

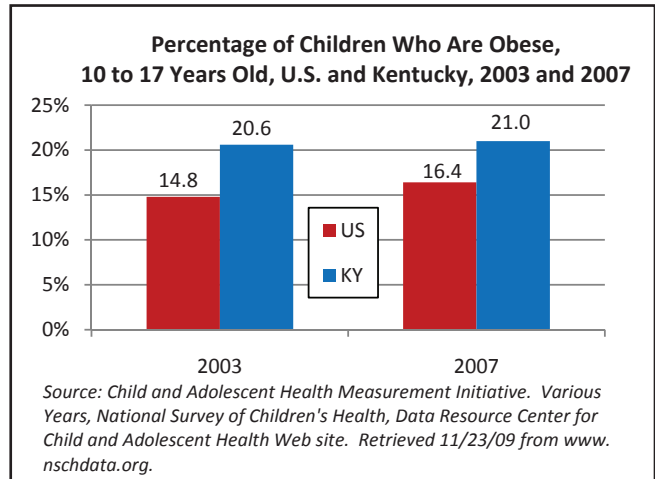
HORIZON

trends and issues to watch, ideas and innovations to use

Children's Obesity-Related Hospitalizations Almost Double

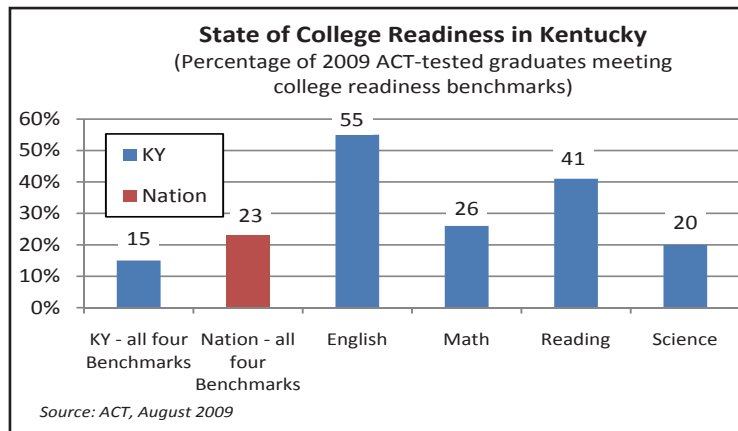
Hospitalizations of obese children and youth nearly doubled between 1999 and 2005, a study in *Health Affairs* showed. While the prevalence of obesity remained relatively constant, costs of the condition increased substantially. The number of hospitalizations rose annually in every age group by 9 percent or 20,686 overall. Between 2001 and 2005, costs increased \$111.9 million. Medicaid bore the largest share of the burden for hospitalizations with obesity as a secondary diagnosis, increasing \$53.6 million.¹

Potential Implications for Kentucky: Because 37 percent of Kentucky children are overweight or obese,² the costs of hospitalizations being met by both public and private insurers are undoubtedly rising rapidly here. In turn, they likely exact higher costs from taxpayers and the insured. Ultimately, the insured bear the burden of higher costs for sick members of their insured pool, as well as public costs for unmet or charitable care and for public programs such as Medicaid. In Kentucky, Medicaid covers nearly 60 percent of children, for whom per-person 2006 spending exceeded the national average by nearly \$1,000.³ Healthy food, exercise, and positive lifestyle choices must become integral to what children learn from their schools, health care providers, insurers, and, most importantly, their parents. Government can play a key role in encouraging communities and institutions to adopt programs designed to engage more adults and influence the health behaviors of more children. Nothing less than the physical and fiscal well-being of our state is at stake.



Scores on ACT Show Majority of Students Not College-Ready

Less than one quarter of 2009 high school seniors who took the ACT scored at the "college-ready" level in all four subject areas, ACT results show.³ While the percent of seniors who are "college ready" by ACT definitions grew slightly from 22 percent in 2008 to 23 percent in 2009, this measure of college preparedness remained within two-tenths of a percentage point of its 2005 standing. At the same time, the pool of test-takers grew overall, with proportionately larger increases in black, Hispanic, and Asian students, compared to whites. While an encouraging trend in regards to diversity, fewer than half of these test-takers met college-ready benchmarks in math and science.

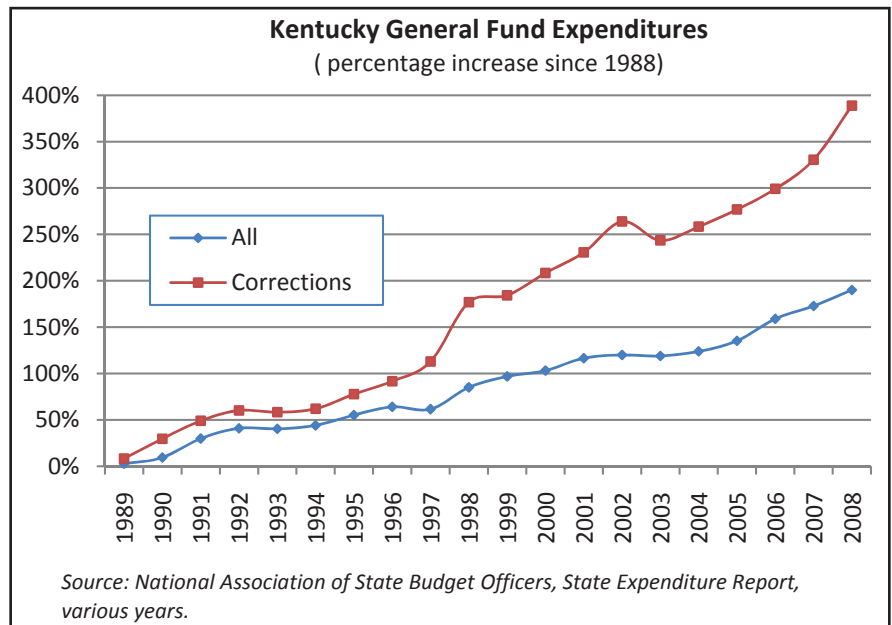


Potential Implications for Kentucky: That a majority of Kentucky's graduating high school students who take the ACT in preparation for attending college fail to meet college-ready benchmarks reveals stark inadequacies and inefficiencies in the state's education system. In short, young people who need education beyond high school in order to prosper as adults are not receiving adequate preparation for college. Such gaps in college preparedness necessitate higher education spending for remedial education in order to prepare college-going youth for the demands of their coursework, increasing demands on public spending rather than effecting long-range economic growth realized in a more educated populace. At the same time, the performance these data indicate suggest that the worthy goal of doubling the number of Kentucky college graduates by 2020 and thus increasing the state's competitiveness may remain elusive.

State Looks at Prison Spending

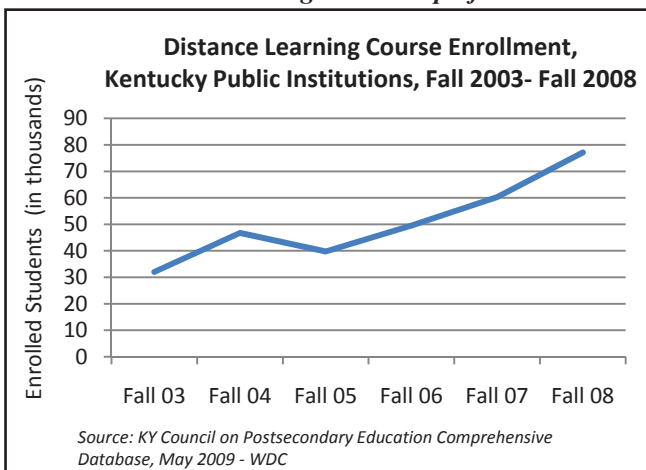
To free up cash for more productive spending, Kentucky lawmakers are considering options aimed at curbing the state's soaring prison population.⁴ With yet another round of budget cuts ahead, prison costs are clearly an issue, as the state housed about 22,000 inmates at a cost of \$457 million in 2008 alone, spending some critics see as investment in failure. Last year, the Kentucky Criminal Justice Council recommended strategies for reducing the prison population, including reduced penalties for some drug laws. First-time, nonviolent drug offenders are already being given opportunities for diversion to long-term treatment.

Potential Implications for Kentucky: At an annual cost of nearly \$20,000 per inmate⁵ the state spends over twice as much to house a prisoner as it does to educate a child. In 2005-06, Kentucky per-pupil expenditures averaged \$8,681 when adjusted for regional cost differences, nearly \$1,300 less than the national average. These spending levels ranked 38th nationally. This considerable gap in a critical measure of education spending was found in Kentucky, which was once synonymous with school reform, even as rural states (Vermont and Wyoming) led the way in per-pupil spending. Maine (5th), Alaska (7th), Montana (9th), and West Virginia (15th), as well as other rural states, also exceeded the national average of \$9,963 in per-pupil expenditures,⁶ demonstrating that small states, many with similarly limited resources, can make education a critical priority. In contrast, Kentucky's prison population has swelled in recent years, as has the spending it demands. The state's prison population rose by 12 percent between 2006 and 2007, the nation's highest increase. Indeed, Kentucky's overall prison population represented 9 percent of all federal and state prison population growth.⁷ While important efforts to reduce the state's prison population are underway and corrections consumes only a small portion of the state's budget, these data suggest that educational excellence must be given the high priority that school reform once made seem inevitable.



Online Education Found Superior in Study

An SRI International report for the U.S. Department of Education finds that the body of comparative research shows students in online learning situations perform somewhat better than those receiving face-to-face instruction.⁸ This analysis of



99 studies, mostly of college and adult continuing education programs, concluded that students doing some or all of their work online ranked in the 59th percentile in average tested performance while those in the classroom scored at the 50th percentile. This statistically significant difference confirms the efficacy of online learning, which may help spur growth and innovation, as individuals seek access to flexible alternative learning environments.

Potential Implications for Kentucky: Online education could be a boon for historically undereducated Kentucky, as many potential students remain geographically isolated and undereducated. Also, working adults, parents, and other caregivers need the flexibility in course-taking that online education makes possible. These findings show that such learning environments are not only equal, but sometimes superior to traditional classrooms. Moreover, they underscore the need to ensure the development of a universally accessible broadband

network, to address the needs of those with insufficient resources to purchase computer equipment or Internet access, and to continue broadening online opportunities for credentialing. Indeed, Kentucky's 2020 goals could get a real boost from online coursework and credentialing through enhanced accessibility, promotion, and facilitation.

¹Leonardo Trasande, Yinghua Liu, George Fryer, and Michael Weitzman, "Effects of Childhood Obesity on Hospital Care and Costs, 1999-2005," *Health Affairs*, Web exclusive, 28.4 (2009): w751-w760. ²F as in Fat 2009: *How Obesity Policies Are Failing in America* (Washington, DC: Trust for America's Health and Robert Wood Johnson Foundation, 2009). ³Scores on ACT Show Majority of Students Not College-Ready," *Education Week*, 21 Aug. 2009. ⁴"State Looks at Prison Spending," *The Lexington Herald-Leader*, 10 Aug. 2009. ⁵Kentucky Department of Corrections, 2009 <<http://www.corrections.ky.gov/ksr/about/>>. ⁶Hajime Mitani, "Per-Pupil Expenditures Approaching \$10,000," EPE Research Center, 21 Jan. 2009 <<http://www.edweek.org>>. ⁷Pew Center on the States, *One in 100: Behind Bars in America 2008* (Washington, Pew Center on the States, 2008). ⁸Steve Lohr, "Study Finds That Online Education Beats the Classroom," *The New York Times*, 19 Aug. 2009.