Council on Postsecondary Education
Public University Funding Model
Actual Distributions and Hypothetical Performance Distributions

CPE Recommended Scenario Package

Scenario 1: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, inclusion of unweighted DC hours earned, and distribution by Formula Share with 60% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$26,558,700	$11,781,900	$38,340,600	($5,923,900)	($6,985,400)
University of Louisville	20,749,300	12,449,600	7,238,200	$19,687,800	(1,061,500)	
Eastern Kentucky University	5,326,400	3,195,800	3,989,500	$7,185,300	1,858,900	+ 6,985,300
Kentucky State University	0	0	446,600	$446,600	446,600	
Morehead State University	0	0	1,638,600	$1,638,600	1,638,600	
Murray State University	4,808,400	2,885,000	2,566,000	$5,451,000	642,600	
Northern Kentucky University	10,161,400	6,096,800	3,899,500	$9,996,300	(165,100)	
Western Kentucky University	4,392,900	2,635,700	4,320,900	$6,956,600	2,563,700	
Sector Subtotal	89,702,900	53,821,600	35,881,200	$89,702,800	(100)	
KCTCS	25,297,100	15,178,300	10,118,900	$25,297,200	100	+ 100
	$115,000,000	$68,999,900	$46,000,100	$115,000,000	$0	$0

[1] **Base Adjustment:** Scenario 8 takes 60% of the 2026-27 performance fund distribution and allocates it to each institution based on share of the total 2026-27 distribution. KCTCS had 60% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 8.2 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Unweighted dual credit hours earned are added to the existing credit hours earned metric. No other changes are made to the existing level weights applied to the credit hours earned metric. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

Scenario 1.1: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, no DC hours earned, and distribution by Formula Share with 60% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$26,558,700	$11,826,300	$38,385,000	($5,879,500)	($6,917,700)
University of Louisville	20,749,300	12,449,600	7,261,500	$19,711,100	(1,038,200)	
Eastern Kentucky University	5,326,400	3,195,800	3,988,800	$7,184,600	1,858,200	+ 6,917,500
Kentucky State University	0	0	439,500	$439,500	439,500	
Morehead State University	0	0	1,609,300	$1,609,300	1,609,300	
Murray State University	4,808,400	2,885,000	2,558,700	$5,443,700	635,300	
Northern Kentucky University	10,161,400	6,096,800	3,879,300	$9,976,100	(185,300)	
Western Kentucky University	4,392,900	2,635,700	4,317,700	$6,953,400	2,560,500	
Sector Subtotal	89,702,900	53,821,600	35,881,100	$89,702,700	(200)	
KCTCS	25,297,100	15,178,300	10,118,900	$25,297,200	100	+ 100
	$115,000,000	$68,999,900	$46,000,000	$114,999,900	($100)	($100)

[1] **Base Adjustment:** Scenario 8.1 takes 60% of the 2026-27 performance fund distribution and allocates it to each institution based on their share of the total 2026-27 distribution. KCTCS had 60% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 8.1 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

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CPE Recommended Scenario Package

Scenario 2: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, inclusion of unweighted DC hours earned, and distribution by Formula Share with 40% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$17,705,800	$17,672,800	$35,378,600	($8,885,900)	($10,478,200)
University of Louisville	20,749,300	8,299,700	10,857,300	$19,157,000	(1,592,300)	
Eastern Kentucky University	5,326,400	2,130,600	5,984,200	$8,114,800	2,788,400	+ 10,478,300
Kentucky State University	0	0	670,000	$670,000	670,000	
Morehead State University	0	0	2,457,900	$2,457,900	2,457,900	
Murray State University	4,808,400	1,923,400	3,849,000	$5,772,400	964,000	
Northern Kentucky University	10,161,400	4,064,600	5,849,200	$9,913,800	(247,600)	
Western Kentucky University	4,392,900	1,757,200	6,481,300	$8,238,500	3,845,600	
Sector Subtotal	89,702,900	35,881,300	53,821,700	$89,703,000	100	
KCTCS	25,297,100	10,118,800	15,178,200	$25,297,000	(100)	(100)
	$115,000,000	$46,000,100	$68,999,900	$115,000,000	$0	$0

[1] **Base Adjustment:** Scenario 9 takes 40% of the 2026-27 performance fund distribution and allocates it to each institution based on share of the total 2026-27 distribution. KCTCS had 40% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 9 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Unweighted dual credit hours earned are added to the existing credit hours earned metric. No other changes are made to the existing level weights applied to the credit hours earned metric. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

Scenario 2.1: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, no DC hours earned, and distribution by Formula Share with 40% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$17,705,800	$17,739,400	$35,445,200	($8,819,300)	($10,376,600)
University of Louisville	20,749,300	8,299,700	10,892,300	$19,192,000	(1,557,300)	
Eastern Kentucky University	5,326,400	2,130,600	5,983,200	$8,113,800	2,787,400	+ 10,376,700
Kentucky State University	0	0	659,300	$659,300	659,300	
Morehead State University	0	0	2,413,900	$2,413,900	2,413,900	
Murray State University	4,808,400	1,923,400	3,838,100	$5,761,500	953,100	
Northern Kentucky University	10,161,400	4,064,600	5,819,000	$9,883,600	(277,800)	
Western Kentucky University	4,392,900	1,757,200	6,476,500	$8,233,700	3,840,800	
Sector Subtotal	89,702,900	35,881,300	53,821,700	$89,703,000	100	
KCTCS	25,297,100	10,118,800	15,178,200	$25,297,000	(100)	(100)
	$115,000,000	$46,000,100	$68,999,900	$115,000,000	$0	$0

[1] **Base Adjustment:** Scenario 9.1 takes 40% of the 2026-27 performance fund distribution and allocates it to each institution based on share of the total 2026-27 distribution. KCTCS had 40% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 9.1 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

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Scenario 3: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, inclusion of unweighted DC hours earned, and distribution by Formula Share with 50% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$22,132,300	$14,727,300	$36,859,600	($7,404,900)	($8,731,800)
University of Louisville	20,749,300	10,374,700	9,047,700	$19,422,400	(1,326,900)	
Eastern Kentucky University	5,326,400	2,663,200	4,986,800	$7,650,000	2,323,600	+ 8,731,700
Kentucky State University	0	0	558,300	$558,300	558,300	
Morehead State University	0	0	2,048,200	$2,048,200	2,048,200	
Murray State University	4,808,400	2,404,200	3,207,500	$5,611,700	803,300	
Northern Kentucky University	10,161,400	5,080,700	4,874,300	$9,955,000	(206,400)	
Western Kentucky University	4,392,900	2,196,500	5,401,100	$7,597,600	3,204,700	
Sector Subtotal	89,702,900	44,851,600	44,851,200	$89,702,800	(100)	
KCTCS	25,297,100	12,648,600	12,648,500	$25,297,100	0	+ 0
	$115,000,000	$57,500,200	$57,499,700	$114,999,900	($100)	($100)

[1] **Base Adjustment:** Scenario 10 takes 50% of the 2026-27 performance fund distribution and allocates it to each institution based on share of the total 2026-27 distribution. KCTCS had 40% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 10 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Unweighted dual credit hours earned are added to the existing credit hours earned metric. No other changes are made to the existing level weights applied to the credit hours earned metric. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

Scenario 3.1: Base adjustment from Performance Fund, removal of sector weights, replacement of operating metrics, no DC hours earned, and distribution by Formula Share with 50% of distribution rolled to base

Institution	2026-27 Performance Distribution	Hypothetical Base Adjustment	Hypothetical Distribution	Hypothetical Base Adjustment + Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$22,132,300	$14,782,800	$36,915,100	($7,349,400)	($8,647,100)
University of Louisville	20,749,300	10,374,700	9,076,900	$19,451,600	(1,297,700)	
Eastern Kentucky University	5,326,400	2,663,200	4,986,000	$7,649,200	2,322,800	+ 8,647,100
Kentucky State University	0	0	549,400	$549,400	549,400	
Morehead State University	0	0	2,011,600	$2,011,600	2,011,600	
Murray State University	4,808,400	2,404,200	3,198,400	$5,602,600	794,200	
Northern Kentucky University	10,161,400	5,080,700	4,849,100	$9,929,800	(231,600)	
Western Kentucky University	4,392,900	2,196,500	5,397,100	$7,593,600	3,200,700	
Sector Subtotal	89,702,900	44,851,600	44,851,300	$89,702,900	0	
KCTCS	25,297,100	12,648,600	12,648,500	$25,297,100	0	+ 0
	$115,000,000	$57,500,200	$57,499,800	$115,000,000	$0	$0

[1] **Base Adjustment:** Scenario 10.1 takes 50% of the 2026-27 performance fund distribution and allocates it to each institution based on share of the total 2026-27 distribution. KCTCS had 40% of its 2026-27 distribution rolled to base. The remaining funds are then run through the model. **Model Changes:** Scenario 10.1 removes sector weights and replaces the existing operating support metrics (30% of the model) with three new metrics, allocated at 10% each: a workforce metric, a research expenditure metric, and a graduate degree production metric. This scenario also distributes funding according to each institution's formula share. Because there is no parity adjustment, small school adjustments are not required to calculate the system-wide formula share.

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Public University Funding Model

Fiscal Year 2026-27 Actual and 2027-28 Hypothetical Performance Distributions

Scenario 4:

- *Distribute Half (50%) of the Fiscal Year 2027-28 University Performance Allocation Using the Existing Funding Model and the Other Half (50%) Based on Each Institution's Share of Unweighted Outcomes Produced*
- *Include a Recommendation to Roll Earned Funds Under the Existing Model to the Recurring Base in Fiscal Year 2028-29*
- *Apply Equal Weighting Between Research and Comprehensive Sectors in the New Share of Outcomes Model Component*
- *Include New Metrics in the Share of Outcomes Component (i.e., Graduate Degrees, Enrolled Workforce, and Research Spending)*
- *Transition to Distributing 100% of University Performance Allocation Using Share of Outcomes Approach in Fiscal Year 2028-29*

		Hypothetical Fiscal Year 2027-28 Distribution				
Institution	2026-27 Performance Distribution	50% Allocation Existing Model Base Adjustment	50% Allocation New Model Distribution	Base Adjustment Plus Distribution	Difference by Institution	Difference by Sector
University of Kentucky	$44,264,500	$27,224,500	$14,727,500	$41,952,000	($2,312,500)	($3,961,900)
University of Louisville	20,749,300	10,052,100	9,047,800	19,099,900	(1,649,400)	
Eastern Kentucky University	5,326,400	379,800	4,986,800	5,366,600	40,200	
Kentucky State University	0	0	558,200	558,200	558,200	
Morehead State University	0	0	2,048,400	2,048,400	2,048,400	+ 3,962,000
Murray State University	4,808,400	1,531,400	3,207,300	4,738,700	(69,700)	
Northern Kentucky University	10,161,400	5,663,700	4,874,300	10,538,000	376,600	
Western Kentucky University	4,392,900	0	5,401,200	5,401,200	1,008,300	
Sector Subtotal	$89,702,900	$44,851,500	$44,851,500	$89,703,000	$100	