The study sought to find out why increased public expenditure on secondary education has repeatedly produced unsatisfactory outcomes. The purpose of this study is to examine the unit cost of public secondary education and its impact on academic performance in Siaya District. The literature review is undertaken in the context of an era of ongoing restructuring and reorganization of secondary education and looks at secondary education and economic growth; investment in secondary education; factors influencing academic performance; unit cost in secondary education and its influence on academic performance and lastly, improving secondary education efficiency. The descriptive (survey) and causal comparative (ex-post facto) designs are used in this study. Questionnaires and interview guides are the two instruments used in this study. In analyzing the collected data, percentages, means, t-test are used. The level of testing significance of the determinants of unit cost is set at 0.01 level of significant. The findings show that the correlation between unit cost and performance index was 0.372 for day schools and 0.412 for boarding schools. The relationship is low with an implication that arise in unit cost does not necessarily mean an increase in academic performance index. Therefore, increasing resources as a mean of improving performance does not yield the much result. It is therefore recommended that an incentive system be put in place to encourage competitive edge within the schools and among students to improve academic performance and performance contracting be introduced to enhance time-on task basis of the schools.