

STRONGER by DEGREES



MEETING AGENDA

Budget Development Work Group

Tuesday, June 23, 2015

Conference Room A

The Council on Postsecondary Education is Kentucky's statewide postsecondary and adult education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

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AGENDA

Budget Development Work Group

Council on Postsecondary Education

Tuesday, June 23, 2015

1:00 PM

Conference Room A

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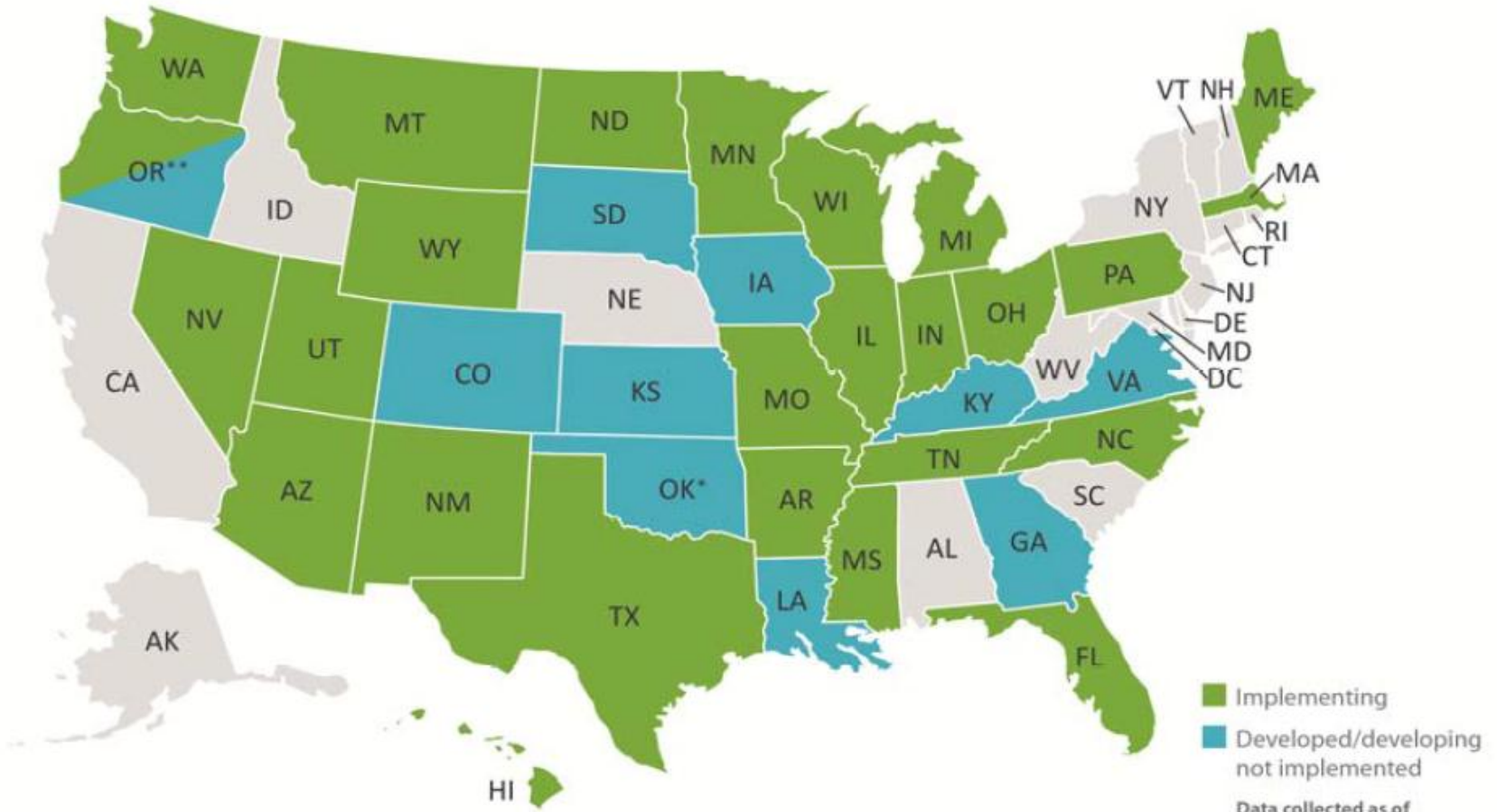
Performance Funding Discussion

3

Performance Funding Prevalence?

Outcomes-Based Funding in States in FY 15:

4



* Oklahoma implemented OBF as a bonus in FY 14 but did not appropriate bonus funds in FY 15.

** Oregon is both developing and implementing.

Data collected as of
December 2014

Performance Funding Formula Types?

Typical Characteristics

Note: Some states may meet most but not all criteria.

States that do not meet all criteria for a particular type are assigned a lower type.

Type I

- State does not have completion/attainment goals and related priorities
- Bonus funding
- Low level of funding (under 5%) or funding to be determined
- Some or all institutions in one sector included
- No differentiation in metrics and weights by sector
- Degree/credential completion not included
- Outcomes for underrepresented students not prioritized

Type II

- State has completion/attainment goals and related priorities
- Base funding
- Low level of funding (under 5%) or funding to be determined
- All institutions in one sector included, or some institutions in both sectors
- No differentiation in metrics and weights by sector, or may not be applicable (if operating in only one sector)
- Degree/credential completion included
- Outcomes for underrepresented students may be prioritized

Performance Funding Formula Types?

Typical Characteristics

Note: Some states may meet most but not all criteria.

States that do not meet all criteria for a particular type are assigned a lower type.

Type III

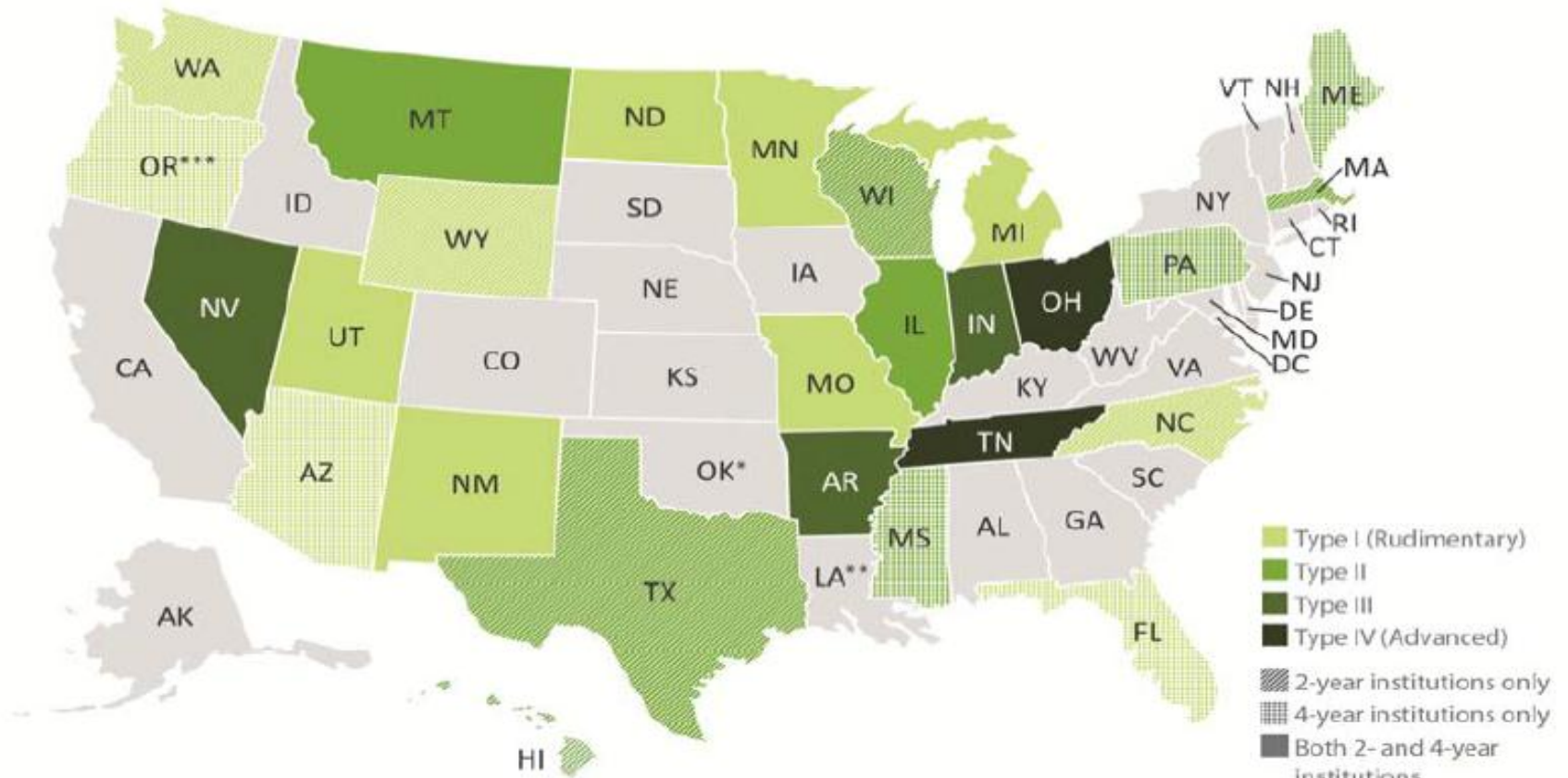
- State has completion/attainment goals and related priorities
- Base funding
- Moderate level of funding (5-24.9%)
- All institutions in all sectors included
- Differentiation in metrics and weights by sector likely
- Degree/credential completion included
- Outcomes for underrepresented students prioritized

Type IV

- State has completion/attainment goals and related priorities
- Base funding
- Substantial level of funding (25% or greater)
- All institutions in all sectors included
- Differentiation in metrics and weights by sector
- Degree/credential completion included
- Outcomes for underrepresented students prioritized

Performance Funding Prevalence?

States Implementing OBF in FY 15, by Type and Sector



* Oklahoma implemented OBF as a bonus in FY 14 but did not appropriate bonus funds in FY 15.

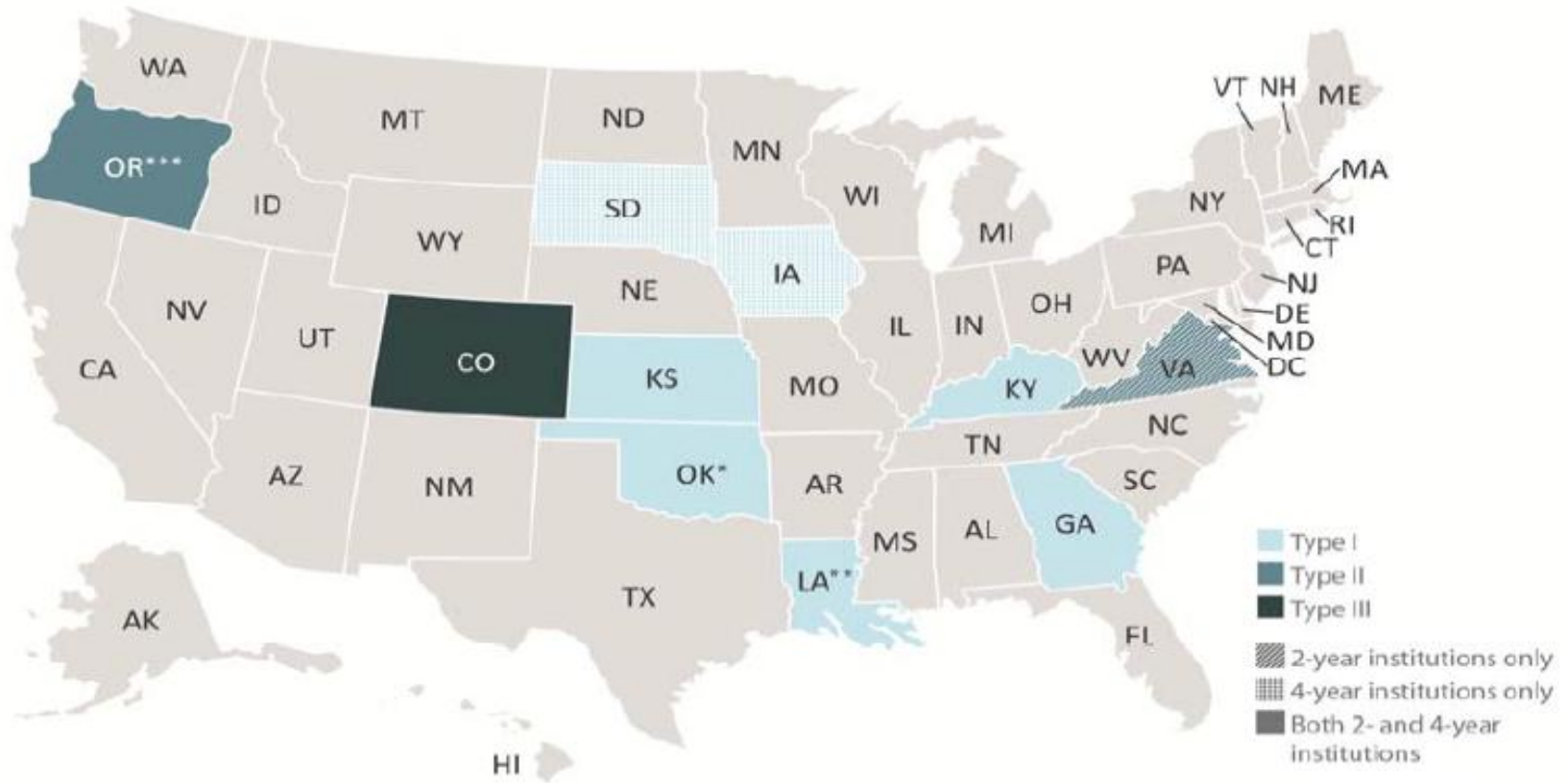
** Louisiana used a funding formula in part based on outcomes in FY 14. The formula was not used in FY 15.

*** Oregon is both developing and implementing.

Data collected as of
December 2014

Performance Funding Prevalence?

States with Developed/Developing OBF in FY 15, by Type and Sector



* Oklahoma implemented OBF as a bonus in FY 14 but did not appropriate bonus funds in FY 15.

** Louisiana used a funding formula in part based on outcomes in FY 14. The formula was not used in FY 15.

*** Oregon is both developing and implementing.

- Type I
- Type II
- Type III
- 2-year institutions only
- 4-year institutions only
- Both 2- and 4-year institutions

Data collected as of December 2014

Performance Funding

Does it Work?

Tandberg and Hillman (2013). *State Performance Funding for Higher Education: Silver Bullet or Red Herring?* [WISCAPE POLICY BRIEF]. Madison, WI: University of Wisconsin-Madison, Wisconsin Center for the Advancement of Postsecondary Education [WISCAPE].

Method:

- Employed a quasi-experimental research design (i.e., difference-in-differences)
- Examined changes in degree productivity between years 1990 and 2010.
- Controlled for other factors that might impact state degree completions, including distribution of enrollments, state population, tuition levels, state finance policy, and state unemployment and poverty rates.
- Ran separate analyses for bachelor's and associate degree productivity, examining three factors (overall effect across PF states; effect of PF over time; effect of PF within each state).

Findings:

- On average, performance funding had little to no impact on associate or baccalaureate degree completions.

Performance Funding

Does it Work?

Tandberg and Hillman (2013). *State Performance Funding for Higher Education: Silver Bullet or Red Herring?* [WISCAPE POLICY BRIEF]. Madison, WI: University of Wisconsin-Madison, Wisconsin Center for the Advancement of Postsecondary Education [WISCAPE].

Findings (Cont'd):

- With regard to baccalaureate degree completions, no significant effect was observed until PF programs had been in place for seven years. After seven years, PF had a small but positive effect on baccalaureate degree completions.
- For associate degree completions, there were no effects until five years after performance funding began. After five years, states using performance funding actually produced fewer associate degrees than other states.
- Within states, more often than not, performance funding failed to increase degree completions, although a few states have experienced positive outcomes.

Conclusion:

We believe there may be a fundamental misalignment taking place, where performance funding is a solution that isn't fully aligned with the problem. There may be better and potentially more impactful ways to increase college completions.

Performance Funding

Does it Work?

Friedel, et. al. (2013). *Performance-Based Funding: The National Landscape*. The Education Policy Center, University of Alabama.

- Despite recent attention, there is not compelling evidence of the link between [performance-based funding] and improved student outcomes at this time.

Perna, et. al. (2014). *Insights and Implications for State Policy-Makers*. The Annals of the American Academy of Political and Social Science.

⇒

- [P]erformance funding policies have been considered by many states...[y]et available data and research suggest that these policies—or at least the earlier wave of these policies—have not improved student outcomes.

CCRC Policy Brief (2014). *Performance Funding: Impact, Obstacles, and Unintended Impacts*. Community College Research Center, Teachers College, Columbia University.

- There is little evidence that [Performance Funding] 1.0 programs significantly increase rates of student retention and graduation.
- Most careful quantitative analyses of the impacts of [Performance Funding] 1.0 on retention and graduation rates have not found statistically significant impacts.

Performance Funding

Lessons learned?

Friedel, et. al. (2013). *Performance-Based Funding: The National Landscape*. The Education Policy Center, University of Alabama.

- Align performance funding system with state goals & agenda for higher education.
- Significant involvement from institutions will ensure unique perspectives and needs are reflected in the model.
- Involve policymakers, higher education leaders, faculty, business leaders, education organizations, and other stakeholders in the development process.
- ⇒ • Institutional mission and characteristics should be taken into account.
- Reward institutional improvement, rather than only the top performers.
- Simple and clear performance indicators, measuring access, progression, completion.
- Include weighting for marginalized populations (academically or financially at-risk).
- Stable funding streams, with enough dollars to create incentives for change.
- Gradual phase-in, incorporating stop-loss provision.
- The performance funding system should be continuously evaluated for success.

Performance Funding

Best Practices?

Miao (2012). *Performance-Based Funding of Higher Education: A Detailed look at Best Practices in 6 States*. Center for American Progress.

- Actively involve key stakeholders in the funding model's design.
- Ensure that enough money is apportioned for performance to create strong incentives.
- Recognize institutional differences with separate funding formulas or differently weighted metrics.
- Integrate all metrics and provisions into the state formula.
- Use indicators that emphasize progress.
- Incorporate stop-loss provisions that prevent institutions from losing more than a certain level of funding each year.
- Gradually phase in new measures.
- Subject the system to frequent evaluation.

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Performance Funding Common Metrics?

Type of Measure	Examples
<p>Priority <i>Student categories and/or degree types that are a priority for the state to meet attainment and job needs; student focus is on progression and completion, not just access</i></p>	<ul style="list-style-type: none"> • Adult students • Academically underprepared students • Low-income (Pell Grant-eligible) students • Underrepresented students • STEM-H degrees <p><i>Note: often reflected by providing an extra weight to progression and completion metrics</i></p>
<p>Student Progression and Momentum <i>Intermediate outcomes/key milestones important to student progression toward completion</i></p>	<ul style="list-style-type: none"> • Remedial education success • Completion of first college-level mathematics and English courses • Credit accumulation (e.g., 15, 30 credit hours)
<p>Completion <i>Promote certificate/degree completion and transfer</i></p>	<ul style="list-style-type: none"> • Number or rate of program completers • Number of transfers • Licensure pass rates • Job placement
<p>Productivity and Institution Mission <i>Promote efficiency, affordability and focusing dollars on core mission functions</i></p>	<ul style="list-style-type: none"> • Degrees per 100 FTEs • Research

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Performance of Kentucky's Postsecondary System

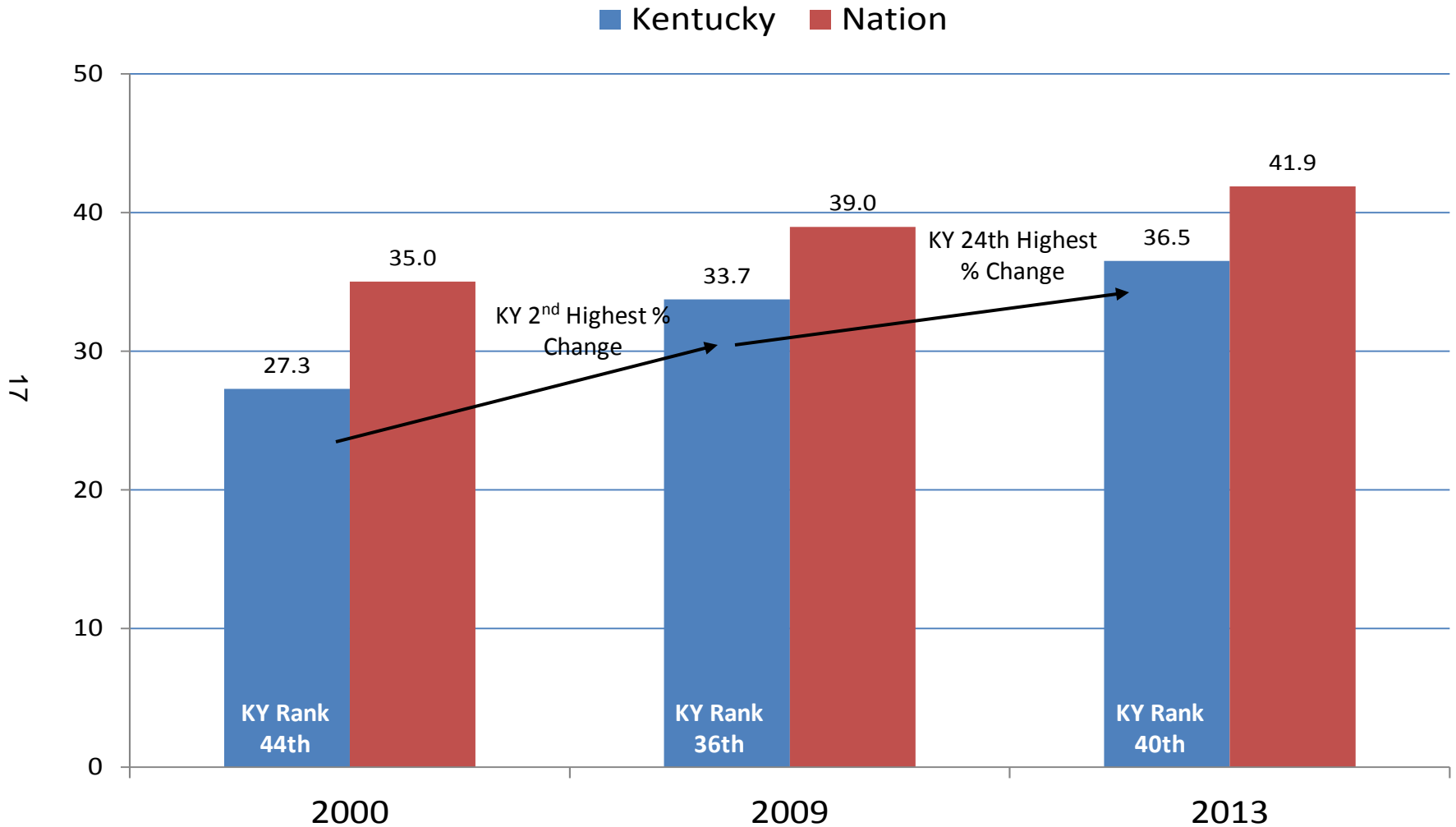
KENTUCKY LEADS THE NATION IN POSTSECONDARY IMPROVEMENT

State Rank in Percent Change (2000 – 2009)

- #1 ➤ Percent of adults 25-64 with college degrees.
- #2 ➤ Percent of adults 25-44 with college degrees.
- #1 ➤ Six-year graduation rates at 4-year Institutions.
- #3 ➤ Three-year graduation rates at 2-Year institutions.
- #5 ➤ Total undergraduate credentials produced.
- #1 ➤ Undergraduate credentials awarded relative to population with no college degree.

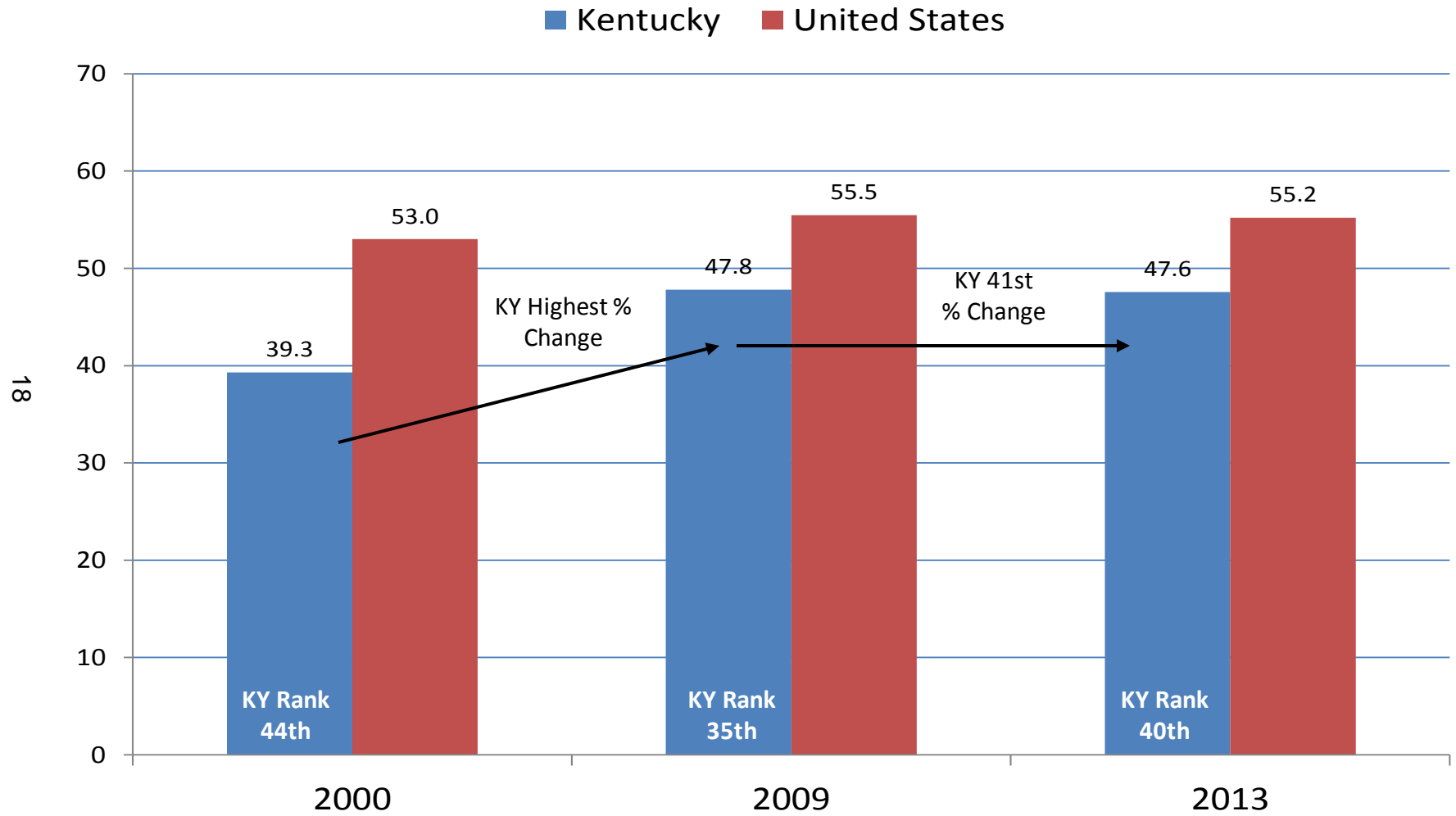
Source: National Center for Higher Education Management Systems (NCHEMS), *Realizing Kentucky's Educational Attainment Goal: A Look in the Rear View Mirror and Down the Road Ahead*, September 2011.

Percent of 25 to 44 Year Olds with Associate Degrees and Higher



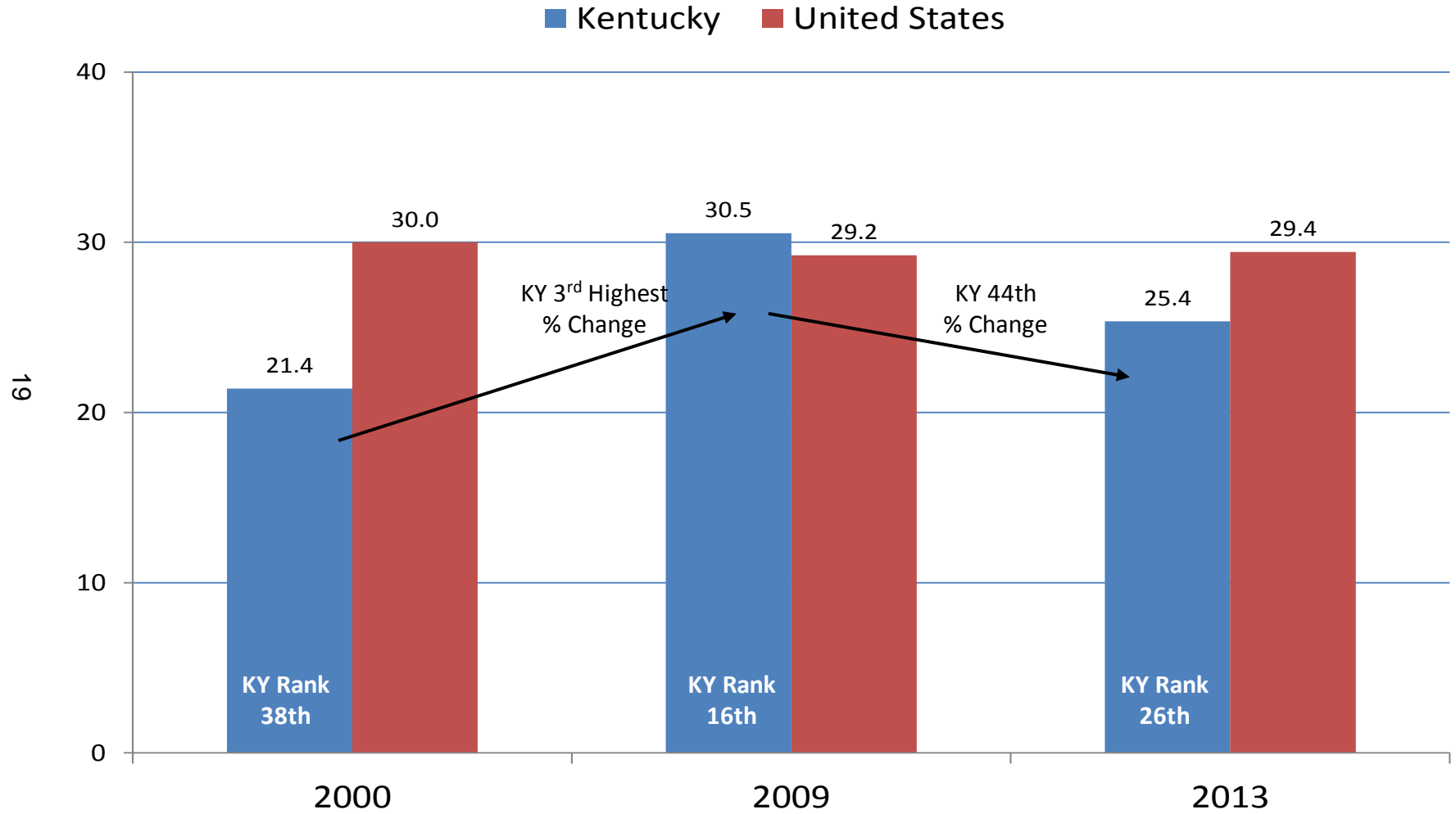
Source: U.S. Census Bureau, 2000 Decennial Census, American Community Survey (ACS).

Six-Year Graduation Rates at Four-Year Institutions



Source: NCES, IPEDS Graduation Rate Survey.

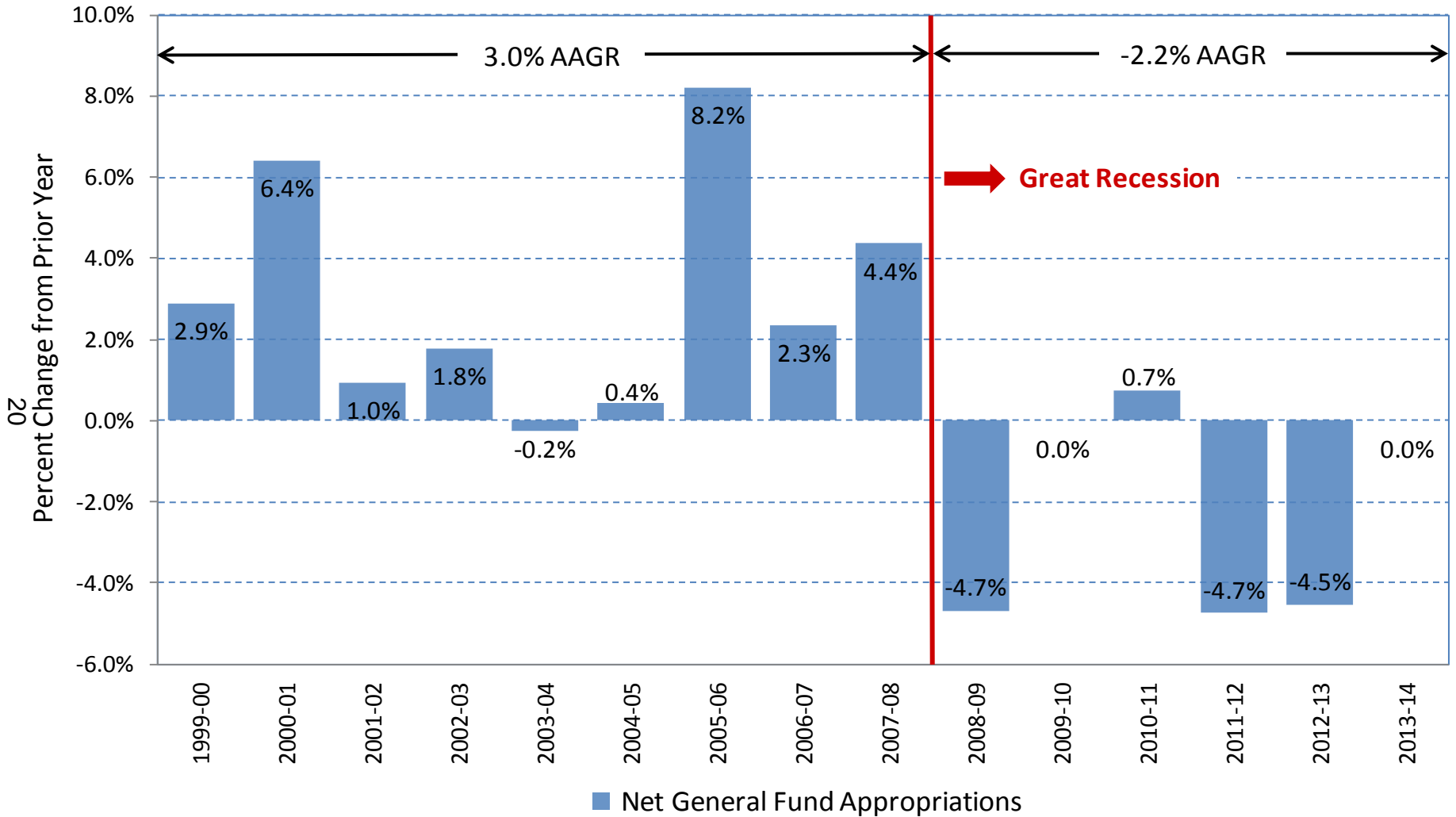
Three-Year Graduation Rates at Two-Year Institutions



Source: NCES, IPEDS Graduation Rate Survey.

Kentucky Public Four-Year University Annual Change in Net General Fund Appropriations

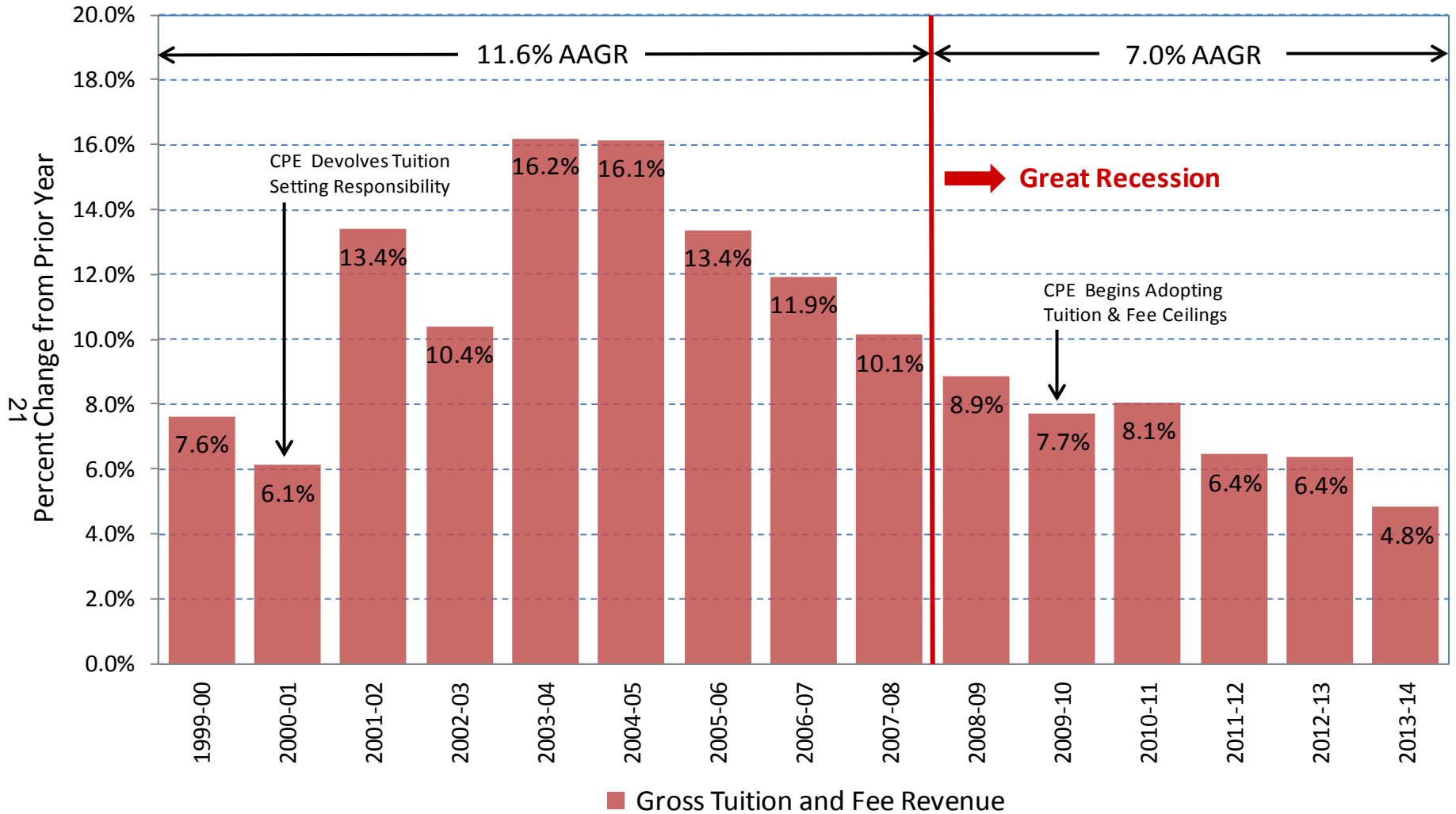
Fiscal Years 1999-00 through 2013-14



Source: Council on Postsecondary Education, Comprehensive Database.

AAGR - Average Annual Growth Rate

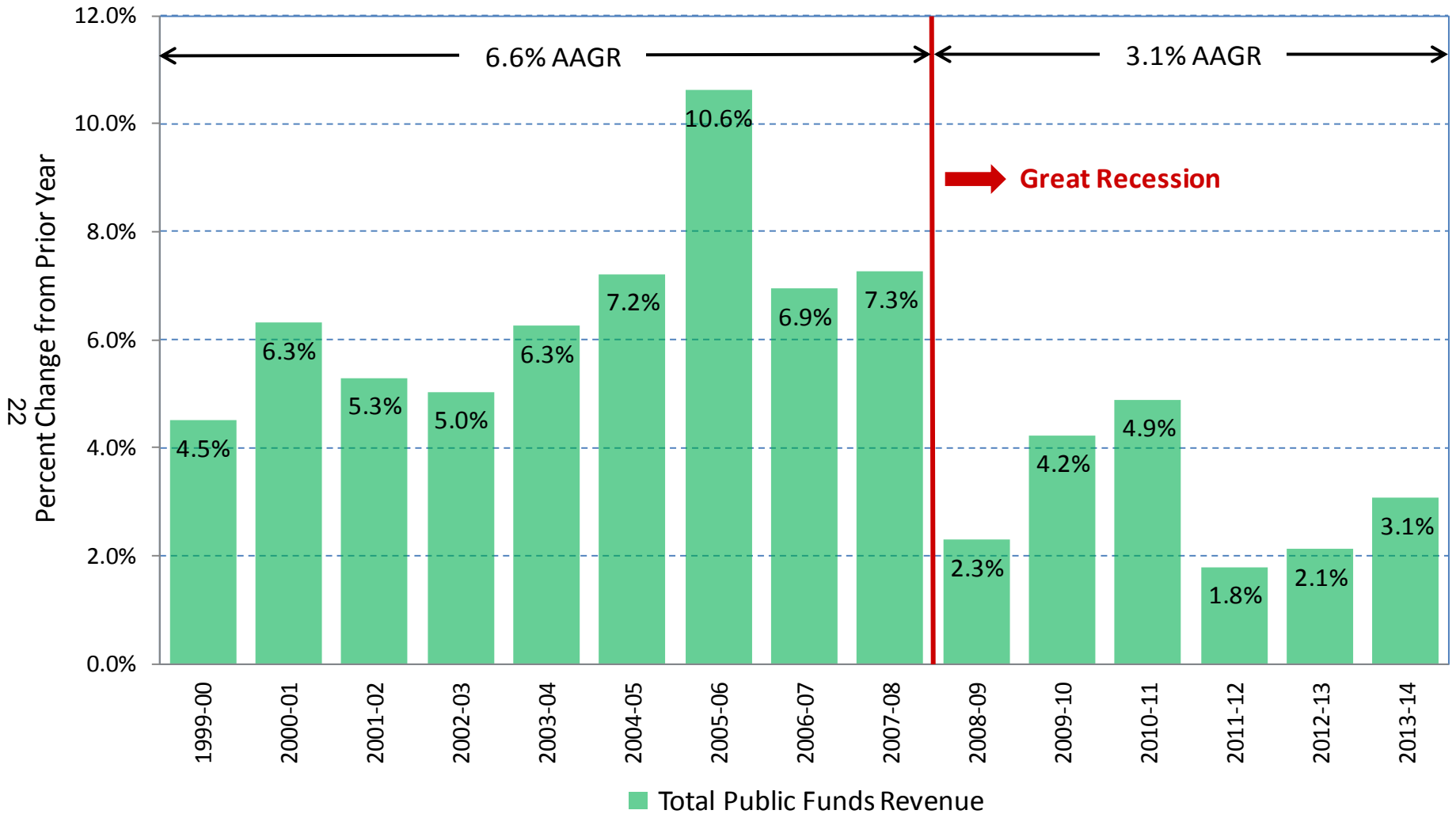
Kentucky Public Four-Year University Annual Growth in Gross Tuition and Fee Revenue Fiscal Years 1999-00 through 2013-14



Source: Council on Postsecondary Education, Comprehensive Database.

AAGR - Average Annual Growth Rate

Kentucky Public Four-Year University Annual Growth in Total Public Funds Revenue Fiscal Years 1999-00 through 2013-14



Source: Council on Postsecondary Education, Comprehensive Database.

AAGR - Average Annual Growth Rate

2016-18 Budget Development Update

2016-18 Biennial Budget Development Process
Funding Component Options
June 17, 2015

1. Operating Funds
 - a. Research Sector
 - i. Performance Funding (100%)
 - ii. Other?
 - b. Comprehensive Sector
 - i. Performance Funding
 - ii. Equity Adjustment
 - iii. Other?
 - c. Two-Year College Sector
 - i. Performance Funding
 - ii. Other?
2. Trust Funds
 - a. Bucks for Brains
 - b. Other?
3. Special Initiatives
 - a. KSU Structural Deficit/ Land Grant Match
 - b. KCTCS Tuition Stabilization
 - c. Other?
4. Capital
 - a. Multi-Biennia Approach
 - b. Mix of Asset Preservation to New Construction
 - c. Pooled Approach
 - d. Allocation Formula
 - e. Other?

Components of 2014-2016 Institutional Operating Funds Request

Description	2014-15	2015-16
Beginning Base (2013-14 General Fund)	\$ 941,574,700	\$ 941,574,700
Base Adjustments		
Debt Service	\$ (4,471,700)	\$ (3,132,300)
UofL Hospital Contract	315,400	636,900
KERS and 403(b) Plan Increases ^(a)	-	-
Subtotal	\$ (4,156,300)	\$ (2,495,400)
Strategic Investments		
College and Career Readiness	\$ 19,185,900	\$ 19,185,900
Research and Economic Development	12,000,000	12,000,000
Performance Funding (Degree Production) ^(b)	18,000,000	18,000,000
UK/KSU Land Grant Mission Funds	1,381,900	2,763,800
Kentucky Adult Learner Degree Initiative ^(c)	-	-
Subtotal	\$ 50,567,800	\$ 51,949,700
Total Operating Funds Request	\$ 987,986,200	\$ 991,029,000
Increase Over 2013-14 Base	\$ 46,411,500	\$ 49,454,300

Included in CPE Agency Budget Request to be distributed to the Institutions

Performance Funding (Degree Production)	\$ -	\$ 18,000,000
Kentucky Adult Learner Degree Initiative	2,400,000	2,400,000
	\$ 2,400,000	\$ 20,400,000
Total Operating Funds (with CPE items)	\$ 990,386,200	\$ 1,011,429,000
Increase Over 2013-14 Base	\$ 48,811,500	\$ 69,854,300

^(a) CPE fully supported and endorsed any funding that the Governor and General Assembly could provide to help the postsecondary institutions defray the cost of state mandated KERS cost increases.

^(b) Does not include an additional \$18,000,000 in 2015-16 which was included in the CPE Agency Budget Request. This funding would be allocated based on 2013-14 degree numbers.

^(c) Does not include \$2.4 million in each fiscal year for the Kentucky Adult Learner Degree Initiative, which was requested in the CPE Agency budget.

Strategic Investments Endorsed by the Council, 2014-16 Budget Request

College and Career Readiness: \$19.2 M in each year of the biennium

This program was designed to increase college preparation levels by: (a) implementing a Clinical Model of teacher preparation at the public universities; (b) improving diagnostic assessment and placement testing at middle and high schools; (c) supporting development of transitional courses and summer bridge programs to address academic deficiencies; (d) creating a new model of developmental education that places students in credit bearing courses with academic support; and (e) providing professional development to improve instruction and support student learning.

- \$5.5 million allocated to institutions based on number of middle and high school students in their service region.
- \$6.0 million to support teacher preparation allocated to the universities based on K-12 teachers produced.
- \$7.7 million to support developmental education to the institutions based on developmental education students served.

Research and Economic Development: \$12.0 M in each year of the biennium

This initiative supports creation of “Centers of Research Excellence” at the University of Kentucky and University of Louisville through targeted cluster hires in research focus areas that address important state needs and have ties to business and industry.

- Allocated one-third to the University of Louisville and two-thirds to the University of Kentucky in accordance with statutory provisions of the RCTF.

Performance Funding (Degree Production): \$18.0 M in FY 14-15, \$36 M in FY 15-16

This new performance funding approach would provide incentives for institutions to increase the number of high-quality degrees they produce by linking funding to outcomes.

- Allocated among the institutions based on each institution’s share of a rolling three-year average of total annual degrees produced, weighted by level, with premiums for STEM+H, underrepresented student, and low-income student degrees, then adjusted using average salary data by sector as a proxy for cost of instruction.

Land Grant Mission Funds: \$1.4 M in FY 14-15, \$2.8 M in FY 15-16

This funding will help maintain service levels and programmatic activities of land grant programs at the University of Kentucky and Kentucky State University.

- University of Kentucky: \$1,229,200 in FY 2014-15 and \$2,458,400 in FY 15-16
- Kentucky State University: \$152,700 in FY 2014-15 and \$305,400 in FY 15-16

Kentucky Adult Learner Initiative: \$2.4 M in each year of the biennium

This new program, included in the 2012-14 state budget (HB 265), will increase college attainment of Kentucky’s adult population through online learning and credit for prior learning.

- \$2.4 million was included in the CPE Agency Budget for this program since levels of participation by the various institutions were unknown.

**Kentucky's Research Universities
Proposed Performance Funding Approach
2016-18 Operating Request**

The information below represents a proposed performance funding approach for Kentucky's public research universities for the 2016-18 operating request.

1. The first goal of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) advances that the Commonwealth is to have a system of postsecondary education that is strategically planned and adequately funded to enhance economic development and quality of life by 2020. The law further declares that the University of Kentucky is to become a major comprehensive research institution ranked nationally in the top twenty public universities and the University of Louisville is to become a premier, nationally-recognized metropolitan research university.
2. Defining funding adequacy to achieve these goals is imperative but there is insufficient time to accomplish the task in a thoughtful, comprehensive manner to inform the 2016-18 operating request. However, given the decrease in state appropriations over the last decade, it is readily apparent that Kentucky's research institutions are inadequately funded to achieve the goals of HB 1.
3. The research universities propose that the Council request additional state funding for UK and UofL based upon the prior reductions and request that the new funds be appropriated to each institution proportionally based on existing state appropriations. **However, recognizing the cost of such an investment by the Commonwealth, the research universities agree that 100 percent of the new funds must be earned based on performance to be retained beyond the 2016-18 biennium.**
4. Rather than using an "outcomes-based" approach, which fosters competition among institutions, the research universities recommend a "performance-based" approach patterned after the Council's degree eligibility program (see KRS 164.020(19) and 13 KAR 2:060). Each institution would be rewarded for showing improvement relative to its own goals for performance, not for exceeding performance levels of other institutions.
5. To incentivize the institutions to make progress addressing the Commonwealth's most critical issues, the research universities propose:
 - A. CPE staff and research university officials will agree on a limited number of areas of interest and related metrics for both institutions that are aligned with the goals, objectives, and strategies of the *Kentucky Postsecondary Education*

Improvement Act of 1997 (HB 1) and with the Council's Strategic Agenda for Postsecondary and Adult Education.

- B. Each institution will select five metrics, including at least one from each area of interest. CPE staff and the university officials will negotiate a goal for each metric. In order for the new funds received in 2016-18 to be added to the institution's base appropriations going forward, the institution must meet the goal or demonstrate continuous progress in four of the five metrics. Consistent with 13 KAR 2:060, continuous progress is to be defined as a positive change in the metric compared to the base measurement.
- C. If the institution meets the goal or demonstrates continuous progress in three of the five metrics, fifty percent of the new funds received in 2016-18 will be added to the institution's base appropriations going forward. The unearned funds will be deducted from the 2018-20 funding request for that institution.
- D. If the institution fails to meet the goal or demonstrate continuous progress in at least three of the five metrics, none of the new funds received in 2016-18 will be added to the institution's base appropriations going forward. The unearned funds will be deducted from the 2018-20 funding request for that institution.
- E. Performance will be measured in Fall 2017 to determine if funds are recurring and included in the institution's base for the 2018-20 operating request.

Kentucky Public Postsecondary Institution
Strategic Investment and Incentive Trust Funds

Bucks for Brains Program

<u>Sector/Institution</u>	<u>Statutory RCTF Allocation Factors</u>	<u>Allocation Percentages</u>	<u>Bucks for Brains Dollar Allocation</u>
Research Sector			
University of Kentucky	2/3	66.7%	\$50,000,000
University of Louisville	1/3	33.3%	25,000,000
Subtotal		100.0%	\$75,000,000

<u>Sector/Institution</u>	<u>2012-13 Net General Fund</u>	<u>Percent of Total</u>	<u>Bucks for Brains Dollar Allocation</u>
Comprehensive Sector			
Eastern Kentucky University	\$67,673,700	22.6%	\$3,389,000
Kentucky State University	23,537,400	7.9%	1,180,000
Morehead State University	41,016,400	13.7%	2,054,000
Murray State University	48,005,800	16.0%	2,404,000
Northern Kentucky University	46,835,100	15.6%	2,346,000
Western Kentucky University	72,425,200	24.2%	3,627,000
Subtotal	\$299,493,600	100.0%	\$15,000,000

Total Bucks for Brains: \$90,000,000

Workforce Development Match Program

Two-Year College Sector	
KCTCS	\$5,000,000

Total Workforce Match: \$5,000,000

Total Trust Funds Request \$95,000,000

Kentucky State University
 Change in Land-Grant Program Required Federal Match
 Between Fiscal Years 2007-08 and 2014-15

<u>Federal Match Category</u>	<u>2007-08</u>	<u>2014-15</u>	<u>7-Year Change</u>	<u>AAGR</u>
Extension (Section 1444)	\$2,654,648	\$3,228,344	21.6%	2.8%
Evans-Allen (Section 1445)	2,869,794	3,662,194	27.6%	3.5%
	\$5,524,442	\$6,890,538	24.7%	3.2%
<u>State Funding</u>	<u>2007-08</u>	<u>2014-15</u>	<u>7-Year Change</u>	<u>AAGR</u>
Net General Fund Appropriations	\$27,441,700	\$23,429,600	-14.6%	-2.2%

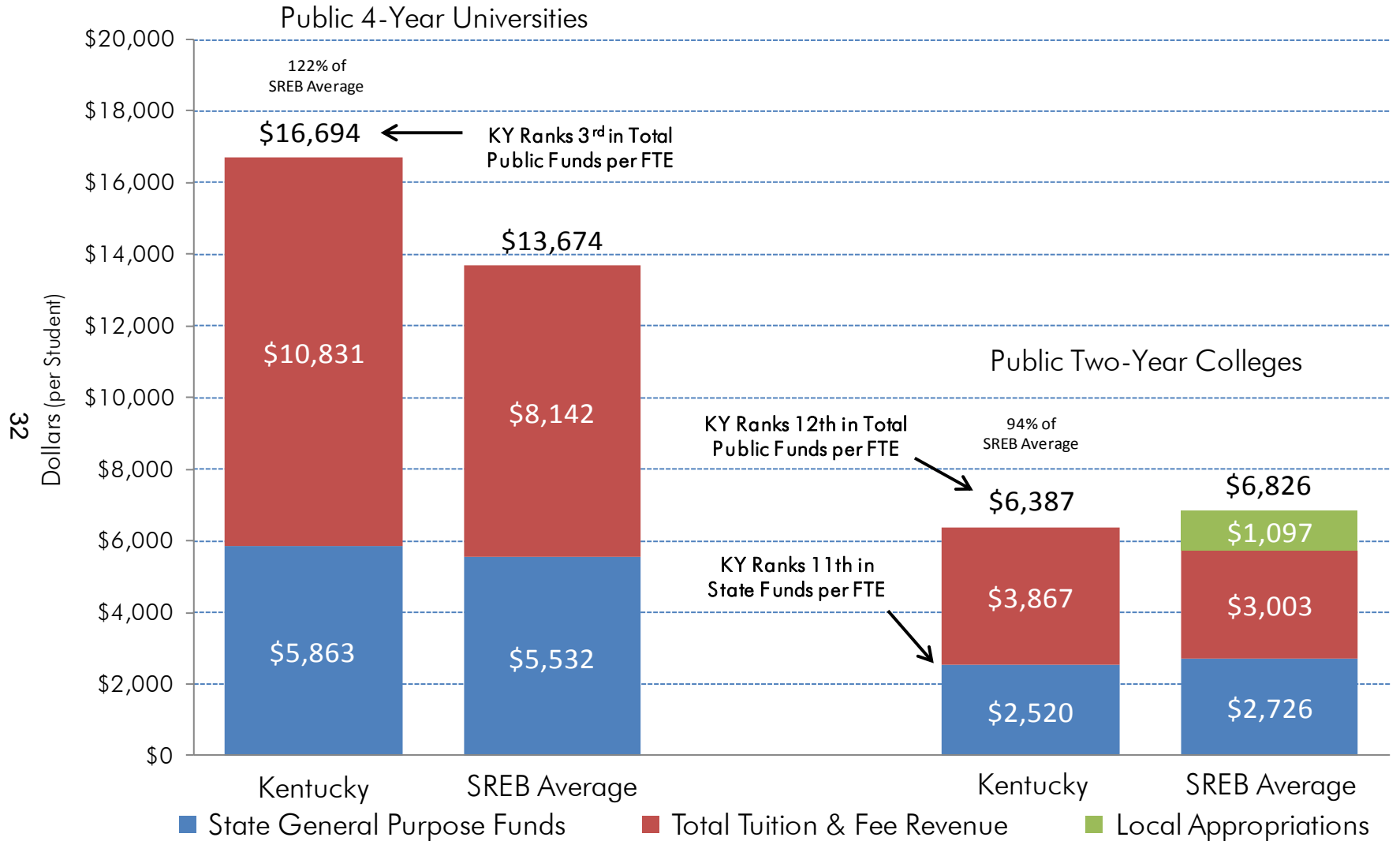
Sources: United States Department of Agriculture; CPE Comprehensive Database.

KCTCS Tuition Stabilization

Kentucky Public Four-Year and Two-Year Sectors Compared to SREB Averages

Total Public Funds Per FTE Student

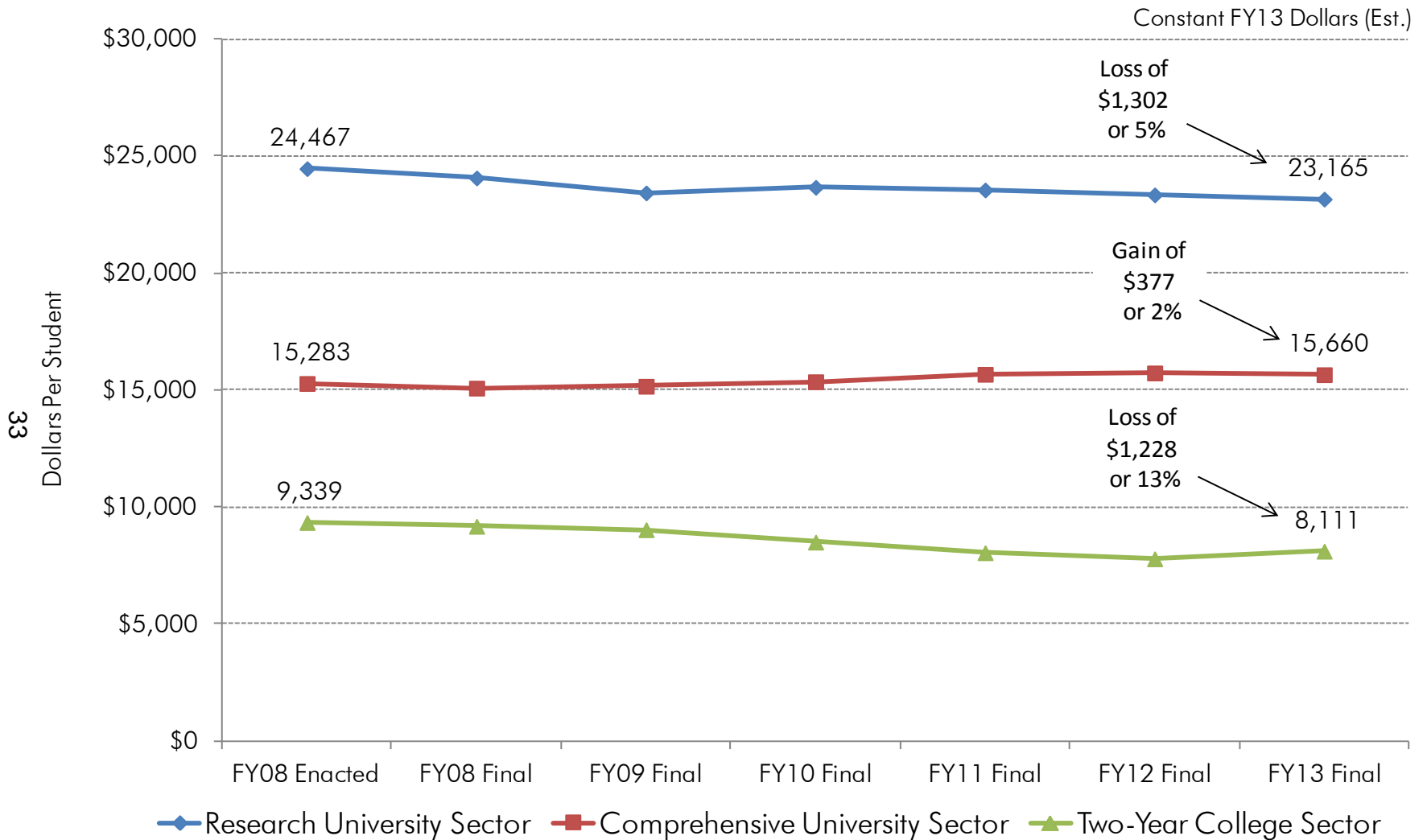
Fiscal Year 2011-12



Source: SREB, State Data Exchange.

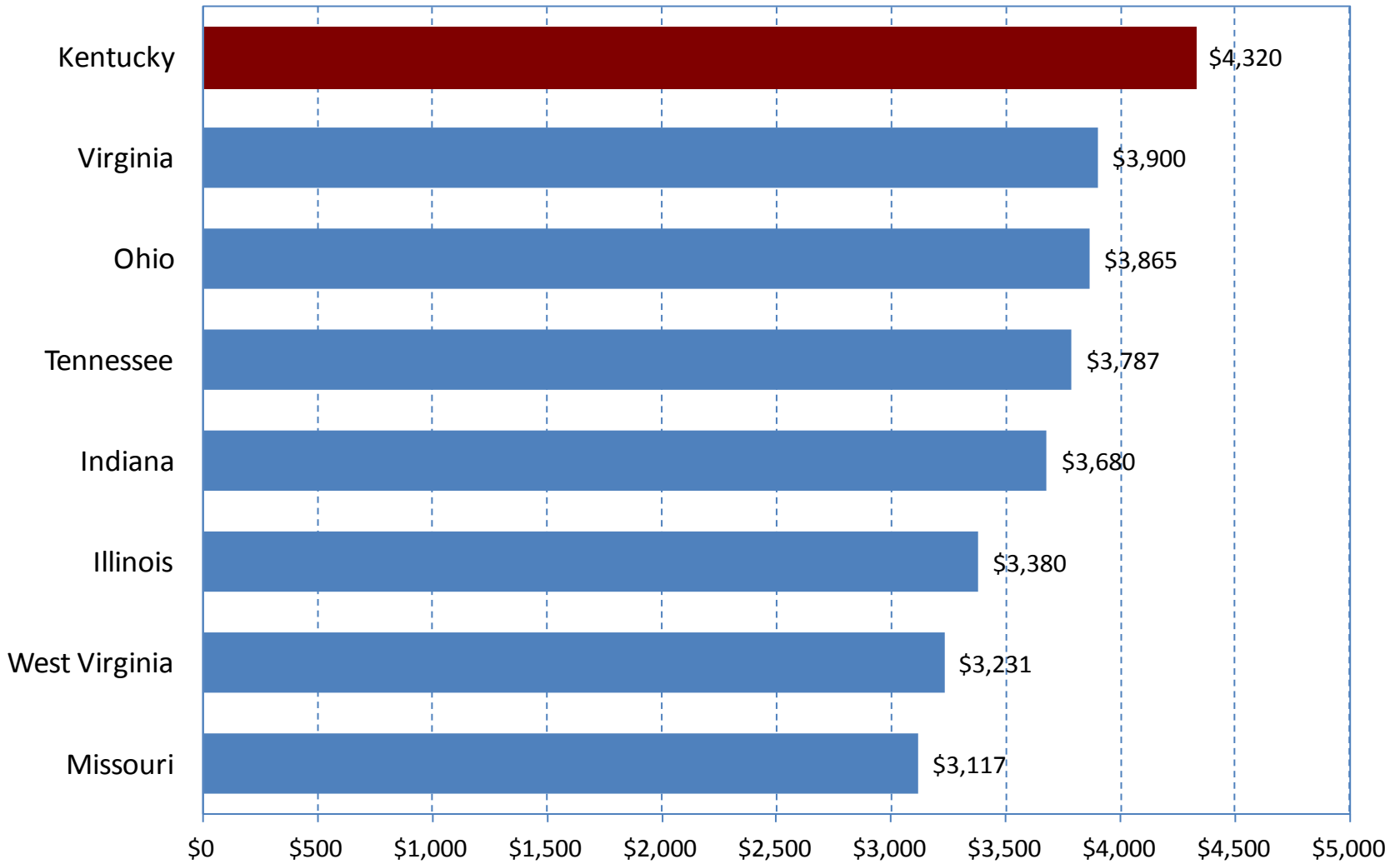
Note: Tuition & fee revenue includes revenue designated for debt service.

Kentucky Public Postsecondary Sector Inflation Adjusted Total Public Funds per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Community Colleges in Kentucky and Surrounding States Resident Tuition and Required Fees (Estimated State Averages) Academic Year 2013-14

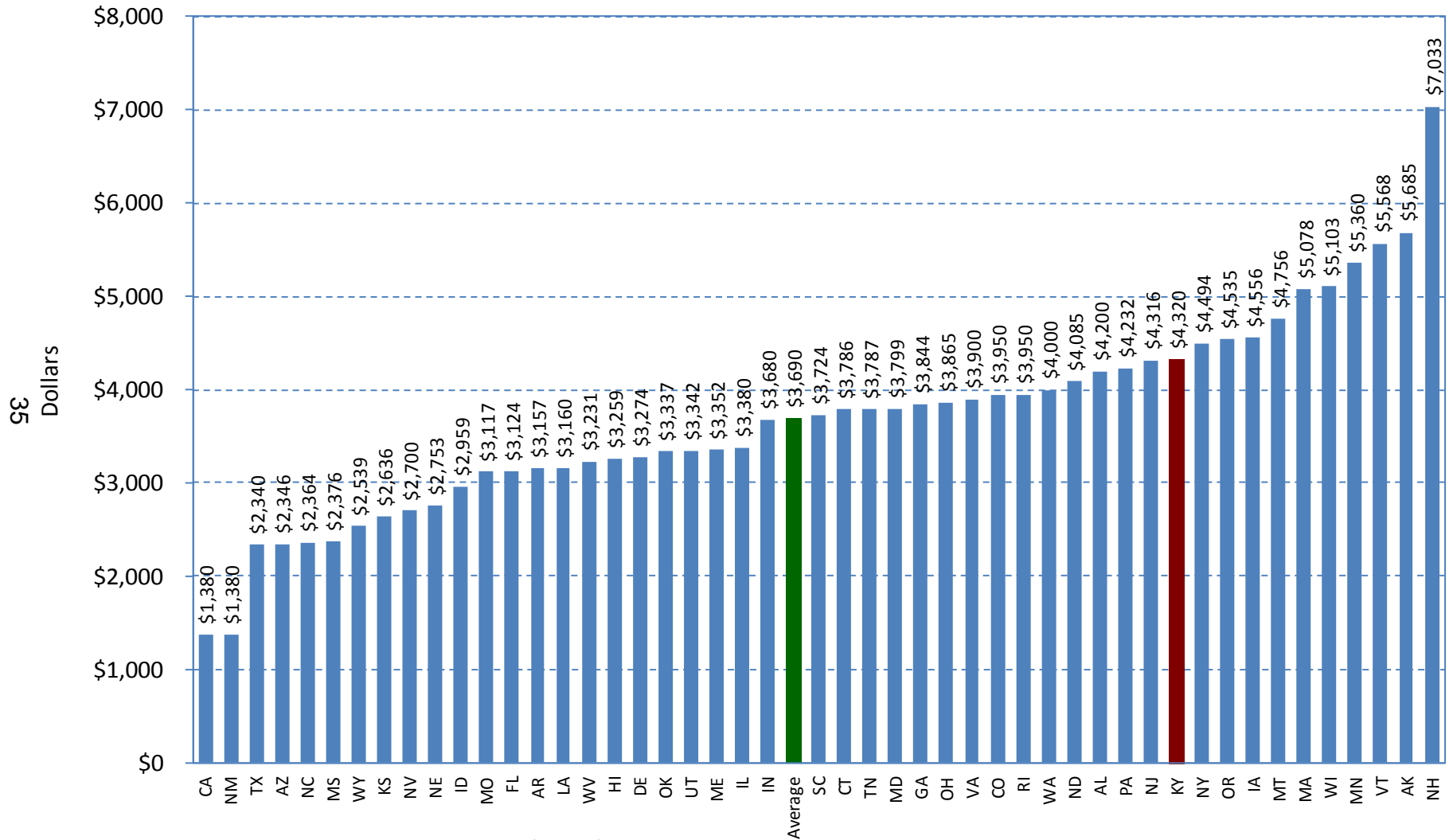


Source: Washington Student Achievement Council (WSAC).

Community Colleges in Kentucky and Across the Nation

Resident Tuition and Required Fees (Estimated State Averages)

Academic Year 2013-14



Source: Washington Student Achievement Council (WSAC).

Kentucky Public Postsecondary Sector

Average Yearly Increases in Resident Undergraduate Tuition and Fees Academic Years 2004 - 2009 and 2009 - 2014

	<u>5-Year AAGR 2004 - 2009</u>	<u>5-Year AAGR 2009 - 2014</u>
Research Sector	11.4%	5.4%
Comprehensive Sector	11.7%	4.8%
Two-Year College Sector	8.9%	3.5%
Postsecondary System	11.4%	4.9%

**57% Decrease in Average
Yearly Increases FY09- FY14**

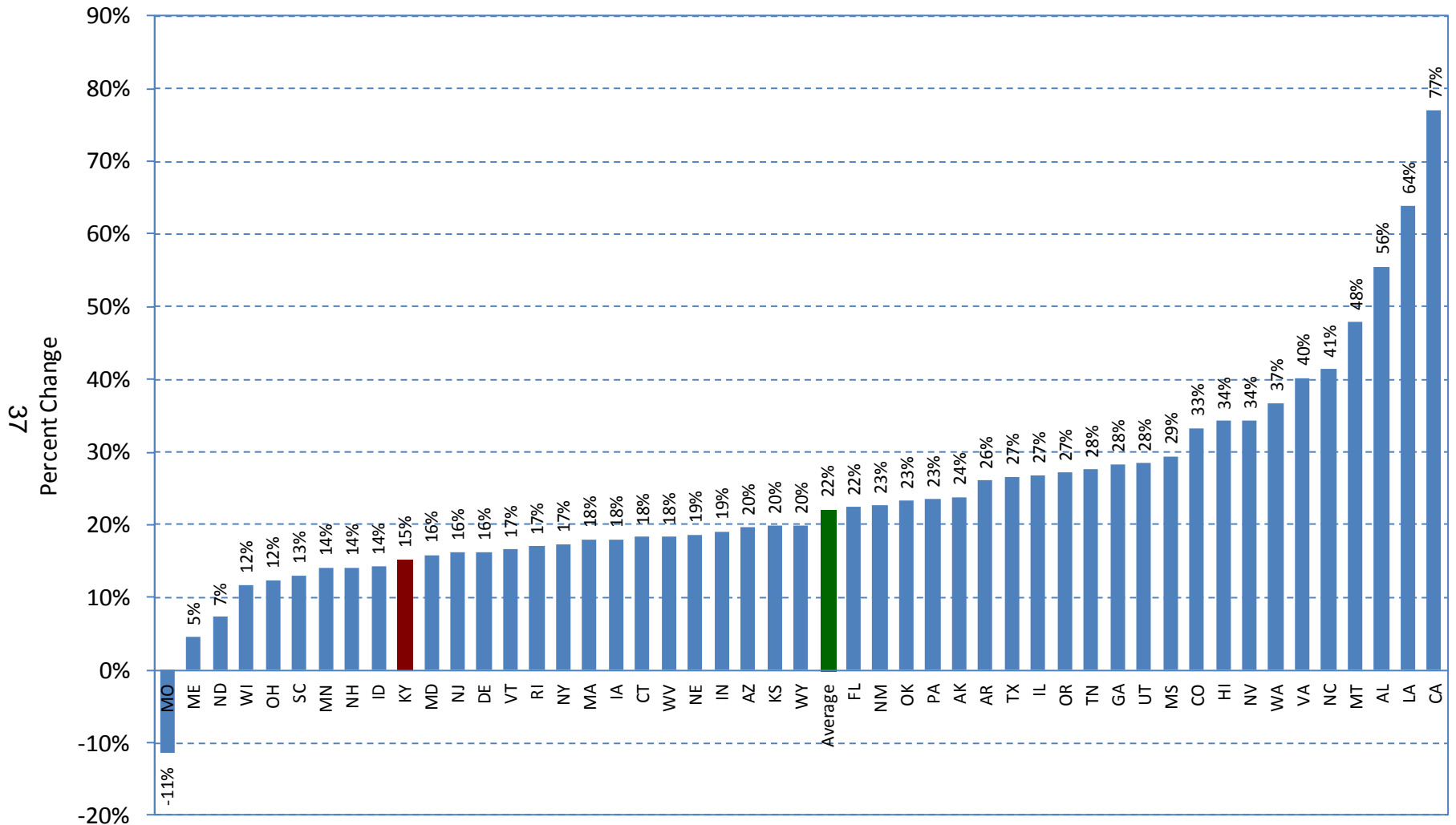
AAGR - Average Annual Growth Rate.

Source: Kentucky Comprehensive Database

Community Colleges in Kentucky and Across the Nation

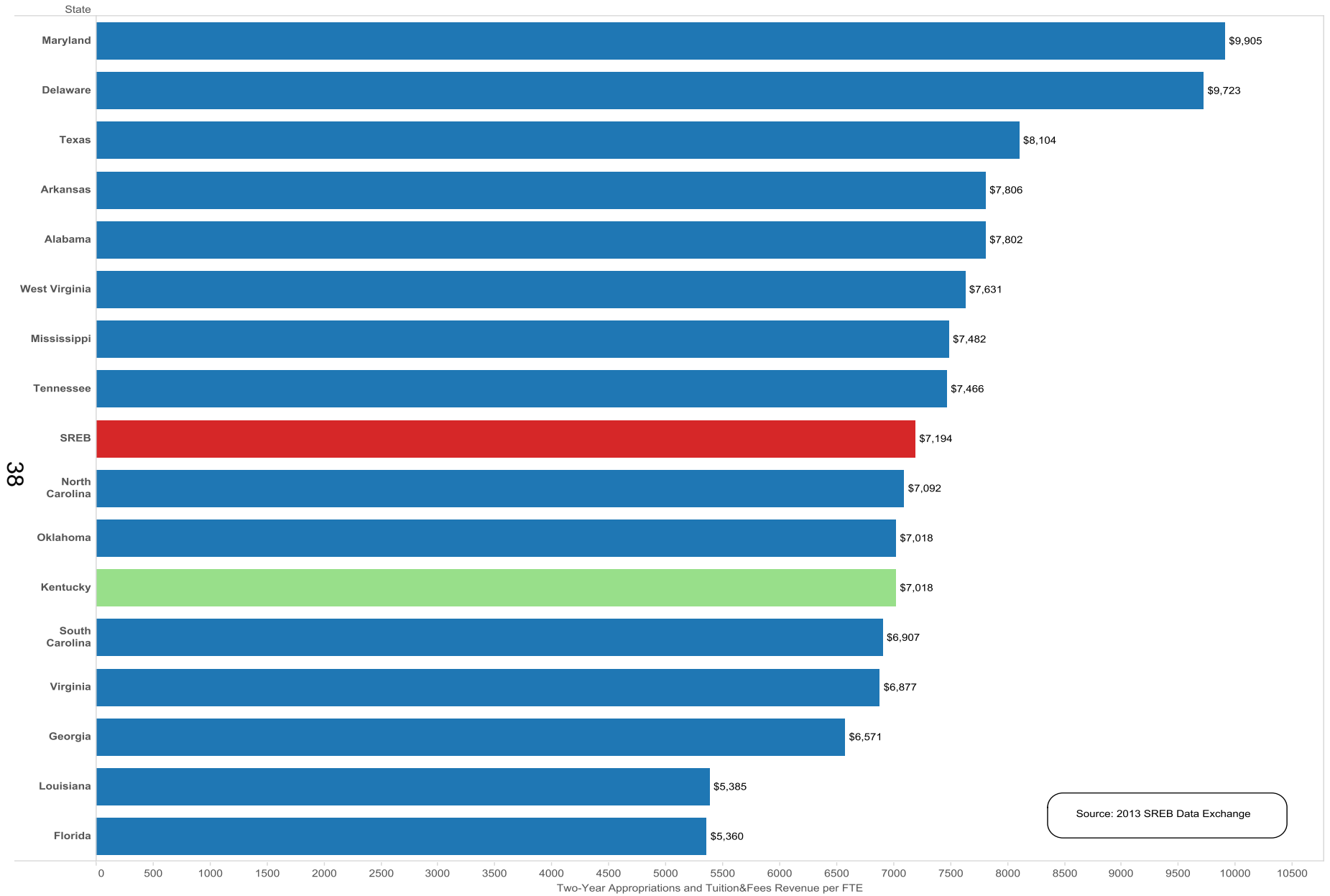
Change in Resident Tuition and Required Fees (Estimated State Averages)

Between Academic Years 2009-10 and 2013-14



Source: Washington Student Achievement Council (WSAC).

Community Colleges Appropriations and Tuition & Fee Revenue per FTE, 2012-13



Source: 2013 SREB Data Exchange

2014-16 General Fund Capital Recommendation

Asset Preservation/Renovation and New/Expanded Space

Institution						Campus Distribution based on VFA Study				
	A		B		A+B		A		B	
	Asset Preservation & Renovation	New & Expanded	2014-16 Capital Investment (a)	Estimated Annual Debt Service		Asset Preservation & Renovation	New & Expanded		Asset Preservation & Renovation	New & Expanded
University of Kentucky	\$ 85,608,600	\$ 75,917,000	\$ 161,525,600	27%	15,041,000	\$ 105,525,200	65%	\$ 56,000,400	35%	
University of Louisville	45,763,100	40,582,400	86,345,500	14%	8,041,000	26,337,800	31%	60,007,700	69%	
Eastern Kentucky University	25,248,500	22,390,300	47,638,800	8%	4,436,000	34,095,900	72%	13,542,900	28%	
Kentucky State University	11,847,300	10,506,200	22,353,500	4%	2,082,000	12,563,400	56%	9,790,100	44%	
Morehead State University	19,318,100	17,131,200	36,449,300	6%	3,394,000	28,106,900	77%	8,342,400	23%	
Murray State University	20,894,000	18,528,600	39,422,600	7%	3,672,000	33,667,900	85%	5,754,700	15%	
Northern Kentucky University	21,601,900	19,156,400	40,758,300	7%	3,796,000	18,426,500	45%	22,331,800	55%	
Western Kentucky University	37,475,400	33,232,800	70,708,200	12%	6,585,000	44,336,800	63%	26,371,400	37%	
KCTCS	50,243,100	44,555,100	94,798,200	16%	8,828,000	41,751,500	44%	53,046,700	56%	
System Totals	\$ 318,000,000	53% \$ 282,000,000	47% \$ 600,000,000	100%	\$ 55,875,000	\$ 344,811,900		\$ 255,188,100		

(a) The 2014-2020 6-year plan was for 3 biennia (\$1.8 billion) of support. The \$600 million requested for 2014-16 was one-third of that total.

Notes:

Distribution among the institutions was based upon a blend of 55% VFA, 26% FTE, 12% TPF, and 7% Research Spending, with a \$15 million base over the 3 biennia.

Institutions would have flexibility to move from the 53%/47% Asset Preservation/New & Expanded split if the VFA study indicated a different mix was more appropriate.

Information Technology and Equipment Purchase Pool

Institution	2011-12 Actual Unrestricted Expend. for Instruction	Share of Unrestricted Expend. for Instruction	Base Funding	Allocation IT/Equip Pool	Total	% Share of Pool
University of Kentucky	\$ 256,058,300	26%	\$ 1,000,000	\$ 10,142,000	\$ 11,142,000	19%
University of Louisville	146,612,735	15%	1,000,000	5,807,100	6,807,100	11%
Eastern Kentucky University	89,984,800	9%	1,000,000	3,564,100	4,564,100	8%
Kentucky State University	14,011,600	1%	1,000,000	555,000	1,555,000	3%
Morehead State University	41,904,200	4%	1,000,000	1,659,800	2,659,800	4%
Murray State University	54,044,832	5%	1,000,000	2,140,600	3,140,600	5%
Northern Kentucky University	69,914,000	7%	1,000,000	2,769,200	3,769,200	6%
Western Kentucky University	100,462,300	10%	1,000,000	3,979,100	4,979,100	8%
KCTCS	211,650,943	21%	1,000,000	8,383,100	9,383,100	16%
Subtotal	\$ 984,643,710	100%	\$ 9,000,000	\$ 39,000,000	\$ 48,000,000	80%
CPE/KYVC/KYVL Statewide Initiatives			\$ 12,000,000	\$ -	\$ 12,000,000	20%
Total - IT & Equipment Pool			\$ 21,000,000	\$ 39,000,000	\$ 60,000,000	100%

Notes:

Institutions would certify that 2011-12 levels of actual unrestricted instruction expenditures for information technology and equipment would be maintained.

Each institution would have selected approved projects to advance the achievement of the goals outlined in the 2014-16 CPE budget request.

Projects selected by the institutions would have been evaluated by an external consultant for compliance prior to the release of pool funds.

Comparison of CPE Requested, Governor's Proposed, and Enacted 2014-16 Postsecondary Education Capital Budgets
 Projects funded in whole or in part by General Fund Bond Funds and/or Agency Bond Funds

DRAFT

Funding Category	CPE Requested	
	GF Bond Funds	non-IT GF share
Asset Preservation	318,000,000	53%
New and Expanded Space	282,000,000	47%
Information Technology Pool	60,000,000	
	<u>660,000,000</u>	

Funding Category	Governor's Proposed					
	GF Bond Funds	non-IT GF share	Agency Bonds	Other	Total	non-IT share
Asset Preservation	274,679,000	53%	468,264,000	6,500,000	749,443,000	52%
New and Expanded Space	245,658,000	47%	380,947,000	74,000,000	700,605,000	48%
Commonwealth College	1,200,000		-	-	1,200,000	
	<u>521,537,000</u>		<u>849,211,000</u>	<u>80,500,000</u>	<u>1,451,248,000</u>	

Funding Category	Enacted Budget					
	GF Bond Funds	non-IT GF share	Agency Bonds	Other	Total	non-IT share
Asset Preservation	240,079,000	51%	367,000,000	19,000,000	626,079,000	54%
New and Expanded Space	235,258,000	49%	229,275,000	74,500,000	539,033,000	46%
Commonwealth College	-		-	-	-	
	<u>475,337,000</u>		<u>596,275,000</u>	<u>93,500,000</u>	<u>1,165,112,000</u>	

Governor's Proposed GF as a percent of CPE Requested: 79%
 Enacted GF as a percent of CPE Requested: 72%

Funding Category	Enacted Budget + UK Research Building					
	GF Bond Funds	non-IT GF share	Agency Bonds	Other	Total	non-IT share
Asset Preservation	240,079,000	39%	367,000,000	19,000,000	626,079,000	44%
New and Expanded Space	367,758,000	61%	229,275,000	207,000,000	804,033,000	56%
Commonwealth College	-		-	-	-	
	<u>607,837,000</u>		<u>596,275,000</u>	<u>226,000,000</u>	<u>1,430,112,000</u>	

Enacted GF + UK Research Building as a percent of CPE Requested: 101%

Council on Postsecondary Education
 Change in Net General Fund Appropriations for Higher Education Institutions
 Fiscal Years 2007-08 and 2014-15

Campus	2007-08 Net General Fund	2014-15 Net General Fund	Dollar Change	Percent Change	Full Base Restoration	50% Base Restoration	
UK	\$335,071,000	\$279,611,300	(\$55,459,700)	-16.6%	\$84,955,100	\$42,477,600	Research Sector
UofL	168,572,300	139,076,900	(29,495,400)	-17.5%			
EKU	79,761,400	68,033,800	(11,727,600)	-14.7%	49,974,000	24,987,000	Comprehensive Sector
KSU	27,441,700	23,429,600	(4,012,100)	-14.6%			
MoSU	48,202,100	41,039,500	(7,162,600)	-14.9%			
MuSU	56,068,700	48,025,100	(8,043,600)	-14.3%			
NKU	55,099,500	48,537,600	(6,561,900)	-11.9%			
WKU	85,115,600	72,649,400	(12,466,200)	-14.6%			
KCTCS	228,704,900	190,162,300	(38,542,600)	-16.9%	38,542,600	19,271,300	Two-Year Sector
	<u>\$1,084,037,200</u>	<u>\$910,565,500</u>	<u>(\$173,471,700)</u>	<u>-16.0%</u>	<u>\$173,471,700</u>	<u>\$86,735,900</u>	
					19.1%	9.5%	Increase on FY15 base.