

MEETING MINUTES

Approved by the Working Group on September 22, 2026

Who: Kentucky Council on Postsecondary Education
Type: Postsecondary Education Working Group on Performance Funding
Date: August 25, 2026
Time: 1:00 p.m. ET (12:00 p.m. CT)
Location: CPE Offices, 100 Airport Road, Frankfort, KY – Conference Room AB
(virtual option available)

CALL TO ORDER

The Postsecondary Education Working Group on Performance Funding was called to order Tuesday, August 25, 2026, at 1:05 p.m. ET. The meeting took place at the Council offices in Frankfort, with an option to attend virtually. The meeting was livestreamed to the CPE YouTube page. Chair Aaron Thompson presided.

ATTENDANCE

There was a quorum of 20 members in attendance.

- Dr. Aaron Thompson, Chairman – in person
- Dr. Koffi Akakpo – in person
- Representative Chad Aull – in person
- Senator Amanda Mays Bledsoe – in person
- Dr. Gerry Bradley – in person
- Representative Josh Bray – in person
- Dr. Tim Caboni - virtual
- Angie Martin, designee for Dr. Eli Capilouto – in person
- Senator David Givens – in person
- John Hicks – in person
- Representative Bobby McCool – in person
- Senator Chris McDaniel – in person
- Dr. David McFaddin – in person
- Dr. Jay Morgan – in person
- Senator Gerald Neal – did not attend
- Dr. Ron Patterson – virtual
- Dr. Ryan Quarles – in person
- Representative Steve Rudy – virtual (left at 2:57 p.m. ET)
- Dr. Cady Short-Thompson - in person
- Representative James Tipton – in person
- Senator Steve West – virtual

Brent Floyd, CPE Senior Associate of Finance Policy & Programs, served as recorder of the meeting minutes.

ADOPTION OF MINUTES

The minutes from the July 31, 2026, meeting were approved as presented. Dr. McFaddin provided the motion to adopt and was seconded by Dr. Short-Thompson. The motion was passed unanimously.

GUIDING PRINCIPLES

Chair Thompson presented a list of proposed principles and accompanying descriptions to the working group and noted that similar suggestions previously received from stakeholders were combined to keep the list of principles as brief as possible. The proposed principles were the following:

- Recognize Mission Differences
- Outcomes Based
- Reasonably Stable
- Data Driven
- Public Value
- Opportunity

Dr. Bradley provided a list of proposed principles suggested by the University of Louisville and acknowledged that many of the proposals were already captured in the list Chair Thompson presented.

Senator McDaniel stated that the principles Chair Thompson presented did not mention student success. Senator Givens suggested adding “student success” before “workforce” within the description of the Public Value principle.

Representative Aull recommended changing “Reasonably Stable” to “Reasonably Stable and Simplistic”. Following discussion on this suggestion, it was agreed to instead add “simply communicated” after the word “stable” within the description of the Reasonably Stable principle.

Representative Bray stated that Affordability is missing from the principles. Senator Givens recommended adding “affordability” after “student success” within the description of the Public Value principle, to which Representative Bray agreed that addressed his concern.

After discussion, the proposed principles were as follows:

- Recognize Mission Differences - The funding model will account for differences in mission, capacity, students served, and community contexts and provide pathways

for all institutions to be rewarded based on outcomes that reflect their unique roles and contributions.

- Outcomes Based - The funding model will provide incentives for improved institutional and student performance by establishing an explicit link between the attainment of desired state outcomes and allocation of available resources.
- Reasonably Stable - The funding model will provide reasonably stable, predictable, easily communicated, and transparent funding allocations that support institutional planning and capacity-building regardless of fluctuations in overall state appropriations.
- Data Driven - The funding model will rely on data that are valid and reliable, readily available, and can be verified when necessary.
- Public Value - The funding model will incentivize outcomes that advance student success, affordability, Kentucky's workforce, economy, civic well-being, and long-term competitiveness.
- Opportunity - The funding model will provide every institution an opportunity to earn performance funding based on outcomes produced.

MOTION: Representative Aull moved for the working group to adopt the principles proposed by Chair Thompson as revised. The motion was seconded by Representative Tipton.

VOTE: The motion was passed.

KENTUCKY STUDENT SUCCESS OUTCOMES

Responding to a request from the prior meeting, President Thompson gave a presentation on some of the student success outcomes Kentucky has enjoyed over the last several years, driven in part by campus's efforts to perform in the performance funding model. The presentation included data and information on:

- Unmet financial need for first-time students
- Debt at graduation
- Undergraduate enrollment
- Undergraduate degrees and credentials
- 150% graduation rates
- First-to-second-year retention
- Recent student success research at CPE
- Six-year completion rate improvement
- Retention rate improvement
- Persistence rate improvement
- The percentage of graduates that graduate debt-free
- Kentucky's brag points

Questions of clarification were posed by work group members throughout.

PERFORMANCE FUNDING LANDSCAPE

Consultants from HCM Strategists, Tom Allison, Director of State Policy and Finance, and Rachel Rivas, Associate Director, presented a landscape analysis of performance funding models from other states. Information was shared on how many states have performance funding models, which of those have models in both four- and two-year sectors, the various approaches states have taken in the overall design of their models, and the approaches other states have used to address their principles and goals.

STATE GOALS

Following the analysis, Chair Thompson introduced a proposed list of goals to the group, including current goals that are either unchanged or revised as well as proposed new goals.

Given the amount of time remaining in the meeting, it was agreed that members will review the proposed goals and be ready to discuss and adopt goals at the following meeting.

NEXT STEPS

Representative Aull proposed revising the scheduled length of the next meeting from two hours to three. Chair Thompson discussed the possibility of a future all-day retreat where members could dive into the details of the model. Senator McDaniel mentioned he believes the next meeting should be four hours, to which the members agreed to amend the September 22 meeting from two scheduled hours to four.

Chair Thompson briefly spoke about the decision points the group would need to discuss at the following meeting.

ADJOURNMENT

The meeting adjourned at 3:06 p.m. ET. Representative Aull motioned to adjourn and was seconded by Representative McCool.