

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

Frank O'Bannon Grant

Schedule of Awards

Josh Garrison

Associate Commissioner for Legislation & Program Implementation

June 9, 2022

OVERVIEW - FRANK O'BANNON GRANT

- ▶ The Frank O'Bannon Grant is Indiana's primary need-based financial aid program
- ▶ The General Assembly appropriated \$167.7 million to the Frank O'Bannon Grant in FY22 and FY23
- ▶ The Frank O'Bannon Grant is made up of two awards: The Higher Education Award and the Freedom of Choice Grant

OVERVIEW -FRANK O'BANNON GRANT

- ▶ The Higher Education Award is available to students who attend Indiana's public and proprietary institutions
- ▶ The Freedom of Choice Grant is available to students who attend Indiana's non-profit institutions
- ▶ The Freedom of Choice award amounts must be twice as much as the Higher Education Award per IC 21-12-17.7-3(d)

FRANK O'BANNON GRANT - HISTORICAL AMOUNTS

- ▶ The Frank O'Bannon Grant award amounts have yet to recover from cuts made during the Great Recession
- ▶ During the 2008-09 academic year, the maximum base Frank O'Bannon Grant was \$9,160 at a private institution and \$5,080 at a public institution
- ▶ Awards were reduced to \$6,320 at a private institution and \$3,505 at a public institution during the 2009-10 academic year

FRANK O'BANNON GRANT - HISTORICAL AMOUNTS

- ▶ The current maximum base awards are \$9,200 at a private institution and \$4,600 at a public institution
- ▶ Since 2009, awards have increased .4% in nominal dollars at private institutions and decreased by 9.4% at public institutions
- ▶ The maximum base award at a private institution would need to increase to \$12,400 to account for inflation

FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

FRANK O'BANNON GRANT – CURRENT AWARD

BASE AWARD

		EXPECTED FAMILY CONTRIBUTION (EFC)																			
INSTITUTION TYPE		\$0	\$1-\$500	\$501-\$1,000	\$1,001-\$1,500	\$1,501-\$2,000	\$2,001-\$2,500	\$2,501-\$3,000	\$3,001-\$3,500	\$3,501-\$4,000	\$4,001-\$4,500	\$4,501-\$5,000	\$5,001-\$5,500	\$5,501-\$6,000	\$6,001-\$6,500	\$6,501-\$7,000	\$7,001-\$7,500	\$7,501-\$8,000	\$8,001-\$8,500	\$8,501-\$9,000	\$9,001-\$9,500
Private	On-Time	\$9,200	\$8,950	\$8,450	\$7,950	\$7,450	\$6,950	\$6,450	\$5,950	\$5,450	\$4,950	\$4,450	\$3,950	\$3,450	\$2,950	\$2,450	\$1,950	\$1,450	\$950	\$0	\$0
	Full-Time	\$7,400	\$7,150	\$6,650	\$6,150	\$5,650	\$5,150	\$4,650	\$4,150	\$3,650	\$3,150	\$2,650	\$2,150	\$1,650	\$1,150	\$650	\$0	\$0	\$0	\$0	\$0
Public	On-Time	\$4,600	\$4,350	\$3,850	\$3,350	\$2,850	\$2,350	\$1,850	\$1,350	\$850	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
	Full-Time	\$3,700	\$3,450	\$2,950	\$2,450	\$1,950	\$1,450	\$950	\$0	\$0	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
Proprietary or Ivy Tech	On-Time	\$3,500	\$3,250	\$2,750	\$2,250	\$1,750	\$1,250	\$750	\$0	Not Eligible for Frank O'Bannon Grant											
	Full-Time	\$2,900	\$2,650	\$2,150	\$1,650	\$1,150	\$650	\$0	\$0	Not Eligible for Frank O'Bannon Grant											

FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

ENROLLMENTS & EXPENDITURES



INDIANA COMMISSION *for*
HIGHER EDUCATION

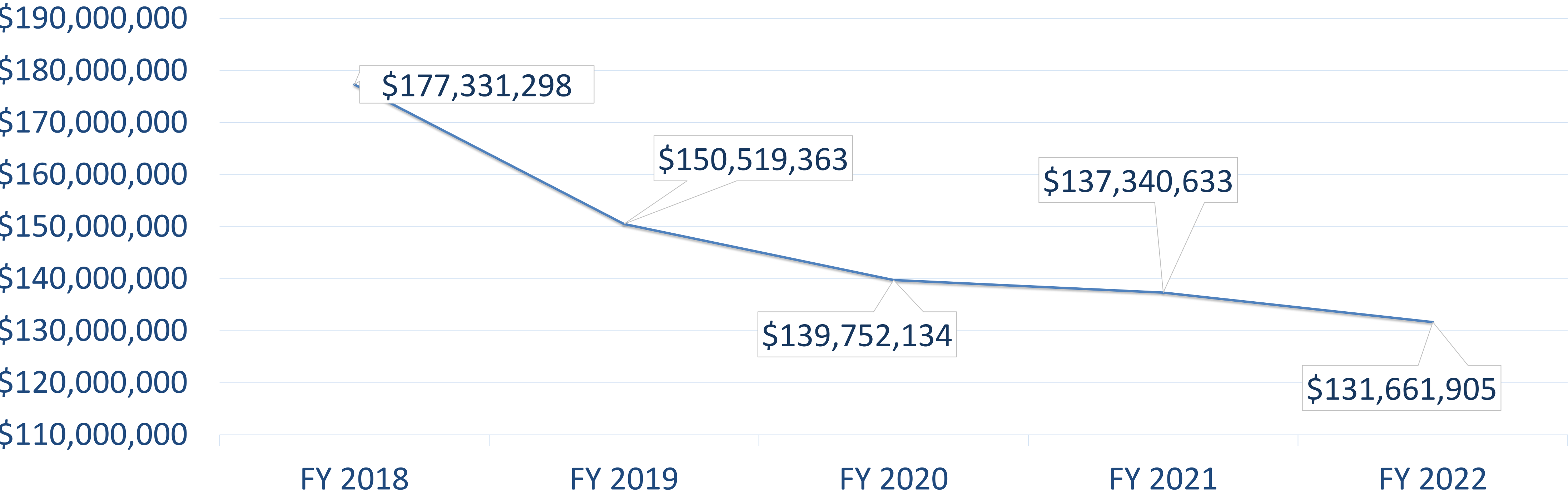
TOTAL FALL ENROLLMENT (HEADCOUNT)

- ▶ In Fall 2021...
 - ▶ **239,799 degree-seeking students** (down 2.6%)
 - ▶ 196,867 undergraduates (down 4.2%)
 - ▶ 42,932 graduate students (up 5.3%)
- ▶ By Sector...
 - ▶ **188,342 at 4-year publics** (down 1.3%)
 - ▶ 145,410 undergraduates (down 3.1%)
 - ▶ **51,457 at 2-year publics** (down 7.1%)

FAFSA DECLINES

Total FAFSAs as of the Deadline				
Fiscal Year	Deadline Date	Total FAFSAs	Highest Need	Expenditures
FY 2020	April 15, 2019	242,293	83,011	\$150,519,363
FY 2021	April 27, 2020	249,945	89,834	\$137,340,633
FY 2022	June 30, 2021	265,021	93,097	\$131,661,905
FY 2023	May 20, 2022	216,391	72,803	TBD

FRANK O'BANNON GRANT - EXPENDITURES



FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

PROPOSED INCREASE



INDIANA COMMISSION *for*
HIGHER EDUCATION

FRANK O'BANNON GRANT- PROPOSED INCREASE

- ▶ Commission staff recommends an increase of 35% to the maximum Frank O'Bannon Grant base-award amounts
- ▶ This increase bring the award back to pre-recession levels when adjusted for inflation and would be the largest increase in award history
- ▶ The maximum award at a private institutions would be \$12,400 and \$6,200 at a public institution

FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

FRANK O'BANNON GRANT- PROPOSED INCREASE

	22-23 Proposed Amounts																				
INSTITUTION TYPE		\$0	\$1-\$500	\$501-\$1,000	\$1,001-\$1,500	\$1,501-\$2,000	\$2,001-\$2,500	\$2,501-\$3,000	\$3,001-\$3,500	\$3,501-\$4,000	\$4,001-\$4,500	\$4,501-\$5,000	\$5,001-\$5,500	\$5,501-\$6,000	\$6,001-\$6,500	\$6,501-\$7,000	\$7,001-\$7,500	\$7,501-\$8,000	\$8,001-\$8,500	\$8,501-\$9,000	\$9,001-\$9,500
Private	On-Time	\$12,400	\$11,900	\$11,400	\$10,900	\$10,400	\$9,900	\$9,400	\$8,900	\$8,400	\$7,900	\$7,400	\$6,900	\$6,400	\$5,900	\$5,400	\$4,900	\$4,400	\$3,900	\$0	\$0
	Full-Time	\$9,000	\$8,500	\$8,000	\$7,500	\$7,000	\$6,500	\$6,000	\$5,500	\$5,000	\$4,500	\$4,000	\$3,500	\$3,000	\$2,500	\$2,000	\$0	\$0	\$0	\$0	\$0
Public	On-Time	\$6,200	\$5,950	\$5,700	\$5,450	\$5,200	\$4,950	\$4,700	\$4,450	\$4,200	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
	Full-Time	\$4,500	\$4,250	\$4,000	\$3,750	\$3,500	\$3,250	\$3,000	\$0	\$0	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
Proprietary or Ivy Tech	On-Time	\$4,700	\$4,450	\$4,200	\$3,950	\$3,700	\$3,450	\$3,200	\$0	Not Eligible for Frank O'Bannon Grant											
	Full-Time	\$3,400	\$3,150	\$2,900	\$2,650	\$2,400	\$2,150	\$0	\$0	Not Eligible for Frank O'Bannon Grant											

FRANK O'BANNON GRANT- PROJECTED SPEND

Utilization	Base Spend	Incentives	Total
FY22 Utilization	\$187,582,155	\$10,867,423	\$198,449,578
FY22 Utilization -13%	\$163,196,475	\$9,454,658	\$172,651,133
FY22 Utilization -22%	\$146,314,081	\$8,476,590	\$154,790,671

*Due to the FAFSA decline, FY23 O'Bannon utilization is on pace to be down 13% - 22% from FY22

FRANK O'BANNON GRANT- FISCAL CONTROLS

- ▶ The Commission is required to ensure the Frank O'Bannon Grant remains within the appropriation
- ▶ If awards exceed the appropriation, the Commission is required to reduce incentives first and then the base award amounts
- ▶ The move to a priority deadline allows the Commission greater flexibility to maximize utilization while staying within the appropriation

STATE FINANCIAL AID UPDATE

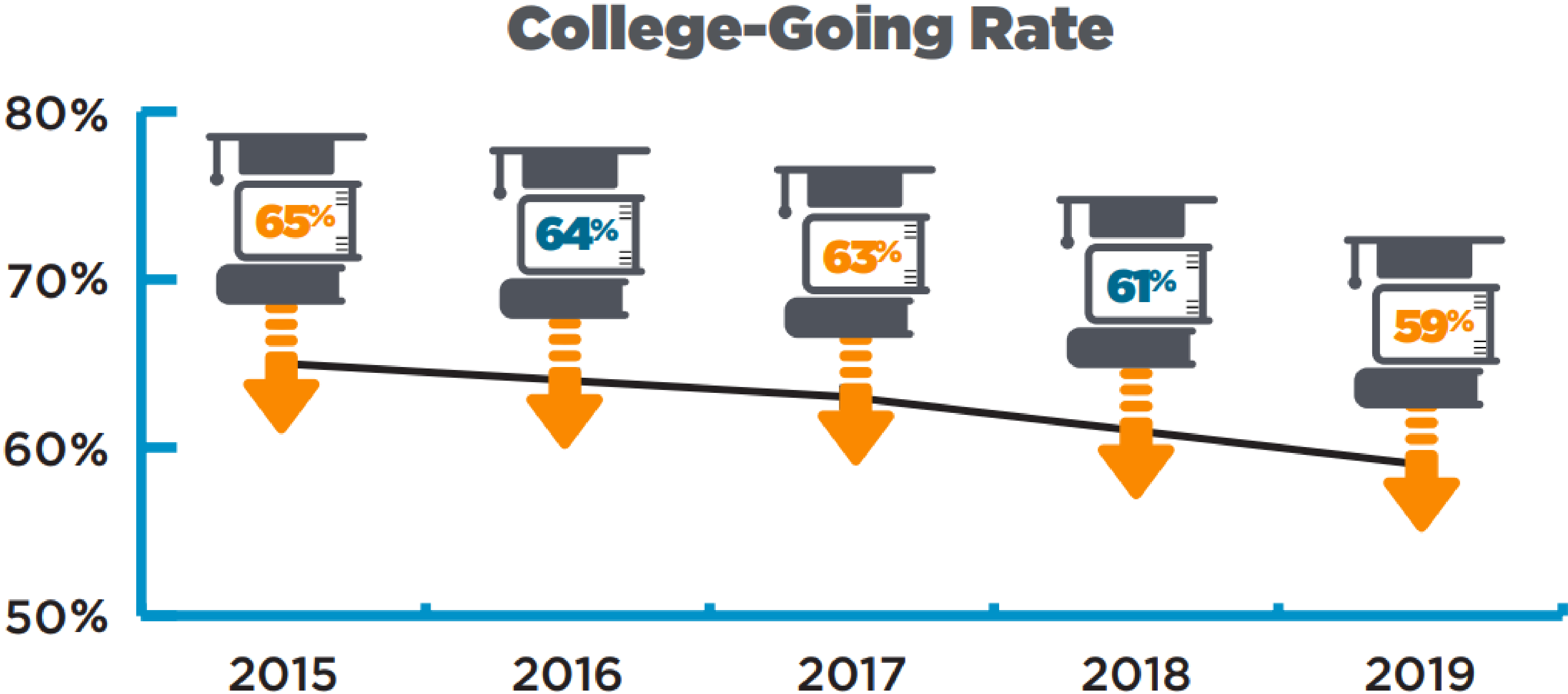
IMPACT & NEXT STEP



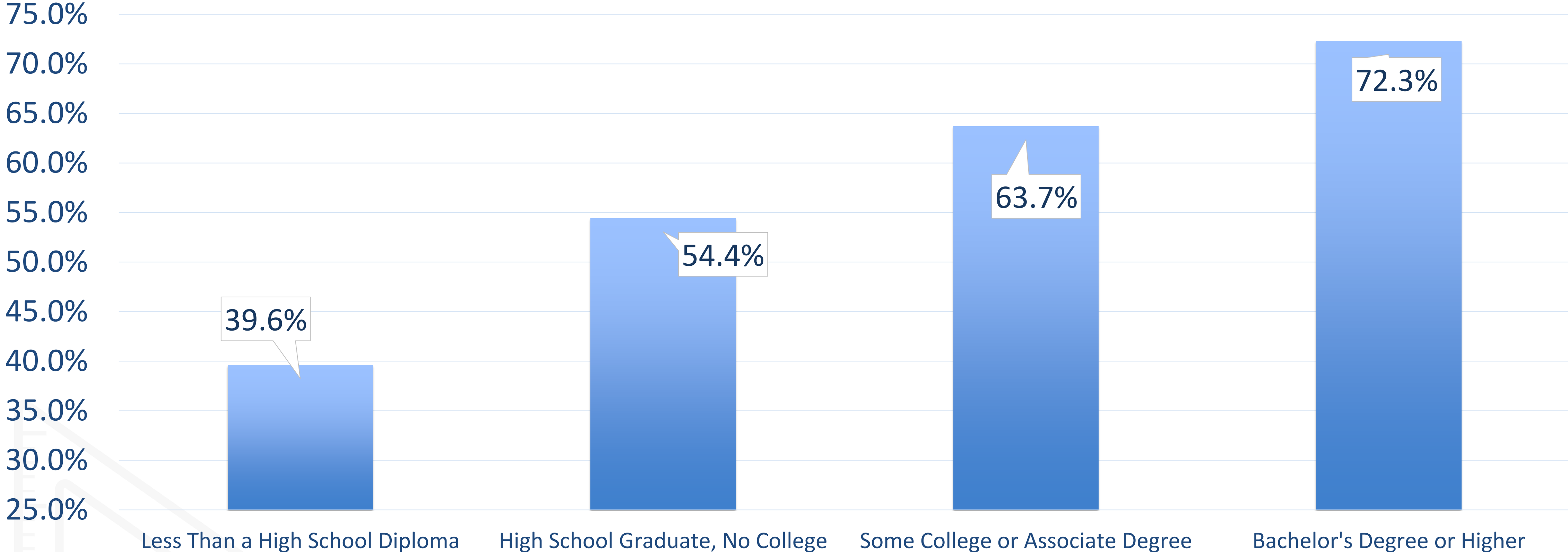
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COLLEGE GOING RATE

College-going rates have decreased over time.

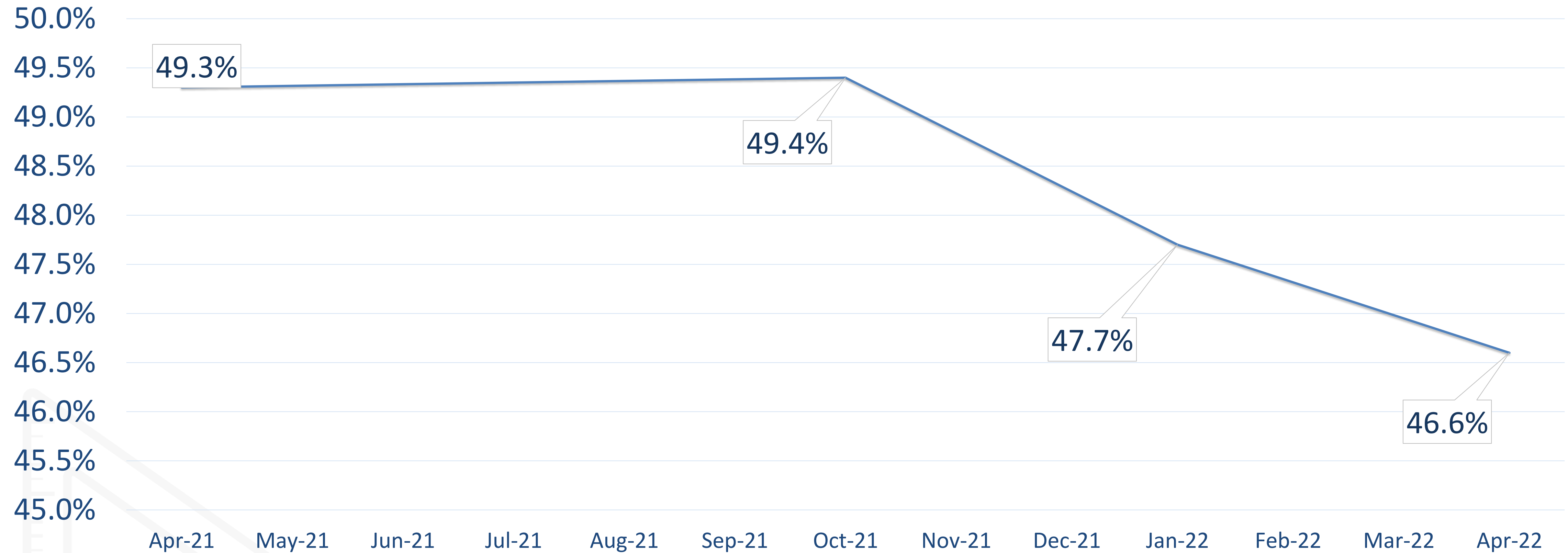


LABOR FORCE PARTICIPATION RATE



Source: DWD – April 22 Employment Briefing

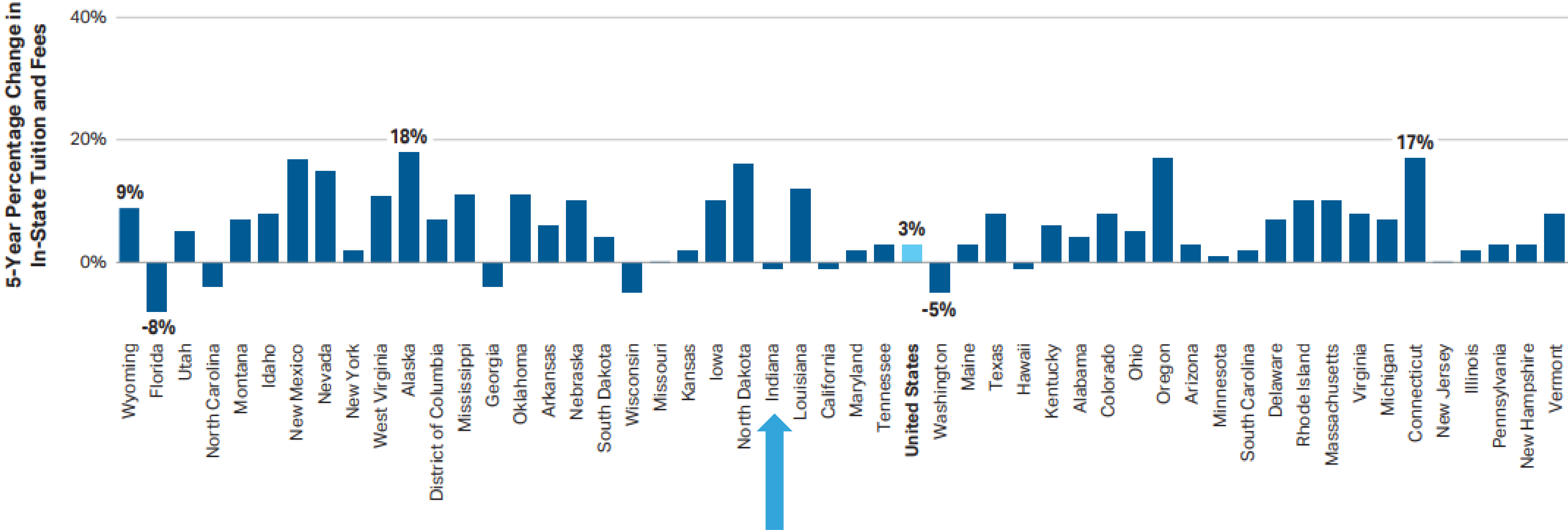
LABOR FORCE PARTICIPATION RATE – 18/19 YEAR OLDS



Source: <https://www.bls.gov/web/empsit/cpseea08b.htm>

FOUR-YEAR TUITION – ADJUSTED FOR INFLATION

FIGURE CP-6 Average 2020-21 Tuition and Fees at Public Four-Year Institutions and 2015-16 to 2020-21 Five-Year Percentage Changes in Inflation-Adjusted In-State Tuition and Fees, by State



Source: <https://research.collegeboard.org/media/pdf/trends-college-pricing-student-aid-2020.pdf>

FRANK O'BANNON GRANT- IMPACT

- ▶ Affordability – This increase will allow thousands of Hoosier students to have their tuition and fees completely covered by financial aid
- ▶ Access/Enrollment – This will allow more students to access postsecondary enrollment and begin to address the enrollment decline
- ▶ Workforce Needs – Financial aid recipients are more likely to remain in Indiana after graduation with more than 75% staying in the state

FRANK O'BANNON GRANT- NEXT STEPS

- ▶ The increase to the Frank O'Bannon Grant must be approved by the Commission and review by the State Budget Committee
- ▶ Staff will bring forward the recommendation at the June Commission and State Budget Committee meeting
- ▶ Our communications team will continue to work with our institutional partners to ensure Hoosiers are aware of their financial aid options



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