



# Postsecondary Education Performance Funding

Finance Committee

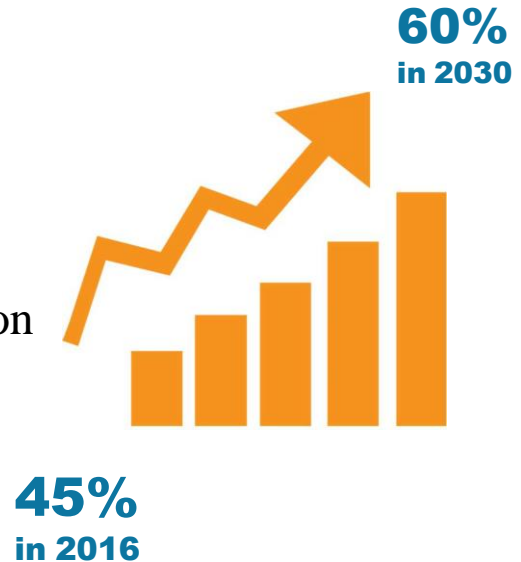
April 30, 2019



# Impetus for New Model

## *Kentucky's Big Goal*

- Increase percentage of Kentuckians with a postsecondary degree or certificate from 45% (current) to 60% by 2030
- Respond to workforce demands for highly trained, well-educated population
- Benefits of increased attainment:
  - higher income (lower poverty)
  - accelerated job growth
  - more engaged citizenry





# **Impetus for New Model**

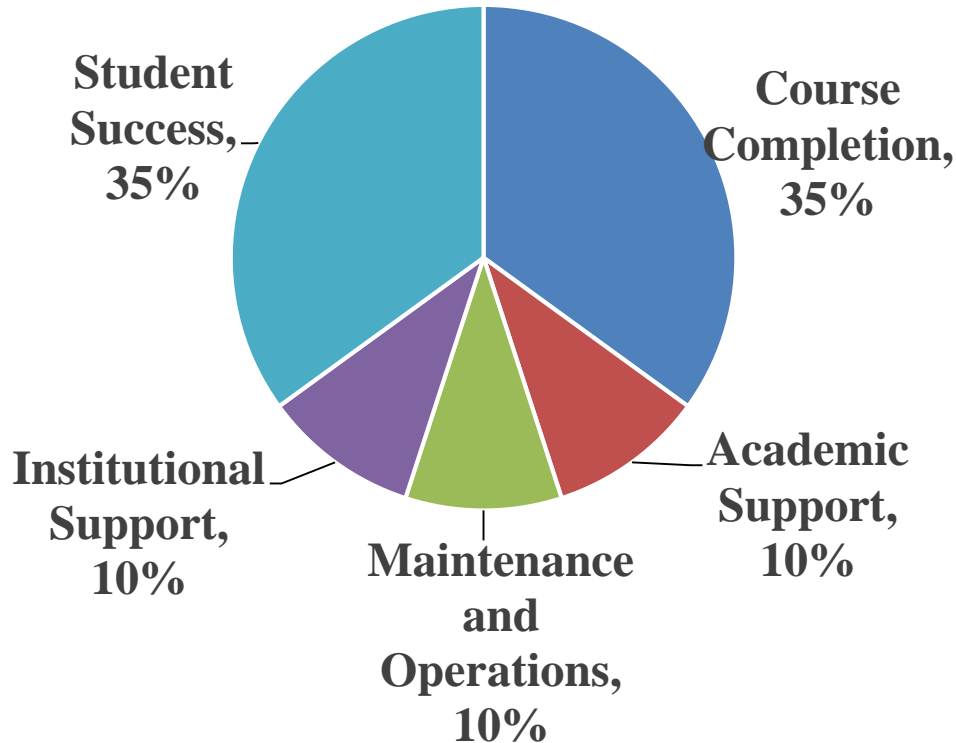
## ***Specific State Goals***

- Increase retention and progression of students toward timely completion of degrees
- Increase numbers of degrees and credentials earned by all students
- Produce more degrees and credentials in fields that garner higher wages upon completion (STEM+H fields, high demand fields, targeted industries)
- Close achievement gaps by increasing the number of degrees and credentials earned by minority, low income, and underprepared students



# Components and Metrics

## *Major Components/Allocation Percentages*





# Components and Metrics

## *Student Success Metrics*

- Bachelor's degrees earned
  - Degrees per 100 FTE students
- Bachelor's degrees earned in:
  - STEM+H Fields
- Bachelor's degrees earned by:
  - URM Students
  - Low Income Students
- Progression (@ 30, 60, 90 Credit Hours)



# Key Features

- Excludes state appropriations for research and public service that are not instruction-related
- Applies 50% weighting for credit hours earned by non-resident students (100% for in-state students)
- Uses degrees per 100 full-time equivalent students index to encourage efficient degree production
- Provides premiums for degrees
  - earned by low income and minority students and
  - degrees in STEM+H fields
- Uses hold harmless and stop loss provisions to provide gradual phase in (maximum 3% redistributed, over three years)



# Key Features

## *Gradual Phase-In*

- **Fiscal Year 2017-18**

- Distributed \$42.9 M Performance Fund to public universities and the Kentucky Community and Technical College System (excluded KSU)

- **Fiscal Year 2018-19**

- Hold Harmless; distributed additional \$31.0 million Performance Fund to public universities and KCTCS

- **Fiscal Year 2019-20**

- 1% Stop Loss; will distribute \$38.7 million Performance Fund, including redistribution of Fiscal Year 2019 \$31.0 million

- **Fiscal Year 2020-21**

- 2% stop loss (Reconvene Working Group)

Maximum possible  
redistribution 3%  
Over 3 Years



# Performance Funding Model for the Public Universities

## Where Rates of Growth Exceeded Sector Average

### From FY 2018-19 to FY 2019-20

Performance Metric	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU
<b>Student Success Outcomes</b>								
Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
STEM+H Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
URM Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Low Income Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 30 Hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 60 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 90 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Earned Credit Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Operational Support Activity</b>								
Instructional Square Feet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Direct Cost of Instruction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FTE Students	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Metrics Above Sector Average	10	4	5	0	3	3	2	4





# Performance Funding Results – Public Universities

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	2017-18*	2018-19	2019-20
Total Net State Funds	\$577.1	\$560.9	\$554.0
UK Share of Net State Funds	31.4%	30.3%	30.2%
Performance Fund	\$28.9	\$24.2	\$30.2**
UK's Share of Performance Fund	\$9.1	\$9.1	\$14.5**
UK's Share of Performance Fund	31.6%	37.7%	48.1%

\*Excluded KSU

\*\*Includes FY 2018-19 Performance Fund

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