

2006 School Finance Report

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Foreword

The Office of Education Accountability (OEA) is statutorily mandated through KRS 7.410 to analyze the level of equity achieved by the Support Education Excellence in Kentucky funding system and whether adequate funds are available to all school districts. Since 1990, OEA has conducted reviews of school finance issues, primarily focusing on the level of equity achieved by the funding system.

This report is a supplement to the 2005 School Finance Report, and it includes final, audited fiscal year 2005 revenue amounts for local school districts rather than preliminary, unaudited FY 2005 data. The supplement also reports revised revenue amounts for fiscal years 2003 and 2004. These revisions are minor and reflect changes reported by the Kentucky Department of Education for these years.

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Summary

In June 2006, the Office of Education Accountability (OEA) presented the 2005 School Finance Report to the Education Assessment and Accountability Review Subcommittee. That report analyzed local and state education revenue from fiscal year 1990 through FY 2005. The 2005 data were preliminary (unaudited) data. Based on these data, OEA staff concluded that the equity gap (the difference in available revenue for the districts with the greatest local property wealth compared to districts with lower local property wealth) was narrowing and that it was lower in every year after education reform than it had been in FY 1990. Final (audited) data for FY 2005 are now available and form the basis of this report. Based on these data, the equity gap is wider than initially reported; although, it is still 4 percent less than it was before the Kentucky Education Reform Act was enacted. When adjusted for inflation, the equity gap shows greater success in reaching equity and a more consistent narrowing of the gap over time than is evident in the unadjusted dollar analysis.

This report also contains revised revenue amounts for fiscal years 2003 and 2004. These reflect minor changes reported by the Kentucky Department of Education.

2006 School Finance Report

Introduction

The 2005 School Finance Report, presented to the Education Assessment and Accountability Review Subcommittee in June 2006, contained unaudited, preliminary data for fiscal year 2005. Based on these data, the Office of Education Accountability concluded that the equity gap was narrowing. Final data for FY 2005 indicate that the equity gap is wider than initially reported.

In June 2006, the Office of Education Accountability (OEA) presented the 2005 School Finance Report to the Education Assessment and Accountability Review Subcommittee. That report analyzed local and state education revenue from fiscal year 1990 through FY 2005. The 2005 data were unaudited, preliminary data. Based on these data, OEA staff concluded that the equity gap (the difference in available revenue for the districts with the greatest local property wealth, compared to districts with lower local property wealth) was narrowing, and that it was lower in every year after education reform than it had been in FY 1990. Final (audited) data for FY 2005 are now available and form the basis of this report. Based on these data, the equity gap is wider than initially reported, although it is still 4 percent less than it was before the Kentucky Education Reform Act (KERA) was enacted.

This report is a supplement to the 2005 School Finance Report, and it includes final (audited) FY 2005 revenue amounts for local school districts rather than preliminary (unaudited) FY 2005 data. The supplement also reports revised revenue amounts for fiscal years 2003 and 2004. These revisions are minor and reflect changes reported by the Kentucky Department of Education for these years.

School Finance Revenue

OEA's Finance Reports have historically examined the level of equity among school districts in available revenue through a method in which school districts are placed in five groupings or quintiles. Each quintile represents roughly one-fifth of the state's students.

OEA's Finance Reports have historically examined the level of equity among school districts in available revenue through a method in which school districts are placed in five groupings or quintiles, based upon the district's per-pupil local property assessment. Each quintile represents roughly one-fifth of the state's students. Quintile 1 contains the state's districts with the lowest per-pupil local property wealth, and Quintile 5 contains the districts with the highest property wealth. Equity is measured by the average local and state (combined) revenue for each quintile. If over time the difference in per-pupil revenue increases between the wealthiest districts (Quintile 5) and other districts, this illustrates a widening of the equity gap. If the difference decreases, equity is improving.

Local and State Revenue

The greatest rate of growth in local and state revenues occurred in the lowest wealth quintile, referred to as Quintile 1.

The gap in local and state per-pupil revenue between the highest wealth quintile and the other wealth quintiles from FY 1990 through FY 2005 is shown in Appendix A, Figure A.A, along with

the percent change in revenues during the 15-year period. The greatest rate of growth in local and state revenues occurred in the lowest wealth quintile. From FY 1990 to FY 2005, local and state revenues increased 147 percent, from \$2,665 to \$6,588, in Quintile 1. During this period, local and state revenues grew by 89 percent, from \$4,223 to \$7,964 in Quintile 5. When adjusted for inflation using the Bureau of Labor Statistic's Consumer Price Index, local and state revenues increased 64 percent in Quintile 1 and 25 percent in Quintile 5 over the 15-year period. Appendix B reports the results of per-pupil revenues in constant 1990 dollars.

While Appendix A, Figure A.A illustrates variations in the amount of local and state revenues and reports the amount of revenues received by each quintile over time, Table 1 converts these data to a measure of equity among the wealth quintiles. Local and state per-pupil revenue in FY 1990 was \$4,223 in Quintile 5, compared to \$2,665 in Quintile 1, for a difference of \$1,558. Table 1 reports the differences in funding between Quintile 5 and each of the other quintiles from FY 1990 to FY 2005. Adding Quintile 5's and Quintile 1's difference of \$1,558 to the corresponding differences between Quintile 5 and Quintiles 2 through 4 results in an aggregate difference of \$5,352. As equity improves, the sum of differences between Quintile 5 and Quintiles 1 through 4 will narrow. The FY 1990 figure is the pre-reform baseline against which the FY 1991 through FY 2005 data will be compared.

Local and state education funding inequity has reached a high of \$5,157 in FY 2005, just 4 percent below the gap in FY 1990.

Table 1 reports both unadjusted and constant dollar amounts. Panel 1 of the table shows that for unadjusted (nominal) revenue, the equity gap has been narrower in all years since KERA was enacted than it was in FY 1990. Over the years, the gap has narrowed and then widened, reaching a high of \$5,157 in FY 2005, just 4 percent below the gap in FY 1990.

The inflation-adjusted equity gap reported in Panel 2 of Table 1 is narrower than that shown in Panel 1 for unadjusted dollars.

As shown in Panel 2, the inflation-adjusted gap was \$3,416 in FY 2005, a decrease of 36 percent from FY 1990. The inflation-adjusted equity gap reported in Panel 2 is narrower than that shown in Panel 1 for unadjusted dollars. In addition, the year-to-year variations in the gap are smaller in the constant dollar analysis than is evident in Panel 1.

After the reform, revenues for Quintiles 1 through 4 ranged between 82 percent to 85 percent of the revenue received by Quintile 5 for the fiscal years 1995, 2000, and 2005.

Prior to the reform in 1990, the equity gap was apparent between the property-poor and property-rich districts. As reflected in Table 2, Quintiles 1 through 4 received between 63 percent and 76 percent of the local and state revenues received by the highest wealth quintile in FY 1990. After the reform, revenues for Quintiles 1 through 4 ranged between 82 percent to 85 percent of the revenue received by Quintile 5 for the fiscal years 1995, 2000, and 2005.

Table 1
Local and State Revenues: Difference in Quintiles 1-4 Per-pupil Revenue
Compared to Quintile 5 Per-pupil Revenue for FY 1990-FY 2005

Panel 1: Unadjusted Dollars

Fiscal Year	Quintile 5 Per-pupil Revenue Minus Lower Quintiles' Revenue				Q1-4 Aggregate Difference: Equity Gap	% Difference Compared to 1990
	Quintile 1	Quintile 2	Quintile 3	Quintile 4		
1990	\$1,558	\$1,432	\$1,340	\$1,022	\$5,352	
1991	\$1,142	\$1,087	\$1,034	\$883	\$4,147	-23%
1992	\$901	\$1,005	\$932	\$842	\$3,679	-31%
1993	\$921	\$1,019	\$1,027	\$895	\$3,862	-28%
1994	\$795	\$923	\$924	\$839	\$3,480	-35%
1995	\$847	\$962	\$992	\$928	\$3,729	-30%
1996	\$900	\$1,006	\$1,026	\$935	\$3,867	-28%
1997	\$726	\$851	\$907	\$926	\$3,410	-36%
1998	\$1,047	\$1,170	\$1,253	\$1,198	\$4,669	-13%
1999	\$1,188	\$1,253	\$1,287	\$1,276	\$5,004	-6%
2000	\$1,146	\$1,244	\$1,219	\$1,238	\$4,847	-9%
2001	\$1,171	\$1,250	\$1,275	\$1,219	\$4,915	-8%
2002	\$1,228	\$1,292	\$1,201	\$1,313	\$5,034	-6%
2003	\$1,204	\$1,186	\$1,136	\$1,199	\$4,726	-12%
2004	\$1,216	\$1,246	\$1,090	\$1,089	\$4,642	-13%
2005	\$1,376	\$1,367	\$1,227	\$1,187	\$5,157	-4%

Panel 2: FY 1990 Constant Dollars

Fiscal Year	Quintile 5 Per-pupil Revenue Minus Lower Quintiles' Revenue				Q1-4 Aggregate Difference: Equity Gap	% Difference Compared to 1990
	Quintile 1	Quintile 2	Quintile 3	Quintile 4		
1990	\$1,558	\$1,432	\$1,340	\$1,022	\$5,352	
1991	\$1,082	\$1,031	\$981	\$838	\$3,932	-27%
1992	\$827	\$923	\$857	\$773	\$3,380	-37%
1993	\$821	\$908	\$915	\$798	\$3,441	-36%
1994	\$690	\$801	\$802	\$728	\$3,022	-44%
1995	\$715	\$812	\$837	\$783	\$3,148	-41%
1996	\$739	\$827	\$843	\$769	\$3,178	-41%
1997	\$580	\$680	\$725	\$740	\$2,725	-49%
1998	\$822	\$919	\$984	\$940	\$3,665	-32%
1999	\$917	\$967	\$994	\$985	\$3,862	-28%
2000	\$860	\$933	\$915	\$928	\$3,635	-32%
2001	\$849	\$907	\$925	\$884	\$3,564	-33%
2002	\$875	\$921	\$856	\$936	\$3,587	-33%
2003	\$840	\$827	\$792	\$836	\$3,295	-38%
2004	\$830	\$850	\$744	\$743	\$3,167	-41%
2005	\$912	\$905	\$812	\$786	\$3,416	-36%

Sources: Staff compilation of Final Support Education Excellence in Kentucky (SEEK) Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

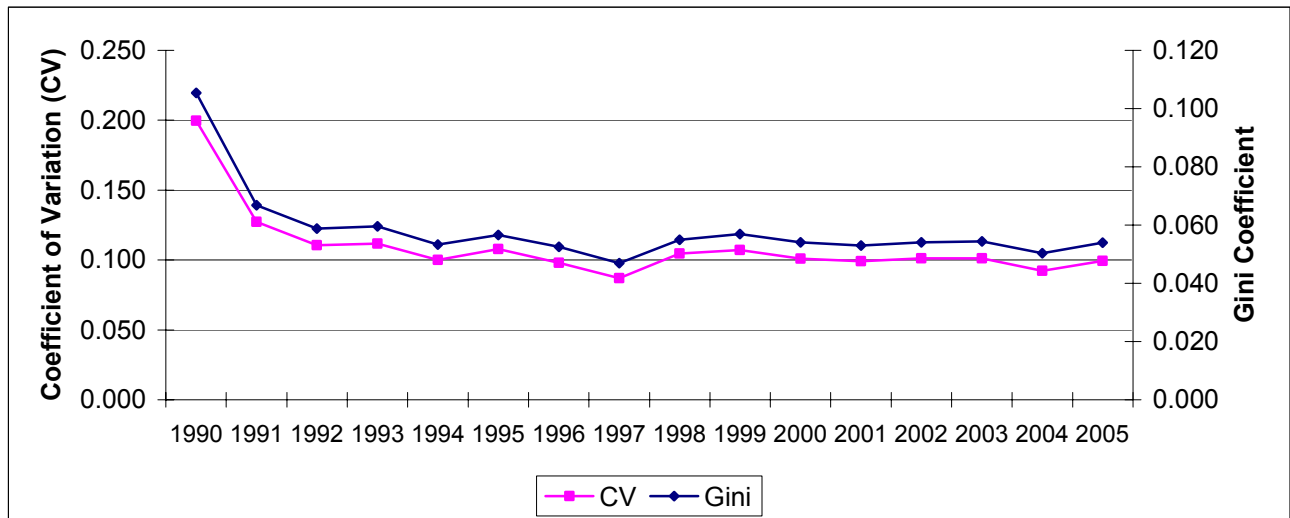
Table 2
Local and State Per-pupil Revenue by Property Wealth Quintile
as Percent of Quintile 5 for Select Years

Quintile	FY 1990	% of Q5	FY 1995	% of Q5	FY 2000	% of Q5	FY 2005	% of Q5
Q1 - Lowest Wealth	\$2,665	63%	\$4,644	85%	\$5,800	83%	\$6,588	83%
Q2	\$2,792	66%	\$4,530	82%	\$5,703	82%	\$6,598	83%
Q3	\$2,884	68%	\$4,500	82%	\$5,727	82%	\$6,738	85%
Q4	\$3,201	76%	\$4,564	83%	\$5,708	82%	\$6,777	85%
Q5 - Highest Wealth	\$4,223	100%	\$5,492	100%	\$6,946	100%	\$7,964	100%

Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A reports changes in per-pupil revenue equity as measured by two commonly used statistical measures of equity: the coefficient of variation and the Gini coefficient. Values closer to zero show greater equity. Differences between the two methods should not be interpreted as one showing more equity because they are based on different units of measurement. However, the relationship between the two is similar, and a comparison of Figure A with the last column of Table 1 shows that all methods of examining equity reveal similar patterns.

Figure A
Equity Measures for Local and State Per-pupil Revenue FY 1990-FY 2005



Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Local Revenue

In absolute terms, local revenue grew the most—\$2,950 per pupil—in the highest wealth quintile from FY 1990 to FY 2005. Local revenue grew the least—\$1,006—in the lowest wealth quintile for the same time period.

To analyze the revenue gap in further detail, local revenue is analyzed separately from state revenue. As shown in Appendix A, Figure A.B, local revenue grew the most in absolute terms in the highest wealth quintile—\$2,950 per pupil—increasing from \$2,103 per pupil in FY 1990 to \$5,053 in FY 2005. For the same time period, local revenue grew the least—\$1,006—in the lowest wealth quintile, increasing from \$355 per pupil to \$1,361. However, the lowest wealth quintile experienced the greatest rate of change, increasing 284 percent over the 15-year period. Appendix B, Figure B.B reports these changes in constant 1990 dollars. When adjusted for inflation, Quintile 1 grew by \$547, or 154 percent, and Quintile 5 grew by \$1,244, for a 59 percent increase over the 15-year period.

State Revenue

In absolute terms, state revenue grew the most—\$2,917 per pupil—in the lowest wealth quintile from FY 1990 to FY 2005. State revenue grew the least—\$791—in the highest wealth quintile for the same time period.

Per-pupil state revenue by wealth quintile from FY 1990 to FY 2005 is depicted in Appendix A, Figure A.C. State revenue grew the most in the lowest wealth quintile, increasing \$2,917 per pupil from \$2,310 in FY 1990 to \$5,227 in FY 2005. State revenue grew the least in the highest wealth quintile, increasing \$791 per pupil from \$2,120 to \$2,911 for the same time period. This relationship is also evident when the data are adjusted for inflation; although, the magnitude of dollar gains is less. As Appendix B, Figure B.C reports, in constant 1990 dollars, state revenue for Quintile 1 grew 50 percent from 1990 to 2005, while Quintile 5 state revenue fell by 9 percent, from \$2,120 to \$1,928 during this period.

As noted in the 2005 School Finance Report, the General Assembly appropriates funds to the Kentucky Department of Education for expenditures the department makes on behalf of school districts. These items include vocational schools, teacher retirement, health insurance, and life insurance. These payments have not been reflected in OEA's funding analysis thus far because school districts were not required to account for these funds until FY 2004. Table 3 reflects changes to district revenue when on-behalf-of payments are included for fiscal years 2004 and 2005.

Quintiles 1 through 4 received 20 to 27 percent more revenue per-pupil in FY 2004 when on-behalf-of payments are accounted for, while Quintile 5 received an additional 39 percent. In FY 2005, Quintiles 1 through 4 received 23 to 30 percent more from on-behalf-of payments, and Quintile 5 received 40 percent more revenue than seen in unadjusted revenues. In absolute terms,

Quintile 5 received the most on-behalf-of payments in FY 2004; and the second most, behind Quintile 1, in FY 2005.

Table 3
State Per-pupil Revenue by Property Wealth Quintile
Adjusted for State On-Behalf-Of Payments FY 2004 and FY 2005

FY 2004				
Quintile	Unadjusted	With On-Behalf-Of Payments	Difference	% Change
Q1 - Lowest Wealth	\$5,146	\$6,196	\$1,050	20%
Q2	\$4,589	\$5,545	\$956	21%
Q3	\$4,233	\$5,208	\$975	23%
Q4	\$3,438	\$4,376	\$937	27%
Q5 - Highest Wealth	\$2,841	\$3,963	\$1,122	39%

FY 2005				
Quintile	Unadjusted	With On-Behalf-Of Payments	Difference	% Change
Q1 - Lowest Wealth	\$5,227	\$6,450	\$1,223	23%
Q2	\$4,654	\$5,792	\$1,139	24%
Q3	\$4,312	\$5,447	\$1,135	26%
Q4	\$3,533	\$4,604	\$1,071	30%
Q5 - Highest Wealth	\$2,911	\$4,069	\$1,158	40%

Note: On-behalf-of payments are expenditures the Kentucky Department of Education makes with general fund appropriations. This spending covers expenses that might otherwise be paid for directly by school districts such as vocational schools, teacher retirement, health insurance, and life insurance.

Source: Staff calculations based on data provided by the Kentucky Department of Education, Division of School Finance.

Federal Revenue

In absolute terms, federal revenue grew the most—\$983 per pupil—in the lowest wealth quintile from FY 1990 to FY 2005. Federal revenue grew the least—\$436—in Quintile 4 for the same time period.

Although this analysis focuses primarily on local and state education funding because those are the funding sources that can be impacted through state policymaking, analysis of education funding is incomplete without discussion of the federal funds received by school districts. Appendix A, Figure A.D depicts the federal funds received by quintiles from FY 1990 through FY 2005. Federal revenue grew the most in Quintile 1, increasing \$983 per pupil from \$540 in FY 1990 to \$1,523 in FY 2005. Federal revenue grew the least in Quintile 4, increasing \$436 per pupil from \$292 to \$727 for the same time period.

When adjusted for inflation, the patterns of growth in federal revenue are similar to those reported for nominal dollars. As reported in Appendix B, Figure B.D, in constant 1990 dollars,

Quintile 1 grew by \$469, or 87 percent; while Quintile 4 grew the least, increasing by \$190, or 65 percent, over the 15-year period.

Total Revenue

The gap is actually wider between Quintiles 5 and 4 when federal revenue is included.

Appendix A, Figure A.E reflects total revenue and illustrates how the addition of federal funds helps reduce the equity gap between Quintile 5 and Quintiles 1 through 3. The gap is wider between Quintiles 5 and 4 when federal revenue is included because of the relatively lower amount of federal funds received by districts in Quintile 4.

In an analysis similar to Table 1 containing local and state revenue, Table 4 converts the total per-pupil revenue data presented in Appendix A, Figure A.E to a measure of equity among the wealth quintiles and repeats both nominal and inflation-adjusted revenue amounts. Total per-pupil revenue for Quintile 5 was \$4,585 in 1990, compared to \$3,205 in Quintile 1, for a difference of \$1,380. Table 4 reports differences in total per-pupil funding between Quintile 5 and each of the other quintiles from FY 1990 through FY 2005. Adding Quintile 5's and Quintile 1's difference of \$1,380 to the corresponding differences in funding between Quintile 5 and Quintiles 2 through 4 results in an aggregate difference of \$5,241 in FY 1990. As equity improves, the sum of differences between Quintile 5 and Quintiles 1 through 4—the equity gap—will narrow. The FY 1990 figure is the pre-reform baseline against which the FY 1991 through FY 2005 equity gap data will be compared.

The equity gap in total revenue has been narrower in all years since education reform was enacted in FY 1990; however, the gap has widened slightly in FY 2005.

As is the case when just local and state revenue is considered (see Table 1), the equity gap in total revenue has been narrower in all years since education reform was enacted in FY 1990. However, the gap has widened slightly in FY 2005. The equity gap increased in FY 2005 because districts in Quintile 5 experienced greater increases in local and federal revenue than did districts in Quintiles 1 through 4. While districts with lower property wealth received more state revenue than districts in Quintile 5, the increases in state revenue were not sufficient to narrow the equity gap from FY 2004 levels.

The constant dollar equity gap calculated in Panel 2 of Table 4 shows greater success in reaching equity and a more consistent narrowing of the gap over time than is evident in the unadjusted dollar analysis presented in Panel 1 of Table 4.

Table 4
Total Revenue: Difference in Quintiles 1-4 Per-pupil Revenue
Compared to Quintile 5 Per-pupil Revenue for FY 1990-FY 2005

Panel 1: Unadjusted Dollars

Fiscal Year	Quintile 5 Per-pupil Revenue Minus Lower Quintiles' Revenue				Q1-4 Aggregate Difference: Equity Gap	% Difference Compared to 1990
	Quintile 1	Quintile 2	Quintile 3	Quintile 4		
1990	\$1,380	\$1,391	\$1,378	\$1,092	\$5,241	
1991	\$1,043	\$1,139	\$1,144	\$1,050	\$4,376	-16%
1992	\$711	\$1,017	\$1,006	\$963	\$3,697	-29%
1993	\$726	\$985	\$1,063	\$1,041	\$3,816	-27%
1994	\$699	\$957	\$1,081	\$1,039	\$3,776	-28%
1995	\$650	\$902	\$1,037	\$1,042	\$3,631	-31%
1996	\$712	\$1,011	\$1,138	\$1,094	\$3,956	-25%
1997	\$416	\$771	\$948	\$1,078	\$3,212	-39%
1998	\$865	\$1,139	\$1,318	\$1,397	\$4,719	-10%
1999	\$885	\$1,136	\$1,253	\$1,388	\$4,661	-11%
2000	\$875	\$1,164	\$1,230	\$1,465	\$4,734	-10%
2001	\$833	\$1,113	\$1,261	\$1,403	\$4,610	-12%
2002	\$825	\$1,138	\$1,138	\$1,508	\$4,609	-12%
2003	\$711	\$949	\$1,008	\$1,368	\$4,036	-23%
2004	\$790	\$1,179	\$1,046	\$1,451	\$4,466	-15%
2005	\$976	\$1,322	\$1,247	\$1,583	\$5,128	-2%

Panel 2: FY 1990 Constant Dollars

Fiscal Year	Quintile 5 Per-pupil Revenue Minus Lower Quintiles' Revenue				Q1-4 Aggregate Difference: Equity Gap	% Difference Compared to 1990
	Quintile 1	Quintile 2	Quintile 3	Quintile 4		
1990	\$1,380	\$1,391	\$1,378	\$1,092	\$5,241	
1991	\$989	\$1,080	\$1,085	\$996	\$4,149	-21%
1992	\$654	\$934	\$924	\$885	\$3,397	-35%
1993	\$647	\$878	\$947	\$928	\$3,399	-35%
1994	\$607	\$831	\$939	\$902	\$3,279	-37%
1995	\$549	\$762	\$875	\$880	\$3,065	-42%
1996	\$586	\$831	\$935	\$899	\$3,251	-38%
1997	\$333	\$616	\$757	\$861	\$2,567	-51%
1998	\$679	\$894	\$1,035	\$1,096	\$3,705	-29%
1999	\$683	\$876	\$967	\$1,071	\$3,597	-31%
2000	\$656	\$873	\$922	\$1,099	\$3,551	-32%
2001	\$604	\$807	\$914	\$1,018	\$3,343	-36%
2002	\$588	\$811	\$811	\$1,075	\$3,284	-37%
2003	\$496	\$662	\$703	\$954	\$2,814	-46%
2004	\$539	\$805	\$714	\$990	\$3,047	-42%
2005	\$647	\$875	\$826	\$1,048	\$3,396	-35%

Sources: Staff compilation of SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

As reflected in Table 5, Quintiles 1 through 3 received approximately 70 percent of the total revenue received by Quintile 5 in FY 1990. Quintile 4 received approximately 76 percent of the total revenue received by Quintile 5. By FY 2005, Quintiles 1 through 4 received between 83 percent and 89 percent of the total revenue received by Quintile 5. Quintile 4 received slightly less revenue than the other quintiles because it received less federal revenue.

Table 5
Total Per-pupil Revenue by Property Wealth Quintile
as Percent of Quintile 5 for Select Years

Quintile	FY 1990	% of Q5	FY 1995	% of Q5	FY 2000	% of Q5	FY 2005	% of Q5
Q1 - Lowest Wealth	\$3,205	70%	\$5,370	89%	\$6,785	89%	\$8,111	89%
Q2	\$3,193	70%	\$5,117	85%	\$6,497	85%	\$7,766	85%
Q3	\$3,207	70%	\$4,983	83%	\$6,431	84%	\$7,841	86%
Q4	\$3,493	76%	\$4,978	83%	\$6,195	81%	\$7,505	83%
Q5 - Highest Wealth	\$4,585	100%	\$6,020	100%	\$7,661	100%	\$9,087	100%

Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky of Education, Division of School Finance.

Conclusion

This report analyzes disparities in equity among school districts by examining the amount of per-pupil funding received by districts through local tax effort and state Support Education Excellence in Kentucky payments, as well as other sources of local and state revenue. The analysis focuses on local and state revenues because those are subject to state legislative and regulatory policy, but federal revenues are also reported to provide a more complete picture of education finance in the Commonwealth. Since the review of previous research on equity in education finance concluded that there is no consensus on the best way to measure equity, this analysis employs several equity measures and shows both nominal and inflation-adjusted revenues (Costrell 6-7).

While there have been variations in equity since 1990, including a recent narrowing of the gap in FY 2003 and 2004, the gap has widened in FY 2005.

In all analyses, the equity gap between property-rich school districts and property-poor districts was greater in the year before KERA was enacted than it has been since. While there have been variations in equity since 1990, including a recent narrowing of the gap in FY 2003 and 2004, the gap has widened in FY 2005. The equity gap is wider in absolute terms when nominal dollars are reviewed than it is when analyzing inflation-adjusted revenues.

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Appendix A

Average Per-pupil Revenues by Wealth Quintile

Table A.1
Supporting Data for Figures A.A-A.E

Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 1990							
1	115,074	\$ 71,665	\$ 355	\$ 2,310	\$ 540	\$ 2,665	\$ 3,205
2	114,190	105,467	549	2,243	401	2,792	3,193
3	118,119	138,954	687	2,197	323	2,884	3,207
4	106,632	179,714	1,038	2,163	292	3,201	3,493
5	121,119	280,727	2,103	2,120	361	4,223	4,585
Statewide	575,134	\$156,255	\$ 956	\$ 2,206	\$ 384	\$ 3,163	\$ 3,547
FY 1991							
1	112,587	\$ 78,561	\$ 481	\$ 3,006	\$ 577	\$ 3,487	\$ 4,063
2	115,851	114,895	695	2,846	426	3,541	3,967
3	112,858	148,272	919	2,675	368	3,594	3,962
4	113,154	194,504	1,280	2,465	311	3,745	4,056
5	118,398	308,585	2,280	2,349	478	4,628	5,106
Statewide	572,848	\$170,087	\$ 1,140	\$ 2,666	\$ 432	\$ 3,806	\$ 4,238
FY 1992							
1	115,196	\$ 82,965	\$ 585	\$ 3,344	\$ 681	\$ 3,930	\$ 4,611
2	115,319	120,827	810	3,016	480	3,826	4,306
3	117,366	156,687	1,073	2,825	419	3,898	4,317
4	105,660	204,520	1,379	2,610	371	3,989	4,359
5	122,849	310,508	2,367	2,463	492	4,830	5,323
Statewide	576,389	\$176,332	\$ 1,255	\$ 2,851	\$ 490	\$ 4,105	\$ 4,596
FY 1993							
1	115,975	\$ 87,359	\$ 591	\$ 3,478	\$ 693	\$ 4,069	\$ 4,761
2	116,562	126,068	835	3,136	531	3,971	4,502
3	112,531	161,312	1,035	2,929	461	3,963	4,424
4	116,281	215,672	1,409	2,686	351	4,095	4,446
5	120,705	324,663	2,518	2,472	497	4,990	5,487
Statewide	582,054	\$184,254	\$ 1,288	\$ 2,936	\$ 507	\$ 4,225	\$ 4,732
FY 1994							
1	117,389	\$ 95,407	\$ 690	\$ 3,613	\$ 697	\$ 4,303	\$ 5,000
2	115,073	133,898	903	3,272	567	4,175	4,742
3	115,901	170,188	1,142	3,032	444	4,174	4,618
4	112,221	227,847	1,521	2,738	401	4,259	4,660
5	121,719	332,361	2,587	2,511	601	5,098	5,699
Statewide	582,303	\$192,952	\$ 1,379	\$ 3,031	\$ 544	\$ 4,410	\$ 4,954

Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 1995							
1	115,477	\$104,767	\$ 779	\$ 3,865	\$ 725	\$ 4,644	\$ 5,370
2	114,974	146,018	1,012	3,518	588	4,530	5,117
3	117,044	185,496	1,260	3,240	483	4,500	4,983
4	112,117	249,159	1,759	2,805	414	4,564	4,978
5	121,110	360,085	2,896	2,596	528	5,492	6,020
Statewide	580,722	\$210,329	\$ 1,553	\$ 3,201	\$ 548	\$ 4,754	\$ 5,302
FY 1996							
1	114,936	\$113,902	\$ 859	\$ 3,963	\$ 753	\$ 4,822	\$ 5,575
2	114,767	158,720	1,137	3,579	561	4,716	5,276
3	116,275	203,231	1,375	3,321	454	4,696	5,150
4	109,635	273,034	1,898	2,888	407	4,787	5,194
5	120,298	383,316	3,102	2,620	566	5,722	6,288
Statewide	575,912	\$227,438	\$ 1,685	\$ 3,272	\$ 549	\$ 4,957	\$ 5,506
FY 1997							
1	114,764	\$119,513	\$ 1,025	\$ 4,228	\$ 861	\$ 5,253	\$ 6,114
2	115,076	169,753	1,316	3,812	632	5,128	5,760
3	115,470	214,715	1,533	3,539	511	5,072	5,583
4	109,368	293,622	2,063	2,991	400	5,053	5,453
5	120,576	412,182	3,352	2,627	551	5,979	6,530
Statewide	575,254	\$243,120	\$ 1,870	\$ 3,436	\$ 592	\$ 5,306	\$ 5,898
FY 1998							
1	114,752	\$125,180	\$ 1,011	\$ 4,271	\$ 822	\$ 5,282	\$ 6,104
2	115,626	181,230	1,377	3,782	671	5,159	5,830
3	113,668	225,941	1,563	3,513	575	5,075	5,650
4	108,988	313,937	2,168	2,963	441	5,131	5,572
5	121,188	430,946	3,597	2,732	640	6,329	6,969
Statewide	574,222	\$256,770	\$ 1,959	\$ 3,449	\$ 632	\$ 5,409	\$ 6,041
FY 1999							
1	114,990	\$130,435	\$ 1,064	\$ 4,598	\$ 887	\$ 5,662	\$ 6,549
2	113,775	188,977	1,514	4,084	701	5,598	6,299
3	113,861	239,224	1,709	3,854	619	5,563	6,182
4	108,784	327,102	2,324	3,250	473	5,574	6,047
5	121,348	452,967	3,951	2,899	584	6,850	7,435
Statewide	572,758	\$269,377	\$ 2,133	\$ 3,732	\$ 654	\$ 5,865	\$ 6,519
FY 2000							
1	114,448	\$143,590	\$ 1,114	\$ 4,686	\$ 985	\$ 5,800	\$ 6,785
2	113,317	208,156	1,520	4,183	794	5,703	6,497
3	112,430	260,192	1,864	3,863	704	5,727	6,431
4	108,383	352,757	2,458	3,250	487	5,708	6,195
5	122,455	486,063	4,034	2,913	714	6,946	7,661
Statewide	571,034	\$292,502	\$ 2,223	\$ 3,771	\$ 739	\$ 5,995	\$ 6,734

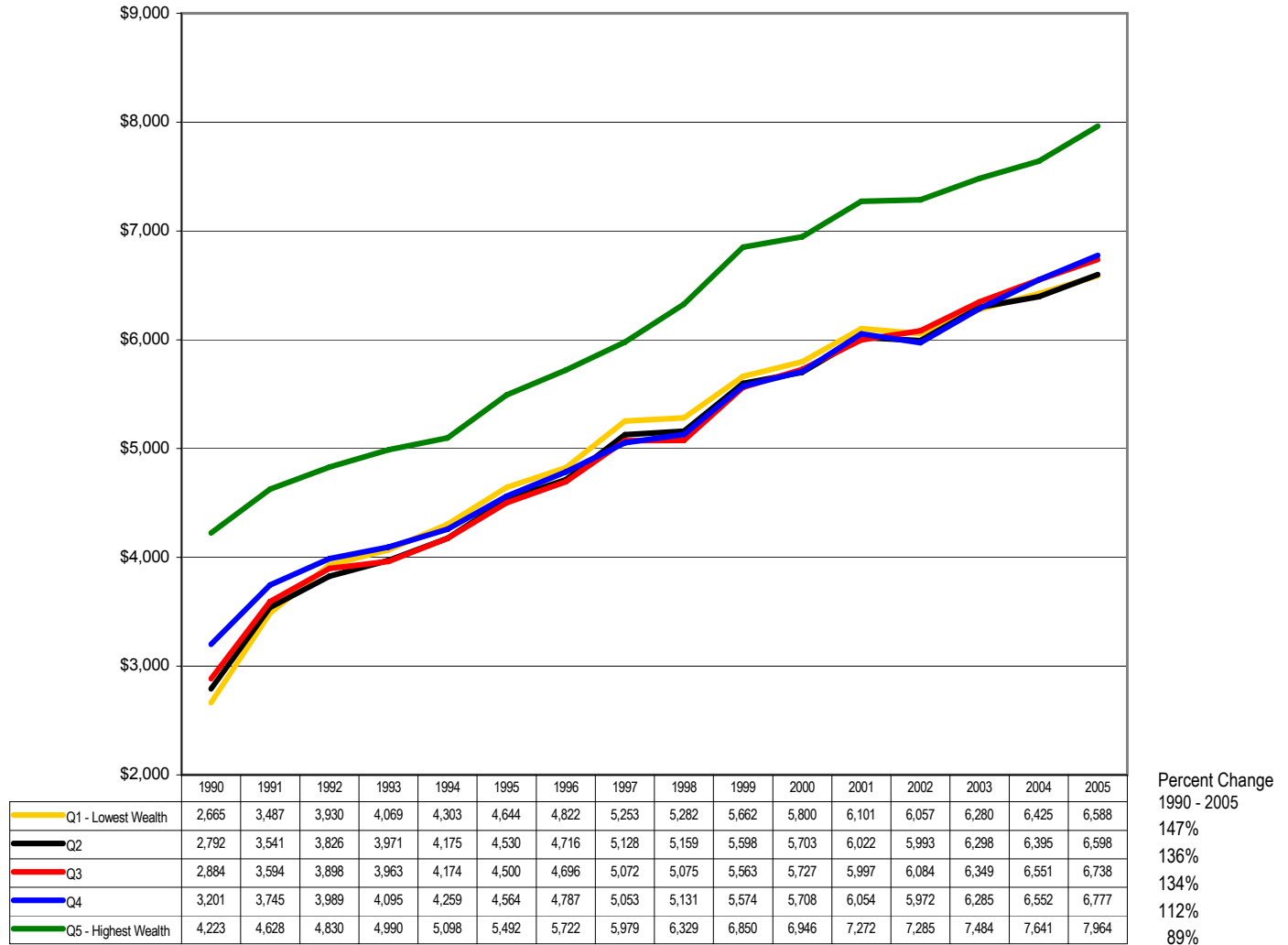
Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 2001							
1	114,195	\$153,977	\$ 1,170	\$ 4,932	\$ 1,063	\$ 6,101	\$ 7,165
2	111,715	221,926	1,654	4,368	862	6,022	6,884
3	112,480	280,527	1,965	4,032	739	5,997	6,737
4	108,976	377,408	2,645	3,408	540	6,054	6,594
5	121,700	535,780	4,380	2,893	725	7,272	7,997
Statewide	569,067	\$316,769	\$ 2,391	\$ 3,915	\$ 787	\$ 6,306	\$ 7,094
FY 2002							
1	114,041	\$161,895	\$ 1,180	\$ 4,876	\$ 1,177	\$ 6,057	\$ 7,234
2	116,524	237,360	1,658	4,335	928	5,993	6,921
3	114,370	302,893	2,110	3,974	837	6,084	6,921
4	101,433	399,610	2,666	3,306	579	5,972	6,551
5	122,891	566,707	4,464	2,821	774	7,285	8,059
Statewide	569,258	\$335,418	\$ 2,439	\$ 3,861	\$ 864	\$ 6,299	\$ 7,163
FY 2003							
1	115,726	\$171,127	\$ 1,219	\$ 5,061	\$ 1,299	\$ 6,280	\$ 7,579
2	113,809	245,680	1,703	4,595	1,042	6,298	7,340
3	117,672	314,484	2,223	4,126	933	6,349	7,282
4	95,793	408,650	2,820	3,465	636	6,285	6,921
5	129,458	573,484	4,558	2,927	805	7,484	8,290
Statewide	572,458	\$346,153	\$ 2,545	\$ 4,026	\$ 950	\$ 6,571	\$ 7,521
FY 2004							
1	115,301	\$177,559	\$ 1,279	\$ 5,146	\$ 1,458	\$ 6,425	\$ 7,883
2	113,950	254,559	1,805	4,589	1,099	6,395	7,494
3	115,073	326,282	2,318	4,233	1,076	6,551	7,627
4	99,127	433,074	3,114	3,438	670	6,552	7,222
5	130,179	603,593	4,800	2,841	1,032	7,641	8,673
Statewide	573,630	\$363,528	\$ 2,708	\$ 4,034	\$ 1,077	\$ 6,742	\$ 7,819
FY 2005							
1	117,487	\$187,290	\$ 1,361	\$ 5,227	\$ 1,523	\$ 6,588	\$ 8,111
2	111,624	268,348	1,944	4,654	1,168	6,598	7,766
3	116,500	336,898	2,425	4,312	1,103	6,738	7,841
4	99,773	445,536	3,244	3,533	727	6,777	7,505
5	131,921	622,859	5,053	2,911	1,123	7,964	9,087
Statewide	577,306	\$377,318	\$ 2,858	\$ 4,110	\$ 1,141	\$ 6,967	\$ 8,108

Source: Staff compilation of Final Support Education Excellence in Kentucky (SEEK) Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A.A

Local and State Per-pupil Revenue by Property Wealth Quintile

FY 1990-FY 2005

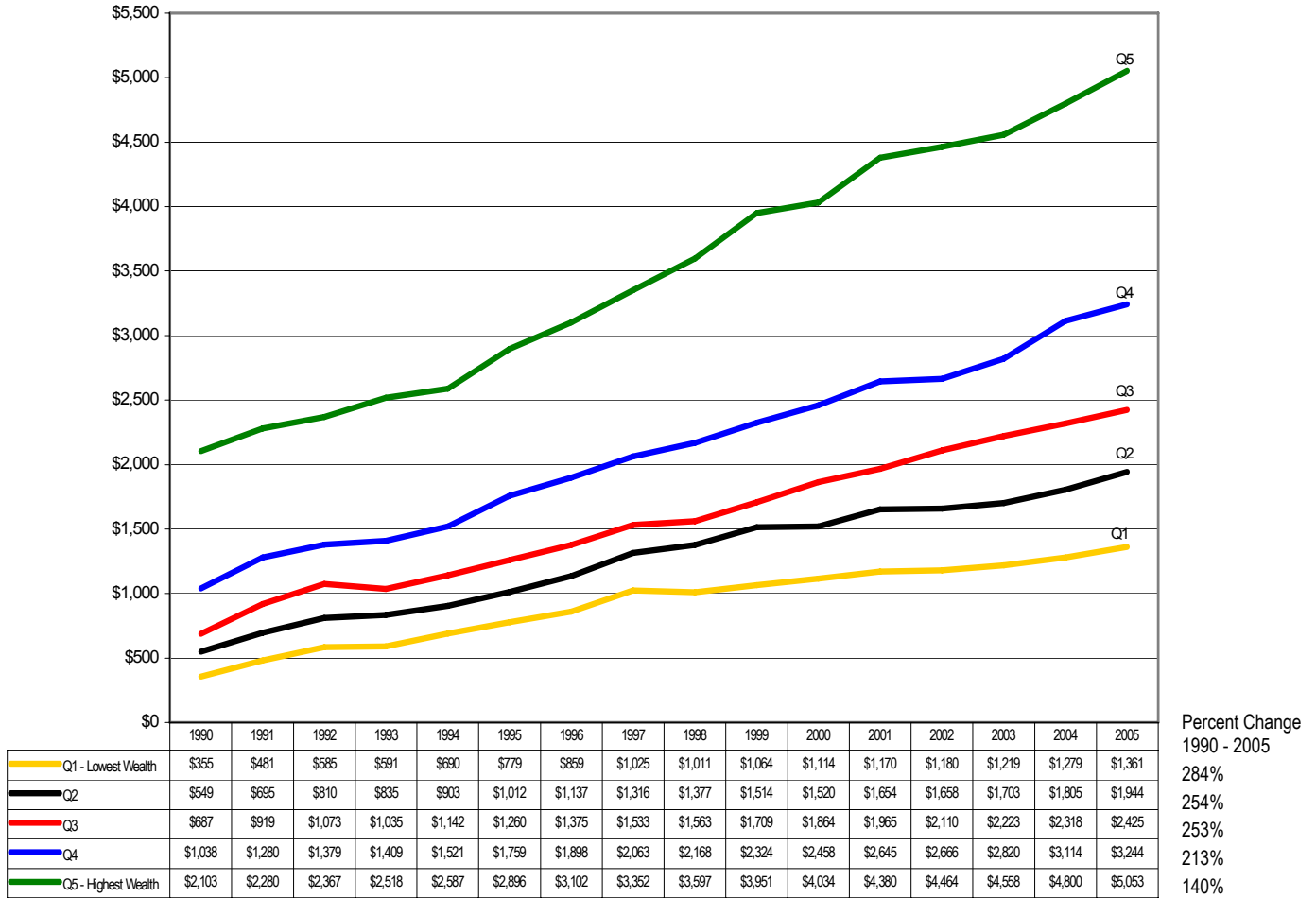


Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A.B

Local Per-pupil Revenue by Property Wealth Quintile

FY 1990-FY 2005

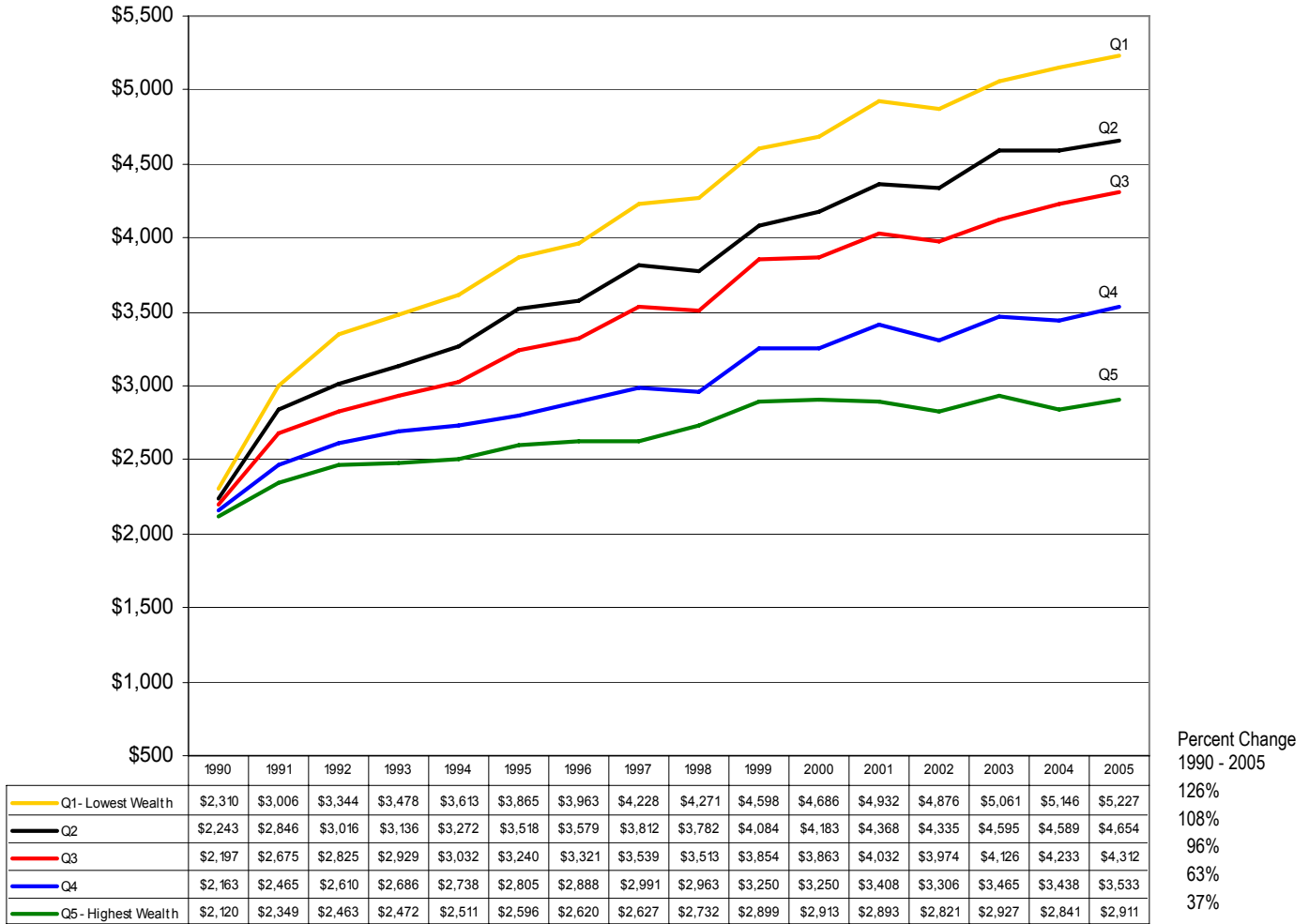


Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A.C

State Per-pupil Revenue by Property Wealth Quintile

FY 1990-FY 2005

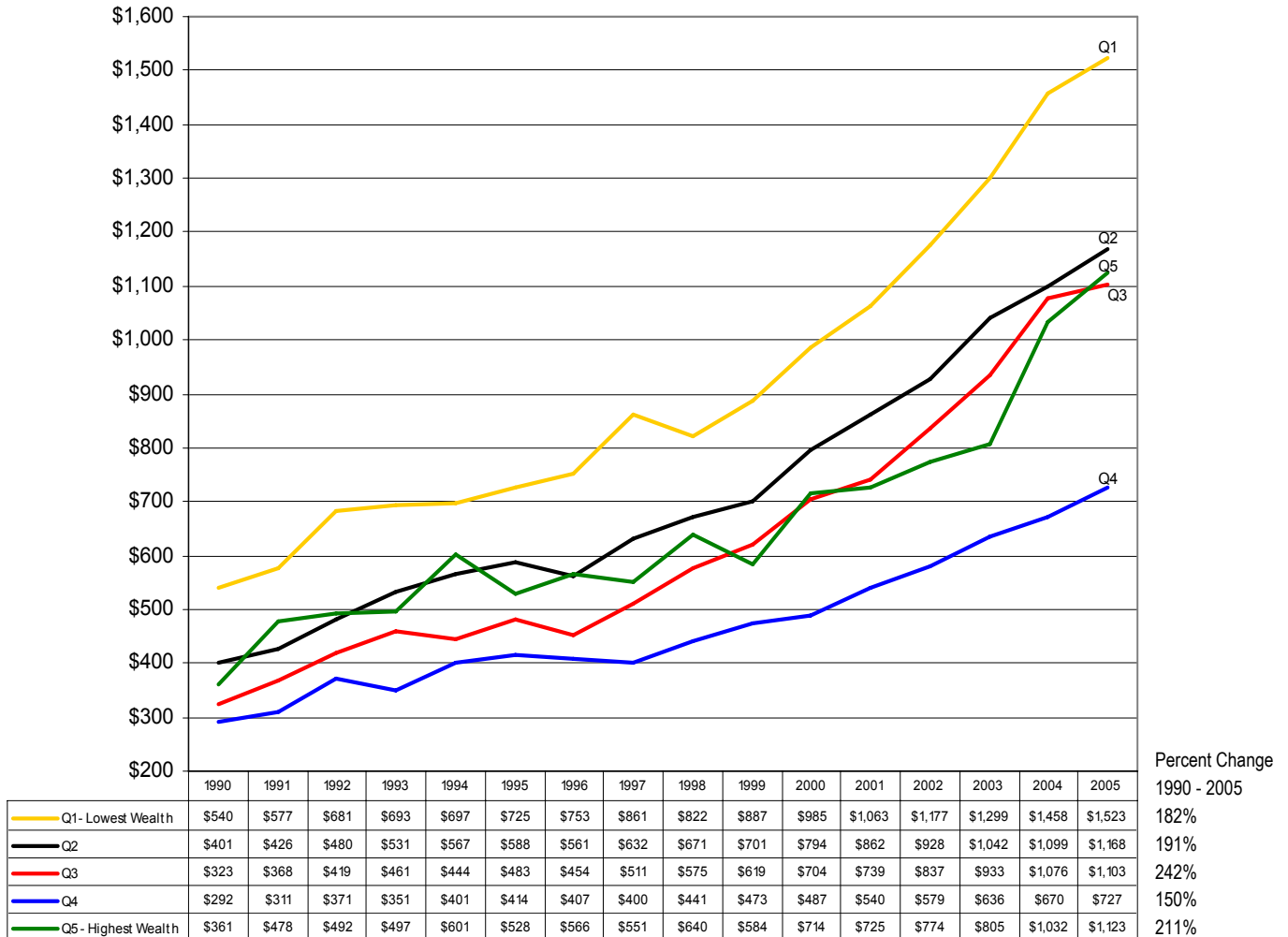


Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A.D

Federal Per-pupil Revenue by Property Wealth Quintile

FY 1990-FY 2005

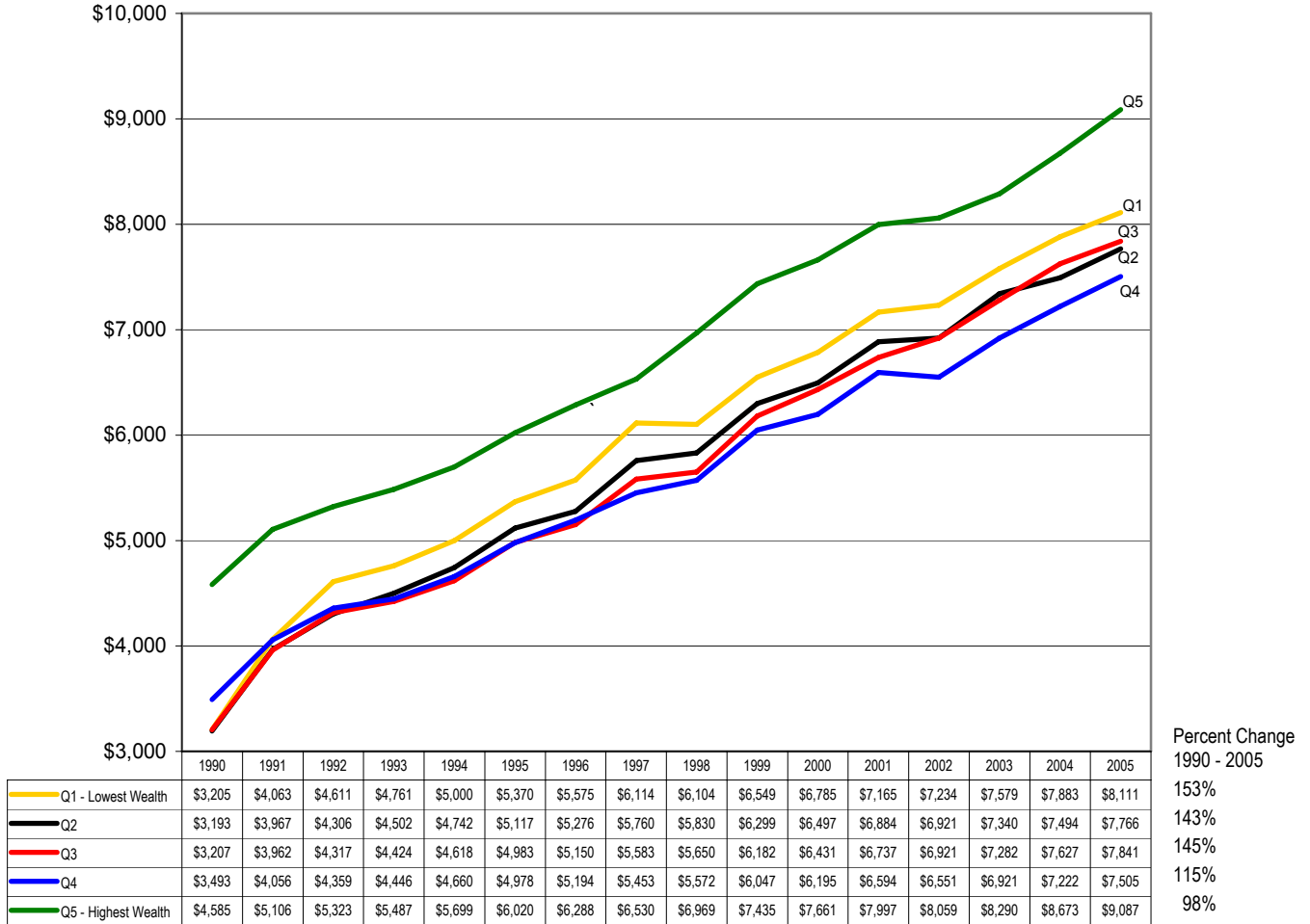


Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Figure A.E

Total Per-pupil Revenue by Property Wealth Quintile

FY 1990-FY 2005



Source: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance.

Appendix B

Average Per-pupil Revenues by Wealth Quintile (FY 1990 Constant Dollars)

Table B.1
Supporting Data for Figures B.A-B.E

Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 1990							
1	115,074	\$71,665	\$355	\$2,310	\$540	\$2,665	\$3,205
2	114,190	105,467	549	2,243	401	2,792	3,193
3	118,119	138,954	687	2,197	323	2,884	3,207
4	106,632	179,714	1,038	2,163	292	3,201	3,493
5	121,119	280,727	2,103	2,120	361	4,223	4,585
Statewide	575,134	\$156,255	\$956	\$2,206	\$384	\$3,163	\$3,547
FY 1991							
1	112,587	\$74,488	\$456	\$2,850	\$547	\$3,306	\$3,853
2	115,851	108,939	659	2,698	404	3,357	3,761
3	112,858	140,586	872	2,537	349	3,408	3,757
4	113,154	184,422	1,213	2,338	295	3,551	3,846
5	118,398	292,590	2,162	2,227	453	4,389	4,842
Statewide	572,848	\$161,271	\$1,081	\$2,528	\$410	\$3,609	\$4,018
FY 1992							
1	115,196	\$76,222	\$538	\$3,073	\$626	\$3,610	\$4,236
2	115,319	111,006	744	2,771	441	3,515	3,956
3	117,366	143,952	986	2,596	385	3,581	3,966
4	105,660	187,897	1,267	2,398	340	3,665	4,005
5	122,849	285,271	2,175	2,263	452	4,438	4,890
Statewide	576,389	\$162,000	\$1,153	\$2,619	\$450	\$3,772	\$4,222
FY 1993							
1	115,975	\$77,828	\$526	\$3,099	\$617	\$3,625	\$4,242
2	116,562	112,313	744	2,794	473	3,537	4,011
3	112,531	143,712	922	2,609	410	3,531	3,941
4	116,281	192,141	1,255	2,393	313	3,648	3,961
5	120,705	289,241	2,243	2,202	443	4,446	4,889
Statewide	582,054	\$164,151	\$1,148	\$2,616	\$451	\$3,764	\$4,215
FY 1994							
1	117,389	\$82,852	\$599	\$3,138	\$605	\$3,737	\$4,342
2	115,073	116,278	784	2,842	492	3,626	4,118
3	115,901	147,792	992	2,633	386	3,625	4,010
4	112,221	197,863	1,321	2,378	348	3,699	4,047
5	121,719	288,623	2,247	2,180	522	4,427	4,949
Statewide	582,303	\$167,560	\$1,197	\$2,632	\$472	\$3,829	\$4,302

Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 1995							
1	115,477	\$88,444	\$658	\$3,263	\$612	\$3,921	\$4,533
2	114,974	123,269	854	2,970	496	3,824	4,320
3	117,044	156,596	1,064	2,735	408	3,799	4,207
4	112,117	210,340	1,485	2,368	350	3,853	4,202
5	121,110	303,984	2,445	2,192	446	4,636	5,082
Statewide	580,722	\$177,560	\$1,311	\$2,702	\$463	\$4,013	\$4,476
FY 1996							
1	114,936	\$93,610	\$706	\$3,257	\$619	\$3,963	\$4,582
2	114,767	130,443	934	2,941	461	3,875	4,336
3	116,275	167,025	1,130	2,729	373	3,859	4,232
4	109,635	224,392	1,560	2,374	334	3,934	4,268
5	120,298	315,026	2,549	2,153	465	4,703	5,168
Statewide	575,912	\$186,919	\$1,385	\$2,689	\$451	\$4,074	\$4,525
FY 1997							
1	114,764	\$95,496	\$819	\$3,379	\$688	\$4,198	\$4,885
2	115,076	135,641	1,051	3,046	505	4,097	4,602
3	115,470	171,567	1,225	2,828	408	4,053	4,461
4	109,368	234,617	1,648	2,390	319	4,038	4,357
5	120,576	329,352	2,678	2,099	440	4,778	5,218
Statewide	575,254	\$194,264	\$1,494	\$2,745	\$473	\$4,240	\$4,713
FY 1998							
1	114,752	\$98,273	\$794	\$3,353	\$646	\$4,146	\$4,792
2	115,626	142,274	1,081	2,969	527	4,050	4,576
3	113,668	177,375	1,227	2,758	451	3,984	4,436
4	108,988	246,456	1,702	2,326	346	4,028	4,375
5	121,188	338,313	2,824	2,144	502	4,968	5,471
Statewide	574,222	\$201,576	\$1,538	\$2,708	\$496	\$4,246	\$4,742
FY 1999							
1	114,990	\$100,655	\$821	\$3,548	\$685	\$4,369	\$5,054
2	113,775	145,831	1,169	3,151	541	4,320	4,861
3	113,861	184,606	1,319	2,974	478	4,293	4,771
4	108,784	252,421	1,794	2,508	365	4,301	4,667
5	121,348	349,549	3,049	2,237	451	5,286	5,737
Statewide	572,758	\$207,875	\$1,646	\$2,880	\$505	\$4,526	\$5,030
FY 2000							
1	114,448	\$107,698	\$836	\$3,515	\$739	\$4,350	\$5,089
2	113,317	156,125	1,140	3,137	596	4,277	4,873
3	112,430	195,154	1,398	2,897	528	4,295	4,823
4	108,383	264,581	1,844	2,438	365	4,281	4,647
5	122,455	364,565	3,025	2,185	536	5,210	5,746
Statewide	571,034	\$219,387	\$1,668	\$2,829	\$555	\$4,496	\$5,051

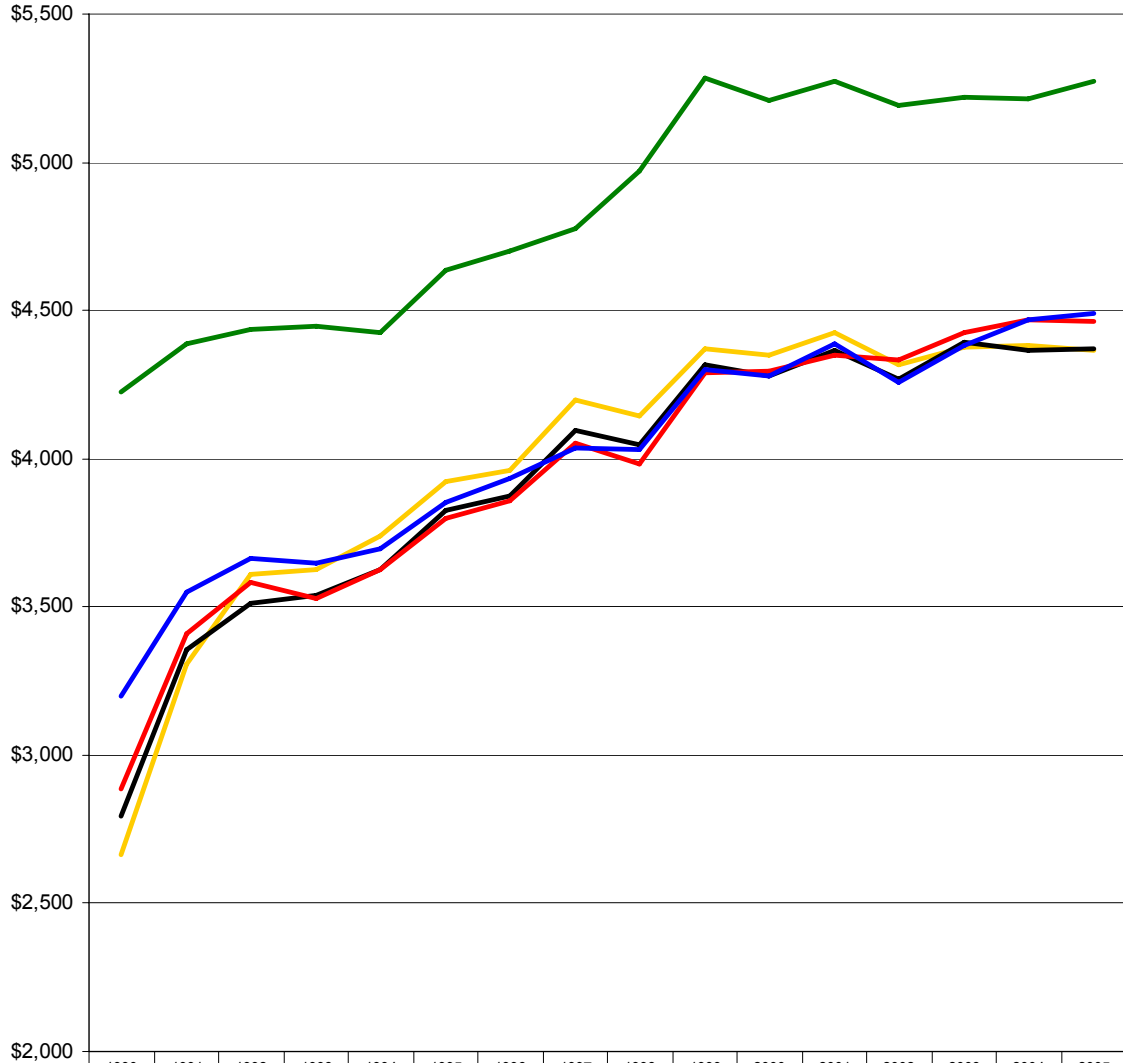
Quintile	Funded ADA	Property Wealth Per Pupil	Average Local Revenue Per Pupil	Average State Revenue Per Pupil	Average Federal Revenue Per Pupil	Average Local/State Revenue Per Pupil	Average Total Revenue Per Pupil
FY 2001							
1	114,195	\$111,663	\$848	\$3,576	\$771	\$4,425	\$5,196
2	111,715	160,939	1,199	3,168	625	4,367	4,992
3	112,480	203,436	1,425	2,924	536	4,349	4,885
4	108,976	273,693	1,918	2,472	392	4,390	4,782
5	121,700	388,543	3,176	2,098	526	5,274	5,800
Statewide	569,067	\$229,718	\$1,734	\$2,839	\$571	\$4,573	\$5,144
FY 2002							
1	114,041	\$115,362	\$841	\$3,475	\$839	\$4,316	\$5,155
2	116,524	169,137	1,181	3,089	661	4,270	4,932
3	114,370	215,834	1,504	2,832	596	4,335	4,932
4	101,433	284,752	1,900	2,356	413	4,256	4,668
5	122,891	403,821	3,181	2,010	552	5,191	5,743
Statewide	569,258	\$239,011	\$1,738	\$2,751	\$616	\$4,489	\$5,104
FY 2003							
1	115,726	\$119,318	\$850	\$3,529	\$906	\$4,379	\$5,285
2	113,809	171,300	1,188	3,204	727	4,391	5,118
3	117,672	219,274	1,550	2,877	651	4,427	5,077
4	95,793	284,931	1,966	2,416	444	4,382	4,826
5	129,458	399,861	3,178	2,041	561	5,219	5,780
Statewide	572,458	\$241,355	\$1,774	\$2,807	\$663	\$4,582	\$5,244
FY 2004							
1	115,301	\$121,153	\$872	\$3,511	\$995	\$4,384	\$5,379
2	113,950	173,692	1,232	3,131	750	4,363	5,113
3	115,073	222,630	1,581	2,888	734	4,470	5,204
4	99,127	295,497	2,124	2,346	457	4,470	4,928
5	130,179	411,846	3,275	1,939	704	5,214	5,918
Statewide	573,630	\$248,044	\$1,848	\$2,753	\$735	\$4,600	\$5,335
FY 2005							
1	117,487	\$124,059	\$902	\$3,462	\$1,009	\$4,364	\$5,373
2	111,624	177,751	1,288	3,082	774	4,370	5,144
3	116,500	223,158	1,607	2,856	731	4,463	5,194
4	99,773	295,120	2,149	2,340	482	4,489	4,971
5	131,921	412,577	3,347	1,928	744	5,276	6,019
Statewide	577,306	\$249,932	\$1,893	\$2,722	\$756	\$4,615	\$5,371

Sources: Staff compilation of Final Support Education Excellence in Kentucky (SEEK) Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

Figure B.A

Local and State Per-pupil Revenue by Property Wealth Quintile

**FY 1990-FY 2005
(FY 1990 Constant Dollars)**



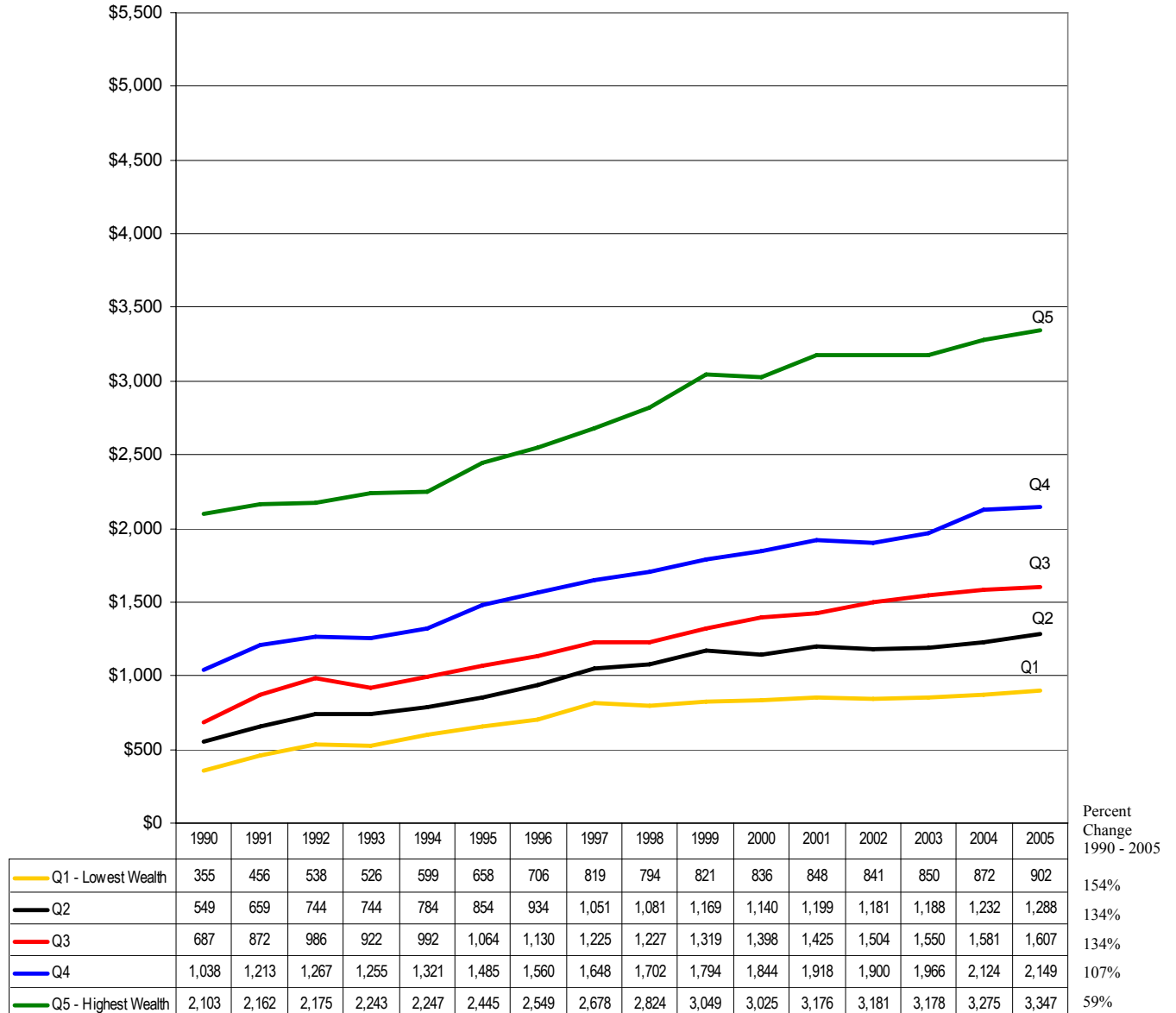
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Percent Change 1990 - 2005
Q1 - Lowest Wealth	2,665	3,306	3,610	3,625	3,737	3,921	3,963	4,198	4,146	4,369	4,350	4,425	4,316	4,379	4,384	4,364	64%
Q2	2,792	3,357	3,515	3,537	3,626	3,824	3,875	4,097	4,050	4,320	4,277	4,367	4,270	4,391	4,363	4,370	57%
Q3	2,884	3,408	3,581	3,531	3,625	3,799	3,859	4,053	3,984	4,293	4,295	4,349	4,335	4,427	4,470	4,463	55%
Q4	3,201	3,551	3,665	3,648	3,699	3,853	3,934	4,038	4,028	4,301	4,281	4,390	4,256	4,382	4,470	4,489	40%
Q5 - Highest Wealth	4,223	4,389	4,438	4,446	4,427	4,636	4,703	4,778	4,968	5,286	5,210	5,274	5,191	5,219	5,214	5,276	25%

Sources: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

Figure B.B

Local Per-pupil Revenue by Property Wealth Quintile

**FY 1990-FY 2005
(FY 1990 Constant Dollars)**

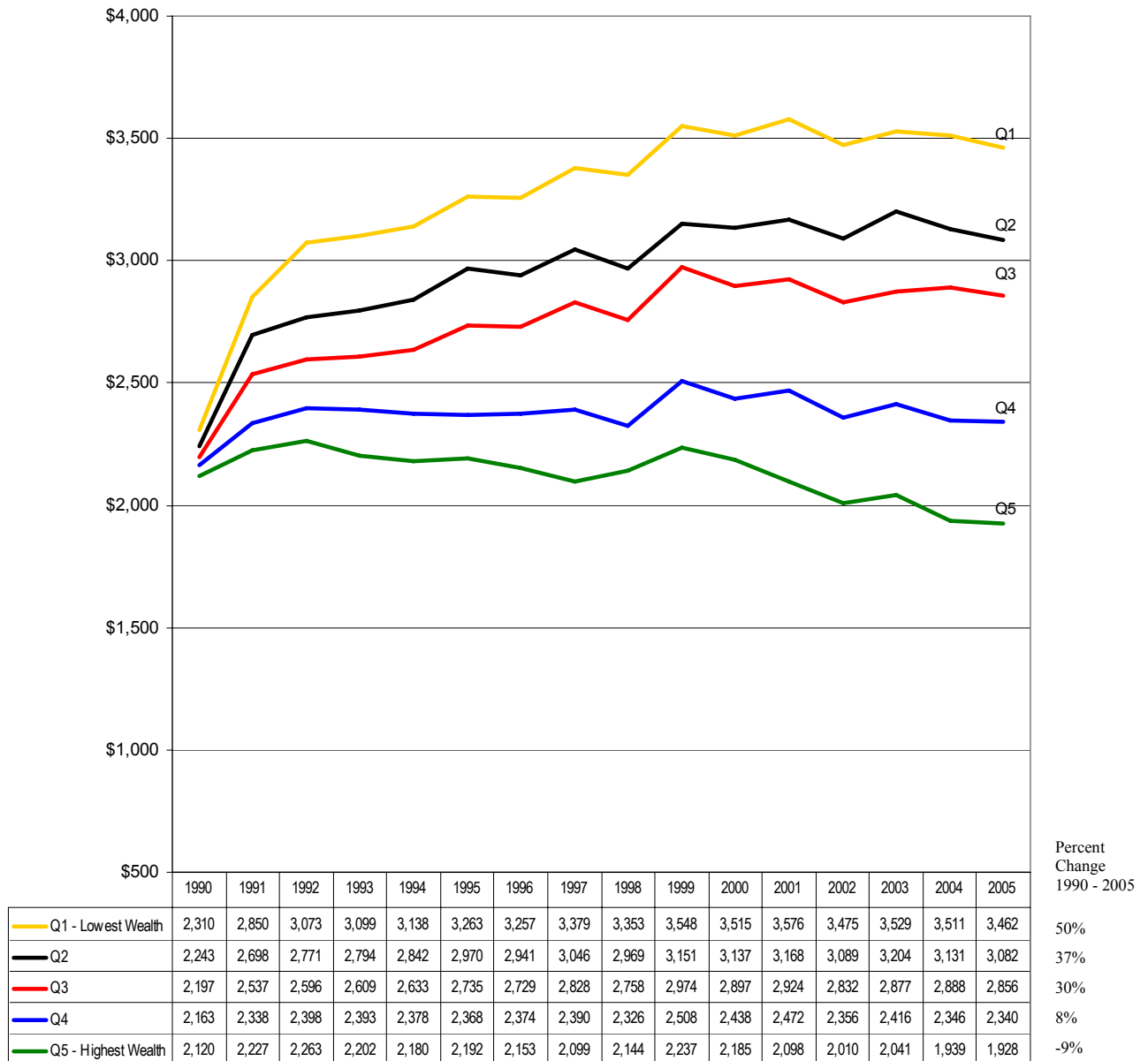


Sources: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

Figure B.C

State Per-pupil Revenue by Property Wealth Quintile

**FY 1990-FY 2005
(FY 1990 Constant Dollars)**

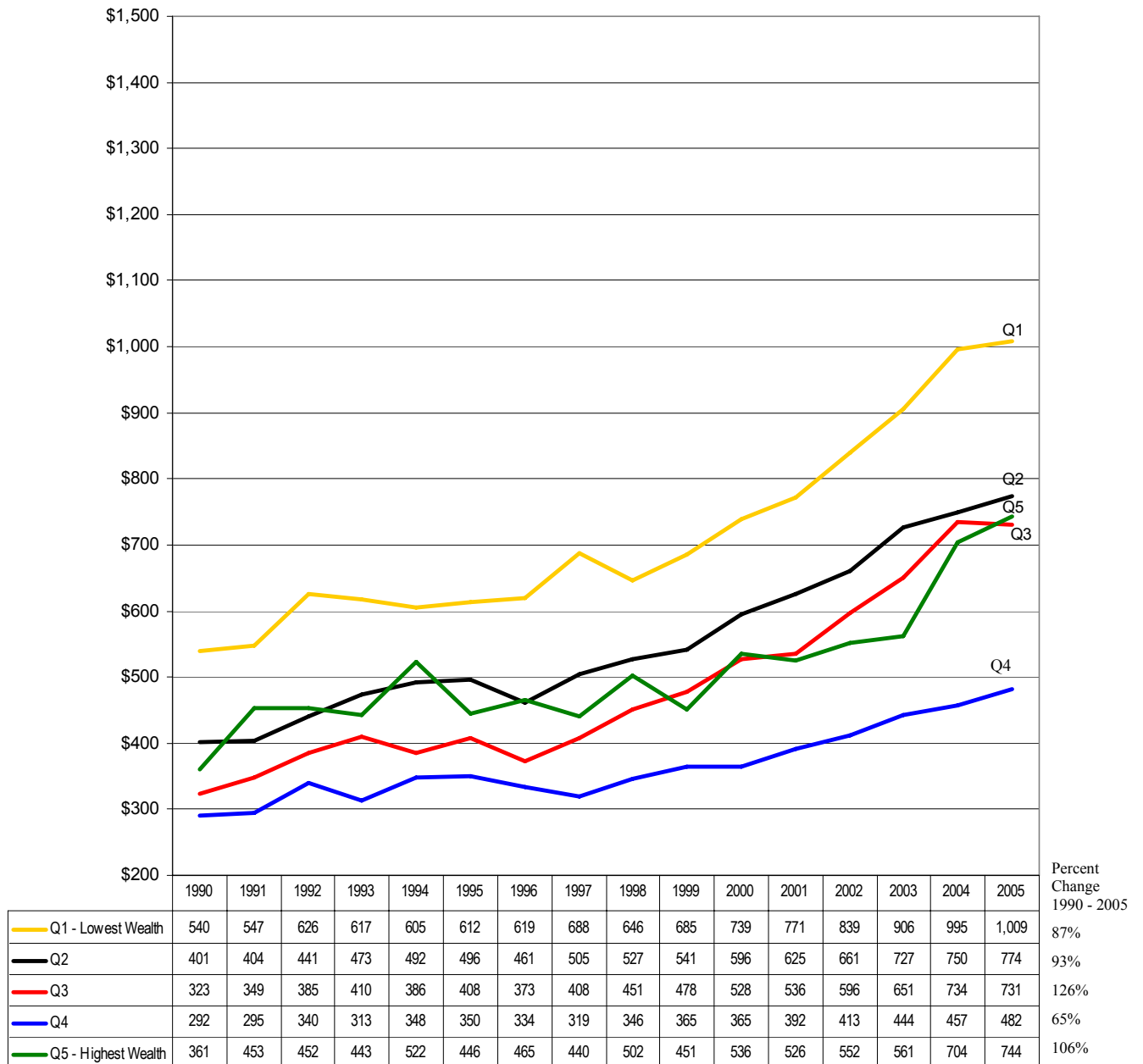


Sources: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

Figure B.D

Federal Per-pupil Revenue by Property Wealth Quintile

**FY 1990-FY 2005
(FY 1990 Constant Dollars)**

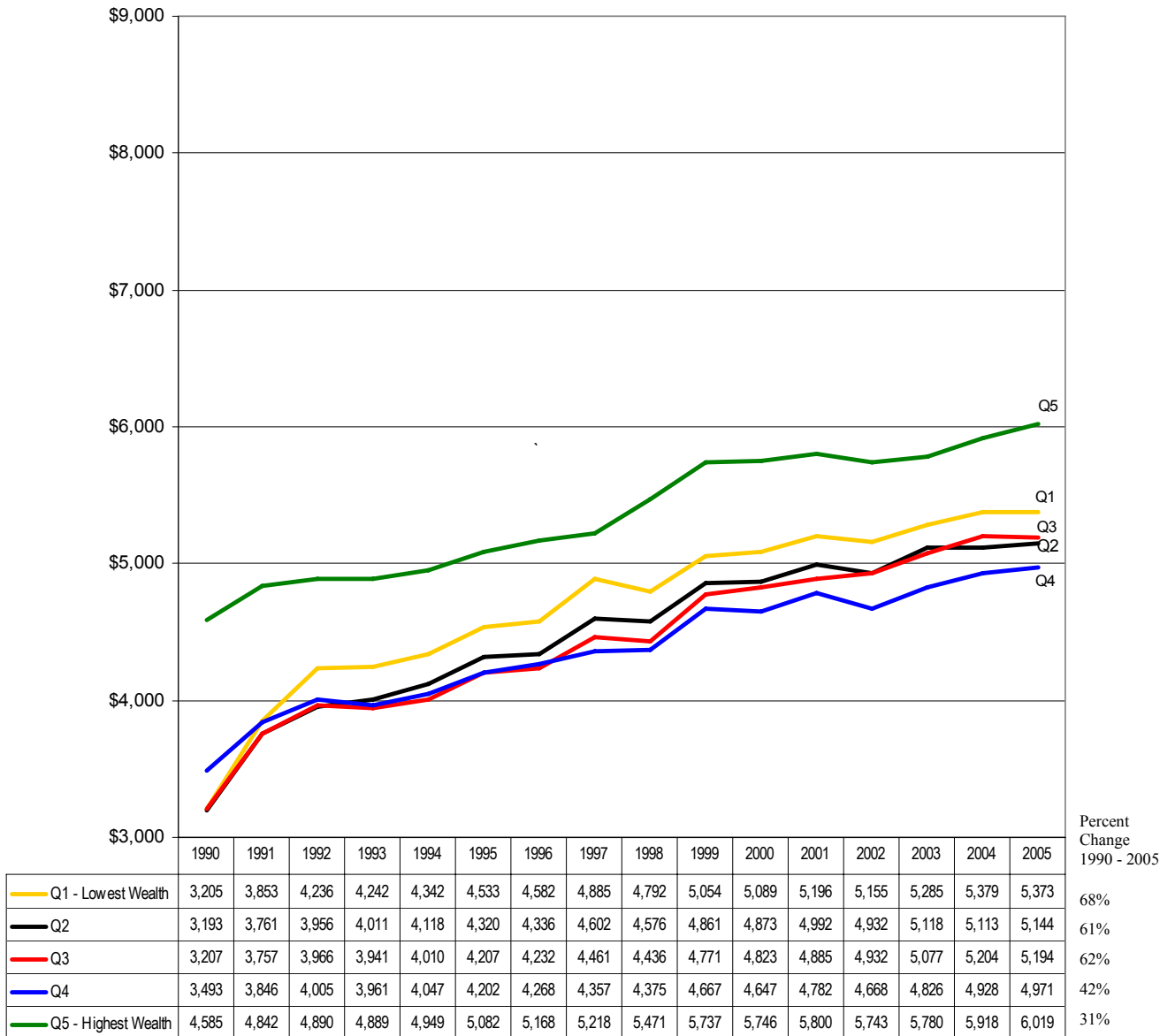


Sources: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.

Figure B.E

Total Per-pupil Revenue by Property Wealth Quintile

**FY 1990-FY 2005
(FY 1990 Constant Dollars)**



Sources: Staff compilation of Final SEEK Calculations and Annual Financial Reports provided by the Kentucky Department of Education, Division of School Finance; Bureau of Labor Statistics.