

Meeting Notes
Meeting of the Postsecondary Education Working Group
November 28, 2016

outcomes based component includes course completion funded at 35% of allocated dollars and student success funded at 35% of allocated dollars. Bill Payne explained that if the model is at equilibrium, it distributes a fair share of the funds given what the campuses are producing and given what resources they have to achieve that level of production.

Bill Payne continued with the next table, Distribution of Postsecondary Education Performance Fund which shows the 5 percent, or \$42.9 million, that was transferred to the performance fund. This table includes the mandated program adjustment which is in recognition of fact that when the General Assembly applied the 5 percent in House Bill 303, this is funding that cannot be applied to produce student success outcomes.

Comments included a suggestion to create a comprehensive index of graduation rates and retention rates and adding in criteria that calculates rates per 100. The group discussed the possibility of making the formula too complex and agreed to use one criterion for bachelor's degrees and one for degrees per 100 to avoid complexity. The group agreed to use the model and include the note that the rates should be applied consistently over the years and that the model should be evaluated in 2020.

The committee reached consensus on one sector for the four year institutions and one sector for the KY Community and Technical College System.

The committee reached consensus on the metrics and percentages for the student success component including bachelors' degrees at 9 percent, STEM+H at 5 percent, underrepresented minorities increased to 3 percent; and low income students at 3 percent.

After extensive discussion on weighting, non-resident students, and sector differentiation, the group came to consensus to accept the 5 percent distribution based on the performance criteria in the model. The group agreed to evaluate the model every three years to assure that there are no unintended consequences.

Bill Payne reminded the group that to achieve equilibrium and level the playing field, the model is based on one sector for the four-year institutions and one sector for the Kentucky Community and Technical College System. A request was made that the recommendation include: 1) That the report submitted reflects that there was robust discussion and concerns from the institutions remain; and 2) in the first evaluation of the model and in ongoing reviews, sector differentiation will be a point of specific review to assure there are no unintended consequences, so the legislative body will take this on. Chair Ransdell asked that this be duly noted in the meeting minutes.

Senator David Givens said that the report that is delivered to the General Assembly

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includes the concerns addressed during the birth of this model and the hope is that the legislators look back at this document that the committee has produced as a starting point. Senator Givens suggested that a date be set for the review and that a reminder to pay special attention to the concerns be included in the report.

Operational Support Component (Maintenance and operations, institutional support, and academic support.)

Chair Ransdell moved to the Operational Support Component that includes maintenance and operations, institutional support, and academic support. President King said that on the first category of operational support—maintenance and operations, the model is based on information submitted by the campuses. A new study will be scheduled for spring of 2017 to establish a good base line for square footage.

The committee reached general consensus that the operation support component including maintenance and operations funded at 10 percent of allocated dollars, institutional support funded at 10 percent of allocated dollars, and academic support funded at 10 percent of allocated dollars is fair and appropriate, pending the outcome of the new maintenance and operation data.

The group agreed to meet sometime during the third week of January to review bill language.

B) KCTCS MODEL
KY Community and Technology College President Box gave a brief overview of the model which mirrors the four-year institution model. At the November 15 meeting, President Box had not yet presented the model to the KCTCS presidents. Since that time, the KCTCS presidents have met and agreed to support this model. Enrollment has dropped at the eastern Kentucky KCTCS institutions and they will lose funds, along with some far western campuses, Henderson and Madison. If there is no stop/loss provision, the KCTCS campuses could face unintended consequences.

C) REPORT DISCUSSION
Chair Ransdell asked Bill Payne to walk the committee through the draft report. The committee agreed on edits to the report included adding in the periodic review paragraph to the guiding principles; bullet 2 in the four-year universities section to read, “It should be capable of distributing any level of state appropriations, up to and including 100% of allocable resources after an appropriate phase-in period;” bullet 3—strike the last part of the phrase, “for institutions in the comprehensive sector”, adding in new bullets in the four-year section that includes information on equilibrium and the hold harmless provision; equilibrium definition; a recommendation that the CPE conduct annual assessments of four-year university net General Fund appropriations and tuition and fee revenue. . . .”; and a fourth bullet has been added that is related to the three year review of the model by the Postsecondary Education Working Group. For KCTCS, the same change is made to bullet 2 to the KCTCS section to read, “It should be capable of distributing any level

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of state appropriations, up to and including 100% of allocable resources after an appropriate phase-in period;" adding in new bullets in the KCTCS section that includes information on equilibrium and the hold harmless provision; and a third bullet is added related to the three year review of the model by the Postsecondary Education Working Group.

NEXT STEPS

Chair Ransdell asked the CPE to send the revised report to the committee members by Tuesday afternoon, November 29, and the CPE will work with the presidents to secure signatures for the consensus signature page.

ADJOURNMENT

The meeting adjourned at 2:00 p.m. (ET)