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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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## Draft Final Report Feedback

### Instructions

1. Complete the following two sections accordingly:
  - a. The General Comments section addresses issues that may apply to more than one section of the report or to issues not currently covered in the report.
  - b. The Specific Comments section should include comments directed at a particular section or wording of the report. These might be suggested line edits or new language, for example.
2. In the specific comments section, indicate any page numbers and/or sections related to the comment.
3. In both sections, describe in a few words the topic your comment addresses in the "Topic of Comment" field.
4. Record your comment/feedback in the "Comment" field.
5. If additional comment space is needed, right click in any row and select "insert" > "insert rows" to add an additional row(s). Additional rows can be added at the bottom of the table or in between rows.
6. Save your document and email to **Katie Lynne at [katie\\_lynne\\_morton@hcmstrategists.com](mailto:katie_lynne_morton@hcmstrategists.com)**. **All final comments are due by 5pm CT on February 20, 2024.**

### General Comments

Topic of Comment	Comment
<b>Innovative Approach Negatively Impacted by Over-reliance on K-12 Evidence Based Formula- Research Example</b>	<p>The Commission's commitment to developing a funding system that is adequate, stable and equitable is commendable. By nature, this approach is also innovative, because the concept of funding based on adequacy has been applied on a very limited basis in higher education- and more extensively in the context of community colleges than public four-year universities. Because few models were available, the commission leaned heavily on the Illinois' Evidence-Based Formula (EBF) developed for K-12 funding in developing a new framework for financing universities. While understandable, this approach contributed to not only some of the most robust disagreements among workgroup members, but also some of the most significant flaws in the proposed funding formula for Illinois Public Universities. Even though public universities and K-12 both educate students, there are significant and important differences between the higher education and K-12 ecosystems.</p> <p>College students are more mobile than K-12 students. In addition, the variance in mission across higher ed institutions is much greater than the variance in mission for K-12. In fact, the missions of our IL public universities vary in significant ways that impact their attractiveness to prospective students. These differences in mission are acknowledged and celebrated when the IBHE convenes the public universities at recruitment events</p>

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	<p>designed to encourage IL high school graduates to choose to stay in-state, but they are insufficiently addressed by the proposed formula.</p> <p>For example, because of the lack of analogous functions in the K-12 system, there have been challenges throughout the process in determining how to consider differences in the intensity of the university research missions in the formula. Some of the proposed formulas, as well as some of the changes recommended during discussion of the final draft report do not provide a sufficient path forward for institutions that must support very high (R1) or high (R2) research activity as part of their mission.</p> <p>It is more expensive to educate students and retain expert faculty at research universities, but that investment adds clear value to the state, the institution, and its students. Myriad data show not only that undergraduate participation in mentored research promotes gains in self-efficacy, persistence, graduation, and the pursuit of graduate study, but also that students from minoritized groups (students of color, indigenous, low-income and first generation) experience the greatest gains. A compelling personal example has been <a href="#">provided by NIU VP for Research and Innovation Partnerships, Dr. Yvonne Harris</a>.</p> <p>For these reasons, the federal government is moving to <a href="#">redress the inequitable distribution of research funding</a> that hurts students and science. It is ironic that, at this moment, Illinois appears increasingly reluctant to acknowledge the connection between research activity and student success in its equity-based funding formula.</p>
ESS	<p>Equitable Student Share (ESS) is supposed to be a calculation of the share of the cost of education that a student can bear. However, the calculation does not include any factors related to student income, available financial aid, or other resources available to students. This approach poses some significant challenges.</p> <p>For example, the perception by some commission members that the formula is constructed to “double dip” on the Illinois investment in MAP is a major concern, particularly in the context of additional concerns expressed about whether the level of state support the formula suggests is necessary for adequate and equitable funding is realistic and/or realizable. The exclusion of MAP from the formula will be targeted by naysayers and critics, and it will be hard to defend the calculation to members of the General Assembly and Illinois taxpayers. Given the critical contribution of ESS to the proposed funding formula, the result could be derailment of the entire effort.</p>

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	<p>There are additional questions about the overall integrity of the approach that depends on ESS. For example, if you take the formula as currently constructed and consider only undergraduates, the ESS per student ranges from \$5855 at NEIU to \$20662 at UIUC. This range by itself is suspect, as the financial resources of the students that attend the two institutions at the edge of the range are likely not as disparate as the formula assumes. If graduate students are included, the range is much more reasonable -- \$5037 at Chicago State to \$12,994 at UIUC. However, this assumes that all graduate students pay tuition when we know that a significant fraction (examples: STEM doctoral students at R1 universities; teaching assistants with tuition waivers) do not. In other words, graduate education is working against an institution in the calculation of the ESS.</p>
<b>Concentration Factor</b>	<p>The concentration factor provides support to <i>“Institutions with high levels of students in the Intensive and High tiers of Academic and Non-Academic Supports”</i> where <i>“high levels”</i> are based on the percentage of the university enrollment rather than the number of students served. This definition dismisses the importance of institutions like NIU that serve a very substantial number of low-income, Black and Latinx students within a student population reflective of the diversity of the region, state and country. In an equity framework, the formula’s approach appears to disregard the academic, civic and economic benefits of having students live, work and learn among others with a broad spectrum of lived experiences- and fails to appropriately account for the expenses incurred with supporting an inclusive environment that promotes not only student success but also belonging, deep listening and constructive dialogue across differences.</p> <p>Additionally, having the calculation based on proportions rather than raw numbers unintentionally creates an incentive to increase the proportion rather than the number of underserved and underrepresented students. This incentive is perverse and counter to the goals of <i>Thriving Illinois</i>.</p>
<b>Complexity/Transparency</b>	<p>There is widespread concern about how the complexity of the formula will foment concerns about lack of transparency and make it difficult for universities to model/plan annual and multiyear budgets. There is also significant worry about the potential for the complex approach to create unintended consequences. These concerns (discussed in more detail in the following paragraph) are exacerbated by the public universities’ previous experience with the performance funding formula.</p> <p>At its essence, the proposed funding formula is a set of formulas embedded in cells in a spreadsheet. The formulas often involve multiple cells in multiple</p>

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	<p>worksheets, making it difficult to track down what is involved in calculating any single cell. Since sensitivity analysis was either not performed or not shared, we cannot be confident that we understand how small changes in any of the underlying exogenous factors will affect the formula. Given the difficulty in understanding the operations of the formula, universities will need to invest significant resources to analyses of the formula each year to predict following-year state allocations. This has already been acknowledged to some extent in the report where it's expected that the IBHE will need significant new resources to manage, operate and oversee the formula.</p>
<b>Stability and Sustainability in Funding</b>	<p>Stability in funding is vital for the sustainability of public universities and the success of students whose degree programs have durations longer than the state budget cycle. Accordingly, it is hard to address the issues of sustainability in funding within a formula used for annual allocation of appropriated resources.</p> <p>Additionally, it is dangerous for fiscally responsible university leaders to assume that the intentions of those who developed and endorsed this formula will result in decades of ongoing growth in state support for higher education. Sustained growth in state higher ed investment is inconsistent with past patterns, despite the positive trajectory under Governor Pritzker.</p> <p>There is also concern about the treatment of inflation in the model. The availability of state funding for universities is tied to the business cycle. University expense budgets are highly sensitive to inflationary pressure because labor makes up a large proportion. Currently, despite the increased state investment seen over the past few years, our public universities are struggling to keep up with the Higher Education Price Index because of our mission-driven commitment to maintaining affordability and avoiding tuition increases. If the formula fails to account for inflation before allocating new funding, the new money directed to providing students with educational experiences that generate equitable outcomes will be diminished by the need to keep pace with inflationary increases in labor and commodities.</p> <p>These are some of the reasons why the Commission struggled to find consensus on any specific strategy for scenarios where the state cuts funding to universities.</p> <p>It would be helpful for the report to suggest additional aspects of funding models to address stability in funding such as moving parts of the higher education funding streams to the non-discretionary side of the state budget. Action on this recommendation would provide reassurance to the public</p>

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	universities who are still recovering from the FY16-17 budget impasse while reckoning with the consequences of long-term underinvestment.
<b>Outstanding Issue/Other Resources</b>	<p>The assumption that revenue from endowment is a resource that can be spent down to support university operations is false and damaging. The 4.2% average based on a national survey is irrelevant to reality. This has been pointed out repeatedly by the university presidents to no avail.</p> <p>In addition to the restrictions on endowment acknowledged in the draft report, the use of endowment depends on the governing documents and will of the boards associated with the foundations that manage the university endowments. These university-related organizations make decisions independently of their university and the IBHE, reflecting their history. Public university foundations were founded in part to ensure donor investments could not be “swept” by the state.</p> <p>In the case of NIU, there is documented resistance of the foundation board and donor base to using endowment for university functions viewed as the responsibility of the state. This resistance was obvious during the budget impasse and observed recently in donor feedback related to the case for our current fundraising campaign. All the options presented in the draft report are not viable in our context, and wider discussion of these possibilities will damage NIU’s active fundraising efforts. Foundation board members and donors who learn of these proposals will have swift, negative reactions. Accordingly, an additional consequence of advancing these proposals is that the alumni and donor communities, who might otherwise be strong advocates for a funding formula designed to provide NIU with adequate, equitable and stable funding, will be distracted from the greater good and laser-focused on defeating this aspect of the Commission’s recommendations.</p>

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## Specific Comments

Page Number, Paragraph, Section, etc.	Topic of Comment	Comment
Page 17, Paragraph 2	<b>Results Misinterpreted</b>	<p>The paper says, “Research has established a link between increases in state appropriations and increases in graduation rates, wherein a \$1,000 per FTE increase in appropriations is linked to a 1.5 percentage point increase in the graduation rate (Chakbarati et al 2020).”</p> <p>However, the actual result from the paper, for four-year students, is: “we find that state appropriation increases lead to substantially lower student debt origins. They also react to appropriation increases by shortening their time to degree, but we find little effect on other outcomes.”</p> <p>The consultants misinterpreted a statement in the paper: “a \$1000 per student state appropriations increase shortens time to degree by increasing the likelihood a student obtains at least a BA by age 25 by 1.5 percentage points.” This doesn't mean the graduation rate increases by 1.5%.</p> <p>Of course, shortening time to degree is a worthy goal, and aligns with the other findings in the paper that an increase in state appropriations leads to less debt. But, most importantly, it is incorrect to say that a \$5000 increase in state funding per student will lead to a 7.5% increase in graduation rates. This paper did not find that.</p>
Page 19, final paragraph	<b>Graduate Students</b>	<p>Appreciate the acknowledgement regarding uncertainties in the assumptions used to generate equity adjustments for graduate students and the recognition of the wide variation in types of graduate programs. We would like to see a more detailed action plan for gathering institutional data on graduate students and creating an evidence-based strategy for supporting graduate students with adequate, equitable funding.</p>

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NORTHERN ILLINOIS UNIVERSITY

**Division of Research and  
Innovation Partnerships**

February 20, 2024

Dear members of the Commission on Equitable Public University Funding,

I'm writing to you today because I'm alarmed by the suggestion that revisions to the funding formula proposed by the Illinois Commission of Equitable Public University Funding de-emphasize or remove consideration of a university's research status. If enacted, such a change would diminish the impact of Northern Illinois University and be a disservice to students from marginalized communities. Moreover, rather than promoting equity, it would have the unintended consequence of exacerbating inequity.

When I first arrived at NIU, I was an older, non-traditional, first generation, African-American student from the southside of Chicago and a single mother of two young girls. I wasn't sure what calling I wanted to pursue, but NIU gave me much more than a books-and-lectures education. The university provided me with opportunities to conduct research, to explore my passions, and to pursue and realize dreams I had never thought possible.

The transformation was not mine alone. My daughters who grew up on the NIU campus saw the importance and potential of having a college degree. My youngest daughter received her engineering degree from Purdue, and my oldest daughter received her MBA from the University of Michigan. The impact of my experiences as a student at NIU is generational.

By the time I left NIU, I had earned three degrees, including a Ph.D. in science with an emphasis in molecular and cellular radiation biology. I've since spent my career working with researchers and underserved students in higher education.

Last year, I returned to NIU as the new vice president of the Division of Research and Innovation Partnerships. It's a job I love, because as a [nationally recognized public research university](#), our faculty and students alike are dedicated to making discoveries that will make our world a better place.

NIU is one of only three Illinois public universities classified by Carnegie as a "High Research Activity" (R2) university. Among Illinois public R2 universities, NIU easily has the most diverse undergraduate enrollment—with 57% of our undergraduates identifying as students of color.

The importance of student access to research universities cannot be underestimated. Research institutions afford substantial benefits to students, who gain hands-on research experiences and learn from professors who bring their leading-edge expertise into the classroom.



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NIU has a unique identity, recognized in fact by the Brookings Institution as being among a select group of the nation's public universities that serve as both a "laboratory for research" and a "ladder for social mobility" for students from low-income households. Our students are often overlooked or underserved by other institutions.

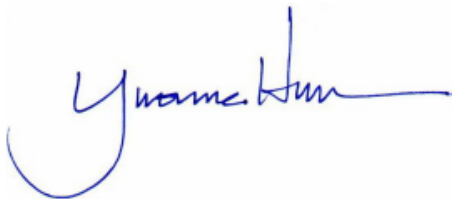
Among our undergraduates (fall 2023):

- 52% are first-generation college students.
- 90% receive aid.
- 48% of students receive PELL.
- 49% of students receive MAP.

While colleges and universities across the country, including in Illinois, have seen declining enrollment rates for Black students, NIU this past fall recorded another year of strong African American enrollment in the freshman class (35%). The number of new Hispanic freshmen has grown from 21% of the 2021 freshman class to 29% this year. With Latinx students now representing a full 25% of its total undergraduate population, NIU is on a trajectory to meet the criteria for designation as a Hispanic Serving Institution (HSI).

I speak from personal experience—and personal success: NIU supported me in ways other institutions could not have done. Students from overlooked and underserved communities deserve access not just to the delivery of knowledge but to the opportunity to create knowledge for the betterment of society.

Respectfully,

A handwritten signature in blue ink, appearing to read "Yvonne Harris", with a large, stylized initial "Y" that loops around the first part of the name.

Yvonne Harris

Vice President, NIU Research and Innovation Partnerships