

**IL Funding Commission**  
**Full Commission meeting**  
**11/17/2023**  
**Public Comment**  
**Jennifer A. Delaney**

Thank you for the opportunity to offer public comment. I am Jennifer Delaney a professor of higher education at the University of Illinois Urbana-Champaign. I appreciate the opportunity to offer public comment today.

I have advocated for college access and state support for higher education throughout my professional career and want nothing more than to see Illinois to reemerge as a leader in higher education and to create a more open, equitable, and stable higher education system that provides broad access.

Throughout this process, I have raised a number of concerns about both adequacy as being “directionally correct” for measuring how much funding is needed, and about the data elements that are (and are not) used in the draft formula, and I would be very happy to share my prior public comments on these points.

However, today, I would like to speak about the overall price tag and provide some warnings over seeking such a high price tag. The group discussion today started with many concerns raised about the total cost. The group is *very* right be worried about this!

To summarize, as Eric Zarnikow so clearly stated,

- The current approach seeks an additional \$1.365 billion in state funding for institutions.
- This more than doubles current state appropriations to higher education.
- To close the adequacy gap in 15 years, an additional \$91 million is needed above inflation *each* year.

So far there has been no discussion about how the state budget would be reworked to accommodate this or to provide stability in funding over time. With a requirement to produce a balanced budget each year in Illinois, this sets up a concerning situation where seeking these large increases in state support for higher education institutions will likely reverberate to other important budget areas broadly and for higher education. Importantly, research has shown there are zero sum tradeoffs between state support for higher education and other state budget areas, such that an increase in institutional support can lead to decreases in areas such as:

- K-12 funding
- Student financial aid
- Higher education capital

In my written comments, I have included links to scholarly articles (including some of my own publications) that provide a research evidence base in each of these areas:

- Zero sum between K-12 and institutional appropriations for higher education
  - Robert K. Toutkoushian & Paula Hollis (1998) Using Panel Data to Examine Legislative Demand for Higher Education, *Education Economics*, 6:2, 141-157, DOI: 10.1080/096452998000000012  
<https://www.tandfonline.com/doi/abs/10.1080/096452998000000012>
- Zero sum between student financial aid and institutional appropriations
  - Toutkoushian, R.K., Shafiq, M.N. A Conceptual Analysis of State Support for Higher Education: Appropriations Versus Need-Based Financial Aid. *Res High Educ* 51, 40–64 (2010). <https://doi.org/10.1007/s11162-009-9148-5>
  - Li, A. Y., & Zumeta, W. (2019). Helping Students or Just Taking Their Cuts? How Prioritization of State Student Aid Programs Responds to Downturns in Higher Education Appropriations. *Teachers College Record*, 121(8), 1-38.  
<https://doi.org/10.1177/016146811912100803>
  - Cummings, Kristen; Laderman, Sophia; Lee, Jason; Tandberg, David; Weeden, Dustin. (2021). Investigating the Impacts of State Higher Education Appropriations and Financial Aid. *State Higher Education Executive Officers*.  
<https://eric.ed.gov/?id=ED614983>
  - Toutkoushian, R.K., & Hillman, N.W. (2012). The Impact of State Appropriations and Grants on Access to Higher Education and Outmigration. *The Review of Higher Education* 36(1), 51-90. <https://doi.org/10.1353/rhe.2012.0063>.
  - McLendon, M. K., Tandberg, D. A., & Hillman, N. W. (2014). Financing College Opportunity: Factors Influencing State Spending on Student Financial Aid and Campus Appropriations, 1990 through 2010. *The ANNALS of the American Academy of Political and Social Science*, 655(1), 143-162.  
<https://doi.org/10.1177/0002716214540849>
- Zero sum between higher education capital and institutional appropriations
  - Delaney, J.A., Doyle, W.R. State Spending on Higher Education Capital Outlays. *Res High Educ* 55, 433–466 (2014). <https://doi.org/10.1007/s11162-013-9319-2>
  - Erik C. Ness & David A. Tandberg (2013) The Determinants of State Spending on Higher Education: How Capital Project Funding Differs from General Fund Appropriations, *The Journal of Higher Education*, 84:3, 329-362, DOI: 10.1080/00221546.2013.11777292  
<https://www.tandfonline.com/doi/abs/10.1080/00221546.2013.11777292>

There are important blind spots in this process by having elements of state support for higher education not included in the funding formula. Specifically,

- not including MAP grants,
- deferred maintenance,
- capital,
- not including the intersection between the funding formula and institutional price setting,
- not fully accounting for the role of subsidies in internal institutional budgeting, etc.

Seeking so much for institutional appropriations alone does not fully reflect the total ask for higher education support that will come to the General Assembly each year. In addition, without

a hold harmless provision or a similar tool to protect areas not included in the formula – like MAP grants – seeking so much for institutional appropriations sets up situations that will harm students and broader institutional missions.

For me, the bottom line is that the state will not be able to achieve more equitable outcomes without attending to affordability. However, the funding formula as currently structured, especially with its large price tag for institutional appropriations, will likely erode affordability for students.

Thank you for the opportunity to offer comment today.