

MEMO OF RECORD

Kentucky Council on Postsecondary Education

Meeting: Postsecondary Education Working Group on Performance Funding

Date: April 19, 2023

Time: 1:00 p.m. ET

Location: Virtual Meeting via ZOOM webinar

CALL TO ORDER

The Postsecondary Education Working Group on Performance Funding met Wednesday, April 19, 2023, at 1:00 p.m., ET. The meeting occurred via teleconference using ZOOM webinar.

Chair Aaron Thompson presided.

ATTENDANCE

Working Group Members in attendance:

- Dr. Aaron Thompson, President of the Kentucky Council on Postsecondary Education
- Secretary John Hicks, Executive Cabinet Secretary and State Budget Director
- Representative James Tipton
- Dr. David McFaddin, President of Eastern Kentucky University
- Dr. Ronald Johnson, Interim President of Kentucky State University
- Dr. Larry Ferguson, Interim President of the Kentucky Community and Technical College System
- Dr. Jay Morgan, President of Morehead State University
- Dr. Robert Jackson, President of Murray State University
- Dr. Bonita Brown, Interim President of Northern Kentucky University
- Dr. Angie Martin, representative for Eli Capilouto, University of Kentucky
- Dr. Kim Schatzel, President of the University of Louisville
- Dr. Tim Caboni, President of Western Kentucky University

Working Group Members not in attendance

- Senate President Pro Tempore David Givens

Presenting CPE staff members in attendance: Dr. Bill Payne, Vice President for Finance and Administration, and Mr. Shaun McKiernan, Executive Director of Finance and Budget.

Heather Faesy, CPE Senior Associate, served as recorder of the memo of record.

OVERVIEW

Dr. Aaron Thompson provided welcoming remarks and Dr. Bill Payne provided an overview of the meeting agenda for April 19, 2023.

CPE SURVEY RESPONSES

Dr. Payne discussed the staff responses to the same funding model survey that was given to the institutions and presented at the last meeting. Questions answered included:

- What outcomes did policymakers expect to achieve from adopting the funding model?
- In what ways has the model functioned as expected? Were there any unexpected outcomes?
- Have there been any unintended consequences?
- What adjustments to the model are recommended?

Recommended adjustments included increasing the premium for low-income bachelor's degrees, adding a new adult learner metric and new workforce success metric, eliminating the efficiency weighting in the bachelor's degree metric, providing larger small school adjustments for KSU and MoSU, and making earned funds recurring.

UNIVERSITY MODEL

Regarding the university model, Dr. Payne presented the recommended adjustments suggested by the four-year institutions and CPE and continued discussion on numerous topics including:

- Earned performance funds be made recurring to institutions
- Potentially using a portion of performance funds to provide base allocations outside the model
- The proposal to use formula share percentages to distribute a portion or all performance funds

KCTCS MODEL

Dr. Alicia Crouch, KCTCS Vice Chancellor of Research and Policy Analysis, and Mr. Brendan Lehane, KCTCS Director of Budget & Financial Planning, presented the recommended adjustments for the two-year colleges. The suggestions included:

- Using a three-year average on all metrics except square footage to smooth the impact of changes in enrollment and student success metrics.
- Allowing earned funds to become part of an institution's base
- Promoting equity by accounting for regional differences

- Reducing the weight of the progression metrics (from 12% to 7%) to reflect the shorter time retention of a KCTCS student as they complete a short-term credential
- Merging STEM+H, High Wage High Demand, and Targeted Industry credentials within the overall credential calculation
- Reducing the weight of the credential metric (from 15% to 8%) to allow increased focus on URM, under prepared, low income, and transfer students
- Adding a metric for adult learners
- Possibly adding an additional metric that compares a college's current year performance to its previous year performance

Work group members briefing discussed the recommendations and stated they would review them further at the next meeting.

NEXT STEPS

Dr. Payne stated the next meeting would include a review and analysis of the fiscal 2023-24 performance distribution results, additional scenarios of the university and KCTCS models, and continued discussion and possible consensus on changes proposed thus far.

ADJOURNMENT

The working group adjourned at 3:00 p.m., ET.