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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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## **Illinois Commission on Equitable Public University Funding**

February 7, 2022: 11:30am-2:30pm CT

Meeting #2 Notes

### ***Welcome & Agenda Overview***

Executive Director Ginger Ostro provided background information regarding the meeting logistics and fulfilling the requirements of the Open Meetings Act.

Katie Lynne Morton took roll call to determine there was a quorum. Executive Director Ostro shared an introduction and cadence of meetings. The goals and objectives for the meeting were outlined, along with an overview of the agenda.

### ***Illinois K-12 Evidence-Based Funding***

Commissioner Robin Steans and Commissioner Ralph Martire gave an overview of the Illinois K-12 Evidence-based Funding (EBF) Formula. During their presentation, they spoke of the design principles and lessons learned from the process, especially the importance of establishing a common language. Adequacy, equity and stability were defined in the K-12 process. The definitions served as anchors for core values-based principles that helped to ensure the formula achieves key goals.

The four principles are:

- Recognizes individual student needs;
- Accounts for differences in local resources;
- Closes funding gaps & keeps them closed;
- Provides a stable, sustainable system that gets all districts to adequacy over time; and
- Ensures no district loses state funding compared to prior fiscal year.

The EBF formula is oriented around getting each district to its calculated level of adequacy. There are three steps to calculating district adequacy targets: 1) Calculate cost of essential elements, or "Investment Cost Factors;" 2) Apply specific elements to individual districts based on demographics; and 3) Adjust salary-based elements for regional wage differences. Commissioner Martire shared a graphic that outlined the formula distribution and a table that outlined the allocation of funding by tier, based on their distance from adequacy. As new funding is added through the model we will be working to overcome past inequities.

### ***Survey Review***

Executive Director Ostro introduced Co-Chair Representative Carol Ammons to open up this portion of the agenda. Co-Chair Representative Ammons thanked the Commission members for their participation and shared that the survey is a framing document for the conversation to come and will help the Commission arrive at their end goal. There were common themes and suggestions that became evident as a result of examining the survey.

Dr. Toya Barnes -Teamer discussed the purpose of the survey: the survey was designed as a tool to collect insights from Commission members about their perspectives in context of the legislative charge to "adequately, equitable and stably fund public universities in this State and to evaluate existing funding methods." The survey also aimed to orient around a more common understanding of these terms so that the Commission can move forward with its work and recommendations.

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Three definitions were advanced for reaction (agree, neither agree nor disagree, disagree) and opportunities for comments. Twenty-four out of thirty-three commission members responded (73 percent).

Equitable funding was defined as “the state directs resources in a way that accounts for varying levels of resources across institutions and accounts for the needs of different students.” Responses to this definition were fairly evenly split, several respondents offered comments to clarify or modify the definition. Areas to clarify include account for needs of different students, account for varying levels of resources, and other modifications. There were a number of additional factors raised and areas around current Illinois context.

Adequate funding was defined as “the state provides sufficient funding for institutions to successfully serve students.” More than 50 percent of the respondents disagreed with the definition as written. Areas to clarify include successfully serving students, successfully expanding the definitions and a number of other modifications and considerations. Comments on the current Illinois context include institutions not adequately funded, implications and various additional other funding inadequacies.

Stable funding was defined as “institutions can reliably expect a certain level of funding each year.” Fifty percent of respondents agreed with the definition of stable funding as is. Several comments were offered which referenced the need to provide a rationale for funding and the inclusion of students in the definition of stable funding.

## **Discussion**

Co-Chair John Atkinson facilitated a discussion for the commission members to participate in.

*Reflecting on the overview provided of the K12 Evidence-Based Funding process and the concepts elevated in the survey for equitable funding, what should be reflected in our understanding moving forward?*

- Commissioner Ellens shared a lack of focus on race-conscious in the definitions as presented. This concerns the commissioner that it should be front and center in the process. Commissioner Ellens also noted it would be helpful to have more time with the survey information/responses.
- Commissioner Scott shared that the information shared in the K12 EBF presentation was helpful and shines a light on what has happened. There needs to be a way to be data-informed and talk about how all students are experiencing higher education and what’s happening to Black students: falling out at every level on the continuum.
- Commissioner Steans echoed Commissioner Ellen’s desire to see the survey information and have time to digest.
- Martha Snyder shared that there was general consistency in the comments received (agreement around where there is a need to clarify and where to focus) to the survey.
- Commissioner Martire shared that the definition of “equity” will help truly transform the formula for higher education. The transformation is “what should be.” When getting to “what should be,” then the historic problems need to be addressed.
- Commissioner Weffer asked how MAP is going to be figured into the formula. The most needy students are relying on this assistance through MAP. While handicapped accessibility is not part of the funding formula directly, this is part of the equity issue and how are these areas factored in? As another part of the equity component,

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recruiting and retaining diverse populations (as faculty and staff) is just as important. Students need to see people like themselves in these positions. First generation and rural components were not included and needs to be part of the equity component.

- Co-Chair Representative Ammons asked whether the commission members think there needs to be a “round two” of the survey to further define these areas. The facilities, personnel and infrastructure areas raised are different.
- Commissioner Zarnikow questioned whether the survey was asking if commission members agree with the definitions or whether the current state was achieving the definitions, as stated. There seems to be little visibility about institutional aid and how this aid is being used on campuses.
- Commissioner Owino questioned what exactly is the “target focus.” Is the commission dealing with a Black/white issue, or disabilities? When this expands, it starts to be diluted.
- Commissioner Martire shared that some of the state’s previous investments were made in a way that disadvantaged students based on where they fell. Identifications could be by geography, race, income class, special needs. New resources should be focused on students that have had historic inequities in the past.
- Representative Stuart shared that a second round of the survey could be helpful.
- Commissioner Caldwell raised that IBHE already defined the most vulnerable and most marginalized groups to be focused on through the work in the Strategic Plan, this would be a good place to start for identifying specific definitions.
- Commissioner Steans agreed that a second administration of the survey would be beneficial. She also reiterated that in the K12 EBF formula, you do not have to choose one population over another. The reality is that all populations need to be taken into account and the strategy decided upon needs to address all populations. The process is not about winners and losers but is about identifying all the needs and building them into a more equitable strategy.

*Reflecting on the overview provided of the K12 Evidence-Based Funding process and the concepts elevated in the survey for adequate funding, what should be reflected in our understanding moving forward?*

- Co-Chair Representative Ammons shared that when laying a baseline for “adequate” we need to look at MAP but also looking at the student debt ratio to attend college and what impact it has and figure out what is considered adequate when considering the affordability piece without having to take out debt (or minimal levels of debt).
- Commissioner Weffer asked Commissioner Steans and Commissioner Martire about the local capacity piece in the EBF. What is the equivalent in higher education? Is this an indirect cost (through research grants), higher numbers of out-of-state and foreign students that pay full tuition, pulling from endowments? Commissioner Martire shared that everything was looked at when the local capacity targets were being created. Revenue sources available to institutions: where and how will new money be distributed moving forward? There are different elements in play in higher education.
- Co-Chair Representative Ammons shared that her focal point is driving the cost down for attendance. Resources such as loans reduces the number of students who can attend. The model is subjective and African American students cannot navigate this terrain unless the institution provides additional resources. The cost factor (without putting the burden of loans on students) needs to be looked into.
- Commissioner Martire offered to share the CTBA report with Executive Director Ostro to share with the commission. There are racially disparate data sets that cannot be

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ignored. The MAP grant has lost a significant portion of its value overtime and students were not taking them because they were unable to afford the difference.

- Commissioner Freeman shared that there are inequity and access barriers that are seen in postgraduate outcomes. When thinking of access and equity in four-year institutions, factors that don't exist the same way in K12 need to be looked at.
- Commissioner Green resonates with the question previously raised about funding for students versus institutions versus faculty. More funding can be allocated per pupil, but if institutional/culture/systemic issues are not evaluated, then the attempt may not be as successful. The state of Illinois cannot afford to look at one population and not the others.

Reflecting on the overview provided of the K12 Evidence-Based Funding process and the concepts elevated in the survey for stable funding, what should be reflected in our understanding moving forward?

- Commissioner Glassman shared that many of these issues have risen over time. Large tuition increases has led to the current challenges and puts students in worse situations each year as the funding level to institutions decreases. If stable funding is simply "what it was the previous year" with new equitable funding coming in the new year, institutions will still lose ground. This may cause money to be made up through increasing tuition amounts.
- Commissioner Huang shared that the previous impasse created issues for six to seven years down the line. If a new Governor comes in and decides to change priorities this can alter the "stability." Florida has been first in higher education funding recently and their US News and World Report rankings increased significantly. When a state provides stable higher education funding, positive outcomes will be seen. Stability needs to be a critical concept as conversations continue.
- Commissioner Gibson indicated that having a timetable for moving from instability to stability is important to consider and plan accordingly to achieve this concept over time.
- Commissioner Castillo-Richmond emphasized that the concepts of equity, adequacy and stability are all directly tied together. To drive affordability in a system, they all need to be addressed.

## ***Oregon: Equity Lens, Policy and Funding***

Executive Director Ostro introduced Ben Cannon, Executive Director of the Oregon Higher Education Coordinating Commission (HECC). In this role, he oversees state funding, policy-setting and coordinating for Oregon's higher education system, including community colleges and public universities. Ben gave an overview of Oregon's public university funding formula, the student success and completion model (SSCM), including the process and efforts taken into consideration. To note, the Oregon model doesn't directly answer the adequacy question. The HECC has operated with a required equity component since its inception in 2014 which includes a statement of their values and beliefs, but also a requirement for the process. The formula was initially adopted in 2015-16 and has recently been updated, in late 2021.

## ***Discussion***

While wrapping up his presentation, Ben offered the following key takeaways: transition to outcomes and equity-based formula began in 2015, took a few years to fully implement. The formula has been recently revised, but the core factors and components remained stable. Six years ago, most leaders and participants involved in the process would

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acknowledge the positive impact and steady increases that underrepresented groups need to accomplish. Institutional boards of trustees and leaders are seeing an increase in enrollment and graduation for underrepresented students. The purpose of an equity-based formula is not to move dollars around, but to put in place from a state policy level, a set of incentives and supports for public universities to focus on these issues of equity related both to access and success.

Q&A with Ben followed his presentation:

*Equity in terms of "what are people's access to revenue" – does this take into account different institutions access to revenue (ability to charge tuition)? Affordability in general, does this come into play?*

- These are important considerations. This formula tries to be agnostic on most other questions and isn't concerned directly with issues of institutional equity and success as it relates to the direction of state dollars and isn't concerned directly around affordability. Affordability for students is not considered. The commission operates the state's need-based grant and the highest priority is affordability, but the distribution formula is a student-centered funding distribution design. Other revenue sources become very critical for implementation and impact and HECC has had many of these conversations. The mission support/base component of the funding model is intended to ensure regional institutions (those without large federal research grants, out of state students, international students) get a disproportional amount of the base funding to help offset the disparities.

*Under mission, how is regional access factored in? Some of the needs that institutions have are addressed under the mission component. What does public service entail to make decisions for support? How is the 17 percent allocated?*

- When added up, this helps subsidize the smaller regional institutions. Within the mission portion, there is money for research and public service. Described as small school subsidy to help "keep the lights on" at the smaller regional institutions.

*Operating on 2 year chunks for Oregon? Does this provide a sense of stability?*

- Would expect that two-year budgeting system does provide some degree of certainty. There have been scenarios when the legislature came into session halfway through the biennium and changed budgets. There is no guarantee, even though the two-year number is adopted. Things change, but on the whole, it probably does help a bit.

*How does the new funding formula benefit students overall, especially the targeted diverse communities outlined in the Equity Lens?*

- The number of awards to underrepresented students has grown by 40%. There are a number of factors that led to this. Some support and leadership has come from institutional leaders and they're looking to the formula to maximize state dollars. Ben would follow up with more specific data.

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*Is there data around not just the outcomes for larger institutions, but how this has helped some of the regional access related institutions get closer to adequacy funding targets? How has it helped with their student's persisting as well?*

- Oregon's formula doesn't address the adequacy factor. No matter how the pie is cut, the pie pieces are still too small. The amount of funding received from the legislature today still isn't enough, but is better than it was. Funding is allocated in a rationale, student oriented, equity-oriented way but the pie just isn't big enough still.

*Are you finding the existence of this formula is motivating greater giving? How much overall has the investment from the state increased? When you go back and say the pie is too small, what does this anchor to? Has Oregon looked at completion side vs. enrollment side?*

- Ben shared he would pass along details regarding state funding history. For public universities, they received 50 percent more than in 2015. In terms of balance of completion vs. enrollment funding: a lot of time was spent on this discussion, a specific part of the formula is tied to enrollment to help with institutional sustainability. Tuition is also enrollment funding and is the primary source of funding for institutions. There isn't a single gold standard of what it costs or what adequacy looks like. When students are graduating with \$25,000 debt, the system is not being funded adequately. The primary emphasis in Oregon has been around this.

*Has there been anything negative (unintended consequences) that has come out of the priorities from a degree standpoint (regional universities: stop offering as broad of a range of degrees due to funding formula)?*

- The first iteration gave too much emphasis on STEM degrees, which was causing an impact on smaller and regional institutions.

*If you were to tweak formula based on what you know now, what would you change?*

- The formula was tweaked and went into effect in the past few months. The initial formula for transfer students only gave half points due to assumption that they only attended two of their four years. Transfer students needed to have their weight increased. Ben can follow up with additional areas that were tweaked.

*How is advocacy focused on need-based aid vs. appropriations?*

- Every session, this conversation is approached differently. Priority has been around investments in the state's need-based aid programs because it can be used to defray costs. Data-supported answer has to consider the tradeoffs. Investing directly in Pell-eligible students has been the most direct and expedient way to improve equity and completion in higher education.

*Has the emphasis on STEM resulted in an increase in the number of underrepresented students entering the medical field?*

- Ben shared that he would have to check on this. There must be a way to gather this data more broadly and understand the information.

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Ben wrapped up with sharing that if it does anything well, the formula has changed the leadership conversation. This was a strong signal from the state about what matters: degree completion, particularly for underrepresented students. This changed the nature of the conversations at Board of Trustee meetings and Presidents' Cabinet meetings. The remaining opportunity and challenge is to deepen the understanding among other folks (Deans, Division heads, Faculty) so that they can also advocate for the institutional investments.

### ***Additional Discussion***

Commissioner Caldwell raised the question of whether there are other models that can be presented that more closely align with the demographics of Illinois? Executive Director Ostro shared that yes, there will be additional models to be presented to the commission.

Commissioner Zarnikow shared that if there is not enough funding going into the formula, it doesn't matter if the formula is the most highly refined and wonderful formula. There is a need to anchor around the goals of higher education and advocate for the funding necessary to meet those goals.

Commissioner Glassman reflected that the Oregon funding plan was predominately around performance and not equity (who is graduating?). There didn't seem to be any extra funding to help minority students be successful.

Commissioner Steans shared in response to Commissioner Zarnikow's comments that having a formula in place will help drive dollars.

Commissioner Castillo Richmond reflected upon areas that were in the Oregon pre-reads that would be helpful in building a formula, but that were not addressed in the presentation.

### ***Public Comment***

Toya reminded members of the public that they have up to three minutes to provide public comment.

- Lily Rocha, Young Invincibles. Ms. Rocha is the Midwest regional director for Young Invincibles. Ms. Rocha shared that there is a dire need for equity funding in our legislative appropriations (or for an equity funding formula). YI released a report in August 2020 on college students and what they need. Based on their findings, recommendations include: universities must prioritize providing high quality tutoring and academic supports; institutions should consider establishing and expanding emergency resource provision services; institutions should have liaison on campus that identifies students with needs for public support systems. Institutions will need adequate funding. YI supports the creation of a public university funding formula to ensure transparency, fairness, and equity in distribution of state dollars to ensure they are all fully resourced. YI urges that race should be explicitly addressed in the design of the funding formula, there should be a hold harmless provision to protect vulnerable universities and ensure funding requests are guided by what students and institutions really need.
- Chuck Lane, Superintendent for High School District 200. The state made history with the EBF and has the chance to do so again in higher education. The commission has the opportunity to center equity in its recommendations, reform higher education funding which creates an opportunity to expand access. In creating a funding model that will adequately and accurately serve the public institutions, this can allow institutions to support the students to persist and thrive beyond college. In

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rural areas where there is a low-income population, students need to be able to afford college in Illinois. If we want students to stay in the state, college must be made affordable. Making this possible will require change in how higher education is funded, similar to how K12 funding was changed.

- Dr. Mary Havis, Superintendent of Berwin South School District 100 and member of the Equity First Superintendent Group. Dr. Havis shared that as a superintendent, she understands how critical it is to ensure that we center equity in services to students and families in order to build thriving communities. Dr. Havis continues to be a strong advocate for the EBF formula. The EBF formula has allowed Dr. Havis' district to progress from 40 percent to 67 percent adequacy since 2016. District 100 made significant cuts to staffing and programs and since the EBF has been able to increase staffing and invest in high quality curriculum and provide professional development and training for staff. The district serves 90 percent students of color and 65 percent low income, EBF dollars are going directly to students who need it the most and provide resources that students deserve. Efforts cannot stop at K12 and committed leaders are needed to keep this work moving forward. The commission's work has the potential to change that as long as equity and meeting the needs of students of color and low income students is prioritized. By re-envisioning and reinventing the public universities, students can be enabled to earn a degree that can potentially lead them to future success. History empowered K12, it's now time to make history in higher education.
- Caroline Sanchez Crozier, President of LULAC Council #5238 and an active member of the Funding Future Coalition. Ms. Crozier shared that LULAC actively worked to advocate for unique needs of Latinx students during the passing of the EBF. Ms. Crozier participated in hearings, invited parents, spoke to legislators and wrote op-eds. Evidence shows the EBF is working to help close equity gaps. Lessons can be learned from how equity was included in the EBF. LULAC is invested in ensuring that the commission centers equity into the higher education formula. Research shows that a college degree is even more valuable for students of color, increasing lifetime earnings by 67 percent for black college students and 78 percent for first generation students. Ms. Crozier urges the commission to center the needs of students of color and low income students in the recommendations. The hope that race is explicitly addressed in the design of the model. On behalf of LULAC, Ms. Crozier shared that she is willing to help advocate when the time comes.

### ***Next Steps, Closing Announcements and Adjournment***

Before closing, the commission called the roll to approve the minutes from the November 2021 meeting.

- Commissioner Zarnikow motioned to approve the minutes. Co-Chair Representative Ammons seconded.
- Commissioner Owino shared one correction on page four to the spelling of her name: correction to spelling "Owino." The roll was called and nineteen commissioners approved.

Executive Director Ostro shared that the next commission meeting would be held virtually on April 22, 2022. There was a motion to adjourn by Commissioner Kinzy with a second by Commissioner Scott.

### ***Commission Members in attendance***

Representative Carol Ammons, Co-Chair



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John Atkinson, Co-Chair  
Deputy Governor for Education Martin Torres, Co-Chair  
Representative Katie Stuart  
Sheila Caldwell  
Andreas Cangellaris  
Lisa Castillo-Richmond  
Dr. Wendi Wills El-Amin  
Cherita Ellens  
Lisa Freeman  
Gloria Gibson  
David Glassman  
Cheryl Green  
Dr. Diane Otieno Owino  
Guiyou Huang  
Terri Kinzy  
Dan Mahony  
Ralph Martire  
Dennis Papini  
Zaldwaynaka "Z" Scott  
Robin Steans  
Respicio Vazquez  
Simón Weffer  
Jack Wuest  
Eric Zarnikow

*Commission Members not in attendance*

Senate Majority Leader Kimberly Lightford, Co-Chair  
Senator Scott Bennett  
Representative Mike Marron  
Assistant Republic Leader Chapin Rose  
Deputy Republic Leader Dan Brady  
Senator Dale Fowler  
Brandon Kyle  
Javier Reyes

*Support Team Members in attendance*

Ginger Ostro  
Ja'Neane Minor  
Jaimee Ray  
David Antonacci  
Toya Barnes-Teamer  
Martha Snyder  
Jimmy Clarke  
Katie Lynne Morton