

MEMO OF RECORD
Council on Postsecondary Education

Type: Postsecondary Education Working Group on Performance Funding
Date: November 20, 2020
Time: 9:00 a.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 Friday, November 20, 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.

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 Osborne
- ECU President David McFaddin
- KSU President M. Christopher Brown, II
- KCTCS Interim President Paul Czarapata
- MoSU President Jay Morgan
- MuSU President Robert Jackson
- NKU President Ashish Vaidya
- UK President Eli Capilouto
- UL President Neeli Bendapudi
- WKU President Tim Caboni

Presenting CPE staff member in attendance: Dr. Bill Payne, Vice President for Finance and Administration

Heather Faesy, CPE Senior Associate of Board Relations and Special Projects, served as recorder of the memo of record.

DRAFT STATEMENT OF RECOMMENDATIONS

Dr. Payne provided a draft statement of recommendations, based on the discussions presented at previous meetings. These recommendations were reviewed for clarification.

MAJOR DECISION POINTS

The agenda listed out six major decision points for discussion, however an alternative proposal was made and discussed in depth. Members were in general agreement of the proposal, and asked for time to review it further in advance of further discussions at the next meeting.

The points of that proposal were:

- A General Fund appropriation floor (“Floor 21”) will be established for each public postsecondary institution that equals each institution’s adjusted net General Fund appropriation for fiscal year 2020-21 (FY21).
- The FY21 adjusted net General Fund is defined as each institution’s FY21 regular appropriation plus each institution’s respective FY21 distribution from the Postsecondary Education Performance Fund (PEPF) less FY21 debt service and less FY21 Mandated Programs. (This way the “Floor 21” number will remain the same even as the General Assembly makes changes to the mandated programs.)
- The postsecondary institutions will provide no stop loss contributions to the PEPF; therefore all funding in the PEPF will be appropriations provided by the General Assembly.
- CPE will utilize the existing performance funding model, with no changes, to distribute any new funding appropriated to the PEPF.
- Performance funds distributed will be non-recurring to the base of the institutions that earn these funds, so that the funds will be recurring to the PEPF in subsequent years.
- CPE will reconvene the working group in 2022 and submit a report with recommendations by December 1, 2023.

NEXT STEPS

The working group asked for the proposal in written form to review prior to the next meeting. Dr. Payne was also asked to provide funding scenarios for the new proposal.

ADJOURNMENT

The working group adjourned at 3:45 p.m., ET.