
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #6

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

Members of the general public will remain muted throughout the meeting and will have the opportunity to comment during the public comment period. To make a comment, please leave your name, the organization you represent, and the topic you would like to address in the Q&A section by 2:15 p.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

ILLINOIS COMMISSION ON

EQUITABLE PUBLIC UNIVERSITY FUNDING

Resource Workgroup Update

Components of a University's Resource Profile

- University Income Fund (tuition and fees)
- Auxiliaries
- Grants & Contracts (government and private)
- Endowment
- Hospitals & Athletics

Reflections on Building the Resource Profile

Equity

- Resources must be evaluated through lens of equity and how they influence an institution's ability and capacity to equitably serve students.
- The key issue is not always 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?

Affordability

- Tuition increases and/or variable tuition across institutions can impact equitable access.
- The socioeconomic make-up of a school's student body affects its ability to increase tuition or charge student fees.
- State disinvestment can force schools to increase tuition to break even, exacerbating access issues for low-income students.
- A new approach should ensure that increases in tuition are not used as a "release valve"

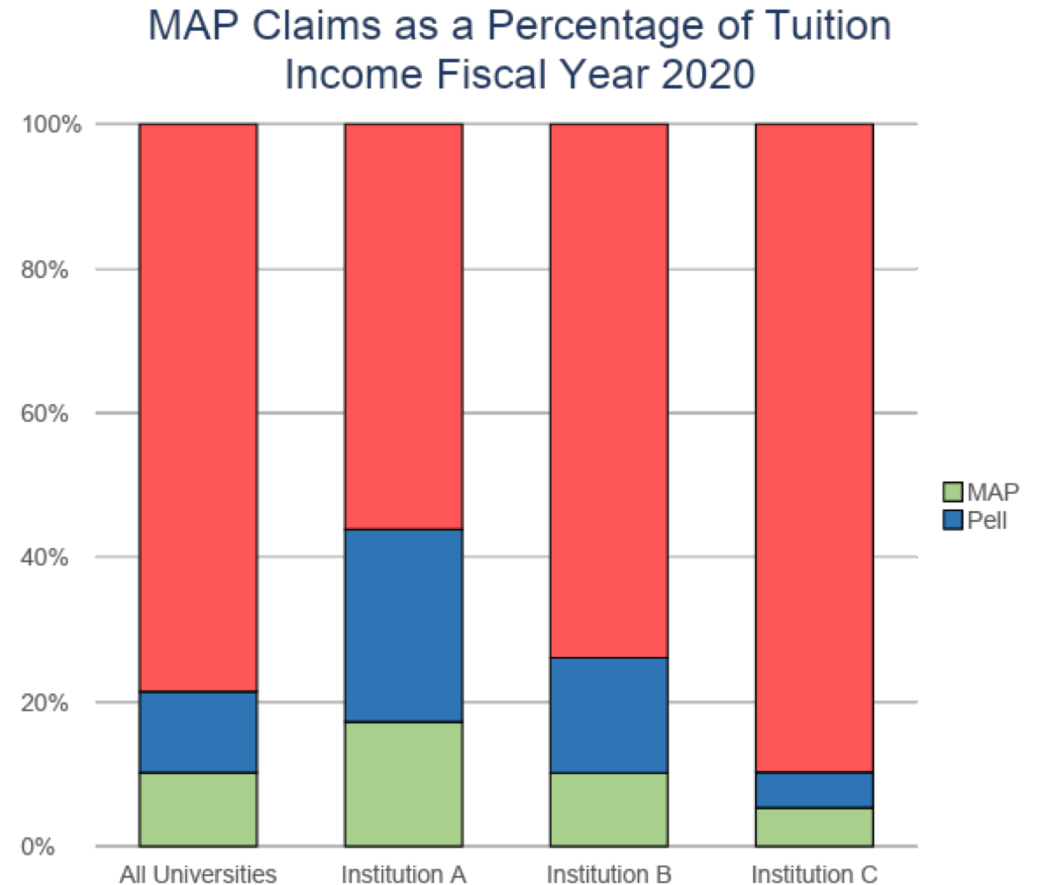
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Factoring in Affordability
University Income Fund (UIF)

Why Factor In Affordability

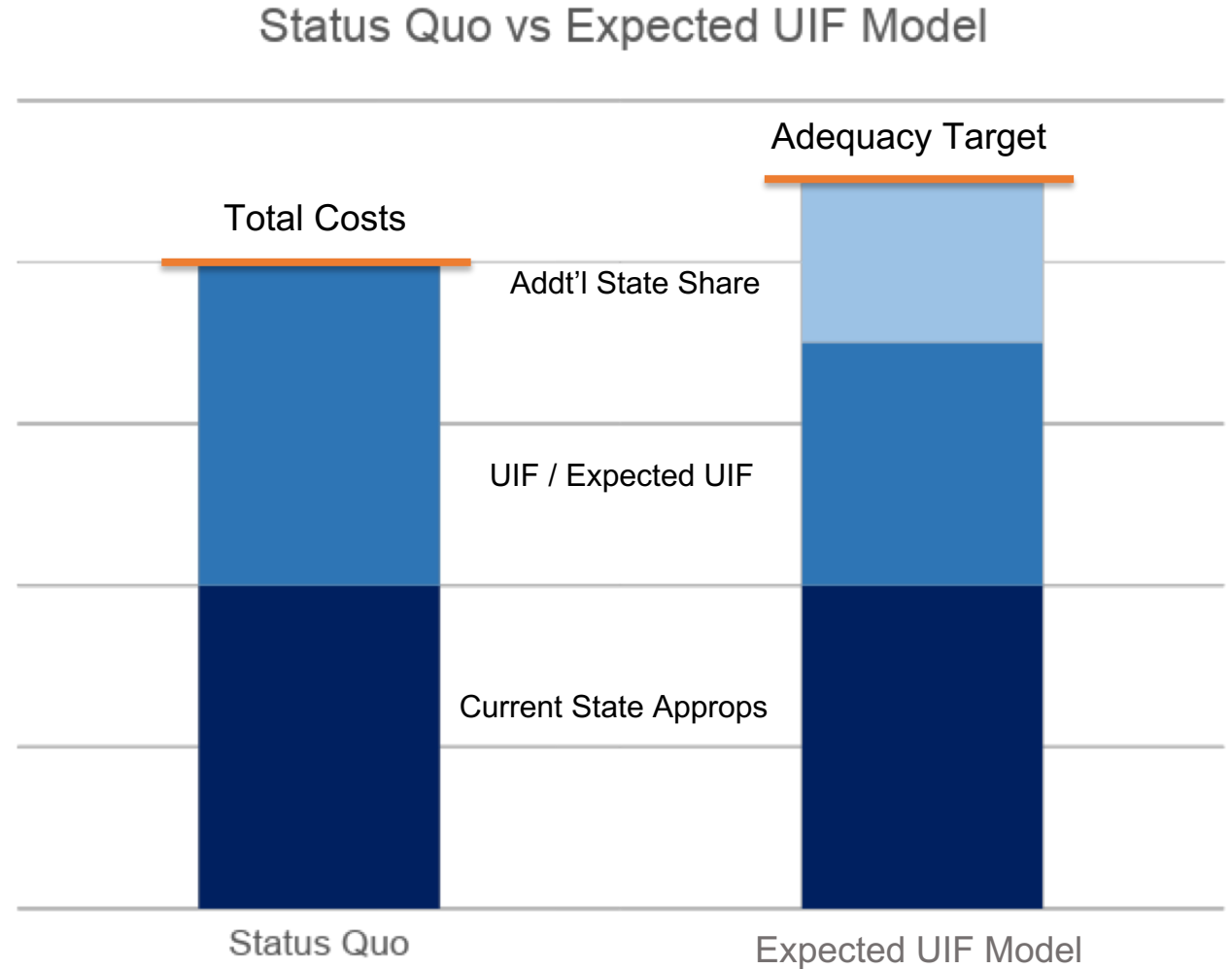
- Illinois is historically a “high-tuition, high-aid” state. But research shows that high sticker price dissuades low-income students from enrolling.
- Schools that enroll a high proportion of low-income students can’t and shouldn’t rely as much on tuition as a source of revenue to meet the adequacy target if the college is to be affordable.
- Factoring in affordability can encourage schools to enroll more low-income students, knowing that the state will cover more of the costs. It can also help ensure affordable in-state options to retain talent.

Average Net Price at IL Universities
(total cost of attendance minus grant aid)
\$10,400 - \$20,800



Factoring in Affordability – Using “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, and then allocate new state funds based on the gap to the Adequacy Target.
- 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.



Calculating Expected UIF – An Example

Example “Equitable Student Share”	
Group A	\$15,000
Group B	\$10,000
Group C	\$5,000
Group D	\$0

Expected UIF =

$$\begin{aligned} &(\# \text{ Group A} * \$15,000) + \\ &(\# \text{ Group B} * \$10,000) + \\ &(\# \text{ Group C} * \$5,000) \end{aligned}$$

- The state would establish groups of students and an “**Equitable Student Share**” that students in that group can reasonably be expected to pay in tuition.
- The groups would be based on characteristics like income, residency, undergrad/grad, and mandatory tuition waiver eligibility.
- There could be many groups or very few.
- In the examples shown here, Group D might be a mandatory tuition waiver student that is expected to contribute \$0 in tuition. Group A might be an out-of-state, high-income student.

UIF – Recommendations and Further Work

Recommendations

- Use the Expected UIF model to account for student ability to pay
- Equitable Student Share groups should account for income, residency, undergrad/grad, and mandatory tuition waiver eligibility.

Further Work for the Technical Workgroup

- Create a mechanism to address when a school continues to charge high tuition, bringing in more UIF than the “Expected UIF”.
- Evaluate how to include fees, including whether they fund adequacy components, are self-sustaining enterprises (e.g. support auxiliaries), are mandatory, etc.