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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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## Meeting #8

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](mailto:antonacci@ibhe.org) or via text to 217-720-5269

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

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Welcome

Ginger Ostro, Executive Director, IBHE

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# Approval of Motion 1

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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

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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.

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Approval of minutes from April 2023  
Commission Meeting

Ginger Ostro, Executive Director, IBHE

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**ILLINOIS COMMISSION ON**  
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## Agenda Overview

Ginger Ostro, Executive Director, IBHE

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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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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

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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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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

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Commission Reflection: Charge &  
Objectives

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# Goals + Scope

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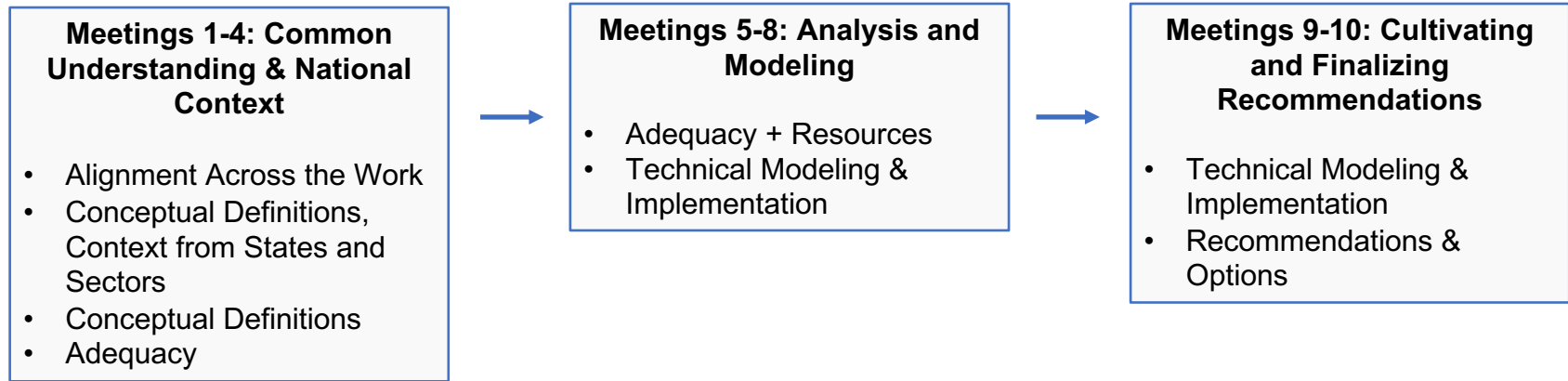
- Create a shared understanding of how Illinois' public universities are funded and the alignment of these approaches to critical state goals and objectives.
- Cultivate information from other state approaches for financing postsecondary education that promotes equitable access and success.
- Consider 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

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# Workplan Phases

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# Conceptual Model: Similar to K-12 EBF

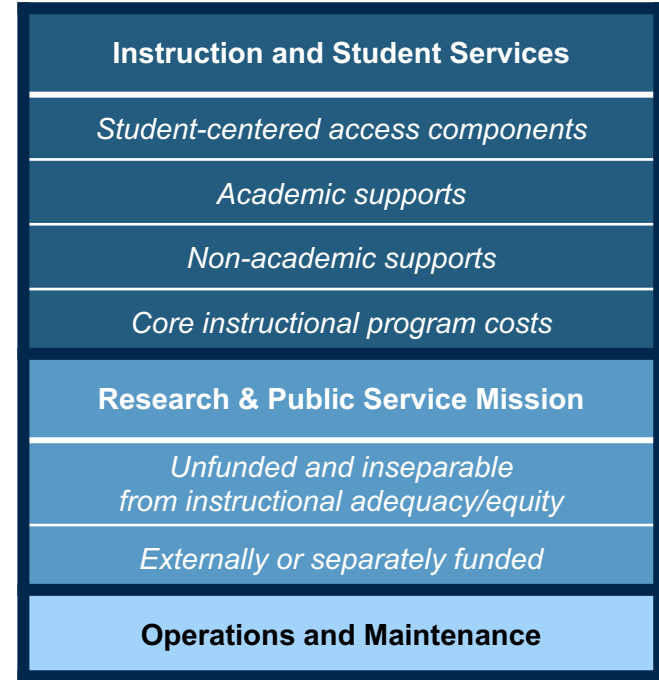
## Start with an Equity-Centered Adequacy Target

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



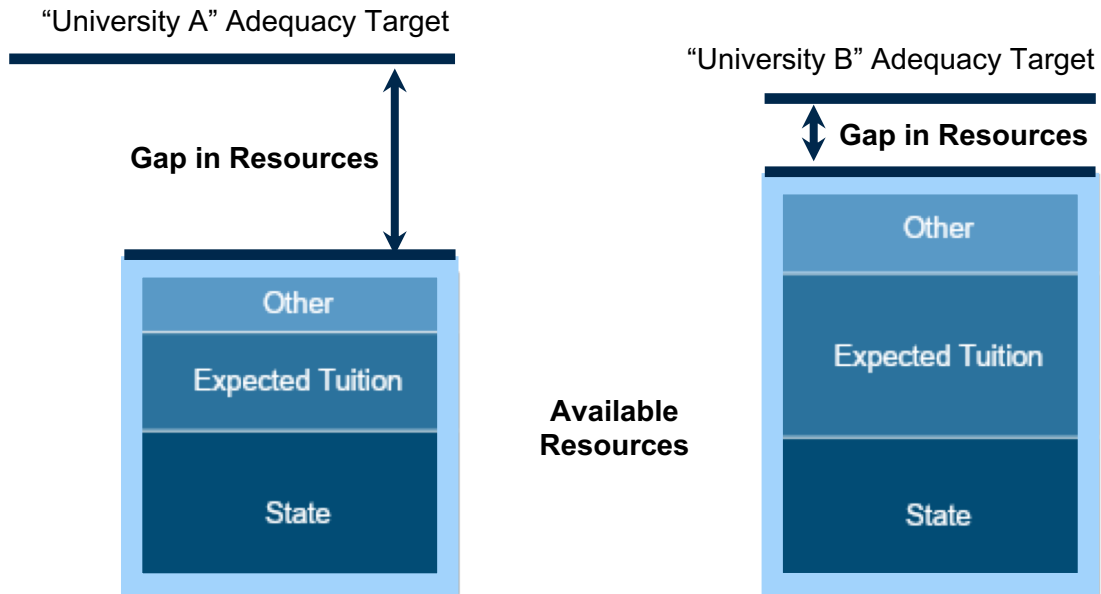
# Conceptual Model

## 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 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



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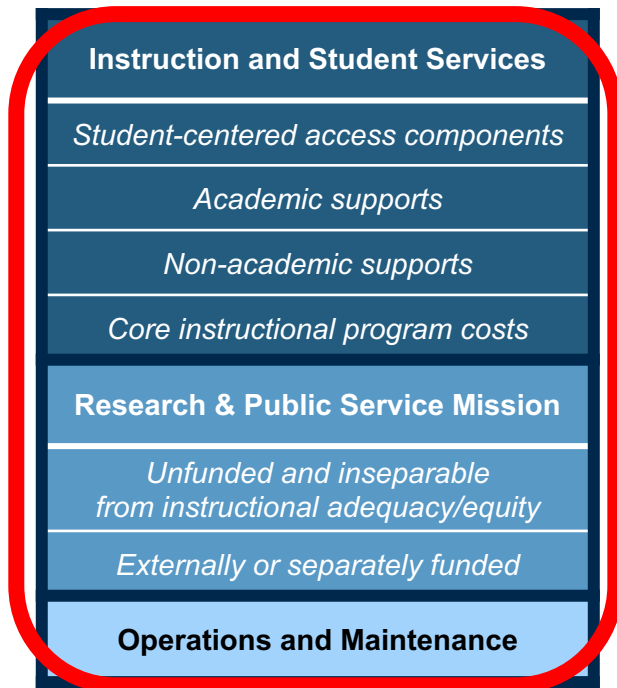
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# Technical Modeling Workgroup Update

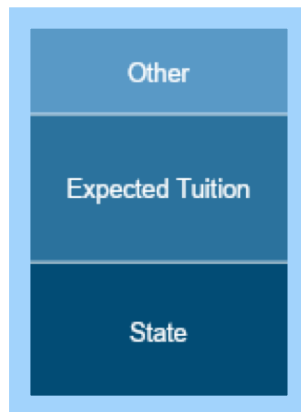
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# Status of Work

## Adequacy Target



## Resource Profile



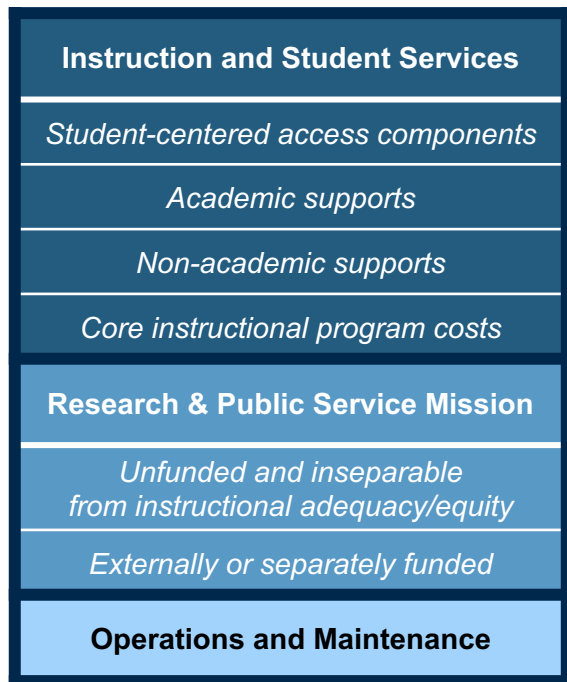
## Adequacy Targets: Near Complete

Remaining work:

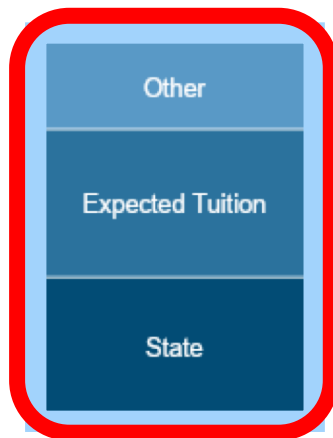
- Refine equity adjustments
- O&M proposal
- Small school and concentration adjustments
- Data updates
- Draft University targets

# Status of Work

## Adequacy Target



## Resource Profile



## Resource Profile: Strong Progress

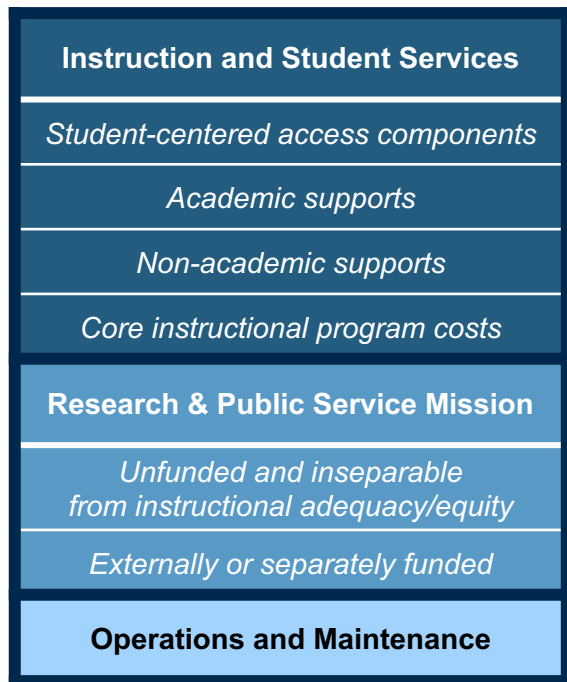
### Remaining work:

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

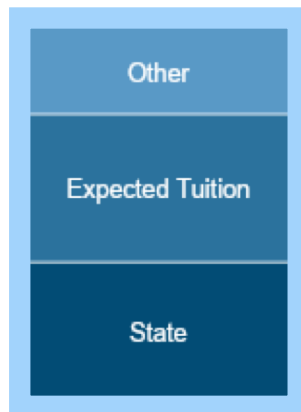


# Status of Work

## Adequacy Target



## Resource Profile



## Implementation Issues: Starting

- Accountability & Transparency
- Allocation formula
- Path to full funding
- Formula review and upkeep

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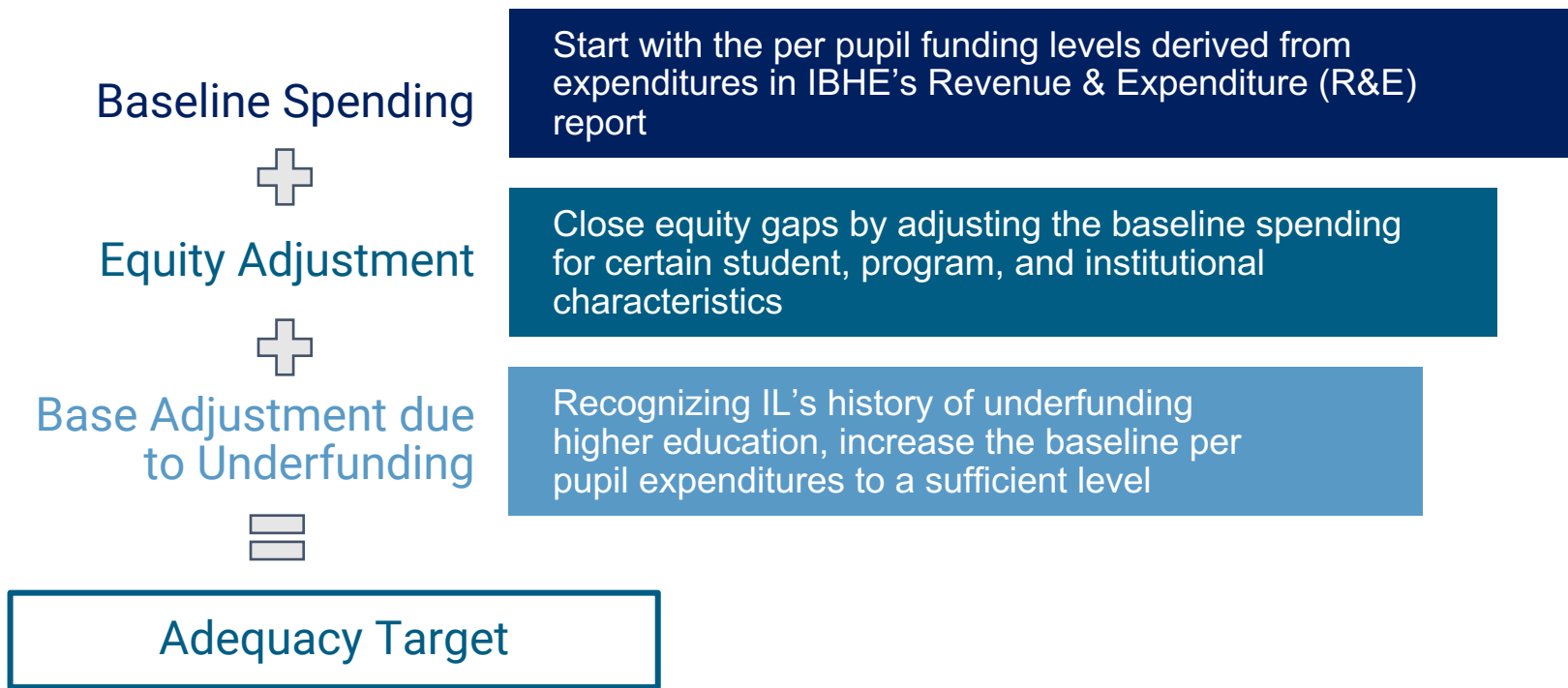
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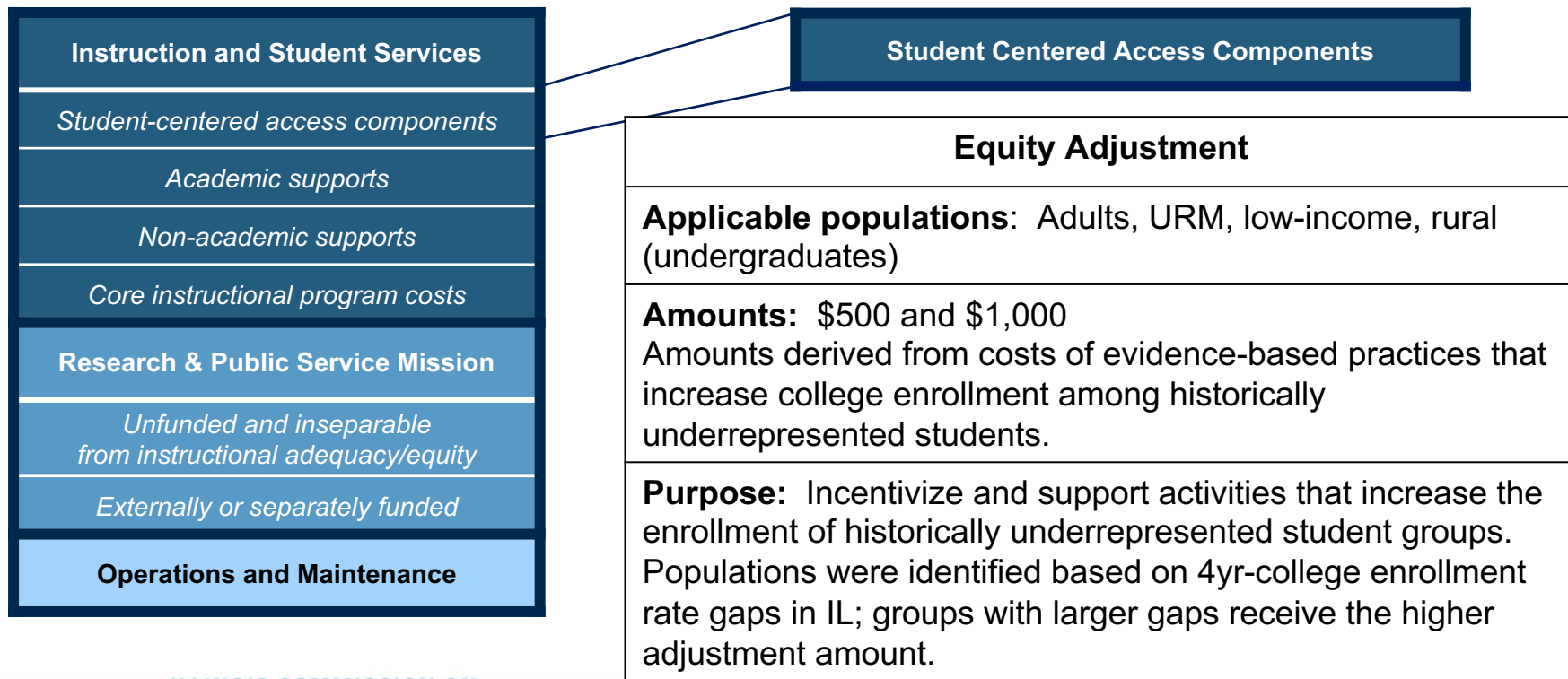
Equity-Centered Adequacy Targets

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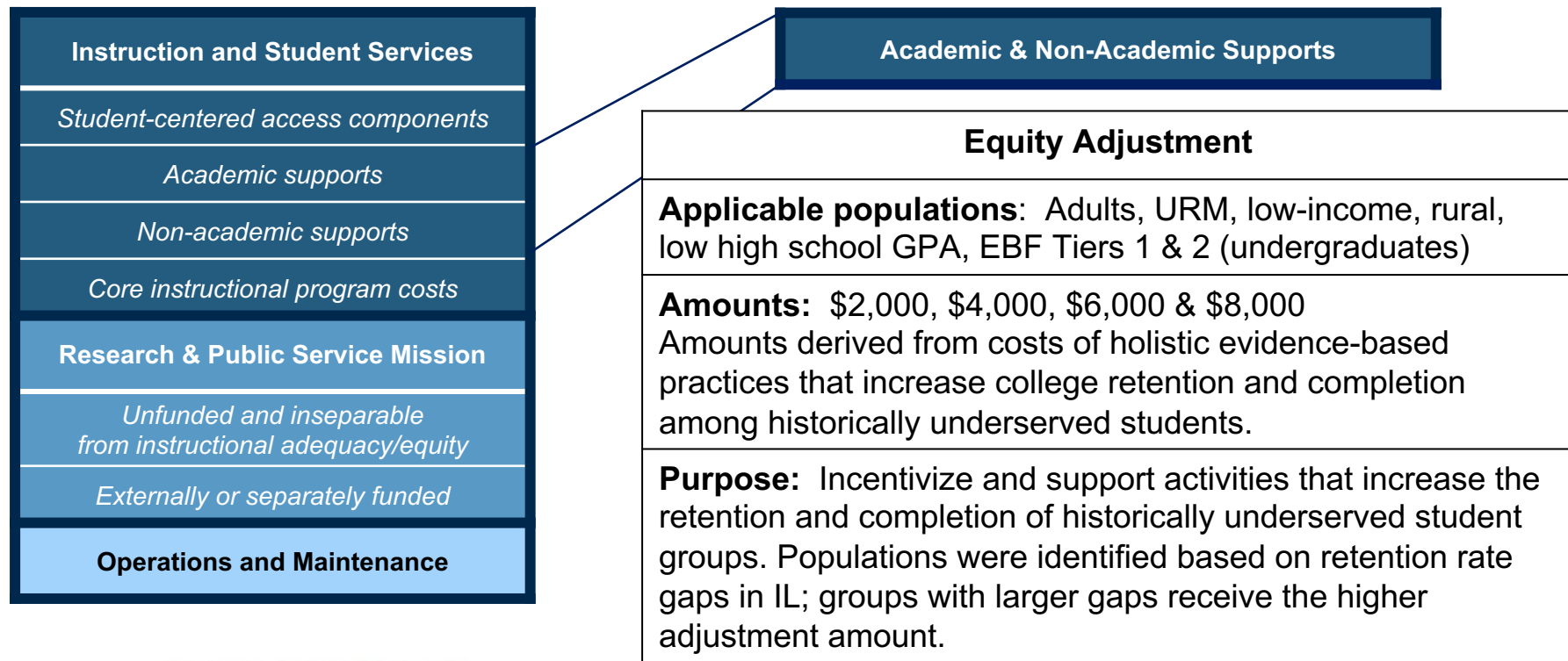
# Proposed Approach to Calculating Adequacy Targets



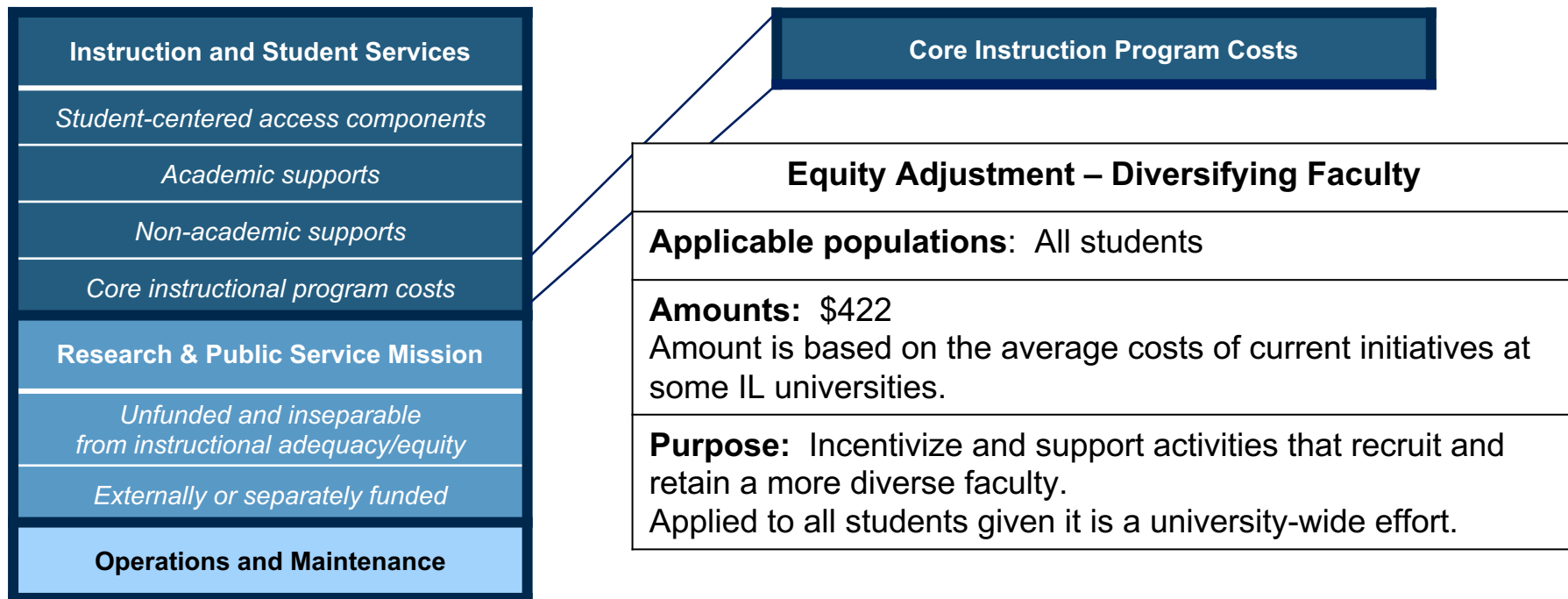
# Adequacy Targets Components



# Adequacy Targets Components



# Adequacy Targets Status



# Adequacy Targets Status

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

## 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

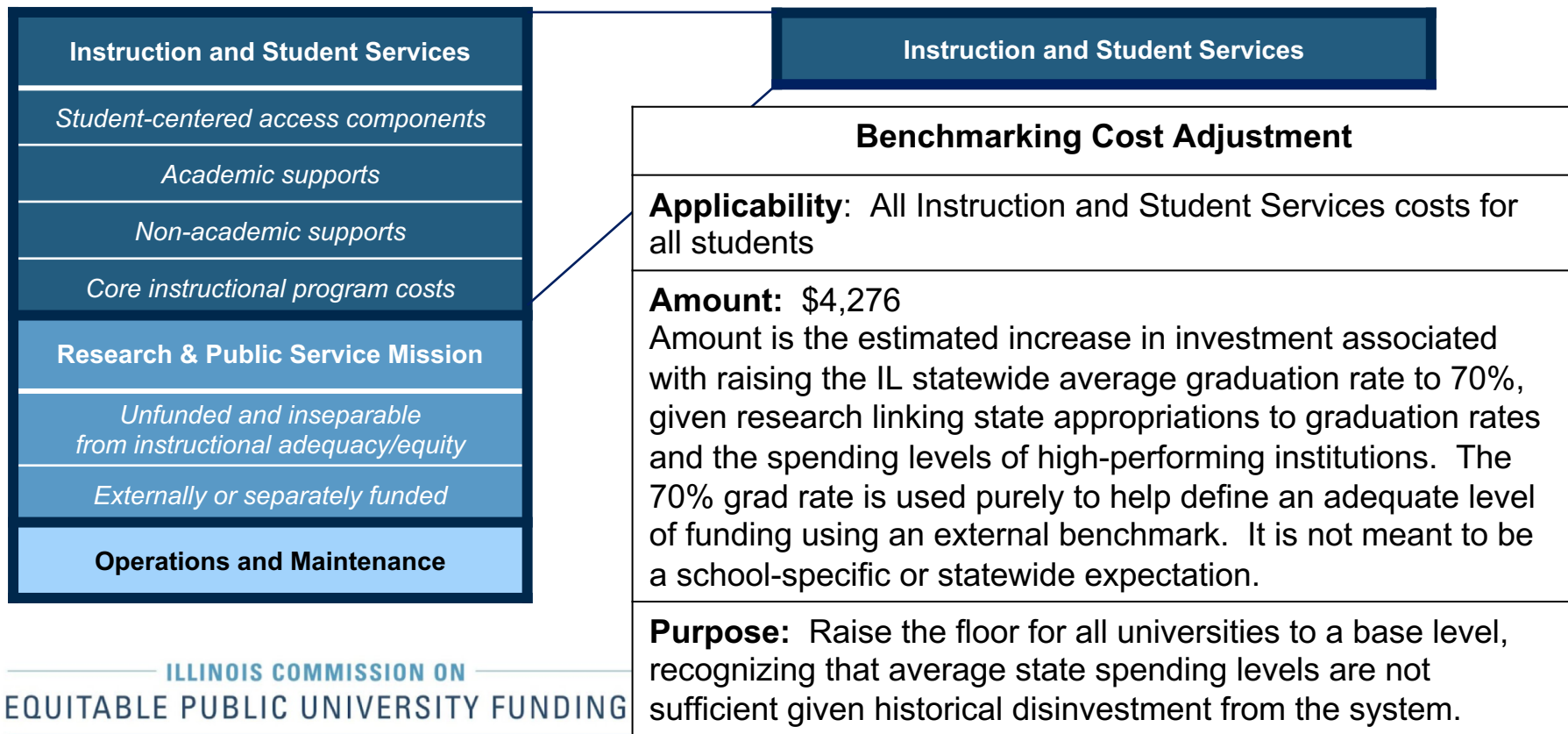
<b>Instruction and Student Services</b>
<i>Student-centered access components</i>
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<i>Non-academic supports</i>
<i>Core instructional program costs</i>
<b>Research &amp; Public Service Mission</b>
<i>Unfunded and inseparable from instructional adequacy/equity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

<b>Core Instruction Program Costs</b>
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<b>High-Cost Program Adjustment</b>
<b>Applicable programs:</b> Select high-cost and medical professional programs
<b>Amounts:</b> 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.
<b>Purpose:</b> 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



# Adequacy Targets Status

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

## Research & Public Service Mission

### 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

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

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.

# Forthcoming Adjustments

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## **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

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## 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?

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Break

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Affordability and Expected UIF

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# Expected UIF (“University Income Fund”)

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## **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.

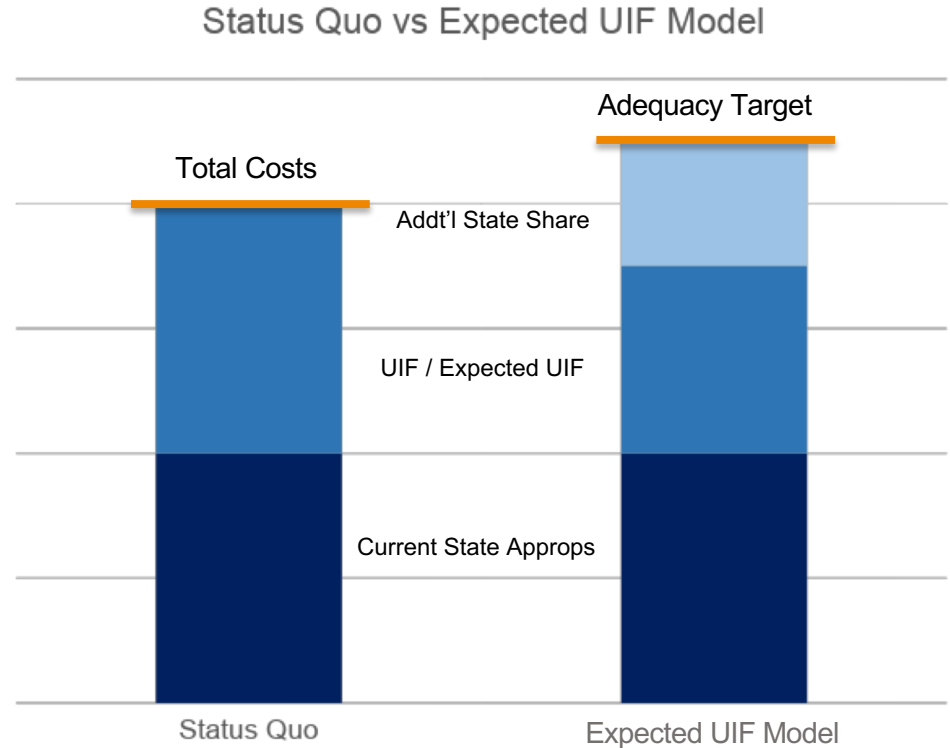
## **Principles of Expected UIF approach**

- 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.



# Expected UIF

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## **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

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## 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.

Example Percentages of Students in Each State Share Category					
	0%	25%	50%	75%	100%
University A	14%	14%	17%	17%	38%
Illinois	28%	25%	18%	14%	16%

# Expected UIF – State Share Levels

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

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

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## **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

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## 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?

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Next Steps

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# Timeline

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



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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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# Closing Announcements and Adjournment

Dr. Toya Barnes-Teamer, HCM Strategists

Next Meeting: June 29, 2023

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