-olds with family incomes below 200% of poverty

**EXCELLENCE:** Funding that allow high-quality programs meeting or exceeding Level 3 requirements under Kentucky's All STARS rating system

**EQUITY:** Reduced income barriers to participation in high-quality programs that richly support the learning development of young children



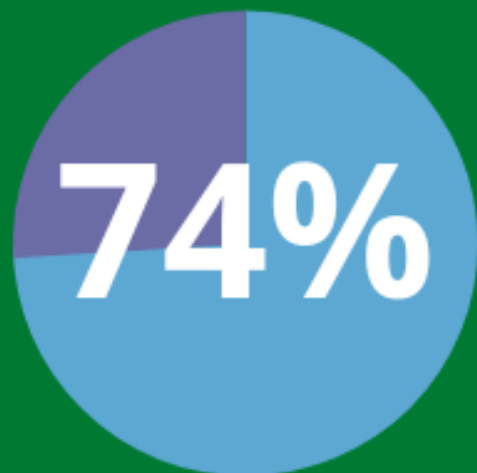


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# 2019 Education Poll of Kentucky

Do you oppose or support increasing state funding for low-income working parents to provide quality childcare and preschool for their children?



Voters strongly or somewhat support increasing state funding for quality childcare & preschool

**80%**  
Democrats

**74%**  
Independents

**67%**  
Republicans

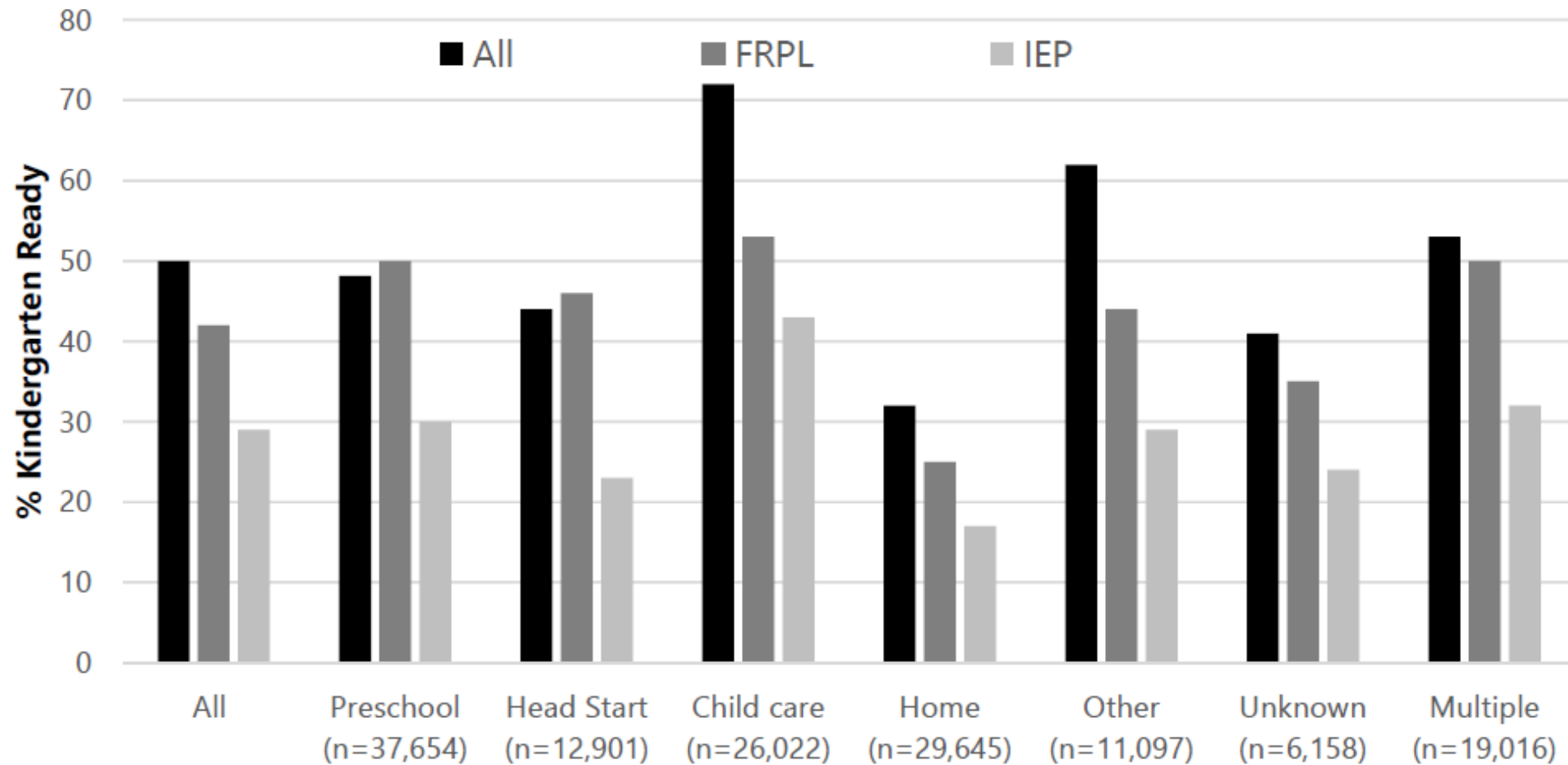
### **Universal Support**

*A majority of Democrats, Independents, and Republicans all support increasing state funding for quality childcare & preschool.*

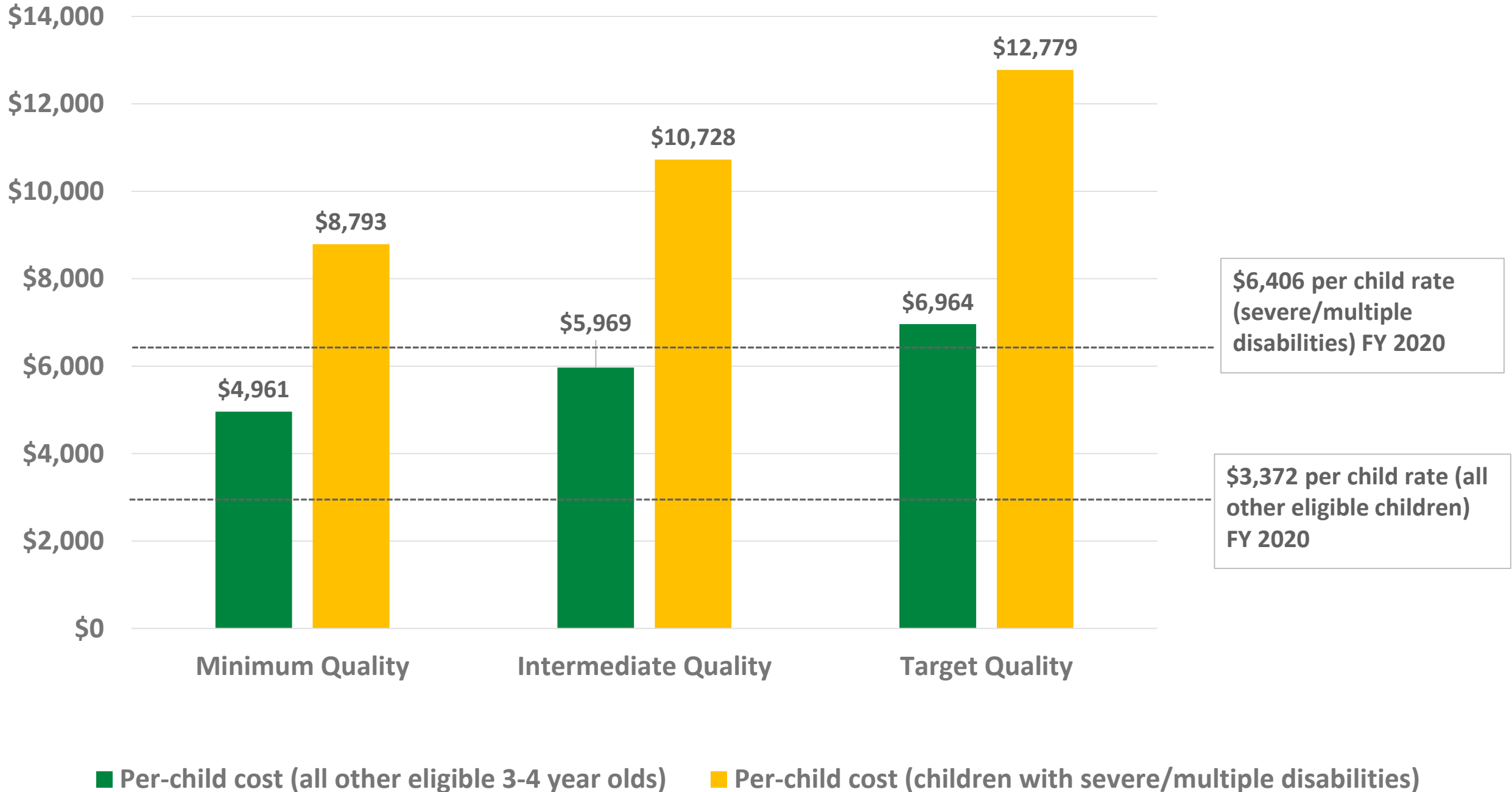


**Kindergarten readiness** correlates with greater proficiency in 3<sup>rd</sup> grade. In this case, you can see in the colored waves how K-readiness translates to greater proficiency in 3<sup>rd</sup> grade reading.

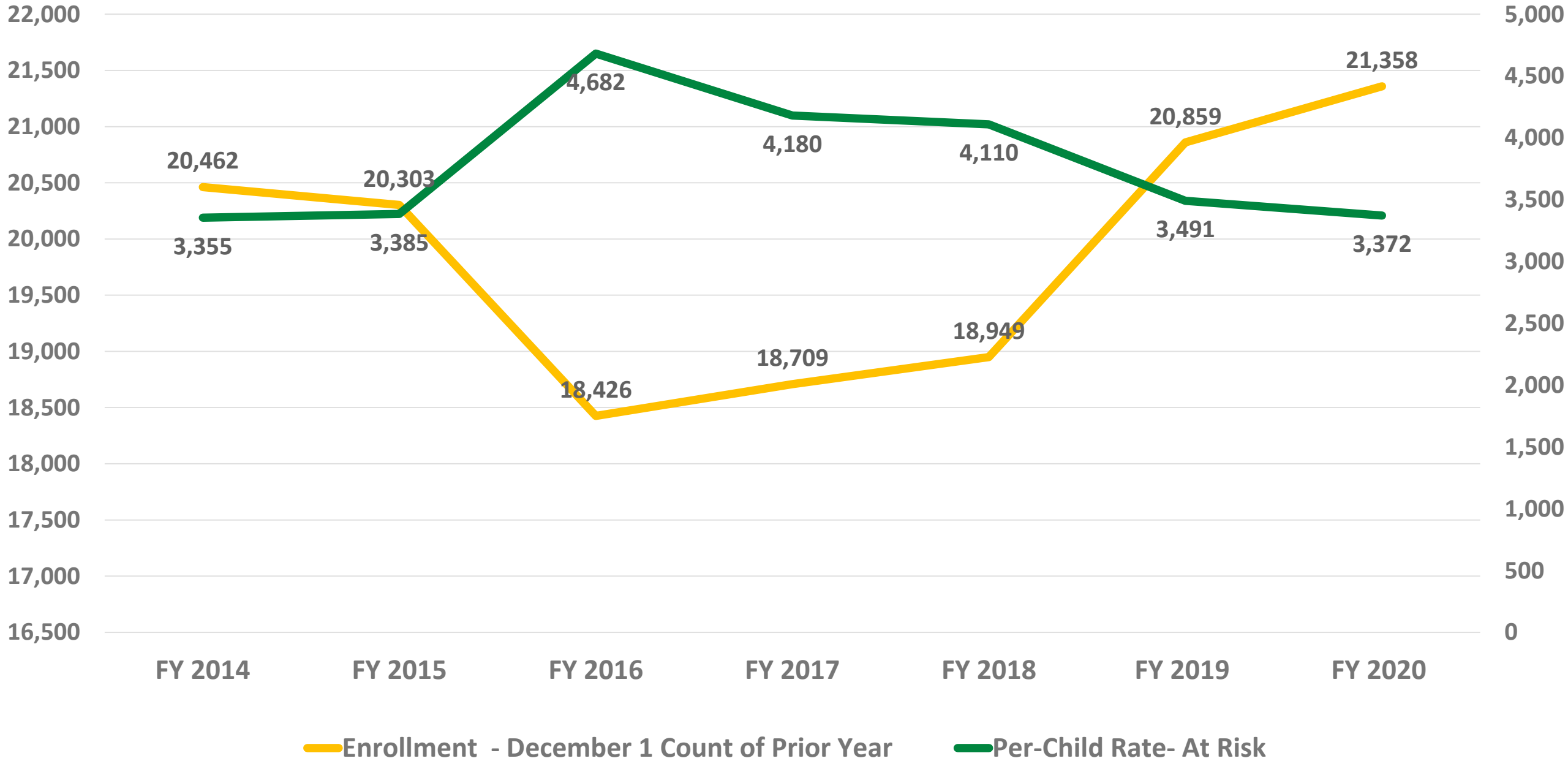
**Figure 4.K  
Average Kindergarten Readiness By Prior Setting, FRPL, And IEP Status  
School Years 2015 To 2017**



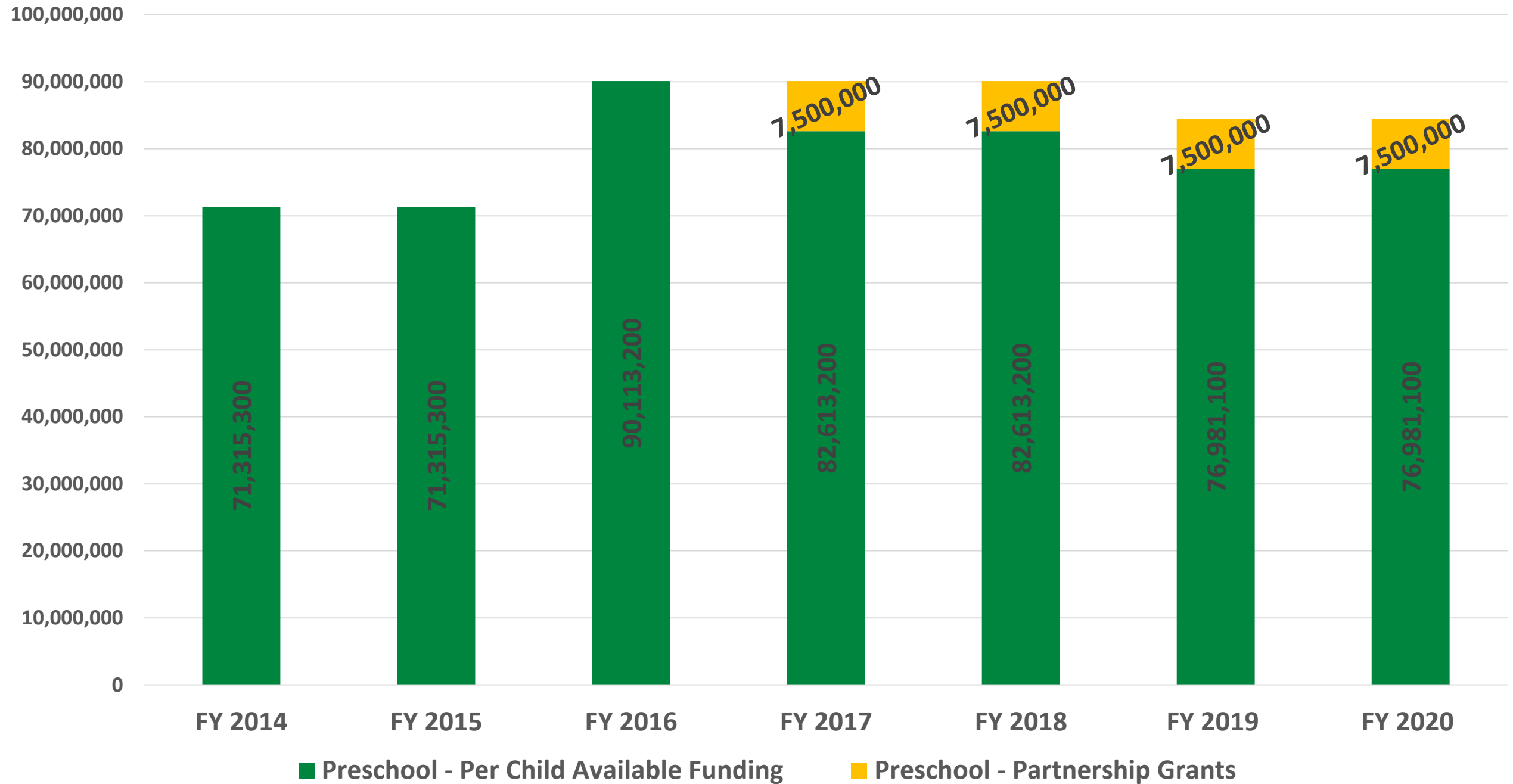
# Cost of Quality – Kentucky Public Preschool Program



# PUBLIC PRESCHOOL ENROLLMENT & PER-CHILD RATE - FY 2014 - FY 2020



# PUBLIC PRESCHOOL APPROPRIATIONS FY 2014 - FY 2020



# BUILDING A PATH TO A LARGER LIFE - INVESTING IN EDUCATION EXCELLENCE WITH EQUITY

Investment - Public Preschool	FY 2020 Baseline	FY 2021 Proposed	FY 2022 Proposed	FY 2023 Proposed	FY 2024 Proposed	FY 2025 Proposed	FY 2026 Proposed
<b>Total Per-Child Local District Allocations</b>	<b>\$76,981,100</b>	<b>\$83,757,243</b>	<b>\$94,092,072</b>	<b>\$107,145,238</b>	<b>\$121,051,697</b>	<b>\$140,679,260</b>	<b>\$161,728,978</b>
<b>Incentive Grant Program - Preschool and Childcare Partnerships</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
<b>Total General Fund Investment</b>	<b>\$84,481,100</b>	<b>\$91,257,243</b>	<b>\$101,592,072</b>	<b>\$112,145,238</b>	<b>\$126,051,697</b>	<b>\$143,179,260</b>	<b>\$164,228,978</b>
<b>Increase Over Baseline</b>		<b>\$6,776,143</b>	<b>\$17,110,972</b>	<b>\$27,664,138</b>	<b>\$41,570,597</b>	<b>\$58,698,160</b>	<b>\$79,747,878</b>
<b>Phase-In of New Investment</b>		<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>25%</b>	<b>25%</b>

## EDUCATION EXCELLENCE WITH EQUITY

<b>Number of Children Served (KDE Staff Note, June 2019)</b>	<b>21,358</b>	<b>23,148</b>	<b>24,938</b>	<b>26,728</b>	<b>28,518</b>	<b>30,308</b>	<b>32,098</b>
<b>Per-Child Rate with Severe/Multiple Disabilities (Minimum Quality)</b>	<b>\$6,406</b>	<b>\$6,645</b>	<b>\$6,883</b>	<b>\$7,241</b>	<b>\$7,600</b>	<b>\$8,196</b>	<b>\$8,793</b>
<b>Per-Child Rate All Other Eligible Children (Minimum Quality)</b>	<b>\$3,372</b>	<b>\$3,531</b>	<b>\$3,690</b>	<b>\$3,928</b>	<b>\$4,167</b>	<b>\$4,564</b>	<b>\$4,961</b>

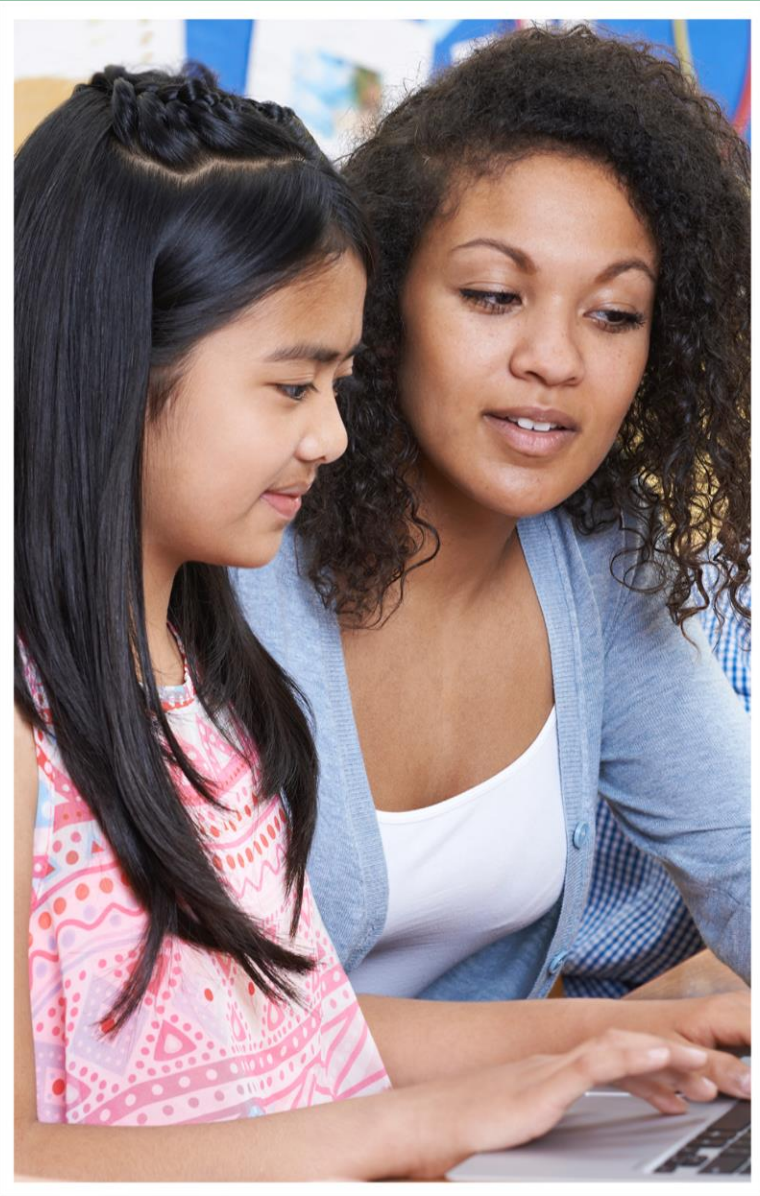


# K-12



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## K-12 Investments by 2026

- \$140 million to fund all-day kindergarten
- \$162 million to fund school transportation fully
- \$58 million to create a Fund for Teaching Excellence

**EXCELLENCE:** Deeper support for educators and local funds freed up to reach Kentucky's high standards, including steps like expanded access to counselors, expert reading teachers, teacher collaboration time, and filling critical teacher shortage areas

**EQUITY:** Reduced funding gaps between districts with more and less property wealth and support practices that raise results for all learners and especially for historically underserved student groups.

- The SEEK Base guarantee has not kept up with inflation and relies more and more on local contributions
  - From 2014 to 2019, the guarantee rose by \$173 per pupil, from \$3,827 to \$4,000. To keep up with inflation, the guarantee would have needed to increase to \$4,125. This increase was paid for by a \$216 per pupil increase in local funding and a \$43 decrease in state funding.
- Kentucky's per-pupil K-12 funding is 38th in the nation at \$10,000.
- The per-pupil funding gap between the wealthiest and poorest districts is sliding backwards to 1990 levels - \$1,400 in 2016 compared to \$1,560 in 1990.

# Our Investment is Not Great Enough



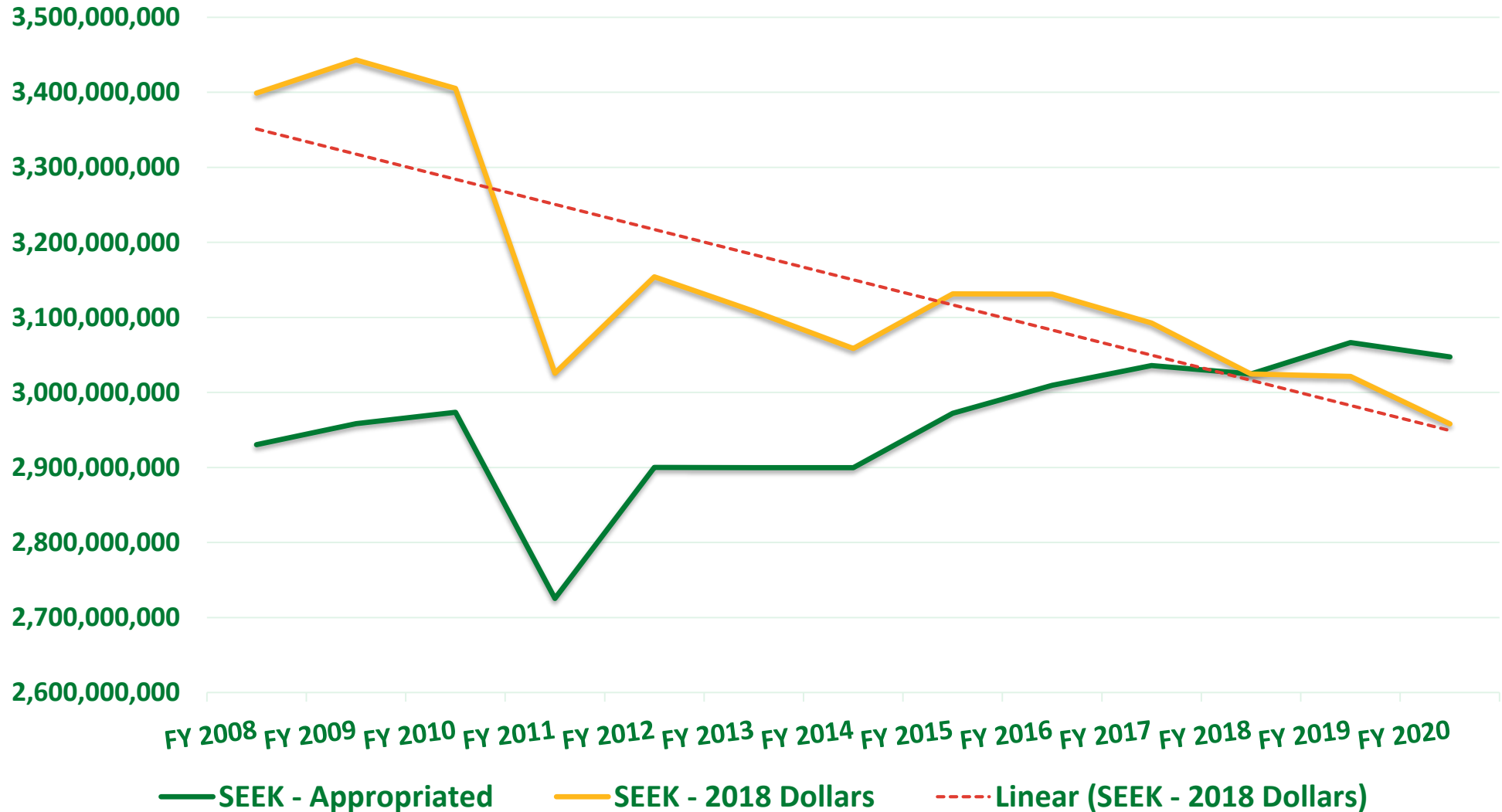
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- SEEK Transportation will free local funds to support teaching and learning improvements.
- Full-Day Kindergarten funding will free local funds to support teaching and learning improvements.
- Fund for Teaching Excellence is a systematic proposal to support to excellence in the teaching profession.
  - Support an additional 3,000 National Board-Certified Teachers with enhanced stipends.
  - Provide intensive support for new teachers and principals by restoring programs such as KTIP.
  - Provide competitive grants for school district-university collaborations to develop/implement learning initiatives aligned with Kentucky's academic standards and goals for student success.

## Investments Should Support 3 Key Areas

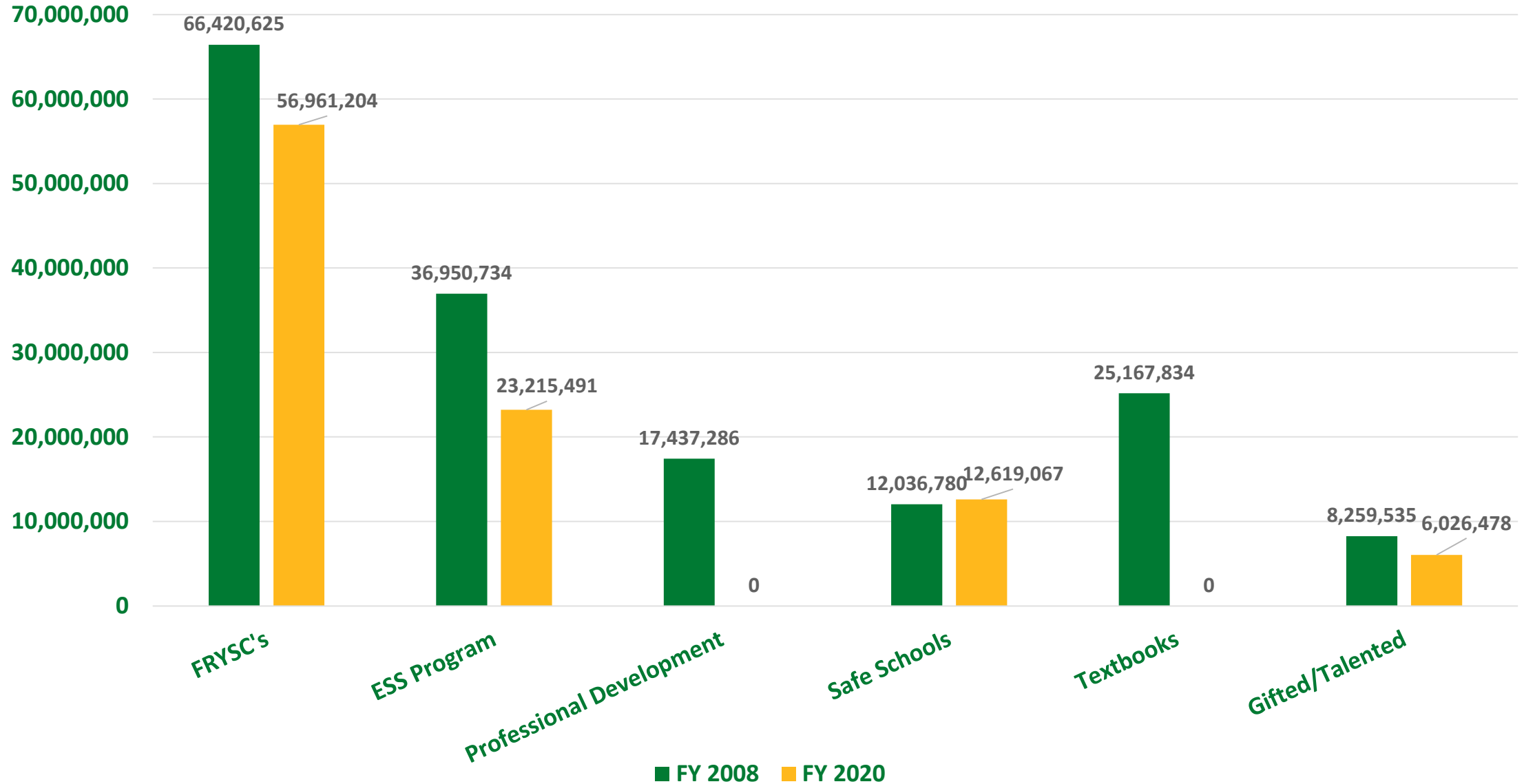
# State Investment 2008-2020

**Total SEEK Funding – FY 2008 to  
FY 2020**



# State Investment 2008-2020

## Select Learning Support Programs - FY 2008 to FY 2020 (2018 Dollars)





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## **HIGH QUALITY TEACHERS MATTER MOST TO STUDENT ACHIEVEMENT**

Research by Dr. Eric Hanushek at Stanford University indicates high quality teachers get an extra year of learning out of their students compared to low quality teachers.

The RAND Corporation notes a teacher has 2x-3x the impact of any other school factor on student achievement.

## **INCREASING STUDENT ACHIEVEMENT WILL REQUIRE**

Increased student learning time, knowledge rich curricula, better professional development, and early and effective interventions for struggling students.

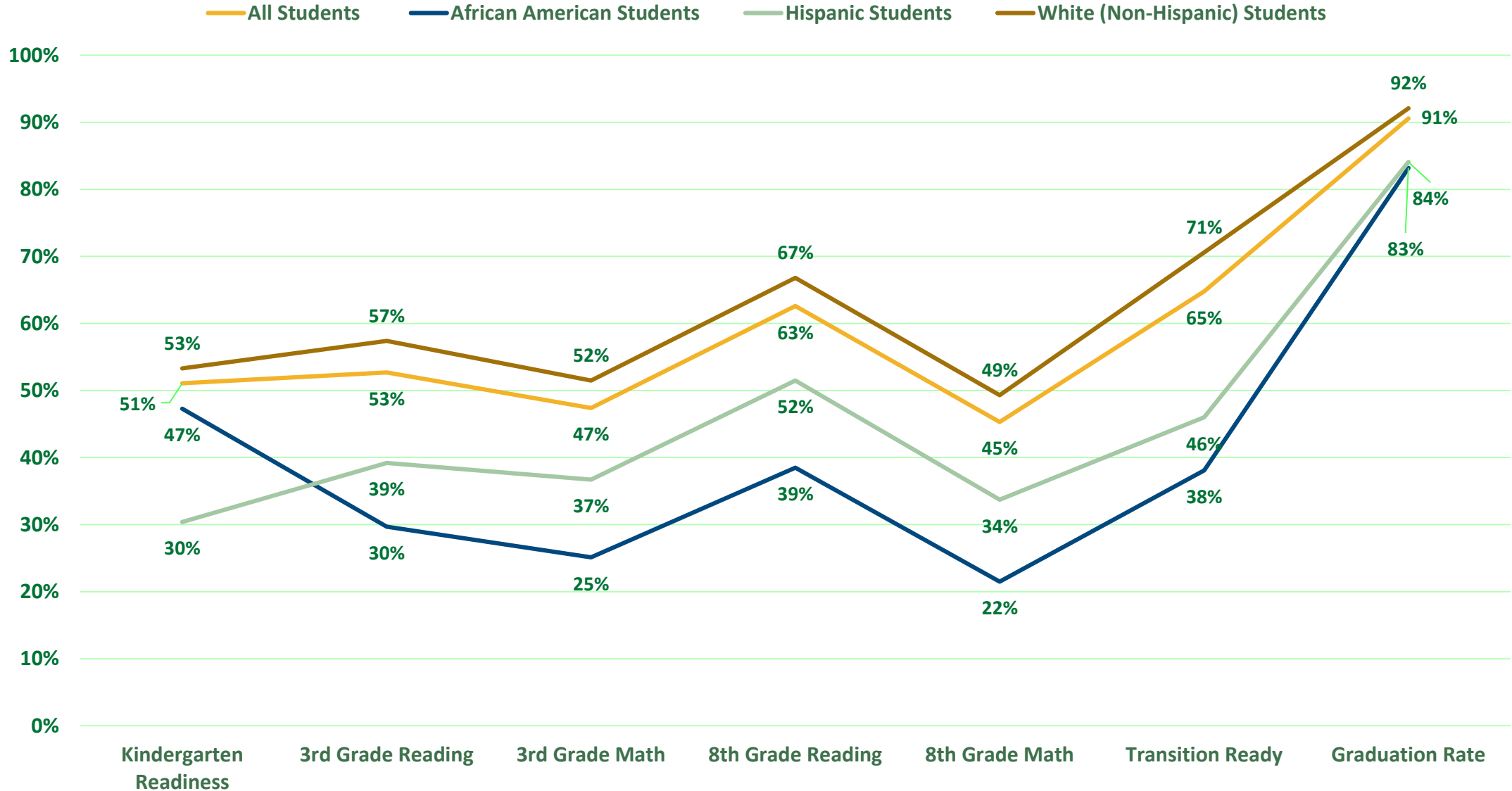
## **STRATEGIC INVESTMENT IS REQUIRED**

Kentucky's investments public schools has not kept pace with needs and threatens our capacity to build a better quality of life for all Kentuckians.

# **Quality is Critical & Resources Matter**

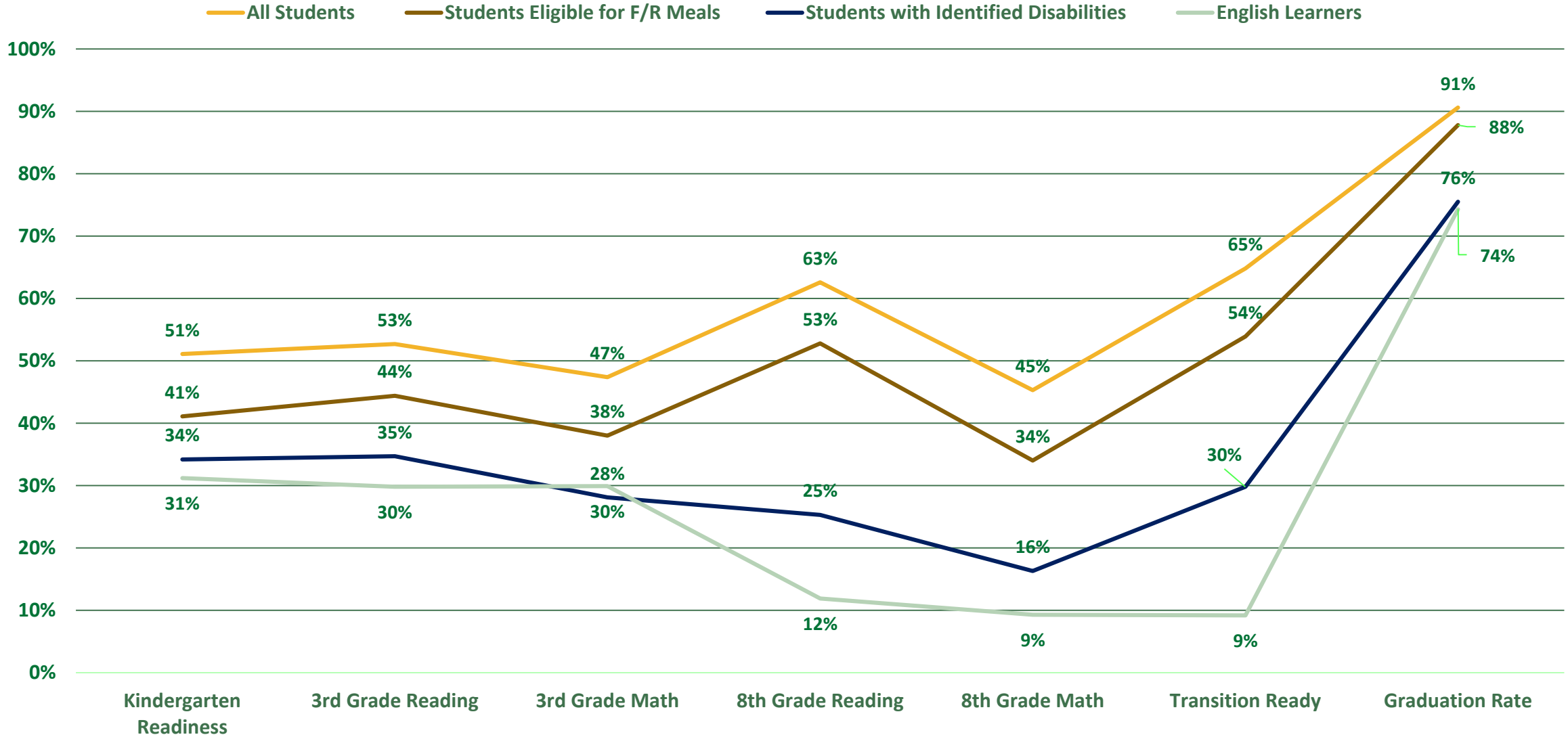
# Student Trends 2019

## TRENDS BETWEEN STUDENT GROUPS ON KEY MEASURES - 2019



# Student Trends 2019

TRENDS BETWEEN STUDENT GROUPS ON KEY MEASURES - 2019





# HIGHER ED



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## Postsecondary Investments by 2026

- \$311 million to implement full Performance-Based Funding for Kentucky's public universities and community and technical colleges
- \$30 million to expand needs-based aid, offering 18,000 more College Access Program (CAP) grants to low-income students

**EXCELLENCE:** Sustained progress toward Kentucky's 60% attainment goal by 2030

**EQUITY:** Strong institutions across the state; Progress toward attainment goals for historically underserved groups; and enhanced access to higher education for students with financial need



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# TOP 20

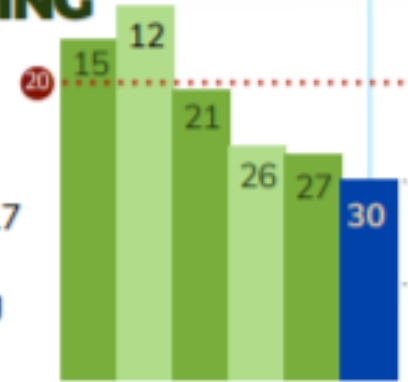
# BY 2020

## 30<sup>th</sup>

### PER-PUPIL TOTAL HIGHER EDUCATION FUNDING

**IOWA** is 20th at \$15,163  
Kentucky's level is \$13,319

SOURCE: 2006, 2009, 2011, 2013, 2015 & 2017  
total revenue divided by full-time equivalent  
enrollment in public higher education, excluding  
med schools (State Higher Education Finance)

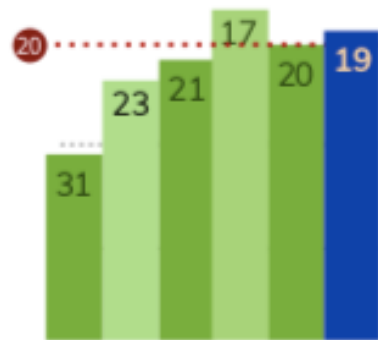


## 19<sup>th</sup>

### POSTSECONDARY GRADUATION: TWO-YEAR PUBLIC INSTITUTIONS

**ARKANSAS** is 20th at 26.6%  
Kentucky's rate is 26.8%

SOURCE: 2006, 2008, 2010, 2012, 2014  
& 2016 graduations within three years  
(IPEDS Trend Generator)

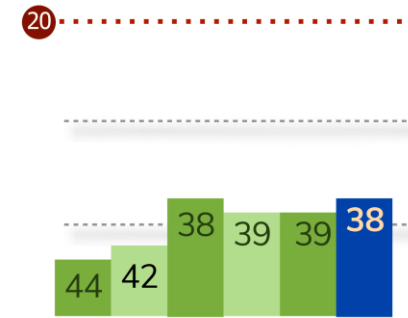


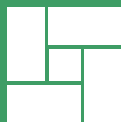
## 38<sup>th</sup>

### ADULTS 25 TO 34 WITH A BACHELOR'S DEGREE OR HIGHER

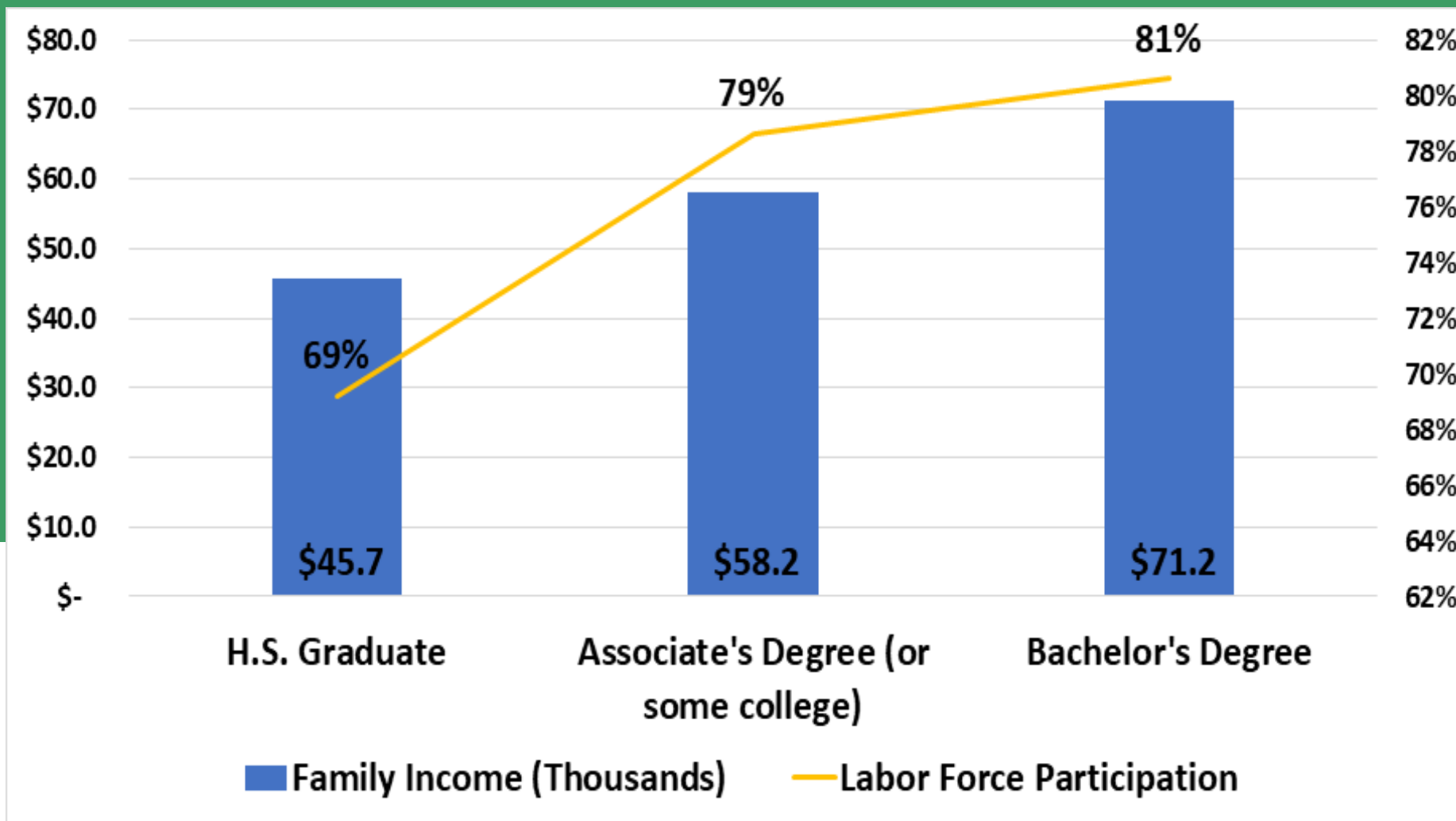
**CALIFORNIA** is 20th at 34.2%  
Kentucky's rate is 27.3%

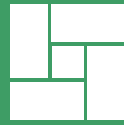
SOURCE: 2006, 2009, 2011, 2013, 2014  
& 2016 three-year average estimates  
(American Community Survey)





## Education Pays

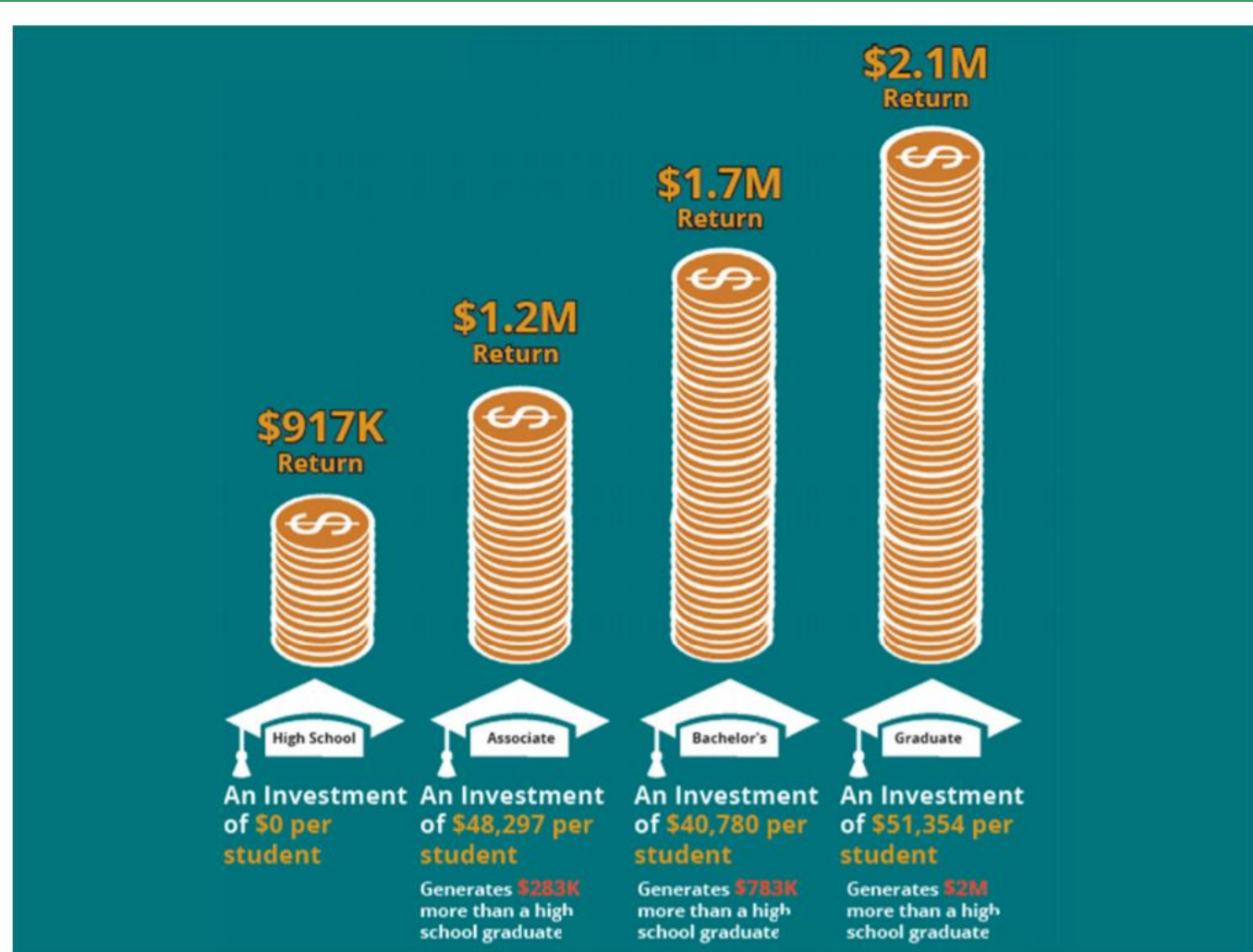




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## Education Pays



Source: CPE

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**\$251 million** for childcare assistance

**\$80 million** for preschool

**\$140 million** for all-day kindergarten

**\$162 million** for school transportation

**\$58 million** for the Fund for Teaching Excellence

**\$311 million** for higher education Performance-Based Funding

**\$30 million** for needs-based CAP grants

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**\$1.032 billion** In added annual investment in excellence and equity

## Education Excellence - Building A Path to a Larger Life



**Kentucky must find ways to increase and sustain these critical investments.**

Investing in quality learning opportunities will reap benefits for all children, families, and communities.



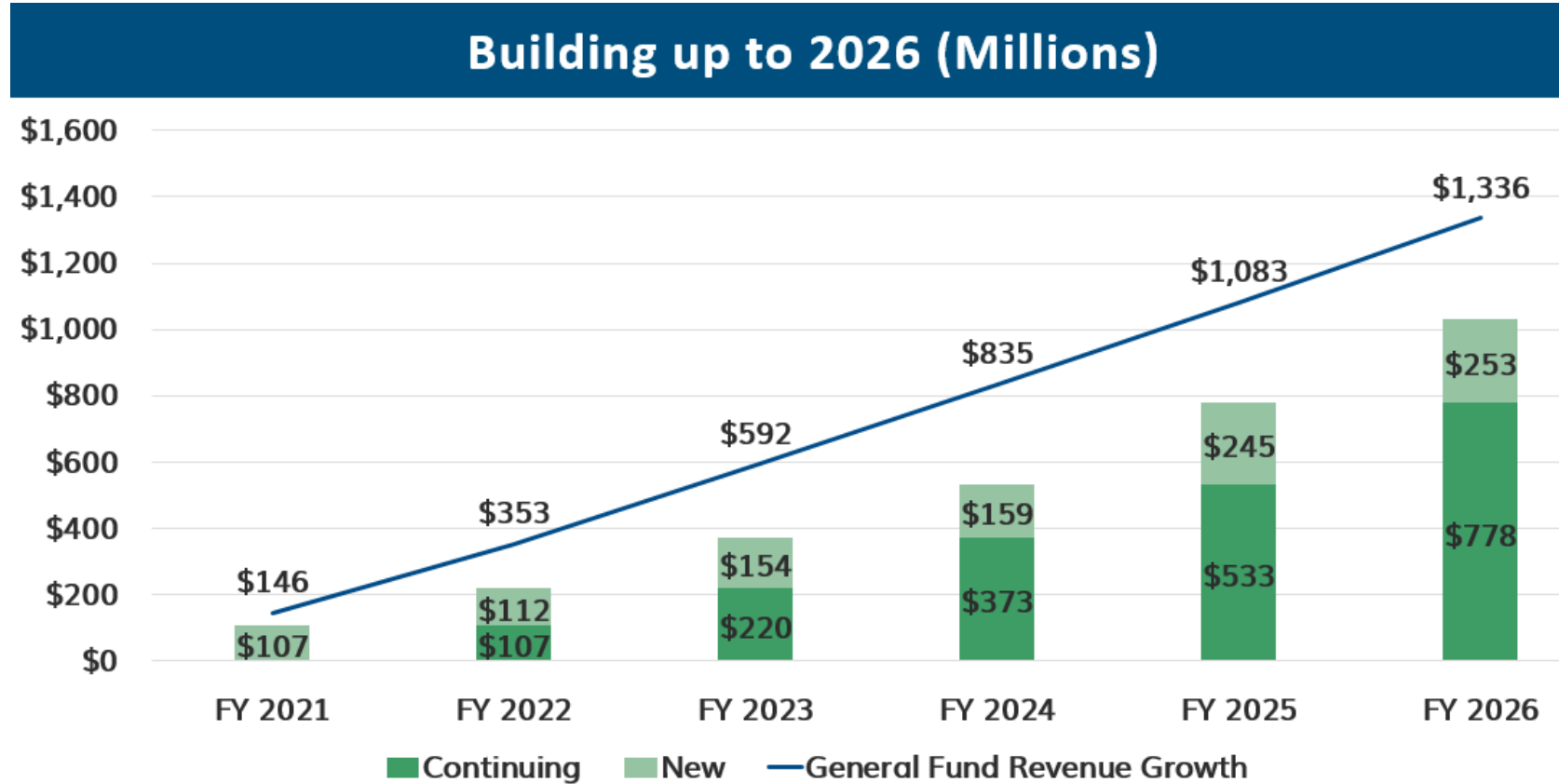
**We must seriously consider how to invest strategically...**

Consider setting goals over a 6-year (3-biennia) and increasing investment through that framework.

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**Can Kentucky afford this?**

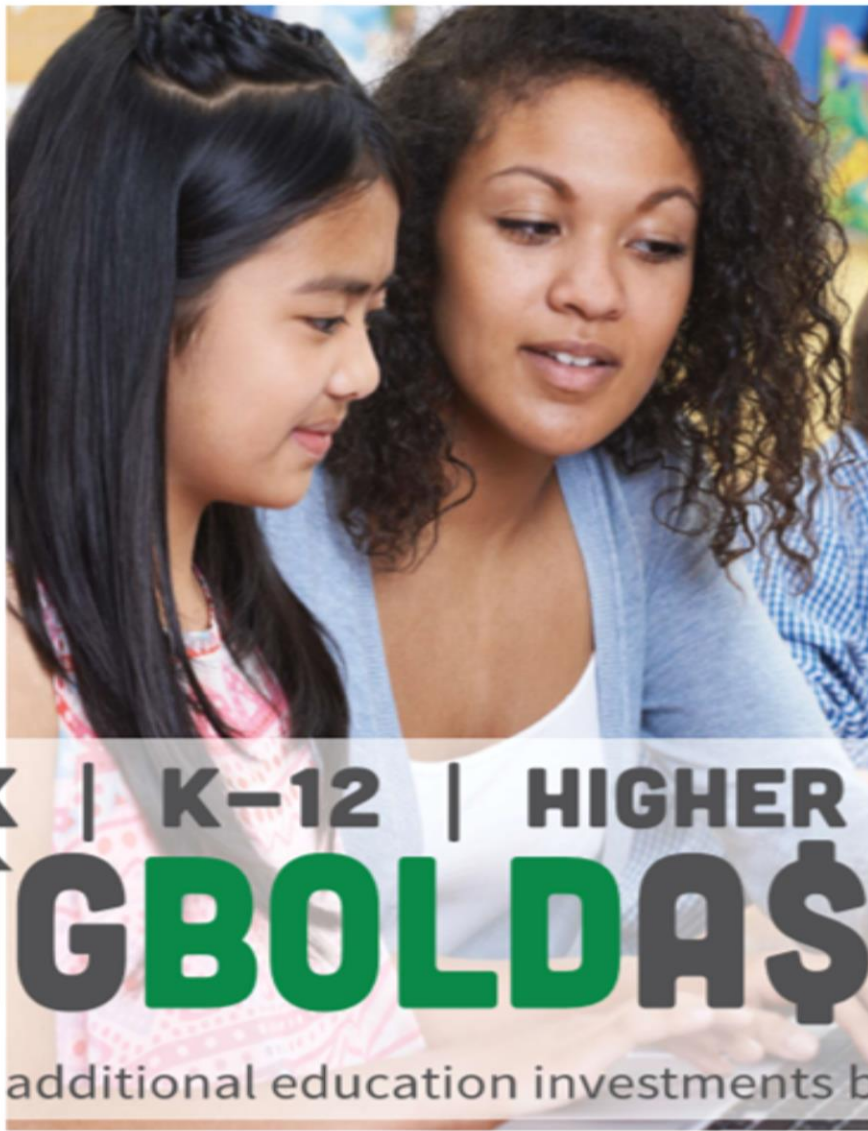
Yes. If phased in over six years, the investment framework can be accommodated by projected revenue growth. General Fund revenue growth is based on official December 2019 estimates from the Consensus Forecasting Group and assumes 2% annual growth for FY 2023-2026.



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BUILDING A PATH TO A LARGER LIFE - INVESTING IN EDUCATION EXCELLENCE WITH EQUITY							
Investment	FY 2020 Baseline	FY 2021 Proposed	FY 2022 Proposed	FY 2023 Proposed	FY 2024 Proposed	FY 2025 Proposed	FY 2026 Proposed
Child Care Assistance Program	\$26,349,900	\$56,767,765	\$88,824,882	\$126,812,069	\$167,258,135	\$220,383,966	\$277,607,930
Public Preschool Program	\$84,481,100	\$91,257,243	\$101,592,072	\$112,145,238	\$126,051,697	\$143,179,260	\$164,228,978
Full-Day Kindergarten	\$170,000,000	\$184,000,000	\$198,000,000	\$219,000,000	\$240,000,000	\$275,000,000	\$310,000,000
SEEK Transportation	\$214,752,800	\$230,971,966	\$247,191,132	\$271,519,881	\$295,848,630	\$336,396,545	\$376,944,460
Fund for Teaching Excellence	\$3,750,000	\$9,575,000	\$15,400,000	\$24,137,500	\$32,875,000	\$47,437,500	\$62,000,000
Public Colleges and Universities	\$860,355,600	\$891,414,199	\$922,472,797	\$969,060,695	\$1,015,648,594	\$1,093,295,090	\$1,170,941,587
College Access Program (CAP) Grants	\$83,152,312	\$86,119,672	\$89,087,032	\$93,538,072	\$97,989,112	\$105,407,512	\$112,825,912
<b>Total General Fund Investment</b>	<b>\$1,442,841,712</b>	<b>\$1,550,105,844</b>	<b>\$1,662,567,916</b>	<b>\$1,816,213,455</b>	<b>\$1,975,671,168</b>	<b>\$2,221,099,874</b>	<b>\$2,474,548,867</b>
<b>Increase Over Baseline</b>		<b>\$107,264,132</b>	<b>\$219,726,204</b>	<b>\$373,371,743</b>	<b>\$532,829,456</b>	<b>\$778,258,162</b>	<b>\$1,031,707,155</b>
<b>One-Year Change</b>		<b>\$107,264,132</b>	<b>\$112,462,071</b>	<b>\$153,645,540</b>	<b>\$159,457,712</b>	<b>\$245,428,706</b>	<b>\$253,448,994</b>
<b>Phase-In of New Investment</b>		<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>25%</b>	<b>25%</b>





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**WE CAN'T AFFORD NOT TO.**



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