

Memo of Record
Postsecondary Education Working Group
November 15, 2016

The Postsecondary Education Working Group met Wednesday, November 15, at 9:30 am ET, at the Kentucky Council on Postsecondary Education, Frankfort, Kentucky. Chair Gary Ransdell presided.

WELCOME Chair Ransdell called the meeting to order and welcomed everyone.

ROLL CALL Members present: Wayne Andrews, Michael Benson, Robert Davies, Robert King, Andrew McNeill, Neville Pinto, Gary Ransdell, and Arnold Simpson. Eli Capilouto was represented by Angie Martin; Geoffrey Mearns was represented by Sue Moore, Aaron Thompson was represented by Greg Rush, and Jay Box was represented by Wendell Followell. Absent: David Givens, John Chilton.

OPENING REMARKS Chair Ransdell gave opening remarks stating that the working group fully understands the need to be in sync with both chambers of the General Assembly and the group needs to seek a team work approach with the Governor.

PERFORMANCE FUNDING DISCUSSION Chair Ransdell began the meeting with an update from the Kentucky Community and Technical College System. The working group has spent most of its time on the model as it relates to the four-year institutions, so the group today will spend time reviewing details of the KCTCS model.

A) KCTCS Update

KCTCS Vice President Wendell Followell said their approach is a phase in approach to get equity across all the KCTCS institutions. Discussion included sector questions and reasoning to exclude KCTCS. The bottom line is that the request should be proportionate to the four-year request.

Discussion continued around the funding model and appropriations request and the KCTCS proposal.

President King agreed that the working group should not get hung up during these meetings on what the funding request is going to be, but, he continued, what the model does is provide a vehicle through which the CPE could make a sensible judgement about what the funding would look like and if it is rational. President King went on to say that the model could be used if there are additional state funds. This model could be used whether the distribution is 5, 15, 42, 90, or 100%. The group should think about this as getting away from traditional distribution which has created a certain amount of inequity. KCTCS has a dramatically different mission than the four-year institutions and treating them as a different sector makes a great deal of sense.

This model creates a rationale for distributing the state's investment in the public institutions tied to enrollment, mission, and performance. This is what the General Assembly and Governor requested. There is no perfect way to do this.

Chair Ransdell said the proposed model is proportionate to the four-year and KCTCS institutions.

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Wendell Followell said model will be discussed with the KCTCS presidents on November 16.

FUNDING MODEL

The group discussed Morehead State University President Wayne Andrews' email communication with six recommendations:

- 1) Phase in
- 2) Sector differentiation
- 3) Access and affordability
- 4) Small school adjustment
- 5) Definitions
- 6) Funding request needs to be separated

NEXT STEPS

Chair Ransdell asked President King and Dr. Payne to prepare a consensus document for the November 28 meeting, based on the model the work group has before them. The work group should attempt to achieve a majority consensus, hopefully more than five members will support it. Chair Ransdell asked for a document that would require signatures and hopes to have most, if not all, signatures on the document. In response to a question on whether the proposal would include stop/loss and phase in, Dr. Payne said that at the last meeting the proposal on the table for phase-in included a recommendation to run the model in 2017-18 and that would be used to confirm what we do in 18-19. Our recommendation was to hold harmless in the first year of implementation.

ADJOURNMENT

Chair Ransdell announced the next meeting of the Postsecondary Education Working Group is November 28, 9:00 a.m. ET, at the Council office in Frankfort.

The meeting adjourned at 12:45 pm (ET)