

Budget and Fiscal Policy Committee  
Indiana Commission for Higher Education  
Progress Report  
August 8, 2011

Members: Mike Smith, Chair, Eileen Odum, Chris Murphy, Chris LaMothe, Ken Sendelweck ex officio

ICHE staff: Jason Dudich

The committee has met twice since receiving its charter from the chair of ICHE

Our first and organizational meeting was held telephonically on July 26, 2011 and we met again on August 8, 2011

#### Summary of July 26 meeting

Committee reviewed and prioritized its chartered responsibilities. Using a 1 to 3 ranking of highest to lowest priorities, our work plan sorts out as outlined below. For each major initiative a committee member has been assigned/ volunteered to be champion of the task

1. Review and approval of the ICHE's fiscal year 2012 operating budget was assigned a high priority and will be championed by Chris LaMothe. This work was completed at our committee's second meeting on August 8 and will be reported at our August 12 meeting. Substantial conversation took place regarding the commission's need to expand our review of financial obligations the Commission has as both a fiduciary and a fiscal agent. Our report on Friday will make clear that our responsibilities run well beyond review and approval of our approximately \$1.2 million operating budget. This will be voted on during the August 12, 2011 Commission meeting.
2. Potential changes to the performance funding formula metrics. It was noted that Commissioner Lubbers and staff would be meeting with each institution's President to discuss their suggested revisions and changes to the current performance funding formula model. In addition, staff shared with each President the HCM study regarding other state's performance funding formula models. Staff will finalize meeting with the Presidents the week of August 8<sup>th</sup> and compile feedback and thoughts during August. The timeframe would be to share the suggested changes and revisions with the Commission in September to allow for dissemination of information, and then vote on the revised performance funding metrics during the Commission's October meeting.
3. Provide revised budget instructions and data schedules to all universities on a timely basis well in advance of the start of the next budget cycle with May 2012 as our target date. This work is given a very high priority and a timeline of project deliverables has been drafted by Eileen Odum and discussed with Jason Dudich. Eileen Odum will be the champion and most other members of the committee have expressed interest in joining the work group. Anticipated delivery date of new instructions and schedules would be May of 2012, with a Commission vote in March 2012.
4. Respond to the mandates assigned to the ICHE by the general assembly and other governing bodies. On July 26, 2011 Jason Dudich provided the committee a summary of these requirements with the due dates for the work.
  - a. As prescribed by HEA 1001-2011, CHE will analyze and revise the higher education performance funding formula and report back to the State Budget Committee in December 2011. CHE will use the revised performance funding formula to implement the 2013-15 public postsecondary institution budget instructions which are released in

the spring of 2012. By determining changes to the performance funding formula in the fall of 2011, institutions will have more time to react to the performance metrics in the formula. CHE staff will provide the report to the Budget Committee in December 2011.

- b. As prescribed by HEA 1004-2011, CHE must provide a website that includes various financial data related to each public postsecondary institution that is easily accessible to the public. CHE will provide an update regarding this initiative to the State Board of Finance and Legislative Council by November 2011. CHE will work to have the required financial data noted in HEA 1004-2011 on our website on or before March 2012. Continuing past March of 2012, CHE will update and post new financial information on an annual basis.
- c. As prescribed by HEA 1006-2011, CHE will post on our website an inventory of entrepreneurship programs offered by postsecondary institutions in Indiana. CHE is required to report to the Legislative Council by November 2011 the inventory of the entrepreneurship programs. CHE is currently working on communications to all postsecondary institutions in Indiana to solicit the information needed to develop an inventory. CHE plans on providing a link on its website prior to November 2011 that will list entrepreneurship programs throughout Indiana.
- d. As prescribed by HEA 1001-2011, CHE will review the Ivy Tech 10 year campus plan to accommodate growth and enrollment on its campuses and report to the State Budget Committee by December 2011. CHE is currently working on a plan to work with Ivy Tech on this requirement.

The committee reviewed each of these requirements with Jason and has suggested an approach of leveraging universities' resources wherever possible to cause "ownership" to reside where it most appropriately would belong and to minimize the historical challenge of inconsistent format and data point selection in such matters as ICHE's linked website posting of financial information from each institution and a posting of all entrepreneurship programs being offered across our higher education system. Staff will lead the committee thru this work and will gate our progress to meet deadlines for the following assigned tasks; report on the adoption of performance funding formulae in other states, including the data gathered recently by HCM, report on Ivy Tech's enrollment plans and campus growth plans and share that data with the Senate Budget Committee. These items and the other externally mandated reports have a high priority and must be completed timely. Staff will lead the work and engage our committee in review and progress assessment as appropriate. Commissioner Lubbers and staff will report on recent discussions with university leaders regarding performance measures in the context of "Reaching Higher 2.0" at our late summer and fall meetings of the full Commission. This work was mandated by the SBC and is due by Dec 2011.

5. Develop a capital project review policy for the Commission when reviewing projects submitted by the 7 public postsecondary institutions. This goal was assigned a medium priority status and will be presented to the full Commission during the December 2011 meeting. Eileen Odum and Chris LaMothe have agreed to champion our committee's work on this task.
6. Developing a straw man proposal for tuition and fee policies to include the pricing of college campus hosted and high school hosted dual credit courses has been assigned a lower priority and will be managed on an extended timeline in fiscal year 2013.
7. Improving the dashboard reporting of our higher education system's performance against goals adopted in Reaching Higher has been given a high priority status and will be central in our broader launch of Reaching Higher 2.0, as an update to the framework for our higher education system.