



2025-2027 Outcomes Based Performance Funding

Formula, Goals, and Weighting

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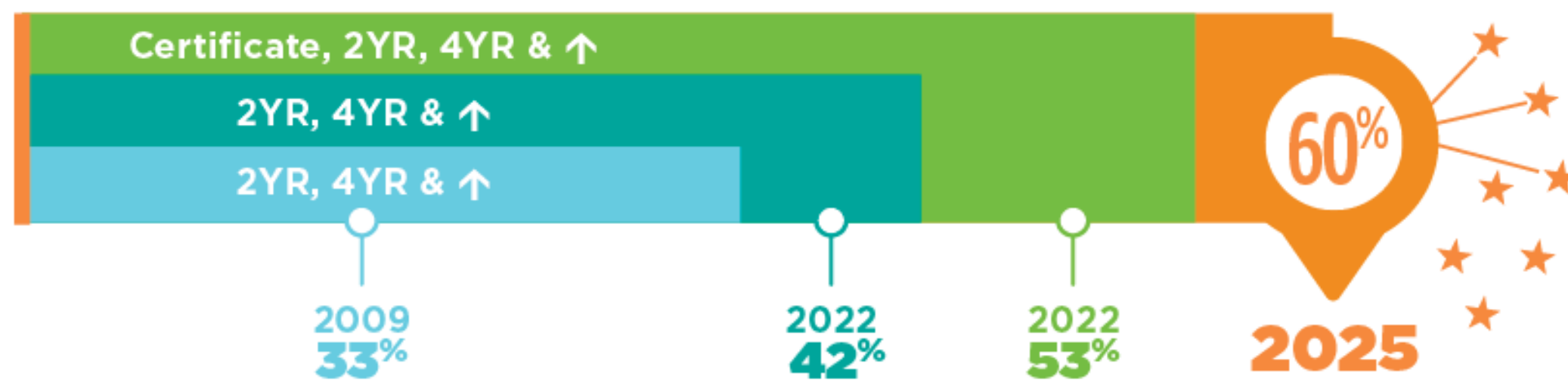
OBPF PURPOSE

- ▶ Three-legged stool (a tool)
 - ▶ Incentive & Accountability (Improvement/stretch)
 - ▶ Investment (attainable) – 43rd in the nation for state support
 - ▶ Policy (board room narrative)
- ▶ HOPE Agenda Aligned
 - ▶ Enrollment (31st for youth & 21st for adults)
 - ▶ Completion (11th in 6-year completion)
 - ▶ Retention (40th in retention)

INDIANA'S BIG GOAL

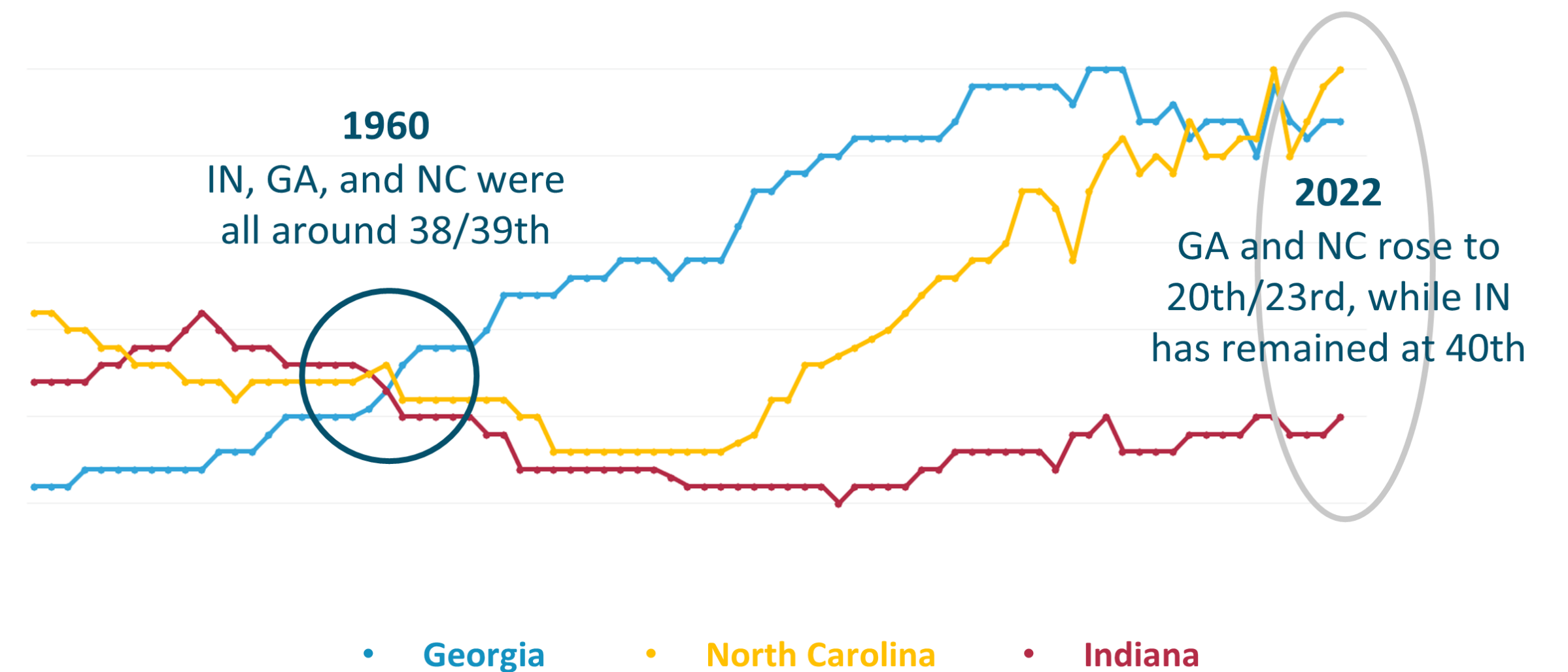
INDIANA'S BIG GOAL

60% OF HOOSIERS WILL HAVE A DEGREE OR CREDENTIAL BEYOND HIGH SCHOOL BY 2025



- ▶ **39th** in attainment of adults with associate degree or higher
- ▶ **5th** in sub-associate degree attainment
- ▶ **28th** in total higher education attainment

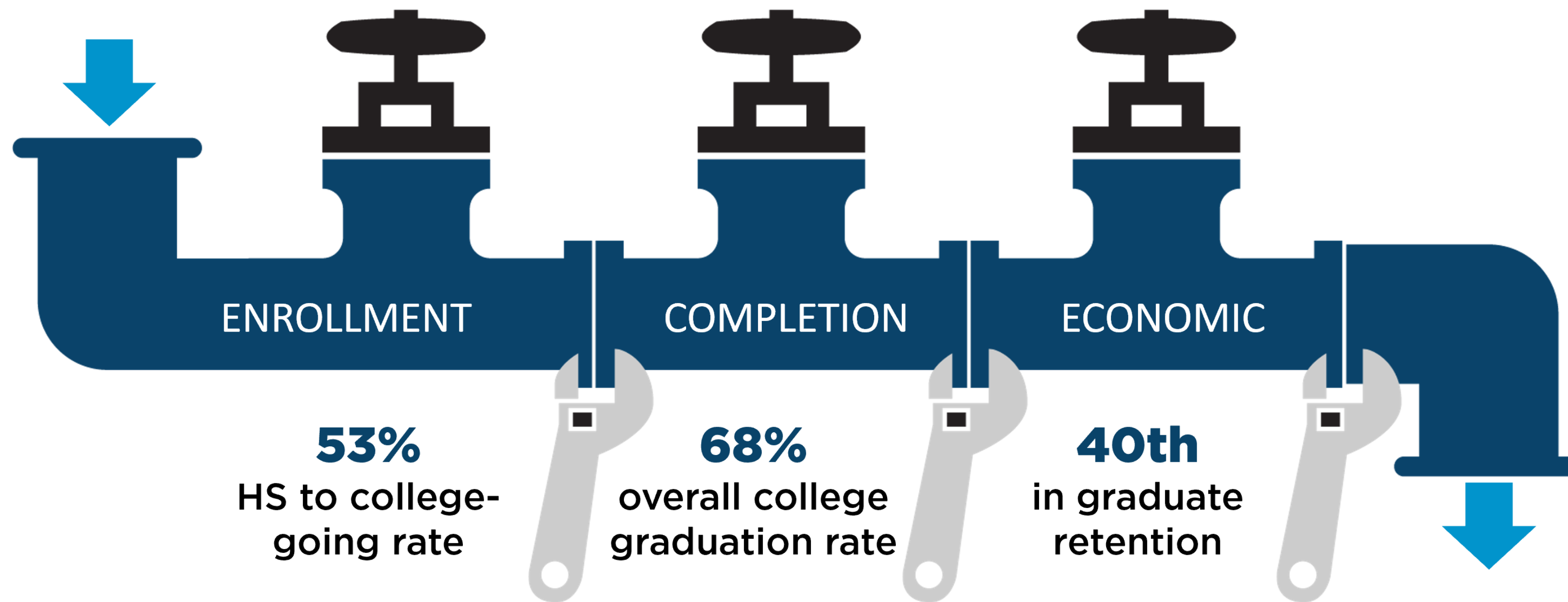
Bachelor's Degree or Higher Attainment Ranking



- ▶ In 1960, Indiana ranked **39th** in bachelor's degree attainment, and our most recent data, 2022, shows Indiana is **40th** in bachelor's degree attainment.

PROSPECTIVE FORMULA

► Metrics



ENROLLMENT	COMPLETION	ECONOMIC
<ul style="list-style-type: none"> • GOING-RATE • ADULT 	<ul style="list-style-type: none"> • ON-TIME (48%) • OVERALL • ADULT • LOW-INCOME 	<ul style="list-style-type: none"> • GRADUATE RETENTION • RESEARCH

DEVELOPMENT CYCLE

- ▶ Four Budget and Productivity meetings
 - ▶ May 30 – August 29
- ▶ Numerous communication with each individual institution
 - ▶ Presidents, gov reps, finance, institutional research, etc....
 - ▶ All feedback considered, much implemented



AGENDA

- ▶ Metric Update
- ▶ Model Changes
- ▶ Goal/Target Setting
- ▶ Metric Weighting
- ▶ Next Steps



METRICS

METRIC UPDATE



GRADUATE RETENTION

- ▶ HOPE Agenda: Currently rank 40th in the country
- ▶ Methodology: Imperfect but consistent
 - ▶ Measures both employment & enrollment with public institutions
 - ▶ Period: 1 year after graduation (starting in 2nd quarter after graduation)
 - ▶ Annualized wages below \$13,195 are excluded (i.e., full time minimum wage)
 - ▶ Must appear in at least 3 quarters in a year
 - ▶ Per DWD and BLS – accounts for 90% of Indiana workforce (i.e., “underreports”)



GRADUATE RETENTION

▶ Takeaways:

- ▶ Improvement in all categories over last 6 years
 - ▶ Moving in the right direction
- ▶ Share in non-resident students has significant impact
 - ▶ 2/3 of graduate completions are non-resident

	FY 2017		FY 2022	
	Resident	Total	Resident	Total
Total Undergraduate	71%	62%	74%	65%
Bachelor Only	64%	51%	67%	52%
Total Graduate	63%	33%	67%	37%

MODEL

MODEL UPDATE



INDIANA COMMISSION *for*
HIGHER EDUCATION

BONUS ALLOCATION

- ▶ Creation of Bonus Allocation
 - ▶ Supplemental funds for fully reaching/exceeding goal
 - ▶ Maintains metric weighting and prioritization
 - ▶ No fund movement between institutions
 - ▶ Bonus cannot pay more than initial allocation per metric
 - ▶ Reinforces “investment” leg of the stool

BONUS ALLOCATION

▶ Example

	Base	Goal	Actual	Weighting	\$ Available	Initial Allocation	Bonus	Total
Metric 1	100	110	99	25%	\$ 100	\$ -	\$ -	\$ -
Metric 2	100	110	112	25%	\$ 100	\$ 100	\$ 38	\$ 138
Metric 3	100	110	105	25%	\$ 100	\$ 50	\$ -	\$ 50
Metric 4	100	110	115	25%	\$ 100	\$ 100	\$ 38	\$ 138
					\$ 400	\$ 250	\$ 75	\$ 325

GOALS

METRIC GOALS



IMPROVED ON-TIME COMPLETION

- ▶ Example:

- ▶ 1,000 students enroll
- ▶ 50% on-time completion
- ▶ 500 completions

- ▶ Example:

- ▶ **900** students enroll
- ▶ **53%** on-time completion (improved)
- ▶ **477** completions (declined)

DECLINING COMPLETIONS

- ▶ Statewide trend shows continued decline for completions
 - ▶ Driven by historic decline in the going rate
- ▶ Need to balance funding with state attainment growth
 - ▶ Will not move state attainment with current goal methodology (e.g., trend improvement)
- ▶ Seeing positive movement in low-income youth enrollment
- ▶ Need more who enroll to complete



GOALS

- ▶ Goal may be no less than base year for the following metrics:
 - ▶ Low-income youth enrollment (rate)
 - ▶ Adult enrollment (count)
 - ▶ On-Time completion (rate)
 - ▶ Graduate Retention (rate)
- ▶ Raised 33 goals above trend (i.e. more challenging)



WEIGHTING

METRIC WEIGHTING



WEIGHTING CHANGES

- ▶ Weighting shifted to...
 - ▶ Low-income youth enrollment
 - ▶ Adult enrollment
 - ▶ On-time completion
 - ▶ Graduate retention
 - ▶ Research



FY25 COMPARISON

2025-2027 Weighting

	IUB	PWL	BSU	ISU	USI, IUI	Regionals	VU
Enrollment	25%	10%	35%	25%	30%	30%	30%
Low-Income Youth	25%	10%	25%	15%	20%	10%	20%
Adult	0%	0%	10%	10%	10%	20%	10%
Completion	45%	60%	50%	60%	55%	55%	55%
On-Time	25%	25%	25%	25%	25%	25%	15%
Overall	5%	5%	5%	10%	10%	5%	10%
Low-Income	10%	10%	10%	15%	10%	15%	10%
STEM	5%	20%	5%	5%	5%	5%	10%
Adult	0%	0%	5%	5%	5%	5%	10%
Graduate Retention	20%	20%	15%	15%	15%	15%	15%
Graduate Retention	20%	20%	15%	15%	15%	15%	15%
Research	10%	10%	0%	0%	0%	0%	0%
Research	10%	10%	0%	0%	0%	0%	0%

FY25 COMPARISON

2025-2027 Weighting

Ivy Tech Community College

Enrollment	15%
Low-Income Youth Enrollment	5%
Adult	10%
Completion	85%
Industry Certifications	10%
Awards of Less Than 30 Credit Hours	25%
Awards of at Least 30 but Less Than 60 Credit Hours	25%
Associates	25%



NEXT

NEXT STEPS



TIMELINE

- ▶ Commission Vote: September 12th
- ▶ State Budget Committee Review: October (TBD)
- ▶ Commission Budget Recommendation Vote: November 14th
- ▶ State Budget Committee Review: December (TBD)
- ▶ FY26 Outcomes Identified: Spring 2025
- ▶ FY27 Outcomes Identified: Spring 2026

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 top and "1816" at the bottom. In the center of the seal is a landscape with a plowman, a shearer, and a sower, with a star above them.

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