

Postsecondary Education Working Group Recommendations Application of Performance Funding Models Going Forward

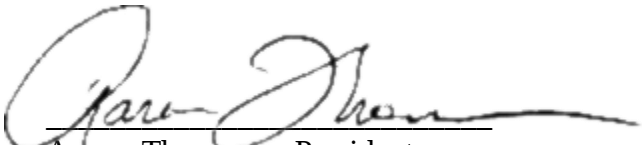
At the December 2, 2020 meeting of the Postsecondary Education Working Group, members reached consensus on the following recommendations for the Governor and General Assembly:

- A General Fund appropriation floor (“Floor 21”) should be established for each public postsecondary institution that equals each institution’s revised net General Fund appropriation¹ for fiscal year 2020-21 (FY21) less appropriations for FY21 Mandated Programs.
- The General Assembly is in no way constrained by the proposed General Fund floor for each institution in the event that a budget reduction is necessary.
- Policymakers should prioritize maintaining each institution’s General Fund floor over providing new funds for performance funding.
- Mandated program appropriations should continue to be line-itemed in appropriations bills and are subject to increase or decrease.
- Going forward, there should be no redistribution of base funding among postsecondary institutions, which means the institutions will not provide stop loss contributions to the Postsecondary Education Performance Fund (PEPF).
- Therefore all funding in the PEPF will be appropriations provided by the General Assembly.
- CPE will use the existing public university funding model, and KCTCS will use the existing two-year college model, with no changes, to distribute any new funding appropriated to the PEPF.
- Performance distributions will be non-recurring to the base budgets of institutions that earn those funds, so that performance funds will be recurring to the PEPF in subsequent years.
- CPE will reconvene the working group and submit recommendations for revisions to the models by no later than December 1, 2023.

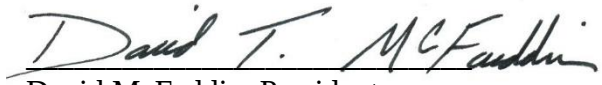
¹ The FY21 revised net General Fund is defined as each institution’s FY21 regular appropriation, plus any FY21 distribution from the Postsecondary Education Performance Fund, less FY21 debt service.

Postsecondary Education Working Group
December 2, 2020

On December 2, 2020, the Postsecondary Education Working Group, convened by the Council on Postsecondary Education pursuant to KRS 164.092, reached consensus on recommendations pertaining to the application of public university and KCTCS performance funding models for submission to the Governor and General Assembly. As indicated by their signatures below, the university presidents, KCTCS president, and Council president acknowledge their participation in the development of these recommendations and will fully support their implementation.



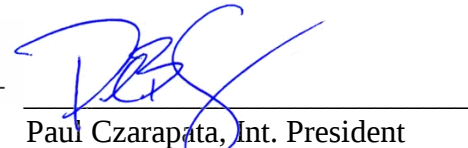
Aaron, Thompson, President
Kentucky Council on Postsecondary Education



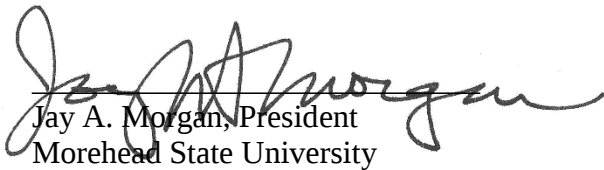
David T. McFaddin, President
Eastern Kentucky University



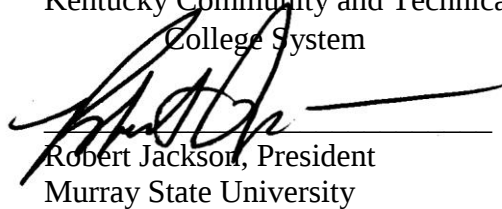
M. Christopher Brown II, President
Kentucky State University



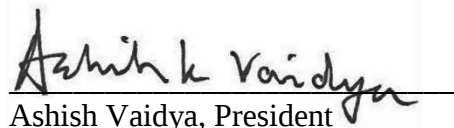
Paul Czarapata, Int. President
Kentucky Community and Technical
College System



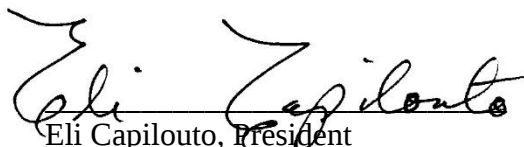
Jay A. Morgan, President
Morehead State University



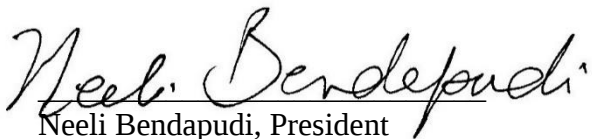
Robert Jackson, President
Murray State University



Ashish Vaidya, President
Northern Kentucky University



Eli Capilouto, President
University of Kentucky



Neeli Bendapudi, President
University of Louisville



Timothy C. Caboni, President
Western Kentucky University