

MEMO OF RECORD
Council on Postsecondary Education

Type: Postsecondary Education Working Group on Performance Funding
Date: January 25, 2023
Time: 10:00 a.m. ET
Location: CPE Offices, 100 Airport Road, Frankfort, KY 40601

CALL TO ORDER

The Postsecondary Education Working Group met Wednesday, January 25, 2023, at 10:00 a.m., ET. The meeting occurred at the Council offices in Frankfort, KY.

Chair Aaron Thompson presided.

ATTENDANCE

Working Group Members in attendance:

- CPE President Aaron Thompson, Chair of the Working Group
- State Budget Director John Hicks, representing Governor Beshear (via teleconference)
- Senate President Pro Tempore David Givens, representing Senate President Robert Stivers (via teleconference)
- Rep Representative James Tipton, representing Speaker of the House David Osbourne
- ECU President David McFaddin
- KSU Interim President Ronald Johnson (via teleconference)
- KCTCS President Paul Czarapata
- MoSU President Jay Morgan
- MuSU President Robert Jackson
- NKU Interim President Bonita Brown
- UK President Eli Capilouto
- UL Interim President Lori Stewart Gonzalez (via teleconference)
- WKU President Tim Caboni

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.

INTRODUCTION

Dr. Bill Payne provided an overview of the charge of the working group, the 2023 timeline of schedule of meetings, who to contact on CPE's staff should additional information be needed, and resources readily available.

Campus presidents then shared their thoughts on Kentucky's performance funding models (University and KCTCS models), that have been in place for six years. Areas discussed included:

- The overall impact of performance funding on campus since implemented
- Impact on the campus after changes made to the statute following the 2020 working group's review.
- Pressing concerns about the funding model going forward

Representative Tipton and Senator Givens gave their thoughts on how the model has been implemented and the results it has given from the legislative perspective. President Thompson also provided his thoughts from the statewide perspective.

BACKGROUND INFORMATION

Dr. Payne discussed the main impetus for developing the funding models, the stated goal of the initial working group, the underlying principles that guided model development, the state goals for higher education the models were designed to achieve, and the major decisions made to achieve consensus.

COMPONENTS AND METRICS

Mr. Shaun McKiernan discussed the main components used in the model, the allocation percentage assigned to each component, the components and allocation percentages determined in previous reviews, the metrics currently being used and the allocation percentages assigned to each metric, and how those metrics and percentages were determined.

MODEL MECHANICS

Dr. Payne reviewed the current formula base and how it's calculated, the allocable resources that run through the model and how those are calculated, and the small school adjustment and how it was determined. He also provided discussion on how the model works.

DISTRIBUTIONS AND IMPACT

Mr. McKiernan presented the amount that has been appropriated to the Performance Fund thus far and the source of that funding as well as how much each institution has received. He also discussed the alignment of the outcomes produced and the funding distributions and how state funds directed for educating students have changed since adopting the performance funding model.

STUDENT OUTCOMES

Several areas related to student outcomes were examined including whether the institutions have increased numbers of students progressing and bachelor's degrees produced and if there are the differences by degree type and threshold, and if Kentucky is still on track to achieve its 60% attainment goal by the year 2030.

NEXT STEPS

Dr. Payne discussed the next steps for this working group which include a continued review of student outcomes, a national environmental scan of the performance funding landscape, and decisions points to be considered over the next year.

ADJOURNMENT

The working group adjourned at Noon, ET.