

## **Indiana Commission for Higher Education**

### **Budget Committee Presentation—November 14, 2012**

#### **Reaching Higher, Achieving More: *Completion, Productivity, Quality***

##### Early Successes:

- Indiana University (IU) will effectively freeze tuition for students on track to graduate in four years.
- Purdue University has embraced its 4321 Graduate! Campaign, which encourages students to graduate in four years, maintain a 3.0 GPA, study two hours for every one hour in class, and engage in at least one leadership activity.
- The University of Southern Indiana (USI) continues to keep its tuition at the lowest rate among the four-year public institutions.
- Ivy Tech has developed its Ivy Institute of Technology to deliver industry-recognized certifications in high-demand areas, in manufacturing, computer technology and logistics.
- Ball State University (BSU) has developed an immersive learning initiative in which student take on real-world projects.
- Ivy Tech's Associate Accelerated Program (ASAP) is a highly-structured associate degree program that enables low-income students to earn an Associate's Degree in 10 months.
- Vincennes University continues to build its Early College High School model for at-risk students.
- ISU, USI, Purdue, and most regional campuses adopted the Voluntary System of Accountability to assess student outcomes.
- IU's regional campuses have developed on-time degree maps for a number baccalaureate programs.
- HEA 1220 requires state universities and colleges to reduce super-credit programs to 120 or 60 credits or to justify excess credits; the institutions have begun work to reduce super-credit programs.
- Indiana State University (ISU) has launched the Sycamore Guarantee, which promises eligible students they will be able to graduate on-time; if not, ISU will pay for remaining coursework.
- IU, BSU and the USI have lowered their summer-session tuition fees and expanded summer-session course offerings in an effort to promote on-time degree completion.
- Ivy Tech announced the establishment of its Virtual Student Success Center to improve the student advising functions and increase retention through early-warning and key-messaging.
- Indiana University is developing a unified portal for more than 80 online degree programs by its regional campuses
- Ivy Tech and IU are collaborating on the shared provision of IT support and infrastructure
- IU's Blueprint for Student Attainment enumerates areas for collaboration among regional campuses, as well as with Purdue University and Ivy Tech
- Ball State continues to lower costs by creating consumer driven health plans and working on a green-energy initiative.

##### **Priorities for the Next Biennium**

- Completion
- On-Time Completion
- Affordability
- Productivity-Efficiency
- Quality
- Workforce Alignment
- Personal and State Return on Investment

**Realities in Higher Education**

- A growing need for financial aid and one that reflects strong support for 21<sup>st</sup> Century Scholars
- Enrollment growth and its impact on the appropriation per full-time student
- A mission-differentiation, recognizing the value of community college and an ongoing commitment to research
- A commitment to repair and rehabilitation
- Preparing students readiness for college through dual credit courses

**Investment in Higher Education—Paying for What We Value**

**Institutional Commitment to Students and Hoosier Taxpayers**

- Limitations on tuition reform
- Support for financial aid reform
- Coordination between K-12 and community colleges on remediation reform
- Work with CHE on institutional assessment of student learning
- Clearer and more comprehensive reporting on student employment-outcomes

**Performance Formula Support**

Currently, the performance formula supports mission differentiation by allowing some institutions to participate in certain metrics based on the state’s needs from each institution. Not all institutions can participate in all 7 metrics.



# Participation in Revised Metrics

	Research Institutions	4 Year Non-Research Institutions	2 Year Institutions
Overall Degree Completion	YES	YES	YES
At-Risk Student Degree Completion	YES	YES	YES
High Impact Degree Completion	YES	NO	NO
Student Progression Incentive	NO	YES	YES
Remediation Success Incentive	NO	NO	YES
On-Time Graduation Rate	YES	YES	YES
Institutional Defined Productivity Metric	YES	YES	YES

- Research Institutions: IUB, IUPUI, PUWL, BSU
- 4 Year Non-Research Institutions: USI, ISU, IU Regionals and PU Regionals
- 2 year Institutions: Vincennes and Ivy Tech

Below is the history of the performance formula and the changes made since its inception.

### Evolution of CHE Performance Formula Metrics

2001	2003	2005	2007	2009	2011	2013
Enrollment Change (credit hours enrolled)	Enrollment Change (credit hours enrolled)	Enrollment Change (credit hours enrolled)	Enrollment Change (credit hours enrolled)	Enrollment Change (successfully completed credit hours)	Enrollment Change (successfully completed credit hours)	
Inflation Adjustments	Inflation Adjustments	Inflation Adjustments	Inflation Adjustments		Enrollment Change Dual Credit (successfully completed credit hours )	
						Student Persistence Incentive
						Remediation Success Incentive
Equity Adjustment	Equity Adjustment	Equity Adjustment	Equity Adjustment			
Plant Expansion/leases	Plant Expansion/leases					
Program Adjustment						
	Research Support Incentive	Research Support Incentive	Research Support Incentive	Research Support Incentive	Research Support Incentive	
			Change in number of degrees	Change in number of degrees	Change in number of degrees	Change in number of degrees
				Low Income Degree Completion Incentive	Low Income Degree Completion	At-Risk Student Degree Completion
						High Impact Degree Completion
			Change in On-Time graduation Rate	Change in On-Time graduation Rate	Change in On-Time graduation rate	Change in On-Time graduation rate
						Institution Defined Productivity Metric
			Two Year Transfer Incentive	Two Year Transfer Incentive		
				Workforce Development Incentive (funding non-credit coursework)		

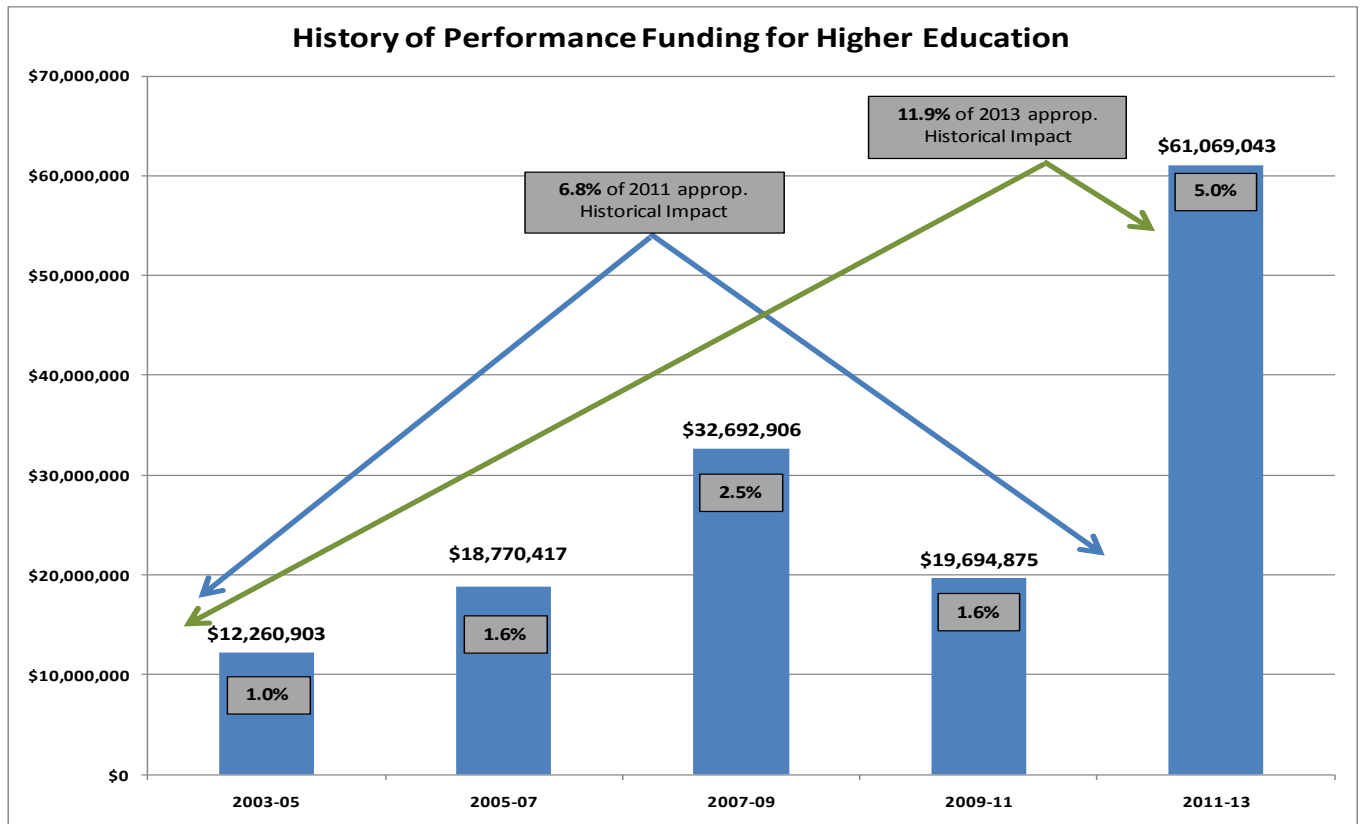
Updated 12-9-11

Red text indicates new performance metrics

Funding for the performance formula has change since its inception in 2003. Current funding levels of 5% are new for the formula, thus the impact of the formula on output measures like overall degree completion and on-time graduation rates are still being impacted by enrollment. However, with additional funding in the performance formula of up to 7% by 2015, more changes in institution behavior may impact output figures like attainment and completion.

During the 2011 legislative session, the 5% for performance outcomes was funded through base reallocations, no new funds were provided for performance funding. As the Commission continues to support moving performance funding levels to 7% by 2015, there will also be dialogue around the funding of the 7% allocation, which could include a mix of new funding and base reallocation.

The following chart provides the history of the funding levels for performance funding starting in 2003. Prior to 2011, performance funding ranged from 1% to 2.5% of the operating appropriation. Note that large change in 2011 based on the state’s commitment to continue funding performance funding while driving more dollars to institutions based on performance outcomes.



#### **Budget and Funding:**

- If new funding is supported by the Commission via its December recommendation, funding could be allocated in the following manner:
  - o Between 25-35% for state student financial aid (mostly 21<sup>st</sup> Century Scholars)
  - o Between 25-35% for performance funding (operating budget)
  - o Between 7-10% for capital projects (mostly major repair and renovation)
  - o Between 15-25% for on-going repair and rehabilitation to current facilities
  - o Between 5-10% for institutional line items (includes funding dual credit)
  - o Between 4-8% for support of dual credit programs offered by institutions
  - o Between 2-7% for direct research funding
  
- Of total new funding, the CHE could recommend placing between 50-70% in direct student investment (operating dollars to support funding per FTE and state student financial aid)
  - o Both investments could impact affordability and access for Hoosier students
  
- Between 22-35% could be state investments to maintain and support academic and administrative facilities on campuses. Such investment could hold flat or reduce student R&R fees currently assessed on students due to lack of funding from the state.