# POSTSECONDARY EDUCATION WORKING GROUP
# PERFORMANCE FUNDING MODEL REVIEW

March 1, 2023 - 1:00 PM – 3:00 PM, EST
Virtual Meeting via Zoom

# Performance Funding Model Review
# Public University Trends in Student Outcomes and Responses to Survey Questions

Postsecondary Education Working Group
March 1, 2023

CPE
Higher Education Matters

# Overview

- Trends in Student Outcomes
  - Bachelor's Degrees
  - Student Progression
  - Credit Hours Earned
- Funding Model Survey
  - Model Functioning as Expected
  - Unintended Consequences
  - Recommended Adjustments
- Funding Model Scenarios

# Trends in Student Outcomes

# Trends in Student Outcomes

## *University Model Metrics*

### Bachelor's Degree Production

- Total Bachelor's Degrees
- STEM+H Bachelor's Degrees
- URM Bachelor's Degrees
- Low Income Bachelor's Degrees

### Student Progression

- @30 Credit Hours
- @60 Credit Hours
- @90 Credit Hours

### Credit Hours Earned

# Trends in Student Outcomes

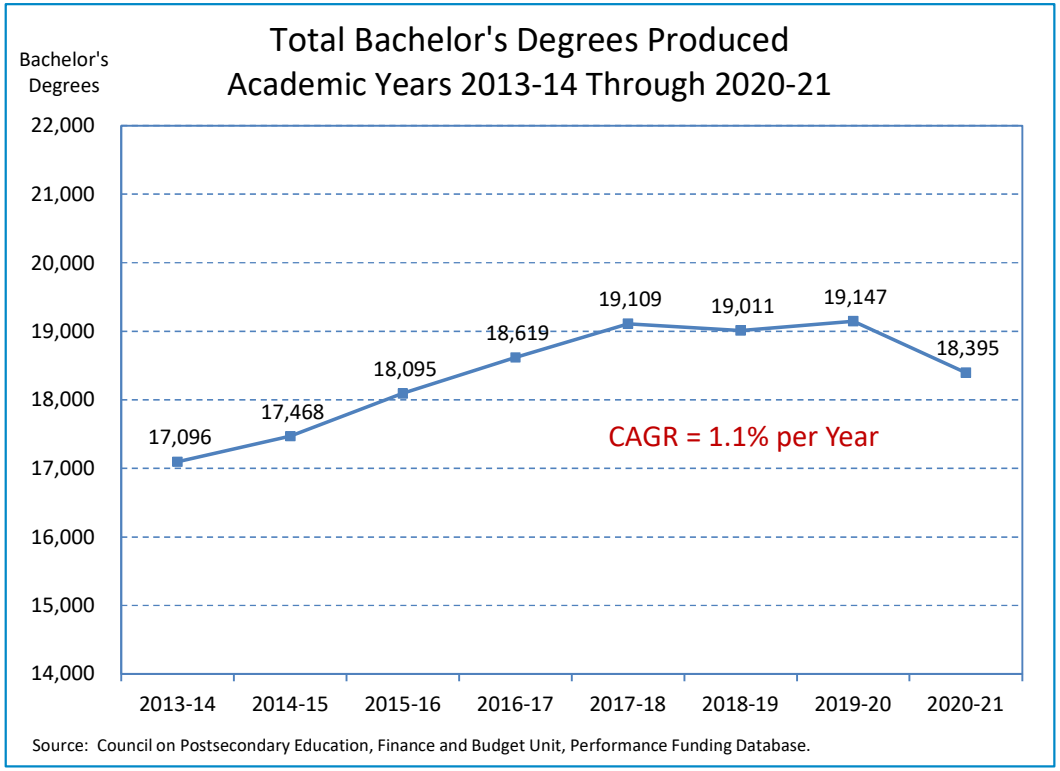
## *Total Bachelor's Degrees*

Change in Total Bachelor's Degrees Produced Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 3,988 | 5,011 | 1,023 | 26% |
| UofL | 2,821 | 2,991 | 170 | 6% |
| EKU | 2,508 | 2,406 | (102) | -4% |
| KSU | 272 | 154 | (118) | -43% |
| MoSU | 1,144 | 1,153 | 9 | 1% |
| MuSU | 1,469 | 1,614 | 145 | 10% |
| NKU | 2,143 | 2,223 | 80 | 4% |
| WKU | 2,751 | 2,843 | 92 | 3% |
| Total | 17,096 | 18,395 | 1,299 | 8% |

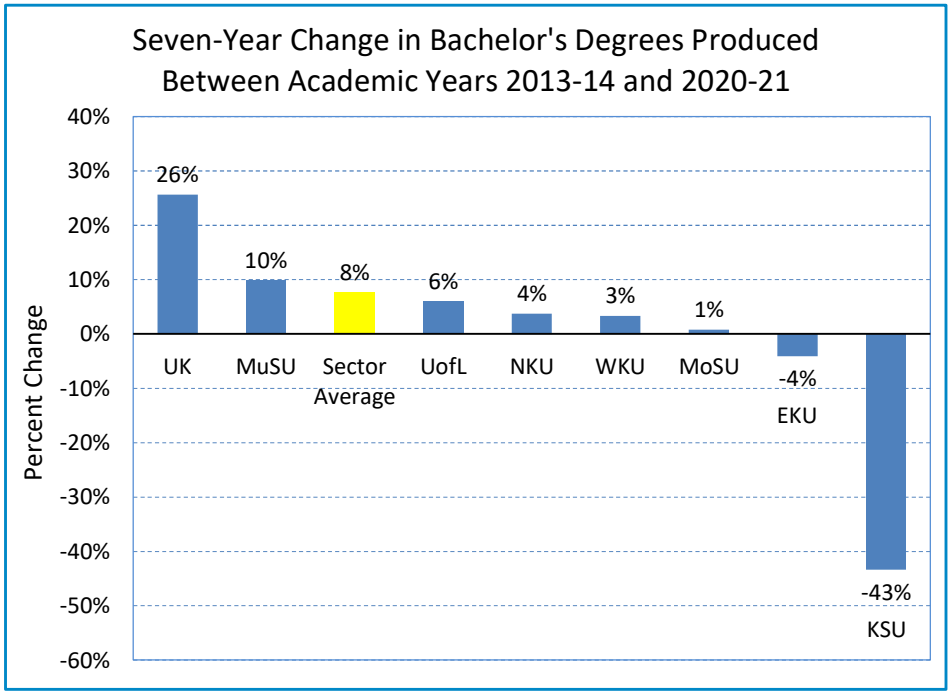
- Between 2014 and 2021, six out of eight universities increased the number of bachelor's degrees produced
- UK recorded the largest number (+1,023) and percent change (+26%) during this period

- After increasing four years in a row, the total number of bachelor's degrees produced leveled off in 2017-18, then declined in 2020-21



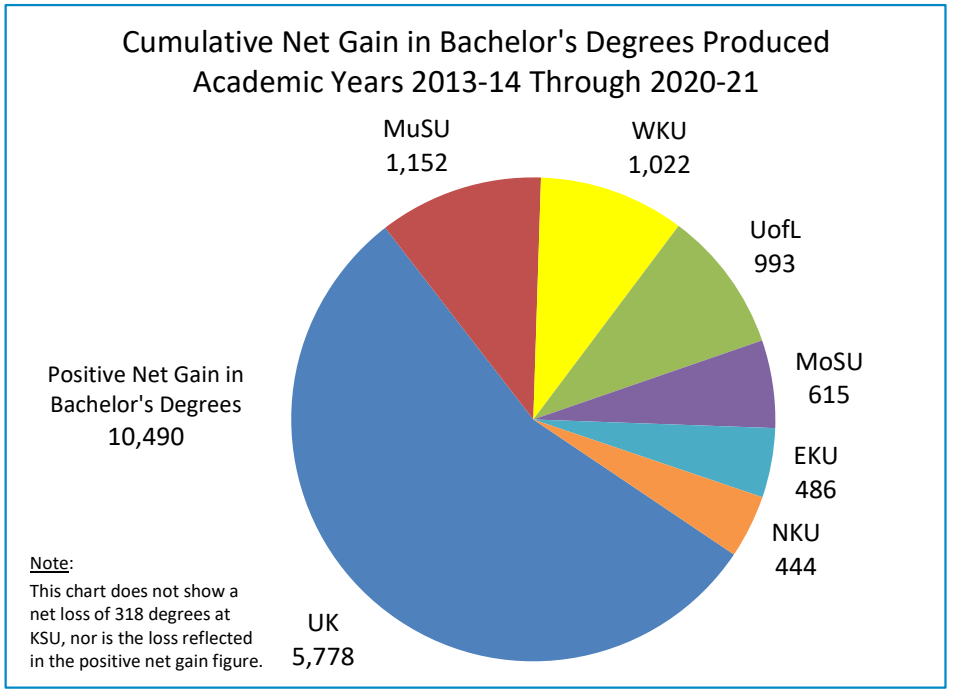
# Trends in Student Outcomes

## *Total Bachelor's Degrees (Cont'd)*




- Two universities had seven-year growth rates above the sector average in bachelor's degrees produced
- The largest number changes occurred at UK (+1,023), UofL (+170), MuSU (+145) and WKU (+92)

- Seven out of eight universities had cumulative net gains in bachelor's degrees produced
- Four universities - UK, MuSU, WKU, and UofL - produced 85% of the cumulative positive net gain



# Trends in Student Outcomes

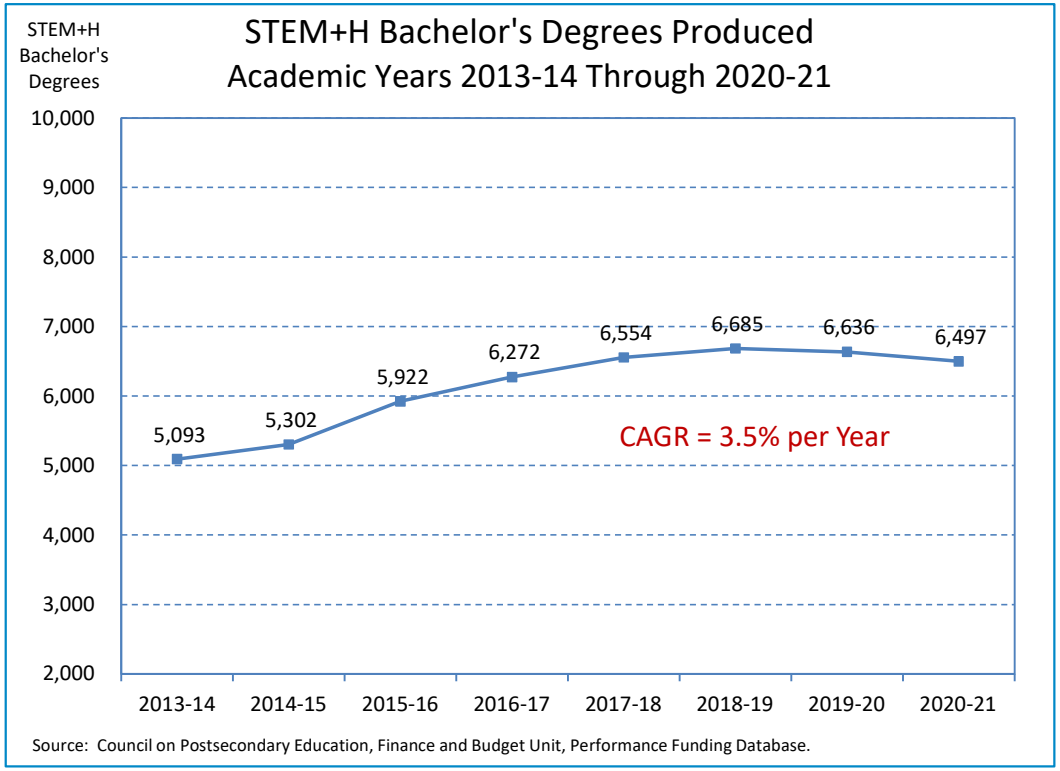
## *STEM+H Bachelor's Degrees*

Change in STEM+H Bachelor's Degrees Produced Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 1,345 | 1,931 | 586 | 44% |
| UofL | 798 | 1,085 | 287 | 36% |
| EKU | 657 | 744 | 87 | 13% |
| KSU | 48 | 30 | (18) | -38% |
| MoSU | 286 | 401 | 115 | 40% |
| MuSU | 564 | 649 | 85 | 15% |
| NKU | 587 | 814 | 227 | 39% |
| WKU | 808 | 843 | 35 | 4% |
| Total | 5,093 | 6,497 | 1,404 | 28% |

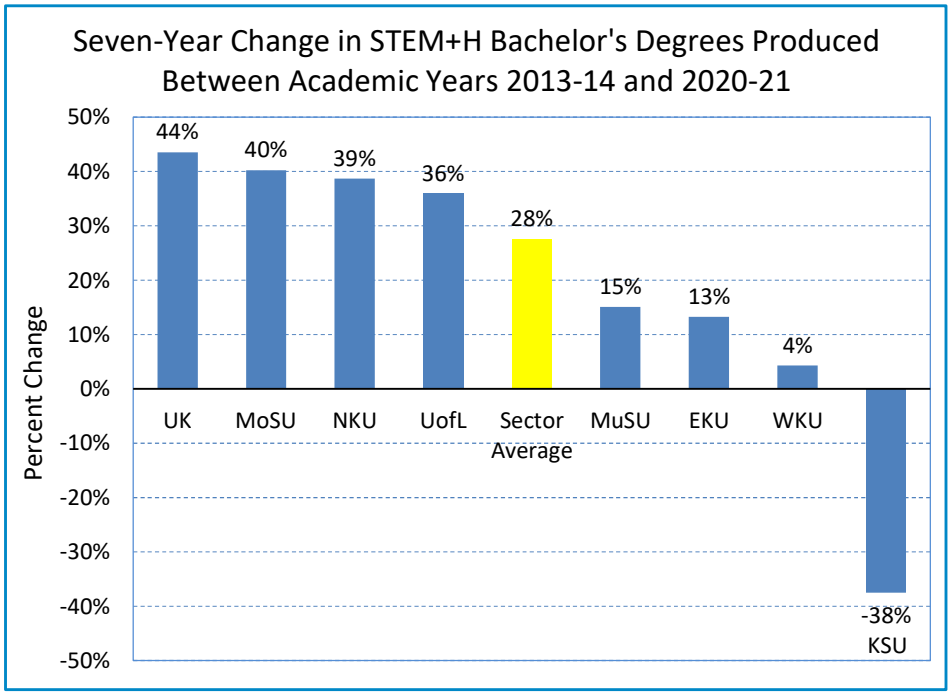
- Between 2014 and 2021, seven out of eight universities increased the number of STEM+H bachelor's degrees
- UK, UofL, and NKU recorded the largest number change and UK and MoSU had the largest percent change

- After increasing five years in a row, the number of STEM+H bachelor's degrees decreased in 2019-20 and 2020-21



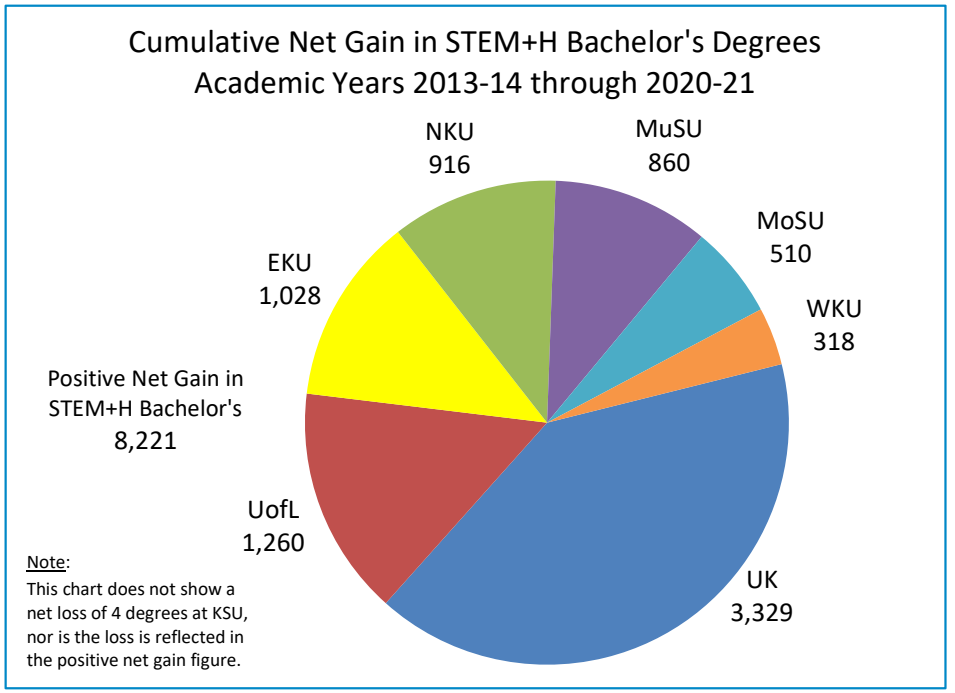
# Trends in Student Outcomes

## *STEM+H Bachelor's Degrees (Cont'd)*




- Four universities had seven-year growth rates above the sector average in STEM+H bachelor's degrees
- The largest number changes occurred at UK (+586), UofL (+287), NKU (+227), and MoSU (+115)

- Seven of eight universities had cumulative net gains in STEM+H bachelor's degrees produced
- Five universities - UK, UofL, EKU, NKU, and MuSU - produced 90% of the cumulative positive net gain



# Trends in Student Outcomes

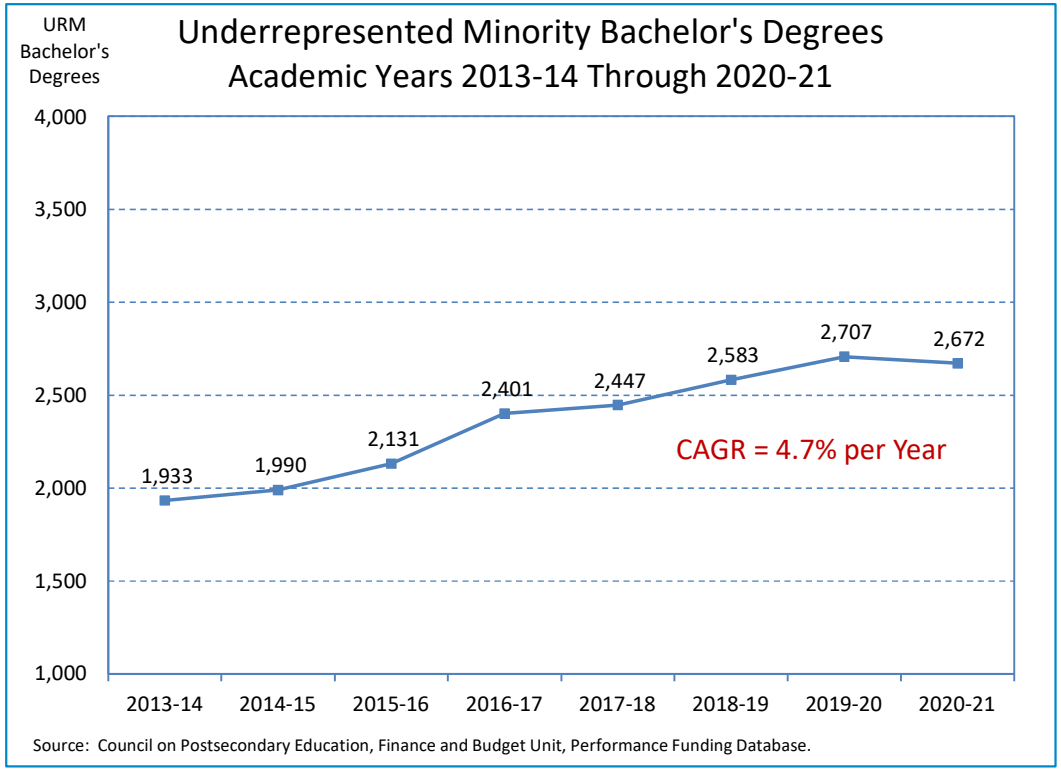
## *URM Bachelor's Degrees*

Change in Minority Bachelor's Degrees Produced Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 412 | 734 | 322 | 78% |
| UofL | 465 | 644 | 179 | 38% |
| EKU | 236 | 262 | 26 | 11% |
| KSU | 170 | 124 | (46) | -27% |
| MoSU | 51 | 70 | 19 | 37% |
| MuSU | 131 | 146 | 15 | 11% |
| NKU | 183 | 304 | 121 | 66% |
| WKU | 285 | 388 | 103 | 36% |
| Total | 1,933 | 2,672 | 739 | 38% |

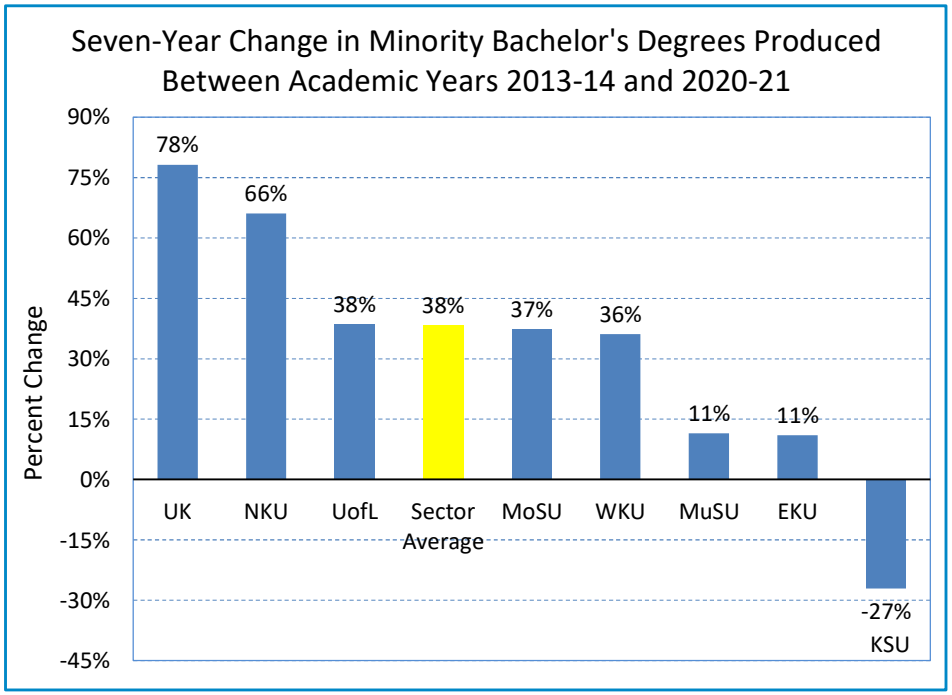
- Between 2014 and 2021, seven out of eight universities increased their number of URM bachelor's degrees
- UK, UofL, NKU, and WKU grew most in degree numbers and UK and NKU had the largest percent increases

- After increasing six years in a row, the number of URM bachelor's degrees decreased in 2020-21



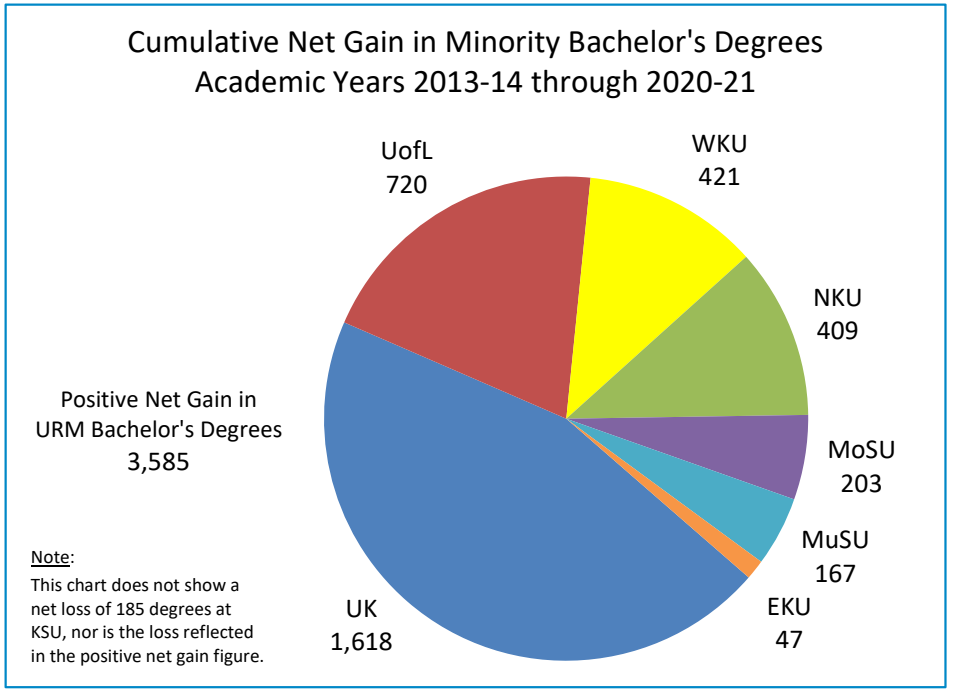
# Trends in Student Outcomes

## *URM Bachelor's Degrees (Cont'd)*




- Three universities had seven-year growth rates above the sector average in URM bachelor's degrees (2 others close)
- The largest number changes occurred at UK (+322), UofL (+179), NKU (+121), and WKU (+103)

- Seven out of eight universities had cumulative net gains in URM bachelor's degrees produced
- Four universities - UK, UofL, WKU, and NKU – accounted for 88% of cumulative positive net gain in URM degrees



# Trends in Student Outcomes

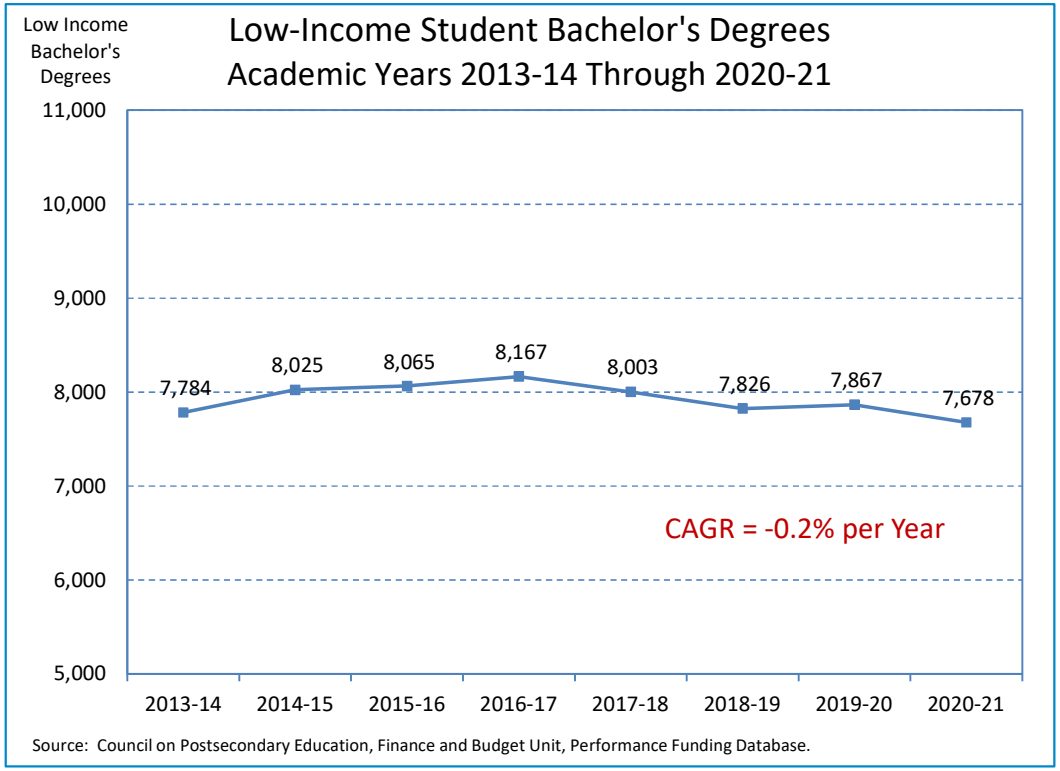
## *Low Income Bachelor's Degrees*

Change in Low-Income Student Bachelor's Degrees Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 1,287 | 1,452 | 165 | 13% |
| UofL | 1,218 | 1,204 | (14) | -1% |
| EKU | 1,343 | 1,249 | (94) | -7% |
| KSU | 203 | 111 | (92) | -45% |
| MoSU | 703 | 669 | (34) | -5% |
| MuSU | 687 | 737 | 50 | 7% |
| NKU | 962 | 986 | 24 | 2% |
| WKU | 1,381 | 1,270 | (111) | -8% |
| Total | 7,784 | 7,678 | (106) | -1% |

- Between 2014 and 2021, three of eight universities increased their low-income bachelor's degrees
- UK, MuSU, and NKU were the only institutions that had positive number and percent changes for the period

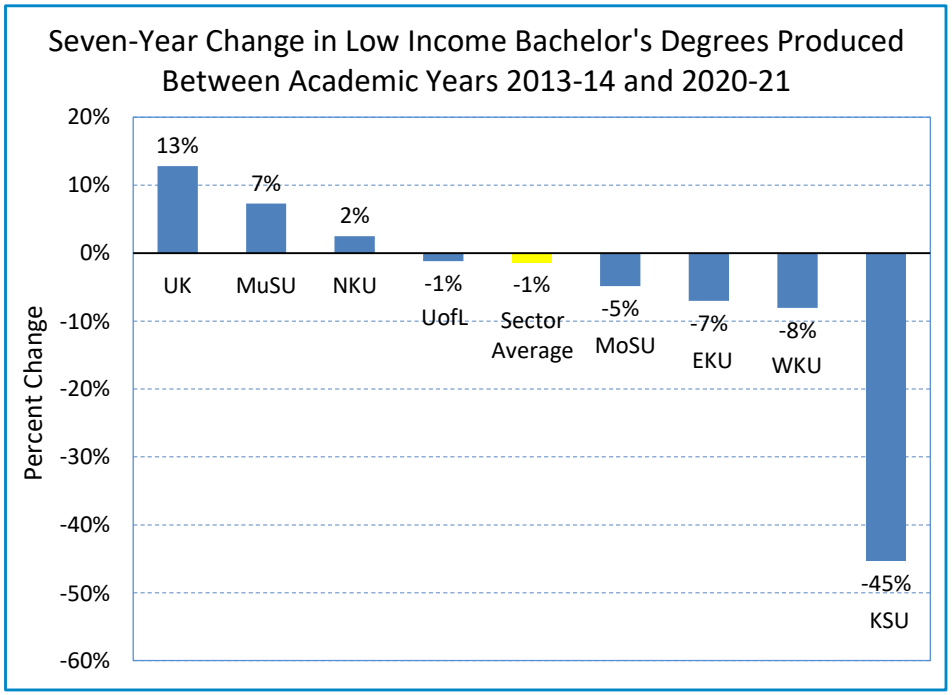
- After increasing three years in a row, bachelor's degrees awarded to low-income students decreased three out of the past four years




Source: Council on Postsecondary Education, Finance and Budget Unit, Performance Funding Database.

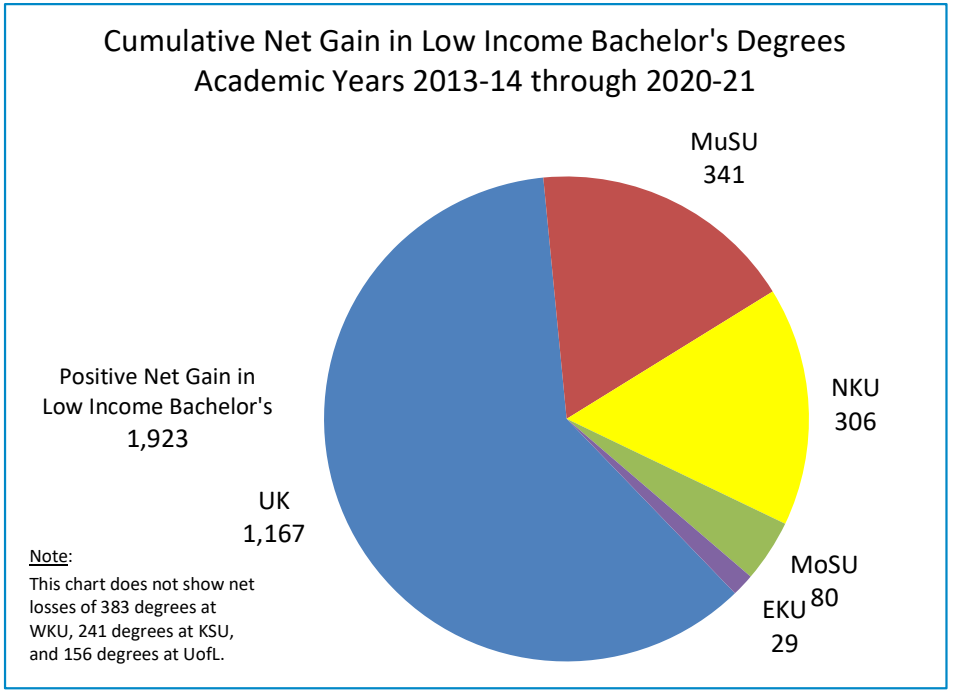
# Trends in Student Outcomes

## *Low Income Bachelor's Degrees (Cont'd)*




- Four universities had seven-year growth rates above the sector average in low-income bachelor's degrees
- The largest number changes occurred at UK (+165), MuSU (+50), and NKU (+24)

- Five out of eight universities had cumulative net gains in low-income bachelor's degrees produced
- Three universities - UK, MuSU, and NKU - produced 94% of the cumulative positive net gain



# Trends in Student Outcomes

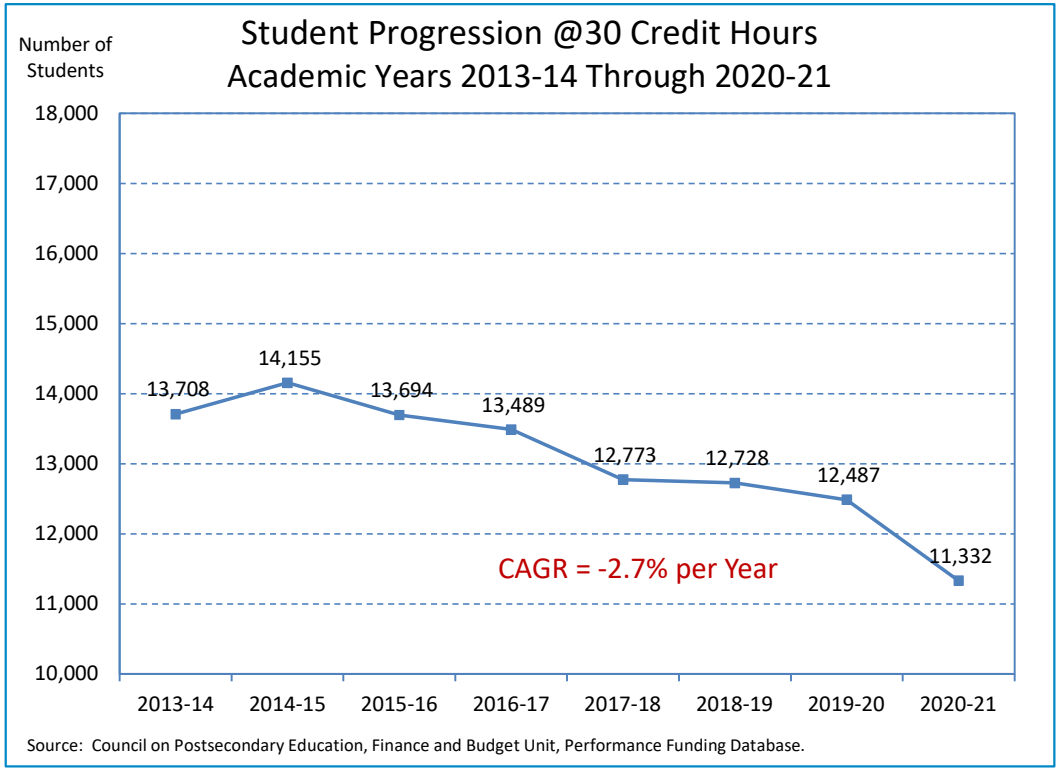
## *Student Progression @30 Credit Hours*

Change in Student Progression @30 Credit Hours Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 3,471 | 3,389 | (82) | -2% |
| UofL | 2,265 | 1,684 | (581) | -26% |
| EKU | 1,353 | 1,300 | (53) | -4% |
| KSU | 211 | 303 | 92 | 44% |
| MoSU | 1,237 | 740 | (497) | -40% |
| MuSU | 1,146 | 923 | (223) | -19% |
| NKU | 1,681 | 1,168 | (513) | -31% |
| WKU | 2,344 | 1,825 | (519) | -22% |
| Total | 13,708 | 11,332 | (2,376) | -17% |

- Between 2014 and 2021, only one university increased its number of students reaching the 30-hour threshold
- KSU was the only institution that had positive number and percent changes for the period

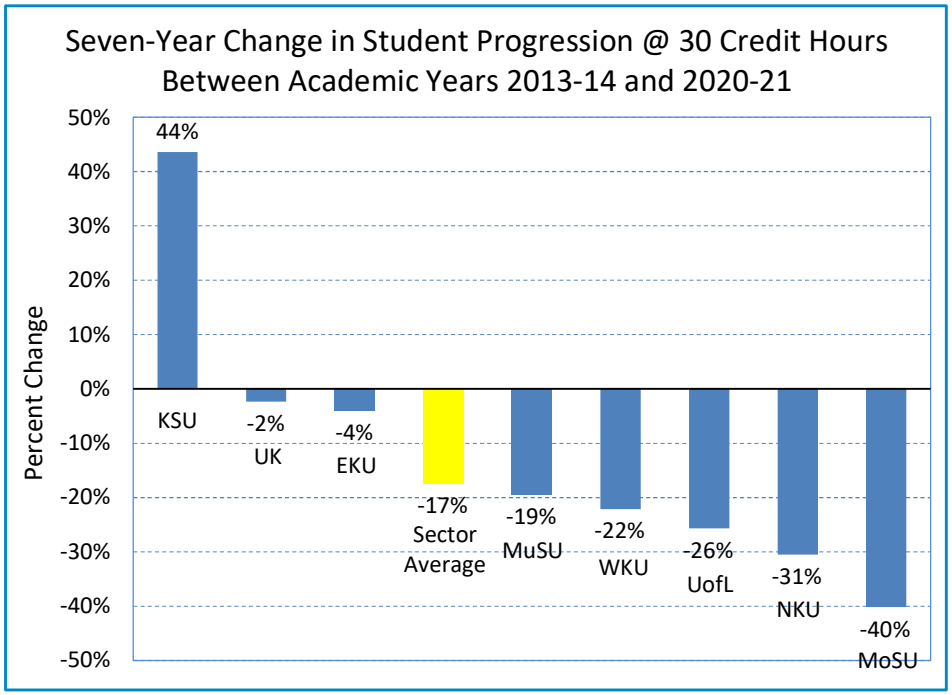
- After peaking in 2014-15, the annual number of students crossing the 30-credit-hour threshold decreased six years in a row




Source: Council on Postsecondary Education, Finance and Budget Unit, Performance Funding Database.

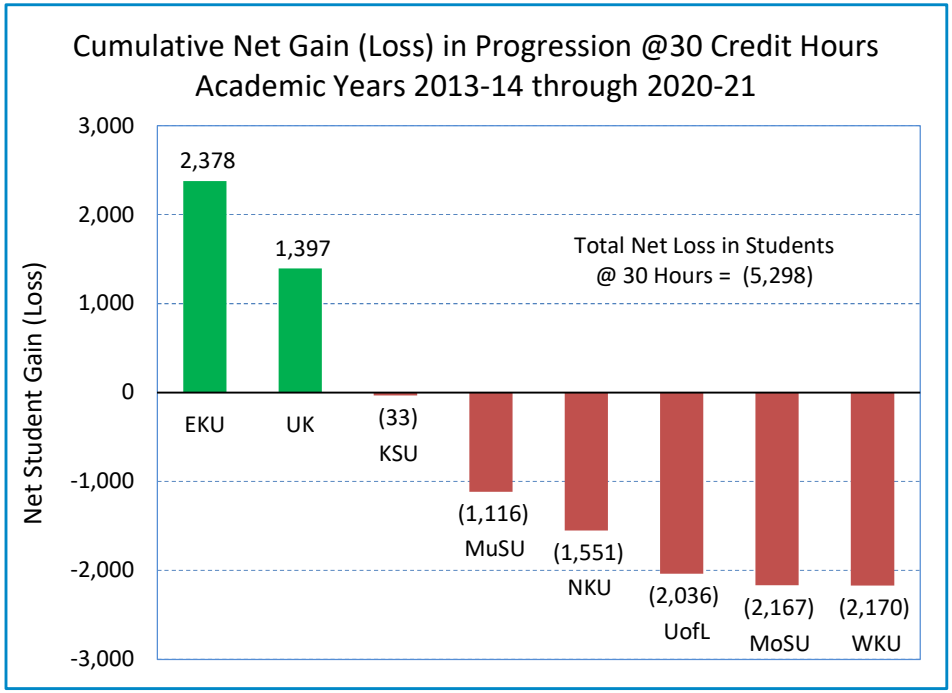
# Trends in Student Outcomes

## *Student Progression @30 Credit Hours (Cont'd)*




- Three universities had seven-year growth rates above the sector average in student progression @30 credit hours
- KSU was the only university that registered an increase in students reaching the 30-credit-hour threshold (+92)

- Two out of eight universities had cumulative net gains in student progression @30 credit hours
- Six universities recorded cumulative net losses in student progression @30 credit hours, totaling -9,073



# Trends in Student Outcomes

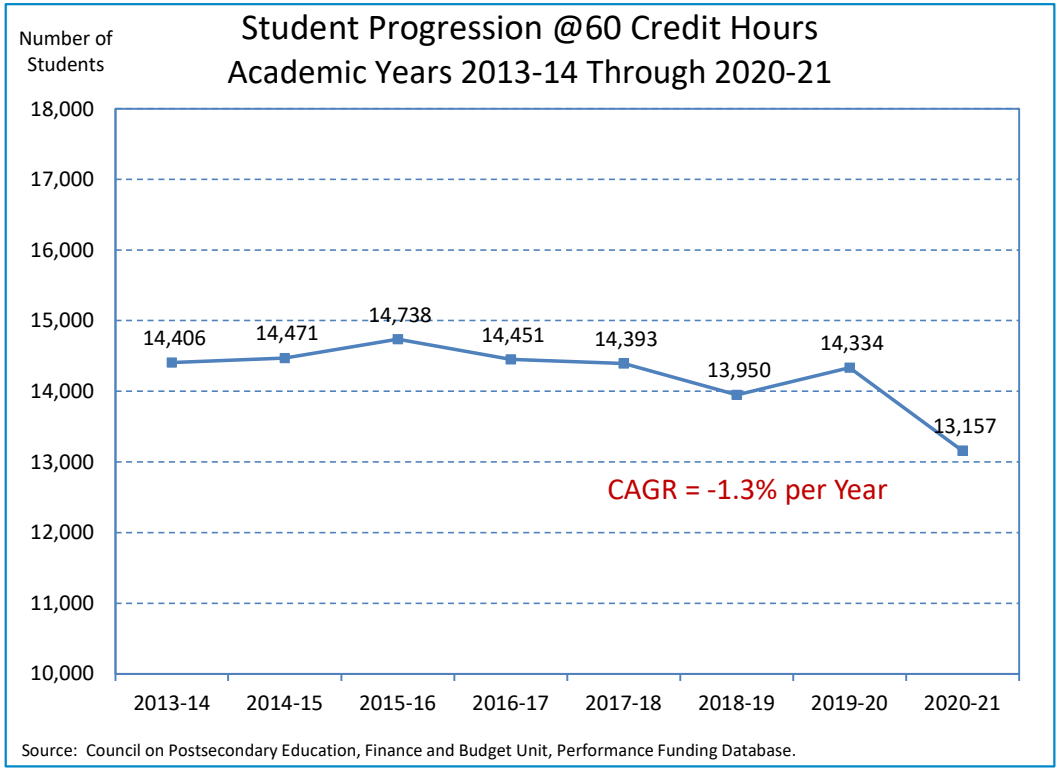
## *Student Progression @60 Credit Hours*

Change in Student Progression @60 Credit Hours Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 3,761 | 4,102 | 341 | 9% |
| UofL | 2,366 | 2,126 | (240) | -10% |
| EKU | 1,932 | 1,554 | (378) | -20% |
| KSU | 228 | 205 | (23) | -10% |
| MoSU | 1,039 | 801 | (238) | -23% |
| MuSU | 1,193 | 1,016 | (177) | -15% |
| NKU | 1,649 | 1,443 | (206) | -12% |
| WKU | 2,238 | 1,910 | (328) | -15% |
| Total | 14,406 | 13,157 | (1,249) | -9% |

- Between 2014 and 2021, only one university increased the number of students reaching the 60-hour threshold
- UK was the only institution that had positive number and percent changes during this period

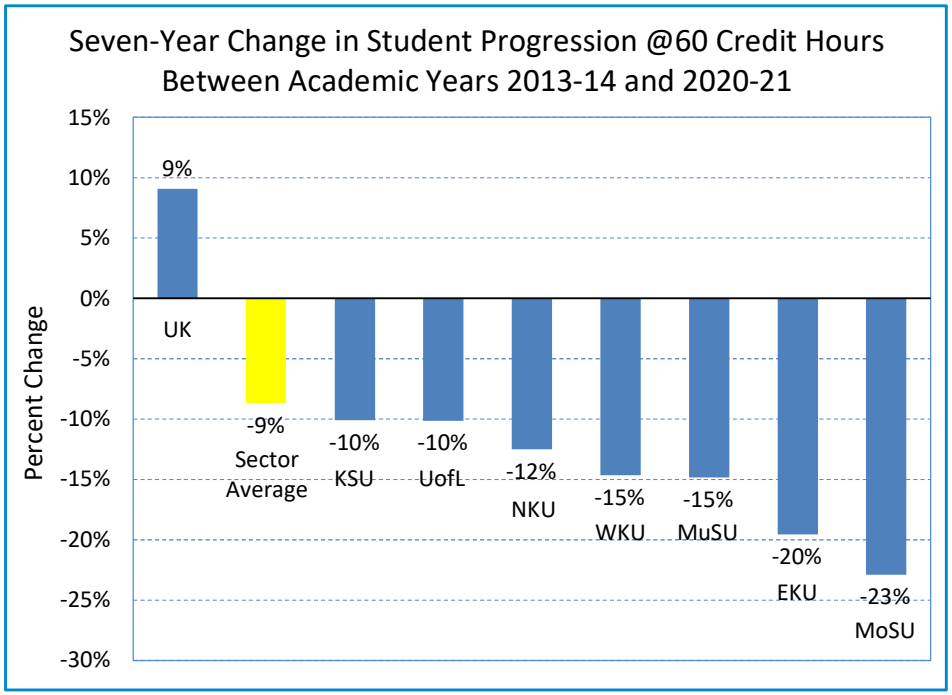
- After peaking in 2015-16, the annual number of students reaching 60 credit hours decreased four out of the next five years




Source: Council on Postsecondary Education, Finance and Budget Unit, Performance Funding Database.

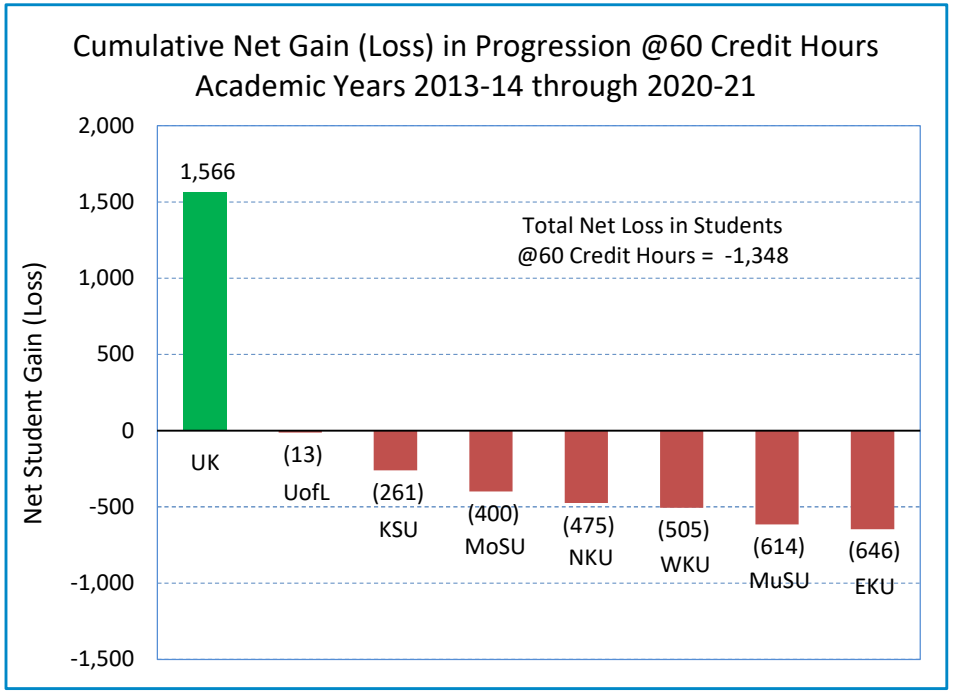
# Trends in Student Outcomes

## *Student Progression @60 Credit Hours (Cont'd)*




- Only UK had a seven-year growth rate above the sector average in student progression @60 hours (+341)
- On a percentage basis, decreases at KSU (-23) and UofL (-240) were close to the sector average decrease

- Only UK had a cumulative net gain in student progression @60 credit hours relative to its base year
- Seven universities recorded cumulative net losses in student progression @60 credit hours, totaling -2,914



# Trends in Student Outcomes

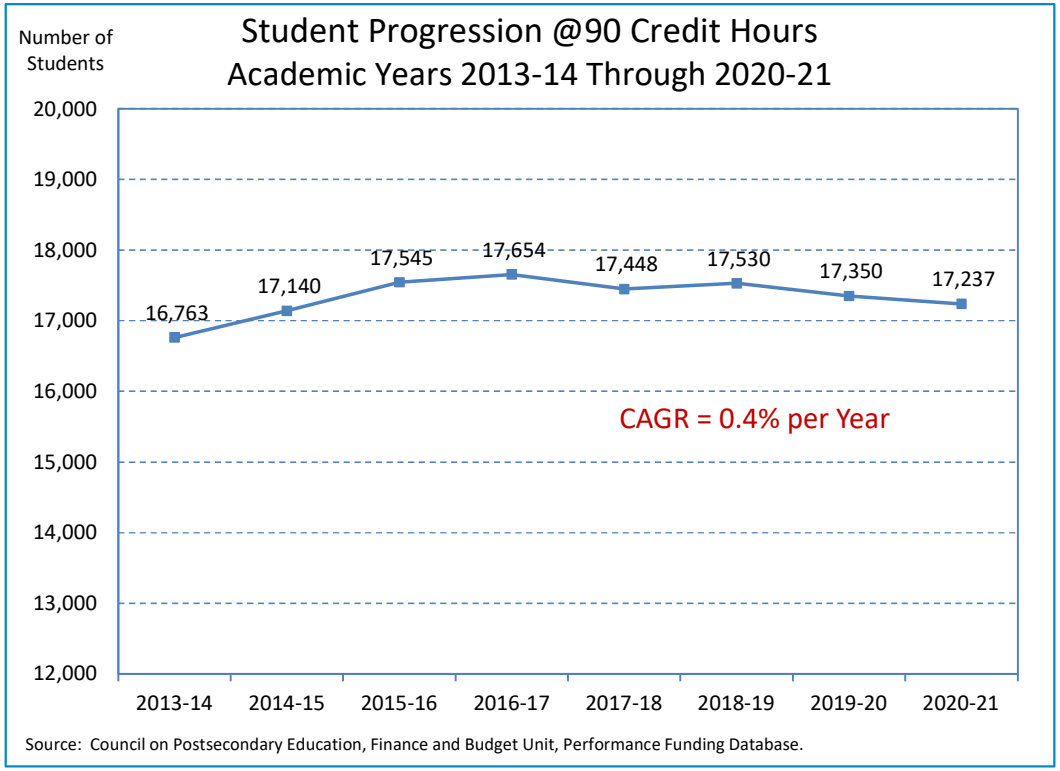
## *Student Progression @90 Credit Hours*

Change in Student Progression @90 Credit Hours Between Academic Years 2013-14 and 2020-21

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 4,150 | 5,011 | 861 | 21% |
| UofL | 2,694 | 2,852 | 158 | 6% |
| EKU | 2,534 | 2,206 | (328) | -13% |
| KSU | 255 | 178 | (77) | -30% |
| MoSU | 1,097 | 1,158 | 61 | 6% |
| MuSU | 1,462 | 1,446 | (16) | -1% |
| NKU | 1,969 | 1,802 | (167) | -8% |
| WKU | 2,602 | 2,584 | (18) | -1% |
| Total | 16,763 | 17,237 | 474 | 3% |

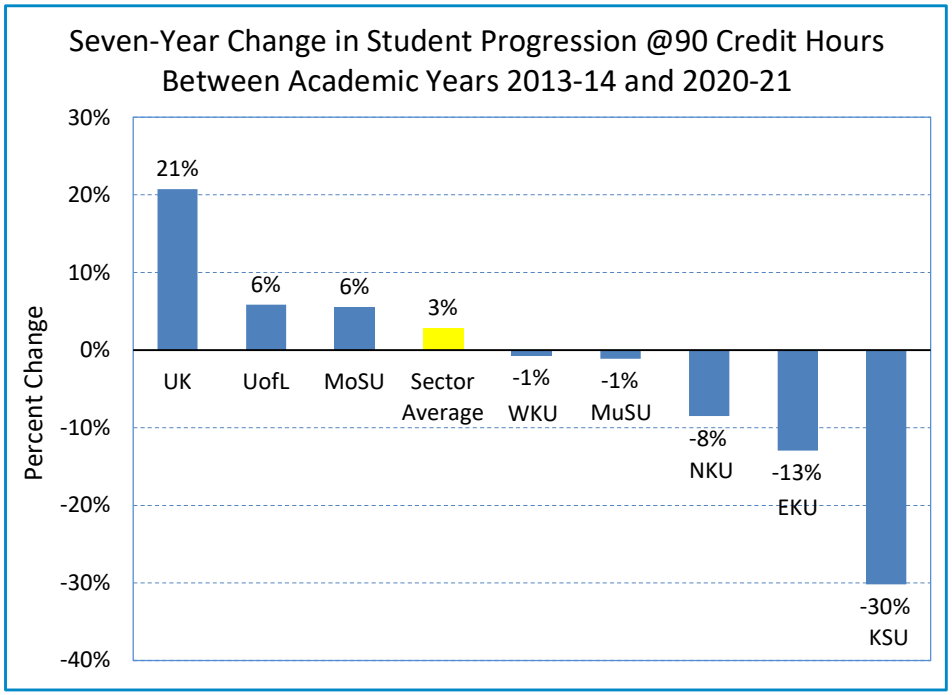
- Between 2014 and 2021, three universities increased the number of students reaching the 90-hour threshold
- UK, UofL, and MoSU were the only institutions that had positive number and percent changes for the period

- After increasing three years in a row, the annual number of students reaching 90 credit hours decreased three out of the next four years



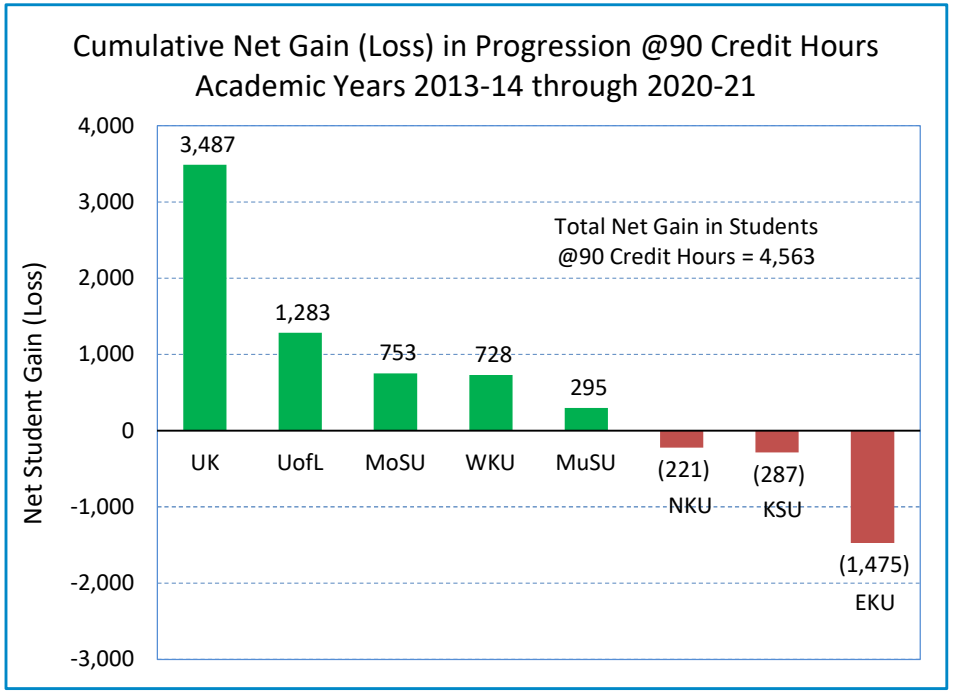
# Trends in Student Outcomes

## *Student Progression @90 Credit Hours (Cont'd)*




- Three universities had seven-year growth rates above the sector average in student progression @90 credit hours
- The largest number changes also occurred at UK (+861), UofL (+158), and MoSU (+61)

- Five out of eight universities had cumulative net gains in students reaching the 90-credit-hour threshold
- Three universities – NKU, KSU, and EKU – recorded net losses in student progression @90 hours, totaling -1,983



# Trends in Student Outcomes

## *Student Credit Hours Earned*

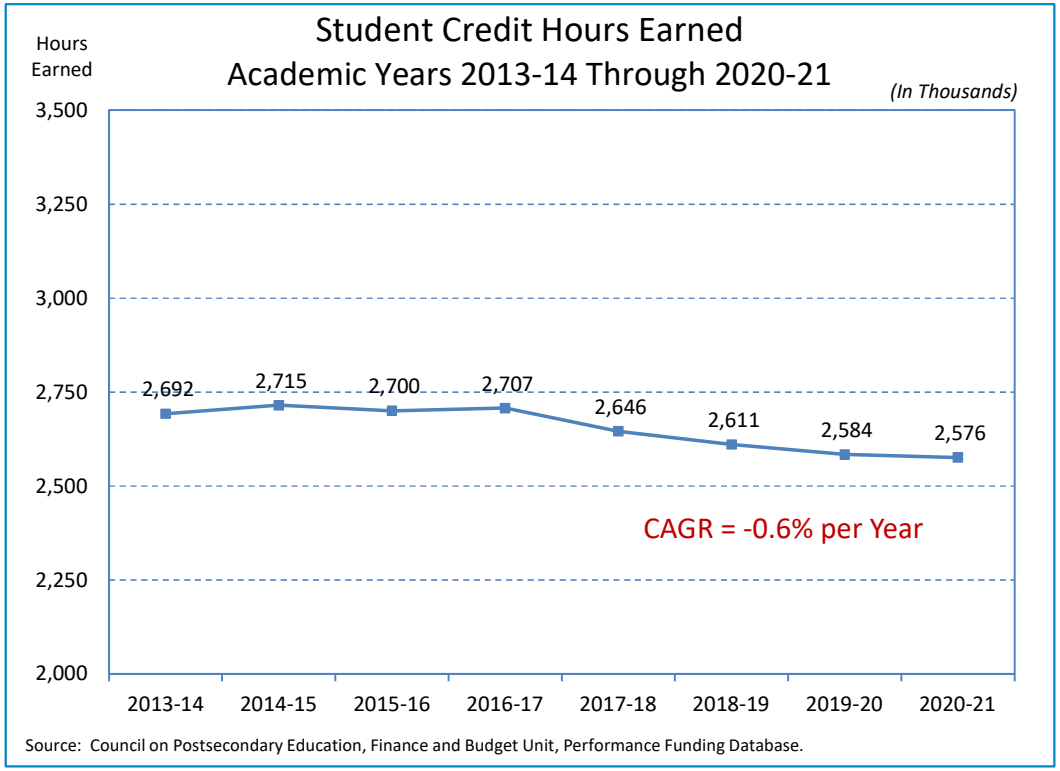
Change in Student Credit Hours Earned
Between Academic Years 2013-14 and 2020-21

*(In Thousands)*

| Campus | 2013-14 | 2020-21 | Number Change | Percent Change |
|---|---|---|---|---|
| UK | 691.5 | 767.6 | 76.1 | 11% |
| UofL | 478.2 | 477.7 | (0.5) | 0% |
| EKU | 351.9 | 307.3 | (44.5) | -13% |
| KSU | 41.6 | 32.3 | (9.3) | -22% |
| MoSU | 183.4 | 148.1 | (35.3) | -19% |
| MuSU | 223.5 | 191.2 | (32.4) | -14% |
| NKU | 308.8 | 301.7 | (7.2) | -2% |
| WKU | 413.3 | 350.2 | (63.1) | -15% |
| Total | 2,692.3 | 2,576.1 | (116.2) | -4% |

- Between 2014 and 2021, only one university increased its number of student credit hours earned
- UK was the only institutions that had positive number and percent changes for the period

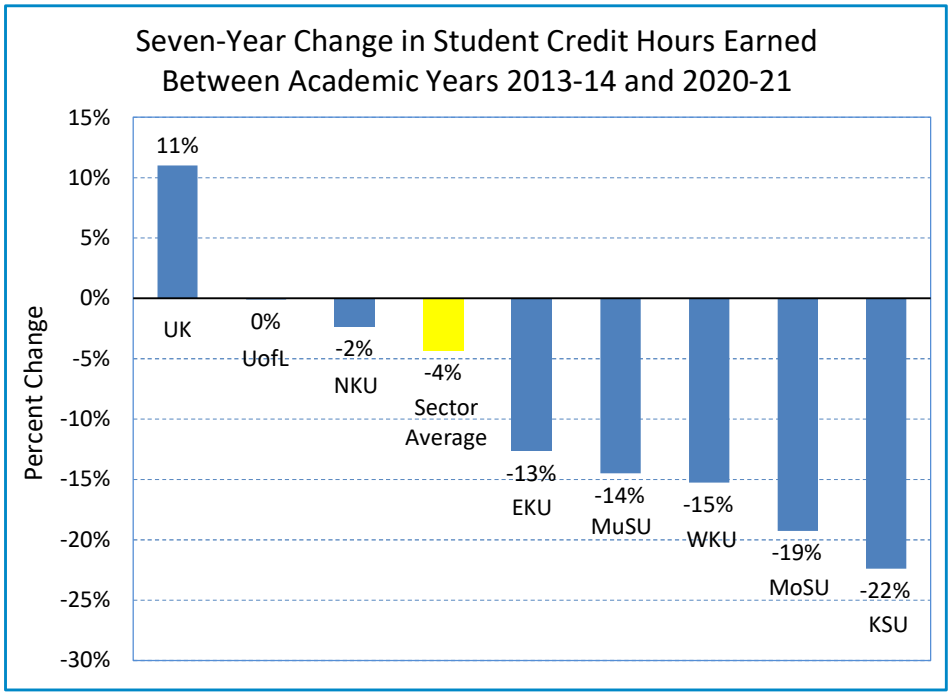
- After remaining relatively flat for four years, the annual number of student credit hours earned decreased four years in a row




Source: Council on Postsecondary Education, Finance and Budget Unit, Performance Funding Database.

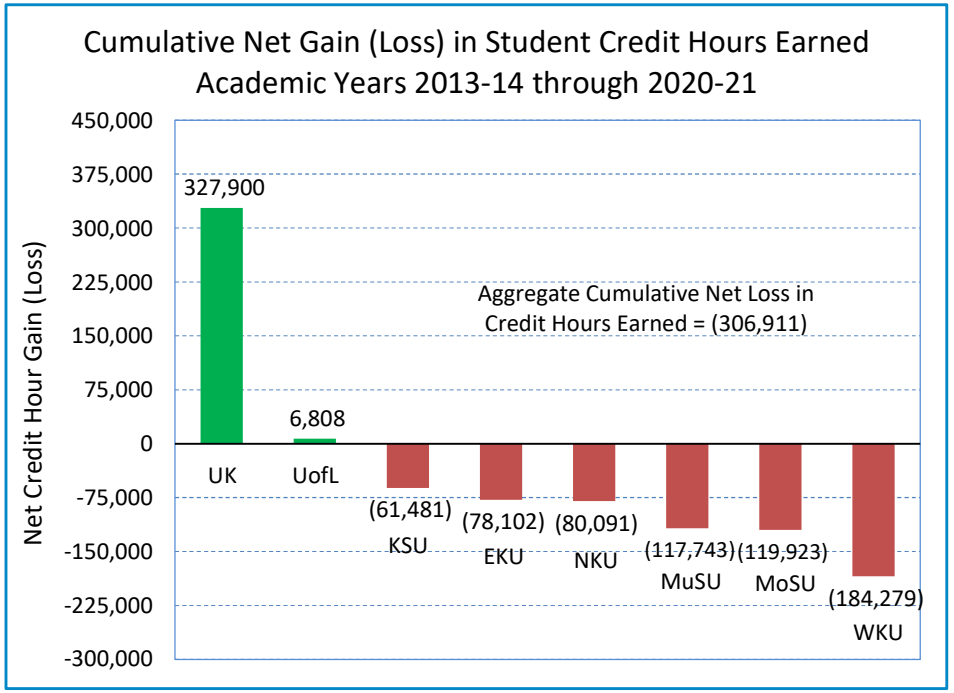
# Trends in Student Outcomes

## *Student Credit Hours Earned (Cont'd)*




- Three universities had seven-year growth rates above the sector average in student credit hours earned
- UK was the only university that recorded an increase in student credit hours earned (+76,084 hours)

- Two out of eight universities had cumulative net gains in student credit hours earned relative to their base years
- Six universities recorded cumulative net losses in student credit hours earned, totaling -641,619



# Funding Model Survey

# Funding Model Survey

In September 2022, Council staff contacted public university and KCTCS officials and asked them to respond to three 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?

Council staff received responses to these questions from all but one institution, which are summarized in the slides that follow.

# Funding Model Survey

## *Model Functioning as Expected*

- Overall, the model is working as intended/ the metrics incentivize enrollment, timely progression, and degree completion ***(UK)***
- The model emphasizes student success/ a focus we share ***(UofL)***
- Including all universities in one pool works well/ three models would distort allocations and exacerbate competition ***(UofL)***
- Goals of timely progression, completion, and closing achievement gaps are well aligned with EKU's priorities ***(EKU)***
- By focusing on student outcomes, the model has contributed to progress toward the 60x30 attainment goal ***(MoSU)***

## Funding Model Survey
### *Model Functioning as Expected (Cont'd)*

- The model has promoted financial practices that focus on the core instructional mission ***(MoSU)***
- Student success components related to retention and graduation remain a prominent focus for the universities ***(MuSU)***
- An objective model with discrete criteria for making funding allocations is a welcome advance to previous methods ***(NKU)***
- The goals of the model are in line with NKU's goals ***(NKU)***
- Model components, including student success, progression, and degree completion are priorities for WKU and reflect the values and goals in our strategic plan ***(WKU)***

# Funding Model Survey
## *Unintended Consequences*

- Inadequate state support was an unintended consequence / lack of funding resulted in redistribution of the existing base *(UK)*
- The funding model should not be viewed as a replacement for increased state support *(UK)*
- The model is complicated with too many metrics, including some that overlap *(UofL)*
- Fewer metrics would allow the state to make progress in areas that matter most *(UofL)*
- Sector weights create a disadvantage for comprehensives *(EKU)*

# Funding Model Survey
## *Unintended Consequences (Cont'd)*

- Declining enrollment at the comprehensive universities hinders their ability to compete *(EKU)*
- Student progression and credit hour metrics are enrollment driven *(EKU)*
- Metrics overlap / bachelor's degrees are counted 4 times *(EKU)*
- The focus on equalizing state funding disadvantages institutions that serve predominantly low-income students *(MoSU)*
- Institutions that serve low-income regions have limited ability to raise tuition, thus require a higher level of state support *(MoSU)*

# Funding Model Survey
## *Unintended Consequences (Cont'd)*

- Differential weight factors by sector and an emphasis on volume are detrimental for smaller campuses *(MuSU)*
- The model creates competition, not collaboration *(MuSU)*
- In a time of declining enrollment, it is hard to demonstrate improved effectiveness and efficiency with volume metrics *(NKU)*
- Simple growth and contributions toward increased state outcomes are not sufficient to warrant increased funding *(NKU)*
- Nuances in the model make it difficult to anticipate future funding allocations / complicates budgeting *(NKU)*

# Funding Model Survey
## *Unintended Consequences (Cont'd)*

- Metrics based on enrollment and size make it impossible for comprehensives to compete with research institutions *(WKU)*
- Enrollment growth at UK creates a competitive disadvantage for other institutions *(WKU)*
- Current weights do not support nonresident enrollment *(WKU)*

# Funding Model Survey
## *Recommended Adjustments (UK)*

- Maintain and increase state support
  - The addition of new funds in 2021-22 allowed institutions to focus on intended outcomes rather than on protecting insufficient base funds
- Make distributions from the Performance Fund recurring
  - Allows institutions to plan for long-term use of the funds and avoid perception that funds can be cut without consequences
- Include inflationary adjustments for mandated programs in CPE budget requests / model does not reward research or public service
- Eliminate productivity adjustment in the bachelor's degree metric / it negatively impacts institutions with growing enrollment

# Funding Model Survey
## *Recommended Adjustments (UofL)*

- Provide additional base funding outside the model
  - This would help all institutions address mental health needs and attainment gaps
- Increase the weightings for URM and low-income students
- Remove square foot metric, or adjust to reflect cost differentials
- Revise model so that funding pools are no longer distributed based on productivity relative to the sector average
- Stop excluding mandated program funds from the allocable resources run through the model

# Funding Model Survey

## *Recommended Adjustments (EKU)*

- Adopt three separate models (i.e., research, comps, and KCTCS)
- The model should emphasize rate of improvement over volume
- The state should continue to invest in higher education
- Students with disabilities should be counted in the model
- Eliminate the small school adjustment for research institutions
- The model should include metrics that reward efficiency (e.g., square feet, instruction and student services spending)
- Eliminate sector weighting of FTE students, because FTE should be a “normalizing” component in the model

# Funding Model Survey
## *Recommended Adjustments (MoSU)*

- Distribute one-third of new money on a proportionate basis
- Remove the sector weighting for all degree metrics
- Remove the square foot metric from the model
- The goal of the model should be to equalize total public funds per student across institutions, not achieve parity in state funds
- Modify the model to include consideration of net tuition revenue
  - This would recognize the financial impact of serving a large proportion of low-income students

# Funding Model Survey
## *Recommended Adjustments (MuSU)*

- Distribute a portion of available performance funds to the base of each institution (outside the model)
- Use formula share to distribute remaining performance funds
- Increase the weighting of nonresident credit hours earned from 0.50 to 1.00 (the same as resident students)
  - This would be better aligned with Council enrollment and attainment goals
- Allow dual credit and high school hours to count in the model
- Recognize that a three-model approach will have the same impact on smaller institutions as the current model

# Funding Model Survey

## *Recommended Adjustments (NKU)*

- Consider adopting three models to allow for customization of metrics and weights and to account for mission differences
- Base funding increases should factor in large increases in utilities costs and wage increases in the marketplace
- Consider removing mandated programs and the small school adjustment from the model
- Expand the degree metric to include all degrees and credentials, which is better aligned with Kentucky's 60x30 goal

# Funding Model Survey
## *Recommended Adjustments (WKU)*

- A comprehensive reevaluation and redesign of the model is needed, not minor tweaks
  - Tennessee's model allows institutions to choose metric weights, which allows some control over focus areas and priorities

Or in lieu of that:

- A separate model is needed for the research institutions
- Weight credit hours earned by nonresident students the same as those earned by resident students
- Include all degrees and credentials in the model

# Funding Model Scenarios

# Funding Model Scenarios

## *Data and Assumptions*

Every scenario uses the same set of updated appropriations data and the same assumptions regarding no change in metric data

Updated Data:

- Direct appropriation for each institution
- Debt service appropriation for each institution
- Mandated program appropriation(s) for each institution

For Fiscal 2023-24

Assumptions:

- No change in student success metric data
- No change in operational support metric data

Changes in model application unique to each scenario are noted

# Funding Model Scenarios

## *Existing Model With No Changes*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 1: Existing Model With No Changes

| Campus | Baseline Fiscal 2022-23 Distribution | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
|---|---|---|---|
| UK | $30,904,300 | $30,904,300 | $0 |
| UofL | 17,523,600 | 17,523,600 | 0 |
| EKU | 4,927,900 | 4,927,900 | 0 |
| KSU | 0 | 0 | 0 |
| MoSU | 0 | 0 | 0 |
| MuSU | 3,296,800 | 3,296,800 | 0 |
| NKU | 11,363,500 | 11,363,500 | 0 |
| WKU | 7,777,200 | 7,777,200 | 0 |
| Sector | $75,793,300 | $75,793,300 | $0 |

Additional Assumption:

- Distribute 100% of available funds using the existing model with no changes

Scenario Framework:

- Every scenario compares the actual distribution of funds in fiscal 2022-23 to a hypothetical distribution in 2023-24
- This comparison is useful because the allocable resources run through the model and the appropriation to the Performance Fund in both years are identical
- This allows the impact of proposed changes in each scenario to be examined in isolation from any other potential influences

# Funding Model Scenarios

## *Formula Share Approach (@ 100%)*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 2: Formula Share Approach (@ 100%)

| | | Distribute Funds Using Formula Share | | | |
|---|---|---|---|---|---|
| Institution | Baseline Fiscal 2022-23 Distribution | Fiscal 2023-24 Formula Totals | Formula Share % | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
| UK | $30,904,300 | $175,630,300 | 33.3% | $25,217,000 | ($5,687,300) |
| UofL | 17,523,600 | 116,172,100 | 22.0% | 16,680,000 | (843,600) |
| EKU | 4,927,900 | 54,236,000 | 10.3% | 7,787,200 | 2,859,300 |
| KSU | 0 | 6,376,400 | 1.2% | 915,500 | 915,500 |
| MoSU | 0 | 26,713,000 | 5.1% | 3,835,500 | 3,835,500 |
| MuSU | 3,296,800 | 34,848,300 | 6.6% | 5,003,500 | 1,706,700 |
| NKU | 11,363,500 | 51,155,200 | 9.7% | 7,344,900 | (4,018,600) |
| WKU | 7,777,200 | 62,750,100 | 11.9% | 9,009,700 | 1,232,500 |
| Sector | $75,793,300 | $527,881,400 | 100.0% | $75,793,300 | $0 |

Additional Assumption:

- Distribute 100% of available university funds using formula share percentages

Methodology:

- Formula Totals from Table 3 of the funding model are used to determine Formula Share %
- These percentages are then multiplied by the amount of available university funds to determine the distribution
- The Formula Totals generated by the model represent how allocable resources would be assigned at absolute parity

# Funding Model Scenarios

## *Formula Share (33.3%) and Existing Model (66.7%)*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 3: Formula Share (33.3%) and Existing Model (66.7%)

Additional Assumption:
- Distribute one-third of available university funds using formula share and two-thirds using the existing model

| | | Distribute Funds Using Formula Share | | | | | |
|---|---|---|---|---|---|---|---|
| Institution | Baseline Fiscal 2022-23 Distribution | Fiscal 2023-24 Formula Totals | Formula Share % | Hypothetical Formula Share Distribution | Distribute Funds Using Existing Model | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
| UK | $30,904,300 | $175,630,300 | 33.3% | $8,405,700 | $21,936,400 | $30,342,100 | ($562,200) |
| UofL | 17,523,600 | 116,172,100 | 22.0% | 5,560,000 | 11,591,800 | 17,151,800 | (371,800) |
| EKU | 4,927,900 | 54,236,000 | 10.3% | 2,595,700 | 2,158,600 | 4,754,300 | (173,600) |
| KSU | 0 | 6,376,400 | 1.2% | 305,200 | 0 | 305,200 | 305,200 |
| MoSU | 0 | 26,713,000 | 5.1% | 1,278,500 | 0 | 1,278,500 | 1,278,500 |
| MuSU | 3,296,800 | 34,848,300 | 6.6% | 1,667,800 | 1,517,400 | 3,185,200 | (111,600) |
| NKU | 11,363,500 | 51,155,200 | 9.7% | 2,448,300 | 8,751,500 | 11,199,800 | (163,700) |
| WKU | 7,777,200 | 62,750,100 | 11.9% | 3,003,200 | 4,573,200 | 7,576,400 | (200,800) |
| Sector | $75,793,300 | $527,881,400 | 100.0% | $25,264,400 | $50,528,900 | $75,793,300 | $0 |

# Funding Model Scenarios

## *Targeted Increases in Small School Adjustment*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 4: Targeted Increases in Small School Adjustment

Additional Assumption:
- Increase small school adjustments for KSU, MoSU, and MuSU by 2021-22 hold harmless amounts

| Institution | Baseline Fiscal 2022-23 Distribution | 2022-23 Small School Adjustment | Prior Year Hold Harmless Allocation | 2023-24 Small School Adjustment | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
|---|---|---|---|---|---|---|
| UK | $30,904,300 | ($16,999,300) | $0 | ($16,999,300) | $29,534,800 | ($1,369,500) |
| UofL | 17,523,600 | (12,391,500) | 0 | (12,391,500) | 16,618,200 | (905,400) |
| EKU | 4,927,900 | (4,451,200) | 0 | (4,451,200) | 4,505,300 | (422,600) |
| KSU | 0 | (4,451,200) | (7,291,000) | (11,742,200) | 665,900 | 665,900 |
| MoSU | 0 | (4,451,200) | (2,945,200) | (7,396,400) | 2,458,400 | 2,458,400 |
| MuSU | 3,296,800 | (4,451,200) | (733,400) | (5,184,600) | 3,758,500 | 461,700 |
| NKU | 11,363,500 | (4,451,200) | 0 | (4,451,200) | 10,964,400 | (399,100) |
| WKU | 7,777,200 | (4,451,200) | 0 | (4,451,200) | 7,287,800 | (489,400) |
| Sector | $75,793,300 | ($56,098,000) | ($10,969,600) | ($67,067,600) | $75,793,300 | $0 |

# Funding Model Scenarios

## *Earned Funds Become Recurring*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 5: Earned Funds Become Recurring to the Base

Additional Assumption:
- Earned funds in 2022-23 are added to the formula base and the Performance Fund is refilled with $97.3 M

| | | Earned Funds Are Added to the Formula Base | | | | |
|---|---|---|---|---|---|---|
| Institution | Baseline Fiscal 2022-23 Distribution | 2022-23 Adjusted Net General Fund | Fiscal 2022-23 Distribution | Hypothetical 2023-24 Adjusted Net General Fund | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
| UK | $30,904,300 | $184,662,000 | $30,904,300 | $215,566,300 | $25,619,100 | ($5,285,200) |
| UofL | 17,523,600 | 126,211,600 | 17,523,600 | 143,735,200 | 16,946,400 | (577,200) |
| EKU | 4,927,900 | 60,842,300 | 4,927,900 | 65,770,200 | 7,911,500 | 2,983,600 |
| KSU | 0 | 18,235,500 | 0 | 18,235,500 | 0 | 0 |
| MoSU | 0 | 34,931,500 | 0 | 34,931,500 | 3,618,000 | 3,618,000 |
| MuSU | 3,296,800 | 40,553,800 | 3,296,800 | 43,850,600 | 5,083,400 | 1,786,600 |
| NKU | 11,363,500 | 50,923,600 | 11,363,500 | 62,287,100 | 7,461,700 | (3,901,800) |
| WKU | 7,777,200 | 67,619,000 | 7,777,200 | 75,396,200 | 9,153,200 | 1,376,000 |
| Sector | $75,793,300 | $583,979,300 | $75,793,300 | $659,772,600 | $75,793,300 | $0 |

# Funding Model Scenarios

## *Base Increase (5.0%) and Existing Model (Remainder)*

Hypothetical 2023-24 Performance Fund Distribution
Scenario 6: Base Increase (@ 5.0%) and Existing Model (Remainder)

Additional Assumption:
- Provide a 5.0% ATB base increase and distribute remaining available funds using the existing model

| | | Distribute 5.0% ATB Base Increase | | | | | |
|---|---|---|---|---|---|---|---|
| Institution | Baseline Fiscal 2022-23 Distribution | 2023-24 Adjusted Net General Fund | 5.0% Inflation Adjustment | Across-the-Board Inflation Allocation | Distribute Remainder w/ Existing Model | Hypothetical Fiscal 2023-24 Distribution | Dollar Difference |
| UK | $30,904,300 | $184,662,000 | 5.0% | $9,233,100 | $20,539,800 | $29,772,900 | ($1,131,400) |
| UofL | 17,523,600 | 126,211,600 | 5.0% | 6,310,600 | 10,668,000 | 16,978,600 | (545,000) |
| EKU | 4,927,900 | 60,842,300 | 5.0% | 3,042,100 | 1,727,300 | 4,769,400 | (158,500) |
| KSU | 0 | 18,235,500 | 5.0% | 911,800 | 0 | 911,800 | 911,800 |
| MoSU | 0 | 34,931,500 | 5.0% | 1,746,600 | 0 | 1,746,600 | 1,746,600 |
| MuSU | 3,296,800 | 40,553,800 | 5.0% | 2,027,700 | 1,240,300 | 3,268,000 | (28,800) |
| NKU | 11,363,500 | 50,923,600 | 5.0% | 2,546,200 | 8,344,700 | 10,890,900 | (472,600) |
| WKU | 7,777,200 | 67,619,000 | 5.0% | 3,381,000 | 4,074,100 | 7,455,100 | (322,100) |
| Sector | $75,793,300 | $583,979,300 | | $29,199,100 | $46,594,200 | $75,793,300 | $0 |

# Questions?

Twitter: CPENews and CPEPres

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KCPE
Higher Education Matters

# KCTCS PERFORMANCE FUNDING MODEL REVIEW

## TRENDS IN STUDENT OUTCOMES & FUNDING MODEL REVIEW

March 1, 2023

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

# OVERVIEW

- **Trends in Student Outcomes**
  - Credentials and Transfers
  - Student Progression
  - Course Completion
- **Funding Model Review**
  - Model Functioning as Expected
  - Unintended Consequences
  - Recommended Adjustments

# Trends in Student Outcomes

# TRENDS IN STUDENT OUTCOMES
# KCTCS MODEL METRICS

## Credentials and Transfers

- Total Credentials
- Underrepresented Minority
- Low Income
- Underprepared
- STEM+H
- High-Wage, High-Demand
- Targeted Industry
- Transfers

## Student Progression

- 15-30 Student Credit Hours
- 30-45 Student Credit Hours
- 45+ Student Credit Hours

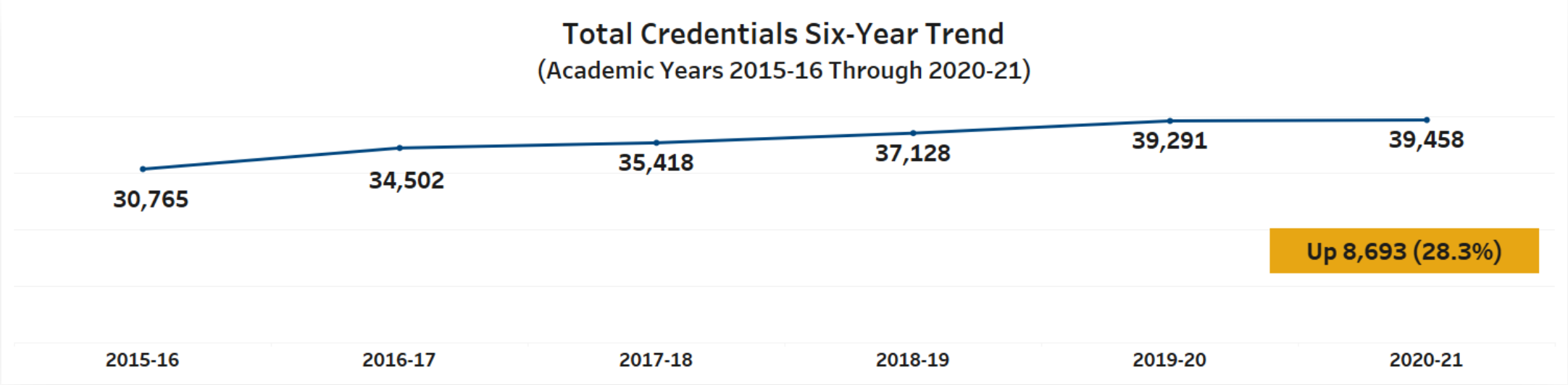
## Weighted Course Completion

# STUDENT OUTCOMES

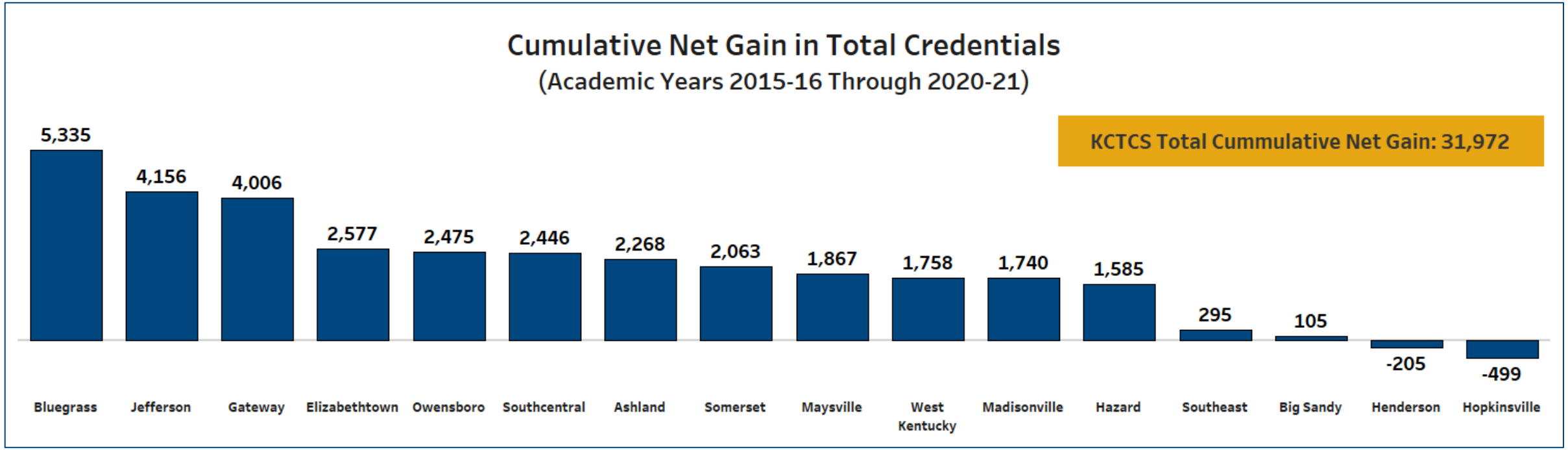
## Total Credentials

**Total Credentials**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 1,719 | 2,094 | 375 | 21.8% | 6.9% |
| Big Sandy | 1,617 | 1,713 | 96 | 5.9% | 3.0% |
| Bluegrass | 3,315 | 6,249 | 2,934 | 88.5% | 14.4% |
| Elizabethtown | 2,610 | 2,965 | 355 | 13.6% | 3.8% |
| Gateway | 1,943 | 2,876 | 933 | 48.0% | 10.7% |
| Hazard | 1,343 | 1,752 | 409 | 30.5% | 6.7% |
| Henderson | 563 | 505 | -58 | -10.3% | -1.5% |
| Hopkinsville | 1,272 | 1,033 | -239 | -18.8% | -3.0% |
| Jefferson | 3,581 | 4,956 | 1,375 | 38.4% | 6.7% |
| Madisonville | 1,095 | 1,642 | 547 | 50.0% | 8.7% |
| Maysville | 1,710 | 2,503 | 793 | 46.4% | 8.7% |
| Owensboro | 1,536 | 2,148 | 612 | 39.8% | 7.2% |
| Somerset | 2,654 | 2,869 | 215 | 8.1% | 2.8% |
| Southcentral | 2,061 | 2,602 | 541 | 26.2% | 7.0% |
| Southeast | 941 | 694 | -247 | -26.2% | -4.0% |
| West Kentucky | 2,805 | 2,857 | 52 | 1.9% | 1.1% |
| KCTCS System | 30,765 | 39,458 | 8,693 | 28.3% | 5.2% |



# STUDENT OUTCOMES
## Total Credentials

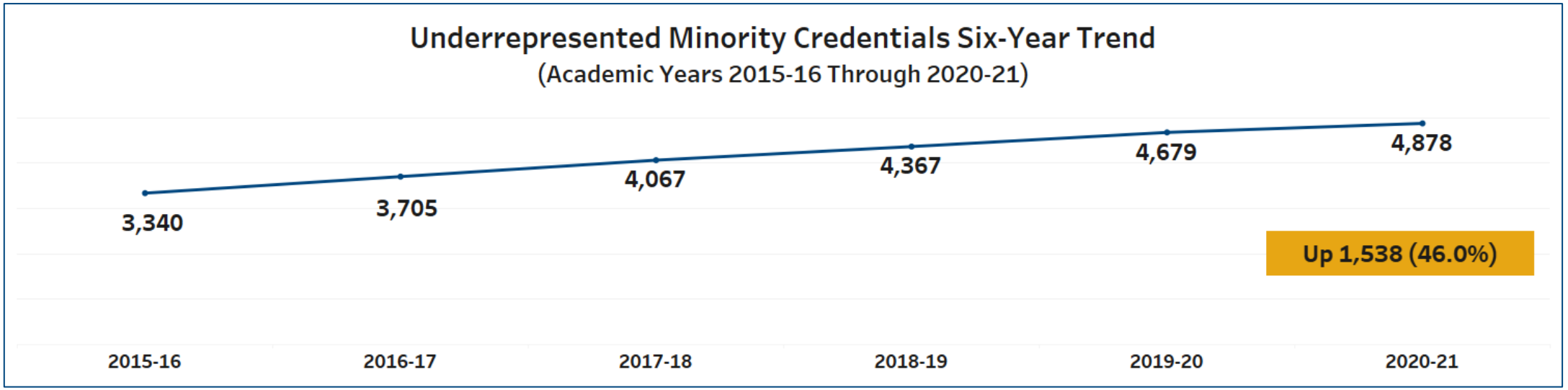


# STUDENT OUTCOMES

## Underrepresented Minority Credentials

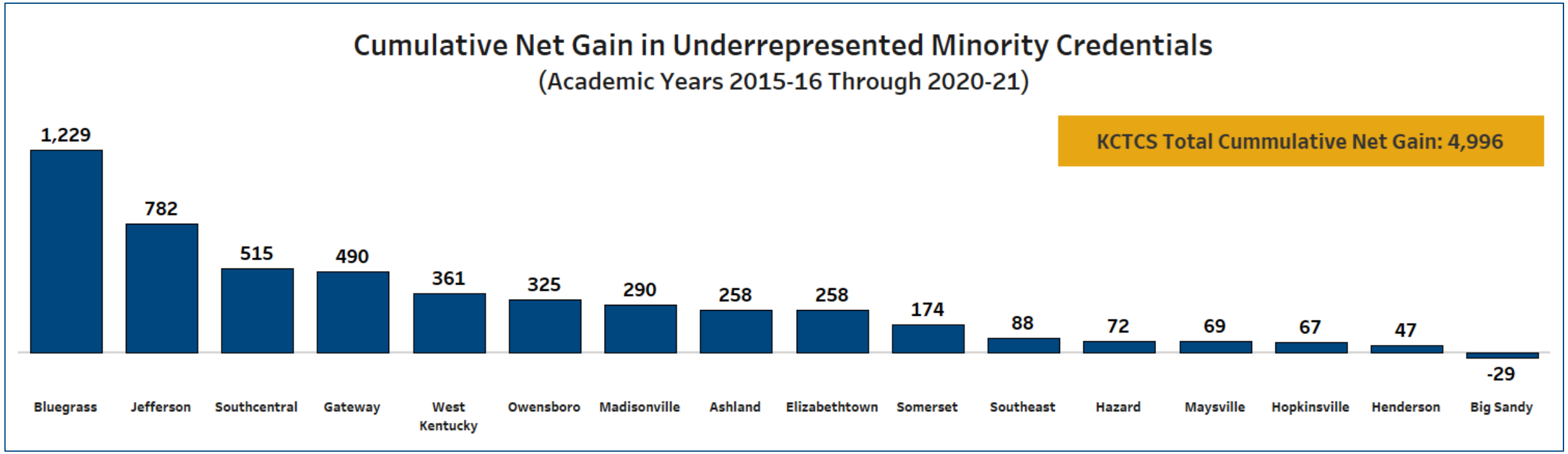
**Underrepresented Minority Credentials (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 43 | 64 | 21 | 48.8% | 20.8% |
| Big Sandy | 47 | 59 | 12 | 25.5% | 12.7% |
| Bluegrass | 462 | 1,041 | 579 | 125.3% | 18.3% |
| Elizabethtown | 290 | 302 | 12 | 4.1% | 2.1% |
| Gateway | 223 | 427 | 204 | 91.5% | 16.9% |
| Hazard | 32 | 50 | 18 | 56.3% | 20.5% |
| Henderson | 61 | 59 | -2 | -3.3% | 1.2% |
| Hopkinsville | 339 | 323 | -16 | -4.7% | -0.5% |
| Jefferson | 908 | 1,118 | 210 | 23.1% | 4.5% |
| Madisonville | 105 | 147 | 42 | 40.0% | 10.1% |
| Maysville | 86 | 137 | 51 | 59.3% | 12.2% |
| Owensboro | 71 | 156 | 85 | 119.7% | 19.2% |
| Somerset | 91 | 176 | 85 | 93.4% | 17.7% |
| Southcentral | 200 | 356 | 156 | 78.0% | 13.4% |
| Southeast | 26 | 27 | 1 | 3.8% | 9.2% |
| West Kentucky | 356 | 436 | 80 | 22.5% | 4.9% |
| KCTCS System | 3,340 | 4,878 | 1,538 | 46.0% | 7.9% |



# STUDENT OUTCOMES

## Underrepresented Minority Credentials



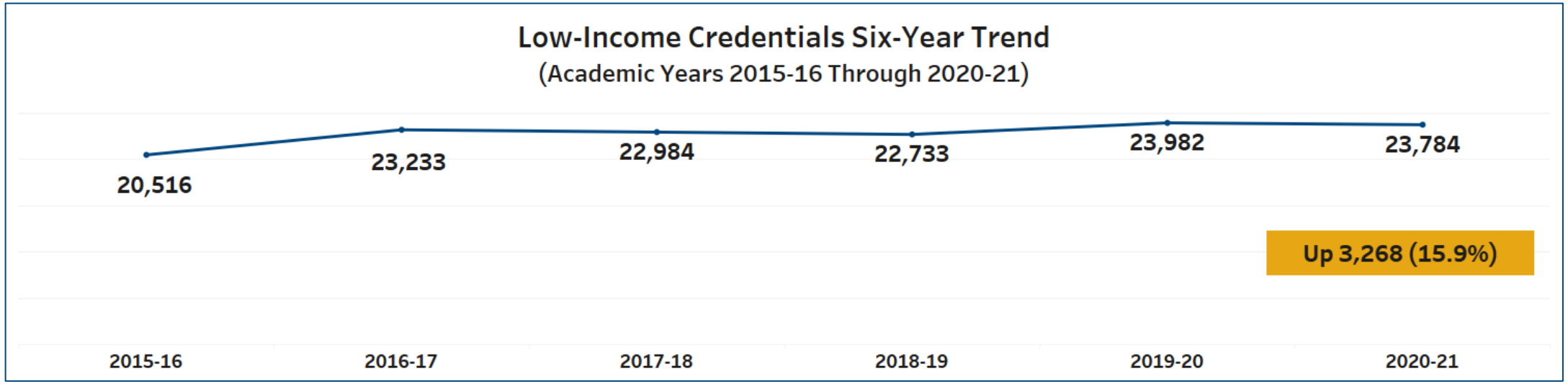

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

# STUDENT OUTCOMES

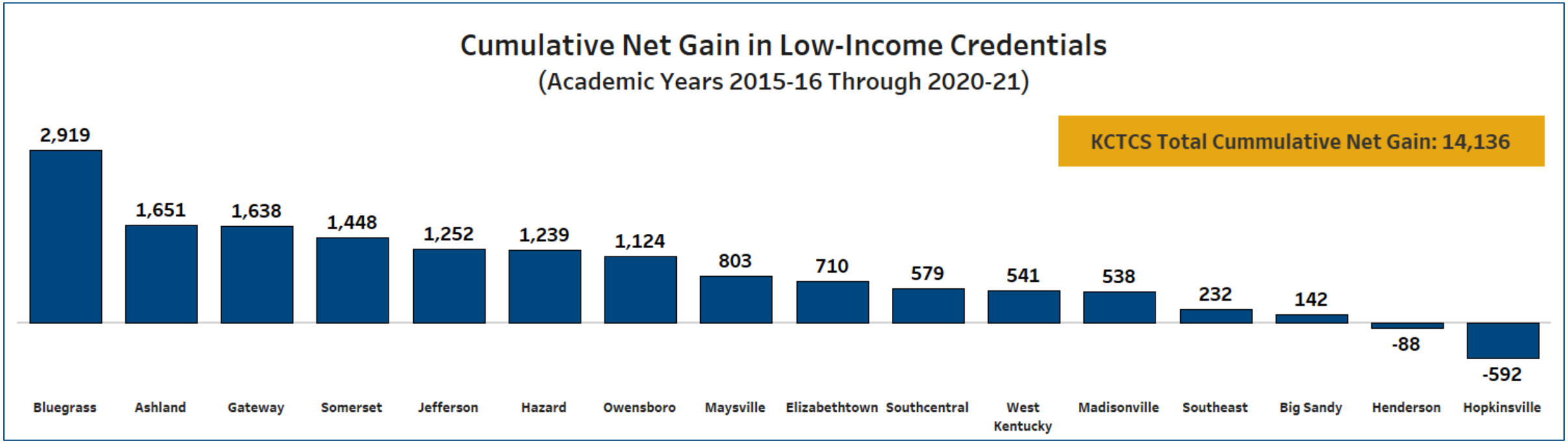
## Low-Income Credentials

**Low-Income Credentials (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 1,230 | 1,546 | 316 | 25.7% | 8.3% |
| Big Sandy | 1,252 | 1,305 | 53 | 4.2% | 2.5% |
| Bluegrass | 1,837 | 3,416 | 1,579 | 86.0% | 14.5% |
| Elizabethtown | 1,627 | 1,599 | -28 | -1.7% | 1.4% |
| Gateway | 1,014 | 1,318 | 304 | 30.0% | 6.7% |
| Hazard | 1,037 | 1,296 | 259 | 25.0% | 5.6% |
| Henderson | 360 | 301 | -59 | -16.4% | -2.7% |
| Hopkinsville | 854 | 718 | -136 | -15.9% | -2.9% |
| Jefferson | 2,051 | 2,357 | 306 | 14.9% | 2.9% |
| Madisonville | 715 | 872 | 157 | 22.0% | 4.3% |
| Maysville | 1,375 | 1,688 | 313 | 22.8% | 4.6% |
| Owensboro | 981 | 1,250 | 269 | 27.4% | 5.1% |
| Somerset | 2,089 | 2,172 | 83 | 4.0% | 2.3% |
| Southcentral | 1,450 | 1,583 | 133 | 9.2% | 3.5% |
| Southeast | 751 | 563 | -188 | -25.0% | -4.0% |
| West Kentucky | 1,893 | 1,800 | -93 | -4.9% | -0.2% |
| KCTCS System | 20,516 | 23,784 | 3,268 | 15.9% | 3.1% |



# STUDENT OUTCOMES
## Low-Income Credentials

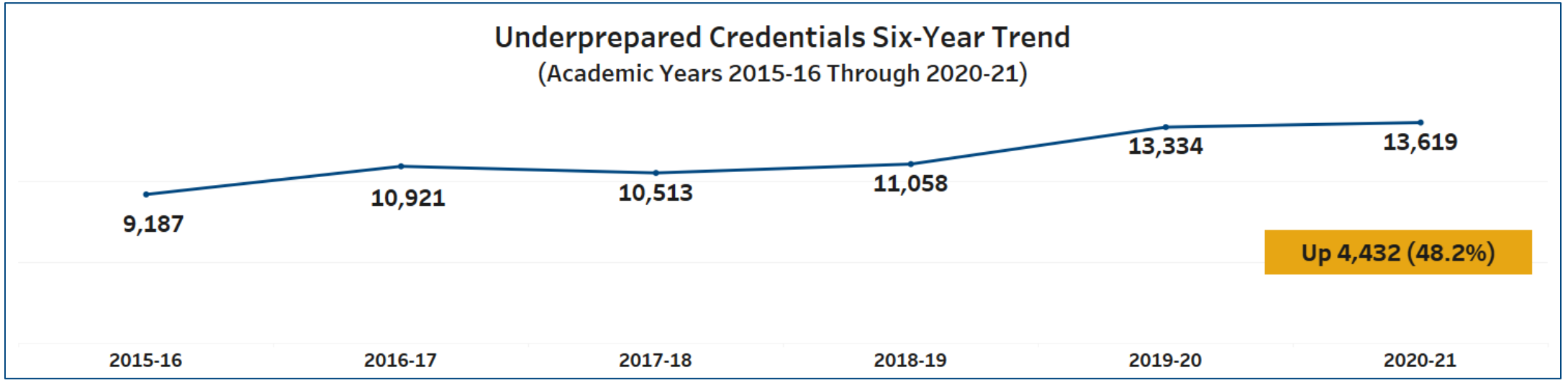


# STUDENT OUTCOMES

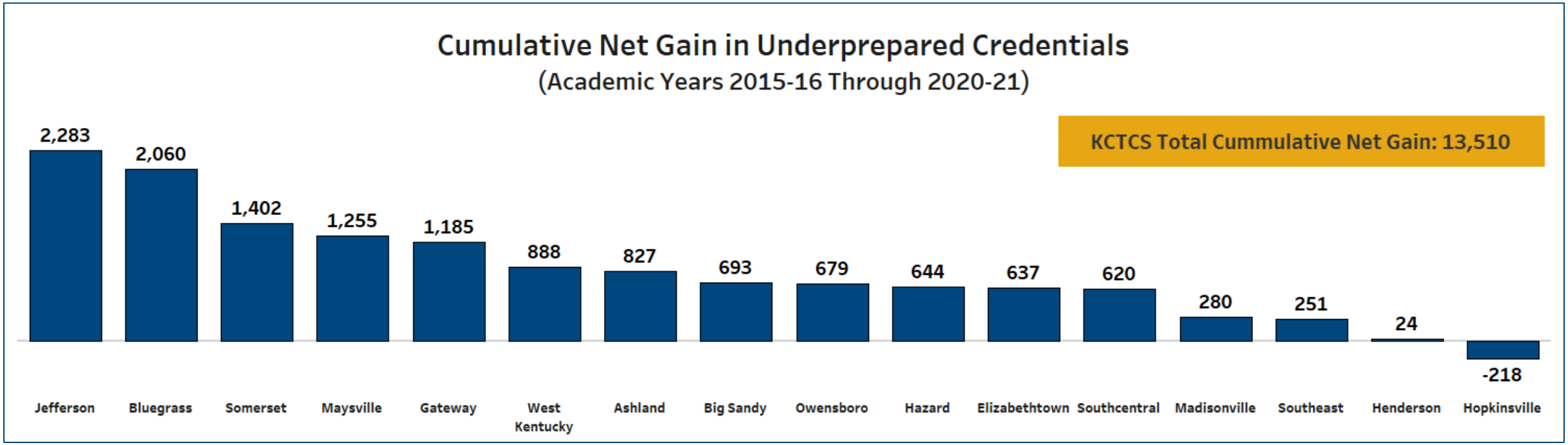
## Underprepared Credentials

**Underprepared Credentials (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 665 | 943 | 278 | 41.8% | 10.4% |
| Big Sandy | 372 | 580 | 208 | 55.9% | 14.1% |
| Bluegrass | 945 | 1,966 | 1,021 | 108.0% | 17.6% |
| Elizabethtown | 827 | 895 | 68 | 8.2% | 3.7% |
| Gateway | 608 | 966 | 358 | 58.9% | 12.4% |
| Hazard | 514 | 651 | 137 | 26.7% | 7.1% |
| Henderson | 125 | 125 | 0 | 0.0% | 0.2% |
| Hopkinsville | 434 | 396 | -38 | -8.8% | -1.6% |
| Jefferson | 866 | 1,617 | 751 | 86.7% | 13.7% |
| Madisonville | 231 | 322 | 91 | 39.4% | 8.1% |
| Maysville | 640 | 1,150 | 510 | 79.7% | 12.9% |
| Owensboro | 476 | 752 | 276 | 58.0% | 10.6% |
| Somerset | 887 | 1,053 | 166 | 18.7% | 6.5% |
| Southcentral | 590 | 986 | 396 | 67.1% | 14.8% |
| Southeast | 223 | 254 | 31 | 13.9% | 4.1% |
| West Kentucky | 784 | 963 | 179 | 22.8% | 4.7% |
| KCTCS System | 9,187 | 13,619 | 4,432 | 48.2% | 8.6% |



# STUDENT OUTCOMES
## Underprepared Credentials

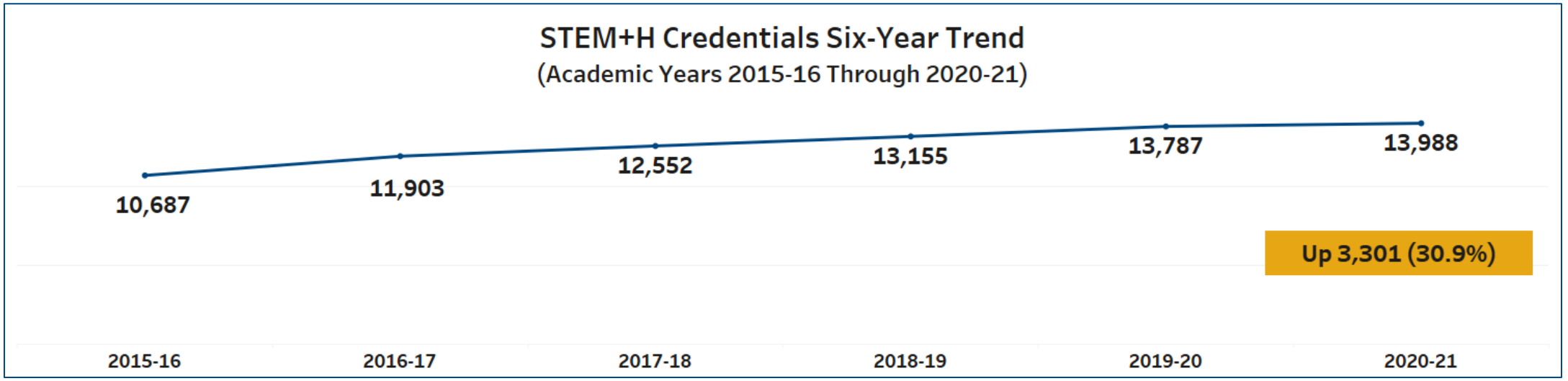


# STUDENT OUTCOMES

## STEM+H Credentials

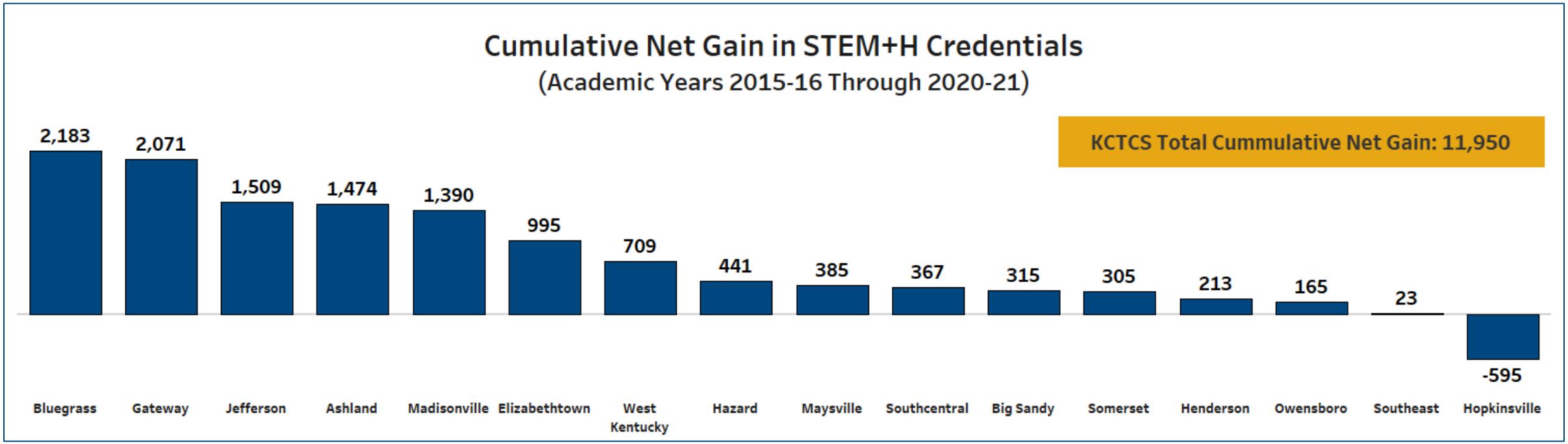
**STEM+H Credentials (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 589 | 953 | 364 | 61.8% | 13.8% |
| Big Sandy | 403 | 542 | 139 | 34.5% | 9.1% |
| Bluegrass | 1,231 | 2,238 | 1,007 | 81.8% | 13.0% |
| Elizabethtown | 533 | 777 | 244 | 45.8% | 9.0% |
| Gateway | 609 | 1,037 | 428 | 70.3% | 15.2% |
| Hazard | 530 | 607 | 77 | 14.5% | 3.8% |
| Henderson | 199 | 218 | 19 | 9.5% | 3.8% |
| Hopkinsville | 508 | 352 | -156 | -30.7% | -4.3% |
| Jefferson | 1,279 | 2,000 | 721 | 56.4% | 9.9% |
| Madisonville | 679 | 987 | 308 | 45.4% | 8.4% |
| Maysville | 555 | 719 | 164 | 29.5% | 7.2% |
| Owensboro | 471 | 493 | 22 | 4.7% | 1.4% |
| Somerset | 1,032 | 919 | -113 | -10.9% | -1.4% |
| Southcentral | 746 | 822 | 76 | 10.2% | 3.6% |
| Southeast | 381 | 295 | -86 | -22.6% | -2.9% |
| West Kentucky | 942 | 1,029 | 87 | 9.2% | 2.6% |
| KCTCS System | 10,687 | 13,988 | 3,301 | 30.9% | 5.6% |



# STUDENT OUTCOMES

## STEM+H Credentials



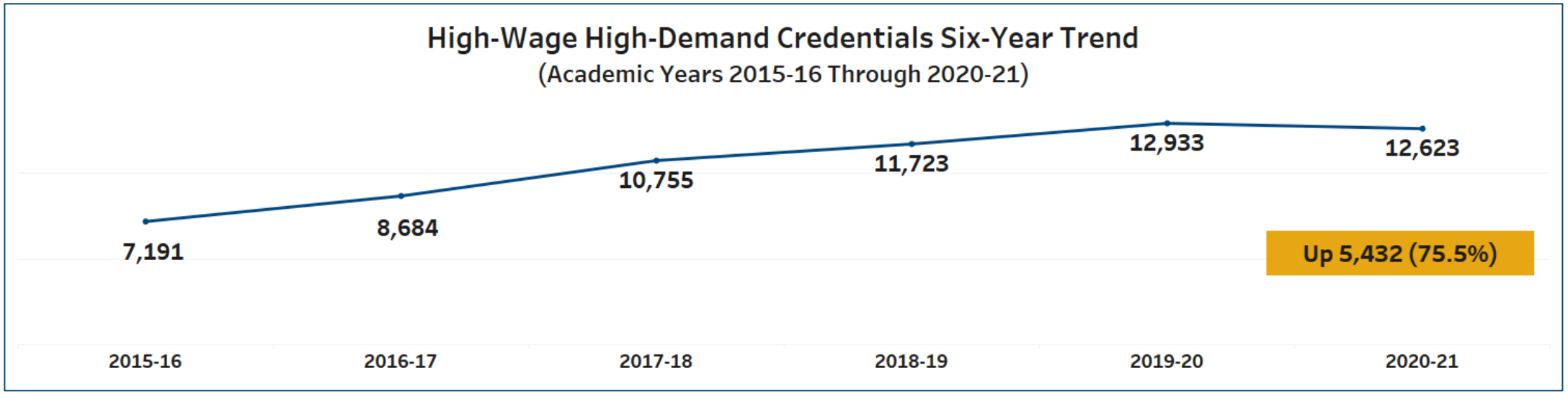

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

# STUDENT OUTCOMES

## High-Wage, High Demand Credentials

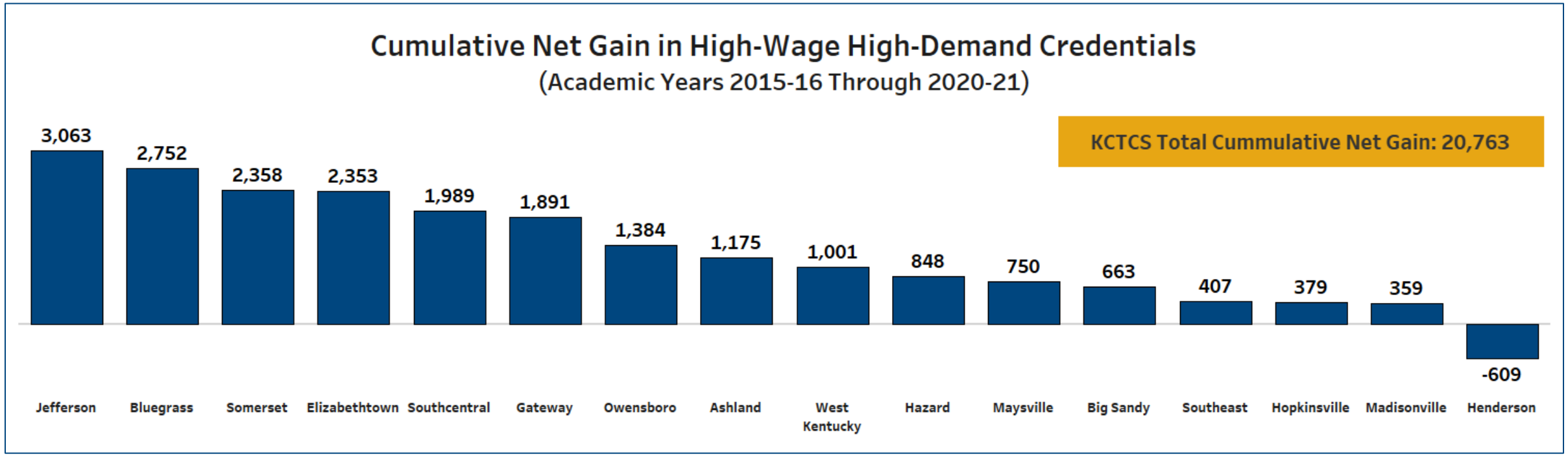
**High-Wage High-Demand Credentials (1%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 376 | 487 | 111 | 29.5% | 12.9% |
| Big Sandy | 523 | 621 | 98 | 18.7% | 5.3% |
| Bluegrass | 566 | 2,002 | 1,436 | 253.7% | 33.4% |
| Elizabethtown | 942 | 1,272 | 330 | 35.0% | 9.8% |
| Gateway | 524 | 986 | 462 | 88.2% | 19.5% |
| Hazard | 211 | 435 | 224 | 106.2% | 19.3% |
| Henderson | 277 | 150 | -127 | -45.8% | -8.8% |
| Hopkinsville | 221 | 297 | 76 | 34.4% | 13.8% |
| Jefferson | 678 | 1,546 | 868 | 128.0% | 20.3% |
| Madisonville | 242 | 351 | 109 | 45.0% | 8.2% |
| Maysville | 383 | 658 | 275 | 71.8% | 12.2% |
| Owensboro | 464 | 744 | 280 | 60.3% | 11.6% |
| Somerset | 527 | 1,160 | 633 | 120.1% | 18.7% |
| Southcentral | 521 | 1,011 | 490 | 94.0% | 19.4% |
| Southeast | 99 | 135 | 36 | 36.4% | 11.0% |
| West Kentucky | 637 | 768 | 131 | 20.6% | 5.3% |
| KCTCS System | 7,191 | 12,623 | 5,432 | 75.5% | 12.3% |



# STUDENT OUTCOMES

## High-Wage/ High-Demand Credentials

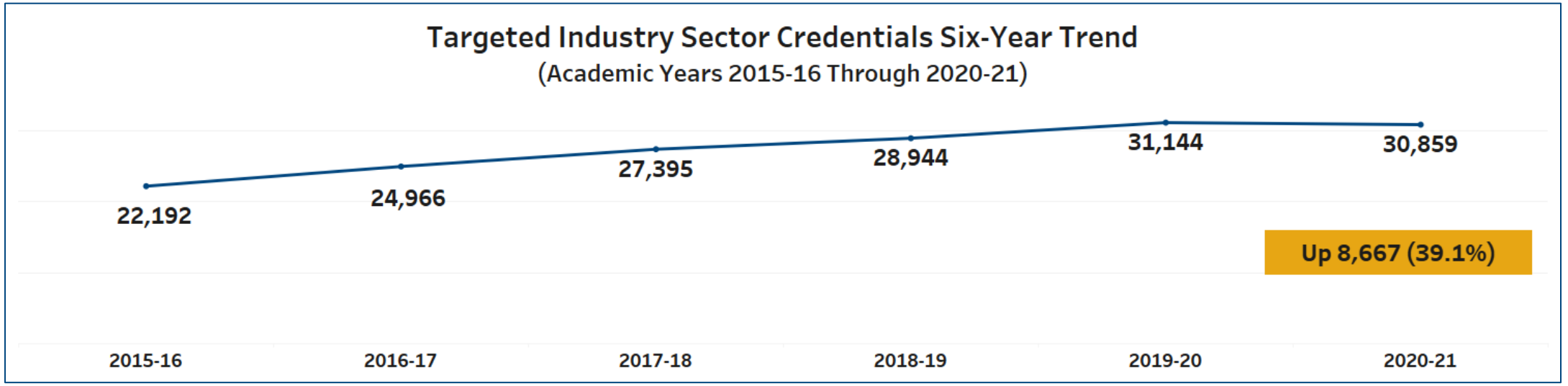


# STUDENT OUTCOMES

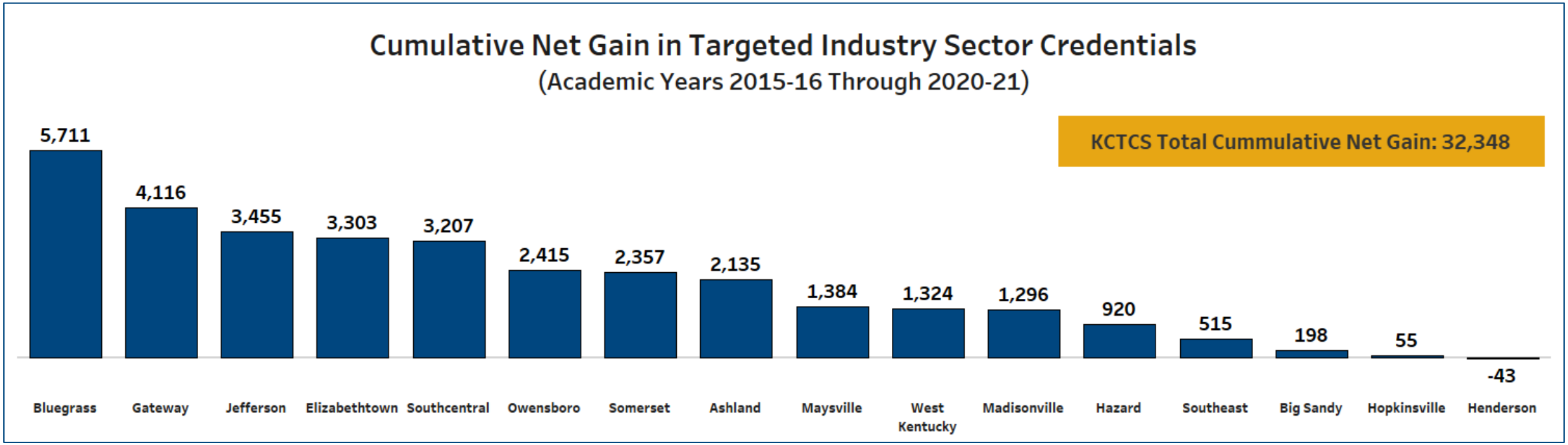
## Targeted Industry Credentials

**Targeted Industry Sector Credentials (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 1,365 | 1,758 | 393 | 28.8% | 8.9% |
| Big Sandy | 1,206 | 1,388 | 182 | 15.1% | 4.9% |
| Bluegrass | 2,095 | 4,617 | 2,522 | 120.4% | 18.1% |
| Elizabethtown | 1,880 | 2,375 | 495 | 26.3% | 6.8% |
| Gateway | 1,516 | 2,489 | 973 | 64.2% | 13.7% |
| Hazard | 1,062 | 1,352 | 290 | 27.3% | 6.9% |
| Henderson | 368 | 347 | -21 | -5.7% | -0.3% |
| Hopkinsville | 754 | 654 | -100 | -13.3% | 0.8% |
| Jefferson | 2,428 | 3,701 | 1,273 | 52.4% | 9.0% |
| Madisonville | 884 | 1,342 | 458 | 51.8% | 8.9% |
| Maysville | 1,452 | 2,069 | 617 | 42.5% | 8.0% |
| Owensboro | 1,100 | 1,683 | 583 | 53.0% | 9.3% |
| Somerset | 1,860 | 2,173 | 313 | 16.8% | 4.3% |
| Southcentral | 1,442 | 2,214 | 772 | 53.5% | 11.7% |
| Southeast | 581 | 446 | -135 | -23.2% | -1.1% |
| West Kentucky | 2,199 | 2,251 | 52 | 2.4% | 1.7% |
| KCTCS System | 22,192 | 30,859 | 8,667 | 39.1% | 6.9% |



# STUDENT OUTCOMES
## Targeted Industry Credentials

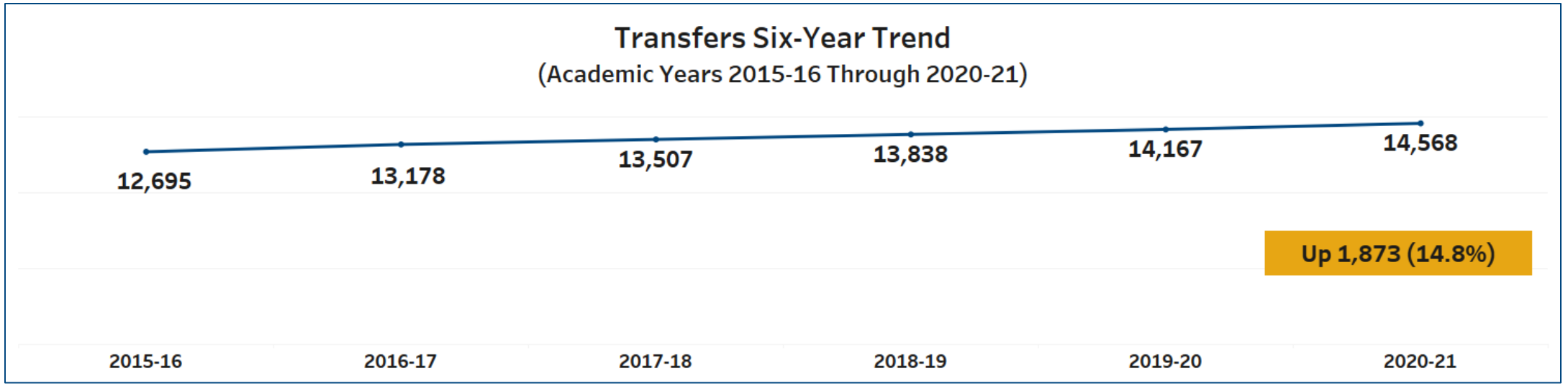


# STUDENT OUTCOMES

## Transfers

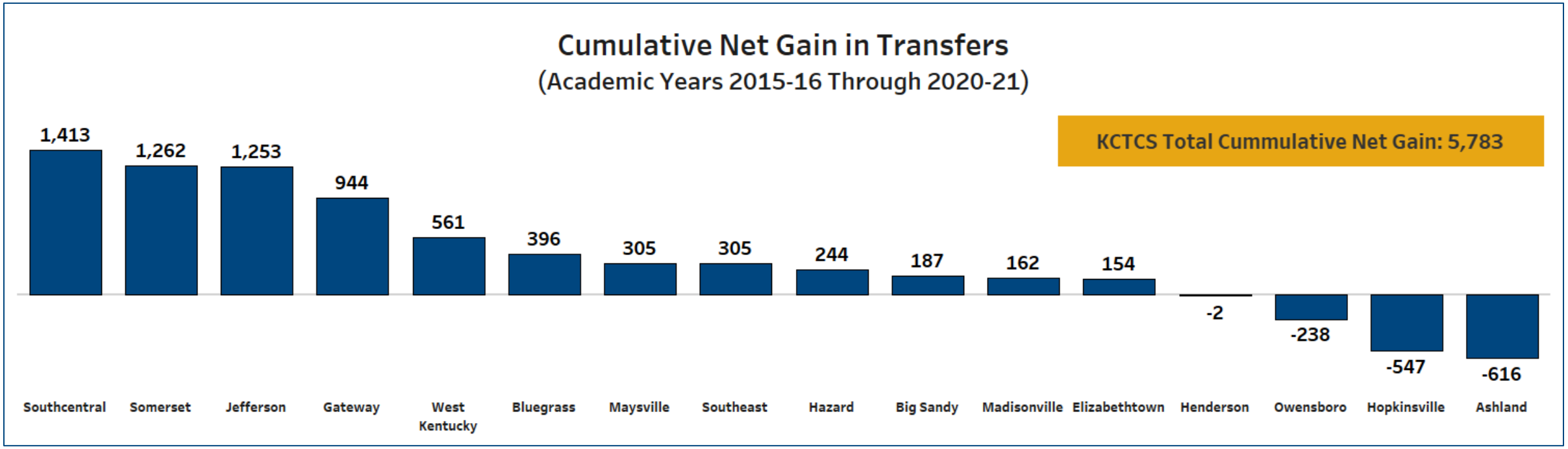
**Transfers (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 693 | 553 | -140 | -20.2% | -4.2% |
| Big Sandy | 488 | 413 | -75 | -15.4% | -1.6% |
| Bluegrass | 2,349 | 2,490 | 141 | 6.0% | 1.2% |
| Elizabethtown | 951 | 1,083 | 132 | 13.9% | 3.1% |
| Gateway | 663 | 973 | 310 | 46.8% | 8.1% |
| Hazard | 330 | 406 | 76 | 23.0% | 4.3% |
| Henderson | 233 | 275 | 42 | 18.0% | 8.6% |
| Hopkinsville | 668 | 551 | -117 | -17.5% | -3.5% |
| Jefferson | 2,166 | 2,686 | 520 | 24.0% | 4.5% |
| Madisonville | 388 | 413 | 25 | 6.4% | 2.7% |
| Maysville | 503 | 539 | 36 | 7.2% | 1.8% |
| Owensboro | 725 | 773 | 48 | 6.6% | 2.2% |
| Somerset | 764 | 1,065 | 301 | 39.4% | 8.8% |
| Southcentral | 593 | 946 | 353 | 59.5% | 10.4% |
| Southeast | 306 | 392 | 86 | 28.1% | 5.4% |
| West Kentucky | 875 | 1,010 | 135 | 15.4% | 3.2% |
| KCTCS System | 12,695 | 14,568 | 1,873 | 14.8% | 2.8% |



# STUDENT OUTCOMES

## Transfers



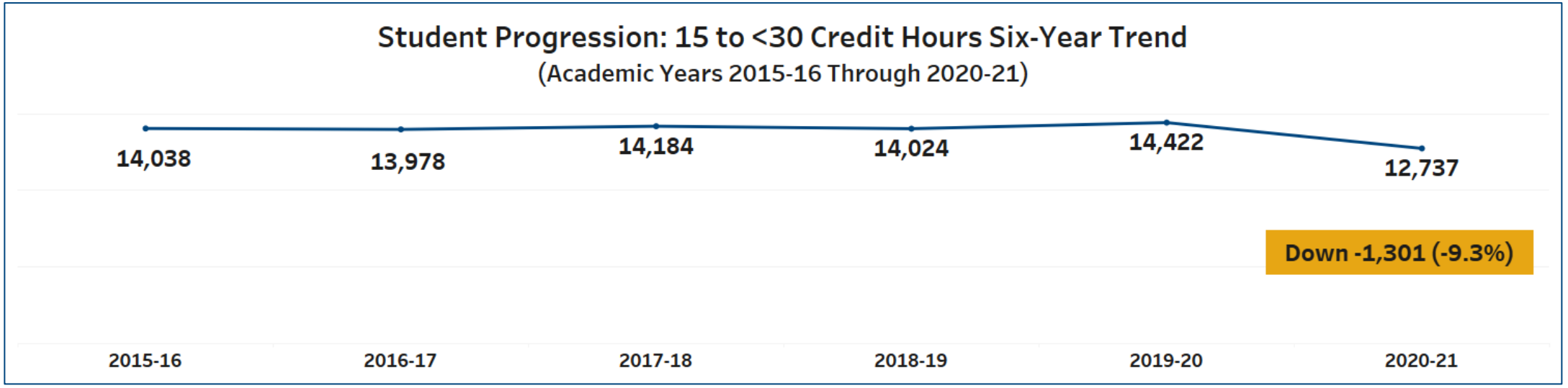

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

# STUDENT OUTCOMES

## 15-30 Student Credit Hours

**Student Progression: 15 to <30 Credit Hours (2%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 560 | 469 | -91 | -16.3% | -3.1% |
| Big Sandy | 643 | 468 | -175 | -27.2% | -5.8% |
| Bluegrass | 2,079 | 2,123 | 44 | 2.1% | 0.6% |
| Elizabethtown | 998 | 961 | -37 | -3.7% | -0.3% |
| Gateway | 816 | 908 | 92 | 11.3% | 2.4% |
| Hazard | 380 | 446 | 66 | 17.4% | 3.7% |
| Henderson | 258 | 213 | -45 | -17.4% | -2.8% |
| Hopkinsville | 698 | 418 | -280 | -40.1% | -8.6% |
| Jefferson | 2,394 | 2,183 | -211 | -8.8% | -1.7% |
| Madisonville | 540 | 579 | 39 | 7.2% | 2.1% |
| Maysville | 688 | 577 | -111 | -16.1% | -3.4% |
| Owensboro | 643 | 647 | 4 | 0.6% | 0.6% |
| Somerset | 1,115 | 881 | -234 | -21.0% | -4.5% |
| Southcentral | 749 | 769 | 20 | 2.7% | 1.0% |
| Southeast | 533 | 365 | -168 | -31.5% | -6.8% |
| West Kentucky | 944 | 730 | -214 | -22.7% | -4.5% |
| KCTCS System | 14,038 | 12,737 | -1,301 | -9.3% | -1.8% |

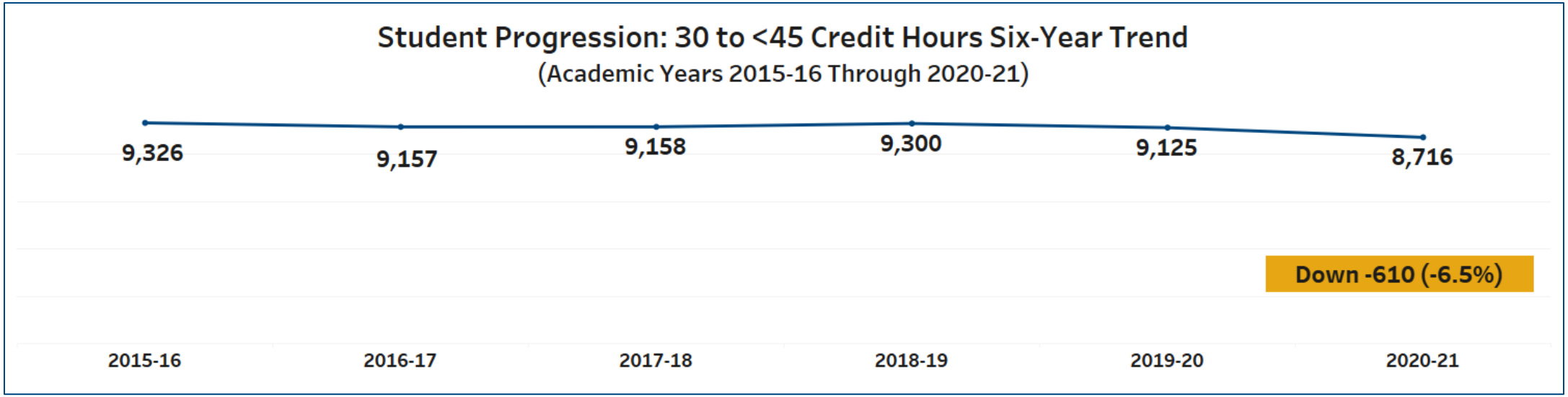


# STUDENT OUTCOMES

## 30-45 Student Credit Hours

**Student Progression: 30 to <45 Credit Hours (4%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 370 | 377 | 7 | 1.9% | 0.9% |
| Big Sandy | 530 | 338 | -192 | -36.2% | -8.5% |
| Bluegrass | 1,299 | 1,375 | 76 | 5.9% | 1.2% |
| Elizabethtown | 678 | 737 | 59 | 8.7% | 2.1% |
| Gateway | 513 | 525 | 12 | 2.3% | 0.6% |
| Hazard | 287 | 297 | 10 | 3.5% | 1.4% |
| Henderson | 162 | 173 | 11 | 6.8% | 1.4% |
| Hopkinsville | 439 | 344 | -95 | -21.6% | -4.6% |
| Jefferson | 1,501 | 1,381 | -120 | -8.0% | -1.5% |
| Madisonville | 319 | 342 | 23 | 7.2% | 1.8% |
| Maysville | 437 | 365 | -72 | -16.5% | -3.2% |
| Owensboro | 494 | 508 | 14 | 2.8% | 0.9% |
| Somerset | 757 | 642 | -115 | -15.2% | -3.1% |
| Southcentral | 489 | 494 | 5 | 1.0% | 0.5% |
| Southeast | 351 | 264 | -87 | -24.8% | -5.2% |
| West Kentucky | 700 | 554 | -146 | -20.9% | -4.4% |
| KCTCS System | 9,326 | 8,716 | -610 | -6.5% | -1.3% |

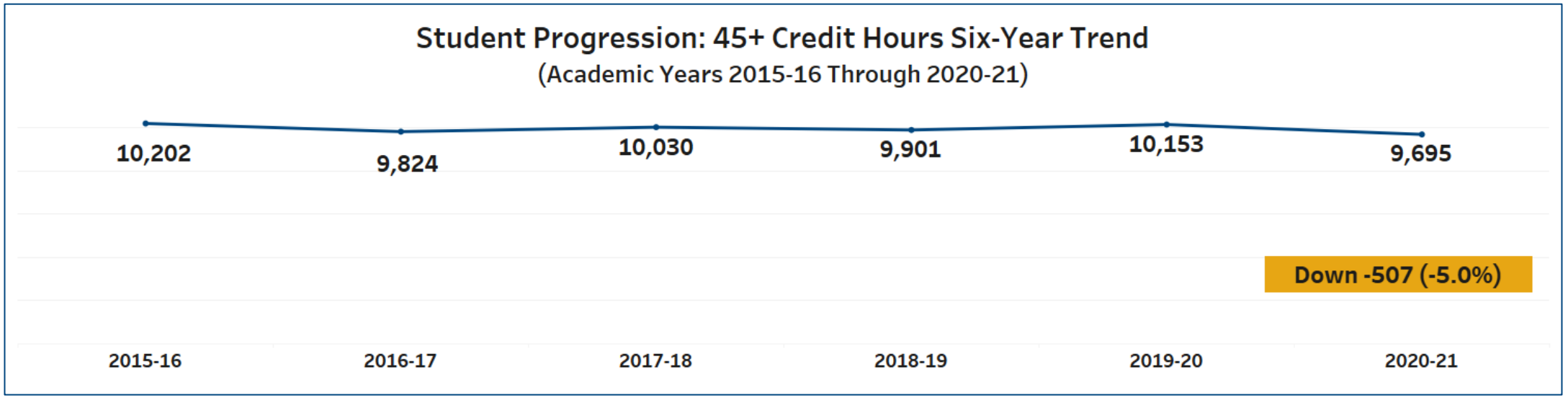


# STUDENT OUTCOMES

## 45+ Student Credit Hours

**Student Progression: 45+ Credit Hours (6%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 484 | 414 | -70 | -14.5% | -1.8% |
| Big Sandy | 595 | 456 | -139 | -23.4% | -5.0% |
| Bluegrass | 1,392 | 1,558 | 166 | 11.9% | 2.4% |
| Elizabethtown | 726 | 696 | -30 | -4.1% | -0.5% |
| Gateway | 535 | 528 | -7 | -1.3% | 0.0% |
| Hazard | 371 | 355 | -16 | -4.3% | 0.2% |
| Henderson | 194 | 176 | -18 | -9.3% | -1.8% |
| Hopkinsville | 439 | 363 | -76 | -17.3% | -3.2% |
| Jefferson | 1,393 | 1,286 | -107 | -7.7% | -1.5% |
| Madisonville | 362 | 365 | 3 | 0.8% | 0.2% |
| Maysville | 455 | 435 | -20 | -4.4% | -0.6% |
| Owensboro | 513 | 644 | 131 | 25.5% | 4.7% |
| Somerset | 924 | 764 | -160 | -17.3% | -3.6% |
| Southcentral | 596 | 651 | 55 | 9.2% | 2.5% |
| Southeast | 439 | 338 | -101 | -23.0% | -4.9% |
| West Kentucky | 784 | 666 | -118 | -15.1% | -2.8% |
| KCTCS System | 10,202 | 9,695 | -507 | -5.0% | -1.0% |

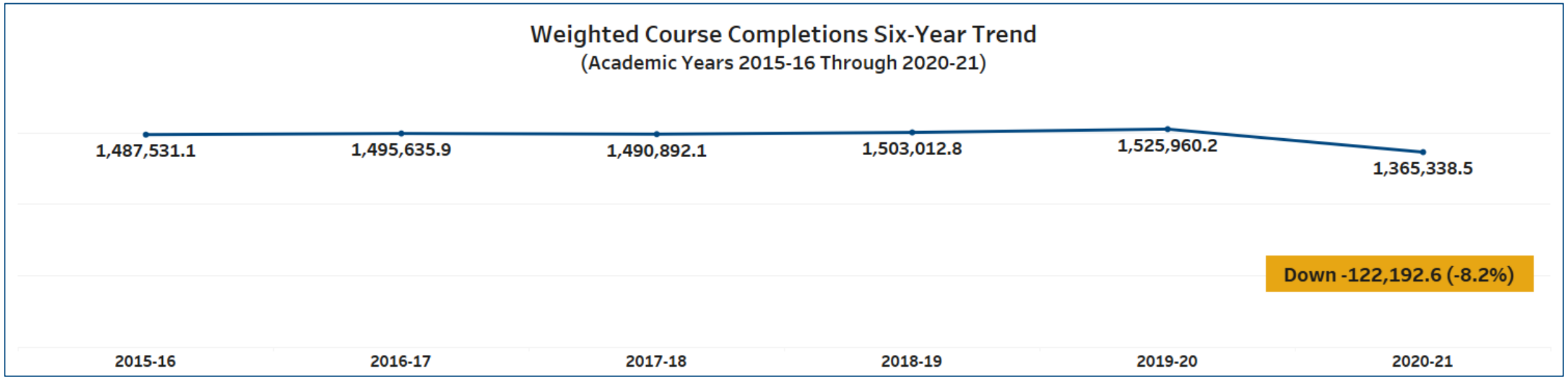


# STUDENT OUTCOMES

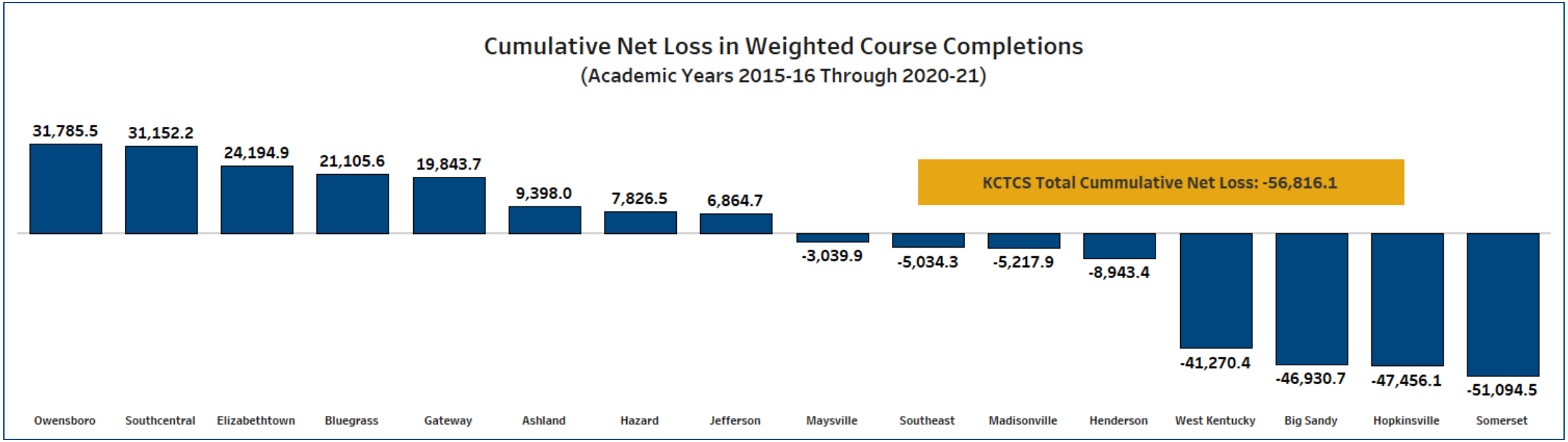
## Course Completion (Weighted)

**Weighted Course Completions (35%)**

| College | 2015-16 | 2020-21 | Number Change | Percent Change | AAGR |
|---|---|---|---|---|---|
| Ashland | 66,577.2 | 63,309.0 | -3,268.2 | -4.9% | -0.8% |
| Big Sandy | 79,041.0 | 56,863.3 | -22,177.7 | -28.1% | -6.2% |
| Bluegrass | 198,004.1 | 200,720.6 | 2,716.5 | 1.4% | 0.4% |
| Elizabethtown | 104,833.9 | 104,023.3 | -810.6 | -0.8% | 0.0% |
| Gateway | 77,960.2 | 82,691.5 | 4,731.3 | 6.1% | 1.3% |
| Hazard | 62,143.1 | 56,976.0 | -5,167.1 | -8.3% | -1.4% |
| Henderson | 29,961.5 | 24,035.0 | -5,926.5 | -19.8% | -4.2% |
| Hopkinsville | 60,722.2 | 42,741.5 | -17,980.7 | -29.6% | -6.4% |
| Jefferson | 202,029.1 | 194,740.1 | -7,289.0 | -3.6% | -0.6% |
| Madisonville | 62,681.0 | 61,729.2 | -951.8 | -1.5% | -0.1% |
| Maysville | 76,640.1 | 66,799.4 | -9,840.7 | -12.8% | -2.4% |
| Owensboro | 74,795.8 | 77,894.2 | 3,098.4 | 4.1% | 1.2% |
| Somerset | 130,699.9 | 106,751.6 | -23,948.3 | -18.3% | -3.9% |
| Southcentral | 85,975.9 | 86,043.1 | 67.2 | 0.1% | 0.2% |
| Southeast | 61,626.9 | 51,297.9 | -10,329.0 | -16.8% | -3.3% |
| West Kentucky | 113,839.4 | 88,722.8 | -25,116.6 | -22.1% | -4.7% |
| KCTCS System | 1,487,531.1 | 1,365,338.5 | -122,192.6 | -8.2% | -1.6% |



# STUDENT OUTCOMES
## Weighted Course Completion



# FUNDING MODEL REVIEW
## MODEL FUNCTIONING AS EXPECTED

# FUNDING MODEL REVIEW

## Model Functioning as Expected

- **The goals of the model align with the mission, vision, and strategic outcomes of KCTCS**
- **KCTCS has implemented new and additional student success strategies to strengthen retention and completion rates**

- **Performance funding works best when fully funded with new dollars**

# FUNDING MODEL REVIEW
## UNINTENDED CONSEQUENCES

# FUNDING MODEL REVIEW

## Unintended Consequences

- **The current model rewards colleges that serve communities with larger populations and more robust economies.  No recognition of service to local community needs**

- **Current Model favors course completion at higher credit-hour levels and lacks recognition of shorter “Go-to-Work” credentials**

- **Performance Funding cannot be used for recurring needs or program development as they are not allocated to college base on a recurring basis.**

# FUNDING MODEL REVIEW

## Unintended Consequences (cont'd)

- **There is no metric supporting reengagement of adult learners**
- **STEM+H, Targeted Industry, and High-Wage High-Demand credential metrics overlap**
- **Inadequate recognition of the value of transfer students**
- **Inadequate recognition of URM, under-prepared, and low-income student success**

# FUNDING MODEL REVIEW
## RECOMMENDED ADJUSTMENTS

# FUNDING MODEL REVIEW

## Recommended Adjustments

- **Use a three-year average on all metrics except square footage to smooth economic and population change impacts**
- **Allow earned funds to become part of an institution's base**
- **Promote equity by accounting for regional differences**
  - Modify the equity adjustment based on Community Needs Index that considers local unemployment, labor force participation, and poverty rates

# FUNDING MODEL REVIEW

## Recommended Adjustments cont'd

- **Reduce the weighting of the progression metrics (from 12% to 7%) to reflect the shorter time retention of a KCTCS student as they complete a short-term credential**

- **Merge STEM+H, High-Wage High-Demand, and Targeted Industry credentials within the overall credential calculation**

- **Reduce the weighting of the credential metric (from 15% to 8%) to allow increased focus on URM, under-prepared, low income, and transfer students**

# FUNDING MODEL REVIEW

## Recommended Adjustments cont'd

- **Add a metric for adult learners**

- **Possibly add an additional metric that compares a college's current year performance to its previous year performance**
  - To incentivize and allow all colleges to potentially receive a performance distribution

# QUESTIONS?