

Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 366

AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 21-18-8-1, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 1. The commission ~~may~~ **shall** develop, update, and implement a long range plan for postsecondary education.

SECTION 2. IC 21-18-8-2, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 2. In developing the long range plan, the commission shall take into account:

- (1) the plans and interests of the state private postsecondary educational institutions;
- (2) anticipated enrollments in state public and private postsecondary educational institutions;
- (3) ~~financial needs of students;~~ **and reducing the financial burden on students and their families for postsecondary education;**
- (4) **the impact on economic development;**
- (5) **the higher educational operating funding outcomes based formula created by the commission under IC 21-18-16; and**
- ~~(4)~~ (6) other factors pertinent to the quality of educational opportunity available to the citizens of Indiana.

SECTION 3. IC 21-18-9-1, AS ADDED BY P.L.2-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2022]: Sec. 1. The commission ~~may~~ **shall**:

- (1) review the legislative request budgets of all state educational institutions preceding each session of the general assembly; ~~and~~
- (2) make recommendations concerning appropriations and bonding authorizations to state educational institutions, including public funds for financial aid to students by any state agency; **and**
- (3) present to the budget committee in even-numbered years at the same time as budget hearings are held under IC 4-12-1-8, a summary of the legislative requests of all state educational institutions and the commission's recommendations concerning:**
 - (A) operating;**
 - (B) capital, including:**
 - (i) repair and rehabilitation;**
 - (ii) preventive maintenance; and**
 - (iii) capital projects, including new construction, substantial renovation, or substantial rehabilitation funding; and**
 - (C) financial aid.**

SECTION 4. IC 21-18-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

Chapter 16. Outcomes Based Funding Formula

Sec. 1. As used in this chapter, "outcomes based funding formula" refers to the higher educational operating funding outcomes based formula created by the commission under section 2(a) of this chapter.

Sec. 2. (a) The commission shall create a higher educational operating funding outcomes based formula that aligns with the goals outlined in the commission's long range plan for postsecondary education under IC 21-18-8.

(b) An outcomes based funding formula must be created and approved by the commission at a meeting of the commission on or before October 1 of each even-numbered year prior to each odd-numbered year in which the general assembly will reconvene in a first regular session and consider a state budget bill.

(c) The commission shall approve the metrics used for an outcomes based funding formula created under this chapter.

Sec. 3. (a) An outcomes based funding formula approved by the commission under this chapter is subject to review by the budget committee.

(b) The commission shall create a report with regard to each



outcomes based funding formula. The report must contain a detailed summary of the formula, the methodologies, and the metrics used to create the formula. The commission shall submit the report prepared under this subsection to the budget committee not later than five (5) days before the meeting described in subsection (c).

(c) In even-numbered years, the executive officer of the commission, or the executive officer's designee, shall present the outcomes based funding formula approved by the commission under this chapter and the report submitted under subsection (b) to the budget committee at a meeting that occurs prior to when budget hearings are held under IC 4-12-1-8 and the meeting at which the commission makes its presentation under IC 21-18-9-1(3).

Sec. 4. The executive officer of the commission, or the executive officer's designee, shall present the funding results for each state educational institution using the formula created under section 2(a) of this chapter at the same time as budget hearings are held under IC 4-12-1-8 and at the meeting at which the commission makes its presentation under IC 21-18-9-1(3).

Sec. 5. (a) The commission shall biannually measure and make findings on the progress of each state educational institution in meeting the goals of the commission's long range plan for postsecondary education under IC 21-18-8 as those goals pertain to the outcomes based funding formula.

(b) The executive officer of the commission, or the executive officer's designee, shall present the findings made for each state educational institution to commission members at a meeting of the commission.

(c) Following the presentation to the commission, the executive officer, or the executive officer's designee, shall present the findings with regard to each state educational institution to the budget committee at the budget hearings held under IC 4-12-1-8 and at the same time as the committee's summary of legislative requests and the commission's recommendations are presented under IC 21-18-9-1(3).

Sec. 6. (a) The commission shall biannually engage an independent third party examiner to audit the data submitted by each state educational institution for use within the outcomes based funding formula.

(b) If the audit required under subsection (a) is performed by the state board of accounts, the state educational institutions shall



pay the actual and indirect costs of performing the audit.

(c) The commission shall promptly submit a copy of each audit report produced under subsection (a) to the audit and financial reporting subcommittee of the legislative council in an electronic format under IC 5-14-6.

SECTION 5. IC 21-18-17 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 17. State Educational Institution Capital Project State Budget Requests

Sec. 1. In even-numbered years, the executive officer of the commission, or the executive officer's designee, shall present at the same time as budget hearings are held under IC 4-12-1-8 and at the meeting at which the commission makes its presentation under IC 21-18-9-1(3):

- (1) each of the capital projects for which the commission received funding requests from each state educational institution;**
- (2) the capital projects that the commission recommends the state fund in the upcoming budget bill; and**
- (3) how the capital projects recommended by the commission will advance the state's progress in meeting the goals outlined in the long range plan for postsecondary education developed under IC 21-18-8.**



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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