

TITLE: Performance Funding Model Review Update

DESCRIPTION: Staff provides an update on the 2023 Performance Funding Model Review process and shares copies of the Postsecondary Education Working Group's membership and a preliminary meeting schedule.

PRESENTERS: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director for Finance and Budget, CPE

FUNDING MODEL REVIEW

Kentucky's performance funding statute, KRS 164.092 *Comprehensive Funding Model for the Public Postsecondary Education System*, directs the Council to convene a Postsecondary Education Working Group beginning in 2020-21 and every three fiscal years thereafter to determine if the comprehensive funding model is functioning as expected, identify any unintended consequences of the model, and recommend any adjustments to the model. The statute allows the Council to assemble the working group prior to the start of the required fiscal year to afford sufficient time for the group to complete its work.

The working group was last convened on July 30, 2020 and met four additional times between September 2 and December 2 of that year, before reporting the results of its review and recommendations to the Governor, the Interim Joint Committee on Appropriations and Revenue, and the Interim Joint Committee on Education by January 5, 2021. At this time, Council staff is planning to reconvene the working group to undertake a second comprehensive review of the funding models (i.e., university and KCTCS models).

By statute, the Postsecondary Education Working Group is comprised of the president of the Council, the president or designee of each public postsecondary institution, including the president of KCTCS, the Governor or designee, the Speaker of the House or designee, and the President of the Senate or designee (KRS 164.092). The membership of the 2023 iteration of the working group has been determined and can be found in Attachment A to this agenda item.

A copy of a preliminary *Performance Funding Work Group Meeting Schedule* can be found in Attachment B. As can be seen in the schedule, the first meeting of the work group will take place on Wednesday, January 25, 2023. Council staff anticipates an additional six meetings (one about every six weeks) over the next nine months. The last meeting of the working group is scheduled to take place on October 18, 2023, at which time it will complete its work and finalize recommendations. The results of the working group's review and recommendations to the Governor and General Assembly are due by close of business Friday, December 1, 2023.