

MEMO OF RECORD

Kentucky Council on Postsecondary Education

Type: Postsecondary Education Working Group on Performance Funding
Date: March 1, 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, March 1, 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. Tim Todd, representing Dr. Robert Jackson, President of Murray State University
- Dr. Bonita Brown, Interim President of Northern Kentucky University
- Dr. Eli Capilouto, President of the 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 the meeting agenda for March 1, 2023.

UNIVERSITY MODEL

Dr. Payne discussed the trends in student outcomes between academic years 2013-14 and 2020-21 as it pertained to bachelor's degrees produced; student progression at 30, 60, and 90 credit hours; and credit hours earned. Dr. Payne also provided the results of a funding model survey given to public university and KCTCS officials that asked the following questions:

- After six years of operation, in what ways would you say the comprehensive funding model is functioning as expected?
- Have there been any unintended consequences of adopting the model?
- What adjustments to the model would you recommend?

Following this, Dr. Payne reviewed several funding model scenarios, Every scenario used the same set of updated appropriations data for fiscal year 2023-24, for illustration purposes, and the same assumptions regarding no changes in student success or operational support metric data. This allowed the impact of proposed changes to be examined in isolation from any other potential influences. The scenarios included:

- Existing model with no changes
- Formula share approach at 100%
- Formula share approach at 33.33% and existing model at 66.7%
- Targeted increases in small school adjustment, then running the existing model
- Earned funds become recurring, then Performance Fund refilled with \$97.3 M
- Base increase of 5.0% and existing model for the remainder

Workgroup members discussed the various scenarios and how they might be impacted by the changing economy and ongoing enrollment trends.

KCTCS MODEL

Dr. Alicia Crouch, KCTCS Vice Chancellor of Research and Policy Analysis, and Mr. Brendan Lehane, KCTCS Director of Budget & Financial Planning, presented a review of the Performance Funding Model for KCTCS and focused on the trends in student

outcomes and survey responses from the community and technical colleges, including suggested changes to the model.

NEXT STEPS

Dr. Payne stated the next meeting should include the results of an environmental scan.

ADJOURNMENT

The working group adjourned at 2:45 p.m., ET.