POSTSECONDARY EDUCATION WORKING GROUP
PERFORMANCE FUNDING MODEL REVIEW

September 2, 2020 - 9:00 AM, EDT
ZOOM teleconferencing for Working Group members
Livestream video for public: https://youtu.be/ReSWLtd9LVk

MEMO OF RECORD

Council on Postsecondary Education

Type: Postsecondary Education Working Group on Performance Funding
Date: July 30, 2020
Time: 2:00 p.m. ET
Location: Virtual Meeting – Working group members by ZOOM, Public viewing hosted on CPE YouTube Page.

CALL TO ORDER

The Postsecondary Education Working Group met Thursday, July 30, 2020, at 2:00 p.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page: https://youtu.be/NcBM8T3mgUo. Chair Aaron Thompson presided.

ATTENDENCE

Working Group Members in attendance:

- CPE President Aaron Thompson, Chair of the Working Group
- State Budget Director John Hicks, representing Governor Beshear
- Senate President Pro Tem David Givens, representing Senate President Robert Stivers
- Representative James Tipton, representing Speaker of the House David Osbourne
- EKU Interim President David McFaddin
- KSU President M. Christopher Brown, II
- KCTCS President Jay Box
- MoSU President Jay Morgan
- MuSU President Robert Jackson
- NKU President Ashish Vaidya
- Angie Martin, representing UK President Eli Capilouto
- UL President Neeli Bendapudi
- WKU President Tim Caboni

CPE staff members in attendance:

- Dr. Bill Payne, Vice President for Finance and Administration
- Shaun McKiernan, Director of Finance and Budget
- Ryan Kaffenberger, Senior Associate of Finance and Budget
- David Mahan, Associate Vice President of Data and Advanced Analytics
- Heather Faesy, Senior Associate of Board Relations and Special Projects, who served as recorder of the memo of record.

INTRODUCTION

CPE President Aaron Thompson provided an overview of the working group, including its roles and responsibilities and proposed timeline of its work and meetings. The group agreed to meet the first Wednesday of each month at 9:00 a.m. ET throughout the end of the year or until the group's work is complete.

Prior to the meeting, the working group members were provided with a copy of the 2016 report submitted to the Governor and the fiscal year 2020-21 distribution of funds per the model established. These were not reviewed during the meeting.

BACKGROUND INFORMATION

CPE President Thompson provided background information regarding the impetus for the new model and how the goals for higher education in Kentucky have complemented the model. The working group was reconvened by legislative mandate to determine if the comprehensive funding model is functioning as expected, identify any unintended consequences of the model, and to recommend any adjustments to the model.

Dr. Bill Payne reviewed the major decisions points the group considered during the development of the model in 2016 and reviewed the components and metrics used to measure progress.

TRENDS IN STUDENT SUCCESS METRIC DATA

Dr. Payne reviewed the data trends toward student success over the last three years. Trends discussed included:

- Change in Bachelor's Degrees Produced by Degree Type
- Change in Student Progression at Targeted Credit Hour Thresholds
- Percent Change in KCTCS Credentials Produced by Type
- Percent Change in KCTCS Progression by Credit Hour Threshold
- STEM+H Bachelor's Degrees Produced (Total, By Sector, Five-Year Change and Cumulative Net Gain)
- Underrepresented Minority Bachelor's Degrees (Total, By Sector, Five-Year Change and Cumulative Net Gain)
- Student Progression @ 30 Credit Hour Threshold (Total, By Sector, Five-Year Change and Cumulative Net Gain)

PERFORMANCE FUNDING SURVEY RESULTS

In June 2020, CPE asked the presidents of the 4-year and 2-year public institutions to complete a survey on the following areas:

- State level assessment of performance funding.
- Alignment of institutions' goals and state goals for higher education.
- Performance funding model calculations, metrics, and weighting.

Dr. David Mahan reviewed the results of that survey with the working group and a copy was provided in their materials.

PRELIMINARY REVIEW & DISCUSSION AMONG WORKING GROUP

Dr. Payne provided a preliminary review of the model, stating that while not all institutions are benefiting from the model, institutions are reacting to it strategically by aligning institutional goals with the statewide goals. He also reminded the working group of the unintended consequences of the model due to no new funding, stop loss contributions that can result in a second budget cut, and the impact of unfunded KERS costs increases.

Following the preliminary review, the working group discussed their initial thoughts to the data and information provided. Topics discussed included:

- The stop loss provision and the implications if that does not continue
- The lack of new funding appropriated by the general assembly to support performance funding
- How degree types are weighted differently in the calculations
- The potential incorporation of efficiency metrics to the model
- Impact the pandemic has placed on campus budgets and how leaders have had to shift necessary funding accordingly
- The positive effect the model has had at driving change at the institutions statewide, and how potential “tweaks” and additional new funding will make it function wholly and more successfully.
- A potential “pause” on the model in light of the pandemic to allow campuses to concentrate their efforts toward student health and safety.

Following the discussion, Dr. Thompson thanked the working group for attending and discussed the next steps.

ADJOURNMENT

The working group adjourned at 4:00 p.m., ET.

Outcomes Based Funding

September 2, 2020

STRATEGY LABS

State Policy to Increase Higher Education Attainment

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STRATEGY LABS

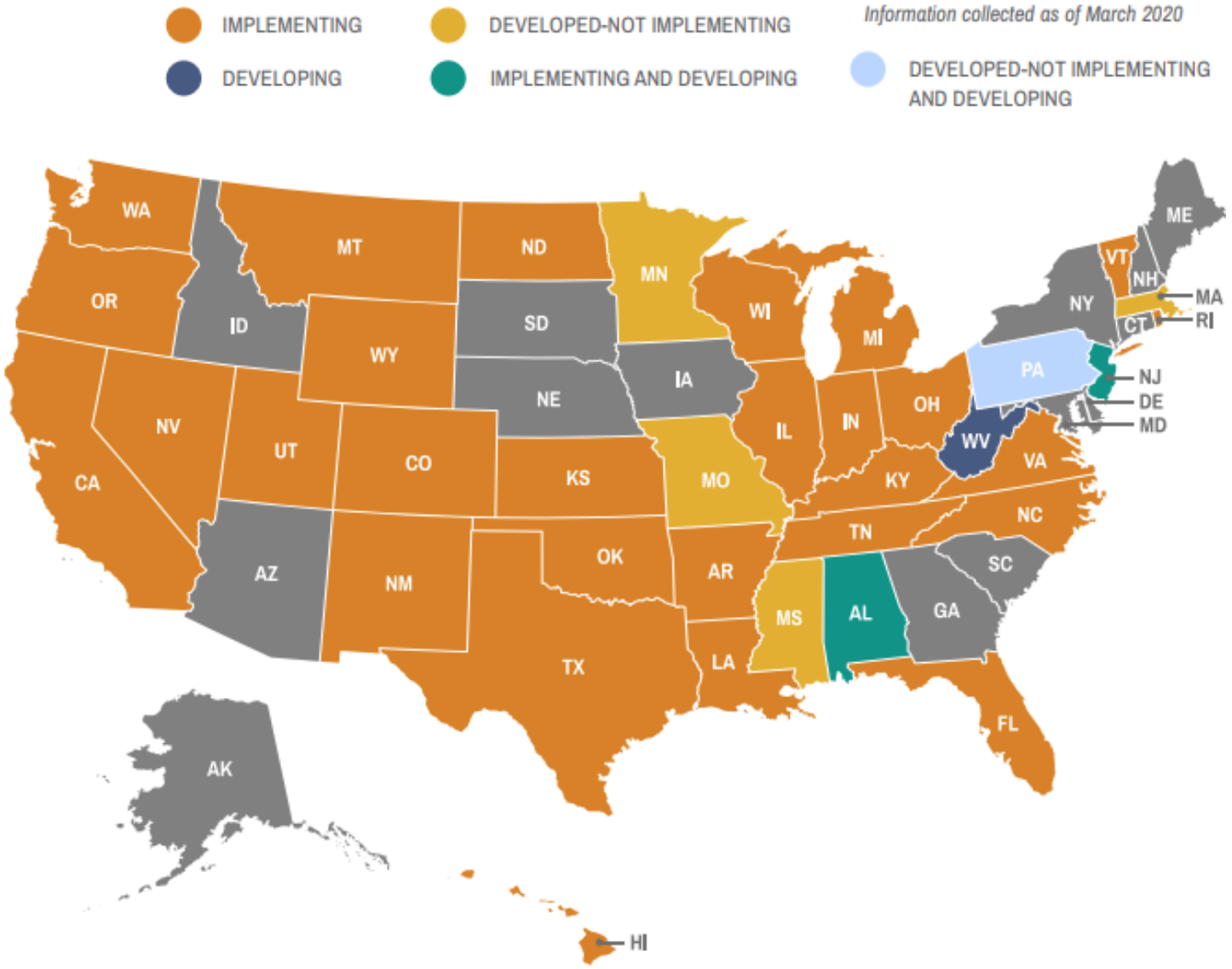
State Policy to Increase Higher Education Attainment

Lumina's vehicle for higher education system change

Strategy Labs are an open platform for leaders and influencers in all 50 states to share research and data, encourage peer learning and provide opportunities for on-request support from Lumina Foundation and its state policy partners.

OUTCOMES-BASED FUNDING NATIONAL CONTEXT

Outcomes-based Funding in States: FY 20



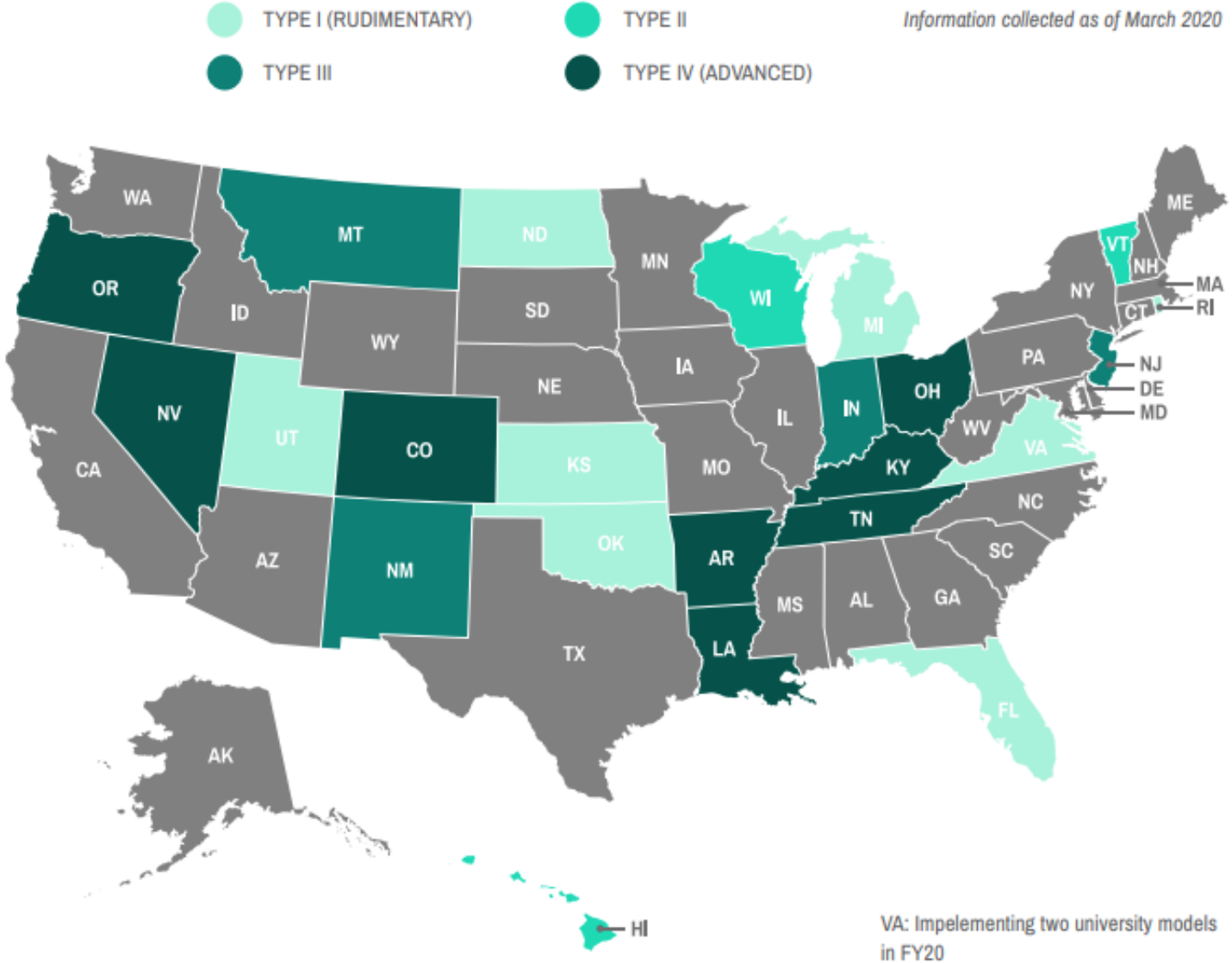
OBF Typology

- State funding systems vary significantly in design, focus and sophistication.
- HCM Strategists has developed a typology for Outcomes-Based Funding ranging from Type I (Rudimentary) to Type IV (Advanced).

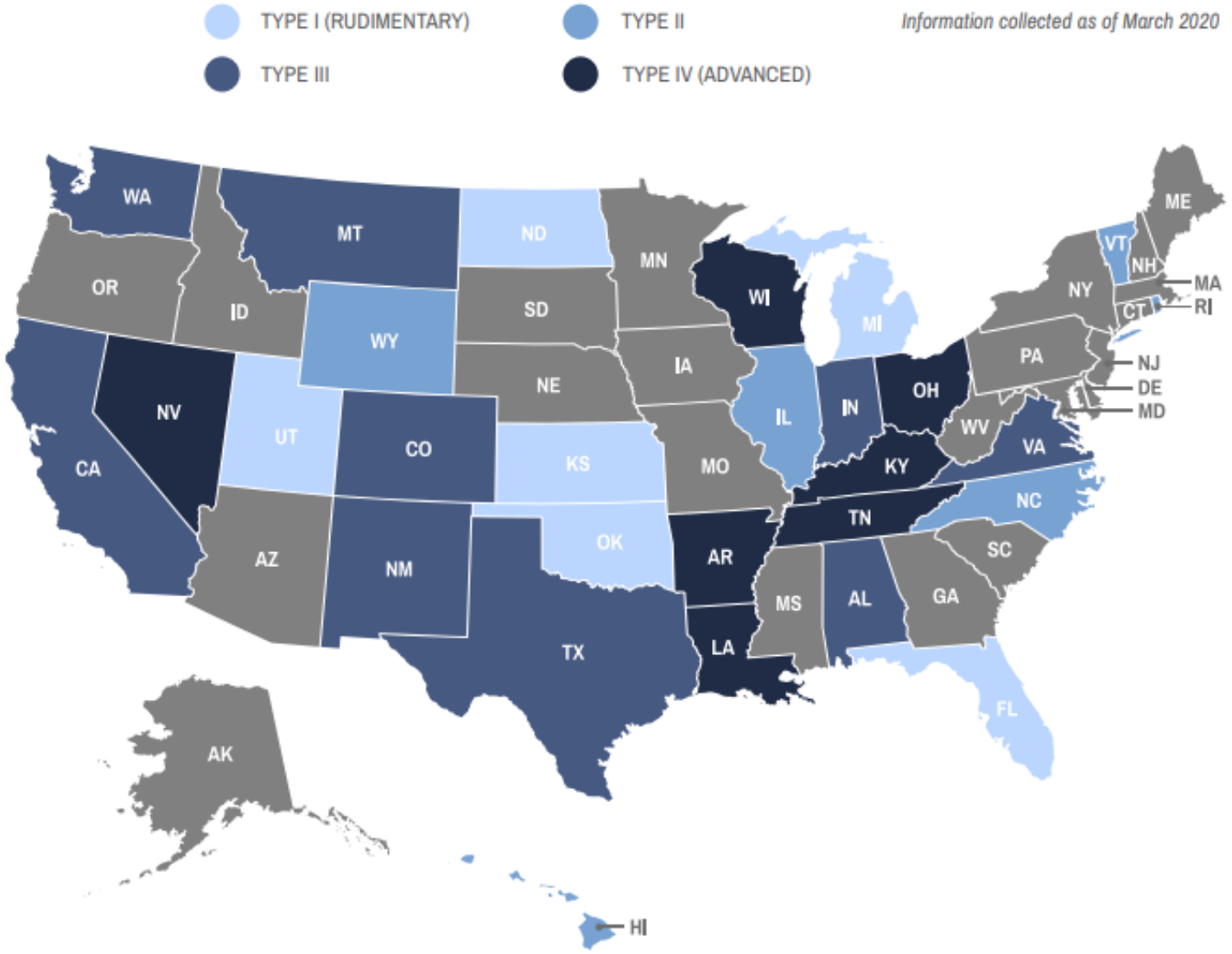
Type IV

- Aligned with completion/attainment goals and related priorities
- Recurring/Base funding
- *High level of state funding (25% or greater)*
- Differentiates by institutional mission
- Total degree/credential completion included
- Outcomes for underrepresented students prioritized
- *Formula driven/incents continuous improvement*
- *Sustained for two or more consecutive fiscal years*

Outcomes-based Funding by Type: 4-year Sector

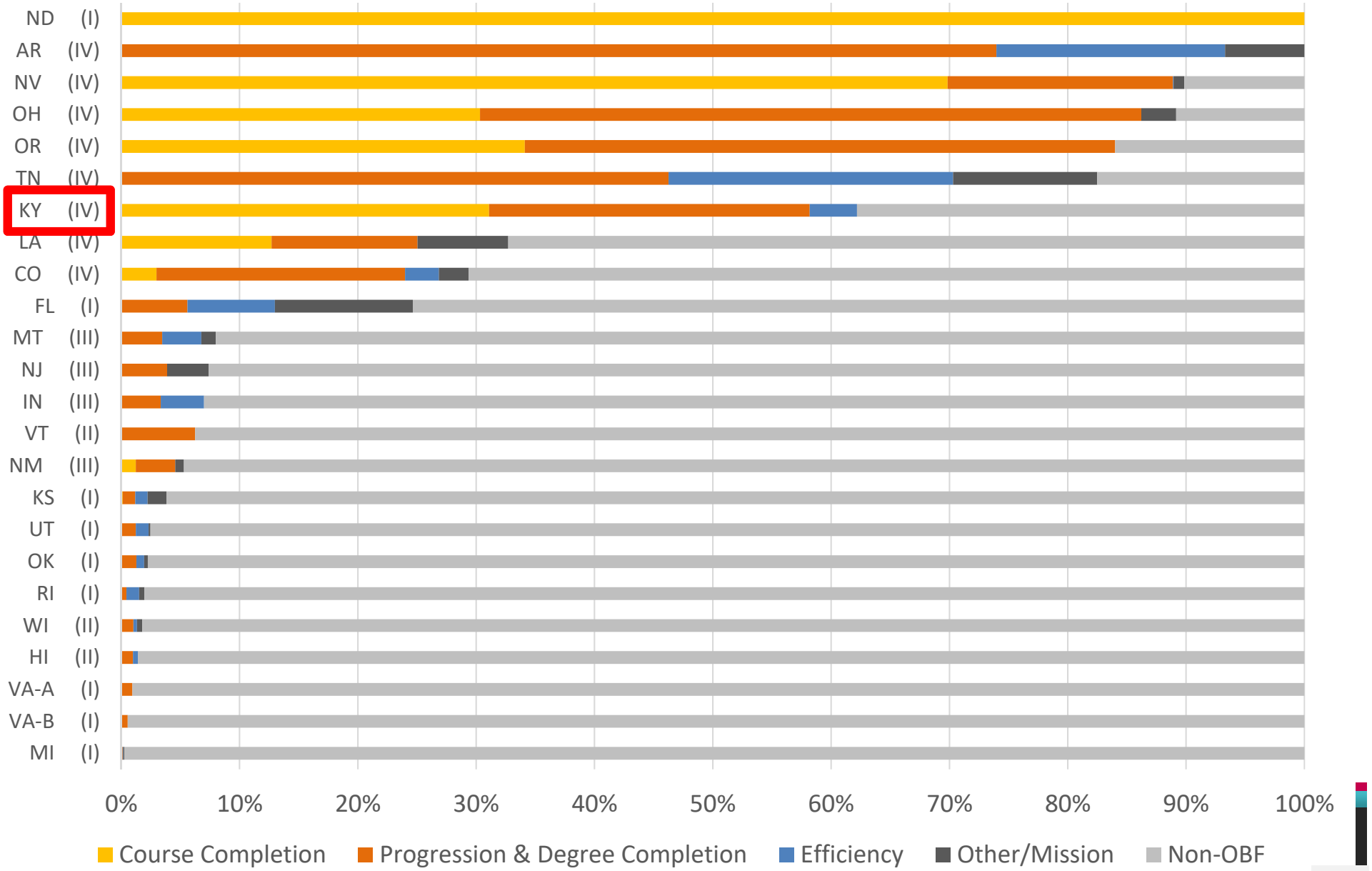


Outcomes-based Funding by Type: 2-year Sector



OBF as a Percentage of FY 2020 State Institutional Support: Four-Year Sectors

By course completion, progression & degree completion, efficiency and mission components



OBF as a Percentage of FY 2020 State Institutional Support: Two-Year Sectors

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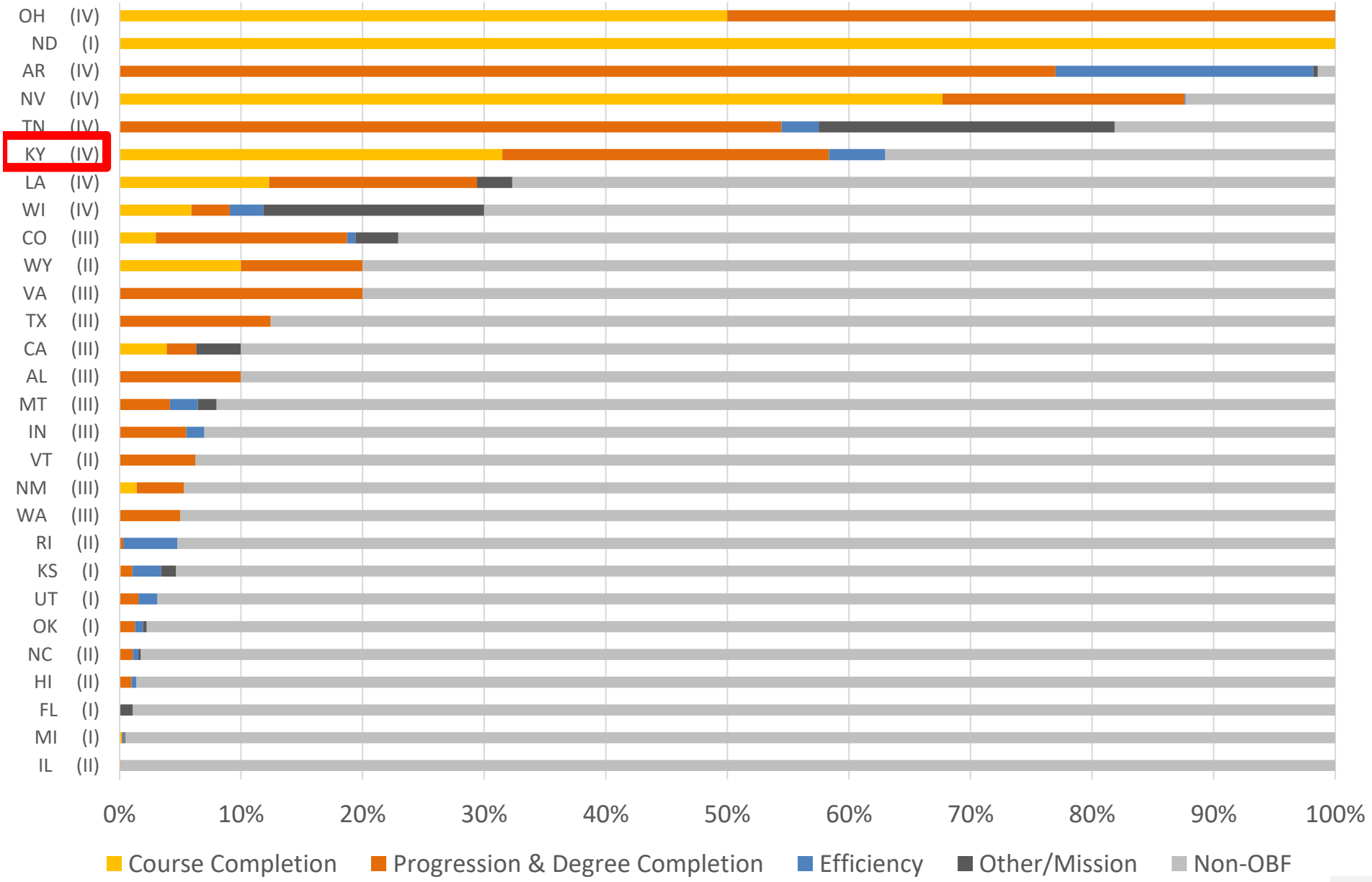

Success of Underrepresented Populations Prioritized in OBF Models: 4 year sector

States	Underrepresented Minority Students	Low-income Students	Academically Underprepared Students	Adult Students	Veterans	First Generation	Rural Students	Other
AR	X	X	X	X				
CO		X						
FL	Partial							
HI		X						X
IN		X						
KS	Partial							
KY	X	X						
LA	X	X		X				
MI								
MT	X	X		X	X			
ND								
NJ	X							
NM		X						
NV	X	X						
OH	X	X	X	X		X		
OK		X						
OR	X	X			X		X	
RI	Partial	Partial				Partial		
TN		X		X				
UT		X						
VA-A								
VA-B								
VT								
WI		X						

Success of Underrepresented Populations Prioritized in OBF Models: 2 year sector

States	Underrepresented Minority Students	Low-income Students	Academically Underprepared Students	Adult Students	Veterans	First-Generation	Disabled	Incarcerated	Dislocated Workers	Other
AL	X	X		X						
AR	X	X	X	X						
CA		X								
CO		X								
FL										
HI		X								X
IL		X	X							
IN		X								
KS	Partial		Partial		Partial					
KY	X	X	X							
LA	X	X		X						
MI										
MT	X	X	X	X	X					
NC			X							
ND										
NM		X								
NV	X	X								
OH	X	X	X	X						
OK		X								
RI										
TN		X	X	X						
TX			X							
UT		X								
VA	X	X	X			X				
VT										
WA	X	X	X							
WI-Tech	X	X		X	X		X	X	X	
WY										

Continuous Engagement and Support

- The model should be a policy tool, not just a budget exercise

- Clearly communicate how the model works
  - Transparent incentives
  - Interactive projection tools
  - Report annual effects of model
  - Funding formula summits

Continuous Engagement and Support

- Provide support to institutions
  - Analysis of institution specific outcome and funding data
  - Sharing best practices for increasing success
  - Student success improvement grants
- Track and address unintended consequences
  - Establish formal review process
  - Monitor academic standards
    - Student learning outcomes, faculty surveys, grade distributions
  - Monitor student access
  - Monitor funding volatility

OBF FUNDING MODELS AND COVID-19

Feedback from Other States with OBF Models

- We convened a group of higher education policymakers from nine states with well-designed OBF models. We asked them:

How should states with student-success oriented funding models operate the models given the current environment of COVID uncertainty, probable budget reductions, and an increased focus on racial/ethnic disparities?

General Feedback

- Outcomes-based funding is an important policy, but is just a tool. It is not the end goal. Policy decisions should remain student-focused.

- Be cognizant of the tradeoffs between policy sustainability and institution financial viability. Each institution's fiscal viability must be monitored. The need to implement the funding policy should be balanced with the need to ensure longer-term sustainability.

- There is value in the predictability of an allocation methodology that can be used regardless of financial situations.

General Feedback (continued)

- It is more important than ever to use the state funding formula to prioritize student success, and amplify the value of public higher education and its ability to play a key role in helping the state emerge from a recession.
- It is better to trust formula metrics that were agreed upon prior to an upheaval because modifications proposed during an upheaval could be reactionary rather than policy driven.
- Have a clear understanding of the scope of the reductions and their impacts. Model all scenarios and potential alternatives. Consider the populations served by institutions as well as institutions' access to funding sources other than state appropriations.

Technical Considerations

- If necessary, temporarily decrease the volatility of the funding formula and increase institutions' financial stability through use of a stop-loss function.

- Examine if the processes for reporting institution outcome data have been disrupted. What is necessary to continue to collect the data so it can be verified and included in upcoming formulas?

- Ask how the production of outcome data was affected for 2020. Was the impact consistent across all institutions?

RECOMMENDATIONS

Recommendations

1. **Assess the principles guiding the model**
   - Is there anything about the current circumstances that have altered the principles and therefore require changes to the funding formula?

2. **Avoid across-the-board reductions to institutions**
   - This is often the simplest solution when reductions are necessary, but it is not strategic and doesn't address equity concerns. Across-the-board reductions also ignore different and likely reduced levels of other resources, such as tuition and endowments.

Recommendations (continued)

3. **Avoid making drastic changes to funding models**
   - Drastic changes to funding models could add more uncertainty, while decreasing schools' focus on equity, quality, and student outcomes. Any changes should follow a thorough analysis of potential scenarios.

4. **Evaluate how decisions affect underserved students**
   - States with OBF models should consider increasing incentives for the success of underrepresented minority, low-income, and adult students.

Recommendations (continued)

5. **Ask if the pandemic disrupted funding model data**
   If so, decide what is necessary to continue to collect data in an accurate, verified way. For example:

   - Offer institutions the chance to replace 2019-20 data with 2018-19 data.

   - Consider re-weighting components of the formula, away from outcomes most affected by the COVID-19 disruptions.

   - Consider dropping certain outcomes if there will be a longer-term disruption to the outcome because of COVID-19.

STRATEGY LABS

State Policy to Increase Higher Education Attainment

StrategyLabs.LuminaFoundation.org

Presented by Scott Boelscher
Senior Associate, HCM Strategists
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16 COLLEGES WITH OVER 100,000 STUDENTS

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

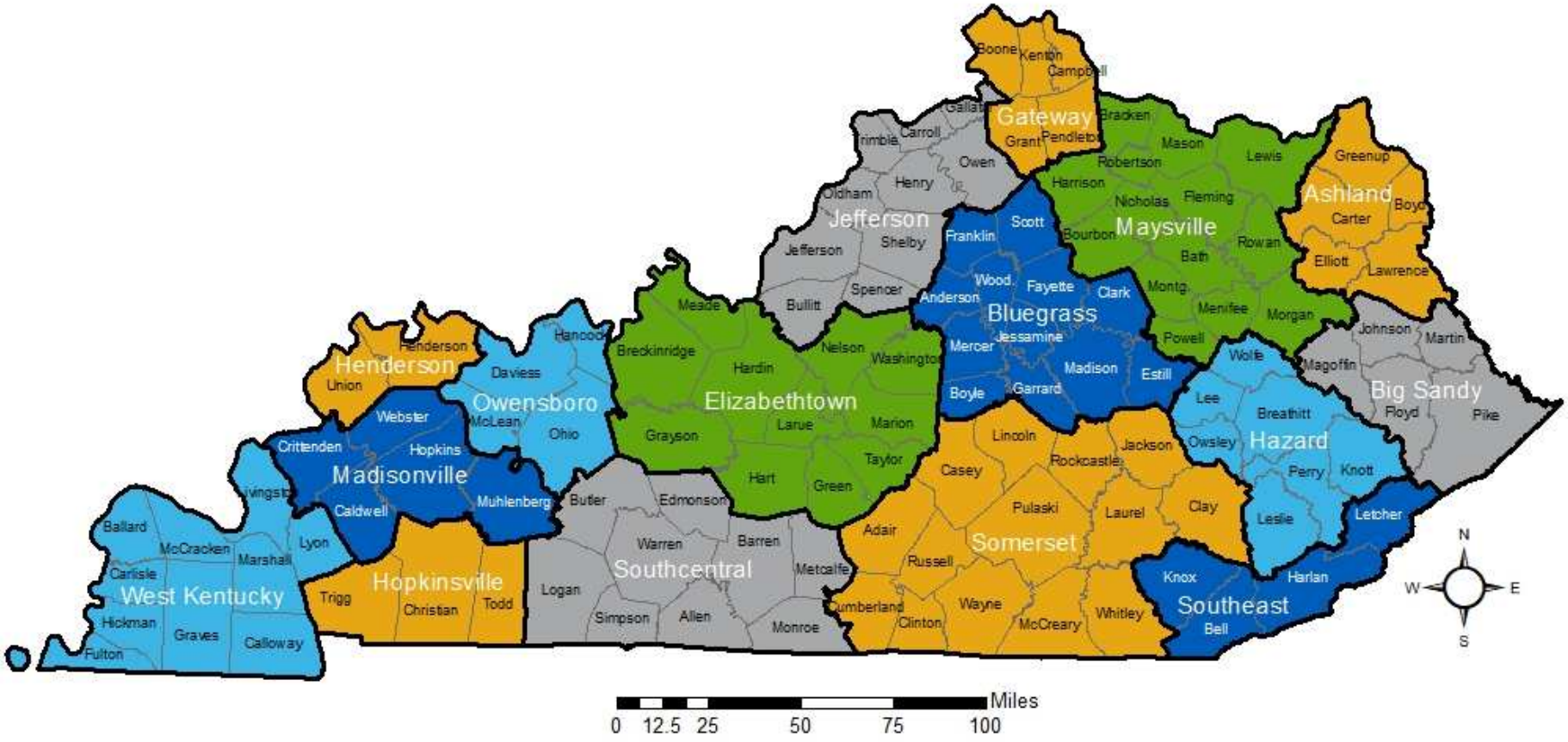
SIMILARITIES

DIFFERENCES

KCTCS STUDENTS

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

SERVING THE STATE

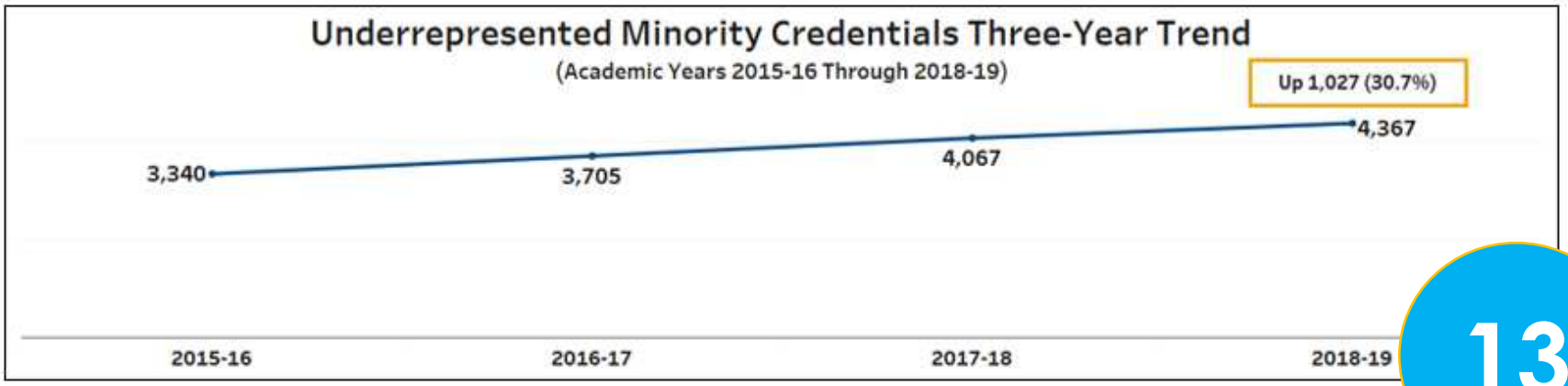


KCTCS COLLEGE OUTCOMES

Underrepresented Minority Credentials (2% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	43	103	93	110	67	155.8%	49.4%
Big Sandy	47	32	48	33	-14	-29.8%	-4.4%
Bluegrass	462	554	571	629	167	36.1%	11.0%
Elizabethtown	290	300	381	347	57	19.7%	7.2%
Gateway	223	268	238	362	139	62.3%	20.4%
Hazard	32	47	36	31	-1	-3.1%	3.2%
Henderson	61	63	69	73	12	19.7%	6.2%
Hopkinsville	339	338	335	382	43	12.7%	4.3%
Jefferson	908	901	1,001	1,136	228	25.1%	7.9%
Madisonville	105	137	139	210	105	100.0%	27.7%
Maysville	86	76	92	78	-8	-9.3%	-1.9%
Owensboro	71	87	104	138	67	94.4%	24.9%
Somerset	91	122	125	92	1	1.1%	3.4%
Southcentral	200	247	308	266	66	33.0%	11.5%
Southeast	26	47	44	61	35	134.6%	37.7%
West Kentucky	356	383	483	419	63	17.7%	6.8%
KCTCS	**3,340**	**3,705**	**4,067**	**4,367**	**1,027**	**30.7%**	**9.4%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis



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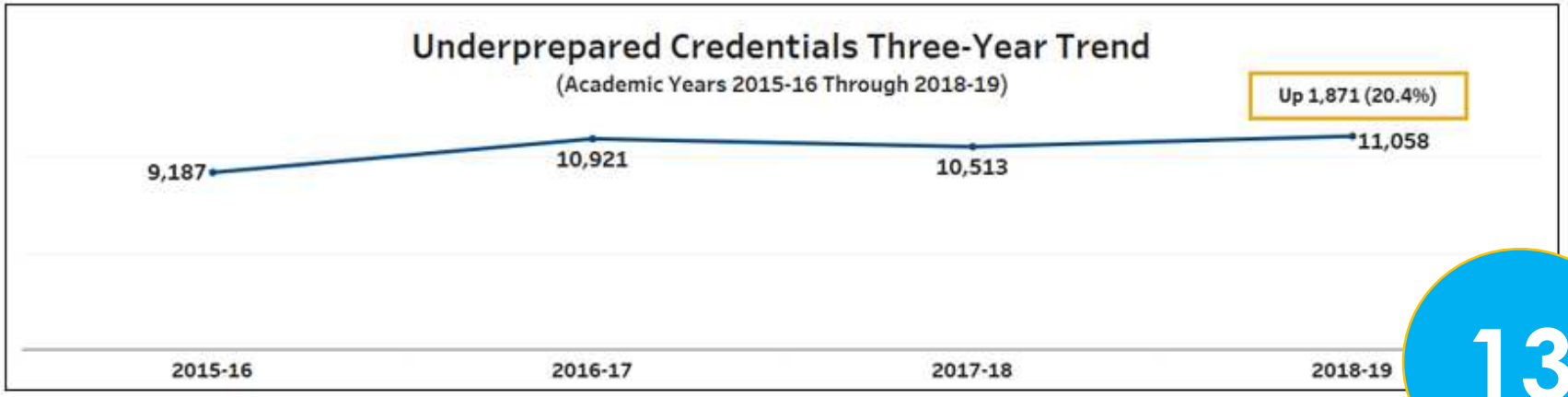
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Underprepared Credentials (2% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	665	859	701	647	-18	-2.7%	1.0%
Big Sandy	372	613	466	379	7	1.9%	7.4%
Bluegrass	945	1,236	1,069	1,165	220	23.3%	8.8%
Elizabethtown	827	958	898	851	24	2.9%	1.4%
Gateway	608	624	633	1,048	440	72.4%	23.2%
Hazard	514	640	506	631	117	22.8%	9.4%
Henderson	125	123	125	141	16	12.8%	4.3%
Hopkinsville	434	396	386	370	-64	-14.7%	-5.1%
Jefferson	866	1,064	1,130	1,228	362	41.8%	12.6%
Madisonville	231	200	255	317	86	37.2%	12.8%
Maysville	640	784	733	837	197	30.8%	10.1%
Owensboro	476	489	479	564	88	18.5%	6.1%
Somerset	887	1,379	1,138	1,059	172	19.4%	10.3%
Southcentral	590	476	626	555	-35	-5.9%	0.3%
Southeast	223	233	321	305	82	36.8%	12.4%
West Kentucky	784	847	1,047	961	177	22.6%	7.8%
KCTCS	**9,187**	**10,921**	**10,513**	**11,058**	**1,871**	**20.4%**	**6.8%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis



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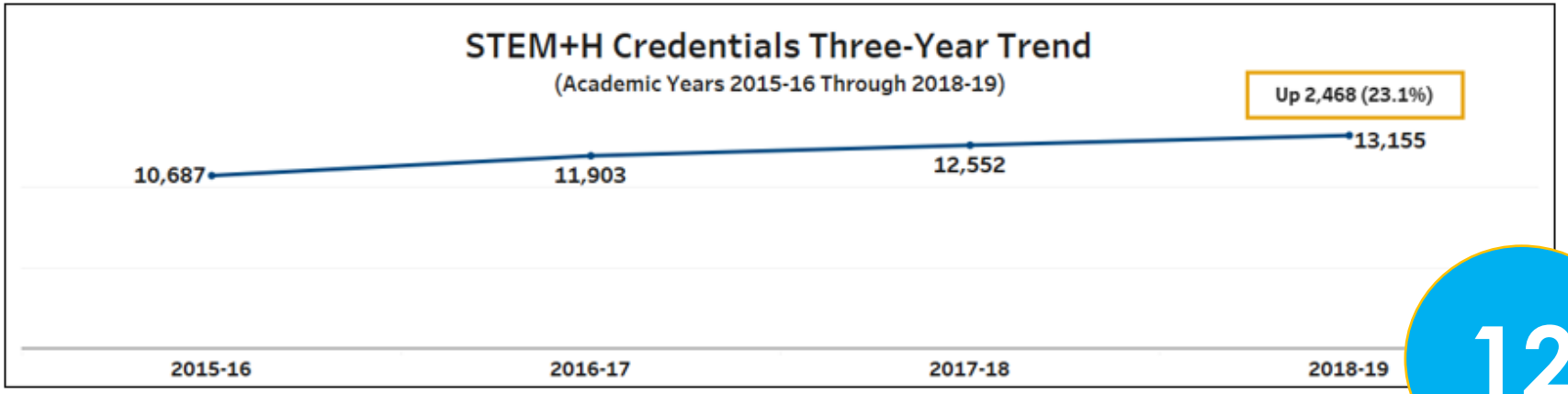
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

STEM+H Credentials (2% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	589	704	766	750	161	27.3%	8.7%
Big Sandy	403	554	461	393	-10	-2.5%	2.0%
Bluegrass	1,231	1,315	1,378	1,631	400	32.5%	10.0%
Elizabethtown	533	678	668	669	136	25.5%	8.6%
Gateway	609	1,015	926	1,198	589	96.7%	29.1%
Hazard	530	557	568	603	73	13.8%	4.4%
Henderson	199	244	261	213	14	7.0%	3.7%
Hopkinsville	508	398	345	490	-18	-3.5%	2.4%
Jefferson	1,279	1,329	1,439	1,367	88	6.9%	2.4%
Madisonville	679	806	899	1,085	406	59.8%	17.0%
Maysville	555	550	573	748	193	34.8%	11.3%
Owensboro	471	462	495	573	102	21.7%	7.0%
Somerset	1,032	1,281	1,200	1,021	-11	-1.1%	1.0%
Southcentral	746	747	976	735	-11	-1.5%	2.0%
Southeast	381	341	457	419	38	10.0%	5.1%
West Kentucky	942	922	1,140	1,260	318	33.8%	10.7%
KCTCS	**10,687**	**11,903**	**12,552**	**13,155**	**2,468**	**23.1%**	**7.2%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis



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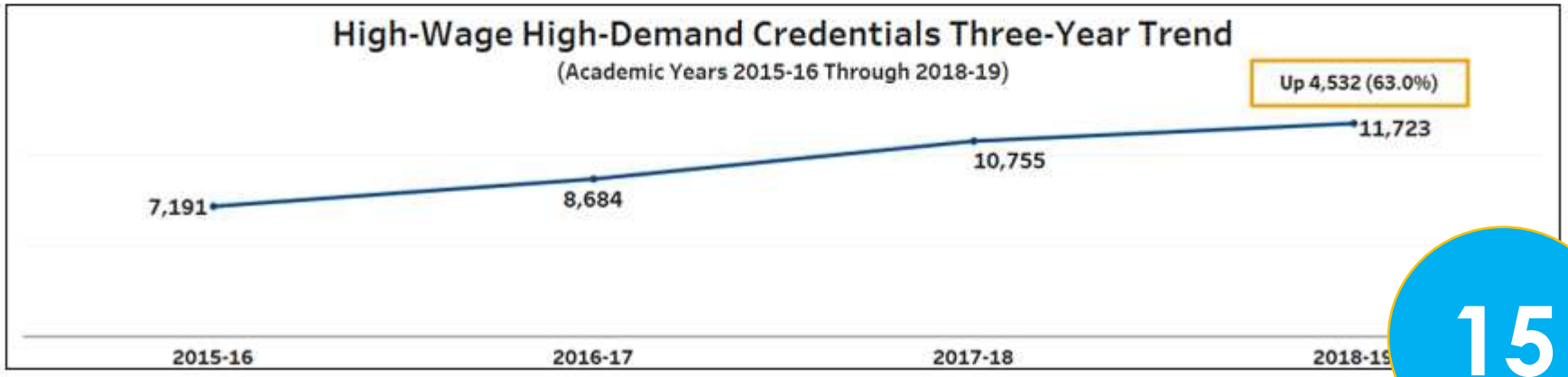
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

High-Wage High-Demand Credentials (1% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	376	577	633	521	145	38.6%	15.2%
Big Sandy	523	733	712	570	47	9.0%	5.8%
Bluegrass	566	763	685	1,059	493	87.1%	26.4%
Elizabethtown	942	1,260	1,538	1,259	317	33.7%	12.6%
Gateway	524	458	828	1,246	722	137.8%	39.6%
Hazard	211	215	260	450	239	113.3%	32.0%
Henderson	277	218	123	139	-138	-49.8%	-17.3%
Hopkinsville	221	242	183	369	148	67.0%	28.9%
Jefferson	678	729	1,249	1,420	742	109.4%	30.8%
Madisonville	242	252	293	350	108	44.6%	13.3%
Maysville	383	397	532	540	157	41.0%	13.1%
Owensboro	464	524	756	887	423	91.2%	24.8%
Somerset	527	829	851	1,024	497	94.3%	26.8%
Southcentral	521	527	879	848	327	62.8%	21.5%
Southeast	99	160	219	211	112	113.1%	31.6%
West Kentucky	637	800	1,014	830	193	30.3%	11.4%
KCTCS	**7,191**	**8,684**	**10,755**	**11,723**	**4,532**	**63.0%**	**17.9%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis



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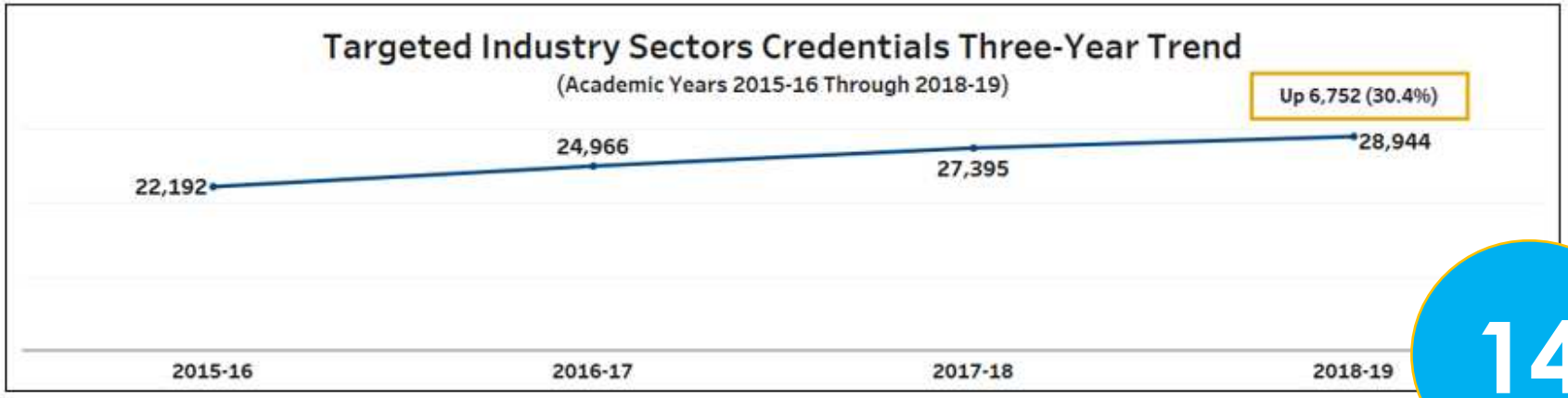
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Targeted Industry Sectors Credentials (2% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	1,365	1,871	1,759	1,425	60	4.4%	4.0%
Big Sandy	1,206	1,498	1,275	1,022	-184	-15.3%	-3.5%
Bluegrass	2,095	2,494	2,493	3,242	1,147	54.7%	16.3%
Elizabethtown	1,880	2,395	2,631	2,314	434	23.1%	8.4%
Gateway	1,516	1,655	1,880	3,133	1,617	106.7%	29.8%
Hazard	1,062	969	985	1,256	194	18.3%	6.8%
Henderson	368	390	379	308	-60	-16.3%	-5.2%
Hopkinsville	754	628	682	1,053	299	39.7%	15.4%
Jefferson	2,428	2,516	2,916	2,957	529	21.8%	7.0%
Madisonville	884	909	1,019	1,204	320	36.2%	11.0%
Maysville	1,452	1,583	1,511	1,793	341	23.5%	7.7%
Owensboro	1,100	1,225	1,531	1,696	596	54.2%	15.7%
Somerset	1,860	2,485	2,280	2,270	410	22.0%	8.3%
Southcentral	1,442	1,520	2,202	1,893	451	31.3%	12.1%
Southeast	581	627	918	717	136	23.4%	10.8%
West Kentucky	2,199	2,201	2,934	2,661	462	21.0%	8.0%
KCTCS	**22,192**	**24,966**	**27,395**	**28,944**	**6,752**	**30.4%**	**9.3%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis



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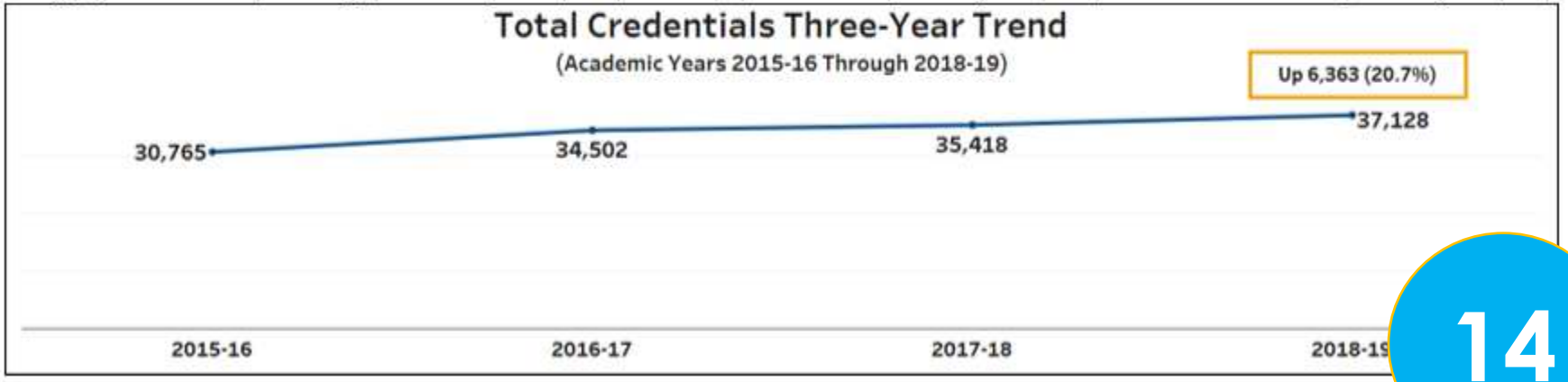
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Total Credentials (10% Weight Factor)

College	Annual Metric Values				Three-Year Change		
	2015-16	2016-17	2017-18	2018-19	Number Change	Percent Change	AAGR
Ashland	1,719	2,313	2,127	1,799	80	4.7%	3.7%
Big Sandy	1,617	2,031	1,697	1,369	-248	-15.3%	-3.4%
Bluegrass	3,315	3,527	3,471	4,179	864	26.1%	8.4%
Elizabethtown	2,610	3,102	3,139	2,852	242	9.3%	3.6%
Gateway	1,943	2,139	2,269	3,544	1,601	82.4%	24.1%
Hazard	1,343	1,423	1,367	1,662	319	23.8%	7.9%
Henderson	563	570	502	468	-95	-16.9%	-5.8%
Hopkinsville	1,272	1,177	1,101	1,391	119	9.4%	4.1%
Jefferson	3,581	3,845	4,125	4,404	823	23.0%	7.1%
Madisonville	1,095	1,245	1,290	1,540	445	40.6%	12.2%
Maysville	1,710	1,957	1,796	2,133	423	24.7%	8.3%
Owensboro	1,536	1,664	1,899	2,161	625	40.7%	12.1%
Somerset	2,654	3,479	2,955	2,883	229	8.6%	4.5%
Southcentral	2,061	1,986	2,739	2,373	312	15.1%	7.0%
Southeast	941	1,005	1,249	1,047	106	11.3%	5.0%
West Kentucky	2,805	3,039	3,692	3,323	518	18.5%	6.6%
KCTCS	**30,765**	**34,502**	**35,418**	**37,128**	**6,363**	**20.7%**	**6.5%**

AAGR = Average Annual Growth Rate; ***Source***: Council on Postsecondary Education, KCTCS Office of Research and Policy Analysis; ***Note***: The total credentials metric is weighted and aggregated into a three-year average (associate degree = 4 points; certificate/diploma at least 1 year in length = 2 points; certificate of less than one year in length = 1 point)



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KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

FROM THE PAST TO THE FUTURE

OPPORTUNITY FOR IMPROVEMENT

The model should

- Increase **equity** and **stability** within the model;
- Ensure the metrics support all Colleges, regardless of region, with **transformative** ability for **economic vitality** in every region of the state; and,
- Provide the Colleges an **equal opportunity** to improve relative to their performance.

THE CURRENT MODEL FAVORS LONGER TERM CREDENTIALS

35% Student Success

KCTCS	UNIVERSITIES
-Credentials awarded	-BA/BS degrees awarded
-Credentials in STEM+H, high-demand & targeted fields	-Degrees per 100 FTE students
-Credentials by URM, low-income & underprepared students	-BA/BS degrees in STEM+H fields
-Progression (@ 15, 30, 45 hrs.)	-BA/BS by URM & low-income students
-Transfers	-Progression (@ 30, 60, 90 hrs.)

35% Course Completion
Based on each institution's share of sector total student credit hours earned, weighted to account for cost differences by degree level and academic discipline.

10% Maintenance & Operations
Based on each institution's share of square footage dedicated to student learning.

10% Institutional Support
Based on each institution's share of sector total instructional and student services spending.

10% Enrollment Support
Based on each institution's share of sector total full-time enrollment.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

KCTCS COMPLETION SUCCESS

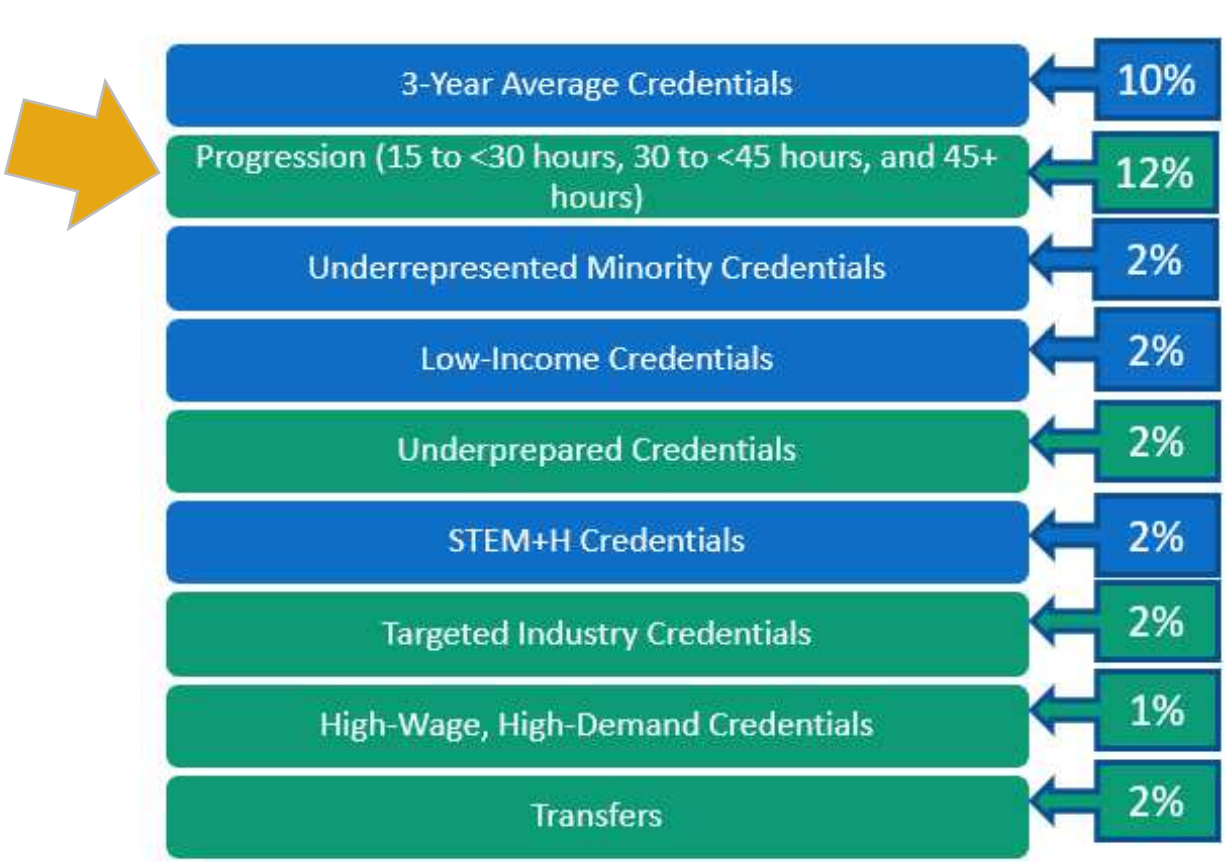
New KCTCS Records for 2019-2020!

KCTCS awarded **39,291** credentials to **19,423** distinct graduates that included

- **10,240** certificates of fewer than nine credit hours
- **9,966** associate degrees

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Student Success



35%

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Student Success

35%

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Student Success

35%

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

Student Success

35%

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

CONSIDERATIONS FOR THE MODEL

IMPROVEMENTS TO KCTCS MODEL

To provide equity and stability in the model:

- Use a three-year weighted average on all metrics except institutional square footage to smooth pandemic, economic, and demographic change impacts on the College's community served
- Continue the 2% Stop Loss

IMPROVEMENTS TO KCTCS MODEL

To increase equity; allow for transformative ability for economic vitality in every region of the state; and, provide the Colleges an equal opportunity to improve relative to their performance.

- Revise the Equity Adjustment to reflect a **Community Need Index** (based on local unemployment, labor force participation, and poverty rates) versus equal share allocation

IMPROVEMENTS TO KCTCS MODEL

To ensure metrics more closely match the mission

- Combine Targeted Industry Credentials
  - **Combine STEM+H, High Wage/High Demand, and Targeted Industry** with 3-year Weighted Credentials reflecting student goal achievement - job skills attainment
  - Move Weighted Credentials at 15% to 8% to allow for other metrics incentivizing our unique mission

IMPROVEMENTS TO KCTCS MODEL

To ensure metrics more closely match the mission

- **Raise** % of all targeted credentials to **4% each** to reward value of student success in these areas and **add an Adult** student metric
  - Under-Represented Minorities
  - Low-income
  - Underprepared
  - Transfers
  - + Adult

IMPROVEMENTS TO KCTCS MODEL

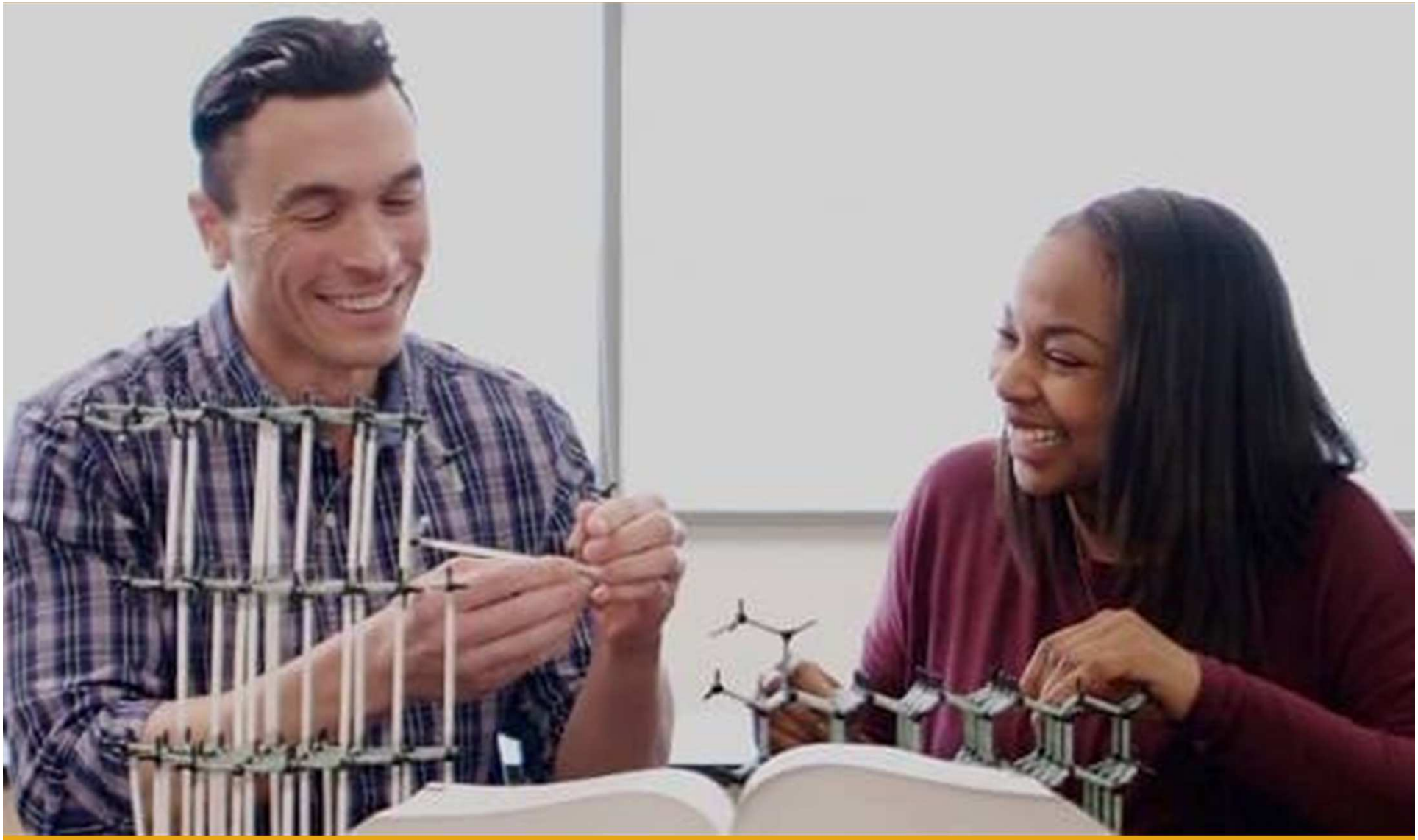
To ensure metrics more closely match the mission

- **Reduce Progression metric** from 12% to 7%

  (2% – 4% -6%) → (1% - 2% - 4%)

- This is the offset for increasing the targeted credentials/transfers success percentage share to 4% each

THANK YOU FOR YOUR CONSIDERATION



QUESTIONS?