

The background features a large, faint, circular seal of the State of Indiana. The seal contains the text "SEAL OF THE STATE OF INDIANA" around the perimeter and "1816" at the bottom. In the center of the seal is a landscape with a rising sun, a plow, a sheaf of wheat, and a figure holding a staff.

2025-2027

Budget Development Kickoff

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COMMISSION RESPONSIBILITY

▶ IC 21-18-6-1 Purpose

Sec. 1. The general purposes of the commission are the following:

- (1) Plan for and coordinate Indiana's state supported system of postsecondary education.
- (2) Review appropriation requests of state educational institutions.**
- (3) Make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education.**
- (4) Perform other functions assigned by the governor or the general assembly, except those functions specifically assigned by law to the governor's workforce cabinet under IC 22-4.1-19.
- (5) Administer state financial aid programs under IC 21-18.5-4.
- (6) Provide staff and office space for the board for proprietary education established by IC 21-18.5-5-1.

HIGH LEVEL SUMMARY

- ▶ State Educational Institutions (\$1.8B)
 - ▶ Operating Funding (OBPF)
 - ▶ Line Items (dual credit, R&R, etc)
 - ▶ Capital (cash and debt service)
- ▶ Commission (\$422M)
 - ▶ Operating
 - ▶ Financial Aid
 - ▶ Grant Programs

SEI BUDGETS (FY25)

- ▶ Operating: \$1.52B
- ▶ Debt Service: \$149M
- ▶ R&R: \$47M
- ▶ Line Items (sans dual credit): \$67M
- ▶ Dual Credit: \$30.4M

BUDGET DEVELOPMENT

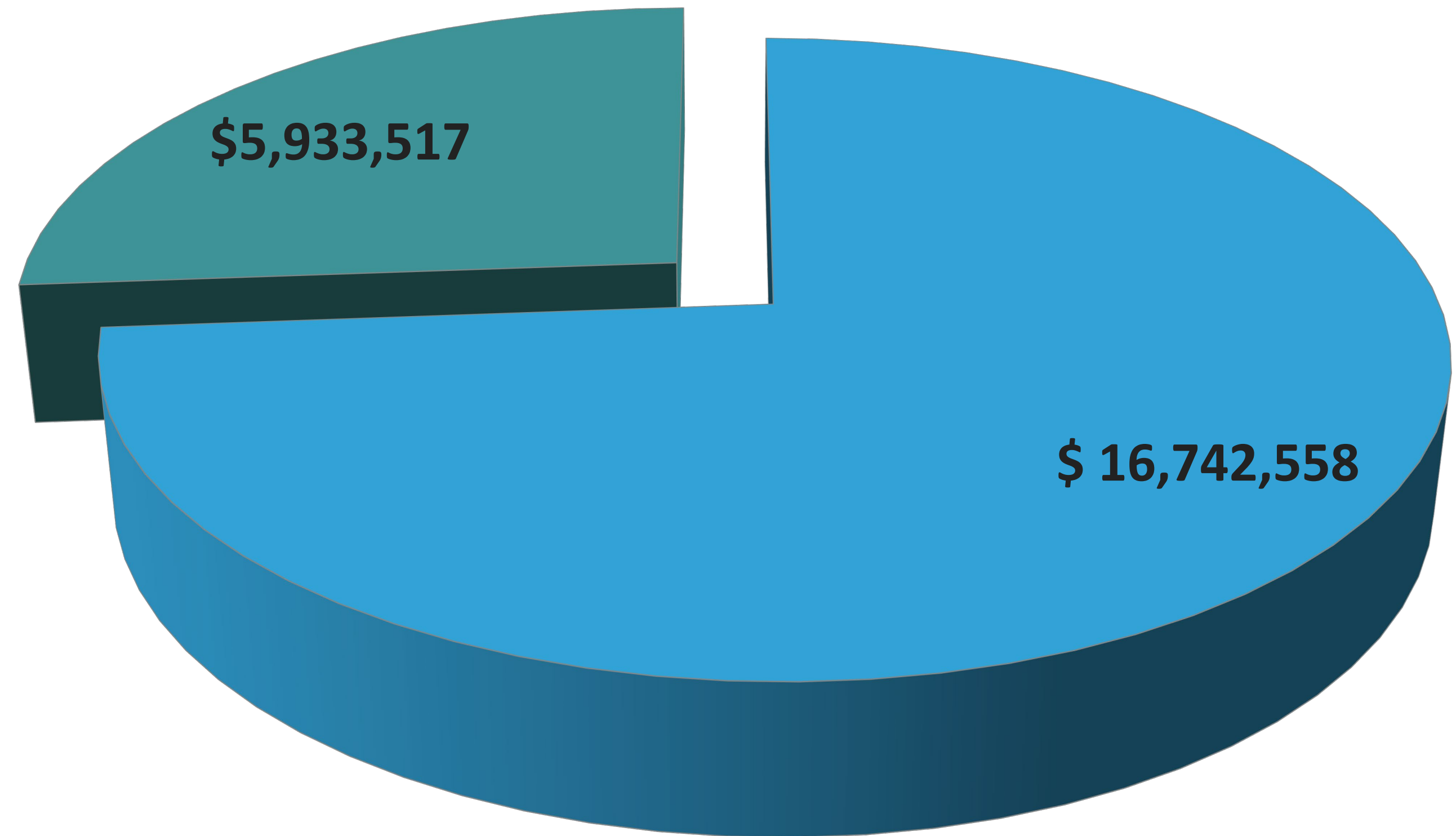
OUTCOMES-BASED PERFORMANCE FUNDING UPDATE



INDIANA COMMISSION *for*
HIGHER EDUCATION

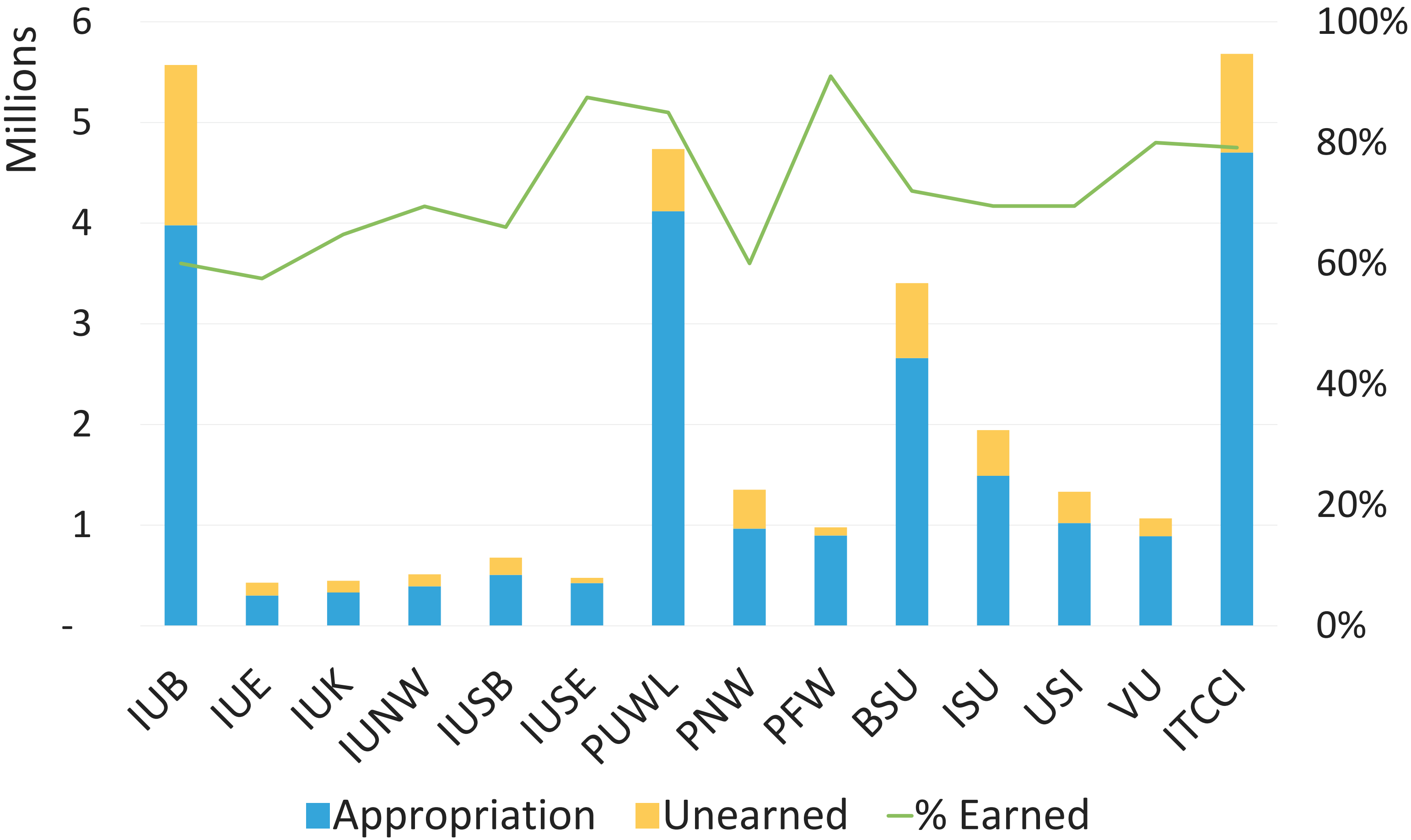
FY25 FUNDING OUTPUT

- ▶ Total Appropriation: \$22.6M
- ▶ 74% funding earned
- ▶ CHE staff investigating potential legislative solutions to avoid reverting unearned monies.



■ Earned ■ Unearned

FY25 FUNDING OUTPUT



FY25 FUNDING OUTPUT

- ▶ Takeaways

- ▶ Strongest performance (low-income youth enrollment)
- ▶ Weakest performance (adult enrollment)
- ▶ Unearned funding

- ▶ Future predictors

- ▶ Fall 2023 enrollment growth
- ▶ O'Bannon award increase/FAFSA Simplification
- ▶ Pre-Admissions
- ▶ ICC Expansion
- ▶ 21st Century Auto Enroll

BUDGET DEVELOPMENT

BUDGET DEVELOPMENT - COMMISSION



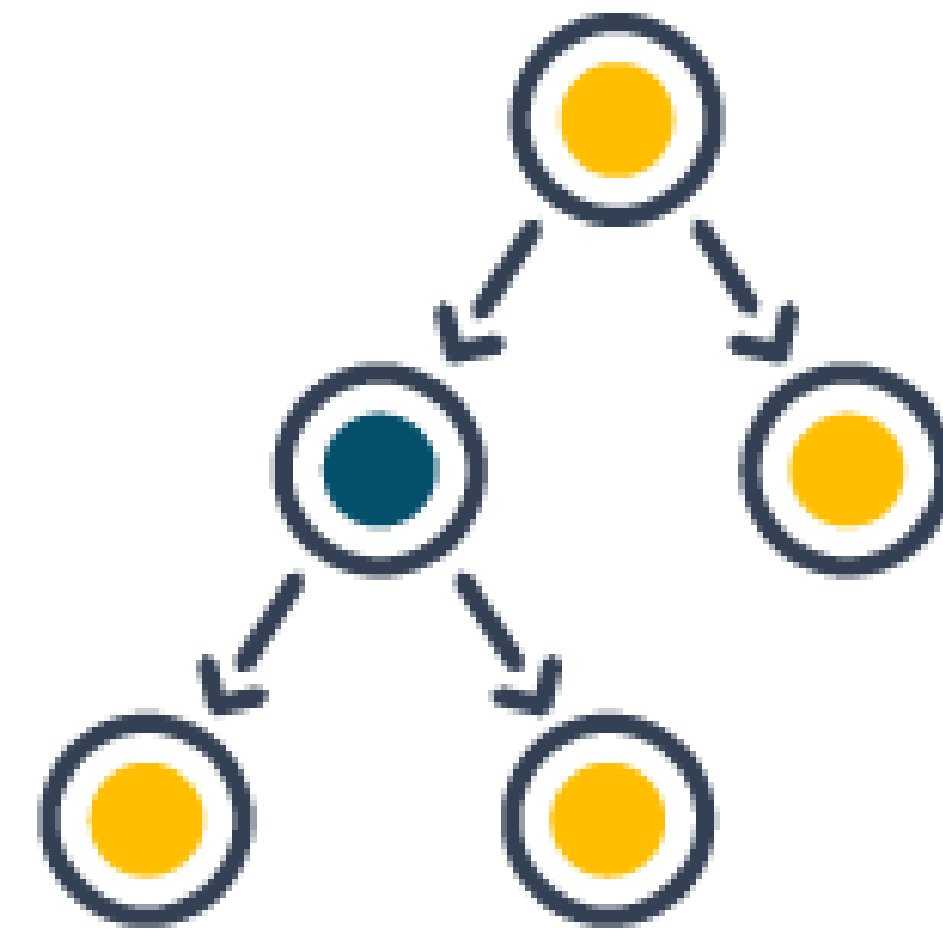
INDIANA COMMISSION *for*
HIGHER EDUCATION

COMMISSION BUDGET (FY25)

- ▶ Operating: \$8.5M
- ▶ Financial Aid: \$400M
 - ▶ 15+ unique scholarship and grant programs
- ▶ Other Grants: \$20M
 - ▶ Significant growth following HEA 1002
- ▶ One Time Funding: \$12.5M

DEVELOPMENT TIMELINE

- ▶ Budget Instructions – March 22
- ▶ Commission OBPF Vote – July 25
 - ▶ Weights, Metrics, Goals
- ▶ Requests Due – August 16
- ▶ University Presentations – October 10
- ▶ Commission Recommendation – November 14
- ▶ State Budget Committee – December (TBD)



BUDGET DEVELOPMENT

CAPITAL BUDGETING



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CAPITAL BUDGETING

▶ **IC 21-18-17-1 Required presentation at budget hearings**

Sec. 1. In even-numbered years, the executive officer of the commission, or the executive officer's designee, shall present at the same time as budget hearings are held under IC 4-12-1-8 and at the meeting at which the commission makes its presentation under IC 21-18-9-1(3):

(1) each of the capital projects for which the commission received funding requests from each state educational institution;

(2) the capital projects that the commission recommends the state fund in the upcoming budget bill; and

(3) how the capital projects recommended by the commission will advance the state's progress in meeting the goals outlined in the long range plan for postsecondary education developed under IC 21-18-8.

COMMISSION RECOMMENDATION HISTORY

- ▶ 2023 - #1 Priority for each System (\$476M)
- ▶ 2021 - No capital (\$0)
- ▶ 2019 - #1 Priority for each System (\$324M)
 - ▶ #1-3 for VU
 - ▶ #1 & 3 for ITCC
- ▶ 2017 - #1 Priority for each System (\$382M)
 - ▶ #1-3 for VU
 - ▶ #1-2 for ITCC
- ▶ 2015 - #1 Priority for each System (\$258M)

UNIVERSITY SOLICITATION

- ▶ Focus on individual project merit (vs. formulaic distribution)
- ▶ Align with state need and initiatives
- ▶ Consider cost and enrollment trends
- ▶ Prioritize renovation over new construction
- ▶ Consider non-state dollars
- ▶ No penalty for a single project
- ▶ Reasonable cost comparisons
- ▶ Return on investment for taxpayers
- ▶ Establish priority criteria in advance



STAFF CONSIDERATIONS

- ▶ Growing vs. mature campus
- ▶ Enrollment
- ▶ Economic development
- ▶ Definition of R&R
- ▶ Flexibility of campus capital plan & budgeting
- ▶ Debt to operating ratio



NATIONAL LANDSCAPE

- ▶ NASBO -2013 Study
 - ▶ 26 states use their General Fund
 - ▶ 44 states allow the use of student fees
 - ▶ 47 states allow for capital requests by state institutions
- ▶ SHEEO – 2022 Member Survey
 - ▶ 47% of Coordinating Boards approve capital projects
 - ▶ 33% of Coordinating Boards approve capital funding
 - ▶ 37% of Coordinating Boards plan capital projects
 - ▶ 17% of Coordinating Boards implement capital projects
- ▶ SHEEO – 2022 SHEF Report
 - ▶ 21st ranking in state capital appropriations



NATIONAL LANDSCAPE

- ▶ Oregon Higher Education Coordinating Commission
 - ▶ Capital rubric - 100 points total
 - ▶ Strategic Capital Development Plan (52 points)
 - ▶ Operational Savings & Sustainability (8 points)
 - ▶ Life Safety, Security, or Loss of Use (10 points)
 - ▶ Institutional Priority (5 points)
 - ▶ Student Success for Underserved Populations (10 points)
 - ▶ Leveraging Institutional Resources (15 points)

NEXT STEPS

- ▶ Capital Working Group
 - ▶ Draft capital principals document
 - ▶ Develop 2025-2027 capital rubric
 - ▶ Research best practices
 - ▶ Hear from other states
 - ▶ Hear from national groups



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