Welcome to the May 30, 2023 meeting of the Commission on Equitable Public University Funding. The meeting will begin at 9:00 a.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 11:00 a.m. The Q&A function is at the bottom of the screen. We will call on you during the public comment period and ask that you keep your remarks to under three minutes.

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

Ginger Ostro, Executive Director, IBHE
Approval of Motion 1

The Illinois Commission on Equitable Public University Funding (“Commission”) adopts procedural rules in compliance with the Illinois Open Meetings Act (5 ILCS 120/7) to allow members of the Commission to meet by other means than in-person meetings.

It shall be the policy of the Commission that members of this Body are allowed to meet virtually and/or telephonically, pursuant to 5 ILCS 120/7(d)(D)(ii). The Commission is an advisory body that does not have authority to make binding recommendations or determinations or to take any other substantive action.

It shall be the procedure of the Commission to continue to abide by the notice, posting, recording, and all other provisions of the Open Meetings Act for members of the public and other stakeholders to fully participate in the proceedings of the Commission.
Approval of Motion 2

This motion is to adopt a rule for public comment before Illinois Commission on Equitable Public University Funding ("Commission").

Members of the public are offered the opportunity to address the Commission virtually at each properly noticed public meeting pursuant to the Open Meetings Act (5 ILCS 120). The public’s ability to comment at public meetings is only constrained by procedural rules put in place by each subject public body.

As such, the Commission requires that members of the public request an opportunity to provide public comment at a time and manner specified at the beginning of each meeting. Public comment may be made virtually and/or telephonically. The Chair or designee will recognize public commenters in the order in which they registered their interest in providing comment. While the Commission welcomes public comment, the Chair is permitted to limit the time comment may be made by an individual to no more than three minutes to permit as many comments as possible while also maintaining decorum of each public meeting.
Approval of minutes from April 2023 Commission Meeting

Ginger Ostro, Executive Director, IBHE
Agenda Overview

Ginger Ostro, Executive Director, IBHE
9:00 am Welcome & Agenda Overview
9:05 am Action: Approval of Motion 1
Action: Approval of Motion 2
Action: Approval of Minutes from April 2023 Meeting
9:15 am Commission Overview: Charge, Objectives, Level Setting
9:25 am Technical Modeling Workgroup Update
9:35 am Adequacy Target Discussion
10:30 am Break
10:40 am Expected UIF and Affordability Discussion
11:30 am Public Comment
11:50 am Next Steps
12:00 pm Closing Announcements and Adjournment
Commission Reflection: Charge & Objectives
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.

• Complementary work supporting accountability and transparency
  • Equity Plans and Practices
  • A Thriving Illinois Accountability System
Workplan Phases

Meetings 1-4: Common Understanding & National Context
- Alignment Across the Work
- Conceptual Definitions, Context from States and Sectors
- Conceptual Definitions
- Adequacy

Meetings 5-8: Analysis and Modeling
- Adequacy + Resources
- Technical Modeling & Implementation

Meetings 9-10: Cultivating and Finalizing Recommendations
- Technical Modeling & Implementation
- Recommendations & Options
Conceptual Model: Similar to K-12 EBF

Start with an Equity-Centered Adequacy Target

Each institution will have an Adequacy Target, primarily built from student-centered components of what it costs for students to succeed.

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.

“University A” Adequacy Target

<table>
<thead>
<tr>
<th>Instruction and Student Services</th>
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</thead>
<tbody>
<tr>
<td>Student-centered access components</td>
</tr>
<tr>
<td>Academic supports</td>
</tr>
<tr>
<td>Non-academic supports</td>
</tr>
<tr>
<td>Core instructional program costs</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Research &amp; Public Service Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfunded and inseparable from instructional adequacy/equity</td>
</tr>
<tr>
<td>Externally or separately funded</td>
</tr>
</tbody>
</table>

| Operations and Maintenance                   |
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 affordability.

State Funds Fill in Gap in Resources
Model to be developed, but goal to distribute new resources equitably, with more going to institutions furthest from Adequacy Target.
Status of Work

Adequacy Target

Instruction and Student Services
- Student-centered access components
  - Academic supports
  - Non-academic supports
- Core instructional program costs

Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
- Externally or separately funded

Operations and Maintenance

Adequacy Targets: Near Complete

Remaining work:
- Refine equity adjustments
- O&M proposal
- Small school and concentration adjustments
- Data updates
- Draft University targets
**Status of Work**

**Adequacy Target**

- **Instruction and Student Services**
  - Student-centered access components
  - Academic supports
  - Non-academic supports
  - Core instructional program costs

- **Research & Public Service Mission**
  - Unfunded and inseparable from instructional adequacy/equity
  - Externally or separately funded

- **Operations and Maintenance**

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**Resource Profile:**

**Strong Progress**

**Remaining work:**

- Complete Expected Tuition proposal
- Other Resources
- Auxiliaries (e.g. dining services, housing)
- Draft Resource Profiles
Status of Work

Adequacy Target

- Instruction and Student Services
  - Student-centered access components
  - Academic supports
  - Non-academic supports
  - Core instructional program costs
- Research & Public Service Mission
  - Unfunded and inseparable from instructional adequacy/equity
  - Externally or separately funded
- Operations and Maintenance

Implementation Issues: Starting

- Accountability & Transparency
- Allocation formula
- Path to full funding
- Formula review and upkeep
Equity-Centered Adequacy Targets
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
### Adequacy Targets Components

#### Instruction and Student Services
- **Student-centered access components**
  - Academic supports
  - Non-academic supports
  - Core instructional program costs

#### Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
- Externally or separately funded

#### Operations and Maintenance

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#### Student Centered Access Components

**Equity Adjustment**

- **Applicable populations**: Adults, URM, low-income, rural (undergraduates)
- **Amounts**: $500 and $1,000
  - Amounts derived from costs of evidence-based practices that increase college enrollment among historically underrepresented students.
- **Purpose**: Incentivize and support activities that increase the enrollment of historically underrepresented student groups. Populations were identified based on 4yr-college enrollment rate gaps in IL; groups with larger gaps receive the higher adjustment amount.
Adequacy Targets Components

<table>
<thead>
<tr>
<th>Instruction and Student Services</th>
<th>Academic &amp; Non-Academic Supports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student-centered access components</td>
<td>Equity Adjustment</td>
</tr>
<tr>
<td>Academic supports</td>
<td><strong>Applicable populations:</strong> Adults, URM, low-income, rural, low high school GPA, EBF Tiers 1 &amp; 2 (undergraduates)</td>
</tr>
<tr>
<td>Non-academic supports</td>
<td><strong>Amounts:</strong> $2,000, $4,000, $6,000 &amp; $8,000</td>
</tr>
<tr>
<td>Core instructional program costs</td>
<td>Amounts derived from costs of holistic evidence-based practices that increase college retention and completion among historically underserved students.</td>
</tr>
<tr>
<td>Research &amp; Public Service Mission</td>
<td><strong>Purpose:</strong> Incentivize and support activities that increase the retention and completion of historically underserved student groups. Populations were identified based on retention rate gaps in IL; groups with larger gaps receive the higher adjustment amount.</td>
</tr>
<tr>
<td>Unfunded and inseparable from instructional adequacy/equity</td>
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<tr>
<td>Externally or separately funded</td>
<td></td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td></td>
</tr>
</tbody>
</table>
Adequacy Targets Status

Instruction and Student Services
- Student-centered access components
  - Academic supports
  - Non-academic supports
- Core instructional program costs

Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
- Externally or separately funded

Operations and Maintenance

Core Instruction Program Costs

Equity Adjustment – Diversifying Faculty

**Applicable populations:** All students

**Amounts:** $422

Amount is based on the average costs of current initiatives at some IL universities.

**Purpose:** Incentivize and support activities that recruit and retain a more diverse faculty. Applied to all students given it is a university-wide effort.
Adequacy Targets Status

**Instruction and Student Services**
- Student-centered access components
  - Academic supports
  - Non-academic supports
- Core instructional program costs

**Research & Public Service Mission**
- Unfunded and inseparable from instructional adequacy/equity
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**Operations and Maintenance**

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**Core Instruction Program Costs**

**Equity Adjustment – Diversifying High-Cost Programs**

**Applicable populations:** URM in high-cost and medical professional programs

**Amounts:** $1,321 (high-cost) & $3,962 (medical professional)

Amounts are the premiums needed to equalize funding going to URM students given their underrepresentation in these programs in IL

**Purpose:** Incentivize and support activities that increase the enrollment of URM students in high-cost and medical professional programs. Populations were identified based on disproportionately low rates of representation in these fields.
### Adequacy Targets Status

#### Instruction and Student Services
- **Student-centered access components**
  - Academic supports
  - Non-academic supports
- Core instructional program costs

#### Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
- Externally or separately funded

#### Operations and Maintenance

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### Core Instruction Program Costs

#### High-Cost Program Adjustment

<table>
<thead>
<tr>
<th>Applicable programs</th>
<th>Select high-cost and medical professional programs</th>
</tr>
</thead>
</table>

| Amounts | 20% (high-cost) & 100% (medical professional) weights applied to the average core instructional program cost for enrollment in these programs. Amounts are based on analysis of the cost per credit hour. |

| Purpose | Recognize the variation in costs of certain programs and the different mix of programs at universities. High-cost programs are those where costs are consistently high in multiple years and at multiple institutions for the particular level (Lower, Upper, Grad I, Grad II). |
Adequacy Targets Status

Instruction and Student Services

Student-centered access components
- Academic supports
- Non-academic supports
- Core instructional program costs

Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
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Operations and Maintenance

Benchmarking Cost Adjustment

<table>
<thead>
<tr>
<th>Applicability:</th>
<th>All Instruction and Student Services costs for all students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount:</td>
<td>$4,276</td>
</tr>
</tbody>
</table>

Amount is the estimated increase in investment associated with raising the IL statewide average graduation rate to 70%, given research linking state appropriations to graduation rates and the spending levels of high-performing institutions. The 70% grad rate is used purely to help define an adequate level of funding using an external benchmark. It is not meant to be a school-specific or statewide expectation.

Purpose: Raise the floor for all universities to a base level, recognizing that average state spending levels are not sufficient given historical disinvestment from the system.
Adequacy Targets Status

Instruction and Student Services
- Student-centered access components
  - Academic supports
  - Non-academic supports
  - Core instructional program costs

Research & Public Service Mission
- Unfunded and inseparable from instructional adequacy/equity
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Adequacy Cost w/ Institutional Mission Adjustment

**Amounts:** $800, $1,400 & $4,000
Amount includes $200 for artistry component of mission at all universities, based on national data on the additional cost of artistry instruction. Provides $600, $1,200, and $3,800 to support research aligned to Carnegie classification. Amounts are derived from actual institutional expenditures on research.

**Purpose:** Ensure a minimum level of basic research at all universities while also providing additional resources to institutions with a mission that includes greater levels of research.
Calculating the Per Student Base Funding

The various components of Instruction and Student Services combine into the above formula. An institution’s adequacy target is calculated by multiplying the per student base funding amount to all degree- and certificate-seeking students, with equity and programmatic adjustments being applied to the respective eligible students.

<table>
<thead>
<tr>
<th>Instruction and Student Services Adequacy Component</th>
<th>Current Per Student Expenditures</th>
<th>Benchmark Adjustment</th>
<th>Per Student Base Funding</th>
<th>Equity Adjustment</th>
<th>Per Student Adequate Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Centered Access</td>
<td>$1,094</td>
<td></td>
<td>$1,425</td>
<td>$500 - $1,000</td>
<td>$1,425 - $2,425</td>
</tr>
<tr>
<td>Academic Supports</td>
<td>$1,094</td>
<td></td>
<td>$1,425</td>
<td>$2,000 - $8,000</td>
<td>$2,760 - $10,760</td>
</tr>
<tr>
<td>Non-Academic Supports</td>
<td>$1,026</td>
<td></td>
<td>$1,335</td>
<td>$422 - $4,384</td>
<td>$14,681 - $18,643</td>
</tr>
<tr>
<td>Core Instruction Costs</td>
<td>$10,953</td>
<td></td>
<td>$14,259</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$14,167</strong></td>
<td><strong>$4,276</strong></td>
<td><strong>$18,443</strong></td>
<td><strong>422 - $12,962</strong></td>
<td><strong>$18,866 - $31,828</strong></td>
</tr>
</tbody>
</table>

**ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING**
Forthcoming Adjustments

**Small School/Size Factor**
- To account for fixed costs and economies of scale.
- May be incorporated into the O&M adequacy component.

**Concentration Factor**
- To account for higher costs associated with educating high percentages of historically underserved students.
- Could be incorporated into the equity adjustments.
Adequacy Components

Discussion

1) Are there pieces of the adequacy calculation you have questions about? Are there pieces you really like?

1) Does the current model include the right factors to reflect all the intentions and objectives of the work?

1) What could accountability or transparency related to use of funds look like?
Affordability and Expected UIF
Expected UIF ("University Income Fund")

**Problem statement**
- Tuition levels impact equitable access; State disinvestment exacerbates access and affordability
- Schools that enroll high levels of low-income students can’t and shouldn’t rely as much on tuition for revenue to meet the adequacy target
- A new approach should encourage enrollment of low-income students and ensure tuition isn’t used as a release valve to meet adequacy costs.

**Principles of Expected UIF approach**
- Incentivize enrollment of historically underrepresented students
- Shift some of the cost burden from students to the state to increase affordability
Factoring in Affordability Through Expected UIF

- Currently, the state allocates funds to universities, and universities fill in the remaining gap to costs through tuition and fees, often unaffordable.

- The new model would assign each university an “Expected UIF” based on its student body, recognizing the make-up of a student body affects a school’s ability to generate tuition.

- This example assumes:
  - The Adequacy Target is higher than the current amount a college spends to educate students
  - The Expected UIF will be lower than current tuition collected.

![Status Quo vs Expected UIF Model](image-url)
Expected UIF

Considerations
- The model does not specify tuition levels
- Universities can still use institutional aid as they choose
- The model doesn’t dictate how a school spends the state funding (that falls under accountability and transparency)
Expected UIF

Approach under consideration

- Define state share levels that indicate how much on average the state will cover of the adequacy cost for students of different characteristics.

- The state share amounts would be additive (a student with two characteristics equal to a 25% state share = 50% total state share), but wouldn’t exceed 100%.

- Calculate an institution’s Expected UIF based on the percent of students at that school in each state share level.

<table>
<thead>
<tr>
<th>Example Percentages of Students in Each State Share Category</th>
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</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>University A</td>
</tr>
<tr>
<td>Illinois</td>
</tr>
</tbody>
</table>
### Expected UIF – State Share Levels

<table>
<thead>
<tr>
<th>Students and Associated State Shares</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-state undergrad</td>
<td>0%</td>
</tr>
<tr>
<td>Graduate/Professional</td>
<td>0%</td>
</tr>
<tr>
<td>Resident undergrad</td>
<td>25%</td>
</tr>
<tr>
<td>URM (undergrad and grad)</td>
<td>25%</td>
</tr>
<tr>
<td>Rural</td>
<td>25%</td>
</tr>
<tr>
<td>EBF Tier 1 or 2</td>
<td>25%</td>
</tr>
<tr>
<td>Low-Income</td>
<td>50%</td>
</tr>
<tr>
<td>Mandatory Tuition Waiver</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Technical Modeling Workgroup discussion of these levels noted the following:

- Current graduate pricing is highly variable
- Pell and URM are the highest priorities for state share
- Graduate IL residents and graduate low-income or URM also warrant some state share
- Pell-eligible is as important as Pell recipient
Expected UIF

This approach advances the principles

- Students in the higher state share levels (e.g., low-income, students of color) will lower a university’s Expected UIF, which increases its gap and brings in more state resources.

- This would be paired with incentives in the formula (TBD) for universities to lower their tuition in order to match their actual UIF to the Expected UIF.
Expected UIF

Discussion Questions

1. Are these the right groups of students? Are the relative sizes of the state shares right?

1. How should the workgroup consider what is reasonable for students of different characteristics to pay?

1. Should the model reflect that, on average, students don’t pay more next year than currently?

1. Should the model address affordability for costs beyond tuition and fees (e.g., room & board)?

1. Are there other ways the Commission wants to address affordability?
Next Steps
# Timeline

<table>
<thead>
<tr>
<th>Commission Meeting</th>
<th>Topic</th>
</tr>
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<tbody>
<tr>
<td>Tuesday, May 30th</td>
<td>Updates on the adequacy target model, overview of Expected UIF concept and affordability</td>
</tr>
<tr>
<td><em>Friday, June 9th</em></td>
<td><em>Proposed to be canceled</em></td>
</tr>
<tr>
<td>Thursday, June 29th</td>
<td>Present recommendation for adequacy target, and a further refined Expected UIF and affordability proposal</td>
</tr>
<tr>
<td>September</td>
<td>Present complete model for Commission feedback</td>
</tr>
<tr>
<td>October</td>
<td>Responses to Commission feedback and securing final recommendations</td>
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</table>
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.
Closing Announcements and Adjournment

Dr. Toya Barnes-Teamer, HCM Strategists

Next Meeting: June 29, 2023