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Indiana Commission for Higher Education Approves Funding Formula Metrics

Revised formula maximizes investment in higher education, student success and Indiana's economy

(INDIANAPOLIS) – The [Indiana Commission for Higher Education](#) yesterday unanimously voted to support revised enrollment, completion and economic [metrics](#) for Indiana's Outcomes-Based Performance Funding formula. The new metrics address current issues facing higher education in Indiana such as the declining college-going rate, adult educational attainment, college completion and graduate retention.

For two decades, the Outcomes-Based Performance Funding formula has provided incentives to public higher education institutions that improve student outcome-driven metrics. In 2022, [Senate Enrolled Act \(SEA\) 366](#) for the first time added a requirement into law that the Commission continue its work in performance funding. In response, and based on legislative feedback, the Commission developed a revised funding formula that is focused on mission differentiation for institutions, utilizes more recent data, allows institutions to be measured against themselves and removes the historical practice of redistributing funding between institutions.

"The Outcomes-Based Performance Funding formula proposed by the Indiana Commission for Higher Education addresses the key challenges facing students, the workforce and our state," said Commission Chair Jud Fisher. "Our public institutions have made tremendous gains in college completions. We must not lose focus on that goal, but the proposed formula improves intentionality around getting more Hoosiers enrolled in college and staying in Indiana after graduation."

Governor Eric J. Holcomb's 2023 Next Level Agenda mirrored the Commission's funding recommendations including a significant increase of \$184 million over the biennium. Additionally, Gov. Holcomb fully committed to the Commission's proposed Outcomes-Based Performance Funding formula, including metrics around increasing the retention of college graduates in Indiana.

The Commission's Budget and Productivity Committee is charged with the development, implementation and oversight of the Commission's fiscal policies focused on increasing postsecondary efficiency and productivity.

"The Commission's Budget and Productivity Committee have been actively involved in reviewing and providing insight into how Indiana funds higher education," said committee Chair Chris LaMothe. "The proposed metrics lay the foundation for strengthening Indiana's higher education pipeline, building a skilled workforce for today and tomorrow."

The Commission will continue working alongside university and college partners to maximize student and economic outcomes through Indiana's financial investment in higher education. The [next Commission meeting](#) is on March 9 at Indiana University Kokomo.

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About the Indiana Commission for Higher Education

Created in 1971, the Indiana Commission for Higher Education plans, coordinates and defines Indiana's postsecondary

education system to align higher learning with the needs of students and the state. The Commission also administers Indiana's financial aid programs, including the [21st Century Scholars](#) early college promise scholarship, which celebrated 30 years in 2020. Learn more about the Commission's Reaching Higher in a State of Change strategic plan at www.in.gov/che.