

State Budget Process

Faculty Senate Budget Committee

December 9, 2015

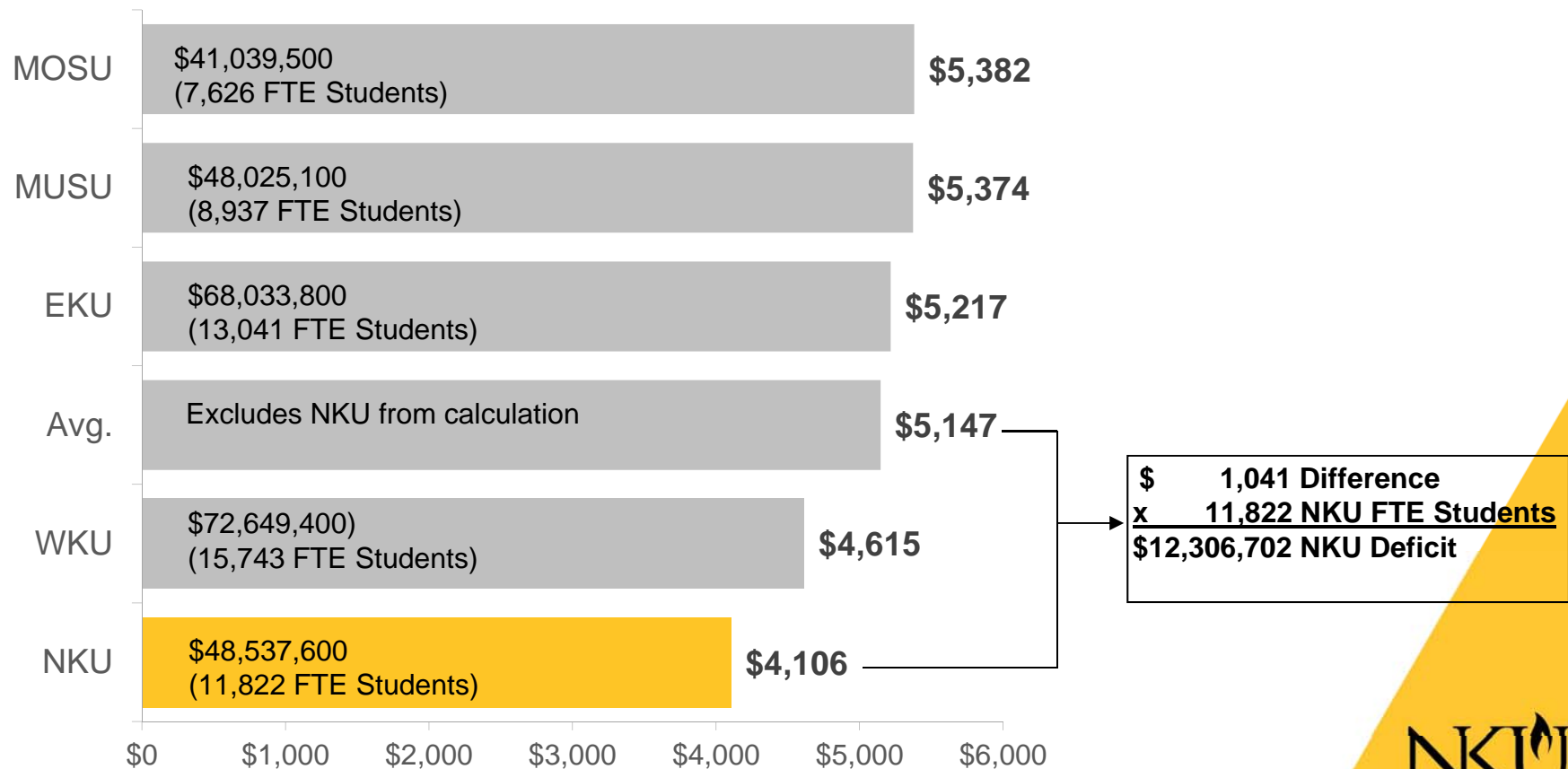
Presented by:

**Sue Hodges Moore (Sr. Vice
President for Administration &
Finance)**

**Mike Hales (Chief Financial
Officer)**



Net State Appropriation per FTE Student



Net State Appropriation FY 2014-15 = Actual Year End State Appropriation Less State Appropriated Debt Service
 FTE = Fall 2014 Semester Hours for Undergraduate divided by 15 and Graduate and Law Total Credit Hours Divided by 12

CPE Resolution

Adopted November 7, 2013

The Council hereby resolves that, as a result of budget deliberations over the past year, it is evident that there is a need for the development of a comprehensive funding model that aligns the Commonwealth's investment in postsecondary education with the Commonwealth's postsecondary education policy objectives. As such, the Council president is hereby directed to establish a working group that, at minimum, includes leadership of each of the public universities and KCTCS and members of this Council, for the purpose of **developing a comprehensive model for the allocation of state General Fund appropriations for institutional operations that incorporates elements of campus performance, mission, and enrollment, as well as any other components as determined through the process.** The new model shall be developed for implementation in the 2016-2018 biennial budget recommendation.



CPE Funding Model Components

- Historical costs of Maintenance & Operations and Institutional Support
- Academic Support (based on FTE student enrollment)
- Mandated Programs
- Student Credit Hours Earned
- Degree Completion

CPE Funding Model Shows Need for Equity Adjustments

Institution	Total Formula Calculation	2012-13 Net General Fund Distribution	Percent of Formula	Distance from Formula
UK	\$ 284,171,400	\$ 283,869,300	99.90%	\$ (302,100)
UL	\$ 140,892,700	\$ 141,194,800	100.20%	\$ 302,100
EKU	\$ 63,817,700	\$ 67,673,700	106.00%	\$ 3,856,000
KSU	\$ 18,917,000	\$ 23,537,400	124.40%	\$ 4,620,400
MoSU	\$ 36,565,300	\$ 41,016,400	112.20%	\$ 4,451,100
MuSU	\$ 47,241,200	\$ 48,005,800	101.60%	\$ 764,600
NKU	\$ 56,587,400	\$ 46,835,100	82.80%	\$ (9,752,300)
WKU	\$ 76,364,900	\$ 72,425,200	94.80%	\$ (3,939,700)

CPE Operating Funds Request

Proposed Funding Level (In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Additional Budget Requests For:		
Restoration/Performance Funding	\$43.4	\$86.7
Special Initiatives	21.1	35.8
Total Operating Funds Request	\$64.5	\$122.6
% Increase on FY16 Base (\$914.9 M)	7.0%	13.4%

Performance Funding

Agreed Upon Metrics

- Baccalaureate Degrees
- Retention Rates
- Progression
- Graduation Rate
- Sector Specific
 - UK&UL: Research Expenditures
 - Comprehensives: STEM+H Degrees
- Institution Specific
 - Faculty Development Activities (NKU)

Performance Funding Target Setting Process

- Performance funding metrics and targets will be consistent with statewide *Strategic Agenda* metrics and targets.
- CPE and campus staffs will negotiate “stretch achievable targets”
- Information used to set targets for each campus includes:
 - Five years of trend data
 - Peer group comparisons
 - Share of state goals
 - Campus strategic plan
 - Campus pipeline data
- The proportion of the targets each campus achieves will determine the proportion of the 2016-18 appropriation that becomes recurring.
- NKU has internal team analyzing data and proposing targets



Special Initiatives

Proposed Funding Level (In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Special Initiatives:		
Centers for Research Excellence	\$6.0	\$12.0
Equity Adjustment	7.9	15.8
KSU Recruitment and Retention ⁽¹⁾	2.7	1.8
KSU Land Grant Match	2.7	2.7
KCTCS Tuition Stabilization	1.8	3.5
Request Totals	\$21.1	\$35.8
% Increase on FY16 Base (\$914.9 M)	2.3%	3.9%

⁽¹⁾ This request is for temporary, nonrecurring funds.



CPE 2016-18 Institutional Operating Funds

	2015-16 Enacted Net Appropriation	2017-18 Requested Net General Fund	Dollar Change from 2015-16 Net General Fund	Percent Change from 2015-16 Net General Fund
UK	\$279,611,300	\$315,979,100	\$36,367,800	13.0%
UL	\$139,076,900	\$157,186,900	\$18,110,000	13.0%
EKU	\$68,033,800	\$73,728,400	\$5,694,600	8.4%
KSU	\$23,429,600	\$29,460,100	\$6,030,500	25.7%
MoSU	\$43,339,500	\$46,723,100	\$3,383,600	7.8%
MuSU	\$48,025,100	\$51,982,900	\$3,957,800	8.2%
NKU	\$48,537,600	\$63,403,800	\$14,866,200	30.6%
WKU	\$74,649,400	\$86,047,200	\$11,397,800	15.3%
KCTCS	\$190,162,300	\$212,933,700	\$22,771,400	12.0%