

Kentucky's Performance Funding Model: Adopted Principles

Principle	Proposed Language	Basis for Recommendation
Recognize Mission Differentiation	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.	Strengthens the existing mission-sensitive principle in response to survey feedback and approaches used in other states.
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.	Retains the core principle while moving specific outcomes to the metrics rather than embedding them in the guiding principles.
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.	Combines the existing stability and sustainability principles and responds to calls for predictability and capacity-building.
Data Driven	The funding model will rely on data that are valid and reliable, readily available, and can be verified when necessary.	Retain as a guiding principle.
Public Value	The funding model will incentivize outcomes that advance student success, affordability, Kentucky's workforce, economy, civic well-being, and long-term competitiveness.	Adds an explicit principle responding to stakeholder feedback.
Opportunity	The funding model will provide every institution an opportunity to earn performance funding based on outcomes produced.	Adds an explicit principle responding to stakeholder feedback that all institutions should have a meaningful opportunity to earn funding.