

FRANK O'BANNON GRANT

Schedule of Awards Methodology Overview

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INDIANA COMMISSION for
HIGHER EDUCATION

FRANK O'BANNON GRANT OVERVIEW

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

FRANK O'BANNON GRANT OVERVIEW (continued)

- ▶ Since FY21, the Indiana General Assembly has appropriated \$167.7M annually for the Frank O'Bannon Grant Program.
 - ▶ *\$101.4M Higher Education Award, \$66.3M Freedom of Choice Grant*
 - ▶ This continues for FY26 and FY27.
- ▶ Last year 37,000 students were served by this grant with an average award of \$5,000.
- ▶ Beginning with FY26, Frank O'Bannon Grant funds became reverting and historical carryforward was also reverted.
 - ▶ FY26 and FY27 Schedule of Awards constructed with the goal of maximizing the appropriation without overspending total or individual funds

FRANK O'BANNON GRANT REQUIREMENTS

- ▶ Per Indiana Code 21-12-1.7, when setting the annual schedule of awards:
 - ▶ Amounts must be determined based on the **federal needs calculation** as determined by the FAFSA; and
 - ▶ Amounts must be determined separately for students attending
 1. Public state educational institutions (except Ivy Tech)
 2. Ivy Tech Community College and Vincennes University
 3. Nonprofit private college or university operating in the state
 4. Proprietary institutions with credit-bearing programs operating in the state
(Board for Proprietary Education institutions)

FRANK O'BANNON GRANT REQUIREMENTS (continued)

- ▶ Additionally, per IC-21-12-1.7:
 - ▶ Award amounts must offer a larger award to first time and prior recipients who complete at least 30 credit hours during the last academic year or credits banked (such as dual credit, AP, etc.)
 - ▶ Award amounts for students attending public state educational institutions (except Ivy Tech) must be equal to 50% of the amount for students attending nonprofit private institutions

FRANK O'BANNON GRANT LEGISLATIVE REQUIREMENTS: SCHEDULE OF AWARDS COMPONENTS

BASE AWARD			
INSTITUTION TYPE		-1500	-1499 to -1000
Private	On-Time	\$10,600	\$9,700
	Full-Time	\$7,700	\$6,800
Public	On-Time	\$5,300	\$4,350
	Full-Time	\$3,850	\$3,400
Proprietary or Ivy Tech	On-Time	\$1,250	\$2,550
	Full-Time	\$2,900	\$2,400

Columns reflect statutory requirement for separate award amounts by institution type

Top row reflects statutory requirement for award amounts to be set according to student need as determined by the federal needs calculation (FAFSA, Student Aid Index)

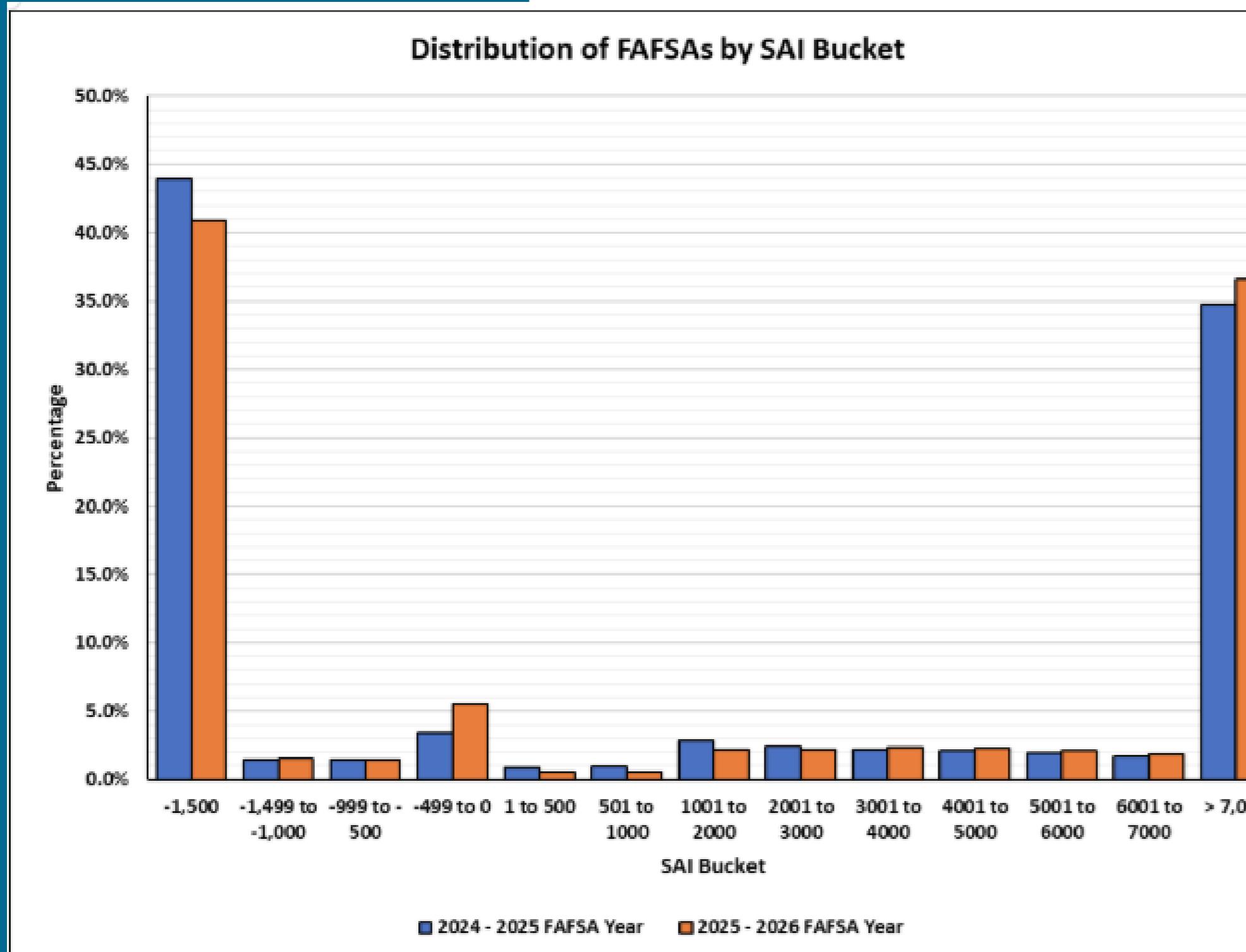
Reflects statutory requirement for public award amount to be 50% of private award amounts

On-Time award amount (30 credits or more) vs. Full-Time award amount requirement

FRANK O'BANNON GRANT: ADMINISTRATIVE MODELS

	FAFSA Model	Claims Model
Purpose	Predict future student financial need and enrollment behavior to develop an annual award schedule with the goal of maximizing the appropriation without overspending	Act as a fiscal control/check once institutions begin submitting Frank O'Bannon Grant claims to ensure current award schedule will contain spend within the appropriation
Data	Historical FAFSA filing data through priority deadline and historical Frank O'Bannon Grant utilization patterns	Actual payment claims submitted to ScholarTrack through October by institution type and award amount
Timing	Data available prior to beginning of FY	Data available after first quarter of FY
Results	Allows for future spend projections but due to complexity and variability of data, model produces a wider range of spending estimates	Cannot predict future spend but because it is based on same-year data, model produces a tighter range of spending estimates

FRANK O'BANNON SCHEDULE OF AWARDS METHODOLOGY: FAFSA MODEL OVERVIEW



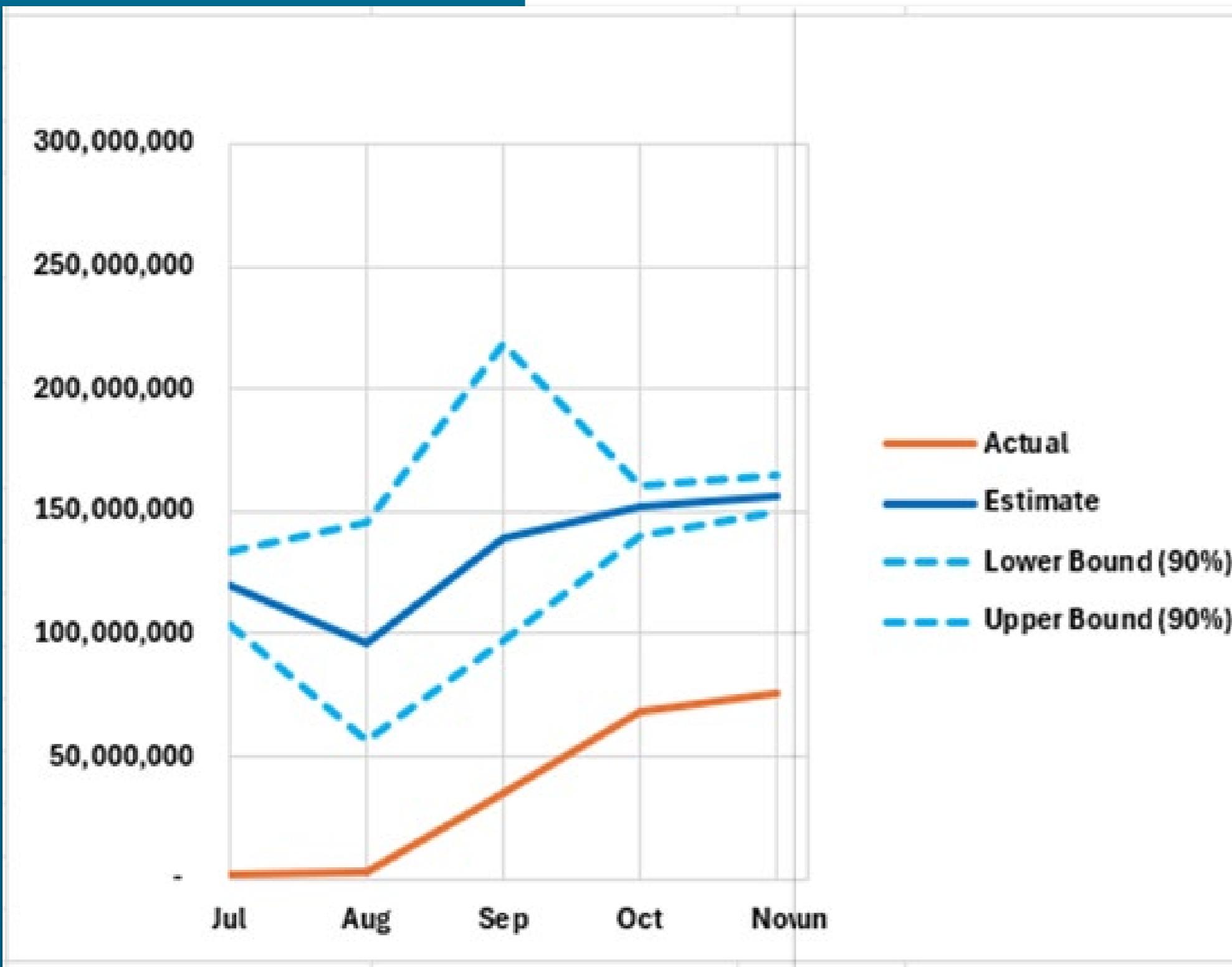
SAI Distribution for Indiana FAFSA filers by Priority Deadline. Source: ScholarTrack

- ▶ Incorporates actual FAFSA filing data by Student Aid Index (SAI) through the priority deadline.
 - ▶ Due to changes in federal needs calculation (SAI) between 2024-25 and 2025-26, FY26 and FY27 model methodology only uses latest year of FAFSA filing data.
- ▶ Relies on FY25 Frank O'Bannon Grant utilization patterns (type of institution, on-time vs. full-time).
- ▶ Allows input adjustments to generate scenarios forecasting total spend.
- ▶ Highly sensitive to total number of FAFSAs filed and changes to needs analysis formula. Historic behavior may not reflect future behavior.

FAFSA Model Purpose:

Predict future student financial need and enrollment behavior to develop an annual award schedule with the goal of maximizing the appropriation without overspending.

FRANK O'BANNON SCHEDULE OF AWARDS METHODOLOGY: CLAIMS MODEL OVERVIEW

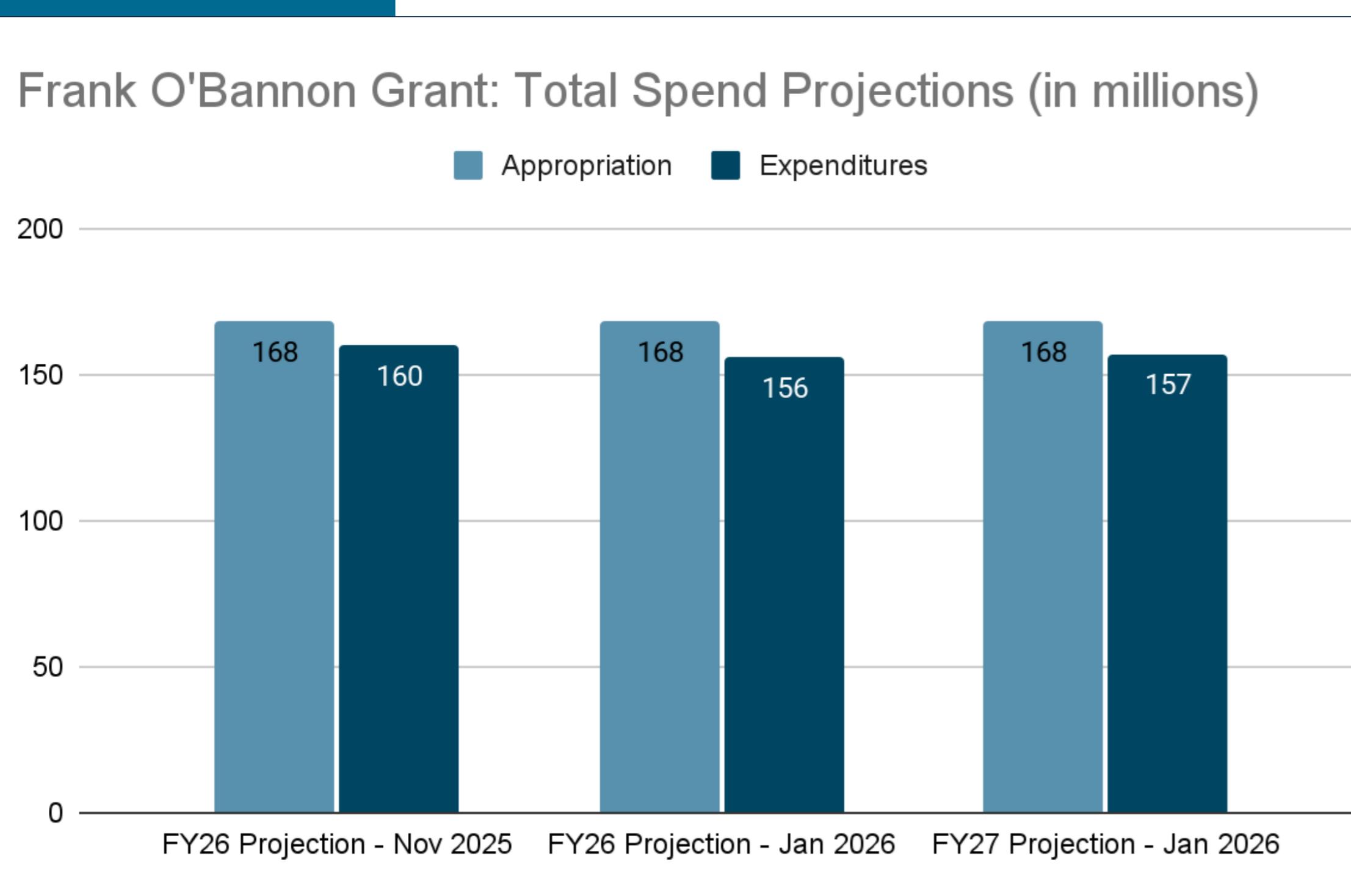


- ▶ Commission does not receive student enrollment by school or enrollment intensity until actual claims are submitted by institutions. Claims model based on actual utilization (as opposed to forecasted utilization from FAFSA model).
- ▶ Claims model utilizes institutionally-submitted fall Frank O'Bannon Grant claims data through October to project total fiscal year spend. Model uses historical patterns of total fiscal year percent spend by December 1.
- ▶ Forecasts an estimated spend for the current fiscal year, including lower and upper bound estimates for risk analysis.
- ▶ Highly sensitive to number of claims submitted July 1 to October 31.

Claims Model Purpose:

Act as a fiscal control/check once institutions begin submitting Frank O'Bannon Grant claims to ensure current award schedule will contain spend within the appropriation.

FRANK O'BANNON SCHEDULE OF AWARDS METHODOLOGY: UPDATED SPEND PROJECTIONS



FY26 Projection

- ▶ Coming from Claims model
- ▶ Additional claims received in November, changing projection from \$160M to \$156M
 - ▶ Projection within appropriation

FY27 Projection

- ▶ Coming from FAFSA model
- ▶ Based on estimated FAFSAs received by priority deadline, projection of \$157M spend
- ▶ Allowances in model for up to 7.3% increase in FAFSAs received and stay within appropriation

HOW HOOSIERS CAN WEIGH IN?

- ▶ Stakeholders are invited to review the full methodology and submit comments for feedback and/or improvement.
- ▶ Submissions due by **11:59 p.m. ET., on Wednesday, March 25**
- ▶ Click here:
<https://idoe.jotformgov.com/5735995065>

Or scan  the code below

QUESTIONS / DISCUSSION





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