

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
POSTSECONDARY EDUCATION WORKING GROUP ON
PERFORMANCE FUNDING**



September 4, 2024, 2:00–3:30 PM, EDT
Northern Kentucky University, Student Union, Room 104 (Governance Room)

I. Call to Order and Roll Call

II. Overview

III. University Funding Model

- A. Background Information
 - 1. Working Group Recommendations
 - 2. URM Metric Removed
 - 3. Replacement Metrics for 2024-25
 - 4. Impact on Distribution
- B. Working Group's Charge
- C. Potential Definitions for Underrepresented Students
 - 1. Low Income Student
 - 2. First Generation College Student
 - 3. Underprepared Student
 - 4. High-Need High School Student
- D. Major Decision Points

IV. KCTCS Funding Model

- A. Background Information
 - 1. URM Metric Removed
 - 2. Replacement Metrics for 2024-25
 - 3. Change Recommendations
- B. Potential Definitions for Underrepresented Students
 - 1. First-Generation College Student Credentials
 - 2. Students with Dependents Credentials
 - 3. High-Need High School Credentials

V. Adjournment

Next Work Group Meeting: October 2, 2024 @ 2:00 p.m. ET

Funding Model for the Public Universities

Impact of Replacing URM Metric with Unweighted Low Income and First Generation Metrics

Fiscal Year 2024-25

Institution	URM @ 3.0% Distribution ¹	No Sector Weighting		With Sector Weighting	
		Low Inc @ 1.5% 1st Gen @ 1.5% Distribution ²	Difference	Low Inc @ 1.5% 1st Gen @ 1.5% Distribution ³	Difference
UK	\$36,841,900	\$34,737,000	(\$2,104,900)	\$36,700,000	(\$141,900)
UofL	20,653,100	18,752,200	(1,900,900)	20,490,700	(162,400)
EKU	3,346,800	4,769,400	1,422,600	3,718,900	372,100
KSU	0	0	0	0	0
MoSU	0	214,400	214,400	0	0
MuSU	3,869,100	4,759,800	890,700	4,159,800	290,700
NKU	12,416,500	13,224,300	807,800	12,388,100	(28,400)
WKU	4,790,000	5,460,300	670,300	4,459,900	(330,100)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Hypothetical distribution that retains the URM metric consistent with work group recommendations.

² Actual performance distribution for fiscal year 2024-25, which replaced the URM student bachelor's degree metric with unweighted low-income and first generation student bachelor's degree metrics.

³ Hypothetical distribution that replaces the URM bachelor's degree metric with weighted low-income and first generation student bachelor's degree metrics (i.e., sector weightings were calculated and applied).

September 4, 2024

Funding Model for the Public Universities
 Comparison of Actual and Hypothetical Performance Distributions
 Fiscal Year 2024-25

Bachelor's Degrees Awarded to Low Income Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		Low Income Distribution ²	Difference	Low Income Distribution ²	Difference
UK	\$34,737,000	\$34,952,200	\$215,200	\$36,960,600	\$2,223,600
UofL	18,752,200	18,802,300	50,100	20,502,700	1,750,500
EKU	4,769,400	4,701,400	(68,000)	3,642,700	(1,126,700)
KSU	0	0	0	0	0
MoSU	214,400	203,200	(11,200)	0	(214,400)
MuSU	4,759,800	4,760,500	700	4,143,100	(616,700)
NKU	13,224,300	13,001,900	(222,400)	12,212,800	(1,011,500)
WKU	5,460,300	5,495,900	35,600	4,455,500	(1,004,800)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Actual performance distribution for fiscal year 2024-25.

² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% low-income student bachelor's degree metric. Sector weightings as indicated.

September 4, 2024

Funding Model for the Public Universities
 Comparison of Actual and Hypothetical Performance Distributions
 Fiscal Year 2024-25

Bachelor's Degrees Awarded to First Generation College Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		First Generation Distribution ²	Difference	First Generation Distribution ²	Difference
UK	\$34,737,000	\$34,521,600	(\$215,400)	\$36,439,300	\$1,702,300
UofL	18,752,200	18,701,900	(50,300)	20,478,800	1,726,600
EKU	4,769,400	4,837,400	68,000	3,794,900	(974,500)
KSU	0	0	0	0	0
MoSU	214,400	225,600	11,200	0	(214,400)
MuSU	4,759,800	4,759,200	(600)	4,176,600	(583,200)
NKU	13,224,300	13,446,900	222,600	12,563,400	(660,900)
WKU	5,460,300	5,424,800	(35,500)	4,464,400	(995,900)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Actual performance distribution for fiscal year 2024-25.

² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% first generation college student bachelor's degree metric. Sector weightings as indicated.

September 4, 2024

Funding Model for the Public Universities
 Comparison of Actual and Hypothetical Performance Distributions
 Fiscal Year 2024-25

Bachelor's Degrees Awarded to Underprepared Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		Underprepared Distribution ²	Difference	Underprepared Distribution ²	Difference
UK	\$34,737,000	\$34,302,300	(\$434,700)	\$35,934,900	\$1,197,900
UofL	18,752,200	19,105,700	353,500	21,054,700	2,302,500
EKU	4,769,400	2,938,000	(1,831,400)	2,466,100	(2,303,300)
KSU	0	0	0	0	0
MoSU	214,400	0	(214,400)	0	(214,400)
MuSU	4,759,800	4,841,600	81,800	4,215,700	(544,100)
NKU	13,224,300	13,614,400	390,100	12,652,600	(571,700)
WKU	5,460,300	7,115,400	1,655,100	5,593,400	133,100
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Actual performance distribution for fiscal year 2024-25.

² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% underprepared student bachelor's degree metric. Sector weightings as indicated.

September 4, 2024

Funding Model for the Public Universities
 Comparison of Actual and Hypothetical Performance Distributions
 Fiscal Year 2024-25

Bachelor's Degrees Awarded to Students From High-Need High Schools

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		High-Need HS Distribution ²	Difference	High-Need HS Distribution ²	Difference
UK	\$34,737,000	\$34,528,600	(\$208,400)	\$36,803,700	\$2,066,700
UofL	18,752,200	18,386,500	(365,700)	20,231,900	1,479,700
EKU	4,769,400	5,516,900	747,500	4,242,700	(526,700)
KSU	0	0	0	0	0
MoSU	214,400	862,900	648,500	129,800	(84,600)
MuSU	4,759,800	4,280,100	(479,700)	3,849,700	(910,100)
NKU	13,224,300	12,518,300	(706,000)	11,929,700	(1,294,600)
WKU	5,460,300	5,824,100	363,800	4,729,900	(730,400)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

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² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% high-need high school student bachelor's degree metric. Sector weightings as indicated.



Public University Funding Model Underrepresented Student Metric

Postsecondary Education Working Group
September 4, 2024



Overview

- Background Information
 - Work Group Recommendations
 - URM Metric Removed
 - Replacement Metrics
 - Impact on Distribution
 - Working Group's Charge
 - Potential Metrics
 - Low Income Student
 - First Generation College Student
 - Underprepared Student
 - High-Need High School Student
 - Major Decision Points
- } Bachelor's Degrees



Background Information

Background Information

- What changes to the public university funding model were recommended by the 2023 working group?
- How was the URM bachelor's degree metric removed from the funding model?
- What metrics replaced the URM bachelor's degree metric in 2024-25? How were those metrics determined?
- What was the financial impact of using replacement metrics instead of the URM bachelor's degree metric?

Background Information

Work Group Recommendations

The 2023 working group recommended five changes to the university funding model:

- Increase the premium for low-income student bachelor's degrees from 3% to 8% of allocable resources
- Add a new adult learner metric in the credit hours earned component
- Eliminate the degree efficiency index used to weight bachelor's degrees
- Modify small school adjustments at KSU and MoSU to allow them to more fully compete in the model
- Increase the weighting for nonresident credit hours earned from 50% to 75% to better align the model with CPE's tuition policy

Background Information

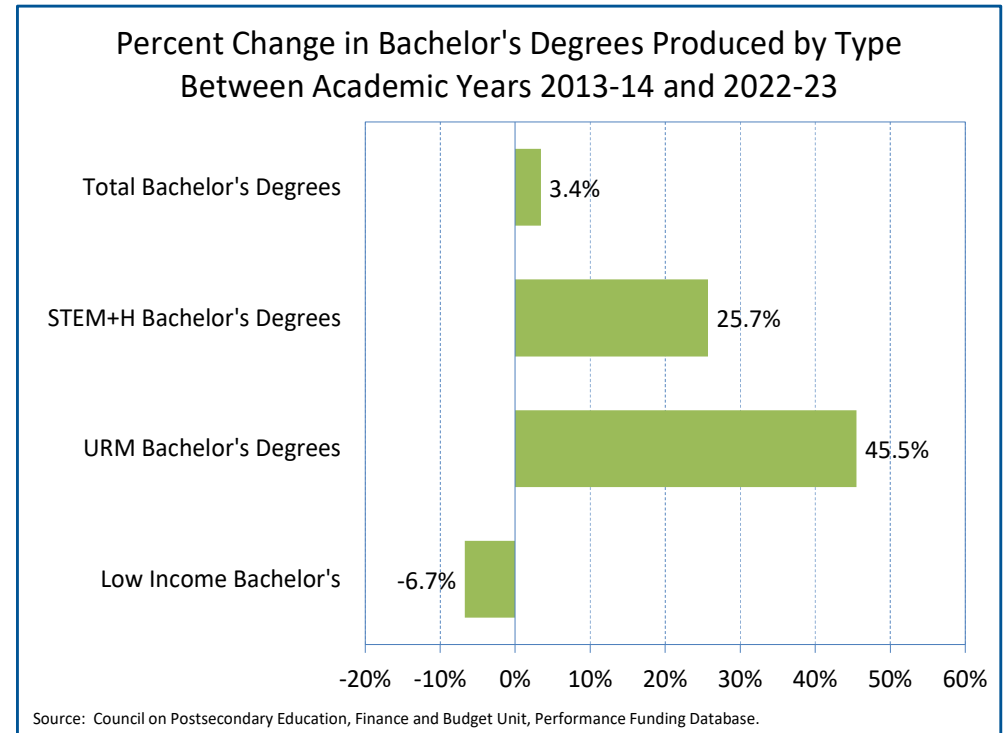
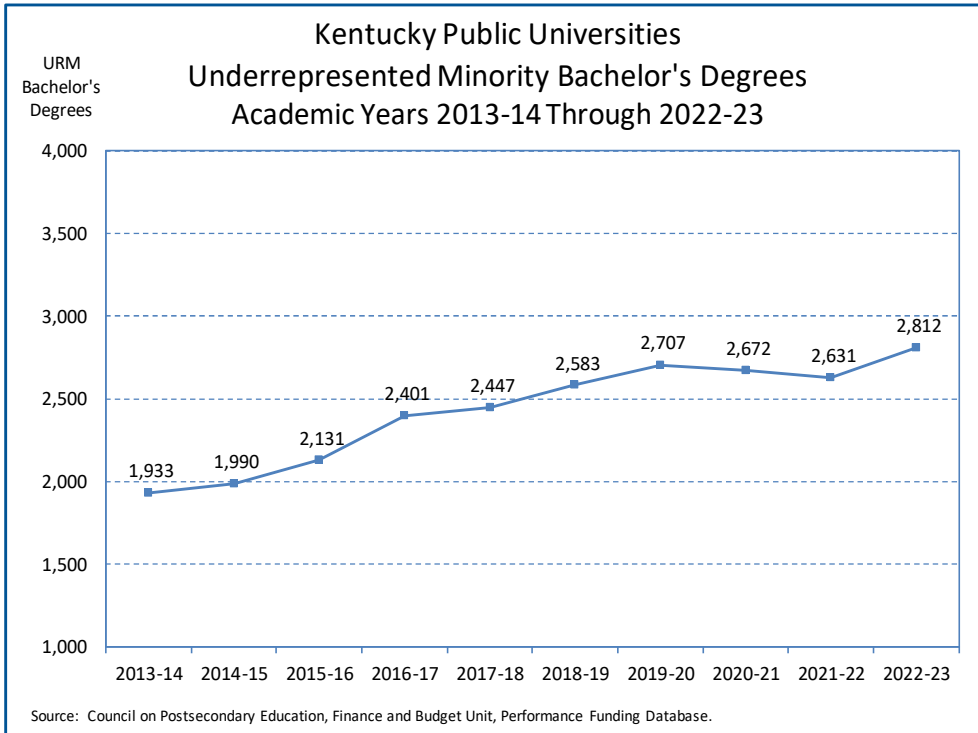
URM Metric Removed

- The General Assembly removed the URM metric from the funding models by adding new language or striking through existing language in Senate Bill 191 (24 RS):
 - (2)(d) Closing achievement gaps by increasing the number of credentials and degrees earned by low-income students, underprepared students, ~~and~~ underrepresented **[minority]** students, and nontraditional age students... (p. 3)
 - (4) This section establishes a comprehensive funding model for the public postsecondary education system to be implemented by the Council on Postsecondary Education. The funding model shall include a public university sector formula and a KCTCS sector formula **and shall not include any race-based metrics or targets in the formulas** (p. 3)

Background Information

URM Metric Removed (Cont'd)

- The number of bachelor's degrees awarded to URM students increased 7 out of last 9 years

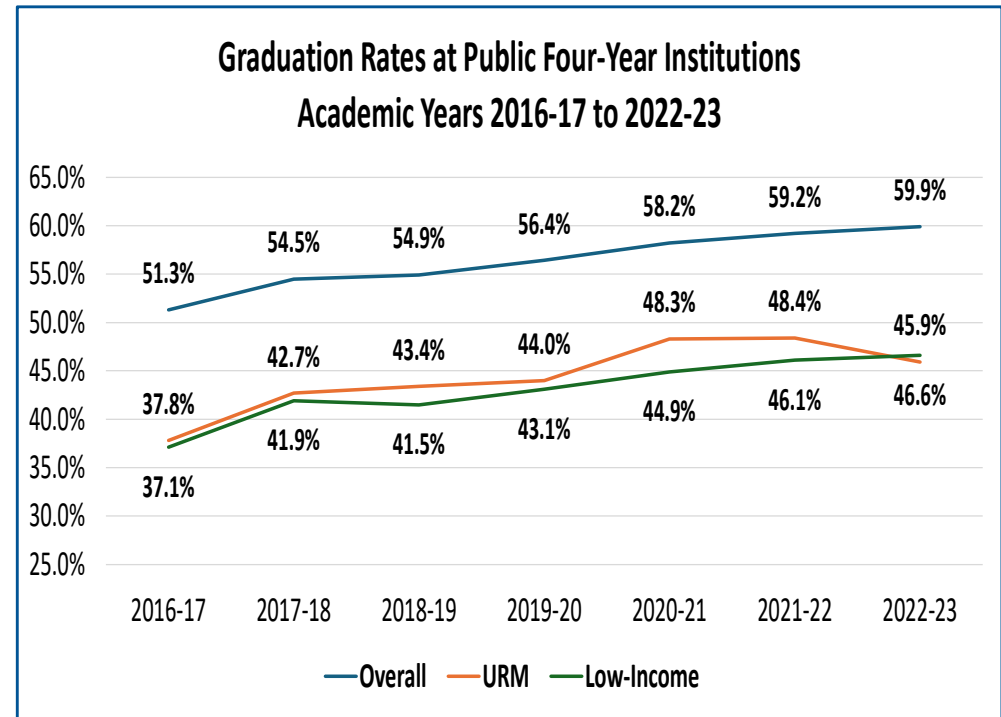
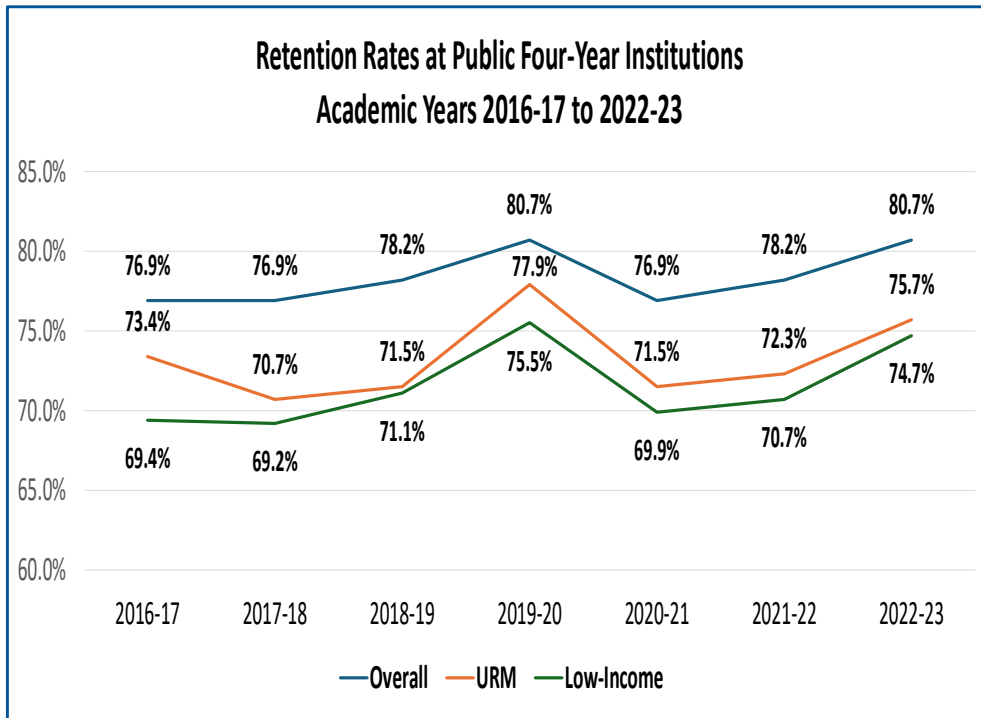


- Over the past 9 years URM bachelor's degrees were the fastest growing degree type

Background Information

URM Metric Removed (Cont'd)

- Kentucky universities closed the gap between URM and overall retention rates to 2.8 ppts in 2020, but gaps widened over next 3 years



- Between 2017 and 2021, Kentucky universities closed the gap between URM and overall graduation rates from 13.5 to 9.9, respectively

Background Information

Replacement Metrics

- Senate Bill 191 specified the metrics that would replace URM bachelor's degrees in the 2024-25 iteration of the funding model:
 - Section 4. The Council on Postsecondary Education, for the fiscal year 2024-2025 funding distribution in the comprehensive funding model... shall:
 - (1) Define "underrepresented students" as **first-generation college students**, and shall distribute **one and one-half percent** of allocable resources to bachelor's degree production in this area in the university model...; and
 - (2) Distribute **nine and one-half percent** of allocable resources **to low-income students** in the university model... (pp. 10-11)
- During a late session call, stakeholders agreed to apply 1.5% of resources to unweighted first-generation student bachelor's degrees and 1.5% to unweighted low-income student bachelor's degrees

Background Information

Impact on Distribution

URM Metric Replaced:

- Compared to a distribution where URM metric is retained, allocating 1.5% to unweighted low-income degrees and 1.5% to unweighted first-generation degrees shifts \$4.01 M from research to comp institutions
- If weights had been applied, \$304 k would have shifted from research to comp sector
- About 92% of shift not due to change in outcomes or metrics

Impact of Replacing URM Metric with Unweighted Low Income and First Generation Metrics
Fiscal Year 2024-25

Institution	URM @ 3.0% Distribution ¹	No Sector Weighting		With Sector Weighting	
		Low Inc @ 1.5% 1st Gen @ 1.5% Distribution ²	Difference	Low Inc @ 1.5% 1st Gen @ 1.5% Distribution ³	Difference
UK	\$36,841,900	\$34,737,000	(\$2,104,900)	\$36,700,000	(\$141,900)
UofL	20,653,100	18,752,200	(1,900,900)	20,490,700	(162,400)
EKU	3,346,800	4,769,400	1,422,600	3,718,900	372,100
KSU	0	0	0	0	0
MoSU	0	214,400	214,400	0	0
MuSU	3,869,100	4,759,800	890,700	4,159,800	290,700
NKU	12,416,500	13,224,300	807,800	12,388,100	(28,400)
WKU	4,790,000	5,460,300	670,300	4,459,900	(330,100)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Hypothetical distribution that retains the URM metric consistent with work group recommendations.

² Actual performance distribution for fiscal year 2024-25, which replaced the URM student bachelor's degree metric with unweighted low-income and first generation student bachelor's degree metrics.

³ Hypothetical distribution that replaces the URM bachelor's degree metric with weighted low-income and first generation student bachelor's degree metrics (i.e., sector weightings were calculated and applied).



Working Group's Charge

Background Information

Working Group's Charge

- The working group's charge was determined by the General Assembly and specified in Senate Bill 191 (24 RS):

→ Section 3. The postsecondary education working group... shall convene during the 2024 Interim for the sole purpose of considering how to define "underrepresented students" in the comprehensive funding model for the public postsecondary education system... (p. 10)

By December 1, 2024, the Council on Postsecondary Education shall report the recommendations of the working group to the Governor and to the Legislative Research Commission for referral to the Interim Joint Committees on Education and Appropriations and Revenue.



Potential Metrics

Potential Metrics

CPE staff identified four metrics that could serve as potential replacements for the underrepresented minority degree metric:

- Low-Income Student Bachelor's Degrees
- First-Generation Student Bachelor's Degrees
- Underprepared Student Bachelor's Degrees
- High-Need High School Student Bachelor's Degrees

Campus staff proposed two metrics for consideration:

- Bachelor's Degrees Weighted by Median Family Income
- Add Dual Credit Hours to the Earned Credit Hour Metric

Potential Metrics

Low-Income Student Bachelor's Degrees

Definition:

- Total number of bachelor's degrees awarded to low-income students during the academic year (i.e., summer, fall, and spring semesters). Low income is defined as a Pell recipient at any time since 2005-06 at the graduating institution. Includes degrees conferred to resident, reciprocity, and nonresident low-income students.

Rationale:

- Including a low-income student degree metric in the model provides financial incentives for institutions to enroll, actively support, and graduate students from lower socioeconomic backgrounds
- Research indicates that institutions tend to respond to such incentives by adopting strategies to improve graduation rates for this population
- A larger premium in the model would provide an even greater incentive for institutions to enroll, retain, and graduate low-income students

Potential Metrics

Low-Income Student Bachelor's Degrees (Cont'd)

Scenario Impacts:

- Allocating 3.0% of resources to unweighted low-income bachelor's degrees shifts little funding among institutions
- Applying sector weights to low-income degrees shifts \$3.97 M from comprehensive to research institutions
- The weighting would restore 99% of \$4.01 M given up by the research sector in 2024-25 due to lack of weighting

Comparison of Actual and Hypothetical Performance Distributions Fiscal Year 2024-25

Bachelor's Degrees Awarded to Low Income Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		Low Income Distribution ²	Difference	Low Income Distribution ²	Difference
UK	\$34,737,000	\$34,952,200	\$215,200	\$36,960,600	\$2,223,600
UofL	18,752,200	18,802,300	50,100	20,502,700	1,750,500
EKU	4,769,400	4,701,400	(68,000)	3,642,700	(1,126,700)
KSU	0	0	0	0	0
MoSU	214,400	203,200	(11,200)	0	(214,400)
MuSU	4,759,800	4,760,500	700	4,143,100	(616,700)
NKU	13,224,300	13,001,900	(222,400)	12,212,800	(1,011,500)
WKU	5,460,300	5,495,900	35,600	4,455,500	(1,004,800)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Actual performance distribution for fiscal year 2024-25.

² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% low-income student bachelor's degree metric. Sector weightings as indicated.

Potential Metrics

First-Generation Student Bachelor's Degrees

Definition:

- Total number of bachelor's degrees awarded to first-generation college students during the academic year (i.e., summer, fall, and spring semesters). First generation is defined as a bachelor's degree graduate that reported on the FAFSA, at anytime during their enrollment at their graduating institution, that both their mother's and father's educational level was below "College or beyond" or one parent's educational level was reported as below "College or beyond" and the other parent's education was not reported (NULL). If a graduate left both these fields blank or they were not reported, that bachelor's degree was not included.

Rationale:

- First-generation students often face unique challenges due to lack of family experience navigating college, financial aid, and academic expectations, making them a group that can benefit significantly from targeted support

Potential Metrics

First-Generation Student Bachelor's Degrees (Cont'd)

Rationale (Cont'd):

- By including this metric, resources would be directed toward institutions that achieve success in supporting first-generation students, encouraging them to implement programs and initiatives tailored to this population
- It would provide an incentive for institutions to recruit, actively support, and improve success rates of students who are the first in their family to attend college, thereby increasing access to higher education for this underrepresented population
- Finally, it will help institutions maintain enrollment despite projected declining numbers of high school graduates and help the state achieve its 60 x 30 goal

Potential Metrics

First-Generation Student Bachelor's Degrees (Cont'd)

Scenario Impacts:

- Allocating 3.0% of resources to unweighted first-generation bachelor's degrees shifts little funding among institutions
- When sector weights are applied to first-generation degrees, \$3.43 M shifts from comp to research institutions
- The weighting would restore 86% of \$4.01 M given up by the research sector in 2024-25 due to lack of weighting

Comparison of Actual and Hypothetical Performance Distributions Fiscal Year 2024-25

Bachelor's Degrees Awarded to First Generation College Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		First Generation Distribution ²	Difference	First Generation Distribution ²	Difference
UK	\$34,737,000	\$34,521,600	(\$215,400)	\$36,439,300	\$1,702,300
UofL	18,752,200	18,701,900	(50,300)	20,478,800	1,726,600
EKU	4,769,400	4,837,400	68,000	3,794,900	(974,500)
KSU	0	0	0	0	0
MoSU	214,400	225,600	11,200	0	(214,400)
MuSU	4,759,800	4,759,200	(600)	4,176,600	(583,200)
NKU	13,224,300	13,446,900	222,600	12,563,400	(660,900)
WKU	5,460,300	5,424,800	(35,500)	4,464,400	(995,900)
Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

¹ Actual performance distribution for fiscal year 2024-25.

² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% first generation college student bachelor's degree metric. Sector weightings as indicated.

Potential Metrics

Underprepared Student Bachelor's Degrees

Definition:

- Total number of bachelor's degrees awarded to underprepared college students during the academic year (i.e., summer, fall, and spring semesters). Underprepared is defined as a bachelor's degree graduate that was deemed underprepared in either English or Math based on CPE Readiness Policy thresholds. Determination is based on information provided by the graduating institution on the CPE Exam Collection from academic year 2010-11 to present.

Rationale:

- The university model does not currently contain a metric that rewards enrollment, progression, or completion of underprepared students
- It would provide a financial incentive for institutions to enroll and support underprepared students, providing increased access for this underserved group

Potential Metrics

Underprepared Student Bachelor's Degrees (Cont'd)

Rationale (Cont'd):

- Kentucky will not be able to achieve its 60x30 attainment goal unless institutions expand efforts to target underserved populations
- It would help institutions maintain enrollment despite projections indicating declining numbers of high school graduates beginning in 2025 (i.e., the demographic cliff)

Potential Metrics

Underprepared Student Bachelor's Degrees (Cont'd)

Scenario Impacts:

- Allocating 3.0% to unweighted underprepared degrees shifts funding from ECU, UK, and MoSU to WKU, NKU, and UofL
- Applying sector weights to underprepared student degrees shifts \$3.50 M from comp to research institutions
- The weighting would restore 87% of \$4.01 M given up by the research sector in 2024-25 due to lack of weighting

Comparison of Actual and Hypothetical Performance Distributions Fiscal Year 2024-25

Bachelor's Degrees Awarded to Underprepared Students

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		Underprepared Distribution ²	Difference	Underprepared Distribution ²	Difference
UK	\$34,737,000	\$34,302,300	(\$434,700)	\$35,934,900	\$1,197,900
UofL	18,752,200	19,105,700	353,500	21,054,700	2,302,500
EKU	4,769,400	2,938,000	(1,831,400)	2,466,100	(2,303,300)
KSU	0	0	0	0	0
MoSU	214,400	0	(214,400)	0	(214,400)
MuSU	4,759,800	4,841,600	81,800	4,215,700	(544,100)
NKU	13,224,300	13,614,400	390,100	12,652,600	(571,700)
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Total	\$81,917,400	\$81,917,400	\$0	\$81,917,400	\$0

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² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% underprepared student bachelor's degree metric. Sector weightings as indicated.

Potential Metrics

High-Need High School Student Bachelor's Degrees

Definition:

- Total number of bachelor's degrees awarded to undergraduate students previously enrolled in a high school falling below state averages on proposed success metrics (i.e., high-need). Metrics used to determine high school selection include high school graduation rates, college-going rates, ACT scores, and the proportion of students enrolled who qualify for the free and reduced lunch program (FRLP). Degree counts recognize baccalaureate degrees earned at institution of first enrollment.

Rationale:

- This metric would provide an incentive for institutions to recruit and enroll students from high schools and regions that historically have been underserved
- It provides significant overlap with low-income, URM, and first-generation student populations that attend schools in economically distressed urban and rural areas

Potential Metrics

High-Need High School Student Degrees (Cont'd)

Scenario Impacts:

- Allocating 3.0% to unweighted high-need high school student bachelor's degrees shifts funds from NKU, MuSU, UofL, and UK to ECU, MoSU, and WKU
- When sector weights are applied to high-need high school bachelor's degrees \$3.55 M shifts from comp to research institutions
- Would restore 87% of funds given up by research sector

Comparison of Actual and Hypothetical Performance Distributions Fiscal Year 2024-25

Bachelor's Degrees Awarded to Students From High-Need High Schools

Institution	2024-25 Distribution ¹	No Sector Weighting		With Sector Weighting	
		High-Need HS Distribution ²	Difference	High-Need HS Distribution ²	Difference
UK	\$34,737,000	\$34,528,600	(\$208,400)	\$36,803,700	\$2,066,700
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² Hypothetical distributions that replace the 3% URM student bachelor's degree metric with a 3% high-need high school student bachelor's degree metric. Sector weightings as indicated.

Potential Metrics

Campus Proposed Metrics

➤ Other Metrics:

- Bachelor's Degrees Weighted by Median Family Income (MoSU)
- Add Dual Credit Hours to the Credit Hour Metric (MuSU)



Major Decision Points

Major Decision Points

- How should the 2024 working group define the term “underrepresented student”?
- What metric should be used to replace the URM student bachelor’s degree metric in the university funding model?
- Should the replacement metric be weighted to account for cost and mission differences between sectors?

Discussion



Twitter: CPENews and CPEPres



Website: <http://cpe.ky.gov>



Facebook: KYCPE





KCTCS UNDERREPRESENTED STUDENT METRIC

Postsecondary Education Working Group

September 4, 2024



COLLEGE FOR **YOUR** WORLD

KCTCS FUNDING MODEL

UNDERREPRESENTED STUDENT METRIC

- **Background Information**
 - 1.URM Metric Removed
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BACKGROUND INFORMATION

LEGISLATIVE CHANGES 2024

- “The Council on Postsecondary Education, for the fiscal year 2024-25 funding distribution in the comprehensive funding model created in Section 1 of this Act [this statute] shall:

(1) Define "underrepresented students" as **first-generation college students**, and shall distribute... **one percent** of allocable resources to **degree** production in this area in the Kentucky Community and Technical College System model; and

(2) Distribute **five percent** of allocable resources **to low-income students** in the Kentucky Community and Technical College System model.”

- *With only 6% of the 8% earmarked for URM credentials(4%) and Low-Income credentials(4%), KCTCS stakeholders agreed to apply the additional 2% of allocable resources to Nontraditional Age (25+) Credentials.*





Background Information: Adjustments to 2024-25 Funding Model

2023-24 Model

Student Success- 35%

- **Metrics Tied to the Economy- 15%**
Weighted Credentials 10%, High-Wage/High-Demand 1%, Targeted Industry 2%, STEM+H 2%
- **Metrics Tied to Equity- 6%**
Underrepresented Minority 2%, Low-Income 2%, Underprepared 2%
- **Progression (15/30/45 Credit Hours)- 12%**
- **Transfer- 2%**

Weighted Course Completion- 35%

Operational Support- 30%

Equity Allocation- (held in base)

2024-25 Model

Student Success- 35%

- **Metrics Tied to the Economy- 8%**
Weighted Credentials 10%, High-Wage/High-Demand 1%, Targeted Industry 2%, STEM+H 2%, Credentials Tied to the Economy
- **Metrics Tied to Equity- 16%**
Underrepresented Minority 4%, Low-Income 5%, Underprepared 4%, Nontraditional Age 6%, Underrepresented (1st Generation Degrees) 1%
- **Progression (15/30/45 Credit Hours)- 7%**
- **Transfer- 4%**

Weighted Course Completion- 35%

Operational Support- 30%

Equity Allocation- (Community Needs Index)

BACKGROUND INFORMATION: 2024-25 STUDENT SUCCESS OUTCOMES

Category	Metric	Current %
Credentials Tied to the Economy	Weighted Economy Credentials	8%
Progression	Credit Hour Progression	1%, 2%, 4%
Transfers	Transfers	4%
Low-Income Students	Low-Income Credentials	5%*
Underprepared Students	Underprepared Credentials	4%
Underrepresented Students	First-Generation Student <u>Degrees</u>	1%*
Nontraditional Age Students	Adult (25+) Credentials	6%**

* As required in statutory language after removal of Underrepresented Minority Metric (24RS SB191); (KRS164.092 (12))

** Increased % as portion (2%) of student success outcomes not included in statutory language with other requirements (KRS 164.092(12))



CHANGE RECOMMENDATIONS: REPLACEMENT METRICS

2024-25 Current Student Success Outcomes			2025-26 Proposed Student Success Outcomes		
Category	Metric	%	Category	Metric	%
Credentials tied to Economy	Weighted Economy Credentials	8%	Credentials tied to Economy	Weighted Economy Credentials	8%
Progression	Credit Hour Progression	1%, 2%, 4%	Progression	Credit Hour Progression	1%, 2%, 4%
Transfers	Transfers	4%	Transfers	Transfers	4%
Low-Income Students	Low-Income Credentials	*5%	Low-Income Students	Low-Income Credentials	*4%
Underprepared Students	Underprepared Credentials	4%	Underprepared Students	Underprepared Credentials	4%
Underrepresented Students	*First-Generation Degrees	*1%	Underrepresented Students	*First-Generation Credentials or Students with Dependents or High-Need High Schools	*4%
Nontraditional Age Students	Adult (25+) Credentials	**6%	Nontraditional Age Students	Adult (25+) Credentials	*4%

* As required in statutory language to adjust for removal of Underrepresented Minority metric (24RS SB191) (KRS 164.092(12))

** Increased % as portion (2%) of student success outcomes not included in statutory language with required adjustments (KRS 164.092(12))

KRS 164.092 Comprehensive funding model for the public postsecondary education (13) (b)
Legislative Research Commission Note (4/17/2024). 2024 Ky. Acts ch. 196, sec. 4

13 KAR 2:130E. Comprehensive funding model for the allocation of state general fund appropriations to Kentucky Community and Technical College System institutions.

Legislative Research Commission Note (4/17/2024). 2024 Ky. Acts ch. 196, sec. 4 reads as follows:

"The Council on Postsecondary Education, for the fiscal year 2024-2025 funding distribution in the comprehensive funding model created in Section 1 of this Act [this statute], shall:

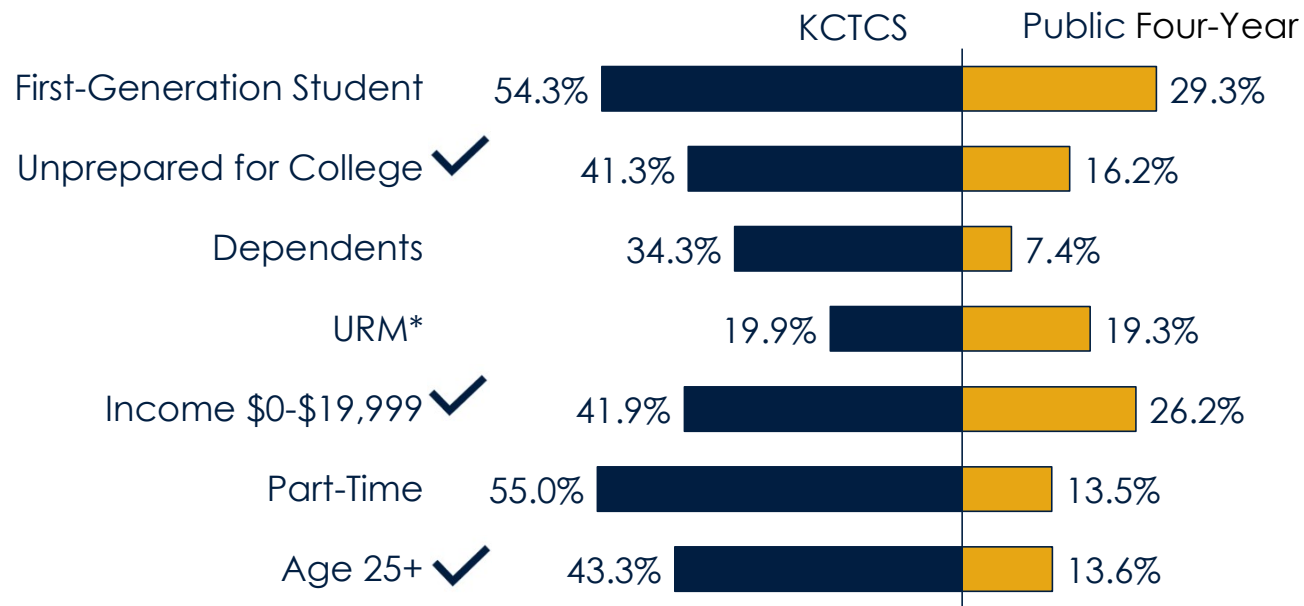
- Define 'underrepresented students' as first-generation college students, and shall distribute one and one-half percent of allocable resources to bachelor's degree production in this area in the university model and ~~one percent~~ **four percent** of allocable resources to ~~degree credential production in this area in the Kentucky Community and Technical College System model~~; and
- Distribute nine and one-half percent of allocable resources to low-income students in the university model and ~~five percent~~ **four percent** of allocable resources in the Kentucky Community and Technical College System model."

Section 4. Student Success Outcomes. Thirty-five (35) percent of total KCTCS institution allocable resources shall be certified for distribution to each institution based on its share of the total volume of student success outcomes as established in KRS 164.092(8)(a)1. through 7., and in the following denominations:

- Eight (8) percent based on the credentials awarded in an academic year weighted to provide a premium for credentials that are aligned with the economic needs of the state;
- ~~One (1) Four (4)~~ **Four (4)** percent based on ~~degrees~~ **credentials** awarded to underrepresented students in an academic year;
- ~~Five (5) Four (4)~~ **Four (4)** percent based on credentials awarded to low-income students in an academic year;
- Four (4) percent based on credentials awarded to underprepared students in an academic year;
- ~~Six (6) Four (4)~~ **Four (4)** percent based on credentials awarded to non-traditional college students in an academic year;
- Four (4) percent based on the number of students in the cohort who transferred to a baccalaureate degree granting college or university after the last term a student was enrolled at a KCTCS institution in the academic year;
- One (1) percent based on the number of full-time and part-time undergraduate students reaching or surpassing fifteen (15) cumulative earned credit hours in an academic year;
- Two (2) percent based on the number of full-time and part-time undergraduate students reaching or surpassing thirty (30) cumulative earned credit hours in an academic year; and
- Four (4) percent based on the number of full-time and part-time undergraduate students reaching or surpassing forty-five (45) cumulative earned credit hours in an academic year.

Potential Metrics: Undergraduate Enrollment Comparison

KCTCS and Public Four-Year Student Characteristics Fall 2022



*URM = Underrepresented Minorities defined by CPE to include students identifying as American Indian/Alaska Native, Black/African American, Hispanic/Latinx, Native Hawaiian/Other Pacific Islander, and Two or More Races.
Source: Council on Postsecondary Education (CPE).





Potential Metrics: Underrepresented Student

1. First-Generation College Student Credentials:

Credentials awarded during the prior academic year to first-generation students at KCTCS; students are considered first-generation if at least one parent was reported as having less than a college-level education and neither parent education level is college-level on any FAFSA since 2005-06 through the credential award year.

2. Students with Dependents Credentials:

Credentials awarded during the prior academic year to students with children they support or other dependents; based on any FAFSA data since 2005-06 through the credential award year.

3. High-Need High School Credentials:

Credentials awarded to students in prior academic year that previously enrolled in a high school falling below state averages on proposed success metrics (i.e., high-need) or GED earner (when KCTCS college is first institution of enrollment). Metrics used to determine high school selection include high school graduation rates, college-going rates, ACT scores, and the proportion of students enrolled who qualify for the free and reduced lunch program (FRPL).

Potential Metric: First Generation Student Credentials



	<u>URM</u>		<u>First Generation</u>	
	<u>3 Year Avg</u>		<u>3 Year Avg</u>	
	<u>2020-21 through 2022-23</u>		<u>2020-21 through 2022-23</u>	
	#	%	#	%
ASHLAND	88	1.6%	976	6.0%
BIG SANDY	50	0.9%	766	4.7%
BLUEGRASS	984	18.5%	2,128	13.0%
ELIZABETHTOWN	450	8.4%	1,342	8.2%
GATEWAY	477	9.0%	990	6.0%
HAZARD	54	1.0%	855	5.2%
HENDERSON	91	1.7%	246	1.5%
HOPKINSVILLE	374	7.0%	492	3.0%
JEFFERSON	1,164	21.9%	1,496	9.1%
MADISONVILLE	198	3.7%	616	3.8%
MAYSVILLE	158	3.0%	1,199	7.3%
OWENSBORO	255	4.8%	1,109	6.8%
SOMERSET	130	2.4%	1,430	8.7%
SOUTHCENTRAL	395	7.4%	1,192	7.3%
SOUTHEAST	33	0.6%	453	2.8%
WEST KENTUCKY	428	8.0%	1,092	6.7%
KCTCS	5,327	100.0%	16,380	100.0%

Potential Metric: Students with Dependents Credentials



	<u>URM</u>		<u>Parents or Other Dependents</u>	
	<u>3 Year Avg</u>		<u>3 Year Avg</u>	
	<u>2020-21 through 2022-23</u>		<u>2020-21 through 2022-23</u>	
	#	%	#	%
ASHLAND	88	1.6%	639	5.8%
BIG SANDY	50	0.9%	428	3.9%
BLUEGRASS	984	18.5%	1,415	12.8%
ELIZABETHTOWN	450	8.4%	891	8.1%
GATEWAY	477	9.0%	649	5.9%
HAZARD	54	1.0%	626	5.7%
HENDERSON	91	1.7%	195	1.8%
HOPKINSVILLE	374	7.0%	492	4.4%
JEFFERSON	1,164	21.9%	938	8.5%
MADISONVILLE	198	3.7%	530	4.8%
MAYSVILLE	158	3.0%	778	7.0%
OWENSBORO	255	4.8%	691	6.2%
SOMERSET	130	2.4%	927	8.4%
SOUTHCENTRAL	395	7.4%	764	6.9%
SOUTHEAST	33	0.6%	312	2.8%
WEST KENTUCKY	428	8.0%	789	7.1%
KCTCS	5,327	100.0%	11,063	100.0%

Potential Metric: High-Need High School Credentials



	<u>URM</u>		<u>High-Need High School or GED</u>	
	<u>3 Year Avg</u>		<u>3 Year Avg</u>	
	<u>2020-21 through 2022-23</u>		<u>2020-21 through 2022-23</u>	
	#	%	#	%
ASHLAND	88	1.6%	620	5.9%
BIG SANDY	50	0.9%	438	4.2%
BLUEGRASS	984	18.5%	1,045	9.9%
ELIZABETHTOWN	450	8.4%	767	7.3%
GATEWAY	477	9.0%	645	6.1%
HAZARD	54	1.0%	749	7.1%
HENDERSON	91	1.7%	69	0.7%
HOPKINSVILLE	374	7.0%	314	3.0%
JEFFERSON	1,164	21.9%	1,026	9.7%
MADISONVILLE	198	3.7%	304	2.9%
MAYSVILLE	158	3.0%	1,000	9.5%
OWENSBORO	255	4.8%	797	7.6%
SOMERSET	130	2.4%	1,254	11.9%
SOUTHCENTRAL	395	7.4%	759	7.2%
SOUTHEAST	33	0.6%	372	3.5%
WEST KENTUCKY	428	8.0%	392	3.7%
KCTCS	5,327	100.0%	10,534	100.0%

Potential Metrics: College Comparison to URM

Metric Options % by College

	First Generation	High-Need High School & GED	Parents / Other Dependents	URM
ASHLAND	6.0%	5.9%	5.8%	1.6%
BIG SANDY	4.7%	4.2%	3.9%	0.9%
BLUEGRASS	13.0%	9.9%	12.8%	18.5%
ELIZABETHTOWN	8.2%	7.3%	8.1%	8.4%
GATEWAY	6.0%	6.1%	5.9%	9.0%
HAZARD	5.2%	7.1%	5.7%	1.0%
HENDERSON	1.5%	0.7%	1.8%	1.7%
HOPKINSVILLE	3.0%	3.0%	4.4%	7.0%
JEFFERSON	9.1%	9.7%	8.5%	21.9%
MADISONVILLE	3.8%	2.9%	4.8%	3.7%
MAYSVILLE	7.3%	9.5%	7.0%	3.0%
OWENSBORO	6.8%	7.6%	6.2%	4.8%
SOMERSET	8.7%	11.9%	8.4%	2.4%
SOUTHCENTRAL	7.3%	7.2%	6.9%	7.4%
SOUTHEAST	2.8%	3.5%	2.8%	0.6%
WEST KENTUCKY	6.7%	3.7%	7.1%	8.0%
KCTCS	100.0%	100.0%	100.0%	100.0%

% Point Shift by College

	First Generation	High-Need High School & GED	Parents / Other Dependents	URM
ASHLAND	4.3%	4.2%	4.1%	0.0%
BIG SANDY	3.7%	3.2%	2.9%	0.0%
BLUEGRASS	-5.5%	-8.6%	-5.7%	0.0%
ELIZABETHTOWN	-0.3%	-1.2%	-0.4%	0.0%
GATEWAY	-2.9%	-2.8%	-3.1%	0.0%
HAZARD	4.2%	6.1%	4.6%	0.0%
HENDERSON	-0.2%	-1.0%	0.1%	0.0%
HOPKINSVILLE	-4.0%	-4.0%	-2.6%	0.0%
JEFFERSON	-12.7%	-12.1%	-13.4%	0.0%
MADISONVILLE	0.0%	-0.8%	1.1%	0.0%
MAYSVILLE	4.4%	6.5%	4.1%	0.0%
OWENSBORO	2.0%	2.8%	1.5%	0.0%
SOMERSET	6.3%	9.5%	5.9%	0.0%
SOUTHCENTRAL	-0.1%	-0.2%	-0.5%	0.0%
SOUTHEAST	2.1%	2.9%	2.2%	0.0%
WEST KENTUCKY	-1.4%	-4.3%	-0.9%	0.0%
KCTCS	0.0%	0.0%	0.0%	0.0%



Potential Metrics: Funding Model Allocation %

	Underrepresented Minority Credentials	1st-Generation Student Credentials	% Chg	Students with Dependents Credentials	% Chg	High-Need High Schools Credentials	% Chg
ASHLAND	4.9%	5.0%	0.1%	5.1%	0.1%	5.1%	0.2%
BIG SANDY	4.5%	4.6%	0.1%	4.6%	0.1%	4.6%	0.1%
BLUEGRASS	13.4%	13.3%	-0.1%	13.2%	-0.2%	13.1%	-0.3%
ELIZABETHTOWN	7.5%	7.5%	0.0%	7.5%	0.0%	7.4%	0.0%
GATEWAY	6.2%	6.1%	-0.1%	6.1%	-0.1%	6.1%	-0.1%
HAZARD	4.7%	4.8%	0.1%	4.9%	0.2%	4.9%	0.2%
HENDERSON	2.1%	2.2%	0.0%	2.1%	0.0%	2.1%	0.0%
HOPKINSVILLE	3.7%	3.6%	-0.1%	3.6%	-0.1%	3.6%	-0.1%
JEFFERSON	12.9%	12.6%	-0.4%	12.4%	-0.5%	12.5%	-0.4%
MADISONVILLE	4.6%	4.6%	0.0%	4.6%	0.0%	4.6%	0.0%
MAYSVILLE	5.2%	5.3%	0.1%	5.3%	0.1%	5.4%	0.2%
OWENSBORO	5.9%	6.0%	0.1%	6.0%	0.1%	6.0%	0.1%
SOMERSET	7.5%	7.7%	0.2%	7.7%	0.2%	7.8%	0.3%
SOUTHCENTRAL	6.2%	6.2%	0.0%	6.2%	0.0%	6.2%	0.0%
SOUTHEAST	4.3%	4.4%	0.1%	4.4%	0.1%	4.4%	0.1%
WEST KENTUCKY	6.4%	6.3%	-0.1%	6.3%	0.0%	6.2%	-0.2%
	100.0%	100.0%		100.0%		100.0%	





DECISION POINTS/ NEXT STEPS

- How should the 2024 working group define the term “underrepresented student” for KCTCS Funding Model?
- What metric should be used to replace the URM student metric in the KCTCS funding model?



DISCUSSION



COLLEGE FOR **YOUR** WORLD