State Performance Funding Update

- Components of the model
- Time frame for phase-in

The model incentivizes performance in several areas

Student Success Component
- Bachelor's degrees awarded
  - Special weightings for:
    - STEM+H
    - Underrepresented minority students
    - Low-income students
    - Degrees per 100 FTE students
  - Student progression at 30, 60, and 90 credit hours

Student Success 35%
The model incentivizes performance in several areas

Degree Hours Completed Component
- Distributed based on each institution’s share of sector total student credit hours earned
  - Weighted to account for cost differences by course level and discipline

Student Success 35%
Credit Hours Completed 35%

The model incentivizes performance in several areas

Institutional Operations
- Maintenance and operations
- Institutional support
- Academic support

Institutional Operations 30%
Student Success 35%
Credit Hours Completed 35%
The model would be phased in over several years*

- Applies to 5% of base funding in 2018 and 100% thereafter
- Recommended phase-in:

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<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>5% of general fund appropriation ($42.9 million)</td>
<td>100% of general fund appropriation</td>
<td>Stop loss provision limiting the reduction in funding to 1% of the institution’s base funding</td>
<td>Stop loss provision limiting the reduction in funding to 2% of the institution’s base funding</td>
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<td>Hold harmless provision preventing a reduction in an institution’s funding amount</td>
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*As written in the KY General Assembly draft bill