
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Illinois Commission on Equitable Public University Funding

April 17, 2023: 12:00pm-2:00pm CT

Meeting #7 Notes

Welcome & Agenda Overview

Executive Director Ginger Ostro provided background information regarding the meeting logistics and fulfilling the requirements of the Open Meetings Act. Martha Snyder walked through an overview of the agenda for the meeting with highlights of the topics to be covered. Katie Lynne Morton confirmed there was a quorum in attendance.

Action: Approval of minutes from December 2022 Commission meeting

Katie Lynne Morton called the roll to approve the minutes from the December 12, 2022 meeting.

- Deputy Governor Torres motioned to approve the minutes. Commissioner Martire seconded.
- The roll was called and twenty commissioners approved.

Action: Approval of the minutes from the November 2022 Resource Workgroup meeting

- Katie Lynne called the roll to approve the minutes from the November 17, 2022 meeting. Six workgroup members were present and approved the minutes during roll call.

Commission Reflection: Charge, Objectives, Meeting Arc

Martha Snyder walked through a number of slides to help reground the Commission members in the work of the Commission, where it came from and why it is so vital. Ms. Snyder shared the goals and objectives of the Commission are anchored in establishing:

- a shared understanding of current funding structure in IL;
- learning from other states to understand various approaches to issues of post-secondary finance;
- and ultimately developing recommendations centered on increasing access and success for historically underrepresented students—Black, Latinx, low-income, rural, and working adults, among others who have been underrepresented and underserved;
- Approaches to state investments that address historical inequities and reflect adequate funding policies; and
- and supporting the varied missions of our universities.

Martha Snyder shared a reminder of the work plan for the Commission, which includes three phases. Phase one, where we established common understanding and context, has been completed. We are now in Phase two, where we build out the analysis and discuss models. Then we will turn to Phase 3, where we will finalize analysis and modeling and hone in on a set of recommendations. There will be obvious overlap and transition between phases to facilitate us towards conclusion.

To support Phase 2 and 3 of the work, the Commission established three workgroups. It was shared that the Technical Modeling workgroup has been meeting and would provide an update report during the meeting.

Technical Modeling Workgroup Overview

Martha Snyder gave an overview of the Technical Modeling workgroup. The charge of the workgroup is to build upon the conceptual framework established by the Commission

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(informed by the Adequacy and Resource workgroups) 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.

Start with an Equity-Centered Adequacy Target

Martha Snyder walked through the conceptual model, similar to the K-12 EBF was shared on the screen as a reminder. 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. Equity adjustments will be made based on variable student need to reflect the priority of increasing more equitable access and success for historically underserved student populations. Adequacy will also consider research, service, and artistry missions. Cost for facilities operations and maintenance included, as well.

Conceptual Model

Identify Available Resources: include existing state funding as base, account for "expected tuition," and other resources, like endowment. "Expected tuition" rather than actual tuition helps address more equitable affordability.

State Funds fill in Gap in Resources: model to be developed, but goal to distribute new state investments to institutions with the greatest gap between equity-centered adequacy target and current available resources (state, expected tuition and other).

Translating Concepts to a Model

The Adequacy and Resources workgroups identified practices and elements of each component of the conceptual model. They also identified key variables (student, program, institutional) that would require adjustments to ensure equity and account for different missions and contexts. The Technical Modeling workgroup has relied on those to identify costs of each component and the relationships between them.

Technical Modeling Workgroup Work Plan and Update

Will Carroll walked through the members of the Technical Modeling workgroup and the process to date:

- Reviewed Adequacy and Resource Group findings and recommendations;
- Assigned Technical Workgroup members to subcomponents (topics) of Adequacy and Resources;
- Topic teams dug into data, research, and institutional expertise to answer key questions and develop recommendations for how to define and calculate adequacy in each component; and
- Full Workgroup discussed topic team findings, HCM combined them into a conceptual model, which is still being discussed and refined.

The Work Plan (calendar of topics) was shared on the screen, and a chart outlining the topic teams was shared on screen.

Instruction and Student Services: Key Questions

- What is the benchmark for this component? What is the desired outcome?
- How many/what level of resources are required to achieve the benchmark/outcome?
- What do those resources cost?
- What adjustments need to be made for student, program, and institutional variation?

The four key questions above helped the approach for the analysis for Instruction and Student Services.

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Proposed Approach to Calculating Adequacy Targets

- Baseline Spending: Start with the per pupil funding levels derived from expenditures in IBHE's Revenue & Expenditure (R&E) report (+)
- Equity Adjustment: Close equity gaps by adjusting the baseline spending for certain student, program, and institutional characteristics (+)
- Base Adjustment due to Underfunding: Recognizing IL's history of underfunding higher education, increase the baseline per pupil expenditures to a sufficient level (=)
- Adequacy Target

Baseline Spending: Instruction and Student Services

The four categories of the adequacy component are: Student Centered Access, Academic Supports, Non-Academic Supports and Core Instruction Costs.

Equity Adjustments: Best Practice Interventions

Commissioner Steans shared that the workgroup identified research-based interventions specific to each adequacy component that improve outcomes and equity for target populations building off of the elements identified by the Adequacy Work Group. Universities would not be required to spend the funding on these interventions. It merely serves as a benchmark for how much is needed in each component to close equity gaps.

Complementary efforts support Accountability, including Institution-Level Equity Plans and Practices and *A Thriving Illinois* Accountability System.

Equity Adjustments: Best Practice Interventions

Adequacy Components:

- Student-Centered Access: advising interventions to increase enrollment of historically underrepresented populations.
- Academic & Non-Academic Supports: holistic wrap-around services aimed at eliminating equity gaps in retention and completion.
- Core Instruction Costs: programs to increase faculty diversity and increase equitable representation in high-cost and high-value programs.

Academic & Non-Academic Supports

Organizations and interventions reviewed:

- One Million Degrees,
- CUNY ASAP/ACE,
- Bottom Line,
- Project QUEST,
- Opening Doors,
- TRIO Student Support Services,
- National Louis University,
- iMentor,
- HOPE Chicago program (Northern Illinois University data), and
- University of Illinois - Chicago student services.

Commissioner Steans reviewed the tiers of Academic & Non-Academic Support "packages" and cost-student for equity adjustments:

- Intensive: \$8,000
- High: \$6,000
- Medium: \$4,000

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- Low: \$2,000

The package cost is based on best-practice interventions. The most effective had higher costs around \$5,000 per student, but interviews indicated that some students required more services than what the average cost implies.

Academic & Non-Academic Support Tiers

The recommended approach was to identifying which students would be eligible for the equity add-on associated with each "package":

- Base the level of service needed on the current outcomes gap in IL (retention rate), creating tiers based on natural breaks in the data.
- Students with multiple characteristics would be placed into the tier above the tier of their highest characteristic.

Other populations to consider, using data from other sources:

- Students with children,
- Students with disabilities, and
- First-generation students.

Relevant and available data on Graduate/Professional students is limited to race/ethnicity. We could consider collecting some SES indicators going forward.

Academic & Non-Academic Support Adjustments

Commissioner Steans raised the following discussion Questions for the Commission:

- Does the tiered services approach make sense?
- Do the number of tiers and costs seem right?
- Is the approach to identifying which students get which tier of service right?

Next Steps:

- Refine tiers for remaining student characteristics
- Calculate university adjustments using actual data

Board Chair Atkinson asked if the interventions at each level have been identified. A whole series of programs were identified and it was found that no program had a single intervention. Rather, a suite of interventions were commonly found among programs.

Commissioner Tarhule asked how this would be implemented and that the numbers would likely vary from year to year. Will numbers actively change, as student populations change? Are the tiers additive? How is the total impact calculated? The presumption is that the formula is dynamic - would be calculated and recalculated over time. If there is an uptick in the number of students needing interventions, the number would need to be adjusted. This is an ongoing conversation in the workgroup. Data accuracy and data burden is being discussed; these data points are being collected annually. The characteristics are meant to be additive.

Commissioner Freeman raised the point that interventions will have varying costs at each institution based on institutional type/mission. Freeman was curious about thoughts around this. Steans shared that there are different ways - when looking at successful programs, they are not all the same. What makes sense for one institution may be different than another. The workgroup will look into institutional adjustments at a later time.

Commissioner Zarnikow asked how the formula will work across time when appropriations are flat or cut, and when dynamics between institutions change? This discussion is premature to where the workgroup is at this time.

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Commissioner Weffer reminded the Commission about the hold harmless that wouldn't allow funding to be below the 2020 level.

Commissioner Reyes shared that there is a program gap: some degree areas cost more; how does this affect the formula? The workgroup has discussed higher cost programs and is working through how to adjust based on these programs.

Student-Centered Access: Equity Adjustments

For student-centered access, the adjustment would be based on interventions that increase the enrollment of traditionally underrepresented students.

Possible characteristics to account for:

- Race, income, transfer, rural, adult

Next Steps: Develop tiers and funding levels, with students assigned to each tier based on college-going rates.

Core Instructional Costs: Equity Adjustments

Two adjustments for equity:

- Recruiting and retaining more diverse faculty
 - Example: UI-Chicago's Underrepresented Faculty Recruitment Programs: \$667 per student
- Diversifying student enrollment in high-cost and high-value programs (e.g., STEM).

Next steps: The workgroup will identify the equity gaps in high-cost and high-value programs to assign adjustments.

Equity Adjustments

Commissioner Steans walked through a chart on screen that outlines the adequacy component, base IL expenditures per student and equity adjustments.

Base Adjustment to Address Underfunding

Reasons for Base Adjustment

Commissioner Mahony shared the reasons for base adjustment with the Commission. Higher education has been underfunded in Illinois.

- The framework starts with current spending levels, but higher education has been underfunded
- The funding formula should close equity gaps and ensure all students receive enough support to succeed

Ways to Adjust the Base

Increase funding to reach an outcome target

- Calculate an adjustment necessary to move from current levels to a target level (e.g., graduation rate) based on research and data analysis linking spending to outcomes
- "...a \$1,000 per-FTE increase in state appropriations ... increases the likelihood of earning a bachelor's degree by age 25 by 1.5pp for students first enrolled at a four-year institution." (Chakrabarti et al 2020)

Identify funding levels of high-performing institutions

- Compare to institutions to diverse student bodies and strong, equitable outcomes to make informed decision about benchmarking adjustments to current spending levels.

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E&R Expenditures and Grad Rates

Commissioner Mahony walked through a chart that outlines education and related expenses.

Base Adjustment Options

Outcome Target

- Goal: increase grad rate from 63.3% to 80% (16.7 pp)
- An additional \$600/FTE increases undergraduate completion by 1 pp
- Needed investment: \$10,659 per headcount
 - For a 70% grad rate goal, needed investment = \$4,276
- This model was focused on undergraduates as this graduation rate is not the same for graduate or professional/medical students.

High-Performing Institution Comparison

- Goal fund at a level comparable to those that achieve >80% grad rates
- E&R Expenditures for high grad-rate schools are 48% higher than IL
- Needed investment (48% increase over base): \$9,653 per headcount

Base Adjustment Costs

Commissioner Mahony walked through a chart on screen that showed the adequacy component, base IL expenditures per student + 70% grad rate benchmark and what the adjusted base equals. The next chart added in equity adjustments for certain student groups.

Base Adjustment Options

For Discussion

- Does this benchmarking approach make sense?
- Is a 70% grad rate the right target?

Commissioner Freeman asked how the graduation rate is defined. The workgroup is using the traditional graduation rate. Commissioner Zarnikow asked if there are similar student populations/base and if the inputs are similar or different. Certain institutions have a more diverse population and those institutions could be identified to narrow down. The analysis was broader. Nate Johnson confirmed that the data used is based on what is readily available across the nation. Institutions with high graduation rates tend to have a certain level of funding. Commissioner Tarhule applauded the approach that the workgroup has used. He noted that with more funding, some institutions may need to lower their tuition rate to become competitive and maintain enrollment. Has this been taken into account? Yes, the workgroup has discussed this and will present at a later time. There has been discussion around how to fund institutions and increase the state responsibility.

Commissioner Caldwell asked whether there have been calculations to figure out the per student spending for Illinois institutions with the highest completion rates. As far as the graduation rate, is this collectively for the state or for marginalized students? The graduation rate set would be statewide. Commissioner Caldwell suggested it would help to be very specific about target populations. Commissioner Tarhule asked what happens if an institution is already above average. The goal is to get the state up to a 70 percent graduation rate and schools already at that rate wouldn't be harmed. Commissioner Castillo-Richmond shared that the 70 percent rate seems devoid of context. A rising tide does not lift all boats; if we want to move the equity needle we need to be careful. In many institutions, first-time full time students doesn't include a number of populations. The equity funding would not be attached to just the traditional graduation rate (first-time full time students). Commissioner Castillo-Richmond raised the point that getting transfer students to

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a 70 percent graduation rate may be an impossibility. Nate Johnson provided some context and clarity. Commissioner Steans shared that it is a challenge that the workgroup hasn't been able to test out of the formula with real numbers. Commissioner Martire echoed agreement to what Commissioner Castillo-Richmond shared. Three-year rolling averages may make sense to take into account.

Mission: Research, Public Service & Artistry

Approach to Assessing Mission Adequacy

Commissioner Weffer gave a background on the process that he and Provost Beth Ingram have taken to think through and operationalize the Mission area. The Mission area was divided into Research, Public Service and Artistry. Commissioner Weffer provided an overall picture of what they have discussed. The statewide average is around \$900 per student, but this number is skewed when comparing smaller and larger institutions.

Objective: set a floor of what students and communities have access to at all universities, then adjust for differences in mission and size.

- Research
 - Focus on undergraduate research
 - Consider variation in research mission
- Public Service
 - Consider costs of community education, museums, coop extension services, etc.
- Artistry
 - Consider costs per credit hour for students in the arts

Deputy Governor Torres asked to what extent do other states' higher education funding formulas take these areas into account. Generally, research seems to be in other states' funding formula. There was discussion around equity in scenarios such as students who need to travel for student teaching and internships. Commissioner Freeman echoed Deputy Governor Torres' comment on what is focused on inside/outside the formula. She shared that focusing on undergraduate research as a high impact practice is very important. The research mission and support for institutions at different levels of research intensity could be looked at both inside and outside the formula, similar to deferred maintenance. There is a vehicle in the Illinois Innovation Network that could be used outside the funding formula that could be used to create some shared infrastructure.

Next Steps

Complete *Adequacy Target* components:

- Refind and model the equity adjustments
- Finalize Mission amounts
- Develop per student O&M funding levels

Develop and model *Resource Profile* components:

- Determine Equitable Student Share approach
- Assess how to count other sources of revenue (endowments, grants, contracts)

The Technical Modeling workgroup will continue to meet bi-weekly and report out at the next full Commission meeting.

Public Comment

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

- Lily Rocha, Young Invincibles. Ms. Rocha shared comments from public university students who were not able to be present, as follows:

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- Valerie shared that she would like to see college campuses provide more resources for students with low GPAs who are adjusting to college campus life. It took her a while to realize she wanted to finish college and because of that, her GPA was low. Many internships and accelerated programs went to students with GPAs above 2.5. A GPA should not alone determine someone's ability to succeed.
- Nayelli shared that as a first-generation student with no financial literacy experience she wanted to hear more about what assistance she was receiving and what her financial award letter meant. She was confused when receiving these materials.
- Anonymous shared that they attended a university through a scholarship that has covered all four years. There are not a lot of incoming students who can say the same, which impedes these adults from their goals.
- Ahryma shared that if the United States wants to increase the economy in the long term, there has to be affordable options for students. Retention rates are less for low income students of color than their white counterparts.
- Another student shared that during their time in college, it would have been helpful to have access to mental health services. While they lived in Chicago for two years, they did not receive in-state tuition. This financial assistance would have helped them focus more on their studies.
- Tony shared that he relied on scholarships and MAP to pay for college. Neither paid fully for tuition. The un-affordability of college is overwhelming. Living on campus at a four-year institution is not feasible.
- Satra Taylor, Director of Higher Education and Workforce Policy at Young Invincibles. Ms. Taylor shared that she was eager to comment on the Commission's work. First, she applauded those working towards this conversation. Investing in higher education in an equitable, stable and sufficient way is crucial to economic stability and mobility. It is crucial for communities looking to education to be a vessel for families. Illinois is a model for many national higher education policy issues. The model should be student-focused and appreciate that the Commission is ensuring equity is a core component of the formula. Ms. Taylor hopes that Illinois will continue to support student success by adopting an equitable funding formula. The Commission must ensure equity is at the forefront and that the model does not esserbate historical inequities. Equity must be distinct from equality. Young Invincibles proposed looking at the concentration of students from these groups at each institution in the model. Ms. Taylor asked that the Commission continues to discuss transparency and accountability for institutions. It's important that the proposed model be shared with young adults who will be affected by these changes. Nothing for young adults, without young adults.
- Margarita Fultz, a third-year psychology student who has been working in higher education for seventeen years. As a student, and in various roles as a faculty member she has seen the impact of shrinking resources. Funding that transforms who can attend college is desperately needed. The combination of higher education funding model, political nuance and the undercurrent of education being accessible results in schools and students who need adequate funding the most, not receiving their fair share of tax revenue. Support and student success programs need to be significantly increased. This is what college dreams are made of, a dream that sometimes is riddled with having to stop or drop out, abandoned due to not having resources. A dream that becomes a nightmare because graduating students' loan debt resembles the national deficit. They cannot ever see earning enough to pay down or pay off, even with loan forgiveness programs. Illinois higher education can

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be made accessible and affordable again. The underserved and overlooked communities of color, rural communities, all way adequate funding for black, brown, and socially marginalized students who deserve equitable pathways to sufficiency.

- Dr. Milka Ramirez, National Program Director for the Surge Institute and the Board President and co-founder of a community engagement center serving Latin American and Caribbean populations. She has twenty years experience in K-12 and higher education. Based on her vast experience serving students, she understands quality and adequate funding is crucial for students to access higher education and persist and complete their education. This provides a positive impact on students, communities, families, the state and the broader society. Too often, students of color have worked multiple jobs to attend school, while also supporting their families. Students, too often, have to defer their dream to attend college due to economic barriers. Dr. Ramirez shared that therefore, it is critical that we act now to ensure students receive the supports needed to transform their lives and the lives of their families and the communities. Funded fully, the academic and non-academic supports and core instruction costs can provide institutions with additional funding to ensure students have ample supports to help them persist through college. Historical inequities must not be further baked into the system. In 2021, the average annual cost of in-state tuition at four-year public universities was \$4579, the third largest price tag in the nation. Black and Latino students in public universities in Illinois remain very underrepresented. The Commission's support can help make a difference.
- Gay Miller, Professor of Epidemiology and Preventative Medicine at UIUC. Ms. Miller shared the value and importance of research in higher education. Research brings millions of direct dollars to Illinois. In 2021 sponsored research at UIUC brought in 731 million dollars to Illinois. Many higher education institutions across Illinois also bring in millions of direct dollars for research. The return on investment in research in the long run is incalculable. Miller shared a two-page document that highlights examples with links to the research at UIUC. Miller explained that recent research work includes the Covid Shield program. This was a UIUC pandemic research contribution and response that protected the UIUC community first and then that protection was expanded to protect other Illinois education communities and citizens of Illinois and expanded protection. Across other States and the world, some Illinois notable researchers are Paul Lauter, who won the Nobel Prize for work leading to the MRI; Sally Greenberg's research on the impact of carbon capture on global warming and the environment leading to her serving on a white house council on environmental quality; Mark Dreessen worked as a student programmer at the National Center for supercomputing applications, collaborating with Eric Vina to co-author the Web Browser Mosaic giving a user interface for picture viewing and helped make the internet what we use today. Ms. Miller shared that some new and exciting research will soon start, extending research on the contemporary problems of our day, including preventing viral disease transmission, advanced imaging to study and diagnose advanced Alzheimer's disease and on and on. Research is inextricably intertwined with education. She shared that at the institutions, research inspires faculty and students alike. There are 875 students working at the research park engaging with industries in collaborative research. The mix of funding varies from school to school. In deciding higher education state support, it is critical to incorporate the different needs of both. Ms. Miller noted that the institutions and the students, and the benefit to all of the citizens of Illinois, making funding of higher education, based mainly on quantitative models, without regard to the complicated balance of funding and missions that exist and are different at different schools can

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easily lead to less than optimal, even undesirable, outcomes. Lastly, she shared that research has a positive impact on all students, including those who are the focus of the current discussions on how to equitably allocate state resources, which is one reason why research needs to be a part of how Illinois equitably allocates resources to higher education.

Next Steps, Closing Announcements and Adjournment

Will Carroll offered time for Commission members to share closing reflections for the workgroup to consider. Representative Ammons offered thanks, on behalf of the Co-Chairs, to the workgroup for their time and expertise. Leader Lightford asked that the definitions be unified, that focusing in on equity would be very helpful and shared thanks for all the hard work and effort going into the work. Leader Lightford asked that the student comments be reviewed to ensure their concerns and experiences are being heard. HCM and IBHE were working to add two additional Commission meetings, one in late May and one in late June. The Commissioners were asked to watch for a post-meeting survey to be sent.

Commission Members in attendance

Deputy Governor for Education Martin Torres, Co-Chair
John Atkinson, Co-Chair
Representative Carol Ammons, Co-Chair
Senate Majority Leader Kimberly Lightford, Co-Chair
Senator Terri Bryant
Representative Katie Stuart
Sheila Caldwell
Dr. Bill Bernhard
Lisa Castillo-Richmond
Dr. Wendi Wills El-Amin
Cherita Ellens
Lisa Freeman
Gloria Gibson
David Glassman
Warren Richards
Aondover Tarhule
Dan Mahony
Ralph Martire
Javier Reyes
Zaldwaynaka "Z" Scott
Robin Steans
Respicio Vazquez
Simón Weffer
Eric Zarnikow

Commission Members not in attendance

Representative Dan Swanson
Senator Dale Fowler
Representative Mike Marron
Cheryl Green

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Guiyou Huang
Brandon Kyle
Dennis Papini
Jack Wuest

Support Team Members in attendance

Ginger Ostro
Ja'Neane Minor
David Antonacci
Jaimee Ray
Jerry Lazzara
Toya Barnes-Teamer
Martha Snyder
Will Carroll
Nate Johnson
Jimmy Clarke
Katie Lynne Morton
Brenae Smith