

A decorative graphic consisting of a thin yellow circle on the left and a horizontal bar with a yellow-to-white gradient on the right. A large black left square bracket is positioned on the left side of the bar, and a large yellow right square bracket is on the right side.

Current Trends & Future Public Policy

*Presentation to the
Frankfort Rotary Club
July 11, 2007*

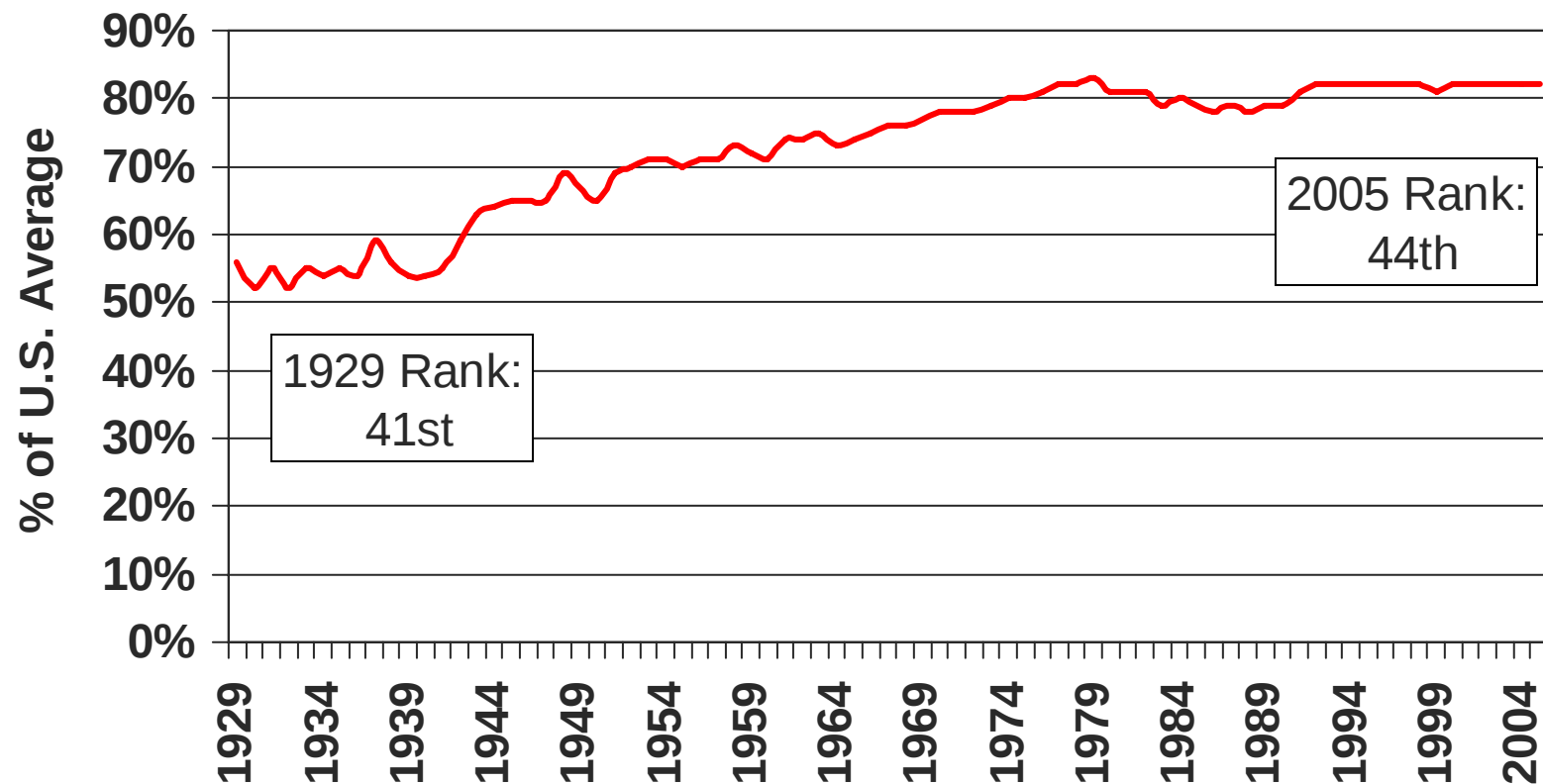
[Background on the Center]

- Created in 1992 by the General Assembly
 - non-partisan
 - focus is on the future
- Governed by a 21-member Board
 - 6 legislators, 4 executive branch personnel, and 11 at-large

[The Context]

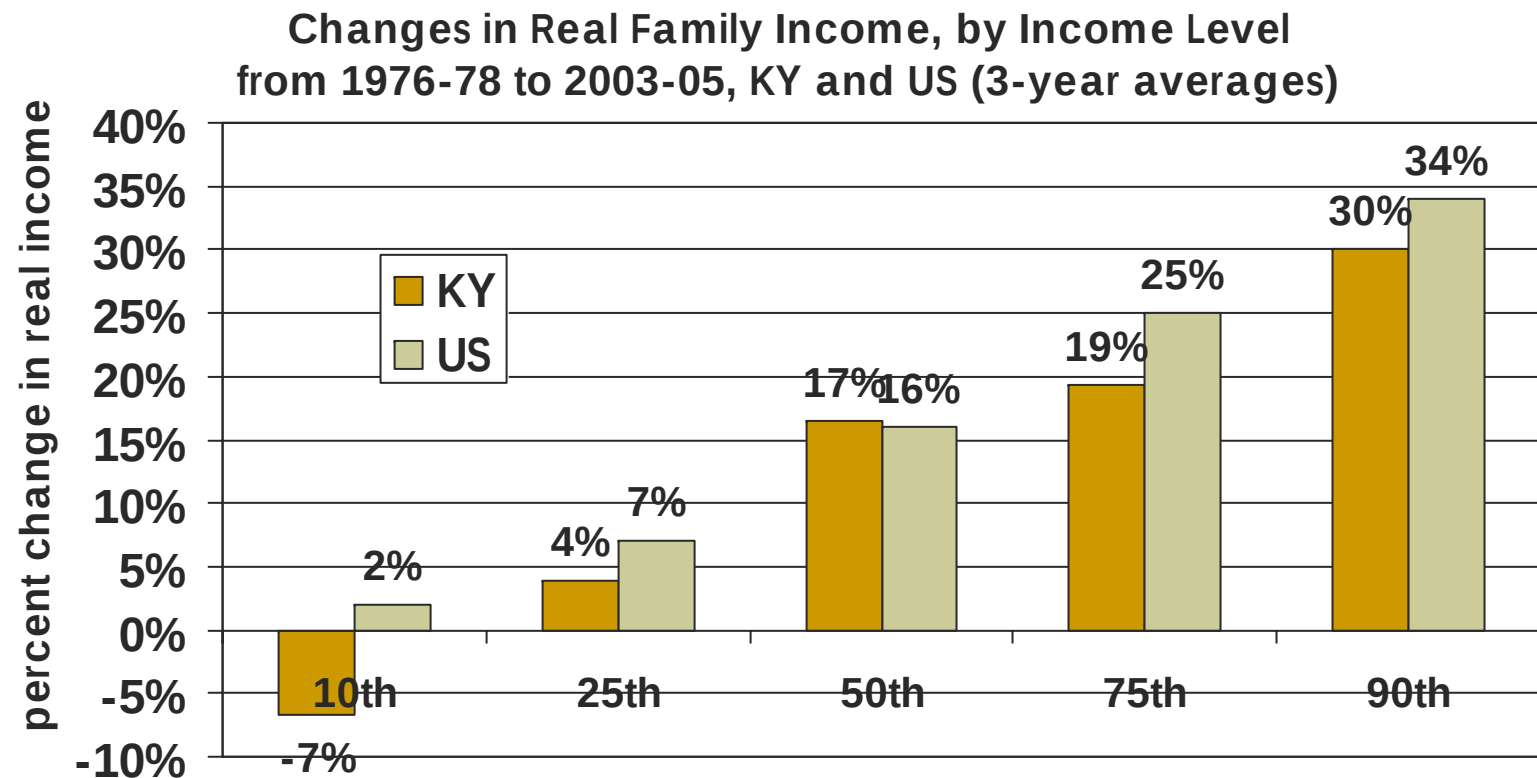
- Global labor market
 - Not just low-skill low-wage jobs
 - Increasingly, its high-skill, high-wage jobs
 - Rising numbers of highly skilled workers in developing world willing to work for a fraction of the cost
- US Students are middle of the pack
 - High school students perform at or below the median on PISA and TIMSS (2003)
 - KY students trail US students in math assessments (NAEP, 2005)
- Future standard of living could be affected

Kentucky Per Capita Income, 1929-2005



Source: BEA

Stagnant Incomes at the Lower Levels



Major Public Policy Issues for Kentucky's Future Prosperity

■ Education

- Early childhood education
- Narrow achievement gap
- Enhance math & science
- Facilitate postsecondary education

■ Health

- Reduce smoking and obesity rates

[Desired Outcomes]

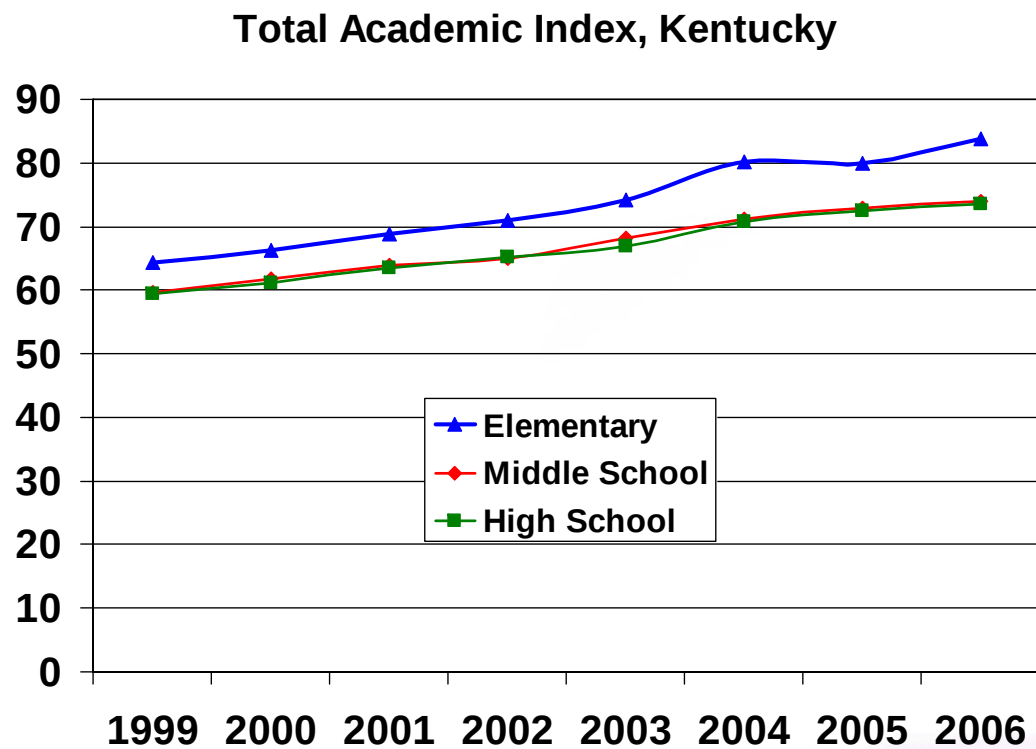
- Healthier population
 - Lower disability rates and health care costs
- More skilled workforce
- Increased per capita income
 - High-skill, high-wage jobs
- Improved revenue
- Higher quality of life

Student Achievement: How are we doing?

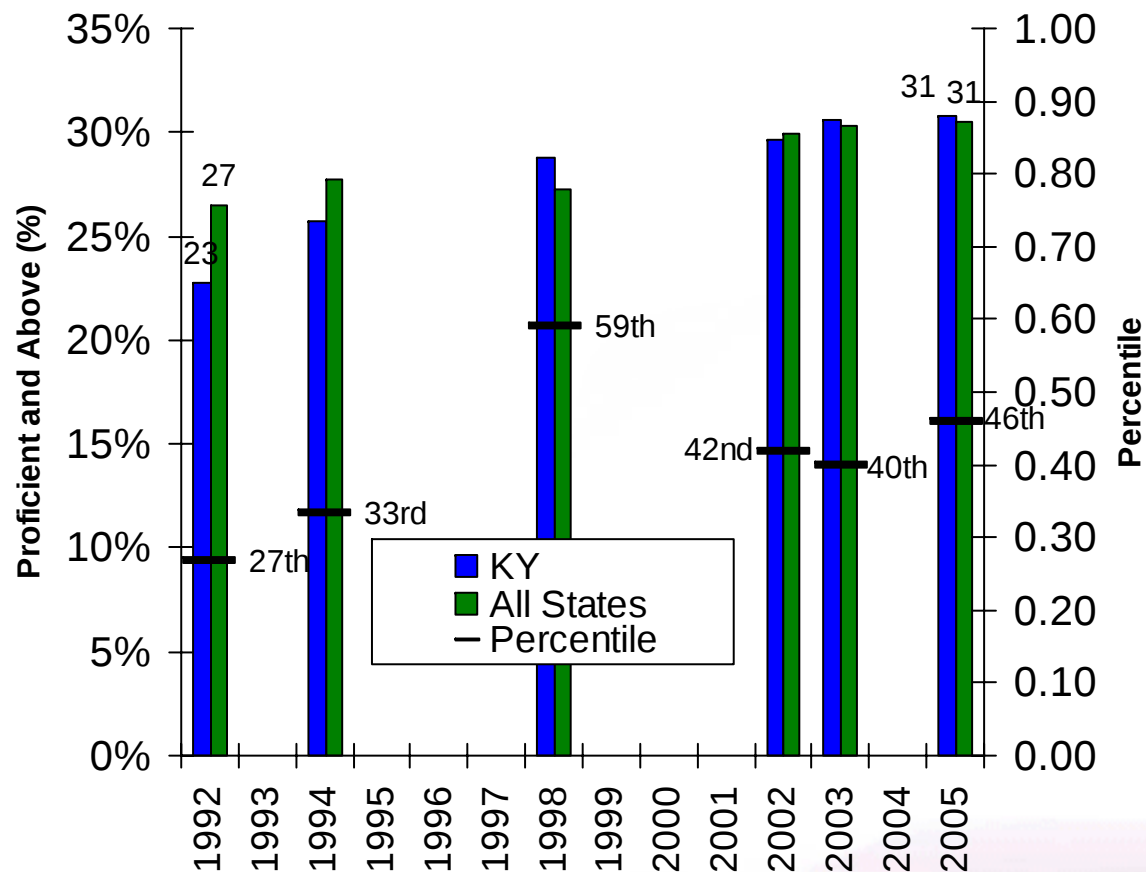
- CATS
- National Assessment of Educational Progress (NAEP)
 - Sample of about 2,500 public students
 - 4th and 8th grades
 - Reading, math, and science
 - Proficient and above
- ACT



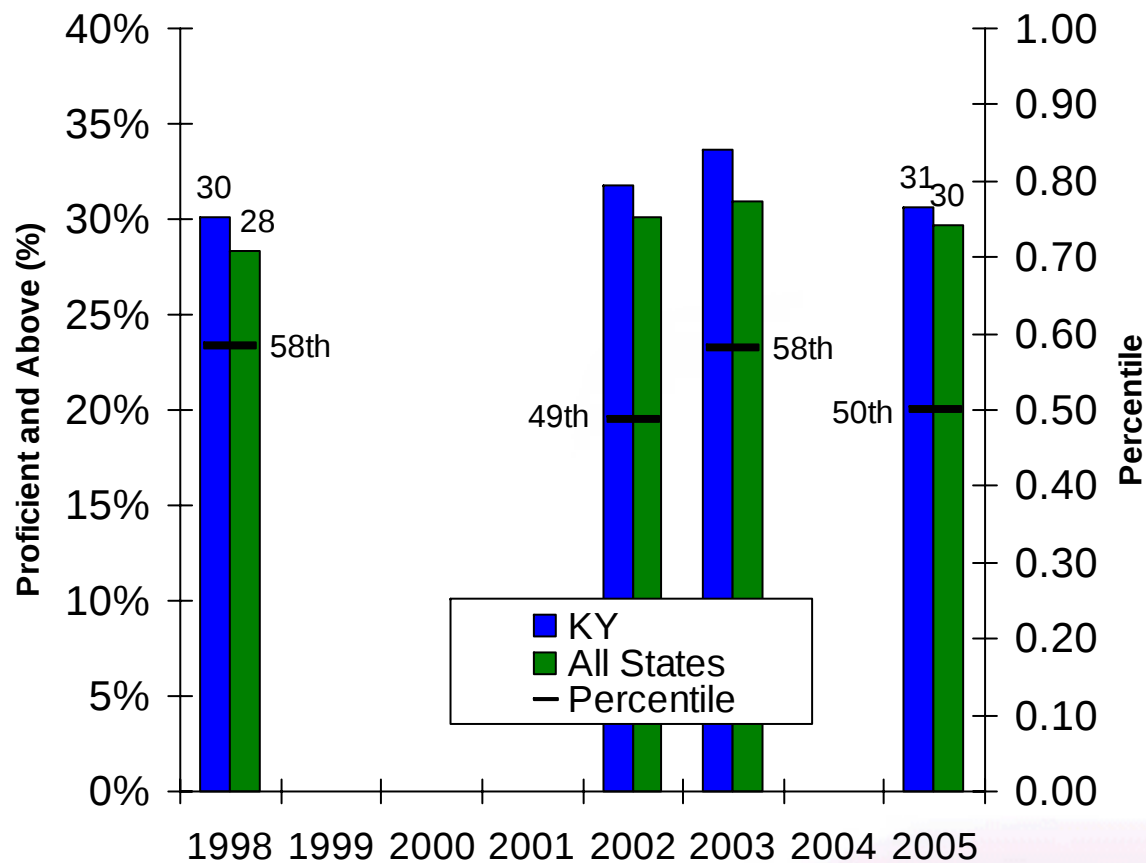
Academic Index Scores are Improving



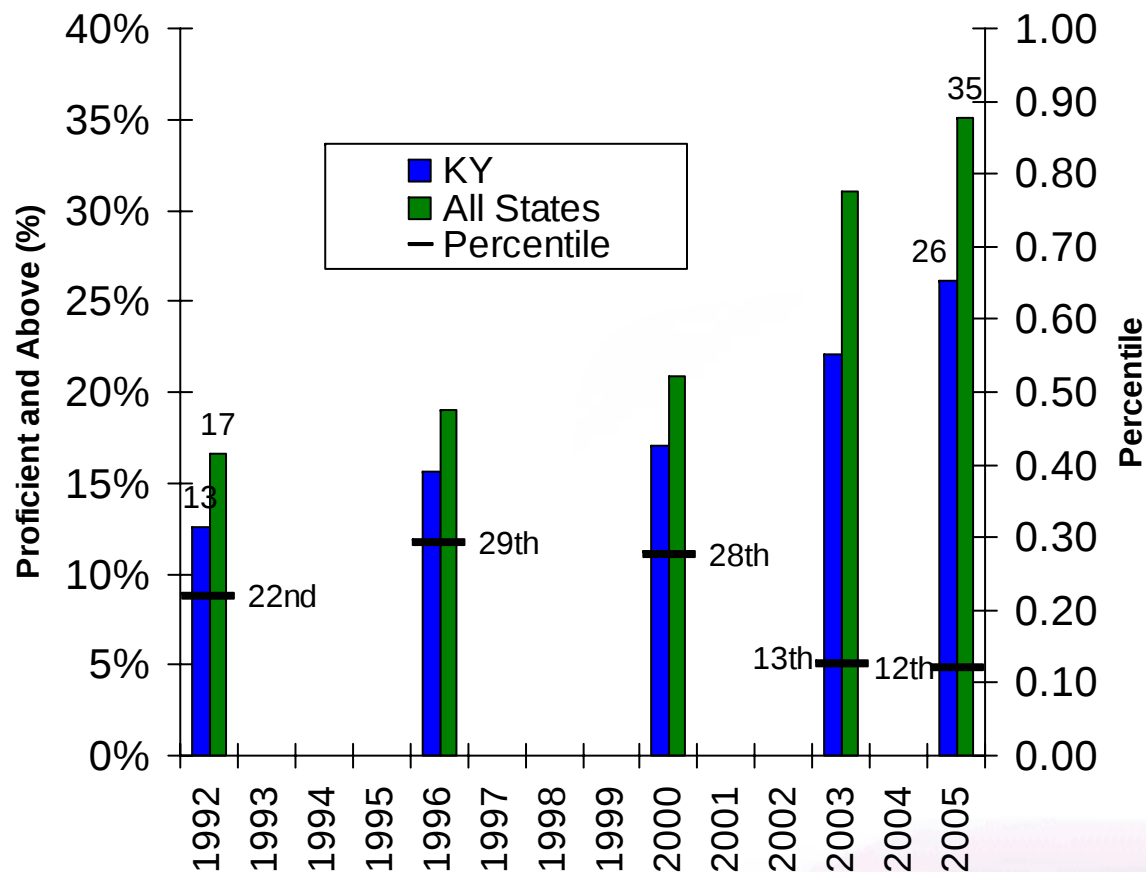
4th Grade Reading (NAEP)



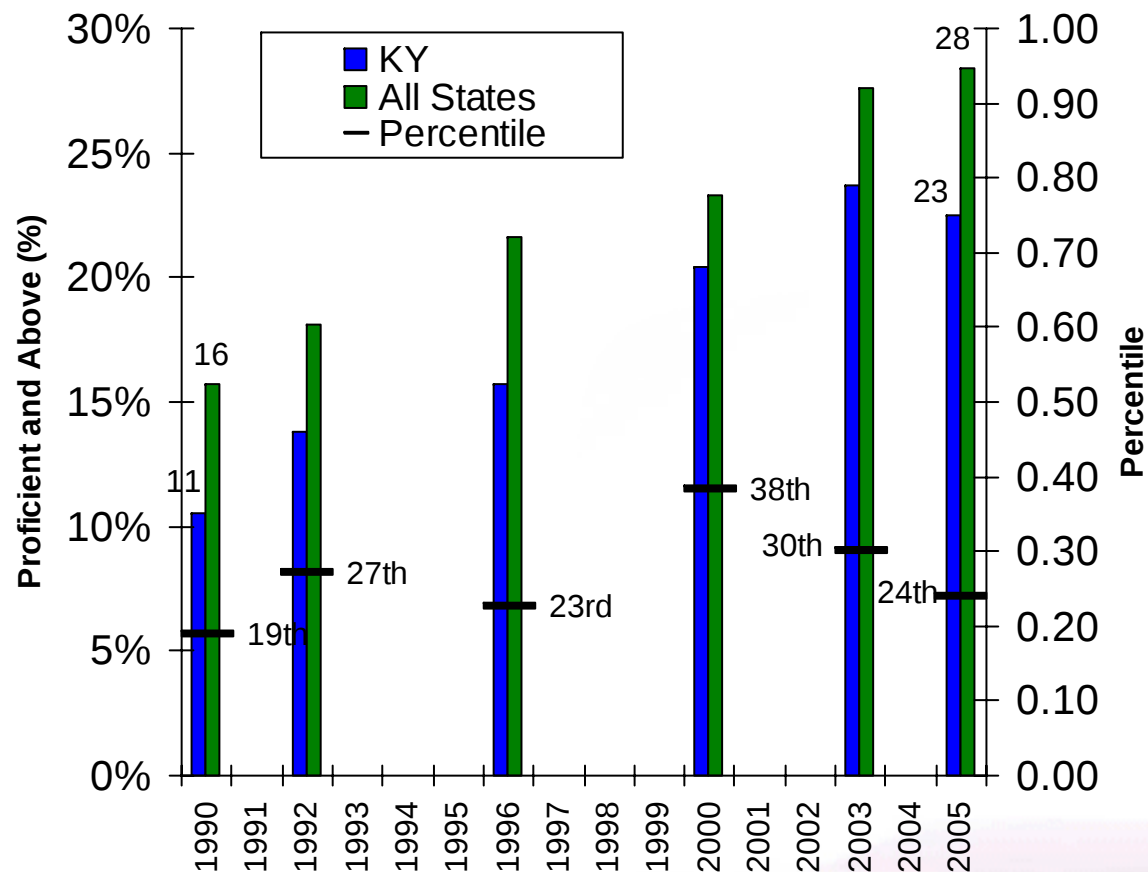
8th Grade Reading (NAEP)



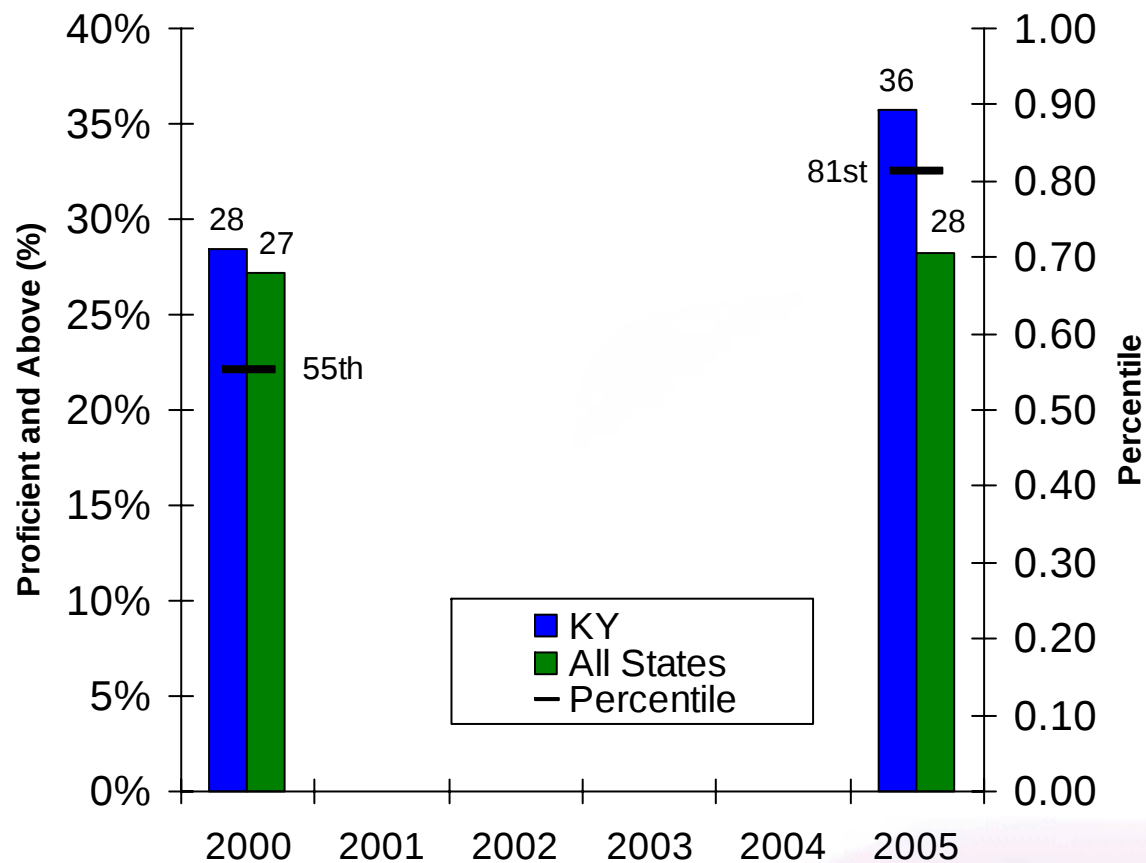
4th Grade Math (NAEP)



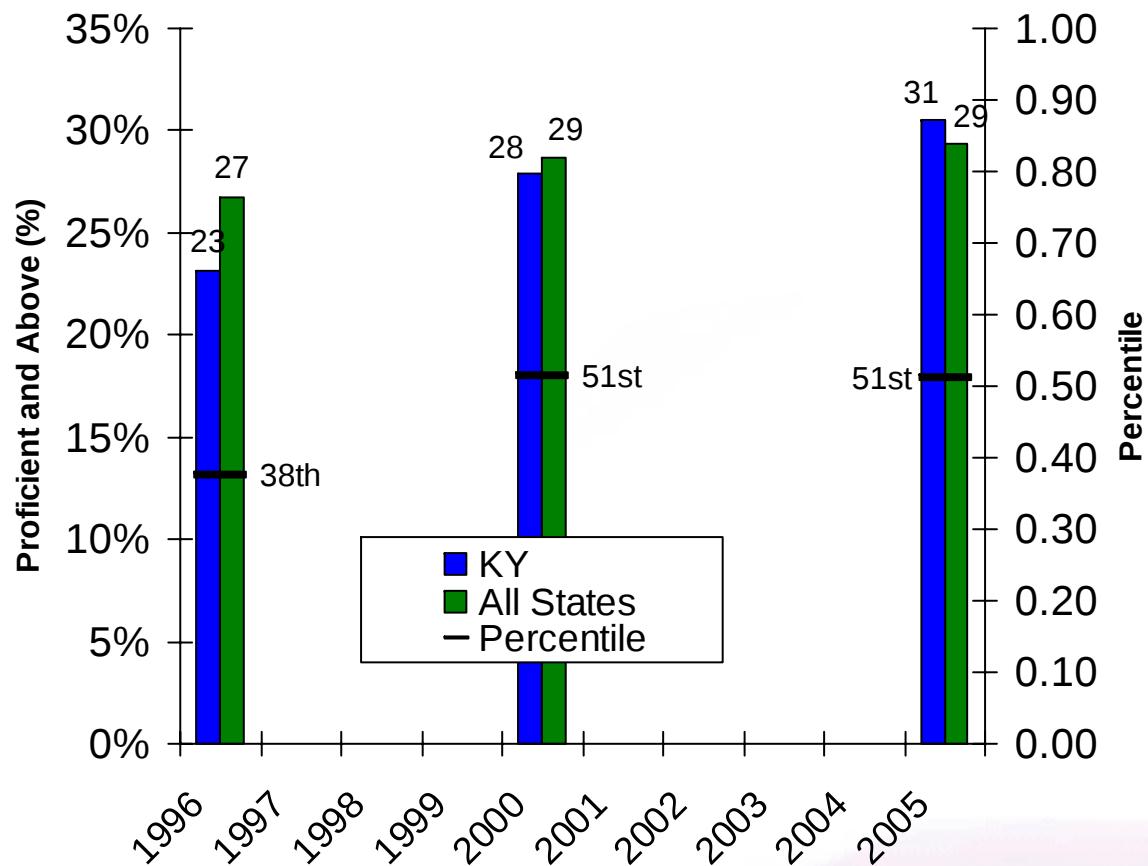
8th Grade Math (NAEP)



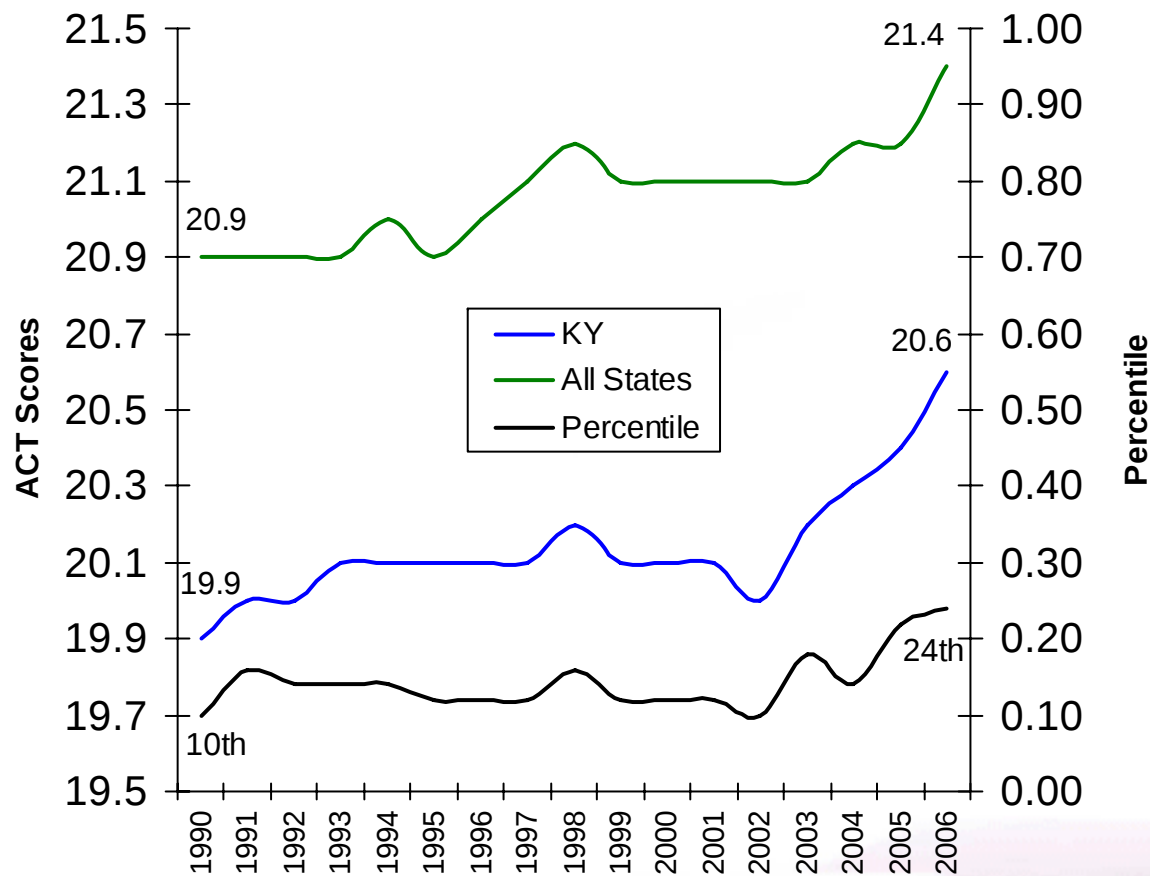
4th Grade Science (NAEP)



8th Grade Science (NAEP)



ACT, Kentucky and the U.S.



Have we progressed?

Grade & Subject	Proficient and Above	Relative to US (percentile rank)
4 th Reading ('92-'05)	Yes (23-31%)	Yes (27th-46th)
8 th Reading ('98-'05)	No (30-31%)	No (58th-50th)
4 th Math ('92-'05)	Yes (13-26%)	No (22nd-12th)
8 th Math ('90-'05)	Yes (since '90)* (11-23%)	Yes (since '90)* (19th-24th)
4 th Science ('00-'05)	Yes (28-36%)	Yes (55th-81st)
8 th Science ('96-'05)	Yes (23-31%)	Yes (38th-51st)
ACT ('90-'06)	Yes (19.9-20.6)	Yes (10th-24th)
*Qualified yes due to a downward trend since 2000		



A lot of progress, but few national exemplars

		Steady Progress (proficient %)?		
		No	Flat	Yes
Kentucky's Percentile Rank Above Average?	N O			ACT Math 4 Math 8
	A V G		Reading 8	Reading 4 Science 8
	Y e s			Science 4

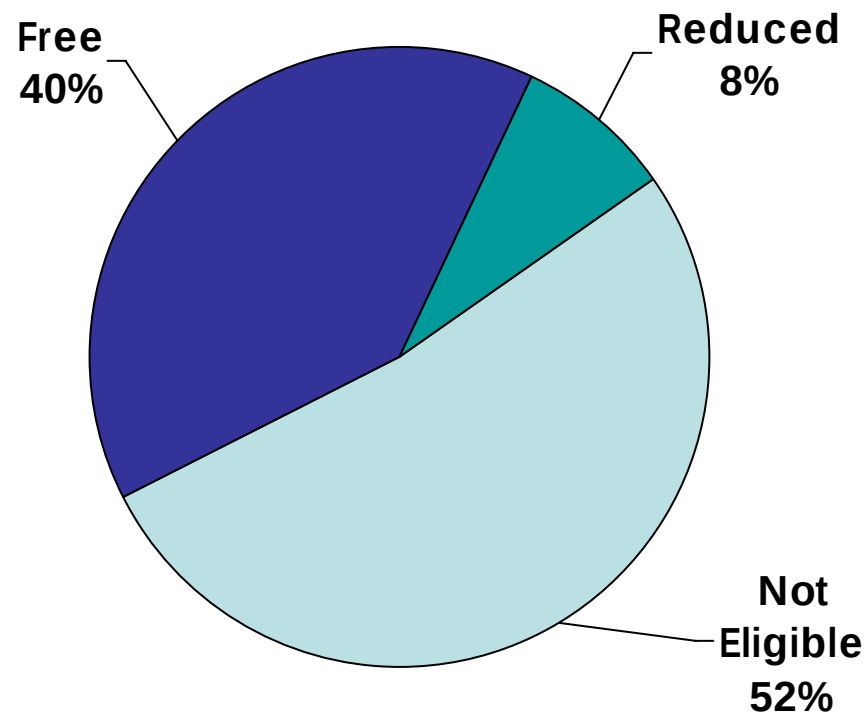


Selected Factors Adversely Affecting Academic Achievement

- There are a lot of less-advantaged students in Kentucky
 - Nearly half qualify for free- and reduced-price meals
- Less-advantaged students generally score lower on KCCT and NAEP



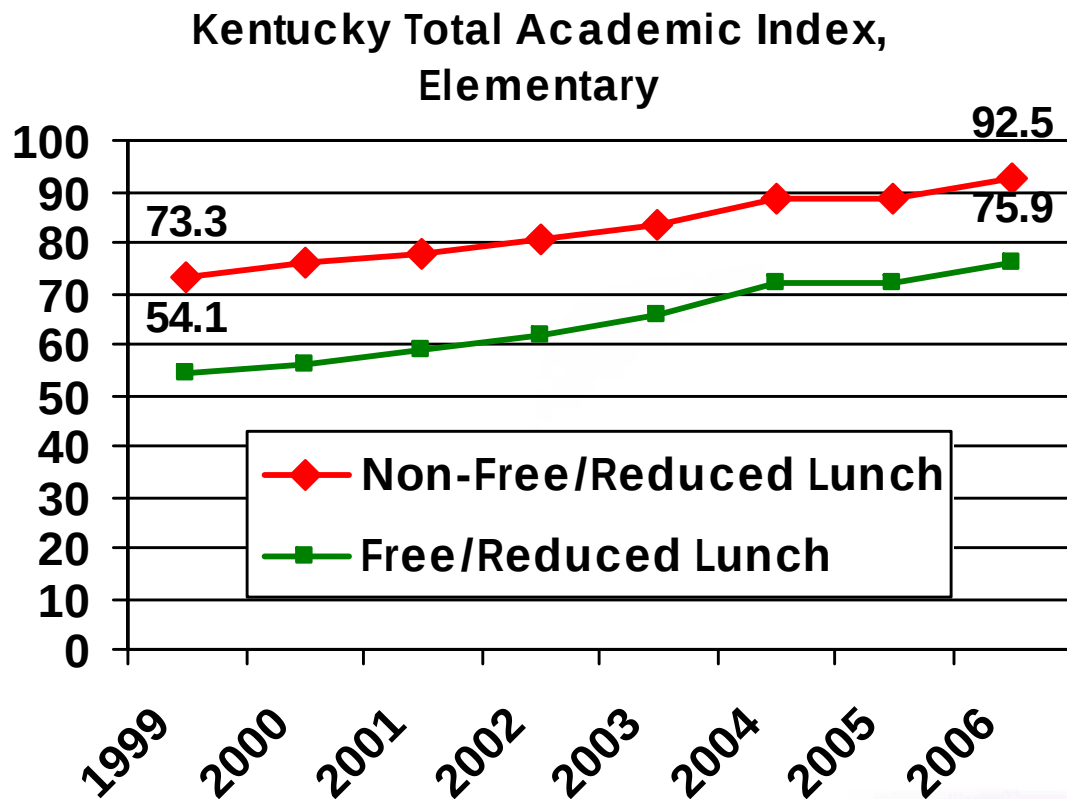
Almost Half of Kentucky's Students Get Free or Reduced Lunch



Note: 2005-06 School Year



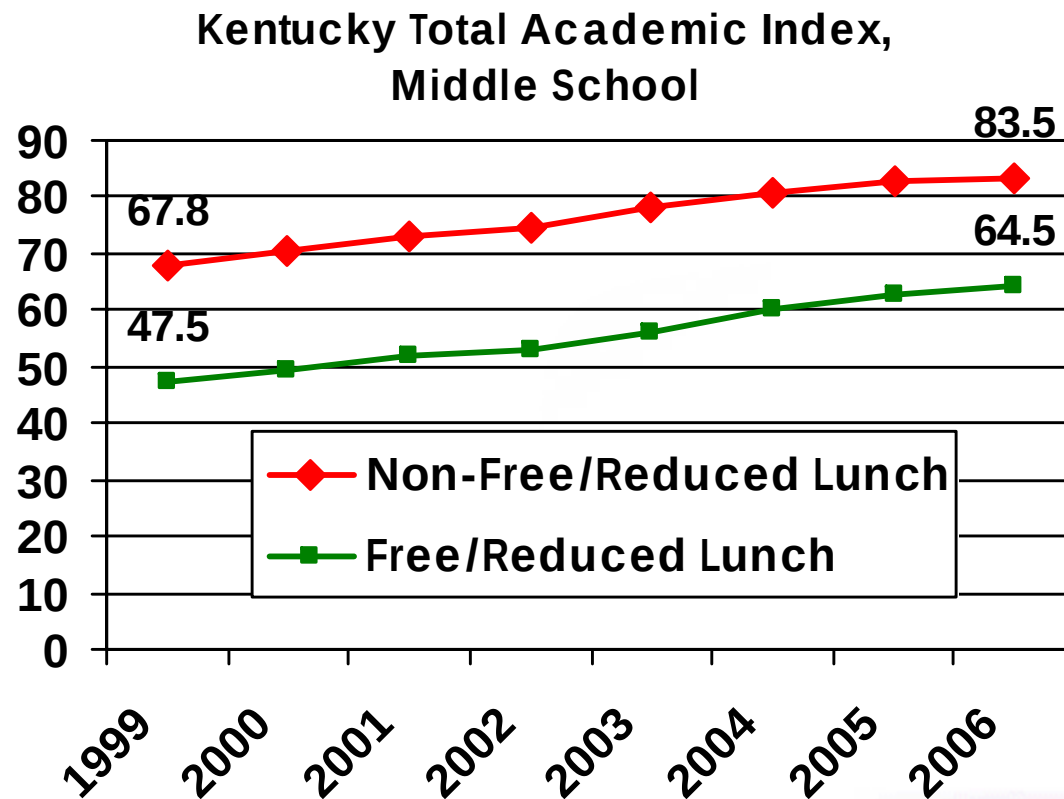
Academic Performance by Free & Reduced Lunch



Source: Kentucky Department of Education



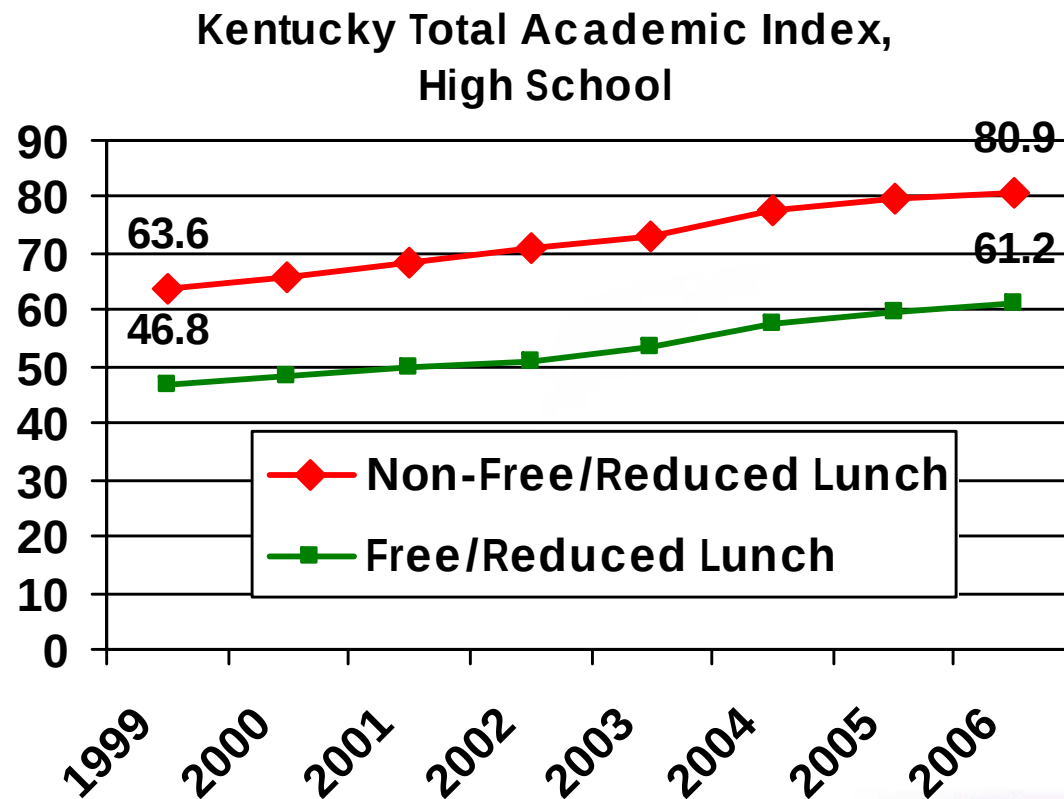
Academic Performance by Free & Reduced Lunch



Source: Kentucky Department of Education



Academic Performance by Free & Reduced Lunch

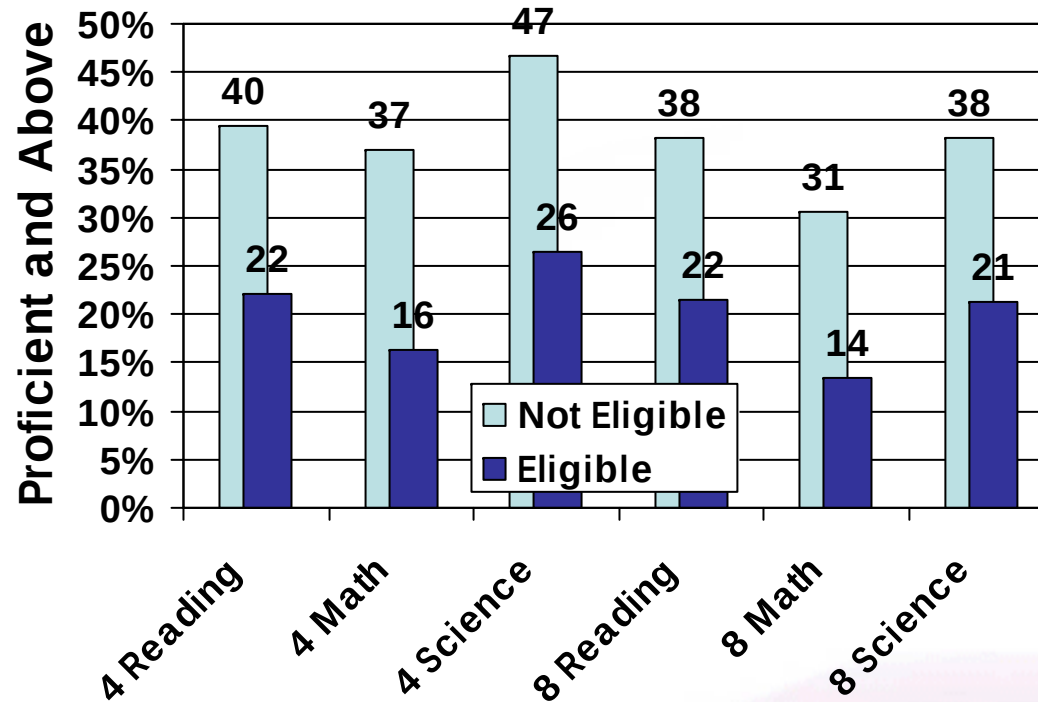


Source: Kentucky Department of Education



An Achievement Gap

**Kentucky 2005 NAEP Performance
by Free- & Reduced-Lunch Eligibility**

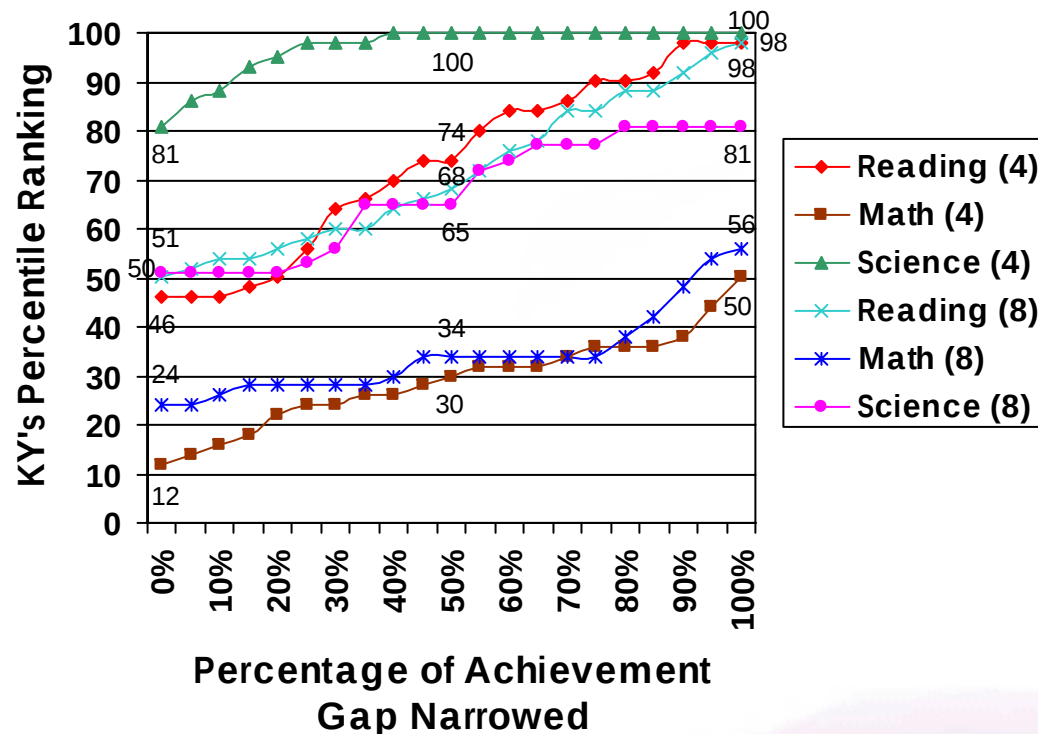


What if we narrowed the
achievement gap?



Narrowing This Achievement Gap Would Bolster Kentucky's Ranking

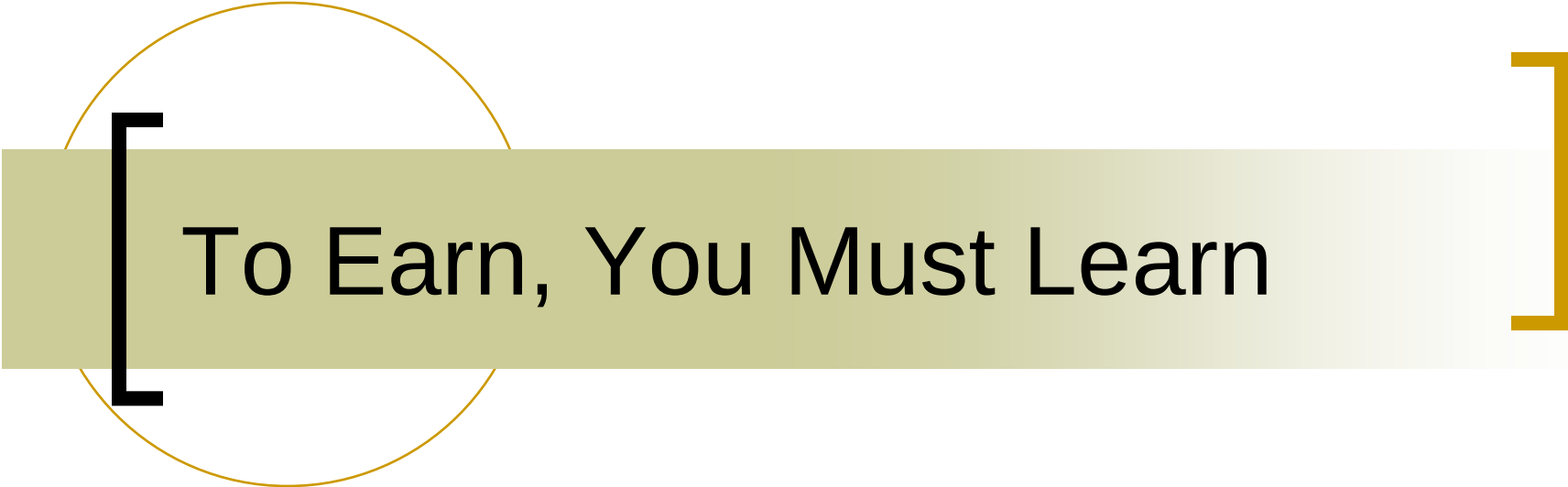
Estimating KY's Percentile as the Achievement Gap Narrows



Some Observations on Student Achievement

- We've made progress, but we can do better
 - We are average to below average when compared to other states
- Narrow the Achievement Gap
 - Focus on the less advantaged students
 - More cost effective to focus here
- Start early
 - Long-lasting benefits

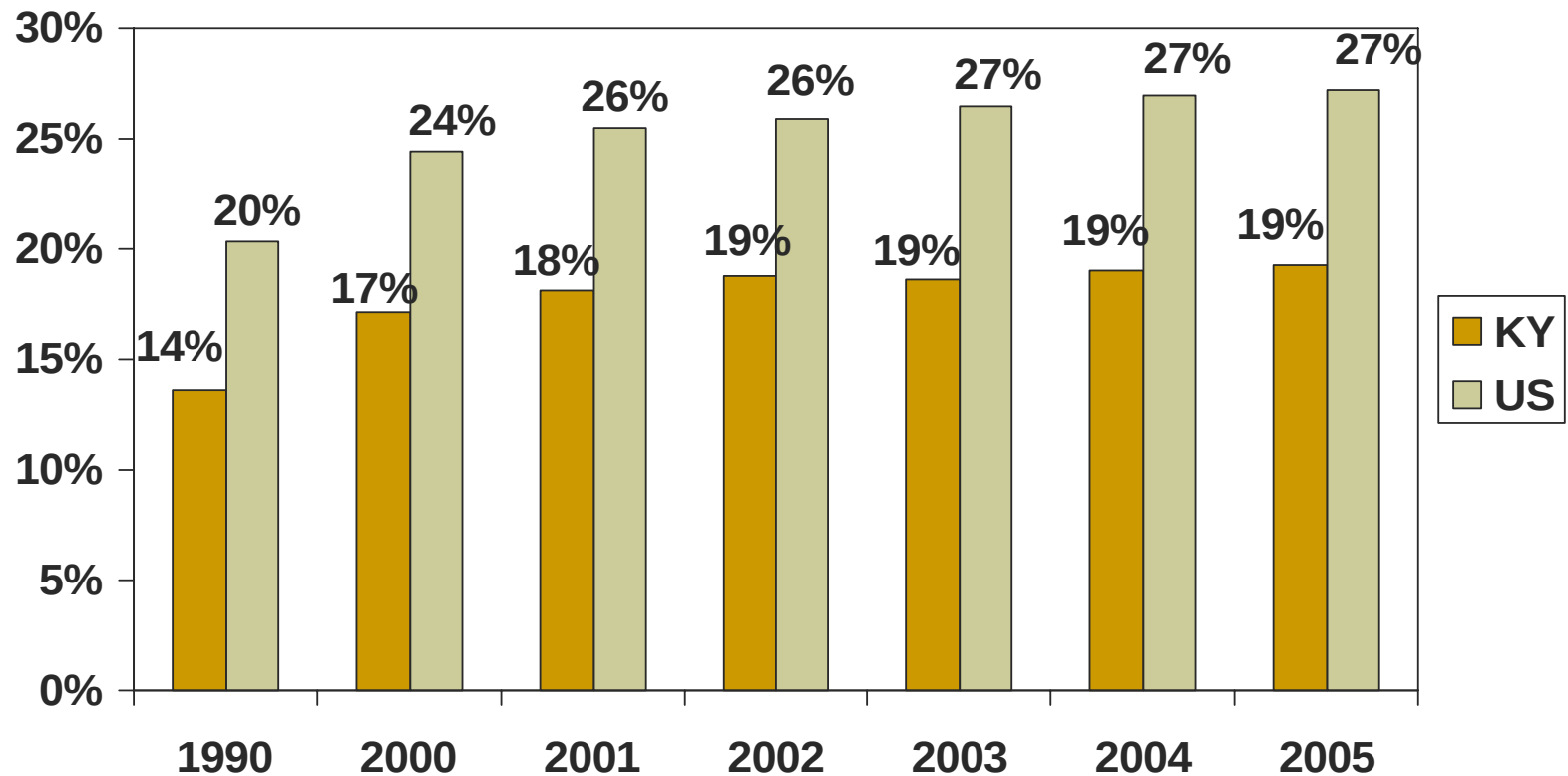


A decorative graphic featuring a thin gold circle. A large black left square bracket is positioned on the left side of the circle, and a large gold right square bracket is on the right side. A horizontal bar with a gold-to-white gradient is placed across the middle of the circle, containing the text "To Earn, You Must Learn".

To Earn, You Must Learn

*Facilitating Postsecondary
Education*

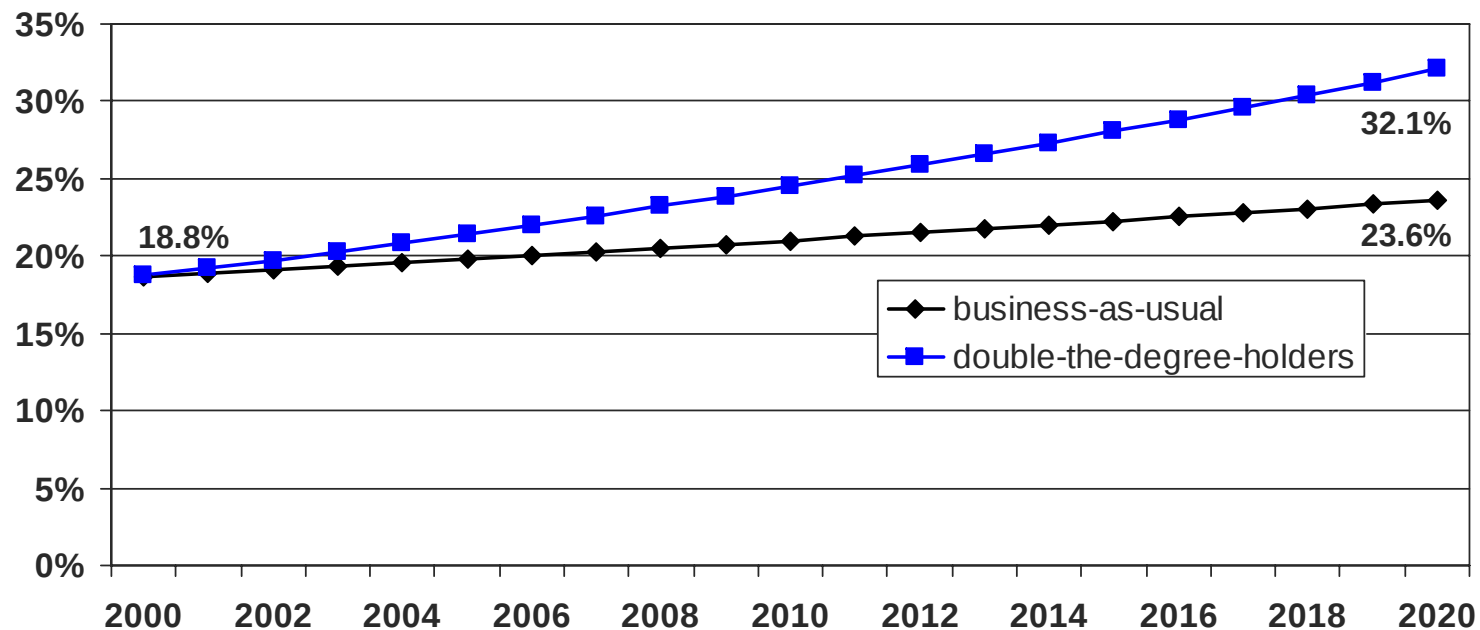
[College Attainment Rates]



Source: US Census Bureau

Projected Educational Attainment, Two Scenarios

Projected Percent of Kentucky Adults 25 to 64 Years
Old with a Bachelor's Degree or Higher, 2000 to 2020,
"business-as-usual" and "double-the-degree-holders"



Doubling the Numbers, The Strategy

Strategy	Additional Degree Holders	Additional 2020 Per Capita Income
Current Trends	580,000	\$32,776
Step 1: Increase postsecondary participation and quality	66,000	\$1,040
Step 2: Improve GED to college transitions	4,000	\$65
Step 3: Funnel more first-time students through KCTCS	26,000	\$424
Step 4: Raise high school graduation rate	36,000	\$599
Step 5: Increase migration and economic development	79,000	\$1,365
Double the Numbers	791,000	\$36,268

[An Assessment of the Plan]

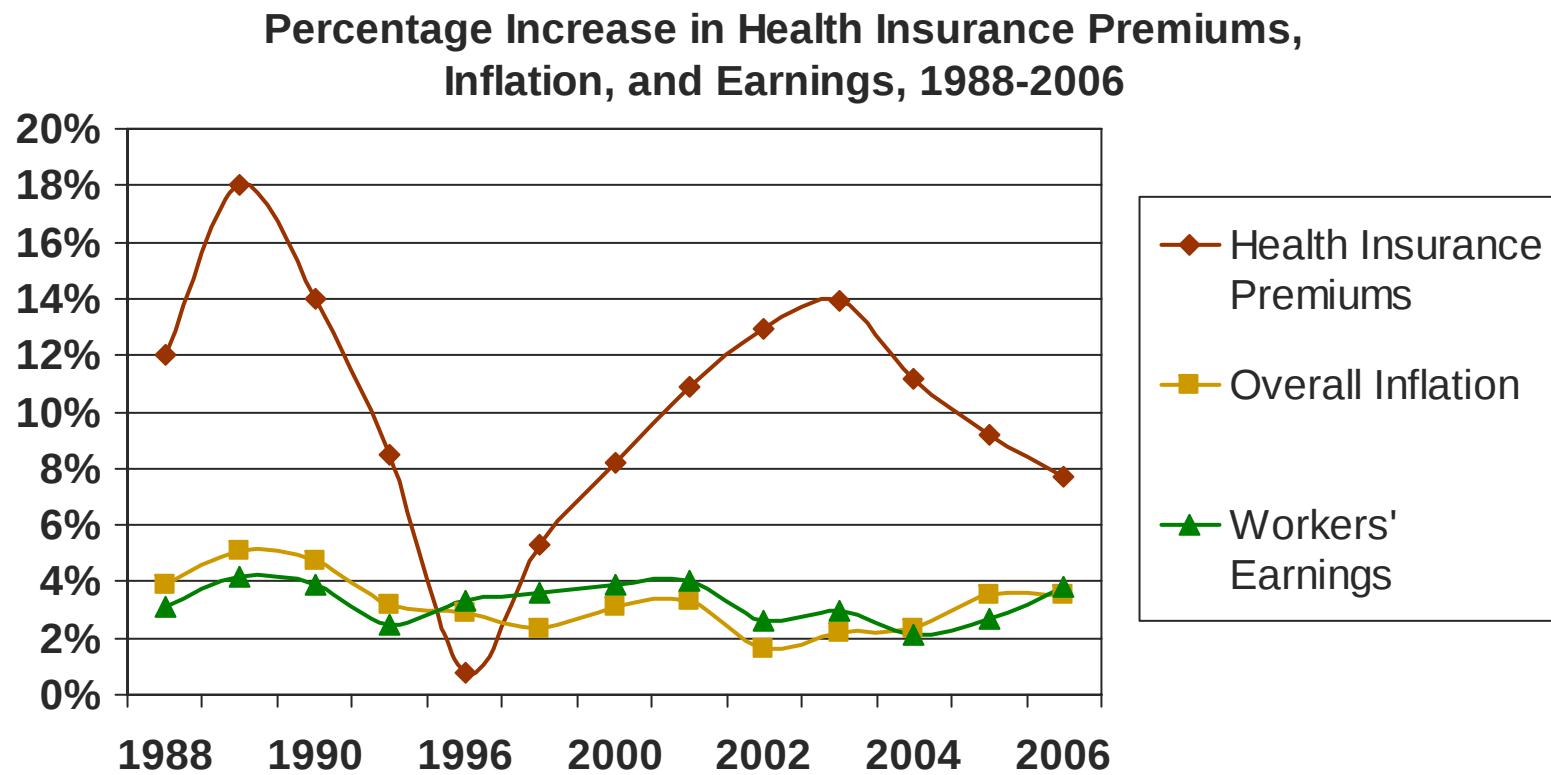
An Evaluation of the Five Steps: Likelihood of Success by its Contribution to Per Capita Income				
		Amount of Additional 2020 Per Capita Income		
		Low	Medium	High
Likelihood of Success	Low		Step 3: KCTCS	Step 5: Migration and economic development
	Medium	Step 2: Improve GED to college transitions	Step 4: HS Graduation Rates	
	High			Step 1: Increase post-secondary participation and quality



Rising Health Care Costs

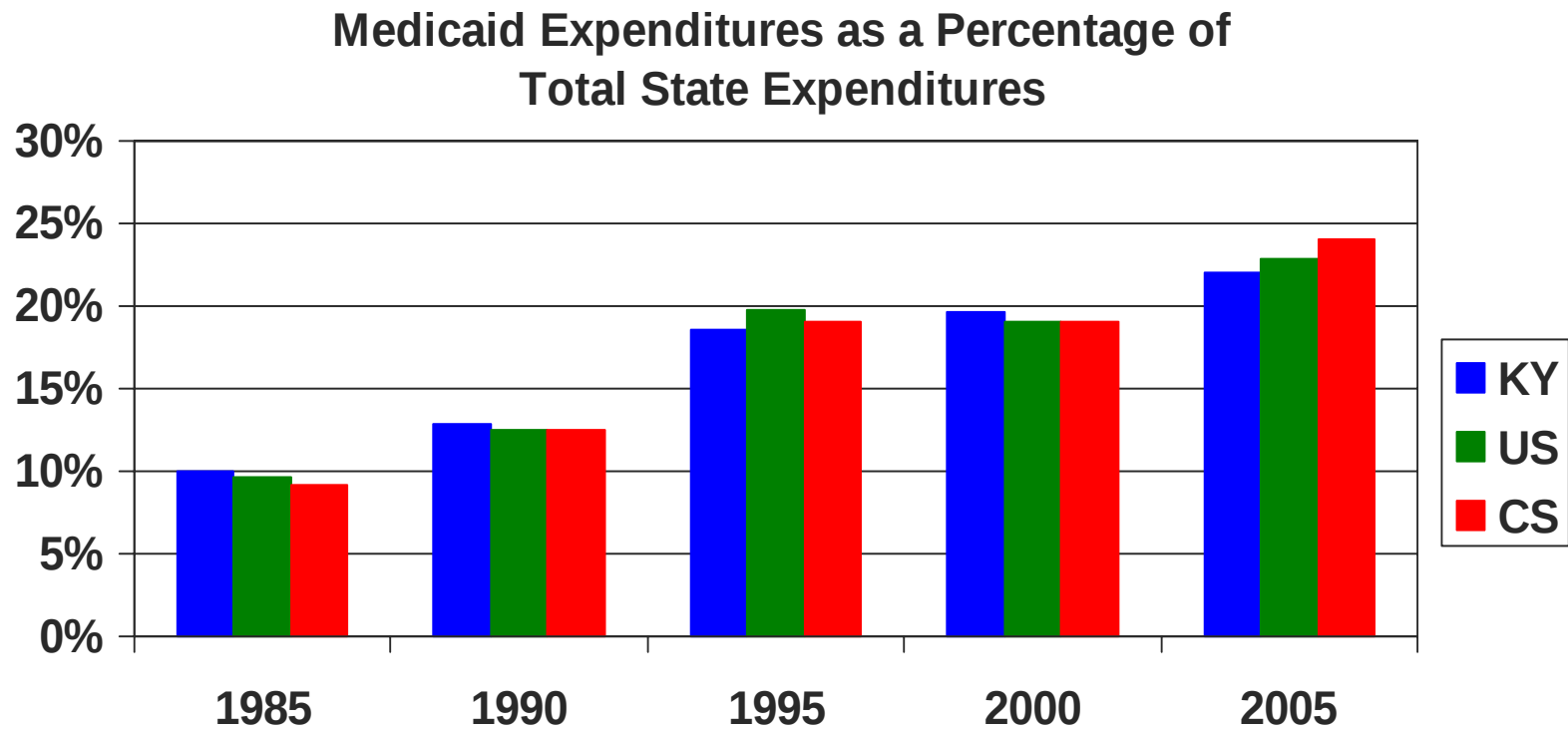
Get people healthier

Health Insurance Cost Rise Steadily



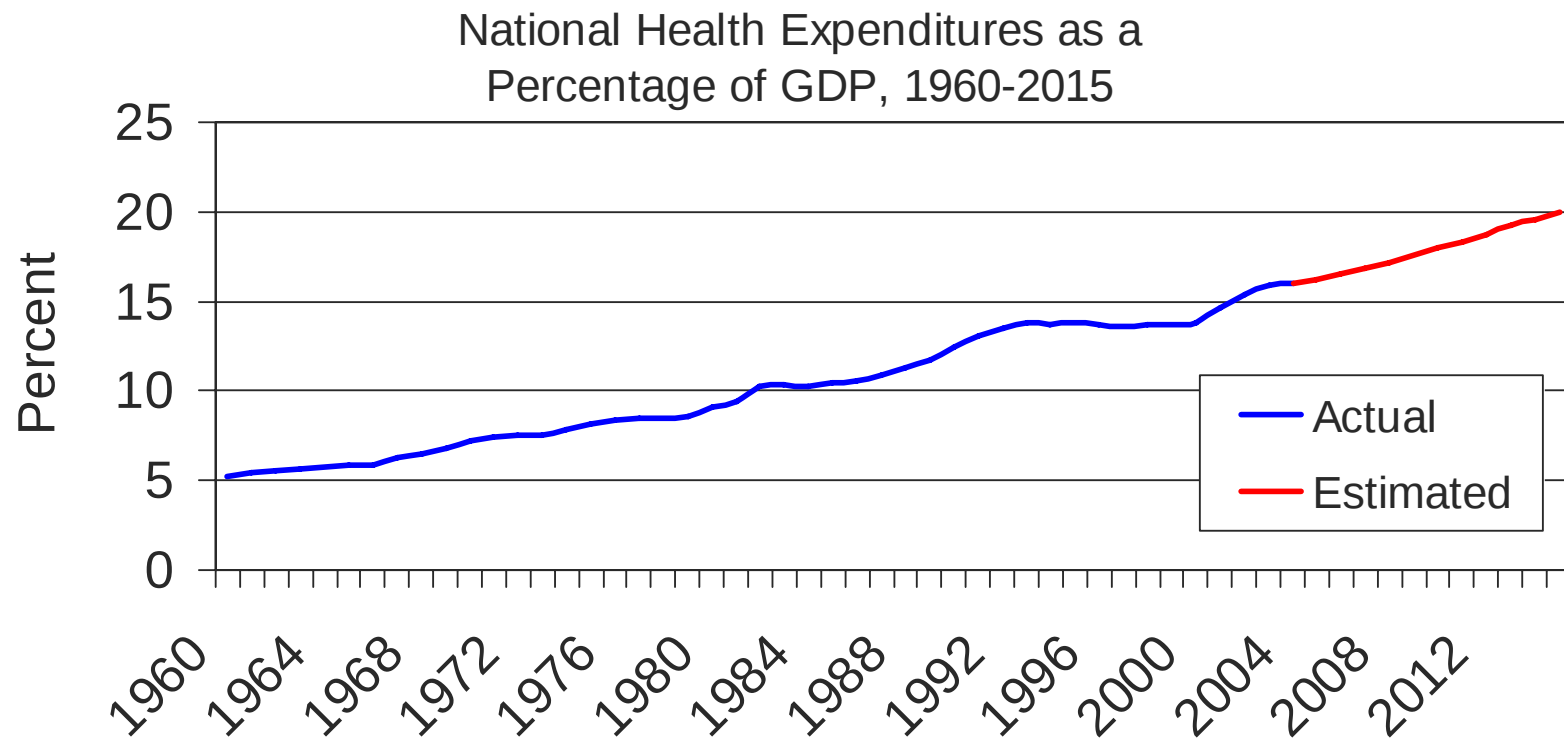
Source: The Kaiser Family Foundation and Health Research and Educational Trust

[Rising Medicaid Spending]



Source: KLTPRC analysis of NASBO data.

National Medical Expenditures



Source: US Dept. of Health and Human Services, Centers for Medicare & Medicaid

Obesity and Smoking: A Short List of Consequences

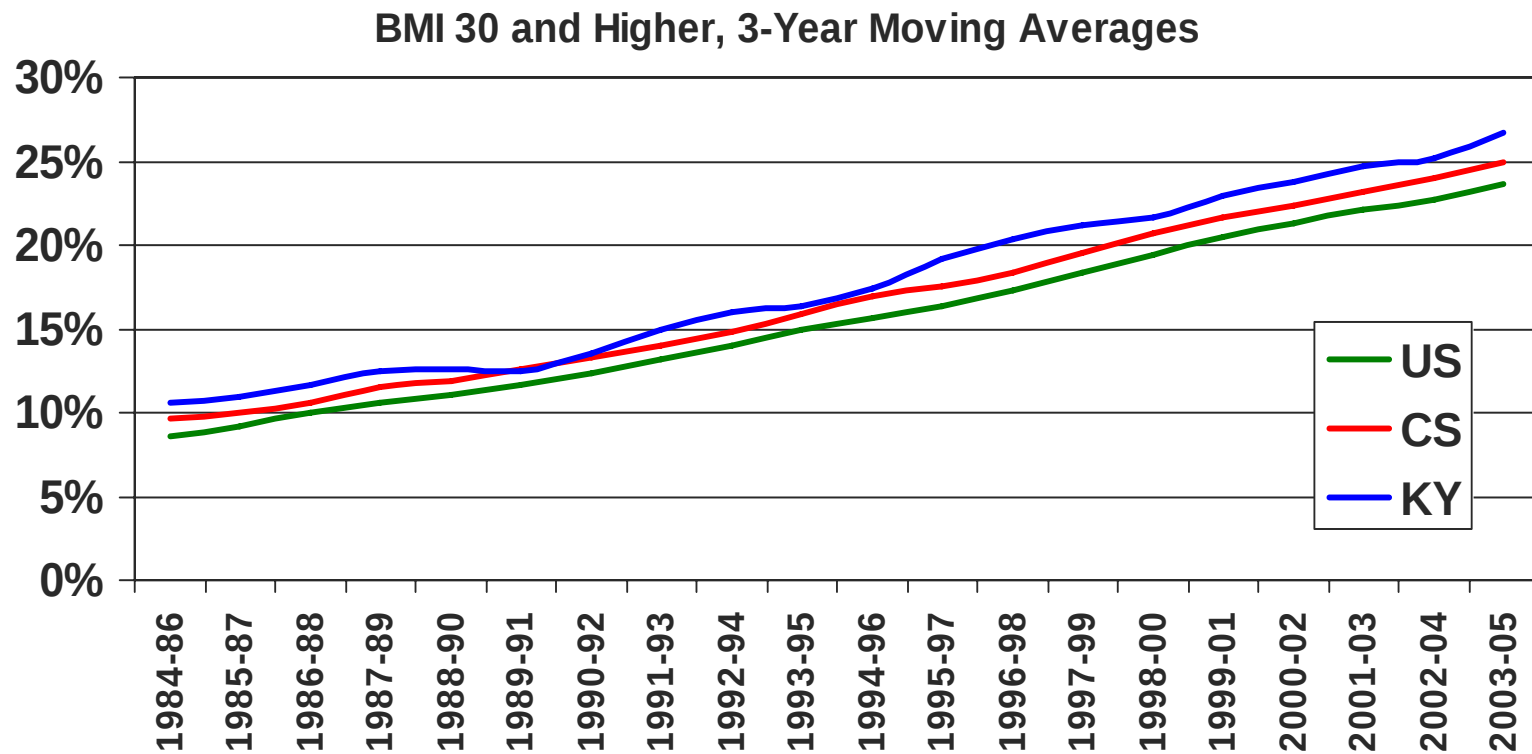
■ Health

- Heart disease
- Cancer
- Stroke
- Diabetes
- Disability

■ Cost

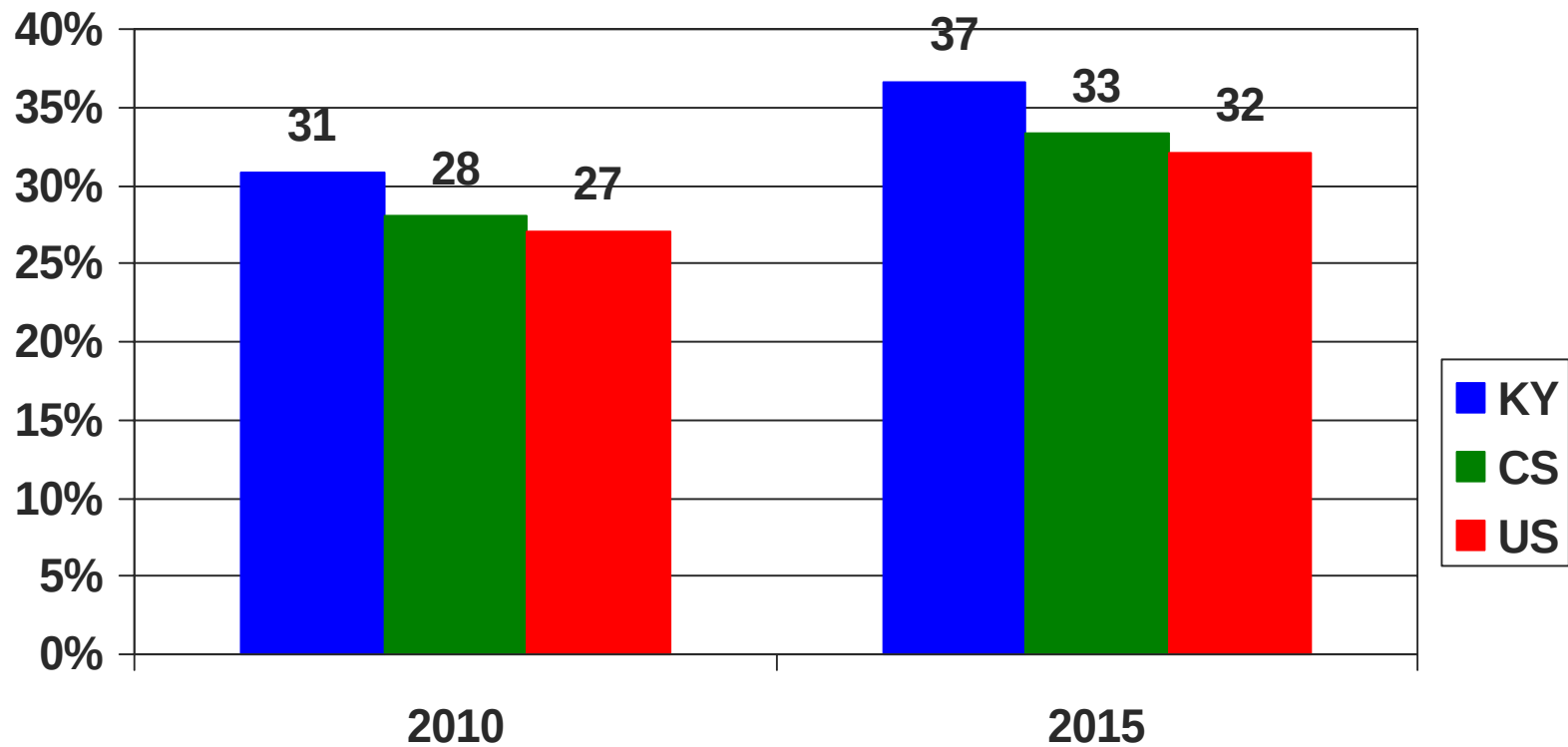
- Obesity
 - \$1.1 billion annually
 - 6.2% of adult medical spending
 - 11.4% of Medicaid
- Smoking
 - \$1.1 billion annually
 - 6% to 9% of total medical spending

[Obesity Rates]



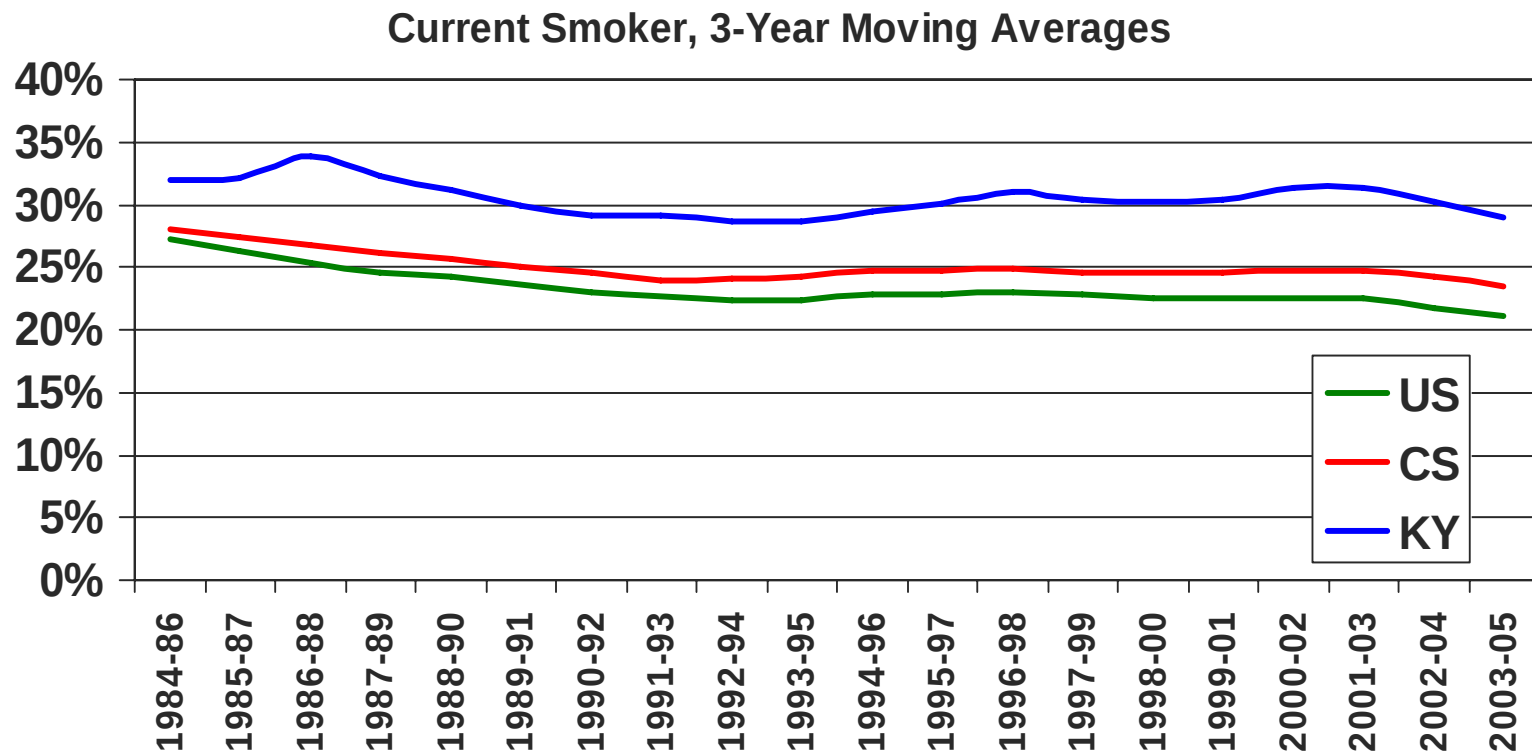
Source: Author's analysis of BRFSS data.

[Estimating Future Obesity Rates]



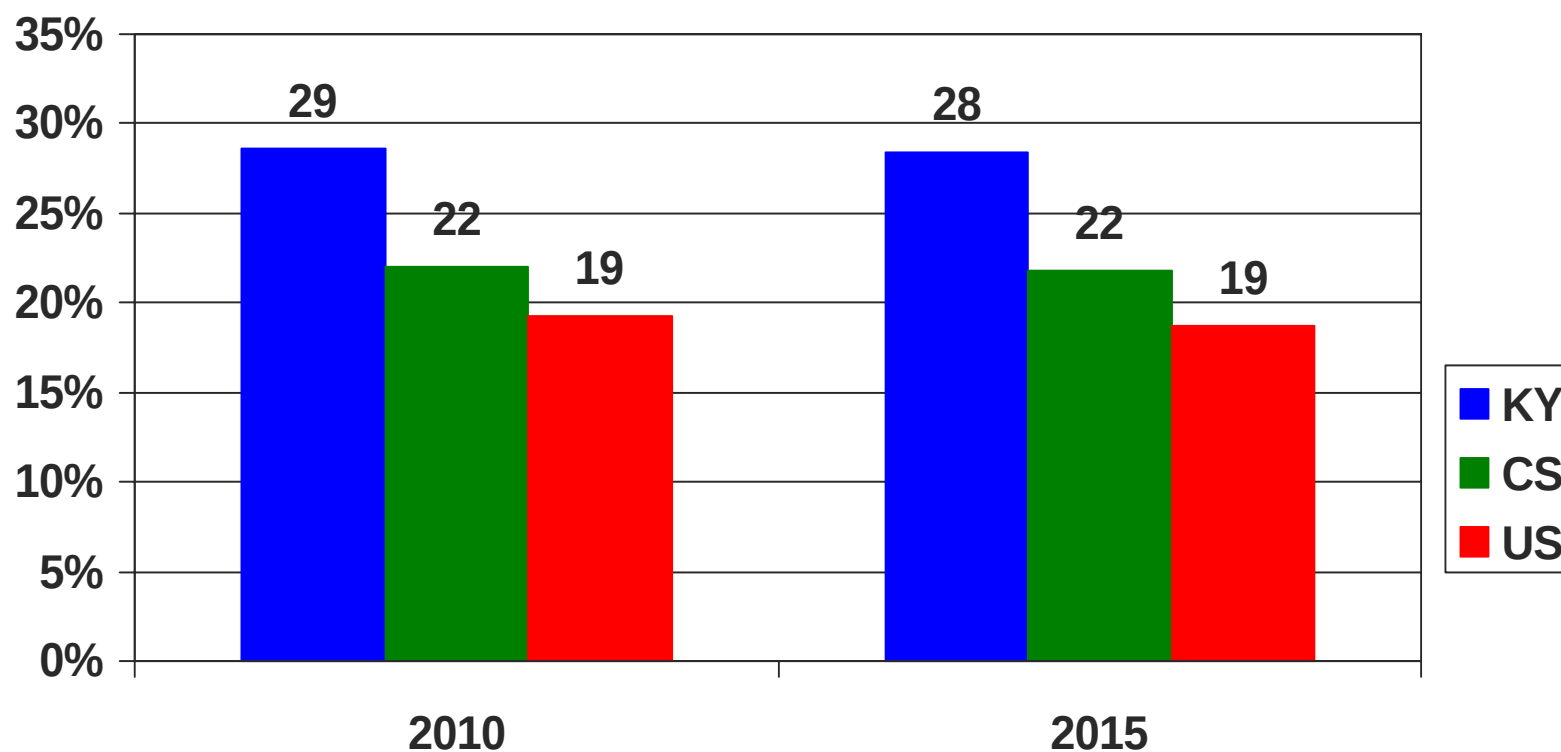
Source: KLTPRC analysis of BRFSS data.

[Smoking Rates]



Source: Author's analysis of BRFSS data.

Estimating Future Smoking Rates



Source: KLTPRC analysis of BRFSS data.

[Summary]

- Education
 - Early childhood education
 - Narrow the achievement gap
 - Enhance math & science
 - Encourage postsecondary
- Health
 - Encourage healthy behaviors
- Healthier more skilled workforce
 - Enhances economic development opportunities & incomes
- Less upward pressure on public expenditures
 - Less disability and less pressure on Medicaid
- Communities with a higher quality of life

Want more information?

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