
ILLINOIS COMMISSION ON
EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #7

Welcome to the November 17, 2022 meeting of the Adequacy Workgroup. The meeting will begin at 9:00 a.m. This meeting will be recorded.

Members of the general public will remain muted throughout the meeting and will have the opportunity to comment during the public comment period. To make a comment, please leave your name and the organization you represent in the Q&A section by 11:20 a.m. We will call on you during the public comment period and ask that you keep your remarks to under three minutes.

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Welcome & Agenda Overview

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- 9:00 am Welcome & Agenda Overview
- 9:10 am Action: Approval of minutes from October 20, 2022
Workgroup Meeting
- 9:15 am Introductions
- 9:20 am Update on the Resource Workgroup
- 9:30 am Texas Study: Adequacy in Community Colleges
- 9:45 am Hand-Off to Technical Workgroup
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- 10:45 am Break
- 11:00 am Reflecting Future Changes in Adequacy
- 11:40 am Prep for Commission Meeting
- 11:50 am Public Comment
- 12:00 pm Adjournment
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Action: Approval of minutes from
October 20, 2022 Workgroup
Meeting

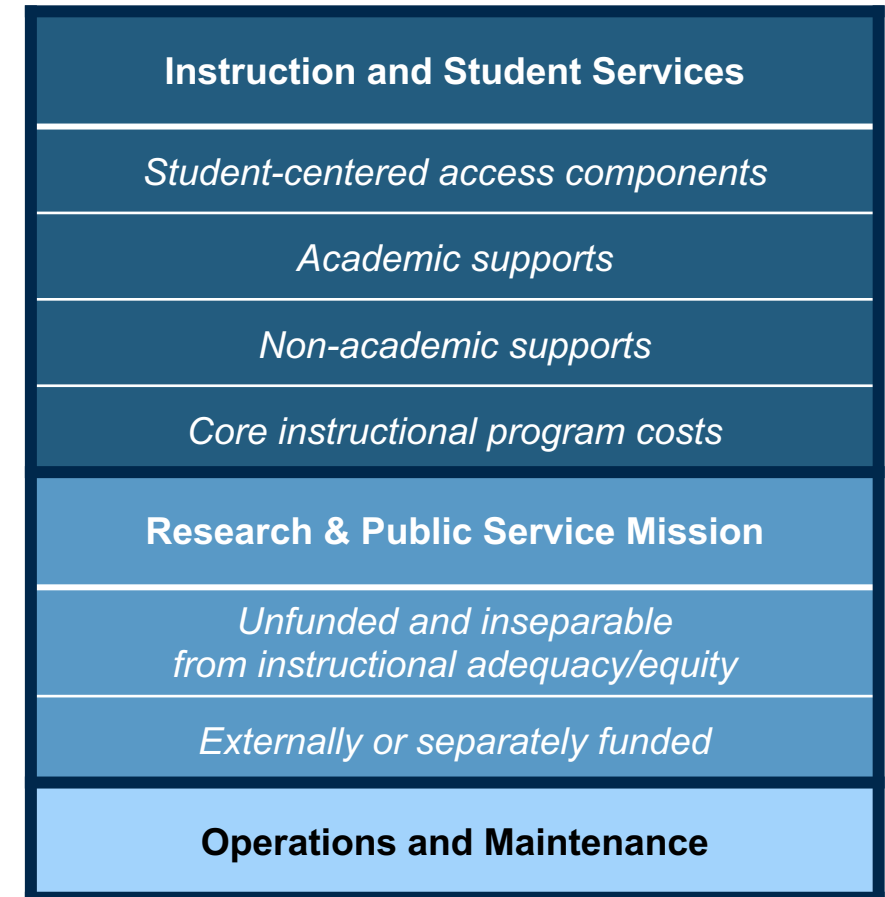
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Update on the Resource
Workgroup

Adequacy & Resources: How the Workgroups Interrelate

Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. The Adequacy Workgroup is developing these components.

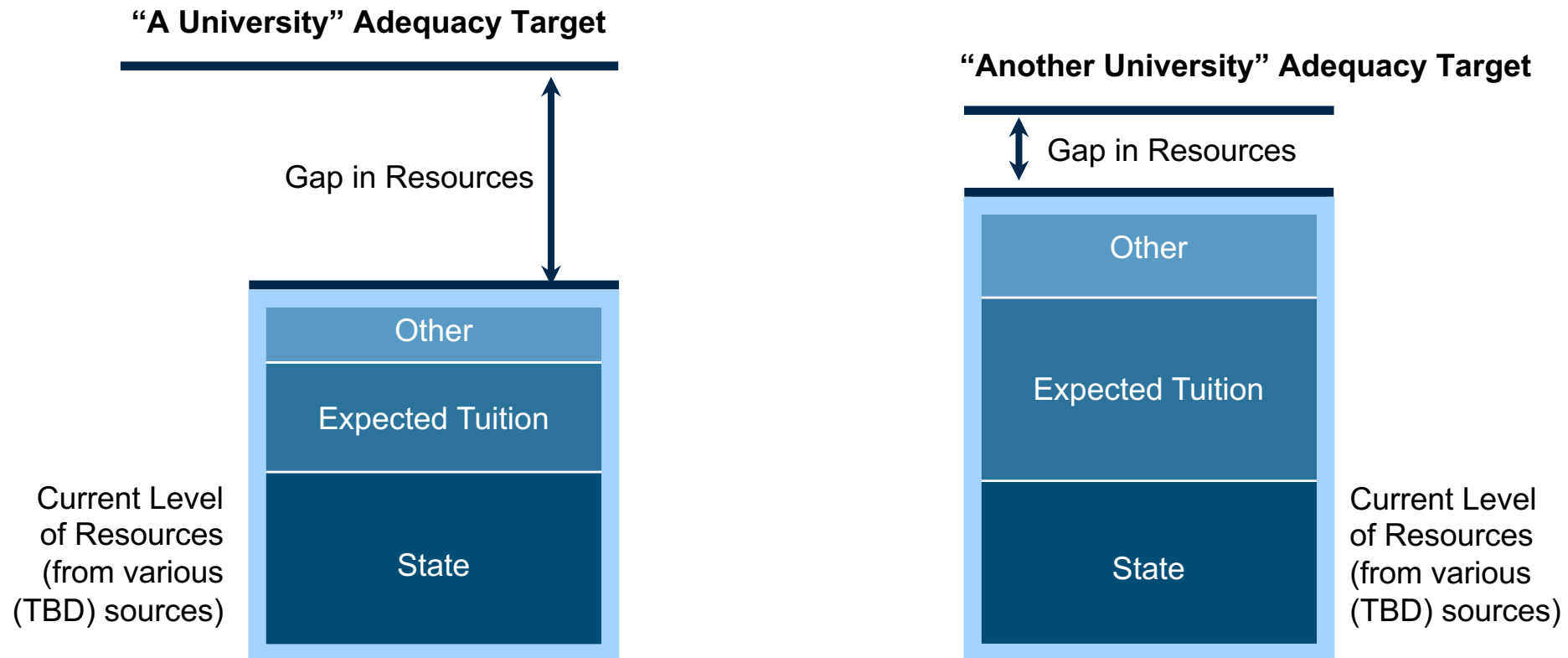
“A University” Adequacy Target



Adequacy & Resources: How the Workgroups Interrelate

Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. The Adequacy Workgroup is developing these components.

Each institution has Resources available to it. The Resources Workgroup is determining which types of resources should be counted to determining how close an institution is to adequacy.



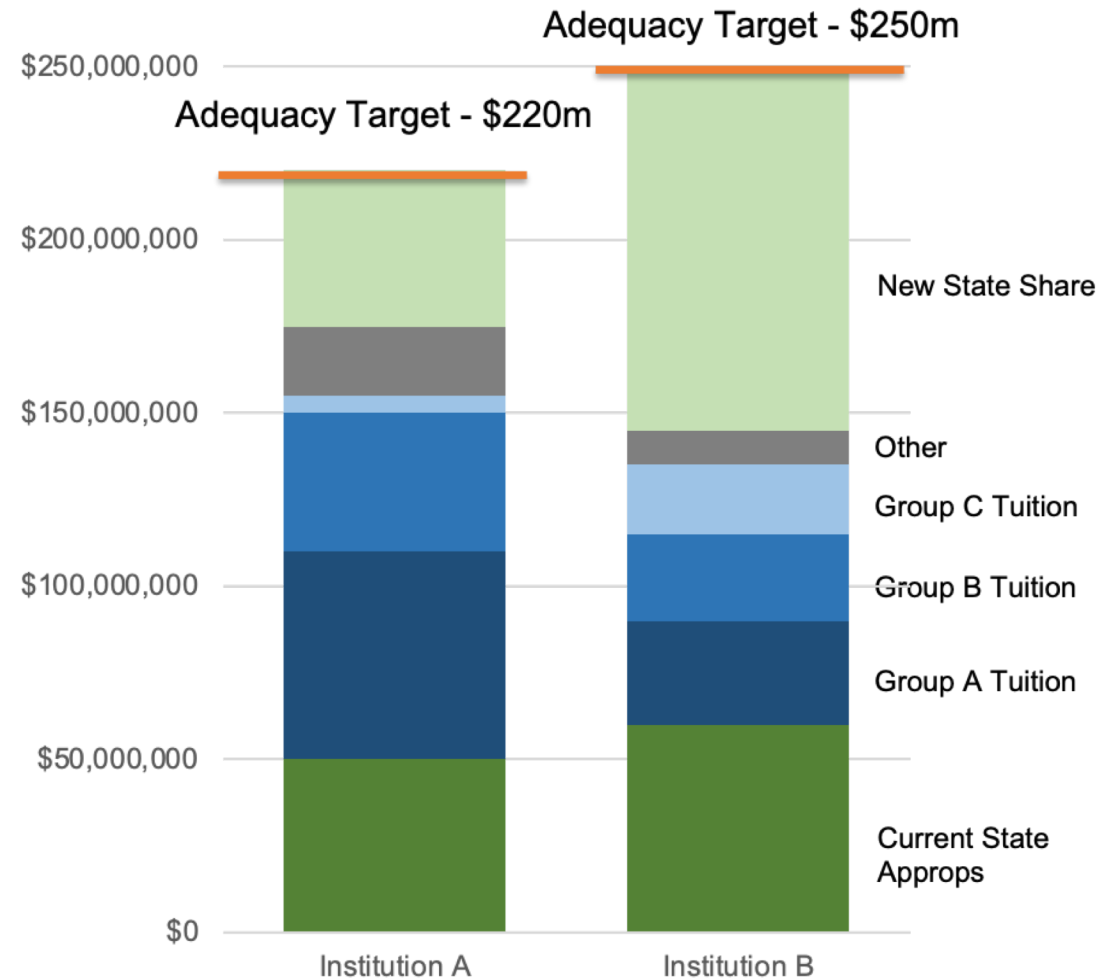
Resource Workgroup

Institutional Revenue Categories/Definitions:

- University Income Fund (tuition)
- Auxiliaries
 - Factoring in affordability
- Grants + Contracts (Government + Private)
- Endowment
 - How to include in a way that acknowledges connection to adequacy (endowed chairs, financial aid), but also limitations

Factoring in Affordability Using “Expected UIF”

- Each institution will have a different “Expected UIF” level, based on the types of students it enrolls (demographics, income, etc).
- The state uses the Expected UIF, rather than actual UIF, to calculate the institution’s available revenue.
- The state’s responsibility is to fill in the gap between the Adequacy Target and the available revenue.



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Texas Study:

Adequacy in Community Colleges

Adequacy in Community College Finance

What does it cost to provide an adequate community college education?

- Researchers in Texas just completed first-ever analysis to answer this question. Needs refinement, but big step forward.
- Established relationships between student need factors, institutional factors, student achievement on state outcomes, and spending per college
- Were able to calculate:
 - **Base Cost** per student
 - **Student Weights** for colleges that enroll students who need more resources to achieve
 - **Institutional Weights** for smaller colleges

Adequacy in Community College Finance

STUDENT FACTORS

% First-generation students	2.49	(\$11,296)
% Low-income (under \$30k/yr)	1.31	(\$ 5,943)
% Older than 24	2.63	(\$11,458)
% English Language Learners	1.19	(\$ 5,398)
% Dual Credit	0.84	(\$ 3,811)

INSTITUTIONAL FACTORS

Fewer than 4,001 students enrolled	1.28	(\$ 5,807)
4,001-30,000 students enrolled	1.18	(\$ 5,353)

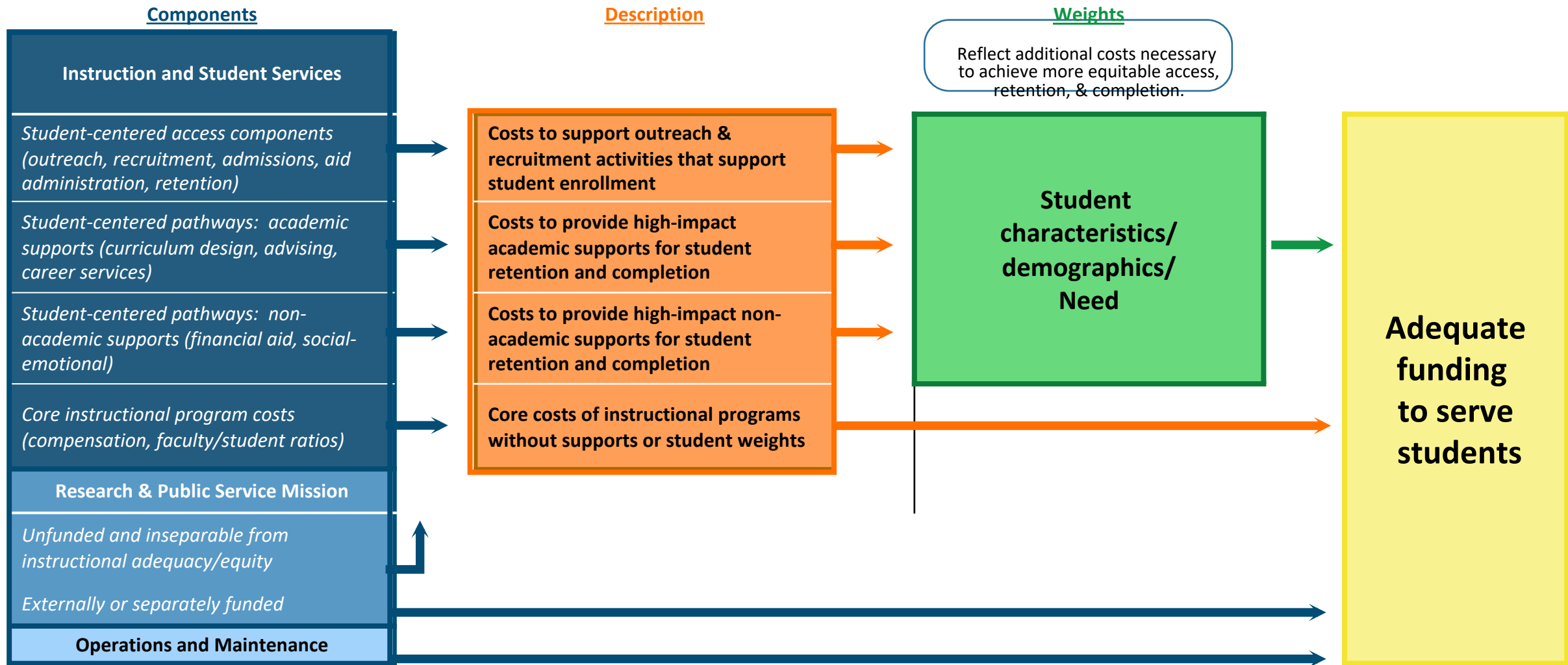
BASE PER STUDENT COST (constant) \$4,536.85

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Review Technical Workgroup
Hand-off

Instruction and Student Services

Potential Model for Developing Adequacy Definition



Approaches for Measuring Adequacy

Options:

- Benchmark key student ratios
- Link to staffing costs/salaries
- Incorporate costs of effective program/services
- Weight specific factors
- Square footage for facilities-related costs

Benchmark a Limited Number of Key Student Ratios

Sample Student Ratios

Students per Faculty/Instructional Staff

Students per Student Services Staff

Students per Academic and Institutional Support /
Administration Staff

- What key factors (averages, ratios) are most important?
- How should these be benchmarked?
- Where are student ratios best be applied?

Associate to personnel costs

Sample Personnel Costs
Avg Faculty/Instructional Salary
Non-Instructional Salary
Benefits as % of Salary
Operations and Maintenance
Other non-compensation expenses as % of total compensation

- Should faculty compensation be benchmarked by discipline? By other criteria?
- Should non-faculty compensation be benchmarked by occupation? Location? Both? Neither?
- How should non-compensation factors be derived?

Apply Weights and Adjustments to the Benchmark

Sample Adjustments for Student Needs	Rationale
First-time & transfer-in students incremental weigh	Additional costs for recruitment
Headcount	Additional costs for enrollment and retention
Black, Latinx, Low-Income students	Historical underfunding
Pell students	Additional costs
Disabled students	Additional costs
Completions	Additional costs for administration and career services
Priority programs (e.g. STEM, Social Work, Graduate/Medical)	Priority for state and/or additional costs
Small institution weight (baseline FTE added to each institution)	Additional/minimum costs

- How do we establish appropriate weights if a research base isn't available?

Considerations for Different Degree Levels/Graduate Education

- Option 1
 - Separate graduate and medical education as one category
 - Separate graduate and medical education as two categories
- Option 2
 - Include in overall formula with weights that generate different costs (Masters, Ph.D., Medical, Professional)
- Option 3
 - Include but don't differentiate weights from those used for undergraduate education

Potential Data Sources for Each Component of Adequacy

High-performing institutions/program components in Illinois

- **Advantages:** Comparable context, data, financial structures, ease of “translation”
- **Disadvantages:** Limited #, limited range of funding and performance levels, challenges maintaining objectivity, reflects historical funding patterns

High-performing institutions/programs out of state

- **Advantages:** Wide range of performance and funding levels, sources for new ideas, easier to be objective
- **Disadvantages:** Different contexts, financial structures, data classifications, hard to connect funding to specific outcomes

Academic research

- **Advantages:** Potential for more rigorous connections between funding and outcomes, credibility with key stakeholders
- **Disadvantages:** Limited number of use cases in context of overall funding levels

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Review Technical Workgroup
Hand-off

O+M; Research, Service + Artistry

Operation and Maintenance

Description	Rationale	Approaches	Potential Measures to Calculate Costs	Considerations for Technical Workgroup
<p>A stable foundation of financial support for essential operations.</p>	<p>Each institution has certain, fixed costs associated with running a university that are independent of enrollment that need to be supported.</p>	<p>Fixed costs that are calculated for each institution.</p> <p>Variable costs take into consideration specific elements, such as size, across institutions.</p>	<p>\$ rate per square footage</p> <p>Equipment value (replacement cost)</p> <p>Flat rate calculated across all institutions (costs for identified core operations/general operations, “General Support/Services” spending IPEDS)</p> <p>Per FTE small school adjustments</p>	<p>Inequities that may be part of potential costs calculations.</p>

Research, Service + Artistry

Description	Rationale	Approaches	Potential Measures to Calculate Costs	Considerations
<p>Funding to support the research, public service and artistry mission components of each university</p>	<p>Reflect the state's benefit of supporting research, public service and artistry mission of universities</p>	<p>Incorporated as component of funding model metrics.</p> <p>Calculated separately as a specific amount of overall state investment</p>	<p>Measure of federal/externally funded research expenditures</p> <p>Per FTE calculation that recognizes basic level of access to research, service and artistry</p>	<p>Should be grounded in equity and not just current size of institutions research operations.</p>

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Review Technical Workgroup
Hand-off

Remaining Issues

Remaining Issues

- Deferred maintenance
- Hospitals
- Athletics

Remaining Issues: Hospitals

- Currently included in lump sum appropriation from state to institutions
- For states with funding formulas, these activities are addressed outside the core funding formula, using a carve-out, set-aside or specific line-item funding
- Next steps: Gain a better understanding of hospital funding as portion of state appropriation; continue to evaluate how best to place in context of equity and adequacy.

Remaining Issues: Athletics

- Most athletics programs are not self-sustaining and therefore are cross-subsidized through other resources; certain programs/institutions do gain significant revenue from athletics.
- Athletics have not been a factor in state funding formulas
- Next steps: Requires significantly more research and understanding for funding and revenue. Likely a separate process.

Remaining Issues: Deferred Maintenance

- Significant levels of deferred maintenance across institutions which have implications for equity
- Discussion focused on considerations reflecting the deferred maintenance in O+M vs. treating within the capital budget process
- Next Steps: Recognize the need to address deferred maintenance and implications on equity but use capital budget process to facilitate addressing gaps

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Reflecting Future Changes in
Adequacy

Supporting Future Adequacy

Each component of an adequacy cost model reflects status quo/grounded in current costs.

How can the model also support and incent growth of the system toward future goals for increased and more equitable access and success?

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Prep for Commission Meeting

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Public Comment

Instructions for Members of the Public:

Please wait for your name to be called. Public comments will be limited to three (3) minutes per person.

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Adjournment

Next Commission Meeting: December 12, 2022

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Appendix

Student-Centered Access Components

Description	Rationale	Evidence-Based Practices (examples)	Potential Measures to Calculate Costs
<p>Costs to support outreach, recruitment and enrollment of students</p>	<p>Outreach, recruitment and enrollment activities have costs for all students and will be higher to achieve more equitable access for underserved populations.</p>	<ul style="list-style-type: none"> •Financial aid/FAFSA application support •Targeted information to low-income students and students of color from those who have gone (mentorship) •Admission application support •Financial Literacy 	<ul style="list-style-type: none"> •Student services expenditures •Admissions office expenses •Other identifiable direct outreach/marketing expenses •Financial aid admin expenses attributable to incoming undergraduates <p>Student-Level Finance Measures</p> <ul style="list-style-type: none"> •Cost of individual student access strategies

Student-Centered Pathways: Academic Supports

Description	Rationale	Evidence-Based Practices (examples)	Potential Measures to Calculate Costs
<p>Costs to provide high-impact academic supports for student retention and completion</p>	<p>Academic supports enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities</p>	<ul style="list-style-type: none"> •First-Year Seminars and Experiences •Summer Bridge •Learning Communities •Undergraduate research •Career connections •Internships/apprenticeships •CUNY ASAP components (tutoring, early registration, block scheduling, transportation support) 	<ul style="list-style-type: none"> •Total instructional expenditures •Total academic support expenditures •Specific academic support expenditures: libraries, technology •Cost studies from research/evaluation in other locations <p>Student-Level Finance Measures</p> <ul style="list-style-type: none"> •Cost of individual student pathways: Costing out the pathway of student services used by students to support retention and completion.

Student-Centered Pathways: Non-Academic Supports

Description	Rationale	Evidence-Based Practices (examples)	Potential Measures to Calculate Costs
<p>Costs to provide high-impact supports for student retention and completion</p>	<p>Non-academic supports that enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities</p>	<ul style="list-style-type: none"> •Single Stop •Financial Aid; Emergency Aid •Social Emotional/Counseling/Mental Health Support •Housing, childcare, transportation •CUNY ASAP components (financial, personal supports) 	<ul style="list-style-type: none"> •Total student services expenditures •Financial aid •Specific student services expenditures: advising, career services, health Student-Level Finance Measures •Cost of individual student pathways: Costing out the pathway of students services used by students to support retention and completion.

Adjustments for Student Needs

Description	Rationale	Potential Measures to Calculate Costs
Factor(s) based on student characteristics applied to base costs for access, academic supports, and non-academic supports	To reflect additional costs to close equity gaps and to fund state priorities to achieve better outcomes for target populations	<ul style="list-style-type: none">•Low-income•Race/ethnicity•First generation•Academic preparation level•K-12 district resources (e.g. EBF Tier)•Students with disabilities•Undocumented Students•Students who are parenting•Working Adult•Rurality