

FRANK O'BANNON GRANT

2026-2027 Schedule of Awards

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November 13, 2025



INDIANA COMMISSION for
HIGHER EDUCATION

FRANK O'BANNON GRANT LEVEL- SET

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OVERVIEW

FRANK O'BANNON GRANT (FOB)

- ▶ Indiana's primary need-based financial aid program for Indiana residents attending Indiana institutions.
- ▶ Made up of two separate awards:
 - ▶ Higher Education Awards (IC 21-12-3) for public/proprietary institutions
 - ▶ Freedom of Choice Grant (IC 21-12-4) for private institutions

OVERVIEW

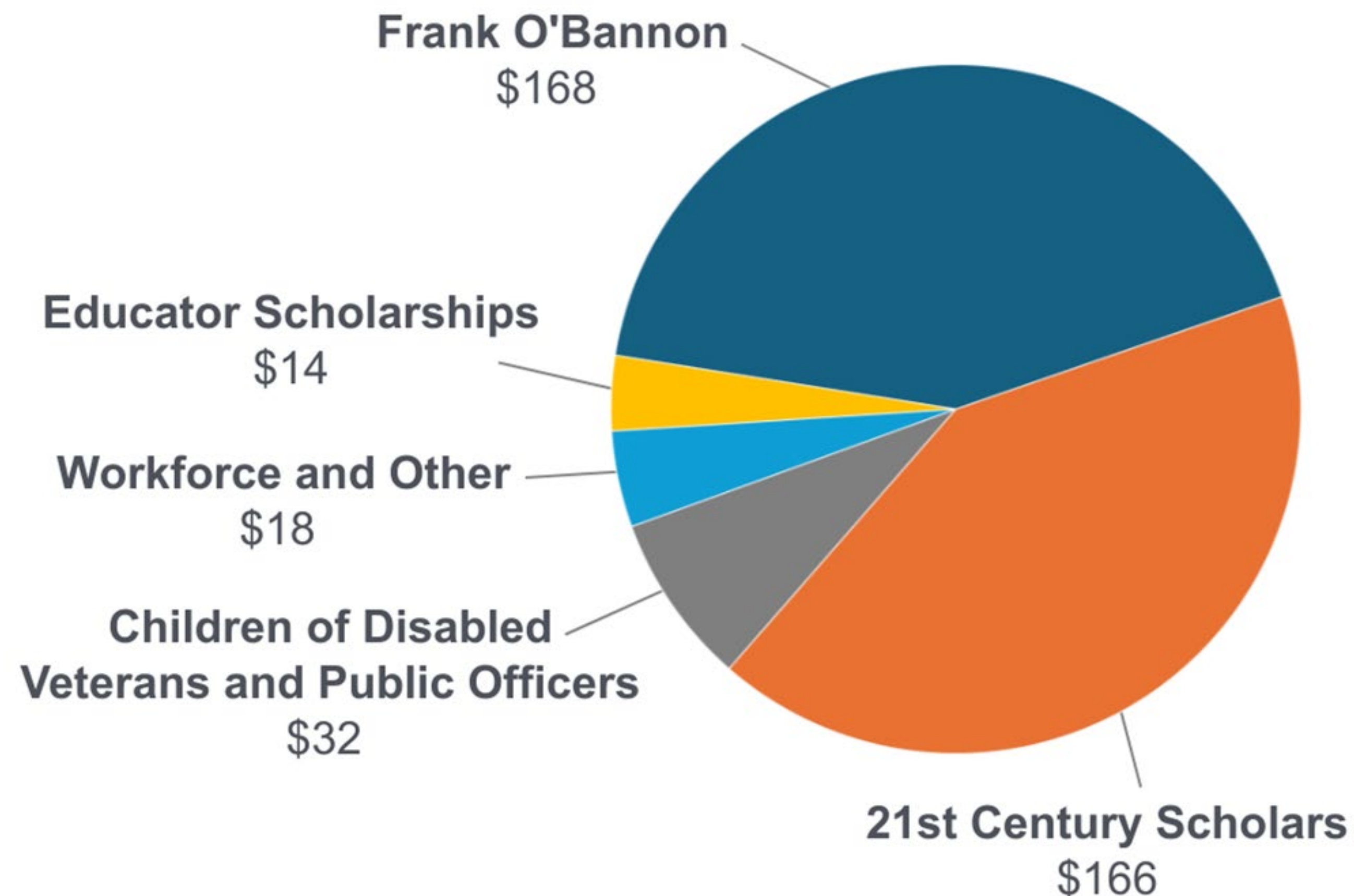
FRANK O'BANNON GRANT (FOB) CONTINUED

- ▶ Since fiscal year (FY) 2021, the Indiana General Assembly has appropriated \$167.7M annually for FOB Grants.
 - ▶ This continues for both FY 2026 and FY 2027.
- ▶ Last year, more than 37,000 students were served by this grant, over half of all State scholarship recipients.
- ▶ This represents \$167.7M of approximately \$400M total in state student financial aid each year for postsecondary education and training.



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STATE FINANCIAL AID (IN MILLIONS)



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FRANK O'BANNON GRANT

ELIGIBILITY REQUIREMENTS PER STATUTE



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Per IC 21-12-3-1 and IC-12-4-2, to be eligible, a student must:

- ▶ Be an Indiana resident by December 31, the year prior to applying for aid.
- ▶ Remain a resident throughout academic year.
- ▶ Be a U.S. Citizen or eligible non-citizen;
- ▶ Be a high school graduate or hold a GED;
- ▶ Attend, or plan to attend, an eligible Indiana postsecondary institution;
- ▶ Be enrolled, or plan to enroll, in a course of study leading to an associates or first bachelor's degree; or must be seeking a certificate at Ivy Tech or Vincennes University;
- ▶ Be a full-time student, or plan to enroll as a full-time student;
- ▶ Abide by credit completion requirements each academic year to renew award:
 - ▶ **24-29 credit hours** earned will result in a '**Full-time**' award amount
 - ▶ **30 or more credit hours** earned will result in an '**On-time**' award amount (i.e. maximum award)
 - ▶ Must meet **SAP (Satisfactory Academic Progress)** requirements as determined by the institution the student is attending.
- ▶ File the FAFSA by the April 15, deadline each year.

FRANK O'BANNON GRANT

FUNDING APPROVAL PROCESS & TIMELINE

Step 1: Commission approval (IC 21-18.5-4-3(6)) - November Commission Meeting (dependent on October claims data)

Step 2: State Budget Committee review and approval (IC 21-18.5-4-3(6)) - December State Budget Committee Meeting

Step 3: Commission communicates to institutions - after December State Budget Committee Meeting

Step 4: Institutions release financial aid packages to students - February/March (starts around Valentine's Day)

Step 5: Institutions submit claims to Commission - July through June

Step 6: Commission releases funds to institutions - July through June

Step 7: Institutions release funds to students - July through June

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STUDENT EXPERIENCE & TIMELINE

Note: the below timeline is for students enrolling in the fall semester.

Step 1: Student applies to college - August through March (except for rolling admissions campuses)

Step 2: Student files the FAFSA - October through April (April 15, deadline for Indiana)

Step 3: Student receives financial aid letters from institutions - February through April

Step 4: Student accepts admission offer - May 1, national deadline (except for rolling admissions campuses)

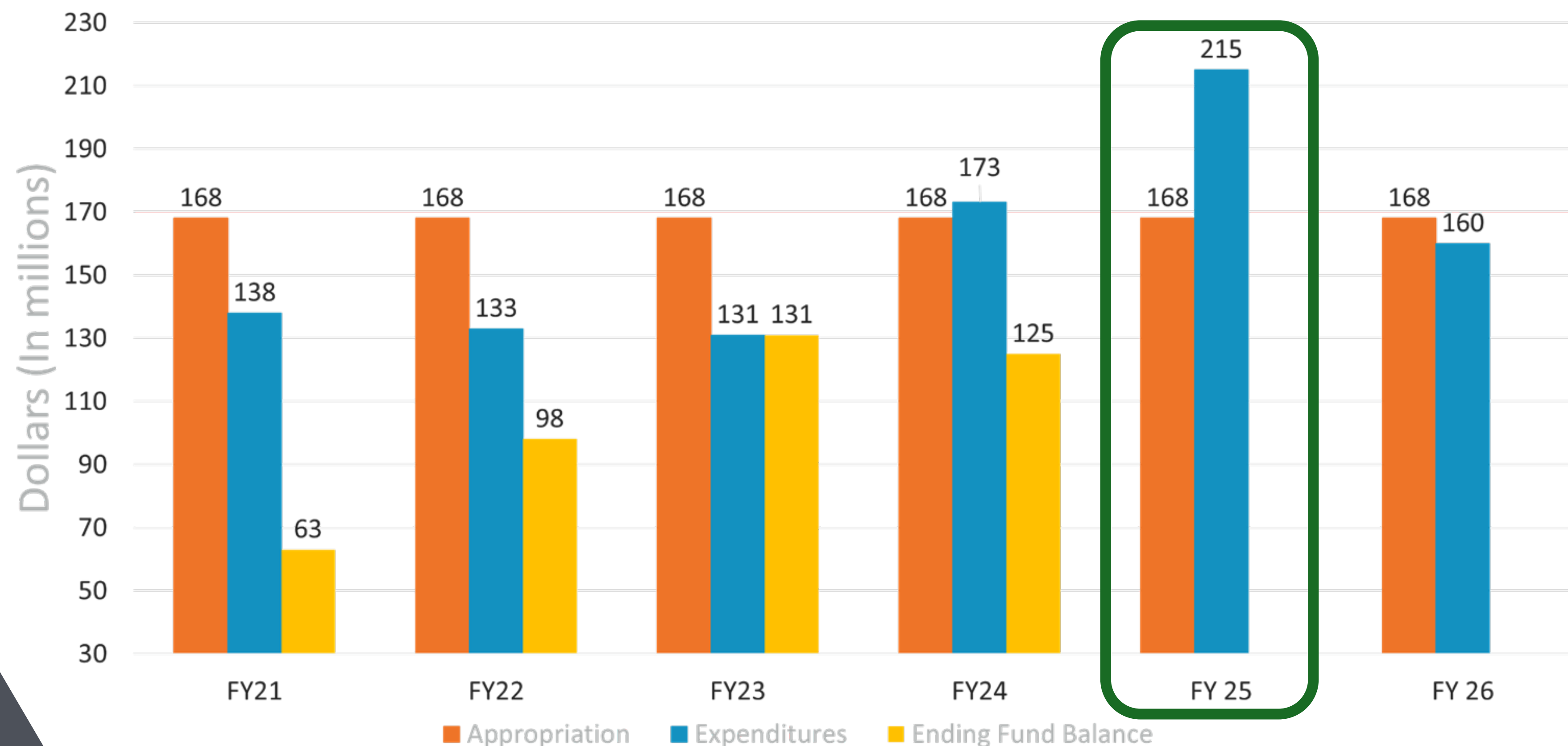
Step 5: Institutions release funds to students - July through June (approximately half of the award is distributed in the fall; the remaining half is distributed in the spring)



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SEE SLIDE
10 FOR
HISTORICAL
CONTEXT

FRANK O'BANNON GRANT HISTORICAL DATA



FRANK O'BANNON GRANT

HISTORICAL CONTEXT

For years, grant awards were lower than the annual appropriation.

- ▶ **2022** - the Commission proposed increasing the maximum award amounts by 35% to return to pre-Great Recession levels.
- ▶ **Early 2024** - unexpected changes to the Federal Student Aid Index (SAI) calculations further increased spending.
- ▶ **Late 2024** - after federal changes to the FAFSA and Federal SAI calculations, the Commission recommended reducing the award schedule to realign spending to the state appropriation.
- ▶ **2025** - Per HEA 1001, \$77.5M from the Frank O'Bannon multi-year reserves was reverted to the state's general fund.

2026-2027 FOB GRANT YEAR SCHEDULE

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GUIDING PRINCIPLES

- ▶ The Commission used the following as guiding principles for determining the 2026-2027 Frank O'Bannon Grant Schedule of Awards:
 - ▶ Continue to remove barriers to education beyond high school for Hoosier students and families.
 - ▶ Keep investment aligned with the appropriation.
 - ▶ Maintain a stable schedule to minimize award fluctuations for students.
 - ▶ Deliver a schedule in a timely manner to institutional partners.

Looking Ahead...

Increasing Transparency & Collaboration

For the first time, the Commission will make the methodology transparent to the public and encourage feedback from higher education institutions, financial aid organizations, and other key stakeholders

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CURRENT METHODOLOGY

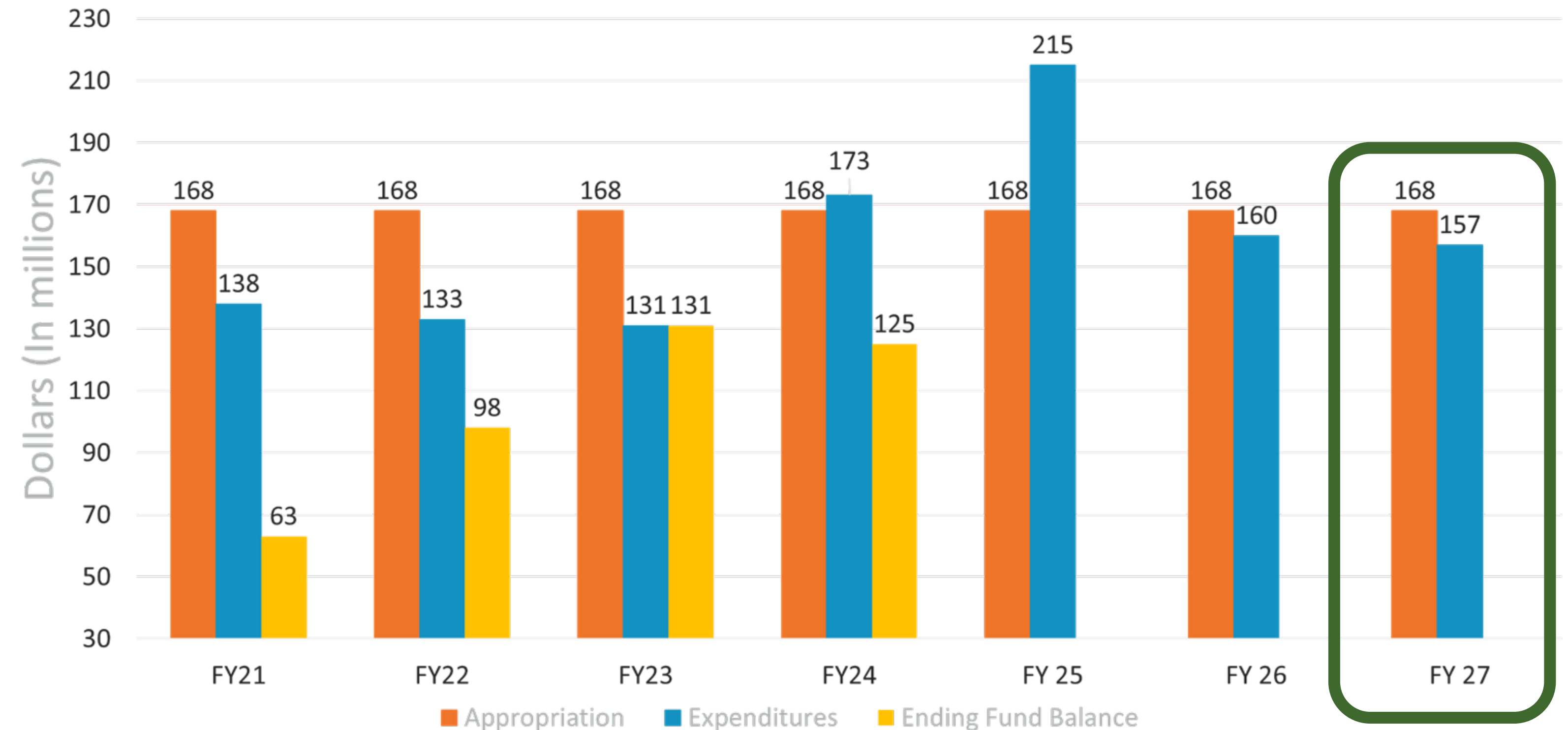
- ▶ To predict future awards spending, the Commission utilizes the following factors:
 - ▶ Claims Data from Higher Education Institutions
 - ▶ Institution Type (public, private, etc.)
 - ▶ On-Time/Full-Time Designation of Recipients
 - ▶ FAFSA Completion Data
 - ▶ Federal Student Aid Index (SAI)



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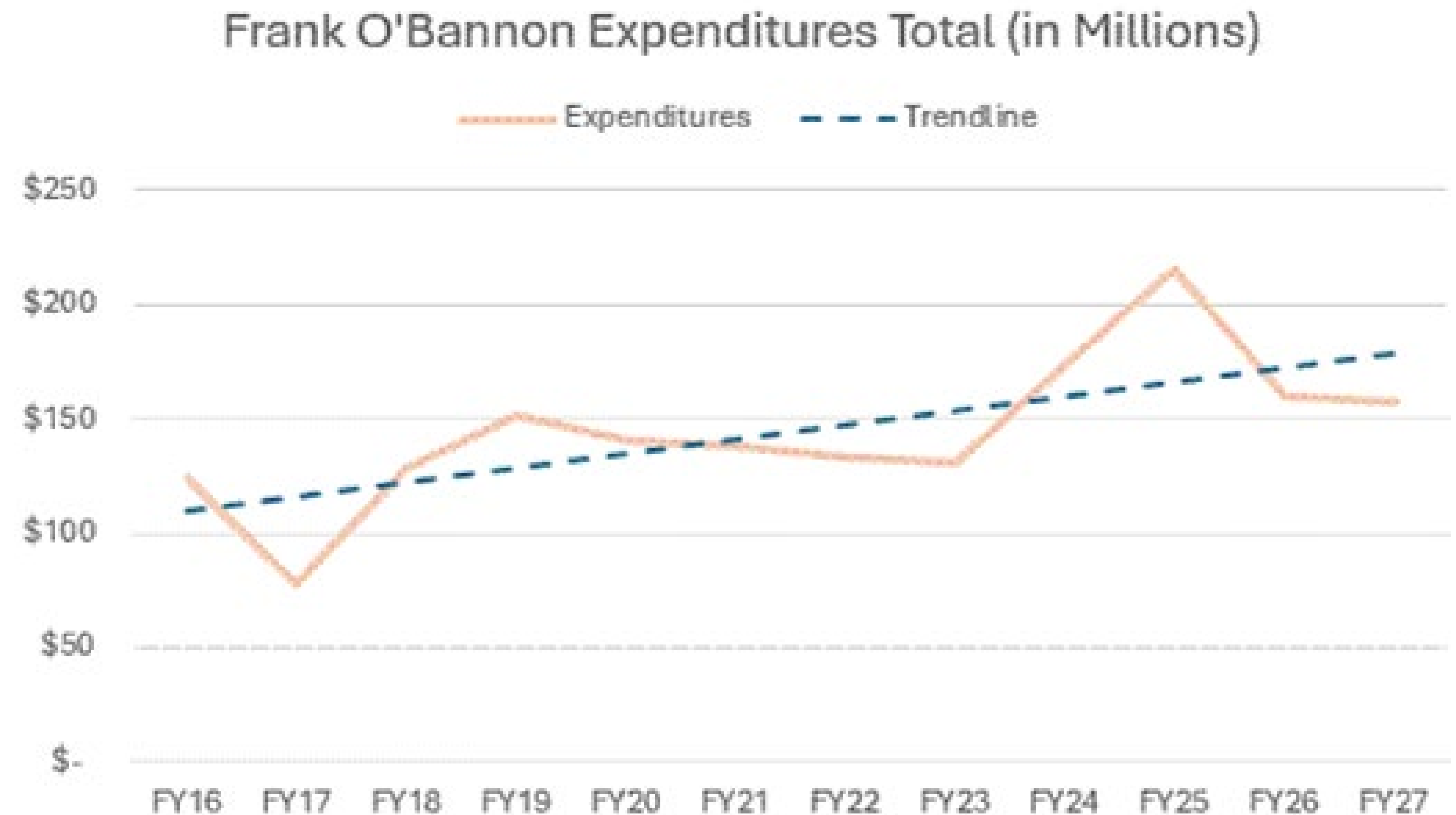
FUTURE AWARD YEARS - PROJECTED



- ▶ All seven public institutions will **hold tuition and fees flat** through the 2026-2027 academic year.
- ▶ **Recommendation:** due to current financial projections, maintain the current **award amounts for the 2026-2027 academic year**.
- ▶ Per IC 21-12-3-20, any remaining balance can be transferred into the 21st Century Scholars Fund or Adult Student Grant Fund.

INDIANA:
8th in the
Nation in
Awarding
Need-Based
Financial Aid

FRANK O'BANNON GRANT





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