
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #4

Welcome to the May 25, 2022 meeting of the Commission on Equitable Public University Funding. The meeting will begin at 12:00 p.m. This meeting will be recorded. Closed Captioning can be accessed by clicking on the speech bubble in the lower left corner.

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, the organization you represent, and the topic you would like to address in the Q&A section by 12:20 p.m. The Q&A function is in the corner of the screen. We will call on you during the public comment period and ask that you keep your remarks to under three minutes. For members joining by phone, we will direct you to use *3 to raise your hand when the comment period begins.

If you have technical difficulties during the meeting, please contact David Antonacci at antonacci@ibhe.org or via text to 217-720-5269

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Welcome & Agenda Overview

Ginger Ostro, Executive Director, IBHE

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

- 10:00 am Welcome & Agenda Overview
 - 10:10 am Action: Approval of minutes from April 2022 meeting
 - 10:15 am Commission Reflection: Charge & Objectives
 - 10:25 am State Example: Tennessee
 - 10:50 am Reflections on State Presentations & National Circumstances
 - 11:30 am Break
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- 11:35 am The Research base for Defining 'Adequate' Funding for Public Universities in Illinois
 - 11:55 am Work Session: Activity, Reflections & Discussion
 - 12:35 pm Charge to Work Groups
 - 12:50 pm Public Comment
 - 12:55 pm Next Steps, Closing and Adjournment
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Approval of minutes from April 2022 Commission Meeting

Ginger Ostro, Executive Director, IBHE

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Commission Reflection: Charge & Objectives

Representative Carol Ammons, Co-Chair

Strategies for a Thriving Illinois



Close the equity gaps for students who have been left behind.



Build a stronger financial future for individuals and institutions.



Increase talent and innovation to drive economic growth.

Principles for a public higher education funding system that is equitable, stable, and adequate



SUSTAINABILITY

Build a stronger financial future for individuals and institutions.

Provide equitable funding so that students can receive the best educational experience and succeed

Support a thriving postsecondary system that enriches the state and its residents

Fund institutions sufficiently to achieve student, institutional, and state goals

Ensure affordability for all students

Recognize institutional uniqueness

Provide predictability, stability, and limited volatility

Principles, continued



Build a stronger financial future for individuals and institutions.

Include a “hold-harmless” provision

Support accountability

Support a collaborative higher education system

Encourage partnerships outside higher education

Legislative Charge

By July 1, 2023, evaluate the existing funding methods and recommending specific, data-driven criteria and approaches to ADEQUATELY, EQUITABLY, and STABLY fund our public universities.

The recommendations must fulfill the principles established in the strategic plan. The recommendations will also be informed by the findings and recommendations established by the Chicago State University Equity Working Group.

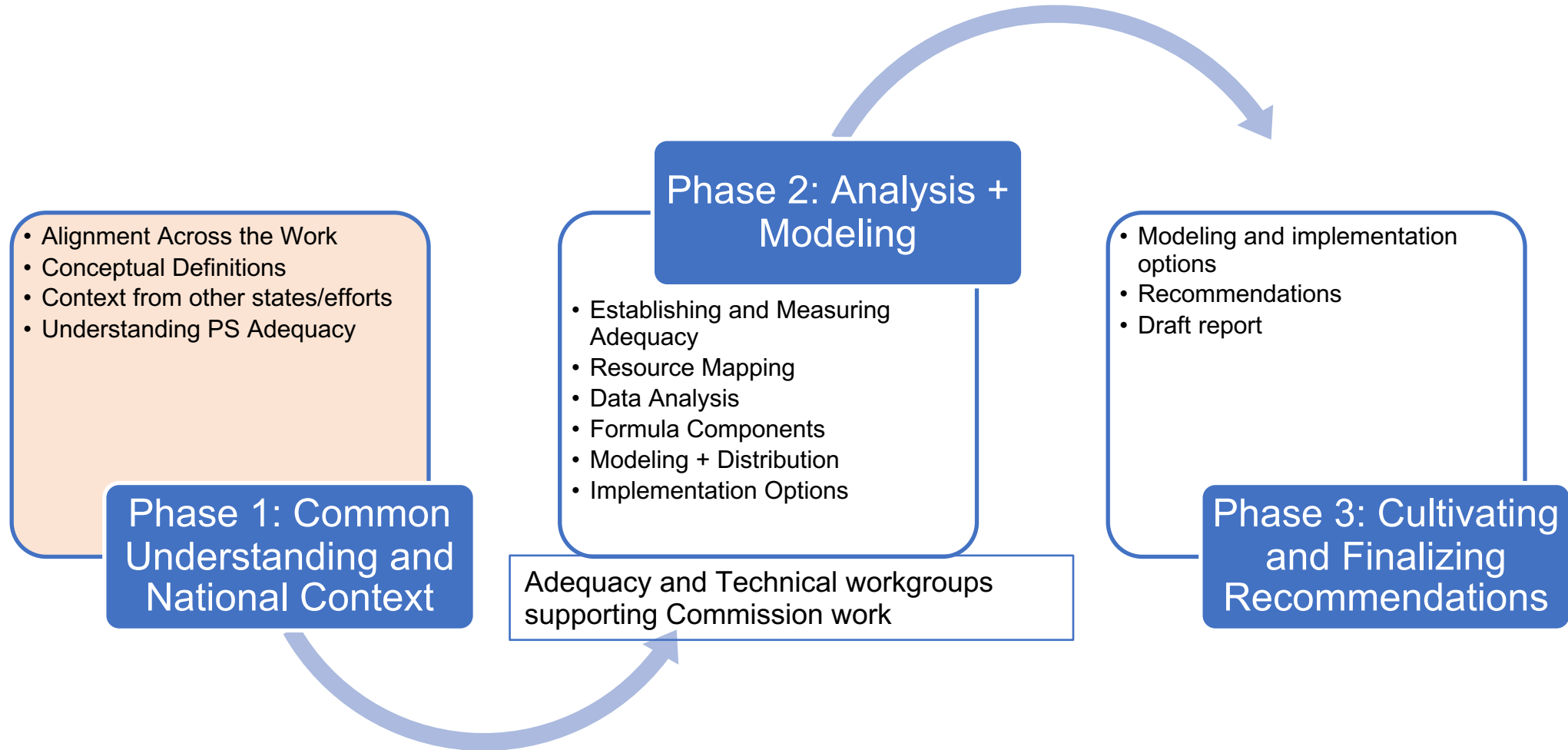
Recommendations must be equity-centered and consider 13 areas. A few of those areas include:

- **Remediating inequities** that have led to disparities in access, affordability, and completion for underrepresented students
- Providing incentives to **enroll underrepresented students**
- Allowing ongoing monitoring and **continuous improvement** in funding models, with **transparency and accountability**
- Funding for institutions that serve underrepresented students, **including graduate and professional students**
- Supporting individual institution **missions**, including research and health care
- Holding all universities **harmless to their current funding level**

Goals + Scope

- Create a shared understanding of how Illinois' public universities are funded and the alignment of these approaches to critical state goals and objectives.
- Cultivate information from other state approaches for financing postsecondary education that promotes equitable access and success.
- Consider how to address the various functions of a university and account for different institutional missions.
- Develop recommendations for an adequate, equitable and stable formula centered around increasing access and success for underrepresented and historically underserved student populations while reflecting the varied missions of Illinois' public universities.

Workplan Summary



Workplan Phase I:

Common Understanding + National Context

Meeting 1: Alignment Across the Work

- Legislative Charge
- A Thriving Illinois
- Chicago State University Equity
- Principles for an Equitable, Adequate and Stable Funding Model

Meeting 2: Conceptual Definitions, Context from States and Sectors

- Definition survey and review
- K12 EBF Funding Model
- Oregon's Equity Lens and University Funding Model

Meeting 3: Conceptual Definitions, Context from Other States

- Definition survey 2 review and discussion
- Louisiana's Master Plan and Aligned Funding Model
- Colorado's Funding Model
- National Context

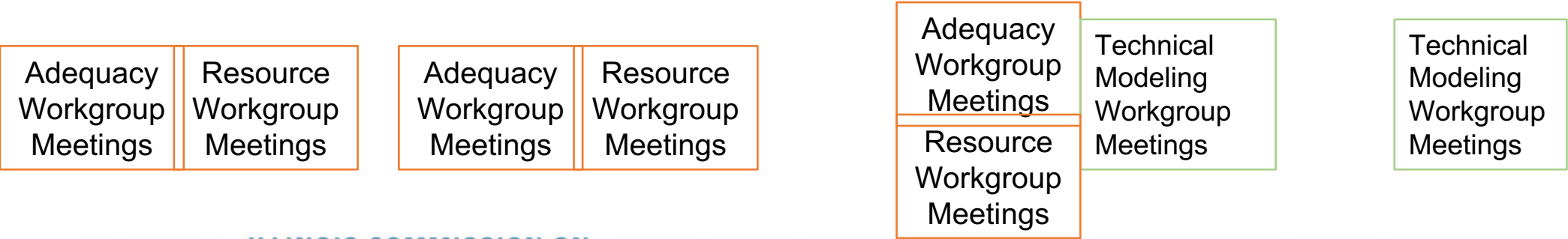
Meeting 4: Context from Other States, Adequacy

- Tennessee: Mission Components
- National Context
- Concepts/ considerations for PS Adequacy
- Working Session: Reflections, Components, Adequacy WG Charge



Workplan Phase 2: Analysis and Modeling

<p>Meeting 5: Adequacy + Resources</p> <p>Review + Discussion: Student-centered adequacy considerations</p> <p>Other considerations to include in adequacy</p> <p>Review + Discussion: Types of Resources to be Considered</p>	<p>Meeting 6: Adequacy + Resources</p> <ul style="list-style-type: none">• Review + Discussion: Types and categories of Adequacy Components• Review + Discussion: Types of Resources and Resource Mapping <p>Considerations for Students ability to pay</p>	<p>Meeting 7: Resource Mapping Data Analysis</p> <ul style="list-style-type: none">• Review + Discussion: Institutional adequacy profiles• Review + Discussion: Resource Mapping• Review + Discussion: Gap Analysis/Formula components	<p>Meeting 8: Technical Modeling + Implementation</p> <ul style="list-style-type: none">• Review + Discussion: Modeling Distribution options <p>Implementation scenarios (across various projected spending levels)</p>
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Workplan Phase 3: Cultivating and Finalizing Recommendations

Meeting 8 (overlap w/phase 2): Technical Modeling + Implementation

- Review modeling and implementation options
- Initial recommendations

Technical
Modeling
Workgroup
Meetings

Meeting 9: Recommendations + Report Draft

- Recommendations and options

Technical
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Workgroup
Meetings

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State Example: Tennessee

Steven Gentile, Chief Policy Officer,
Tennessee Higher Education Commission

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Reflections on State Presentations & Higher Education Funding Policies

Martha Snyder, HCM Strategists

Common Formula Components in Higher Education Funding Models (Simplified)

Base +	Enrollment	Student Outcomes	Mission + “Other”
<ul style="list-style-type: none">• A set amount given to each institution – often based on historical allocations.• “+/-” typically pro-rata – exacerbating historical inequities• Typically first element to be funded when combined with other components	<ul style="list-style-type: none">• Typically based on enrolled student credit hours.• Often includes variable costs for different types and levels of courses.• Rarely accounts for varying student characteristics	<ul style="list-style-type: none">• Progression and completion focused components• Often includes additional “weights” or funding for success of certain students• Often includes priorities for certain program areas	<ul style="list-style-type: none">• Research or other mission specific component• Cost consideration• Operations + Maintenance

Most states have hybrids or integrated variations of these components.

Building a Strong University Funding System

Components	State Approaches
Base: A funding system that supports capacity of institutions	Base funding "lights on, doors open." ideally considers various factors (size, resources) across different institutions.
Enrollment: A funding system that is responsive to changes in the system.	Funding based on enrollments and shifts in where enrollments are happening.
Demographics/Equity: A funding system that accounts for differing student needs.	Typically a feature in states that have outcomes/student success metrics incorporated into funding models. Demographic concentration factors should be considered/applied to base or enrollment determinations as well. <i>These are often not empirically derived.</i>
Student Supports: A funding system that considers the costs of supports and interventions proven to be effective in serving students.	Not typically a feature within funding models for higher education. States may invest in specific reforms outside the core funding model but are typically not used to inform overall state investment.
Outcomes: A funding system that aligns with state's current needs for a more educated and trained workforce.	Several states with outcomes funding models have priority for specific in-demand degrees areas.
Mission/Other: A funding system that considers and supports the common and differing missions across institutions	Factors in considerations for variation in program and degrees; different mission components (research, service) of program (particularly high-cost/high-return) and mission

Equity, Adequacy and Stability in Higher Education Finance

Addressing Equity in Higher Education Funding Models

- Considerations for student demographics or other factors have not historically been a factor in higher education funding models.
- Most commonly reflected in outcomes-based components of funding models, but equity could be reflected in other components as well (enrollment, student supports)
 - Extra weighting for successful outcomes for identified student populations
 - Most common: Low-income, adult, academically underprepared, Racial and ethnic minoritized groups
- Limitation: Even in cases where equity is reflected, often times not empirically informed based on the supports and resources necessary to help students succeed

Addressing Equity in Funding Models

Base +	Enrollment	Evidence-Based Practices/Costs of Supports	Student Outcomes	Mission + “Other”
<ul style="list-style-type: none">• Use student enrollment characteristics (% of underrepresented as a mechanism for determining increases (or decreases) to base funding.• Example: Colorado (base/step 1); several states in context of COVID budget decisions	<ul style="list-style-type: none">• Account for student demographics (number and concentration)• Example: California CC; K12; Louisiana (cost component); Colorado (base/step 1)	<ul style="list-style-type: none">• Account for the costs of supports, interventions and reforms proven to be successful in supporting students.• Example: K12	<ul style="list-style-type: none">• Additional “weights” or funding for success of certain students• Example: reflected in most outcomes models components; often more “art” than “science”	<ul style="list-style-type: none">• Equity not typically a factor.• Could be included into research component of mission – e.g., equity populations engaged in research.

Adequacy: Why Does Funding Matter?

- Declines in college resources and increased student employment have been shown to negatively affect time-to-degree (Bound, Lovenheim & Turner, 2010).
- Changes in state funding have effects on academic spending; with academic support spending, including tutoring, advising, mentoring particularly responsive to changes (+ or -) (Deming & Walters, 2017).
- Investment/expenditures in certain student services/academic support affect graduation and persistence, with higher impact at less selective institutions (Webber + Ehrenberg, 2010; CUNY ASAP)

Adequacy in Higher Education Finance

- Few states have any measures of adequacy
- Analysis of costs in higher education often based on expenditures;
 - Lower-resourced institutions serve higher-need students. Have less and spend less.
- Typically not empirically derived or focused on student access, success
 - Adequacy is linked to historical “base” allocations and costs such as as personnel costs and/or inflation.
- Absence of analysis of how much it costs to successfully serve students
 - Lack of understanding of varying costs for different student groups
 - Lack of understanding (or at least scaling) of effective practices that support student success.
- This hinders the ability to orient around a rational financing structure.
- Field is moving in this direction: to better understand costs that can help inform funding levels and strategies.

Developing Understanding of Adequacy in Higher Education Finance

Student Centered Adequacy Components

Examples of analysis:

- Enrollment and Success (costs of programs, supports, interventions)
- Student characteristics (varied level of support needed to enroll and serve different students)

Other/Mission Components

Examples of analysis:

- Variations in programmatic areas/different degree types (costs)
- Institutional Mission

Other Considerations for Addressing Adequacy: Resources

Institutions that serve higher numbers of low-income, minoritized students are often more reliant on state support and have lower levels and fewer sources of other resources. This could include:

- In-state tuition levels
- Out-of-State enrollment/tuition revenue
- Alumni Giving (wealth disparities; types of careers)
- Endowments/Reserves

Stability: State Commitment to Higher Education Funding

State Commitment = state's investment in higher education costs

- Few states articulate specific targets or commitment of state support
 - Even those that do, no requirement to meet commitment
 - Discretionary vs. entitlement distinction
- State Commitment should be informed by and linked to adequacy work
 - Factor in other institutional revenue resources
 - Considers student socio-economic profiles (ability to pay)
- Stability comes from this more predictable level of support + a funding model that is clear and transparent
 - can inform implementation of new funding model;
 - can provide for more rational approach to guide investments (and potentially cuts)

Other Considerations of Formula Development + Implementation

- Recognize that funding models are policy tools and should therefore be grounded in state goals, priorities and needs
- Formula should not be static – fix it and forget it
 - As with any policy, it should be reviewed, evaluated and adjusted both to address any unintended consequences and to sharpen alignment to state needs.
 - Should be balanced with stability
- Implementation Matters
 - Supporting institutions in understanding the funding model
 - Support them in analyzing results and aligning to best practices for change

K12 vs. Higher Education Formulas

While Higher Education and K12 funding are historically different (K12 is considered an entitlement and formulas inform appropriation amounts; higher education is typically a discretionary investment at the state level), the approach to K12 funding and the factors included can inform considerations for building more adequate and equitable higher education funding models.

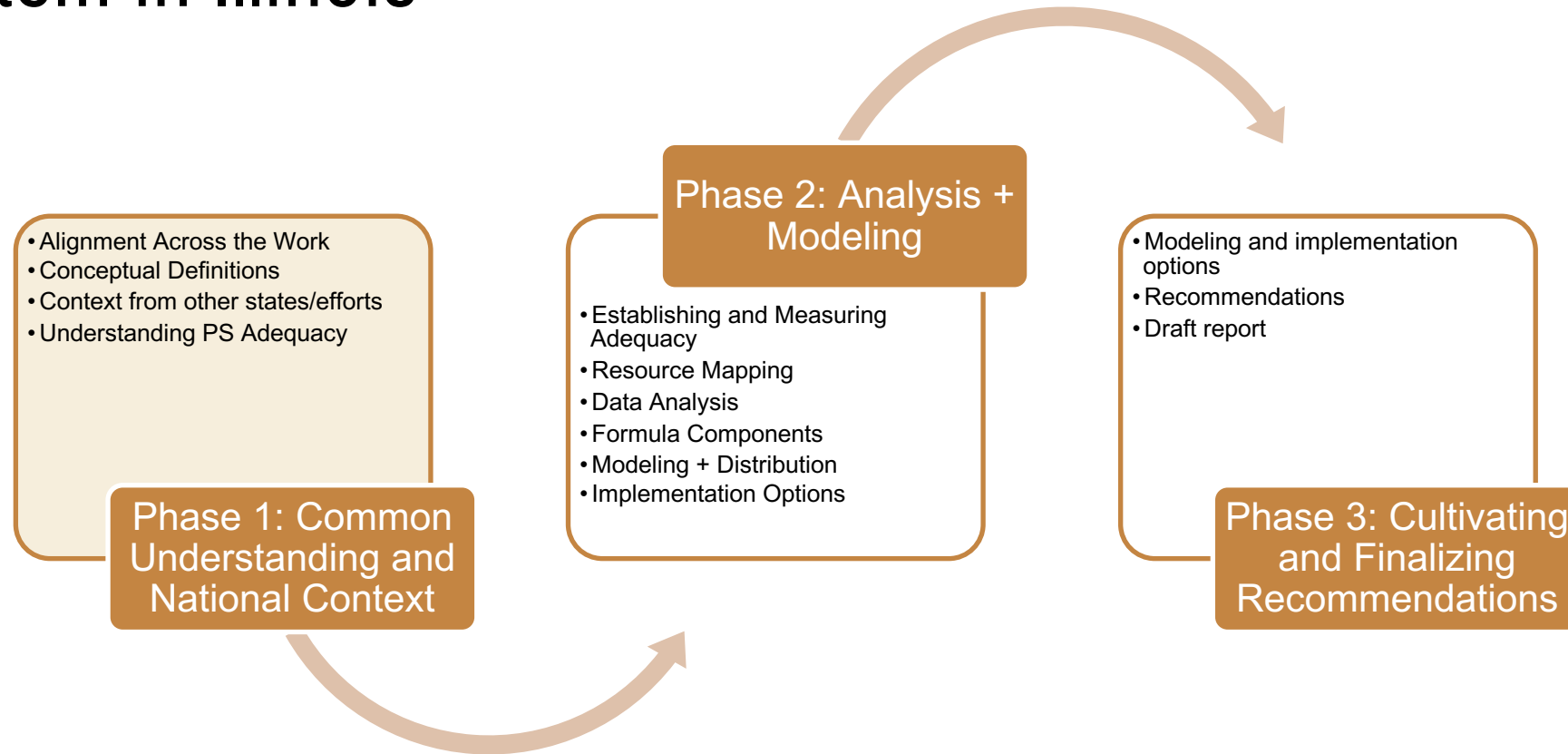
	K12	Higher Education
Adequacy	Yes. Adequacy well established. Formula components are used to inform funding levels and allocate state funding.	No. Adequacy not well established; formula components are typically used to allocate funding.
Entitlement/State Commitment	Yes. Funding is an entitlement appropriation in state budgets.	No. Funding is often considered discretionary. Formulas seen as allocation models that provide rationale for how state funding is distributed to institutions.
Other Funding Sources	Yes. Funding formulas in most states work to equalize or adjust for variations in local funding (tax revenue) capacity.	Partial. Funding formulas most often do not adjust for variations in revenue from other sources. Some states have taken steps to account for variations.
Student Background	Yes. Funding formulas consider for different student characteristics.	Partial. State funding formulas have increasingly moved to account for differing student characteristics in formula.
Supports/Interventions	Yes/Often. K12 funding formulas often factor in the supports/interventions that are shown to effective.	No. Funding is not typically informed by evidence-based practices and their costs. Weights in funding models are most often not empirically informed by this analysis
Stability	Yes. Related to entitlement but also typically have other aspects that provide stability in K12 funding (or at least predictability).	Partial. Funding models often have features built in that provide stability in the output of the funding model to avoid large shifts in funding. Phase-in approaches are often common. But lack of state commitment limits predictability in funding year-to-year.

Matrix: Resource for Comparison Across State Models

- **Formula Components: Analysis/synthesis of state higher education formulas + K12 EBF**
 - Enrollment
 - Equity
 - Cost variation
 - Evidence-based practices/costs of supports
 - Outcomes
 - Equity
 - Priority Degree Areas
 - Cost Variation
 - Mission + Other
- **Adequacy + Resources:** Illustrates if/how formula components are used to inform adequacy, consider other resources and/or prioritize state investments
- **Stability:** Describes approach for stability

Looking Ahead: Building an Adequate, Equitable and Stable Funding System

Steps to Building an Adequate, Equitable and Stable Funding System in Illinois



Considering Adequacy + Resources

- Topics to explore:
 - Review of research on adequacy in PS, lessons from K12
 - Adequacy considerations
 - Base/Full cost components of adequacy
 - Student-Centered adequacy components to consider: e.g., Enrollment + Success (costs of programs, supports, interventions proven to support student enrollment, progression and success)
 - Options for other aspects of adequacy: Mission + Program
 - Resource Mapping: Considerations of students ability to pay

Modeling, Implementation, Stability

- Topics to explore:
 - What valid and reliable data are available aligned to adequacy components and resource work
 - Resource and gap analysis
 - Modeling various funding model scenarios for state investment and allocation of resources
 - Implementation options to support adequacy, equity and stability

Questions ?

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Break

-5 minute break-
We will reconvene at 11:35 am CT

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The Research Base for Defining 'Adequate' Funding for Public Universities in Illinois

Nate Johnson,
Postsecondary Analytics

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Work Session: Activity, Reflections & Discussion

Facilitated by Dr. Toya Barnes-Teamer, HCM Strategists
and Ja'Neane Minor, Chief of Staff, Illinois Board of Higher
Education

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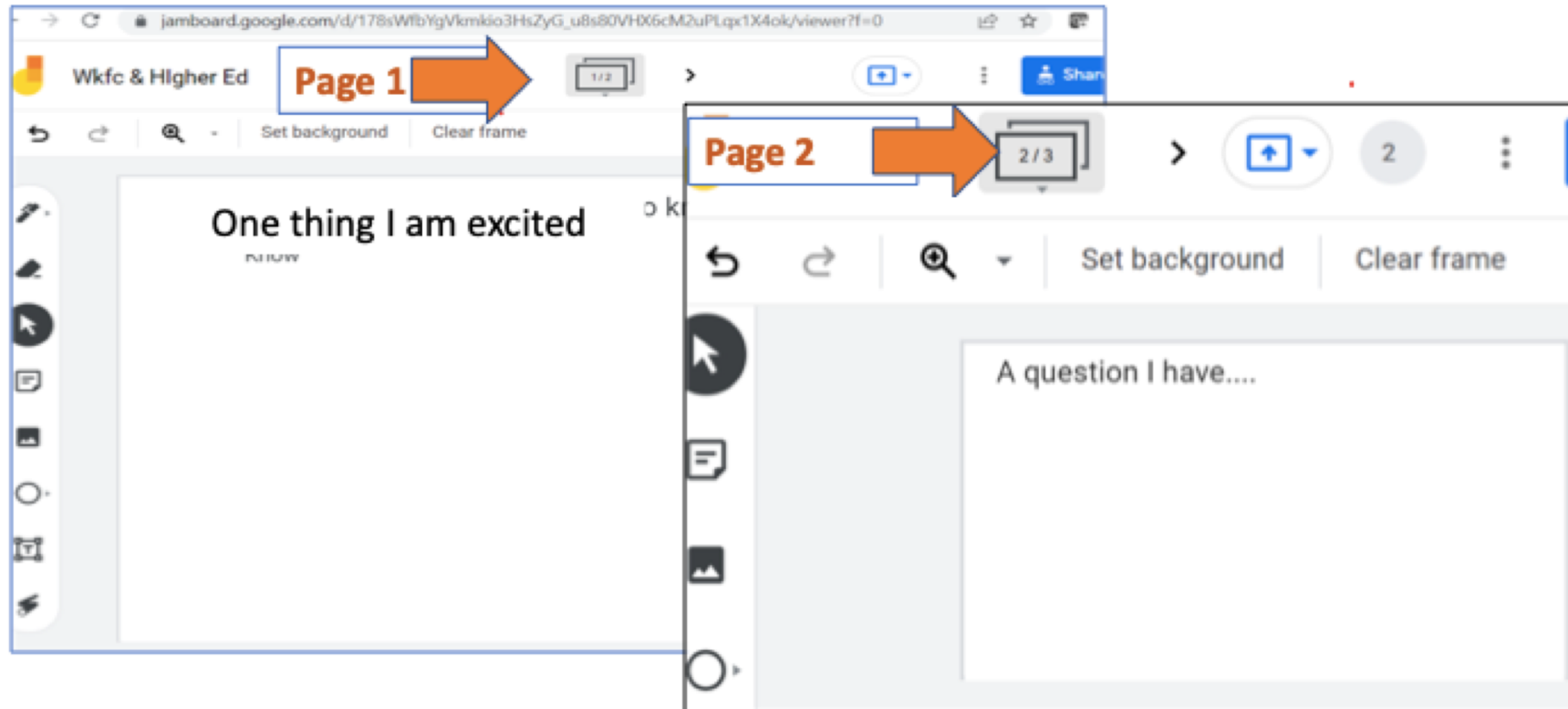
Adequate funding definition: The amount of funding necessary to equitably support all students to enroll and complete a degree without placing undue financial burden on students/families and for each university to carry out its mission. The cost of adequacy will vary across institutions based on the different needs of students being served, different degree types offered and the different mission components across institutions. Achieving adequacy requires directing new state investments to institutions with the greatest gap after accounting for other revenue sources.

Jamboard Directions

1. Go to the website

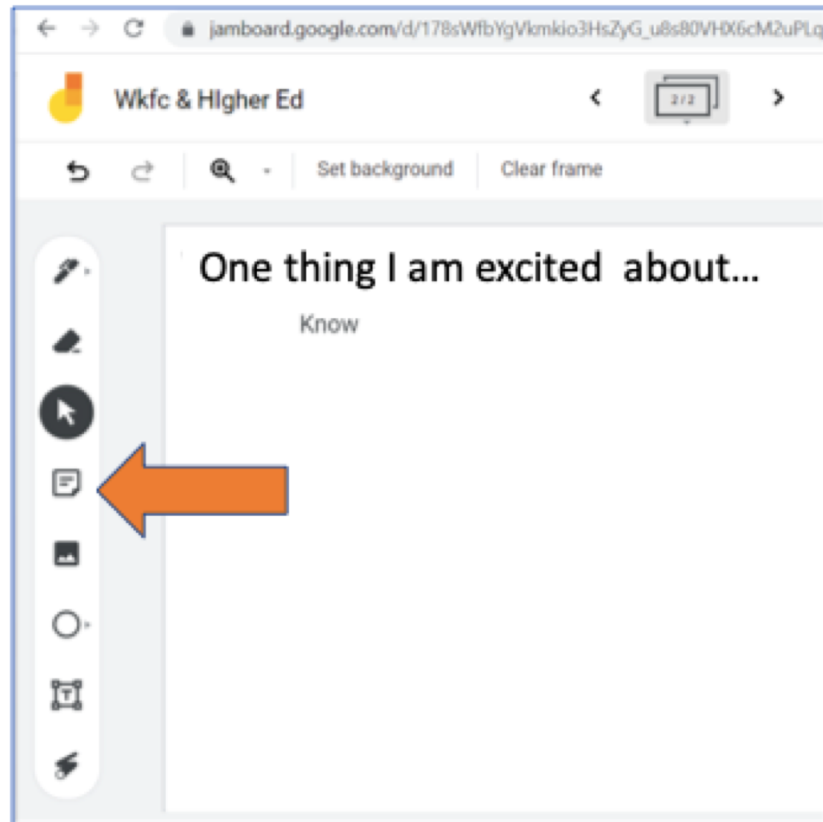
PLEASE NOTE:
ONLY Commission members,
please, should access the link, due
to caps on the # of allowed
participants. We will share the
screen for all to see.

2. Find the pages

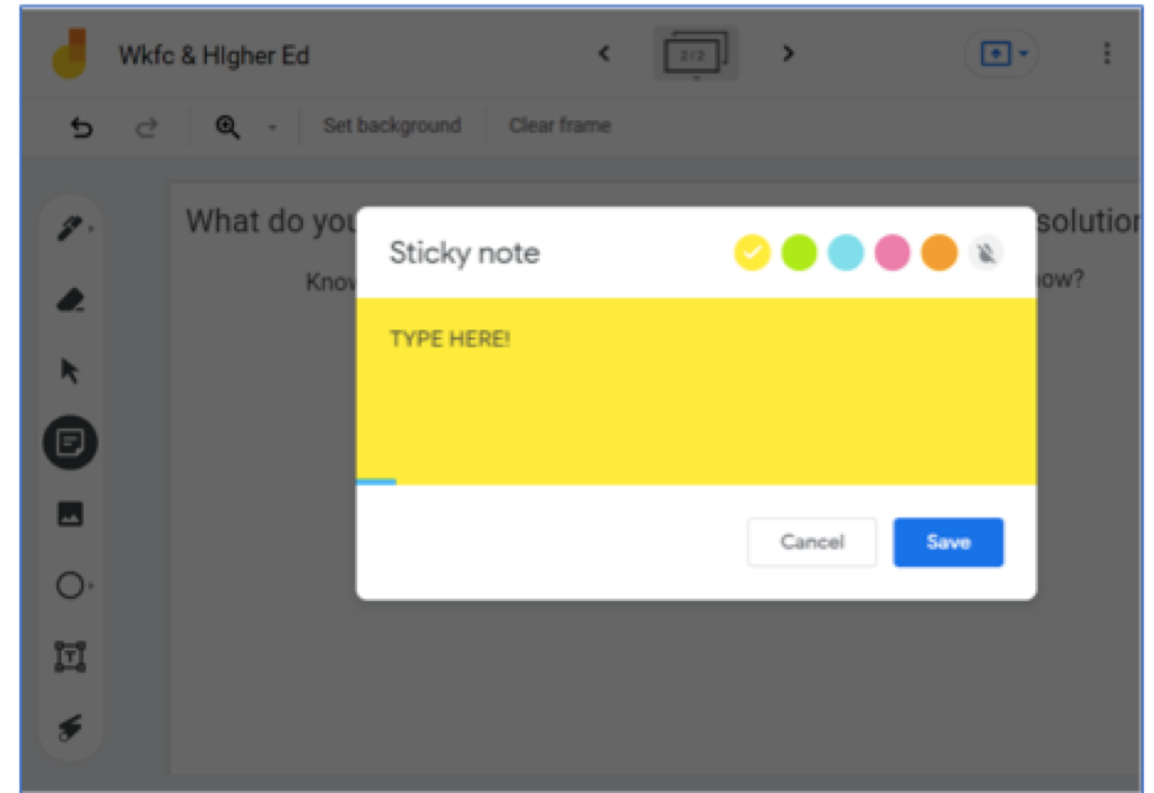


Jamboard Directions

3. Find the Sticky Notes



4. Create a response



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Prompt #1

What components (or elements) should be included when developing an adequate funding structure for universities?

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Prompt #2

Other than state funding, what types of resources should be considered when assessing institutional adequacy and ability to equitably serve students?

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Workgroups: Overview, Charge and Membership

Representative Carol Ammons, Co-Chair

Workgroup Overview

Three proposed workgroups: 1) Adequacy, 2) Resources and 3) Technical Modeling

Role and Purpose: Inform the analytical, data and technical modeling of the Commission's work. The workgroups will comprise a subset of Commission members or other assigned representatives. Workgroups do not make decisions but provide added, focused capacity to the Commission to elevate and understand options for addressing funding components and considerations.

Representatives: Selected by co-chairs; ~ 10 members for each workgroup; Will reflect groups and organizations on Commission with regional, mission and other attributes represented.

- Adequacy: Conceptual, Policy and Analytical skills
- Resource: Conceptual, Analytical skills
- Technical Modeling: Policy, Data Analytics and Modeling skills

Timing: Adequacy + Resources will start following May meeting; Technical Modeling workgroup anticipated to start

Workgroup Charge

Adequacy Workgroup: The adequacy workgroup will focus on evaluating and understanding various issues and concepts of adequacy in postsecondary finance. The workgroup will support the Commission's work in identifying the components that comprise an adequate and equitable finance structure for universities in context of the legislative charge and definitional concepts developed by the Commission.

The outcome of this review will be to analyze the components of adequacy and institutional "adequacy profiles" that help inform the cost of achieving adequacy for each institution.

Resources Workgroup: The resource workgroup will help define the different types of resources to be considered as a way to assess adequacy and inform how to equitably invest new state resources toward achieving adequacy for institutions.

The outcome of this workgroup will be resource mapping across each institution that can be used (in conjunction with the adequacy workgroup) a "gap analysis" between institutional adequacy and resources.

Technical Modeling Workgroup: The technical workgroup will build upon the conceptual framework established by the Commission (informed by the adequacy and resource workgroup) and begin identifying metrics/data, modeling distribution mechanisms and various funding scenarios/implementation options based on spending considerations.

The workgroup's analysis will incorporate the components of adequacy and varying levels of resources (revenue streams) across institutions, as outlined by the Commission.

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Workgroup Assignments and Timeline

- Workgroup Assignments: The Co-Chairs selected participants for each Workgroup.
 - If you select a designee to serve on our behalf, please provide information (name and contact) to HCM Strategists
- Meeting schedule/logistics: Meetings will be on a standard day/time each month.
 - First meeting(s) will be held in June.
 - Initial background information and scheduling to follow
 - Meetings are open to the public

Workgroup Composition

Adequacy	Resource	Technical Modeling
Partnership for College Completion	Partnership for College Completion	Partnership for College Completion
University of Illinois Urbana-Champaign	Chicago State University	Chicago State University
Advance Illinois	Illinois State University	Illinois State University
Center for Tax and Budget Accountability	University of Illinois Urbana-Champaign	Advance Illinois
Northern Illinois University	Alternative Schools Network	Center for Tax and Budget Accountability
Governors State University	Illinois Student Assistance Commission	Northern Illinois University
Northern Illinois University	Southern Illinois University School of Medicine	Governors State University
Women Employed	Southern Illinois University Edwardsville	Northern Illinois University
Elgin Community College	Eastern Illinois University	Southern Illinois University
Southern Illinois University	Northeastern Illinois University	University of Illinois Chicago
	University of Illinois Springfield	
	Western Illinois University	

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Public Comment

Facilitated by Dr. Toya Barnes-Teamer, HCM Strategists

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. People participating by phone should dial *3 to raise their hand, we will call on you to provide comment.

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Next Steps, Closing Announcements and Adjournment

Dr. Toya Barnes-Teamer, HCM Strategists

Next Meeting: September 1, 2022
