University of Kentucky

Gatton College of Business and Economics

Institute for the Study of Free Enterprise



New study finds large, long-term increases in Kentucky K-12 funding, but little improvement in test scores

- After controlling for inflation, funding for Kentucky Public K-12 Education increased 80% between 1990 and 2019
- In this time period there have been only small increases in National Assessment of Educational Progress test scores, with no increases since 2009
- The percent of African American students whose test scores are in the lowest possible category is roughly double that of students in general, highlighting racial inequities

In a new paper, John Garen, BB&T Professor of Economics in the Gatton College of Business and Economics at the University of Kentucky and ISFE affiliate, examines and discusses facts and trends on public education in the state of Kentucky from 1990-2019. He finds that after adjusting for inflation, per pupil funding has risen 80% in the time period, however, in the same period National Assessment of Educational Progress (NAEP) test scores rose by only small amounts: grade 4 reading rose by 4%, grade 4 math by 11.1%, grade 8 reading by 0.3%, and grade 8 math by 8.1%. Troublingly however, since 2009, these scores have either flatlined or fallen. ACT scores have also flatlined in the commonwealth. Garen also highlights the concerning fact that the portion of African American students that score poorly on these tests is roughly double those of the student population as a whole.

Garen compares a sampling of tuition rates at Kentucky private schools to district level funding for public schools and finds that tuition at all but the most elite and exclusive private schools is lower, sometimes substantially so, than funding for public schools.

The public schools system seems unable to address these problems. One reason, Garen notes, is that "many local schools have little significant competition. Moreover, garnering more school funding typically entails lobbying Frankfort, or the local school board, rather than satisfying parents. The forces of choice and competition . . . are powerful ones that have served us well in the provision of many critical goods and services including food, housing, clothing, fuel, automobiles, and numerous others. They also can serve us well in providing schooling."

He continues, "there are a host of policy initiatives that move toward embracing choice and competition. They include voucher programs, educational savings accounts, charter schools, individual tax credits, and scholarship tax credits. Programs of this nature have been implemented elsewhere, have helped embrace choice and competition, and generally are shown to be effective."