At the Crossroads

Prospects for Kentucky's Educational Future

From Preschool to Postsecondary

The Conference Proceedings

Edited by
Suzanne King
Billie M. Sebastian
Michal Smith-Mello

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LONG-TERM POLICY RESEARCH CENTER

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Kentucky Higher Education Assistance Authority

The Student Loan People℠
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PREFACE

As part of its mission to advise and inform the Governor, the General Assembly, and the public about the implications of trends influencing the state's future, the Kentucky Long-Term Policy Research Center presents the proceedings from its tenth annual conference, held in Louisville, Kentucky, on November 18, 2003, with joint support from the Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation, "The Student Loan People," and the partnership of the state's leading education agencies and organizations. The day-long conference highlighted distinguished, nationally recognized speakers on prospects for our education future and featured a panel discussion by state leaders taped and later aired by Kentucky Educational Television. The conference provided significant food for thought for policymakers, educators, and all citizens of the Commonwealth who are interested in and concerned about the future of education.

KENTUCKY
LONG-TERM POLICY RESEARCH CENTER

The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decisionmaking process. The Center's mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing the Commonwealth's future. The Center has a responsibility to identify and study issues of long-term significance to the Commonwealth and to serve as a mechanism for coordinating resources and groups to focus on long-range planning.

Michael T. Childress serves as the executive director of the Kentucky Long-Term Policy Research Center. Those interested in further information about the Center should contact his office directly at:

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KIDS NOW=Current Investment for Future Success 41

Four years ago the Office of Early Childhood Development launched a multifaceted effort to reach the 2020 vision that "all young children in Kentucky are healthy and safe, possess the foundation that will enable school and personal success, and live in strong families that are supported and strengthened within their communities." With 90 percent of the architecture of the brain built in the first three years of life, the "P" in Kentucky's system of P-16 education represents the foundation upon which the success of the entire system is dependent. This panel will discuss ongoing efforts and future prospects of the KIDS NOW initiative.

Assessment and Accountability: Melding the Old with the New 51

The federal attempt to overhaul elementary and secondary education through the No Child Left Behind Act is causing Kentucky's policymakers and educators to grapple with how to meld it with the state's current system of assessment and accountability. This panel will discuss the No Child Left Behind Act, how Kentucky is dealing with it, and the future prospects for assessment and accountability.

The Cost of Quality: How Much? 65

Three different studies in the past year have concluded that Kentucky's publicly funded elementary and secondary school system requires significant additional funding in order to provide all children with an equitable and adequate education. These proposed annual funding increases range from $565 million to $2.3 billion. However, some question whether additional funding will result in higher student achievement. This panel will consider the issue of additional funding and whether it will produce better results.

Roadblocks to Higher Education: Funding, Preparation, and Access 77

In Kentucky and throughout the nation, many factors limit student access to higher education. This panel of national experts will present their varied perspectives on the impact these obstacles present to policymakers as they attempt to increase access to higher education.

Mapping the Future of Higher Education: Reauthorization of the HEA 89

A panel of distinguished financial aid professionals will discuss the status of Reauthorization of the Higher Education Act. Faced with budget constraints and the current economic climate, these professionals will discuss the efforts of Congress to expand access to higher education and the next steps available to positively impact families and students through the Reauthorization process.

A New Route for KEES? 101

Findings of the Legislative Research Commission Study — During its 2003 session, the General Assembly commissioned a study of the Kentucky Educational Excellence Scholarship program to be conducted by the Legislative Research Commission. This panel will discuss the study's findings and policy options.

Improving Mileage: Stretching College Dollars to Cover Increasing Costs and Decreasing Budgets 113

This session will focus on the efforts of public and private institutions to minimize the impact of rising higher education costs on families and students. Panelists will also discuss the continued availability of state-funded financial aid programs and the ability of families and students to meet the rising financial burden of attending postsecondary institutions.

Rerouting the Road to Nowhere 125

Public and private entities have expended significant resources on outreach activities to encourage Kentuckians to enter college and obtain degrees. This panel will include professionals who work directly with high school students making the decision to enter college. The session will explore the effectiveness of existing outreach programs in light of the fact that Kentucky's college-going rates have consistently remained at the 50 percent mark.

Collective Progress Is Not Enough: Dealing with the Achievement Gap 135

Recent legislation at both the federal and state levels has created a renewed impetus to identify and narrow differences in academic achievement levels among various student subgroups: black, Asian, Hispanic, low-income, nonnative English speakers, and the disabled. Panelists define and describe the achievement gap, its consequences, strategies for bridging it, and future prospects.

Adult Education and Literacy: Ensuring That No Adult Is Left Behind 147

Progress continues toward improving the educational attainment of adult Kentuckians who lack a high school diploma, function at low literacy levels, or speak English as a second language. How do we build on our progress toward a more literate Kentucky in a time of constrained resources?

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Speaker Biographies

Marcia Kuegel Carpenter is a Guidance Counselor at Daviess County High School and the chair of the Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation. Ms. Carpenter was previously employed by the TRIO program at Owensboro Community College. She is the mother of three college students.

Senator Lindy Casebier has represented the 7th Senate District (Anderson, Fayette, Franklin, and Woodford Counties) since 1993. Prior to that he served in the House of Representatives from 1987-1993. Senator Casebier serves as an Administrator in the Oldham County Public Schools. He received his bachelor's and master's degrees in education from the University of Louisville (U of L). Senator Casebier is a member of the U of L Board of Overseers and Alumni Association. He is also a member of the Education Commission of the States and the University of Kentucky (UK) Martin School—Board of Visitors, and the Appalachian Educational Laboratory. Senator Casebier was named Outstanding Young Man of America. He also serves as a member of the Kentucky Long-Term Policy Research Center Board of Directors.

Michael Cheek is the Director of the Division of Child Care, Department for Community Based Services, Cabinet for Families and Children. Mr. Cheek has served the Commonwealth for the past 25 years in various positions within the Cabinet for Families and Children. In addition, his service includes Division of Child Support, Department of Social Services, Division of Program Management, and Staff Assistant to the Commissioner of the Department for Community-Based Services. Mr. Cheek's undergraduate degree is in History and Political Science, and he has completed graduate work in the MSW program. He is currently completing a law degree at U of L.

Dr. Roger Cleveland is a native of Middlesboro, Kentucky. He received his BA from Morehead State University in communications. He completed his master's degree at Union College in Social Sciences of Education. He received his doctorate from the University of Cincinnati; his area of study is Social and Cultural Foundations of Education. His research interests include the academic performance of African-American students, African-Americans in rural Appalachian schools, urban Appalachians and teacher expectations. Dr. Cleveland has worked as a social and academic intervention counselor in the Cincinnati Public Schools (Cincinnati Youth Collaborative) for six years; he has taught at NKU in the Sociology Department and at Middle Tennessee State University in the Educational Leadership Department. He is the Director of the Division of Education Equity in the Kentucky Department of Education. Prior to this promotion, he was Branch Manager of the Division. He has also taught part-time in the Educational Psychology and African-American Studies Departments at the UK. Dr. Cleveland has conducted workshops in urban areas for students, parents, and grassroots community activists, covering such topics as social skills, parent-school relationships, conflict resolution, peer pressure, self-efficacy, student diversity, equity pedagogy, and cultural sensitivity training. He was appointed by the Governor to the Kentucky Commission on Community Volunteerism and Service. He has presented at research-based conferences in the areas of equity in the classroom, African-American student achievement, gender equity, diversity, Appalachian culture, and teacher expectations.

Dr. Paul B. Cook is a retired Executive Vice President for Administration and Technology at Western Kentucky University (WKU). He served as the interim president of WKU in 1985. Since retiring from Western, Dr. Cook has worked with community groups and engaged in consulting activities. He received both his BA and MA from Western Kentucky University and his PhD from UK. Dr. Cook serves as Chairman of the Board of Directors of the Medical Center at Bowling Green. He is a member of boards of the American National Bank, the Commonwealth Health Corporation, the Kentucky World Trade Center, and the Tourism and Economic Development Council, Inc. Dr. Cook serves as a member, past Chair, and current Vice Chair of the Kentucky Long-Term Policy Research Center Board of Directors. He and his wife, Rose, have two children and two grandchildren.

Dr. Gary Cox stepped down as acting president of the Kentucky Council on Postsecondary Education (formerly the Council on Higher Education) in 1997 to take over the leadership position of the Association of Independent Kentucky Colleges and Universities. He worked at the Council on Higher Education from 1977-1997, serving as Executive Director from 1986-1997. Prior to his work with the Council, he served as Dean of the School of Public Affairs at Kentucky State University and as a professor of public policy at Morehead State University. Dr. Cox has served on the Kentucky Board of Education, currently serves as chair of the Governor's Scholars Program, has chaired the State Higher Education Executive Officers Organization, and has served on the Education Commission of the States and the Southern Regional Education Board. Dr. Cox received his bachelor's degree from Morehead State University and his master's and doctorate in political science from the UK.

Dr. William Crouch began his era of leadership-by-example the day he became president of Georgetown College in 1991. Often described as a visionary in not only corporate and academic worlds but also in the community of Christian faith, Crouch's initiatives at the college include: the establishment of the Foundation Board; the achievement of numerous record-setting fundraising goals; the founding of two often-emulated programs, the President's Ambassadors and the Presidential Mentorship Program; the facilitation of the construction of a new Fine Arts Building, a nationally acclaimed Learning Resource Center, and a high-profile Athletic and Conference Center Complex, the latter to which he immediately recruited the NFL Cincinnati Bengals football team's annual summer camp. Dr. Crouch has been instrumental in increasing Georgetown's enrollment and vastly expanding the geographical base from which the student body comes, as well as leading the college to a Carnegie Foundation Baccalaureate College-Liberal Arts ranking. Working with former Governor Martha Layne Collins, Dr. Crouch has created a unique Center for Commerce, Language, and Culture for the campus. Dr. Crouch represents Georgetown College on a variety of community boards, including the Lexington Area Sports Authority and Bluegrass Tomorrow. He also serves on the National Board of Directors of the Council of Independent Colleges, is a member of the National Board of Trustees, PGA Tour: The First Tee, and is a member of the Advisory Board for the National Flight Academy affiliated with the Naval Aviation Museum Foundation. Additionally, Dr. Crouch serves on the Review Board of the Catholic Diocese of Lexington. The son of a Baptist minister who is also a respected educator, Dr. Crouch is a Louisville native. He earned his bachelor's degree from Wake Forest University and his master's and doctorate degrees from the Southeastern Baptist Theological Seminary. In 1998, he was named a Distinguished Fellow at Regent's Park College, University of Oxford. In 2003, he was elected a member of the Honor Society of Phi Kappa Phi. Prior to coming to Georgetown College, he served as vice-president of development at Carson-Newman College. Dr. Crouch and his wife Jan have four daughters and a son.

John E. Dean is managing partner of Dean, Blakey, and Moskowitz. Mr. Dean specializes in government relations law and is an acknowledged expert on federal legislation and regulation of student loan and assistance programs. Mr. Dean counsels clients regarding compliance with federal statutes and regulations. In addition, he assists clients in developing a government relations strategy that includes building relationships with Congress and federal agencies. He advises colleges and universities on various program developments and ways of positioning themselves to qualify for federal funding opportunities. Because of his expertise in higher education issues, Mr. Dean is frequently called upon to provide legal analysis of current issues for lawmakers and their staffs. Mr. Dean has been the featured speaker at conferences of many national organizations on the subject of federal support for postsecondary education. He has appeared on several public policy news shows including the Neil Lehrer News Hour and "It's Your Business." Mr. Dean serves on the Board of Directors of the KnowledgeWorks Foundation and ITT Educational Services. He also serves as the publisher of *Student Lending* and *Information Technology in Postsecondary Education*, two newsletters published by Higher Education Washington, Inc. Dean is a member of the American Bar Association, Administrative Law Section, and the Virginia and District of Columbia bar associations. He is the author of articles in scholarly publications and is a frequent contributor to trade associations and other publications read by the financial services industry. Mr. Dean received a BA from Georgetown University in 1973 and his JD from Georgetown University Law Center in 1982.

Virginia B. Edwards was named Editor of *Education Week* in August 1989. She oversees a staff of nearly 60 editors, reporters, and graphic artists engaged in the weekly production of this national magazine. The newspaper, which covers policy developments in precollegiate education and is published 43 times a year, has a paid circulation of about 55,000, and it is read by approximately 200,000 others. In April 1997, Ms. Edwards was named president of Editorial Projects in Education, Inc. (EPE). In that role, she oversees the more than 90-person nonprofit corporation that publishes *Education Week* and *Teacher Magazine*, raises funds for both new and ongoing projects, and develops new ventures. Before joining EPE, Ms. Edwards worked nearly two years for the Carnegie Foundation for the Advancement of Teaching and, for the nearly 10 years before that, as an editor and reporter for *The Courier-Journal* in Louisville, KY. She received her bachelor's degree from the University of Kentucky.

Jana Beth Slibeck Francis is the Director of Assessment, Research and Curriculum Development for the Daviess County Public Schools. She oversees the testing of approximately 10,400 students, working closely with administrators to analyze the data. Additionally, she is the chief researcher for the district and works to further develop quality curriculum. Prior to serving as Director of Assessment, Research and Curriculum Development, Mrs. Francis was the staff developer for two elementary schools responsible for providing ongoing job-embedded professional development to the staff. A national board-certified teacher in middle grades, Mrs. Francis started her teaching career nine years ago in Atlanta, GA, where she received a master's in Administration and Supervision from the Principal's Academy at the Principals' Center at Georgia State University. Prior to living in Atlanta, she received a BA in pure mathematics from Wellesley College in Boston, MA. Raised in eastern Kentucky, Mrs. Francis and her husband Matt enjoy being back in the Commonwealth.

Bill Goodman began hosting *Kentucky Tonight* on the Kentucky Education Network (KET) in September 1996. Prior to joining KET, Mr. Goodman ran a business in Glasgow, Kentucky. Before that he was news director at KPRC-TV in Houston and worked in various capacities at WTVF-TV in Nashville. Mr. Goodman is a graduate of U of L.

Dr. Betty Griffin is a former Director of the Kentucky Beginning Teacher Internship Program. Honored as Who's Who Among Black Americans, Outstanding Young Woman of America, Danford Fellow, and African-American Adult Achiever of the year by the Lexington YMCA, Dr. Griffin is a former president of the National Forum of Black Public Administrators, Bluegrass Chapter. She is a former member of the Governor's Commission on Vocational Education and the Governor's Commission on Black Affairs, State of Oregon. Her volunteer service includes the Governor Scholars Program; Urban League, Lexington; Girl Scouts Program, Louisville; and the National Council on Negro Women. Dr. Griffin has completed postgraduate work at Harvard University's Executive Leadership Training; the Wharton School at Penn; the University of Texas at Austin; and Stanford University. She received her BS from Fisk University, and both her MS and PhD from Oregon State University. Dr. Griffin serves as a member and the immediate past chair of the Kentucky Long-Term Policy Research Center Board of Directors.

Judge Reid Haire graduated from Louisville's Bellarmine College in 1970 with a degree in political science. Over the next 27 years, he worked for the Department of the Treasury and the Internal Revenue Service and acted as regional manager for Western Kentucky before retiring in 1997. In 1998, Judge Haire was elected to his first term as Daviess County Judge-Executive and began a second term in 2002 after his re-election. During the course of his career, Judge Haire has served on the Boards for the City-County Merger Commission and the Ethics Task Force, and has been the Director of the Owensboro Federal Credit Union, the Green River Board of Health, the Owensboro Mercy Health System, the Green River Area Development District, and Industry, Inc. A member of St. Mary Magdalene Catholic Church in Sorgho, Kentucky, Judge Haire and his wife, the former Nancy Knott, have three daughters, Christy, Shannon, and Lori

Billy Harper is the successful owner of Harper Industries, Inc. and a professional drag racer. Throughout his 30 years in business and 10 years in racing, he has recognized the need for more qualified and highly trained individuals. He knows the best work force is an educated work force; therefore, he has chosen to improve education. He has made a personal effort by bringing his love of cars to classrooms in Western Kentucky. By starting a program known as "Race for Education," he has been able to influence students to stay in school. At the beginning of every school year, Billy takes his car to area middle schools and challenges the students to achieve perfect attendance. As the school year comes to a close, he returns to each school and gives away prizes to those students who achieved perfect attendance. Billy has shown his dedication to improving life in Kentucky and the United States through his involvement in organizations that make a difference. A partial listing of his past and present affiliations with educational and professional organizations includes: Chairman of the Paducah Area Chamber of Commerce's Education Committee; Paducah Chamber of Commerce Board of Directors; Kentucky Chamber of Commerce Board of Directors; Leadership Kentucky Board of Directors; Four Rivers Council-Boy Scouts of America Council Member, past council president, Chairman of the New Office Project, and Advance Gift Chairman; Boy Scouts of America Southeast Region Advisory Board; Kentucky Education Foundation, Inc. Board of Directors; Kentucky Center for Public Issues Board of Directors; Paducah Public School Foundation Board President; National Council on Economic Education Board of Directors; Kentucky Council on Economic Education Board of Directors; Paducah-McCracken County Joint Sewer Agency Chairman of the Board of Directors; Greater Paducah Economic Development Council Board of Directors; Kentucky Association of Highway Contractors Board of Directors; KY Forward Board of Directors; Prichard Committee Paducah Representative; University of

Kentucky Engineering External Advisory Board; Broadway United Methodist Church Administrative Board Member; National AGC Board of Directors; Western Kentucky AGC Board of Directors and past Chairman; World Presidents Organization, Young Presidents Organization; Paducah Junior College Development Council; and Paducah Airport Corporation Board of Directors.

Blake Haselton is currently Vice President of the Council for Better Education (CBE). He is beginning his 31st year in public education in Kentucky and his 12th as Superintendent of the Oldham County Schools. The CBE was the plaintiff in the historic *Rose v. Council for Better Education* litigation that resulted in the enactment of the Kentucky Education Reform Act of 1990. Haselton holds a bachelor's degree in agriculture, a master's degree in secondary education (counseling), and an education specialist degree (school administration), all from WKU. He is also a PhD candidate (education administration) at U of L. A native of Philadelphia, Haselton has spent his entire career in education with the Oldham County Schools. He began as a high school biology teacher and subsequently served as high school athletics director, guidance counselor, director of guidance, district director of pupil personnel and, immediately prior to being selected as superintendent, as high school principal. Haselton has been recognized as Kentucky's High School Principal of the Year (KASSP), Superintendent of the Year (KASS), and as a Kentucky Distinguished Educator (KDE). Leadership recognitions have also included the F.L. Dupree Award (KSBA), the William T. Nallia Award (KASA) and recognition as Kentucky's Outstanding Community Volunteer (United Way).

Dr. Marlene M. Helm was appointed in March 1999 by Governor Paul Patton to head the Education, Arts and Humanities Cabinet. Prior to her appointment, Secretary Helm was a member of the graduate faculty at Georgetown College. During her education career, she served in administrative positions with both the Fayette and Scott County Public School systems, beginning her career as a teacher in Lexington upon graduation from Kentucky State University. A native of Buffalo, New York, she received her master's as a Reading Specialist and doctorate in Educational Administration and Instruction from UK. The Education Arts & Humanities Cabinet's 16 agencies focused on education, arts, and the humanities include: the Governor's School for the Arts, Kentucky Center for the Arts, Kentucky Heritage Council, Kentucky African-American Heritage Commission, Kentucky Native-American Heritage Commission, Kentucky Educational Television, Kentucky Arts Council, Kentucky Department of Education, Kentucky Historical Society, Kentucky Department for Libraries and Archives, Governor's Scholars Program, Kentucky Commission on the Deaf and Hard of Hearing, Kentucky Environmental Education Council, and the Martin Luther King, Jr. State Commission. Secretary Helm chairs the Kentucky Literacy Partnership and is a Board member of Leadership Kentucky, Kentucky Center for African-American Heritage, Kentucky Early Childhood Development Authority, the National Conference of Community and Justice (NCCJ), Kentucky State University Board of Regents, Southern Growth Policies Board's Council on the Southern Community, the Task Force on the Economic Status of Kentucky Women, the Council on Postsecondary Education Council on Equal Opportunity, and SCOPE (Strategic Committee on Postsecondary Education).

Dennis Jones is President of the National Center for Higher Education Management Systems (NCHEMS), a research and development center founded to improve the management effectiveness of colleges and universities. A member of the staff since 1969, Mr. Jones is widely recognized for his work in such areas as: state and institutional approaches to budgeting and resource allocation; strategic planning; educational needs assessment; faculty workload and productivity; and information for strategic decisionmaking and the development of educational indicators. Mr. Jones has written many monographs and articles on these topics, presented his work at many regional, national, and international conferences, and consulted with hundreds of institutions and state higher education agencies on management issues of all kinds. Prior to joining NCHEMS, Mr. Jones served as an administrator (in business and in institutional planning) at Rensselaer Polytechnic Institute. He received his graduate and undergraduate degree from that institution in the field of engineering management.

Dr. Cheryl King is Vice President of Adult Education for the Council on Postsecondary Education. Dr. King assumed this position with the passage of Senate Bill 1, the Adult Education Act of 2000, which created a bold new vision for adult education in Kentucky. Senate Bill 1 forged a partnership between Kentucky's postsecondary system and its system of adult education. This has resulted in innovative approaches in delivering adult education services, particularly in workplace education and distance education, and an increased emphasis on encouraging GED recipients to continue their education by going to college. Prior to joining the council, King served as Deputy Secretary and Chief Information Officer with the Kentucky Cabinet for Workforce Development; Associate Commissioner, Office of Assessment and Accountability, Kentucky Department of Education; and as an administrator, principal, and teacher with the Owensboro Independent School District, Owensboro, Kentucky. She holds a doctorate in General Administrative Leadership from Vanderbilt University.

Linda Lancaster is the nurse administrator and branch manager with the Division of Adult and Child Health in the Department for Public Health (DPH), which includes the following statewide programs: Newborn Screening Program, Home Visitation Program (HANDS), Healthy Start in Day Care Program, Mental Health Initiative, Folic Acid Supplementation and Counseling Program, Child Fatality Review Program, Pediatric Health Care Program, Adult Preventive Care and Arthritis Program, Childhood Lead Poisoning Prevention Program, Prenatal Care Program, Maternal and Child Health Title V Block Grant, Family Planning Program (Title X), Genetics, Teen Health and Abstinence Programs, and Kentucky Birth Surveillance Registry and Follow-up Program. Ms. Lancaster serves as manager of the DPH's statewide Folic Acid Partnership Advisory Committee. She received he BS in health education from Vanderbilt University and her nursing degree from the University of Tennessee. She completed her master's degree in public administration at Kentucky State University. Linda was a principal staff member on the interagency development team for Kentucky's Early Intervention System (KEIS), a comprehensive system to serve children with special needs, and served as nurse consultant and coordinator of developmental evaluation services for KEIS and DPH. She coordinated the policy and program management for the statewide Folic Acid Supplementation and Counseling Program and the public awareness campaign.

Dr. Thomas D. Layzell is the President of the Kentucky Council on Postsecondary Education. Dr. Layzell served as Mississippi's Commissioner of Higher Education from 1995 to 2003. He is an Illinois native. Dr. Layzell served as Chancellor of the Illinois Board of Governors of State Colleges and Universities from 1985 to 1995. From 1976-1984, Dr. Layzell served as Deputy Executive Director and Treasurer of the Board of Governors, and from 1984-1985 as Executive Director of the Board. Dr. Layzell worked at Governors State University in University Park, Illinois, from 1969 to 1976, advancing to the position of Vice President for Administration. He also served as a staff member at the Illinois Board of Higher Education from 1966-1969. Dr. Layzell earned a bachelor of arts at Millikin University in Decatur, Illinois, and both a law degree and a master's of arts in public administration from the University of Illinois in Urbana. He and his wife, Joan, are the parents of one son and three daughters. Dr. Layzell is a former President of the National Association of System Heads and is a member of the Council of Presidents of the Association of Governing Boards.

Anna L. Leasure, director of the Educational Talent Search TRIO program at Madisonville Community College, has worked with 900 middle, high school, and adult students in the ETS program for the last 14 years. She received a bachelor's degree in education from UK, a MA U of L, and completed course work toward an Ed.D. at UK. Her area of interest very closely paralleled the findings presented in *Talking Back: Kentucky High School Students and Their Future Education Plans*, published in 2001 by the Kentucky Long-Term Policy Research Center. She began her career teaching middle school math and science. Committee and leadership responsibilities have included Madisonville Community College's Scholarships and Awards, Student Affairs, Retention, American Association of Women in Community Colleges (AAWCC) president, and professional staff representative to the Madisonville Community College faculty council. A highlight for Ms. Leasure was when she was selected from a nationwide search to visit the University of Liverpool in the first European Staff Exchange for TRIO Professionals sponsored by the Council for Opportunity in Education. Through these collaborative efforts of TRIO members, Northern Britain, and Netherlands international representation, there was heightened global awareness of the barriers to higher education and issues of class, race, and gender in regard to educational access for ethnic minority students. Statewide, Ms. Leasure has served as Kentucky Association of Education Opportunity Program Personnel (KAEOPP) secretary, and is presently the Kentucky legislative committee representative for the Southeastern Association of Education Opportunity Program Personnel, the regional association. Under her directorship, the present Educational Talent Search program was granted an additional fifth year of funding by scoring in the top 10 percent nationally. Since 2001, she has co-facilitated Madisonville Community College's Gaining Early Awareness and Readiness for Undergraduate Programs Kentucky, GEAR UP KY, and middle and high school activities. This past summer a very successful pilot summer enrichment program for the GEAR UP KY middle school students uniquely involved collaboration with Madisonville Community College's Community Education Coordinator and Murray State University's Site Coordinator with some of the 2002 MSU education graduates as instructors.

Melvin E. Letteer taught undergraduate and graduate courses in political science and public policy for 12 years while working on various research projects involving different aspects of urban policing, crime, and the provision of police services. Subsequently, he accepted a challenge to turn his research skills toward the medical insurance arena with Equifax, Inc. For seven years, his analysis and identification of clusters of utilization patterns for large, self-insured corporate and state medical benefit plans enabled the identification, development, and implementation of many cost-effective strategies which helped to contain costs while simultaneously maximizing participants' health care and satisfaction with their chosen plans. Returning to the field of education in 2002, Mr. Letteer joined the Kentucky Higher Education Assistance Authority, to provide research on the Commonwealth of Kentucky's postsecondary education student financial aid programs, participants, and institutions.

Dr. David Longanecker became executive director of the Western Interstate Commission for Higher Education in July 1999. WICHE and its 15 member states work collaboratively to expand access to excellent higher education for all citizens of the West. The organization accomplishes this by promoting innovation, cooperation, resource sharing, and sound public policy. Dr. Longanecker serves or has served on numerous national, state, and institutional commissions and boards, and has written extensively on a broad range of higher education issues. His primary interests are educational access and opportunity, higher education finance, preparing future teachers and faculty, the efficient and effective use of educational technologies, and international collaboration in higher education. Prior to joining WICHE, Dr. Longanecker served for six years as the assistant secretary for postsecondary education at the U.S. Department of Education where he was responsible for developing, implementing, and managing national policy and programs providing more than $40 billion annually in student aid and $1 billion to institutions. Included within his purview were the federal Title III Developing Institutions program, TRIO programs, international education programs, the Fund for the Improvement of Postsecondary Education (FIPSE), and the new GEAR UP and teacher education initiatives. Prior to serving as assistant secretary, Dr. Longanecker served as executive director of both the Colorado Commission on Higher Education and the Minnesota Higher Education Coordinating Board. He began his public policy career as the principal analyst for higher education for the Congressional Budget Office. Dr. Longanecker holds a doctorate of education in administration and policy analysis from Stanford University, an MA in student personnel work from the George Washington University, and a BA in sociology from Washington State University. He began his career in higher education working in student affairs at the George Washington University.

Vickie Russell Maley has served the Paducah Public School System since 1976. She currently is the Director of Educational Programs. Prior to that appointment, she was the Principal at McNabb Elementary School and a teacher at Morgan Elementary School. Ms. Maley received her BS in Education; MA in Education, Reading; Principal, Supervisor of Instruction; and Rank 1 Certification Ed. Adm. from Murray State University and her Superintendent Certification from UK. She was named "A Woman of Influence in McCracken County" in 2002, Duchess of Paducah in 1994, and Murray State University's "Outstanding Reading Professional in the Community" in 1988. She is the author of an article for *Kentucky Reading Journal* and serves as a workshop consultant for numerous workshops including writing, reading, strategic planning, SBDM, etc. Ms. Maley has been or currently is a member of the West Kentucky Association of Educational Supervisors (secretary/treasurer 1999-2001); International Reading Association, local and state chapters (president of local chapter 1987-1988, 1991-1992, state secretary 1988-1991); Paducah Education Association, state and local affiliates (Treasurer or PEA, local, 1982); and the Kentucky Association of School Administrators. She has also served as the strategic planning facilitator for the National Strategic Planning Center for Education (1992).

Dr. Dallas Martin is president of the National Association of Student Financial Aid Administrators (NASFAA). As president of NASFAA, Dr. Martin serves as the primary liaison between NASFAA and its membership, and the United States Congress, the Executive Branch, and the U.S. Department of Education, as well as other governmental agencies. Prior to joining the staff of NASFAA, Dr. Martin served as Director of Program Planning and Administration for the Division of Student Assistance Programs with the American College Testing (ACT) Program. He joined ACT after serving for a number of years as a college and university administrator and educator. Dr. Martin was Associate Dean of Student Services at the University of Northern Colorado from 1972 to 1974, after having served as Associate Director of Student Financial Aid and as an Assistant Professor of College Student Personnel. Dr. Martin received a PhD in College Student Personnel Administration in 1971 from the University of Northern Colorado.

Representative Mary Lou Marzian has served Kentucky's 34th House District (Jefferson County) since 1994. She is a registered nurse and transplant coordinator. Representative Marzian received her BS from U of L. She is a member of Jefferson County NOW and has served as a past president. Representative Marzian is also a member of the Metropolitan Louisville Women's Political Caucus, the Kentucky Nurses' Association, and the Older Women's League.

Maryln McAdam is the founder of McA Enterprises, with over 20 years of experience in Washington. She specializes in education issues, including student financial aid. Ms. McAdam has authored and co-authored several reports, including *Expanding Federal Work-Study and Community Service Opportunities*, published by the U.S. Department of Education. For the past 15 years she has served as an advisor to numerous educational associations and negotiated regulatory issues with federal agencies. Prior to becoming a consultant, Ms. McAdam was a legislative assistant for former Senator Paul Simon (D-IL) when he served in the U.S. House of Representatives, and for former Representative William D. Ford (D-MI) while he was Chairman of the House Postsecondary Education Subcommittee. Ms. McAdam also served as an analyst for House Budget Committee Members. Before moving to Washington in 1980, she worked for the State of Illinois.

Jonathan Miller, a native of Lexington and a graduate of Henry Clay High School and Harvard College and Law School, was elected Kentucky State Treasurer in November 1999. With Treasurer Miller as its Chair, Kentucky's Affordable Prepaid Tuition, or KAPT, was launched on October 15, 2001, and has become one of the most successful state government programs. Under Treasurer Miller's leadership, the Treasury has made great strides in streamlining its internal accounting procedures, modernizing office technology, and improving customer service. Its unclaimed property program, for example, has broken all records in terms of claims processed and money returned to rightful owners across the Commonwealth. Treasurer Miller has devoted great attention to his membership on several significant state boards, challenging the state lottery to return more money to the KEES scholarship program and urging state investment commissions and pension funds to be more accountable to the public. Treasurer Miller's Commission on Personal Savings and Investment has launched educational initiatives to promote better financial health among Kentucky citizens and spurred legislation to crack down on predatory lending and aggressive marketing of credit cards on college campuses. During the summer of 2000, Treasurer Miller was featured on the cover of *The New Democrat*, named as one of the nation's rising political stars, and had a prominent speaking role at the Democratic National Convention. In May 2001, Treasurer Miller was appointed to the Executive Monitoring Committee of state and local financial officers which monitors the return of assets seized during the Holocaust to their rightful owners. In March 2002, Miller was one of 200 distinguished delegates appointed by President Bush and congressional leaders to the 2002 National Summit on Retirement Savings, charged with the responsibility of developing strategies to ensure a secure and dignified retirement for all Americans. When not performing his official duties, Miller is devoted to his community, and most importantly, his family: his wife Lisa and their daughters, Emily, 9, and Abigail, 7. Treasurer Miller serves on the Board of Directors of the Lexington Urban League and his children's school. He is a Sunday school teacher, a T-ball coach, and he loves to play guitar and sing country music, with a voice only his daughters could love.

Dr. Penny Miller is an Associate Professor and Director of Undergraduate Studies in Political Science, UK. She received her BA, MA and PhD from UK. Dr. Miller is a member of the White House Commission on Presidential Scholars, the Kentucky Center for Public Issues Board of Directors, and the Kentucky Women's Leadership Network. She has served as Chair of the Kentucky Commission on Women and as a member of the Kentucky Supreme Court Gender Fairness in the Courts Monitoring Committee. Dr. Miller is also a TV, radio, and newspaper election analyst for Kentucky and national stations and publications. She is the co-author of two books, *The Kentucky Legislature: Two Decades of Change and Political Parties* and *Primaries in Kentucky* and author of *Kentucky Politics and Government: Do We Stand United?*. She was a member of the National Women's Advisory Committee for Clinton and Gore. Dr. Miller serves as member and past Chair of the Kentucky Long-Term Policy Research Center Board of Directors. She has two adult children and two granddaughters.

Representative Harry Moberly, Jr. is an attorney. He represents Kentucky's 81st House District. He attended Eastern Kentucky University where he received a BA with High Distinction. He earned a JD from U of L. He is a member of the Naval Reserve, the Kentucky and American Bar Associations, the Elks, Greater Richmond Area Chamber of Commerce, Pi Sigma Alpha, National Political Science Honor Society, and the Governor's Commission on Full Equality. He currently serves as Chair of the House Appropriations and Revenue Committee, Co-Chair of Education Assessment and Accountability Review Committee, and is a member of the House Education Committee. He has won numerous honors including the 1999 "Legislator of the Year" from the Kentucky School Counselors Association.

Kevin M. Noland is Deputy Commissioner and has been General Counsel with the Kentucky Department of Education since 1991. In this role, he serves as chief attorney for the Commissioner of Education, Department of Education, and the Kentucky Board of Education, as well as oversees the internal operational function of the agency. Kevin has served as legislative coordinator for the Kentucky Board of Education and the Department of Education, and for transition periods in 1995 and 2000, he served as acting Commissioner of Education. His prior education law experience includes drafting education law opinions for the Attorney General's Office, practicing law with an emphasis in education and employment law, and helping to draft the Kentucky Education Reform Act in 1990 while with the Legislative Research Commission. Kevin received his BA (1974) and JD (1978) from UK. He is a past chair of the Kentucky Bar Association's education law section and currently serves as chair of the National Council for State Education Attorneys.

Robyn K. Oatley, principal of Millcreek Elementary School in Lexington, Kentucky, has worked as an educator for 27 years. With degrees in music education, a standard teaching certificate with an emphasis on middle school curriculum, a Rank I in educational administration, and a superintendent's certificate, Mrs. Oatley has taught K-12, been an elementary principal, and, before going to the Kentucky Department of Education, was the Associate Director of Assessment for Fayette County Public Schools in Lexington, Kentucky. During her tenure at KDE, she worked as Division Director for Community Relations, communicating CATS assessment

and accountability issues to school staffs, parents, citizens, and stakeholders, with a commitment to developing two-way communication between school staffs and KDE. Under her watch as principal, Millcreek's test scores have increased for math, writing, and social studies, and exiting primary scores have consistently been above the national average. In addition to her duties as principal, Mrs. Oatley works as a trainer at the state and national levels for Comprehensive School Improvement Planning, teaching educators to analyze student work for curricular change, curriculum alignment, and using data for decisionmaking purposes. She remains active as a board member of the Kentucky Association for Assessment Coordinators, as a member of the legislative panel and nominating committee of the Kentucky Association for School Councils, and as Vice President of the Kentucky Association for Elementary School Principals' Fayette County affiliate. In the fall of 2003, Mrs. Oatley will become President of the Fayette County School Administrators Association.

Dr. James Ramsey became president of the U of L on Nov. 14, 2002, after serving as acting president since Sept. 2, 2002. Prior to becoming president, he had served as senior policy advisor and state budget director for the Commonwealth of Kentucky, as well as, senior professor of economics and public policy at U of L since 1999. Dr. Ramsey has held numerous academic positions, including serving as Vice Chancellor for Finance and Administration at both the University of North Carolina at Chapel Hill and Uof L. He has been Associate Dean, Assistant Dean and Director of Public Administration in the College of Business Administration at Loyola University and a research associate for the UK Center for Public Affairs. He has served on the faculties of the University of North Carolina at Chapel Hill, U of L, UK, Loyola University, and Middle Tennessee State University in addition to U of L. Ramsey also has held a number of positions in state government, including interim commissioner of the Office of the New Economy and special advisor to the chairman of the Kentucky Council on Postsecondary Education. A frequent national speaker and writer on economic issues in the public sector, he received the National Governor's Association Outstanding Public Service Award in 2001 and was named Kentucky's Distinguished Economist of the Year in 1999. A Kentucky native, he holds a bachelor's degree in business administration from U of L and master's and doctoral degrees in economics from UK.

Representative Frank Rasche has represented Kentucky's House District 3 (McCracken County) since 1993. He is the principal owner of Rasche Cycle Company. Representative Rasche received his BA from Vanderbilt University and his MA from Murray State University. He currently chairs the House Education Committee.

Representative Jody Richards has represented Kentucky's House District 20 (Warren County) since 1976 and currently serves as the Speaker of the House. He is the owner of Superior Books. Speaker Richards received his AB from Kentucky Wesleyan College and his MA from the University of Missouri. He also attended Indiana University. Speaker Richards served with the US Army Reserve. He is a member of the Bowling Green/Warren County Jaycees, and has been a past president. He is a past national director of the Kentucky Jaycees and has served as state secretary. He is a past president and vice president of Kentucky Young Democrats and a past president of the Southern Kentucky Fair Board. Speaker Richards has been a Girls' Club of Bowling Green Jaycees Representative and served on the United Way Board in 1983. He was named one of the Outstanding Young Men of America in 1972. He served in the JCI Senate and on the Steering Committee of the Governor's Task Force on Education. He is the Chair-elect of the Southern Legislative Conference and has served on the Executive Committee of NCSL. He serves on the Southern Region Education Board and was Democratic Caucus Chair from 1987 to 1994.

Dr. Phillip W. Roeder is Professor of Political Science at UK. He has served as Director of the Martin School of Public Administration (1982-1991) and Director of the UK Survey Research Center (1982-1986). His primary research areas are policy analysis and state and local government and politics. Articles and monographs have appeared in such journals as *American Journal of Political Science*, *Social Science Quarterly*, *American Politics Quarterly*, *Political Methodology*, *American Political Science Review*, *Administration and Society*, *Journal of Aging and Health*, and *Health Matrix*. His 1994 book, *Public Opinion and Policy Leadership in the American States* won the Brownlow Award from the National Academy of Public Administration. He has been principal investigator of grants from the U.S. Department of Health and Human Services, the National Science Foundation, General Telephone of the South, South Central Bell, and the Kentucky Department of Medicaid Services and Department for Local Governments. His e-book on Kentucky's innovative education reform initiated in 1990 (KERA), is titled "Education Reform and Equitable Excellence: The Kentucky Experiment."

Dr. Allen D. Rose served as Secretary of the Kentucky Cabinet for Workforce Development from 1998-2003 and has continued his strong support for adult education and training throughout the state. He served as Vice President of Human Resources and Governmental Relations for the Christian Church Homes of Kentucky where he implemented a highly successful model for recruiting and retention in long-term care, and for 10 years he was Human Resources Manager for Rohm and Haas. He served as Vice Chair on the Board of Directors for Baptist East Hospital, as well as acting as a member of the hospital's Long Range Planning Committee. Dr. Rose has devoted much of his professional career to workforce issues, adult continuing education, and challenges in health care. He is currently the Vice President for Business and Governmental Relations, representing both the Kentucky Community & Technical Colleges System (KCTCS) and the Sullivan University System, a unique partnership between public and private education.

Julie Scoskie began her career teaching at the high school and college levels after attaining her BS in business education at EKU in 1978, before receiving her MBA at UofL in 1981. She spent the next five years working as an analyst/trainer at Humana, Inc., and as a consultant for Tymshare, Inc. Ms. Scoskie returned to the education fold in 1986, working for the Jefferson County Public Schools (JCPS) Adult and Continuing Education program. Since being named JCPS's Director in 1998, she has parlayed her business experience, educational expertise, and passion for adult and continuing education into a highly successful program. Under her watch, from 1998 to 2002, the number of students served by Jefferson County's GED/ABE program has more than doubled, and the number of ESL students has more than tripled. JCPS Adult and Continuing Education met or exceeded 100 percent of its state performance goals in both 2001 and 2002, and the GED graduating class included more than twice as many people in 2002 than in 2001. Julie Scoskie was one of only two Kentuckians selected to participate in the 2001 National Literacy Summit, and recently was one of 15 people in the state asked to take part in the Morehead State University Adult Education Academy's Leadership and Learning Institute. Over the past year, Ms. Scoskie has been working with a group of community and business leaders to develop the Workforce Education Initiative, a plan to forge partnerships between educational entities and the business community. The initiative seeks to devise strategies to help meet the educational needs of Louisville's growing population, strengthening the city's workforce, economy, and community. Her efforts have garnered numerous awards in recent history, including this year's Commission on Adult Basic Education (COABE) National Administrator of the Year Award and LERN's International Award for Excellence in Marketing. In Ms. Scoskie's own words, "For our local, state, and national economies to thrive, we need to prepare the individuals who live in our community, through increased levels of educational attainment, to succeed in meeting the increasing demands of the 21st century workforce."

Dr. Robert Sexton has been the Executive Director of the Prichard Committee for Academic Excellence since 1983. He is a former Deputy Director of the Council on Higher Education, an administrator at UK, and teacher. Dr. Sexton received his BA from Yale University, his PhD from the University of Washington, an honorary Doctorate of Humane Letters from Berea College, and was a Visiting Scholar in the Graduate School of Education at Harvard University. He was a founder of Kentucky's Governor's Scholars Program and the Commonwealth Institute for Teachers. Dr. Sexton has served as President of the Kentucky Center for Public Issues, publisher of the *Kentucky Journal*, and as co-chair of the Carnegie Literacy Center in Lexington. He has been president and board member of the American Association for Higher Education and the Coalition for Alternatives in Postsecondary Education. Dr. Sexton was appointed to the Governor's Task Force on Health Care Access and Affordability by Governor Jones. He serves as a member of the Kentucky Long-Term Policy Research Center Board of Directors. He and his wife, Pam, live in Lexington. He has two children and three stepchildren.

Dr. Kim Townley is the Acting Division Director of the Division of Early Childhood Development in the Kentucky Department of Education. Dr. Townley has been involved in the field of early childhood development and education for almost three decades. Her work began in South Carolina as a public school kindergarten teacher. Dr. Townley has served as a Child Development Associate instructor for Head Start staff, is a validator for the National Academy of Early Childhood Programs, and has directed early childhood laboratory schools in Nebraska and Kentucky. In her tenure as a laboratory director, she implemented full-day programming for infant/toddlers, evening child care, and the blending of a public pre-K program. Under Dr. Townley's coordination, the Governor's Early Childhood Development Task Force crafted a 20-year comprehensive plan for Kentucky's young children and families, which was delivered to Governor Patton in 1999. In 2000, the General Assembly unanimously passed the historic legislation, which is known as KIDS NOW (Kentucky Invests in Developing Success). The KIDS NOW early childhood initiative strives to support families within communities so each child reaches his or her fullest potential. Component parts of the KIDS NOW initiative include assuring maternal and child health, supporting families, enhancing early care and education, and building the support structure. Throughout her career, Dr. Townley's research has encompassed the broad domain of environmental influences on the development of young children. As part of her research, she has investigated teacher burnout, the effectiveness of the Kentucky Preschool Program, and peace education. Dr. Townley has served as presi-

dent of the Kentucky Association for Early Childhood Education, is a charter board member of the Kentucky School-Age Care Coalition, has served on the Early Childhood Advisory Council, the Child Care Policy Council, and the Child Care Council of Kentucky. Currently she chairs the Early Childhood Development Authority which coordinates the KIDS NOW programs with other early childhood efforts in the Commonwealth.

Dr. Barbara Veazey is President of the newly consolidated West Kentucky Community and Technical College. Dr. Veazey was appointed to the post of President/CEO of Paducah Community College and West Kentucky Technical College in July 2002. Also, she served as interim president of Paducah Community College. Dr. Veazey has a bachelor's and master's degree from Murray State University, a master's degree in nursing from the University of Evansville and a doctorate in educational administration from Southern Illinois University. She began her college career as a nursing instructor, became chair of the program and later the Dean of Academic Affairs. Dr. Veazey developed new programs in occupational therapy assistance, physical therapist assistant, paramedicine, and health physics. She developed the first technical studies program in the state, where technical courses of study could lead to an associate degree. Dr. Veazey has chaired the technology and internet staffing team for KCTCS, resulting in KCTCS being the primary provider for the Kentucky Virtual University. Dr. Veazey is a national consultant on educational issues and speaks at various functions during the year supporting education. Dr. Veazey was named the Chamber of Commerce Volunteer of the Year 2000, received the 2002 Outstanding Alumni Award and the 2002 Paducah Chamber of Commerce Craig Guess Leadership Award.

Susan Perkins Weston has served since 1992 as Executive Director of the Kentucky Association of School Councils, a nonprofit organization working for implementation of Kentucky education reform. Each Kentucky school is now governed by a six-member panel consisting of the principal, two elected parents, and three elected teachers, with responsibility for establishing curriculum, instructional practices, and other policies to meet Kentucky's high standards for all students. Councils also control the school's funding for instructional materials, professional development, and staffing, hire the principal, and participate in other hiring decisions. The association provides a full range of services to help councils ensure that their students succeed. From 1987 to 1989, Ms. Weston served as an associate with the U.S. Department of Education's Office of Educational Research and Improvement, and from 1985 to 1989 she worked in the Pennsylvania Attorney General's office opposing utility rate increases. Ms. Weston received her BA with highest honors from Swarthmore College and her JD from the Yale Law School. She is a member of Phi Beta Kappa. Ms. Weston belongs to the Danville Presbyterian Church. She is the wife of Dr. William J. Weston and the mother of Margaret, Eleanor, and Josiah Weston.

Senator John D. "Jack" Westwood has served Kentucky's 23rd Senate District (Kenton County) since 1997. He is a retired private school teacher. Senator Westwood received his BA in English from UK and his MA in Education from NKU. He is a former member of the Erlanger-Elsmere Board of Education. Her currently is a member of the Northern Kentucky Kentucky Retired Teachers Association, Northern KY/KY Right To Life, Future Governance Task Force, American Legislative Exchange Council (ALEC), and the KY Literacy Partnership.

Commissioner Gene Wilhoit became the third appointed Kentucky Education Commissioner in September 2000. Wilhoit oversees the Kentucky Department of Education, which operates under an annual budget of $3.1 billion, almost all of which is passed through to local schools. The department provides assistance and resources to the state's 176 school districts and nearly 1,300 schools. He supervises approximately 800 employees in Frankfort and across the state. Wilhoit, a native of Tennessee, began his education career at Northmont Junior High School in Englewood, Ohio, where he was a social studies teacher. After his stint there and in other public schools, he moved on to the Indiana Department of Public Instruction as a program director. Wilhoit also has served as executive director of the National Association of State Boards of Education and as a special assistant in the United States Department of Education. He was chief state school officer for the Arkansas Department of Education before coming to the Kentucky Department of Education in 1997 as deputy commissioner for the Bureau of Learning Support Services. Wilhoit holds a master's degree in teaching, political science, and economics from Indiana University in Bloomington and a bachelor's degree in history and economics from Georgetown College. He also has studied educational administration at West Virginia College of Graduate Studies in Charleston. Wilhoit is a member of the American Association of School Administrators, the Council of Chief State School Officers and the board of directors for the Agency for Instructional Technology. He was chair of the Education Commission of the States Advisory Commission from 1989 to 1991. A resident of Lawrenceburg in Anderson County, Wilhoit and his wife, Rebecca Campbell Wilhoit, have three children—Christopher, Kara, and Jason.

Senator David L. Williams has served Kentucky's 16th Senate District (Clinton, Cumberland, McCreary, Monroe, Wayne, and Whitley Counties) since 1987 and the Senate as its President since 2000. Prior to his Senate terms, he served as a member of the Kentucky House of Representatives from 1985-1986. Senator Williams received his BGA from UK and JD from U of L. He is a member of the Alumni Associations of UK and UofL, the Kentucky Bar Association, the Lindsey Wilson College Commonwealth Advisory Committee, and serves as the Chair of the Corporations Subcommittee. He served on the Constitutional Review Commission in 1987. Senator Williams' awards have included the Kentucky League of Cities "Big Hitter Award" in 2002, Friend of Tobacco in 2000, and the Republican Legislator of the Year in 2000. He served as the Republican Caucus Chair in 1990 and Majority Floor Leader in 1999.

Kate Williams has been working in TRIO programs for 21 years, mostly with the EKU Student Support Services (SSS) project—the NOVA Program. TRIO is a series of programs to help low-income, first-generation Americans enter college, graduate and move on to participate more fully in America's economic and social life. These programs are funded under Title IV of the Higher Education Act of 1965 and are referred to as the TRIO Programs (initially just three programs). While student financial aid programs help students overcome financial barriers to higher education, TRIO programs help students overcome class, social, and cultural barriers to higher education. The NOVA program is a retention program particularly focused on first-year retention and has been serving EKU for over 25 years, successfully retaining and graduating student participants at a statistically significant rate. Ms. Williams has consulted and worked extensively with EKU over the last three years on retention initiatives at the university-wide level. She is a successful grant writer and consultant, particularly in the area of college retention.

Dr. Thomas Wolanin has served as senior associate at the Institute for Higher Education Policy since October 1996. Dr. Wolanin focuses on issues concerning postsecondary education financing, higher education governance, student access and equity, and international education. His recent publications include *Rhetoric and Reality: Effects and Consequences of the Hope Scholarship*. He also is spearheading several international initiatives of the Institute including the Global Higher Education Exchange and the study of higher education financing in Mozambique. Prior to joining the Institute, he served as Deputy Assistant Secretary for Legislation and Congressional Affairs at the U.S. Department of Education under Secretary of Education Richard W. Riley. In that position, he worked on the enactment of the president's education program, including the Federal Direct Loan Program, GOALS 2000: Educate America Act, the Improving America's Schools Act, and the School-to-Work Opportunities Act. Dr. Wolanin's career includes service as staff director of the Subcommittee on Postsecondary Education in the U.S. House of Representatives. In that capacity, he managed the reauthorizations of the Higher Education Act in 1980, 1986, and 1992 under the leadership of Chairman William D. Ford. He also served in a variety of other legislative positions in the Congress and did staff work on the reauthorizations of the Higher Education Act in 1972 and 1976 and the Middle Income Student Assistance Act in 1978. He played a major staff role in the enactment of the Tech-Prep Education Act in 1990. Dr. Wolanin's academic career includes teaching positions at George Washington University, the University of Wisconsin-Madison, and Oberlin College. He also served as executive assistant to the president at New York University. He has published widely, including works on education policy, international education, and American politics. He has received a number of awards, including election to Phi Beta Kappa and a Woodrow Wilson Fellowship. He is currently a member of the Advisory Committee on Student Financial Assistance. Dr. Wolanin, a native of Detroit, received his BA magna cum laude from Oberlin College and an MA and PhD in Government from Harvard University.

Dr. Lucian Yates, III currently serves as chair of the Division of Education and Human Services at Kentucky State University. He attended Morehead State University where he earned a BA in history, a BS in political science, and a MA in history/education. Dr. Yates' first professional position was in the Chillicothe (Ohio) public schools where he taught history and English at Mt. Logan Middle School. Dr. Yates served on the Board of Directors of the Ohio Council for the Social Studies, Ohio University/Chillicothe, and the Deacon Board of the Zion Baptist Church. He received many honors and accolades, including the prestigious Social Studies Teacher of the Year. Dr. Yates received his principalship certification at Ohio State University and his PhD in curriculum and supervision at Ohio University. In 1988, Dr. Yates was appointed Assistant Principal at Ballard High School. In 1989, Dr. Yates was appointed principal at Western High School. In 1993, he was invited by the St. Petersburg City Council in Russia to work with principals and teachers as they pursued democracy. Additionally, in the same year, he was featured on a call-in talk show with Secretary of Education Richard Riley, Secretary of Labor Robert Reich, and President Bill Clinton. Dr. Yates received the call in the summer of 1998 to become the superintendent of the Harrisburg, PA, city schools. There he instituted the LINK. program, all-day kindergarten, and explored an all-day four-year-old program. He supervised a $120 million building and renovation program. He designed and implemented the "Tomorrow's Principals Program," a cohort group established as a partnership with Shippensburg University. He was featured in the November 1999 edition of *U.S. News and World Report* and the January 2000 edition of *Atlantic Monthly*. Dr. Yates was selected to become the Director of Educator Recruitment and Retention for the Kentucky Department of Education. His

primary responsibilities included the recruitment and retention of paraprofessionals, teachers, principals, and superintendents to the state of Kentucky. To that end, he increased the number of minorities for the teacher scholarship, developed relationships with KHEAA and other educational groups, designed and implemented the dual-credit program for high school students, designed and implemented the Minority Superintendent Intern Program, increased the number of FEA clubs (more than any other state in the union), and oversaw teacher quality issues for the state of Kentucky. Dr. Yates is married to the former Vietta Bolden of May's Lick, Kentucky, and they are the proud parents of one daughter, Leslie, a graduate of Tennessee State University and a second-year pharmacy degree student at UK.

ACKNOWLEDGMENTS

The Kentucky Long-Term Policy Research Center extends its gratitude to our cosponsors for this conference, the Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation, "The Student Loan People," not only for their willingness to lend their financial support to this conference but for the considerable energies that leadership and staff dedicated to this event. Additionally, our thanks go out to the many organizations that were willing to join us as partners for this conference. Their donations of time, talent, and, whenever possible, links to the fine speakers and panelists who participated in this hugely successful event are much appreciated.

Again, we are enormously grateful to Kentucky Educational Television (KET) for its continued interest in the work of the Kentucky Long-Term Policy Research Center, and, more specifically, to its commitment of some of its most talented personnel and resources to the monumental effort that televising the full conference and staging and producing the panel discussion led by Bill Goodman involved. The product of that effort speaks for itself; it was professional, engaging, and public television at its best, doing the critically important job of informing and educating the people of the state. KET's production made a critical dialogue accessible and available to an audience of people across the Commonwealth, all of whom have a stake in the future of education.

For the execution of the behind-the-scenes work that conferences of this size demand, we again thank the Legislative Research Commission for its ongoing and valued support. From stuffing the hundreds of packets that went to conference attendees to attending to the business of staffing registration tables to the transcription of the tapes that formed the basis of this document, we are enormously grateful to LRC staff and their director, Bobby Sherman, for his continuing support. Specifically, our thanks go out to Jennifer Schirmer who contributed significant time, energy, and skill to the preparation of this final document and to Janice Clarke and Diane Dickinson who helped us prepare conference packets and organize materials in advance and actually helped make what is ordinarily a joyless task a pleasure. Many thanks also go out to Wanda Turley and Sally Everman who helped us register more than 400 people with patience, warmth, and the remarkable efficiency for which they are widely known. We also wish to thank Yvonne Bailey, Marsha Banks, and Jamie Kay for patiently transcribing the tapes that helped us produce this document, and Maryanna Barnes and Diane Dickinson for proofreading them.

Finally, we wish to thank our Board members for their generous contributions to this year's conference, as well as the many educators, elected officials, policymakers, and lawmakers who made this conference an unprecedented opportunity to thoughtfully consider and discuss the remarkable events of recent years and their effects on education and our future.

WELCOME

Mary E. Lassiter, Chair,
Kentucky Long-Term Policy Research Center Board

Ms. Lassiter

Good morning to everyone. My name is Mary Lassiter, and I am currently the Acting State Budget Director for the Commonwealth of Kentucky and also have the pleasure of serving as the Chair of the Kentucky Long-Term Policy Research Center. We're very, very pleased that you are here with us today to join us for the 10th annual conference of the Long-Term Policy Research Center. The name of our conference and the theme today, obviously, is education. We've titled it "At the Crossroads, Prospects for Kentucky's Educational Future from Preschool to Post Secondary." We're pleased to be jointly sponsoring today's conference with the Kentucky Higher Education Assistance Authority and the Student Loan People, the Kentucky Higher Education Student Loan Corporation. And a special thanks to all of our partners in this conference, and it is a long list. They are the Association of Independent Kentucky Colleges and Universities; the Council on Postsecondary Education; the Education, Arts and Humanities Cabinet; the Kentucky Chamber of Commerce; our Kentucky Department of Education; the Office of Early Childhood Development; and the Prichard Committee on Academic Excellence.

I would like to take a moment to recognize the special guests that we have in the audience today, specifically Governor Patton is with us and will be addressing you shortly. We have several members of our Kentucky General Assembly present and they are: President of the Senate, David Williams, who will be with us later; Speaker of the House, Jody Richards; Sen. Alice Forgy Kerr; Sen. Lindy Casebier; Sen. Walter Blevins; and Sen. Jack Westwood. There may be others I'm not aware of. State representatives with us today are Rep. Steve Nunn, Rep. Harry Moberly, Rep. Frank Rasche, Rep. Mary Lou Marzian, Rep. Mike Weaver, and Rep. Rob Wilkey, who will be with us later today. We also have elected officials present, and they are: State Treasurer Jonathan Miller and Secretary of State-Elect Trey Grayson. We also have the Cabinet Secretaries of the Executive Branch: Dr. Viola Miller and Dr. Marlene Helm of the Cabinet for Families and Children and Education Arts and Humanities Cabinet, respectively. In addition, here today is Helen Mountjoy, Chair of the Kentucky Board of Education; Steve Barger, Chair of the Council on Postsecondary Education (CPE); Gene Wilhoit, Commissioner of Education, and Dr. Tom Layzell, President of the CPE. In the audience are also presidents of several of our public and private universities and postsecondary institutions. They are Dr. Jim Ramsey, President of the University of Louisville, who will be on the program later; Dr. Mike McCall, President of KCTCS, as well as Dr. Bill Crouch, President of Georgetown College. Marsha Carpenter, the Chair of KHEAA is here, and Dr. Joe McCormick, Executive Director of KHEAA, who has been very helpful in the setting up of this conference.

Mary E. Lassiter

As you can tell, in your packets you have a list of participants and registrants, and we have representation from virtually every segment of our state's education system and every segment of our economy. We have local school superintendents, local elected officials, school boards, Chambers of Commerce, employers, education advocates, virtually everyone who has a vested interest in the future of our educational system. We're glad you're here. We're glad you're taking this time to spend with us to focus on this most important issue.

We have a full day of issues to discuss, all focused on the future of our educational programs in the state. A wise man that I know very well once said the four very most important things that we need to do to invest in the future of our state are education, education, education, and education—early childhood education, K-12 education, postsecondary education, and adult education. That is so true, and truly we are at a crossroads. The quality of our educational system, the accountability of our educational system, the adequacy of funding for our educational system, and, most importantly, we're at a financial crossroads. The most recent series of budgetary shortfalls experienced in Kentucky and all other states are posing significant challenges for all of our educational programs. We hope that today's conference provides you with helpful information and gives you an opportunity throughout the day to discuss these issues with others here. As I mentioned, virtually a who's who of education in Kentucky will be in this building today.

We do have a few housekeeping items to mention for the rest of the day. Due to some scheduling changes, unfortunately, Governor-Elect Fletcher will not be able to join us today; but Lieutenant Governor-Elect Steve Pence will be here at lunchtime to make an address. Also, unfortunately, as you all know, Congress is still in session and Senator Mitch McConnell, who was to be with us at lunchtime, is unable to be here but has sent a taped message that we will view at lunchtime.

Another housekeeping item, as you can tell from the wonderful display here, KET is producing a video of the entire conference, and it will be available on a video screen on their Web site beginning sometime next week. You can just check their Web site next week for that icon. At this time, it's my pleasure and my honor to introduce Governor Paul Patton who has dedicated his entire tenure as Governor of this Commonwealth to improving educational opportunities for our citizens and for Kentuckians. Governor Patton.

A Look Back Over the Last Eight Years

Governor Paul E. Patton

Gov. Patton

Thank you, Ms. Lassiter, and good morning. Thank you very much, and I appreciate the opportunity to be with you this morning. I'm just going to talk a little bit, Steve. If I get too long or too loud, start singing me down like we do up in the old regular Baptist up in Eastern Kentucky, because I want to take this opportunity to maybe summarize some of the things that our administration has tried to do and talk about some problems that the next governor will face.

First of all, I think the establishment of the Kentucky Long-Term Policy Research Center is a positive development in this society that we call Kentucky and our maturation to become a more progressive, productive society, and I've followed your work. I think I've read just about every publication that you've presented, every study that you've done. I haven't agreed with all of it, but by and large, I think that our goals are the same, our view of the future is the same, and certainly our desire to look at the long-term future of Kentucky is the same, and I have tried to make that a hallmark of my administration.

Governor Paul E. Patton

Early on, we asked what we want to do in eight years. We planned on being there eight years, we established an eight-year program and said what do we want to do? And to put it in the big picture, we established a policy, which is something like: set Kentucky on a path to achieve a quality of life and a standard of living comparable to the national average in about 20 years—long-term planning. I think that we have made progress on that goal. Getting back to a simpler time, I have said my goal is to achieve a per capita income equal to the national average, but after learning a little bit more about the situation, that's not practical. We have a rural society, and we have a lower cost of living. We have intangible qualities of life that can't be measured in terms of dollars. So we tried to establish a more realistic goal and equate many of the factors that lead to quality of life into our overall policy, and we tried to work on every one of them. And while you know what we've done for education, and I'm very proud of it, I'm not going to get into that because you know what that has been.

Probably our efforts to make Kentucky safer have received less attention than our efforts on education. But even though we have a low crime rate and we have a relatively safe society, it's one of those intangible quality-of-life features that you can't place a dollar value on. We have still made major improvements in the criminal justice system in Kentucky, from our state police and our better-trained, better-equipped, better-paid local law enforcement officers to our increased effort in prosecution, as well as public defense, to our increase in the courts, to our increases in the prison system. The fact of the matter is that the largest relative increase in spending in government since I have been the Governor is in the criminal justice system.

The second area has been the Medicaid Program. Even while we tried to increase spending in public safety, while we tried to increase spending in education, we tried to control spending in Medicaid. And we could not do it and still maintain a compassionate society. The very, very modest changes that we've been forced to make over the last year, year and a half, have caused great distress among needy populations and, I think, great concern in the political community. Yet that is just a drop in the bucket to what will have to be done to control the cost of that program. So those are some of the things that we've tried to do in the long run and some of the things that the next administration is going to find very challenging to try to sustain.

And, as you well know, I think, through a relatively exhaustive analysis of the state's financial position, we're going to face about a 10 percent budget shortfall in the next fiscal year and the year after that to maintain the current level of state services and pay for them as we go. Now, yes, you can still put off some expenditures, you can still underfund some obligations, you can put off some of the responsibilities until later, and yes, you can cut government. Yes, absolutely, you can cut the cost of government. And you might be able to survive an election or two, but you cannot cut government 10 percent in Kentucky and maintain the level of progress that we've established over the last decade. You cannot do that and reach our ultimate goal of an better-educated, more productive, and more economically prosperous society. We have not yet faced in Kentucky the real fiscal crisis. I think I've fulfilled my responsibility to try to articulate it as well as I can. I tried to solve it earlier this year. But we are involved in political deadlock in Kentucky, which is where I'm really going to start talking in a minute, that I don't know how to resolve. And it will determine whether or not Kentucky continues on its path of progressivity that has been the hallmark of the last 12, 14, 16 years or we will revert to the least common denominator which was our fate after the Civil War and is the genesis of our low standing today.

I try to be a student of history. I try to figure out why it was that Kentucky, which in my view, if you go back to 1850, was a very progressive state, producing national leaders, the economic center of an expanding nation in the interior of the United States, and the center of transportation, religion, medicine, and politics. We had the world at our doorstep. How did we end up at the bottom of the pile? Political deadlock. Of all of the states in the Civil War, Kentucky really suffered the most because we came out of the War still divided. The Deep South lost but they were politically united. Kentucky didn't participate and ended up politically divided for the better part of 100 years after the Civil War. So we couldn't act. We lived for the day. We didn't invest in tomorrow. We didn't invest in education. We didn't invest in infrastructure. And we took one of the strongest economies in the Midwest and brought it to one of the worst in 100 years because of political deadlock. We haven't faced the crisis because, quite frankly, we are not in as bad a shape as some other states are.

I think we were pretty frugal, pretty wise when income in the mid 1990s was obviously higher than could be sustained. You didn't have to be an expert to figure that out. So we took a lot of cash money and invested it in one-time capital construction and got criticized for it, but it was the right thing to do. We maintained it as a revenue base. We didn't cut taxes excessively. We cut taxes, as you well know, about $500 million in 2004 based on 26 different actions that took part, some by legislative action, some by judicial action, and some by executive action. That reduced the tax burden on Kentuckians in 26 different ways by about $512 million in FY 2004. These weren't excessive tax cuts relative to the way revenue was coming in. We invested in one-time, nonrecurring capital expenditures, and we did increase spending in the places that needed to be—education, health care, and public safety.

We put money in the budget reserve trust fund, but we had much more money in reserve in other funds than really showed up, so we've used that to maintain almost the same level of expenditures that we have had over the last three years. We have cut back government 5 percent, and we have cut back government 2.6 percent. We've maintained modest increases in K-12 education. We've maintained level funding in higher education, postsecondary education when other states were making much larger cuts. Other states were increasing taxes in substantial ways, and Kentucky has done nothing. We haven't faced the crisis. Why? We're engaged in political deadlock. And the future of Kentucky will depend upon how this crisis is resolved, how this political deadlock is resolved. And I've pointed this out to Gov. Fletcher without giving him any advice because I don't know the course to take.

Let me recount for you a little bit from my perspective the situation that I inherited in Frankfort: Dominance by the Democrat Party to the point that the Republicans in the legislature were totally ignored. If you wanted to play ball and go along, some Republicans in the House and the Senate fared pretty well, but they didn't really have any involvement in the big decisions but could have a little bit of input every once in a while. Those Republicans that wanted to be partisan, that wanted to advocate their philosophy, had no involvement in the process. They stayed on the outside. As some said, as long as we're on the outside, we're going to throw bricks. If we were permitted to get into the tent and be involved in some of the big decisions, we would be cooperative. But as long as we're frozen out of the big decisions, then you can expect us to stay on the outside and throw the bricks and let you all take the heat and do the things that need to be done and take the political consequences of doing them. We'll just not take any responsibility, we'll criticize everything that can be criticized, and we'll offer no solutions. Moreover, I don't disagree with that philosophy. But I inherited a situation of political dominance by the Democrat Party in both houses. In my opinion, there was no real serious thought that the Republicans were going to take over either house of the Kentucky legislature anytime soon. Certainly they were going to take over the governorship first.

As you know, I shouldn't have won the 1995 race. There are lots of reasons, but it was a miracle that I won that race. That would have been the route that the Republicans were expected to take over and then use the governorship to perhaps get legislative dominance. But to get legislative dominance in one chamber first was not even thought of or considered. So I came in as governor. The Republicans had begun to make gains, but you will remember 1994 was a Democrat disaster. The Republicans picked up probably three seats in the Senate in 1994, but still the Democrats had a four to six vote majority, and didn't seem to be threatened, that 1994 was an aberration. We could come back over that. The Democrats expected me as a Democrat governor to be heavily involved in supporting their candidates. They were very plain to me that they expected me to help their candidates, and I thought that was the right thing to do so I did that. I was the most active governor that you've had in a long time, probably since Julian Carroll, in getting actively involved in raising money for the Democrat Party, in raising money for the Democrat candidates, and I had every reason to believe that in 1996 we would gain seats, and we didn't. I think we broke even or something. In 1998, we actually ended up losing a seat, Joe Meyers' seat, which we didn't expect to lose, but still maintained a 20 to 18 majority in the Senate. We felt that by 2000 that we could begin to come back in the Senate and, of course, we had the switching parties immediately after the 1999 election. I had never counted on that, and I don't think anybody in the Democrat Party ever thought that that would happen, so we ended up with a politically divided legislature.

When I became governor the Democrat Party wasn't as united as one might think. The legislature had been dominated by the Democrats for so long that they didn't really feel like they were a team with the governor. You had the House that had strong leadership, and the House basically said, "We'll work with the governor when we want to and we'll oppose the

governor when we want to." You had a Senate that demonstrated for perhaps eight years that they were independent of the governor and really had their own agenda that they really didn't listen to the Democratic governor too much. So this Democratic-dominated government was not a united government in any sense of the word, that they had a common agenda, that they were following the lead of the governor, and that they were implementing the policies of the governor.

Then we got the political deadlock and I'll give my version of that; other people can give their version of it. But Senator Williams got in touch with me very early and he said, "I want to work with you. I want to be cooperative. I want to have a progressive agenda. I want to build Kentucky infrastructurally and educationally, and I want to be cooperative; but you cannot expect me and my members to cooperate with you if you're out here getting them defeated." I said, "Well, that's a pretty logical position to take." In addition, he said, "I don't want you recruiting members against my incumbents, and I don't want you campaigning against my incumbents." And I said, "I agree with that. I will raise money for the Democrat Party, but I won't campaign against incumbents." And I think the record of the 2000 election would bear that out. But things did deteriorate to the point where what was a close relationship to start with turned out to be a terribly bad, personally bad relationship, and I think we can both share the blame for that. But still it's the political deadlock that is embracing Kentucky government and what Governor Fletcher is going to have to address, and I'm not advising him on how to address it.

The Democrats in the Senate just absolutely could not adjust to the role of the minority, and let me tell you, it's tough. Let me guarantee you that being in the minority in a legislative body such as ours that is divided politically, and every state legislature is not that way—now our national Congress is—but every state legislature is not organized nor dominated based on political parties. Certain legislatures, their leadership is bipartisan, their committee makeup is bipartisan; partisanship is not a dominant factor, and there's good and bad to both sides of that. But the Democrats just couldn't accept their minority status in the Senate. Now I think they have come to terms with that. I think they realize that's going to be the situation for quite some time. So I think that they're pretty well in the position the Republicans were in eight or ten years ago. You know if we work with the Republican leadership, every once in a while we might get a little bit of something, and if we choose to stay outside and throw bricks, we will be totally isolated from the leadership process.

The House, of course, is in the exact opposite position. The partisanship in the House has become stronger. It is the focus of the House to want to hold on to that leadership role and be able to decide who is on the committees and be able to decide what legislation is going to move. That's a very, very strong theme, and it's the only power base that the Democrats are going to have left. And they're going to be struggling to maintain that power base as the place that they can come back to maybe some time in the future. So that is the situation that Gov. Fletcher faces. And his choices are to take the position: "I'm a Republican, I'm going to support the Republican Party and Republican candidates just like Gov. Patton has. My goal is to make this state totally Republican, have a Republican agenda in the legislature, whatever that agenda is."

That's one way and that I think will lead to the political deadlock for probably the first of Gov. Fletcher's term. I don't think they can get political dominance of the legislature in the next two to three years. Perhaps they can if everything goes well in four years. So that's going to lead to continued political deadlock in my opinion. On the other hand, he can say, "Look, I've got a divided legislature. I'm going to support my party, but I'm not going to get involved in legislative races. I'm going to work with the Democratic House, I'm going to work for the Democratic Senate, I'm going to try to do what's right for Kentucky, and I'm going to be a strong leader. This is what we need to do as a people and I expect bipartisan support from it." That's the harder course, and I don't know that he'll think that. That was the course that David Williams advocated that I take when the legislature became divided. I was a little bit too far down that path to take that course, but I very well may have been well advised to have done it. I may have well said to the Democrat senators, "Hey, you lost it. I didn't lose the Senate. I'm getting out of politics. I'm not going to be out here raising money for you. I'm not going to try to help you regain control of the Senate." Kentucky very well may have been better off had I taken that position. I don't know. I don't know what the House's reaction would have been. I know they expected me to provide leadership to the party. I know they expected me to help them raise money. I don't know what their reaction would have been. But I was already committed down a path of partisanship. Governor Fletcher has that choice yet to make.

So I just throw that out. I've been just sort of sharing with you some of my thoughts. It will be interesting to see, but I just cannot believe that this state can gain by four more years, or eight more years, or however many more years of what I believe is political deadlock. I think we have to, within the next two years, make a fundamental decision: are we going to back down on our commitment to our state government and the attendant declines in state services, particularly education, or are we going to restore the percentage of our state gross product that we devote to government, to our state and local governments? There has been a fundamental shift in the level of support for our government, and we have not shifted our level of services yet. There are a few more things that could be done to not make it quite as bad as I have portrayed it. Keep in mind that my predictions of $700 million shortfall is to continue to maintain the same level of service and pay for all of it with current revenue. Yes, you can do a few more smoke and mirrors. Yes, you can figure out how to borrow a little bit more money. Yes, you can figure out to delay things another year. You could really reduce the magnitude of the impact to get through the next election. And you can spread the cuts over maybe two years, maybe three years. But we've already

started reducing the support for state services a little bit. And you spread a little bit more over three or four years, and you come out to where we're about 10 percent less than where we were in our support for government services. We'll end up with 10 percent less services. And I don't think we can gain on our neighboring states when every one of them has raised taxes, and we haven't. Yes, we can be the lowest-taxed state in the nation. We can win the race to the bottom, but the low-tax states aren't the prosperous states. Say what you will, it is the states that devote the greatest portion of their total state product to improved services that provide the highest standard of living to their citizens. It is the states that have the lowest tax burden that have the lowest quality of life for their citizens, and Kentucky has to choose. It's easy to be the lowest-taxed state, and it's good short-term politics. But it is disastrous long-term policy. That is what this group of Kentucky leaders has been charged to do. Look at our long-term policies and advocate for those policies and hope that the political leadership will listen.

It has been a great eight years. I appreciate being with you this morning. I have optimism about the future of Kentucky. Thank you.

A National Perspective on the Current State of Education

Moderator

Dr. Robert Sexton, Prichard Committee for Academic Excellence,
Kentucky Long-Term Policy Research Center Board Member

Panelists

Dr. David Longanecker, Executive Director, Western Interstate Commission for Higher Education
Virginia Edwards, Editor, Education Week and Teacher Magazine

Dr. Sexton

Good morning. This morning we are here to discuss the national trends in education that affect Kentucky. I am very pleased to introduce two of the premier speakers and voices in American education, and I congratulate Mr. Childress for getting them here, Dr. David Longanecker and Virginia or Ginny Edwards. I'm going to ask David to say a few words and then Ginny, and then we'll talk a little bit, and then we'll have your questions.

David Longanecker is the Executive Director of the Western Interstate Commission on Higher Education, WICHE. WICHE is kind of the equivalent of a Southern Regional Education Board, for those of you who think in those terms, that handles the higher education affairs for 15 western states. Dave has also been very active at the national level, writes often, and serves on numerous boards and commissions. Before he joined WICHE in 1999, he was the head U.S. higher education official under Secretary Riley. He was Assistant Secretary for Postsecondary Education. I met him there when I served on the Fund for Improvement in Postsecondary Education Board. He had everything to do with higher education; at the federal level it was under Dave's purview. He came to that position after being the Executor Director of the Colorado Commission on Higher Education and before that the Minnesota Higher Education Coordinating Board. He has his doctorate from Stanford, a master's degree from George Washington, and his bachelor's degree from Washington State University.

I'm also going to introduce Ginny and tell you a little about her. If you haven't noticed (by the way, there are little biographical sketches on everyone in your registration packet), Ginny is one of the most respected voices in American elementary and secondary education, and she is a Kentucky product. She is a Louisvillian. She graduated from Ballard High School, I think, in the first class. She graduated from the University of Kentucky where she became editor of the *Kernel* there. I first met her when I was in administration at the University of Kentucky, and she was doing a story on something that I was doing, and I'm sure it was a great story. It's long enough ago, so it still doesn't bother me at least, Ginny. She was, after college, a reporter and editor for the *Louisville Courier-Journal* for about 10 years. She covered the development of most of what we were doing in education in those early years, leaving in the late 1980s to go to work for the Carnegie Foundation for the Advancement of Teaching at Princeton. From there, she went on to become editor of *Education Week* in Bethesda, Maryland, and then in 1997, she became both president and editor of *Education Week* and the holding company editorial projects in education. *Education Week* has a circulation of about 55,000 and a readership of about 200,000 and is, without question, the newspaper of record in elementary and secondary education.

Virginia Edwards, Dr. David Longanecker, and Dr. Bob Sexton

First, let's hear from David Longanecker from the Western Interstate Commission on Higher Education.

Dr. Longanecker

Thank you, Bob. It's just absolutely wonderful to be with you here in Kentucky, and I'm so impressed with this policy forum. I'm going to speak briefly on the national perspective on the state of education from a higher education perspective. Essentially, at this point across the country there are four nearly universal issues that states and the federal government are dealing with. I had the pleasure last week of listening to David Ward make a similar presentation, and he speaks very

eloquently of three of those four issues: access, affordability, and accountability. My wife actually, really doesn't like the work I'm involved in, and she attends very few of the sessions that we have because she finds higher education is relatively boring. But she attended this particular session because it was a big event, and I'd asked her to do that. And she has been going around the house for a week saying, "access, accountability, affordability," to show me that she listened to the presentation by David Ward and because she was very impressed. It was quite good. And I would add a fourth issue, which is financial viability. It was embedded in a lot of what David had to say, but I think it is a somewhat separate issue that has commanded an awful lot of attention within higher education and within state government in particular, at least for public higher education.

Now the way these four play out in the states, however, and at the federal level can be quite different. The biggest difference between the states and the federal government, I believe, is the tone and the spirit of the discourse and thought that is surrounding these issues today. The states are concerned, they're distressed, but they're very supportive and understanding of both the higher education enterprise and the importance of what higher education provides back to the country. The federal government, on the other hand, appears to be mad at higher education, and it aims to get even. I believe that's based on a fairly naïve lack of understanding and, to some extent, inability to accept some culpability on the federal part. But, nonetheless, it is angry in the response and somewhat reminiscent, if you will, of the mood at the federal level during the reauthorization of the Higher Education Act in 1992.

Dr. David Longanecker

Now, returning to the national as distinct from the federal perspective, they are very different perspectives lots of times; particularly when I was a fed, people perceived that the federal government perspective was the national perspective. In higher education, that is simply not the case because so much of the responsibility for higher education rests within the states or with the individual institutions. So returning to that national perspective, although the issues are the same, they play out quite differently.

And there are really at least three general scenarios in the different states that are working their way through. There are what I refer to as the "perfect storm" states. These are the ones where they simply may not be able to sustain progress on these four issues because of the exceptional circumstances, both demographic and economic, that they are facing. You know many of these states by their current stories: Arizona, Nevada. Nevada probably faces the biggest challenge of any state, facing a 100 percent increase in demand for higher education over the next decade and no tax base to basically support that. Add California with 750,000 new students per year by the end of this decade along with Florida, Oregon, Colorado, and Tennessee. Those are all states that face substantial issues either from demographics or from financial constraints or a combination of the two. I think there are serious doubts that they will actually be able to maintain current levels of service, let alone progress our society.

Then there is the second group. The ones I refer to as the "opportunity" states. These are the ones, you know, that have a huge challenge but we don't call it a challenge; we call it an opportunity. So these are the opportunity states. And these are the ones that really do face very much the same factors, just not quite as severe. They're very substantial challenges; but they are ones that, if the states have the will, they probably have the capacity to address. This includes states like Washington and Utah in the West. Those are the states I know the best because that's where I work. Much of the Midwest, South, and the Northeast fit into this, and this is probably where I would put Kentucky, again, states with substantial challenges. The Lieutenant Governor just laid out some of those, but states also that probably have the capacity, if they have the will, to stand up to those challenges, and these are really the states that reflect the norm in the country today. These are states that fared reasonably well over the decade of the 1990s.

In almost every state, higher educationists complain today about the declining share of state resources that have gone to higher education. The trouble is that's not a terribly good measure over the last decade because the total pie of resources grew very substantially. So we could actually be doing pretty well and have lost a share, and in fact that turns out to be the case in most of the country. In most states, the national norm was that in the 1990s, not so much the last couple of years but up through 2001, in most states the funding per student in real terms adjusted for inflation increased for higher education. So the institutions and the system of higher education weren't really as strapped as we would like to make out in the 1990s. And most of these states I'm talking about as the "opportunity" states have fared reasonably well in the 1990s. Now they don't feel that way. And I don't want to offend all my friends in higher education in the crowd. It certainly doesn't feel good, but it could have been a lot worse. And so there are institutions that, as we face these difficult times, aren't quite as

stretched as many of those states I was mentioning before, many of which actually suffered substantial real declines in the 1990s as well as facing huge challenges today.

Then there is the third category of states that are the real "opportunity" states. And there are relatively few in this class. New Mexico certainly fits in this area and in recent years Georgia, Oklahoma, and, to some extent, Louisiana, have fit into this category, and possibly even Kentucky because you have had such an aggressive agenda on education and particularly higher education. These are states that I would describe: "They have it and they get it." They have it, meaning that they generally had substantial resources in recent years, and they still aren't hurt as badly as others. In addition, they get it. I mean by that they understand the value and the importance of investing in education, in my particular interest in higher education. Now these issues play out differently in these four issues I mentioned in the beginning in each of the different scenarios.

With respect to access, there is no doubt that in the perfect storm states access is at risk. When push comes to shove, quality will generally trump access. You can see that in many of the policies that are occurring today, and access is clearly at risk in many of those states I mentioned. In two states with which I work, senior institutions have indicated that they no longer will accept students on transfer from junior institutions, the community colleges, on the same terms they have in the past. That's a pretty substantial breech of the social contract, and yet it's one that is being driven. In a number of states, institutions are placing enrollment caps on their institutions. Now there's growth in the opportunity states, there's the opportunity for growth there because growth is "the coin of the realm." It really is. Growth rules in higher education. Access is really one of the opportunities for growth in many of the opportunity states. So I think you can see increased attention there on access and to success, not just access but on persistence and completion activities. That certainly has been a focus in this state.

On the affordability issue as opposed to the access issue, that has taken on a new meaning in American higher education. Affordability when I was coming into the profession in the 1970s really was an issue of whether people could go to college. It is now an issue of how comfortably they can go to college, so we worry about whether we're raising tuition for the majority of people who vote and don't worry about the people who are in the lower income and aren't as able to take care of themselves.

But the real collision has come between the political and the business models in the governance of higher education. Business officers know that tuition is an important revenue and that they can optimize that. Politicians are much less interested in the business approach to the pricing of higher education. But that's also playing out differently. In the perfect storm states, they have no choice. They must raise the price. In the opportunity states, they have a choice, and they are virtually all raising the price as well.

Now, almost no one is attending well to financial aid. So we're not only reducing access by raising price, but we are also reducing access by not attending to need-based financial aid.

On the third issue, accountability, there's increasing attention in all states, there's natural growth in evolution of accountability schemes, but it's the natural growth in the evolution of accountability schemes that has been occurring over the last 20 years. You can certainly see that in this state with the Key Indicators project. That's sort of a very nice evolution of where you have been to focus on genuine accountability. There's not the usual rush to accountability that we've sometimes seen. Many times when you see pricing constraints in the past we've seen a focus on governance and accountability as ways to solve that. In fact, it seems to be a much more reasoned approach to accountability in the states during these tough times, and I think that's because accountability is maturing as a concept in public policy.

And in the fourth area, financial viability, the perfect storm states are moving toward essentially a privatized model of higher education, one where a much larger share of the cost will be borne by the people who participate in it rather than by the public that supports them. Now this is sometimes intentional. For example, it is in Colorado. That's the intentional public policy, as they're moving toward a privatized, voucherized model. But it's usually unintended, as these perfect storm states simply can't afford the alternative any more. And there are huge implications for both access and affordability associated with these. In the opportunity states, they're preserving the social contract. In Kentucky and many of these other states, you will see that this issue around privatization is not being as severely tested.

So the stories at the national level are mixed, but the issues are consistent. Now, I see the federal perspective as evolving somewhat differently. There is an excellent session coming up later, and I'm just going to sort of try to whet your appetite for that session. If you look at the reauthorization themes from the administration and the Congress, they are "access to success," "effective accountability," "simplicity through deregulation," and "prioritizing within constrained funding." Those are quite reasonable, and in fact quite good goals for a reauthorization, if you will. But I think what's important is to look at how those are working their way out in the federal discussions, both in the reauthorization discussions and in the actions of Congress.

If you look at "access to success," that is the new concept of access being more than students get into college, that they get into college and that they persist to completion. You look at that in the reauthorization discussions, and there is a

substantial amount of attention on persistence and completion. But most of the strategies that are being proposed are ones that look at sanctions rather than incentives.

You look at the issue of affordability. The general approach appears to be a contemplation of cost controls from the Congress. If you look at expanded access—and this area I would give high marks to—they're easing eligibility for nontraditional students, and I think that is to be applauded. The irony of this next point should not be missed on you, from a group that is blaming everybody else for the increase in the price of higher education, the one thing that is certain is that loan limits will go up for students. There will be a greater increase in the indebtedness of students. Now I actually support that, but I think it is ironic that it is the one thing we can almost bet on from the federal reauthorization. If you look at recent actions, the most significant action with respect to access is that Pell Grants are frozen. They've been frozen now for this year. They'll be frozen for next year, and that does not bode well for a strong federal presence on the access agenda. Lots of people talk about increasing the authorized maximum for Pell Grants, but the appropriate maximum for Pell Grants is not going up.

The second issue is effective accountability at the federal level. The reauthorization discussions are generally accepting the No Child Left Behind model for elementary and secondary education as, if you will, a model for postsecondary education as well. The current president seems to be following the previous president in terms of many of the philosophies. That could bring the states into play in some fashion on issues around accountability and could test again the efficacy of accreditation as a viable quality assurance mechanism. Both of those are reasonable things for the federal government to be considering. It's just that the rhetoric that they are currently using is one that suggests there could be substantial mischief by the end.

I would say the Teacher Education Bill that they have passed, from my perspective, looks to be a pretty strong bill on accountability and other actions. Again, if you look at what they are doing, the most significant thing they have done, rather than say they intend to do, is the FEDUP Higher Education Technical Amendments Act (FEDUP) and its adoption, which isn't all that bad. It's a deregulation piece. Simplicity through deregulation is in fact their third theme. In reauthorization they've indicated they want to reduce the amount of burden that the federal government imposes on institutions of higher education. It's a laudatory goal and one that they are the first to attend to. And they have actually done something through the FEDUP legislation to start to address that.

And then the fourth piece is the prioritizing within constrained resources. Here the language is important to look at. The rhetoric is to prioritize within the funding that is already provided. It's also reflected in the actions that they're taking—the frozen Pell maximums. We have exceptional national security costs that are going to impose themselves on the federal government. The federal government is facing the largest federal budget deficits in history and will continue to for the near terms, deficits approaching or exceeding $500 billion, one half trillion, per year so there are going to be huge constraints on the availability of funds at the federal level, at least for authorized programs. They seem to still be able to find substantial resources for earmarked priorities but not for the programs that were actually authorized. In fact, there are very substantial limitations at the federal level.

All of this suggests that if you have issues you want to address, you are best to look at yourselves and not at the federal government to have these addressed. The federal government doesn't have the money to invest in higher education. If it had the money, it's not clear they would invest in higher education. Other areas appear to be a higher priority. And if they had the money and they wanted to spend it in higher education, there's a pretty good chance the Congress couldn't agree on where to spend that money because you've got a bunch of states that are growing and a bunch of states that aren't. You've got a bunch of large states and a bunch of small states, and that leads to near deadlock akin to the gridlock that the Lieutenant Governor was talking about here in Kentucky.

So I really suggest, I think, that the states are going to have to address these issues of demography and economy themselves, as they try to address those four issues of access, affordability, accountability, and financial viability. But all those focus on the industry of higher education. The real issues are the economic and social viability of this country.

We used to lead the world in the share of our population that were educated. And that's one of the reasons why we have led the world in economic development. But today, we trail five other countries in the share of our young adult population that have a higher education degree. And we're comfortably ensconced with seven other countries, all of which under current glide paths will exceed us by the end of this decade. We will no longer, by the end of this decade, be a leader in the world in the share of our population that is educated at the collegiate level. We cannot afford that environment. I would also mention another statistic. The share of our 18- to 24 year-old population with a high school degree went down from the 1990 census to the 2000 census. We cannot endure those kinds of statistics, that kind of performance in education, if we want to lead the world as a global economic power or if we wish to lead the world as a global, social, and civic power in the future. We simply must find a way to reinvest more substantially in higher education if we wish to lead rather than follow. Thank you.

Dr. Sexton

Thank you so much, David. And now let's welcome Ginny Edwards, the editor and publisher of *Education Week*.

Ms. Edwards

Good morning. So you guys already know I am a former Kentuckian, and I'm realizing the last time I was here I could see and now I can't. That's bad. I'm a product of the Louisville Public Schools as you've heard and a proud graduate of the University of Kentucky. Most important to this discussion is the fact that I worked at the *Courier-Journal* for nearly 10 years, and it was there that I got bitten by the education policy bug. So today I stand before you, in the words of my husband, as a full-fledged "edunerd", like you all, too.

Given the opportunity to talk about K-12 education policy, I feel compelled first to set some context. After following education policy for nearly 20 years, first, up close in a state, and then for now 17-plus years at the national level, the main conclusion I've drawn is this—don't laugh—policymaking is an extremely messy endeavor. And I know you're surprised I could come to that conclusion. What could be more obvious? And I'm not pretending this is a profound point. But for me, at least, working to truly understand the implications of that, it's really a basic truth. It's not an easy task. And in practical terms, it actually is one of the guiding principles for me in making decisions in what goes in *Education Week*, week in and week out.

Virginia Edwards

In a nutshell, I would argue, the problem is that there are too many players with competing interests who have a stake in the proposals made by the chief executives in the laws that are passed by the executive branch and in the regulations that are promulgated by the state and federal boards, [which] actually follows a bit on the theme of Governor Patton's chat with us this morning.

It's really rare that the stars align to get folks all in the same place at the same time to make change happen. But Kentucky is a rare exception because a judge had the courage in the late 1980s to rule that the state's education system was unconstitutional. Policymakers were given an unprecedented opportunity to reimagine K-12 education, or I shouldn't even say K-12, just schooling in general for kids in the state that typically resided at the bottom of the educational data heap.

A former colleague and I—and Bob you know who this is—used to have long heated discussions about what policymakers could do to improve schools in their states. He believes that it is possible to have a profound impact on education by changing one policy, in essence by pulling one lever. And sometimes he would use the metaphor of a big ball of string that's tangled up and trying to find the one string to unsnarl it. Needless to say, I find this view way too simplistic.

Probably the most important conclusion that researchers in the field of education change, the primary finding they've come to, is the need for a coherent, well-articulated vision. Meaningful change will not occur without a systemic approach to policymaking. The always complex and sometimes capricious business of enacting policy must be respected. Far from pursuing the systemic approach, however, state policymakers have often become fond of policy-borrowing, grabbing the latest idea to come down the pike in hopes of a quick payoff. They too often make policy on the backs of buzzwords, and the guiding ideals that would give policies their grounding are missing.

OK, now I'm going to start to get into some specifics, and this is where I pass along a little disclaimer. I'm a journalist. I'm an editor of a newspaper. So I'm careful in forums like this not to go spouting my mouth off too much. The newspaper has gained stature over its more than 20 years as an independent objective chronicler of American education by closely guarding its integrity and credibility. And as a journalist, I'm not supposed to have opinions. Right? Well, OK, maybe up to a point. But this is an issue that I think is important. For the record, I'm not among the journalists who believe I'll betray my profession if I actually harbor notions of civic responsibility or that I care about the issues I write about.

So, on a little bit more to the specifics of the business at hand, without a doubt, these are extraordinarily challenging times in K-12 education. And there are many topics I could talk to you about today, and these are going to resonate for you: gaps in student achievement, teacher training and recruitment, testing, curriculum standards, and choice of magnet programs, just to name a few. But since our time is limited, I'm going to concentrate on two issues, and they're on everybody's radar screens here in Kentucky and across the nation.

Number one is the budget crunch (this is sounding like a theme now) and the impact of the No Child Left Behind legislation that was passed at the federal level a couple of years ago. I'll start on the fiscal front. My observations about money, though, are going to obviously take us into policy development at the state level and at the federal level because there is no getting around it. Education reform and funding go hand in hand. Kentucky is among the states experiencing a budget shortfall. As David has already well articulated, not too much needs to go into the specifics of that. But here is a general point to make: while the national economy appears to be recovering, it's going to be a while before we see

improvement in the state revenues. According to the National Governor's Association, lingering effects of the recent cyclical downturn (and, gosh, we all know how we've lived through those!) and a growing structural problem in state tax systems mean the current state fiscal crisis will last through 2004 and most likely into 2005. Boy, I'd love to be able to talk about the structural problems in our tax policies as well, and that is actually something at the newspaper that we're getting ready to look at in some depth. I think that's just as key an issue for education reform and school improvement as some of the issues that sound more natural like teacher quality issues, leadership, and things like that.

Here in Kentucky, local officials are telling *Education Week* reporters that the state's financial problems are starting to threaten the KERA changes that have been put in place over the last 13 years. And these are just examples and they're by no means necessarily the most important. But some districts had to delay implementation of certain programs like all-day kindergarten; other districts have had to raise taxes and even found themselves still cutting programs. As I understand it, at the state level you guys had to cut out a $4 million investment in the budget in the technical assistance centers that are used by local schools to help carry out federal requirements. It doesn't seem like the right-headed thing to do at a time when maybe more help is needed than ever.

While the changes appear small in individual cases, they do add up, of course. A study by the Council for Basic Education estimates that it would cost nearly a billion more than the budget had to fund schools at what is considered an adequate level. And as I understand it, there are estimates on either side of that; but the point is to fund schools at an adequate level would take more money than is available now. What's more, since the infusion of cash in education in the early 1990s when school districts received increases ranging from 8 percent to 25 percent a year, funding hikes have slowed to a trickle. Last year, the state's funding formula rose just 2 percent, and you guys can check me on this, over the previous year. But as I understand it, there were so many new things added on to responsibilities that none of that money really made it to the classroom. OK, that's the bad news.

But the good news is, and I've already alluded to this, but thanks to KERA, Kentucky has for many years been at the forefront of the national movement on school improvement. Each year, *Education Week* publishes a report—it's call Quality Counts and maybe some of you have seen it—on education policy across the 50 states. In our 2003 report, obviously our most recent, we ranked Kentucky third in the nation in terms of its standards accountability system. And guess what? I've already had a sneak preview of the numbers coming out in January, and Kentucky is right around that same area again. It's still going to get an "A" in the standards assessment and accountability system the state has put in place. The state has curriculum standards in the four-core subjects. It also has a variety of assessments in place: portfolios, criterion referent, extended response, multiple choice, and as you guys all know in the assessment field, the idea of multiple measures is what's key. Quality Counts also noted that Kentucky was just one of 10 states that required school or district-level report cards to include information on the number or percent of fully licensed or certified teachers as well as the number or percent of out-of-field teachers. Kentucky is just one of 16 states that require and finance induction for all new teachers and one of seven states that require release time for mentors. In this area of teacher quality, teaching quality, yet again Kentucky receives one of the top grades in the nation in terms of its state policy. These are policy accomplishments to be proud of, and the state attention to the issues is also something to be grateful for, I'd argue, given the passage of the federal No Child Left Behind Act.

No Child Left Behind, the Bush administration's sweeping reauthorization of the Elementary Secondary Education Act, is raising the bar nationwide in terms of teacher quality, standards testing, and even school safety. Love it or hate it, and there are people on either side of that debate, the landmark legislation touches on nearly every issue in K-12 education. I'm going to run through some of its mandates just to get us all grounded on the same page here.

First off, it requires every state to test every student in grades three through eight, and at least once in high school annually in reading and math. By the 2007-2008 school year, states must also test students in science at least once in elementary, middle, and high school. Yes, I saw the papers this morning. I know the numbers you guys are looking at. Maybe we can have some discussion about that. The law also requires states to set annual targets. Of course, this is the adequate yearly progress that I was just referring to. For the percent of students who perform at the proficient level on state tests for school or district, these targets are to rise over time so that all students will reach the proficient level on state tests by the 2013-2014 school year. To make adequate progress, schools must meet the targets for their total student populations, and that's good, but they also must meet it for the specific subset of their students: children in poverty, those who speak limited English, racial and ethnic minorities, and students with disabilities. I'll interrupt myself here to say that I think the greatest legacy of the No Child Left Behind legislation may be the fact that it is pushing what was already a trend on data collection and disaggregation of data to give us a more complete and full picture of what's going on with the policies we enact. To that extent, I think this has all been a very healthy enterprise.

The federal law also requires states and districts to ensure that there's a highly qualified teacher in every classroom. Under the legislation, every elementary school teacher and every secondary school teacher in the core subjects—that's English, math, science, foreign languages, social studies, and the arts, according to this piece of legislation—must be highly qualified in each subject they teach by the end of the 2005-2006 school year. Newly hired teachers in schools that receive

Title I money were already to have met that requirement this school year. In September, a couple of months ago, 31 states told the U.S. Department of Education that 80 percent of the classes in the core subjects were being taught by teachers who are highly qualified. What's more, 28 states said the picture was about the same for their high-poverty schools.

In Kentucky, the numbers were much higher. State officials reported that 95 percent of the classes in these core subjects were taught by teachers who were deemed to be highly qualified. In addition, Kentucky reported that 97 percent of the classes in high poverty areas were taught by teachers deemed to be highly qualified. But here's the rub (and I feel sort of silly sometimes speaking to groups like this who are living it, and I'm just noting it), the state mandate and the No Child Left Behind do not always mesh so neatly.

Under the state accountability system, Kentucky issues school report cards every other year, as I understand it, and rates every school's progress toward reaching the goal of having each child score at the proficient level across the six subjects. This is all being put in place over a time span that reaches out to 2014. This was something you guys set before the No Child Left Behind law made it mandatory for all states. But at the same time, the federal law requires Kentucky to issue separate school-by-school report cards based on these federal accountability requirements. Because the federal and state accountability measures differ, there is the prospect that some schools will receive different ratings on separate report cards. A school can make progress required under the state's goal of gradually improving overall performance across several grade levels; but at the same time could be cited under the federal program for failing to improve the achievement of students in one or more of the subgroups. Some worry, and I worry, about explaining the results to the public, that it will be difficult and confusing. But the critics have also told *Education Week* that changes to the state's program are inevitable, particularly given the price tag on the program. There are lots of other potential conflicts between the state and federal mandates, and there are lots of funding issues that we could talk about. Let me move on to make sort of a final wrap-up plan.

I would throw this under the category of good news as well. At *Education Week*, my colleagues and I truly believe in the power of information. News and data are among the tools that we think are important to change the lives of students and to help improve the schools.

For that reason, *Education Week* has worked with the Public Education Network, and we are in our sixth year of this effort, on a poll. Earlier this year we interviewed 1,100 registered voters, and we came up with our most informative and illuminating findings yet. The most recent polls show once again that our schools are at the heart of our communities and the engine of opportunity for the nation and its young people. Let there be no doubt, public support for education is strong. To give you a little context of when the poll was conducted, the United States was preparing for war and the economy was struggling. I'm not sure that we're in too much of a different position today. Despite all this, Americans said once again that strengthening public education remains their number one national priority. Republicans as well as Democrats, older voters as well as younger ones, parents as well as nonparents, all ranked education, over terrorism, tax cuts, retirement, health care, war, and creating new jobs, as the nation's top priority. The major difference this year, and I come clean on where the support is looking just slightly softer, is that health care as the public policy concern is gaining in intensity. This poll also indicated that Americans are deeply concerned about the state finances and their impact on communities. And we all know, of course, as I've already said, this is for good reason.

Thinking about the areas that compete for school funding, voters were asked to pick from a list of areas that they would most like to see protected from budget cuts. At the very top of the list was early childhood education. Number two was training for teachers and teacher pay. And number three was efforts to reduce class sizes. Some people say that money doesn't matter when it comes to improving the schools. American voters don't buy that. Sixty percent of voters said they are willing to increase taxes; 18 percent said 'very willing' in that category. When we asked their feelings about a tax increase earmarked for improving education, that support increased to 67 percent. Traditional tax-sensitive respondents—and I call it like I see it—strong Republicans and white men even showed a willingness to increase their taxes if their dollars were earmarked to improving education.

We can also see the public's concern about cost in their reactions to No Child Left Behind. And I do admit that not everybody knows what No Child Left Behind is when you just start talking to them about it. But we pause and we explain the law to them as part of the poll-taking. And when we gave them a little more explanation of the legislation, 71 percent said they were in favor of it, 13 percent were opposed, and 15 percent remained unsure.

But voters worry, and they get it: the schools will need more money to meet the law's requirements. Many see the law, as if I need to tell you this, as an unfunded mandate. Voters worry that No Child Left Behind will just flat out cost the states more money. Voters are divided over what level of government they think should be responsible for meeting the law's provisions: 26 percent said the federal government, 29 percent said the state government, 22 percent said local, and 19 percent said all of the above. I see a logic there. However, we asked them, who do you think should be responsible for the increased funding? Forty two percent turned to the federal government. By contrast, only 24 percent said the state should take the lead in ensuring this increased funding, and an even smaller percent, 12, said that money should come from the local district.

What's more, the public identified teacher quality—not testing, not ensuring that kids can read by the fourth grade, and not reducing class sizes—as the single most important factor for improving education. I, of course, don't bring up those other issues to diminish them in the pantheon of things we need to be attending to, but I just pass it along and I happen to agree that teacher quality is the number one issue to attend to. The survey showed that teacher quality out-polled these other strategies by nearly a two-to-one margin. The public also has great faith that we can achieve the goal of ensuring that all teachers are highly qualified by the year 2005, and they cite low teacher salaries and the teacher shortage as the biggest obstacles to reaching the new federal law's mark.

So, here's where I wrap it up, and I say it's true, states like Kentucky are facing serious budget challenges, and the expense of the No Child Left Behind Act is only going to complicate matters. Our poll really does, I think, give us hope in that it really identifies this great undeniable reservoir of public support for schools. People care about schools, and they're willing to put money into them. The challenges are real, no question. But so is the good will that K-12 education has earned in the hearts of the American public. That public trust I believe is the foundation to build on in continuing to push for change and improvement in Kentucky schools.

Thank you.

Dr. Sexton

We're going to have a little discussion and I'll throw out a couple of questions and hope you all will be thinking of things you want to talk about, either questions or statements with a question mark at the end or a statement without a question mark at the end. We'll welcome anybody's ideas in this informal and conversational setting we have here. I want to start with an easy one. I picked up on Ginny's comment about public attitude toward education. I was in a conference last week with three national education correspondents, one with NPR, one with *USA Today*, and one with Gannett, and we were talking about the future years, and in an audience that has seen why education was so important to the public. And I'm including higher education, postsecondary education, here, David.

They said, "No, next year, 2004, I don't expect education to be much of an issue in the national election." And when pushed a little bit, they said, "You know, we think people are concerned at the local and state level, but candidates won't make it an issue next year." And what struck me on giving that editorial comment was that, as a matter of fact, these journalists were adopting the same kind of cynicism that certain politicians do. There was kind of a self-fulfilling prophecy by saying it, but the editorial comment, you all can disagree; but tell us whether you think education will be an issue in the coming election year, whoever wants to start.

Ms. Edwards

I definitely do. You know, we're already with all the Democrats buying….. I mean, that's really what you are talking about at this stage of the campaign, I would say. Well, two quick comments: One, on the Democratic side, is that we've already been following the candidates on their platforms and what they have to say; and we're seeing a lot of interest at the higher education level, and I won't take away from David because of these access and affordability issues which hit people where they live. And at the K-12 level, the accountability and, you know, testing issues that people are really focusing on now more than ever, I think it's going to be a big issue. And I'll note that, and I don't say this to be cynical, but I am noting it, President Bush went to Iowa last week for four town forums around education. Now you tell me why he was in Iowa for four town forums on education. I mean, and they've said to us, you know that they have a political reason to be there.

Dr. Sexton

Because the Democrats are talking about it in their primaries…

Ms. Edwards

They are talking about it in their primaries, and you know, he sees himself as an education president.

Dr. Sexton

David.

Dr. Longanecker

Well, I think this could become a very partisan sort of area. I think the Democrats are really aligning themselves more on higher education issues. Almost all of them have developed a position. Candidate Dean just came out with a position this last week which frankly is a pretty creative one. The President ought to look at it because there are some pretty neat ideas in it. And I think there are some other very interesting ideas. I don't think the Democratic candidates will take on the President on No Child Left Behind and elementary and secondary education because the President has established himself pretty strongly in that domain in a popular sense. I mean, well, state legislators, state governors are very anxious about No Child

Left Behind. Many educators are regular folks when told what this is, about the high standards for all children; that resonates pretty well. So I think he will have the high ground on elementary and secondary education which means that if there is to be an education agenda, it'll be higher education. I'm not sure education will be as far in the forefront as it was in the President's previous campaign and in President Clinton's last campaign because we will be, I presume, still at war during that period, or at non war during that period of time. And that will be commanding an awful lot of attention, and so domestic issues may not be as far in the forefront.

Dr. Sexton
Ginny, I think what David just said may have been what the reporters I heard last week were saying, which is that the Democratic candidates may not challenge the President on No Child Left Behind. Therefore, what does that leave in the debate?

Ms. Edwards
Well, I think the funding issues are huge. I think the backlash to the accountability is a problem that is bubbling up. How that plays out, I don't know, but there is going to be, I think, some discussion about these issues. There has to be. These numbers are just going to keep coming out. Parents are not going to want to hear their kid is going to a school that has been deemed failing. And it's going to put the conversation, I think, granted maybe at the local and state levels, but I think by sort of natural evolution it moves to the federal level, because, in part, local people can say, "Wait a minute. A lot of this is coming down from the federal level as an unfunded mandate, and we're between a rock and a hard place." I don't know. I'm a big believer that conversations—you know how I am—that getting public discussion started and having conversations about these things ultimately is a good thing. Whether everybody hears them and everybody picks up on them, I don't know.

Dr. Sexton
Let's pick up on No Child Left Behind for both elementary, secondary, and postsecondary. For Ginny, but, David, let me start with you. I was wondering whether No Child Left Behind accountability and the focus on it, and you alluded to this a little bit, to what degree is that going to ratchet up the issues in postsecondary education?

Dr. Longanecker
I believe there will be a substantial focus on accountability. The administration has indicated that's one of the areas they want to focus on. The framework is No Child Left Behind, their framework is standards, and standards for all. They are basically working in No Child Left Behind with the states toward that activity. Now some of you will remember in first President Bush's period of office, there was a law passed in the 1992 amendments that called for a substantial state involvement called the State Postsecondary Review entities, SPRES. I became quite famous because I was responsible for implementing that law. I actually thought it had some good components in terms of a federal-state partnership. Many others didn't. I think that could be the way it evolves. It could also evolve into something where there is a federal, rather than national, approach to imposing standards on higher education. And I think two things could drive that.

One is that I don't believe the higher education community has been very responsive to the needs of Congress. Many of the organizations that represent higher education in Washington, D.C., have essentially said, "This isn't any of your business." Well, that's not well received. And so I think that's an area where that doesn't bode well for partnership in developing ideas.

And the second reason is there is just a lot of interest in areas that we haven't done particularly well. I said some good things about the state accountability programs. Even those, however, tend not to attend to our real reason for being, which is to learning. And we haven't been very responsive on issues on student learning. We're all afraid what a federal or national approach would be to that, and so we can't really enter into that dialogue very effectively. But in fact, there's a lot of interest around the country and a lot of interest among leaders since measuring up, who came out and said that was where we all got an incomplete, that maybe we need to attend to that in more substantive ways. Let me make sure I understand. No Child Left Behind requires states to establish performance standards?

Dr. Sexton
Student learning.

Dr. Longanecker
… and assessments. Demonstrate learning …

Dr. Sexton
Is that a direction, the kind of direction that could occur in postsecondary education?

Dr. Longanecker
I think it could occur because it's the framework that the President and the folks have been working on. It's an area we obviously haven't attended to. Most of our accountability deals with participation, whether a successful participation or not, and doesn't deal with the actual learning process. I prefer to have some time to work that through and find better ways to do it than we have. I don't know that we'll get that time.

Dr. Sexton
Ginny, you started to allude to this. Predict for us a little bit where No Child Left Behind will be going over the next two or three years. Not the election as we have already talked about that, but how do you think it's going to unfold both at the federal level and then as it plays out in the states? Speculate a little bit about that. David, I welcome your opinion on that, too.

Ms. Edwards
Well, we're coming up on the two-year anniversary of the law. And as we know, the reauthorization cycle is much longer than that. So, here's what I think. I think that there's huge buy-in about No Child Left Behind, as the concepts of it—that all children can learn, that greater student achievement is important—but I think that you start to run into trouble when you look at some of the specifics that are in the law, about how these things are going to be put in place and accomplished. Where we're really running into problems, of course, is the implementation. It's like a reality check when the states are really needing to do what the law says they need to do, and they run into the rubs of whether it conflicts with what they're already doing or whether the old, unintended consequences were actually just wrong, intended maybe. It's going to have to be amended. There's going to be a lot of pressure in Congress to make some changes, not in the overall intent and maybe not even in some of the specifics of what the law says. This is a prediction, and I'm not particularly good at this. But in the part of it that I've put under the implementation umbrella, I would say there's going to have to be some more creative and expansive thinking about how to make sure we're making this progress, because there's just some stuff now—it's like a train wreck. In some states, it's worse than here, where things are just on opposite tracks that are going to run into each other.

Dr. Longanecker
Particularly the states with a fairly elaborate assessment and accountability system.

Ms. Edwards
States that are actually, ironically, that's right, where there are laws in their public policy system. That's right.

Dr. Longanecker
You know it's interesting. No Child Left Behind was an area where the President and the Congress really led by following. Almost all states were already doing fairly substantial work in this area. And the federal government created a law that sort of embedded the philosophy at the national-federal level. In higher education, they really couldn't do the same thing because we don't have the same rubrics in our accountability that elementary and secondary did. Our focus has really been on a different set of outcomes and outputs, not so much student learning as student success in the learning enterprise. I think that it is a natural course for higher education to have taken. And I wouldn't predict whether they will go for student learning outcomes in this or whether they'll be willing to be patient enough to work with higher education toward that in some fashion. But I think there will be a lot of focus on the issues around accountability by the end of the day. I think what struck me as characterizing No Child Left Behind as opposed to many state programs, and this is probably because of distance, Washington as opposed to state capitals, in a way, it's much more punitive than many of the state programs that have been in place which emphasize progress as opposed to failure. You know governors are not disinclined to be interested in student learning outcomes. In my section of the world, their favorite institution is Western Governors' University, and the principal reason for that is that a key component of Western Governors is competencies and outcomes. And this is something that resonates to governors, legislators, and other leaders, more than it does to higher education leaders.

Dr. Sexton
Any comment or questions from you all? I'll ask the final one, then, and then thank the panel. Everybody in this room, I don't think I'm just biased here, depends a whole lot on the media to tell us about education. As these issues get into the

level of complexity we're talking about, I think it gets harder, especially in a climate that's increasingly contentious in the political sphere over the last 20 years. Do either of you have any comments on how the media is doing in explaining to the public things like postsecondary forum or accountability in elementary, secondary, and, Ginny, except of course *Education Week*, local media, television, radio, and the newspapers. Are they helping us or hurting us?

Ms. Edwards

Obviously, I'm not going to bite on that one. I think the media are better than they were, you know, 10 years ago. I think education is an issue that's more respected in journalism, and that [for] papers, it's a beat that tends now to have people for longer periods. Yes, you know, I think it's getting better; but I think any given paper on any given day on any given issue, of course, can be one or the other of what you just set up. And I believe very strongly in the mode of journalism that we call explanatory, and I did see the local paper this morning and the two inside pages, two plus inside pages, given to the numbers that came out in adequate yearly progress, a Q and A on the issue. You know that's obviously a help, and the kind of work that you all do and other parents and public forums do is part of that. I don't think the media is the only one responsible for making sure that that kind of conversation and information is getting transmitted.

Dr. Longanecker

I think there is a real difference. I think the print media has gotten better, and it has provided a much brighter perspective. I've been impressed also with the fact that they are even talking about education. You have *The New York Times* and even *The Wall Street Journal* doing a fair number of articles that are education-related. That's pretty good. And they're reasonably sophisticated. I would say, I think local print media is more prone to less knowledge about the issues. They love percentages and forget actual dollar amounts. I'll give you an example. In California, there was a huge uproar over a 40 percent increase in the tuition at the community colleges. Of course, that raised them from $350 to $425 or something in that area. But nobody ever mentioned it was a $125 or $150 increase. And people say, "Look at the private colleges, they only increased theirs by 5 percent, and that was maybe $1,000. So both dollars and percentages have to be covered. I do think that it's much harder for the television news and others to capture a sense of the story, given the amount of time they spend on an issue.

KET's Bill Goodman, moderator of the panel discussion, "At the Crossroads: Prospects for Kentucky's Educational Future," introduces "Kentucky's future," children on hand for the landmark discussion.

At the Crossroads: Prospects for Kentucky's Educational Future

Moderator

Bill Goodman, Host of KET's "Kentucky Tonight"

Panelists

Sen. Lindy Casebier, Chair, Senate Education Committee, Kentucky General Assembly, Kentucky Long-Term Policy Research Center Board Member
Mr. Billy Harper, Owner, Harper Industries
Dr. Marlene Helm, Secretary, Education, Arts and Humanities Cabinet
Dr. Cheryl King, Vice President of Adult Education, Council on Postsecondary Education
Dr. Tom Layzell, President, Council on Postsecondary Education
Rep. Frank Rasche, Chair, House Education Committee, Kentucky General Assembly
Rep. Jody Richards, Speaker of the House, Kentucky General Assembly
Dr. Kim Townley, Acting Division Director, Division of Early Childhood Development, Kentucky Department of Education
Dr. Gene Wilhoit, Commissioner, Kentucky Department of Education
Sen. David Williams, President of the Senate, Kentucky General Assembly

Mr. Goodman

We could begin our conversation today, panel and audience, in many ways in talking about education. We could talk about the No Child Left Behind federal act; we could do that for an hour. We could talk about postsecondary education, KERA—our challenges and our successes—but if I can invite you to go along with me, let me just tell you that I think, as a starting point, we should talk about these.

Young children, babies, and their parents come to the stage to applause.

Reports tell us that the message of the research is clear. The earliest influences on children—physical, mental, emotional, and social—establish the framework of these lives. The first three years are of particular importance. These tender years lay the foundation that will determine how today's infants deal with tomorrow's tough challenges. So as we begin our discussion today—and thanks to our participants (*applause*)—I ask you to keep these best and brightest, these champions of tomorrow, these future citizens of the Commonwealth in mind.

Dr. Townley, let me begin with you, and if you would, please, talk about what we need to do to take full advantage of all the millions and millions of dollars that we have already spent on education to ensure that these (*gestures to the children*) who have not taken advantage of that yet, will when we get down the road.

Dr. Townley

You are absolutely right, Bill. The research is clear that education doesn't begin when the child crosses that classroom door. Education begins when children enter this world. We know that those first three years of life we are building 90 percent of the architectural structure of the brain, upon which later learning will be built. And that learning, that structure, is built firmly if children have good environments, environments that are nurturing, stimulating, and where people care and love the children, whether that be in the home or whether that be in a child-care situation.

Mr. Goodman

Some of our legislators were in service in the General Assembly at a time when we passed this legislation. Senator Casebier, I think you were on the task force. Goals were established, mission statements were written. How do you think we are doing in early childhood?

Sen. Casebier

In early childhood, as well as secondary, I think that we have made a lot of gains since 1990. I was on the curriculum committee as an ex-officio member, and we have changed the way teaching and learning take place in Kentucky. We're at the halfway point in our journey, and I think that we have learned a lot along the way. We have learned how not to do some

things and how we can improve on others. We have made a huge difference in the lives of students who just graduated this past year who have gone through their entire educational process under KERA.

Mr. Goodman
Rep. Rasche, Dr. Townley said to me in an early conversation that in order to reach the state's goals by 2014—the goal of all students reaching proficiency—to begin when children enter school in the first grade is too late.

Rep. Rasche
Definitely. Dr. Townley pointed out that the foundation is built in the earliest years, and you know that your building can only be as good as the foundation that you have laid. You can do some make-up in later years, but there is so much energy that you have to expend for things that should have and could have been done naturally in those earlier years. She is exactly right.

Mr. Goodman
Throughout our discussion, I am going to call on members of the General Assembly to act as our crossing guards, keeping with the title of our theme. The crossroad guards we will call Speaker Richards and Senator Williams. President Williams, let me just ask you to give us a sense of where you think we are with not only early childhood but elementary, too. Please just talk a little bit about where we are at the crossroads.

President Williams
Obviously, I believe there is a continued commitment in the General Assembly to education, elementary and secondary, postsecondary, KCTCS, and the comprehensive universities, research universities. I think that the members of the General Assembly are not as familiar with early childhood programs as they are with other programs, because that program is newer and there is continued excitement about adult education and adult literacy. But the commitment on both sides of the aisle, among Republicans and Democrats, House and Senate, seems to be there. There are some philosophical differences on what the best approach is. As we talk about the early childhood education people say that you can't do anything with folks

unless you can get to them before they are six years old. I believe there is data that indicates you can do things with folks as far as reading recovery, remediation in math, and adult education, adult literacy, all the way up; we cannot give up on the generation that we have now. Because the workers for the next 20 years are already in the system now, and I believe that we must take a very pragmatic approach about what we are going to do about problems that have been previously created by economic circumstances or educational deficiencies that we have had. I am very committed to making sure that we continue to look at that in a positive way and make sure that not only is no child left behind, but no adult is left behind.

Mr. Goodman
Speaker Richards.

Speaker Richards
When you analyze it, the 13 years since the education reform act was passed has been a truly remarkable period in Kentucky. I was part of that group that reorganized our school system, and I am very proud of where we have come. When you look at how far the state has come in all ways that we measure success, young Kentuckians are doing much better than most of their counterparts around the country and those who came before them. So I am very proud of where we are coming. I am also very proud of early childhood development. I think that is a wonderful program, Head Start and other preschool programs; we are doing so much to try and get the young children ready for school. It is also really important that we do work with those people who are in school, and I think our standards have to remain very high; we have to have high expectations, and I think that is one of the cultural changes that has happened in Kentucky schools. Expectations have been set high; the bar has been set high; the accountability is there. We received an "A" from the group that just studied Kentucky's education system for our accountability measures. We must continue to make those high and have high expectations for all of our students, from those who are not ready to enter through those that are in our school system now.

Mr. Goodman
Dr. Wilhoit, I would like for you to talk a little bit about student academic performance and talk a bit, if you would, sir, about the key measure that you look at and have looked at throughout the 1990s and into this decade, the real measure that you need to study that you see. Just give us a sense of where you think we are there.

Dr. Wilhoit
First, we are measuring more content area than most states. The legislature determined that education in Kentucky is much broader than we had historically determined; arts are as critical as some of the other content areas. So we are measuring across all academic areas. Our primary measure is our state accountability system. What we can say as a result of effort over the last few years is that every subpopulation of students is achieving at a higher level than when we began this initiative. The curriculum is much more rigorous; the students are performing at much higher levels. The National Assessment of Education Progress just released a math and reading assessment which showed that Kentucky students are above the performance of the students in this nation—the first time in our history that Kentucky students have been performing at that level—and that we are advancing in mathematics. We have more achievements to accomplish there yet. Also, from other reports, we know many more students are taking the ACT examination than we have had historically, and we would like to see higher performance on the ACT, but the fact that three fourths of our youngsters are anticipating a college education is a very positive sign. Students are performing on multiple measures at higher levels and more students are attempting to move on to higher education.

Mr. Goodman
Am I hearing you say, then, that you think we have the necessary evidence at the present time to support the continuation of KERA in its present form, or are there some things that you would change about that?

Dr. Wilhoit
Nothing is ever at a point where it should remain stable; if it remains stable, then we are going to lose the kind of intellectual stimulation that we need as policymakers to move ahead. We need to constantly look at every aspect of the reform; we need to constantly evaluate how well students are doing. For example, our students are not doing as well at the secondary level as they ought to be today. We are not pleased with that kind of progress; although progress has been made, we can do better. What can be done to improve that high school experience? Mathematics achievement needs to be improved, and we need to look at the achievement levels of some students who are not up to the level of others. We need to reduce the achievement disparities that exist in the system. We can't do that by assuming that the system we have in place today is going to remain as it is. I would say, "We are on the right course; we have made a tremendous commitment" as a

body, all the way from the policymakers down to the classroom level, making the kinds of changes that are necessary, but we will need to continually evaluate and improve.

Mr. Goodman
Bill Harper is on our panel for many reasons. One reason is because not only are you interested in education, but also that you are a businessman. If you would, talk to us a little bit about where you think we are and the commitment that the business community has had to our educational progress here in Kentucky and where you think it might go from this point.

Mr. Harper
I think in the 1989-90 KERA, business came on board and said, "You are right, it is time to make major changes in Kentucky." Moreover, they came on board with their checkbooks and said, "This is great, but we want accountability in the process." Kentucky responded and we stepped forward and have accomplished a lot. There are two issues here. Business has a tendency to think, "OK, that's fixed, I can go on to something else." We have a tremendous responsibility to keep business engaged to let the business people know that it is not fixed—we just did the first step.

The other is that within our system we have pushed accountability down to the local level; that means that the local businesses have got to continue to demand success or our system will not progress as it should. We will do the nice things in Frankfort, but each school system has got to respond. For business to stay engaged I think we have to look for more accountability. Businesses during the last recession have had to learn how to look outside the box. How do we cut costs; how do we do things that we have never done before? I think that education is in that same box now, and we are going to have to do things that maybe aren't pleasant, maybe are tough, but we cannot let up on what we are doing. But we need more credibility, more accountability, and to keep moving ahead of the other states. The other states are progressing too, so we can't just improve. We have to improve more than the other states.

Mr. Goodman
Secretary Helm, you have been mainly responsible for shepherding, if you will, a number of areas in your cabinet, certainly for the last years. If you can impart some words of wisdom, some clues that the next secretary, the next departments that are in the cabinet might look for and how would you think would be the best way for that new secretary to go about that?

Secretary Helm
I agree with the comments that were made earlier about KERA: KERA is a journey; it is not a destination; we will never be finished reforming or changing or improving education. It is important that there are strong partnerships to ensure that every child is given the quality education that was promised, back with the words, "with all deliberate speed," almost 50 years ago in 1954.

We are making progress, but we have a number of children who are being left behind. It has to become a priority almost in the form of a crisis, if you will, but when you see the faces of the babies as we did this morning, that puts a personal face to it. Then you realize that all the policy in the world, all of the legislation in the world, won't make a difference if you don't have committed individuals who are determined to really make No Child Left Behind not only a saying but a reality. I think that the early childhood piece was like the missing piece of the reform puzzle which has been put into place. The gentleman this morning said that we have the capacity to ensure that all children learn and that they learn at high levels. Now we have got to make sure that we have the will to stay the course; to do anything less would be tragic.

Mr. Goodman
Dr. Layzell, you and I talked last week a bit about several things, and we touched on a couple of these on *Kentucky Tonight* last night. In that conversation you mentioned three areas that you are concerned about. I would like for you to share that with this audience, please. You talked about the political-government, the fiscal, and the operational, and I really want you to emphasize what you mean about operational areas that you are concerned with.

Dr. Layzell
We are in what I would describe as three transitions that are going on simultaneously right now. Obviously one is a political transition for which at least the first phase has occurred with the election of the governor. There is always some question in a gubernatorial transition about what comes next and if we are going to stay the course of initiatives that have already been undertaken. I think that question has been pretty well answered; I think that people are committed to the very impressive set of legislative enactments that were done here in Kentucky in the 90s and early 2000. Two is financial transitions: we, like states across the country, are beginning to experience some stress financially, not as severe as some other states have experienced, but severe given our recent history and that the short-term outlook is for more of the same. In a period of financial stress there is always a pressure to cut back and not continue to move forward. We cannot do that. The lack of

money cannot be an excuse for not moving forward; we just have to get smarter and keep our sights set on the agenda that has been set for us. It is the right agenda, all the way up the line. One of the real impressive things to me about what Kentucky has done is the scope of these enactments dealing with education, all the way from Pre-K up to adult education—and it has already been said—all of those components are important. Finally, in terms of K-12 and higher education, we are in a period of operational transition. We are going to have to do business differently in the future than we have done in the past. I heard a great quote the other day that I think sums it up very nicely what we are going to have to do. "Think beyond your experience and plan beyond your tenure." That is what we have to keep in mind here.

Commissioner of the Kentucky Department of Education, Dr. Gene Wilhoit, and Dr. Tom Layzell, President of the Council on Postsecondary Education, talk before the panel discussion begins.

Mr. Goodman
Give us that again, Dr. Layzell.

Dr. Layzell
"Think beyond your experience and plan beyond your tenure." That is a good watchword for all of us. In higher education we are going to have to do business differently than we have in the past. We are going to have to standardize some things that we haven't standardized in the past; we are going to have to look for new ways to do things, and there will never be enough money to do everything that should be done and could be done. By definition, we are going to have learn how to make the most use out of our dollars. I think that is a great challenge to have.

Mr. Goodman
Dr. King, check me on my numbers here, but I understand one out of four Kentuckians over the age of 25 does not have a high school diploma or a GED.

Dr. King
That is correct, Bill, and those adults are the parents of these beautiful children and other children that we have with us here today. Those children will be much more likely to be healthy and to enter school ready to learn and to succeed in school when their parents are literate and well educated. And Kentucky, as has been said by Dr. Layzell and Senator Williams, is taking a very broad approach and a very pragmatic approach to education and looking at adult education in how it touches our young children, as well as our current and future workforce. Our ability to work together and leverage resources to ensure that those individuals who do return to learning and work and obtain their GED are also moving on to continuing education. It is not about a GED program; it is about whether our adults are prepared for continuing, lifelong learning, and are they prepared for jobs, in particular good jobs. As we talk about the new economy, the fact is too many adults in Kentucky weren't ready for the old economy and couldn't participate in it. So we have much work to do from all angles, from all ends of the spectrum to ensure that every Kentuckian has every opportunity.

Mr. Goodman
Let me return to our crossroads guards and get some response from them. Senator Williams, you listened to what the others have had to say. Please give me what your sense is from what Dr. Layzell gave us to Secretary Helm and the will to go ahead. Sometimes I think that we know a lot about where we came from, but we haven't done a really good job of getting other Kentuckians to buy into that program. Do you think that as a state we have the will to continue?

President Williams
I am not so sure that I agree with you that we know where we came from because there has been a tremendous turnover in the General Assembly since KERA was passed. At our Senate Republican retreat we are going to revisit the history of educational funding, and there will be a presentation about where we came from, the Foundation Program to the SEEK program. You know the mystery of numbers seems to bother people. You know their eyes glaze over, but I think it is

important that today's legislators understand and have a historic perspective of where we came from and what sort of progress we have made.

I am particularly concerned that most everyone who has said anything here recognizes something and that is the achievement gaps that we have. I think at the national level, and maybe even more so in Kentucky, there is a direct correlation between the achievement that we have made as a society and the gaps that we have among identifiable groups in the society. I am proud that our present commissioner recognizes that. I saw some recent quotes about that and I think that is a real opportunity. You hear people criticizing No Child Left Behind and other things, but as a person who was there during Kentucky Education Reform and who voted for Kentucky Education Reform, I can tell you one of the greatest shortfalls that we have is the fact that down through the years we haven't had an assessment program dedicated and focused in on individual students or individual groups that might not be brought along with everyone else. That is the reason that I am really excited about the opportunity we have to take the assessment program that is in KERA and mesh the No Child Left Behind assessment program to make sure that we can do something about these achievement gaps that we have experienced down through the years. These are folks that we cannot afford to lose.

Mr. Goodman

Speaker Richards, before I go to you, if I may return to Commissioner Wilhoit very quickly, and as I said in the beginning, we could probably spend all day talking about No Child Left Behind. Let me get your thoughts and especially on the latest findings that were just released yesterday, about where Kentucky ranks. Talk a little about those numbers, because we are going to begin to hear quite a bit more about No Child Left Behind. Are we not?

Dr. Wilhoit

We will hear a lot more with this release and future releases. We will have taking place here in Kentucky and across this country a set of accountability measures that we have not had before this point. I think the intriguing part of the release today was that, though some attention has been brought to the differences that might exist between Kentucky's accountability system and the federal system, the message that came across to me in the morning papers was that this is another barometer for us to look at and to make some judgment about how well we are doing. It is more severe and more intense around accountability for subpopulations. There is no doubt about that. But if this does nothing more than just highlight that even in our best schools achievement gaps exist between some students, and we have the resolve to do something about that, then this will bring a lot of value to the state of Kentucky and to the nation. It is terribly complex to work through because it is a very specific law, but if we can work through these issues, and we will work through these issues very directly, we can meld those two systems. Both of them will tell us something about how well our schools are doing. We will release that information to the public.

Speaker of the House Jody Richards talks with Joan Taylor of the Council on Postsecondary Education at the conference.

It is important that every community wrestle with those issues that come forward as a part of the report. It is in my mind an opportunity for every community to sit down and do some soul-searching around how well they are doing for every one of our children. It is clear for this morning's release that there are certain subpopulations—children with disabilities, children of color, children of lower economic status—that are not achieving at the level of some of our other students. We must address it, and I think with both accountability systems, with Senate Bill 168 that has been put into place at the state level, we do have a merging of the two kinds of systems.

Mr. Goodman

Thank you. Speaker Richards, would you please give us your comments on what you have heard so far?

Speaker Richards

First, I want to assure this group that I certainly believe that the General Assembly has the will to move our state forward in education. We have had that will for years. When we talk about building the budget, the first thing we talk about is education and how to make our education better. We do spend about two thirds of our state-generated dollars on education in Kentucky, so we have the will; we have the dedication.

I do think that we are going to have to invest more in our system. Exactly where that money is going to come from, I am not sure. I think to continue the progress that we have made will require more funding. Higher teachers' salaries: we are

asking the teacher to do so much, we have to improve our teachers' salaries. We have drifted downward now until we are in the low 30s out of the 50 states; that is not a good sign. That has to be changed. In the last session when the budget was in dire straits, we put 100 million new dollars into education; we need more, but at least we contributed that. We also are trying to reconstruct or rebuild about 20 new school buildings in Kentucky, which is very important. I think the will is there. Lifelong learning and the emphasis on that is so very important. There is no disposable Kentuckian. Any Kentuckian, wherever they are found today, if they lack an education, we have to work with them and help them make the most of their potential.

Mr. Goodman

So to the rest of the panel, I would like for you to talk about some of the things that you have heard about. Senator Williams introduced the achievement gap, which is something I would like for you to talk about, from early childhood all the way up to adult education. Let me hear a little bit more about what you think we should be doing.

Senator Casebier, it seems like at this conference and other forums and at your retreat, it always comes down to dollars and cents. And as Speaker Richards just pointed out that is the reality of it. But a lot of people want to know when they look at leaders, where those dollars are going to come from and how much money it is going to take. I think it is good to remind people, as you pointed out, Speaker Richards, just a couple of weeks ago on *Kentucky Tonight* when we had that panel discussion. Majority Floor Leader Senator Dan Kelly also mentioned that you did put $100 million in there, and sometimes I think the general public overlooks that. Senator Casebier, it always comes down to dollars and cents, people want to know what is going to happen next.

Sen. Casebier

I don't think any of us knows at this point. Obviously, when we get to Frankfort in January, we are going to face some serious challenges. But I think everyone on this panel has mentioned that it is an investment, and it is a long-term investment in the future of our Commonwealth. We have made so many incredible strides from early childhood through adult education. Why do we have so far to come? It is because people who came before us had not invested in education. We had an adult population that was not educated. As a result, we have kids entering school not prepared, not even for the basics of learning. They had parents who didn't value an education. So we finally now have all the components in place, and I think that we really are at a crossroads and we're at a point that from every level we can begin in earnest now that we have all the pieces in place, to move forward. It has been a journey. We now have another destination, but we still have a much further way to go. All of us in the legislature have to search within ourselves and decide, is that really worth the future?

break in tape

President Williams

… low educational levels that were not transferable in many ways. We have to get the commitment—not just from legislators—but recognition in every adult and every home that we are entering into a new era, an era in which you can no longer say that just because you are willing to work hard, that you have a good work ethic, that that is enough to provide well for your family or to be successful in our society. I make the commitment on my part that it is not acceptable to me and will not be in the short period of time I might have left on the political stage, that we have these achievement gaps. When you can identify groups [who] because of their color or political affiliations, their philosophical beliefs, have been ignored for various reasons we have to concentrate on, I cannot emphasize that too much.

Until every child has that opportunity and until we change our culture all the way across the board geographically and every other way, we are not going to succeed. It is going to take an effort of the entire political system. The newspapers, instead of throwing rocks, instead of criticizing, instead of being the bane of everyone's existence, should recognize the fact that the 138 members of the General Assembly aren't sacrificing their time, and they believe we have this commitment and we must follow through with it. We have to cross political lines to do this, because we can't afford not to do it.

Mr. Goodman

Commissioner and then Billy Harper and then Secretary Helm.

Dr. Wilhoit

This conversation that we are going to have in the next few years is going to be more complex and more difficult than the conversation that we had in the late 1980s. It was very apparent that Kentucky needed to make tremendous strides in the late 1980s. You could look at school facilities and you heard the stories of deprivation that occurred. We are much better than we were, so it is not quite as apparent to the public, but I think the other issue for us is that, based on a study we did

last year on equity, the legislature did an outstanding job of putting in place an equitable system and have maintained that over time.

Senator Casebier used the words adequate education, and so the conversation is moving from that equitable distribution to what is an adequate education, adequacy being defined as what it will take in terms of organizational structures and resources and human investments to reach the goals that we have set. Now that we have set those goals, and we have set them at a pretty high level, we are now asking the education system to provide the resources for that. There are a number of different studies that have been placed on the table, and those studies basically lay a lot of resource demands on the system. Those are starting points for a conversation … it will take time for us to get to that point where we have the system in place that we feel comfortable with. It is going to take a very serious dialogue and an investigation of every part of this system as we move ahead.

Mr. Harper

A lot of the issues that we are dealing with today weren't even in existence in the 1980s. For instance, I am in the construction industry and a huge percentage of our workers are now Hispanic. Because of that, and I never realized the impact until I became a local school board member, all of a sudden we have the English-as-a-second-language issue and a huge population of Hispanic children with a whole different set of parents and communication. So when the system has moved in one direction, all of a sudden we have a whole new issue. I am defending in saying that they have done a great job with the population we had in 1989-90; the problem now is that we have a whole new group to deal with. It has got to be a fluid issue, both in communication and in results and accountability.

Mr. Goodman

Dr. King, you must deal with that a great deal yourself.

Dr. Cheryl King (right) makes a point during the KET panel discussion as Dr. Kim Townley (left front), Dr. Marlene Helm (back row left), and Billy Harper (back row right) look on.

Dr. King

You know Kentucky has made a great commitment to education and we have made great strides and we are all committed to continuing that. I think that we also have to talk about how we galvanize our communities, our employer communities, and our citizens, the people in our churches and faith-based organizations and others to understand their communities and the issues that their communities face. One by one all of us, no matter if we are a parent, a grandparent, an employer, no matter what our role in our community, we all must have the commitment and energy to work together to make sure that every Kentuckian has every opportunity.

Mr. Goodman

Secretary Helm.

Secretary Helm

Leaving children behind—the achievement gap—has been in some regards looked at as the civil rights struggle of the 21st century. It has to become the priority for everyone, not just the educators, but for the entire community, because it affects the entire community. There is research that says that if those who are currently being left behind, primarily black children, poor children, if the achievement gap could be closed, it would make a difference of over $230 billion in America's economy. If you look at that from the standpoint of Kentucky, it would have a great impact on Kentucky, also. It is not just an educational issue, it is a health issue, it is a social issue, it is an environmental issue, it crosses so many boundaries that, really and truly, this issue has to be seen almost as a crisis, not as just a problem. I think when you look at it and frame it correctly, then you have the direction in which to try and address the problem. I choose to look at it as priority one.

Mr. Goodman

Dr. Layzell gives me a little smile because we talked about this on the phone last week. In the November 17 issue of *Newsweek Magazine* there is a piece on a young man named Daniel Spagenburger from Beckley, West Virginia, and there is also a nice little box about Berea College in there, too. Dr. Layzell, I am going to surprise you because I am not going to go exactly where I wanted you to go in talking about Daniel Spagenburger. I want to go to the statistic which says that a

recent study done by Center Foundation found in the nation's 146 most competitive schools, 74 percent of students came from upper and middle class and wealthy families, while only about 5 percent came from families with an annual income of roughly $35,000 or less. So am I hearing several of you say that the achievement gap, although recognized and discussed and plans are in place, is going to get a new emphasis, as Secretary Helm said, in this 21st Century in Kentucky? Speaker Richards, are you hearing a new fervor for working on the problems that the achievement gap brings us?

Speaker Richards

I think we started certainly when we did the Kentucky school system in 1990. We did several things, the Family Resource Centers, the parental involvement through the school councils, and, of course, the early childhood development and the emphasis on the GED programs. We've done so many things to try to narrow that achievement gap, and I think that if we keep our hands to the plow, if we continue where we are going, I think the plan is set out there, but we have to have parental involvement and our technology. Remember Kentucky has moved further in technology than any other state, one computer for six students in Kentucky. I think that has helped, will help over time to diminish the achievement gap. I think that we have done a lot of things, we just need to continue to work hard on these, and, remember, we have done more in terms of the KEES scholarships to try and encourage youngsters to go on to school. The prepaid scholarships, the program that my wife and I have established for our granddaughter, to put so much back each month so that she will have the money to go to college, we have to work together to make sure that all of our young people have the hope and opportunity that they should have in our great Commonwealth.

Mr. Goodman

Rep. Rasche, your comments on that; do you see a new zeal for working on the achievement gap?

Rep. Rasche

Yes, I think there is movement there. One of the things that I did when I became chair of the education committee, I suggested to staff that if there were ever opportunities to reword "All children can learn," I said, if it is appropriate, let's say, "Each child can learn." It is too easy to hide behind an average, but you can't hide behind an individual. They are either on target or not. That emphasis is beginning to change.

Let me suggest this: one of the things that I think began with education reform in Kentucky is there is a higher degree of working together and a higher sense of it. For instance, we have brought in early childhood and brought in postsecondary, and we have put a new emphasis on reading skills, literacy skills for adults on the GED, and so on. I think at the policy levels we recognize very strongly that these components work together, and I think that as you work through the system, though you have outstanding examples where this is a realization, there are too many other examples where it is easy to put all these things into a box and set them aside, which is not appropriate.

Dr. King and I were talking earlier about adults and the GED. They are striving to make it not a goal, but a milestone toward other learning. They have been a little frustrated in that they haven't quite got this message through. As you go out into the state, out into the systems, that awareness of seamlessness, to use an overworked word, is not always there. But I think at the policy level it is, and I think the message is slowly seeping out. When I worked with Dr. Townley on early childhood, one of the largest looming aspects of the whole thing was community involvement and an awareness that those children lived in their midst, and it was their children that we were dealing with. So we are on our way, but we've still got a long way to go.

Rep. Frank Rasche

Mr. Goodman

Senator Casebier?

Sen. Casebier

One of the key ways that we are going to be able to close the achievement gap is this focus on reading. So many kids that drop out of school or become discipline problems, for whatever reason didn't get the basic grounding in reading that they needed in elementary school. We know so much more now research-wise and instruction wise, so it has been a learning process, not just for students but also for educators. We know better who to look at and address problems early. I believe there will be more focus on that in this upcoming session. I think the best way to close the achievement gap is to address that at a very early age.

Senator Lindy Casebier (right) talks with Dudley Cotton from the Legislative Research Commission (center) and another conference attendee.

Mr. Goodman
Dr. Layzell, now let me talk about Daniel Spangenberger just a bit. As I said, he is a young high school student in Beckley, West Virginia. Just very quickly reading here, he has a 3.9 grade point average. He scored a 1330 on his SAT test, and he is going back to try and do 1400. His problem is this, though he wants to go to Carnegie Mellon or Cornell or to one of the other schools that I mentioned a few minutes ago that are accepting those other students. *Newsweek Magazine* says that there are only two obstacles standing between Spangenberger and his dream. He comes from a poor family, neither parent went to high school, and he attends a rural high school. It goes on to talk a little bit about him and what he is trying to do. One of the things that I asked Dr. Layzell over the phone was, "Dr. Layzell, is this the kind of student that West Virginia should be trying to keep in West Virginia? If this student was in Kentucky, would this be the kind of student Kentucky schools and colleges and universities should be recruiting?" Speaker Richards?

Speaker Richards
Absolutely.

Mr. Goodman
Dr. Layzell also gave me an affirmative answer. How are we going to be able to be sure that those kids that could just as well be living in Kentucky get a chance for education here? Or are they getting that?

Dr. Layzell
The opportunities are there, but we are going to have to make a special effort to keep our best students here in Kentucky, and we can do that. It is very doable. Put emphasis on honors programs and scholarship to keep the best and brightest students here. We should be trying to do that. I think it is really an indictment of the elite institutions, that statistic that you just read, and we shouldn't fall into that trap. There is a tendency in higher education to want to recruit the best and the brightest; particularly in private institutions, that pressure is very intense. Students like this young man can get a very good education, a high-quality education. He could get it in West Virginia at his public university there. If he lived in Kentucky, he could get it here, and he could go on and become a success in any area of life that he chooses to pursue.

Having come just recently from Mississippi, a state very similar to Kentucky in terms of the challenges and the demographics, it is a major challenge for states like Kentucky and Mississippi. It is a major challenge to overcome these years where the investments weren't made and there was neglect of various groups and subgroups in the population. I agree with Senator Williams and Speaker Richards and others who have said that we cannot take a position other than we are going to try and make sure every student, whatever their age, who wants an education will have that opportunity. Speaker Richards said, "No Kentuckian should be left behind," and I agree with him. That should be our focus.

I would like to come back for a moment to this notion of investment. We have invested a lot of money in education, no question about that. We are going to have to invest a lot more to accomplish the goals that were set in KERA and House Bill 1 for postsecondary education to accomplish what we want to accomplish for the citizens of the Commonwealth. The investment side is important, but the other side that doesn't always get talked about is, "Are we investing in the right things? What are we spending our money on, and are we spending it on the right things?" We have to pay attention to that, so that significant investment that has already been made gets invested in the right things.

Mr. Goodman
Senator Williams, how long will it take to examine, to investigate, to research in this next session of the General Assembly and beyond whether we are investing in the right product for our education?

President Williams
Well, I think that we are provided with a rare opportunity to be reflective upon the authenticity of the things that we are doing. When times were flush—and I have been in the General Assembly when times were flush; it is hard to remember now, but I was there—we had a tendency to be a little more liberal, with a little "l," in the way we spent money. But when times were a little tougher, then the public sent a message. I think the public sent a message in this last election because the candidates from both parties recognized that there was not the support present for any tax increases. I have heard Speaker

Richards say that the House has no intention of any tax increases. So this leaves us with an opportunity to look at the effectiveness of the things that we are doing and also helps set the predicate to see if there is the will among people to do more, to sacrifice more. They will sacrifice more if they are convinced that what they are sacrificing already is being spent well by good stewards of their money, and I don't think that is out there right now in the general population for a multitude of reasons. There is a tendency now to blame the general discontent with government on personalities and that is not true. The discontent with government right now is that people don't believe that their tax dollars are being spent wisely, and they
want to see a product. That is the reason the accountability program is so important, so that we do have an opportunity in this political change here for everyone to come to the table and ask, "What are we doing and how can we do it better?"

Sen. David Williams speaks with Marcia Carpenter of KHEAA.

Mr. Goodman
Speaker Richards, do you think that most of the members of the General Assembly would join Senator Williams in setting that predicate and working on important things that need to be accomplished?

Speaker Richards
I most certainly do. During the last session we analyzed the budget and gave it as close a scrutiny as we ever had. We pulled together as much money as we could for education and human services, the two most important areas in terms of where we spend our dollars. I think the General Assembly is also taking an ongoing look at the budget, at education. Representative Rasche and Senator Casebier in their respective committees and Appropriations and Revenue Committees are constantly looking at how we can improve our education system and how we can spend our dollars more wisely. I can tell you that the will is there in the General Assembly to move our state ahead educationally, and we are going to have to do it with essentially the dollars that are there, because there is no mood in Kentucky for a tax increase. I think we can squeeze out more dollars for education and we must do that.

Mr. Goodman
Commissioner, let me conclude with you and don't let the fact deter you that we have an audience of 250 people or so, and this is going to be a statewide broadcast over the state of Kentucky. It's just between us, OK? I know that you are an optimist; you won't be in the position you're in if you don't think those positive thoughts every day. Honestly, after hearing these remarks today, do you think that the people of Kentucky and the members of the General Assembly and the Governor-elect and his cabinet and his administration collectively have the will to continue to make progress in education in the state of Kentucky?

Dr. Wilhoit
I do. I think every indication that I have had from the members of the legislature is that they are deeply committed to education in the Commonwealth. They are going to struggle, and we are going to struggle, but I will go back to the beginning of this session. There were those babies in front of us, but there were adults holding those babies, and I have great faith in those teachers and administrators in our school system. I have been privileged to be in those schools on a regular basis, and I see extremely dedicated, hard-working, diligent individuals who are going to accomplish this task. But they won't accomplish it without the policy framework and the support base that we have to give them as a Commonwealth.

Mr. Goodman
Senator Williams, in about 30 seconds, we are indeed using the title of the conference *At the Crossroads*, and do you see us continuing to make progress and going on for the sake of our state and its future?

President Williams
I have no doubt that we will continue to make progress, and we have to emulate what they have done in the private sector. We have to play smarter, we have to plan ahead, we have to use the resources that are available, we have to justify what we

are doing, and we have to convince the people of this state that they are making an investment in educational results that they are going to get. I think that together we must succeed because there is no other choice.

Mr. Goodman
I would like for the audience here at the Louisville International Convention Center to join me in thanking our panel for the discussion. (*Applause*)

Perspective from Capitol Hill

Videotaped Presentation from
Senator Mitch McConnell

Senator McConnell

Good afternoon, everyone; I want to apologize in advance for my voice; I have a slight case of laryngitis. We had a very busy week in the Senate and this was not a great time to have your voice leave you. Nevertheless, I do want to thank you for the opportunity to address the Kentucky Long-Term Policy Research Center's 2003 conference on education; At the Crossroads. I regret that my Senate duties required that I be here today instead of with you and that I can't join you in person in Louisville.

Kentucky's future is tied to the quality of education that is available to our students. In recent years Kentucky has made notable progress in strengthening our universities through successful partnerships like the Bucks for Brains programs. I am sure that this conference will discuss many challenges confronting the new Fletcher administration and the General Assembly as they build upon the progress in the coming years. I wish them well and offer my assistance from the nation's capital in any way it might be appropriate. During the past six years I have secured over $120 million in congressional earmarks to fund cutting research at Kentucky's universities, and I look forward to adding to that total in the years ahead. While these research dollars will improve the quality of education provided at our colleges and universities we should also work to ensure that a college education remains affordable for KY families. As I travel throughout the Commonwealth I meet far too many Kentucky families who see rising tuition as a barrier that prevents access to higher education. While much of the debate in Frankfort and Washington focuses on financial aid programs and efforts to contain rising costs, too little attention is paid to helping families prepare in advance for the cost of higher education. For more than a decade, Kentucky has offered some of the best programs available to help students save for a college education. These programs frequently called section 529 plans include the Kentucky education savings plan trust and the Kentucky Affordable Prepaid Tuition plan commonly referred to as KAPT.

Until recently the IRS taxed the interest families earned in their deposits in their college savings plan; in other words, the money intended to pay tuition bills was instead used to pay Uncle Sam's tax bills. In 2001, I offered legislation that President Bush signed into law to remove this unfair tax on college savings. Now families can use this program and save for college and watch their earnings grow tax free. As education leaders in Kentucky I hope you will encourage families to prepare for their children's future and consider participating in one of the state's 529 plans. Congress can do its part by making the favorable tax treatment that I secured in 2001 a permanent feature of federal tax law. By encouraging parents to prepare in advance we can open the doors of higher education to new generations of Kentuckians and save new graduates from the crushing burden of student debt. Again, thank you for allowing me to address you here today.

A Vision of Kentucky's Educational Future

Stephen B. Pence, Lt. Governor-elect, Commonwealth of Kentucky

Introduction by

Senator Alice Forgy Kerr, Kentucky Long-Term Policy Research Center Board Member

Sen. Kerr

It is my privilege to introduce to you Lieutenant Governor and Lieutenant Colonel Stephen B. Pence. Stephen B. Pence was born in Louisville, Kentucky, on December 22, 1953. Steve received a *Juris Doctor* from the University of Kentucky in 1981 and graduated with a Bachelor of Science and Master of Business degrees from Eastern Kentucky University. Steve began his career as a public school teacher in Jefferson County teaching sixth grade and eighth grade math. After law school, Steve worked as an Assistant Attorney General of Kentucky from 1981 to 1982. In the early 1990s, he was a lead attorney in BopTrot, the investigation to uncover and eliminate corruption in state government. He was formerly a partner with the Pedley, Zielke, Gordinier, and Pence law firm. Steve was appointed by President George W. Bush to the office of United States Attorney for the Western District of Kentucky and was confirmed to this position on September 24, 2001. As U.S. Attorney, he supervised over 30 attorneys and 40 support staff.

Senator Alice Forgy Kerr welcomes Lt. Governor-elect Stephen Pence to the podium.

Following the events of September 11, Steve established and led the antiterrorism task force in Kentucky. Additionally, he expanded and led the Project Safe Neighborhoods Program, fought illegal drugs and trafficking, and investigated Medicare and Medicaid fraud issues. Steve has also served his country in the United States Army. From 1982 to 1987, he served on active duty in the JAG Corps and was stationed in the Federal Republic of Germany. He continues to serve as Lieutenant Colonel in the United States Reserve JAG Corps as a military judge. In 1995, Steve received the Kentucky Bar Association's Outstanding Lawyer Award. He now resides in Louisville and is married to Ruth Ann Cox. He has five children, Eileen, Kay, Peter, Joseph, and Paige. On December 9, 2003, Steve Pence will assume his duties as Lieutenant Governor of the Commonwealth of Kentucky. It gives me great, great pleasure to introduce to you Lieutenant Governor-elect Steve Pence.

Lt. Gov. Pence

Thank you all very much for allowing me to be here. I'll tell you right now, this is the first group that I have had the opportunity to speak with and to since I've been elected. This is usually a larger crowd than we would have at a fundraiser, so I'm not going to ask anybody for money, and that's sort of a relief to me. I know it's not a rally, but it really is an honor to be here and speak with you.

As many of you might know, my first job was as a sixth- and eighth-grade math teacher right here at a public school in Jefferson County. I taught sixth- and eighth-grade math at Conway Middle School. And I've also taught before at the college level for Eastern Kentucky University. And I notice a difference right away, right now, because in middle school the kids were always right upfront; you sat them in a row. And you all are acting like college kids because everyone is way back there. If I had my druthers, I'd make you all, as I did in college, everyone, move forward. Get closer to the teacher here.

I do appreciate your allowing me to come to talk to you on behalf of Governor-elect Ernie Fletcher and the Fletcher-Pence team. I want to just cite to you, before I tell you what we're going through right now and what we anticipate for Kentucky in the future, something my Mom taught to me. My Mom is a retired school teacher from here in Jefferson County. She told me once, and I've always remembered this, that if you want to do something for somebody, you do something for their children. Anyone here who has children—how many of you would agree with that? I see some hands going up. I know that for me even, standing here and listening to the Senator introduce me and then introduce and name my children, it means something to you when you do something for another person's child.

Now, just so you know where we're coming from, or where I'm coming from on education, I have a daughter; my oldest daughter is a senior at Murray State and with God's grace and if my wallet holds out, she will graduate in May.

Hopefully, she will graduate in May, because we've pumped a lot of money into the Murray economy down there. My youngest daughter is in kindergarten at a public school. I have a son at Ballard High School. I have a daughter at Jefferson Community College, and I have a son that's in the fourth grade in a public school.

It's sort of hard to talk about specifics in education. But I want to talk to you a little bit about what the Fletcher-Pence team envisions long-term and what we are doing right now and how we intend to accomplish that. As many of you have heard on the campaign trail, one of the issues that we focused on was Early Reading Development and Reading Recovery. One thing I learned as a sixth- and eighth-grade math teacher (I especially noticed this in the sixth grade) is that if a child could not read by the sixth grade, they were not going to learn math. Not only were they not going to learn math, there was a whole host of other topics that they were not going to learn. One of the things we are focusing on right now and working on in our transition is how we put into place the promise we delivered, or said that we would deliver on, and that is having every child reading proficiently, making that our goal—reading proficiently by the third grade. As I said, one of the things that I noticed, and I'm sure many of you have noticed and would agree with, is that if you get a kid who can't read by the fourth grade, a lot of doors start closing on that child. On the other hand, if they are reading proficiently by the fourth grade, it opens up a lot of doors.

I know this also from my time as a prosecutor. I don't think it's a coincidence that half the people in jail cannot read proficiently, and over 90 percent of the people on death row cannot read. Now that's a telling statistic on what lies ahead if we do not prioritize and do not continue to make gains and grow the accomplishments that we have seen in our education system here in Kentucky. And we intend to do just that—to make even better those gains that we have made.

Lt. Governor-elect Stephen B. Pence makes a point in a general session speech.

Now the common denominator, generally, on all these, of course, is where do we get money? How do we finance these programs? How do we find the money to get to our teachers and hold our best teachers? How do we find the money to do the Bucks for Brains? How do we find the money to motivate and to draw the teachers in the quality of education?

Well, from a broad perspective, I can tell you we're working on that plan right now. Every day, right now, we've got a transition team up in the Capitol. It's not going to be an easy job, but it's going to take two things, I think, to accomplish our overall goal. Number one, we're going to have to exert some fiscal discipline. And what I mean by that is we are going to have to start prioritizing and eliminating wasteful programs where we do not get a return for a dollar's investment. Trust me, for the little time that we have been working on this transition team, that can be done. Now it's going to take some hard work. It's going to take some tough calls. But it can be done.

Secondly, it's going to take what I just alluded to, and that is prioritizing our needs and finding where we do get the best bang for the buck, where we do need to invest to see a return for our investment. We've said all along that it will not happen overnight. It may not even happen in our current fiscal condition within the first year or two. But it will happen. Our economy is on the rebound, and we are going to modernize our tax system. We will have the money. Will we have it the first year? I don't know. But will we have it eventually? I am confident that we will. Now how does all this get done? How do we accomplish this prioritizing of these goals that we have in education—or whether it's education or anything else—or whether it's in the Justice Cabinet? How do we accomplish that and prioritize?

I believe it has to be done through leadership. That seems like a vague term but if you look at the state of our government right now, I believe there is and has been unnecessary gridlock. And it has taken a failure of leadership, and I guess a failure of having the personal ability to break through the gridlock and reach out and bring all parties to the table and let them be heard, and then let them understand that they're being heard, in a decision, and then moving forward with a decision. Those sound like easy concepts, but they are not and it takes a true leader to do that, and I believe we have an opportunity (and Ernie and I have talked about this several times, almost on a daily basis), at this crossroads to provide that leadership. And it's not just about Ernie. It's about all of our elected leaders coming together and reaching across party lines. No one wants to see our education system go down. No one wants to leave a child behind, or for that matter, an adult behind.

One of the most satisfying jobs, I've said before, my Mom had as a teacher was as an adult ed teacher helping adults get their GED. That was one of the more satisfying jobs she had and that was after she had already retired from Jefferson County. Those programs have to continue. But for them to continue, we are going to have to do the two things I've talked to you about just now—fiscal discipline and prioritization. For that to happen, we're going to have to have good leadership.

That's what we've elected. That's what we have told people we will do. And when I say we, I mean the Fletcher-Pence team. And that's what we are working on right now. It was actually a relief to get out … I was in Frankfort yesterday and in Frankfort this morning, and it was sort of nice getting out of there and being able to come back here to Louisville, my hometown, and speak with a group and to talk with you.

But I just wanted to give you a general outline of what we are doing right now in our transition. We are going, not just in the area of education, but in all areas of our government and gathering, as we should do before we make any decisions, all the information available. This is something that our transition team has done. We've not really made any decisions yet on any appointments. One of the things Ernie and I agreed to during the campaign was that we're not making promises of anything to anybody regarding appointments anywhere. We didn't want to be handcuffed that way, first of all, and before we make any decisions along those areas, we want to first have all the facts. That's the same way you would run an organization if you were in there. You would first want to know what all the facts are. That's what we're doing right now with our transition team. We've got a great team of volunteers. They're working 16 to 18 hour days gathering information. We're getting that information to the people who need to know. I think you're going to see a very positive reorganization and a very disciplined reorganization in the way Ernie Fletcher runs the Commonwealth as Governor Fletcher. I think this is an exciting time for us, not just in education but in all areas. And we want you to know this; what we're trying to do and what we're attempting to do before we make any decisions is bring all voices to the table, have all the facts before we make a decision to do anything in any one department.

Obviously, as a priority of our administration, education has to rank at the very top. The future of our economy, and the new economy especially, rests in education. To rescue that we know we have to start at the very bottom, and that was with our Reading Recovery Program, and work our way all the way to the top and make sure, as I had the opportunity to go to college, that every high school student who wants to can go to college at a reasonable tuition. That's a pretty tall order but it can be done.

And we look forward to working on that with your input, and we hope that we'll have your support, and we're looking forward to working with all of our state legislators, all of them—Republican and Democrat—as we move at this crossroads to going in the right direction. So with that, I want to thank you very much. I'm going to stick around for just a moment and will be happy to talk with anybody after this is over. I want to thank you very much for all you do for the Commonwealth and for our education system. Thank you.

Hellard Award Presentation

Presenter

Mary E. Lassiter, Acting State Budget Director,
Chair of the Kentucky Long-Term Policy Research Center Board

Ms. Lassiter

Good afternoon. At this time we would like to take a few minutes to remember Mr. Vic Hellard. We annually give a Vic Hellard Award. The Kentucky Long-Term Policy Research Center since 1997 has given an award in recognition of service in the interest of Kentucky's future—the Hellard Award. We've presented it annually since 1997. The Kentucky Long-Term Policy Research Center is honored to present this award in honor of the memory of Vic Hellard, Jr., in honor of his long and distinguished career of public service. As Director of the Legislative Research Commission, he was a tireless champion of legislative independence and is also widely credited as the principal architect of the Kentucky Long-Term Policy Research Center. At the time of his death in 1996, Vic was serving as a member of the Center's Board, contributing substantially to its guidance and efforts to shape a vision for the future of the state and a system for evaluating progress toward its realization.

Previous winners of the Hellard Award are Judge Anthony M. Wilhoit, Mr. Joseph W. Kelly, Ms. Mary Helen Miller, Mr. Al Smith, Dr. Thomas Clark, and last year's award winner, Ms. Virginia Fox. I'm proud today to announce that the 2003 winner of the Hellard Award is Walter A. Baker from Glasgow. Walter is joined today by his wife, Jane, his daughter, Ann, and many of his other family members. I communicated with Walter a few minutes ago and told him my first challenge was to figure out how to address him, whether I should call him Mr. Baker, Lieutenant Colonel Baker, Representative Baker, Senator Baker, Judge Baker, or merely as one of the nicest people I have ever had the opportunity to meet, because all of the above apply.

Dr. Thomas Clark, recipient of the 2001 Hellard Award, nominated Walter Baker for the award. In doing so, he said, "Walter Baker is a man who gets things done, a wonderful public servant, and one of Kentucky's really first-rate citizens. He has been a prime mover in modernizing Kentucky's educational systems and developing the History Center in Frankfort. He is a public man who makes living in this Commonwealth worthwhile."

A native of Columbia and Adair County, Walter Baker attended Harvard University where he graduated Magna Cum Laude and Phi Beta Kappa and went on to earn his law degree. What followed has been a remarkable and distinguished career of public service. Walter Baker has served in key elected, appointed, and voluntary posts and received accolades for his work in each of them. His remarkable career has included national as well as state service. As a Lieutenant Colonel in the U.S. Air Force Reserves, he served as a Judge Advocate with the Kentucky Air National Guard for 20 years and was called to active duty for more than one year. He was awarded medals in 1969 and 1981 for meritorious service. Between 1981 and 1983, he served as the Assistant General Counsel for International Affairs for the U.S. Department of Defense in the Secretary's Office, receiving an award for outstanding public service in that post. Here in Kentucky, Walter Baker served terms both in the House of Representatives and the State Senate, rising to the post of minority caucus chairman in the Senate and serving as Vice Chair of the Senate Appropriations and Revenue Committee. During his tenure as a legislator, Walter was recognized by the Capitol press corps, first as the Outstanding Freshman Senator, then subsequently as the Most Valuable Member of his party, and then in the 1978 session as the Most Outstanding Orator in the Senate. During his tenure as a legislator he was actively involved in the National Conference of State Legislatures, serving as a member of delegations to China, Germany, Japan, and as a member of the national organization's Law and Justice Committee.

When I asked his colleagues in the legislature for a comment about Walter, it was said that he earned the total respect of literally every member of the General Assembly with his intellect, his thoughtfulness, his independence, and by the conscientious way he served the citizens of our state. It was said that when a serious debate on an issue was held in the State Senate, when Walter Baker stood to speak, the chamber became immediately quiet, chairs turned toward him and complete attention was given his address, which cannot be said of many.

In 1995, Walter was selected by the U.S. Information Agency to advise the emerging Russian democracy on the legislative process and the construction of a constitution and later in 1997 to address an economic conference in Poland. In 1996, Governor Patton appointed Walter Baker to the Kentucky Supreme Court, and he presently serves on the board of the Council on Postsecondary Education and as President of the Kentucky Historical Society. On behalf of the Board of Directors of the Kentucky Long-Term Policy Research Center, I am honored and pleased to welcome to the podium the 2003 winner of the Vic Hellard Award, Walter A. Baker.

2003 Hellard Award Winner

Walter A. Baker

I am deeply honored today to be the recipient of this award named after such an outstanding Kentuckian. I knew Vic Hellard. We served together in the Kentucky General Assembly, and he for many years served us in the General Assembly as the Director of the Legislative Research Commission. He was one of the leaders in helping bring about legislative independence, something that was long overdue in this Commonwealth. He helped the leadership and the membership of the House and Senate to react in a responsible way to the decision of the Kentucky Supreme Court in 1989 which brought about fundamental changes in education in this Commonwealth. And he also gave solid advice to members of our body when we were struck by BOPTROT in the early 1990s, the ethical scandals that hit the General Assembly.

I was told that it's expected that the recipient will address a few remarks to the body assembled, and I shall try to comply with that request. All of us here today share a love of this Commonwealth and a sense of its history and a hope for its continuing progress and success. I have always maintained that we Kentuckians are victims of our own low expectations. Somehow we have come to accept that great achievement can come only to those who are from somewhere else or who live and work outside Kentucky. When I was a boy, the usual refrain was, "Thank God for Mississippi and Arkansas," no disrespect, President Layzell, the new president of the CPE, who came from Mississippi. Perhaps a significant reason for that confining expectation of failure was our inability to appreciate those from our state [who] did accomplish great things.

I remember as a boy Jesse Stuart, a Kentucky writer who fortunately stayed in Kentucky. Many of you in this room may have known and I'm sure all of you have read some of his works. And I remember Robert Penn Warren, twice a Pulitzer Prize winner who came from Guthrie, Kentucky, but went on to success at Vanderbilt and Yale. As a boy in Adair County, my father told me of two students who attended what was then Lindsey Wilson Junior College and who went on to win Rhodes Scholarships—something that few institutions of that size in the state have been able to do. The success of these two young men for me constituted a beacon that it's possible for any of us Kentuckians, if we work hard enough and have a strong enough desire, to succeed.

In more recent times, we in Kentucky have enjoyed the literary success of Sena Naslund of this community, the University of Louisville, and of a young man from my part of the state, Davis McCombs from Munfordsville, who was selected by Yale University for its outstanding Yale Younger Poets Award. Interestingly enough, in the 1990s three Kentucky natives received this same award. And yet, to our shame, Davis McCombs could not find a teaching job at a public or private institution of higher education in this Commonwealth, but had to leave Kentucky to go elsewhere.

The end of the 1990s brought the Postsecondary Education Reform Act and a determined effort to leap forward in this vital area. Our governor and our legislature earmarked greatly increased funding for higher education and our leaders acknowledged that in education we all swim or sink together—elementary, secondary, and postsecondary. We have come to the realization that a state with 1 million functionally illiterate citizens also has to concentrate on literacy and GEDs. I am proud of the advances we are making. The Education Reform Act of 1990 constituted an advance unparalleled in Kentucky history, or, for that matter, the history of any state. We alone attempted at one time to do all the elements of reform, something envied by many states and achieved by none other than Kentucky. I remember, as a member of the task force that created KERA, how much each of us came to the realization that this was a one-time window of opportunity that, if seized, could forever alter the future of our state. We recognized that the revenue commitment could end our individual legislative careers but fortunately rose to the challenge, putting aside personal aspirations for the greater good of the people of this Commonwealth.

I want to especially commend Senator David Williams and also the late Senator Eugene Stewart of Louisville who joined me as the three lonely Senate Republicans who voted for KERA in 1990, much, I think, to the displeasure of other members of our caucus. Now almost a decade and a half later, Kentucky once again faces a crisis in education funding. May those who serve today show the same dedication to Kentucky's future that crowned our efforts in 1990. I cannot leave education without saluting the impact of the Bucks for Brains program on Kentucky higher education. This program, wisely supported by both Governor Patton and leaders in the General Assembly, has provided an exciting stimulus to the importation of intellectual capital. Both the University of Kentucky and the University of Louisville seized the opportunity

to raise the matching sums for endowed professorships and the state is much the better for that. As a member of the Council on Postsecondary Education, I take pride in the fact that one of our members, Ron Greenberg, proposed the concept which ultimately became the Bucks for Brains program.

It is true that we have come a long way, but it's equally true that we have a long way to go. We must work on building better citizens, educating a people to recognize that greater wealth alone means little unless it is used to better the quality of life and produce wiser, more aware citizens. Unless collectively we make better choices, we will have achieved little.

During parts of four different decades, I was privileged to serve in the Kentucky General Assembly. There I served with some of the finest public servants this Commonwealth has ever had. But while there I witnessed an increasing lack of civility among the elected membership—a poison that pollutes the political process and a poison that can destroy a civil and free society. All of us elected to represent the people should acknowledge that our goal, whichever our party, must always be to do that which will better our people and advance our state. Neither party possesses a monopoly of good public policy and each can learn something from the other. While policy is often forged in a crucible of intense conflict, the competition ultimately must produce the better result than that which either party alone can propose. There is no reason to promote or condone a lack of civility among the participants. To do so poisons both the process and the people and is destructive of the democratic spirit. It is my hope that the leadership of both parties will refrain from the personal pettiness that so demeans the democratic process. Governor Adlai Stevenson, whom I greatly admire but for whom I did not vote, once said, "We can disagree without being disagreeable."

Throughout the history of America, Kentucky has provided more than its share of national leaders: Henry Clay, John J. Crittenden, Abraham Lincoln, Alben Barkley, and John Sherman Cooper. In more recent times, both Wendell Ford and Mitch McConnell have shared top leadership positions in the U.S. Senate. In the judiciary, we have contributed John Marshall Harlan, Louie Brandeis, and Chief Justice Fred M. Vincent. In fact almost 10 percent of all the judges ever on the U.S. Supreme Court have had connections to Kentucky. Kentucky can once again rise to the top, but only if we all determine that we can and that we will support the sacrifice which greatness demands. My hope, my prayer is that we will. Thank you very, very much.

KIDS NOW=Current Investment for Future Success

Moderator

Dr. Kim Townley

Panelists

Michael Cheek, Director of the Division of Child Care, Dept. for Community-Based Services, Cabinet for Families and Children
Linda Lancaster, Branch Manager, Maternal & Child Health, Cabinet for Health Services
Amy Stiber, Director of Licensed Child Care

Dr. Townley

My name is Kim Townley. I am the Division Director of the Division of Early Childhood Development in the Department of Education, and we are delighted you are all here today. I want to introduce the other panel members who are from across all the cabinets in state government that are attacking early childhood development and making sure that children are ready for school in various ways. We'll hear from Mike Cheek, who is Division Director of the Division for Child Care in the Cabinet for Families and Children; Linda Lancaster, who is Branch Manager for Maternal and Child Health in the Cabinet for Health Services and Director of Licensed Child Care; and Amy Stiber who is in the Inspector General's Office and is responsible for our STARS Program which we'll talk about, as well as licensing and certification.

If you look in your packet there is a summary sheet from the KIDS NOW Early Childhood initiative; we will be speaking from that. There is a lot more information on the sheet than we will be giving you. We will be giving you the high points and then we will move on. You might want to follow along with that and make your notes.

We are going to present to you the early childhood piece of the education continuum that they talked about this morning and that we are talking about as the crossroads for the state. As we look at education, it's from early childhood which begins at birth, and in some cases prenatal, to make sure that children are the best that they can be, moving all the way through adult education. We are going to talk about the early childhood initiative that was passed in 2000, and as you will see as we go through, it is quite comprehensive in nature. We have a vision of the KIDS NOW initiative that says this is where we hope to be by 2020: that all children are healthy and safe, they possess the foundation that will enable school and personal success, and live in strong families that are strengthened within their communities (see Appendix A, slide 1). It takes every child to succeed on all of these levels, and children cannot succeed if they are not healthy, if they are not safe, and if they don't have families that are supported within their own communities. So this is our vision that we have hung our program on, and in order to do this, we must foster public-private partnerships, ensure collaborative planning and implementation, and mobilize communities to do the things that you see there on the screen on the bottom (see Appendix A, slide 2).

From the left, Amy Stiber, Linda Lancaster, and Mike Cheek, KIDS NOW session panelists.

As we go through this initiative, you will see that we have not created any new bureaucracy. We have tried to work with the partners that were already there to deliver better, more efficient services, more complete services to very young children and their families, so children do reach their milestones and reach their full potential. In 2000, we certainly had the governor convinced that this was a necessary initiative, and it was the piece of the education pie that was missing (see Appendix A, slide 3). We had some work to do with legislators, and I think we have made a good case for that now.

The current brain research is clear: 90 percent of that architectural structure is built in the first three years, and we can either build it solidly or we can build it shakily. The child's brain development is not unlike an adult who has a stroke. You can learn to button your clothes and feed yourself and zip and talk again, but it is never as good as it was the first time. It's labor intensive to do. The same is true with young children in their preliteracy skills and their early-learning skills. If we teach it right the first time, we don't have to do that remedial work later on, which we know is more expensive and is more time-consuming.

Economic development is critical as many of the speakers have said this morning. It was the next step in education reform. We had dealt with elementary, secondary, and higher education, and in the 2000 session we dealt with the last two pieces that were missing which were early childhood and adult education. So now we have a complete education reform picture, and the state of Kentucky's children is not anything that we can be proud of. When we started this initiative, Kentucky was rated by Kids Count as 42nd in the nation, and now we are up to 38th, so we are going in the right direction when you look at their 10 key indicators (see Appendix A, slide 4). If you don't believe we need to address early childhood education issues because it's the right thing to do, then it's the economic thing to do.

In this picture, you see that in 1945 when Social Security began there were 46 adults paying into Social Security for every one person that was collecting Social Security. In 1950 it was down to 16 people, and in 1992 it was down to three people paying in for every one person that is collecting Social Security. The business school at Kentucky tells me by 2014 this will begin to reverse itself. Therefore, we will have one person paying in for every three people collecting Social Security. What that says to us is that we can't afford to have one child that doesn't reach their full potential, that doesn't earn money and that doesn't pay taxes. It's an economic issue. We cannot afford to have one child thrown away or not have every child succeed.

In our planning process, we looked at many different areas (see Appendix A, slide 5), but they boil down to these four. That is what we are going to talk to you about today: assuring maternal and child health, supporting families, enhancing the early care and education system, and building a support structure that will let us move forward.

First we're going to talk about assuring maternal and child health (see Appendix A, slide 6). These are the components and we will only hit the highlights. In your handout you have more information about that. As the person who talks to it, you'll get a feel for who administers these programs. As we said, we did not start any new bureaucracy. We've used health departments, mental health centers, child care centers, the folic acid campaign, ophthalmologists, optometrists, and dentists; we've all used things that were already in place in order to expand this. So we'll be talking about these components individually.

First, we'll discuss the Healthy Babies Campaign. In Kentucky, we know that the percentage of children born with low birth weight has not decreased in 30 years (see Appendix A, slide 7). Now why do you imagine that would be with all the medical technology that we have? Kentucky also has the highest percentage of women who smoke when they are pregnant. Our Healthy Babies Campaign is a campaign that educates young women about the responsibility but also the rights that they have to make healthy choices, so they deliver healthy babies. The research is clear. If we have low birth weight or very low birth weight in premature children, those babies not only suffer and not only cost us about $60,000 to get out of the hospital, but we also know that once they get into the public school system their learning is different. Their learning is more of a challenge than children who are born full term and are full birth weight. So our Healthy Babies Campaign has been working to inform parents about that and young women about what they can do to deliver a healthy baby. If we don't get a baby here healthy in the first place, we've already started behind the eight ball; we've already stated a need to do remediation if we don't get babies here healthy in the first place. We work with that in high schools; they have used our materials. We have distributed materials through county extension agents as well as health departments and other venues.

Ms. Lancaster

We looked at the life cycle, and as Dr. Townley was just stating, we have to get kids here healthy, so maternal and child health is what we are all about, making sure that kids are healthy prenatally. It is estimated that Kentucky had one and a half times the national rate of a very devastating birth defect, neural tube defects, and we know through research that we can prevent 50 to 70 percent of these devastating birth defects (see Appendix A, slide 8). That's spina bifida, if you have heard that term, or open spine. With these kids, you can have $530,000 right up front, and many with over $1 million in lifetime costs, so we wanted to attack that problem.

How did we do it? We developed a folic acid campaign. We educated women since the year 2000 when this whole thing started about the benefits of folic acid. We have increased the number of women taking folic acid, and we have decreased the rate of neural tube defects in Kentucky. Women know about folic acid right now, as compared to 1997 when 32.3 percent of women of childbearing age knew about folic acid and what it could do. In 2002, 51.2 percent of women of childbearing age knew about what folic acid can do for them. In 1997, 29 percent of women in Kentucky reported that they were taking folic acid and now in 2002, 40.4 percent report taking it. I think that is pretty phenomenal if anybody knows anything about trying to move people's health behavior from point A to point B. The most wonderful part is we have decreased the rate of neural tube defects by 60 percent since 1996. Sixty-seven babies were born in 1996 with spina bifida, and in 2001 we have the data to show us that just 27 babies were born with it. We are very proud of these results.

Dr. Townley

We unfortunately have about 5 percent of the 54,000 babies that are born each year that are addicted to a substance (see Appendix A, slide 9). This also, as Linda was talking about, is a preventable disability. If we can get women to not smoke;

not drink; not use drugs; see their doctor; and make clean, good, and clear choices in nutrition, then we can deliver babies here who are healthy.

We've worked with mental health-mental retardation to create a substance abuse program for pregnant and postpartum women. This program is not only doing prevention, informing women about the hazards of smoking, drinking, and using drugs, but also getting them off of those drugs, so they will deliver healthy babies. These programs are delivered out of the mental health-mental retardation centers that are statewide. The service is free, and the people are out of the clinics; they are in the doctors' offices and the health departments. We have tried to go where the women are who are abusing a substance. We know of the cost savings. Again, if any of you work with young children who are crack babies, you know the learning is different. The learning is more intense; the strategies are different. So once again, if we can get babies here healthy and moms not to abuse a substance, then we are ahead in the game.

The universal newborn hearing screening is a program that is operated through the Commission for Children with Special Health Care Needs that also comes out of the Maternal and Child Health Bureau (see Appendix A, slide 10). As you can see on your summary, we now screen 99 percent of the babies before they leave the hospital. You cannot learn if you cannot hear.

The Universal Newborn Hearing Screening Program is easy to administer; a little probe sits in the baby's ear for about a minute, usually when they are at a state of quiet, and we can screen for a hearing loss. If it appears there is a hearing loss, the family receives a card within three months of that birth for referral. If there is a need, if there truly is a hearing loss, then within three months that child is referred to our Kentucky Early Intervention System which is known as FIRST STEPS. Again, we can identify early on and get the children in early intervention, so they are not further behind when they enter that schoolroom door.

The hospitals are doing hearing screening in 99 percent of the cases, and some people ask, "Well, why isn't it 100 percent?" What the law says is "any hospital having more than 40 live births a year must do universal newborn hearing screening." So that other 1 percent of the babies are either born at home or born in hospitals that don't have 40 live births a year. In that case, the families are referred to a hospital that's within driving distance where the screening will be done free of charge.

Ms. Lancaster

We also knew that we needed to increase access to vaccinations because there were approximately 17 percent of kids aged zero to three who were underinsured and were not getting their immunizations (see Appendix A, slide 11). We have vaccinated over 6,100 kids and given 17,000 immunizations since 2000. This is wonderful, as we know that communicable disease spreads like wildfire, and the way to keep that down is to make sure that all of our children are immunized. KIDS NOW has provided the funding to allow us to fill that gap.

Dr. Townley

As Linda said, some children have private insurance that will pay for immunizations and other children have K-CHIP, which is Kentucky's Medicaid program to help young families. There is a group of families that fall in the middle, and they are underinsured. Either their insurance doesn't pay for it, or they don't have insurance and don't qualify for K-CHIP. This is critically important. We've been able to buy the vaccine at a reduced rate from the federal government, and we used an existing delivery system to send it to health departments and physicians. So our goal—and Dr. Leach tells me this is impossible—is to have 100 percent of the children immunized on time.

Also, there is a new immunization, a new vaccine called Prevnar, which deals with meningitis. It's terribly expensive. The total cost on most of the other vaccines is about $80. The Prevnar vaccine alone is $80, so what the physicians say to me is there is a missed opportunity. Mom comes in with a young baby who has an ear infection and she wants the amoxicillin to take care of the ear infection. The physician will say, "But it's time for your shots and they cost $180," and Mom will leave. She'll pay for the office visit; she'll pay for the prescription; but she doesn't have that $180 to pay for the vaccination. There is a missed opportunity. This program allows us to not miss those opportunities.

Ms. Lancaster

Did you mention that we have the second highest immunization rate in the country? And I think New Jersey is the first. Anyway, that's good news.

Dr. Townley

If you are in public schools, I am assuming that you know about the eye exam (see Appendix A, slide 12). In looking at the total development of the child, if children can't hear, they can't learn. If children can't see, they can't learn, and part of this initiative was to require children to have an eye exam by an optometrist or ophthalmologist before they enter school for the first time. We have been very successful in getting this done. I have e-mails from kindergarten teachers or preschool

teachers who will say, all of their children have had their eye exam. They have to have it by January of the first year that they are in school. K-CHIP payment for the eye exam has gone way up. Fifty percent of the children in this state are eligible for K-CHIP, so we know that K-CHIP is paying for some of those eye exams.

But as you can see in your handout, we are diagnosing things that can be cured. Amblyopia or lazy eye, if it's diagnosed early enough when children are three, four, and five years of age, can be cured. If you diagnose that when the child is six, seven, or eight years of age, you can't cure it, but you can remediate it.

We want to make sure that children are seeing properly. The optometrists and ophthalmologists tell us the best time for children to have an eye exam is really at six months and then at three years. The first gatekeeper we have is public school entry. Those with Head Start have said they are going to make sure that every one of our children has an eye exam by an optometrist or ophthalmologist when they are three. Then they have a form they take to school, which says, "I have had an eye exam." Now we are ready for oral health.

Ms. Lancaster

In 2001, the Department for Public Health conducted a survey of children in regard to their oral health, and what we found was that one third of all two- to four-year olds were affected by dental caries, decay, and pain (see Appendix A, slide 13). Dr. Davis, my boss, really talks a lot about this, kids in pain. That is pretty sad, and it's pretty hard to learn when you are hurting.

So what did we do? We put together an oral health program that targets early screening for these kids and education to caregivers. We are applying fluoride varnish on children's teeth free of charge, and we are referring them to dentists and working through the community dentists and trying to develop infrastructure for children who don't have the money to get there to get dental work.

A lot of work is going on in the Oral Health Program. Since July of 2002, over 500 kids have gotten screenings or varnish administration through the local health departments. The local health department nurses are performing this service. It's a great program. Twenty percent of the children have 80 percent of the early childhood caries in the state. It's a very targeted group of children whom we want to identify. They also tell me that the number one reason why children miss school is upper respiratory, and the second is oral health problems, and so we need to make sure that children have good oral health, and we certainly include oral health in our HANDS home visiting program (see Appendix A, slides 14 and 15).

There is some research now that says that women who are pregnant and have bad oral health are more likely to deliver a preterm or low birth weight baby. It's important that mothers have good oral health, and also as we look at children's oral health, we know that it can spread from adults, whether it is a parent or a caregiver. The baby putting their fingers in your mouth and picking up bacteria and then putting it in their mouth can spread it. So we know how to take care of this. This is another thing that's preventable, and shame on us if we don't do something to prevent it.

The other thing that I think is very interesting that I will just add: early childhood caries used to be called baby bottle mouth. Do you know why they changed it from baby bottle mouth to early childhood caries? When you had babies drinking pop or Kool-Aid or formula out of the bottle, then they'd go to sleep and their teeth would decay. That was just when they slept. With the invention of the sippy cup, as you go to the mall, to the grocery store, to a sporting event, to a soccer game, what does every child have? They have a sippy cup, and it is usually full of apple juice, which is high in sugar, and they have a ziplock bag full of Cheerios or some sugar cereal. They moved it from baby bottle mouth to early childhood caries because children are continually bathing these new, vulnerable teeth. We have an expert in the back who can attest to it, that they are continually bathing their teeth in that sugary substance. If we can prevent this, we are that much further ahead.

Oral health is critically important as we move forward, and we are starting with those very young moms to varnish the teeth. We are fortunate in Kentucky that we do have a high percentage of fluoride in the water so they get that, but we need that additional varnishing in a nontoxic amount. You can start to varnish the teeth as soon as they expose themselves and do that every six months. We will be targeting those 20 percent of the children that have oral health needs to make sure that isn't a reason they are not coming to school.

KIDS NOW is supporting families through additional programs, all the ones we have talked about so far, and HANDS. I bet just about everyone, I hope, has heard of HANDS, early childhood mental health and the children's advocacy centers (see Appendix A ?, slide 16). HANDS is a voluntary home visitation program. That means families have the choice of coming into this program. It's a great program and for the first time, we enroll these families, moms and dads, hopefully prenatally; if not, we can enroll the families up to the time the child is three months old, and we do cut it off there. We serve those kids up to two years of age. We provided 105,000+ home visits from July 2002 to July 2003. That's a pretty phenomenal number of home visits.

We know that national research tells us that we are successful when we provide a certain amount of contact with families. We have been using those standards in our program. We have had some very good success in this program that I'd like to share with you. We have a lower number of premature births in our HANDS families; we have a lower number of low-birth-weight babies in our HANDS families; and we have also shown lower substantiated physical abuse—58 percent

less—in our families, and lower substantiated neglect, 62 percent less. Those are pretty good statistics. The HANDS voluntary home visiting program was one of the ones that was a little bit more challenging for us to pass in the 2000 session, but as you can see, the results are great. We do not advertise it as a child abuse and neglect program, but certainly that is a goal, to reduce that.

Dr. Davis has done some calculations of the dollars that we have saved, the cost avoidance to this state by having babies that are delivered full term that are full birth weight. Their learning down the road will be better, so it's a very successful program. We expect this year that we will have approximately 10,000 first-time families that are enrolled in the program who get a home visit about twice a month. Moreover, if there is the need determined by their home visits, they can stay enrolled up until the baby's second birthday. Referrals can be made to the local health department. And a screening is done with these families; then they are given choices, just to let you know if you know a family who might benefit.

The Early Childhood Mental Health Program came in the second year of KIDS NOW and really got rolling this year in the third year (see Appendix A, slide 17). This came out of a cry of need from day care, and we know that there were many kids that were having social-emotional issues at ages two and three, which seems almost unconscionable, but it's true. We have put together something very unique, even nationally, and as a matter of fact, we have been accepted to speak at AMCHIP this spring, which is the national meeting on maternal child health, to present our program. It is very unique. We have put it together sort of from scratch and used the information we had here in Kentucky and the experts we had in Kentucky and pieced it together.

We serve children birth to five years old in this program that are enrolled in child care settings; parents; and early childhood staff that are concerned with social-emotional issues of their children. We can serve the child as well on an individual basis with the parent. There are 14 regional early childhood mental health specialists that are located in the Comprehensive Care Centers across the state. Again, there is another whole agency group that is involved in KIDS NOW. These early childhood mental health specialists can go in, help assess the child, assess the environment of the child care, and then develop interventions that will help support that child to have a more successful time in day care. We are working really hard as well to stimulate a development of infrastructure at the community level that will increase the number of early childhood mental health specialists, and that's a part of our program. We recognize that 14 people are not going to get it; so much of what we do is encouraging, teaching, educating, and training others in the mental health system. I know that Kim will probably embellish this because she's into this program particularly.

Dr. Townley

The mental health program, as Linda said, is based in the mental health centers, but it shouldn't be. The specialists should be out in the field. And we were hearing reports from directors in early care and education centers saying, "I've got this two-year-old that has been kicked out of three other centers, and I'm about ready to kick him out of my center." There's a problem there. There's a social-emotional problem there, and it usually is not just with that very young child. It's also something with the family. What we need to do so we can address these mental health issues early on is have a system out there that will deliver services to the early care and education center. These services need to be available to parents, too, so we have consistency for this child and whatever environment they're in there is consistency and support. If we can get to these problems earlier, then again, they won't be exacerbated and just grow, so when the child gets to elementary school, teachers are pulling their hair out and wanting to put them in a special classroom because these issues haven't been addressed early on.

Dr. Kim Townley answers questions from the audience during the KIDS NOW session.

The Surgeon General says that 10 percent of children, and there aren't really good statistics but we'll have better statistics after we have this program in place for a while, need clinical help between birth and adolescence. We don't know how many of those children are birth to five, but we know enough anecdotal information that tells us again that we cannot afford to wait, that we have to address those families' needs early on. We have decided the way to go is the child-care system. We estimate that over 105,000 children are spending time in the child-care setting each day, and they are not people who have the greatest amount of training and education to help them deal with these problems.

I'm not going to say a whole lot about The Children's Advocacy Centers, but all of the Area Development Districts have a Children's Advocacy Center (see Appendix A, slide 18). We have been interested in funding their support to families with children who have been sexually abused. With the dollars that we have put into the Children's Advocacy Centers, they have been able to modernize and equip their centers with the technology that will allow them to do consultations with physicians in other parts of the state and also to provide additional services to children and families. As your summary says each quarter the advocacy centers see about 500 children, 400 children that are under the age of five. If something is preventable we work with the children and families, so it doesn't happen, but once it does happen, it is something that must be addressed and we cannot ignore.

Mr. Cheek

Regarding enhancing early care and education, what we are really going to talk about at this point is access to the child-care subsidy system, our voluntary quality-rating system, the scholarship fund that is funded by KIDS NOW for child-care providers (see Appendix A, slide 19). Amy will talk about the licensed personnel. We'll talk about Healthy Start in child care, Community Early Childhood Council funding, and FIRST STEPS, Kentucky's early intervention system. The Cabinet for Families and Children gets about $7.4 million from KIDS NOW, and the first $3 million goes to increasing access to a child-care subsidy program. Over the past year, we have served 77,658 children, and if you read the paper, you will know that the increasing demand for child-care services is far beyond the amount of funding that we have available in this state. Currently, we are using all available state, federal, and tobacco settlement dollars that we have to fund the Child Care Assistance Program (see Appendix A, slide 20). We spent last year about $148 million in the subsidy program which averages about $12.5 million a month. This is where all these children are spending their time, and they are low-income, 150 percent below the poverty line.

In May of this year, because of the fiscal crisis, we had to impose a suspension of intake of new cases in order to try to get our revenues and expenditures in line. By the end of October, we had over 10,868 children on a waiting list for services. In managing the program, we have been able to serve another 2,000 kids from that waiting list with the $5 million in funding that we received from the General Assembly in July 2003. As you can see, there are over 8,600 kids on that waiting list, and we are just going to manage that. We are also using the KIDS NOW dollars to match any additional federal dollars that may become available for that. As states don't draw down their funds, then we are able to use our KIDS NOW dollars to match any available federal funds that they can give us. So far, they haven't given us a lot of money, but we were able to use some of the funds to draw down about another $68,000-78,000 in the last quarter.

Next, I'm going to talk about the Voluntary Quality Rating System, and I'm sure Ms. Stiber will chime in on the license center (see Appendix A, slide 21). The Division of Child Care and the Cabinet for Families and Children does the certified program for certified homes that care for fewer than six children. We have a voluntary rating system that we have implemented. Currently, we have 137 STAR-rated homes out of 1,084 homes, which is about 12 percent, and we've been at it about 18 months. Just to give you an idea of the ratings, there are 85 level I's, 10 level II's, 40 level III's, and 2 level IV's. We are proud of that. Even more importantly, as you look at what's happening with the voluntary rating system, you'll notice that the local resource and referral agencies around the state are providing technical assistance to an average of about 755 centers and homes on a monthly basis. That means they are in there working with those centers and homes to enhance early care and education and prepare them for the voluntary rating system, and more importantly, to give them information. Additionally, those resource and referral agencies have completed, over the last year, 1,200 environmental rating scales in which they are helping these centers and homes improve the environment for the children.

Ms. Stiber

I would like to add something. How many of you have a child or a grandchild, a niece, or a nephew in a day care of any kind, or know of a child in a day care? Do you know there are 150,000 kids in day care every day? We have heard today already about what this initiative is doing for those children's health, their mental health, their dental health, and their oral hygiene. These kids are in the licensed day-care centers most of their waking hours. Unless they are school age, they get up early in the morning and are dropped off at day care.

What is going on there? How do we improve that classroom environment or that caregiving environment? Do you know if the child you have in day care is in a rated day care? Does anybody know? One person knows. What we want to do is to try to figure out what quality day care is. How do we measure it, and then how do we tell people to look for it? We know it's important for kids. I don't have to convince you of that. How do we do this? If you are a young mom or young dad and you've got your first child and you need a day-care center, you'll look in the yellow pages. Every single one says, "I am a quality day care." However, if you visit five of them, you may notice they look very different. How can we then begin to measure quality?

The state of Kentucky developed the STARS for KIDS NOW quality-rating system. Through the hard work of a lot of work groups, people came together and formulated this program to decide what quality is and how we are going to measure

it. The basis of the measurement of quality is the Harms and Cryer environment rating scale. Some of you may know of this; it has been around for 30 years. It has been internationally tested; it's not particularly culturally biased; it's used all over the world, and it's very simple and easy to understand. It's concrete. The scoring is very robust so there are many advantages to using that tool. We did adopt the use of that environment rating scale.

We wanted more. We wanted to add in requirements for adult-child ratios. We wanted to make sure that the adults who work in the day-care centers were getting a little bit of their needs met as well, because you know that one of the most devastating things that happens to children in day care is, every time they turn around, there is a new Miss Amy standing there. If we really want a better program for the children, what are we going to do for the people who work there?

The work groups decided that even though we have these indicators of quality in our classroom observation piece, which is the environment rating scale, they wanted to add on some other expectations, some other measures of quality to really have an impact on these environments where children are spending so many waking hours. All of these measurements came together and were implemented in a pilot project. Our division, which is licensing basically, had the pleasure to go out and test this and that was an adventure (see Appendix A, slide 23).

We learned a lot from the testing phase, and we have learned mainly that it's a very popular program. The caregivers like it, the parents like it, and we know, maybe the baby can't verbalize yet, but he or she likes it. Miss Amy is still standing there. We don't even understand what the long-term impact on children will be yet. First of all, I should say, if you decide that your day-care center is going to go through this program, and you agree to have us come in and evaluate your program, you are going to end up with one, two, three, or four stars, like going to a hotel. You know what you get, right?

Since it's a new program, of course, people are going to need time to build that foundation for quality. Nobody expects everybody to come in at a four. As Mike mentioned, the resource and referral agencies are out there every day helping the day-care providers and their staff understand what all of these quality indicators are so they can reach up and attain that. We want them to grow slowly in their quality, so it is sustainable. Nobody wants to see a program that's barely meeting licensing requirements and then on the next day become a level IV. They are not going to sustain it. It's a solid growth that we are seeing and the impact is phenomenal. You might be interested to know that the environment-rating scale is the indicator of quality, not only in health and safety, but there is a little more attention given to program and activities, curriculum-looking things. There is a lot in there about healthy adult-child interactions. This is a very comprehensive test-measurement scale that we are using (see Appendix A, slide 24).

Dr. Townley

I just wanted to add that part of the reason we looked at this was because the brain research says 90 percent of the architectural structure of the brain is developed in the first three years of life. We have 100,000+ children spending time in child care, 10 to 12 hours a day, most of their waking time from the time they are six weeks old, and I will tell you before we started this initiative, most of it in Kentucky was poor to mediocre. If we want that brain that's growing rapidly to be in the kind of environment that's going to support and nurture and stimulate that firm foundation, then we must go to a system that is over and above licensing.

Kentucky regularly ranks in the bottom third of licensing regulations. When you look at licensing, we have nothing to brag about. However, you can still operate with a licensed center. Our goal is to get more and more programs to come into the STAR system and have the supports in place, so it truly is an environment where children are nurtured, and stimulated. The staff that they are with for 10 to 12 hours a day have some knowledge about how you provide quality settings for young children. This then leads to children who arrive at the schoolroom door ready to learn, whatever that is and however you define it. They are not going to be sitting in front of a TV even though they may have a teacher who is making minimum wage and has a high school diploma. But with the training we are going to talk about next, hopefully they will be gaining some skills so that we are making good use of the time that they are spending in early care and education environments. We have the STARS brochure here; if some of you didn't get it, you might want to pick it up afterwards. It's designed for parents, but it talks about the program and what's evaluated.

Mr. Cheek

In the lead-in to the scholarships, the voluntary rating system really blends the child-care regulations and enhanced learning environment. It gives that basic foundation for the health and safety of children. It enhances the conditions for early learning, and it builds the professional development of the child-care workforce that leads me into the next slot here.

In five academic terms, we have had over 2,200 KHEAA scholarships awarded in which child-care staff who are working at least 20 hours a week are participating in college scholarships to either get their Child Development Associate (CDA), AA, or BA. Additionally, in the last 15 months, we have had over 1,100 participants in our noncollege scholarship program. They are getting the core requirements, the 60 hours of training that lead up to the CDA, and many of them are moving into the second set where they get another 60 hours of training towards the CDA requirements. We've issued over 575 CDA grants which means those scholars are moving to get that CDA requirement from the national level.

Additionally, within the state we have issued a credentialing system for the first 60 hours; they are awarded a Commonwealth Child Care Credential and they are also eligible for a milestone achievement award, which is a cooperative venture between their employer and the KIDS NOW initiative. Additionally, starting in January of 2004, all training that is conducted within the state must be conducted by a credentialed trainer. They have been doing the fundamentals of effective training for the last year, and we currently have 250 trainers credentialed, and we have some others pending. So they are moving right along, and we also had two director's credentials that have been issued. All of those pieces blended together begin to build that child-care workforce. And it is our goal to keep them in the child-care centers, working with children, thereby enhancing the environments of those kids and building their foundation.

Dr. Townley

Early care and education is no different than elementary, secondary, and higher education in the determinants of quality. We know what makes quality: a good staff-child ratio, a small group size, and teachers that are trained. In child-care programs, we have a lot of women, predominantly women, who mean well and care about children but don't have the education. What this scholarship program has demonstrated to us is that it's not that they didn't want to receive the education at minimum wage, it's that they couldn't pay for the education with those 2,200 KHEAA scholarships, and our 1,200, and that's not a duplicate, child-care providers who are going to college each semester. Now we know that those skills will be applied in the classroom, so children will have better outcomes, and they will again be more ready for school.

It's not a secret what makes good quality early care and education. The crisis and the challenge that we have been given is how do we pay for that. We know now that if we work through an existing resource, which is the Kentucky Higher Education Assistance Authority, they can do those grants and scholarships. The Cabinet for Families and Children, working through R and R's, we've been able to, for people who have a fear of the community college system, find another way for them to get that training which articulates right into the community college system. These are available; they are not available for Head Start teachers because Head Start gets federal money to pay for professional development. They also are available if you are in a public school for the teacher aides. They are not available for your pre-K teachers because there is another funding source for them. We've tried not to duplicate. There is not a funding source for pre-K aides, and if they are working 20 hours a year with children, they are eligible for this scholarship as well.

Ms. Stiber

I'd like to see if I can bring some relevance to this next topic because often people ask me, "What does licensing have to do with enhancing quality?" I think that I'm finding that we often don't know what licensing is. I'd like to just say to you, basically, in the state of Kentucky it's illegal to take care of groups of children without a license. We say to people, "OK, if you want to take care of groups of children, we'll let you do that if you get a license, and we'll give you this license if you agree to follow a set of rules." Those are the regulations. And these regulations are minimum standards for the care of children. As Dr. Townley said, they are absolutely nothing to brag about, only thank goodness they are there. They provide the floor of the house of quality, you could say. Nobody goes below the floor.

It's relevant to talk about the need for licensing personnel when we talk about quality and enhancing quality because that's really the basic foundation for quality. We learned at a conference with the National Association of Regulatory Administrators, which is what we do, that we basically are looking at the very minimum standards that society will bear for the care of children. It's just the lowest we'll allow. When we start introducing all of these quality components through the KIDS NOW initiative, suddenly society is paying attention to early childhood a little more. What's going to happen, we think, is this shift in the thinking of society will then push those minimums up a little bit higher. This is a really good thing for those 150,000 kids in day care because, even if their director didn't choose to go for the quality rating system, which is voluntary, over time that minimum will be improved. Therefore, it becomes relevant that we have enough licensing personnel to go out and do the basic inspection. Can we allow you to operate? Are your standards high enough to just be here with children every day? In this part of our division, our licensing personnel respond a lot to complaints. They go in and investigate incidences which have caused harm to children or which may cause harm to children. At a very basic level, the importance of having licensing personnel and the ratio of licensing personnel to the number of day-care centers, as low as our funding will allow, is really critical to the basic health and safety of children.

Ms. Lancaster

Another collaborative effort through KIDS NOW with the local health departments and maternal and child health and the Department for Public Health and all this other crowd that you see here today is the Healthy Start and Day-Care Program. There are 88 consultants seated in local health departments that cover every county in the state. These consultants are available to the day care, to come in and do training and consultations on health issues, immunization issues, safety issues, and nutrition issues for the children. We know that nutrition is a tremendous problem for our children right now. This has

been a very successful program. There was a model for this originally out of Lexington, so it was expanded through KIDS NOW, and it's statewide and it's great.

One other thing that our Healthy Start in day-care consultants can do is provide what we call a DECA, which is an observation tool to help parents and teachers build resilience in children. It's a simple little tool that's done with the parents and the day-care provider. Then, there are interventions that are associated with the observational tool results, so that they can work with the family and with the child to try to provide a situation that's unique and that will assist the child to be more successful in day care. If there are continued issues for that child or day-care center, then there is a link between the Healthy Start consultant and the program that I mentioned earlier, the mental health program out of the comprehensive care centers through
referral. The Healthy Start consultant can refer, and the day care can also directly talk with the mental health consultant as well. What I really want to show you is that there are linkages between all these programs; every single program that we have talked about is linked. None of it is separate, and it's such an incredible collaborative effort, which I give Dr. Townley the credit for.

Dr. Townley

Healthy Start has been a great program and it's free. Everything here is free to programs to help them improve quality for young children. In addition, everything that is here is voluntary except the eye exam; you do have to have an eye exam by an optometrist or an ophthalmologist by the time you enter school.

I want to run through the last little bit of this quickly because our time is getting short. One thing I think educators will relate to we have done in the last 18 months: we have established early childhood standards and those flow right into the program of studies for K-12 (see Appendix A, slide 26). We started it before it was a mandate in Leave No Child Behind. "Good-Start, Grow-Smart" is the part that says every state must come up with early childhood standards for 3- and 4-year-olds; they are pre-K, and it must be in literacy and math. We, with a large group of people over two years of time, did at-birth to five years of age, and we have done it across the entire developmental continuum. We did not just look at math and literacy.

You will see a theme here, building a strong foundation. That's what we are all about in these early years: how we build this strong foundation (see Appendix A, slide 27). We've already talked about this, but we think that will help the transition from the early-care-and-education system into the school system. As you look at the standards at the bottom, it says what the entry-level skill is that we expect children to know and be able to do when they enter kindergarten—it's aligned with the Head Start standards. So we have tried to take all the components that were already there and provide that for practitioners. We originally started this dealing only with three- and four-year-old children, and then we said, "Well, why aren't we dealing with that birth-to-three population?" There is that continuum of learning, and these standards tell us the essential skills that we want children to know and be able to do. We think that this will serve as an observational tool and a guide, so we can look at children's continuous progress. We can understand children's accomplishments, and we also think it will help build strong classroom programs. We are about to pull together a group right now that is looking at assessment of the standards and how we assess programs and assist children in a developmentally appropriate way.

One of the last things I want to talk about is Community Early Childhood Councils (see Appendix A, slide 32). We have 103 Community Early Childhood Councils in the state representing all 120 counties. At the current time, we put about $1.5 million in those councils. The legislation recommends the people who need to be on those counsels: the health department, the school superintendent, the Head Start, and business people. There is a broad array of people who come together and say, "OK, this is the KIDS NOW initiative and we have in these programs statewide. What unique needs do we have in our community related to early care and education?" They come up with a plan and submit that plan. It's seed money, and it's on a competitive basis, and those councils are up and running. The councils that have received funding and a summary of their programs are up on our Web site, and you can access those. If you are not aware of the Community Early Childhood Council in your area, let me know or you can look it up on the Web.

FIRST STEPS is our early intervention system that has been in existence for about 10 years (see Appendix A, slide 33). We do put KIDS NOW money into that because we know that identification of disabilities early on and those intervention strategies will help children reach their goals. We have some support structure that helped with all of this early childhood development authority; it is the overriding body that looks at dollars, that also looks at programs, and also helps us implement it (see Appendix A, slide 34).

We have an Early Childhood Business Council that has a business plan for how we inform business about how they can be involved in early care and education with their employees. In addition, we have a professional development council that sunsets next year because we truly in Kentucky now have a seamless system of professional development in early care and education and early childhood. People in other forums, elementary and secondary and higher education, have always had that. We have never had it in early childhood and now we do. We also have an evaluation of the initiative that's done by a UK-UL research team, which brings us all back to our vision (see Appendix A, slide 35). Everything that we have talked

about is to get us here—that all children are healthy and safe, possess a foundation that enables school and personal success, and live in strong families that are supported within their communities. With that, we will open it up for any questions for the little bit of time we have left.

Dr. Townley
OK, I thank you for your attention. I encourage you to be familiar with what is happening in your community. Every one of these things that we have talked about here today is happening in your community. They are serving the children to make sure that they reach their full potential. Thanks.

Ms. M. Corinna Curl (center) from the University of Kentucky's Martin School talks with fellow attendees.

Assessment and Accountability: Melding the Old with the New

Moderator

Dr. Paul B. Cook, Vice Chair of the Kentucky Long-Term Policy Research Center Board

Panelists

Jana Beth Francis, Director of Assessment, Research and Curriculum Development, Daviess County Public Schools
Kevin M. Noland, Deputy Commissioner, Kentucky Department of Education
Robyn Oatley, Principal, Millcreek Elementary School, Lexington

Dr. Cook
Well, if you have looked in your packet, there is a biography on each one of the panel members. At the far end of the table and to your right is Jana Beth Francis, who is Director of Assessment Research and Curriculum Development for the Daviess County school system. She is a practitioner in that she oversees this endeavor for over 10,000 students, and, I think, if your attorney was right, you have seven schools that have done what?

Ms. Francis
We had seven or six schools that have broken 100 already.

Dr. Cook
She has Kentucky roots, left Kentucky, and received a bachelor's degree from Wellesley and a master's degree from the Principals' Academy at Georgia State University in Atlanta. After working nine years in Atlanta, she came back to Kentucky, and we are glad to have her with us today. In the middle is Kevin Noland. I am assuming that many of you know him either by face or by name or by both. Kevin is Deputy Commissioner and General Counsel for the Kentucky Department of Education. He has been in that role for more than a decade and knows the ins and outs of that function. He served as acting commissioner for a little while, I believe. Kevin has a law degree as well as a bachelor's degree, and we are delighted to have him here with us. On the end is Robyn Oatley, who is principal of Millcreek Elementary School in Lexington, Kentucky, and she has worked as an educator for 27 years. The three of them will make some opening comments regarding their respective roles, and then we will hopefully entertain questions from you. I think what we'll do is start and let them each make their statements, and then we'll come back and take questions. I did want to make an opening comment that speaks to my age. As you know, the profession we are in has a lot to do with the buzz words, and I remember sometime, I think in the 1980s, I'm not sure exactly when, I first started hearing education people talking about assessment and accountability. My reaction to that was that will be another one of those buzz words that will make its rounds and that will be the end of it. That tells you how I am not very perceptive about what is going to happen because it has certainly become more than a buzz term as far as education in Kentucky is concerned. We will begin by opening statements from our panel members.

Ms. Oatley
We want to thank you all for coming to the session today. If you do have any questions as we move along you can feel free to ask them. We'd like it to be as relaxed for you and as informative as possible. I've had several roles, I can't keep a job seems like, so I went from being a principal to being the Director of Assessment in Fayette County Schools to working at the state department—right at the time when we changed from KERAS to CATS. I was lucky to be able to spend a lot of time with the National Technical Panel and the people who were the real brains behind our Kentucky assessment and watch them in action. Then I was lucky enough to be able to spend a lot of time with our Kentucky State Board, hearing them discuss it, and all of the advisory groups. I was able to, at that point in my life, really communicate with all of the schools in the whole state of Kentucky about what we needed in assessment and accountability in Kentucky. It was an interesting conversation for about two and a half years. The big thing that both the technical panel and the teachers agreed on was, "give us a really good test, tell us what content it's going to cover, and then don't change it for a while." That's exactly what our Board of Education at the state level has committed to, and we have now had this in place since 1998. Teachers feel comfortable with this now. As a matter of fact, if our scores were late, one day late even, they would be going, "Oh, my gosh, we don't have our data, what are we going to do?" That's the way the complexion of Kentucky education has really

changed at the classroom level. My teachers know how to disaggregate data. They sit down and look at the individual scores that come back. And the materials and tools that have come from the state department are better and better and better. With the advent of technology, we can look at that individual child level.

We are teaching kids to think now like we have never taught them to think before because they have to apply it. They can't just come out with the right answer, they have got to be able to apply it, and they have got to be able to write it. We are testing writing—we are looking at writing skills like we have never looked before. When I first went back, after the state department, I figured I'm telling everybody that this works, I probably ought to go practice somewhere and make sure it really does work. I went back to this elementary school three years ago and started putting into practice what I had been preaching all over the state, praying that it really did work, and sure enough, our scores in writing alone went up 15 points. I looked back and pulled some pieces from the early 1990s and started comparing it to what my third graders are producing now. I just want to read a little excerpt: it's short but remember this child is eight years old. We are working on personal narratives. It says, "The Best." This is by Shelby. "I felt as if I was going to collapse, trembling I walked off the blue-carpeted floor after performing my routine and saluting the judge. As I walked to my next event, my legs were shaking, my teeth were chattering, and it felt as if tiny microscopic spiders were crawling up my spine. Small frogs seemed to be happily jumping in my stomach although I wasn't too happy. I often glanced over at my teammates, eagerly watching them move and watching the event begin. I was filled with wonder. Would they fall off? Would they affect the team score? Besides the thousand other thoughts that were running through my mind, the only one that seemed to stick out was the hope of wanting the meet to be over. I turned my head once again and drifted off into my two-dimensional world. As the moment crawled closer, my hands started to sweat. It was almost like I was scared even to face the beam, but yet I still performed. Did I really have a chance? Suddenly out of nowhere, a loud ear-shattering voice came over the microphone, angrily demanding for us to proceed to our next event. Could this be true? Was I not going to have to perform my routine? 'But we have one more gymnast to go,' my coach interrupted. My thoughts were worried, kind of angry, and scared, but somehow excited at the same time. Why had my coach done this? Now I knew I had to perform. I slowly turned my head to look at what seemed like a thousand people who were staring back at me. They were waiting for me to stand as I started to rise. My feet were still stuck to the dirty cold concrete floor. My sister softly and sweetly whispered in my ear, 'At least they saved the best for last.'"

Rep. Steve Nunn (center), long-time member of the KLTPRC Board, talks with conference attendees.

That's an eight-year-old, folks; that's an eight-year-old. We wouldn't have had that 12 years ago. I am excited that in the state of Kentucky, we are applying the knowledge that we expect these kids to learn. Now the No Child Left Behind Act has come along, and we are shifting and changing, and Kevin is going to tell you a little bit more, but I am just so thrilled that our state board has not let this dilute. I just encourage you as educators, as people who support education, not to allow it to dilute because one thing we have learned through all of this data analysis is that people respect what you expect, and we have all heard that statement over and over. If we only go back to reading and math or multiple choice, we'll be right back where we were all those years ago when we used to do that.

I'm old; I was here when we did the Kentucky Essential Skills Test. Anybody remember that? It was called the KEST test and we learned nothing from that because we never did anything with the results. Then we went to the CAT5 test, the first of CATS that was from the CTBS company. It was multiple choice and we found out all of our kids were above average. Wasn't that wonderful? And what did we do with the data? Nothing. Then we got KERAS, and we got into the swing of things. Accountability was there, and we learned how to play the ballgame as far as what it took to get those scores moving. Then we changed the test to make it better, to make it more reliable, to make it more valid, and to make it more important to the growth of our students. We ended up with what we have now which seems to be working and stable and pushing student achievement. It's not about scores, it's about moving student achievement. Now we are looking more discretely at the subgroup populations. When you start looking at that, you start talking differentiation. How many of my staff members understood the word differentiation even five years ago?

Senate Bill 168 came down the pike, and Senator Neal made us really start looking at those discrete populations and looking at the growth of all populations. We weren't leaving any children behind at that time because we were looking at all those populations. I really feel like Kentucky is on firm ground. Whatever voice you have I encourage you to use it. Support it because truly, from an educator's perspective, walking a mile every day in those footsteps, out in the classrooms, watching those kids, teaching those kids, scoring portfolios—we are doing a better job of educating our kids, and they can think. Thank you.

Ms. Francis

Since Robyn started by framing her position in education, I'll give you a little history on me. I graduated in 1990, so I missed the big educational reform. Judy Gambill, who you may know as a former president of KEA, was my senior English teacher. Ten years later, I am back in Kentucky and very fortunate to work for a wonderful school system. Assessment presents new challenges no matter where you are. In Daviess County, we are a high-achieving district, so we started several years ago to become very intentional about how we use data. I see the melding of the No Child Left Behind Act and CATS as becoming more intentional in the way we use data.

I am trying to get across to my teachers and principals in the community: This is the data we have had; we are just looking at it through a different frame. That frame is going to guide us and lead us in the future. There are some things that as a district we must do and become responsible for. The first is we have to make sure the data are accurate, and that means working with the staff and students to make sure what we are looking at is really what we want to get at. Robyn talked about the quality of our assessment in Kentucky, and we have a wonderful authentic assessment that really measures what students can do. That is critical.

The second thing is how we interpret that data. That is my job and that's where, as a district, we have to train teachers and principals and the community to interpret that. Finally, we must have an authentic use for it. Right now, if you don't use the data and know what you are changing and how it is going to impact the future, it becomes very difficult to see what changes you made and the impact. I have a school that made an 11 point jump and that jump was incredible, but they had trouble defining what they did to make that change. We must start now to make slow steady progress and really understand our changes.

Mr. Noland

I feel incompetent compared to these two people because they have the real story. I can stand here and talk about educational policy and how CATS interplays with the No Child Left Behind Act, but when the rubber meets the road is when Robyn talks about the experiences she's gone through. And you know it usually takes three or four years for a new, effective principal to come in and start seeing some changes as a result of the implementation of various initiatives, and they are starting to see that with her changes just like we have seen with Northern Elementary after four years. They are having significant changes in Fayette County, and now you have Robyn at Millcreek. When she showed up at Millcreek Elementary in Fayette County, it was a troubled school. She's done a combination of things, with the luck of a lot of retirements and turnover, and also her effective leadership has really made a difference. Ms. Francis from Daviess County, when you talk about 16 schools in their school district and six of them are already over 100 and the lowest scoring, I think, is 79. I mean that's the lowest, and they still have 11 years to go to get to 100. They have figured out what's happening and what works to get results.

I can stand up here and tell you about the No Child Left Behind Act being the most challenging educational policy effort in all my years of working in educational policy that we have ever had to address, and that's saying something. Here you have Helen Mountjoy, who currently chairs the Kentucky Board of Education and Hilma Prather, who is on the state board and chairs the state board assessment and accountability committee. You have Wade Mountz who lived with us through the 1990s as a state board member and saw, as we tried to initiate the Education Reform Act, this assessment accountability system. As it evolved, we've had to improve from KERAS to CATS and now we're having to integrate the No Child Left Behind Act. It has been a real challenge along the way, and we have changed over time. It has been quite an effort.

I think the most important thing is to read your audience, and we don't have a roomful of teachers and school district folks. We have a roomful of folks with a lot of different backgrounds, mostly policy-level people. It has been our experience with KERAS and CATS that it takes years for many teachers to really understand, own, and implement major educational policy after the classroom door is shut. Different teachers, just like any other kinds of people, react differently to moving their cheese and some take it slower or quicker than others. Our state board has looked at this very carefully trying to maximize the flexibility and do the right thing for public education, asking for something supportive of teaching and learning and not counterproductive to the gains made to date.

They looked very seriously at where with the No Child Left Behind Act they can honor and respect the good things about CATS and provide flexibility, so teachers and principals and others who are supporting teaching and learning in the

schools can continue the good work they are doing, and not be disruptive and confusing, if at all possible. As you saw in the newspapers this morning, *The Courier-Journal* and the *Lexington-Herald* had a lot of coverage of the results that became public yesterday for the schools under the No Child Left Behind Act. The state board has wrestled with this for a long time, and our stakeholder group that advises the state board has wrestled with this—how to make this as integrated as possible and minimize the confusion even though you will see quotes in the newspaper from people saying, "This is confusing." It's hard to explain this to parents; CATS is hard to explain to parents who want to know how their child and school are doing. Then you add this other component and you are telling a school under CATS. Here is how you did, and that's pretty good, but under the No Child Left Behind Act, you didn't reach your goals." It can get complicated if you don't deal with these kinds of things all the time, and it's a real challenge, a nationwide challenge. We see this in Florida, North Carolina, Virginia, or other similar states where they have tried to preserve their state assessment accountability system and blend in using the same test but different accountability models for both state and federal purposes.

So what you have seen, the kinds of information the schools got within the last week, shows that we emphasize at the top, meet X out of 25 goals. A district may have anywhere from 6 to 25, and I think schools have 4 to 12. Those goals deal with: did you reach your overall goal in math, in reading; did you have enough in the participation rate and your other academic indicators; did you reach that goal; did you reach all those kinds of goals with your subpopulations? We try to present it like this school reached 10 out of 13 of their goals and just put in the percentage because that sounds pretty good. The problem is it's kind of an all or none. If you are 8-1 as a basketball team, that looks pretty good, but here that 1 puts you in the same category with the team that was 1-8. It's difficult to explain. We've tried to mesh it as best as we can, and the state board has taken advantage of flexibility when they thought it was the right thing to do.

Sen. Walter Blevins (center), member of the KLTPRC Board, talks with conference attendees.

For example, the state board had discretion on how many students in a subpopulation would be enough for separate participation rate accountability for a subgroup. They have chosen the number 60 at this point at that school in the accountability grades and 10 per grade. Another way they have been flexible is setting the annual measurable objectives under the federal system, giving time in the early years for schools and districts to get used to this federal system before they start being more frequent in regular increases in those goals in the later years.

There are some other examples, and they have wrestled every way they can to provide that flexibility to minimize the difference. One thing we have heard constantly even though no state test system is perfect, and we all agree that CATS is not perfect, but as we have done a lot of listening over the last few months to a lot of groups, it's amazing the rallying around CATS. We've seen this rally because they understand it, they know it, they respect it and they don't really like the other option. Speaking to superintendent groups, it's really heartening to hear them talk about it. We want to focus on CATS, which is what is driving teaching and learning. I'm not just saying this because they are speaking about CATS. It's what's behind it, the reason why they are saying it's driving teaching and learning. Just this morning I was speaking with one of the presidents of our state education association that represents teachers, and it was really interesting to hear what he had to say, to hear him say that he really wants to preserve CATS because it has been driving teaching and learning. It's also nice to see everybody coming around the needed resources for education as well as what's working with assessment in Kentucky.

We like having individual baselines for schools from where they start instead of a uniform one like the federal system because that doesn't provide continuous progress incentives for those performing way above. Then, for those who are at the bottom, it gives them impossible one-year, short-term goals. We could go into the pass/fail nature of this system that only proficiency counts as opposed to our system that gives you credit for moving a kid from novice to apprentice. We could talk about narrowing the curriculum to math and reading only, instead of all the other content areas we value in Kentucky. We could talk about annual versus biennial accountability where we value more data being valid and reliable for two years

of data versus one and that we value giving schools enough time once they get their results to enact improvements to turn the school around.

All that sounds like whining and the reality is the laws are there. They passed. So we have got to make it work, and our state board has done a lot to try to mesh the two systems as much as they can, and they are still open to anybody's ideas. They wrestled with this for a long time at their December 9 and 10 meeting. They will be taking final action on their state board assessment and accountability regulations to amend them to conform with the No Child Left Behind Act. Then, we have a public hearing at the end of January, so you still have time to give input on this. I want to hear your thoughts today. I'm not the only one listening to you. I see three state board members in the room today, so if we get two or three more out in the hallway, we will have a quorum. We will be glad to interact on this, and I've got a handout for you that really goes into more detail than I wanted to put in front of you today, but we will be glad to respond to this. What I am handing you is information that summarizes the decision points made by the state board of education at their August and October meetings to conform and to comply with the No Child Left Behind Act. Some of it's technical, and I would be glad to help respond to any concerns or issues you have about those. Any questions or comments?

Dr. Cook

Do any panel members have anything you want to say, not necessarily in response to what another panel member has said? Okay, let's go then to questions and whichever panel member answers the question, since today is being recorded, it might be helpful to repeat the question for the record. Who wants to begin with a question for members of the panel?

Questioner

Dealing with the No Child Left Behind Act and the subpopulation issues, and I am not as knowledgeable on the No Child Left Behind Act as many of you, but in reviewing some of the data, especially in subpopulation groups, it appears that Kentucky's requirements for meeting subpopulation, as far as testing and having a group large enough to gather data, seems to be much more rigorous. It appears to be much more stringent than perhaps other states. Consequently, that number may result in Kentucky schools being branded as unsuccessful schools, whereas districts from Texas with larger populations such as Hispanic or children with disability, those numbers wouldn't weigh as much on the No Child Left Behind Act. I guess, in a nutshell, it seems that Kentucky's requirement is much more stringent than the national requirement.

Mr. Noland

There are two numbers thrown around and sometimes this gets confusing. The number you are talking about is the number of students in a school in the accountability grades that must be there in order for there to be separate accountability for that subpopulation apart from those students being a part of the total school population. That's the number 30 at this point, which the state board has chosen. They have chosen a 10-30. In other words, at 10, let's pick at least 10 students with disabilities and let's say we are talking about elementary school in third, fourth, and fifth grades, and at least 30 total in that school of students with disabilities in the accountability grade. That 30 ranges anywhere from 5 to 50 in other states. The state could choose that minimum number. It's significant that the state board put a 10 on that per grade because most states didn't do that. That does provide some cushion, and the thought there was psychometric in terms of, if your number gets so small you've got to question the validity and reliability, but secondly, it deals with confidentiality of student educational records. If you have seven students with disabilities and they all scored apprentice, then the whole world knows what each student scored. So that bottom line, that 10, gives some flexibility.

The other number that you may have heard thrown around, because in Texas the number is 200 on this other thing, is the participation rate and some people get confused about that. What that is in order to reach your goal under the No Child Left Behind Act, besides doing well in math and reading, you've got to have at least 95 percent of your students who are enrolled on the day of assessment participate in that assessment. If you have got a subpopulation of students with disabilities, you have to have at least 95 percent of them enrolled participate. Well, when you do have that separate accountability, and that is the number I told you about, the state board has set at least 60 for that component. That number goes much higher as I said. Texas is way out there at 200. In terms of your original question—why don't we go higher than 30? Before we had this actual data that was made public yesterday, on how schools did in making adequate yearly progress, some simulations were run before we knew what the real numbers would be. It looked like whether you picked 30 or 50, there was very little difference in the total number of schools that ended up with separate subpopulation accountability. Now we have the real data, so we are going back and running those numbers again, and that information is going to be provided to the state board of education prior to its December meeting because they want to look at the data.

We are hearing from some people, "Make that number higher; you are setting us up for failure." Other people have different opinions on that, so now that we have the real data to know what real difference that makes, the state board will be looking at that and we are open to hearing different people's opinions, but so far, we have heard from all sides speculations on just what the real meaning of that is. Now we will know what that meaning is.

Ms. Francis
I struggled a lot with the 10-30 rule when you think that 30 students could label your school as not making adequate yearly progress. But on the flip side, when we think about 2014 and to get everyone to a 100, when I go to Deer Park Elementary School, I don't talk about groups of students with that principal and the staff; I talk about individual kids. Right now, that 10-30 seems like a small amount, but when you think about what's going to happen in 10 years, you have to start looking at each and every child, and that 10 is forcing our hand at the district level to start looking at those smaller populations. Yes, initially, to think that a high school of 1,500 has 40 students who didn't make their target, and that's why they are labeled as not making adequate yearly progress, is disheartening and discouraging. So in the long run, as you keep inching towards that 100 mark, you have no choice but to look at those individual students. I think it's setting us up for a good framework on how to look at that data.

Ms. Oatley
Truly, from the school perspective, I really think again the state board is trying not to dilute our Kentucky standards. Any backing away we do from looking at every single child and looking at that accountability and including as many as possible in our accountability, the less that we are going to move forward in the state of Kentucky even though it's the No Child Left Behind Act regulations. We have similar regulations for our state assessment. If you have fewer than 10 in any subgroup population, your scores are not elicited for Senate Bill 168 or anything else. So they tried again to stay consistent as much as possible, and it really helps at a school level, that explanation of purpose.

Questioner
In light of inching toward that 100 mark, you said you have six schools that already reached it, that you had at least one that was a 79.

Ms. Francis
Our lowest score is about 78-79, and that is one of our high schools.

Questioner
Do you notice any differences between those schools?

Ms. Francis
The one thing I do want to say is our elementary schools are the six that have already made a 100. They very intentionally focus on differentiation, as Robyn spoke about, and how to meet the needs of each child. Very rarely do I go in to talk about a schoolwide reform. They are now talking about individual classroom and student reforms. What's difficult is the logistics of high schools. And when you have a high school of 1,500, you have to start thinking about how we can create smaller learning communities. You have heard a lot of schools talking about taking their freshman population and how to create those connections, because really what it boils down to is to be able to help each child on a daily basis. When you are in a large class and you are moving from teacher to teacher, a lot of the relationship-building is lost. What we are looking at in Daviess County is how to create that smaller learning community. We started four years ago with the notion of having on-site staff developers at the elementary school, and we have finally been able to move that to the high school and that helps getting reforms out to a staff of 100. As a school administrator, I could get to every classroom if I had 24-14 teachers, and I could get schoolwide reform to happen faster. In a high school, you have to put the system in place to get that to happen. We are hoping that through staff developers and smaller learning communities, we are going to be able to emulate some of the success we have had at elementary schools by realizing—yes, the classrooms are changing, kids are hands-on learners, and really high school teachers could learn a lot about active learning and engaging students, but it is just moving that large body, that large staff that way and really just to focus on instruction.

Ms. Oatley
She's absolutely right on changing practices. When I first went to the school that I am currently at, the scores were in the 50s. We are at a 74.4 right now. That's not exactly where we want to be, but it's the hand we were dealt. They didn't even know what core content was at the time. I had to teach them what core content was; we had to learn how to instruct in the KERA way. We had to learn what open responses were. So they have come a long way in a really short amount of time, but it didn't go without some casualties, either, because there were certain people who pretty much stayed in their ways; their practices were working for a certain segment of our population. What all of data has pointed out is which populations that traditional teaching is not working for. And so we have been able to change those practices now. We had to go in and change the practices before the beliefs came. Because they had to do it as a mandate, and then once the data started to move

and they were actually looking at gaps closed, then they were able to see, well, this really does work; she might know what she is talking about.

Mr. Noland
Before I turn to Jana Beth, in case you didn't read the papers this morning, Susan is right. While 40 percent of our schools in Kentucky's public elementary and secondary were determined to have not met all their goals under the No Child Left Behind Act, 69 percent of our school districts—our 176 school districts—did not reach all their goals. The main difference is because while individual schools in those districts may not have had enough students in those separate subpopulations to have separate accountability, when you aggregate all the schools at the district level, there are. The main challenges are in the area of students with disabilities and African-American students. So before I turn it over to Jana Beth, I think the good thing that's coming out of this is it's going to really provide incentives for central office folks to start coming up with more effective strategies on how they can support student learning in the schools.

Ms. Francis
And you do need to understand districts face consequences just like the schools, and in Daviess County we are a great example. The majority of our elementary schools have six to eight targets that they have to reach. Our district has twice that. It's interesting from my standpoint, and what I want to look at now is to go back and see trends. When you try to create district reform or create policy to change it, you need to start looking at what was happening two years ago and where you think you are going to be in three to five years. My focus now is to start looking at those targets because they do climb fairly rapidly once we get through this initial cycle. In addition, to say let's project out, where are we as a district? Because if we are going to put funding behind certain projects, we have a literacy plan in place in Daviess County, and there has been a lot of talk today about math literacy. As a former math student, and that's my passion, there is a need to look at math and the literacy behind mathematics. But in order to create an effective plan you have to look at the trend data, and I think that's where we are going to be going. No Child Left Behind will provide trend data on those subpopulations, yes, just in reading and math initially, but we are not going to ignore CATS.

When I go to talk to the board of education or anyone, the first thing I do is pull out the last five years and ask, where have we gained, where are we still seeing these ups and downs, and what do we know we are doing intentionally well. The districts are going to have to focus. Now a school system like Daviess County has 17 schools. I can still get to every school in a week if I hustle and move about, and that's where it is going to become a challenge to start looking at your major metropolitan districts and how you can impact that. From my standpoint, seeing the data disaggregated as a whole district, pulling it all together is really going to help guide us now. What I am going to be working on, and maybe Kevin can help with this, is seeing where we are if we look at just elementary, if we look at just middle school, and if we look at high school. I think that reflects a lot of what we see in the state. We are not seeing the same rapid growth at the high school and middle-school level, and I need to look at that from a district level. I think you are going to see your district start to even break it down more and watch for trends.

Questioner
What are district consequences?

Ms. Francis
I think I can rattle some of these off. They range much like the school; eventually you would have to change your district comprehensive school improvement plan. There could be state takeover at the far end of the tiers like when you get six years down. They could implement a curriculum or a program much like a district can work with the school for the consequences.

Dr. Cook
Robyn, did you want to say anything about the last two questions?

Ms. Oatley
(*Responding to an inaudible question about teachers.*) It really is very important that they have a strong grounding in literacy and math at the elementary level and in their content area at the high school level. They have got to be able to teach the content. They have got to know it well enough themselves. One thing I am finding out at the elementary level is I still have a lot of teachers who are math phobic; they weren't good math students when they were in college or in school, and so consequently they don't feel comfortable teaching math at the elementary level. So we have had to kind of go back and learn the math ourselves, making sure that they have a great grounding in their content, making sure they have a passion for kids; they have got to love kids.

I had a poor guy in my office for an interview and I asked, "What would a strong literacy program look like in your classroom?" and he hummed and he hawed and he said, "That's a really good question. I'm not sure I have a really good answer." And I started to say, "Well, you can leave then." I was nicer; I went ahead and asked him the rest of the questions. But they have got to come to the table because they are competing with other people that we're recruiting from other places. My job is to recruit and retain really great teachers, and I don't care whether they are from the state of Kentucky or not. If they have a passion for children and they know education and they know how to teach and they have literacy and math strategies, then I can teach them the Kentucky Education Reform Act. What I need are people who love children and can really teach them. The people coming out of the classrooms are competing with people that I am getting from California or Indiana or other parts of Kentucky because when I need a teacher I use my network that I have developed over the years.

Questioner
(Inaudible)

Ms. Oatley
Absolutely. We do it in small team meetings as well as large faculty meetings. The first thing we do when we get our scores is we sit down as a team, and we do it in vertical groupings and you might be on the reading team or the math or the science. We divide by subjects, and there are a kindergarten-through-fifth-grade teachers and a special-area teacher on each one of those teams. We go through a formulated group of questions to look at the data and come up with answers about those questions. What have we been doing that is successful that we want to keep replicating? What have we been doing that's not showing any profit? Then we compare it to our current school improvement plan. We decide what has really been working in that and what hasn't shown strong gains, and then we alter the school improvement plan, and we all get back on the same page.

Robyn Oatley

Likewise, we are looking at incremental data in between times, because you can't just look at your state data; we have incremental data at our building that we are testing reading and math three times a year. We sit down at team meetings, we look at every child who is not at the 50th NCE on any assessment that we give, and we make individual education plans for those children. My school has 525 kids, so each teacher has got 25 kids or more in their classroom, so it's not a small school. That's a large thing to ask of teachers, and then they are on committees, and they are SBDM council members, and all these kinds of things. We are asking teachers to do a lot. I saw an interesting bumper sticker the other day—this is my little political plug for the day—and it said there is always money for war but never for giving teachers raises. We are going to have to find some way to pay our teachers more because we are asking more of them, and they have to be more like a scientists and be able to use data to prescribe the accurate strategy that meets what the data says. It's like being a pharmacist and a doctor if we want to use an analogy. We have got some very good ones out there, and some of our colleges are really preparing excellent first-year teachers. That internship is so important. If that goes like the principal internship went, we are in real trouble, because that's an excellent program, and we need to keep that in place because that helps us get them over that hump and give them that support that they need.

Ms. Francis
The only thing that I would add is that you need teachers who are critical and creative thinkers. I think when we look at college-preparatory programs for education; we have so much focused on methods of teaching. Like Robyn alluded to earlier, I can get a teacher out in the building and I can teach the new math way or I can teach the new philosophy. What I can't teach is creativity and innovation and how to get them to be really critical. When they give a student assessment, are they analyzing the student work? Are they looking at it and really breaking it apart and asking why are they not scoring fours on their open-response questions? Do we know how to think that way?

I consider myself fortunate to have gone through a nontraditional education program that every week when I was student teaching I met with a group of 10 students. We had backgrounds in computer science, political history, economics, mathematics; we were all elementary teachers. You can imagine the curriculum that we created during those meetings. We were taught how to think and then consequently how to learn. You really have to focus on theories of learning. When we talk about merging technology if you are not merging that with good quality theories of learning and you don't know how kids really go about gaining knowledge, then that's what schools need to be preparing teachers to do. Because, like Robyn said, we can get them in the classroom, and in good schools they have curriculums in place. It's not a matter of starting fresh, it's just getting them to really analyze and be critical thinkers.

Ms. Oatley
Looking at student work is so important. We spend two team meetings per month and probably should spend more, but they need their planning time, too. We spend two planning times looking at student work, and it's either a writing focus or an open-response focus. The teacher presents the work that was done whether a portfolio assignment or an open response, what the setting was, what the preinstruction was for it, and then we look at the student work compared to the rubric. But when I first went there, they didn't even talk to each other; they didn't even share materials. So now we are talking about student work, so I am really excited that we have gotten those levels of conversations going. Then what is a four? If you are scoring down just because our kids are trying so hard, I'm going to give them a four because they worked really hard on this. When they get that KCCT test in the spring, nobody is going to pat them on the back and go—you tried really hard. A four is a four is a four; it's not watered down. So we have got to make sure that every day we are returning work; if it's not up to the standard, we ask them to redo it, or we reteach it or go back and work with that child until you get them up to the standard. It's very important to do that on an ongoing basis or when the state test comes, it's not going to happen.

Mr. Noland
I would just like to add a comment on preparing teachers for effective teaching, because I know universities try to serve teachers in terms of continued professional development. Of course, historically, it has been focused on the traditional, where you pull them away to the campus and have a conference. As we went around the state over the last few years and asked the schools that are successful in the area of professional development, what do you find is the most effective? They said not the one or two days you go and learn something and come back. While everything I really felt good about and I really wanted to do, you get back and it's hard. You go back to your old habits; it's hard to integrate it. So these schools, like Jana Beth just said, are putting resources in the elementary schools; they are having instructional facilitators there. In one of our adequacy studies performed in the last year, we found that for an adequate education it helps to provide embedded professional development, because those teachers at the successful schools say that what they find best is for the person to come to their school and model good teaching practices in their classrooms. They have real specific issues that they need with to guide them on that and need that model for them. So whether the universities are enabling that through these kinds of employment arrangements as instructional facilitators or providing that as a service that the schools and districts pay for with their professional development funds, it appears that what we are hearing from these successful schools is that you need to come to their place and show them in real classrooms how to do it.

Ms. Francis
That's the best job in the world. I've been in education for about 10 years and when I look back on being an educator, being a staff developer and working day in and day out to implement the exciting ideas that teachers have, there is not a better job in education. You avoid what I call "drive-by" professional development, where you drive by in the summer and you pick it up and it literally gets landed on your shelf. So that's why we are not seeing reform happen faster because it takes ongoing, everyday work. To get to do that with teachers, I am sure that Robyn does a lot, and your effective principals across the state do, but it's the best job in education because they need that one-on-one support. Gone is the notion that I am a two-by-four teacher, a teacher stuck between the two covers of my book and the four walls of my classroom. And when Robyn spoke about looking at student work, that's what it's all about. You've got to start collaborating. That's where I think, when we talk about high schools and middle schools, they've got to start looking outside of their department. They need to talk about reading and social studies, reading and science, and what we can learn from the English department, and how we can all work together.

Questioner
(Inaudible)

Ms. Oatley
I don't think they have to be mutually exclusive, either, and in the places that I have been, likely they are different places than you've been, I know they have to blame somebody, so they are going to blame the state so you guys are going to get it. They are accountable and that's the good thing. They know they are accountable, and they know that they can no longer walk away from student learning. There was a time where they said, "I taught it; they just didn't get it. Tough luck; they get a zero; they get an F." And that doesn't happen in schools anymore, so I think they are accountable to the student. They are looking at those students. I asked staff, not my own staff, a different staff, a very high-scoring school in the state of Kentucky last summer when we were doing some professional development, "What are you going to do if this child fails this test?" And they said, "We are going to reteach it." And just a few years ago that same staff would have said, "Well, they just shouldn't be in this school to begin with." We need to understand that we have come a long way, and they are accountable to the students, and they are accountable to the parents.

Most of the schools that I am working with in Region 5 are very accountable. They see those people as their customers, and they really are trying to be open and warm and welcoming. One of our main goals in our comprehensive school improvement plan is to get more parents involved in our school, so they don't feel disenfranchised because we know those relationships are at the core of this accountability. There was a time where the focus, I thought, was just going to stay on student scores, it was just to get the scores up. I just want to go in a place and work on student achievement and the scores are going to take care of themselves.

So that's basically what we have done. We haven't made 14-, 15-point gains on our total accountability, and we've made 3-, 4-, and 5-point gains. We are building capacity; we are teaching the teachers how to do it. If I left tomorrow, they would have some tools to use, and it wouldn't make any difference whether I was there or not. They have learned this, but they have learned to be accountable to the individual child because they look at the data, and they can tell me precisely which children are below the 50th NCE on any assessment that we give. They don't come to me and say, "I need to give this child an extra year in primary," without also saying, "Here is his test score on this, and here is his test score on this, and here is some student work, and this is the way his writing benchmarks against the marker papers." We do a thing called the light scale which is a predictor for success. If they get another year in the grade level, that's out there in a researched-based document; they give me that. They don't ever come and just say, "You know, he's just not making it." They don't start questions with, "I don't think" because we don't care what they think. We want to know what the data says. As a professional, they are analyzing that data, so I kind of disagree with you in the fact that they have gotten away from that accountability, but when they say my back is against the wall, I've got to take this test, they have to blame something. The work is hard and it's tough, but indirectly they are accountable to the kids and the parents.

Questioner

(Inaudible.)

Ms. Francis

I think in terms of accountability that one of my big roles is to make sure that my community understands CATS and the No Child Left Behind Act. I do that jointly with the school systems around us. We meet and we try to talk about what is the message, how the community is really going to understand the No Child Left Behind Act. Can I explain it to my board members, so when they are out in the community, when they get asked a question, they feel confident about it? I think the more your stakeholders, community business, families, parents, and students understand our accountability system, they are going to realize how accountable those teachers really are to their students on a daily basis. I always end my statements with "and it's all subject to change because it's still being refined." I do know that I take a lot of time to make sure that if someone gets asked out in the community about the CATS and everything, that they understand it. They can explain it and they know there are different content areas tested, and here is how we look at the data. I think what Robyn was alluding to is making sure her teachers can do that, and those are the people who are talking to parents. They are at the ballparks; there is a lot of ballpark conversation going on in Daviess County about education. It's important that what is being said at the ball field is accurate. That's where I speak from a district level; we provide a lot of support. That's an interesting merge. I spend a lot of time working with our director of public relations now. Ten years ago that probably never would have crossed over. That instruction was completely different. Now we pull together and have this group. Our bus drivers need to understand what's going on. They need to know the weeks we are giving CATS tests, we better be picking the kids up on time. It is so collective now, and we really have to be collective in our efforts. You have to take a lot of business models of looking at your customers and asking who are the customers, and how I can help better serve them.

Ms. Oatley

I have to tell you something funny that happened last week. Several of us were at the assessment conference week before last in Louisville, and two of my teachers had attended a session on open-response questions. The idea behind the session was you were supposed to take an example and either tell whether it was a good open-response question or a poor one, and then readjust it if it was a poor one to make it a really good one. They came rushing up to me between sessions. I was manning the registration desk, and they said, "We have embarrassed you; we have publicly embarrassed you. We have offended one of the presenters," and I thought, "Oh great, what did they do?" They said, "We took this question and she thought it was a good one and we ripped it apart." They told me what the question was, and it wasn't even an open-response question, it was a yes or no question; there was no open response to it. They were able to identify that, and they were able to turn it into a really good open-response question by revamping it. They said, "When we read it aloud, she got really volatile with us and said, 'Well just give it to me then and I will rewrite the question' and she kind of huffed off." So they went and apologized to her and they came and told on themselves. I said, "I am excited you were able to do what the assignment said; you were able to recognize that wasn't a good assignment; and you did what they asked you to do. I'm sorry she was offended, but that's the way it goes."

I am seeing that kind of growth and I think that is accountable to the kids because we are changing instruction, and we are making it better for them. Indirectly, we have to change the practices before the beliefs change. I think now we are seeing the beliefs change, the practices have changed, and it's here to stay, and I hope that all of our legislators, if you are out there, will support that. The teachers are doing the job, and they are doing the work and maybe it's not where we want it to be at the highest levels, but generally we've got acceptance in the state of Kentucky and I am excited about that.

Questioner
(Inaudible.)

Mr. Noland
One of the requirements of the No Child Left Behind Act, besides the math and reading and the participation rate, is to have another academic indicator and the state gets to choose that. However, for the high-school level, the federal law mandates that you've got to use graduation rates. We didn't have a choice. The state board continues to value the other content areas we do in CATS, the social studies, science, arts and humanities, practical living and vocational studies. They felt that a way to make those courses be valued for the federal system as well is to choose, as that other academic indicator, the rest of the CATS accountability system. Right now we are using prior-year data for those other things other than math and reading, so that we can get the results out sooner, and we are being allowed to do that at this point by the U.S. Department of Education.

Ms. Oatley
As we all know, dropout does not start at the high school—dropout starts in elementary grades. We have to look at the middle schools' retention and attendance which all figures into our accountability. Then you further look at the dropout at the middle-school level. That has had a definite effect on our high schools and our dropout rate is as low as it has ever been in the state of Kentucky. I think this year it was 3.9 and to me that's an exciting place to be in the state of Kentucky. So if we leave out all of those components the board has concertedly looked at, then we are leaving out looking at those noncognitive indicators, too. Again, we are back to you inspect what you respect.

Ms. Francis
This is something I have struggled with. I have been the district assessment coordinator, now this is my second year. My first job was to see every assessment we were giving and make sure it was being used in a meaningful way. I think you first have to hold districts and schools accountable to that. You can over assess students, and we have made some changes in Daviess County that allow us to get results quickly so they are used well. The other thing we have done in terms of our students is look at their time and their styles of learning. We have moved to computerized assessment and its computer adaptive, so if you take a fourth-grade student, they go in at the fourth-grade level and the computer adapts to find their 50 percent level. What that does for student stress and anxiety is every kid walks away going, "That was the easiest test; I did so well on it." Well, they did; they found their level of instruction. Think of the impact that has on teachers because I now know what Sam knows compared to what Jared knows compared to what Sara knows. Pinpoint it to the example without stressing the kid out about sitting down and looking at this test and not knowing where to start. I think when we talk about school day-to-day assessment, you have to make it instructional. If you don't ever go back and reteach a test or redo an open response, kids build this test anxiety. So I think it's conversations with your students about whether you get a chance to rework that question if you miss it or what happens. I really believe in ideal learning, and one of those key components is adverse consequences to failure. Does a kid know that if they fail this test or they don't succeed well that they are going to be able to go back and relearn? When you talk about the No Child Left Behind Act, does the school know that, if they are labeled a school not making adequate yearly pogress, we are standing behind them? Let's go at it, let's go back and reduplicate. I think that from a district level, I have to be very intentional about the assessments that I require districtwide. Then I have those conversations at the school level to make sure that everything we are using, we are using as a tool. If it is just getting graded and put aside, then let's not stress out the kids.

Jana Beth Francis

Ms. Oatley
By the time we get to assessment, that's kind of a celebration because they have done it all year long. That's the big thing if they are used to it and you've used it as your major form of assessment for all of your curricular work. They've done

portfolios, so they should know how to do the on-demands. They've had practice in that in the classrooms. They've done open responses; when we get to that time, it's really our cheerleading time. We start off the whole week with a pep rally, and we bring in motivational speakers and the PTA does treats, and we have balloons, and we reward the kids who got proficient or distinguished on the last test, and it's just a big celebration time. We kick it off with that because now is the time to knock the socks off this test because we are ready, and we just don't get real stressed about it. Of course, at the elementary level, it's a little different. They don't remember the next year when the scores come out what we were celebrating last spring. I think it's a little different at the middle- and high-school level because your own students bring to that test so much personal responsibility. If they are a really good student, they don't want it to reflect on them if they do poorly. They want to be proficient or distinguished. So I think they have a little bit more personal anxiety with that, but again I think it's an instructional leadership thing. When I was the district assessment coordinator for Fayette County, I can remember walking into classrooms and having teachers say, "Now you've really got to do good on this test because the state expects us to." I had to really go back to that principal and say, "You know, we need to change the culture here. We need to work with this a little bit and get away from it being, as the lady in the back pointed out, a test for the state's sake and really mold it into that instructional process." If it is seen as that huge of an event at that time of the year, then it hasn't been meshed into the instructional process.

Dr. Cook
Are there any concluding comments anyone would like to make?

Ms. Francis
I just want to say it all boils down to quality and what we define as quality in education. And I think assessment and accountability is one tool to measure quality. I am excited to be back in a state that values arts and humanities, practical living, vocational studies, and writing. I think that when we talk about what's best for Kentucky we need to talk about the quality of education we are providing. How you define quality is the big looming theoretical question. Right now we are working under the No Child Left Behind Act and CATS, so the schools are going to do the best they can to make sure that the data they give provides the best quality. I think Kevin was right; you can't whine about it, you've just got to go on and use the data. How is this going to help me increase the quality of that education for that one child I speak to in my neighborhood or see off the street? When a community values education and there is a high level of need for quality, you start to see change happen.

Ms. Oatley
I'd follow that up with a commitment, and I know that our state board has shown that commitment, and our department of education has shown that commitment, and I think individually as schools and districts we're trying to show that commitment. Again, I'll refer to a speaker I heard a couple of weeks ago, Dr. Terry Roberts. Dr. Roberts is a diversity specialist in our district and he was talking about loving to come to Kentucky because he said it seems as though you are really committed to closing the gap, and you are really committed to all kids. I was lucky enough to have lunch with him and breakfast that morning, and I said, "You keep using the word *seem*," and he said, "Well, you've got to prove yourselves yet. You are on the path, but if you back off now, then you weren't really committed." I said, "How do you measure that commitment?"

He gave me a just a little brief summary of what he was going to say at the luncheon, and he said one thing you need to be careful of, you need to be aware of the dragons in your own neighborhood who would divert you. I think that is so important because in this time of budget crunch, it would be so easy to say, "Well, the No Child Left Behind Act just asked for reading and math, so we'll just do reading and math and we'll save a few million dollars." That would be a real easy path to take, but it would also put us right back where we were prior to 1990, and you know what we got then. So what do we need to go backwards for? The other thing he said is, it's been 50 years since Brown vs. Board of Education, and if we really want to be committed and we want to prove our commitment, we have to go through five levels of commitment. The first level is "I'll think about it." Kentucky's thought about it and they have moved on. The second level is the weasel level. You say, "I'll try," but it doesn't mean you'll really do anything. The third level is "I'll do what I can," which again you can kind of weasel out of that. The fourth level is "I'll do what is expected," but the fifth level is "I'll do whatever it takes." That's what I hear when I go around Kentucky and talk to teachers. Most of the time their answer to me is, "Just tell me what to do and I'll do it." They want to be successful, they want to serve children, their hearts are in the right place, and we need to value that and honor that. I think Kentucky is there. I think your teachers are doing whatever it takes to get student learning up, and we just need to preserve that as policymakers, as educators, as directors of education, whatever your job; help us preserve that.

Mr. Noland

I would like to make just one final comment with two points. One is you've seen up here with Robyn and Jana Beth some real success stories where they are getting results, and it doesn't matter what kind of students they have whether it's high poverty or any other kind, they have high expectations and high performance as results. I think one of our biggest challenges in the next few years, after we have had situations where even teachers that are slow to change have seen the results and have gotten on the wagon, are those other schools that are not doing as well and the cultural change that is needed in those schools. It's a lot more nebulous than a curriculum, and that's our big challenge over the next few years with those schools, to help them see schools similar to theirs with similar populations that are doing things differently and getting better results. That cultural change is a real challenge. We see that as one of the big things over the next few years we're going to have to do to get those schools to move along toward proficiency. The last thing is I think everybody in this room has had an important role in what is being done for supporting teaching and learning in Kentucky schools. Sometimes you don't get the respect you deserve at home, you've got to leave home to get that respect. My experience over the last 12 years has been that I go to Washington a lot and other places and consistently when I go out of state, Kentucky is still seen with a lot of respect over these last 12 years in education. Two reasons for that, I think, are the sustainability of our reform and the comprehensive nature of it. Other states, a new governor or a new legislature comes in and enacts a program and thinks they've changed the education world. They respect Kentucky because they see it's a lot of pieces that add up to more than the sum of the parts. We've got to hold onto that; we have for 12 years and that is why they respect what we are doing here. It doesn't change every four years with the change in political structure, and we have got to keep that going over the next few years. We have seen the results, and it really works and a lot of the people that used to be naysayers in Kentucky have been made believers in the last two or three years. When you show them the CTB scores, it's hard to refute the success. I appreciate everything that everyone has done in this room because obviously you are invested in education or you wouldn't be here.

Dr. Paul B. Cook, Vice Chair of the KLTPRC Board

Dr. Cook

Thank you very much. Two or three things and then we will recognize them. On behalf of the Long-Term Policy Research Center Board, let me thank all of you for coming. If this is the first conference you've been to, and we do conferences on different topics, you'll find a purple evaluation form in your folder. It's really helpful to us if you fill that out because we do look at those in planning subsequent conferences, and we have a conference every year, usually in November, and we try to move that around the state, and it's on a different topic. Secondly, remember that the next session begins in about 12 minutes and finally I know you want to thank the panelists. They did a great job and if I were a superintendent, I would be ready to steal a couple of people off the panel. Thank you very much.

Conference attendees listen to a breakout session presentation.

The Cost of Quality: How Much?

Moderator

Dr. Penny Miller, Kentucky Long-Term Policy Research Center Board Member

Panelists

Blake Haselton, Superintendent, Oldham County Schools
Dr. Phillip W. Roeder, Professor of Political Science, University of Kentucky

Dr. Miller

It is my pleasure to introduce Mr. Blake Haselton, Superintendent of the Oldham County Public Schools. He received his Bachelor's Degree in Agriculture, a Master's Degree in Secondary Education Counseling, and an Education Specialist Degree in School Administration, all from Western Kentucky University. He is also a doctoral candidate in Education Administration at the University of Louisville. Blake Haselton began as a high school biology teacher and subsequently served as the high school athletic director, guidance counselor, director of guidance, district director of pupil personnel, and immediately prior to being selected as superintendent, he served as a high school principal. Mr. Haselton has won numerous awards for his teaching and administrative abilities. He has been recognized as Kentucky's High School Principal of the Year, Superintendent of the Year, and as a Kentucky Distinguished Educator. And now it's my pleasure to present Blake Haselton.

Mr. Haselton

Thank you very much. I appreciate your being here this afternoon. We're actually not quite doing a tag team. We're doing a joint presentation today with Dr. Phil Roeder, University of Kentucky. And I'm going to present first. We have a power point presentation, and we're distributing copies of that presentation to you. After Dr. Roeder presents, we'll entertain questions at that time. The title of the presentation is an update from the Council for Better Education, "The Meaning and Implications of the *Rose v. Council* Decision," and the Verstegen Study (see Appendix B, slide 1). We're going to start with the Rose case (see Appendix B, slide 2). The plaintiff in the Rose case was the Council for Better Education. It's a nonprofit corporation whose members consist of 66 local school districts. There were also 22 individual school students involved as plaintiffs in the initial case. The defendants in their capacities as leaders of the General Assembly were John "Eck" Rose as President of the Senate, and Don Blandford as Speaker of the Kentucky House of Representatives.

The findings in the Supreme Court case (see Appendix B, slide 3): the General Assembly alone is responsible to create an efficient system of common schools defined by both equity and adequacy. Several comments from the Rose case decision regarding equity and the initial litigation that led to the *Rose v. Council* decision started out as *Council v. Wilkinson* in Franklin Circuit Court in 1985. The decision by Judge Ray Corns in 1988 was appealed in favor of the plaintiffs directly to the Kentucky Supreme Court, bypassing the Court of Appeals. And the Supreme Court then took the case as *Rose v. Council*. You can see the comments that were directly out of the Rose case (see Appendix B, slide 4).

If one were to summarize the history of school funding in Kentucky, one might well say that every step forward taken to provide funds to equalize money spent for poor districts has been countered by one backward step. Also, the children of the poor and the children of the rich, the children who live in poor districts and the children who live in rich districts, must be given the same opportunities and access to an education.

The initial Wilkinson case started out as an equity case. Basically, the premise was that the students who lived in areas of poverty in this state were not receiving the same opportunities for an education as those who lived in wealthier districts. And then finally, common schools should be substantially uniform throughout the state. Regardless of where you lived, a child should have an opportunity for quality education. Regarding adequacy, the court stated that equity was not enough to fulfill the definition of efficiency (see Appendix B, slide 5). An efficient system is not "one which is operated as best can be with the money that was provided." We reject such a definition, which could result in a system of common schools, efficient only in the uniformly deplorable conditions it provides throughout the state. And then again, "Each child and every child in the Commonwealth must be provided with an equal opportunity to have an adequate education."

Who bears the costs? (see Appendix B, slide 6). The conclusions reached by the court were: first, the providing for public education by the General Assembly was the most vital question presented to constitutional delegates. Second, the delegates asserted that education of children must not be minimized to the slightest degree. Third, education of Kentucky children is essential to the prosperity of the state. And fourth, the citizens must not finance the schools in a *de minimus* fashion. And then there is a quote from a previous case related to voluntary commitments that Kentuckians have made to educate the

children of the state. "Neither the General Assembly nor individuals can abrogate those responsibilities merely because the monetary obligations become unexpectedly large."

Where Are We? (See Appendix B, slide 7) Does Kentucky now have an efficient, and therefore equitable, system of common schools? And, second, does Kentucky now have an efficient, and therefore adequate system, of common schools? The Supreme Court defined adequacy in *Rose v. Council* as existing when a local school district possesses the resources necessary to provide each student with the skills and knowledge necessary to meet expected educational outcomes (see Appendix B, slide 8). The Court also defined seven competencies of an adequately educated pupil (see Appendix B, slide 9). Of all the things in the Rose case, beside the funding issue, the definition of what an adequate education is provided guidelines for the General Assembly in their legislative act. And you can see those seven competencies: sufficient oral and written communications skills to function in a complex and rapidly changing civilization; sufficient knowledge of economic, social, and political systems to enable informed choices; sufficient understanding of governmental processes to enable understanding of issues that affect the community, state, and nation; sufficient self-knowledge and knowledge of mental and physical wellness; sufficient grounding in arts to enable appreciation of cultural and historical heritage; sufficient training or preparation to enable the choice in pursuit of life work intelligently; and sufficient levels of academic or vocational skills to compete favorably with counterparts in neighboring states in academics or in a job market. Those are, we think, ambitious expectations for all children in Kentucky. Certainly, as you look at the assessment, the assessment is built around those seven capacities, which was unique. Kentucky was the state that not only mandated the curriculum expectations, but also mandated a statewide assessment to measure how well schools were doing in providing education to children.

The Council for Better Education in late 2002, undertook a mission to determine whether the General Assembly had provided adequate resources or met the adequacy standard. Prior to 2002, a number of studies on equity, the equitable distribution of resources, had taken place. Starting in 1991, Dr. John Augenblick, who was the main architect of the Support Education Excellence in Kentucky (SEEK) formula, studied the formula and determined that it was making progress toward achieving equity. Dr. Jacob Adams concluded in 1993 that the state was making progress towards equity. By the way, Dr. Adams was in town last week speaking at a meeting with the Prichard Committee to talk about the work that he is currently doing for the Gates Foundation. That was followed in 1997 by a study by Dr. Adams and Robert White from Vanderbilt. And their study was very, very well done, I think, and indicated that the gaps were closing. That study in 1997 was significant because the first two had taken place before 100 percent cash value assessments had taken place in 1994. The Kentucky Education Reform Act required that property be assessed at 100 percent of fair cash value. That was done on a quarterly basis in counties across the state and, until 1994, we had not had 100 percent assessment across the state. So the Adams study in 1997 was very significant as far as looking at the equity issue. Then last year, Picus and Associates, Larry Picus from the University of Southern California and Allen Odden from the University of Wisconsin (U of W), and several other associates from the U of W studied again the equity issues relating to finance in Kentucky. And again they found that substantial equity had been achieved in Kentucky as a result of the school finance formula.

The adequacy question again had not been resolved, and there are really two parts to the adequacy question: One is the financial adequacy—what does it take to be able to fund every child in the state to reach high levels of achievement? And the other is the assessment adequacy—how well are we doing in those areas to be able to determine whether students are achieving educational adequacy according to the state assessment? Dr. Verstegen was selected to conduct an adequacy study (see Appendix B, slide 10). One of the reasons she was chosen was she had no background with Kentucky. She had no history with the Kentucky Educational Reform Act or the school finance formula. She's a nationally recognized expert in education finance. She works out of the University of Virginia. Again, she came from the University of Wisconsin's school finance program and is an outstanding scholar in the field. Verstegen was charged with conducting a study to determine the cost of educational adequacy in Kentucky as defined by KERA and *Rose v. Council* (see Appendix B, slide 11). She used the Professional Judgment Model, which uses the assessments of education professionals in assigning the resource cost of an adequate education, and cross-referenced the findings to research data. The Professional Judgment Model used panels, basically, from school level and district level, and expert panels in establishing the resources needed to provide adequacy. [There are] different cost models … and Professional Judgment is not the only one. You can see the Professional Judgment Model, also called the Resource Cost Model, has been used in Wyoming, South Carolina, Montana, Maryland, Illinois, Massachusetts, and Alaska (see Appendix B, slide 12). The empirical approach has been used in Illinois, Mississippi, Maryland, and Ohio. The econometric modeling approach and the costing comprehensive schoolwide reform or the "state-of-the-art" approach has been used in New Jersey and also in Kentucky by Picus and Odden.

The research design, again, was comprised of teachers recommended by the Kentucky Education Association. The Kentucky Association of School Administrators recommended curriculum personnel (see Appendix B, slide 13). The Kentucky School Board Association recommended school board members, and the Superintendents Association and the School Administrators Association recommended administrators. School site panels were asked to estimate personnel and nonpersonnel resources for prototype elementary, middle, and high schools based on different district sizes, small to

moderate, moderate to large, and large to very large. District-level panels projected the necessary district-level resources for adequate schools, and an expert panel assessed the cost based on the identified resource needs of the school site and district-level panels. The costs included personnel, supplies, equipment, technology, and categorical aid for additional-cost students, cocurricular and student activities such as expanded school services, family and resource centers, and summer programs (see Appendix B, slide 14). It did not include athletics. District-level resources included administration, maintenance and operations, and transportation.

District sizes were divided by taking the state's student enrollment population and dividing it in thirds (see Appendix B, slide 15). Small districts were classified as the lower third of students by enrollment encompassing 125 school districts with an average size of 1,506; medium-sized districts (41 school districts), average-size 4,522; large districts (10 districts), average size 19,053. There have been three studies conducted concerning adequacy in the last year (see Appendix B, slide 16). The Kentucky Department of Education commissioned Picus and Associates to conduct an adequacy study using the "state-of-the-art" approach. The study estimated the cost associated with achieving adequacy based on 2001-2002 data would be an additional $565 to $740 million over existing expenditures in education; the Verstegen study using the professional judgment approach using 2001-2002 data estimated $892 million to $1.162 billion. And later the Kentucky Department of Education commissioned Picus and Odden to conduct an adequacy study using the Professional Judgment Model. That study indicated, again for 2001-2002, $1.8 billion to $2.3 billion in additional funds.

Commonalties between the Kentucky Adequacy Studies: (see Appendix B, slide 18). There was an emphasis on providing better educational opportunities for Kentucky's youngest children. All studies recommended the implementation of full-day kindergarten. All recommended reduction in class size for kindergarten and primary students (that's K-3). All three programs identified the need for expanded preschool. Verstegen recommended that a voluntary preschool be instituted for all three- and four-year-olds. Picus and Associates recommend that free preschool be extended to children 150 percent below the poverty line in both of their studies. I think it's important to recognize, as we look at the additional funds that are being recommended through these studies, the concentration is on early childhood education. I think much of the discussion you've heard today indicated its emphasis on reading and on the early childhood aspects because that is where we make the biggest difference with children. The biggest bang for the buck is in early childhood.

Conference attendees discuss the topic of the day—education.

Altered New Use of Personnel Positions to Address Student Needs: (see Appendix B, slide 18.) All models were designed to incorporate instructional facilitators—resource people working directly with the classroom teacher with challenged children. Picus and the state-of-the-art study eliminated all assistant principals by reducing school size. It found more instructional facilitators, family support personnel, and teacher tutors for students with a low-income background. Verstegen included support services for migrant students, gifted and talented, special education, English as a second language, and at-risk children.

It's important to note, I think, that in the Rose case English as a second language (ESL) is not a consideration. Back in 1988, it wasn't even on the radar screen as a challenge. It's one of the more significant challenges that we face today with the growing population of English-as-a-second-language children. And then Picus provided resources for special education and ESL students also in his professional judgment approach. Right now, students are funded on an individual basis to school districts across the state on average daily attendance. The funding levels in 2001-2002 for all three levels was $7,271 per student. That includes local, state, and federal funding. The Verstegen study indicated that smaller school districts would require $9,582 per student, medium school districts $9,112, and large school districts $8,438 (see Appendix B, slide 19). That basically is an economy of scale issue related as much to district resources as anything else.

Additional Key Resource Components: This is in the Verstegen study, which takes it from $892 to the $1 billion dollar figure, adding voluntary half-day preschool for three- and four-year olds and also raising teachers' salaries to the average of the Southern Region Education Board (SREB) standards (see Appendix B, slide 21). You'll note that the two standards we

looked at for salaries for the SREB, which consists of the southern region and then the seven surrounding states, Kentucky salaries were 95.8 percent of the SREB states and 81 percent of the seven surrounding states. So Verstegen asks which of those standards do you want me to use? And we told her to use the lower of those two as a start. The Rose case was based on the seven surrounding states, not the SREB. That's the only piece of the Verstegen study that's not consistent with the Rose case. If we look at the total expenditures for the first number, the $892 million number is on the top. You can see the second number if you add the salary issue and the three- and four-year old preschool. The current expenditures and then the gap between the two is where you come up with $892 million versus $1.16 billion (see Appendix B, slide 21).

What's Next? (See Appendix B, slide 22). The Legislative Research Commission (LRC) commissioned a study of the state tax structure by Dr. William Fox, an economist at the University of Tennessee. Dr. Fox came back with a report and presented it to the LRC that indicated Kentucky's tax structure was antiquated. We had a number of taxes that were not business friendly, and a number of taxes that were too high. We had some tax areas that we had not taken advantage of that the state needed to look at, and we had other areas where we were not competitive with our surrounding states or nationally. The tobacco tax came out of that discussion of raising the price of taxes on tobacco, etc. What Dr. Fox indicated was the current tax structure in Kentucky was antiquated and that it needed to be revised. To what degree it needed to be revised was based on what type of programs the state wished to have. And most of that discussion was geared towards entitlement programs like Medicare rather than what he considered, I think, fixed cost of—education based on the number of students that you have going through the system. That report was deferred. There was some opposition to it, especially from the business community because many of the recommendations were based on restructuring business taxes in Kentucky. There was some thought that those taxes were already not business-friendly in many cases. And the other issue was that we had a new governor coming into office and that the General Assembly might want to work with a new governor in considering what recommendations in the Fox report to implement, or how to go about moving on. I think the significant conclusion of the Fox report was that even in a healthy economy, as we had in the late 1990s and early 2000, the current tax structure in Kentucky would not support essential services over a period of time. It was built on coal, tobacco, and manufacturing jobs that no longer are the primary source of revenue in Kentucky. For comprehensive tax reform—tax modernization—there need to be decisions made regarding what the tax structure in Kentucky is going to be to support essential services. Those decisions are going to be made at some point in time in the future because we are rolling up pretty significant deficits and there is a requirement that the state budget be balanced. We had a structural imbalance in the last budget and we anticipate a deficit in this budget approaching $250 or more million this year, projected out to somewhere over $700 million, according to the Governor last week. So comprehensive tax reform or tax modernization is going to have to be considered one way or the other.

Fiscal Discipline; we talked about tax cuts. The Patton Administration indicated that there had been 26 tax cuts during the Patton Administration since 1996 that resulted in a loss of revenue approaching $2.24 billion that would expand to over $3 billion by 2006, and that revenue was not replaced. It was not revenue-neutral tax reform. It was piecemeal tax cuts that occurred over a period of time, one at a time in legislative sessions since 1996. So one of the issues we have to get into is, if you're going to reduce revenue, then do you reduce programs? And if so, which programs do you reduce?

The other is adding programs. We've added a number of new worthwhile programs over that period of time but haven't identified the source of revenue to fund them. And that's another issue that needs to be addressed. And then there is the continued practice in the General Assembly of funding community projects. In 2000, over $600 million worth of community projects were funded out of the state budget, so as we look at those numbers they are pretty significant over time. Looking at elementary and secondary education as a whole, the percentage of state funding for elementary education has gone from 48.3 percent to a little bit over 41 percent from 1990 when the Kentucky Education Reform Act was implemented to last year. And that percentage loss would make up the $892 million that Verstegen indicates would be required for an adequate education. If we had the same level of funding in elementary and secondary, percentage-wise, in the General Fund as we had in 1990, we would not be looking at the numbers we're looking at and asking, "What does it take to be able to fund early childhood education?" And that's pretty much what the Verstegen study calls for: funding an early childhood education program that's going to make available to our most challenged students, many of whom are in poverty, an opportunity to get an adequate education.

Maintain KERA. Under the Kentucky Education Reform Act, as we heard throughout the day today, we have seen significant progress in student achievement. There have been those who have said we don't have evidence of that, but if we look at the National Assessment of Educational Progress, if we look at the number of students who are going to college, if we look at the reduction in the dropout rate across Kentucky, I think, we feel—superintendents and school boards feel—that we're moving in the right direction with the Kentucky Education Reform Act.

We are going to have changes, and they're changes in demographics and changes in what represents an adequate education. Two areas—technology in the adequacy side, and English as a second language on the demographic side—are two things that have flowed through the system since we started the Kentucky Education Reform Act in 1990. And then, best practices. We do need to determine what are the practices that result in higher student achievement. This is especially

challenging with students in poverty. Of all the areas that we have, students living in poverty remain the biggest challenge that we have in Kentucky, by far. We have some districts and some schools that have made progress in that area and we have others that have not. And we've got to identify what those best practices are and we've got to continue to look at resources and returns on investment, and not be wedded to traditional practices that may have been in place for a long period of time that do not result in higher student achievement.

Recent Developments: (see Appendix B, slide 23.) In March 2002, the Council reconstituted with 164 school districts out of 176 that are members. In February, the Verstegen study demonstrated that the current education funding is inadequate and that was shared with the General Assembly during the last session. And in June 2003, the Council voted to find a legal remedy to ensure adequate funding for all Kentucky children. The lawsuit was filed in September of 2003, and we have a court date in Franklin Circuit Court tomorrow on that case. Jack Moreland is the President of the Council of Better Education and the superintendent of the Covington Independent School District (see Appendix B, slide 24). I would also invite inquiries that you may have on the presentation or the work of the Council of Better Education at the conclusion of the session.

Dr. Miller

Thank you very much, Blake. Our next presenter is Dr. Phillip Roeder, my colleague at the University of Kentucky (UK) in the Department of Political Science. Phil received his doctorate from Florida State University. He has served as Director of the Martin School of Public Administration at UK and also Director of the UK Survey Research Center. His primary research areas are policy analysis, state and local government, and politics, and also he teaches public administration for us, too. His articles and monographs have appeared in such political science journals as *The American Journal of Political Science, Social Science Quarterly, American Politics Quarterly, Political Methodology, American Political Science Review, Administration in Society, Journal of Aging and Health*, and *Health Matrix*. Yes, you still must publish. If you don't, you perish. So Phil has continued to publish widely. His 1994 book, *Public Opinion and Policy Leadership in the American States*, won the prestigious Brown-Lowell Award from the National Academy of Public Administration. Phil does a lot of grant work, too—various large research projects. He has been principal investigator on grants from the US Department of Health and Human Services, the National Science Foundation, General Telephone of the South, South Central Bell, the Kentucky Department of Medicaid Services, and the Department for Local Government. Phil has recently been awarded a $2 million grant for which we're extremely proud of him at the University of Kentucky. His e-book on Kentucky's innovative education reform initiated in 1990 (KERA) which is titled *Education Reform and Equitable Excellence, the Kentucky Experiment*, can be found on the Internet. Phil also provides all his research materials on the Internet for people who would like to view them. So, now, it is my pleasure to present my colleague, Phil Roeder.

Dr. Roeder

Thank you. I began with the assumption that all of these adequacy models that we're talking about make a pretty fundamental assumption that there is a relationship between resources that we provide in education (all those tax dollars and all the things we buy with it: teachers, equipment, buildings, and these kinds of things, even program services) and the performance of the organization. To their credit, all the adequacy models, at least the ones I've looked at, all recognize that assumption. They all argue that it is very important. Some of them do provide some data that shows that relationship. As Verstegen says in her study, the Professional Judgement Model needs to be supplemented, not supplanted, by research to assure resource configurations/strategies are able to produce desired results. So what I've decided to do is just take a look at the Kentucky school district resources and performance. And I just got some of the data off the Kentucky Department of Education Website. In Table I (see Appendix C, Table 1), I just looked at the top 10 school districts, the bottom 10 school districts, and the top 18 and the top 5 in terms of the CATS 2000 score. I looked at some other indicators of performance. And as you can see, there are a lot of things in this particular table. For the top 18 school districts their average score was 80.9, which is pretty good. The bottom 10 is 55.6. The district mean was 66.5. The median was 66. You can see the districts range from 50 to one district that almost hit the 100 mark.

I also looked at change in the test scores. You can see that the bottom tenth of the districts actually improved a little bit more than the bottom districts. I looked at the percentage, and that's the absolute change; the percentage change indicates the same thing. The top 10 improved about 2 percent, and the bottom group about 4 percent, which is a pretty significant change. Regarding size, and this is one of the things that Blake mentioned previously, the way these studies are done they are issues of the economy of scale. There's a lot of controversy [about] school size and district size, and we've had substantial consolidation over the years, not perhaps much anymore, but there's still some controversy with that. Size, you can see the top and bottom tenth, are both somewhat smaller than the mean. But remember, Kentucky school districts in size are highly skewed. There is just one very large school district and then several moderately-sized school districts. The vast majority are pretty small.

But, anyway, both the top and the bottom were smaller than the district mean, but the top 10, which is slightly larger than the bottom, is where we see some differences in resources. The top 10 have substantially more local revenue per pupil than the poorest performing districts, roughly $2,600 per pupil as opposed to about $1,200 per pupil and that's a pretty substantial difference with state revenue per pupil —you can see the SEEK formula does make a difference. A lot more money is being provided to the bottom school districts, a substantially larger amount of dollars. Total revenue per pupil, of course, is probably the most crude or fundamental measure of resources, I suppose, of a school district. In total revenue per pupil, again somewhat surprisingly, the bottom 10 have more money per pupil than the top 10, and it's not an insignificant amount of money. The other thing I decided just to look at in this table was teachers' salaries because that's obviously the largest expense.

The average teacher's salary shows a slight difference. I didn't bother to try and compute the significance of the levels, but you can see the average teacher's salary for the top districts is a little over $36,000, and for the bottom 18 districts is about $35,000. So teachers' salaries don't differ very much and, again remember, we're talking about the extremes. We're talking about the top and bottom districts. So I found that kind of interesting that teachers' salaries are not much different in these. So I think you can legitimately ask, "Is that all there is—just CATS scores?"

Of course not. There are other things that we can look at, if I can get to my second table. I guess maybe I didn't say that what I'm presenting here is just a slightly longer version of an article that was published in *Foresight*, the Kentucky Long-Term Policy Research Center's quarterly newsletter. Table 2 includes the 171 school districts that have high schools (see Appendix C, Table 2). We don't get too many dropouts in the lower grades. Here I looked at several different measures of resources to try and get away from just money. These include dropout rate, attendance rate, transition to college, and unsuccessful transitions, and these are from the 2000 report cards. I used some different resources here. I used average daily attendance, local and total per pupil revenue, and average teacher's salary. These are 1999, the year before the results. I came up with a composite measure of teaching resources. If you remember, in the report cards—there's a section in there where they have a table that has the proportion of classes taught by teachers with a major or minor in the subject area, proportion of classes taught by teachers with professional development in the subject area, and percentage of teachers with Masters Degrees or higher. So I just included that as the "teaching resources." That's the fifth column. Then I also looked at spending per student and the student-teacher ratio. It seems to me that that just expands the notion of resources beyond just having enough money. And I think you can see, without going into any great detail, that none of these have very strong relationships. They are all, I think, quite weak.

There are a few strong ones. Total revenue and attendance rate is fairly strong as is transition to college and local revenue … when local revenue is high—those are the rich school districts and they of course are sending many more students to college than other schools. Well, the initial conclusion that I drew from these two tables is that the top reporting districts already had adequate resources. I figured that some people would jump up and scream at me that I've lost my mind, but in relative terms, they're doing better than anybody else, so they must have adequate resources. Does anybody else agree with me that it's a shame we can't find something better to talk about than adequate resources?

But I have done some other things to look at poverty—the strongest predictor of performance, almost always. But even so, what do we make of this whole idea that the poorest performing school districts seem to have more resources? It just seems to me that it might be that the top districts are doing a better job with fewer resources. That's one possibility. Then, of course, the opposite of that is that perhaps the lower school districts that have quite a bit more money than the top-performing districts are not doing a very good job with it. Well, that's not fair. As I said, poverty is sort of the missing link in some of this, and with the more complex research design, you can see that that would be the case.

I also looked at change over time (see Appendix C, Table 3), at the most-improved and the least-improved districts, at which were the top districts in year 2000 and which were the bottom districts. Table 3 shows the most- and least-improved districts. And, of course, there are two ways to improve—absolute improvement and a proportional improvement. So what I tried to do is combine the two of those into most- and least-improved because, obviously, for the districts that are the lowest, it's probably a lot easier for them to gain an absolute 10 points than these districts that are at the highest level. So I combined them. The most-improved districts improved absolutely by more than 35 points from 1993—they had to improve by over 100 percent in this 9-year period and also absolutely by more than 35 points. The least-improved districts improved absolutely by less than 28 points and proportionately by less than 75 percent, and if you go back to the study, I have listed those districts so you will see which ones those are. And, again, there was not much difference. The most-improved school district had more local revenue in 1990, 1995, and 1999, and the most-improved school districts all had more local revenue per pupil. However, the least-improved districts did gain slightly more local revenue in that same period. Total revenue is pretty much the same story except here they were closer. Most- and least-improved over that essentially 9-year period have got the same total revenue in 1990. The least-improved districts had a little more total revenue in 1995, slightly more revenue in 1999, and they improved by 96 percent.

I also tried to do a projection of which districts were going to be successful. I did another paper where I used some models to try and predict which school districts would meet the minimum by 2014. So I just went back and looked at those districts and found pretty much some of the same thing.

So I guess all my little simple analysis does, it seems to me, is raise some questions about the assumption that there is a strong and independent relationship between resources and performance. It just seems to me that it's raising a question about whether revenue produces results or maybe even what revenue purchases. The least successful Kentucky districts generally have more revenue per pupil than most successful districts and that's over time as well. Well, some people would conclude from that that money doesn't matter. And I would never say that as a college professor. You know I would work a lot harder if I had a higher salary.

Resources do make a difference. I taught in public schools for three years. My favorite brother-in-law who used to be a state trooper and now teaches in the junior high school says it's harder to be a teacher in a junior high school than it was being a state trooper, especially since they wouldn't let him keep his gun there. He retired from the state police. My oldest daughter is a French teacher in a middle school in New Hampshire, and my youngest daughter is completing her student teaching at Rosa Parks Elementary, so I can assure you I really believe that we need more resources in public and secondary education. All I'm suggesting with these resource-adequacy models, I think, is that all of these individuals need to do more work to show exactly where these investments of new resources will produce higher levels of performance. That's probably my one simple question.

In going back to equity, I think the most important thing in my view about KERA is that we have achieved substantial funding equity in Kentucky compared to what it was before. It was really pretty horrendously maldistributed. Now most of the financial experts, I think, will say that we've pretty much reached a fairly equitable system of funding. I think that's pretty impressive. So the issue to me becomes, if we need more money in the schools, in the school districts, should we provide more money for the poorest school districts? Should we redistribute the money even more? In other words, if the top-performing districts are already doing fine, should we have a Marshall plan for the poorest districts in the state, and simply, whatever new revenue we have, invest that in all of these poorest-performing districts? Well, that's a notion that I don't think anybody is going to buy. But it's one that I think should be considered. The other alternative, of course, is to continue the current funding distribution assistance. Or you just can pour whatever new dollars you get into that existing system. Or I think what would be most useful would be if education officials, including superintendents, teachers, more of these researchers would tell us about programs that, if we invested increased dollars, would probably have the greatest payoff. That's what I would like to see. Thank you for your time.

Questions, Answers and Comments

Dr. Miller
Dr. Roeder, if you would keep that microphone on. First, I would like to give Mr. Haselton the opportunity to respond, if he wants, to Phil's…

Mr. Haselton
Give me just a second.

Dr. Miller
Sure, I'll give you a second. And while we are waiting, is there someone who would like to ask Dr. Roeder a question?

Questioner
Is there a model you would recommend to the legislature in terms of policy that might bring about this change if more money went to the poorer districts?

Dr. Roeder
No, I think I will leave that to the superintendents and the Council of Better Education and the consultants. All I'm trying to do is suggest that if we're going to push the need for increased resources, then I think we have to do a better job of showing what those resources are going to buy. That's all.

Dr. Miller
Question back there, please.

Questioner
Would it be possible to look at the school level? Is it possible the district level masks monies being spent, dispersed to the school level, that money is going to district level, and there is a lot of variance in where that money goes on the district level?

Dr. Roeder
Yes. Of course, one of the difficulties is it's hard to get data on school resources. If you look at report cards, you can get some of that data. Maybe Mr. Haselton has a different idea how these things are distributed. But my assumption would be the biggest expense of the school districts is personnel. So all you have to do is look at school size and how many teachers are in each school and that probably is pretty much going to determine how much money is spent in each school.

Mr. Haselton
It varies. We've done some work on the school level that Dr. Keeling is very much aware of, but we've looked at elementary, middle, and high schools, all 1,177 schools in two years, 1999-2000, and 2000-2001. The results are pretty consistent with, I think, the district-level results. Poverty just jumps out as the area that is the most problematic, I think, and certainly it's not an academic conclusion at this point in time. But I think when you look at the other resource variables that go into the SEEK formula, there's some equity associated with student achievement across the board based on correlations that we're seeing in those areas. But in poverty, it's just not there.

I want to share just one observation when we look at what we call high-performing and low-performing school districts. And this goes back to an analysis of Table 1 that Dr. Roeder showed. In those high-performing districts, the average percent of poverty in those districts of the high performers is 22.68. In the low-performing districts, on the other hand, the average poverty rate is 63.09. So when we look at school districts and say the high performers are getting really good results, a lot of it has to do with demographics, according to the information we have. And the other piece of that is when we look at the SEEK formula, it compensates for poverty. One of the contentions could be: it does not compensate *enough* for poverty. As we look at the issues children in poverty come to school with, well, how ready are they to come to school?

One of the things that Dr. Roeder talked about earlier was to define in the adequacy studies what we're talking about in these additional resources. I think in the presentation we did that. We did define what the resources were going towards in that $892 million. It was going toward reduced class sizes in K-3, and it was going toward expanding the preschool programs. It was going toward early childhood where we can make the biggest impact with students in poverty as they come into a school system. I think there is a common discussion that goes around that. You know when students drop out of school? Well, it's not in the 12th grade. If you ask teachers, they can start identifying potential drop-outs in the 4th grade, sometimes earlier than that, just on where they are as far as the skills and knowledge that they have and bring to the school environment. So I wanted to just touch base in that I think when we look at high-performing districts. The other anecdote that I would throw in there is that as we look at that district with 99.2 on CATS scores in 1999-2000, that was the Anchorage school district. Their average per-pupil revenue is over $10,000 a year. And so even though it's a high-performing school district, it is also a wealthy district, and it's not at 100 yet. But we've measured adequacy as reaching 100. So even with school districts that are high-performing districts, we only had six schools in the last cycle that had reached 100, out of 1,177. So as you look at this measure of educational adequacy, we are making gains but we still have gains to go.

Two other areas that I'll touch on is in average class size and then ask Phil to respond to that. When we look at that variable, if we look at the research in average class size, we find that when we start talking about what differences in low class sizes are made in student achievement, you're looking at class sizes of 13 to 17 students. And that's based on Tennessee's Star Study. The average class size in Kentucky is about 25 per class in elementary. So if you're twitting around with average class sizes that are bouncing around in the 20 to 25 range, you're not going to see the kinds of improvement you are going to see in Early Childhood Education when you have lower class sizes that are mandated now under the Kentucky Education Reform Act in preschools.

And then the final thing that I would say is on the salary issue and the relation that teachers' salaries have with student achievement. I think it's significant, that you're looking at a recruitment/retention issue as much as a professional issue, in the sense that you could say, "OK, well, if average salary doesn't make any difference, then let's just go ahead and pay people $25,000 a year to teach." Well, the question is who would do it? The problem that we have in education right now in this teachers' shortage is not a shortage is not a shortage of teachers. I would maintain that, based on the data, where we have a shortage is people who are actually teaching. There are a number of people that have degrees in education that are in other fields because the compensation is not competitive in elementary and secondary education or consistent with the expectations and demands that they have. And it's more challenging with the more challenging students that they deal with and the expectations we have in our society today to educate every child. As I go back and look at the schools that I went to in the 1970s, we weren't educating every child in the 1970s. We're expected to educate every child and educate them to a

high level and even at the same achievement level so we don't have gaps with students who have no educational challenges, either in poverty or special education or at-risk. And I think that's a significant part of the Education Reform Act, and that's part of the success that we have.

I think the good news is the equity side has largely been addressed. The adequacy side remains a challenge. And the biggest challenge in the adequacy side is in dealing with or addressing students in poverty. And I think when you get right down to your data it's pretty clear that when you look at even the percentage of students that are improving, etc., you can look at percentages or you can look at numbers. Either one of them indicates that we still have a way to go with dealing with students with poverty.

Dr. Miller
Dr. Roeder, did you want to respond to that?

Dr. Roeder
Well, that reinforces my question. If poverty is so important, are we willing as a state or society to say we will make a massive investment in disadvantaged districts? If poverty is the cause, do we expect the schools to deal with that? Is that something we expect the school system to have to deal with? I think we could raise the question that it's a broader, societal problem or maybe it's just the way we draw school districts. It could be a variety of issues, but I agree completely that poverty, disadvantage, it seems to me, is the issue and how we attack that, I don't know. The class size is a very good point. When you look at Kentucky and when you look at these data, you can see that there isn't much difference in class size among all the school districts in Kentucky. Perhaps if you brought them all down to a much lower level, which I think would require a pretty substantial investment of resources, you might really begin to see that performance change. I certainly would like us to pay real high salaries.

Dr. Miller
We're going to entertain a question over there.

Questioner
I've got a question on your idea about the lack of teachers and those teachers that are going into other areas because of a lack of salary. Is there any available data that might suggest the lack of salaries versus…….(inaudible)

Mr. Haselton
Perhaps. I'm going to go off on a tangent here. I don't have the data and I'm not familiar with the research. I've read research about what people look for in teaching, why they continue to teach, why our best teachers teach, and a lot of it has to do with satisfaction and recognition. It doesn't have to do with salary or compensation. But what I would ask you is, in looking at the demographics that we have, when I was going to school (and I carry my AARP card, so that will give you a frame of reference) women going to college majored in education, nursing, or home economics. If you look at law schools today and medical schools today, they have more women enrolled than men. Thirty years ago, those women would have been in home economics, nursing, or education. And so we've got a changing demographic of the people that are going into education for one thing, and many more fields of opportunity for children going through school, mainly girls, looking at other things besides those kinds of public service areas. So I think that as we look at historical data on teachers, the paradigm of teachers changed dramatically in the last 20-25 years. We do need to do some research in that area.

Questioner
I mean, following up, you said those teachers usually find something else to do after salaries versus satisfaction with the job. I want to do something else with that education degree.

Mr. Haselton
I can only speak anecdotally, if that's okay. When I started teaching in 1973, I had students drop out of school to go to manufacturing jobs at Ford Motor Company, General Electric, Phillip Morris, and International Harvester because they were making more money going to work on the line than I was making in the classroom with a college degree. And so part of it was money and the other….. Do you want to say something, Dr. Miller?

Dr. Miller
No. I was just going to say something about gender equity and pay equity for women.

Mr. Haselton
Go ahead.

Dr. Miller
Well, one of the courses I teach at the University of Kentucky is Women in Politics. And what I'm encouraging these juniors and seniors to do is go into law, to go into engineering, to go into computers, that they should be the CEOs of companies, they should be the U.S. Senators and Presidents. So I must admit to you, I'm not encouraging that many political science majors right now to go into the teaching profession. I want to see them up there, you know, doing the things at the top that men are doing. I'm telling them that they can excel at anything. So I apologize if I'm not doing it. I'd like to get that question over there, please.

Questioner
Professional development and curriculum and these other things don't really correlate too well with higher student achievement. I don't know how much in Kentucky we have it going on. But there are ways you can lower class size in grades one through three in math and reading.

Mr. Haselton
I think that fits into the best practice slide that we had. That's one of the areas that we need to continue to look at and explore as to how we raise achievement with the resources we have.

Questioner
But will Frankfort let principals work that way?

Mr. Haselton
Yes. Yes.

Questioner
We have this mandated class size.

Mr. Haselton
School councils under the Kentucky Education Reform Act have the authority in areas of assigning personnel, the assignment of the school day for students, the assignment of space, curriculum decisions, and budgetary decisions. I think that's one of the areas of the Kentucky Education Reform Act that has not received enough attention, the amount of latitude that school personnel have in making decisions relative to kids.

Dr. Miller
Question right here.

Questioner
Let me get back to this question of adequacy. Reading the Rose case definition of adequacy, I find it totally abstract and unmanageable, and yet a lot of people in education, the administration of education, believe fervently that they can measure these adequacy goals. I'd like to get your comment on that. I find it unrealistic to believe that we can actually measure what the Rose case tells us is adequacy.

Mr. Haselton
I think in a lot of ways the assessment system is designed around measuring how students use information, for using skills and knowledge, rather than just quoting it back. We've gotten away from the era of multiple-choice tests and to more performance events—portfolios that demonstrate student knowledge and competencies, and more into a world-of-work scenario where you're evaluating student progress that demonstrates those skills and knowledge. There is some subjective judgement, obviously, but there is subjective judgement in just about any area of real life employment that is going to employ those skills. There are two sides of adequacy, one is on the finance side—do you have enough resources to be able to provide the opportunity for students to achieve those goals; and the other is—how do you measure them successfully? And that's one of the issues with Kentucky assessment; it is different than other state assessments in that you do have problems to solve. You do have open-response questions. You do have portfolios. You don't have as much in the multiple-choice area—the fact issues that you would have had 15 to 20 years ago.

Dr. Miller
We'll take this question here and then, unfortunately, we have an inadequate amount of time. So we're going to do one more question and then I thank you so much for being here. Question over there.

Questioner
(Inaudible)

Mr. Haselton
The first study from Odden-Picus on the $565 million was not based on the Kentucky Education Reform Act; it was based on the New American Schools model. And so there was a different set of criteria applied to come to that number, the difference between the Verstegen study and the Odden-Picus study or Professional Judgement Approach. Odden-Picus took what the Professional Judgement panels gave, and they did not cross reference it to research, especially in regard to assignment of student aides and resource issues that were not research-based to indicate that there was any relation to student achievement. So I hope that answers the question, but there's a variation with people coming up with numbers in just about any adequacy study that you see anywhere depending on what the parameters were to start with and whether it's tied into research that has any kind of credence with research.

Dr. Miller
Phil, did you want to say …

Dr. Roeder
I was going to say I don't know how we could not use the "State-of-the-Art Approach." Well, I mean, just by definition, if it's not "state-of-the-art," we don't want to use it, do we?

Dr. Miller
And I thank you all for coming.

LRC Budget Director John Cubine (left) and Budget Officer Tom Hampton between sessions.

Roadblocks to Higher Education: Funding, Preparation, and Access

Moderator

Dr. Mel Letteer, Economist, KHEAA

Panelists

Dr. Dennis Jones, President, National Center for Higher Education Management Systems
Dr. Thomas D. Layzell, President, Kentucky Council on Postsecondary Education
Dr. David Longanecker, Executive Director, Western Interstate Commission for Higher Education
Jonathan Miller, Kentucky State Treasurer

Dr. Letteer

Hello, I'm going to be moderating this panel, Roadblocks to Education in Kentucky. We're going to be talking about funding, access, and preparation. With me on the panel today are a number of distinguished gentlemen from education both in the state of Kentucky and nationally recognized experts. To my immediate right is Dr. Dennis Jones. He is the president of the National Center for Higher Education Management Systems, or "NCHEMS." Dr. Jones heads NCHEMS, a research and development center founded to improve the management and effectiveness of colleges and universities. He's widely recognized for his work in higher education in such areas as state and institutional approaches to budgeting and resource allocation—something we are obviously going to be very concerned with here. Strategic planning, educational needs assessments, faculty work load and productivity, information for strategic decisionmaking, and development of educational indicators: he has written extensively on these topics and presented his works at many national and regional conferences and, if you all noticed at the registration table, he has the lead article this month in *Foresight*, the Kentucky Long-Term Policy Research Center's quarterly newsletter. So be sure to pick up a copy.

Dr. Mel Letteer, an economist with KHEAA (right), introduces panelists. Panelist Dennis Jones is shown on the left.

Next we have Mr. Jonathan Miller who recently and, quite handily, I might add, won a re-election bid for Treasurer of the Commonwealth of Kentucky. Mr. Miller is a native of Lexington. In addition to his job as treasurer of the Commonwealth, he is also on the Board of Directors of KHEAA and KEESLIC here in Kentucky. He is Chairman of the Kentucky Affordable Prepaid Tuition Program, the KAPT Program. In addition to his educational interests he has led a number of streamlining initiatives at the Office of Treasurer. He has devoted great attention to other significant state boards and commissions, most particularly, challenging the Lottery Commission to return more of the revenues to the KEES, KAPT, and KTG Programs, and also in urging the state investment commission and pension funds to be more accountable to the public. He has also been featured in the *New Democrat* magazine in the summer of 2000 and had a prominent speaking role at the Democratic National Convention in 2000.

Then, Dr. Tom Layzell is our Chairman of the Kentucky Council on Postsecondary Education. Dr. Layzell comes to us by way of Mississippi where he was the Commissioner of Education there for the previous eight years. He's an Illinois native. He served on the Illinois Board of Governors of State Colleges and Universities as treasurer, deputy executive director, and chancellor. Prior to that, he's been Vice-President of Academic Affairs at Governors State University in Illinois and on the staff of the Illinois Board of Education.

We also have Dr. David Longanecker, who you heard speak this morning at one of the opening sessions. He is currently the Executive Director of the Western Interstate Commission for Higher Education or WICHE, a current and former member of numerous national and state institutional boards and commissions, as well as former Assistant Secretary for Postsecondary Education at the Department of Education. He also has done extensive research n higher education in the fields of access and opportunity, finance, and future teacher and faculty preparation.

We are just glad to have these folks with us. As we open this discussion up, what I thought we would do would be to go ahead and let each of the panelists here address you for about ten minutes or so with some general comments. Since we are talking about, basically, roadblocks in Kentucky, and three of those major issues are: *funding,* which we've been hearing a lot about this morning; *preparation*, that is, are students prepared for higher education; and then *access,* which is the other major issue, I think we are going to have a fairly lively question-and-answer period. So, without further ado, I'd like to turn the microphone over to Dr. Jones.

Dr. Jones

Thank you. Just a few comments, and I'll try to keep it under ten minutes. A couple of contextual things: first of all, as we've heard already today, Kentucky needs a lot more students going to college. More importantly, it needs a lot more students succeeding when they do go to college. It's not getting in; it's getting out. That needs to be high on a priority list. And when you look at Kentucky, this means particular issues for parts of this state. Lexington doesn't have the problem that eastern Kentucky has. And, when you look at this state, any state, you have to worry about subpopulations, and in this state, it's a particular set of students who come from backgrounds where their parents had low educational attainment, where there is low family income. We heard this morning about some of the cultural issues. Senator Williams made this point, particularly, and we've done enough work in Kentucky to understand that issue. You have a very high proportion of your adult population where the individuals have not finished high school, let alone experienced any form of postsecondary education. They don't encourage their kids to prepare for college, so the whole question of home support to take the right curriculum isn't there. They don't push their kids to go to college, but, more importantly, from a state policy perspective, they don't see the payoff to college.

One of the little problems that Kentucky has is that it is an exporter of college graduates, that if you really want to get a job with a baccalaureate education, chances are pretty good that you will leave the state to get that job, and this flies very much in the face of a culture that values kids staying close to home. So some of these cultural issues are coming around in interesting ways, and it's a set of topics that Kentucky has to worry about very explicitly in the conversation about economic reform. At the same time, you have to have that conversation about economic development and reform. Those two things go hand in hand, and it's awfully hard to encourage a kid to go to school if you say, "Look, there is no job here for me if I get that education." If it's not an immediate pocketbook issue, it's awfully hard to create motivation in a population that doesn't value education from the cradle. And so, we need to put that topic on the table.

Let me just talk about some barriers other than that cultural one. One of them is geographic. One of the issues in most states, and—it's an issue in Kentucky; you don't recognize it as such, in many ways—is a capacity issue. I mean, access is partially driven by access to what? Close to home: Tom mentioned doing business differently in his remarks in the last panel before lunch. But part of the question is, "How does Kentucky take more programs to more places without creating more institutions and doing it within this general set of resources you have?" And so there is room for policy conversation, but it's the question of access capped by capacity to deliver service in a much more geographically diverse way. There are two or three other little barriers that I would put my finger on, and one of them is the fiscal side. In some ways the barrier to affordability and access—in many ways—is nobody's problem. States historically have been responsible for institutions, not for the students in them.

And access and affordability have been laid off as a federal problem, and they aren't keeping up, and the states haven't yet, in most public policy circles. Kentucky comes closer than most. But moving the conversation on public policy from the means of education, i.e., the institutions, to the ends of education, that is, the people of the state and who needs to get served—that's a very, very difficult switch in tough fiscal times. It's one that's almost impossible to sustain because the pressure will come back and say, "Fund the institutions."

In that regard, you know, the second piece that I would put on the table is that when you do come up against the fiscal issues, you have the inability to deal with it in a holistic way. Fiscal policy is really three, at least, separate policies—tuition, student financial aid, and institutional support. And you can toss in there institutional student financial aid as a fourth piece, if you want to. And, almost always, we look at these two at a time, not three at a time. We put tuition vs. student financial aid on the table. If you raise student tuition, you have to do something about student financial aid with your institutional dollars, so somehow you protect the students. But this means, in effect, that you move toward an institutional, not a state student financial aid focus, or you take tuition vs. state appropriations to the institution. You can't give money out of the state coffers to the institutions; therefore, we have to backfill it with tuition. Well, that's those two going together, but student financial aid is left out of that conversation. And at the state level there's "We can either put money into the institutions or give it to student financial aid." That's where the legislators have the choice that they have to make, and in that one, almost always, institutions win. And institutions win for a couple of other reasons: (1) There is an imbalance of power. Institutions and their presidents have much more lobbying capacity than students and their minions; and that means when push comes to shove, as David said this morning in a different way, "quality will drive out access

every time," or institutions will win and the students will lose, if that choice has to be made. So, there is an imbalance about the inability to put all of this together.

Second, third, fourth, whatever the number is now… simple approaches drive out more complex approaches. So one-size-fits-all things tend to happen, and in this arena you have to do fairly nuanced kinds of things. You have to figure out how to keep tuition very low at some institutions; raise tuition at other institutions, particularly those that serve pretty well-off students, anyway; and then find ways to put student financial aid behind that set of students or those institutions to protect access for the most needy of the students. But that means you have to do different things for different folks. Rational inconsistency is very, very hard to sustain in a political environment, but that's what really is called for if this is to work. And, finally, affordable higher education has increasingly been hijacked by the middle class. Student financial aid is now much more focused on tax credits; it is focused on merit-based aid where the middle and upper class kids are much more likely to benefit. It's much harder to keep a focus on need-based aid because their parents don't vote or they don't vote right. And so, that whole set of questions about "who is student financial aid for?" is one of the barriers to effective policy in these arenas.

Dr. Letteer
OK, Mr. Miller.

Mr. Miller
Thank you. I think that unless you had a crystal ball back in 1998 you would have been very unlikely to predict that the State Treasurer would be sitting before you at a panel on Higher Education. I think it would have been very hard to predict that you would have a State Treasurer in front of you speaking on a panel of anything of substance, but that might be for a different story. However, as mentioned earlier, the State Treasurer sits on two of the most important boards when it comes to affordability of Higher Education—the Kentucky Lottery, which provides a large proportion of the funding for higher education affordability in the state, and the Kentucky Higher Education Assistance Authority which administers most, if not all, of those programs. Combine that with my own personal passion for this issue, and you can understand why making college more affordable for every Kentucky child has been and will continue to be my highest priority in office. If you looked at that same crystal ball five years ago, too, you probably would have been absolutely shocked to hear this good Democrat and former aide to Al Gore have anything nice to say about Mitch McConnell. But I was about to give him a standing ovation a few minutes ago. The reason is that he recommitted his support for a program that he helped me and the state legislature launch—Kentucky's Affordable Prepaid Tuition Program or KAPT, as well as a program that he was involved with, Kentucky Education Savings Plan Trust or our 529 Plans.

State Treasurer Jonathan Miller (right) talks with a conference attendee.

I want to approach this issue briefly from two directions. Then, again, we'll be happy to take any and all of your questions. First of all, regarding the issue of our 529 Programs and their future viability; I again agree wholeheartedly with Senator McConnell that they are very important, particularly as funding on the federal and state level decreases for aid programs, and are two things that are worthy of encouraging your friends who have kids and grandkids to sign up for. The KESPT, the savings plan trust, is one of the oldest such programs in the country. It allows families to save tax-free any amount they want from a few dollars to several thousand dollars. Of course, there are limits, but I won't bore you with the details here. But it has been a very successful program, a quiet program, and over the past almost two decades, almost 10,000 families have participated at one time or another.

The other program, KAPT, which I not only consider a baby of mine, but I've also enrolled my two babies, my two daughters, in that program, allows families to save for tomorrow's tuition by locking it in at today's prices. Again, like the other program, the investments are tax free under Section 529 of the Internal Revenue code. The KAPT program started off with a huge bang and, within a year and a half period, exceeded all of our expectations. Over 7,000 families have signed up and already we have over $53 million invested.

Earlier this year, KAPT faced our own roadblock, or speed bump; however, we want to use these metaphors at this conference, part of which was based, unfortunately, on partisan aims, but part of it on legitimate questions. There are 19 such prepaid-tuition programs across the country, and about 4 or 5 of them are in some trouble and have been delayed or suspended from any new enrollments. As a result, our General Assembly said, let's put a hold on the KAPT program. We'll let everybody that signed up for it continue to have their guarantee, but let's put a hold for now and take a close, independent, actuarial look at the program to make sure that it's not going to be costing the taxpayers in the future. Fortunately, that actuarial study just came back and demonstrated that not only is KAPT fundamentally sound in the short term and the long term, but the program will run surpluses of a minimum of $45 million a year from now until the end of the foreseeable future. In many years the predictions are much higher than that. So I am very optimistic that the same bipartisan coalition that created the KAPT program in the year 2000 will again enable the KAPT program to reopen in July when it's expected to reopen. Hopefully, tens of thousands more families will have this opportunity to sign up their children and grandchildren for this important promise.

The other issue I want to talk about in general is the programs that we have that give money—whether merit-based money or need-based money—managed by KHEAA with funding largely coming from the lottery. I have worked very hard over my term in office to find as many efficiencies as possible at the lottery considering what's going to happen with the Tennessee lottery coming on line and taking some of our funds and what's happening with the casinos taking money from the Kentucky Lottery to make sure that whatever we do get in, as much of it can go to scholarships and to need-based funding as possible. We just cut our last budget, for example, $2 million that roughly will enable 800 new KEES scholarships to proceed.

However, we're in a real crisis and it's ironic that just a few days ago we had a vote on whether to try to bring in another $30 million of money into that program, and I was the only person who voted no. But I voted no for a very important reason. The idea was to launch Keno in the state. I felt that that was not a decision to be made by six political appointees and one elected representative, but rather something that was so important and vital that it needed to come from either the General Assembly, the Governor, or a constitutional amendment. But it also reflects a personal feeling of mine, a real concern about the future of college affordability becoming a hostage to gambling. Now, whether or not you'll agree from a moral, ethical standpoint on the issue of gambling, and, frankly, it's something that I wrestle with every day, the problem is not the way it is done, but the uncertainty. The KEES program is going to run a small shortfall in the next few years is something obvious that's going to happen if action isn't taken. But even worse, to me the most important thing that we can do as public servants are the KAPT and KTG programs, which provide aid to those who need it most. The poor in the state don't have the strongest lobbyists in Frankfort, but are the folks that we need to be looking out for the most. These programs provide hope and opportunity like no other programs, and I am very hopeful that the new administration and the General Assembly will take a close look at all of these issues and come up with a distinct and separate funding source for financial aid in this state, something that will be protected and that will ensure that every child that grows up—no matter what their income or what their background is—will have an opportunity to achieve some higher education. And I look forward to your questions.

Dr. Layzell

Well, there are barriers. There always will be barriers—that's really not the question. The question is what we are going to do about it. What kinds of tools do we have to deal with the barriers that exist now and in the future? And I think you can take some heart from our recent history anyway the last 10-15 years. The enactment of KERA, the enactment of House Bill 1, the enactment of Senate Bill 1, the enactment of the Innovation Act—those were all created to address barriers that existed at that point in time, and they all reflected a major exercise of political will to address the barriers that people saw. And many of those barriers still exist—and will continue to exist. But I think the good thing that we have here in the Commonwealth is we've got really a marvelous set of tools, legislatively, to deal with the issues that confront us. I'll just concentrate on House Bill 1, which is the one that I know best.

The six goals of House Bill 1 set forth a pretty clear roadmap for us, as we attempt to deal with the major postsecondary issues confronting the Commonwealth. We need to maintain the focus on achievement of those goals. The Council in its wisdom back in the late 1990s created a set of five questions to measure progress toward those goals, around questions of preparation, enrollment, and retention. Are we preparing students for work and for life? Are economies benefiting? That's a good set of questions to just keep in front of us constantly as we move ahead because the barriers aren't going to go away entirely, and new ones will crop up. The real question is going to be whether we have the will in our generation of people that are dealing with this now and the ones who will come after us, to pursue the goals that have been set and the agenda that has been set. Because that is the only way, ultimately, that we're going to really make major progress towards overcoming some of these barriers. I guess my feeling about barriers is, so what? So, barriers exist. I mean they exist everywhere. That's really not the question. The question is what are we going to do about it, and I think we've got a great set of tools to work with here in the Commonwealth—and one of the best, really, in the country. It is one of the most

comprehensive and one of the most focused, and shame on us if we do not take advantage of what we have been given to work with.

Now, funding is going to be tough. It's going to be tough, at least the next couple of years and maybe longer. We'll have to resist the pressure that will come, inevitably, as funds tighten, to [say] "Well, let's cut back, we can't make progress, we can't do the things we said we were going to do. We don't have the money." Wrong answer. Our answer is going to be, "Let's find smarter ways to do things. Let's make progress even if it's only a millimeter at a time instead of an inch at a time or a mile at a time." But, we've got to continue to make progress. We'll work our way out of this. I mean, [if] you stay around state government long enough, you will go through these peaks and valleys of funding. We'll come out of the valley, and there will be a peak, maybe, and then there will be a valley, and on and on and on. But we've got to keep our eyes on the agenda that has been set forth. So [what is the] right agenda for the Commonwealth? It will evolve over time but it is the right agenda now and will continue to be the right agenda into the future.

We've got to look outside of ourselves and get as many people involved in this effort, both within and without postsecondary education, as we can. We need all the friends we can get, and it's all part of attacking this cultural issue that I keep hearing about, the culture that doesn't value education. The people of the Commonwealth don't understand the importance of it. Maybe so; maybe not. I suspect that maybe it's not as dim as we think it is. Unless people are just completely out of touch with what's going on in the world around them, and there are probably some like that, here and elsewhere, then they have to understand the value for themselves and for their families of more education. But we need to reach out; we need to get as many partners in this effort as we can. We're great at talking to ourselves in postsecondary education, but we've got to talk to those around us who we serve and get them involved in this effort. I think we've got to maintain the focus. We've got to get ourselves more partners, and we've got to learn how to do things differently because we are going to have to do things differently if we are going to work within the resources that are going to be available to us. There will never be enough money to do everything that we need to do. So we are going to have to set priorities. We are going to have to achieve efficiencies. We're going to have to do some things differently to provide access to the kind of education that the people of this Commonwealth deserve. And, that's going to be hard. The rhetoric is going to outstrip the reality for a while, but I think you've got to have the rhetoric before you can have the reality. You've got to get people thinking it. You've got to get people talking about it, looking at what can be done differently to meet these tremendously ambitious goals that have been set for the postsecondary system here in the Commonwealth. And I'm confident it can be done. I'm confident that if you get enough people looking at these things, some good things are going to happen. Some pressure will be put on the situation. The political system will respond. I think you heard that this morning just before lunch. You've got a very strong statement of commitment from the leaders of the two houses of the General Assembly and to their commitment to education and to moving forward. They're going to need help doing that. I think we've got to quit looking, maybe, at the political process as the enemy here and realize it's really the only solution. And we are, like it or not, all in this together with them and with our friends in K-12. I mean we cannot ignore them as well because this is a continuum that we are dealing with here. It goes all the way from pre-K all the way up through graduate education. And adult education is an important part of the postsecondary system here. So, maintain the focus. Do things differently. Get as many partners as we can involved in this effort. Keep asking ourselves the hard questions and keep measuring our progress. Thank you.

Dr. Longanecker

You'll notice on the agenda this called for Brian Fitzgerald who is the Director of the Advisory Committee on Student Financial Aid. I'm not Brian Fitzgerald. I'm a friend of Brian Fitzgerald's, and I know him well. But I won't try to speak for him. I'm just going to mention five barriers. At least one of those he would mention, but I'm not sure whether he would mention all of them. The first barrier (to affordability) I'd mention is the conflict between our political ethic and our economic ethic. I changed my words from this morning because I wasn't comfortable with the way I said it. We have sort of a political ethic of affordability that says public higher education, at least, should be as free as possible. Many state constitutions actually have those words in them, so it is clearly the ethic of American higher education. Yet we can't really afford that if we are to move to an environment where almost everybody goes to college. We don't have the money in the public purse to basically spread that thinly. You know, we could afford it when 40 percent went and 20 percent completed. We could even afford it when 60 percent went and 30 percent completed. But, if we really believe that 80 to 90 percent should go and that almost all of those should complete it, there just aren't enough dollars in the public purse. So that political ethic is going to be very hard to sustain, and that economic ethic, which is that we'll have to find a way in which we target funds more, is the shared responsibility associated with shared benefits. There's a huge return on investment to education, so many people say students should bear a larger share of the price. That economic ethic is currently hitting up against that political ethic, and we can't afford the political ethic, I would argue, and nobody wants the economic ethic. They're just not comfortable with it.

Second, I think variant to affordability is the rhetorical and practical problem with the concept of "unmet need." You've heard it even mentioned today, and I've heard Joe McCormick, a good friend of mine, talk about the unmet need in the state. There are a couple of problems with the concept of unmet need, and I'm guilty of this myself. I mean, I use that all the time. I speak to it, but I've run into a variety of problems with it. One is with very good but conservative legislators who say, "How could it possibly be unmet need? They are enrolled in school. How could they be going? How could it really be an affordability issue if, in fact, they are attending?" And that's a legitimate issue. We can talk about: it is impeding the progress; they're having to drop out; they're having to work too much. Those are legitimate responses. But there is a fundamental problem with the concept. Related to that is the other issue of what they really want to do if they're increasing money for what *we* want to do. If we are increasing money for financial aid, it is to give it to those students who didn't go to school because they couldn't afford to, the ones who really are impacted by finance. But when you address it in terms of unmet needs for those who are already enrolled, there's a huge cost just to get over the hump before you ever get a dollar to that student who isn't in school. You bring in a student, but you give most of the money to those students who are already in school. And so you are not on the margin making the difference that many public policymakers would like to do.

There's a third issue, quite frankly, for those of us who know the way in which that is calculated. It's a flawed measure. It's one that was developed many years ago and has not been brought up to date. And, so, the concept of what was need in 1972 isn't exactly the same as what is need today. In fact, we've liberalized the need analysis in two very substantial ways which means what we are calling unmet need today, we wouldn't have called unmet need in previous eras. So, for those of us who are close to it, there is the issue of whether we can be honest when we are saying we believe that to be need.

Dr. David Longanecker (foreground), addresses those in attendance at the breakout session on higher education access issues. CPE President Dr. Thomas D. Layzell (left) listens.

And fourth issue is the data on which we have assessed the impacts. There is a whole research literature out there on the price elasticities of demand; that is, how much change in a dollar of financial aid or tuition will affect the students' attendance? The problem is, though, most of that research was, again, done in the 1970s, and there is a real question whether it's efficacious in the present environment. The returns on investment to higher education are so substantially different today, so much more substantial, than they were in the 1970s. In the 1970s, there were a number of books—you will remember perhaps, Freeman had a book out on the overeducated American—that were suggesting perhaps we were overinvesting. There is virtually no evidence today that we are overinvesting in higher education. In fact, [there is] substantial [evidence] that we are underinvesting because of the importance of higher education to individuals. So I think that that issue around the rhetoric on unmet need is a problem for us.

I think an even more serious problem is that of perception as a barrier on affordability. I talked this morning about the difference between percentages and dollars, and I think that's really important. But what is even more important is what partly comes out of the media, that is, the perception of the cost. For many students it is not that college is not affordable to them. It is that they and their families *believe* it's unaffordable to them. If you take a look at the surveys that the American Council on Education has done, families overestimate the cost of a four-year public college by about 250 percent and the cost of a community college by about 300 percent. Over 80 percent of the parents of low-income students say they want their children to go to college, and an even larger share of those young people themselves say they expect to go to college. But many of them are worried that they won't be able to, in part, because they are basing their presumptions on ideas of what it costs to go to college that are grossly overestimated. And that's partly a function of the media coverage of higher education [which] talks about large tuition increases. In the ads on television, Merrill Lynch tries to get you to buy their services because college is going to be way out of your reach as an exceptionally wealthy person with enough money to invest in Merrill Lynch. And [the media] talks about the cost of going to exceptionally expensive colleges which represent about 2 percent of American higher education. But it is what people hear, and so I think that a real barrier to affordability is the perception of affordability.

A fifth issue I would mention as a threat or a barrier to affordability is that we don't intentionally integrate our policies. And so we don't have our policies integrated with respect to what we provide to the institutions, what we charge students in

tuition, and what we provide back in the way of financial aid. Those are not in sync with each other and as a result the message gets really muddied, and actions are taken that generally don't preserve access in the end. Interestingly, the federal government is particularly at risk here. They don't have the capacity really to put those policies in sync because they only deal with one of them: federal student financial assistance. But the states have no excuse. The states have the capacity to address all three of those and to take into consideration fully what the federal government is doing. What is interesting, as a Fed, I thought federal policy sort of drove higher education policy. That is not true. The states, basically, drive national higher education policy by the way in which they deal with those three—appropriations, tuition, and financial aid. So I think those are, basically, the issues or the threats or barriers to affordability I would mention.

Questions, Answers and Comments

Dr. Letteer
OK, thank you gentlemen, very much. Do we have any questions from the audience? Yes, sir?

Questioner
Members of the panel have talked about cultural problems and achievement gaps in the state. Also we talked about 5 percent of the high-achievement students coming from the lower socioeconomic level. And we have a split between our student aid. It's 45 percent for KEES and 55 percent for the need-based programs. Dr. Jones, I believe, spoke of hijacking by the middle class. I think that the legislature is going to need some advice soon about what to do with the limited amount of funds that are coming in. Could you or Dr. Layzell if you had some time give some help on that?

Dr. Layzell
I'll defer to Dr. Jones.

Dr. Letteer
Are you familiar with the KEES program? It is a merit-aid program.

Dr. Jones
Yes, I am. Just a couple of observations. One, I think in some ways we can overstate the competition between merit and need because there are some meritorious students who are, in fact, needy, and there are some needy students who are, in fact, meritorious, and the objective is really to push those two circles together. But I guess on the merit side, I think that one of the things that we do know is that what really pays is taking the right courses. Therefore, if we put in place as a requirement for student financial aid of any kind that says in order to get it you have to have, in fact, taken what looks like the right curriculum—and by the right curriculum, I'm talking about a high-expectation curriculum that actually prepares one for success in college once they get there then say, "Let's put both of those programs more on the basis of whether or not you achieve that." So even if you took the right curriculum and didn't get a 3.0, you still have a better chance of succeeding in college than if you didn't take that curriculum at all. Raising expectations through the high school curriculums is one of the things I would really start to worry about because it's too easy. And I don't know the specifics of the KEES program, but in too many states, you can get in on high school performance without the underlying requirement that it be performance in the core curriculum. And the core curriculum can easily get watered down. So some expectations around that is one of the places that I would start to try to put that together.

Dr. Longanecker
I think there are probably two or three major policy questions that clearly were identified in the interim report of the Joint Education Committee, starting with the funding of these two programs—whether or not they are going to continue to be limited to lottery proceeds. But even if the decision is to expand the funding source, you'll still be left with some of these questions about need versus merit. And I think our policy direction in this Commonwealth, as well as elsewhere, ought to be to make sure that the needs of the neediest students get addressed, and get primacy.

Now, there is some overlap, clearly, between KEES and the need-based programs. There are needy students who get KEES awards, and so we've got to be sure that we reward merit but that we take a first look or a major look at need as well. One of the things that struck me, Charles, about that report, too, that I think really bears some examination is the lack of standardization in the high schools in the Commonwealth on grading patterns. And that ought to be a major concern on any financial aid program. The variations, at least as I read the report, and I know you and Jonathan and others spent a lot more time on this than I have, ought to be a cause for concern if we've got such a great variance in grading patterns in the high schools on the award of financial aid. So that's an issue we need to look at.

But you could look at maybe dividing the students up into three or four categories: those who are best qualified by some standard of merit but also needy ought to be the ones that you look at first. The ones who are qualified but needy, you ought to look at second. I mean these are kind of rough characterizations or categorizations, but the notion is make sure that you take care of the needy students, and those needy students who have high academic qualifications ought to get first crack at this. Whether you call it the KEES program or whether you call it KTG or KAPT, it doesn't matter. I think what Kentucky has done with linking those two together is an innovative feature of the financial aid in this Commonwealth. We really need to take a major look at whether we are really taking care of the neediest students here. We've got a great challenge ahead of us.

Dr. Jones
Can I share with you a statistic that I think is really important? This is true for the nation and, I suspect, is true for Kentucky. Nationally, students who are low income, in the lowest quartile of income, highest quartile of ability are less likely to go to college than students from the lowest quartile of ability and the highest quartile of income. That is, dumb rich kids are more likely to go to college than really smart poor kids. And that's a really substantial loss of valuable human capital. If we find 75 percent are going to go to school from the low income, high ability, that's 25 percent of those students who don't go on to college, and they are high-ability students. So we need to find ways to make sure we aren't losing that. We've got to find ways to make sure we aren't losing a lot of other students, too, but that's an exceptionally rich and probably easily mined field to work in.

Questioner
The question concerned participation in the KAPT Program.

Mr. Miller
We don't have any figures from our program here, but we've looked at the counties that have higher proportions of signups, and I think our two highest per capita counties are Oldham and Woodford, which happen to be two of the wealthiest counties in the state. So, I think, initially, whenever you start a program like this, you're going to have people that are already planning to send their kids to college and view it as a good way to save money. However, if you look at some of the more developed states that have had these types of programs for more years—and Florida is our best example because it's the first prepaid tuition program in the country—more than half of the families that are signed up in that program are from lower- to middle-income families. And what happens is that once these programs become part of the culture and get a lot of publicity, then the culture of the students that have already given up, as explained earlier, changes, to [where they] realize that these programs can help them afford college. We started with KAPT in our second year to really drive home the point that you could guarantee tomorrow's tuition at our community colleges for around a dollar a day. That was a media campaign that produced some successes. We had more families sign up for that community college option. But, again, it takes quite a long time and is something that is our highest priority with KAPT and has been which is to help reverse this culture and to get the students from the lowest income families involved. But, overall, as a general answer to your question, a program like KAPT or our other Section 529 program is not the solution to this great problem about affordability to lowest incomes. It is certainly a help in the right direction, but there needs to be that compliment of financial aid programs like the KAPT and KTG programs to produce the kind of results that we hope, in combination with KAPT or KESPT, will accomplish those goals.

Dr. Letteer
Yes, sir?

Questioner
(Inaudible)

Dr. Layzell
One of the dilemmas you've got, if we really become a nation of lifelong learners and do retraining as a substantial component, is our current financial schemes don't fit the adult student very well, particularly the adult student with abilities. Student loan amounts aren't substantial enough for them to replace income. We've occasionally done that through things like the Displaced Workers programs or whatever at the federal level. This is an area where it's very difficult, too, for a state to develop a program because workers are very mobile. And so you've got a dilemma there as well. But we're going to probably have to, as we become true believers in that, come up with some new schemes. The ones we are sort of jury-rigging today that were designed for 18-year-olds don't fit real well for adult students.

Questioner
Mostly inaudible. Question concerned the semester calendars for most colleges, that they are not very user friendly for adult students.

Dr. Layzell
Well, that explains, too, why some of the proprietary universities are making such great inroads because they are not limited by the calendar, and they make every effort to develop their programs around times that are suitable to the students. Those are not low-cost programs. People are paying money for them because of some things that are important. This gets back to my point about thinking differently in traditional higher education. Now, there are things that the proprietaries can do that we'll never be able to do in more traditional higher education and vice versa. But there are things, I think, that each can learn from the other. I've got to speak up for Mississippi here a little bit, even though I'm an Illinois native. I feel like, thank God for Mississippi. This is another state that is struggling very hard with some of these very, very difficult issues that we are facing here in the Commonwealth, and I think we need to have sympathy for each other, for fellow sufferers.

When I went there in 1995, I looked at the demographics of the public higher education system and the public university system, and I noticed what I consider to be an inordinately high number of traditional-aged college students, 18- to 24-year-olds in the Mississippi universities. I thought, well, that's interesting. That was not my experience in Illinois. I wonder where they are. Where are the older students in Mississippi? Well, they must be in the community colleges. So I looked at the demographics of community colleges and guess what? They weren't there, either. In fact, they were nowhere. And the interesting thing to me was the only cohort in the state of Mississippi that was growing was the adult population, 25 years and older, which had great educational needs just as they do here. And traditional higher education, both at the community college and the university level, had just kind of turned their backs on that group of students. We can't do that. And that's what I mean by beginning to think differently. It just hadn't occurred to anybody to look at the nontraditional student. And we've got to do that here, and I think *have* done a much better job, frankly, here in the Commonwealth in what I've seen so far. That's kind of opening our eyes and looking at things differently. That's important and the calendar, like you say, is an important issue that we need to take a look at.

Dr. Longanecker
Just a quick comment on your semester issue. That's not only a state issue. The federal government defines semester, as well. It has to be *x* number of weeks, not more or less. That was the result. That was bad federal legislation, the result of Congressman Ford getting mad at the University of Michigan for reducing the length of the semester. As a result, 3,500; 5,500; 7,500; or 150,000 other institutions have that as a requirement now.

Dr. Layzell
One other general comment, I think. This may sound unduly philosophical, maybe, but I think the rhetoric with which we approach these issues is going to be crucial. One of the reasons that you have a lot of financial aid problems was the middle class, however that got defined, got angry because they felt like they were being shut out of financial aid programs. And there were politicians who were only too eager to play into that anger. And so some of this disconnect we've got between our financial aid policies and some of our real needs grows out of the anger of various groups at various points in time. We have to be careful. I mean, we can only control what we do. But I think the rhetoric is crucial here. [If] you start talking about, "Well, we're going to give the needy students first crack at financial aid," as I was suggesting here, that immediately is going to raise hackles with people. So you've got to put it in a larger context. The larger context, in my view, is the benefit of the Commonwealth. It's the old saying, "All boats rise on a rising tide." And that's what we are trying to do here. I think the more educated people we can have, regardless of what their financial circumstances are right now, the better off in the long run we're all going to be. That's a tough message to sell, but I think people will understand it.

Dr. Letteer
A question? Yes, sir.

Questioner
(Inaudible)

Dr. Longanecker
It's awfully hard for me to know Kentucky well enough to answer in specific terms, but I have three observations. First of all, regarding the affordability and the return on an investment to an education, we keep looking at this as national numbers, and one of the things that you also have to get very, very careful about is how that plays in individual states. And you know the return to a baccalaureate education varies from something like $6,000 to $7,000 in one state to $20,000 in California.

What is interesting is California is one of the cheapest places to go to a public institution as far as tuition and fees. You take that enormous return to baccalaureate education, couple that with a very low cost to a student to do this, and the rate of return in California is enormous. The rate of return in a state that has high tuition and yields $6,000 to a college graduate is not so good.

The second point that I would put on the table, and it really is part of state policy, is it's pretty typical for a state to charge about the same tuition at all of the state colleges. Eastern and Western and Morehead, etc., charge about the same tuition. I suspect if you look at the per capita incomes in the counties in Kentucky, they only vary by 400 or 500 percent. (laughter) Therefore, what is really affordable in Lexington is not nearly as affordable in Morehead. The argument that low tuition solves affordability issues really does put the pressure on the need-based aid argument.

Third, do you bring jobs here or do you grow jobs here? I think that's what you were really saying. There are some states, and North Dakota more than most, that have recognized they're never going to grow their economy by bringing in the new auto plant, that bringing in high wage jobs is not the way they are going to create an economy. The only way they are going to create one is to grow it themselves, and that puts a very different spin on what they are trying to do as a matter of public policy. They are going out of their way to make it clear that students from out of state are welcome, first of all, because numbers say they keep 30 percent of them if they bring them in. Second of all, they put a lot of emphasis on the word that you just mentioned, entrepreneurship, because they want those students to be able to be successful there, and the way they are going to do that is to create their own something. And they are putting a lot of energy into research, which is bucks for brains—that component—but the question is can you spin something out of it? You have to have folks who know what to do with it even if the idea is there. There are states that are linking economic development policy with education policy in much more imaginative ways than most states, and I think that is what you are, in fact, asking. If I've missed it completely, try again.

Questioner
(Inaudible)

Dr. Layzell
I think that's a really good issue, and I think the question is how comfortable are we going to be as a people beginning to try to develop programs and interest people in the programs that are going to be important to the new economy. What do I mean by that? I'll give you an example, again from my Mississippi experience. Fifty percent of the degrees from the eight universities there were in three fields: business, education, and health sciences. All of them are important, but none of them really, with the possible exception of some of the health science fields, oriented toward the new economy. Yet the state policy was, "We've got to get into the new economy; we have to bring jobs to Mississippi that are going to be the jobs of the future." We were doing nothing in the postsecondary field to begin to orient our programs to that economic development policy, and I think we have to look consciously at doing that. What are the jobs of the future? Now labor market analysis and labor market projections are notoriously difficult things to do and the data is pretty soft and squishy. But you've got to start someplace in terms of projecting what are the jobs of the future. What good does it do to continue to offer programs to students that are not going to lead any place economically? There are all kinds of facets to that question, but I think it's a question that has to be asked as we begin to try to come to grips with this economic development policy issue.

Dr. Letteer
Yes, ma'am.

Questioner
(Inaudible)

Dr. Longanecker
I'll give you three examples that are occurring in western states. Actually, I'll give you four. One is not a very productive one. In Colorado they are looking at higher education and a voucher concept, taking in the entire amount of resources that are provided for higher education, except for a small amount of what they call "mission-oriented funding" for the institutions. But almost everything would basically go into a pot, be divided by the number of students, and that would be the amount of voucher that would go to support that student if they went to a public institution in the state. So the money would go to the student rather than the institutions. The institutions would then recalibrate their tuitions to incorporate that. They believe that their research has shown that this is received better … a higher price with a substantial voucher is received better by low-income families than the current structure of basically low tuitions after the institutions receive the

subsidy. That's a bold idea. It's got some problems, obviously, associated with it, but it's clearly a bold, different approach to funding higher education.

Another model, the one that I don't like, is we've got two or three states in the west that are clearly saying they are going to cap access. They cannot afford to let more students in. We know that will basically be a triage environment. The most salvageable will be retained; the most at-risk will not. So that's the one I would say is not a very viable strategy. In small ways or larger ways, that's occurring in Washington, Oregon, and California.

There are two other good ones. One of them is the idea of trying to refocus your system so that a much larger share of your population who are participating are going to your less expensive, rather than your most expensive, institutions. And Nevada is clearly trying to do that. They are starting a new four-year college. They don't have one. The cost structure will be much lower than at the universities. They are trying to direct a larger share of their students to their community colleges rather than to their more expensive universities, so they can redistribute and achieve efficiencies through the redistribution of students based on the relative costs of different institutions. And there was another one I was thinking of but can't remember. Dennis knows it, though, because everything I know I learned from Dennis.

Dr. Jones

Well, I didn't teach him much. We're good friends, you can see. We still are. One of the other little things I'd put in this mix, however, is don't underestimate the inertia of the educational process. I'm just thinking about what happens when those high school seniors that don't have any funds can't play football anymore. I mean, just think about what it's going to take to get rid of a year of high school when you take extracurricular activities and put them in that mix. And I think David and I would both agree that there are lots of programs—advance placement, dual enrollment, etc.—where the kids who go through those take four full years of college. They don't use that to shorten their college experience. They take that to deepen their college experience. So they get dual majors, but they still take the full four years. They still hit the public purse just as hard and maybe even harder than they did without these kinds of advance placement, or jump start, or early start, or call it what you will, programs. So there's not a lot of evidence that those are money-saving devices. There is evidence, I think, that they are educationally sound. You know that students come out of those things much better educated than students that don't have that. But there's not a lot of evidence that it's a way to make things cheaper. The only way you're going to do that is probably to push toward something that looks like it's much more competency-based. We start talking about three-year baccalaureates, and some of those things that have real market potential but are not easily done.

Dr. Longanecker

Thanks to Dennis I had time to remember the fourth one. Utah has an explicit plan of trying to get most of their seniors from graduation from high school and—it's very ambitious—into the junior year of college. They would graduate from high school with enough credits to be entering the junior year. I frankly think that's far too aggressive, but it is their state policy. It's a little different approach to trying to find a way to deal with the senior year viability rather than throw it away. To try to make it rich and I like that better than the idea of throwing it away.

Dr. Letteer

Yes, sir, you have a question?

Speaker

Inaudible.

Dr. Longanecker

Well, affordability is both an issue for the family and for the state. How is the state going to afford that many folks? I mean, clearly, one of the real keys to whether we're successful in this venture on either the personal or the state basis is whether we prepare students better to go to college in the first place. So many students come to college today not prepared, not because they were unable to be prepared, but they just didn't take the coursework that led them to be prepared. They thought they were going to be prepared. They were graduating from high school. They knew they could go to community college, at least, with a high school graduation, so they must be ready for college, right? Well, they aren't, and we know that. And that's one of the things that, I think, comes back to what Dennis was saying. Do anything you can to get those students through high school with a more rigorous curriculum. By and large, all students, unless Americans are dumber than people almost anywhere else in the world, can learn a lot more in high school than they currently do. [In] almost every other developed country, high school is a much more rigorous experience than it is in the United States, and their students come and they have to do much less remedial teaching at postsecondary. So we can do a lot there.

There are states that are doing some very interesting stuff. Texas has a default curriculum now. You have to take this college-prep, default curriculum unless you default out of that. That's where the word default comes. And as a result, they

are finding a huge increase in the number of high school students who are taking a curriculum that will prepare them for college or life. That's the way they are presenting it. Because, frankly, the curriculum is the same curriculum. The curriculum we've been giving to a lot of these students doesn't prepare them for anything in the modern world.

Mr. Miller

If I could just jump in real quick, there is a mistake that we all make, and I make most repeatedly, simply because the word college is a lot shorter than the words higher education or postsecondary education. Particularly when I talk about programs like KAPT or Savings Plan Trust, I say college and what I mean is higher education. College is not for every child. I don't think that you can say that every child, even if we have the best curricula in our high schools, is going to college. If they did, then we would have a work or resource problem with the less skilled activities. However, I think that it is clear that in today's economy, every child does need some higher education. And that might mean a community college. It might mean a job training program. It might mean something like a beauty college or an institution of massage therapy. Those types of training programs are not traditional, but that's why with our KAPT program, we've designed it so that money can be used for all of those purposes. We should take a look at making sure that those types of noncollege, higher education opportunities are available to every student.

Dr. Letteer

OK, and with that, ladies and gentlemen, I think our time is up. I wish you all would give thanks to our panel up here. We appreciate it, gentlemen. Thank you for adding very much to the discussion.

Mapping the Future of Higher education: Reauthorization of HEA

Moderator

Maryln McAdam, Consultant, McA Enterprises, Inc.

Panelists

John Dean, Partner, Dean, Glakey & Moskowitz
Dr. Dallas Martin, President, National Association of Student Financial Aid Administrators
Dr. Thomas Wolanin, Senior Associate, Institute for Higher Education Policy

Ms. McAdam

Dr. Thomas Wolanin is currently a senior associate with the Institute for Higher Education Policy in Washington, and they do a number of policy issues and papers. He currently is also working on a number of international projects. Before joining the institute in 1996 Tom served with the U.S. Department of Education in the Office of Legislation. Back many years ago when I had the privilege of working for him, he was the staff director for the Postsecondary Education Subcommittee in the House of Representatives, and that subcommittee had oversight over the Higher Education Act.

The second speaker will be Dr. Dallas Martin. Dr. Martin is the president of the National Association for Student Financial Aid Administrators. For those of you who know anything about education, you know both his organization and have certainly heard of him. He had been a guiding light in the area of student financial aid in Washington now for a couple of decades, and knows just about everything there is to know about student financial aid programs. The last speaker will be John Dean. Mr. Dean is with the Washington Partners Group in Washington, D.C. He too worked on the Hill when Tom Wolanin and I did. Tom and I were on the majority staff at that time and John had to fend us off as Minority Staff Director. All three of your speakers have extraordinarily long backgrounds and successful backgrounds in the area of higher education. The best thing I can say about them: they were all there doing their job when I first got to Washington. So, they make me feel very young. And, with that, I'll turn it over to Dr. Wolanin.

Maryln McAdam (center) talks with fellow conference attendees over lunch.

Dr. Wolanin

Thank you very much, Maryln, and I'm very pleased to be with you all and to be here in Kentucky for this conference. I'm particularly struck, I think, by two things thus far in the conference. First of all is the sustained vigor of the commitment to education reform here in Kentucky. Secondly is the kind of comprehensiveness of the vision of education that is exemplified by this conference that ranges from pre-kindergarten through adult education. I think it's really a fine conference, and I'm very delighted to be a part of it.

I thought in talking about the Federal Higher Education Act one thing that might be useful to start with would be to put it in a little context of what the federal government has to do with higher education generally. I think the federal government essentially has a quite significant impact on higher education in a broad range of areas, and let me just mention six of them to you that I think are really quite important.

First, the federal government is sort of responsible for peace and prosperity, so it makes a difference whether we're at war. It makes a difference that the economy is prospering. Higher education is not an ivory tower somewhere that is detached from American society, but very much affected by the major currents and events. So the ability of the federal government to provide an environment for higher education to flourish in is very important.

Second, I would mention tax policy. Most of higher education takes place at nonprofit institutions. Nonprofit institutions are tax-exempt institutions. If we look at nonprofit—higher education as an enterprise of about $300 billion a year in this country—if there were a 10 percent federal tax, that's $30 billion right there. So federal tax policy is one of the major undergirdings of nonprofit higher education in the United States. And, more recently, we've had a whole range of benefits to individuals through the tax code: Hope Scholarships, Life-Long Learning Credits, deductibility of student loans' interests, and so forth, that provide other kinds of benefits to people in higher education through the Federal Tax Code.

Third: civil rights. The federal government has been the driving force behind civil rights these last 50 years. That has led to the desegregation of higher education and expansion of opportunities, significant expansion of opportunities for women—women are now the majority of applicants this year for medical school for the first time in our history—and for the inclusion under federal law of students with disabilities in higher education. So in the last 50 years the literal face of higher education has changed because of federal civil rights policy.

Fourth, the federal government is the major supporter of research in this country, including the research at colleges and universities. About 60 percent of the money that colleges and universities spend on research comes from the federal government. This tends to be a much narrower impact than, say, tax policy or civil rights, because it tends to be focused only on the research universities, particularly the top 100 of them.

Secretary of State-elect Trey Grayson speaks with educators in attendance at the conference about future issues.

Fifth, the federal government has a major impact just in the way it affects colleges and universities as employers. Over time, pension regulation, the Environmental Protection Agency, collective bargaining rules, and all of these regulations of the economy as a whole have a particular impact and a special impact on higher education.

Sixth, the federal government is the largest provider of student financial assistance. About 70 percent of all student assistance from all sources comes from the federal government. So the federal government is the major partner, the big player, in student financial aid, most significantly, the $40 billion annually in student loan volume, and that has a very broad impact as well. That affects all institutions of nonprofit higher education as well as a couple of thousand proprietary for-profit institutions as well. So in talking about the Higher Education Act, it is really focused in this area of student financial aid. That is the heart of the Higher Education Act, so it doesn't cover the whole range of all of the other ways in which the federal government has an impact on higher education. Nevertheless, it is quite, I think, important in its own right.

The reauthorization of the Higher Education Act, which means its modification and extension, happens every six years, sort of on a regular schedule of every six years. So the last reauthorization was in 1998. This reauthorization is scheduled to be finished in 2004. As I said, the focus will be on student-aid programs, particularly financial-aid programs, but not limited to them. There are also a variety of programs to help students overcome nonfinancial barriers to educational access and success, such as lack of adequate information, lack of counseling, lack of academic skills, and so forth, and particularly through the Federal TRIO Programs, or the Gear-Up Programs that some of you may have heard about. There's another $1 billion annually in federal support for those programs.

All right, so what's likely to happen in this revision and reauthorization of the Higher Education Act? Well, the short answer is we don't know; particularly, I don't know. But, without a crystal ball, let me at least try to give you some ideas about what, at least some of, the major possibilities are.

The first question is, well, "Is this going to be comprehensive, major, big reform? Is this going to be some big new stuff or is this going to be incremental change, relatively modest modifications?" I think it will be the latter, that is, incremental change.

Why won't it be comprehensive change? Well, first of all, what would comprehensive change look like? What could we do that would be big? You probably all know that the Federal Pell Grant has lagged significantly behind rising costs in education. It now pays for an ever-declining share of college costs. So we could make the Pell Grant, the funding of Pell Grants, larger and more secure by making it an entitlement program by removing its funding from annual appropriations and guaranteeing it.

We could have a federal role in facilities. The last time there was a large wave of new people going to higher education in the 1950s and the 1960s, the federal government was an enormous, major contributor to building dormitories, classrooms, science labs, etc. So, there was a major commitment, federal commitment, to meeting the demographic challenge of, and providing for higher education opportunity. Those programs were all repealed in 1998. So, not only are they not on the books, they are gone entirely. But, you know, if we were going to do something major, that would be a major thing.

We could have federal cost control over tuition. There has been some talk of that. There has been talk about federal standards of education, outcomes of education performance, measures of student learning to parallel what you're doing here in Kentucky at the K-12 level and what the federal government's No Child Left Behind legislation is also doing in K-12. So those would be big, major new changes. I don't think those kinds of things are going to happen. Let me give you several reasons why not.

One is that there has really been no intellectual foundation for those kinds of major changes. There haven't been major books, reports, something that everybody is talking about, that there are TV specials, that there are editorial campaigns. I mean there is no intellectual reservoir for some of these big ideas.

Secondly, there is no political reservoir. There is no political foundation. These haven't been the subjects of major presidential addresses or of major campaign speeches by candidates. Higher education doesn't appear in the party platforms as a lead issue. So it's not on the radar screen of political crises and hot issues.

Third, the flip side of that is that there are other issues that are clearly dominating the headlines—the war in Iraq, the War on Terrorism, homeland security; health care, particularly a prescription drug benefit; and the state of our economy, particularly unemployment. That's a short list of the big priorities and higher education is not on it. Insofar as anybody talks about education as a federal and a national priority, the focus has been on K-12 education, particularly at the federal level. No Child Left Behind has been the mantra of this administration and their kind of central educational priority. They have not had a major higher education initiative and there are no dollars. The budget cabinet is bare. It is much easier to have big initiatives when you have some money to spend on them. Otherwise, you are taking money from elsewhere. You're re-allocating money which is enormously difficult to do. So in the absence of resources to grease the wheels, it's hard to have big initiatives.

Finally, we have a very closely divided Congress, indeed frequently and bitterly divided. It usually takes broad consensus to have big changes, and it's hard to see broad consensus emerging in the current Congress.

So for all of those reasons I think we're going to have incremental changes rather than broad, sweeping changes. Now the fact that these changes will be incremental changes doesn't mean they will be unimportant. You can tinker with the Higher education Act and affect millions of students. I mean, for example, we have a definition in the Act of who's an independent student and who's a dependent student. Well, you just tweak that in a place or two and that affects a couple of million students in terms of either much more eligibility or much less eligibility. Now that's an incremental change. That's not huge and big, but it affects millions of people. So because I'm saying that the changes will be incremental, that is not to say they will be insignificant or unimportant.

What kinds of incremental changes are most likely? Well, I won't try to get into a whole long laundry list, but I can give you a few examples. For example, regarding the FAFSA form, the Free Application for Federal Student Aid, there is discussion about making it more user friendly, particularly for the lowest-income students, by enabling them to qualify for federal financial aid if they qualify for some other federal need-based assistance, for example, food stamps and school lunch. This would try to simplify and consolidate the amount of paperwork that the lowest-income people are faced with. There are a variety of proposals for improving the Gear-Up program that now is nonrenewable. It's a one-time, once only, five-year grant, and some people think that maybe if you're successful and it's working you ought to be able to renew it. There was a lot of concern earlier this year about changes to need analysis to reflect changes in federal and state taxes that made some potentially dramatic shifts in student eligibility. Those are all the kinds of issues that I think are on the horizon.

There is another whole set of issues that really relate to the student loan program and how to divide up the money. This is not dividing up the money among the students. This is to divide up the money among all the players who participate in the student loan program—banks, guarantors, services, secondary markets, et al. I figured roughly there's about $15 billion a year available in gross revenue in the student loan programs. That's how much they produce from all of the students who are paying all of the loans out there. That produces about $15 billion plus federal subsidies and so on, about $15 billion a year. That's sort of the size of the pie. Well, lots of people want bigger pieces of the pie. So you have a lot of issues. I'm not going to stop and explain these but these may be terms that you've heard: the single-holder rule, the consolidation reform, reconsolidation of student loans, federal FFEL loans versus direct loans, and creating the mythical, proverbial level playing field between the two school lending and reining in unfair inducements that one party offers another party to get bigger shares of student loans. So those are all issues that may be, and probably will be, fiercely fought because they involve shares of this $15 billion pie and because players in the student loan world have the resources to hire people to fight

out these issues on their behalf, people like my good friend, John Dean, to my left, who fights only for the best of these causes, I might say, only for the right ones.

Mr. Dean
That's true.

Dr. Wolanin
The thing about all of those issues, as important as they are to the beneficiaries is that they have relatively little or almost nothing to do with the main purpose of the Higher Education Act, which is to provide more access and opportunities for students and ability for them to complete their education. In other words, in the final analysis, from a student's point of view, it really doesn't matter who makes them the loan. The student gets the money and pays the bills and that's the end of the story. But it matters a lot to the people who make the loan, who collect the loan, who service the loan, and who hold the loan as a secondary market. Now there are some issues in the loan world that will make a difference in terms of student opportunity. I think the single best chance for actually increasing the amount of dollars in students' hands would be to increase loan limits. I think that's the single, potential, biggest opportunity. I think paralleling that, there will be some significant amount of attention paid to loan cancellations. And the key to loan cancellation is it has to be big enough to make a difference; it can't be $1,000 or $2,000. If you really want to provide some significant relief, it's got to be $5,000 $10,000, or $20,000 a year. Secondly, it has to be funded as an entitlement. It has to be funded like the banks get funded in the Higher Education Act, as an entitlement to federal resources. So those are the most likely changes to really make a difference.

There is, I think, however, a possibility that there may be no bills at all, that we may not even get a reauthorization. I say that for a couple of reasons. One is there are competing priorities in the Congress and in the committees that handle higher education. First of all, as a matter of context, next year is a presidential election year. There will be primaries and conventions and an early adjournment of the Congress. So just the sheer number of legislative days available to work on higher education will be compressed and diminished.

Secondly, there are already some other things in the education pipeline. There's a Workforce Investment Act that, for those of you who remember such things, remember that JTPA or CETA, I mean, this is a son of or daughter of those earlier initiatives. So the Workforce Investment Act is percolating on through the process as is IDEA, the Individuals with Disabilities Education Act. Those are at various stages, and they are ahead of higher education in the queue to be resolved by Congress. So they could clearly get in the way, take up the space.

But probably the most important or potential obstacle is that what we have now in the Congress are competing, partisan bills and positions on the higher education reauthorization. In the House among the majority Republicans, they have introduced six different reauthorization bills, four of which they've actually passed through the House, four relatively minor bills dealing with teacher training, international education, and graduate education. They've introduced a couple of others, and they've introduced no bill yet related to the heart of the Higher Education Act—loans, grants, and so forth. But the issue that they've really focused on, at least in terms of press focus, has been cost and accountability for cost, and they've pointed the finger of blame at institutions, that institutions of higher education are the chief culprits in rising tuition. The institutions build too many food courts, too many swimming pools, and too much luxury. You know they are simply not restraining costs. They are just spendthrift, and they should be restraining costs.

In the meantime, Congressman George Miller, the ranking Democrat, has introduced one, and I'm told today, a second initiative of his own, that completely goes in other directions from the Republican bill. On the Senate side, Senator Kennedy has introduced his own education initiative that, to some extent, focuses on cost but blames the states. The states are the real culprits in rising college costs because they've reduced their own efforts. Meanwhile, the Chairman on the Senate side, Senator Greg of New Hampshire, has maintained a sphinx-like silence about what his priorities are, so we don't quite know where he is yet.

So, everybody is all over the lot, I think is the basic point. They're about to adjourn. They're planning to adjourn this Friday for this year and come back next year, and there appears, at least to me, to be no process in place and no groundwork having been laid to get from point A of all of this discussion to point B, which is a bill that you pass and get signed by the President.

Now, my final comment, and I think the final variable in all of this, is the administration and the President. We have heard nothing yet from them. There's no presidential message, no position paper, no bill, no nothing. So we don't know where the administration stands. I think presidential leadership could be a source of energizing and pushing this reauthorization to a conclusion. They might choose to build on what they see as the success of No Child Left Behind and use as their centerpiece some kind of accountability—accountability for graduation rates, accountability for learning outcomes, or maybe accountability for costs—that seems to be a winner. So the President could energize the process and push it forward. Absent that, I think there's a high probability of deadlock and gridlock, although some would think it

would lead to a missed opportunity to make some positive changes. Others might think it's simply dodging a bullet and maybe it's the best we can do. So, that's my take up to this point, and I will turn it to my colleagues.

Dr. Martin

It's always fun to follow Tom, but thank you for allowing me to be here, too. I appreciate the invitation, and I too am delighted and pleased with the focus of the discussion that I've heard today and your strong support across the board, with your educational system. It's nice to go someplace where people are talking positively about what we ought to be doing as opposed to the kind of process that we've been observing at Disneyland on the Potomac.

In any event, let me pick up a little bit on what Tom has said. As Maryln said, a lot of us have been involved in the higher education reauthorizations for some time and I've had the pleasure, I guess I would call it, of working on every one of them since 1972 in one way or another. And I have to say that this reauthorization is totally different than those that we've had in the past; Tom has talked about a lot of the variables that are going on. One thing I've enjoyed about working in higher education is that it's something that you usually can get bipartisan support for because it doesn't really make any difference whether you're a Democrat or a Republican or whether you're in a rural area or an urban area, or whatever; people want education for their children, generally, and for their constituents and people understand the value of it. So we've been blessed, I think, through the years of having pretty strong bipartisan support, generally, on the committees that have worked on the reauthorization of the Higher Education Act.

This time around it's interesting to me, as Tom pointed out, that we began the process on the House side quite differently than the process that has previously been followed. Always before, in considering reauthorization, we've taken the whole act and we've had hearings on different aspects of it. The bill has been basically kind of put together in a comprehensive fashion where you're molding all of it together, because the idea behind it is that as you're developing good public policy, it's important that the other areas that are needed to support that are complimentary. And so, while you may look at things a little differently and examine this issue or that issue, generally, there has been a policy focused to kind of maintain a certain theme or certain set of objectives.

And this time around they've kind of laid out the objectives, but they've chosen to do it piecemeal. And so the House, at least the House Committee on Education in the Workforce, has basically decided to take the Higher Education Act and break it down, as Tom said, into basically six different kind of thematic areas. Those six areas that they've broken down, to so far are teacher education, graduate education, international education, access and opportunity, affordability, and accountability. And those are basically the six thematic areas that the House leadership has laid out for the breakdown on this higher education reauthorization.

Now it's interesting that as they began the process back in July, July 9 to be exact, there were two bills that were approved by the House. The first two, HR 2211 and HR 438, were bills that dealt with the Teacher Recruitment Retention Act and also the Ready to Teach Act. Both of these were the two bills that were put together to deal with the first thematic area of teacher education. And for the most part under those two bills there was pretty close agreement, strong bipartisan support, and they went through fairly quickly. The second and third topical areas were HR 3076, that is, the Graduate Opportunities in Higher Education Act, and HR 3077, the International Studies in Higher Education Act. Again, both of these bills were approved on October 21, 2003, and again these two measures basically have had bipartisan support.

But the fourth topical area, which is HR 3039, Expanding Opportunities in Higher Education Act, was introduced on September 8, 2003, but once it was brought forward, it immediately began to run into some challenges, particularly by the Democrats on the committee. They have been unable to agree on some key differences that are contained in that bill. Now this is the bill that, as Tom mentioned before, deals with TRIO and Gear-Up—that part of the Higher Education Act. As a part of this, they've added on some other issues dealing with more nontraditional forms of education, and a couple of the issues that have come up under this part have caused some of the back and forth.

Some of the disagreements are basically the same issues that were part of Senator McKeown's earlier "Fed Up" initiative that he forwarded. These include things like the 90-10 rule, in terms of what's in the law now that requires that profit-making institutions, private career schools, must have 10 percent of their own monies put into it. In other words, you can't depend just totally on federal dollars to run the programs for your student aid, as it is a requirement. Another rule is one that goes back to another part of the Gear-Up bill and an earlier bill that Congressman Issacson from Georgia had put in earlier dealing with distance education. This is the removal of the 50 percent rule in which the law says that no more than 50 percent of your courses, or whatever, can be taught through distance education, and the other half must be on campus instruction, or whatever. So the 50 percent rule has now come up again to eliminate this and to modify that.

A third issue that has come up also deals with the definition of higher education, and believe it or not, in the Higher Education Act there are two distinct definitions. There's one definition for Title IV aid, and then there's another one for all of the other parts of it. Obviously, there are some of my colleagues in the private career schools that would like to have a single definition and the single definition that they would like to have is the single definition that is currently used in Title IV. The reason that they are interested in this is that it would simply allow them access to some of the other programs that

they currently cannot participate in under the Higher Education Act. And the primary issue is not what a lot of the people think (it's) about, or what you hear in the press. It primarily evolves around the issue of access in terms of offering teacher education through private career schools or proprietary institutions. I mean that is the real nuts and bolts of what the drive is—to change the definition. It's not so much the rest of the stuff that people worry about because there is not enough money in the other areas to do anything about it anyway so that's the debate. And obviously, the other part of my colleagues, and the other part of my constituency, who are not-for-profit institutions that do this, they are not particularly interested in wanting to see any change in those definitions. So, it depends on where you are and where you sit, as usual, in terms of how you feel about these issues. But, this has become very partisan and now has caused some differences between the Republicans, who are pushing for some of these changes on one side, and the Democrats, who are resisting these changes on the other. And so that has stalled that particular bill. Now, it's interesting: as I said in the first three categories, we got along fine. But now that we've hit this fourth one, things started to break apart.

Then we get into the fifth area, which is the one now that deals with the affordability. And Senator McKeon has now come forward with his affordability bill which basically would have an index, so that any institution that increases their costs by more than twice the amount of the Consumer Price Index (CPI) in any given year would suddenly then be required to go into some additional steps. This could include such things as reporting to the Secretary why your costs went up; putting in place some kind of a management plan for how you are going to make certain that your costs go down; and then [setting] a timetable and some procedures to make sure that your costs are controlled. Then you would go through another period of time, and if you didn't meet this at the end of that period of time, you could be subject, finally, to sanctions. The sanctions would be, at that point, that you could lose eligibility for participation in Title IV programs with the exception of Pell Grants, but you would not be eligible for the other Title IV programs, which means that you could lose your campus-based programs. It also potentially means that with schools that might have TRIO programs or other things on their campus, you might not be eligible for those, too, because those same programs are also part of the Title IV Act. So that is what has been put in place. Obviously, Mr. Keown would say that he is concerned about this, and, to his credit, he has been a member of Congress who has raised questions about affordability for many years. He was one of the people that were instrumental the last time around when we were dealing with this with the College Cost Commission of getting that started and dealing with it. But he still feels that the institutions have not been responsible, and as Tom points out, the way the debate has been going, it's the institution's fault. Now, in fairness to his bill, he does recognize that if the states are responsible for this—because public institutions, in many cases, it may be the state legislature or governing body that is setting tuition, not the institution itself—then if that's the case, it's a part of the management plan that you report to the secretary. Then obviously the state would be a part of that same plan in terms of how you deal with it. Now, I don't know how that is going to play out when you suddenly ask the Governor or whoever to come or the state legislature to talk to the Secretary of Education, but I just report this stuff. I don't have to worry about all of the details of it. He does have a couple of exceptions in there for schools. If your tuition, even if it is twice the CPI, if the amount is less than $500, then it's OK, so you get an exemption there. Or if you happen to be in the lowest 25 percent of institutions in your sector with your overall price, then you can be exempt, regardless of what happens. So you know you can raise your tuition if you are in the lowest 25 percent of all community colleges in your tuition, regardless of what the increase, as long as you fell below, then you would have an exemption and the same thing with the independent institution, or whatever.

Now, he also has some other provisions in his bill that would also try to do some things, encourage some demonstration programs for efficiency. But the big debate in Washington and particularly among the presidential associations, obviously, is that they've used this as an effort to put price controls on higher education. And, to be very candid, Senator McKeon, in fairness, would say, "Well, I'm not setting price controls because I'm not setting exact price." But ultimately, if in fact you're putting in sanctions by saying you can no longer do something, that is, by my reading, what you would consider price controls in terms of the dictionary's definition; it probably suggests that it is a form of that.

And so that's part of the debate that's going. Senator McKeon has raised a very important issue, but the question is that we're not very excited about his solution. And, quite honestly, representing my association with financial aid administrators, while we're not involved in setting prices in tuition at institutions, obviously anything that would come in with the penalty to take away money that goes to needy students, such as your campus-based programs, is not something that we can support. Because the basis of everything that we try to do is to have those resources to equalize educational opportunity. So it has been an interesting discussion and where it goes remains to be seen. I think that while I have no doubt that Senator McKeon feels strongly about this, obviously the Democrats are not touching this with a 10 foot pole at this point, at least not that approach to the solution. They may have their own in the works later today. I think other people are questioning, "Is this the best way to deal with this?" Everybody recognizes that we are concerned about this, but is this the right kind of response? So what we are trying to do is, hopefully, find some common ground where we can approach this in a slightly different way and still bring some logic and some solution to it.

So the last issue which is accountability is also what we've been told is where we are going to put the final Title IV bill, which hasn't seen the light of day as yet and probably will not until the second session of Congress begins. As Tom said,

we are wrapping up this session right now with basically four bills, technically with two in teacher education being approved on a bipartisan basis. The two others appear headed for not any kind of basic compromise, at least not in the near term. The last, which is probably the most significant, will deal with all of Title IV, which hasn't even been brought out of the box yet even though some of the issues are already being discussed.

Meanwhile, the Democrats have introduced their own kind of bills and some people say, "Well, maybe that's a message bill." They have clearly pointed that they are interested in going in different directions than what the majority is doing at this particular point in time. Again, as Tom said, I agree with him that I think as we look ahead, given the current timetables, it's not very clear to me that we're going to necessarily get this bill done as everyone had thought we would. I think that even some of the other issues that are yet to come may be even more contentious as we get into it.

But the thing that's ironic to me in this whole process is when we looked at the reauthorization, going into this just a couple of years ago, when we were beginning our preparation for this and preparing our own association's recommendations, we were fairly optimistic. And we did so because we'd seen the success of No Child Left Behind, which had broad bipartisan support. We also saw it as a positive step forward. We also at that time still had surpluses. We didn't have deficits that we were dealing with, and we thought, hey, this is going to be kind of nice. We'd also solved a couple of the issues that we thought were contentious, earlier, with the student loan fix and so on. We thought for a change that maybe we won't be fighting over the details in the student loan program. Instead, we will be able to focus on access and how we help more students, particularly those that need our help the most.

And now we find ourselves back with all of these other things going on. We are clearly running significant deficits now. Also obviously in Washington today, with the exception of a few people, most people could care less. Tom's right. Higher education is not on the radar screen except for a few people. That's not the issue. The three issues in Washington are clearly the economy, what's going on in foreign affairs, and the upcoming elections. And everything runs around one of those three issues, fundamentally. On everything else, most of it is politics; that's what it is. So whether or not education is going to be important enough to be a political issue in the next year remains to be seen, but I'm increasingly thinking it may not be.

Dr. Jim Applegate with CPE discusses the conference with a fellow attendee.

I think the good news out of all of this, if there is any good news, is that for the first time in a long time the higher education associations and most of the other parties that are related to this have been working very closely together. I think that for the most part we're closer together now than we've been on a lot of the other reauthorization and the reason for that is very simple. It is the fact that we know that we're in such a tenuous state that if we're not working together forming some coherent and some compromise proposals that we can advance, we're going to get nothing done.

My final part of this, and when I say this and it all ties in with what Tom was saying because he was talking about some of the other kinds of issues that we'll get to—it was alluded to earlier this morning when David Longanecker made the comment about this reauthorization and what might come—one of the areas that we've obviously been focusing on as an association, along with several of our other partners, and that's trying to do some student loan reform work. We belong to a group that's known as the Coalition for Better Student Loans. The things that we're trying to do there are looking at increases not only in student loans in terms of the amounts that students can borrow, but we're also looking at making loans better and financially cheaper for students. I think the other thing we need to do is to try to see if we can reduce the origination fees, the loans that take away money students don't have but yet they have to replace. So if we are going to borrow and we're going to depend upon credit financing, then we ought to make certain the students are getting the very best possible terms and conditions that they can, and they shouldn't have to provide this additional subsidy. We ought to get rid of those fees that were put in back in 1981 through the Omnibus Budget Reconciliation Act when we had double-digit inflation. And this is basically, in my mind, nothing more than an unfair tax on students that has been there since that time, that unfortunately was a solution to address that problem but has no sunset. In fact, it has continued. It's time for us to get rid of that so students get the full use of all the money that they borrow.

The other issue is loan consolidation. And unbeknownst to all of us, while loan consolidation was originally created, obviously to try to make certain that students who had multiple loans could put their loans together and have a single payment, in doing that, we've moved to a point now that no one ever anticipated that we would be in, the low interest rate market we are now in. Students would be able to consolidate, particularly with changes that we've done, the loans at very low, single, long-standing interest rates. So every time students that have higher loans can come back and lock in on these long-term, low-interest rate loans, obviously, then the difference on that is that, as interest rates go back up, it goes back to the federal government to pay the differences. As a result of that, we're seeing a lot more resources potentially going in there. So we want to reform, not take away, but reform, the way that we do consolidated loans—to put it back to a variable, weighted-rate interest, so that it attracts the others, so that it's fair and balanced, not to take away the option for students, but simply to make it so it's fair. If you were going to do this, then it would make sense.

On top of what we've got now we also have another move. It's not just people that have already consolidated, because many people have through the years as they've come down, but now that interest rates have gone even lower, we have people that have already gone through loan consolidation that want to refinance their loans again. Unfortunately, most people in Washington when they first hear this say, "Well, what's wrong with it? You know we all go out and refinance our homes when interest rates are down. Well, the difference is that when you and I refinance our homes, we don't have the luxury of having Uncle Sam standing behind us to pick up the difference on the cost. You and I pay for that, either through points or fees that we pay on reconsolidation. We also lose part of the benefits that we have of deductibility of our interest because we have less to deduct which means that your tax liability goes up. But under the case of refinancing student loans, the burden gets left to the federal taxpayer. And the question is, is it better to spend when you've got limited dollars? Is it better to continue to give people who have already benefited from their education, who are no longer students but who are now citizens—like all of us in this room—and who've had the benefit of their education, is it better to give more money to them or is it better to use those limited resources for students who are now in the pipeline or students who are likely to be in the pipeline very soon, so that they will have an opportunity for their education? We think it's a clear choice that we ought to put the money on our investment for the future, not simply rewarding those that have already had all the benefits and giving them more of what they've already been provided. So with that, I'll stop and turn it over to my friend, John Dean.

Mr. Dean

Dallas, thank you. Ten minutes here so we can take some questions from the audience. Dr. Martin started out by saying how difficult it was to follow Dr. Wolanin in a presentation like this. The only thing more difficult is to follow these two, who are two of the most knowledgeable people in higher education in Washington, people that I have just tremendous respect for. Before I start, some quick comments here. Dr. Wolanin, I'm going to embarrass you a bit here, but Tom has written a book with his Institute for Higher Education Policy on the HEA Reauthorization. I would really recommend it to anybody here who is interested in a very substantive, really worthwhile work. I believe it's accessible in electronic form on the www.ihep.org site, but it's an excellent piece of work that I certainly use and it's free as well.

Here's what I'd like to do—I think that you've heard great presentations here from my two copanelists. I want to make a couple of general comments and respond to a couple of things that Tom said. We had some discussion here about college costs and basically what these issues mean. The college cost issue that's being debated now is, "Does student aid contribute to rising college costs?" We have Senator Judd Greg, the chairman of the Senate committee making comments such as, "Why increase the maximum Pell Grant when the institutions are just simply going to raise their tuition? The student is no better off because they're going to have the same amount of unmet need." In addition, in the case of student loans why increase the borrowing limits because you hurt the students? They are no closer to college opportunity but they have more debt.

The second question on college cost is, "How important is adequate student aid for college opportunity?" And that's getting shortchanged in Washington. The advisory committee did some studies on this suggesting that we actually have slippage in college opportunity. But right now we have people assuming that, even though we have rising college costs, you don't need to increase student aid dramatically in order to even maintain where we are now, let alone make progress. There's a major issue of quality of higher education. The American system of higher education used to be considered the "crown jewel" of our whole educational system, the one part that worked. Now we have questions such as, "Are the students coming out prepared for the workforce? Why are they unable to write memos when they enter the business workforce even though they came out of Ivy League schools? Why do so many students fail to graduate on time? Are college admission procedures fair and open?" We have on the Democratic side major questions being raised about legacy admissions and about development admissions. This is a major issue—Senator John Edwards has emphasized it in his education agenda.

Both my friends here mentioned the student loan borrowing limits. The question is, "Should they be increased, but more importantly, what are we doing to the students?" We have an extraordinarily low interest rate environment right now; we have very low cohort default rates assumed that the debt burdens are not excessive, but what happens when we go back to

higher rates of inflation and the monthly obligations rise? Those are things I know that both of my friends here have worried about quite a bit and I know that NASFA would not permit borrowing limit increases to go through without adequate flexibility in repayment so that students can repay those loans.

Consolidation loans—should they be reformed? My friend here, Tom, said they are rearranging the decks on the Titanic here on market share, but the consolidation loan issue—it's a big one. We had an increase in the estimated cost of the student loan programs for FY 2003 from $3 billion to $9 billion because of these consolidation loans, long-term, low-rate, fixed-rate loans, and 30-year loans at 3.48 percent. That has had a tremendous negative effect, and it is stealing the money that would otherwise be available to reduce the fees and expand the borrowing limits to give additional repayment flexibility to borrowers that need it. Very sadly, that is an example of exceptionally poorly targeted federal subsidies going to people—I know people have taken out these fixed-rate consolidation loans that make six figures. There's no needs attached to this; simply sign up. And there's some aggressive marketing going on in these loans, so some of the people being approached on these loans are people who have no need for any federal subsidies. But if somebody comes up and goes, "Do you want a 30-year loan at under 4 percent?" they are going to say "Yes." We've had a little bit of discussion about Direct Loans versus FFEL and would just like for you to note that the student loan industry that I'm associated with called a truce and, basically, there's nobody in the FFEL community working against the Direct Loan Program right now. There's a lot of concern in the Direct Loan community that the administration is not adequately supporting programs. Tom mentioned the continuous effort for a level playing field and differing debates on that. Those are five of what I think are going to be the major issues.

What should have the issues been in this reauthorization? I would ask, "Are colleges preparing adequately for future projected enrollment?" If you take a look at the demographics—not only the gross number of students, but what those students look like in terms of their needs—you have just a tidal wave coming and higher education is not prepared for it. Some naïve people in Washington—there are many of us in Washington that fit that category—say distance education is the solution. We're just going to plop computer terminals in front of a lot of these poor kids and call that college. I just think that this is something that should have been a major crisis that should have been addressed. Nobody is talking about it, either party, so far.

Dr. Joe McCormick, Executive Director of KHEAA, welcomes panelists John Dean (center) and Dr. Dallas Martin (right).

Number two is if educational opportunity is being maximized for underserved minorities, including persons with disabilities, underserved racial groups, and the economically disadvantaged. You have everybody giving lip service to access, and we're all for access. If anybody here is against access, put your hand up now. Everybody is for it, but is there anything meaningful in any of these bills? We probably have two dozen bills right now, and you can say, "Yes, Senator Kennedy wants a higher maximum Pell Grant," but nobody is really putting forward a bold vision of what should be done to expand educational opportunity. When we had a budget surplus, a lot of us thought this was going to be the HEA reauthorization where we were going to make a quantum leap forward similar to that made in 1965. We thought we would open the doors for higher education, not only for new students coming out of secondary schools, but also for adult learners. All of that, sadly, is disappearing.

There is some discussion about what can be done, and another issue that should have been on this agenda, to maximize the efficiency of the student aid programs by providing low-cost, easy-to-access aid to students that need it. There is some discussion about simplifying the FASFA. If you talk to working aid administrators they roll their eyes at it sometimes just simply because a lot of the people who want to radically simplify it don't realize that a lot of the data elements are in there for a reason. I can only pray that when they come to simplifying the FASFA, that Dallas Martin is in the room.

Another issue that probably should be on the table now, a difficult issue, an unpopular issue, is "Are full subsidies appropriate on student loans for all borrowers, regardless of their post enrollment circumstances?" We have educational opportunity being denied in this country now and certainly under this pending HEA Reauthorization because we are not giving enough subsidized loans and certainly not enough grants to people who need it. Right now the Student Loan Program gives you subsidies regardless of what your post graduation circumstances are. So I have some friends that make six figures—lawyers, lobbyists in Washington—and they get the same subsidies as someone who has really entered public service or otherwise has greater needs. Nobody is talking about that issue because it's a politically difficult one. This

reauthorization isn't going to touch upon the right issues because a $500 billion budget deficit, we've heard a lot about that, is a locked door for educational opportunity on this HEA reauthorization.

Partisan politics are getting worse. I would just note that this whole debate over college costs, blaming the institutions—I believe that some of the people who are saying those arguments and raising those issues are very sincere. They believe that there is a problem. But if you really think about what they're saying, we're creating political cover for not increasing the Title IV programs and meeting the needs for students. The President is not in the position to put another $10–$15 billion into student aid. And so he can say, "I would have increased the Pell Grant, but the schools can't be trusted; the schools are trying to screw the students."

Number three, the middle class and others are worried about college costs and nobody knows what to do. Tom said no consensus has come forward. The problem is that Congress frequently goes off half-cocked, and the problem is that if this college-cost issue continues its prominence, it will start getting on the radar screen, and you can be absolutely sure that you will have some in the HEA Reauthorization. At a minimum, you are going to have burdensome new reporting requirements on postsecondary institutions relating to apples-to-apples data, under the assumption that families and students will be better able to make a choice between postsecondary institutions based on that data. I remain to be convinced that that would really work.

The final thing is that higher education has lost its credibility on Capitol Hill. I have been very chagrined as I take a look at Senator Kennedy's bill, and I encourage you to look at that bill, as well as George Miller's bill. They are buying into this thing. We need to do something on college costs, and basically there is kind of a distrust. People are backing away from the schools. I think that is very dangerous.

Now for a couple of comments about things that Dr. Wolanin said. First of all, I agree with him more than you can imagine on the importance of understanding the full context of federal involvement in higher education. We have the Pell Grant program that is remarkably well targeted to poor kids to get them into and through college. We have the Hope Scholarship Program and a bunch of others that are exceptionally poorly targeted. One of Tom's other pieces of work, in addition to this masterpiece, is a piece on the Hope Scholarship, just simply raising issues about whether those federal investments are well targeted. And I would concur that they are not well targeted. If Congress were able to pull it off to transfer those investments from the tax code into the Title IV Programs, put the money in the hands of talented financial aid administrators to give the money to the poor kids the right way, you would have a lot of college opportunity created without increasing the federal budget deficit.

I politely disagree with Tom on some of the issues where he said that this student loan stuff is more about who gets market share … and doesn't really affect the students. Some of the practices that Tom mentioned, inducements, certainly consolidation and refinancing, have a major impact on the students. If the federal Department Of Education budget is being wasted on giving refinanced consolidation loans to people who may never again set foot on a college campus then those dollars aren't available for people to get into school and to stay in there. That is a major issue. People need to make it their business. It's not a matter of being able to do both, in my opinion, in this environment. On inducements, some of the practices going on on college campuses right now is outright bribery. In this rush for market share, people are basically doing things that are improper. A policeman needs to show up on the site here pretty soon to put an end to it. These issues are very important.

Tom said the administration has been silent. Well, they have been silent in the sense that they haven't sent up a bill so far. But, to the extent that I've talked to these people, they see No Child Left Behind as a template for what they want to do in higher education. I think you are going to have the themes of accountability, transparency in data, and limited regulations really characterize their HEA proposal. Unfortunately, because this President has an Achilles heel in his 2004 re-election bid—the budget deficit—I think that you will see some unusually harsh naysaying by the administration in terms of increasing the federal investment in higher education. That's very sad.

A comment was made by Dallas regarding why the Republicans broke this bill up into six bills, and it certainly took me by surprise: I talked to the Republicans, probably more than you do, and they thought that the current HEA Reauthorization was such a massive bill with so many diverse parts that were really just loosely related to each other, such as teacher preparation and Title IV. Yes, they both have to do with higher education, but they are very separate and distinct. They wanted to have focused the public's attention on these individual parts of the HEA, so they would receive closer scrutiny. I believe that there is some benefit from that approach although I have yet to fully understand how they are going to bring it back together at the end. I'm going to pause there, having left approximately 3.2 minutes left for questions and Maryln.

Ms. McAdams

OK, anybody have a 3.2 minute question they would like to ask? We have 15 minutes, Joe assures me, so…

Mr. Dean

Thank you for the additional time.

Ms. McAdams
Yes ma'am?

Questioner
I'm really interested in the front loading.

Mr. Dean
I know there is going to be a pilot highly likely to test front loading in the Republican HEA Reauthorization bill, the Title IV bill. Dallas?

Dr. Martin
There has been a lot of discussion about this for some time in terms of dealing with it and, obviously again, it's one of these issues that depending on what sector you are from and how you feel whether that is a good thing or a bad thing. One of our recommendations was to do a pilot on doing front loading of the Pell Grant to see what the effects would be. And the idea that I've always had is students having additional grant monies in the beginning, particularly the high-need risk students because these are the students that are most likely to not persist. The reason we have defaults, if you look at default data, most people that default are "nonpersisters," students that drop out, and unfortunately because they have to borrow early on, they have that loan, they don't have the additional skills, and they have difficulty paying it back.

On the other hand, people worry about—and again Tom was making the remark about market shares among the bankers—but the same type of thing goes on in the higher education community amongst the market shares, and a lot of our colleagues and institutions that I represent do not want to see that kind of a shift because they think it will cause one sector or another to have an advantage if students have more grant money during their first or second years. Now I think there are some ways that you could do that to relieve some of the pressure, like between the community colleges or two-year institutions versus four-year and whatever. But, from a public policy standpoint, it seems to me that if you could give low-income kids who are most at risk the additional grant monies they need—many of them are hesitant to borrow money anyway because they've not had good experiences—so if you could get them started in higher education and get them off to a good start so that they had the adequate amount, then they would see the benefit of continuing. Then they could borrow for their last year or two into it. Plus, it's cheaper because they are not building up all that interest and so on during that time. So it makes sense all the way around. But, having said that, sometimes in Washington good public policy isn't always what passes. There is a certain amount of pragmatism; you have to compromise; that's part of the art, too, so we'll see. Hopefully, we'll at least get a demonstration program on it this time around.

Dr. Wolanin
Let me make just one brief comment about front loading. When all is said and done, if you front load Pell grants, low-income students don't have any more money. It's just that one group gets more, another group loses some. So the fundamental premise is scarcity. It's not a way to get more money; it's a way to just repackage what we have, and maybe use it better but maybe not. I guess my basic view is that this is the richest country in the history of the world, and we ought to have more priority and more leadership for adequate funding for education rather than figuring out how we can take from one group of poor students and give more money to another group of poor students.

Due to technical difficulties, audio equipment did not record additional questions and answers.

A New Route for KEES?

Moderator

Dr. Gary Cox, President, Association of Independent Kentucky Colleges & Universities

Panelists

Senator Lindy Casebier, Chair, Senate Education Committee, Kentucky General Assembly,
Kentucky Long-Term Policy Research Center Board Member
Representative Mary Lou Marzian, Member, House Education Committee, Kentucky General Assembly
Representative Frank Rasche, Chair, House Education Committee, Kentucky General Assembly
Senator Jack Westwood, Vice Chair, Senate Education Committee, Kentucky General Assembly

Dr. Cox

I appreciate your being here. I want to ask Frank Rasche to make this announcement, as he always makes the cell phone announcement at the beginning of the education committee meetings.

Rep. Rasche

I will ask the members of the panel and people in the audience to please turn off your cell phones, which I am doing right now. For those of us up here we have found out that the cell phones, even turned off, go right through the sound system.

Dr. Cox

Today we're going to talk about "A New Route for KEES (Kentucky Education Excellence Scholarship Program)." I am Gary Cox, the moderator. Let me begin by introducing the panel. Probably most of you know these folks. We're going to tell you about them anyway.

Senator Jack Westwood, to my immediate right, is from Northern Kentucky. He is a retired school teacher and has been in the Senate since 1996 and is from Kenton County. He is on the Education Committee, the Appropriations and Revenue Committee, the Judiciary Committee, Licensing and Occupations, Veterans and Military Affairs, and Public Protection Committee. He has an undergraduate degree from the University of Kentucky and a master's degree from Northern Kentucky University. Jack, we are delighted to have you.

Session attendees listen to a discussion of the future of the KEES scholarship program.

Senator Lindy Casebier lives in Louisville, and I live in Anderson County but he is my Senator. That's another panel. Lindy has been in either the House or the Senate since 1986 and for the last several years has been Chairman of the Senate Education Committee. He is Vice Chair of the Banking and Insurance Committee, and a member of the Judiciary Committee. Lindy is a public school teacher and administrator. He is administrator now of the Oldham County Public Schools but very active before that in Louisville. He has his bachelor's and master's degrees in education from the University of Louisville. He does live in Louisville, but he does represent, based on the district, in Anderson, part of Fayette, Franklin and Woodford Counties. Lindy, we're delighted to have you.

Representative Mary Lou Marzian is a State Representative from Louisville, Kentucky. She was elected in a special election in 1994 and has been in the House since then. She is a member of the Education Committee; Appropriations and Revenue Committee; Elections, Constitutional Amendments and Intergovernmental Affairs Committee; and the Internal and Health and Welfare Committee. I always worry about getting Mary Lou away from work because Mary Lou is a registered nurse and has a very responsible position as a transplant coordinator here at the University of Louisville where she also received her bachelor's degree.

Representative Frank Rasche is from Paducah, Kentucky. Frank is in private business with a cycle company. I had the honor of sitting with Frank on a lawnmower for about an hour, and I had the best conversation I've ever had sitting on a lawnmower. He has a great business in Paducah. Frank is chairman of the House Education Committee, Banking and

Insurance, and Judiciary. He received his bachelor's degree from Vanderbilt and his master's degree from Murray State University.

Maybe I should tell you who I am—I'm Gary Cox, most recently with the Association of Independent Kentucky Colleges and Universities. We are pleased to have with us the honored guest, the most deserving Senator Walter Baker. Congratulations again, Walter.

We are here to talk about KEES from the perspective of the report that has been most recently released. Jonathan Lowe where are you? If you like the KEES report, Jonathan will autograph it for you, and if you don't like it, don't ask him. Jonathan did an excellent job on this report as a staff person with the Legislative Research Commission. He told me he is making some final edits and that sort of thing and this report, for your information, will be presented a week from Monday at the Education Committee, presumably for some action at that point in time.

The approach we are going to take today is that I am going to ask each of our panelists to just say a word about their take on the concept of KEES, the merit scholarship program, anything they would like to say about it as a brief opening comment. Then we are simply going to go into some questions and answers about the KEES program. Before we do that, maybe we should just say a word to make sure we are all grounded.

The Kentucky Education Excellence Scholarship Program was adopted in 1998. It is a merit scholarship program where students can earn $2,500 a year in high school toward their college education by making good grades and by doing well on the ACT or the SAT. They keep that scholarship as long as they keep their grades in line while they are in college. Some of the fundamental reasons that were listed for the program being developed were to encourage high school students to work hard, as they can see the results of their labor in high school, and to keep our best and brightest students in Kentucky. You cannot take the KEES scholarship out of state unless you go to a program that is not offered in Kentucky and is within the academic common market.

So those are some of the basic parameters surrounding the scholarship. In 1998, we also committed lottery revenue in Kentucky to support the KEES scholarship as was the need-based programs. We began moving that money, and Charles Shirley is here to give us the details. He's with the Legislative Research Commission, the analyst around the higher education budgets. We began moving that money a little at a time in 1998 from the General Fund to support our scholarship programs. In this next biennium, we will have completed that process with 45 percent of the proceeds from the lottery revenue going to KEES, 55 percent going to need-based programs. So with that, I'll stop and, Chairman Rasche, we'll start with you to see if you have a comment you want to make about the KEES program in general.

Rep. Rasche

The program in general: my comment is simply that I think it's working. I think it is doing a lot of what we intended for it to do. There are not that many programs that you can say that about when all the dust clears. I think when you look at the funding side of it, though, we also see some of the dangers of using earmarked revenue streams for programs. When Tennessee gets their lottery, we are really going to understand that danger. But, frankly, I am delighted with it and glad we did it.

Rep. Marzian

I couldn't agree with Frank more. I think it (KEES) finally answered the question, "Where is that lottery money going?" Now you can answer that question with some validity that it actually is going into education. Although it did go into the General Fund and education is about two thirds to half of our budget. There are billions and billions of dollars in that budget, and $100 million in the scheme of things is a fraction of that. Still, $100 million is a lot of money. I want to commend Senator Casebier and Senator Tim Shaughnessy, who's not here, because I believe KEES was your brainchild in 1998 to really dedicate those funds. Other states were doing it; Georgia had the HOPE scholarship.

KEES really dedicated money to something concrete that kids could aspire to. Perhaps they were thinking of going out of state, and this really made a difference. The success we can look at; we're going to be in the hole $3.3 million in 2004-2005, and we are going to have to find more money, so the kids are using it.

There was some discussion on some of the policy issues, and I guess we'll get into that, but there seem to be some folks on the committee, myself included, who feel like we need to really increase the need-based allocation. About $34 million is needed to get that need-based program fully funded, if all take advantage of it. (And I just couldn't say nothing … Jonathan Lowe has been a fabulous staff person, gathering the data and keeping us all apprised of the issues, and I want to thank you for all the hard work you have done.)

I am really concerned with using it with the lottery proceeds, as Frank said. Tennessee's coming on line sooner now than expected. That could be about a $20 million hit. I am very concerned about this Keno thing going on. It seems like we are robbing Peter to pay Paul. So I think as responsible legislators, we really need to look at some revenue that's going to be consistent and is not going to take money out of the poor people's pockets. We need to look at this and say this is going to be here for a while, tomorrow, and in 50 years.

Sen. Casebier

I have to say I did cosponsor KEES with Tim, but it actually was his brainchild, and he was the driving force. I was just honored that he asked me to cosponsor the bill. When he came forward with the idea, I thought it was very worthy, and it dovetailed very nicely with what we had just done in the 1997 postsecondary special session. The objective, as you know, in that session was just to stop the brain drain and keep our brightest and best in the state. Some of those brightest and best were kids that may not have had the resources by which to attend college, so this is to reward them for their brain power and to provide an incentive for other kids who might need a little extra incentive to apply themselves more in school. At the time, as a classroom teacher for 14 years, I had seen a lot of students who had the ability, but college really was never going to be an option because of their circumstances at home. There is a reason why this was called the HOPE scholarships in Georgia. I think that imitation is the best form of flattery, and I think that this was a very positive move on our part. So it's all about education in this meeting today, but the underlying thread is money, or lack thereof. So we face some serious challenges in January.

Sen. Westwood

Mostly everything I thought about saying has already been said. I think we are all pretty much in agreement that the KEES scholarship program has been successful, and it certainly is doing what it was intended to do. Just to reiterate—it is helping to keep our students here in Kentucky, because studies have shown that if a person graduates from a Kentucky school, they have a tendency to stay in Kentucky. If they go out of state to a university or college, then they have a tendency to stay in that state. So we don't want to lose our brightest and best, and this is the way to keep those students here.

I think it also does another thing; it fulfills a commitment that the legislature made way back in 1996 to develop an educational level among our young people which is going to result in their ability to earn a better living, a greater ability to have a higher standard of living, and to offer them more opportunity to be successful in our commerce here in Kentucky. That can only bode well for the future of Kentucky because if you have an educated populace, they find work. When they find work, then you have a robust economy. I am excited about all that. We do have problems, and they point out some of those problems, and I guess that is what the rest of the panel will be.

Dr. Cox

All right, let me jump into some questions. The way we propose that we move from this point on is I will pose some questions, we'll discuss those briefly, and our goal is to leave plenty of time for you to raise questions. If you think of something as you go, I encourage you to write it down. If you are like me, you won't remember it at the end if you don't, and then we'll get into those questions. I'd like to have some discussion, and I know the panelists would like to have some discussion with you. I want to start with probably the easiest question, and that is to talk about the funding problem. There are a number of issues raised in Mr. Lowe's report listing policy options and considerations. Funding is at the top of the list and there are two or three or four or five options that we might talk about. Jack, I think I'll start with you since we started at the other end the last time—how do you propose that we deal with the growing need for funding for KEES and the need-based programs? Mr. Lowe offered some suggestions: more dollars and lottery revenue to be generated one way or another, more dollars beyond the lottery revenue for KAP and KTG, or a changed relationship in the division between the lottery revenue between need-based and merit-based aid; change the revenue stream. Mary Lou mentioned the Keno issue. Let's talk about this whole funding issue and see what your recommendations are. As Lindy mentioned, we are talking about education today, and we can't talk about it without funding and we all know there are other issues out there related to funding or sort of clouds on the horizon as well. So talk a little bit, Jack, about that issue.

Sen. Westwood

Thanks for giving me the opening. We have been looking at this for two or three meetings in the sub-committee on postsecondary education, and, again, I would like to commend Mr. Lowe as well. He's been a real workhorse in pulling all this information together and putting it in some kind of a readable format. It's a grim picture. I don't think any of us can leave here today and not recognize that we have got a grim situation. The total amount of money that is going to be generated by the Kentucky Lottery for KEES is projected to be insufficient for the fiscal year 2005 and 2006. We are assuming that the expenditures for KEES are projected to exceed total funds available by $330 million. So, even taking into account funds for the KEES program reserve account, it's going to be a tremendous shortfall. We have mentioned the Tennessee lottery. That's going to drain some other dollars. We'll probably take a look at the lottery situation and see what's available there.

Part of the problem we are facing here is that although KEES dollars have actually been increasing—they've increased by $82 million, I think, since 1997-98, so we have really been putting more money into it—the problem is that college has become more expensive, and tuition has risen at just about that same rate. Although it would have been much worse, I guess, if colleges had raised their tuition and we didn't have KEES, essentially what happened is the KEES dollars didn't

really go out to help the students all that much because they just had to pay more to go to college in the first place. I think for any answer with KEES, we're going to have to probably look even more deeply into the postsecondary funding issue altogether and the high cost of postsecondary education. The scholarship part is just one aspect of that whole thing.

Solutions? I'm sure that there are some we are going to take a look at. I don't know if any of them are ideal. I know that one of the proposals we offered in our subcommittee is to maybe raise the grade point average of the students. Instead of a C earning any credit, you might want to actually say the money doesn't start coming in unless you are a B student. But we get into grade inflation and how the B average or the 3.0 or whatever is set up because that is an issue as well. This would kind of eliminate the lower end where you've got quite a few people, but they are not the ones who are the really heavy takers of the KEES dollars because C students aren't going to get as much money as the 4.0 student will with the high ACT score. Let's take a look at the top end as well. Maybe the time has come to consider a cap of maybe $100,000 in income. If there is some cap—I just picked $100,000, it could be higher, it could be lower—you would not have access to the KEES dollars. That would make more money available to the program. The Keno issue is going to be a hard sell, I think, despite the fact the governor has basically said, "Go for it." A new administration may say, "No, we're not going to go for it." I haven't talked to them about it, but there doesn't seem to be a great deal of enthusiasm for expanding gambling, and that is a form of expanding the lottery.

Dr. Cox

Lindy, do you have a reaction on the funding situation?

Sen. Casebier

I don't have any magic bullet, either. Jack said there is not much sentiment to expand gambling, and that's probably true in some areas of the state. We are in some serious times here. I've been advocating since the 2002 session that we do put slots at racetracks, and I think that had we done that in the 2002 session, we could have stopped some of the hemorrhage of the state budget at that time. I've never dropped a quarter at Caesar's. I have been there for a fundraiser for Actors Theater one time, and I was amazed at the number of cars from Kentucky in the parking structure. So while we are averse to that idea, and we are not acting by putting slots in racetracks, we're sending Kentucky citizens across the river, and they are building schools and roads in Indiana. I think at every level we're having to make choices on how we are going to fund state government. I think that a serious solution on the table is going to have to be slots. I didn't vote for the lottery in 1998 when I was in the legislature, but we are running out of options here and, obviously, a tax increase does not seem to be at the top of anybody's list.

Therefore, if we are not going to raise taxes, then we have to do something else, because I don't think we are going to find enough waste, fraud and abuse—while I believe there is some in state government—to fund the programs that we have got to support. I've heard the governor-elect say that there will be some things on the table. I've heard him say on several different occasions, as part of the tax modernization package, there may be an increase in the cigarette tax. I think that there are going to be some tax increases that could occur as part of a greater package. We've already lost two years of revenue by not having slots in Kentucky. I am no economist, but having seen the number of Kentucky and Jefferson County cars in that parking structure over at Caesar's, it just infuriated me. I think that none of you want to expand gambling in Kentucky, *but* it's happening whether we like it or not. These people are going across the river or they are going to go somewhere else, so why not keep those dollars here and try to stop some of the hemorrhage on the budget situation?

Dr. Cox

Mary Lou, you have had some ideas about raising some revenue, I know, and you might talk about this funding situation from your perspective.

Rep. Marzian

A cigarette tax is at the top of my list. We've introduced the cigarette tax three sessions, and it has been introduced again now at 75 cents a pack. Representative Jon Draud from Northern Kentucky (he's a Republican, I'm a Democrat) is co-sponsoring that. Thirty-three percent of the money would go to education. It is said that you can raise $4 to $5 million for every penny that you raise the cigarette tax. As you all know, Kentucky is the 49th lowest state in the country, with a cigarette tax at 3 cents a pack, and we have one of the highest rates of teen smokers. It's not going to stop our adults from smoking, most likely, but it does stop the teenagers from starting.

As far as funding for KEES and funding for all our programs, but for KEES especially, anything we do—if we reduce the amount of the awards, if we raise the grade-point average requirement or the SAT score requirement—we can't do that to the kids who are already in the pipeline, the ninth graders. They are already going to be under the old rule, so this is not going to have an impact until fiscal year 2007. We really have got to decide in this legislative session to have some guts to do the right thing. I agree with Lindy. I think expanded gambling is a reality.

I think if you look at the cigarette tax, to me that is a no-brainer. It's a win-win situation. It decreases smoking in teens. It decreases our long-term health care cost, and I think you see a ripple effect. Is it a possibility? I don't know. Legislators are very afraid of voting for a tax, but I think it's the right thing to do. The cigarette tax has been proven. There's a bipartisan polling firm that says this is a tax that you can win, whatever party you're in, and people actually cross party lines and support the one that supports the cigarette tax.

The other issue that I'm concerned about with the KEES, which was brought to our attention by Mr. Lowe's study and the school districts, is that there's a disparity in grading all across the state. You might be in a district where your grades are a little bit tougher—your A is 93-100, or your A in one district is 90-100. Therefore, some students across the state are getting $400-500 less than their counterparts in a different county. We are looking at how we can address that, to have a uniform way to make sure that kids who live in one county are not getting less even though they are doing just as well, and maybe look at the CAT score. I think that's a real issue because it's really not fair to the kids that may be on a grading scale that's a little bit tougher.

Dr. Cox
Mary, when you say that you can't change the rules of the game, so to speak, for those students that have already earned some money, that's a practical "can't," not a legal "can't?"

Rep. Marzian
Right.

Dr. Cox
That's what I meant. Frank, anything you want to add to the discussion?

Rep. Rasche
No. Jon Draud really talks broader than cigarette tax.

Dr. Cox
One of the things that happened last time related to funding, and this isn't directly in the report, but I wanted to get your reaction. Everybody doesn't necessarily have to respond to this, but we'll start with Lindy, particularly. In the last session with the final budget analysis, the decision was made, basically in the Senate, to restrict KEES funding to lottery revenue. There was a question about whether we add general fund dollars to make up what, as I recall when the bill came out of the house, was a deficit. The thinking was in the House that there was not going to be enough lottery revenue to cover KEES. So in the Senate, eventually, the dollars were found from lotteries and lottery revenue was moved around. Do you think that is a standard we ought to continue? Any member of the panel? Should we stick with lottery revenue for KEES or should we be looking at General Fund revenue as we think about this funding? Some of things we have talked about, a cigarette tax or some of these other things that would actually be General Fund, those would not be lottery revenues. What is your thinking on that?

Sen. Casebier
If the lottery proceeds diminish because of Tennessee implementation, we may not be able to fund it just from lottery proceeds, but I think the commitment has been made. We made this contract with the students throughout the state, and I think that probably (it's my opinion) we may not be able to restrict it to just lottery revenue from lottery funds. I really believe that during the session everything is going to be on the table as far as revenue and how we fund these programs. It's not going to be pleasant for any of us up there.

Dr. Cox
Anybody else have a thought about that—the restricting of KEES funding to lottery revenue?

Sen. Westwood
When we passed that bill originally, it was designed to bring about what the lottery had been promised to do in the first place. That was to support education in Kentucky. The question was raised: OK, how is that happening? We had to respond to our constituents: "Well, we don't know." Actually, the lottery money was put in the General Fund, and some of the education people took it out of the General Fund to support initiatives. It was very hard to show that the lottery was doing anything for education. I think Sen. Shaughnessy and, I suspect, Sen. Casebier as well, as a co-sponsor, that was the initial intent, that the lottery would fulfill the promise that had been made originally, that it was going to fund education.

Now what you've got is a situation where you have entitlement, and I guess the policy question is "Does the state of Kentucky want to embark on an entitlement to fund college education?" If you do, then what are the parameters of that? Do we want to provide a college education for everybody that wants it free of charge? Do we want to supplement with a scholarship? Just how much and how little is enough? I don't know. That's a policy question, and I think it is going to take a tremendous amount of debate as to whether or not we want to move away from just using straight lottery dollars. As it stands now, it's pretty clean. It's not enough, but it's certainly clean, because we can say, "I am sorry, folks, the lottery isn't providing the amount of money we had hoped it would; therefore, we are not going to be able to provide the same amount of money to you and your scholarships that we would like to be able to do and have been doing in the past."

I agree with Rep. Marzian. You can't, or you shouldn't, change the rules in midstream. So you would have to go all the way back to a beginning freshman in high school before you can make that change. Still, the lottery may not be able to take care of that, so it's a tough call. I think it would be a sea change to say the scholarship is going to be funded by just the lottery, as opposed to the state of Kentucky is going to guarantee that students go to college.

Dr. Cox
Anybody else want to react?

Department of Education Commissioner Gene Wilhoit (left) talks with Rep. Frank Rasche.

Rep. Rasche
Going back slightly, there was one proposal that hasn't been mentioned so far and that was the notion of removing the prohibition from advertising. Right now the law prohibits the lottery from advertising where the money goes. With it dedicated virtually 100 percent into this, I know there is strong consideration for removing that prohibition, so they could give new meaning to the phrase "education pays."

Dr. Cox
I think that bill has been prefiled. Is that right?

Rep. Marzian
I have it drafted but I haven't prefiled it.

Dr. Cox
Ok, I thought you had prefiled, but it is drafted.

Rep. Marzian
We need tasteful advertising, but I think that, again, we still get questions of "where does that lottery money go?" I think it would be beneficial to let the public know… maybe make them feel good when they buy a lottery ticket.

Rep. Rasche
I don't know that it would really increase sales greatly, but, like you said, it could reduce the number of phone calls we get occasionally.

Rep. Marzian
We were talking about helping with the revenue by raising the GPA. You'd probably be restricting awards if you raise the GPA and raised the ACT requirements. Then that has an impact on those kids who are getting the C and are usually the ones in trouble. They're the ones that we need to give a little push up. You know you really have to decide if you're going to raise your requirements; then you're going to knock out a whole bunch of kids. Those kids are probably in your lower socioeconomic group; some are struggling and maybe don't have the best home environment, where they are doing as well as they could possibly do. I think that's a real policy issue for all of us and legislators, too. You know they may not do great on their ACT. A lot of kids can't take tests very well or do poorly on tests, so we really need to think about that very carefully.

Dr. Cox
One of the other things that was mentioned in passing, does anybody want to say anything about the Keno situation? Is there any support here for the action that was taken last Friday? Any projections on what the legislature might do with that?

Rep. Rasche
I think we are going to surprise ourselves in that last week or ten days. I really do, but I have no earthly idea how.

Dr. Cox
… in the last few days of the session when you have got to pass a budget …

Rep. Marzian
There will be all kinds of bills. I really think Keno is a really poor choice for funding. I think the paper has it right. It's the crack cocaine of gambling. You know you're going to be hitting the people that can least afford it. We'll be paying for it at the other end. I think it's a bad policy decision. I guess that would be a "no."

Dr. Cox
Sounds like a no to me. Anything else about funding, before we move on to another subject, another issue, another policy consideration? Some of these we have dealt with a little bit as we've gone along. One of the things we haven't mentioned on funding, we've probably answered by inference. This issue that $2,500 is losing its buying power, and we are not telling the student in the ninth grade that we are reducing the award, but there is concern that the $2,500 is not buying today what it bought two years ago, and that's going to continue. I presume from what we have talked about, nobody is promoting right now an increase in the award? Is that a fair statement? Does anybody want to speak on increasing the award?

Sen. Westwood
I haven't heard of any talk about increasing it simply because this is not a good time to talk about increasing the awards when you are doing everything you can to keep from having to do any cuts. I think you are probably right; $2,500, when you look at the cost of a year of college, is certainly not going to be sufficient. Most students who want to go to college are going to have to find other sources through student loans or other scholarships that they can get, or very wealthy parents. I think another issue here is that the $2,500 is the maximum award, and that's if you are a 4.0 student who makes the top score on the ACT. Not very many people are there. So you've got some people who are trying very hard and maybe ending up with $150, $200 a year that they are going to be able to have, assuming they can even hold on to their grades when they go to college. I don't think that the KEES scholarship is going to take care of the funding issue. We are going to have to look at the general cost of education for postsecondary and probably that's going to be in the mix as we go through this discussion of assistance because it's certainly there.

Dr Cox
In the report there is a discussion about the process for managing awards even though we have indicated that nobody wants to reduce them. Right now the statute gives that honor to the Council on Postsecondary Education to promulgate a regulation which would set out how the awards would be reduced. The alternative to that (and the Council has not done that) is to do that in statute. Do you have a feeling about that? Do you think that, given the situation with our fiscal condition, that we ought to go ahead and make those decisions, even though I know all of you said you don't want to do that? Or would you prefer just to not address that at this point, not use your energy on that? What's your reaction to that situation?

Rep. Rasche
We are going to answer the first part of the question, Gary, when we pass the budget. That's going to take care of a lot of it. Now, whether there will be a little sentence at the bottom as to how that reduction is going to take place or not, I don't know, if it is reduced. If we put the money in, then we are saying go ahead as is.

Dr. Cox
One option that's not mentioned, and as a member of the Higher Education Assistance Authority Student Loan Corporation Board I know we've talked about this in connection with some other activities for awarding students that might wind up having to be reduced, that is the whole idea of possibly being much more direct when the student gets an award, to say in bold letters, "This may change due to the financial situation." I don't know if that helps any or not, but as Jack was saying, it's seen as pretty much an entitlement right now. I don't know if that has any impact or not, when those constituents call you, for you to be able to say, "Well, we told you up front that this might happen." Any reaction to that?

Rep. Rasche
I think the students should definitely be advised if there is the possibility it's not going to be that much. That's just good consumerism, if nothing else.

Rep. Marzian
I tend to agree with what Jack said earlier, too. We might want to look at income guidelines if we get into a crunch. Again, that would be changing the rules, but if you're a millionaire, you are not going to need $2,500 to help send your kid to school. Back to the budget and what we are going to do as far as funding, I voted against the budget that we passed last session. When it came out, both sides said, "Oh, it's a wonderful budget. We funded everything fully. There are no taxes in it." We all patted ourselves on the back, but come to find out, the universities all came and said, "It's a terrible budget; we'll do what we can." We didn't fully fund them. We raised UofL's tuition 9 percent. Community colleges went up about 23 percent. Now that's a tax. I don't know who we are trying to fool, but that was a tax on families and kids, and the budget did not address the issues. I couldn't vote for that budget when it came out because it was held together with rubber bands. I think we have got to have the guts this time to have some revenue that's going to be consistent, so kids don't have to get a piece of paper that says in four years you might only get $1,000, and you're going to have to quit school. The majority of our college students are women. I think it's about 53 to 54 percent who are young women. A lot of these are single moms going back to school. I don't know if they are getting the KEES grant money or not at that age. But we've got to make an investment—either we are going to or we are not going to—and be truthful about it.

Dr. Cox
Anything else? Let's move on to another subject that has been alluded to. Let's put it to bed here. In this whole issue of determination of award amounts, one of the issues is, and a couple of you mentioned that, the disparity in GPAs, that an A in one district is a different numeric grade than an A in another district. There is some very good work in the report about the differences, and that students are not necessarily being treated the same, not getting the same amount of money for the work. Do you all support the idea of addressing that whole disparity issue? If so, what do think? Do you have a recommendation or how would you go about it?

Sen. Westwood
Sen. Stine had a bill, I think it was two years ago, that was going to try to address that issue because she comes from part of the state that has very high standards at the school district she represents. She felt like those kids were being penalized because, I think, at that school a 95 was an A, and anything lower than 95 was not an A. In the school where I used to teach, a 93 was an A. In another school down the road from us, a 90 was an A. So when you start talking about As, there is a pretty wide range from a 95 all the way down to a 90. I think we have to take a look at that. I'd like to take a look again at Sen. Stine's bill and see if maybe it has an opportunity to pass. However, there are difficulties with that. You know they did a survey of counselors and teachers, and they found that in order to improve their GPA and receive larger KEES awards, many students tried harder in classes, which we wanted to happen. There are also students who took less rigorous courses, and we didn't want that to happen. Also, there were some teachers who admitted to actually adjusting their grading standards. So even if it's not a grade point thing, I know as a teacher I'm still going to listen to the plaintive cries of my parents when they say, "You know, Johnny got a C+, but if he got a B- that means money." There is that subtle pressure, and sometimes not-so-subtle pressure, to make some adjustments. Especially when you look at a student, you know he probably did deserve it, he did work hard, and maybe that's the best he can do. You know, there are all kinds of justifications and I think you begin lowering the standards if you're not careful. We need to be careful about that, and half the responses showed KEES has no effect whatsoever on the students or the teachers. It's interesting.

Dr. Cox
Another issue, anybody want to respond to that?

Rep. Rasche
Well, just an idle comment. One of the things we preached with education reform is that people respond to expectations. The reality is that most kids who view themselves as A students are going to make an A, regardless of what that grading system is. And those where it's 95 or 93—the odds are they are going to be better prepared for school than they would have if we had dropped it to a 90.

Dr. Cox
One of the other questions related to this, and we'll move through this quickly so we can take some questions from the audience, is the GPA standard and the ACT. Is that too low—the 2.5 and the 15 ACT—that's been discussed back and forth as well. Not from the point of view of controlling revenue as much as just from the point of view of the parameters of the program. Many programs are 3.0. Of course, that doesn't make them right; it just means that they are different. What are your feelings on that? Are you comfortable with the GPA and the ACT the way they are or do you think they should be changed?

Rep. Rasche
I think one of the things you're trying to do is get people to consider college who would not have considered it otherwise. If they are able to go, if they are able to be admitted, if they are able to do the work; then I don't think it's so wrong. You're talking about a token amount virtually at that point anyway. If it helps them, gets them through the door, then give it a try then. I think you have to call it successful.

Dr. Cox
Any other reactions?

Rep. Marzian
I am seeing some folks out here saying it's too low, and the 15 is too low. You might be getting folks who are not quite qualified for college or university, but on the other hand, those are the ones who may not have gone in the past. They are going to get $1,000—it's going to maybe push them into…

Rep. Rasche
If we get them through remedial math and reading, we may have accomplished something.

Rep. Marzian
If you look at the test scores for your lower socioeconomic group, and if you just say the exemplary kids are going to get it, then you knocked out a whole bunch of kids.

Dr. Cox
Lindy, do you have any reaction?

Sen. Casebier
When they get a little taste of success and then they start to realize it wasn't that hard to get the C, then they might begin to work a little harder to try to achieve a higher level. So it is a carrot out there that might motivate them to work harder, and I guess we are always looking for just some sort of way to bring more people along. I think that was the thinking when we set those grade-point averages at that level.

Dr. Cox
There are also a series of issues around eligibility. I know it's difficult to discuss right now because we are short on money, but GED recipients are not eligible, the dual-credit students are not eligible, and we don't provide support for taking advance placement exams because those funds are drying up. Equalize awards for students who take accelerated courses. If you graduate early and if you are an exceptional student and graduate in three years instead of four, you lose part of your KEES award right now under the current arrangement. What do you think about those issues?

Sen. Westwood
That's actually hitting me at home because my daughter is going to a private college, Lindsey Wilson, and she's on the fast track, and she will graduate as a junior this spring. Then she's going to be on a two-year master's program, so she will actually be in school five years. I talked to Gene Wilhoit out in the hall, and I said, "Hey, now she's eligible for the full $2,500." So I said, "Is she going to be able to receive the $2,500 after she graduates as a junior?" He doesn't think she will. That doesn't seem right. What we are doing, we are "dis-incentivizing" her to work hard and …

Rep. Rashe
… but it didn't work, Jack.

Sen. Westwood
Well no, it didn't. Maybe she knows I'm the legislator who is going to try to do something about it. I don't know. I would feel awkward doing that for personal reasons, but I certainly would support a bill, and I think at the other end it works that way, too. You have some students who maybe are in that GED program, who have awakened to reality and said, "I want to do something. I want to go to KCTCS," or "I want to do something and pull myself out of this situation I'm in." We are not providing them with the opportunity for KEES. So the money needs to be distributed. I think one of Commissioner Wilhoit's recommendations was to pay at least a portion of the AP-testing costs because that is an expensive test to take. They could use some dollars for that, but that's not what it's designed to do. So we'd have to have some changes, I guess,

in the way the rules work. For some of these people, the only way they could ever have a chance at making the high scores would be to take the AP tests.

Dr. Cox
Let's stop at this point. There are some other questions, but let's hear from the audience. I know some people out there that aren't bashful. So what questions do you have on your mind or anything that you would disagree with?

Questioner
I'm the director of financial aid at Transylvania University, and I appreciate all of your interest and apparent support of KEES. When I first heard of KEES, I was surprised that we would still be sort of following Georgia, but since then I believe the public has bought in it, too. I've never seen a program designed to get people to go to college in our state that has had more of a direct effect. You can talk to students, and whether they are freshmen in high school or a senior in high school, they know about the program. It sounds to me like we are looking for $3.3 million the second year of the budget, and I don't want to get too technical here, but we've got enough for the first year but not the second. I'd protect it almost at all costs because I am afraid you are going to lose some public confidence if you start messing with it, even some of the suggestions like changing in the grading scales and some of these things. I will give a lot of credit to the people who wrote it, and you apparently were involved. It's almost a simple program to describe, although initially it was hard to understand. Now people have got the hang of it, and I am afraid our populous would respond, "Oh, man, they are changing the rules on it." Even if it was for someone who's down in sixth grade or something, the public's confidence is really going to be shaken, and I almost wish that none of what I heard today ever got out of the room. I'm afraid even talking about it shakes the public's confidence in the program and, therefore, shakes their potential confidence in going on to college, which is what we're all about. I just urge you to keep that program really high on your list of things to support.

Dr. Cox
Thanks. Any other comments or questions?

Questioner
We're hoping the ninth grader would not be affected …

Rep. Marzian
… if we had any changes.

Questioner
As we are counseling our students and parents, are we hoping that will be the case, that from ninth grade on up will be OK?

Rep. Rasche
I think sometimes the fallacy is like Social Security was intended originally to be an old age s*upplement*. I don't think KEES was ever intended to cover all the cost or even come close to it. It's one of those incentives. It's one of those things that for a lot of people does make a positive difference. Even if it's nothing more than reducing the number of years you're in debt with a student loan, it's just one of those things, but it's one of many things.

Questioner
I know we're talking about changing the possible 15 ACT and the top possibly with the arbitrary $100,000. But basically with our kids, they don't see any of that. They see, "I'm going to try. I'm going to work hard." I think that is what he's saying. That's what got these kids to buy into this. It's simple. They don't have to go by a formula. They work hard; they get the money.

Rep. Marzian
… and they are going to stay in Kentucky.

Audience Member
If I could just add something, exactly what this lady is talking about is what I'm afraid is going to happen. She's already talking about going back and talking to her students, potentially, about, "Well, it might not be what we thought." It's like this shell will crack. I'm really afraid for that.

Questioner
I've been teaching a series of high school counselor workshops the last couple of weeks and there is already talk among high school counselors. "What's going to happen with KEES? Is KEES going to be reduced?" I mean that talk is already out there. I don't know if you are aware of that or not, but it is.

Rep. Rasche
I'm just pleased that they are aware that all of these things are going on. Too often people are just oblivious to all this and it hits them all at once. I think it's great they are at least aware that we are facing these dilemmas. Maybe they can come up with some ideas along the way.

Rep. Marzian
And their legislators need to hear from them. So when you are talking to the counselors, tell them to call their legislators and say, "We want you to keep this program." You hear from five people—that's a lot of people. Tell them to call us.

Dr. Cox
That's a good point, though, because I'm sure that's happening with a lot of programs related to state government right now. You all are going to get, as legislators, lots of calls from lots of people concerned about Medicaid, or concerned about KEES. Somebody's going to have to sort that out as you go and the voices that are raised are the voices you all are going to hear, to a great extent.

Rep. Marzian
We listen to our constituents, and next year is an election year.

Audience members listen attentively to the discussion about the future of KEES.

Questioner
I have two issues. The first one will deal with consistency from school to school. It would seem the only way to ensure that is to have some sort of standard measure. And you mentioned that some of the kids don't do well on national or norm-referenced type tests such as the ACT. However, at the same time, schools and districts are held accountable for ACT scores. Schools and districts are held accountable for CATS scores. Schools and districts are now held accountable for additional factors with regard to No Child Left Behind. So I think there would be benefits to not only the students that would provide consistency, but would also benefit those of us at the district level, as far as time, some sort of assessment, and accountability to the KEES award for kids. The second thing and you have addressed and you don't have to answer. It's really not a question but it is from a parent's point of view. You have mentioned that the real value of a KEES scholarship has actually declined since its inception, I guess in 1998, due to the increase of tuition. I am concerned that four or five years ago I could convince my children to go to Kentucky schools. But because of that declining value of KEES, it seems like the benefit of attending the public school, at least financially in Kentucky, is becoming more and more ambiguous, if you are using KEES as an incentive.

Sen. Westwood
I would respond to the second part of your statement by saying that actually tuition in Kentucky is still a bargain. It's better than most states if you start looking at what some of the other states are dealing with, and as a matter of fact, Georgia is struggling with it right now. I have an article from a newspaper and the headline reads, "Hope Wanes for Georgia's Merit-Based Scholarships." So Georgia itself is having some real significant problems, and it's based on the same issue of reductions in lottery funding. They are depending on the lottery, and they are not excited about dipping in the General Fund for that. I think you are right in that it's something that has to be looked at. But, frankly, Kentucky is a pretty good bargain still, despite the fact that we have had about a 9.1 percent increase in tuition over the last five to six years. Let me address the other point you made. I may have misunderstood you, but are you suggesting that somehow the score the student has on a CATS test would be used in the KEES formula? I would be opposed to that for the simple reason the research out there has indicated that CATS is not valid or reliable for individual student performance. It's good for school performance, but if you start attaching it to individual students, you might be setting yourself up for some very bad policy.

Questioner
Do you have some other measures such as the ACT?

Sen. Westwood
The ACT, and we are using that, of course.

Dr. Cox
Do you have a counterpoint? Let's put it on the table and we'll discuss both of them.

Audience Comment
I hear what you're saying. However, someone in a previous session made the comment that when he refers to college, he means anything postsecondary and postsecondary is much more than a four-year college or university. It's our community and technical colleges, their associate degree programs, and there are also the certificate programs that may be in refrigeration or some sort of electrical program. Those are vital programs as well. Maybe that's what the legislators were looking at when they established the program initially and set the ACT score at 15 and the 2.5 GPA. The students that have those GPAs and ACT scores are not necessarily all attending a four-year college. They may be going into one of these other programs that are just as vital.

Dr. Cox
What other comment? I think we are developing the panel for next year.

Audience Comment
There is so much research involved recently in the American Diploma Project along with workforce analysis that has been done. In a knowledge-based economy, they are not just talking about any old job. We are talking about a Microsoft certificate, or going into one of the technical programs that KCTCS conducts. You can get in, but you would still be placed in remedial-level work without college credit if you don't have the skills.

Dr. Cox
You all have any reaction to that?

Rep. Marzian
I think we ought to put them together with the task force.

Dr. Cox
Joe, do you want to have the last word?

Dr. McCormick
We have to get away from the concept that everybody goes to college right out of high school for eight semesters and gets a degree. We have to start determining the eligibility on the basis of other measures that are closer to what colleges and universities are really doing. She's in an accelerated program. She's in what we term a nontraditional course of study. The way that KEES legislation is written, it sends everybody to a traditional eight-semester program. Well, if we say that degree is worth to the state $10,000—$2,500 for four years, she ought to be able to achieve a bachelor's degree in two and a half, three years, and get $10,000 from us because that's the value we place on it. Secondly, when you look at how we manage the budget side of it, I just want to urge you to look at your original premise. You institute KEES to encourage students to do better in high school; secondly, to go on to some type of postsecondary education; and, thirdly, to do it in Kentucky and not somewhere else. The way KEES is currently structured it is doing that. That argues don't change. Figure out some way to pay for it, because if you start trimming it back, if you start changing the criteria, then it's a different program. It's not the program that you wanted to create. Now if you truly want a merit scholarship program and you only want to reward, as a matter of state policy, the elite of Kentucky academically, then go to a 3.5 average and say that nobody below a 3.5 gets any money at all. That is truly a merit scholarship program. Kentucky is unique. It is the only state of the 23 states that said we want to do more than just reward merit. We want to encourage those that may be less than meritorious, but they need to go on to some type of postsecondary training as well. There is no other merit scholarship program in the country that does that. Don't throw that baby out with the bath water. We can come up with $3.5 million.

Dr. Cox
Anybody want to second that motion? Thank you all very, very much—this has been very good.

Improving Mileage: Stretching College Dollars to Cover Increasing Costs and Decreasing Budgets

Moderator

Dr. David Longanecker, Executive Director, Western Interstate Commission for Higher Education

Panelists

Dr. Bill Crouch, President, Georgetown College
Representative Harry Moberly, Chair, House Appropriations & Revenue Committee, Kentucky General Assembly
Dr. James Ramsey, President, University of Louisville

Dr. Longanecker

I am pleased to introduce to you our distinguished panelists. They are Representative Harry Moberly, who is the Chair of the House Appropriations and Revenue Committee; Dr. Bill Crouch, President of Georgetown College; and Dr. James Ramsey, President of the University of Louisville. Our topic is to talk a bit about improving mileage, that is trying to find ways to stretch college dollars to cover increasing costs and decreasing budgets. This is really a discussion in some respects about how we contain the price of higher education by containing the cost of higher education and the allocation of those precious resources that the state of Kentucky has to provide for them. In some cases, this may mean more for less. In some cases, it may mean less for less. We'll be talking a bit about that. I thought what I'd do is give the two presidents the first shot at this, and then Representative Moberly can sort of kibitz on what he has heard and how things look from the legislative perspective. We can begin with Bill Crouch, if that's OK. Each of the participants will spend just a few minutes sharing with you some of their perspectives on how we can try to contain the cost of this enterprise. Then we'll open it up for questions or comments, or comments disguised as questions, whatever you'd like, as we move forward. Bill.

Dr. Crouch

Thank you. I am in the 13th year as the President of Georgetown College. You might find this interesting. There are 56 college presidents in the state of Kentucky. That includes the community colleges, the technical colleges, and the public and private colleges, and I'm the fourth most tenured of them. That means there has been quite a lot of turnover. As a matter of fact, 95 percent of the presidents of the colleges and universities in Kentucky have come since KERA was initiated and know very little about KERA if they've come from the outside. This is a whole other issue that I'm touting right now with the Partnership for Kentucky Schools, to try to educate college presidents about that whole environment.

Since I've been president, the world has changed a great deal in private higher education in Kentucky. There was a time when I first came to Kentucky that the public universities had very few admissions officers, small development staffs, and nobody had ever heard of "Bucks for Brains." I spent no time in Frankfort, and didn't need to because the stakes for the private colleges were not very high in Frankfort. The private colleges were not involved in the higher education priority discussions at that particular time. As a matter of fact, Jim Ramsey was very helpful to me and to others, and at that time, he helped us get heard, just a little bit in Frankfort, in our conversations, and he was a wonderful ally for us as the world began to shift in the whole funding issue. So we've had to refigure how to keep the private schools alive and well.

The biggest heartache for us has been September 11 and what's happened since then in terms of our educational enterprise. We've tried to keep focused on what we do well which is the small classes and the small numbers. Also, an interesting change has happened. We now, at the private schools, are in the business of educating the poor and the lower middle class. That's who are now coming to our institutions. They're coming to our institutions because of the very high tuition discount rates that we offer. At Georgetown College 96 percent of our students are on financial aid; 35 percent of our students come from the Appalachian Mountains, eastern Kentucky. They're able to come to our institution, and we subsidize heavily their educations. Then last year we lost a great deal of endowment earnings, and we have a very modest endowment. When our student numbers were down, when we had 120 students, that's one tenth of our student body. These students, during the last four weeks leading up to the beginning of school did not show up because of economic reasons. Their parents lost their jobs or whatever. We ended up losing $4.5 million of revenue last year out of an operating budget of $26 million. So it was a huge financial crisis that our school went through and all private schools went through that.

Fortunately, or unfortunately, whichever way you look at it, the answer to us is not in Frankfort, not in terms of helping us get through this except as it becomes, more and more importantly, the whole financial aid issue. If it wasn't for this man

sitting on my right, Harry Moberly, and his work on the KTG and the KAP funding as well as the KEES funding, then the private colleges in the state would be in very difficult shape. As a matter of fact Jeffery Dean predicts that by the year 2010, 50 percent of the private colleges in America will be bankrupt. We've seen some of that happen in Kentucky in the last five years. I think that is a very real possibility as you look across the country. Georgetown College is 216 years old, and we've been in this business a long, long time. We have alumni all over the state in leadership positions: Gene Wilhoit is one of our alumni; Joe Lambert, the Chief of the Supreme Court, is one of our alumni; and on and on and on I could go. We believe that saving the private colleges in the state is important to us.

We also believe it is a very important financial model. If a student comes to Georgetown and drops out and goes and enrolls at a public university, it costs the state an additional $6,000 every time that happens. So for every student who is at the private colleges in the state, there is a tremendous savings to the taxpayers of the state to have that student there. So interesting partnerships, I believe, are beginning to emerge: partnerships at Georgetown College with the University of Louisville and partnerships that we have with the University of Kentucky. These are going to become very important products. The success of the University of Louisville graduate programs is greatly enhanced by Georgetown College sending them great, great undergraduate students. So we feel that we are becoming more and more the feeder schools to the great public university research centers in the state of Kentucky. Our challenge is to keep them in the state, keep them going to these public universities, and that's why we're very interested and work very hard in developing relationships with those institutions.

We've joined the Kentucky Virtual Library; that is a tremendous cost saving to the institution. We're involved in insurance consortia's purchasing alliances. We have to figure out ways to get things done. I don't have tickets to Rupp Arena or Rick Pitino to help me raise money, but I did figure out that if I don't have it, I've got to go find it. So Georgetown College, seven years ago, entered into a partnership with the NFL, and we have a new $16 million athletic facility because of the Cincinnati Bengals. And I was there Sunday and their beating Kansas City was worth $100,000 to Georgetown College. We've been waiting seven years for that game on Sunday. And we have to be very smart in who we partner with and the relationships that we develop.

We feel we've got to do a better job telling our story. We've got to find more creative ways to generate revenues. We've just created four new teams on our college campus, cross disciplinary, and their goal is to produce $3 million in new revenue for the college this year. We've got to continue to reduce our discount rate. I know of a private school that recently got their discount rate up to 60 percent, and they're going to have an $18 million operational budget deficit this year. They had a $10 million operational budget deficit last year. Those are very significant. We hope that we can convince the state to continue to include the private colleges in the initiatives such as the teacher education program and the quality improvement funding; again which Harry Moberly has championed. We want to encourage the Governor and the General Assembly regarding financial aid. That's critical to us. The KEES Program, the KTG Program are critical to the success and future of our institutions.

We're also lobbying the federal government, things that we've never done before, such as the Pell Grant Program: 42 percent of the students who attend Georgetown College are on Pell Grants. You know one of the misconceptions about the private colleges is that's where the wealthy go. That is not true. We educate the poor and the low middle income. So we're working very hard to keep the Pell Grant at least where it is, if not increasing that. We're refocusing on at-risk students. They don't come to us just with bad grades. Our faculty will tell you they're coming less prepared for college work today than they were five years ago. And we have to work very hard on that.

We're balancing more on putting together some interesting recruitment issues. We've just combined our development fund-raising staff with our admissions staff so that when our development people are traveling, raising money, they're also calling on high schools. When our admissions counselors are out calling on high schools, they're also calling on donors and saying thank you for their gifts. Our applications for the fall are up 33 percent compared to this time last year, and we think this new use of combining staffs and having them working dual functions is one of the reasons that we're having this success. We've got to do all of these cost-cutting things without impacting education. Last year when we cut $2.5 million or 10 percent of our operational budget, we did not cut one single faculty position, did not cut one single faculty budget, and did not cut one student scholarship. Our entire cutting was on the administrative side. We eliminated 25 administrative positions, and that's at a small school. So we're having to rethink how we administratively run our institution. Every day was a bad day last year. Our goal was that every day this year was going to be a good day.

We are now almost halfway through the year. We're running about a $500,000 surplus in our operating budget, and so far, all of our hard work is paying off in a grand way for us. We only have three ways to get our revenue, and I'll mention them real quickly: 75 percent of our revenue comes from tuition, room and board; about 15 percent of our revenue comes from fund-raising; and the other 10 percent, until last year, came from our endowment earnings. And those are our sources of revenue. Those percentages are shifting as things become more economical. So when you aren't getting your fund-raising, and when your endowment is not there, the main option we've got to look at is raising tuition. I don't see, Mr.

Moderator, any hope in sight that those pressures of raising tuition aren't going to continue to exist for a long time to come. I'll stop there.

Dr. Longanecker
Thank you very much. Dr. Ramsey.

Dr. Ramsey
Thank you. I have been permanent President of the University of Louisville for one year, but it seems like 13. I thought I would start with a quick overview of the environment, and Dr. Crouch has touched on some of this and some of your discussions this morning may have focused on some of these factors, so I will go quickly.

The first point I would make is that the University of Louisville, as a public institution of course, is dependent upon state appropriations. It had been a tough time to be a state agency these last three years. As I like to say, in November of 2001 the light switch was turned off. We saw a dramatic drop in employment, particularly manufacturing employment, in the state and so the state went through budget cuts in FY 2002-2003, and we currently face the prospects of a $262 million revenue shortfall in the current year and the prospect of another cut this year. While higher education has been treated much better than most state agencies, we have faced cuts of 2 percent, 2.6 percent, and we'll see what this year holds when budget adjustments are made. Interestingly, the perception that is out there is that higher education has not been cut. We've heard this from business, and we've heard this from the advocates. We actually even did a survey statewide and gathered some information on the University of Louisville, and on higher education and the environment that we live in. One of the common perceptions is that higher education has not been cut, so perhaps we haven't communicated quite as much as we'd like.

The second point I would make, as you all know, is we are not alone. This is across all states. I'll just tell one anecdotal story: A good friend of mine who is Dean of the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill has just gone on to start a business school at the University of California San Diego. The University of California San Diego is a great story; it didn't exist before 1958. Today it's in the top ten in chemistry, biology, and all the life sciences. It has never had a business school. So they recruited a friend of mine, Bob Sullivan, from the University of North Carolina to come and start the business school. When Bob showed up in San Diego, they said, "Bob, you've got to build us a world class business school along the lines of our biology and chemistry programs, but you'll get no public monies." Higher education in California is being cut by 20 percent. California is always a different story, but that story can be repeated in, I think, almost every state across the nation.

Dr. James Ramsey

The third point I would make about our environment is that, yes, we are a public institution: we are dependent on state appropriations; we love state appropriations. We're not going to call ourselves state-assisted here; we want to be state-supported. This has affected all higher education. Dr. Crouch has mentioned Georgetown, and you can look at Pikeville College and other colleges here in Kentucky. Some of you may have seen the *Higher Education Chronicle* article last week about Yale and the dramatic layoffs and budget cuts they're going through. So when Duke, Stanford, and schools like this are laying off people and making cuts to balance their budgets, you know that all of higher education is being impacted.

The fourth point I would make on the environment is I don't see it getting any better. This year, again, the state faces a $262 million revenue shortfall with the structural imbalance that I believe exists, and I think many of you in this room believe exists, in 2005 and 2006. I think that we in higher education, we at the University of Louisville, are trying to plan for an environment over the next several years where there just isn't any significant new money from the state and perhaps no new money at all, perhaps even cuts.

The fifth thing I would point out about our environment is we're probably more concerned about the federal government and federal policy today than we have ever been. The Higher Education Act is up for reauthorization next year. I think already there is a lot of political posturing around that. People in Congress are talking about higher education being in crisis. People in the executive branch of the White House are saying we have to be hard on higher education, and I think very candidly what's happening is that the priorities of the federal government have been pretty well defined to be homeland security, national defense, and tax cuts. The result of that: the federal government has gone from, four or five years ago, surpluses for just a few short years to massive $500, $600, and $700 billion deficits projected in the future. So what Congress is doing is saying we don't have money to increase funding for student financial aid; we don't have money to increase funding for the National Institute of Health; and we don't have money for increases in funding for the National Science Foundation. So, rather than say bluntly that we're not going to provide additional funds for student financial aid, I think the attack is to be critical of higher education and to attack us on affordability and accountability. We're not affordable. We're not accountable. So that's why you have the McKeon Bill in Congress now; that really is a price-fixing

bill in my mind. It would set caps on the amount of tuition schools could raise over a given period of time. That's the environment that we live in. How do we deal with that environment?

The historical approach that we've always used was to first look at our income and expense statement; as Dr. Crouch indicated, more often than not, we look at the income side. If you're a public institution and your state appropriations are being cut, your next biggest source of revenue is generally tuition, so we look at our tuition. As Dr. Layzell knows, several years ago the Council on Postsecondary Education in Kentucky decentralized and deregulated the setting of tuition. At the University of Louisville what we've tried to do in terms of tuition policy is really follow the model that the Council used to use, and that is to look at two factors in setting our tuition. Number one, tuition is the percent of per capita personal income in this state, so it's sort of an affordability index. Then number two is to look at our peer benchmark institutions, although many of our peer benchmark institutions are schools that we really don't compete with for students. Therefore, we've tried to identify a second set of schools, those schools that we are competing with for students, and to try to be sensitive to those price changes.

The fact of the matter is, for the last several years we have increased tuition and last year a lot was said about some fairly dramatic percentage increases among the public colleges and universities in Kentucky. The fact of the matter is quantity has still been going up, and at least in our case, quality has been going up. So we sort of defied the law of demand; you know, the price goes up, quantity and demand goes down. We've actually had price go up, and our enrollment is up, and we've tried to hold our enrollment. We've tried to shoot for a freshman class of 2,200. That's our goal and last year we enrolled 2,280. Even though we're trying to focus on quality and a better freshman class, with price increases we've had an increase in our enrollment. I think that as long as that's the case, and Mr. Moberly can certainly speak to this much better than I can, policymakers may react to that by saying that there's still some give, there's still elasticity, as long as you're increasing price and your enrollment is going up; you can deal with this situation to some degree but not totally on the tuition side or on the price side.

We've been fortunate through the recent budget cuts that, as we've increased price, we've also had an increase in quantity, and so that has helped us deal with the budget cuts of the last couple of years. Now, I don't want anybody to think, though, that a tuition dollar is as good as a state appropriation dollar. It's not. When we increase tuition, we increase student financial aid, both merit-based and need-based. I know Dr. Lee Todd set up a special fund at the University of Kentucky. We set up a special fund at the University of Louisville, so that if there really were young people who, because of the tuition increase, were priced out of being able to go to school, we have a pot of money set aside to address those need-based issues. So a rough rule of thumb for us is for every dollar of tuition increase, we have discretion over about 50 cents out of that dollar. We're at the stage of state appropriation where every dollar we get, we get dollar discretion over that.

I think going forward with tuition what we're looking at is different approaches to different models for pricing and, in particular, looking at differential pricing. We do this and have done this in higher education for a long time. We have a different rate for in-state and out-of-state students at our public institutions. We have a different rate for graduate and undergraduate students. What we'll start looking at is differential prices for different programs. High-demand programs, the market might say; can endure a higher price than low-demand programs. I think you'll see more of that.

There are other revenue sources that we try to maximize as we look at the environment we're in and as we try to balance our budget. But on the incoming expenditure side, as Dr. Crouch mentioned, we also try to generate additional revenue but reduce expenditures. Over the last couple of years with the cuts that have been made, at least at the University of Louisville, we've been able to trim budget. We've been able to not fill positions. We've been able to capture some carry forwards at the end of the year, or as Ron would say, some lapses from one year to the next. We've been able to do a lot of that so we really haven't had to cut programmatic offerings. On the one hand, that's good. We think that's our job. On the other hand, when people say, as Dr. Layzell says, "What are the regrets?, " we don't have a lot of regrets. I mean we're trying to continue to offer quality programs, quality classes, and classes throughout the day allowing our students to get through in a timely fashion. We see that as our goal, and if we are able to do that by trimming, then a lot of people don't see the pain that they might see when a dollar is cut in Medicaid, and the newspapers are talking about people thrown out of nursing homes.

I think the problem is as we go forward, if there is no improvement and if we're living with this situation, we're now into where trimming will no longer work; we will have to make real structural changes in how we operate. The university has done that at different points in time, and I think that we're now at another point in time where we will have to do that again. We're doing a five-year analysis in projecting out what we think our revenues will be over the next five years based on different assumptions, different scenarios. We're saying, "What if state appropriation increases in the next several years are zero, if they're 3 percent, here's the revenue that would generate." If tuition goes up 7 percent to 9 percent, here's what that would generate, and we are doing that for all our revenue sources. Then playing out a forecast over a five-year period of time on the expenditure side of the budget, we consider how much our utility costs and our health insurance salary costs will go up to. Looking at the difference, it's not a pretty picture. It's a deficit from year 2002 on out. We haven't factored in the budget cut from the current year. Then what we're trying to do is say, "OK, what have we been mandated to do by the

Kentucky General Assembly and the Postsecondary Education Improvement Act, which is reflected in our strategic plan, which is called the Challenge for Excellence? And which of those things do we do to achieve the mandate of House Bill 1 (HB1)? What is the price of doing those, going forward, adding that to the bottom line?" And then at that point when we know what that imbalance is, we're into structural changes: eliminating programs, eliminating course offerings, and making real changes. And at that point, there will be some very real regret.

I would say the first thing that we do in a tough period like this is look at our incoming expense statement. I think the second thing that we're trying to focus on more is our balance sheet, not just our incoming expense statement, but focused more on our balance sheet in both assets and liabilities. I think that we as universities have a number of assets that are nonperforming or perhaps underperforming. So we're going through every asset from our facilities to pieces of property to whatever we might have. Of course, our greatest asset is our human capital on campus. But we're actually going through a process now, and since Dr Crouch mentioned it—I wasn't going to mention it—one of our underutilized assets is our athletics program. So we've made a big to-do over going into the biggies, but that is far more important than just our athletic program. It's important to us academically, in terms of student recruiting, in terms of alumni relations, and in terms of development. So we have a strategy, we have a saying: We are one university, not just athletics, not just academics. We're not going to apologize for using athletics to help us accomplish our academic objectives.

Also on the balance sheet we need to look at our liabilities and look at our outstanding debt and see if there is anything that we can do there to better manage those. The third thing that we're trying to do, and Dr. Crouch has also mentioned this, is collaboration and joint programming. We as a state are limited in our resources. I think Dr. Layzell has done a great job of bringing us all together to try to work together on joint programming, on engineering programs where the University of Louisville and Western are working together, and the University of Kentucky and Western are working together. The University of Louisville and University of Kentucky have over 100 collaborations. We filed a joint patent application together. We're working together in the cancer area and a number of other areas and have a number of nanotechnologies and areas like that.

Locally we have an organization here in Louisville called the Metroversity. It's made up of seven different institutions, and the presidents of those seven institutions meet each month. We've been through each other's strategic plans to find out what each other's strengths and weaknesses are, and so we're beginning to say there are certain classes that our students need but we can't afford to teach so we're going to purchase those through the Metroversity.

The fourth thing I think that we have to do, and again, Dr. Crouch, sorry to mention this point, too, is we have to be more focused than we've ever been. We have to really clearly articulate our priorities and we have to be able to say no. I think Dr. James Votruba, among the public presidents, probably states it best, that universities are often expected to do many things, many wonderful things in the community, civic related and so forth, things that we want to do. Our mission here at the University of Louisville is to be a premier metropolitan research university. So every time we are asked to be involved in some fundraiser here in town, we try to do the best we can. But many of the things that are expected of us really aren't cored to the priority that we've been given, and that's to build our research base. We have to be very focused on our priorities, and we've told many of our partners in the community, that there will be times that we will have to say no to them when they ask us to do certain things.

Then fifthly, I think that we've all got to do a better job of communicating. I still believe, and there'll be those who will differ with me some, that by and large Kentucky is a very affordable state for higher education. I think we need to better educate our students on the rate of return from their consumption and investment of higher education. I think we have to do a better job with business leaders. Maybe that's where we have failed the most since the reform, and we need to communicate the public agenda that's been given to us, the significance of HB 1, and the progress that we've made. I do think that we do need to have the full airing of this whole affordability issue in Kentucky. None of us like price increases, when we go to the grocery store or the filling station or whatever. None of us like it when our utility bills go up. But the bottom line is that Kentucky is a very affordable state in terms of energy costs. I think we need to continue to talk and lay the facts out there, so that some of the public reaction to tuition increases, at least at the state level, is not misinformed, as I believe much of the debate at the federal level is. So with those five things, let me stop there and turn it back over to David.

Dr. Longanecker

Thank you very much, Jim. OK, Representative Moberly, how does it look from your point of view?

Rep. Moberly

Well, thank you, and President Crouch, thank you for those kind words. I see you know how to lobby for the next session. Higher education has a dilemma. You know I think members of the General Assembly are dedicated to helping higher education meet the goals that we set in the Postsecondary Reform Act, and we have great confidence in President Layzell. He's working very well with us. I think, in a lot of ways, higher education has since the passage of that act become more of an economic engine, or more the economic engine in the Commonwealth, which is what we intended when we passed that

in 1997. Although, Dr. Ramsey, we are not funding higher education at as great a level as we wanted to in 2003, we actually, I think, did a lot better than some people thought we were going to be able to do. But higher education's dilemma you know when you start looking at state spending priorities. You read the newspaper every day and you see people in nursing homes that are no longer able to stay there. Then you look at elementary and secondary education. The traditional priorities, which are unlikely to change, in the state budget begin with elementary and secondary education, and then next comes human services. Although it's not a priority that we like, you get to prisons and you have to fund that. You know the courts make you fund prisons at a certain level, and if we're going to keep certain dangerous people off the street, the public demands that we fund them. So when you're coming down and looking at percentages of the state budget, and you have to cut short at some point and you fund elementary and secondary as the first priority and then human services then you have to fund prisons.

So where is the next big pot of money? Well, as Dr. Ramsey well knows, having been State Budget Director, that's higher education. Now higher education we believe is currently underfunded, according to the funding formula and the benchmarks. But we also know that nowhere else in state government does an entity get its funding basically in a lump sum, so that it's able to take that and do just about anything it wants to with it. We do have the trust funds that have some restrictions, but you know basically higher education gets its money in a lump sum, and they can do anything that they want to with it. So higher education enjoys that flexibility with its funding.

I think as we also look at higher education, we look at the public universities' need to carry out state policy. With the traditional way that institutions of higher education are run, you know we wonder sometimes whether institutions are carrying out state policy. For instance, I've talked a lot about the seamless system and transfer policy, and we had a scope meeting in which we talked about that, and a lot of progress has been made. But not enough progress has been made on the issue of transferability between institutions. Not enough progress has been made as we watch the presidents manage institutions. We watch some of them, just as they get a cut, just do across-the-board cuts, so as not to make anybody madder than anybody else at their particular institution. You know we wonder about the things that you talked about, Dr. Ramsey. Is anybody doing program review, are you looking at the structure of the institution, are you trying to determine where you've got programs that only have just a very few graduates? I know the Council, not too many years ago, tried to emphasize that kind of review, and I don't think they got full cooperation out of all the institutions. What are university presidents doing to manage their institutions other than just making across-the-board cuts? What are they looking at with respect to restructuring and making sure that they are meeting the policy demands in statute?

Beyond the general funding and the trust fund funding, I think financial assistance is a big issue. We all know that KEES will be short in the next biennium with lottery funds unless we're able to supplement that. That's going to be a big topic of discussion, I think, in the General Assembly this session. What do we want to do about KEES? Do we want to take that prorated cutback or do we want to put General Fund dollars in there—cross that line and put General Fund dollars in there? Our need-based programs are underfunded now. If the lottery money is not enough do we take a prorated reduction in KEES and need-based, or do we just gear it all toward KEES? If we don't want to cross the line and put General Fund money in there, I think we recognize the importance of financial aid, and indeed it is critically important and there's not enough of it there.

I myself believe that we have to look, if lottery money is not sufficient, at supplementing that with general funds because financial aid—a crisis in financial aid—is going to be very critical, I think, to higher education in the future. I can't bring any real rays of sunshine here today except to say that we've got very good presidents, visionary presidents, at the institutions. We've got an outstanding leader at the Council on Postsecondary Education (CPE) in Dr. Layzell. I think the General Assembly will be looking in the future at these issues I mentioned, not just whether you are meeting the goals of HB 1, but other public policy goals. How are presidents managing the institutions in times of financial crisis if you are raising your tuition? And, indeed, higher education in Kentucky is a bargain, even though institutions have had to raise tuition. It's still a bargain, and that will level off at some point. It could still be raised a little more and still be a bargain, but if it's going to be raised and if the CPE is going to let the institutions maintain their independent discretion in raising tuition as they see fit, then we would like to see the CPE engage in a discussion with the General Assembly about the accountability of the institutions.

We would like a discussion on the way that they are spending their money. It is basically a lump sum. Does the culture of an institution, Dr. Ramsey, prevent you from taking a look at your student body and saying, here is where the students are and over here we are going to remove this many nontenured positions because the students aren't here anymore? Does it prevent you from centralizing your transfer policy? Can you tell departments you're going to have a more seamless system and transfer policy, and you know individual people in departments are not going to be able to hold that up? And we are going to articulate better with our other institutions. Can you do that and not get your faculty mad at you? I think we have to demand that the presidents of institutions start managing their institutions, the traditional culture notwithstanding, so that 1) they make sure they meet public policy goals as set forth and expressed by the General Assembly, and 2) demand that they're getting the best buying for the public dollar at that institution, that programs that aren't producing are phased out,

and that the money is put where the students are. I think that will be important in the future. I will expect that the CPE will start looking after this session—it's too late to look at it for this session—but we'll start looking at issues like that and then the General Assembly will have to step up to the plate, along with the new governor.

I failed to mention Governor Fletcher, and, of course, he's going to get the first crack at the budget since we're an executive budget state. He will present his budget by the 15th legislative day. It has to be balanced as we cannot run a deficit like the federal government does. So he's going to have to present a balanced budget, and in that he will have to say what he thinks higher education should get. If he's going to raise any revenue, that will have to be part of his package. So what he does and where he wants to take this Commonwealth will be very important, and it will frame the debate, I think, in the General Assembly as we move forward. But as you heard in the campaign, I would not expect that he would propose any new sources of revenue, at least immediately.

So we are facing, as Dr. Ramsey mentioned, a structural imbalance and, it depends on how you look at it, anywhere from $400 to 500 million. We're facing a shortfall in the current fiscal year, which may entail some cutback in the current fiscal year. So the picture is not rosy, but I do think, despite what I said about accountability and where you rank in the pecking order, that the General Assembly does understand the importance of higher education. I hope that the new governor does, and I trust that he does. And we'll do the very best we can as we move forward to get as many real dollars in there, and we'll expect cooperation out of Dr. Ramsey and Dr. Layzell to inform us as to how accountability is working on the campuses. I do appreciate what President Crouch said. He referred to the model teacher prep bill program that I passed and we included private colleges in that. We did include an increase in KTG for them this time; I believe very strongly that they're an extremely important part of higher education in this state. We need to continue to include them in the progress that we're making as we move forward. So I'll stop there and go ahead and answer questions.

Dr. Bill Crouch, President of Georgetown College

Dr. Crouch

I've got an idea to throw out at Mr. Moberly real quickly if I could. Since every student at a private college saves the state $6,000 and since the public university's part of their money comes basically from the number of students they have, I would like to get us to think about Georgetown College partnering with the University of Louisville. Let their admissions staff help us recruit students to our school from their overflow but let our numbers count toward their numbers in terms of state appropriations. By partnering a public university with the private colleges to make sure all beds are full, you're saving the state money, you're creating a feeder system of our best students to the public universities because part of the exchange would be that they would go to the public universities. It would help their numbers grow which in turn helps with their state appropriations. It's the type of creativity that I think that we might look at in terms of saving the taxpayers' dollars.

Rep. Moberly

I've heard Gary Cox talk about that before and you know I wouldn't have a definite answer on that. But I do believe that we ought to find ways to encourage the public-private partnership in higher education. That would probably be worth looking at.

Dr. Longanecker

I've got a question of the two presidents. In your discussion of strategy, you talk a lot about administrative costs, some potential for program reductions, but not much talk about sort of rethinking the fundamental way in which education is delivered. Dr. Carol A. Twigg, Executive Director of the Pew Learning and Technology Program, is looking into radical restructuring of large survey courses using technology and achieving, she claims, substantial financial gains and substantial learning enhancements. Do you guys have anything going on in that regard that would be worth mentioning?

Dr. Crouch

We have quite a bit going on in this regard. As a matter of fact, one of our largest competitors really hasn't hit Kentucky yet. It has just arrived, and that's the University of Phoenix. We can no longer be a private liberal arts college that just delivers education in the traditional way, or we won't be in existence. Therefore, we're looking at distance learning. We're looking at all kinds of new ways to deliver it. Unfortunately, and I'm sure it's this way with all the public universities, this new delivery system is going to have to be mandated by our board of trustees. This is not something where we're going to get our 120 Ph.D. faculty members, who are traditional liberal arts people, in a room and they're going to say, "Hey, we need to start doing that a different way." So this is going to take a mandate from our board of trustees.

Dr. Ramsey
We have a very large and very active distance learning in a synchronous education sort of offering, in some colleges more so than others. In fact, the college that's probably been most successful for us in doing that is our College of Education. And so one of the things that we've done, and are trying to continue to tweak to make sure we have it right, is to create an incentive where a funding level goes back to the department to recognize that effort on their part to create the proper financial incentive. We have a fairly large distance learning in a synchronous program.

Dr. Longanecker
Other questions from the group that you would like to ask? Does anybody have a question? Well, let me come back and ask you something that actually expresses my ignorance about Kentucky. Does Kentucky actively promote dual and concurrent enrollments or accelerated learning and advanced placement or whatever? I'm really just not familiar with policies in the state. Is that an active strategy to try to achieve some economies? The logic is if you can get students to take some of these in that sort of weak senior year of high school, they'd have a richer high school experience, and they'd have a shorter college experience. It's not clear that that's the way it always works out, but that's sort of logical.

Dr. Crouch
We go at it from both angles. We have our best faculty teaching in the Scott County High School. We're getting ready to expand this to seven other high schools. It's our way to keep and retain good young faculty because we turn over 100 percent of the revenue generated from these high school teaching programs to the faculty teaching the program. So at this point, each faculty member who goes to the high school and teaches a class gets $4,000 worth of revenue. And we teach at 7:30 a.m. in the high schools, and it's for seniors. And if they choose to come on to Georgetown College for their college career, and they're paying college tuition to take that course, the cost of that tuition is then deducted from their entrance fee. And then on the other end, we've partnered with the University of Louisville and the University of Kentucky on several programs that are now three-two programs. This is a program where our students attend three years at Georgetown, then get admitted to the University of Louisville, and in five years they have a bachelor's degree from Georgetown, and a master's degree from the University of Louisville. So it's compacting from the senior in high school now until one year, two years out of college; it's compacting this whole delivery system.

Dr. Longanecker
Yes, sir.

Questioner
This is for President Crouch. Is most of the (Inaudible) …

Dr. Crouch
Yes. We're being underutilized in every area—dorms, classrooms. I have $100 million worth of assets on our campus that are greatly underutilized.

Questioner
(Inaudible)

Dr. Ramsey
I think Bill raised an interesting point earlier because one of the goals of HB 1 was the recognition that we have an undereducated population, and I guess the RAND Corporation came up with the number; we needed to educate 80,000 more people to get to the national average. So a lot of progress has been made over the past five or six years, and we've gotten a lot more people in the system. I, too, want to stop and say that Representative Moberly and the House and the General Assembly in a tough budget year last year did a phenomenal job. While our base budgets were not increased, some of the funding for student financial aid, the "Bucks for Brains Program," and some of the other things that they were able to accomplish were just really critical in terms of our momentum going forward.

But the fact of the matter is, at a time when we're in a tough environment, we're trying to educate more people in higher education. Your costing system is sort of like block pricing with the utilities. You can take a few more students and put them in a classroom and your marginal costs are very, very small, but when you get to some level, then all of a sudden it takes new faculty, new space. I think some of our institutions are really at that level where it's affecting the quality as they grow. So ways to collaborate and partnership and use unutilized capacity is something that we as a state need to look at.

Now we at the University of Louisville, and working with the CPE, had set a goal that we didn't really want to grow our undergraduate really pretty much for the reason that we were pretty near capacity and that the state didn't have enough

Ph.D.s, scientists, and engineers. So our mandate has been to grow more at the graduate and professional levels. And you still have some of the same issues, but not in terms of housing, and your bigger demand there is more on lab space and research space which is our highest priority. So we've been able to grow, and if we take in 80 more freshmen than we had anticipated, we can pretty much absorb that and the marginal cost is pretty close to zero. But much more than that, then all of a sudden we're back at the General Assembly asking for a new research base, new faculty positions, and all those kinds of things.

Dr. Longanecker
Yes, sir.

Questioner
(Inaudible)

Dr. Ramsey
Well, again, we try to say we're one university, not research or teaching, not graduate or undergraduate, but one university. Clearly, the mandate given to us by the General Assembly is to be a research institution. Faculty always need to do research just to remain current in their discipline. What the state has now defined for us is a very quantifiable goal: $200 million in sponsored funding from external sources by the year 2010. It's a very ambitious goal. UK's goal is $300 million, a very ambitious goal for them. So we're very focused on that at the University of Louisville. Our focus in building the research is really tied to the economic development goals and objectives of the community which were defined in a couple of studies: the Boyle Commission Report and then the Brookings Institution report done at two different periods of time. So most of our focus in terms of building sponsored programs is in the life sciences first and foremost, 70 percent; then probably second in logistics and distribution management; and third in the area of business. The whole teaching process in the medical school is different to begin with, and you can do some distance synchronous instruction there, but with the residency programs and so forth, it's different. So very candidly, I don't think they are incompatible at all as we're trying to build our research focus. Dr. Todd has got a broader research focus at the University of Kentucky. He had 90 Ph.D. programs; I think we've got 23. So his might be a little different answer to that.

Dr. Longanecker
Let me ask you a question, gentlemen. One of the dilemmas in this for a person in your position and for a legislator is to know when the cuts are cutting into the bone. You sort of indicated that you can probably handle those extra 80 students on the margin but not much more. But next year you probably won't come and say that you're eroding quality. That's not a comfortable thing to roll off the tongue of a university president. And it's hard to sort of know when that point comes. How will they know when they've gone too far?

Dr. Ramsey
First, let me come back from our perspective at the campus level. We went through the 2002, the 2003 [cuts], and we're preparing for a 3 percent in 2004—we don't know what it will be or when it will be announced. But I feel like the fiduciary responsible thing to do is to prepare for 3 percent because, if we don't know until the budget is introduced in January, we've already started the second semester; we've incurred our cost for the academic year, so it's too late at that point in time. Again, with the additional revenue from enrollment increases, from tuition price increases and quantity increases, from being able to freeze some positions and sort of trim at the margin, not fill some positions, we've been in the trimming mode. You asked a very valid question. If after 2004 there are additional cuts, we've trimmed all we can. I mean, we've got unfilled lines. We've got classes not being met. We've had to cut back on part-time people who need to teach certain courses so kids can graduate on time. How we communicate that to the General Assembly will be difficult. But this may get to the point that Dr. Layzell has been very interested in, that is, what are the regrets? We've had a hard time really, honestly, articulating the regrets because we have tried to avoid regrets through 2002, 2003, and we'll probably be able to through 2004. But in 2005, we may have to say our music program, as important as it is to this community socially, culturally—and the social, cultural aspect is huge for economic development in this community, so we understand that—but music is not part of our research mission. It's not part of our Challenge for Excellence. We may have to eliminate a college. I know the communication side is something that Dr. Layzell has been very focused on and he can talk about his experiences in Mississippi where I guess, Dr. Layzell, you all got to the point where the regrets were so overwhelming that the policymakers understood the message.

Dr. Layzell
Yes. (Inaudible response)

Dr. Longanecker
Representative Moberly, how do you guys notice that because you're not only looking at the entire budget, you're looking at it for transportation and corrections and so forth?

Rep. Moberly
Yes. We look at it in a broader sense, but it really all boils down to politicians as to when you feel the pain, and when your constituents are saying college tuition is too high, when your constituents are saying that, you know, we can't stand it; the University of Louisville had to eliminate their College of Music. One of the problems now with having a debate in Kentucky about raising revenue, Ms. Lassiter, is that with the budget cuts we've made, while they have been somewhat painful, even though we've cut over $1 billion out of our budget, they have not been painful to the average Kentuckian. Now, if they had somebody in college and the tuition went up, that was painful, but still there has not been a general public uproar about all the budget cuts that we've made. We had articles in the paper about people in nursing homes and the tuition increases, but generally having cut that much out, there has not been much of a public outcry.

Rep. Harry Moberly

But it becomes something that the General Assembly has to actually do something about when it's so painful that there's a public outcry and at some point that could happen with higher education. When you start talking about accessibility and there are large numbers of classes that are not available and people can't graduate on time and just a whole bunch of things like that could start happening, then we're going to hear about it. And that will be part of the public debate. But, at this point, it has not been painful enough to cause Governor Fletcher, probably, to recommend a revenue increase. But it may get that way at some point, not just in higher education but across different areas of state government. The public doesn't realize how much it depends on the institutions of higher education for various things and particularly if they've got kids there. But until some of the really painful cutbacks come—and the presidents have done a pretty good job of minimizing the impact on our institutions even though they've had to raise tuition—we'll not approach the point where there will be very serious discussions about, "Can we stand what's happened here because of budget cutbacks?"

Dr. Crouch
I would like to say one word about accountability. I think this is because of the times. I don't know any college president that is not fully accountable and who doesn't understand where every penny comes from. I know which faculty doesn't produce. I know which classes are too small. I know all of that. We have this one little thing that we have to deal with—it's called tenure—that wraps our arms behind us, and I think what's beginning to happen as well is that the college presidents are figuring out how to deal with tenure. We're figuring out at Georgetown College how to reward the people who are getting the job done and how to make sure that the people who aren't are in a great deal of pain so they'll retire early, or they'll go look somewhere else. That is a huge difference between the business environment and the higher education environment. And so the whole accountability issue is the one I'm most concerned about in Washington and what Jim's most concerned about. How is Washington looking at accountability and how do we make sure that the people in Washington understand that the majority of college presidents in the country can be held very accountable? We would go out of business real quickly, at least in the private sector, if we weren't accountable and if we didn't understand and we weren't there. So that's where the frustration would come, that the federal government will mandate to us that we have to spend more and more time with federal regulations and those types of things, which will keep us less efficient. So it's a real interesting time for all of us. The private and public colleges and universities are now joining together on this whole accountability issue because it's going to impact every one of us. This Higher Education Reauthorization Act might be the most critical thing that has happened in higher education since the federal government has been involved in the whole process. So it's just a real critical period of time for us.

Rep. Moberly
If I could just comment there, I agree with President Crouch that the feds very seldom understand what accountability ought to be and the authority of the states and where they ought to leave people alone. On the issue of accountability, I was having a conversation with one of Kentucky's public university presidents, and they were telling me that they were thinking about a tuition increase in the spring, a midterm tuition increase, an increase in other stated fees, and various fee increases. Where can we get more money? And I just gently asked, "Well, you know have you looked at any of your programs, have you done any program review lately and looked to see which programs were not producing, and if you could save any money that way?" And I talked about several things like that, and he just said, "No, we're not doing that. That would be very

controversial. We can't do that." I said, "Well, OK." I didn't press it, but I thought then that just has to be something that's in the discussion that we talk about in the future. There's a bill floating around the General Assembly that says you have to keep tuition at the same level for four years. I think that would be counterproductive and that's a bad idea to try to dictate to institutions like that. And it's a bad idea for us to go in and try to replace the authority of the Council and the local boards of regents, or the individual boards of regents, with a lot of legislative mandates. But I think we ought to have a discussion with Dr. Layzell about the kind of accountability information that we expect the CPE to hold the institutions to in the future.

Dr. Longanecker

Any other questions from the accumulated crowd or any sort of passionate things any of the participants need to say about how they might do more for less or less for less? If not, I've heard other applause meaning we must be at that point.

I would like to have you all thank the panelists for their contribution today. (Applause)

Rerouting the Road to Nowhere

Moderator

Dr. Lucian YatesIII, Chair, Division of Education and Human Services, Kentucky State University

Panelists

Marcia K. Carpenter, Chair, KHEAA/KLESLC Board of Directors, Guidance Counselor, Daviess County
Anna Leasure, Director, Educational Talent Search, Madisonville Community College
Kate Williams, Director, NOVA Program, Eastern Kentucky University

Dr. Yates

In other words, how can they support the number of historically black colleges and universities in Mississippi if their college-going rate is less than we have here in Kentucky? I have a few statistics I'm going to put on the screen, and then we're going to open it up to the panel. These are from the federal government, and it's the population between the ages of 25 and 29 and the number [shown] is in thousands, so that's 18 million not 18,000. The total number in that population is 18,310,000. Of that number, 86.4 percent graduated from high school or more. But of that number, only 29 percent received a bachelor's degree or greater. We break it down in terms of race. You can look at the white, college-going rate—I mean high school graduates—and those with a bachelor's degree. You can look at African-Americans; higher graduation rate, but a much lower college-going rate; Asian Pacific Islanders, the greatest. And look at the Hispanic—and that's a growing population in this country. In fact, it has surpassed African American as the number one minority group in the country. And their college-going rate is 8.9 percent. OK, look at the high school graduation rate. So if we say graduation rate is the number that graduated from high school, I think it's safe in that assuming that to subtract that from 100 would be the dropout rate. Hispanics have a dropout rate of 37.6 percent, and that is a large number. Look at African Americans you still have a 15 percent dropout rate, a 14 percent dropout rate, and [these data are] directly from the federal government. I have no idea what a non-Hispanic white is or how that's different from whites. This information is directly from the federal government. Does anybody know what a non-Hispanic white is? And look at the gender difference.

Dr. Lucian Yates, III

Now if we were to slice and dice this, as Hank Hancock said at the Education Trust, we would have some really revealing numbers because it's disguised, and we didn't break out gender by race. We know that there are more African-American females in college than males. In a recent *Newsweek* article and in a conversation I had with the President of Murray State, some severe sociological implications were noted if we don't get more African-American males in college—some severe implications for our society. Now, what gets in the way—this is also from the federal government—is earning power relative to educational attainment. The earning power is around $18,000 if you don't have a high school diploma. A high school diploma raises that earning power to about $25, 000 to $26,000, and a college degree raises it to a little over $50,000. An advanced degree raises earning power to $72,000. These figures are averages.

So you can see the problem. If we don't do something to get more people through the pipeline into postsecondary institutions and successfully through there, we cannot have the qality of life that we want for the citizens of Kentucky. We have some people on our panel today that have some experiences in those areas, and they are going to talk about what we can do to solve this issue and get people through the pipeline. Then we're going to leave time at the end so that you can ask questions. I want you to know that I'm sacrificing because I have a class to teach in Frankfort at Kentucky State University at 5:00. I usually speed to Frankfort, but with the rain and rush hour traffic I might be a little late. Therefore, we want to make sure we use our time wisely. We're going to get started with the panelists, and we are going to go in the order that we discussed earlier.

Ms. Leasure

When I was a young teacher and had a two-year-old, I was in Wal-Mart with a cart loaded when my daughter started screaming and having a fit. I was so embarrassed that I had to take her out to the car and leave all of my purchases in the

cart and just come home. Has anybody else done that? All right, it was a bad, bad night. The next morning I go to school, and this teacher that taught pre-school had five children and they had all been totally successful: three of them were at Notre Dame and two of them already had graduated and were professionals. I asked, "What's your secret; what do you do?" She said, "Well, you know, I never thought much about it, but I think I had high expectations." So, from that time, that's been about 25 years ago, I think about that, not only with raising children, but in school and church work and almost everything that I do. I keep coming back to that. And Dr. Yates mentioned that in the South, we have some challenges that are unique. One of the groups that we have worked with in our high school and in many of the high schools in Kentucky is the Southern Regional Education Board (SREB). We are also a part of "High Schools That Work." I don't know how many of you are familiar with that program, but I think it is the one that has made a difference for all students. It is working to remove the cultural barriers that exist in schools. The premise is that all children can learn at high levels when there are high expectations.

When my ninth-grade students walk in the school at the beginning of the year, nine out of ten say that they are going on to college. When they graduate, I have about five out of ten that will go on to college. I have even less than that, maybe only 30 percent that will complete a four-year degree. I'm in one of the top 10 to 15 high schools in the state of Kentucky so my figures are a little skewed. But I will tell you that something happens during that ninth-grade year, between that ninth-grade and twelfth grade. It's a crucial time and when you have new teachers come into a school, where do they often go? Ninth grade. You've got crucial times in elementary; you've got crucial times in the high school when you need your best and your most talented teachers, so you don't lose those students. In addition, in the ninth grade, you'll see a lot of schools—I know, at least in the "High Schools That Work Program" in the Southeast—experiment with the ninth-grade class. They've had some on separate campuses or they keep them in separate parts of the building during that time frame, which is a very critical year. And so that is one thing that is being done, and it needs to be continued, to look at that year and make sure we don't lose those students at that time, that we continue with our high expectations for them.

A few years ago when we first started with "High Schools That Work," we knew very clearly that we would need to track certain categories. We have slowly seen our curriculum move back to where we have more accelerated or—we kind of massage it—get back into the area where it will all split back up, and we'll kind of regroup, and we'll look at keeping those students, the low-achieving students, the ones with cultural barriers, with the higher-achieving students because here is the number one thing that influences those students. Whenever it appears that we don't care, they're not going to care, either. So that's one of our big challenges in that ninth-grade year. There is the story of Oprah Winfrey who talks about the second-grade teacher that said, "You know Oprah is a really good writer and she reads very well." So Oprah decided that when she went to the second grade that they expected her to be good writer. Oprah said, "I'm a good writer." She took that, and it just became part of who she was. So you become whatever they tell you you are. Those teachers with high expectations make a huge difference. I'm here to tell you that we can talk about a lot of different thing as students move on to their junior and senior year: their ACT, SAT. You've heard in California that they delay; they're starting to consider not using the SAT as much because of the cultural problems that are there. While I am in a very homogeneous school, I've also taught at St. Augustine High School in Florida which had a higher Hispanic population, and I taught in a community college where I had a 98 percent African-American population, so I've had experience in different places. I'll tell you that there *is* a cultural difference with those students on their ACT and SAT scores. So I can understand, even in our school which is very homogeneous, why in states like California and Texas, where they've got more of a minority population, new approaches are needed.

We will soon be taking a look at the ACT and SAT. In our state, the ACT is the end all and be all of entrance into college and we'll soon see some changes in that. Are there cultural barriers with the ACT? Yes, there are. I'm extremely concerned about the gender differences of our small private schools in Kentucky. We have more women enrolled in those schools than men. We have a big gap in our school. We are very concerned about the gap in reading with our boys; they don't read as well. Because they don't read as well, they don't do as well because there is so much reading in college. We see that trend in our state universities with more girls graduating than boys.

So there is a trend there—a cultural barrier, I guess. I see some of the things that are going on right now with our educational organization and the part of the Kentucky Higher Education Assistance Authority Student Loan Corporation. I have witnessed the work with the Council on Postsecondary Education and the Kentucky Department of Education, a lot more working together—merger, cooperation—I see that improving tremendously. We are doing a better job of getting the information to the people and part of that is there will be a one-stop shop for students in higher education. Specifically, with the Student Loan Corporation, there are borrower benefits that make it easier for students to go on to higher education. Among those are the "Best in Class" which offers teachers going into special education an opportunity to pay back that principal at 20 percent each year you work in the profession. There is some available also to teachers in math, teachers in science and English as a Second Language. There is also "Best in Care" for the nursing program that forgives the principal after five years. There are some programs out there that these organizations are working for. I will be glad to answer any questions on those.

Ms. Williams

Thank you. I've worked extensively with low-income and first-generation college students beginning with their first year, providing them with academic, social, and emotional support services to make them successful with their transition to college and to help them earn a baccalaureate degree. The NOVA program at EKU is a student support services federally funded TRIO program that regularly serves a higher percentage of African-American students than are represented in the general EKU population. NOVA has a successful history of retaining disadvantaged and African-American students at a statistically higher rate than a like comparison group.

Minority students and students from low-income, first-generation backgrounds experience very similar roadblocks to education. Guiding disadvantaged and minority students into college and improving college retention and graduation rates continues to be a challenge, and much research is being developed to address these issues. College matriculation and retention is dependent upon a complex relationship between academic, economic, institutional, and social influences, especially, for disadvantaged and minority students. The value of and participation in higher education is influenced by the student's family, community, their financial situation, and institutional processes. It is important to look at the social and cultural needs of our students and the reasons for dropout to understand what we need to do as educators to make a more conducive environment for academic success.

There are three main categories of cultural barriers for minorities and disadvantaged students to successfully overcome to enter postsecondary education and complete a baccalaureate degree. They are family barriers, community barriers, and institutional barriers. In regard to family barriers, students from first-generation backgrounds do not always have the push or support from family members to attend college. The family may feel threatened for many reasons. Their son or daughter is leaving the nest and breaking up the family, pursuing something they don't see as important or understand. And they may be losing a valued economic provider for the family. These strong family ties often can create barriers to the student's independence and education. They may desire or even need their son or daughter to stay at home to help support the family in tangible and intangible ways. They may have a poor perception of college and believe it will change their son or daughter, disconnecting them from their family culture hence the saying, "Don't get above your raisin'." They may not know how to give them academic support throughout the school. They may not have the resources to help pay for education, and they may not understand the importance of a college degree. Students are often pulled between family and local culture and the higher education campus culture—which often contradict each other. The culture of the community in which the student grew up may also be a barrier to educational attainment. With many of the peers in the community not attending college, the student may find himself or herself in a predicament of going against the community. The community may lack educational advancement values, attitudes, habits and priorities. It is often difficult for young people to go against their community norms. Additionally, sometimes there is a lack of accessibility to educational entities in rural communities.

There are many barriers within the educational institutions from elementary through college that prevent matriculations and success. These range from a lack of understanding to a lack of support services and programs. Educators must spend time understanding the problems and issues associated with cultural gaps related to education. But educators at all levels often operate from middle-class norms and operate with those hidden rules that are not taught in school. They often think students are making conscious choices about education, are self-directed individuals, and have the knowledge, the will, and the resources to pursue education, which is most often not the case with minority and disadvantaged students. There is a lack of diverse representation in most schools. There is a direct connection between the extent and quality of minority student learning and the presence of minority educators who can serve as positive role models, affect policies in their application, influence the quality of the educational experience, and advocate for minority students. The low numbers of students in college from diverse backgrounds makes the college experience akin to an immigrant experience for many students, causing feelings of isolation, alienation, and loneliness. The school's organizational structure is often not conducive to give the needed support for minority and disadvantaged students.

What's needed to overcome these barriers? The following are some interventions that work and have been shown to work. We need to understand the needs and family backgrounds of students. This can be accomplished through research, training, and needs assessment. We need to increase the recruitment of African-American role models through aggressive and intentional hiring practices. We need to develop a holistic and structured plan of operation for social, emotional, and academic support, paying as much attention to the social and emotional support as academic, or even more so. Disenfranchised groups drop out of college for more nonacademic reasons related to personal issues than academic reasons. A careful strategic planning process that is driven by goals and outcome objectives is important to a good plan of operation. We need early intervention. We need to incorporate a thorough and individualized student needs-assessment process and plan for interventions. There are many good models available to review. We need a plan that will provide for regular, consistent, and frequent contact with students by supportive personnel. Research shows that multiple contacts with students promote success. A good solid plan of operation that is driven by outcome measures will provide the needed accountability for such a plan. We should incorporate learning objectives to focus on life skills and coping topics including problem-solving options, coping strategies that address ways of approaching tasks, setting priorities, concrete positive self-taught

strategies in determining what one could live with and what one could live without. Additional learning objectives could include goal-setting skills, help with identifying temporary relief from emotional and mental stressors, and help with identifying people and resources that provide these students with information and know how. We must be sensitive to cultural differences without attaching labels to groups based on their differences. This can be accomplished through cultural sensitivity training of all school personnel. We need process objectives and activities that include a strong personal counseling component, a strong peer and/or professional mentoring component, structured academic support, including tutoring, supplemental instruction, and online tutorials and telephone hotlines, etc. Additional process objectives could be summer bridge programs to expose students to college early, a structured first-year experience in college that includes learning communities, standard orientation curriculum, peer support, and attentive academic advising. We need social and cultural events and programming which have demonstrated a positive impact on college retention. We need high school parental programs and initiatives to provide information and encourage parents to be involved to teach them how to support the rising college student. We need strong and consistent college academic advising programs. We need to involve the entire school personnel in a systematic plan that will encourage college entrance at the high school level and that will retain students at the college level. It's everyone's responsibility to engage in the process. Finally, we need careful planning, budgeting tied to objectives, and strong accountability measures to ensure these things. Thank you.

Ms. Carpenter

Well, I have a little bit different format. I worked with 900 middle- and high school students, and I have a handout for you. Maybe you can make some notes on them and it might give you some practical things to take back to your school systems, your superintendent areas, and back to your policy meetings that I hope you will find useful. The TRIO Program is working with 900 students in 25 different schools, 9 different school districts, and it's a pull-out program. And with the TRIO programs started with the Higher Education Act back in 1965, another reauthorization is coming up soon and there are different issues that are coming into play there. One significant thing—I feel like some of these things are worth sharing with you—is that we have in our program a 70 percent college-going rate, and that's significantly higher than what we are showing statewide. Then, in our mandated regulations, we are mandated to have two thirds of our 900 students low-income and first-generation. So those are not potential students that you hear of going on to college, and actually it's a negative association with their persistence and their preparation in the academic area.

Number one is consistent cause for encouragement. They start in sixth grade, and one year I did a check and about 98 percent of them, when they graduated, had been with us since sixth or seventh grade. So I think that continuity with the program, with the counselors, has been helpful for the students. One student who has been in our program in one of the county schools was going to the community college and I said to him, "Why don't you come and talk to me about it?" He was in his sophomore year at the community college, but his father was letting him know that he would be glad to help him apply and give him a recommendation for a job at the plant where he worked for a $20-an-hour position. However, the student had done his research. He knew that that was a good salary for him, but he was wise enough to ask himself, "How much am I going to have to work?" Well, he was going to be working 10 to 12 hours a day on a swing shift up to seven days a week, and he was wise enough to say, "I just don't know whether I'm ready to do that or not." So we talked about his career and his career expectations. He told me that his parents were supportive of his going to school. I asked him what his peers were doing and he said, "Well, most of them went into the military." He did say that if it hadn't been for his advisor that he would not have gone on to college and that he would have probably gone with the rest of his friends into the military. So the career opportunities and letting the students know of the particular careers, and tying that in with the education, works. Typically, the more education they have the more competitive edge they have in getting a good job and having the ability to advance in the position that they hold. So that's how I approach that list of students and encourage my staff to do that, too.

Dr. Lucian Yates, III (left) listens as Marcia K. Carpenter discusses the achievement gap.

Increasing the student's level and expectations, that's something that we've been hearing all day long. But getting out there into our communities and increasing those expectations—and that goes to that cultural aspect and the generational aspect that we run into our communities, and particularly in those rural areas and I know it's no different in the urban areas,

too. This pathwaystocollege.net is a relatively new Web site that has some research-based information on preparing for college, building expectations and changing realities that I thought was very good. It has an article about building learning communities and the resiliency in staff, teachers, and the leaders in the communities. We're not the only ones that struggle with parental involvement. Parental involvement is very critical, and it's just a matter of continuing to do whatever we can to get those parents involved. Again, it goes back to tying in to the value of education. We found, which you all may be aware of, that we use the Parent Institute publication, "Helping Students Learn." It gives practical information for the parents on how to get along with their students, with the schools and step by step. We insert that in our quarterly newsletter, which gives the parents information that will assist them.

With the Gear Up Kentucky Program in one of our area schools that I work with, we had over 60 percent of the adults attend that summer camp. We invited the parents to come for that one day. Most of them rode the bus, ate lunch, and participated in the classes, and that was one of the parent involvement programs that was successful. I attribute that success to the school, the principal, and the community coordinator. They spent a lot of individual time calling parents, and that helped get the attendance rate up for that program. So that individual contact was essential there.

Collaboration and development is the fifth one that I've listed, and this enrichment program recently received the PEEK award. One very unique situation that I collaborated with is the Murray State University site person who also teaches education classes, and they were going to be out of school, so they were able to teach this particular enrichment group of seventh-grade students from this program. This teacher was enthusiastic, excited, and anxious to get out in the field and work with the students. All of the students who participated showed an increase in their reading levels, which was wonderful.

Another program we had is Brown Bag Buddies. We went to the Kentucky History Museum on a field trip. The focus here was reading, and Kentucky was one of the curriculum focuses. The Brown Bag Buddies were junior education students that had little bags of different activities for them to do on the bus going up and back. And then they also prepared a sack of some different things for them to come back with from the museum, so they could have postcards and timelines and things to discuss and things to review from their trip, as well as different sites from Madisonville and the Providence area up to Frankfort. Being creative, continuing to think outside the box, that's not a new thing for any of us, but it's just a matter of taking that time, that effort and thinking outside the box and coming up with new ideas that might reach the students and the parents to increase their success levels in educational attainment.

Another Web site, heinemann.com, you may be familiar with they are the publishers of *When Kids Can't Read, What Teachers Can Do*. This book contains practical things that teachers can do each day across the curriculum in their classes to help with reading. The No Child Left Behind Act requires that by 2014 there will be high expectations for all students; rigorous student performance standards tied to annual assessments in grades 3-8; multiple assessments tied to the core content measuring what students know and can do, such as applying higher order thinking skills in reading and mathematics as well as in other subject content areas; school accountability; student and school performance information to parents in the form of school report cards; and, a goal of proficiency in 12 years.

For us, we're familiar with our vocabulary in higher education, but it's a foreign language to many of our parents and our students. So anytime we can go over the vocabulary with them, have the parents go on the field trips with us, we do. I visited the University of Liverpool with a nationwide group with the Council on Opportunities for Education (COE), and they had some programs similar to ours. They were about 10 years behind us but it was interesting to see—and very similar to Kentucky's—that was interesting too. "Aim Higher" and "Excellence Challenged" were the names for two of the programs they used that created a seamless education—educating them from elementary school to high school, and on to postsecondary. Our P-16 Councils are working in those areas here in Kentucky to achieve those same goals. In the Liverpool City of Learning, they had a monastery that they had renovated, and it was their community center, their education center. The more that our students and their parents are familiar with higher education and continuing their education, the more successful and open they're going to be to achieving those goals.

One thing our program has done just in the last two years is that we've created a Scholar's Bowl for our eighth graders, and it is statewide. We went to Murray and took a small group there and won the Scholar's Bowl at the state level, and then we went on to Atlanta to the regional competition and we won there. But the point I want to make here is going that extra mile—this wasn't something that's was required, it's not in our regulations—gave these students the opportunity to participate in something that they would never had the chance to do otherwise. Additionally, we have eighth-grade awards from the talent search program that the eighth graders are given. So any time we can give recognition to some of our students who would not normally receive any recognition, that's going to be a positive boost to them and their families. We need to continue to do the things that raise that level of awareness about higher education for the whole community. Another thing I do is write on the back of my business card, "Call me," or "Come by the office if you want to talk to me about continuing your education." I also passed these out to middle school students. That way they can't come back and say, "Well, nobody ever gave me this information." We need to do whatever we can do to try to engage students and parents and get them to question and believe that they can do it too, that it isn't an unachievable goal. Thank you.

Dr. Yates
Thank you. You've heard a lot this afternoon, and we want to engage the panel in some conversation. If you have experiences that you have, we would love for you to share those as well. You've heard some things, but I would like to ask the question; I'd like to dig a little deeper. What program can be developed to overcome these cultural barriers that we talked about and what are the policy implications for making sure that that, in fact, doesn't happen? Come on, Mike.

Ms. Williams
Do you mean at the high school level, or the college level?

Dr. Yates
Whatever level you want to choose.

Questioner
At what point do you all think that you're losing kids? Do you think it's ninth grade? Do you think it's middle school. Do you think it's even before that?

Dr. Yates
Hank Hancock at Education Trust says, and I tend to agree, that college begins in kindergarten, and you can never start too soon. Personally, we started reading to my daughter when she came home from the hospital. At night when she became a toddler, she got in bed—because I read professional journals and my wife would read the newspaper—and she would have her little Golden Book and be in the middle of us with this book. Because she thought this is what people do: they read. The book was upside down, but she was still reading. I remember my mother told me one time that, if you can read, you've got a chance. So we would get library cards and read or be read to. But another thing that we did (and I didn't realize that you could write off college visitations when you take kids to visit a college) was to center all our vacations every year around visiting a college campus. So the expectation from my daughter wasn't, "Are you going to college?" but "Where are you going to college?" We actually centered them all around visiting black colleges and universities because we thought that was important for her.

Questioner
Is that where she went?

Dr. Yates
She went to Tennessee State University. She has a cum laude degree in chemistry, and she's in her second year of pharmacy school at UK. I think it starts early on. What I think we have to do is we have to work with parents because, barring brain damage, every parent wants what's best for their kids. Many times they don't know what that is, and they don't know how to get there. So they talk about what they know about: "Don't think beyond your raising," or whatever you said. However, we have to teach parents as well. And so that has to start early on. In the African-American community, it happens a lot in church. Now, I don't know in other areas where it happens. We need to find those places and make sure it happens there.

Questioner
What are the cultural differences between the decision to drop out of high school as opposed to not pursue college?

Ms. Carpenter
I'm going to say a lot of dysfunctional families, and I think that's fair. Mothers will drag their kids in, and we'll talk and talk and talk until we're blue in the face. No, let's don't drop out; let's go see this class. Let's try to find a teacher that has had some rapport with this student, but that parent has just had it. They can't get them up in the morning, they go to work at 7:00, and the kids fail to get up. That's the number one thing. It's dysfunctional homes. It's dropping out of high school because the parents are stressed out.

Ms. Leasure
I think I'd say goal-setting and time-setting maybe end careers. But that motivation and the goal-setting, both the long-term goal-setting and short-term, because they want something immediately and they don't seem to understand, but that long-term goal-setting promotes motivation and that discipline becomes a major factor. And along with goal-setting, with some of our study skills, we put time management in there, which comes into play even with setting that alarm clock. Learn how

to set the alarm clock and that kind of goal, so they are able to get themselves up in the morning and not run into that problem, at least not blaming it on their parents.

Dr. Yates

Yes, I think discipline, we can blame the victim, but it's not the child. It's many of the schools that they go to that are culturally unresponsive to the needs of those kids. We try to homogenize, and we try to make everybody alike, and they are not alike. We don't value what they bring to the table. If you look at our schools, many of them are taught by middle-class, white women, and there is a cultural difference of what they get from an African-American poor woman at home and what they get from the middle-class white woman in school. And kids take advantage of it. Let me give you an example. In the middle-class white community, a white female might say, "Little Johnny, do you think it's time to go to bed?" And he says, "No, I'm going to play some more." "OK, I'll give you five more minutes." But in an African-American home, they say, "Get your behind in there in bed, period." And it's not open for discussion. When they come to school, it's a cultural disconnect. The white middle-class teacher in classrooms says, "Little Johnny, don't you think you ought to take your seat?" So he picks the chair up and takes it over to the corner and the teacher writes a referral for him to go to the office. If she had said, "Sit down or I'm going to call your Momma," he would have sat down.

So I think some of the problems we've created, not because we are bad people but because we just don't know the cultural nuances of those families. I know with Hispanic boys, you don't ever touch them on their head. It's a total disregard for them and they will go berserk. But if I don't know that, culturally, I can create a barrier for that kid that will go on even to the next grade because I didn't know those cultural differences. That's my take and I'm saying this from experience. The teachers in my daughter's high school didn't think she should be in advanced chemistry because she made a 'C' in Biology I. I wish somebody could tell me the correlation between biology and chemistry. There is none. The only reason we teach them in that order is because it is alphabetical. It's true—ask anybody. What we really should teach first is physics because it's more conceptual. They didn't want her in advanced Chemistry I. I said, "Well, you're crazy. She's taking it." They said, "No, our policy …" I said, "I don't care about your policy. She's taking the class." When she took advanced Chemistry I, she got an A. She took advanced Chemistry II; she got an A. She now has a *cum laude* degree in chemistry. It was that expectation of people that had some artificial construct of what she was capable of doing, and it had nothing to do with her ability. Had I not been there to advocate for her, that whole world of science would have been closed to that child. I think about all the other kids we close those doors to because we just don't advocate for them. We don't know what they are capable of doing.

Ms. Carpenter

I think also we asked about the difference between the students who drop out of high school and the ones that drop out of college. With only 27 percent at our state universities graduating in four years and in our private colleges and universities, it's closer to 8 percent. But when they look at what is happening with that, they are a little bit perplexed. In that second year many students don't know what they want to major in. I think advising is extremely important, and that's what the private schools have done that the public schools aren't getting done, and we have got to look at the same thing in the high school—the advising.

Audience Comment

I want to make a comment on that. I am the vice president of St. Catharine College which right now is still a private, two-year school. One of the reasons it takes five years to graduate 50 percent or more of our students is that they are not adding years at the end but rather duplicating the year before they start and that gets put on our tab. Colorado is looking at billing school districts for students who have to take remedial work. There is a certain lack of honesty in the high school. Yes, you do have to know content. You cant be a nurse if you can't do algebra. We get students in the sciences, in math, carrying a 2.7 to a 3.2 or 3.5 out of high school, and they'll look at us and say, "Why do we have to know the names of this stuff?" Because in anatomy and physiology the doctors don't want to say, "Get the big lump on the end of the long bone." They are expected to know anatomy. High school students have not been told and held to the expectation that you have to master certain things. This is a cross-generation; it's cross-ethnic; it's cross-economics. We hand out a "C," and I get more parents in my office than my wife's high school principal does. There is a level of honesty and toughness that the high schools are going to have to look to that goes beyond some of these issues. One of the barriers to persistence is they don't know it's hard. Nobody has ever told them, you've got to buckle down and do this.

Dr. Yates

Along those same lines there is a gap between what we expected of those when they graduated from high school and what we want them to know when they first get into college. There is a gap there and we can't get K-12 people and postsecondary people to the table to talk about it, because I'm not willing to give up what I teach in freshman English.

There is a whole project that is called the Diploma Project where they are trying to pull those two entities together, so there won't be a gap, because it is the kids who are the ones who suffer as a result of us not filling that gap.

Ms. Williams
I would like to add to that. Most of the freshman I work with, and I'd say probably 98 percent of them are unprepared for studying for college-level courses, they almost always think they are doing better than they really are, and when they see their grades at midterm, they don't know what happened. The other thing, in regards to why students aren't graduating in four, five, or six years these days, is, they are working a lot, a whole lot, and that's a major thing.

Ms. Carpenter
In addressing his question—he was asking why they drop out. From the ones I'm talking about, they don't just drop out, they just quit completely.

Audience Comment
Look at the whole issue of homework in high school. We don't have any problem conceptualizing that it takes hours of work out of class to master football, but if you put in hours of work out of the class to match their academic content, whether its history or math or English, then the school and parents all go ballistic.

Ms. Williams
Yes, students tell me that they didn't study in high school. I hear it all the time. "Now, I think I have to study for college." I said, "Yes, you have to study for college." So we try to sign them up for study skills courses which, unless they put a lot of emphasis on it, it goes for naught for the most part.

Audience Comment
I thought the answer you were going to give me was because they weren't prepared and they can't read. That is what I was expecting.

Ms. Williams
Once they get to college?

Audience Comment
No, I'm talking about the ninth grade. I thought you were going to say because they were not prepared to do the work, and they can't read.

Ms. Carpenter
Today, our progress reports go out. We have 27 percent of our current ninth graders who have one or more Fs, and we will have only about 6 percent of our juniors or seniors that have Fs. So they are failing their Algebra I, and they're failing their English I at the ninth grade level. Their biggest challenge in ninth grade is not that they can't do it, it's just that—their hormones are raging—and 60 percent of our discipline problems are in ninth grade, and that's why I talk about the separate ninth grade issue. It's not that they are not capable.

Audience Comment
I think there was a comment made a moment ago about the TRIO Program. Someone said 70 percent of the people go on to college?

Ms. Carpenter
Yes, that's our particular program, the Talent Search.

Audience Comment
Those figures where we send 30 percent of our people on to college obviously, if you get people into that program, it would solve some of our problems. Sometimes you have got to get that child out of the home. You've got to get them on the college campus. You have got to give them enrichment programs and give them a chance to catch up.

Ms. Leasure
I just talked to this young man who is in his freshman year at the University of Louisville, and asked him, "Well, are you having any trouble?" Actually, it is so much easier because he graduated from a very rigorous school in Louisville, and he

said, "We really have learned something this year." So I say, *rigorous is good*. This was a kid who did get help, though, did have things in place. But let's have those really high standards.

Dr. Yates

We don't hold the standard as constant and change the time. We hold the time as the constant and change the curriculum. So when we find someone that's having a little challenge, what we actually do is slow down the curriculum. When we find somebody that has a little ability, we speed up the curriculum. So what really happens? The gap grows wider. Why does that surprise us? When I was a principal, I did away with all low-level classes. We did away with "math for the living dead." We did away with all those kind of classes and taught everything as honor classes. A child came to me and said, "Do you know what? I didn't know I could do phonics." I said, "Really?" He said, "I'll live up to what teachers expect of me." I thought it was really revealing.

I walked around one day in the building, and I stopped by this senior English teacher who had a reputation of being pretty tough. She taught German, and she had brought in some kids that had a C in English to take German, because they couldn't do German. I am glad they weren't born in Germany. But she was an excellent senior English teacher. So I asked, "How is Carol doing?" She said, "She's doing pretty well. She has a solid C, and if she works a little harder, she could get a B." I said, "You're kidding." She said, "No, why do you ask?" I said, "Up until this year when we did away with bonehead classes, she was in special education." She said, "You're kidding me." I said, "No, it's about expectations, and kids will live up to or down to our expectations."

Audience Participant

The TRIO experience that you were describing almost seems like, really, discovering ways to engage kids and keep them engaged. There is an experiment they're doing in Maine—this laptop initiative for seventh and eighth graders. Everybody would say it's a waste of money; it's not going to work; you're not going to engage kids. But for the first two years of that––I mean, some of the numbers are absolutely astounding—absenteeism dropped by 50 percent. Kids wanted to be there in school.

Ms. Carpenter

We had that in our school with the ninth graders. We are doing a pilot in Daviess County. We have 150 students, 50 at our two main high schools and 50 at our alternative high school. We have 24-7 access to a laptop, and I was just in those classes yesterday. It all boils down to engagement. Right now, what is engaging high school students is technology, and having that access increases the engagement. I truly believe, as an educator, that if you engage students, they are going to learn. Did someone start to change the way they expected students to learn by increasing the level that they were teaching and increased expectations? Then the kids were engaged because someone was challenging their thinking. It's finding the right tool. We are in the process of deciding if one-to-one laptop access for high school students is going to engage them at a level that will increase their achievement.

Audience Comment

Some of the numbers were just kind of really astounding. I think it eliminated 90 percent of the detention problems. The biggest problem they had was they couldn't get kids to turn off their machines for lunch. And they couldn't get them out of the school at night. Ninety percent of the kids did better in at least one course, and over 75 percent did better in two or more courses. I don't know how long term it will sustain itself. When I ask, "Is it really as good as they say it is?" They answer, "It is better than anything you have ever read about."

Ms. Carpenter

Just to let you know Richmond, Virginia, has fully implemented this in every high school; it's one of the sites that people are getting a lot of attention from. They bring a lot of challenges educationally, because you engage students. Our office recently went wireless, so we now bring laptops to every meeting—there is a level of engagement. If we are authentically engaging them in the curriculum is the challenge for teachers. It goes back to you. What expectation is that teacher teaching that classroom? What is the expectation of the amount of knowledge you are going to learn? Watch the laptop thing. What you're finding, if you keep reading, is that it is a funding issue.

Dr. Yates

Any final comments from anybody in the audience? Yes, ma'am.

Audience Comment
I was going to say, one barrier that seems easy to overcome but I haven't found a way, is to allow parents to go on those bus trips and field trips to college campuses, but the schools face a liability issue. If we can find some way to let the parents be invited and welcomed to go with their students on the field trips …

Ms. Carpenter
It depends on the school systems. Some won't. Some of the parents have to be fingerprinted and go through the ID and then they can go with us. In one of our school systems that we work with, in one of the nine, the parents could go with us if they went through the fingerprinting and all.

Ms. Williams
In other systems it doesn't matter. We're kind of in that in-between because we're based at the community college. And so, if they let them go, we take them. And we do charter some of our buses, and we use the school systems. We waive the issue.

Dr. Yates
We can't solve all the issues here this afternoon. But I think we've begun a conversation that I would hope continues. How do we make these cultural barriers go away and let any kid that wants to go on to postsecondary education and be successful while there? As W.E.B. DuBois said in 1898, "The problem of the 20th Century will be the problem of the color line." And we can say today, in 2003, it's the same problem. We have to find ways to erase all those barriers, color or otherwise, and make access a reality for our children, so that they can have a better quality of life. Would you join me in thanking the three panelists? Thanks very much.

Dr. Joe McCormick and Marcia Carpenter of KHEAA enjoying lunch.

Collective Progress Is Not Enough: Dealing with the Achievement Gap

Moderator

Dr. Betty Griffin, Kentucky Long-Term Policy Research Center Board Member

Panelists

Dr. Roger Cleveland, Director, Division of Education Equity, Kentucky Department of Education
Ms. Vickie Maley, Director of Educational Programs, Paducah Public Schools
Ms. Maryln McAdam, Consultant, McA Enterprises, Inc.
Susan Perkins Weston, Executive Director, Kentucky Association of School Councils

Dr. Griffin

It is a pleasure to be here today, as both an educator and board member of the Kentucky Long-Term Policy Research Center. You will find complete biographies on each of our esteemed panelists in your packet, so I will give you just a brief introduction here. Dr. Roger Cleveland is the Director of the Division of Education Equity in the Kentucky Department of Education. He received his Doctorate from the University of Cincinnati. He has presented at national research-based conferences in the areas of equity in the classroom, African-American student achievement, gender equity, and diversity. Our next presenter is Ms. Maryln McAdam, and she is the founder of McA Enterprises and has over 20 years of experience in Washington specializing in education issues, including expanding federal work-study and community service opportunities. Next to her is Ms. Vickie Maley, and she is the Director of Educational Programs for the Paducah Public School System. She previously served as principal at McNabb Elementary and as a teacher at Morgan Elementary School. Ms. Maley received her B.S. in education, M.A. in education- reading, her Principal, Supervisor of Instruction and Rank I Certification, Educational Administration, from Murray State University and her Superintendent certification from the University of Kentucky. Ms. Susan Perkins Weston has served since 1992 as Executive Director of the Kentucky Association of School Councils. She received her B.A. with highest honors from Swarthmore College and her J.D. from the Yale Law School. We have a knowledgeable panel, so I want to get right to their discussions. We will have a question and answer period at the end if time allows. Please join me in welcoming Dr. Roger Cleveland. Roger.

Dr. Cleveland

We know from our research that the gap closed between white and Afro-American students between 1970 and l988. After 1988, it widened up until the recent and mid- to late 1990s when states started addressing the achievement gap. Now, why has that happened? That's probably another session. Since I have 12 minutes, we can't really go into that, but I think it's important that it has closed before, and it widened after that. So that's something we need to be concerned with.

Another issue is that the achievement gap is just as much a noncognitive issue as with cognitive issues, meaning that we focus many times on curriculum instruction, assessment, planning, and things of that nature, but it is just as much of a noncognitive issue as relates to attitude, expectations, resources, and things of that nature. When juxtaposed between different groups of kids, you'll see how attitudes play a part around the achievement gap. If you look on the edtrust.org web site, you'll see that they have a web site that's called "Dispelling the Myth Around the Achievement Gap." And they use Kentucky as an example of addressing the achievement gap in high-poverty schools. We have just as many, if not more, schools that are high poverty that are achieving than we do schools who may be middle or affluent groups. A lot of times, its attitudes.

You know we have state legislation, SB 168, and we have federal legislation, the Elementary and Secondary Education Act, also known as No Child Left Behind, two pieces of legislation. One, we were way ahead of the game before "No Child Left Behind" ever came out. We were addressing the achievement gap in 1999 and 2000. But with those two pieces of legislation, you can't legislate heart and attitude. Susan Weston also has data that show there are some schools throughout the state of Kentucky that are closing achievement gaps, and a lot of this is attitudinal in expectations.

We also noticed that when we look at achievement gaps, we start looking at urban areas. When the complexion of the students changed the gaps widened, and a lot of times it's not an issue of schools. I think schools are quick to put what's wrong with those schools' achievement gap under a magnifying glass. A lot of times the schools are a microcosm of the community; but it's so easy to say it's a school issue because when you start talking about issues around racism and classism, schools don't operate in a vacuum. These issues seep into schools just like everything else does. Therefore, it isn't

all about instruction. Nevertheless, you can have the best instruction but if I believe this part of the room can learn at high levels, they probably will; in addition, if I believe this side of the room can learn at low levels, they probably will. It's a self-fulfilling prophecy when you have low expectations for kids.

I don't know if you would hear anything different or new about the achievement gap if you went to every state in this country. For the most part, we know what we need to do around student achievement. We have promising practices. We have schools that are doing it. Some are just not there yet. But we really have to believe. It's a belief system also. We have schools that are predominately white and poor, and they close gaps in every area around those subpopulation groups. We have schools that are predominately African-American that close the gaps. And we have schools that are very diverse with white, Hispanic, students with disabilities, and African Americans which have small gaps. Now, unfortunately, a lot of those are elementary schools because it goes back to that culture issue. We nurture those students, and as it matriculates to middle and high school, those are the areas we really have to address.

Closing the achievement gap is not a bag of strategies or tricks. It is a long, tough process. If it has been going on for this long, we're not going to close the gap in two years. We can steadily start closing it, but it's a process. I can give you three or four strategies right now; however, if it's not part of a systemic process that's data-driven, it won't happen. It'll happen for six months; it may happen for a year. We watch schools go like this because they infuse strategies but not through a process where it's ongoing; so if one person leaves that building, you have a process there that will continue closing the gap. But if you just use strategies here and there, hit and miss, what I call "pray-and-spray" types of professional development, things of that nature, it won't work. It has to be a systemic process to make that happen.

I want to talk about, real quickly, and Dr. Griffin may cut me off because Susan and Vickie and our other guests have more to say than I do, some of the causal factors of the achievement gap, the contributing factors. Watered-down instruction: We cannot expect our children to do well in the spring if they have not seen the curriculum. Many times we find schools that are closing the gaps, particularly among students with disabilities; they are full inclusion and collaboration with generated classes. You had better walk into class and not determine who is special education and who is not. Okay? We're starting to label our kids so much that our expectations lower with all those labels. We have LD, BD, and ADHD, and many times we have ABT and folks say, "What is that?" And I say, "Ain't been taught." And when they've not been taught, and they don't show any kind of success, we put them in special education. We have a lot of kids who are overidentified, based on expectations. We need to make sure all our kids are exposed to high-quality instruction and make sure they have access to all the best teachers in that school—everybody.

Low expectations—I'll talk about that. We also know that the achievement gap starts before they ever enter school. It starts in kindergarten. And what I mean by that is, if I go to a high-quality preschool and Dr. Griffin goes to a low-quality preschool—isn't that gap going to walk into that kindergarten class? One of the things that Vickie Maley/her staff does at Paducah in McNabb Elementary is go from the fifth grade, and back up that curriculum all the way back to preschool, so they know to expect it from the time that child goes from preschool all the way to fifth grade. It's important to make sure that every kid has a high-quality preschool.

Another issue is the legacy of discrimination and racism. Now it usually gets quiet in the room when you bring that up, and that's an issue around the community. We slam the schools and particularly the teachers, but they are community issues also. I always say there are four groups of people that have responsibility and are accountable for closing the achievement gap. One is educators—not teachers—educators, and that means everybody, and we all have the responsibility to do it. Educators take the brunt of responsibility because it's what we get paid for. The next group is the community, the business community because we want productive workers. Therefore, we need to participate in our educational process. Next is the grassroots community. Don't point the fingers unless you can pull the thumb. So when folks start saying "This school's not doing this and that school is not doing that," the first thing I ask is, "What are you doing to assist that school?" The third group is parents. Dr. Griffin says, "Parents are the first teachers and home is the first school." They have a responsibility to make sure our kids are prepared. And when they're having trouble with those students in their home, that's where the grassroots community steps up and supports those families in turn with the schools. The last group that has a responsibility and should be accountable are the students themselves, and you don't wait until the CATS test to make them accountable. They should be accountable throughout the school year. The CATS test is just a snapshot of what took place eight and a half months ago. I tell folks, "If you are doing continuous assessment, looking at each and every child and assessing them, teaching and reteaching them throughout the year, why would you be surprised in September what you got? If you're looking at each and every child, it shouldn't be a surprise. We have to focus on all the children.

One of the things we're doing at the Department, we started focusing in 1999-2000. We had 90 people from around the state—university professors, teachers, students, judges, lawyers, everybody you could think of—to look at this issue around minority student achievement. And they came up with 10 goals to address minority student achievement because when we looked at the gaps between white students and African-American students, we saw a huge gap. We picked seven districts to look at minority student achievement. Those districts are Paducah, Owensboro, Christian County, Hardin County, Bardstown, and Fayette and Jefferson counties. Those seven districts make up close to 80 percent of all minority students in

the state. Jefferson County accounts for 50 percent of the minority students in the state. We wanted to look at what those districts were doing. We monitored them for three years and found promising practices that we could share with the rest of the state, regardless of whether they're minority students or not. The achievement gap is not a black issue—it's a child issue. My time is up. Thank you.

Dr. Griffin

You have just heard the state perspective; now we will hear the national perspective from Ms. Maryln McAdam. Ms. McAdam is the founder of McA Enterprises, Inc., with over 20 years of experience in Washington, D.C. She specializes in educational issues, including student financial aid, so if some of you are concerned about that as parents or educators, she has that expertise. She has published widely for the past 15 years and served as an advisor to numerous educational associations and negotiated regulatory issues with federal agencies. She also served as an analyst for House Budget Committee members. Before moving to Washington in l980, she worked for the state of Illinois. Let's give Ms. McAdam a warm Kentucky welcome.

Ms. McAdam

Thank you very much. The last few years I was in Illinois, I was in southern Illinois, so northern Kentucky seems very familiar to me, and it's great to be back in this area. I'm going to talk about several things at the federal level, not only elementary and secondary, but also higher education because what has now become apparent is the achievement gap starts young and continues throughout a child's education up through and including college. If you think about it, both in elementary-secondary and higher education at the federal level we have been addressing the achievement gap all along. We haven't always called it that. In 1965, we had the landmark Elementary Secondary Education Act passed for the first time. That was recognition that in certain areas, at that time we mainly looked at low-income areas, children had special problems in learning. They weren't afforded the same resources as middle- and upper-class children and therefore that interfered with their learning. In addition, we got Title 1; and Title 1 has now been with us for almost 40 years.

That same year, we had the Higher Education Act. It did the same thing. It understood that low-income kids, regardless of how bright they were, were not going to go on to college. And they weren't going to go to college because they didn't have the resources. So we came up with programs of student-aid to close that achievement gap based on mostly straight poverty. Well, as we got a little bit more sophisticated, we realized it wasn't just money. Money was important, but it wasn't the whole thing. And that's when we began to look at the many other programs that are in the Elementary and Secondary Act that addressed special needs in low-income schools and the special needs of children. In higher education it took the form of looking at rich programs. Just having the money there didn't mean much if the kids didn't know it was there. It didn't mean much if they didn't know what courses to take in high school that allow them to go on to college and to compete with students whose parents were doctors, lawyers, and teachers—students who had that advantage their whole life of being around educated people who understood how education worked.

We've really come now to almost a full circle from there, especially with the landmark No Child Left Behind Act passed in 2002. I'm sure many of you in here, as do I, have many reservations about that act and about how it's being implemented and what they were smoking when they signed it, but beyond that, the philosophy was good and right, the philosophy, finally, that children are very different but every child can learn and deserves that opportunity, and that sometimes it is our own expectations that get in the way of those children learning, and that teachers, schools, states, businesses, and the community are as responsible for that child's achievement as the individual child is. That's the good thing about No Child Left Behind. I think we're a little ragged on how we're trying to implement it. There is too much responsibility put on the teachers and schools who are sometimes trapped in situations they really can't control. But I do think the idea is now there that children can succeed and we just have to find a way of doing it that is a little less punitive and a little more productive and is not based on things like test scores but on real learning.

In higher education we really have not done as well. What has come to people's attention, which they really didn't think about until just the last couple of years, is what that achievement gap means in higher education. There was the attitude that you put these loans and the grants out there; tell the kids they're out there; they'll come; they'll get them, and that's the end of the problem. And it's not. What we're seeing as a new achievement gap is graduation, because minority students come in but then they don't graduate. They may get through that first year, and a lot of times it has nothing to do with grades. They're doing fine academically, but they do not persist. Ironically, the Higher Education Act, if you read it even today, never mentions the word retention. It's just assumed that you do everything up front, and it'll happen. And now we are realizing that it's not. We have gotten to the point, in fact, where many people feel it is a crisis. I'm going to read some of the things that come to get us there.

One, of course, is elementary-secondary. We know we have problems there, in our high schools. We have a horrible dropout rate much higher than most people really realize for black and Hispanic students; the latest study says it's over 50 percent. We are losing a lot of kids who never even get to the point of thinking about higher education. There has been a

phenomenal growth with the Hispanic community in particular and other communities of immigrants. That puts a very, very heavy burden on high schools, much different than when you're dealing with low-income or black students, because on top of the same problems, you now have the language problem. And you don't necessarily have teachers who even speak the languages. Wisconsin has been inundated by Hmong. They don't have people that speak Hmong. I'll point out Georgia in 10 years Georgia has had a 600 percent increase in the number of Hispanic students it deals with, and they don't have teachers who speak Spanish. They have the same teaching force that basically they had 10 years ago. So that's creating a huge achievement gap problem. It creates a problem in preparing people to go on to higher education because a lot of these kids are very bright, but if you can't speak their language and get them into a position of understanding English, speaking English, and writing English well enough, they still can't make it into higher education. If you look at what's happening in higher education and what's really finally beginning to scare people, it is the realization that over the next 10 years, 80 percent of all new students who'll be on college campuses will be either minority or low-income. Minority students also, for some obvious reasons, tend to be low income at much higher levels than other students are, so what does that mean?

Dr. Roger Cleveland looks on as Dr. Betty Griffin introduces panelists for the discussion of the achievement gap.

Well, we got another layer of problems sitting on top of that for higher education, and that's insufficient student financial aid. There is a committee in Washington called the Advisory Committee on Student Financial Aid that was created by the Congress. They looked back, not forward, because it's getting worse, not better, so keep this in mind. Looking back over the last five years, they looked at students in high school, low-income students, primarily minority but not exclusively, but all low-income. They took students who had high grade-point averages who were on college-prep courses, doing well, making good grades, high scores on the college entrance exams, and took AP courses, and they followed those students. And what they found out about truly low-income students, even today, is that they can't afford to go to college, that 4 million fully qualified students, by everything they and their parents have done to prepare them for college, will not be able to go in the next 10 years. Two million of those won't even be able to afford to go to community colleges. Our student financial aid programs have simply not kept up with where we are in college costs, and these kids, if they get in, can't persist.

Now why can't they persist? Well, one of the big problems is most low-income kids and minority kids, when they go to college, work. They have to. Well, if you work, then the next year, they count that work against how much aid you get, and it becomes a spiral. By the time you get to your junior year, you're going to have to work 40 hours a week because you're no longer eligible for aid and you are out. It causes a huge gap.

There's also the kind of gap in higher education we've seen in elementary classes and high school classes, a gap of expectations. A lot of schools are out recruiting students to come, and then they get there and they don't give them the services they need. Jim Fallows, who writes for the *Atlantic Monthly*, has done a lot of studies on this, and Senator Kennedy on the Senate side has his staff studying it, and they've found that, especially in the more elite schools, the average graduation rate will be 80-85 percent. But for minorities' kids who go there, it will be 20 percent. So they are clearly "bringing them in the door and then forgetting them" for whatever reason.

Now the good news is there have been a couple of studies out there that show that if you neutralize everything and you make sure those students have the aid, they complete at the same rate. The Texas Guaranteed Student Loan Program did an extensive study in Texas that showed that. Ohio State University has had a program now for about three years where they make sure their low-income and minority students have no gaps in their need. Those kids are persisting at exactly the same rate as their peers. So there are some things that can be done about it if there is the political will, and that gets to be the next set of questions.

What's happening is the Higher Education Act is going to be looking at this. We finally have gotten through that there is an achievement gap all the way through. What does that mean, though? One thing it means is that they're going to do a lot of scrutiny, I think, of institutions of higher education, just like with elementary-secondary education. The schools are getting all the blame and all the responsibility. That's happening, fairly or unfairly, in higher education. You are going to

see schools having to report more on students they admit and tracking those students to see if they graduate, or if they transfer, or if they just drop out—something that we are just beginning to do in elementary-secondary as well, because until you know that, you don't know how serious the achievement gap is. The other thing you're going to see is more emphasis on outreach programs, even more than you have now. At the beginning of this decade we were sort of worried that some of these dropout programs would be left behind. They're not. In fact, because of the realization that there is an achievement problem, they're going to see programs like Gear-Up, which is the bridge program that starts in middle school and takes the kids all the way to college, enhanced. Maybe some of the few programs you'll actually see get more money because there is a realization that they work and we have to have them.

The sad thing, and I'm going to end on this, is, and it is both in elementary-secondary—the No Child Left Behind Act and higher education. While everybody talks about this gap, recognizes it's there, we're getting to recognize the causes of it, and we know a lot of the solutions just happen to be dollars. That's where the politicians in Washington stop. The No Child Left Behind Act is dramatically underfunded from what it was supposed to be. It's about $600 million less to a $1 billion less than we should be getting. And higher education, we're going to go into reauthorization of that next year. You're going to see the same thing. You're going to hear all this rhetoric about how we need to bridge the gap, but when it comes to the money at the end of the day, it won't be there. I guess the big problem is that we have not translated our knowledge into dollars at the political level nationally. Until we can do that the gap will persist. Thank you.

Dr. Griffin

I'm certain there are going to be questions, not only about her extensive knowledge at the national level, but also about this financial aid issue and how it's going to impact some of you who raised your hands representing universities here in this state. We've moved from the state to the national perspective and now I'm going to take us to a local school district. I think it's important for you to have some information about Ms. Maley. She has served in Paducah with the school system since 1976. So obviously this lady comes with quite a bit of experience, and currently she serves as the director of their educational programs. Prior to that appointment, she served as Principal at McNabb Elementary School and has been a classroom teacher. She received a bachelor's and master's in education in the area of reading, has been a principal supervisor of instruction and holds a Rank I Certification in Education Administration from Murray State University. She received her Superintendent Certificate from the University of Kentucky. Let's welcome Ms. Maley and be prepared to hear what Paducah is doing.

Ms. Maley

Thank you very much for that introduction. I think one of the things I'd like to be most remembered for is that I have been a product of Paducah City Schools, and now, hopefully, a producer for my career at Paducah City Schools, having attended schools there since I was five and one half years old. I am very proud of our school system. We have not met all of our goals. We are making progress. We have schools scoring in the 70s and 80s. We are also, as Roger hinted a while ago, one of seven schools in the Closing the Gap effort at the state level. We were chosen because we have the highest percentage of minority students in the state within our school system, and that's comparing our total number of schools to our minority numbers. We didn't realize we were that unique. We were just struggling and doing everything we knew to do to improve our scores overall, and for all of our students. I think being a member of the Closing the Gap project has been very helpful to us. We have focused on the goals the state has set through that, and that's what I'd like to base my comments to you on this afternoon.

One of the goals of the minority student achievement task force was to have a rigorous curriculum. We have worked on that in the Paducah schools. Our preschool classrooms are now within our elementary schools, and they're neighborhood schools where those children will attend school once they start kindergarten. They participated with us in aligning our curriculum, and we have a very specific one from preschool through grade eight. It's a little more general at the high school, but the high school teachers have developed units that have more specific information in them as they teach their students.

Our schools are working with curriculum mapping, course syllabi. We have provided outstanding professional development that came as needs from the elementary, middle, and high schools. And those include pre-AP vertical teaming for our schools from 4th through 12th grade. We've had the usual professional development activities that are ongoing within our schools on open-response and on-demand writing, etc. One of the most well-designed models we have is with reading. We are partnering with the University of Kentucky and Dr. Bill Benz with that project, and we're seeing fantastic results from it. Another thing we did was we instituted a test analysis day as soon as test results come back, and it's our one district day for professional development. Susan's group helps us a lot. We purchased their scoring graphs.

Ms. Weston

You set the pace.

Ms. Maley
We did?

Ms. Weston
It had to be done for Paducah's workshop. That's our schedule.

Ms. Maley
We do it as soon after testing results are available as we can, and they have been very good at helping us meet that deadline. We also have invested in TestMate Clarity software to help us analyze with the Comprehensive Test of Basic Skills. Some of our schools have opted for other types of assessment, the Pass Test for one, where they test once every quarter. We also have installed in all of our schools some type of continuous software teaching assessment program. Through Gear-Up, our middle school and high school have Novinet software that allows us to look at our students individually. You are tested, placed in a particular area, and they progress at their own pace through basic reading and math activities. We have a similar software system for our elementary schools, and that's the CompassLearning software, and those have proven very valuable to us. All of our schools also participate with Accelerated Reader and Star Math. We have many other activities ongoing in our schools including articulation agreements with our colleges in the area.

Accountability starts with the teacher in the classroom, instructional assistants, and moves all the way up to our superintendent who devised this evaluation. We look at student scores in evaluating our staff. We look at student scores over a period of time. We look at the efforts that we have made to be sure that our students are learning. We found that initially there was some fear when we looked at test scores and when we started looking at what teachers were doing with those test scores. Now we are finding that our schools are developing within themselves better learning climates. They're sharing information. And finally, we are looking at individual students to determine what needs to be done to help our students succeed.

We are looking at goal three, recognizing minority students as high achievers. That was the purpose behind developing pre-AP vertical teaming: to teach all students those higher-level thinking skills that students need to succeed, so that when they do reach the high school level, they'll know how to think and be more likely to take those classes that they are a little reluctant to take now for several reasons. They either haven't been exposed to those higher-level thinking skills, or their friends aren't taking those classes and therefore they don't want to take them. However, we're seeing that change. Paducah schools' students were offered over $2 million in college scholarships, and about 50 percent of those went to our minority students. So we're very proud of that and hope to see that grow.

We launched, two years ago, a districtwide effort to help all of our schools working with our minority students and our students in poverty. That was a request from the committee that we had on Closing the Gap. Our staff was saying to us, "We're doing everything we know to do, but we're not moving like we want to move. We need you to help us." So we researched and talked with folks in Texas and determined that the one person's work that they recommended over everyone else was Dr. Ruby Payne. So we promptly launched a book study districtwide that involved cooks, custodians, bus drivers, all instructional staff, and administrative staff. It was one of the best things we've done. I presented this information to a group of leaders in Paducah a couple of weeks ago. One of the participants is a former educator and also a woman of minority. She expressed considerable concern to me at the break that our staff would use this as an excuse not to help students. I shared with her that, in fact, it has done just the opposite. Our staffs are now saying, "OK, this is why our families act the way they do. This is the way our students act. These are the issues they're facing. I didn't realize this. What can we do to help them overcome those so that they can do homework, or they can do whatever expectation we have set for them?"

We are seeing suggestions from those books that we've read and the presenters who have come to us coming out in school comprehensive plans: things like Paducah middle schools that have rearranged their schedule so that they have some extra time in the day for homework help. We're not taking ESS time. We have arranged a few extra minutes, about 20 or 30 minutes, so that students can stay and get homework help if they are not able to get help at home. One of our schools, McNabb Elementary, makes home visits. It's a mandatory requirement. The teachers look forward to it and make a big day out of it; and they have a great time. They have a 75 percent to 95 percent participation rate in this school of parents coming back to school at night, coming to report card pick-up night. This is a school with 85 percent free-and-reduced lunch and 95 percent, I think, minority students. I may have those backwards, but it is a very high-poverty, high-minority school.

We also decided that our community needed to know a little more about what we were doing and that we also couldn't do this on our own. I was glad to hear that discussed this morning just before the luncheon. So we also provided a day of professional development with community leaders in our city with Dr. Payne's books the one for the community, *Bridges Out of Poverty, Strategies for Professionals and Communities.* It was very well received. We had over 70 folks attending, and they stayed the entire day. They learned that we do have a community that is 50 percent poor and that we do need to be attuned to their needs and trying to keep those families working so that their students can be better successes. Respecting

cultural differences was the reason behind the work with Dr. Payne, and we did follow-up on the book studies with presenters coming to work with our instructional staff on learning structures, developing mental models with our children.

We have high expectations. Our superintendent set the standard with a strong vision statement. Then he met with individual administrators about their school mission statements and goals, and everything else fell in place under his expectations. We have high expectations for teachers we hire. We have several National Board Certified Teachers now, and we have more in training. We have revised our teacher evaluation tool to be more comprehensive. We have encouraged our schools' staff to become professional learning communities within their buildings. We're doing everything we know to do, and we are constantly searching for more ways to do it better and perhaps we'll stop when we get there, but right now when test results come out, we're eagerly getting them. How did we do? What do we need to work on? OK, been there; done that. Now what do we need to start doing next? We're constantly moving forward, and that's the best advice I can give anyone.

Dr. Griffin

We are very pleased to have with us Susan Perkins Weston. Since 1992, this bright young lady has served as Executive Director of the Kentucky Association of School Councils. This, as you probably well know, is a nonprofit organization which is working to implement Kentucky education reform. A six-member panel consisting of the principal, two elected parents, and three elected teachers now govern each Kentucky school. Their responsibility is to establish curriculum, instructional practices, and other policies to meet Kentucky's high standards for all students. Senator Gerald Neal was so concerned about the composition of the school councils that he initiated a bill following KERA to ensure that African Americans, minority parents, if not elected, would have force on those councils. So we're very excited to hear this presentation. Join me in welcoming Ms. Weston.

Ms. Weston

Thank you. It's a little bit scary because, of course, Senator Neal's bill passed and this vita must have been written in 1993 which tells you how quickly I get things updated. The photograph, I know, was taken when I was pregnant with someone who's now nine years old and at a quick-recall practice. I'm behind in some scary ways on some little pieces. One of the things I've been working on while not noticing that my vita is that far out of date is ways that we can help schools do their work more smoothly. I'm sort of thinking of myself as something like engine grease. We don't do the teaching in the ways that the folks that Vickie has been working with do the teaching. We try to do things that'll make it easier for them, and one of our biggest efforts has been to work with this test score data and make it easier to look at.

People often say that I analyze data. Actually, the Department does all the analysis. I just draw pictures of it, and this especially goes back when looking at achievement gaps. When I started this job in 1992, it was about six months before we started working on our first complete design for school-based decision-making training and at that point my colleague, Carol Lamb, said, "We have to look at the disaggregated data." I was only six months into the job. I forgive myself for not having already known what that was. But she had already seen the column of numbers laying out almost all the data that people look at. There was not data on free-and-reduced lunch students, but there was breakdown already by ethnicity, by gender, and by disability in the first report put out after KERA and printed by the Department, for every school in the state and delivered to their districts for use. Everything I have ever done is just making it easier for people to look at the numbers, and I want to have the credit be right there. In addition, I say that when you look at these numbers, if you want to see schools that are close to your heart, go on the Department's web site. The numbers for every single school that look like this are right there where you can find them. You have to leaf through a little bit because the disaggregated data is in with each subject, so you have to skip about eight pages from the reading page to the math page, but it's all there. You can have it all, as it's all public information.

That said, what I want to do is show you a bit of how this gap looks and this is basically the Sesame Street game—one of these things is not like the other. People are scared when they're asked to look at numbers. We're working on making it simple and pretty fundamentally visual. So if you'll turn and look at this first page, all of the graphs have the same format (see Appendix D, slide 1). The fundamental thing we're trying is to make it easy for people to see what percentage of students are still stuck in the lowest novice level, who has moved up to our middle level of apprentice—which is some progress but not enough progress, who is at proficient, which is really meeting our state standard, and who has gotten above that to distinguished. And just to test that these graphs are making sense to you, if you'd look at that very first elementary reading graph and look it over, tell me which group there do you think is getting the weakest education and who's getting the second weakest?

Audience Member

Students with disabilities.

Ms. Weston
Students with disabilities are having the worst struggle. Then who's next?

Audience Member
Minority students.

Ms. Weston
This is the first point for me in the data; particularly when I first started looking at this, people didn't want to believe we still had that sort of issue around ethnicity with schools not delivering for children. And they would say, "Oh, that's really about poverty." The numbers don't say that. The numbers say that racism is built into our society and is still shaping what's happening in our schools in ways you can't explain just by looking at other variables. I think people ought to confront that because it hurts. You know, I admire people wanting it not to be true, but facts are better than dreams, because if you face the facts, you can get to your dreams. If you pretend, you don't get there.

Audience Member
Are confidence intervals built into these numbers?

Ms. Weston
No, these are the straight counts converted to percents. I chose reading and math, not because people just think of them as the basics, but also because reading is where the gaps look the smallest and math is where they usually look the largest. I keep looking for someone with a theoretical explanation for why I keep seeing that every time I look at numbers. But math seems to be where kids are the most dependent on their teachers and are less likely to pick it up by wandering around town. Just listening to adults talking and listening to their parents, math is most dependent on teachers working with them. But you look at the elementary and you see that pattern. When you move down to math, you see a lot more kids still in that novice level. You start to be even more concerned, looking at the patterns for the kids most likely to be caught in the gap. You do also see that, while we talk about gender gaps, they aren't worth sweating about until we've taken care of some other business. They are there, but they're not the kinds of things that should break your heart the way the other ones do. If you turn to middle school, you're seeing the same sort of a pattern, and when you turn to high school, you're seeing it again (see Appendix D, slides 2 & 3). Particularly for children with disabilities, the numbers stuck in that novice category are getting bigger and bigger.

A lot of times when I talk to people, I'll do these three to say, "Yes, the disabilities matter. Yes, the poverty has an impact you can predict." But the reason I want to do that is to say, "not really." I want to show you the next two graphs as a contrast of two schools (see Appendix D, slides 4 & 5), as to how you respond when people say, "but lots of our kids are from the projects" or "lots of our kids' families are on SSI," or one of these "why our kids can't" statements. The trouble is, saying poverty matters doesn't explain why Engelhard is so different from Semple. And I know the normal rules are that we're supposed to act like it's all anonymous, but I'm inclined to act like I own the public schools on account of I'm a citizen, and I think we should look at real school numbers and talk about how it's happening. And usually what I'm interested in is celebrating.

But Semple is a worrisome school this year. I actually selected it because the way I try to pull the numbers together and get a snapshot, they have the weakest results for African-American students at the elementary level. I don't know how their kids in poverty compare, but they're struggling. And the issue to me is if Engelhard can arrange for only 7 percent of their free-and-reduced lunch kids to be in the novice category, what are we doing with 56 percent of students at Semple? Why is it different? How do we clone Engelhard? How do we help Semple move up to doing similar things? And it's not good enough to say, "Well, they have a lot of kids in poverty" because so does Engelhard. What this is often, in the statistical modeling people use all the way back to the Coleman Studies, dealing in is averages, and there is a problem with averages that I'll describe this way. What's the average weight for a five-year-old in Somalia right now? It's pretty low, because they didn't get fed. I think when we get to a school like Engelhard, we're seeing kids who got fed and taught. And that's what the kids are capable of, if the teachers and the community have become a team that can do that for them. And if we settle for what averages keep showing us, we're settling for an average that already has the worst truths about our society built into it. These people keep showing us we can get there, which allows me to show you the real thing I came to show you, which some people already have spotted, if you'll turn the page.

Ladies and gentleman, look at Deer Park Elementary Reading Results (see Appendix D, slide 6). Only 5 percent of their kids in the free-and-reduced lunch program are still apprentice. All the rest of them have already met the state's standards in reading. Only 7 percent of their kids with disabilities are still apprentice in reading. These people are abolishing the novice category. I think they are getting ready to abolish apprentice!

I read this terrible thing in *The New Yorker* that they were saying in Washington recently, "Everybody wants to take Baghdad; real men want to go to Tehran." Well, everybody in the state is walking around talking about proficient except in Daviess County. I bet. When we can hear them, they're talking about going for distinguished for all their children, and they do this over and over. Deer Park is the pacesetter for the system, but all of their elementary schools yield results that I would give my right arm to have for the kids in Danville. I don't actually think I'm exaggerating. If you walked in and said that's the price the teachers will wake up tomorrow morning with the kind of teamwork that can do it; the community will have backed it for long enough to have it—that would be hundreds of children—and it would happen. I indulge myself in letting us see not only reading and math but science and social studies and writing—both tested both ways—and arts and humanities and practical and vocational (see Appendix D, slides 7, 8, and 9). These people are abolishing apprentice while we're still talking about kids that are doomed to be novice. This can be done. This is what Kentucky kids can do. This is what Kentucky communities can do.

Susan Perkins Weston (left) and Vickie Maley.

So the question for us is how do we pull together to do it? That's where any time they offer to talk to you about what they've done, it's helpful. The deep work is actually about forming a community of teachers who support each other so that the love they feel for their students turns out to be love in action. It's not just the, "I think kindly of them, and I'll send a pretty picture." It's the "change-the-diapers, clean-up-after-them-in-the-middle-of-the-night, load-after-load-of-laundry, load-after-load-of-dishes" kind of love that you have to put in for kids. And if they support each other, they can do that. But building that community—actually getting them to pull together—is where the deep challenge is.

I did want to show you one other quick thing since the No Child Left Behind studies numbers are all over the place, which is a quick glance at the districts meeting the objectives (see Appendix D, slide 10), because we're going to have a lot of talk about these objectives, that they are too hard to be met. Well, a whole lot of districts met the first set of objectives, especially if you look at each subject broken out. Most districts met those goals for students with disabilities, and most districts met them for students in poverty. There is one wrinkle in here that I feel obliged to disclose. When you look, and I called Dr. Cleveland yesterday to check on this with him too, on the one hand, most districts met the annual measurable objective in reading and math for African-American students. On the other hand, there are some big names missing on this list. And when you knock off Jefferson and you knock off Fayette and you knock off Christian, none of whom made it and none of whom made it in *any* of these three groups, on either of the subjects, you've got a problem. Part of what you've got is 65 percent of Kentucky's African-American students are in those three districts, and those three districts are not delivering. So this problem of the fire bell in the night that kept Mr. Jefferson up when he said slavery was going to get us, and it was going to interfere with the whole history of the republic, ought to still be waking us up at night because the places where those children are the school systems have not yet pulled together to say we're going to get this all the way done. Fayette is sort of going through what sounds to me a lot like birth pains, and it's noisy. Christian I don't know well enough to tell whether they're fully engaged with it yet. Jefferson still looks awfully quiet to me, and I think there ought to be a ruckus on these issues because our kids need for us to become a community that pulls together, and we can't do it if we dream that we have succeeded for our kids. We've got to look at the facts and see where "we haven't" to make new facts that are "we did."

But I wanted you to have that list of districts that did it because if you're in a debate about whether it can be done it helps to say, "Look at all these places that got it done." Danville, by the way, Dr. Griffin, shows up about half the time, which is better than nothing and nowhere near good enough. Dr. Griffin is from the same schools my kids are in, and I wanted to give you that much as a sense of the shape of it. To see people who are really doing it, there is nothing magic in the water in Daviess County. You know they didn't come from a different planet. They just pulled together long enough and hard enough that it really got done, and we can all do it. I don't know what else one would want to spend one's life doing once you see that it can be done.

Dr. Griffin

I've been a member of the Kentucky Long-Term Policy Board since its inception, and in our third year we had a conference that was designed around education. So if you've seen our trends report—there are many of the actual reports out here on the table across from where you registered and I encourage you to pick up some of that information and research. But I think you've accomplished our purpose today, all of you, from the national perspective to the state perspective, from Ms.

Weston's perspective, the Kentucky Association of School Councils, and certainly from a school district's perspective. I'm sure you have questions, and we will get right to that.

First, I wanted to share some statistics with you from the Kentucky Commission on Human Rights here in Louisville (see Appendix E, slide 1). They started out with 12 districts and then they expanded that to see what the gap was. With students with disabilities that Ms. Weston was talking about in some of these districts, the achievement gap between the students with disabilities and the students who were non-disabled is 25 percent. The gap between the low-income students and others is 20 percent. Dr. Cleveland was telling me that in his presentations around the country, I know this is a question that constantly comes up; I know this is a question that this learned educator receives. Where was Paducah before the process described, which is very extensive and wonderful as a model for all of us to follow, and because of that process where is Paducah right now? African-American students' gap versus white students is 15 percent. This is very glaring and very frightening. We have fewer Hispanic students in Kentucky than any of these other groups at this particular time. If their achievement gap is 15 percent, which is comparable with the African-American population, and you know this is the population that is the fastest growing in this state, especially in cities like Lexington, if it is equal now to the African-American population and something isn't done immediately, where will this achievement gap be as this population continues to grow? I did want you to have an opportunity to see that. Are there any questions for any of our panelists? Yes, ma'am. Would you stand and tell us you name?

Questioner

I'm Pat Jordan, and I'm from Western Kentucky, and I am wondering why you chose the schools you did.

Ms. Weston

I chose them because they're the top-scoring school in the state and because their overall results are to die for—for kids with disabilities and kids in poverty. I am very concerned that I cannot casually pull a school and show you results that are exciting for African-American children. The same is true in the years where I've looked at the very top-performing schools and been able to show the high poverty. I don't pull a school that has that very high poverty and also has an above average African-American population. I've got some hopes for a couple in Paducah. I've seen them show up on the numbers, but you can't actually see their African-American results because the population is so small. But it's not that I'm unconcerned; it's that I am very concerned because we don't have a school we can show that way.

My hunch, which is very sad, coming from a southern family, is that we're looking at communities that let themselves be split by race, and that's why we don't see it. The communities are pulling together faster because when people let themselves be separated, they are weaker. And I think it's not an accident. I think it's that one of the ways that racism weakens us is that it's harder for the community to pull together when they see themselves as different in that way. And we have to get past that. But I'm very aware that I don't have a school that I can show you that has that kind of exciting numbers and a strong enough African-American population to show up in the graphs. It's a sadness.

Dr. Griffin

Thank you for asking that question. Some of the rest of us were looking at that and saw that glaring omission there. Other questions that you have for our panelists?

Ms. Weston

Engelhard, by the way, is the most exciting school for African-American kids.

Dr. Griffin

Yes, will you stand, please, sir?

Questioner

I know we've come a long way in terms of desegregation. Looking at control variables, if you will, do we see racial gaps within the income groups? To what extent are those magnified or reduced, say you are looking at just the low-income folks—African-American versus white, what's the gap there?

Ms. Weston

Remember that I said all I do is reprint other peoples' numbers. What I can tell you is that when you look at the NAPE numbers, where NAPE will show you African-American students or white students, they will show them broken down into sets of income categories—you do in fact still see the gaps. They still show up. An odd thing that doesn't show up in most people's discussion is that our African-American students do better on NAPE than the national numbers. The problem is that the 'n' is so small that they don't report as statistically significant, but it happens every single year. If I had any

statistical skills other than listening to people and reading newspaper articles, I might be able to say that it's true that, if you had combined all those years, you would have enough to have something you could say statistically, that our African Americans actually have done a bit better and our kids from the deepest poverty have done a bit better than kids in a similar circumstance elsewhere. But because the numbers are so small, it keeps not being something where it would be right to try to get it in a banner headline because the statistics aren't strong enough. They just keep coming so I'm sure it's actually true.

Dr. Griffin
Yes, ma'am.

Questioner
(Inaudible)

Dr. Griffin
Thank you very much for sharing that, and there is something else that may help to answer that question. Fayette County High Schools introduced coordination with the district and the community and they have put together and received quite a bit of acclaim, and rightfully so, for One Community–One Voice, and the Achievement and Closing the Gap Community Committee. You probably saw this on TV. You probably saw this in the paper. You will find that kind of data in the back. We heard what the department has done, and we've heard what the school district is doing. We know that if we don't do something very soon (in fact it's already showing up in higher education) then it's not going to get better, it's going to get worse. And last but not least, we've looked at actual data, at statistics from a school district. I think it's important for you to leave here knowing that we're not the only ones who are making strides—they've got a problem. There is a crisis, and it's at crisis proportion. What is happening is that many of the school districts, many of the parents are pulling their children out and home schooling their children. This frightens parents when they don't have the educational background and expertise to make sense out of this data and they say, "Before I let my child be included in that, I'll teach them at home."

Kentucky is doing something that has been nationally recognized. We are nationally recognized for having implemented new laws with KERA. What have we done since KERA that has made a significant difference? I, personally, because I'm a Commonwealth native, believe that we do a lot that sometimes we don't report. But these are the districts and the states and I think you will find that we are doing a lot of the things that these people here were recognized for. Maybe our reporting system is not what it should be.

North Carolina has shown the largest gains in math and reading achievement in the nation (see Appendix E, slide 2). How did they do it? The first thing they had to do was turn hands-on and recognize that they have a serious problem and teachers came prepared to teach the African-American child, opposed to the low-income child, as opposed to a child with a disability. So how did they go about that? They set up professional development academies. We have that. Before I left the Kentucky Department of Education, we had a mandated professional development topic for every teacher in the Commonwealth that was designed to address the achievement gap. It was entitled "Effective Awareness and Sensitivity to Motivate and Nurture Children of Diverse Cultures," and that included the students with disabilities. So we have professional development and mandated professional development. They've adopted the national board certification incentives. I heard someone say here in the presentation, I think Paducah, that they are looking at that in your teacher certification: establish stronger licensing requirements and mandated teacher mentoring programs, not the idea of the new teacher who comes in and just sort of stumbles around and then after that first year, second year, leaves because they get lost. These are some of the things that North Carolina did.

What's Missouri doing that has been recognized nationally? (see Appendix E, slide 2). They made a simple statement. They said we will turn our hands over and admit that the teacher is the single most important factor in closing the achievement gap. Therefore they focused on what they could do to empower that teacher or that person. They provided financial incentives to attract and retain teachers in low-performing schools. There are some teachers in low-performing schools that are doing a yeoman's job, but because they never get any kind of warm fuzzies or certainly we don't have the money, they leave. We're starting to talk about money in a short period of time; maybe this would help to focus them on where they are and why we want to keep them. The second thing Missouri did was to hold the college programs accountable for the performance of their graduates. We have something very similar in that when the teacher goes out that first year of that internship program, there is supposed to be a professor from that graduate's college on that visitation team. That has dropped off. Look at the data; look at the statistics on that. Look at the principal—he has a role. The classroom teacher has a role on that first-year, beginning teacher's committee. But we'll get someone from the community or someone else. So Missouri said, "No, no, that's not going to happen." Number three, we will assess the content knowledge of teachers in low-performance schools, and then we're going to provide content-based professional development when we find that there are deficiencies in those areas. Now that's what Missouri said they were going to do.

I took one school district in Texas, not the entire state of Texas, but what they decided to do is what I'm hearing Paducah is doing—collaborating with universities near them (see Appendix E, slide 3). They said, focus on the school district and see what has happened and then broaden that out. El Paso, Texas, after five years, said the district has reduced the "white-flight" gap to 9 percent, down from 31 percent. The first thing to do was admit they had a 31 percent achievement gap between their black students and their white students. They've reduced it to 9 percent. How did they do that? They have 50 full-time teacher posts. They decided to hold mandated intensive summer institutes for their teachers. They convened mandated monthly meetings for teachers within subject area. The universities overhauled their teacher preparation programs at the elementary level. Those majors had to take twice as many math and science courses as those who had preceded them. That's two states.

We need to look at Connecticut as well. This data was very easy for me to get my hands on. I have a wealth of achievement data on it and who's achieving and who isn't. We're not listed there. Maybe we need to be listed there. So sometimes it's a reporting problem. Other times, it's a serious problem. No one is going to give us creditable nods if we are the only ones who are saying it. We have to put up or shut up. And right now, we have to admit we have a problem. Someone asked me earlier, "What about the gender gap?" It's not as much of a female-male gender gap in Kentucky as it is between the athletes and non-athletes. Let's say male—those who are outstanding basketball players or football players—there is a major gender gap between those individuals and those who are in classrooms saying, "I'm going in the college prep program." The gap's there. I was a former elementary teacher in three different elementary schools in three different states. Girls tend to get away with a lot of things young men can't in classrooms, because they tend to be quieter and tend to come to class and turn their work in. In the meantime, you're going to see that female achievement gap a little bit higher, but not enough to be significant.

Dr. Cleveland

Dr. Griffin, could I say one thing? I think you hit on it—we need to do a better job of patting ourselves on the back in reference to other states. I'm going to Jackson, Mississippi, in about four hours because they have a Closing the Achievement Gap Conference. The reason they asked me to participate is because of what Kentucky is doing addressing the achievement gap the last three or four years. I think the issue is making it nationally known what Kentucky is doing. North Carolina calls me all the time because of what Kentucky's doing, and we call North Carolina all the time. We helped the Georgia Department of Education establish their Achievement Gap Task Force. The Department of Education in Tennessee has asked me to work with them in addressing the achievement gap. So we have a lot of things going on, and I think it's the issue of reporting, and keep pressing on.

One of the things I didn't get a chance to mention is that we have a Memorandum of Understanding with the Office of Civil Rights to address disproportionate suspension and expulsions for minority students, addressing the issue of the lack of participation in events, placement classes for students of poverty and minority students, and the over identification of African-American students in special education. So a lot of things we have in place. I get a lot of calls from many states about what we are doing about the achievement gap. But if you ask most states who is addressing the achievement gap there will be three states mentioned: North Carolina, Kentucky, and Maryland. And I think this is an issue of letting that be known.

Dr. Griffin

And I probably did not portray this as I should have. These are the ones that are closing them, not just addressing them. I just added what they had listed as a means by which they closed it. So those that we're closing, those areas in the state, those regions—we certainly need to publicize that because I know how everyone has worked since the advent of KERA. I know how serious we are about this.

I invite you to again please show our panelists how much we appreciate their participation.

Adult Education and Literacy: Ensuring That No Adult Is Left Behind

Moderator

Dr. Cheryl D. King, Vice President of Adult Education, Council on Postsecondary Education

Panelists

Judge Reid Haire, Daviess County Judge-Executive
Dr. Allen Rose, Vice President of Business Affairs and Government Relations for KCTCS
Ms. Julie Scoskie, Director, Jefferson County Public Schools Adult and Continuing Education Program
Dr. Barbara Veazey, President, West Kentucky Community and Technical College

Dr. King

I think most of you here are on a first-name basis, so I know that you believe in and work with adult education illiteracy, and are very familiar with many of the issues. Our purpose today is not to reiterate the statistics and the issues. You heard many of those already, plus you are just familiar with them. Ron Crouch is here with us today, and Ron is absolutely the most knowledgeable person on this planet, in terms of Kentucky demographics and maybe national demographics. So if we wanted to, we would invite Ron to come up. We might do that yet, anyway, except that Ron has to be in Barren County later, so we may not hear much. What we wanted to do today was to provide some real examples of how communities and regions are coming together and thinking about how they will improve the educational attainment level of all people.

But today our presenters are going to talk about the adult population and the ways they've gone about making very creative and innovative things happen in their communities. I hope I've encouraged them to be open and frank and talk a little bit about, maybe not the barriers, but some of the things that they've had to overcome or at least think about and deal with as they have been about their journeys. You know Kentucky Adult Education is unique in the country, not just because we're part of, and have been for a long time, the Workforce Development Cabinet, but now certainly with our relationship with the Council on Postsecondary Education. We were the first state to take that approach with adult education; there are others now. But we are proud of that. It makes sense to us in looking at this in a broad educational policy way. you know, it was just a few years ago where for many people, if you would mention adult education, they'd say the GED program. And we're not about diminishing the GED; rather we are about recasting our thoughts and focusing on providing emphasis on, as Rep. Rasche said earlier today, "The GED is not a goal, it's a milestone and part of the continuum as people go through their lives to prepare for the rest of their lives, to make sure they have the knowledge and the skills that they need to go on to continuing education and employment." And I think that's where Kentucky has really taken the next step: that we're moving beyond talking about programs and the needs of programs, although that's important, but to the people, as Dennis Jones was saying in this last session, to really focusing on what we need to do for our people and what kinds of things have to be in place to provide the resources that they need. How do we create partnerships at the community level to make that happen?

A very small portion of the adult education state funds, about $200,000 a year and this year $100,000, has been allocated and dedicated to incentives in our community—the Go-Higher Program. In addition to that, we've provided and earmarked some of the adult education funds for special community initiatives. We will hear today how some of these funds and resources have helped to stimulate ideas and how people at the local level are carrying those ideas forward. We may never have the resources we want or believe that we need. How do we build strong community and community capacity so these efforts can be maintained? So, that's our context, and I'm just so pleased and proud to introduce to you the very distinguished individuals who have agreed to serve on this panel and share their knowledge with us. But I will also tell you that, without exception, all four of these individuals I call my good friends, and that is very important as well.

Let me start on my far right, and introduce to you Dr. Barbara Veazey, President of the West Kentucky Community and Technical College. I will let her speak for herself and for her community, but certainly, she has been engaged in helping to craft a very unique partnership with the KCTCS, the Chamber of Commerce in the McCracken County area and region, and adult education. And to the left of Dr. Veazey is Julie Scoskie, who is the Director of the Jefferson County Public Schools Adult Education Program, and Julie is a sparkplug. I've asked her to talk with you about the partnership that they've created with KCTCS, particularly Jefferson Community College, in ensuring that more students are completing their GED and going on to college. We are doing that in a dual-enrollment environment and a very unique sharing of resources that are now involving well over a thousand KCTCS students that are taking advantage of adult education services. And to Julie's

left, I'd like to introduce you to the Judge-Executive of Daviess County, Reid Haire. And I've had the pleasure of knowing Reid before he was judge. I believe, Judge, you were with the IRS.

Judge Haire
That's correct.

Dr. King
But, I will tell you, in Judge Haire's first term, they published his entire "State of the County" address, and I read every word. When I came to the part that said that he believed education and adult education literacy were to be the cornerstone of his administration, and he talked about the importance of that, I jumped out of my seat and cheered. And then to Judge Haire's left, I have my good friend, former colleague, and boss, former Secretary Allen Rose of the Cabinet for Workforce Development. And, Allen, I am going to work very hard here to remember your entire title because it's a long … he's Vice President of Business….

Dr. Rose
I've got this card.

Dr. King
Business Affairs and Government Relations. Am I close?

Dr. Rose
Right.

Dr. King
… for KCTCS and Sullivan University, a very unique partnership and joint venture. But I will also tell you that Secretary Rose has been a supporter and cheerleader for adult education and what it can do for the people of the Commonwealth for his entire tenure as Secretary and even before that. So we'll be anxious to hear from his perspective some of the things that are going on and the activities that he's worked on. I'd like to start with Dr. Veazey. And, panel, I'm going to watch the clock and after about 12 minutes I'm going to say "stop," and we'll move on. We want to make sure that we have time at the end of our presentations for conversation because you all have many stories and examples of things that you can talk about that are going on in your community as well. Barbara, I want to thank you for being with us.

Dr. Veazey
Well, thank you. And really, when Dr. King asked me to talk, I had hoped that I would have a PowerPoint presentation and flashy things to show you about what we're doing in far western Kentucky. But one of the gentlemen in the other session talked about inertia, and, I thought, I identify with that one. But I think we have made leaps and bounds over these last two years, so I really wanted to talk about the power of community.

Dr. Barbara Veazey

West Kentucky Community and Technical College gets about 50 percent of all of those high school students who are college-bound. Now, that's roughly 50 percent of each high school class in our region; 50 percent are going to college. So we feel good about that to some degree, but there's a segment of our community that said, "This is not good enough. You need to be doing more. What about the dropouts between the freshmen and the senior year; what about those who don't have their GED; what about the working individuals who are not educated at the level that they need to be to perform the jobs of the future, to even perform the jobs of now? So, what are you doing?" And they found us to be lacking, not just the community technical college, but the entire system in western Kentucky. I'm speaking primarily of the Paducah-McCracken County region now when I talk about some dialogue that has moved us forward.

Probably in the mid 1990s, the Paducah Area Chamber of Commerce was given seed money from Billy Harper. He's a local businessman in Paducah and has businesses throughout the nation. But you heard Billy Harper talk earlier about the need to get business engaged, and so he gave seed money to the Chamber. They in turn started what they called their Business Education Partnership. Well, we've been meeting since the mid 1990s, we come together, we meet, we've had Dr. King come, and we've had various speakers. We would listen and we would get up and go about our everyday business and do our regular jobs. We were there because we were afraid not to be there, but we really didn't develop a dialogue to any great extent at all. So two years ago the chairman of the Business Education Partnership—I wish he could

be with us today because he really is the force behind much of our change—simply said, "You are not getting the job done. We want more in West Kentucky-Paducah-McCracken County. We want more. What are you going to do?" Well, when business and the chair of your Business Education Partnership in your Greater Paducah Economic Development Council (GPEDC) says that to you, I think you should heed it and start moving.

So the Paducah-McCracken County Adult Basic Education Program, the college, the Chamber, and the GPEDC came together and started in earnest on what we could do. Since that point in time, we have had a liaison from Adult Basic Education on campus because we saw that there was lack of movement from GED preparation programs to the GED and on to campus. We certainly wanted more of those students. So we have that liaison position now. The biggest thing that they said to us is, "We want a one-stop shop. We want one place where a student could go, a person or an industry could go, be assessed, get tutorial instruction, get their GED, or determine what else they need to go into postsecondary education or receive the Kentucky Employability Skill Certificate, the Manufacturing Skill Standards Certificate."

They said, "We want what Madisonville has and we want you to do what Owensboro does. We want that in Paducah." And this is where Dr. King talks about the community initiative money. And this is where I talk about inertia. That mall project should be finished by now. We should be occupying it and we should be delivering services, but we're not. The lease agreement has held us up. We're in the process of hiring our person to man the workplace skills center and we're ready. We know what personnel are needed. We know what we're going to do. We just need to open the doors. In addition, the Chamber has written a grant for the Community Technology Center, and that means computer labs in three of the area high schools. It also means that there will be a liaison position again from the Chamber to the college for those students, but more importantly, the parents of those students.

Just a couple of weeks ago the Chamber and the GPEDC flew to Washington, D.C. The whole crux of the fly-in was to meet with the Department of Labor and ask for funds for the initiative of the Workplace Skill Center, the Employability Certificate, and the Manufacturing Skills Standards, all in regard to and around our regional industrial park. We didn't get the money, we didn't get a check—but when I came home the local government GPEDC and the Chamber said, "You know we really want to do this, Barbara. So what can be done as a community?" When I think about what Madisonville has, what Owensboro has, I get a little sense of panic that, oh, we're not there and we have so much left to do. But when I think about where we were two years ago in terms of a technical college and a community college sitting side by side, and not really communicating but offering the very same services, now we're totally one, totally integrated and consolidated. When I think about the dialogue and the whole direction that the adult basic education program is taking in collaboration and now in conjunction with the community technical college, the barriers are gone. So I see that very rapidly we will be doing what is happening in other communities and doing what we need to be doing. It doesn't sound like a lot. When I was thinking about this, I thought, "What am I going to say?" But the community was the entire impetus behind this and they've looked at me and said, "Never, never get into it with King Alexander, we don't want to hear about Murray State and Paducah anymore." The embrace and the engagement in education is making all of the difference in where we're going in western Kentucky.

Dr. King

Thanks, Barbara. I know you'll have comments and questions, but we'll go on to Julie and we'll hold the questions and then make sure we have the time for those.

Ms. Scoskie

Thank you, Cheryl. As Cheryl said, we're preaching to the choir. I see many fellow adult educators out there. We know that we're being challenged to reach more and teach more. In Jefferson County alone, in early 2000, we were serving 7,000 students. This year, we'll serve more than 13,000 students. By 2010, we'll be serving 36,000 students. And there are several of you in the room that are facing the exact same challenge that we are in Jefferson County. As we take a look at how we do this and how we do it on a shoestring budget, because we've all been faced with budget cuts overall in education, the only way that we are going to be able to effectively reach and teach those that are in need is through partnerships.

I've been in adult education for 17 years, and the face of adult education has really changed. When I walk into one of our classrooms now, I think, "Oh, my gosh, they look so young. Am I just getting that old or are they truly younger?" So I went back and I did some statistics on the Jefferson County Program, and I'm happy to report that I'm not getting older; our population is getting much younger: 29 percent of the population that we served last year was aged 21 and under. They face significant barriers in attending our program. The other thing that I noted was that many times, even though kids drop out of school at age 16, they don't find their way to adult education until 18. And so we've started examining issues like that. So, why is it taking them two years to get to us? Is it because it takes them two years to realize that they are not going to go very far without a high school credential? Is it that they can't drive and it's not until they get older and get a car and their license that they end up making it? So we've got to creatively think of ways that we can reach and teach those in need of our services.

We started an in-school GED program to address some of those issues of the very young and to try to grab them actually before they start walking out the door. You know they have one foot out the door, and we grab them by the shoulder and say, "Hey, we've got another program, another alternative solution for you." But one of the really, really neat partnerships that we've developed, and I'm so very proud and excited about, is our partnership with the local KCTCS Jefferson Community College. Sometimes the things that come the hardest are the things that you're most proud of. And I can say that it hasn't always been an easy road. We started as an adult education provider, and Cheryl told me to be honest here so I'm being honest.

We started knocking on Jefferson Community College's door about five years ago saying, "We both are basically after the same mission. You know we both are delivering basic skills instruction. The difference is that we are delivering it across the street free-of-charge. You're delivering it and people are paying tuition to enter your developmental education classes. Is there a way that we can share resources and better meet the needs of those individuals?" I can tell you that as an adult education provider, and probably most of you know this, we are funded two years at a time. So although there was some sense of urgency to partner, it was with reluctance that I knocked on their door, because basically we were competitors in many respects. And the first time I knocked on their door, they basically told me, "We don't need to partner with you because we are writing your grant next year, and we won't have to work with you." So I can tell you we've come many, many miles from that day.

There was a new leader, Dr. Tony Newberry, that came into Jefferson Community College, and not being one that likes to quit, when he came in, I knocked on his door, too, and I said, "You know it makes sense that we partner." And he looked at me [and said], "Duh, that's a no-brainer. Yeah." So Tony saw the big picture. Was it easy for Tony to enter into this partnership? No, I can tell you it wasn't, because Jefferson Community College relies on that developmental education tuition to support part of what they're doing. The difference is Tony sees the big picture. He knows that if he has someone that enters into his college system and is reading on the sixth-grade level, what are their chances of success and how many of those students does he retain? The answer is not very many. So what we're doing now is we're sharing resources and when he gets those individuals that are functioning at those very low levels, he sends them to the experts that are accustomed to and have the resources to deal with them. He sends them over to us.

Ms. Julie Scoskie

I will also say that one of the other things that was very attractive to Tony and KCTCS was that we had access to online instruction through Kentucky Virtual University Adult Education. And we were using, at the time, Invest Destination. Now we're using Plato and WIN instruction. They didn't have those resources. We also had been funded for a Community Technology Center grant. So we had state-of-the-art computer labs right across the street from Jefferson Community College downtown campus. So we said, not only can we serve those really low-functioning students, but we can also team teach with some of your developmental education teachers and let's see if it makes a difference.

So we're in the very early stages of some of this partnering but some of the preliminary results, I've got to tell you, are really exciting. We had a college-prep class that is a really intensive three-week class. And we took the people with JCC; they have to take the Compass entry exam. When they took the Compass exam and weren't scoring high enough, they knew they were going to have to go into semester-long developmental education classes, but the semester hadn't started. We said, "Give them to us. Let us brush them up on their skills, particularly if they're nontraditional students and they've been out of school for a while. They may not remember how to add, subtract, and divide fractions." So we took them for the three-week intensive session. Then we retested them. We had an 89 percent retention rate of those students and 100 percent of them bypassed at least one developmental education class. So it's absolutely a win-win situation for the students. And that's what it's all about. So that's one of our partnerships that we're working on.

The other one is that last year we were funded for a local P-16 initiative, and we felt very strongly that it needed to have businesses, elected officials, etc., represented at the table, because as educators, we're preaching to the choir if all we have are other, you know, superintendents, adult educators, etc. We need the involvement of the entire community, and we are really making positives strides with that initiative as well. Our goal is to increase educational attainment across the board, all the way from a GED to a Ph.D. And we divided into three areas: one is the K-12 program; the others are postsecondary education and then adult education. So with the K-12 initiative, many of you may have heard, particularly if you are from Jefferson County, they have kicked off an Everyone Reads campaign. And it's a very ambitious goal. Within four years, every child in Jefferson County public schools is going to be reading at grade level.

So on the adult education end of it, what we're looking at is from a regional perspective. How many people are earning their GED? How many are transitioning into postsecondary education? So we're tracking all of these, and we're getting advice from people in the community about what resources that may be available to us. And we partner with everyone and their brother. And that's the only way that we make it work, and it is truly an entire community initiative.

And I'll close with one final partnership—the Department for Employment Services—as we're trying to recruit more and more adults into our program. We had actually been located with Department of Employment Services (DES) about two or three years ago, but we had such low enrollment in that class that we ended up having to close it.

Fast forward to this year—Jack Howard came in, a relatively new position, and he said, "Hey, how come adult education isn't at DES?" And I said, "Well, we were there once but, you know, it just wasn't very successful." He said, "Well, duh, why not?" He said, "The people coming in to file for unemployment, they lack basic skills, and it's difficult for me to place them in jobs." So he said, "Would you be interested?" Of course, we would be interested. When they come in to file for unemployment, we give them a quick assessment. If they score too low on this assessment, and they know the score before they leave, they are referred right across the hall to our classes. And so we have served an enormous amount of people through that partnership. Going back to the transition partnership, to date, we've dually enrolled with Jefferson Community College 1,775 students. So it's a phenomenal partnership, a win-win situation for the community.

Dr. King

Thank you, Julie. Judge Haire will talk with us about what's going on in Daviess County.

Judge Haire

Thank you, Cheryl. I'm afraid I take it from a little different perspective because I'm not in the education arena. And I admire the work that's being done in Paducah and in Louisville. Let me talk about it a little bit from a government perspective. Why in the world would local government get involved in adult education and literacy? Think about it. Local government has roads, bridges, waterlines, sewers, and parks. That's the role of education; 65 percent of your tax dollars go to education. Why in the world would local government get involved? We've got enough to do. And yet look at your communities. Look at the long-term future of your communities, the survival of your communities. You know communities don't survive on bricks and mortar. Communities survive on ideas, a bringing together of ideas. And when Ron Crouch came to our community several years ago and said that 30+ percent of our population was functionally illiterate, it hit me like a 2 x 4.

Now Owensboro-Daviess County is not unique. I don't know what county you're in, but I'll guarantee you 30 to 40 percent of your population is functionally illiterate. You know what that means? Do you know what that means for the community, for the economy of the community, for the long-term viability of that community? Do you know what that means when businesses outside this state look at Kentucky and know that 3 out of 10 of the workers they would hire are, in all likelihood, not going to be able to read above the sixth-grade level? Think of the long-term effect. I mean, it was obvious to me that one of the most important infrastructure needs of local government, along with roads, along with bridges, along with ditches, along with parks, is the people. And it's the level of accomplishment of those people, being able to understand what it means to get a loan on their house, to understand—and I don't understand these—when you get your insurance statement in the mail. Imagine, if you had a sixth-grade education.

Judge Reid Haire

I had a fellow in our road department, an excellent employee, who was at work at 5:00 a.m. every morning; he stayed to be the last one to go home, the hardest working fellow we had, up for promotion, and he certainly merited the promotion. The job was in the sign shop, making road signs. He couldn't get the job because he couldn't read. Now that is just one instance that happens in county government. That permeates our communities. And so at the government level, I don't know a lot of the specific programs that go on, but I know the individuals who need to be involved in it. And government is lending its support in whatever way possible to make sure these programs work. If it means I get in the car and go to Frankfort and sit outside Allen Rose's door or Cheryl King's door, I'd be in it, and I will. It is that critical and that crucial for the long-term viability of the community. We must have business. Business is crucial. I'll talk a little about that in a second, and then, of course, the educators and the education system.

A coalition we have with business is easy to sell. Here, Mr. Businessman, if your employees are smarter, if they have a greater sense of self-worth, they will do better in their performance of their jobs. And you will profit. Now you run into the challenges of those businessmen that say, "Listen, I'm happy with my $7-an-hour jobs. You give them more information, you make them too smart, and they'll go somewhere else." That's a challenge you have to deal with. The government says, "What in the world have you got to do with adult education? You're not in that business. We pay you for roads, we pay you for bridges, and we pay you for ditches and parks. That's not your role." So that's a challenge, to persuade government that economic development and workforce development are necessary to improve the livelihood of its citizens.

I give education a hard time, I guess because I'm outside of education and I play the devil's advocate often when I'm with a group of educators. But truthfully, I have the greatest level of admiration for those involved with education; because they don't profit financially, they don't get elected or re-elected. So many of the educators volunteer their own time and do it because they have that sense of vocation, that sense of need to return to the community, and to enhance the community with their presence. So I appreciate the work you do involved with adult education and literacy.

The one area of education that I do have a bit of concern about is the bureaucracy of education. You know one of the most difficult statistics to try and figure out is the dropout rate in your county. Talk to the superintendent about that, and then talk to somebody in one of the offices. It doesn't seem to be a huge number to be able to come up with. What's the dropout rate? I see Esther Jansen. Esther and I were on a citizens' committee for education about 10 years ago, and we began looking at dropout rates. Talk about cooking the books! I mean, the IRS couldn't uncover different mechanisms to try and figure out how you arrive at dropout rates. So what we were attempting to do in the community is bring educators together for both the Owensboro Independent Public School Systems and the Daviess County Public School System, government—hopefully I can represent the government, and representatives from Western Kentucky University and KCTCS, along with business representatives, to focus on four particular areas. Some of them pertain to you, some of them don't.

The first is preschool, trying to establish an initiative in which every child in Daviess County has the opportunity for preschool prior to kindergarten. Now that could be costly. There could be some initiatives that we may have some problems with. But that's the goal we're going to work towards. In the literacy area, we will try to decrease that percentage of illiteracy and try to enhance and identify those people who need literacy training. You know that is not easy. We went to the hospital, the largest employer with 2,500 employees, and said, "How can you, (a) identify people that are functionally illiterate; (b) do so in a way which doesn't hurt their sense of pride and doesn't embarrass them in the workforce; and (c) achieve a higher level of literacy?" It is amazing. The more people you get involved—you talk about partnering and collaborating—the better the ideas are. The hospital said, "I'll tell you what we'll do. Let's set up programs that will give awards for people who complete the training. We won't call it literacy training. And we'll put that as a condition of a promotion. If you want a promotion, you've got to get this certificate, you've got to complete this training." People do it not in order to share with their fellow employees that they can't read, but in order to get this certificate and accomplish this training package, to become employee of the week, to have their picture in the newspaper, and not because of literacy, but because of other activities that you've done. You have to devise innovative and viable methods to be able to identify people and to be able to work with those people in a way that does not diminish them.

A business has a lay-off, 150 people are laid off, and you have a structural engineer whose is laid off and you have a line person who is laid off. The person who is on the line can't read or write. The structural engineer is looking for another engineering job. You know what we do when they come to us and say, "We're looking for work." I'll tell you what. You both sit down. You both take the same skills test. I'm equal with this person sitting across the table. I don't know who he is. He doesn't know who I am. But we take the exact same test. They may have different scores. We have to make sure that we do not fall into the same trap that we did years ago and conclude, "Well, that's a vocational student, you know that student goes to vocational school." So there is that sense of dignity. So the literacy area is the second thing. The third is to try and improve that on the college rate and fourthly, to measure those individuals in our community that have baccalaureate degrees. The greater the number of baccalaureate degrees you have in your community, the greater the likelihood you're going to have better-paying jobs, you're going to have better schools, you're going to have a better tax base, and you're going to have a better quality of life. So the whole issue centers on economic development, workforce development, and you do it from the standpoint of finding innovative methods to try and deal with those numbers that Ron Crouch gives us. So that's what is going on in Owensboro.

Dr. King

Thank you, Judge. Now, Allen Rose.

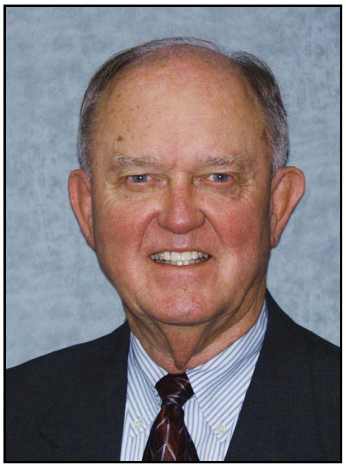
Dr. Rose

Thank you, Dr. King. I remember when I first heard of Judge Reid Haire … I didn't read the entire note that was slipped to me that he wanted a conversation. I saw an IRS agent. I thought I would call my wife, call our CPA. Did we pay our taxes? Betty said, "Read the entire note. He is the county Judge-Executive." So I wanted to confess that I felt better. You know, every time I think about adult education, there are lots of people who come to my mind, but the first people that come to my mind are Dr. Cheryl King, Beth Thompson, and Julie Scoskie, and there are many others out there. But I've learned so much from those three individuals about this that I could take the rest of the afternoon and just share it with you. But I want to talk a little bit about, not so much where we ought to be and where we haven't been, but where we're going. I think we're on the right track. Also, I want to talk a little bit about partnership because partnerships are nothing new to me as an individual, because we had a great partnership that was one of the first of its kind when we partnered with the Council on

Postsecondary Education and shared our Commissioner, Dr. Cheryl King, for about two years. I sat down with Dr. Gordon Davies when Senate Bill 1 was completed and he said, "What are we going to do with adult education? We've got to do something." And we started talking. I remember he looked at me and he said, "You know we've got this bull by the horns. We can't wait on anybody any longer. Let's do something drastic." And I said, "Why don't we see if we can't make a double appointment here with Dr. King where she works part-time with the Council and she works part-time with us?" We almost killed her. But it was very successful; the partnership worked.

Someone asked me about the partnership that we have here with the Community and Technical College, Jefferson Community College, and Sullivan University. Well we found out a number of things. It's the only one we have been able to find in the United States where a privately owned, for-profit university and a state community college have ever done this. Now I'm housed with the University of Louisville, Metro College, and United Parcel Service. Again, U of L and I worked for Jefferson Community College and Sullivan University. So I'm between both presidents, and I can hide from both of them, all locations. This is a unique thing for us, because we're looking at more jobs and opportunities than I can count. And there's plenty there for everybody. You know, when we learned, and we're learning it fast, to get rid of turf and think about what all we get done, we don't care who gets the credit, we get so much done.

Well, I began to talk with some folks about a year before I left the Cabinet about what I wanted to do in the future. It ended up I had a job offer from the community college and a job offer from Sullivan University. And we talked about that. Dr. Newberry, is the Cabinet guy and he's wonderful; I've never seen anybody accepted so well in the community. The mayor thinks he's the best thing he's ever seen. But Dr. Newberry suggested to Dr. Sullivan, "Why don't we form a partnership, and we'll figure out a way to share salaries and other things." They thought about it about a week. And here I am: they hired me. So, one pays me for one thing, one pays me for another, and I don't know who all furnishes all the telephones and things, but it works. But my job is to go out and look at governmental interests, to look at what we can do together; and we've got a bunch of stuff going all around the state and here in this community. And we're finding businesses so receptive. We never mention money to anybody. We ask what they want to do. Let us figure out a way to do it.



Dr. Allen Rose

I was down at our tech college all morning. I'll be in Shelbyville next week. We're looking at world-class technical education here. We're doing things we haven't done before. We're serving about 100 companies right here in this community. Our goal is 500. We're looking at the Shelbyville community, doing things we've never done in education before out there in technical education. But we do it together. Do we stumble and fall sometimes? Yes. Does it end up that one can do it better than any other can? Yes. We're working on a system with the long-term care people. And if this goes through, and we think it will in January, there's going to be a piece there for everybody. Community college will have a major role in that, adult education. The Sullivan University system will have one small role in it, and some private employers. But the goal is the people who need help get it. They really don't care where it comes from as long as they get it.

Well, I've been privileged to serve around the country with the Southern Governor's Association along with Dr. Mike McCall with the Kentucky Community and Technical College System now for several years. We were the governor's appointments on that. So I've gotten to know all 13 southern governors pretty well. I can tell you, when you show up at a conference, when they're all there and there are adult education people there, the Commissioners of Education, and you say you're from Kentucky, you steal the show. Everybody is looking at what we're doing in Kentucky, and I think that we've got some things we're pretty proud of. I don't look back and say we had a million people without a high school education. I realize that, but I don't have enough energy to look back. It takes all my energy to look forward. Oftentimes it's not how much you have to do a job with, it's what you do with what you have.

Dr. King, I'm going to look back at some information that you sent me some time ago on how much one of our other states gets … and if I'm reading what you sent me right, they get $126 million for adult education; Kentucky gets $20 million. They have 60,000 people enrolled and we have 73,000 enrolled—money well spent. Congratulations. But I have to look forward when I look at that. Then when I look at the staffs that I'm supplied with all the time, where we're going with the GED, where we're going with other things in adult education, it brings me back to the long-term, to jobs in health care, which we have paid a lot of attention to.

And you know, my friends, we set people up for failure very often because we have a good employee, which you just referred to, who's excellent, outstanding, and jobs are opening in health care, nurse's aides and other things, and that's the kind of employee you want. We give them the jobs. We put them in there, and then we find out they have so many shortcomings that they either quit or we have to take them back. They don't have the basic adult education that allows them to do the calculations, that allows them to do the documentation they are required to do. We found out in many cases—and I have a true story I want to share with you about that—where people have been given just a little help and they have been

very, very successful. We sat in this building, in the very place you were this morning, four weeks ago and talked about on-the-job training, business and industry, health care, education, manufacturing, and the people who sell the chickens, Tyson.

Tyson told us about their plant in Corydon, Indiana. They had a 260 percent turnover in employees on their entry-level jobs. Well, these are not skilled jobs. They said, "We have to do something about that." They got adult education in southern Indiana involved in that. They cut, in a year and a half, that 260 percent turnover down to 60 percent. They said, "We are convinced the investment we're making in our employees who have very low skill levels, a small investment, is turning this thing around." The health care organization told us by investing in people on the job, they've saved $1.5 dollars in the last two and a half years on turnover in employees leaving to go to other industries. It does pay off. Education does pay.

Well, when we got started with 170 people, folks got an appetite for that when they saw they could get help, and that they wouldn't be embarrassed. Sometimes, you've got to go above and beyond the call of duty. The first concern the students had: "Well, all of you people are going to know what we score on these tests." Truly, I don't think you can share that with anybody, anyway. But the important thing was it was in their minds. I wrote almost 1,000 people personal letters saying, "No one will ever know your grade but your instructor." I sent them all a personal letter—each individual. Well, that seemed to ease the pain a little bit. Anyway, they got started, and it mushroomed on us, because we were going to train 170 people in 60 months. We trained 530 people in 24 months. Out of that, in that 24 months, 36 students received their GED, 23 students are in college, and 11 others entered nurse's training at either Jefferson Community College or Sullivan University.

Now this was several years ago. Well, we looked at that $23,000 about to run out. So we went to the foundation and said, "Here is what we've done with the money we got from the state; can you help us?" They immediately gave us a $100,000 grant to continue the adult education. But as a result, it completely turned this company around, and they have doubled their size. One of those recipients of adult education became their Workers' Comp specialist, and today is the Assistant Personnel Director for the company of 1,600 employees in long-term health care. Tell me that education doesn't pay. Tell me that adult education doesn't pay.

I want to jump back to the Cabinet; to the two people I met. I won't name them, but one is in this part of the state and one is in that part of the state. Their stories about dropping out of high school were very touching. One lady told me, "I was 16 years old and I made a mistake, and had a baby. My mother couldn't keep the baby and support me. I had to quit high school and go to work. That's why I had to have a driver's license at 16 years old and I hadn't finished high school. I kept that baby and worked. Finally I ran into an adult educator who said, 'You know, you need a high school education.' I thought I couldn't go on—I had been out too long, but I did." At that time, she told me that baby is now 30 years old. This person now holds a Master's Degree in psychology and was a high school dropout.

It is the same story in other parts of the state. There are dozens. I know a counselor in Jefferson County, who is now deceased, and he was a high school dropout. He became one of the most popular elementary school counselors this district had because he saw the need, went back, and got an education. Folks, those in adult education, there's not enough money in the world to pay you for what you're worth, because you're making a difference, and we can't afford to look back. I'm very proud, and you don't have bragging rights yet. But to look at where we're going, what we've got to do, I'm very proud as I've traveled the South and said, "This is what we've done in Kentucky." I get to say that every time I go. I'm going back in January, and they'll again ask about it. And we're proud to do this. But you know, if we do this thing right and we look at early childhood education on this end and we look at adult education on this end, I bet you, my grandchildren's children will not have to worry about high school dropouts because we're going to fix it. With this adult education, I see family after family—Julie, you have seen this more than I have—where they are the first people in their families who have gotten a high school education. Look at the influence it's having on their offspring and their cousins and sisters. It's a win-win situation. I'm out of time, Dr. King.

Dr. King

Yes, you are.

Dr. Rose

I wanted to say two things. First, Senator David Williams was supposed to be here, and Dr. King wasn't looking at her notes, so I'm Senator David Williams. If you want any money, see me personally. The other thing, we have to continue to think about education in a different way than we've ever thought before. It is not 8:00 a.m. to 5:00 p.m., because in this very long-term health care facility that's eight blocks from here on Fourth Street, we taught them math. We had a public school teacher there for this for over a year at 3:00 a.m. in the morning and 5:00 a.m. in the morning because that's where the student was. It is unthinkable and unobtainable to expect a nurse's aide who is a single parent working the midnight shift to go to a classroom. I wouldn't. I'd go to bed. So we took the classroom to the students, and it's successful. I have a

passion for adult education. I'll always have it. I will never quit until every person in Kentucky has a high school education. Thank you.

Dr. King

Thank you very much. Thanks to all of our panelists. I think the common thread here, well, there are many, but certainly what we wanted to bring forward today for discussion and to think more about is how you break down the barriers, the silos, the individual agency mentality, to create partnerships in ways of thinking in communities that best serve people. So you've heard some examples today. There are many, many more, and many of you here in the audience could cite many good things that are going on. Thank you all so much for being a great audience but, most importantly, thank you all for coming and sharing your community stories with the rest of us. We appreciate it so much. Let's give them a round of applause.

APPENDIX A

KIDS NOW=CURRENT INVESTMENT FOR FUTURE SUCCESS

KIDS NOW
Early Childhood Development Initiative

Kentucky Invests in Developing Success

At the Crossroads
Prospect for Kentucky's Educational Future:
Preschool to Postsecondary
November 18, 2003
Louisville, Kentucky

1

The Vision For Kentucky

All young children in Kentucky are healthy and safe, possess the foundation that will enable school and personal success, and live in strong families that are supported and strengthened within their communities.

2

Mission Statement

The future strength of the Commonwealth of Kentucky depends upon the healthy development of our youngest citizens. Therefore, this initiative will build upon existing resources, foster public-private partnerships, insure collaborative planning and implementation, and mobilize communities to:

- support and strengthen families,
- assure that all children grow and develop to their full potential,
- provide high quality, accessible, affordable early care and education options, and
- promote public awareness of the importance of the first years for the well-being of all Kentucky's citizens.

3

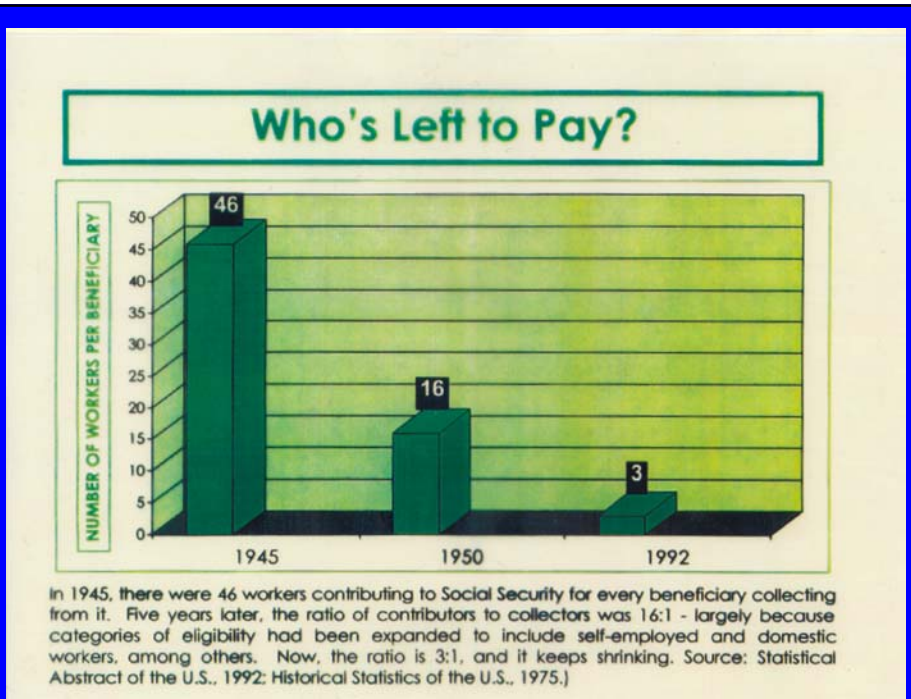
KIDS NOW
Kentucky Invests in Developing Success

Need For The Initiative

- Current Brain Research
- Economic Development
- Education Reform
- State of Kentucky's Children

4

KIDS NOW
Kentucky Invests in Developing Success



KIDS NOW

I. Assuring Maternal and Child Health

II. Supporting Families

- Enhancing Early Care and Education
- Building the Support Structure

6

KIDS NOW
Kentucky Invests in Developing Success

Assuring Maternal and Child Health

- Healthy Babies Campaign
- Folic Acid
- Substance Abuse Treatment Program for Pregnant and Post-partum Women
- Universal Newborn Hearing Screening
- Immunization Program for Underinsured Children
- Eye Examinations for Children
- Oral Health Education and Prevention

7

KIDS NOW
Kentucky Invests in Developing Success

Healthy Babies

Health information initiative to educate women of child bearing age about the importance of making healthy lifestyle choices.

8

KIDS NOW
Kentucky Invests in Developing Success

Folic Acid

Kentucky's rate of neural tube defects is 1 ½ times the national average.

KIDS NOW
Kentucky Invests in Developing Success

Substance Abuse

Pregnant females who use alcohol, drugs and tobacco are one of the most hard to reach and costly subpopulations in Kentucky.

Every newborn and Mom should be this healthy!

10

KIDS NOW
Kentucky Invests in Developing Success

Universal Newborn Hearing Screening

Assist hospitals in providing hearing screening for all newborns prior to hospital discharge.

KIDS NOW
Kentucky Invests in Developing Success

Immunization Program for Underinsured Children

Increase access by purchasing vaccines to cover the estimated 17% of children from birth to three who are underinsured (non-Medicaid and non-KCHIP eligible).

KIDS NOW
Kentucky Invests in Developing Success

Eye Exam

Requires all children to have an eye exam prior to entering school for the first time.

Oral Health

The 2001 Kentucky Children's Oral Health Survey revealed 1/3 of the 2 year to 4 year olds sample was effected by early childhood caries (ecc).

Supporting Families

- HANDS Voluntary Home Visiting Program
- Early Childhood Mental Health Program
- Children's Advocacy Centers

15

KIDS NOW
Kentucky Invests in Developing Success

HANDS
Voluntary Home Visiting Program

Over 105290 home visits made from July 2002 through June 2003.

KIDS NOW
Kentucky Invests in Developing Success

HANDS Voluntary Home Visiting Program

RESULTS: HANDS participants and contrast group

- Lower number of premature infants
- Lower number of LBW babies
- Lower number of VLBW
- Lower substantiated physical abuse-58% less
- Lower substantiated neglect-62% less

KIDS NOW
Kentucky Invests in Developing Success

Early Childhood Mental Health Program

- Mental health consultation for early childhood programs
- Assessment and therapeutic services for young children and their families as appropriate.

KIDS NOW
Kentucky Invests in Developing Success

18

Children's Advocacy Centers

- Fund staff in Children's Advocacy Centers to provide and coordinate medical examinations for sexually abused children
- Create a statewide telehealth program for these agencies and
- Support state-of-the-art training for physicians.

19

Enhancing Early Care and Education

- Access to Child Care Subsidy
- Quality Rating System for Child Care
- Scholarship Fund for Child Care Providers
- Increased Licensing Personnel
- Healthy Start in Child Care
- Community Early Childhood Council Funding
- First Steps: Kentucky's Early Intervention System

20

Access to Child Care Subsidy

- Increase the reimbursement to childcare centers and licensed family daycare homes who provide care to low-income families
- 56,000 children served per month.

KIDS NOW
Kentucky Invests in Developing Success

Quality Rating System for Child Care

STARS FOR KIDS NOW
Kentucky Invests in Developing Success

To raise the level of quality in child care by offering a system of incentives and rewards based on identified characteristics associated with positive outcomes for children and families.

22

Early Childhood Development Scholarships

- In 5 academic terms – over 2200 awards to scholars at 25 colleges and universities..chil d care teachers, preschool assistants.

23

Increased Licensing Personnel

Additional licensing personnel dedicated specifically to child care who bring expertise to upgrade childcare quality.

KIDS NOW
Kentucky Invests in Developing Success

24

Healthy Start in Child Care

- Assistance to upgrade health and safety conditions
- Trained on early childhood social/emotional well being and the use of an observation tool to help parents and teachers build resiliency in children

25

Kentucky Early Childhood Standards

Kentucky Department for Education

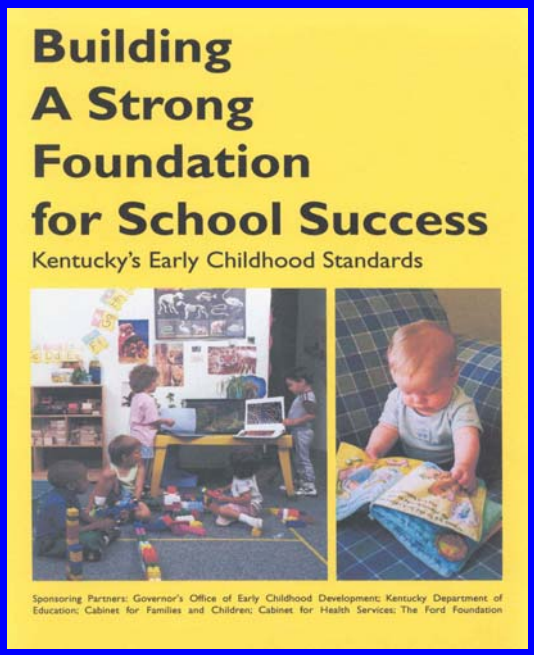
Office of Early Childhood Development

Cabinet for Families and Children

Cabinet for Health Services

Ford Foundation

26



27

Building A Strong Foundation

- Standards
- Birth through four years
- Support the transition to school
- Assist with school readiness and success.

28

Development Goals

- Ensure linkage of standards across the Birth – Four age span.
- Ensure linkage of standards with the Kentucky Program of Studies, K-12

29

KIDS NOW
Kentucky Invests in Developing Success

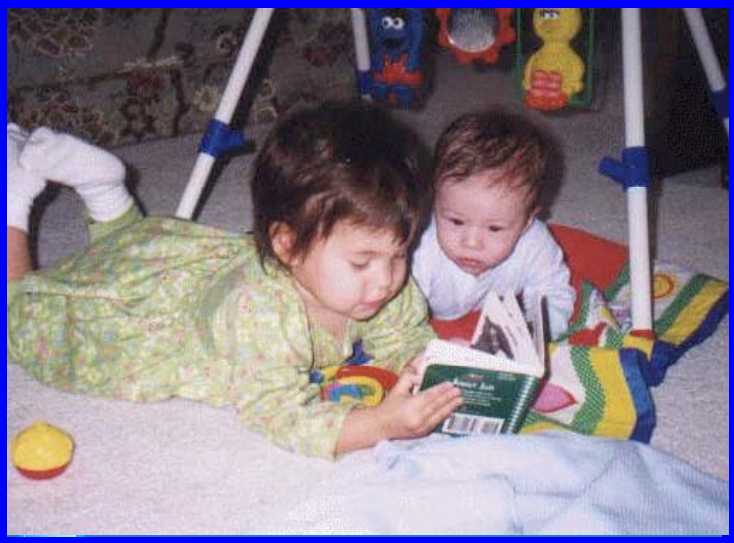
Guiding Principles

- Ensure the use of developmentally appropriate practices
- Support and enhance quality in early care and education settings
- Address a range of developmental needs
- Ensure attention to social/emotional needs
- Reflect cultural sensitivity
- Reflect an understanding of the ecological nature of early childhood

30

KIDS NOW
Kentucky Invests in Developing Success

Observational Assessment



31

Kentucky Early Childhood Standards

Observational Assessment Tool

- Continuous progress for individual children
- Understanding individual child accomplishments
- Building and implementing high quality classrooms and programs

32

Community Early Childhood Councils

- To form community councils to improve the lives of children and families.
- County configuration
- Public/Private partnerships

KIDS NOW
Kentucky Invests in Developing Success

First Steps: Kentucky's Early Intervention System

- Children from birth to age 3
- With a developmental delay *or* a condition that is known to cause a developmental delay
- First Steps program enrollment is increasing approximately 20% annually.

KIDS NOW
Kentucky Invests in Developing Success

Establishing the Support Structure

- Early Childhood Development Authority
- Early Childhood Business Council
- Early Childhood Professional Development Council
- Evaluation of Initiative

35

KIDS NOW
Kentucky Invests in Developing Success

The Vision For Kentucky

All young children in Kentucky are healthy and safe, possess the foundation that will enable school and personal success, and live in strong families that are supported and strengthened within their communities.

36

KIDS NOW
Kentucky Invests in Developing Success

APPENDIX B
THE COST OF QUALITY: HOW MUCH?

ADEQUACY IN KENTUCKY EDUCATION

AN UPDATE FROM THE COUNCIL FOR BETTER EDUCATION:

The Meaning and Implications of the

Rose v. Council Decision and the Verstegen Study

Presenter: Blake Haselton

LONG TERM POLICY RESEARCH CENTER
10TH ANNUAL CONFERENCE
Louisville, Kentucky

18 November 2003

1

PARTIES IN *ROSE V. COUNCIL*

PLAINTIFFS

- The Council for Better Education
  - Non-profit corporation whose members composed 66 local school districts
- Local School Districts
- 22 School Students

DEFENDANTS

- John A. Rose
  - As President Pro Tempore of the Kentucky Senate
- Donald R. Blandford
  - As Speaker of the Kentucky House of Representatives

2

SUPREME COURT FINDINGS

in *Rose v. Council*

790 S.W. 2d 186 (Ky. 1989)

The General Assembly alone is responsible to create

an efficient system of common schools, defined by both

equity | **adequacy**

3

EQUITY

If one were to summarize the history of school funding in Kentucky, one might well say that every forward step taken to provide funds to… equalize money spent for the poor districts has been countered by one backward step.

Rose v. Council, 198.

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 opportunities and access to an education.

Rose v. Council, 211.

Common schools should be substantially uniform throughout the state.

Rose v. Council, 212.

4

ADEQUACY

The court stated that equity was not enough to fulfill the definition of efficiency. An efficient system is not "one which is operated as best as can be with the money that was provided. We reject such a definition which could result in a system of common schools, efficient only in the uniformly deplorable conditions it provides throughout the state."

Rose v. Council, 211.

Each child, *every child*, in this Commonwealth must be provided with an equal opportunity to have an adequate education.

Rose v. Council, 211.

5

WHO BEARS THE COST?

Conclusions reached by the court (*Rose v. Council*, 206):

- The providing of public education… by the General Assembly was the most "vital question" presented to the Constitutional delegates.
- Delegates asserted that education of children must not be minimized to the "slightest degree."
- Education of Kentucky children is essential to the prosperity of the State.
- Citizens must not finance the schools in a ***de minimus*** fashion.

"Once the citizens of Kentucky made the voluntary commitment to educate the children of this state in public schools neither the Kentucky General Assembly nor those individuals… can abrogate those duties merely because ***the monetary obligations become unexpectedly large or onerous.***"

Carroll v. Jefferson County as cited in *Rose v. Council*

6

WHERE ARE WE?

Does Kentucky now have an efficient and therefore, *equitable* system of common schools?

Does Kentucky now have an efficient and therefore, *adequate* system of common schools?

7

Defining Adequacy

Adequacy exists when a local school district possesses the resources necessary to provide each student with skills and knowledge necessary to meet expected educational outcomes.

-- *Rose v. Council* (1989), p. 191

8

Seven Competencies for an Adequately Educated Pupil

(i) Sufficient oral and written communication skills to function in a complex and rapidly changing civilization
(ii) Sufficient knowledge of economic, social, and political systems to enable informed choices
(iii) Sufficient understanding of governmental processes to enable understanding of issues that affect the community, state and nation
(iv) Sufficient self-knowledge and knowledge of mental and physical wellness
(v) Sufficient grounding in arts to enable appreciation of cultural and historical heritage
(vi) Sufficient training or preparation to enable the choice and pursuit of life work intelligently
(vii) Sufficient levels of academic or vocational skills to compete favorably with counterparts of neighboring states, in academics or in the job market

Dr. Deborah Verstegen

- Specialty: School finance and policy
- Professor of policy studies, leadership and finance in the graduate department of University of Virginia's Curry School of Education
- Chair of the Fiscal Issues, Policy and Education Finance group of the American Education Research Association
- Two-time member of the American Education Finance Association's Board of Directors
- Current Education Policy Editor and former editor of Journal of Education Finance
- Ph.D from University of Madison-Wisconsin (1983)
  - Selected for Outstanding Research Dissertation Award by the American Education Finance Association (1984)
  - Dissertation "The Great Society Meets a New Federalism" was added to the Lyndon B. Johnson Presidential Archives (1986)

10

Verstegen Study (2003)

- Study to determine the cost of educational adequacy in Kentucky as defined by KERA and *Rose v. Council*
- Developed using the Professional Judgment Model, which uses the assessments of educational professionals in assigning the resource costs of an adequate education, and cross referenced to research data

11

Cost Models

(a) Professional Judgment (or the Resource Cost Model)

Used in Wyoming, South Carolina, Montana, Maryland, Illinois, Massachusetts and Alaska

(b) Empirical Approach

Used in Illinois, Mississippi, Maryland and Ohio

(c) Econometric Modeling

(d) Costing Comprehensive Schoolwide Reform Model (or the "State of the Art" approach)

Used in New Jersey

12

Research Design

- Professional judgment panels were comprised of teachers, curriculum personnel, school board members and administrators.
- The *school site* panels were asked to estimate personnel and non-personnel resources for prototype elementary, middle and high schools based on different district sizes (small – moderate, moderate – large, large – very large)
- The *district level* panels projected necessary district level resources for a district comprised of adequate schools
- An *expert* panel assessed costs based on the identified resource needs of the school site and district level panels.

Source: Verstegen 2003

13

Resource Costs

Seven types of costs were included in the assessment:

- personnel
- supplies
- equipment
- technology
- categorical aid (for additional cost students)
- co-curricular/student activities
  Extended School Services, Family & Youth Service Centers, summer programs
- district level resources
  administration, maintenance and operations, transportation

Source: Verstegen 2003

14

District Size Classifications

SMALL District – the lower third of students by enrollment (188,257), collectively encompassing 125 school districts
Average # of Students per District – 1,506

MEDIUM District – the middle third of students by enrollment (185,413), collectively encompassing 41 school districts
Average # of Students per District – 4,522

LARGE District – the highest third of students by enrollment (190,527), collectively encompassing 10 school districts
Average # of Students per District – 19,053

Source: Verstegen 2003

15

RECENT, ADEQUACY STUDIES IN KENTUCKY

Three adequacy studies have been commissioned in Kentucky:

- The Kentucky Department of Education commissioned Picus and Associates to conduct an adequacy study using the *State of the Art* approach. This study estimated that the costs associated with achieving adequacy in 2001-2002 would be an additional $565M - $740M over existing expenditures on education (Odden, Fermanich & Picus, 2003a).
- The Council for Better Education commissioned Dr. Deborah Verstegen to conduct an adequacy study defined by KERA and *Rose v. Council* using the *Professional Judgment* approach. The costs to achieve adequacy in 2001-2002 from this study were estimated to be between an additional $892M – $1,162M (Verstegen, 2003).
- Later, the Kentucky Department of Education commissioned Picus and Associates to conduct an adequacy study using the *Professional Judgment* approach. Achieving adequacy for 2001-2002 in this study was estimated to cost an additional $1,800M - $2,300M (Odden, Fermanich & Picus, 2003b).

16

COMMONALITIES BETWEEN THE KENTUCKY ADEQUACY STUDIES

✓ An emphasis to provide better educational opportunities for Kentucky's youngest students

- All recommended the implementation of full-day Kindergarten.
- All recommended reductions in class size for Kindergarten and primary students.
- All three programs identified the need for expanded preschool.
  - Verstegen recommended that a voluntary preschool should be instituted for all 3 and 4 year olds.
  - Picus and Associates recommended that free preschool should be extended to children 150% below the poverty line in the State of the Art and Professional Judgment adequacy models.

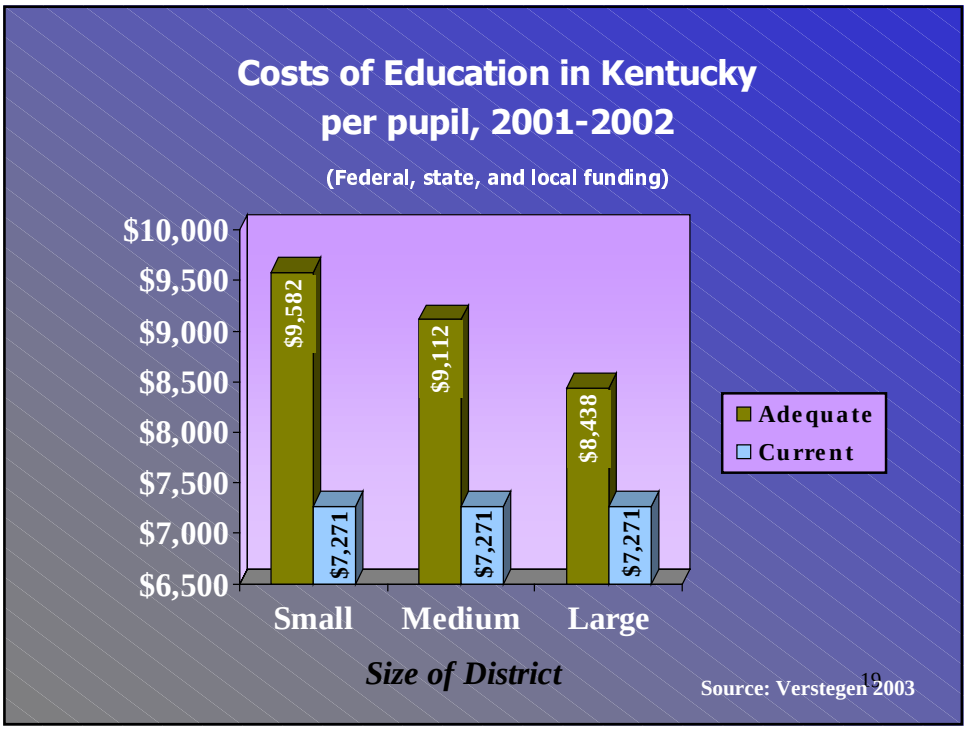
17

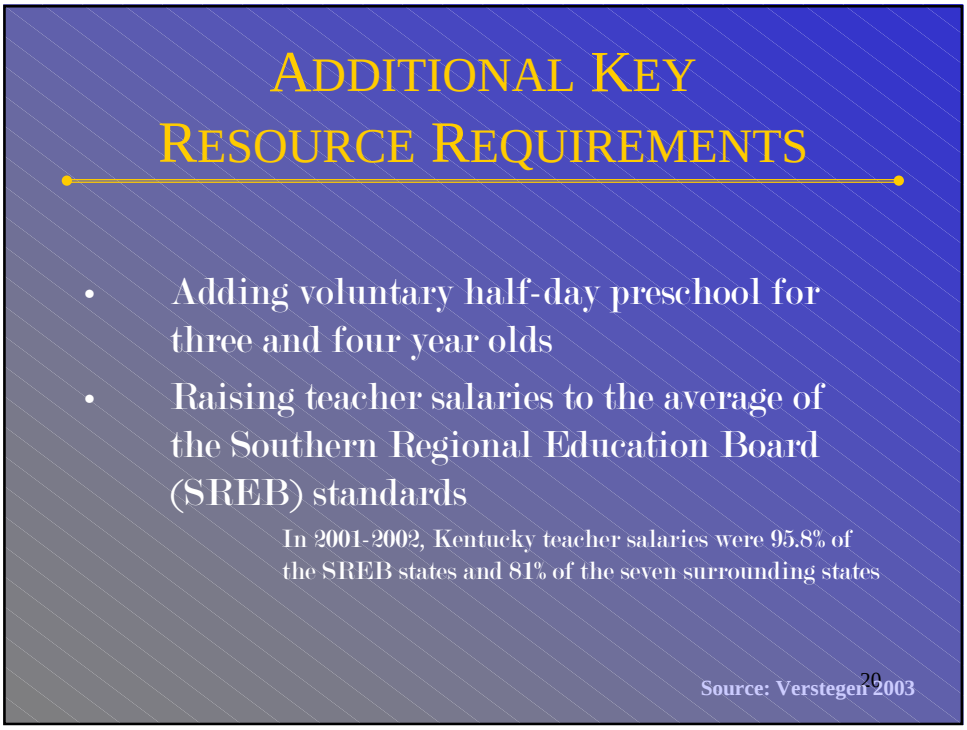
COMMONALITIES BETWEEN THE KENTUCKY ADEQUACY STUDIES

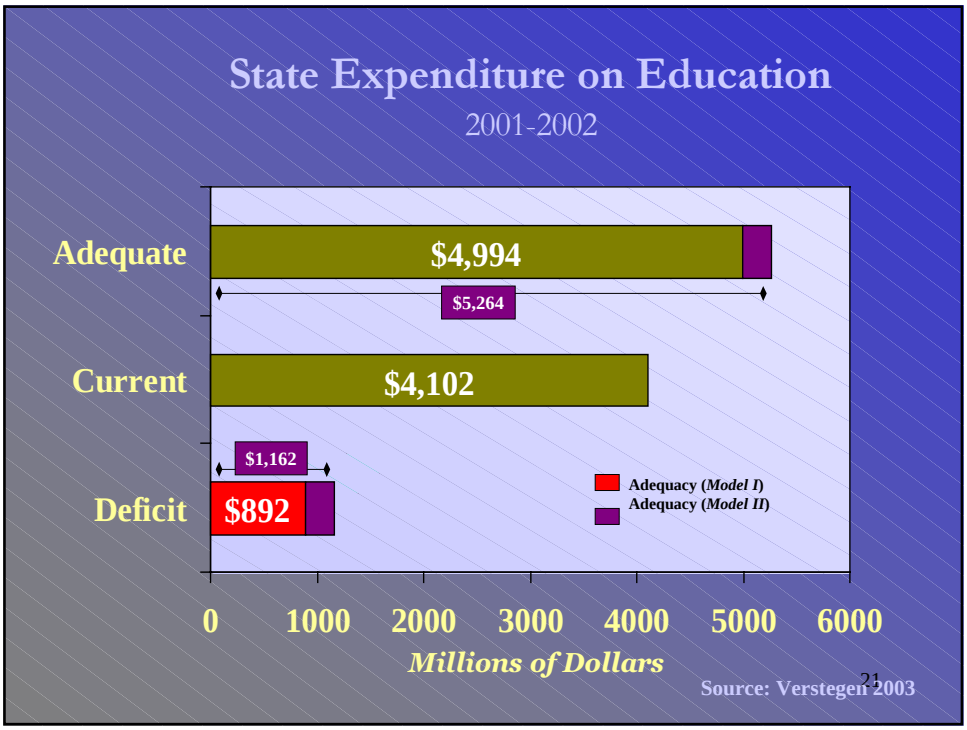
✓ Altered and new use of personnel positions to address student needs

- All models were designed to incorporate **instructional facilitators**.
- **Picus** (*State of the Art*) eliminated all assistant principals by reducing school size and found more instructional facilitators, family support professionals and teacher tutors for students from a low income background.
- **Verstegen** included support services for migrant, gifted and talented, special education, English as a second language and at-risk students.
- **Picus** (*Professional Judgment*) provided resources for special education and English as a second language students.

18


Costs of Education in Kentucky
per pupil, 2001-2002
(Federal, state, and local funding)
$10,000
$9,500
$9,000
$8,500
$8,000
$7,500
$7,000
$6,500
$9,582
$7,271
$9,112
$7,271
$8,438
$7,271
Adequate
Current
Small
Medium
Large
Size of District
Source: Verstegen 2003
19


ADDITIONAL KEY
RESOURCE REQUIREMENTS
• Adding voluntary half-day preschool for three and four year olds
• Raising teacher salaries to the average of the Southern Regional Education Board (SREB) standards
In 2001-2002, Kentucky teacher salaries were 95.8% of the SREB states and 81% of the seven surrounding states
Source: Verstegen 2003
20


State Expenditure on Education
2001-2002
Adequate
$4,994
$5,264
Current
$4,102
$1,162
Deficit
$892
Adequacy (Model I)
Adequacy (Model II)
0
1000
2000
3000
4000
5000
6000
Millions of Dollars
Source: Verstegen 2003
21

WHAT'S NEXT?
• FOX Report
(b) Comprehensive tax reform
(c) Fiscal Discipline
(d) Maintain KERA
(e) Best Practices
22

RECENT DEVELOPMENTS

- ***March 2002*** – The Council for Better Education reconstitutes with over 160 school districts as members.
- ***February 2003*** – The Verstegen study demonstrates that current education funding is inadequate.
- **June 2003** – The Council for Better Education votes to find a legal remedy to ensure adequate funding for Kentucky schoolchildren.

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For more information on school adequacy in Kentucky contact:

JACK MORELAND

PRESIDENT OF

THE COUNCIL FOR BETTER EDUCATION, INC.

EMAIL: **JMoreland@covington.k12.ky.us**

PHONE: **859.392.1000**

APPENDIX C
THE COST OF QUALITY: HOW MUCH?

TABLE 1
Kentucky School District Resources and Performance (1999-2000)

	CATS Top Tenth (n=18)	CATS Bottom Tenth (n=18)	District Mean*	District Median*	District Range*
CATS 2000 score	80.9	55.6	66.5	66.2	50.3 to 99.2
Change 1999-2000	1.83	2.01	1.81	1.70	-3.5 to +10.9
Percent Change 1999-2000	2.0	4.0	2.9	2.5	-5.2 to+18.7
Size (ADA) **	2,795	2,404	3,231	2,114	150 to 80,949
Revenue per pupil					
Local	$2,607	$1,191	$1,651	$1,504	$634 to $7,564
State	3,351	4,884	4,098	4,138	2,190 to 5,713
Total	6,364	7,099	6,469	6,332	5,407 to 9,879
Average Teacher Salary	**$36,431**	**$34,915**	**$35,173**	**$35,116**	**$29,908-$42,778**

* The n for district mean, median, and range is 176 districts.
** The data for district size and revenues per pupil are for 1999.

TABLE 2
Correlations Between School District Resources and Performance *

	Resources						
Peformance	**Size**	**Local Revenue**	**Total Revenue**	**Teacher Salaries**	**Teacher Resources**	**Spending per Student**	**Students per Teacher**
Drop-out rate	.14	-.26	.16	-.04	-.07	.07	-.09
Attendance rate	-.11	.31	-.43	.01	.01	-.25	.21
Transition College	.11	.47	-.20	.25	.08	-.17	.14
Unsuccessful Transition	-.10	-.35	.18	-.03	-.10	.16	-.15

* The bivariate correlations are for the 171 districts with high schools

TABLE 3
Per Pupil Revenue for Most– and Least- Improved Districts*

	Most Improved (n=20)	Least Improved (n=23)
Local Revenue		
1990	720	542
1995	1,167	955
1999	1,754	1,429
Percent change 1990-99	144	164
Total Revenue		
1990	3,326	3,364
1995	4,990	5,258
1999	6,234	6,589
Percent change 1990-99	87	96

* The most improved districts improved their total accountability scores both absolutely by more than 35 points and proportionately by more than 100 percent from 1993 through 2001. The least improved districts improved both absolutely by less than 28 points and proportionately by less than 75 percent from 1993 through 2001. A list of these districts can be found in the publication, "School District Performance in Kentucky" (August 2002), available in PDF format at http://www.uky.edu/~proeder/keraweb.htm.

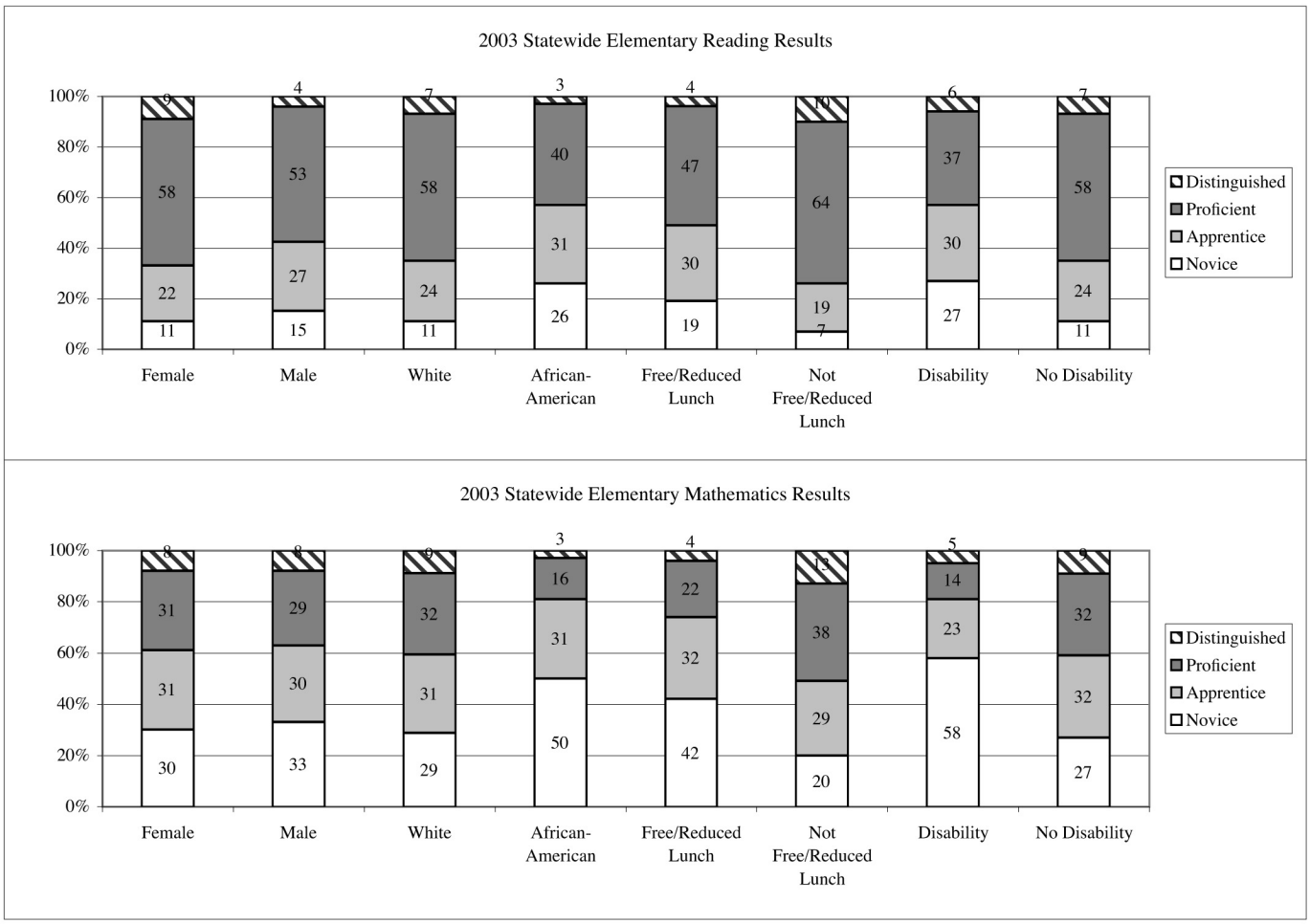
TABLE 4
Needs and Resources for Projected Successful and Unsuccessful Districts*

	Successful (n=16)	Unsuccessful (n=26)
NEEDS		
Size (Average Daily Attendance)		
1991	3,484	2,325
2001	3,970	2,007
Percent Change	8.7	-10.2
Poverty (Percent Subsidized Meals)		
1992	26.3	59.5
2001	32.6	66.4
Percent Change	24.1	16.7
RESOURCES		
Local Revenue per Pupil		
1991	961	542
2001	2,377	1,430
Percent Change	153	183
Total Revenue per Pupil		
1991	$3,767	$4,066
2001	6,650	7,668
Percent Change	77	89
Teacher Salary		
1991	$28,925	$27,805
2001	35,916	34,859
Percent Change	24	25

**The projected successful districts are most likely to reach an accountability score of 100 points by 2014 based on Method C from a previous project projecting which schools are likely to meet the minimum goal by 2014 – "The KERA Endgame" (November 2001) http://www.uky.edu/~proeder/keraweb.htm. Successful districts are projected to score over 110 points by 2014 and scored at least 70 points on the CATS accountability scale in 2001; unsuccessful districts are projected to score less than 85 points by 2014 and scored less than 65 points in 2001. The districts in each group are listed in an Appendix at the above website. There are many other districts projected to reach 100 points by 2014 using the model, however this table compares districts most and least likely to achieve the minimum score.*

APPENDIX D

COLLECTIVE PROGRESS IS NOT ENOUGH: DEALING WITH THE ACHIEVEMENT GAP



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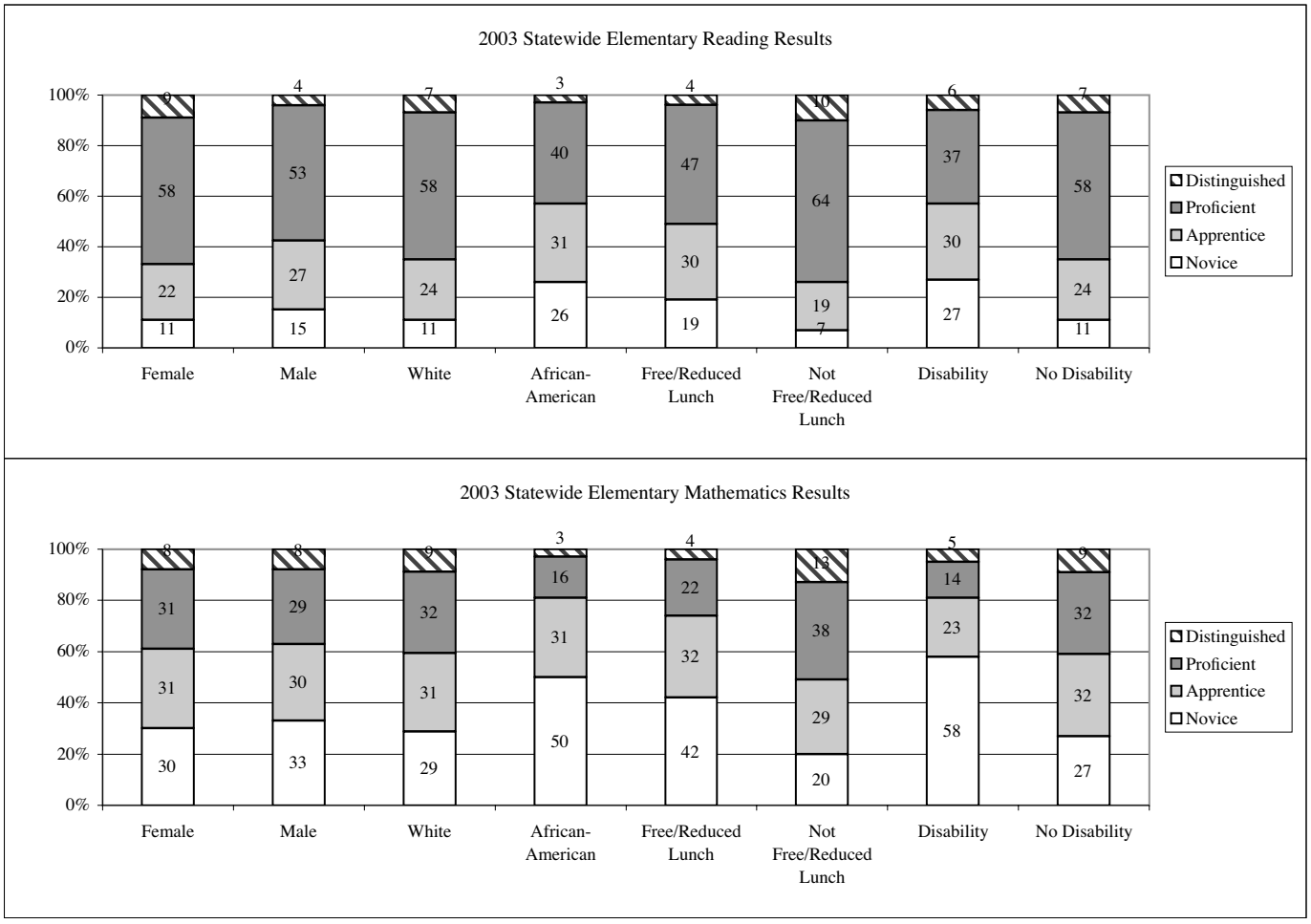
2003 Statewide Elementary Reading Results
100%
80%
60%
40%
20%
0%
Female
Male
White
African-American
Free/Reduced Lunch
Not Free/Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice
9
58
22
11
4
53
27
15
7
58
24
11
3
40
31
26
4
47
30
19
10
64
19
7
6
37
30
27
7
58
24
11
2003 Statewide Elementary Mathematics Results
8
31
31
30
8
29
30
33
9
32
31
29
3
16
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4
22
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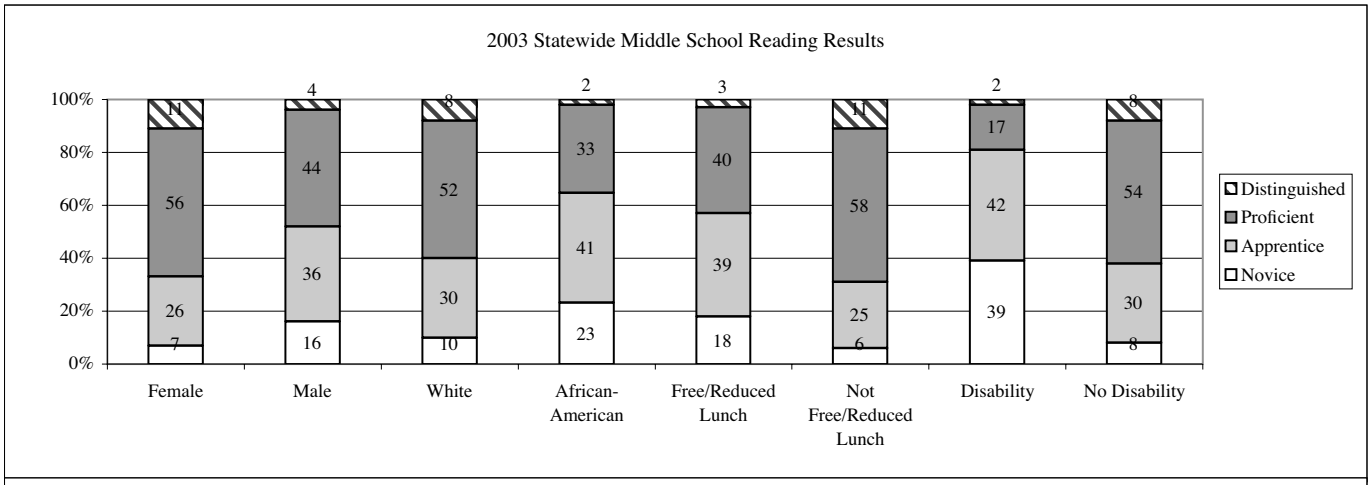
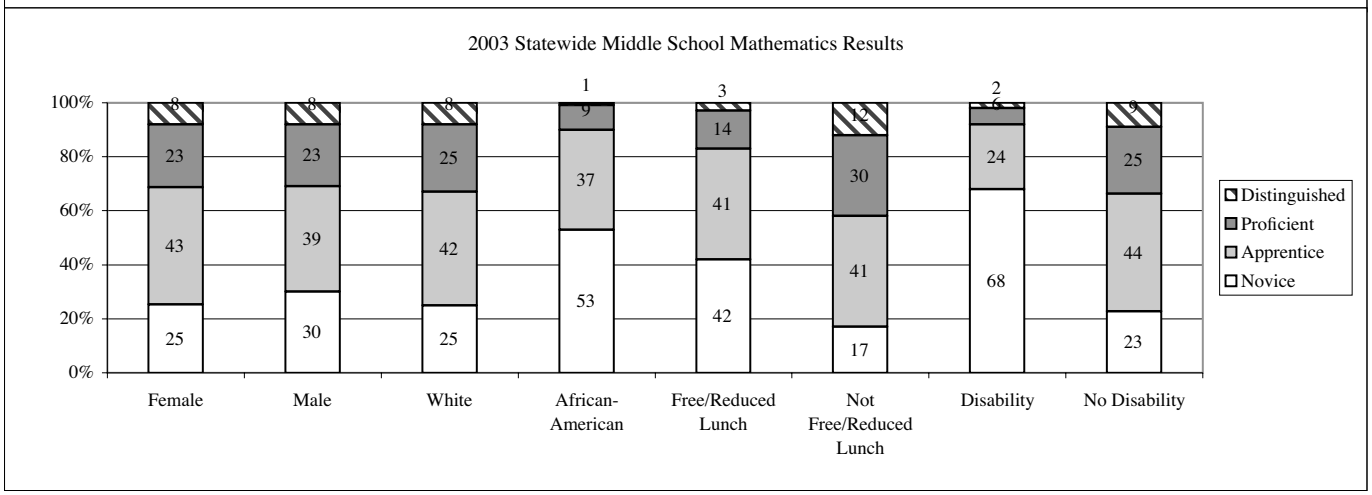
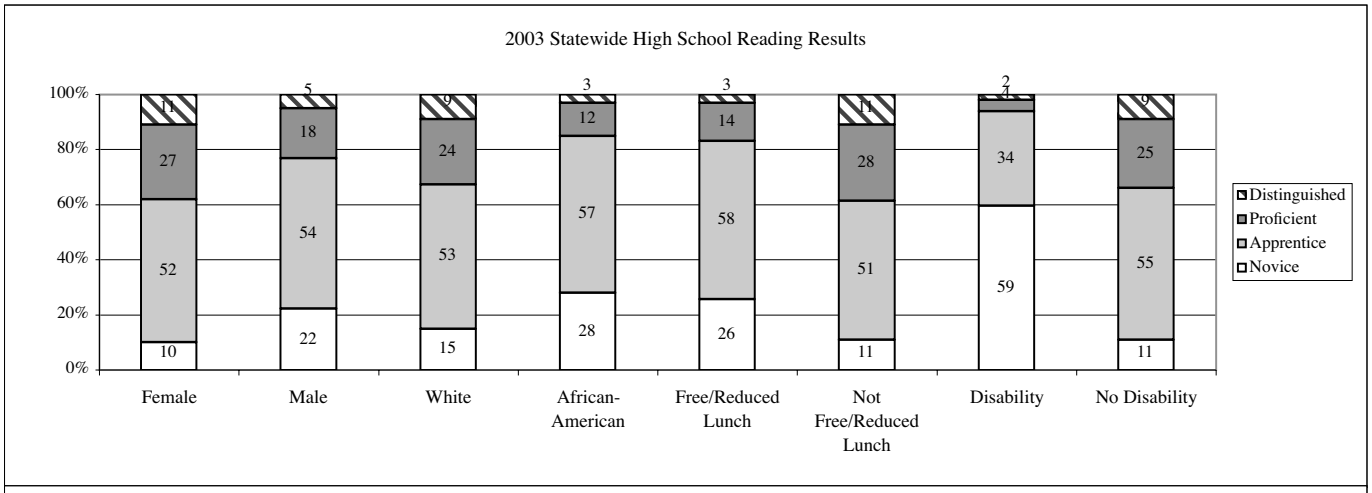
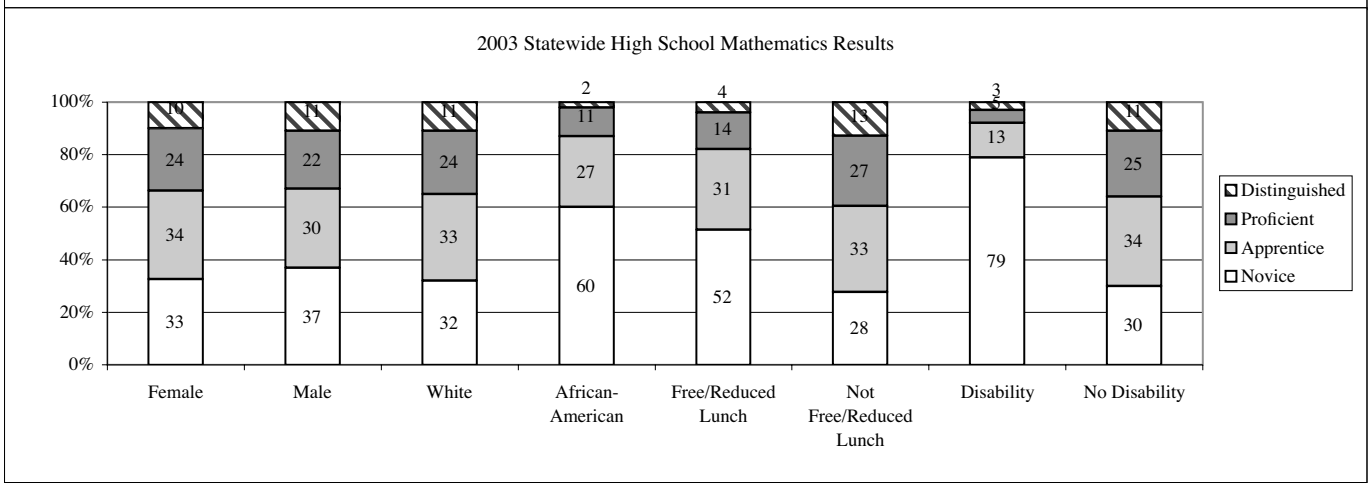
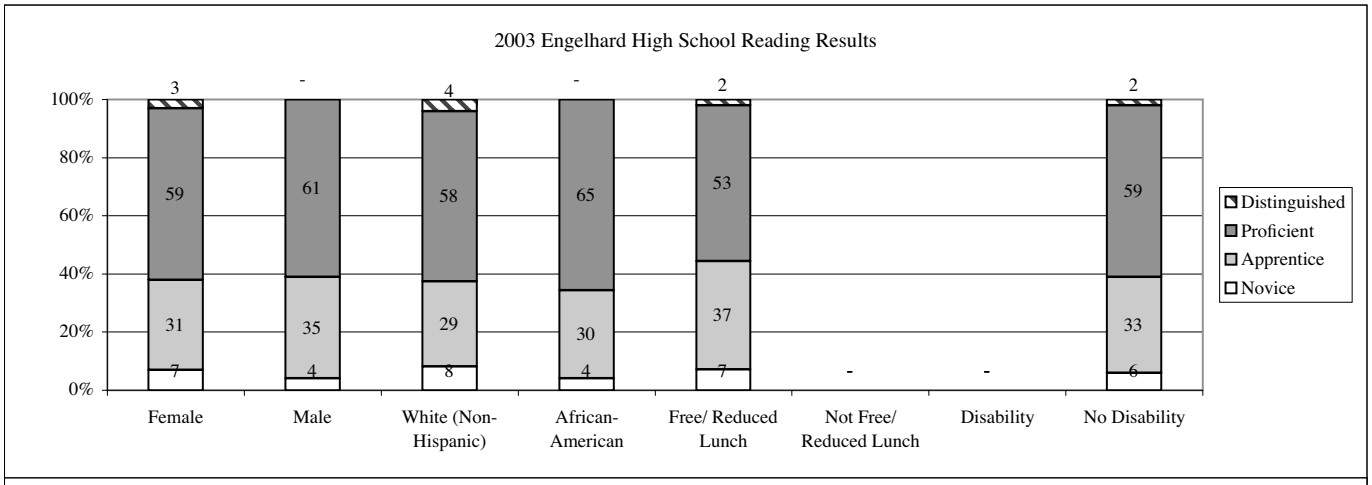
23
58
9
32
32
27

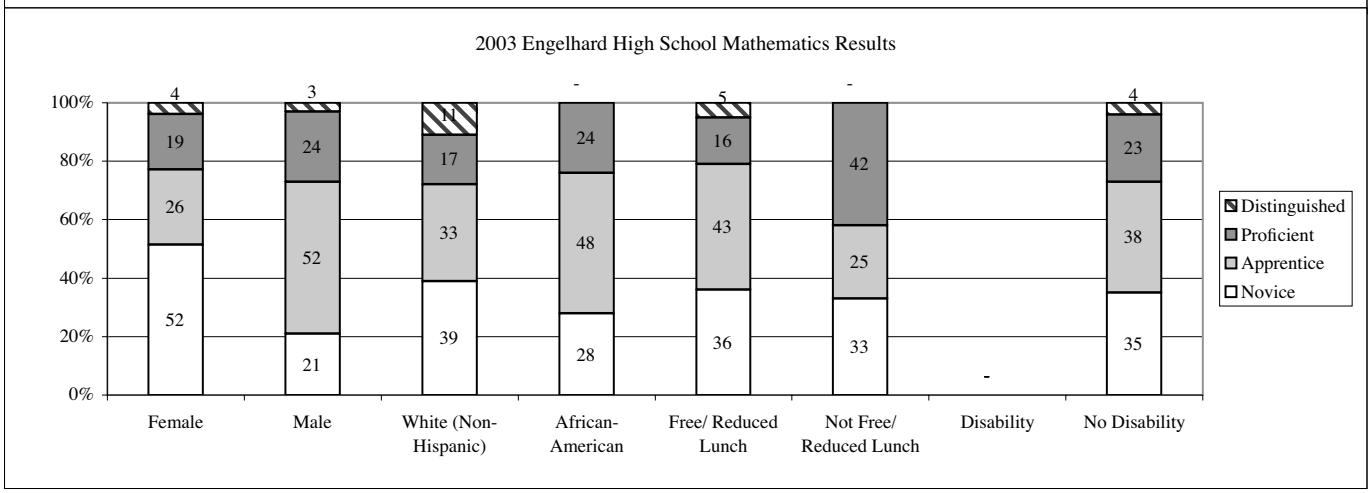

2003 Statewide Middle School Reading Results
100%
80%
60%
40%
20%
0%
Female
Male
White
African-American
Free/Reduced Lunch
Not Free/Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice
11
56
26
7
4
44
36
16
8
52
30
10
2
33
41
23
3
40
39
18
11
58
25
6
2
17
42
39
8
54
30
8

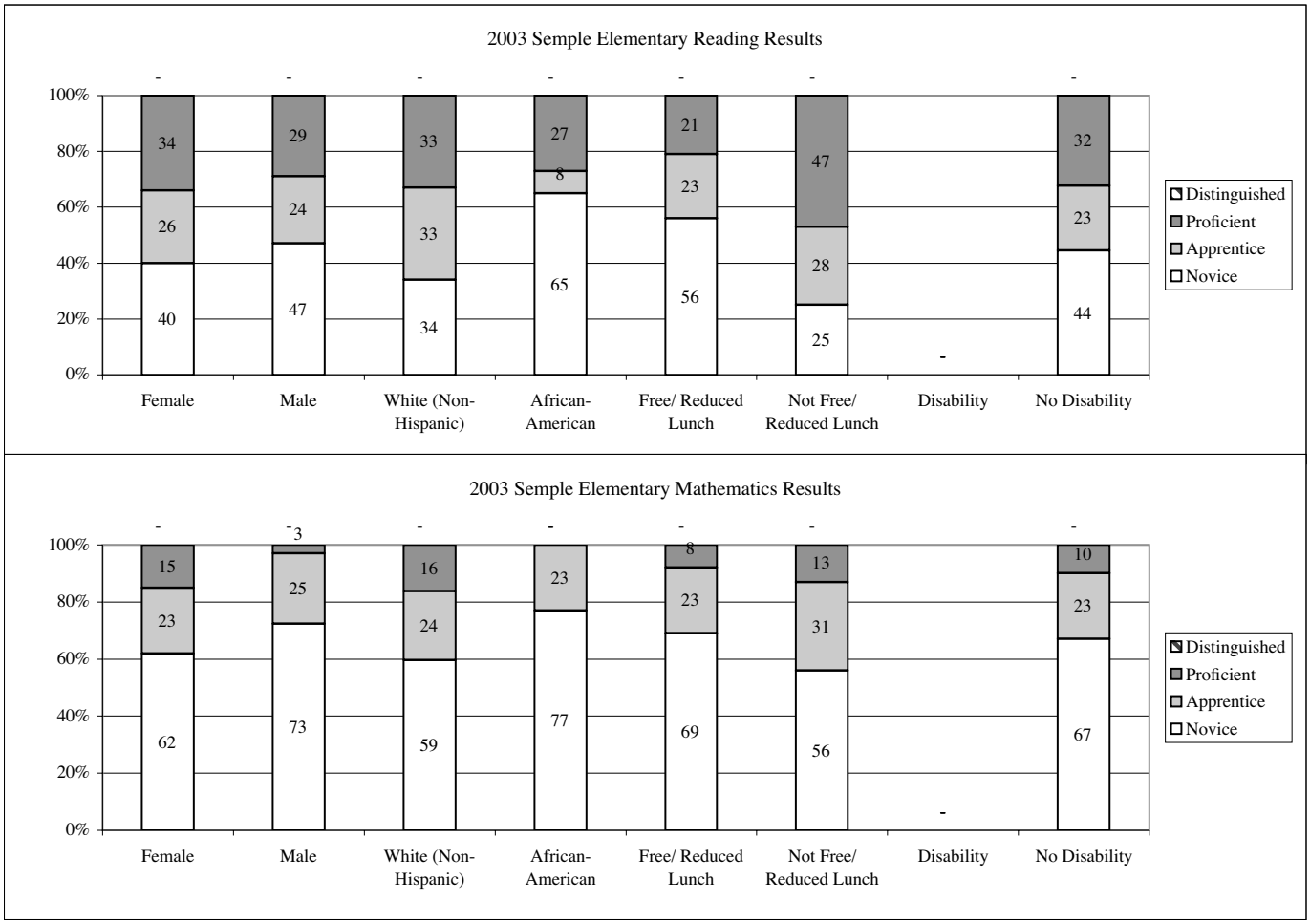

2003 Statewide Middle School Mathematics Results
100%
80%
60%
40%
20%
0%
Female
Male
White
African-American
Free/Reduced Lunch
Not Free/Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice
8
23
43
25
8
23
39
30
8
25
42
25
1
9
37
53
3
14
41
42
12
30
41
17
2
6
24
68
9
25
44
23

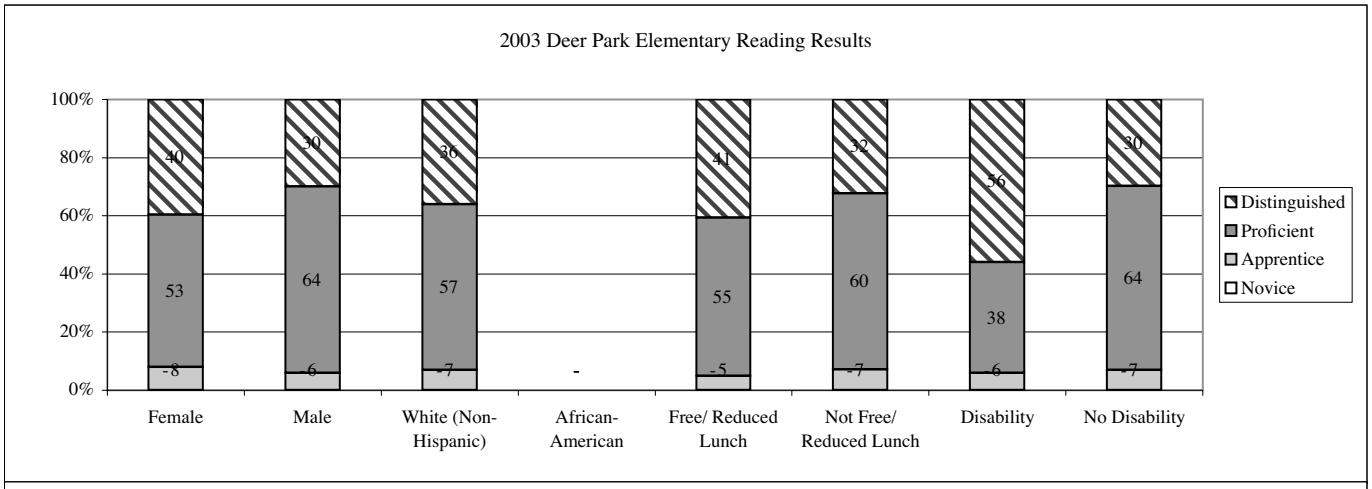

2003 Statewide High School Reading Results
100%
80%
60%
40%
20%
0%
Female
Male
White
African-American
Free/Reduced Lunch
Not Free/Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice

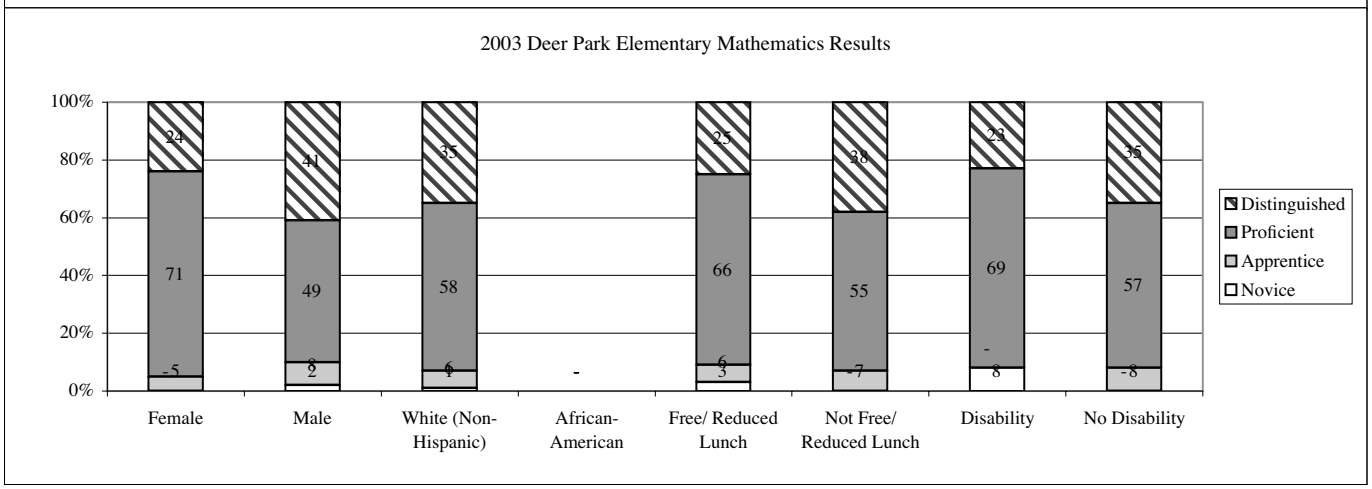

2003 Statewide High School Mathematics Results
100%
80%
60%
40%
20%
0%
Female
Male
White
African-American
Free/Reduced Lunch
Not Free/Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice

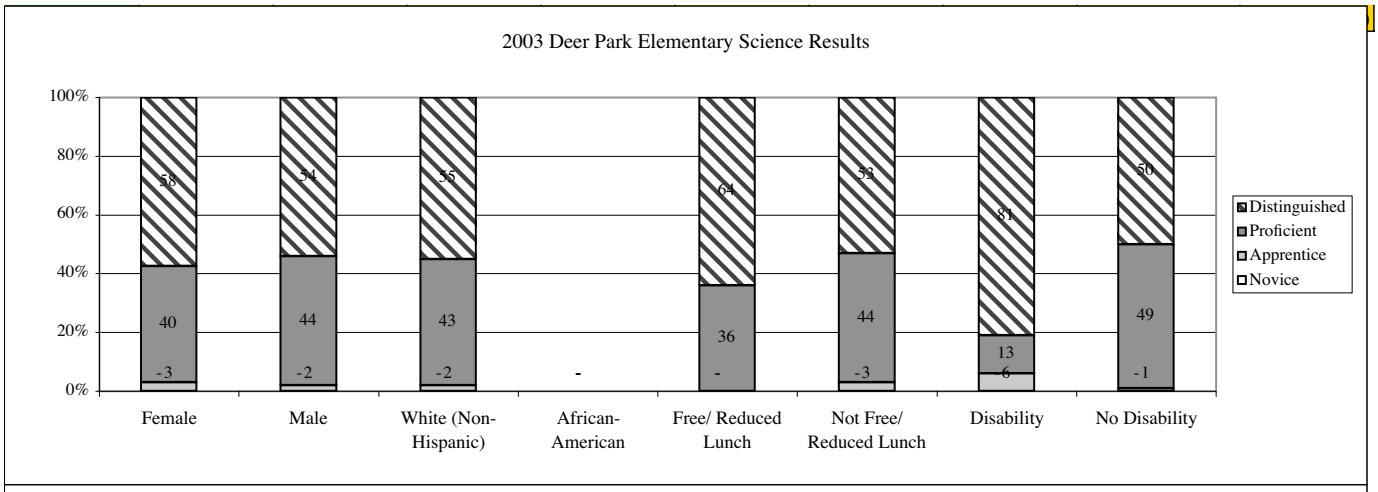

2003 Engelhard High School Reading Results
100%
80%
60%
40%
20%
0%
3
-
4
-
2
2
59
61
58
65
53
59
31
35
29
30
37
33
7
4
8
4
7
6
-
-
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice

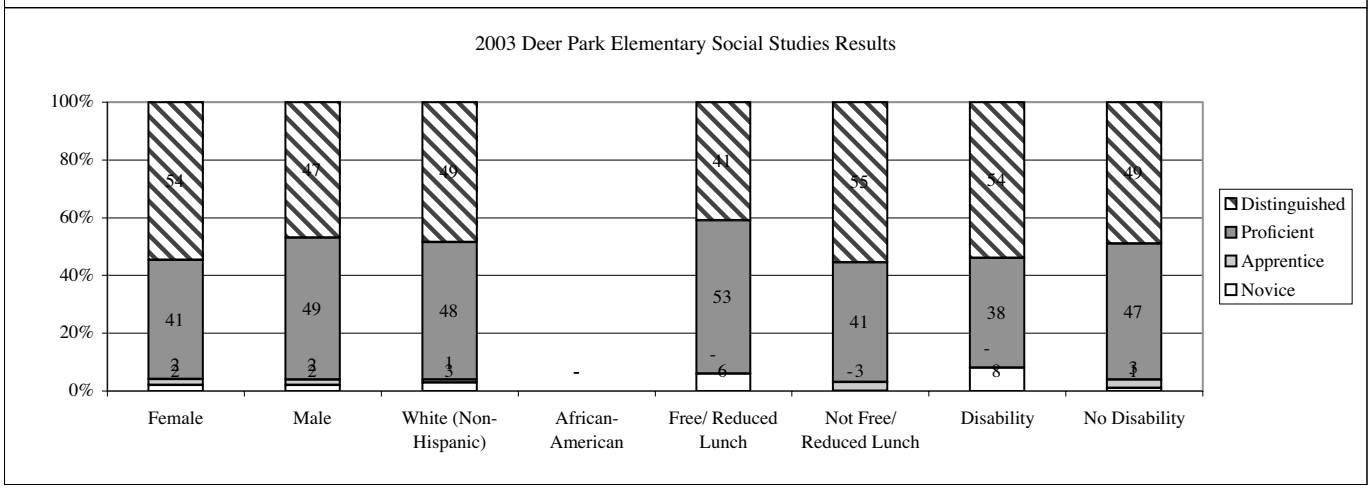

2003 Engelhard High School Mathematics Results
100%
80%
60%
40%
20%
0%
4
3
11
-
5
-
4
19
24
17
24
16
42
23
26
52
33
48
43
25
38
52
21
39
28
36
33
35
-
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice

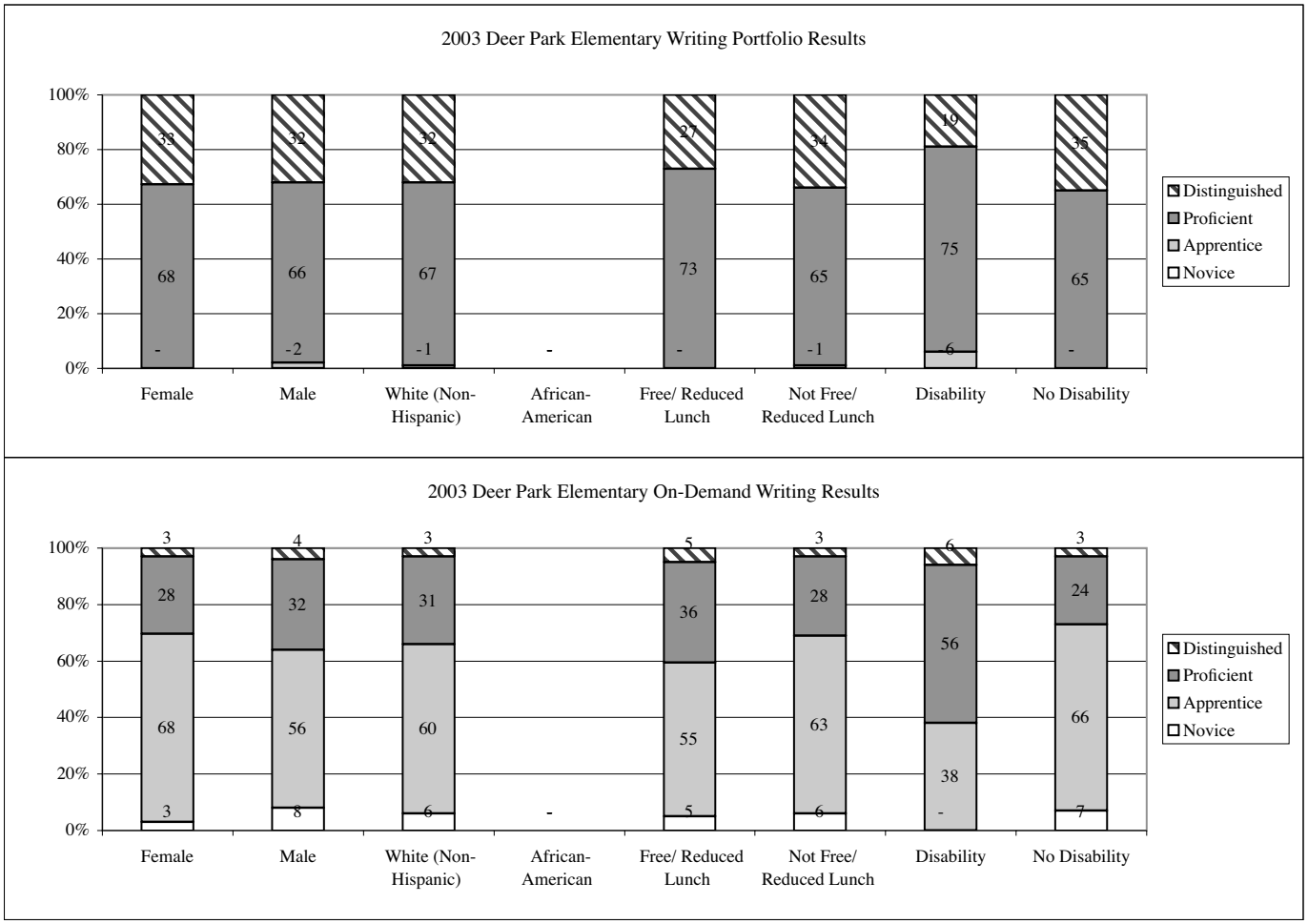

2003 Semple Elementary Reading Results
100%
80%
60%
40%
20%
0%
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice
2003 Semple Elementary Mathematics Results


2003 Deer Park Elementary Reading Results
100%
80%
60%
40%
20%
0%
40
53
-8
30
64
-6
36
57
-7
-
41
55
-5
32
60
-7
56
38
-6
30
64
-7
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice


2003 Deer Park Elementary Mathematics Results
100%
80%
60%
40%
20%
0%
24
71
-5
41
49
8
2
35
58
6
4
-
25
66
6
3
38
55
-7
23
69
-
8
35
57
-8
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice


2003 Deer Park Elementary Science Results
100%
80%
60%
40%
20%
0%
58
54
55
64
53
81
50
40
44
43
36
44
13
49
-3
-2
-2
-
-
-3
-6
-1
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice


2003 Deer Park Elementary Social Studies Results
100%
80%
60%
40%
20%
0%
54
47
49
41
55
54
49
41
49
48
53
41
38
47
3
3
1
-
-
-3
-
3
2
2
3
6
8
1
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice



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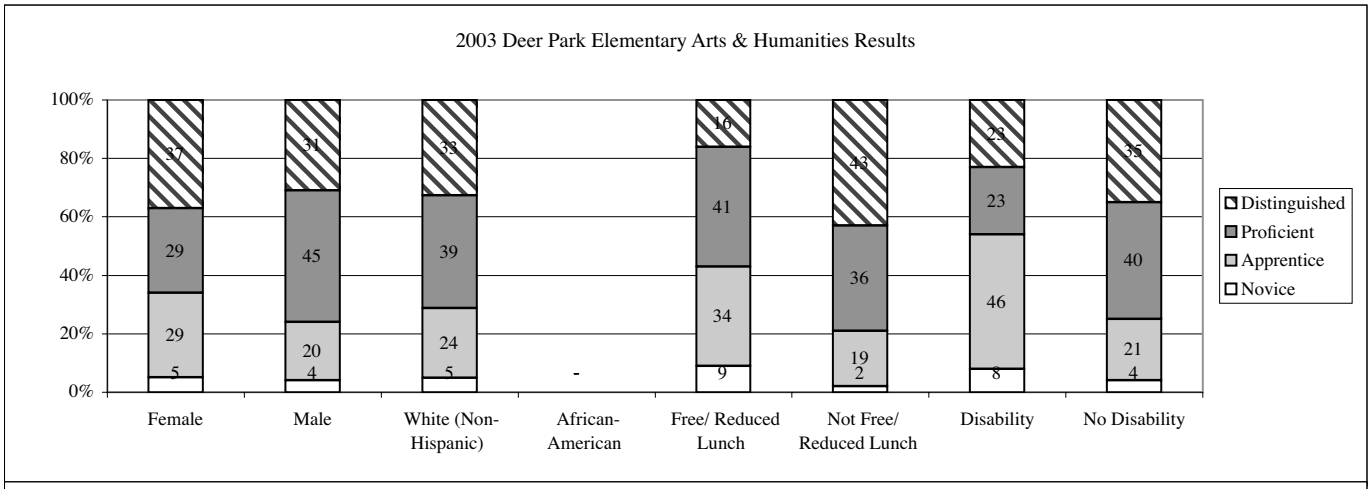
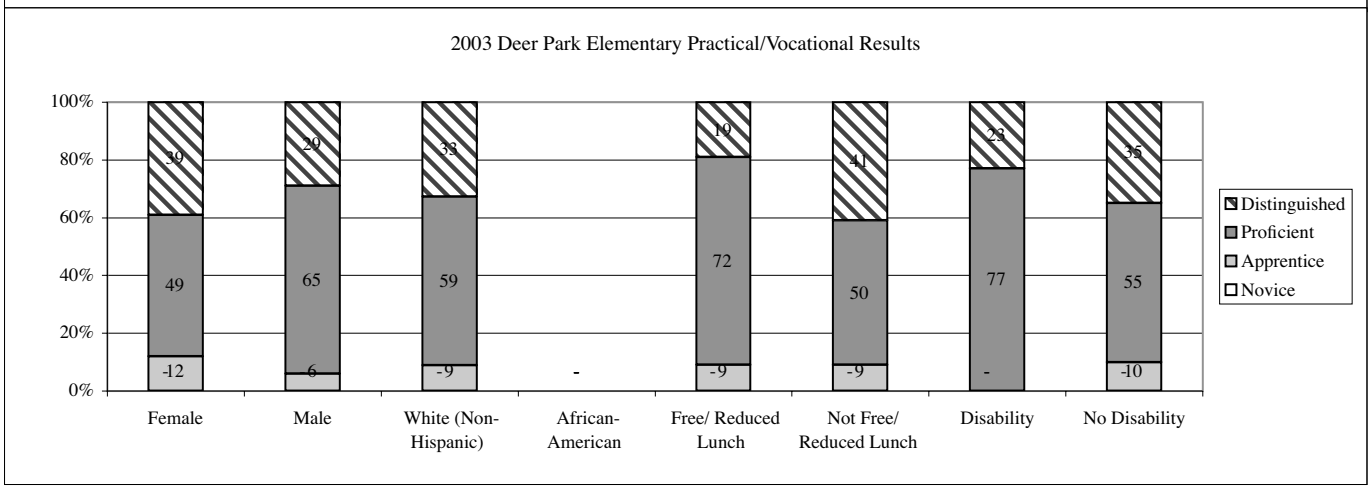

2003 Deer Park Elementary Arts & Humanities Results
100%
80%
60%
40%
20%
0%
37
29
29
5
31
45
20
4
33
39
24
5
-
16
41
34
9
43
36
19
2
23
23
46
8
35
40
21
4
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice


2003 Deer Park Elementary Practical/Vocational Results
100%
80%
60%
40%
20%
0%
39
49
-12
29
65
6
33
59
-9
-
19
72
-9
41
50
-9
23
77
-
35
55
-10
Female
Male
White (Non-Hispanic)
African-American
Free/ Reduced Lunch
Not Free/ Reduced Lunch
Disability
No Disability
Distinguished
Proficient
Apprentice
Novice

2003 DISTRICTS MEETING ANNUAL MEASURABLE OBJECTIVES UNDER NO CHILD LEFT BEHIND

AFRICAN-AMERICAN STUDENTS • READING

45 districts with enough students to report results

1. Bardstown Ind
2. Boone
3. Bowling Green Ind
4. Campbellsville Ind
5. Clark
6. Danville Ind
7. Daviess
8. Elizabethtown Ind
9. Erlanger-Elsmere Ind
10. Frankfort Ind
11. Franklin
12. Glasgow Ind
13. Hardin
14. Hopkins
15. Jessamine
16. Kenton
17. Madison
18. Marion
19. Mason
20. Mayfield Ind
21. McCracken
22. Meade
23. Muhlenberg
24. Newport Ind
25. Oldham
26. Owensboro Ind
27. Paducah Ind
28. Russellville Ind
29. Scott
30. Simpson
31. Todd
32. Trigg
33. Union
34. Warren
35. Washington
36. Woodford

AFRICAN-AMERICAN STUDENTS • MATHEMATICS

41 districts with enough students to report results

1. Bardstown Ind
2. Boone
3. Bowling Green Ind
4. Daviess
5. Elizabethtown Ind
6. Franklin
7. Fulton
8. Glasgow Ind
9. Harrodsburg Ind
10. Jessamine
11. Lincoln
12. Madison
13. Marion
14. Mason
15. Mayfield Ind
16. Muhlenberg
17. Oldham
18. Owensboro Ind
19. Paducah Ind
20. Paris Ind
21. Scott
22. Shelby
23. Trigg
24. Warren
25. Woodford

STUDENTS WITH DISABILITIES • READING

120 districts with enough students to report results

1. Ashland Ind
2. Bardstown Ind
3. Boone
4. Bowling Green Ind
5. Boyle
6. Butler
7. Calloway
8. Crittenden
9. Cumberland
10. Daviess
11. Edmonson
12. Elizabethtown Ind
13. Erlanger-Elsmere Ind
14. Estill
15. Glasgow Ind
16. Graves
17. Hancock
18. Harlan
19. Harrison
20. Harrodsburg Ind
21. Henderson
22. Henry
23. Johnson
24. Knox
25. Lewis
26. Logan
27. Magoffin
28. Marion
29. Mason
30. McLean
31. Meade
32. Morgan
33. Muhlenberg
34. Murray Ind
35. Oldham
36. Owensboro Ind
37. Powell
38. Rockcastle
39. Russell
40. Simpson
41. Spencer
42. Union
43. Whitley
44. Wolfe

STUDENTS WITH DISABILITIES • MATHEMATICS

109 districts with enough students to report results

1. Allen
2. Anderson
3. Ashland Ind
4. Bardstown Ind
5. Boone
6. Bracken
7. Breckinridge
8. Butler
9. Calloway
10. Clark
11. Corbin Ind
12. Crittenden
13. Danville Ind
14. Daviess
15. Edmonson
16. Franklin
17. Garrard
18. Graves
19. Grayson
20. Henry
21. Jackson
22. Johnson
23. Kenton
24. Lewis
25. Logan
26. Magoffin
27. Marshall
28. Mason
29. McCracken
30. McLean
31. Metcalfe
32. Muhlenberg
33. Newport Ind
34. Ohio
35. Oldham
36. Owensboro Ind
37. Paducah Ind
38. Pike
39. Powell
40. Rockcastle
41. Rowan
42. Russell
43. Russell Ind

STUDENTS IN THE FREE & REDUCED LUNCH PROGRAM • READING

167 districts with enough students to report results

1. Adair
2. Anderson
3. Ashland Ind
4. Augusta Ind
5. Ballard
6. Barbourville Ind
7. Bardstown Ind
8. Barren
9. Bath
10. Bell
11. Boone
12. Bourbon
13. Bowling Green Ind
14. Boyd
15. Boyle
16. Bracken
17. Breathitt
18. Breckinridge
19. Bullitt
20. Butler
21. Caldwell
22. Calloway
23. Campbell
24. Campbellsville Ind
25. Carlisle
26. Carroll
27. Carter
28. Casey
29. Clark
30. Clay
31. Clinton
32. Cloverport Ind
33. Corbin Ind
34. Crittenden
35. Cumberland
36. Daviess
37. Dawson Springs Ind
38. Dayton Ind
39. East Bernstadt Ind
40. Edmonson
41. Elizabethtown Ind
42. Elliott
43. Eminence Ind
44. Erlanger-Elsmere Ind
45. Estill
46. Fairview Ind
47. Fleming
48. Floyd
49. Frankfort Ind
50. Franklin
51. Fulton Ind
52. Garrard
53. Glasgow Ind
54. Grant
55. Graves
56. Grayson
57. Green
58. Hancock
59. Hardin
60. Harlan
61. Harlan Ind
62. Harrison
63. Harrodsburg Ind
64. Hart
65. Hazard Ind
66. Henderson
67. Henry
68. Hickman
69. Hopkins
70. Jackson
71. Jackson Ind
72. Jenkins Ind
73. Jessamine
74. Johnson
75. Kenton
76. Knott
77. Knox
78. LaRue
79. Laurel
80. Lee
81. Leslie
82. Letcher
83. Lewis
84. Lincoln
85. Livingston
86. Logan
87. Ludlow Ind
88. Lyon
89. Madison
90. Magoffin
91. Marion
92. Marshall
93. Mason
94. Mayfield Ind
95. McCracken
96. Meade
97. Menifee
98. Metcalfe
99. Middlesboro Ind
100. Monroe
101. Montgomery
102. Monticello Ind
103. Morgan
104. Muhlenberg
105. Murray Ind
106. Nelson
107. Newport Ind
108. Nicholas
109. Ohio
110. Oldham
111. Owensboro Ind
112. Paducah Ind
113. Paintsville Ind
114. Paris Ind
115. Pendleton
116. Perry
117. Pike
118. Pikeville Ind
119. Pineville Ind
120. Powell
121. Pulaski
122. Raceland Ind
123. Robertson
124. Rockcastle
125. Rowan
126. Russell
127. Russell Ind
128. Russellville Ind
129. Science Hill Ind
130. Scott
131. Simpson
132. Somerset Ind
133. Spencer
134. Taylor
135. Todd
136. Trigg
137. Trimble
138. Union
139. Walton-Verona Ind
140. Warren
141. Washington
142. Wayne
143. Webster
144. West Point Ind
145. Whitley
146. Williamsburg Ind
147. Williamstown Ind
148. Wolfe
149. Woodford

STUDENTS IN THE FREE & REDUCED LUNCH PROGRAM • MATHEMATICS

163 districts with enough students to report results

1. Adair
2. Allen
3. Anderson
4. Ashland Ind
5. Ballard
6. Barbourville Ind
7. Bardstown Ind
8. Barren
9. Bath
10. Berea Ind
11. Boone
12. Bourbon
13. Bowling Green Ind
14. Boyd
15. Boyle
16. Bracken
17. Breckinridge
18. Bullitt
19. Butler
20. Caldwell
21. Calloway
22. Campbell
23. Campbellsville Ind
24. Carlisle
25. Carroll
26. Casey
27. Clark
28. Clay
29. Clinton
30. Corbin Ind
31. Crittenden
32. Cumberland
33. Danville Ind
34. Daviess
35. Dawson Springs Ind
36. Dayton Ind
37. East Bernstadt Ind
38. Edmonson
39. Elizabethtown Ind
40. Elliott
41. Erlanger-Elsmere Ind
42. Estill
43. Fairview Ind
44. Fleming
45. Floyd
46. Frankfort Ind
47. Franklin
48. Fulton Ind
49. Garrard
50. Glasgow Ind
51. Grant
52. Graves
53. Grayson
54. Green
55. Hancock
56. Hardin
57. Harrison
58. Harrodsburg Ind
59. Hart
60. Hazard Ind
61. Henderson
62. Henry
63. Hickman
64. Hopkins
65. Jackson
66. Jackson Ind
67. Jenkins Ind
68. Jessamine
69. Johnson
70. Kenton
71. Knott
72. LaRue
73. Laurel
74. Lawrence
75. Lee
76. Leslie
77. Letcher
78. Lewis
79. Lincoln
80. Livingston
81. Logan
82. Ludlow Ind
83. Lyon
84. Madison
85. Magoffin
86. Marion
87. Marshall
88. Martin
89. Mason
90. Mayfield Ind
91. McCracken
92. McLean
93. Meade
94. Menifee
95. Mercer
96. Metcalfe
97. Middlesboro Ind
98. Monroe
99. Montgomery
100. Monticello Ind
101. Morgan
102. Muhlenberg
103. Murray Ind
104. Nelson
105. Newport Ind
106. Ohio
107. Oldham
108. Owen
109. Owensboro Ind
110. Owsley
111. Paducah Ind
112. Paintsville Ind
113. Paris Ind
114. Perry
115. Pike
116. Pineville Ind
117. Powell
118. Providence Ind
119. Pulaski
120. Raceland Ind
121. Robertson
122. Rockcastle
123. Rowan
124. Russell
125. Russell Ind
126. Russellville Ind
127. Science Hill Ind
128. Scott
129. Shelby
130. Simpson
131. Somerset Ind
132. Taylor
133. Todd
134. Trigg
135. Trimble
136. Warren
137. Washington
138. Wayne
139. Webster
140. Whitley
141. Williamsburg Ind
142. Williamstown Ind
143. Wolfe
144. Woodford

APPENDIX E

COLLECTIVE PROGRESS IS NOT ENOUGH: DEALING WITH THE ACHIEVEMENT GAP

STATEWIDE STATISTICS

REPORT SHEDS LIGHT ON STATE'S ACHIEVEMENT GAP
(The Kentucky Commission on Human Rights)

I. DISABLED STUDENTS v. Non-Disabled

Score Gap = 25%

II. LOW INCOME STUDENTS v. Counterparts

Score Gap = 20%

III. AFRICAN AMERICAN STUDENTS v White

Score Gap = 15%

IV. HISPANIC STUDENTS

Score Gap = 15%

Reported –October 6, 2003 *BUSINESS FIRST JOURNAL*

NATIONAL MODELS: ACHIEVMENT GAP

1. NORTH CAROLINA

THE LARGEST GAINS IN MATHEMATICS AND READING ACHIEVEMENT IN THE NATION.

Professional development academies
Adopted national board certification incentives
Established stronger licensing requirements for teachers
Mandated teacher mentoring programs.

2. MISSOURI

CONCLUDED THAT TEACHER QUALITY IS THE SINGLE MOST IMPORTANT FACTOR IN CLOSING THEIR ACHIEVEMENT GAP.

Provide financial incentives to attract and retain high quality teachers at low performing schools
Hold teacher preparation (college) programs accountable for the performance of their graduates
Assess the content knowledge of teachers in low performing schools and provide content based professional development for those teachers with deficiencies**.**

3. EL PASCO, TEXAS

AFTER 5 YEARS, THE DISTRICT HAD **REDUCED** THE WHITE/BLACK GAP TO 9% **DOWN** FROM **31%** AS MEASURED ON PASS RATES ON THE STATE'S ASSESSMENT TEST.

Hired 50 full-time teacher coaches
Held Intensive Summer Institutes for teachers
Convened monthly meetings for teachers within subject areas.
The universities overhauled their teacher preparation programs.
Elementary Education majors take **TWICE** as many math and science courses as their predecessors.

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