ILLINOIS COMMISSION ON

EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #5

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ILLINOIS COMMISSION ON
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Welcome & Agenda Overview

Ja’Neane Minor, Chief of Staff, IBHE

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

12:00 pm	Welcome & Agenda Overview
12:05 pm	Action: Approval of minutes from May 2022 meeting
12:10 pm	Commission Reflection: Charge, Objectives & Meeting Arc
12:15 pm	Student Panel
1:15 pm	Adequacy & Resources Workgroup Overview

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1:25 pm	Adequacy Workgroup Report
1:50 pm	Break
2:00 pm	Resource Workgroup Report
2:25 pm	Discussion & Next Steps
2:45 pm	Public Comment
3:00 pm	Next Steps, Closing and Adjournment

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Approval of minutes from May 2022 Commission Meeting

Ja'Neane Minor, Chief of Staff, IBHE

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Build a stronger

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Principles, continued

Build a stronger

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 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

Meeting 5: Adequacy + Resources

Review + Discussion: Student-centered adequacy considerations

Other considerations to include in adequacy

Review + Discussion: Types of Resources to be Considered

Meeting 6: Adequacy + Resources

- **Review + Discussion**: Types and categories of Adequacy Components
- **Review + Discussion**: Types of Resources and Resource Mapping

Considerations for Students ability to pay

Meeting 7: Resource Mapping Data Analysis

- **Review + Discussion**: Institutional adequacy profiles
- **Review + Discussion**: Resource Mapping
- **Review + Discussion:** Gap Analysis/Formula components

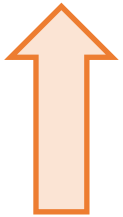
Meeting 8: Technical Modeling + Implementation

- **Review + Discussion**: Modeling Distribution options

Implementation scenarios (across various projected spending levels)

Adequacy Workgroup Meetings

Resource Workgroup Meetings



Adequacy Workgroup Meetings

Resource Workgroup Meetings

Technical Modeling Workgroup Meetings

Technical Modeling Workgroup Meetings

Technical Modeling Workgroup Meetings

Workplan Phase 3: Cultivating and Finalizing Recommendations

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

- Review modeling and implementation options
- Initial recommendations

Meeting 9: Recommendations + Report Draft

- Recommendations and options

Technical Modeling Workgroup Meetings

Technical Modeling Workgroup Meetings

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Student Panel

Facilitated by Co-Chair Kimberly Lightford, Senate Majority Leader, Illinois General Assembly

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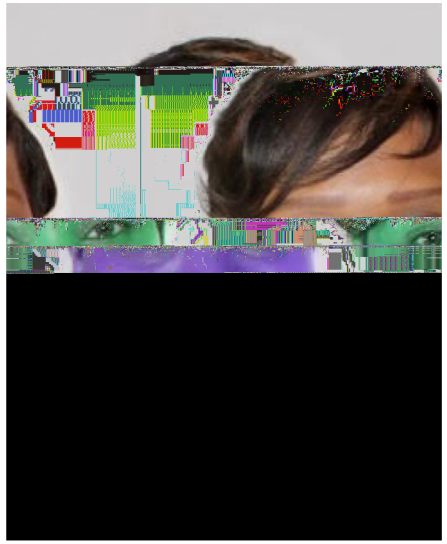
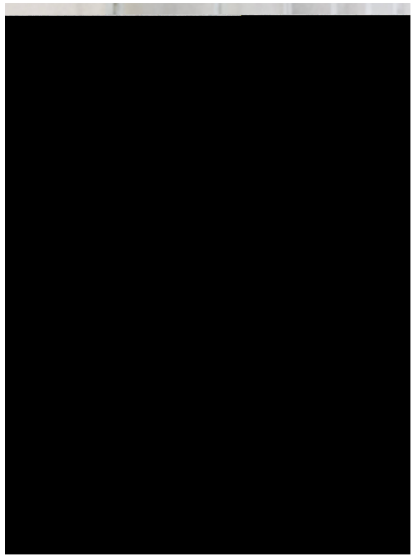
Romeo Bell



Levina Cherry



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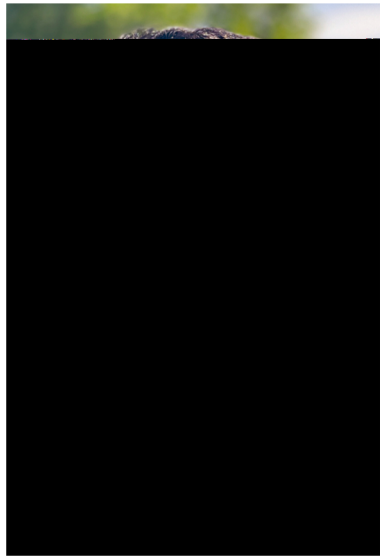

Mohammed Haq

Ash Ebikhumi

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Adequacy & Resource Workgroup Overview

Martha Snyder, HCM Strategists

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.

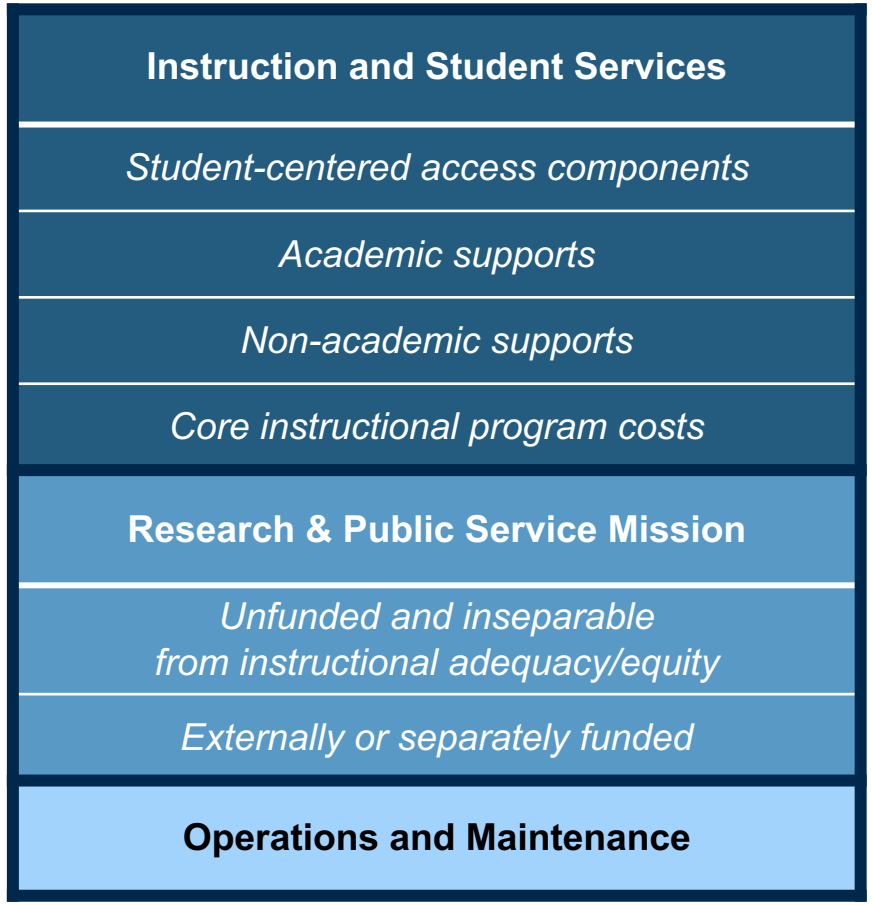
Technical Modeling Workgroup: The technical workgroup will build upon the conceptual framework established by the Commission (informed by the adequacy and resource workgroup) and begin identifying metrics/data, modeling distribution mechanisms and various funding scenarios/implementation options based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

Adequacy & Resources: How the Workgroups Interrelate

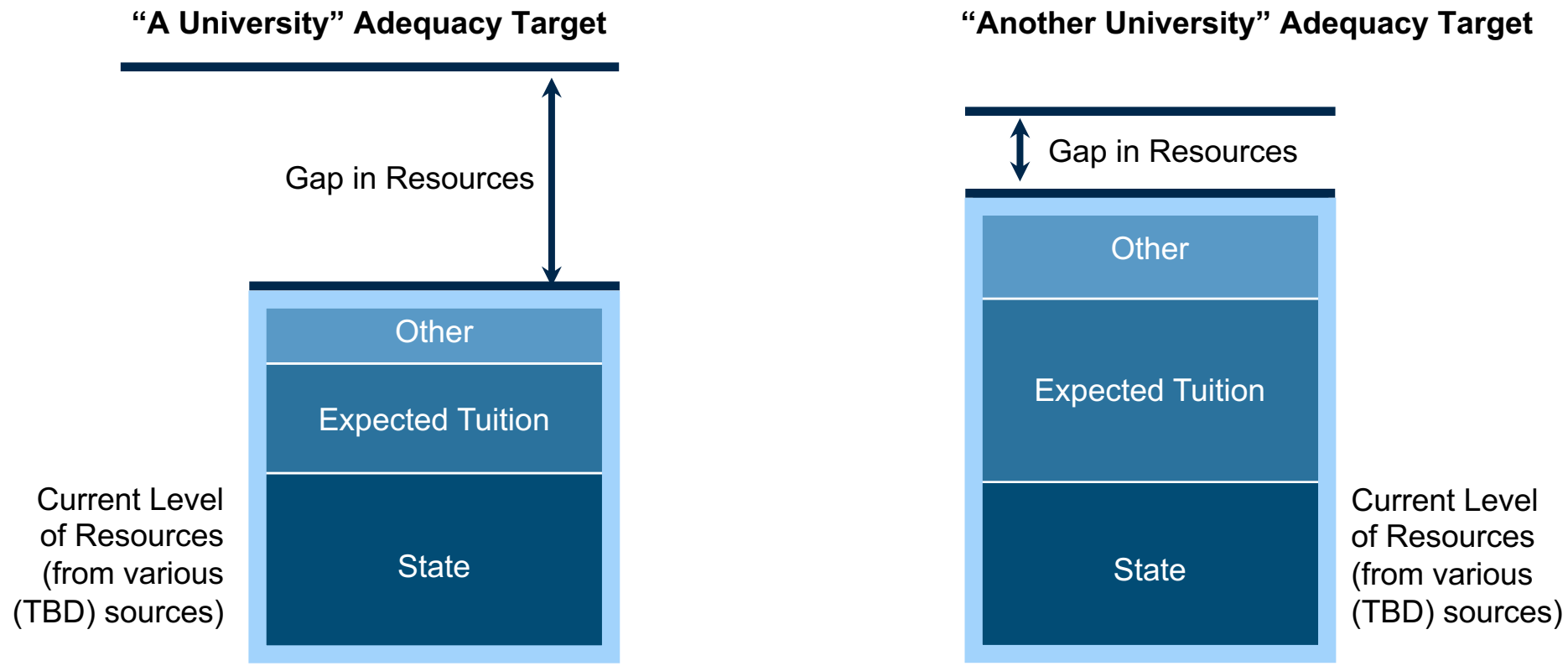
Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. The Adequacy Workgroup is developing these components.

"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.



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Adequacy Workgroup Report

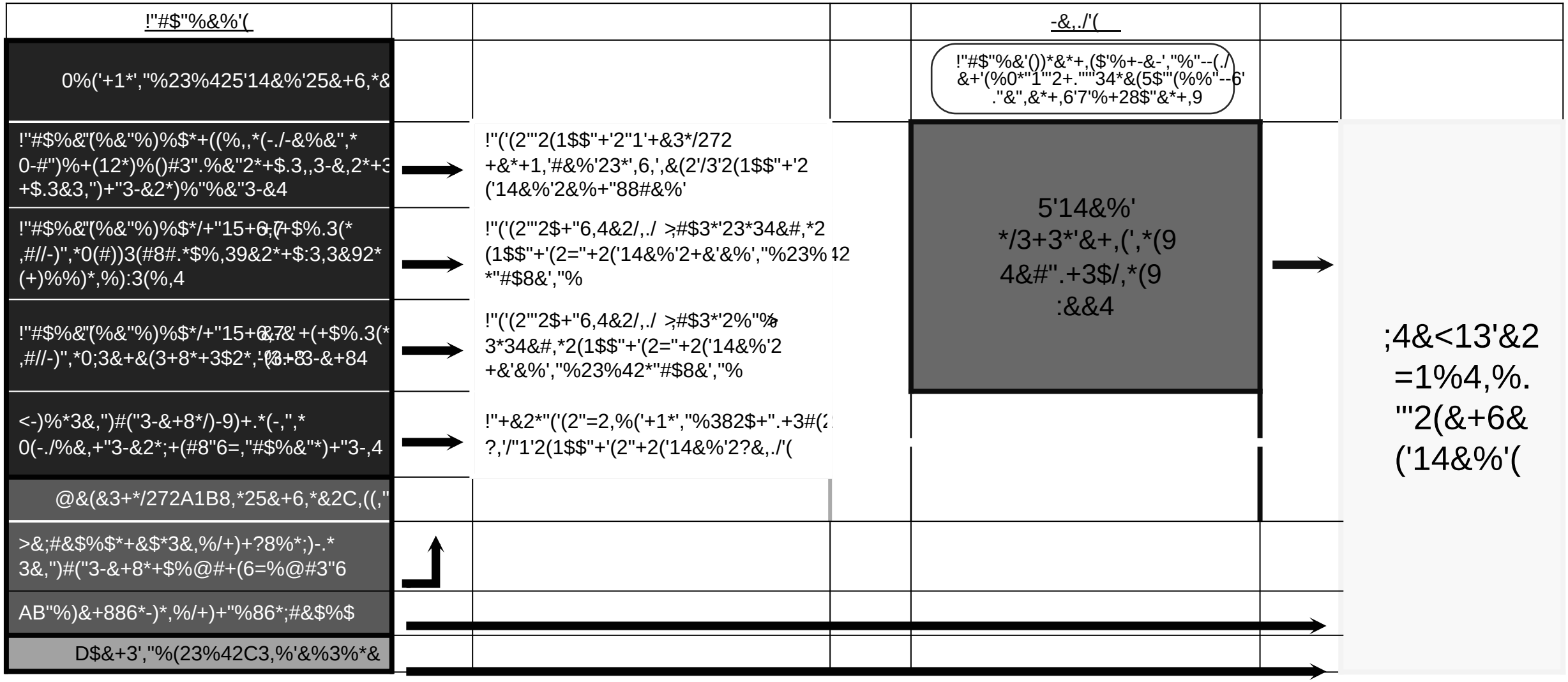
Summary of Discussions

- Reviewed Research on Postsecondary Funding/Implications for Adequate Postsecondary Funding
- Developed Framework Components of Adequacy
- Analytical Considerations for Instructional, Academic and Student Support Components

Summary of Research for Equitable + Adequate Postsecondary Funding

- Clear connection between state funding and student outcomes
- Adequacy in postsecondary context often disconnected from equity
- Existing postsecondary funding models are not based on what it costs to produce an outcome
- Research shows costs to achieve an outcome vary for different groups of students
- Funding matters, but what is invested in matters too
- Costs of different pathways vary, this includes costs across programs and disciplines

Potential Model for Developing Adequacy Definition



Student-Centered Pathways: Academic Supports

Description	Rationale	Evidence-Based Practices (examples)	Potential Measures to Calculate Costs
Costs to provide high-impact academic supports for student retention and completion	Academic supports enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities	•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)	•Total instructional expenditures •Total academic support expenditures •Specific academic support expenditures: libraries, technology •Cost studies from research/evaluation in other locations Student-Level Finance Measures •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
Costs to provide high-impact supports for student retention and completion	Non-academic supports that enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities	•Single Stop •Financial Aid; Emergency Aid •Social Emotional/Counseling/Mental Health Support •Housing, childcare, transportation •CUNY ASAP components (financial, personal supports)	•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	•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 •Employment history •Rurality

Academic / Instructional Core Costs

Description	Rationale	Potential Measures to Calculate Costs
Core cost of undergraduate (and graduate) instructional programs	To define a baseline cost factor for serving students without any additional supports	•Competitive compensation factors w/priority for recruiting and retaining diverse faculty •Discipline / major differentials •Faculty / student ratios

Considerations For Technical Modeling Workgroup

- Determining the right level of analysis for costs associated with evidence-based practices
- Recognizing the “Status quo” of available cost data vs. funding additional capacity to serve more students and achieve greater equity in access, retention and success
- Accounting for historical inequities in certain cost data (program/discipline)

Questions for Commission

- Does the overarching framework for adequacy capture the key considerations for calculating postsecondary adequacy?
- For instruction and student services components – does the approach to ground the analysis in evidence-based practices that foster access, retention and completion resonate?
- What additional considerations should the workgroup factor in as we continue our work?

Next Steps

- Incorporate Commission feedback into Student-Centered Component considerations

- Review other components of adequacy
  - Mission (research and services)
  - Operations + Maintenance

  [Report to Commission in December]

- Finalize recommendations and considerations for technical workgroup to begin modeling

Break

-10 minute break-
We will reconvene at 2:00 pm CT

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Resource Workgroup Report

Summary of Resources Workgroup Discussions

- Review and Framework of Institutional Revenue Categories/Definitions

- IL-based Analysis and Discussion

- University Income Fund (tuition)
  - Grants + Contracts (Government + Private)
  - Endowment
  - Auxiliaries

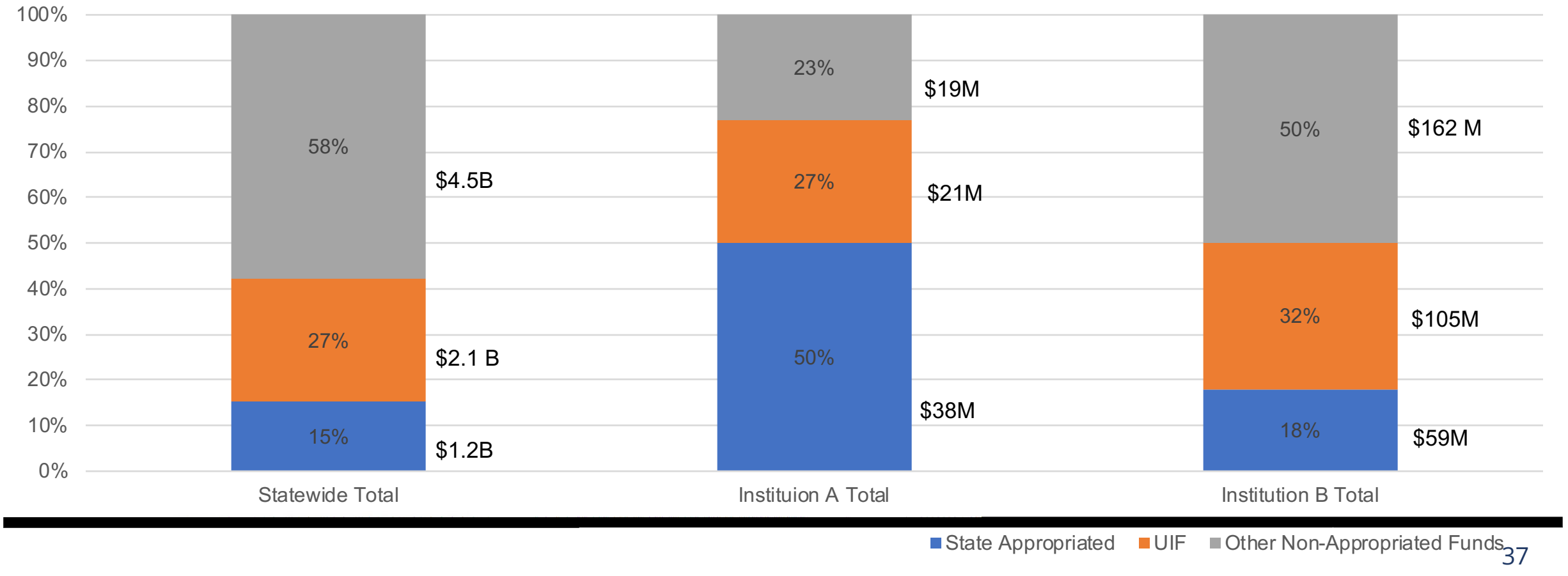
- Initial Recommendations/Considerations For Equity and Adequacy

University Revenue: State Appropriated + UIF

Statewide, isolating only State Appropriated + University Income Funds (UIF, (Tuition)), approximately 64% of revenue comes through tuition and 36% from State Appropriated Funds. Variation across institutions ranges with some institutions more reliant on state appropriated funds, others receiving higher levels of resources from UIF. Institutions A, B and C (below) illustrate this variation.

University Revenue: All Sources

When looking at "All Sources" of revenue, there is significant variation across universities. Some universities receive nearly all of their revenue from state appropriated and UIF sources. Other institutions receive higher proportion from "other non-appropriated funds" which include: government grants and contracts, private gifts and various auxiliary sales and services.



Framing Questions for Workgroup Discussions

- What are the different resources institutions have access to?
- What are the uses or limitations of these resources?
- What are implications for equity relation to these resources?
- What are considerations for including these resources in assessing an institutions level of adequate resources?

Summative Reflections

- Resources must be evaluated through lens of equity and how they influence an institution's ability and capacity to equitably serve students
- Not always about what the definition and direct use of resources but a more critical understanding: does having access to the resources provide differential capacity to institutions? Does this have implications for equity?
- Leads to more critical analysis and recognition that to include or not include a resource is not "yes" or "no" but more nuanced. Particularly for "non-appropriated funds"
- Ultimately the work needs to factor in state commitment: both the first (current investment) and last (future investment) resource "in"

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University Income Fund

University Income Fund: Description + Considerations

Definition: Student Tuition Revenue

- Funded by a variety of sources
  - Pell (paid by Fed)
  - MAP (paid by state)
  - Self-pay (paid by student)
  - Scholarships (paid by institution or other party)
  - Student Loans (paid by third-party, student)

Type: Mostly Unrestricted, though mandatory waivers affect the unrestricted nature (and have disparate impact across

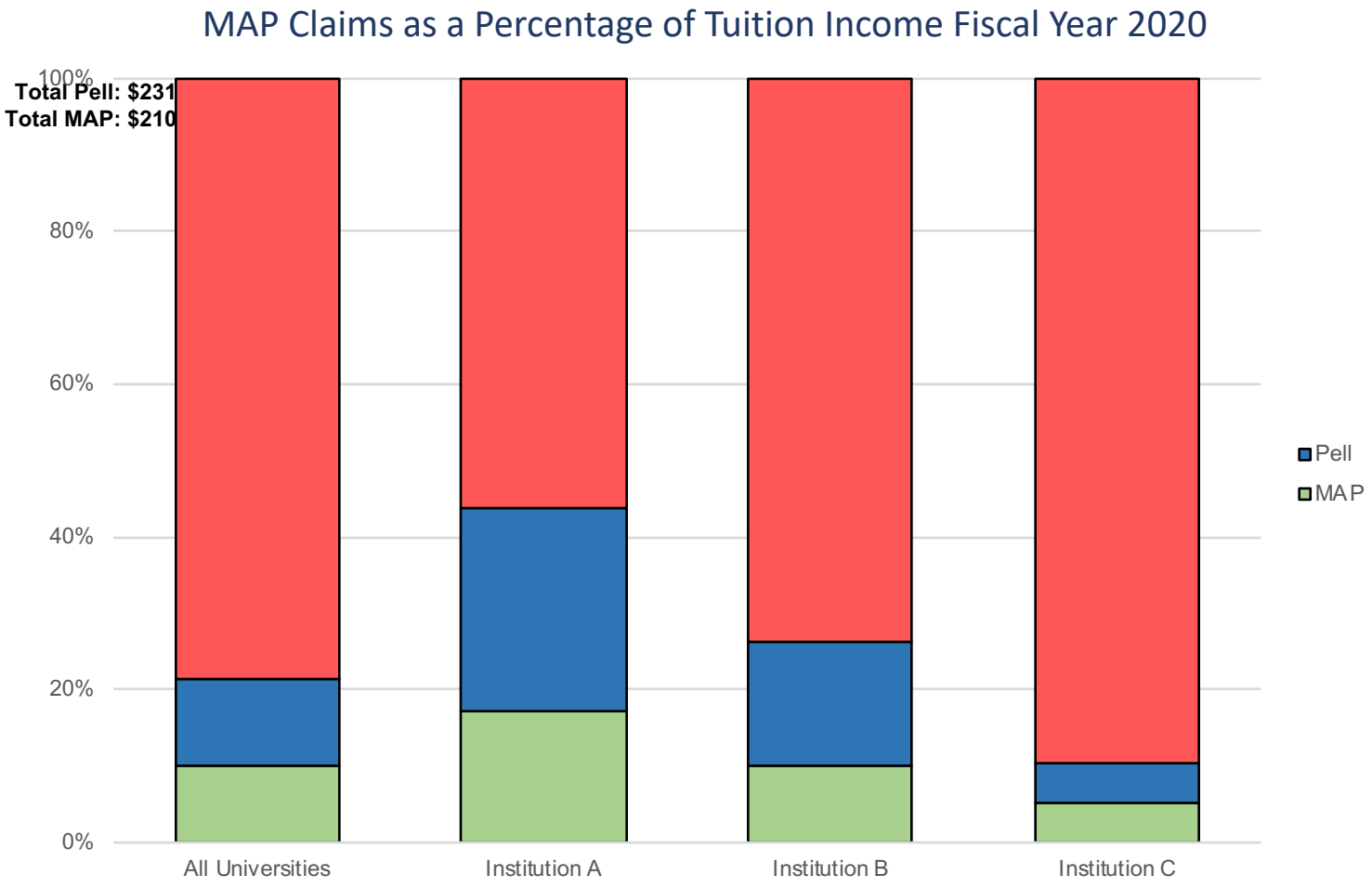
Equity Implications

- Tuition increases and/or variable tuition across institutions can have implications on equity.
- Interplay with state appropriations is critical. State disinvestment led to enrollment declines with inequitable impacts.

Initial Recommendations + Considerations

- Include in institutions' resource profile, with following considerations
  - Deduct mandatory waivers
  - Establish assumptions/considerations for what should be generated from tuition revenue and variations in institutions ability to raise tuition (student ability to pay) vs.. that committed by the state.
  - Further evaluate student fees

Resource: University Income Fund (Tuition)
MAP + Pell as % of Tuition Income, FY 2020



- Variations across institutions in the percentage of Tuition income that is covered by MAP and Pell.

Equity Implications

- Institutions with larger percentage of income from MAP and Pell have higher percentage of low income students served; dependent not only on state operating appropriations but also state appropriations for MAP

- Implies less capacity to raise tuition from student body (student ability to pay); less capacity for students to self-fund services through fees.

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Other Non-Appropriated Funds

Other Non-Appropriated Funds: Grants, Contracts + Endowments

Description

- **Gov't Grants and Contracts**: Revenues from local, state, and federal governments that are for specified purposes and programs (e.g., research, other priorities)
- **Private Grants and Contracts:** Gifts and grants provided to the university from individuals (private donors) or non-governmental organizations Included in this funding category are revenues provided for student financial assistance.
- **Endowments:** Income from endowment and similar fund sources, including irrevocable trusts

Equity Implications

- Capacity to bring in these resources may vary across institutions and are often self-reinforcing (institutions with higher resources have greater capacity to seek other types of resources)
- Access to these dollars can have indirect implications for equity:
  - Research dollars can affect ability to recruit faculty, give students access to STEM or other opportunities.
  - Endowment can endow chairs, free up resources for other spending
- Access to private resources and endowments often reflected of historical wealth inequities and distributed in inverse proportion to racial/ethnic representation at institutions.

Initial Recommendations + Considerations

- More data and analysis needed to establish parameters for including in institutional resource profile

Other Non-Appropriated Funds: Auxiliary Enterprises

Description

- **Auxiliary Enterprises**: Auxiliary enterprises include residence halls, food services, parking facilities, student unions, college stores, and such other services as barber shops, beauty salons, movie houses, and bowling alleys. In some cases these are self-sustaining (fees charged cover expenses) in other cases they may be revenue generators.

Equity Implications

- Can influence student success: Access to housing, food, transportation, childcare
- Supported by student fees – underlies question about student's ability to pay.
- Quality and quantity of these services may be related to the profile of the students.

Initial Recommendations + Considerations

- More evaluation and discussion.
- Perhaps set some minimum (average) level for "basic needs" auxiliaries – food, housing, etc.

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Discussion & Next Steps

Facilitated by Dr. Toya Barnes-Teamer, HCM Strategists
and Martha Snyder, HCM Strategists

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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.

Next Steps

- Adequacy + Resource Workgroups:
  - Incorporate feedback from Commission
  - Continue to discussions on adequacy components and resource inclusion
  - Refine initial recommendations and considerations
- Technical Modeling Workgroup:
  - Start in October/November
  - Gather and Review data
  - Begin to develop institution adequacy profiles
  - Begin to develop institution resource profiles

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Closing Announcements and Adjournment