MEETING MINUTES

Approved by Working Group on November 10, 2026

Who:	Kentucky Council on Postsecondary Education
Type:	Postsecondary Education Working Group on Performance Funding
Date:	October 27, 2026
Time:	1:00 p.m. – 4:00 p.m. ET (12:00 p.m. – 3:00 p.m. CT)
Location:	CPE Offices, 100 Airport Road, Frankfort, KY – Conference Room AB (virtual option available)

CALL TO ORDER

The Postsecondary Education Working Group on Performance Funding was called to order Tuesday, October 27, 2026, at 1:05 p.m. ET. The meeting took place at the Council offices in Frankfort, with an option to attend virtually. The meeting was livestreamed to the CPE YouTube page. Chair Aaron Thompson presided.

ATTENDANCE

There was a quorum of 20 members in attendance.

- Dr. Aaron Thompson, Chairman – in person
- Dr. Koffi Akakpo – in person
- Representative Chad Aull – in person
- Senator Amanda Mays Bledsoe – in person
- Dr. Gerry Bradley – in person
- Representative Josh Bray – in person
- Dr. Tim Caboni - virtual
- Angie Martin, designee for Dr. Eli Capilouto – in person
- Senator David Givens – in person
- John Hicks – in person
- Representative Bobby McCool – did not attend
- Senator Chris McDaniel – in person
- Dr. David McFaddin – in person
- Dr. Jay Morgan – virtual, joined at 1:18 p.m.
- Senator Gerald Neal – virtual (1:05-2:35), in person (2:45-4:05)
- Dr. Ron Patterson – virtual
- Dr. Ryan Quarles – in person
- Representative Steve Rudy – in person, arrived at 1:13 p.m.
- Dr. Cady Short-Thompson - in person
- Representative James Tipton – in person
- Senator Steve West – in person

Brent Floyd, CPE Senior Associate of Finance Policy & Programs, served as recorder of the meeting minutes.

ADOPTION OF MINUTES

The minutes from the September 22, 2026, meeting were approved as presented. Dr. McFaddin provided the motion to adopt and was seconded by Representative Aull. The motion was passed unanimously.

DISCUSSION OF KCTCS PERFORMANCE FUNDING MODEL (POSSIBLE ACTION ITEMS)

President Thompson asked President Quarles and guest Todd Kilburn to begin their presentation.

Dr. Ryan Quarles and Todd Kilburn presented a proposal for the KCTCS Performance Funding Model. In summary, the proposal consisted of three recommendations for the working group to consider:

1. Create a separate funding pool for KCTCS, providing the system with the opportunity to earn more performance funding based on statewide metrics.
2. Remove college base funding from calculating the distribution of the performance funding pool.
3. Allow KCTCS leadership to set internal college-level metrics that determine the distribution of performance funding earned through the statewide metrics.

Following the presentation, President Thompson noted that CPE has continuously encouraged KCTCS to operate and align strategically as a unified system.

A comprehensive discussion ensued regarding KCTCS operations and model mechanics:

- Representative Tipton inquired regarding dual credit student enrollment volume, credit completion probabilities, and requested system flexibility. President Quarles confirmed KCTCS is seeking enhanced model flexibility to address its distinct institutional mission.
- Mr. Hicks observed that traditional progression metrics were omitted from the proposal. President Quarles clarified that given KCTCS's wide array of short-term certificate and 2-year degree tracks, rewarding completion directly is the most effective success metric. President Thompson added that successful student transfer serves as an effective proxy for progression.
- President Capilouto inquired whether the KCTCS President would have administrative authority to reallocate funds outside the model between colleges. Dr. Quarles stated he was not certain of KCTC's ability to freely move funds outside the model, but if it was possible it may bring unforeseen issues.
- Representative Rudy questioned the primary strategic objective of the proposal.

President Quarles affirmed that the goal is to align system funding directly with statewide strategic workforce agenda items.

MOTION: Dr. McFaddin moved to approve Recommendations 2 and 3 of the KCTCS proposal, with the caveat that the details of the recommendations that had not yet been fully fleshed out stay within the parameters presented. The motion was seconded by Representative Tipton.

Following additional discussion regarding legislative oversight and statutory guardrails raised by Senator West, President Thompson highlighted CPE's statutory role in providing statewide oversight.

VOTE: The motion passed in a roll call vote of 17 affirmative to 2 no.

- Yes/Affirmative (17): Dr. Akakpo, Rep. Aull, Dr. Bradley, Rep. Bray, Dr. Caboni, Dr. Capilouto, Sen. Givens, Mr. Hicks, Dr. McFaddin, Dr. Morgan, Senator Neal, Dr. Patterson, Dr. Quarles, Rep. Rudy, Dr. Short-Thompson, and Rep. Tipton, Sen. West.
- No/Negative (2): Sen. Mays Bledsoe, Sen. McDaniel.

BREAK

The working group took a break from 2:35-2:45.

DISCUSSION OF PERFORMANCE FUNDING MODEL ALTERNATIVES

Chair Thompson acknowledged the achievements of the existing performance model before introducing proposed alternative framework options.

Dr. Bill Payne, CPE Vice President of Finance and Budget, and Mr. Adam Blevins, Executive Director of Finance and Budget, presented details regarding Scenario 4 of the CPE recommendation. This included the following components:

- **Transition Framework (FY 2027–28):** Distributes 50% of the University Performance Allocation using the existing funding model and 50% based on each institution’s share of unweighted outcomes produced.
- **Base Incorporation (FY 2028–29):** Earned funds under the existing model would roll into the recurring base in FY 2028–29.
- **Sector Weighting & Metrics:** Applies equal sector weighting between comprehensive and research universities in the new "share of outcomes" model component. Introduces new outcome metrics including graduate degrees, enrolled workforce, and research expenditures.
- **Full Implementation (FY 2028–29):** Transitions to distributing 100% of the university performance allocation through the share of outcomes framework.

Mr. Tom Allison, Director of State Policy and Finance at HCM Strategists, presented a technical crosswalk comparing Scenarios 1 through 4 against the working group's approved guiding principles, demonstrating how the recommended scenarios align with the group's intentions.

Dr. Payne reviewed financial projections illustrating Scenario 4 under steady state funding infusions over a four-year horizon. Following an inquiry from President Capilouto regarding institutional mission differences, Mr. Allison highlighted how the proposed framework addresses missional variation across campuses.

ADJOURNMENT

The meeting adjourned at 4:05 p.m. ET. Dr. Short-Thompson motioned to adjourn and was seconded by Dr. Bradley.