

**KY COUNCIL ON POSTSECONDARY EDUCATION  
EXECUTIVE COMMITTEE**



August 6, 2020 – 9:00 AM

ZOOM teleconferencing for Committee members

Livestream video for public: <https://youtu.be/5s8OdC9M5Aw>

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**I. Call to Order and Roll Call**

**II. Approval of the Minutes\***

**III. Updates and Discussion Items**

- A. Postsecondary Education Working Group on Performance Funding
- B. Campus Re-opening Plans
- C. Academic Program Review Project
- D. September CPE retreat and business meeting

**IV. Other Business**

**V. Adjournment**

*Next Committee Meeting: September 3, 2020 @ 9:00 AM ET*

**DRAFT MINUTES**  
Council on Postsecondary Education

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Type: Executive Committee  
Date: June 4, 2020  
Time: 9:00 a.m. ET  
Location: Virtual Meeting - Committee members by ZOOM, Public viewing hosted on CPE YouTube Page.

**CALL TO ORDER**

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The Executive Committee met Thursday, June 4, 2020, at 9:00 a.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page: [https://youtu.be/ck2vW\\_xUIT8](https://youtu.be/ck2vW_xUIT8). Chair Ben Brandstetter presided.

**ATTENDANCE**

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Members in attendance: Ben Brandstetter, Ron Beal, Kim Halbauer, Kristi Nelson, Robert Staat, and Sherrill Zimmerman.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

**APPROVAL OF THE MINUTES**

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The committee approved the minutes of the May 7, 2020 Executive Committee meeting.

**UPDATE FROM THE PRESIDENT**

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CPE President Aaron Thompson discussed several items including potential mid-year budget cuts, campus reopening plans, and how campuses and CPE staff are reacting after the protests to bring about systemic changes in race relations. Committee members asked that campus reopening plans be placed on the agenda for the June 19, 2020 meeting.

## 2020-21 AGENCY OPERATING BUDGET

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Shaun McKiernan, CPE's director of Finance and Budget, presented the agency's proposed revenue and expenditure budget for the upcoming 2020-21 fiscal year. The enacted state budget for 2020-21 (HB 352), along with CPE's 2020-22 biennial budget request, submitted to the state budget office and Legislative Research Commission in November 2019, provided the framework, and budgeted figures for the 2019-20 fiscal year were included for comparison.

House Bill 352 provided for flat funding of most CPE allotments (i.e., subdivisions of appropriations), though it did require the use of agency Restricted Funds to maintain spending levels. In lieu of transferring accumulated agency restricted funds to the state General Fund, the Office of State Budget Director (OSBD), in the Governor's Executive Budget, proposed that \$1,500,000 of CPE's Licensure Funds be used in place of state General Fund to support Agency Operations for 2020-21 only. Likewise, OSBD proposed that \$2,000,000 of the Technology Trust Fund program funds be used in place of state General Fund for the Kentucky Virtual Library and Postsecondary Education Network in fiscal year 2020-21 only. In the Executive Budget, state General Fund for these programs increased to their original levels in fiscal year 2021-22.

Other notable changes for fiscal year 2020-21 included an additional \$50,000 for the Southern Regional Education Board (SREB) Doctoral Scholars program, which will provide scholarships and other programming to help underrepresented minority doctoral candidates at the University of Kentucky and University of Louisville succeed and encourage them to pursue careers in academia after graduation.

Funding to assist students pursuing degrees in veterinary medicine and optometry through the Contract Spaces program was moved to the Kentucky Higher Education Assistance Authority in fiscal year 2020-21. Additional funding was provided in the enacted budget to cover increases in that program's costs. Funds for Kentucky's dues to SREB are traditionally paid from this allotment and remain in the CPE budget for 2020-21.

Discussion points included the approval authority to reallocate funds according to the budget provided and the expected increased salary and benefits expenses allocated due to increasing retirement rates and employee transfer agreements.

**MOTION:** Dr. Staat moved the Executive Committee accept the proposed 2020-21 CPE Agency Operating Budget and recommend approval by the full Council at its June 19, 2020 meeting. Ms. Nelson seconded the motion.

**VOTE:** The motion passed.

## **UPDATE TO THE COUNCIL ON BYLAWS**

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Travis Powell, CPE's general counsel and vice president, presented amended Council bylaws which provide a framework for deliberations and actions of the Council so that it may effectively carry out its duties and responsibilities. At the April 26, 2019 meeting, the Council approved a standing committee structure on a pilot basis through June of 2020. Due to the successful pilot implementation, the Council needed to formally adopt the committee structure by adding it to the Council bylaws. The proposed additions were provided to the Committee for review prior to the meeting.

MOTION: Mr. Beal moved to accept the proposed updates to the Council bylaws and recommend approval to the full Council at its June 19, 2020 meeting. Dr. Staat seconded the motion.

VOTE: The motion passed.

## **JUNE 2020 CPE MEETINGS AND AGENDA**

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Chair Brandstetter presented the meeting schedule for June 2020. Staff also provided a list of webinars offered the first several weeks of June that Council members may be interested in attending.

## **ROLE OF ASI COMMITTEE AND STATEWIDE STRATEGIC AGENDA**

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Lee Nimocks, CPE's Chief of Staff and Vice President for Strategy discussed the preliminary work being done on the next Statewide Strategic Agenda. She proposed the Council utilize the work of the Academic and Strategic Initiatives Committee to oversee the process instead of appointing members to a separate steering committee. Discussion will continue at the next meeting.

## **ADJOURNMENT**

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The Executive Committee adjourned at 10:15 a.m., ET.

**MINUTES REVIEWED AND APPROVED BY THE COMMITTEE:** \_\_\_\_\_



**PowerPoint Slides referenced during the meeting of the  
Postsecondary Education Working Group**

**July 30, 2020**



# Postsecondary Education Working Group Performance Funding Model Review

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education  
July 30, 2020



# Overview



- Introduction
- Background Information
- Trends in Student Success Metrics
- Performance Funding Survey Results
- Preliminary Review
- Next Steps

# Introduction

## *Group Role and Responsibilities*

➔ KRS 164.092, 11(b)(c)

Beginning in fiscal year 2020-21 and every three fiscal years thereafter, the postsecondary education working group shall convene to:

- determine if the comprehensive funding model is functioning as expected
- identify any unintended consequences of the model
- recommend any adjustments to the model

The results of the review and recommendations of the working group shall be reported to the Governor, the Interim Joint Committee on A&R, and the Interim Joint Committee on Education

# Introduction

## *Timeline and Meetings*

First Working  
Group Meeting  
July 30, 2020



Short Session of  
General Assembly  
January 5, 2021

▲  
Dec 15 - PEWG  
Report Finalized

### Proposed Meeting Dates:

- Wednesday, September 2
- Wednesday, October 7
- Wednesday, November 4
- Wednesday, December 2

} These dates correspond  
with previously scheduled  
presidents' meetings

# Introduction

## *Staff Contacts*

- For data validation or information requests:  
David Mahan, AVP Data and Advanced Analytics  
(502) 892-3102 / [david.mahan@ky.gov](mailto:david.mahan@ky.gov) } CPE data staff will work with campus IR Directors
- For model calculations or scenario requests:  
Bill Payne, VP for Finance and Administration  
(502) 892-3052 / [bill.payne@ky.gov](mailto:bill.payne@ky.gov)  
Shaun McKiernan, Director of Finance and Budget  
(502) 892-3039 / [shaun.mckiernan@ky.gov](mailto:shaun.mckiernan@ky.gov) } CPE finance staff will work with campus CBOs
- Any and all requests for metric data or funding scenarios, and responses to such requests, will be shared with all working group members
- Upon request, submissions of written proposals for adjustments in the models will be shared with all working group members

# Introduction

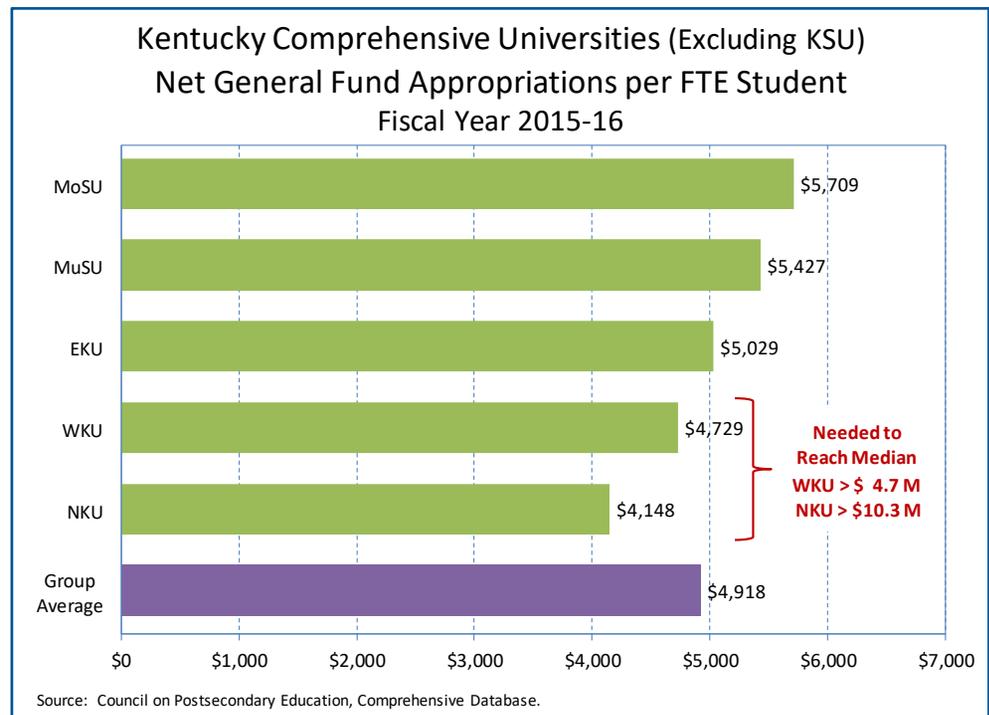
## *Resource Materials*

- Goal and Guiding Principles (September 2016)
- Postsecondary Education Working Group Report (December 2016)
- Kentucky Performance Funding Statute (KRS 164.092)
- Fiscal 2020-21 Performance Fund Distribution
- Three-Year Average Change Analysis
- Trends in Student Success Metrics
- Performance Funding Surveys (Summer 2020)

# Background Information

## *Impetus for New Model*

- Respond to legislative mandate to convene working group and develop model (HB 303, 2016)
- Accelerate progress toward attainment of state goals for postsecondary education
- Address shortcomings of the previous method (base +, base -)
- Rectify funding disparities that had developed over time



# Background Information

## *State Goals for Higher Education*

- Increase retention and progression of students toward timely completion
- Increase numbers of bachelor's degrees and two-year college credentials awarded
- Produce more degrees and credentials in fields that garner higher wages upon completion (STEM+H, high-demand, and targeted industries)
- Close achievement gaps by growing degrees and credentials earned by minority, low income, and underprepared students

# Background Information

## *Major Decision Points*

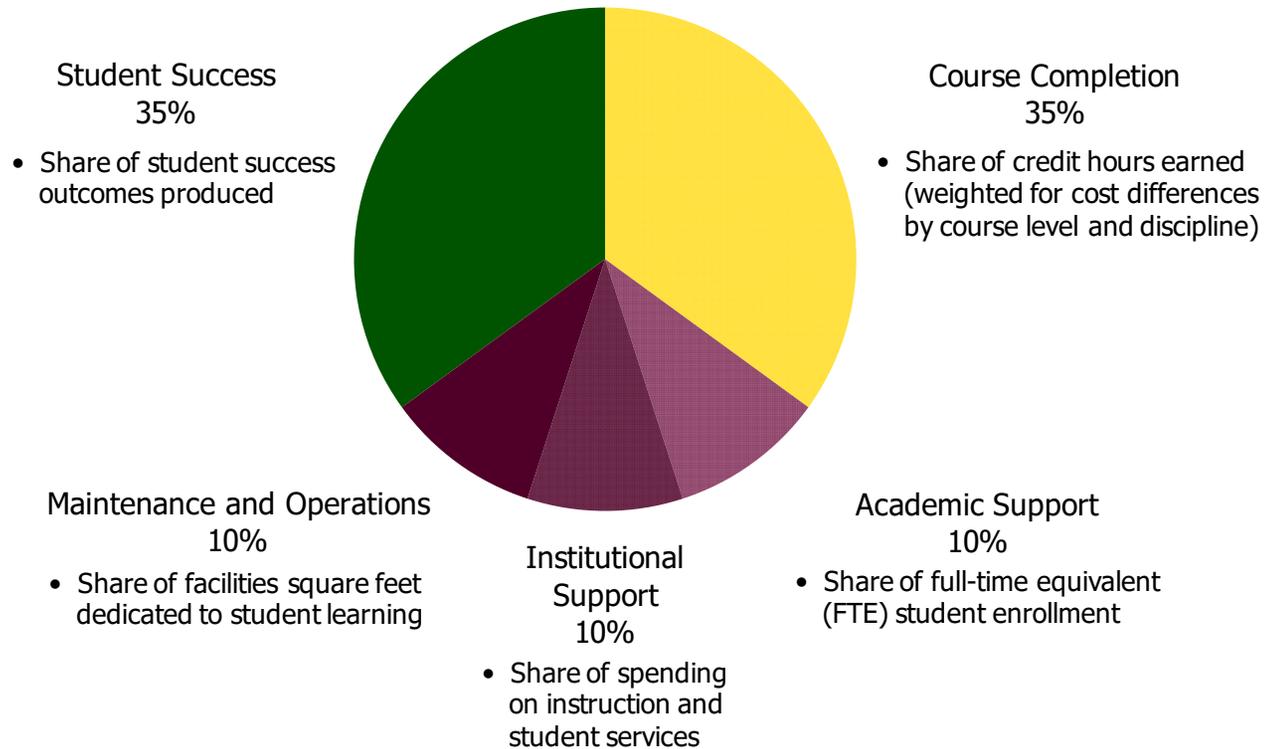
Critical decisions made by previous working group:

- Type of model → targets and goals or outcomes based ✓
- Treatment of sectors → university sectors together ✓ or separate
- Major funding components → include operational support ✓ or not
- Weight assigned each component → 70% success, 30% support
- Model metrics → degree type, premiums, progression, support
- Weight assigned each metric? → emphasis on completion ✓ or not
- Metric measures → counts, ✓ rates, or both
- Nonresident credit hour weight → 0%, 50%, ✓ 100%, other

# Background Information

## *Components and Metrics*

### Kentucky's Performance Funding Model Distribution of Allocable Resources



# Background Information

## *Components and Metrics (Cont'd)*

### University Metrics

<i>Student Success</i>	<u>Weight</u>
• Progression (@ 30 hours)	3.0%
• Progression (@ 60 hours)	5.0%
• Progression (@ 90 hours)	7.0%
• Total Bachelor's Degrees	9.0%
• STEM+H Bachelor's	5.0%
• URM Bachelor's Degrees	3.0%
• Low Income Bachelor's	3.0%
• Course Completion	35.0%
<i>Operational Support</i>	
• Maintenance & Operations	10.0%
• Institutional Support	10.0%
• Academic Support	10.0%

\* Graduated scale to emphasize completion.

### KCTCS Metrics

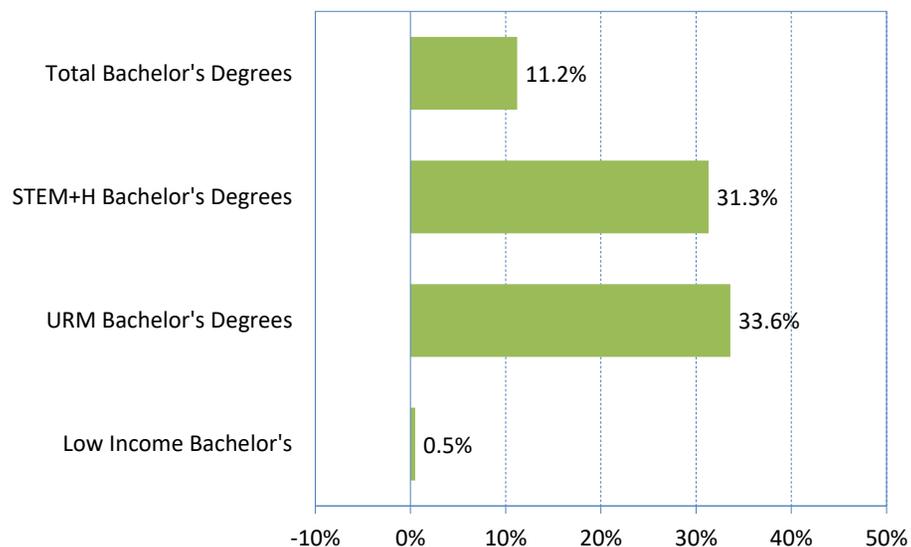
<i>Student Success</i>	<u>Weight</u>
• Progression (@ 15 hours)	2.0%
• Progression (@ 30 hours)	4.0%
• Progression (@ 45 hours)	6.0%
• Total Credentials	10.0%
• URM Credentials	2.0%
• Low Income Credentials	2.0%
• Underprepared Credentials	2.0%
• STEM+H Credentials	2.0%
• High Wage High Demand	1.0%
• Targeted Industry Sectors	2.0%
• Transfers	2.0%
• Course Completion	35.0%

*Operational Support (Same as Universities)*

# Trends in Student Success Metrics

## *Bachelor's Degrees and Student Progression*

Change in Bachelor's Degrees Produced by Degree Type Between Academic Years 2013-14 and 2018-19



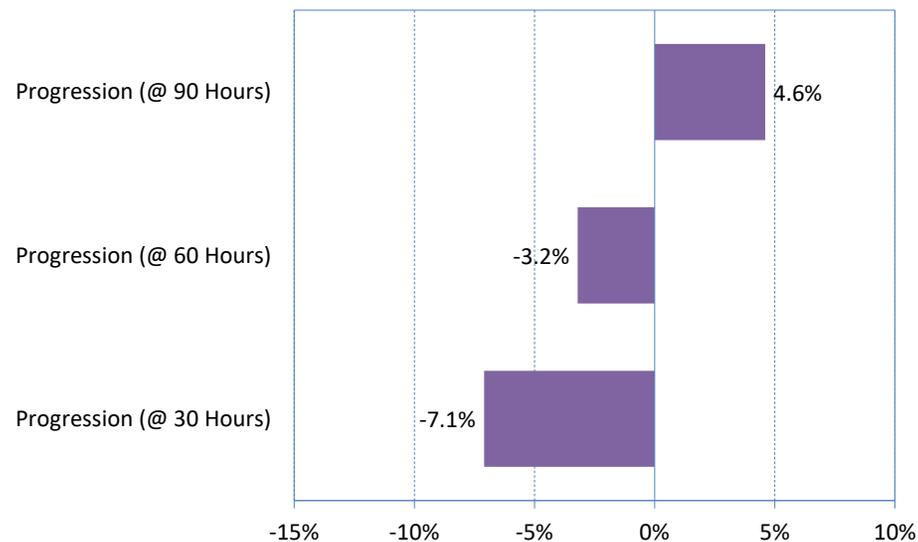
Source: Council on Postsecondary Education, Data and Advanced Analytics Unit, Performance Funding Database.

- STEM+H and URM bachelor's degrees grew at rates that were about three times that of total bachelor's degrees
- Despite a premium in the model, bachelor's degrees awarded to low income students rose by less than 1%

- Declining high school graduates and college enrollment contributed to reduced progression at 30 and 60 hours
- Increased transfers helped grow progression at 90 hours



Change in Student Progression at Targeted Credit Hour Thresholds Between Academic Years 2013-14 and 2018-19

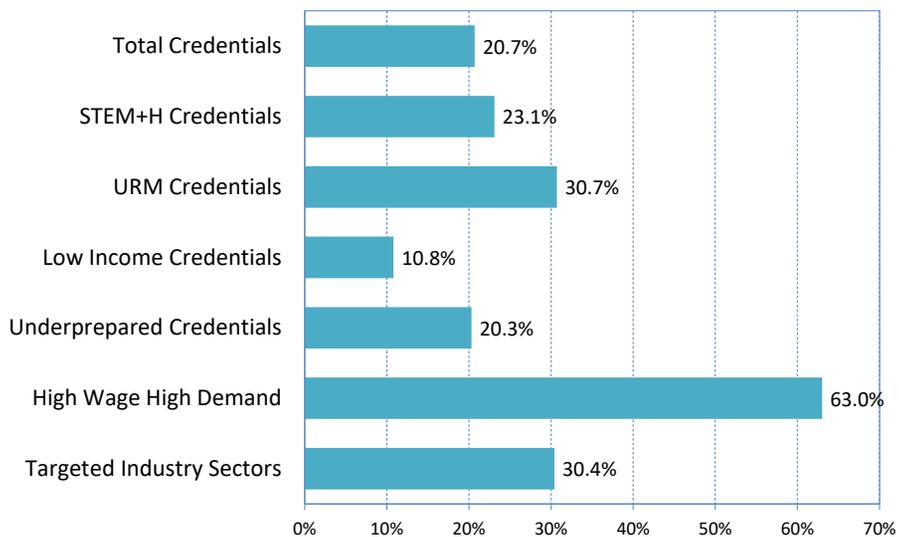


Source: Council on Postsecondary Education, Data and Advanced Analytics Unit, Performance Funding Database.

# Trends in Student Success Metrics

## *KCTCS Credentials and Student Progression*

Percent Change in KCTCS Credentials Produced by Type Between Academic Years 2015-16 and 2018-19



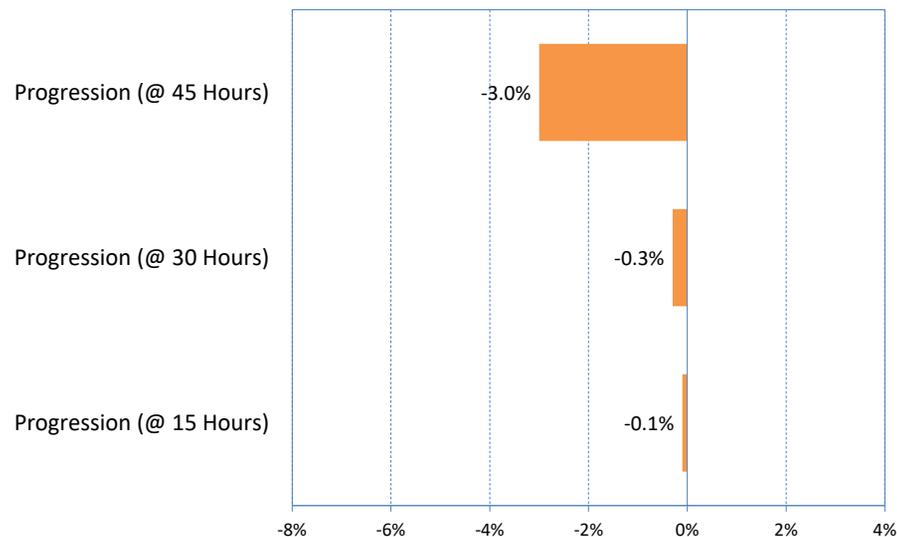
Source: Council on Postsecondary Education, Data and Advanced Analytics Unit, Comprehensive Database.

- High-Wage High-Demand, URM, and Targeted Industry credentials grew at rates well above total credentials
- Despite a premium in the model, credentials awarded to low-income students grew less than other credentials

- Declining high school graduates and college enrollment contributed to reduced progression across the board
- Growth in transfers before reaching the threshold also contributed to the decrease in progression at 45 hours



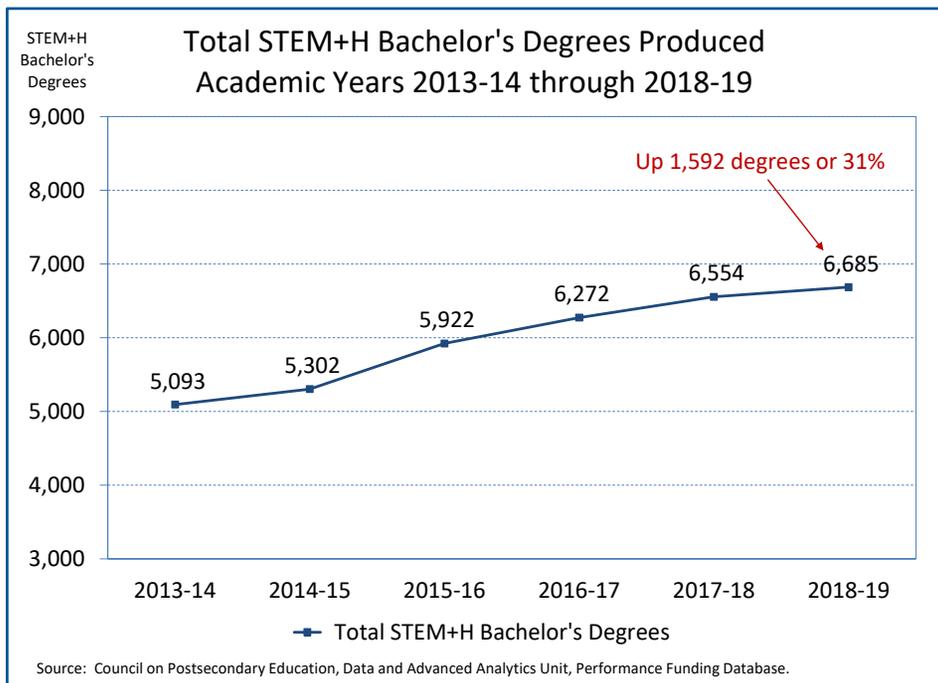
Percent Change in KCTCS Progression by Credit Hour Threshold Between Academic Years 2015-16 and 2018-19



Source: Council on Postsecondary Education, Data and Advanced Analytics Unit, Comprehensive Database.

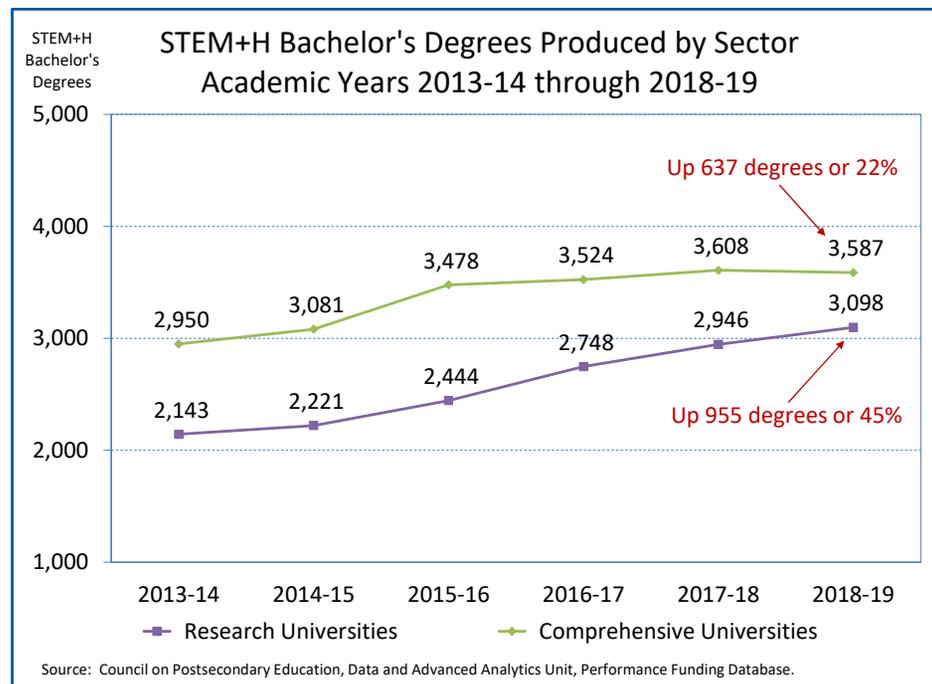
# Trends in Student Success Metrics

## *STEM+H Bachelor's Degrees*



- System total STEM+H bachelor's degrees grew at an average annual rate of 5.6% per year
- On current trajectory, the number of STEM+H bachelor's degrees will double by 2026-27 (from the 2013-14 base)

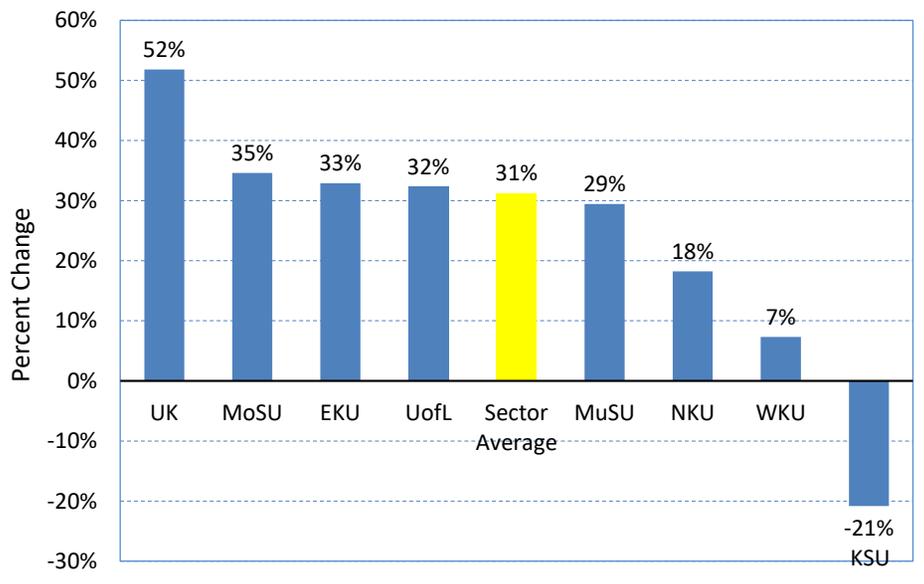
- Research sector growth in STEM+H bachelor's degrees is more than twice that of comprehensive universities
- UK accounted for 73% of increase in STEM+H bachelor's degrees in the research sector



# Trends in Student Success Metrics

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

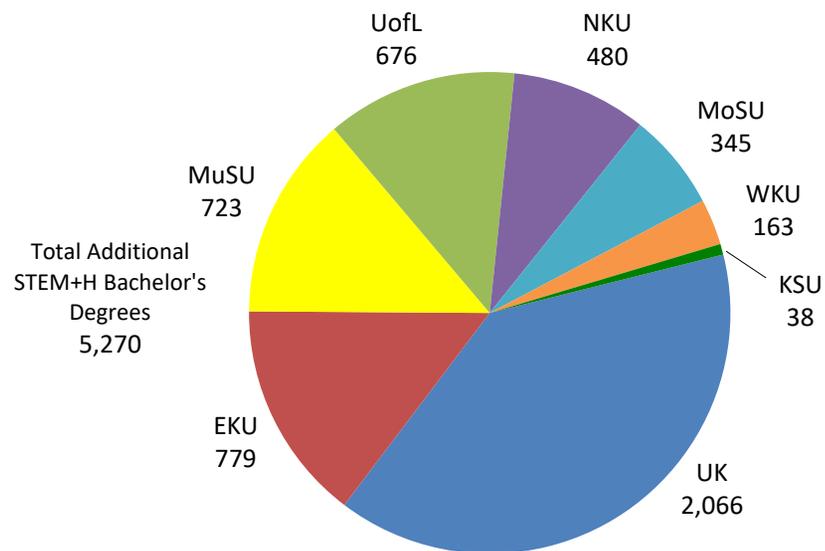
Five-Year Change in STEM+H Bachelor's Degrees Produced Between Academic Years 2013-14 and 2018-19



- Four universities had five-year growth rates above the sector average in STEM+H bachelor's degrees
- The largest number changes occurred at UK (+697), UofL (+258), EKU (+216), and MuSU (+166)

- All eight universities had positive cumulative net gains in STEM+H bachelor's degrees produced
- Four universities - UK, EKU, MuSU, and UofL - produced 80% of the cumulative net gain

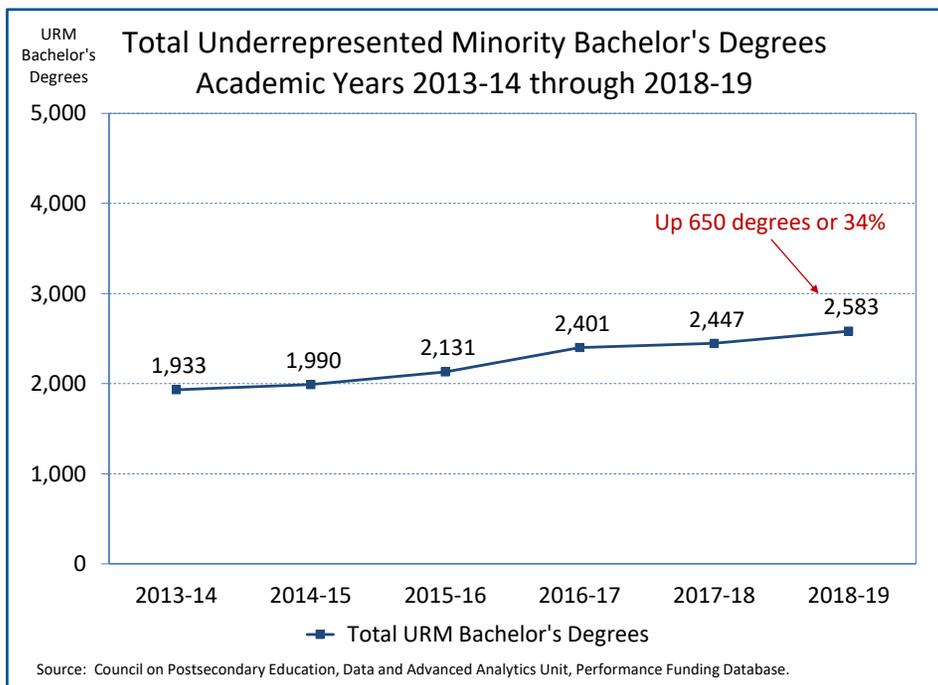
Cumulative Net Gain in STEM+H Bachelor's Degrees Academic Years 2013-14 through 2018-19



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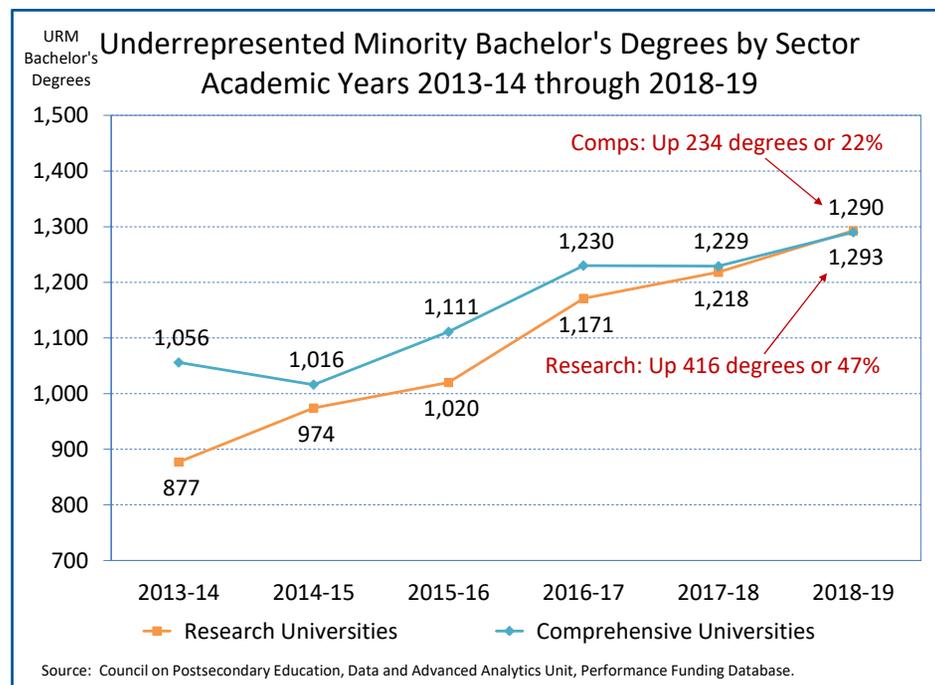
# Trends in Student Success Metrics

## URM Bachelor's Degrees



- System total URM bachelor's degrees grew at an average annual rate of 6.0% per year
- On current trajectory, the number of URM bachelor's degrees will double by 2025-26 (from the 2013-14 base)

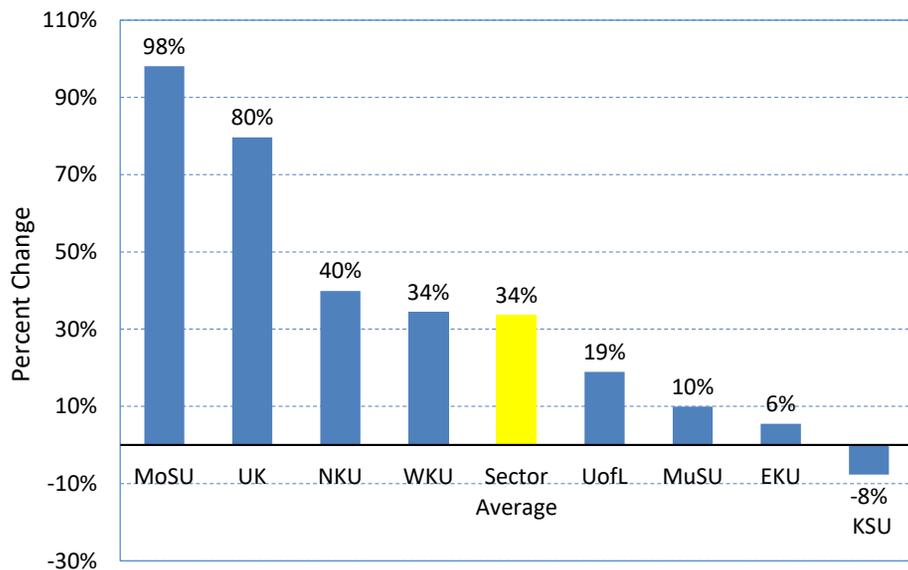
- Research university growth in URM bachelor's degrees is more than twice that of the comprehensive universities
- UK accounted for 79% of the increase in URM bachelor's degrees in the research sector



# Trends in Student Success Metrics

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

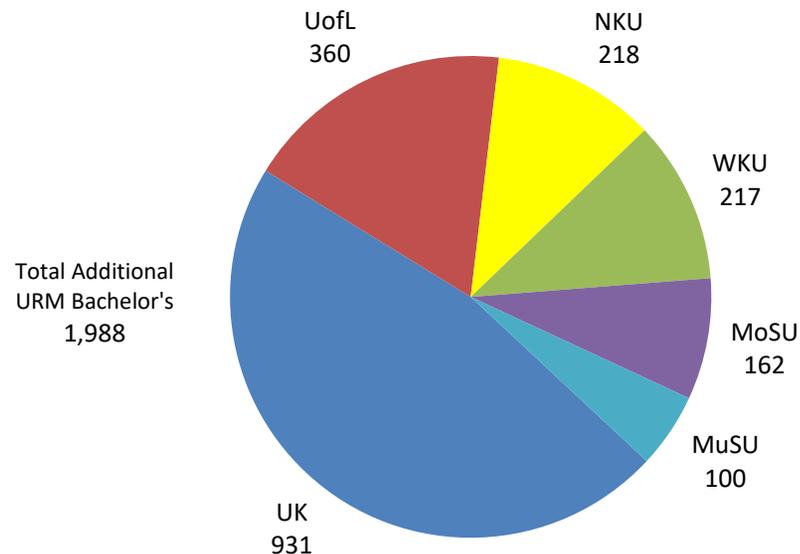
Five-Year Change in Minority Bachelor's Degrees Produced Between Academic Years 2013-14 and 2018-19



- Four universities had five-year growth rates above the sector average in URM bachelor's degrees
- Rates of change at MoSU (98%, +50) and UK (80%, +328) were more than twice the sector average

- Six universities had positive cumulative net gains in URM bachelor's degrees produced
- Four universities - UK, UofL, NKU, and WKU – accounted for 87% of the total cumulative net gain in URM degrees

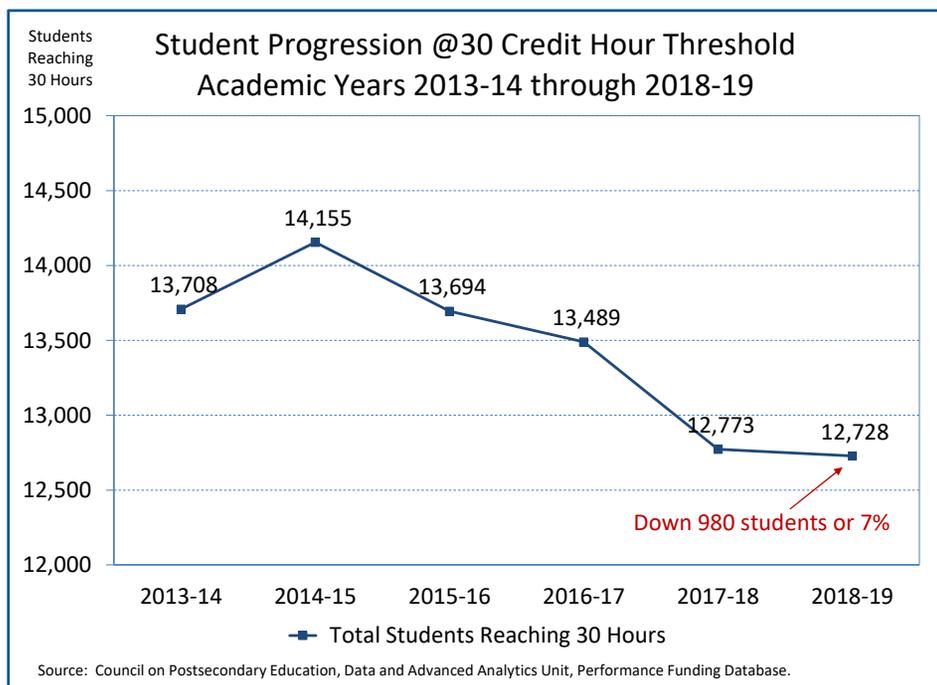
Cumulative Net Gain in Minority Bachelor's Degrees Academic Years 2013-14 through 2018-19



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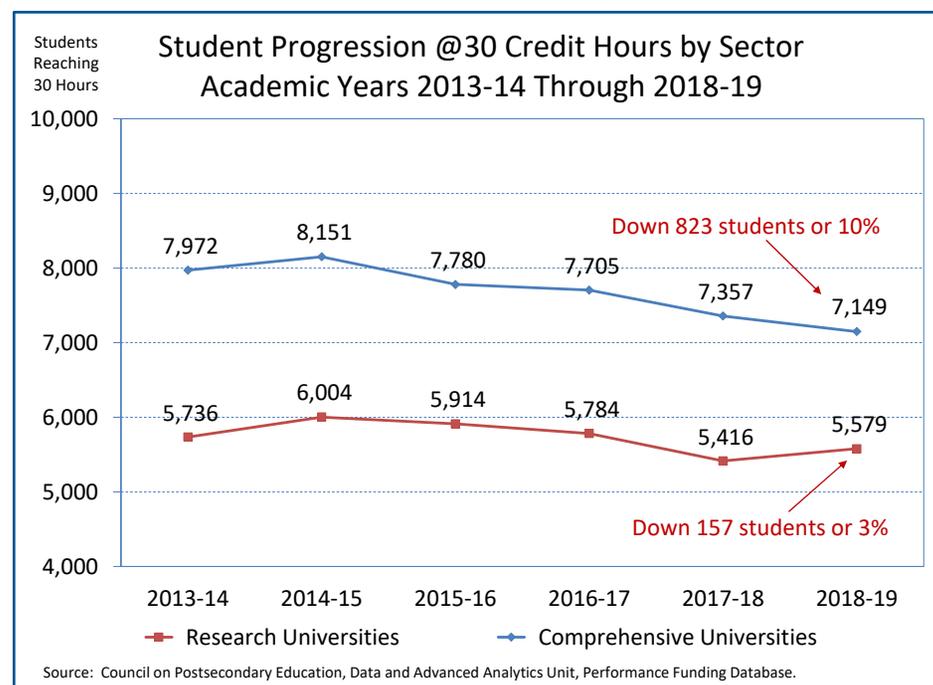
# Trends in Student Success Metrics

## Student Progression @30 Hours



- Over the past five years, progression @30 credit hours has decreased at an average annual rate of 1.5% per year
- The trend in progression @30 hours mirrors the trend in undergraduate FTE enrollment (down 4.6% from fall 2013)

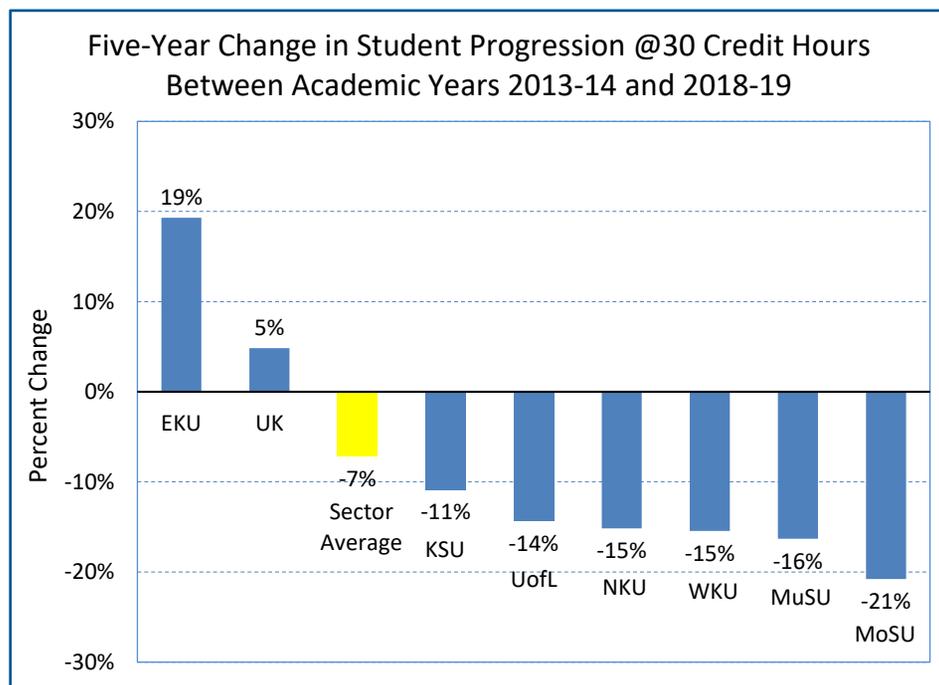
- Progression @30 hours is trending down in both sectors, but the rate of decrease is 3x greater among the comps
- Undergraduate FTE enrollment is essentially flat in the research sector and down 7.6% among comprehensives



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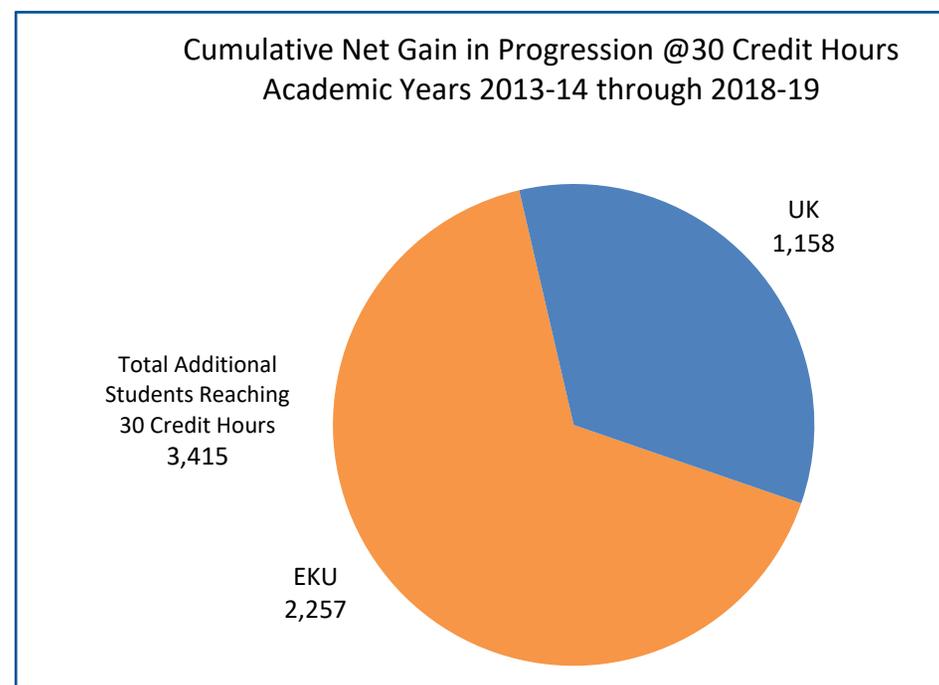
# Trends in Student Success Metrics

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



- Growth rates in progression @30 credit hours were above the sector average and above zero at two universities
- The number of students reaching the 30 credit hour threshold increased by +261 at EKU and +168 at UK

- Only two universities had positive cumulative net gains in student progression @30 credit hours
- EKU accounted for about two-thirds of the cumulative net gain in students reaching the 30 hour threshold



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# Performance Funding Survey Results

## *Survey Overview*

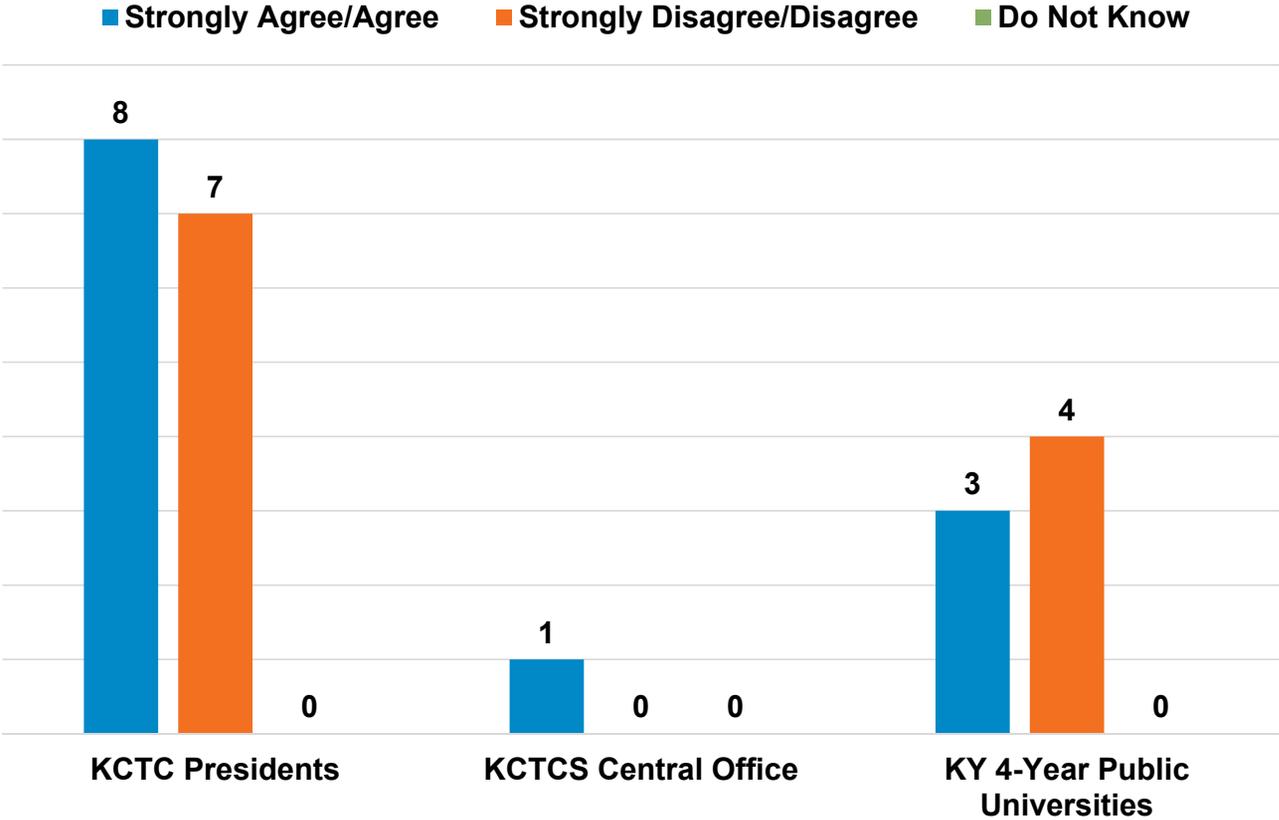
Topics covered in the survey:

- State level assessment of performance funding
- Alignment of institutions' goals and state goals for higher education
- Performance funding model calculations, metrics, and weighting

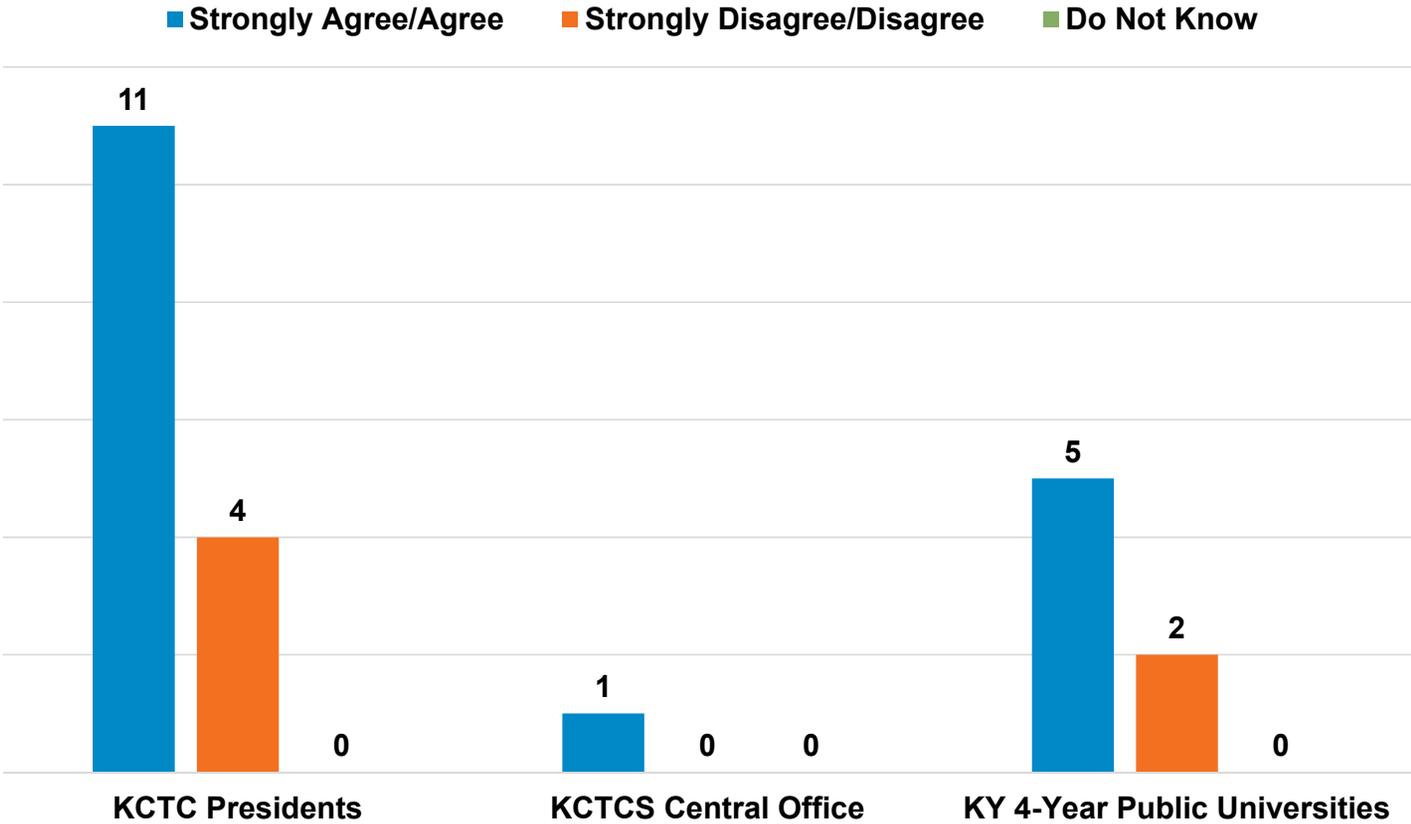
Responses by postsecondary sector:

	Number of Respondents	Number of Surveys Distributed
KCTCS Presidents	15	16
KCTCS Central Office	1	1
KY 4-Year Public Universities	8	8

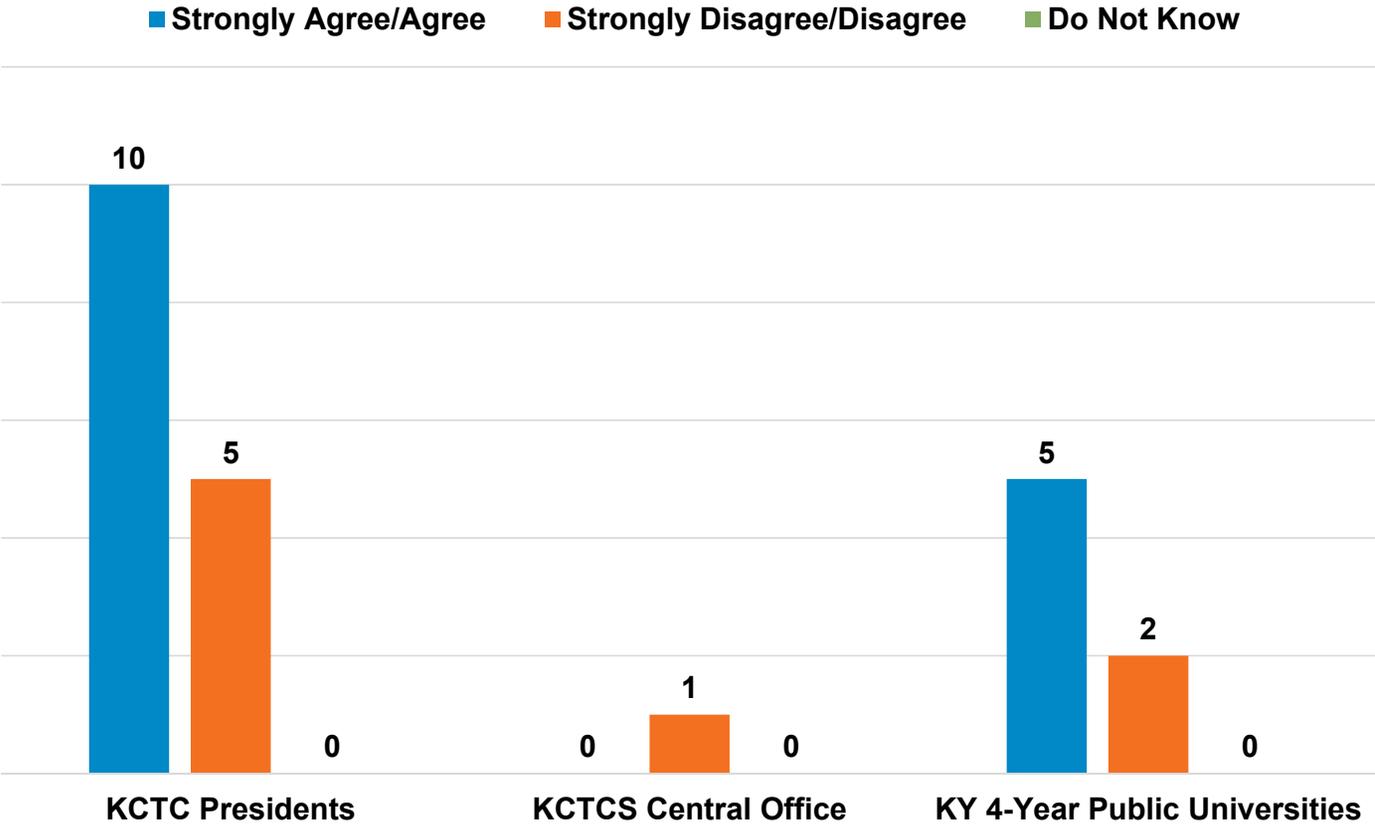
**Kentucky’s performance funding model is an improvement compared to the previous method of “across-the-board” percent increases in distributing state General Fund appropriations in terms of consistency, fairness, and equity for public institutions.**



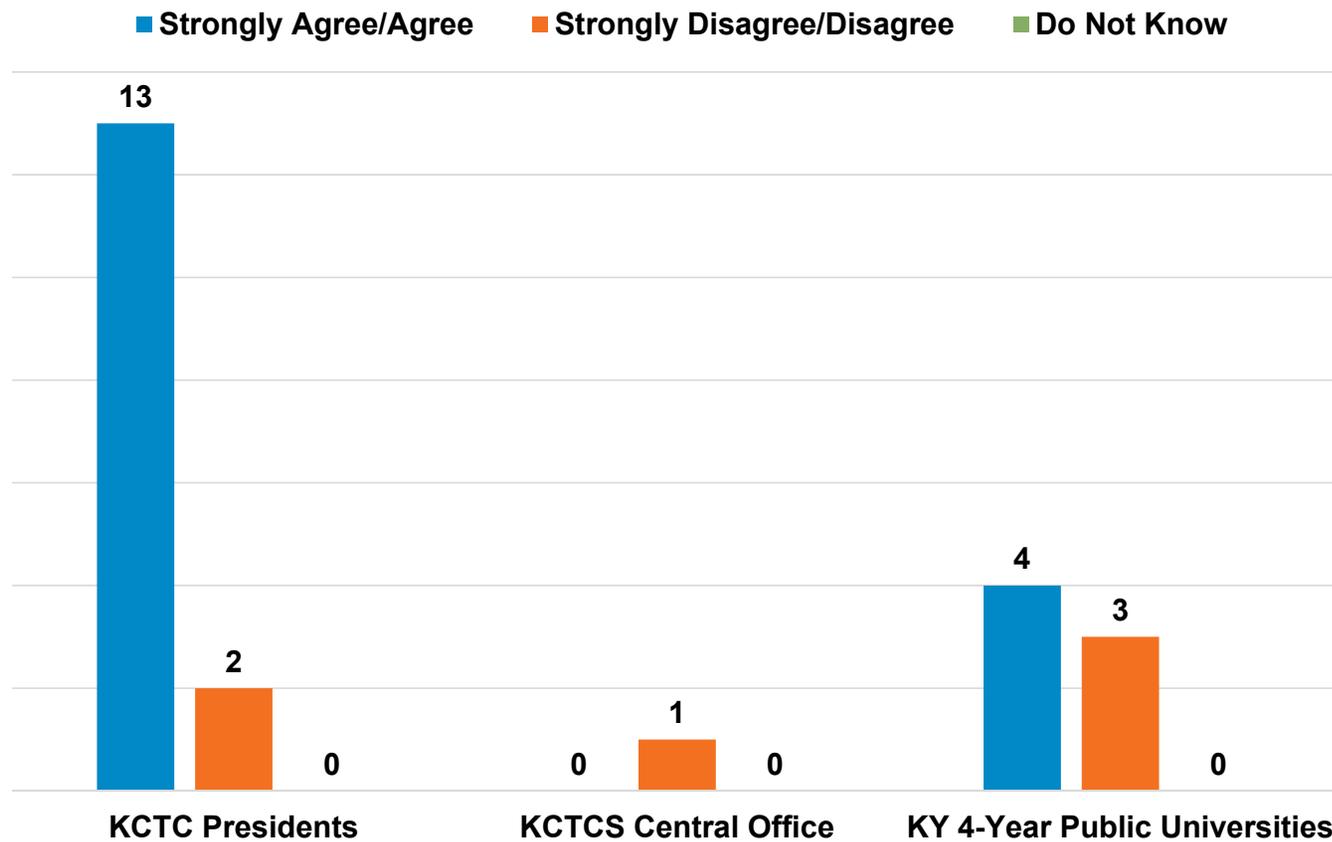
# Kentucky's performance funding model has enhanced state level efforts towards achievement of the 60x30 attainment goal.



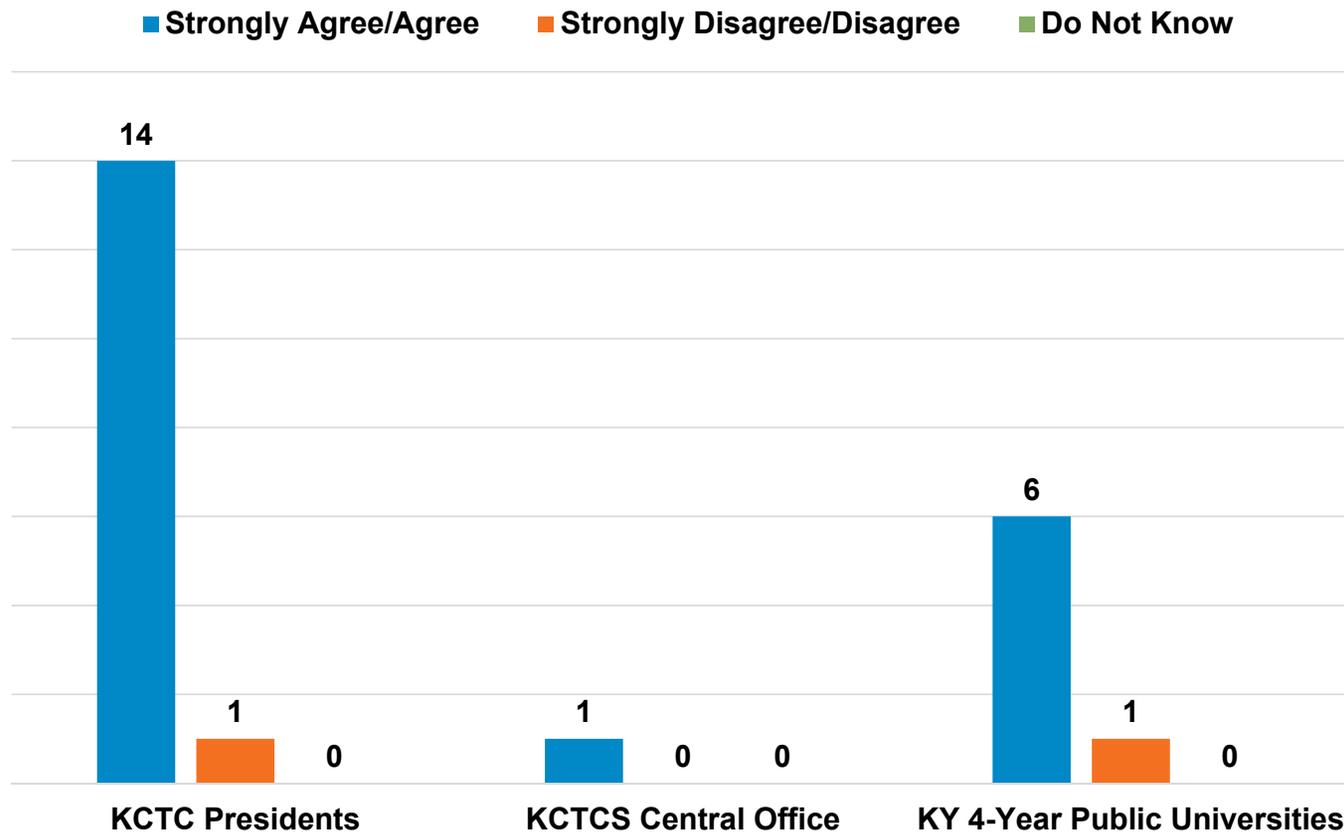
# Kentucky's performance funding model adequately focuses on the success of low-income students and students of color.



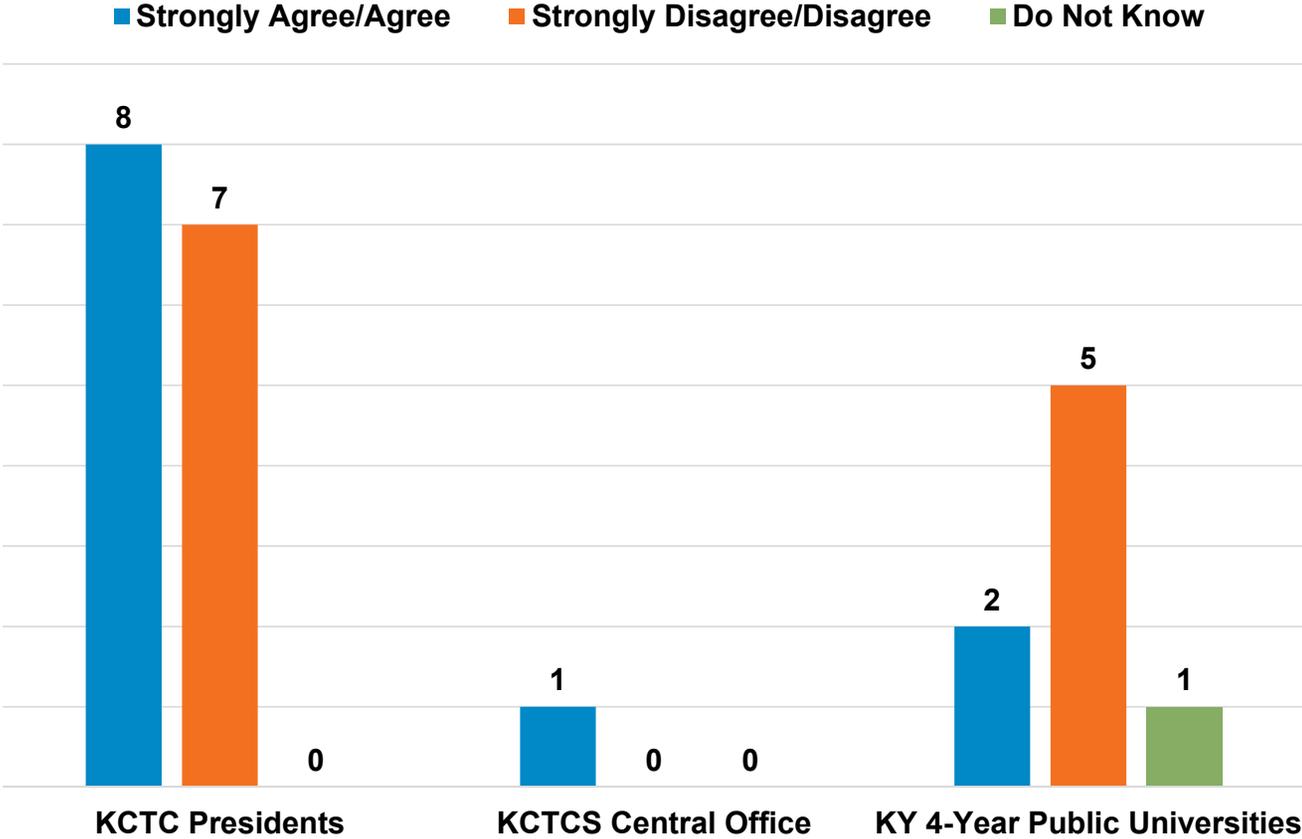
# Kentucky's performance funding model adequately focuses on the needs of the state's workforce with incentives for STEM+H degrees and other workforce targeted credentials.



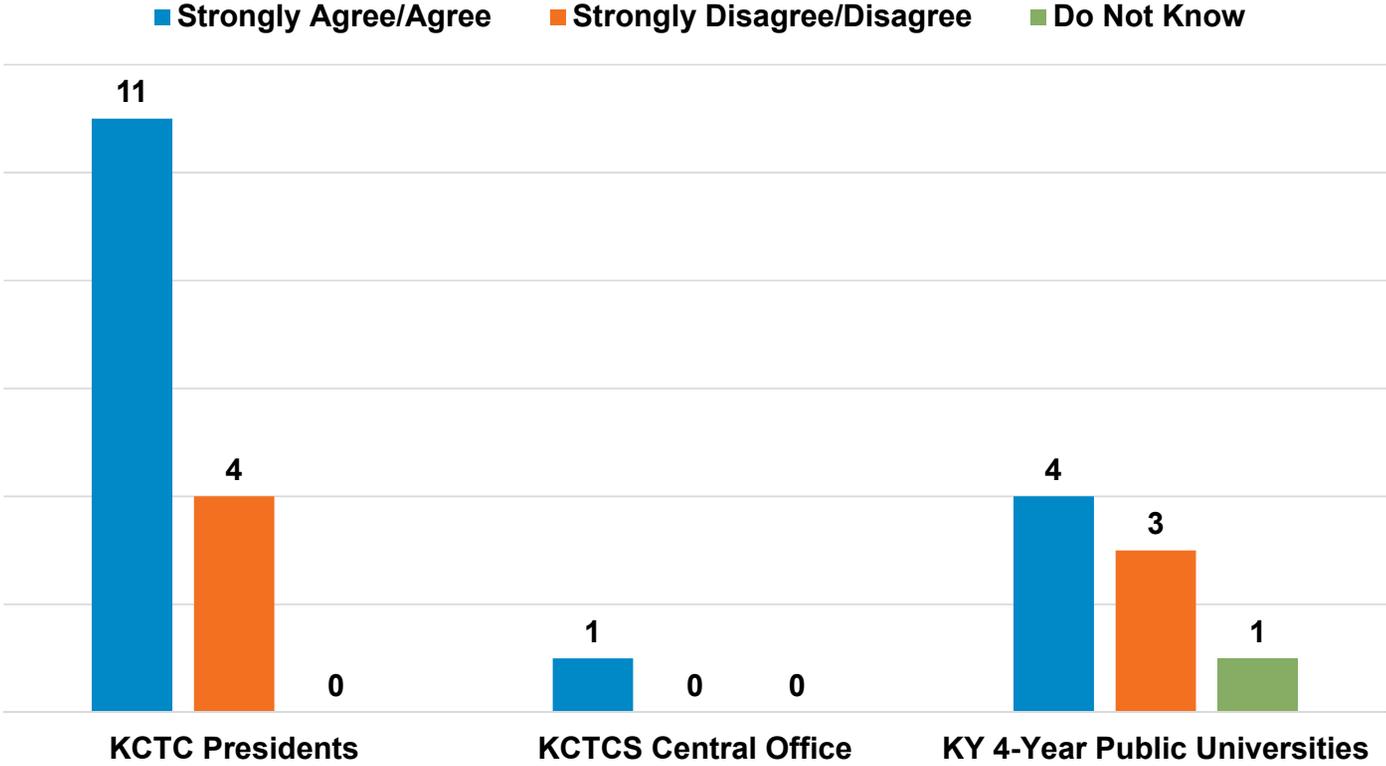
# Additional state funding is necessary for the performance funding model to achieve its goals for the state of Kentucky.



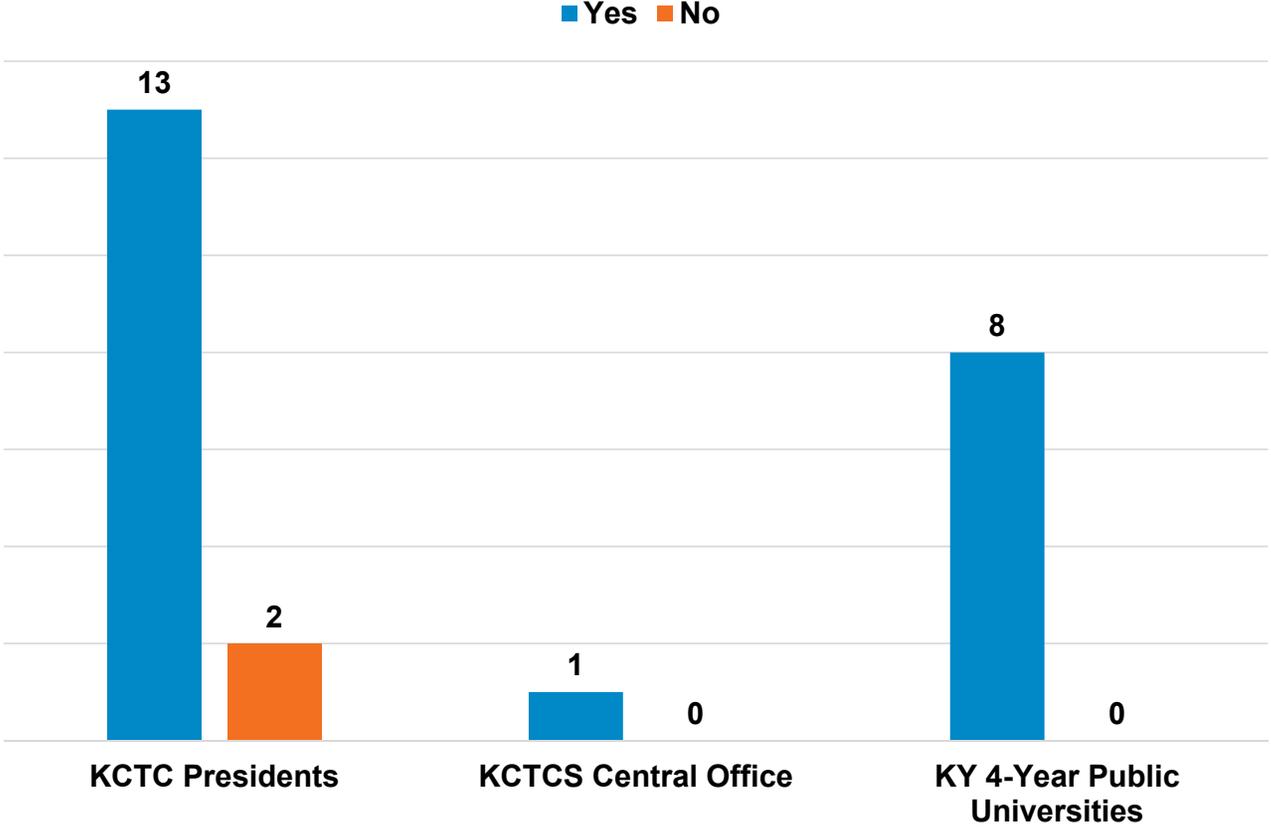
# Performance funding distributions to my institution have been consistent with campus' expectations.



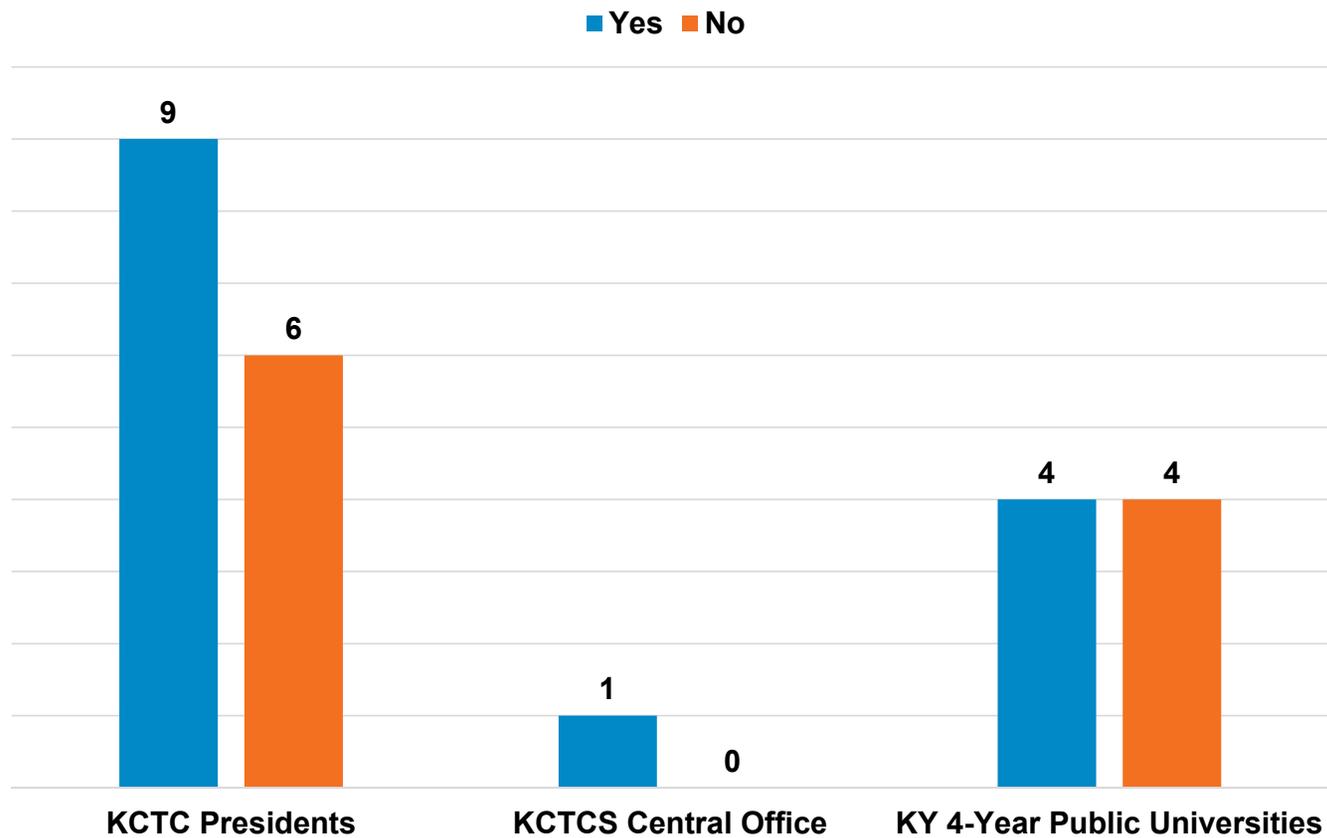
# The COVID-19 pandemic has increased my institution's concerns related to Kentucky's performance funding model.



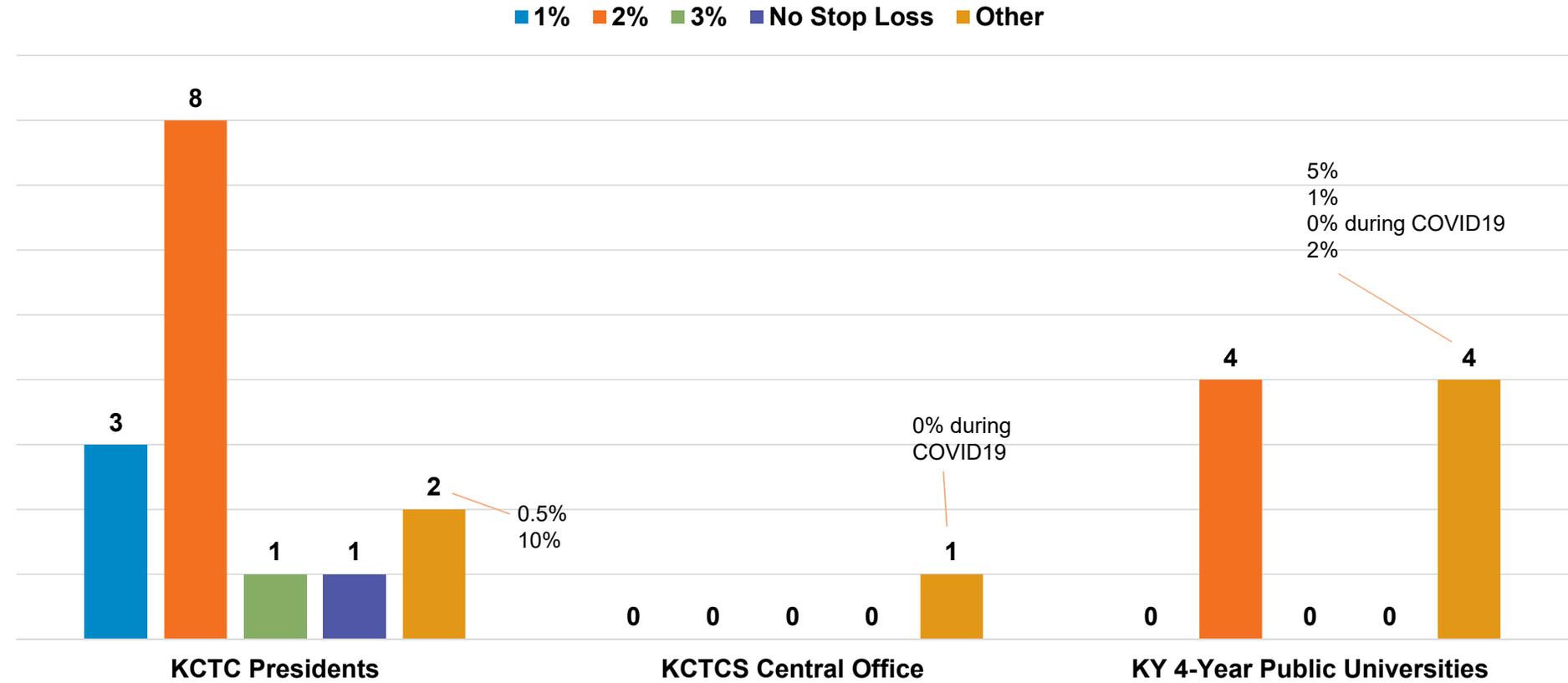
# My institution has changed budgetary or other finance-related practices in response to performance funding.



## The culture of my institution has become more focused on student success because of performance funding.



# What is the appropriate level of stop loss (amount of regular general fund appropriation susceptible to redistribution)?



# Performance Funding Metrics: KCTC Presidents' Recommendations

	Continue without change	Continue with recommended change	Discontinue
Total Credentials (10%)	8	6	1
STEM-H Credentials (2%)	10	4	1
URM Credentials (2%)	7	8	0
Low-income Credentials (2%)	7	8	0
Under-prepared Credentials (2%)	8	7	0
High Wage High Demand Credentials (1%)	8	6	1
Targeted Industry Credentials (2%)	11	3	1
Transfers (2%)	10	4	1
Student Progression @ 15 hours (2%)	9	6	0
Student Progression @ 30 hours (4%)	10	5	0
Student Progression @ 45 hours (6%)	9	6	0
Weighted Earned Credit Hours (35%)	9	6	0
M&O- Instructional Square Footage (10%)	7	7	1
Instructional Support-Direct Cost of Instruction (10%)	9	4	2
Academic Support-FTE Students (10%)	11	4	0

# Performance Funding Metrics: Public University Recommendations

	Continue without change	Continue with recommended change	Discontinue
Bachelor's Degrees Conferred (9%)	0	7	0
STEM-H Bachelor's Degrees Conferred (5%)	1	6	0
URM Bachelor's Degrees Conferred (3%)	1	6	0
Low-income Bachelor's Degrees Conferred (3%)	1	6	0
Student Progression @ 30 hours (3%)	2	4	1
Student Progression @ 60 hours (5%)	2	4	1
Student Progression @ 90 hours (7%)	2	4	1
Weighted Earned Credit Hours (35%)	1	6	0
M&O- Instructional Square Footage (10%)	1	5	1
Instructional Support-Direct Cost of Instruction (10%)	2	4	1
Academic Support-FTE Students (10%)	1	5	1

# Preliminary Review

## *Model Functioning as Expected*

- State funding no longer distributed based on historical share, but on outcomes produced (reflects  $\Delta$ 's in enrollment, program mix, degrees)
- Growth rates above sector average have increased funding share
- Model is providing incentives for increased progression and timely completion, and premiums for STEM+H, URM, and LI degrees
- Institutions are reacting to the model strategically:
  - Increasing alignment between institutional goals and state goals
  - Adopting internal budget allocation models to reward performance
  - Expanding emphasis on need-based aid and completion grants
- Progressing toward funding parity (achieved at 5 of 8 universities)

# Preliminary Review

## Model Functioning as Expected (Cont'd)

→ Bachelor's Degrees (Normalized) Pool Size = <b>\$46.6 M</b> in 2020-21	2019-20	2020-21	Volume	Percent	Status	Institution	2019-20	2020-21
	Iteration	Iteration	Change	Change			Share	Share
University of Kentucky	7,754	8,191	437	5.6%	Above	UK	32.7%	33.7%
University of Louisville	4,920	5,167	247	5.0%	Above	UofL	20.7%	21.2%
Eastern Kentucky University	2,642	2,706	64	2.4%	Below	EKU	11.1%	11.1%
Kentucky State University	284	237	(47)	-16.5%	Below	KSU	1.2%	1.0%
Morehead State University	1,256	1,214	(42)	-3.4%	Below	MoSU	5.3%	5.0%
Murray State University	1,799	1,733	(66)	-3.7%	Below	MuSU	7.6%	7.1%
Northern Kentucky University	2,228	2,161	(66)	-3.0%	Below	NKU	9.4%	8.9%
Western Kentucky University	2,849	2,910	61	2.1%	Below	WKU	12.0%	12.0%
Sector	23,734	24,320	586	2.5% =	Average		100.0%	100.0%

→ Student Credit Hours Earned Pool Size = <b>\$181.1 M</b> in 2020-21	2019-20	2020-21	Volume	Percent	Status	Institution	2019-20	2020-21
	Iteration	Iteration	Change	Change			Share	Share
University of Kentucky	1,348,256	1,391,065	42,809	3.2%	Above	UK	30.6%	31.3%
University of Louisville	1,017,022	1,027,807	10,785	1.1%	Above	UofL	23.1%	23.1%
Eastern Kentucky University	514,109	506,415	(7,694)	-1.5%	Below	EKU	11.7%	11.4%
Kentucky State University	40,074	37,950	(2,124)	-5.3%	Below	KSU	0.9%	0.9%
Morehead State University	241,295	235,150	(6,145)	-2.5%	Below	MoSU	5.5%	5.3%
Murray State University	289,065	278,768	(10,297)	-3.6%	Below	MuSU	6.6%	6.3%
Northern Kentucky University	396,255	409,154	12,899	3.3%	Above	NKU	9.0%	9.2%
Western Kentucky University	565,626	562,907	(2,719)	-0.5%	Below	WKU	12.8%	12.7%
Sector	4,411,703	4,449,217	37,513	0.9% =	Average		100.0%	100.0%

# Preliminary Review

## *Unintended Consequences*

- For three straight years, the models have been implemented with no new funding (resulting in limited redistribution of the base)
- When applied in the same year as a General Fund reduction, stop loss contributions can result in a second budget cut for some
- Unless action is taken, KSU, MoSU, MuSU, and six KCTCS colleges are facing fiscal cliffs in 2021-22 (sunset of 2% stop loss)
- The impact of unfunded KERS cost increases is of great concern for comprehensive universities and KCTCS institutions
- KSU has unique challenges given current enrollment and degree production levels

# Preliminary Review

## *Unintended Consequences (Cont'd)*

Funding Models for the Public Universities and KCTCS Institutions  
Implementation Schedule and Funding Sources  
(Dollars in Millions)

<u>Timeline</u>	<u>Fiscal Year</u>	<u>Institution Contribution</u>	<u>New Funding</u>	<u>Total Funding</u> <sup>1</sup>
Year 0	2017-18	\$42.9	\$0.0	\$42.9
Year 1	2018-19	31.0	0.0	31.0
Year 2	2019-20	38.7	0.0	38.7
Year 3	2020-21	\$14.9	0.0	\$14.9
Year 4	2021-22	TBD	TBD	TBD

<sup>1</sup> Represents total appropriations to the Postsecondary Education Performance Fund, which were distributed among institutions based on outcomes produced.

# Preliminary Review

## *Unintended Consequences (Cont'd)*

### Estimated Budgetary Impact of Discontinuing the 2% Stop Loss Provision Fiscal Year 2021-22

<u>Sector</u>	<u>Institution</u>	<u>Fiscal 2020-21 Formula Base <sup>1</sup></u>	<u>Hold Harmless Allocation <sup>2</sup></u>	<u>Estimated Budget Impact</u>
<i>University</i>	Kentucky State University	18,235,500	(6,885,400)	-38%
	Morehead State University	34,931,500	(2,826,900)	-8%
	Murray State University	40,553,800	(675,800)	-2%
<i>KCTCS</i>	Ashland Community and Technical College	8,599,200	(836,100)	-10%
	Big Sandy Community and Technical College	9,735,900	(1,823,900)	-19%
	Hazard Community and Technical College	11,049,500	(3,519,100)	-32%
	Henderson Community College	4,231,400	(369,300)	-9%
	Madisonville Community College	7,898,500	(633,700)	-8%
	Southeast Community and Technical College	9,248,600	(2,166,800)	-23%

<sup>1</sup> The formula base, also referred to as the adjusted net General Fund, is calculated by subtracting debt service and mandated program funding from each institution's total direct appropriation.

<sup>2</sup> Estimated reduction in each institution's formula base that could occur if stop loss and hold harmless provisions sunset. These numbers represent the calculated hold harmless allocations in fiscal 2020-21.

## Next Steps

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- Outcomes-Based Funding Status Report (HCM Strategists)
- University Model
  - Financial Impact Analysis
- KCTCS Funding Model
  - Trends in Student Success Metrics
  - Financial Impact Analysis
  - Preliminary Review
- Individual Institution Reviews

# Questions?



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