In Illinois, the state performance funding model employs an outcome indicator aimed at improving degree and certificate completion for “At Risk” students. Additionally, the state’s performance funding gives added weight to institutions for graduates who are low-income, adult, Hispanic, African American, majored in a STEM or health care field. Using critical policy framework, this multi-case study will examine perceptions among various Illinois institutions of higher education about how this targeted language within the state’s performance funding model has shaped two year college institutional practices and policies related to improving diversity. This research seeks to highlight gaps, conflicts, and unintended consequences between the goals of using indicators and weights within performance funding models designed to improve diversity. From the findings, I also plan to produce recommendations for how policymakers can use or develop indicators designed to improve diversity outcomes that will increase the participation and retention of underrepresented students of color. Additionally, there will be recommendations for researchers about future studies and bridging the communication gap between state policymakers and institutional members about policy goals.