

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

## **Illinois Commission on Equitable Public University Funding**

January 8, 2024: 11:30am-2:30pm CT

Meeting #12 Notes

### ***Welcome & Introductions***

Executive Director Ginger Ostro opened the meeting with a welcome and shared general announcements that the meeting was being conducted via videoconference pursuant to rules adopted by the Commission at the May 30, 2023 meeting. Notice of the meeting was posted in accordance with Open Meetings Act.

### ***Action: Approval of minutes from November 17, 2023 Commission Meeting***

Toya Barnes-Teamer called the roll to approve the minutes from the November 17, 2023 meeting. Commission Simón Weffer motioned to approve the minutes. Commissioner Sheila Caldwell seconded. The roll was called and twenty-two commissioners approved, two commissioners abstained.

Executive Director Ostro reviewed the agenda.

### ***Framework of a Funding Model***

#### ***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.

#### ***Conceptual Model: Resources***

Identify Available Resources: Include existing state funding as base, account for an expected tuition and other resources, like endowment. Expected tuition, or "Equitable Student Share," 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.

#### ***Proposed Approach to Calculating Adequacy Targets***

Martha Snyder walked through a flowchart that was shared on screen that represents the model's calculation of an adequate funding level. Each adequacy component consists of a base cost for all students, which is increased by equity and other adjustments for certain student and institution characteristics. Another slide was shared that summarized the base costs and the amounts for each adjustment.

#### ***Crosswalk with Commission Legislation and Adequacy Framework***

A crosswalk chart was shared on the screen that outlined how the current model components align to the guidance in the legislation. Carroll also walked through a spreadsheet that mirrors the flow chart and shows the amount that corresponds with each adjustment.

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

## *Equity and Institutional Adjustments*

### Student Equity Adjustments

- Adult (UG)
- Rural (UG)
- EBF Tier 1 / 2 (UG)
- Low-income (UG)
- Underrepresented minority (UG & Grad)
- URM in high-cost program (UG & Grad)
- Student parents
- First-gen
- Students with disabilities

### Institutional Adjustments

- High-cost programs
- School size
- Concentration of equity-adjustment-eligible students
- Carnegie Classification
- Lab space

The adjustments are intended to accomplish two objectives:

- Incentivize enrollment and success of underrepresented student groups, and
- Reflect the different levels of resources necessary to deliver different programs and missions, and to generate outcomes for different groups of students.

## *Equitable Student Share - Framework*

ESS represents a reasonable and affordable amount a university is expected to generate through tuition and fees based on the characteristics of its student body. ESS would be calculated by applying subsidy rates – tied to characteristics of a university’s student body – to the adequacy target. The greater the share of high-subsidy student groups (e.g., low-income, underrepresented minority) a university enrolls, the lower its ESS.

## **Commission Timeline and Process**

### *Timeline*

Co-Chair Representative Carol Ammons shared thanks to all the commission members who have put in a tremendous amount of work over the past two years to develop something that is groundbreaking and will be groundbreaking for the state of Illinois and groundbreaking for how the universities are funded adequately based on the needs of the students that they serve. While there are some formula components still outstanding, the commission wants to reach closure. Representative Ammons shared that closure will happen in the next two months and conclude with the commission's recommendations ready for the general assembly by March 1, 2024. This timeline will require the commission to be focused and collaborative.

Remaining milestones:

- Three additional Commission meetings
  - One in January
  - Two in February
- Resolve handful of key outstanding issues (January meetings)
- Finalize recommendations and draft report (February meetings)
- Deliver report to the General Assembly by March 1st for consideration in 2024 legislative session

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

## *Recommendations and Report Process*

Co-Chair Leader Kimberly Lightford recognized that the commission may not reach agreement on all issues and that the Co-chairs would like to put a pin in some issues that cannot reach consensus. There are a lot of issues that have been addressed and the goal is for the commission to make recommendations so that the Co-chairs can continue this work in the legislature. Leader Lightford shared that it's okay if there isn't 100% consensus but that the work can be mostly agreed on. The Co-chairs are comfortable if some components are left to the legislative process. The report will reflect where the commission ended up, including noting different views. The Co-chairs would give sufficient time in the next few meetings to consider options and hear different opinions on key outstanding issues, and if in the eyes of the Co-chairs, it becomes clear that the commission does not have a clear position, then the report will not provide a single recommendation, but will present the considerations for different approaches. The report can also note issues the commission would like to see revised by the formula review group. Leader Lightford applauded the efforts over these past two years.

The report will:

- Make the case for a new approach to university funding that is adequate, equitable, and stable.
- Summarize the research, process, and rationale underlying the Commission's recommendations.
- Detail the mechanics, data sources, and incentives of the formula.
- Identify issues the Commission didn't address but are relevant (e.g., deferred maintenance) or that should be prominent in a future review process.

## *Key Remaining Issues*

Five issues stand out as most needing the Commission's focus and input in the remaining meetings:

- Calculation of Adequacy Gap
  - Medical/Dental cost factor
  - Other Resources
  - Equitable Student Share
- Distribution of New State Investment
  - Allocation Formula
- Implementation
  - Accountability

## ***Updates Since Last Commission Meeting***

### *Technical Modeling Workgroup Progress & Update*

The Commission and Technical Modeling Workgroup (TWG) have successfully completed work on the bulk of the model. Since the last Commission meeting, the TWG has made additional progress on the following issues, with revisions incorporated into an updated model:

- School Size
- Concentration Factor
- Graduate Student Equity Adjustments
- Equitable Student Share
- Faculty Diversity

The TWG has identified options for the Commission to consider on the following issues:

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

- Medical/Dental Programs
- Other Resources

The TWG continues to work on:

- Allocation Formula
- Accountability

## *Summary of Changes*

- School Size: Removed cliffs at certain enrollment levels. Adjustment factors now range from 45% to 0%, decreasing proportionally as a school's enrollment approaches 20,000 students.
- Concentration Factor: Increased the size of the factors for schools with the highest concentrations of historically underserved students, from 20%/30% to 30%/50%.
- Graduate Student Equity Adjustments: Increased the size of the equity adjustments for BIPOC graduate students to match those of undergrads.
- Faculty Diversity: Maintained the \$422 per student at all schools to support recruiting and retaining diverse faculty (to be discussed today).

## ***Review and Discussion of Key Outstanding Issues***

### *Diversifying Faculty & Equitable Student Share*

Martha Snyder walked through the Faculty Diversity Adjustment and the three options: Leave as is, Targeted Adjustment, Remove. Charts were shown on screen to outline the options and what effect they would have.

The Commissioners raised the following questions/discussion points:

- Confirmation that all the numbers presented are the delta and that the original adequacy gap and new adequacy gap were not shown. The focus is on the delta.
- Commissioners shared reasoning for why the faculty diversity adjustment should be removed, including: it sets a precedent that this is the only place in the model where performance-based metrics is being used; campuses being penalized through no fault of their own; there are other programs that could be invested in such as a diversifying future facilities initiative where money would be better served and applied better; incentives for hiring postdoc students as faculty.
- Pulling concepts out of the formula offers the opportunities for mischief.
- The formula should be as inclusive as possible.
- Commissioners shared opinions to leave the faculty diversity adjustment in the formula as a way to demonstrate the state's commitment to making the investment aligned with the legislative charge; win-win as a high impact practice.
- Concern around leaving the faculty diversity adjustment in the formula without commitment from the state to funding programs that IBHE has or could create to fundamentally address recruitment and retention of faculty.
- Concern about the definition of "faculty" and that this shouldn't just address tenured or tenure-track faculty but that the work of adjuncts is equal if not more important.
- Concepts in the model that are "straight across the board" are generally not going to get us closer to adequacy and equity.

Martha Snyder walked through the ESS problem statement, goals of the approach and shared the three suggestions brought forward by the Technical Modeling Workgroup: Remove rural subsidy; Make EBF tier 2 conditional on low-income; Increase graduate student subsidies.

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

The Commissioners raised the following questions/discussion points:

- Regarding rural, is there only consideration for incomes of students who are actually students or also high school? The data shared was for students enrolled in public four-year universities.
- Regarding graduate students, there should be a separation between master's students and PhD students with incentives for schools that are producing PhD students.
- Why is financial aid a factor in the formula? Will the revised model output cover how to account for MAP and Pell?
- Concern raised about using ESS in this way that may be funding students twice.
- Is there an adjustment for unfunded mandates?
- How is inflation addressed?

## *Revised Model Output*

Will Carroll presented a revised model output based on the changes previously mentioned.

## **Review and Discussion of Key Outstanding Issues**

### *Medical Cost Factor*

Nate Johnson walked through the current approach versus the revised approach and what the impact would be. Charts were shared on screen showing the impact. Two possible approaches were shared: Use a cost factor; Provide separate appropriation for medical schools.

The Commissioners raised the following questions/discussion points:

- Pharmacy was not included and has a significant cost compared to a traditional undergraduate or graduate program.
- This area is very complex and additional time may be needed fully discuss.
- Does the resource profile of the schools reflect tuition and fees that medical, dental, pharmacy students pay? Currently, medical schools are treated the same as other graduate students with weights for in-state and students of color.
- Commissioners shared their preference was shared to figure out the cost factor, rather than pulling out schools and having separate appropriations.
- Commissioners shared a request to break out the school of medicine. Unless broken out, may not be able to see accurately. For example, President Mahony's budget is broken into three things: Carbondale, Edwardsville and School of Medicine.
- A reminder was provided of the hold harmless that's included in the legislation. The attempt is to bring equity into the space of funding and that cannot be done if unique programs that don't exist at all other institutions are provided an extraordinary incentive.

## **Break**

*The Commission took a ten-minute break.*

### *Other Resources*

Will Carroll walked through Other Resources considerations and three options: Count a portion of actual endowment (current model is 4.2% based on the national average; could be dialed down); Support fundraising overhead as an adequacy cost, providing funds to institutions that have below-average endowments per alumni; Calculate an amount based

---

## ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

on estimated capacity for fundraising rather than actual amounts raised (e.g. size and estimated wealth of alumni base).

As a member of the implementation topic team, Commissioner Dan Mahony shared his opinion that reducing adequacy targets based on fundraising is not a good idea. It hurts the ability to raise money and could make past donors upset if the future state funding was to be reduced based on this. Commissioner Robin Steans echoed the shared belief that there isn't a desire to disincent fundraising but that at the same time, there are billions of dollars sitting in endowments. How do you not factor in billions of dollars that are not available if they're in endowments and hundreds of millions of dollars that are available?

The Commissioners raised the following questions/discussion points:

- The national average of 4.2% is misleading. With only twelve public universities, it should be possible to get an actual state number instead of using a national number.
- Is there data about what an appropriate amount for an endowment is, for an organization of a particular size and particular budget? Potentially, based on that, if a university is at/above that typical amount, then they have a percentage in the formula? Usually, about 1% of the endowment is taken to help fund the fundraising operation.
- Are there institutions that have endowment dollars that they could be using in a much greater scale to support student attendance, but are not doing so? Are there institutions that are hoarding those dollars?
- Institutions should be held accountable to have integrity and use endowment funding the way it was intended but including it as a component of the formula seems like a bait and switch.
- This is an area of deep inequity.
- If left in, how will the formula act over time as endowments change? The formula uses a four-year average, as built currently.
- Individual institutions would need to identify what's restricted and what's unrestricted.
- In CTBA's ~2016 report, was there an increase in philanthropic giving where state funding dropped? Is there a correlation? Commissioner Martire shared that he thinks that donations would not have any statistically meaningful correlation to state funding from year to year or even over time and that the main thing is that the data would show, and that the data does in fact show, is that tuition and fees grew over this sequence.
- A reminder was provided that the Commission is not talking about taking dollars away from institutions, but rather talking about "how do we build this incredibly aspirational path forward for equity across our entire system?"

### *Allocation Formula*

Will Carroll walked through the principles that the Technical Modeling Workgroup discussed, including: Institutions' adequacy gaps should be a primary factor in the allocation; All schools should receive some reasonable increase ("guardrail") each year there is new money (to help ensure tuition is not a release valve for increasing costs).

These principles present an inherent tradeoff. The larger the guardrail, the more stability for every institution, but less emphasis on adequacy and equity.

- What size should the guardrail be (if any)?
- Should the allocation formula be different when there is a cut in state appropriations?

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

The Technical Modeling Workgroup has considered a number of different ways to allocate funds based on the adequacy gap (irrespective of the guardrail):

- The percentage adequacy gap - what percentage of fully funded an institution is
- The dollar adequacy gap - how many dollars from fully funded an institution is
- A mix of the two
- A tiered system (like EBF) based on percentage adequacy gap

Will Carroll walked through an example of how a guardrail would allocate a portion of the state appropriation increase in an across-the-board manner, with the remaining increase going through an adequacy gap-based allocation. Commissioner Ralph Martire shared that this is an allocation of significant new money in over and above what universities already have; over and above their base funding minimum. Commissioner Martire shared that the minimum amount the commission should ask for is the amount to get it done in 10 years and see what the legislature does with that (\$135 million in new funding for higher ed every single year above the prior year). This means even if the guardrail is low, most money should go through to achieve our equity goals.

The Commissioners raised the following questions/discussion points:

- As presented, Carbondale would not benefit from the current outline of this component.

## **Next Steps**

Will Carroll walked through next steps, which mirror what Co-Chair Representative Ammons shared previously:

- Three remaining Commission meetings:
  - Late January (wrap up key issues)
  - Early February (review draft report)
  - Late February (finalize report)
- Technical Modeling Workgroup meets between Commission meetings during January

## **Public Comment**

There were no members of the public that requested to make public comment.

## **Next Steps, Closing Announcements and Adjournment**

The Co-Chairs offered words of thanks before closing out the meeting. Representative Ammons shared thanks to all the Commissioners and staff for their time and expertise up to this point. She recentered the Commission on the purpose of the work to redress without harm and that the current funding levels will stay due to the hold harmless. The goal is to provide additional resources where there are high need students so that the support can be there for those students to graduate ultimately, and serve the state and the economy. Representative Ammons shared that she doesn't want institutions to lose focus on that thinking in terms of I'm going to hold what belongs to me or advocate at the highest possible level for what is for us, instead of the entire system. This is not an exercise of how much more I can get, this is an exercise of how we bring equity and justice into the space when it comes to higher education. Deputy Governor Martin Torres echoed thanks to IBHE, HCM and the legislative Co-Chairs who are eager for a report and to move this along in the General Assembly. Co-Chair Pranav Kothari also offered thanks to the Commissioners and understanding around the complex issues that have been brought forward. Toya Barnes-Teamer closed out the meeting with three reminders:

- The next Commission meeting will be held January 23, 2024.

---

## ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

- The Technical Modeling Workgroup's next meeting will be held January 25, 2024.
- Commissioners should watch for a post-meeting survey.

### *Commission Members in attendance*

Senate Majority Leader Kimberly Lightford, Co-Chair  
Deputy Governor for Education Martin Torres, Co-Chair  
Representative Carol Ammons, Co-Chair  
Pranav Kothari, Co-Chair  
Senator Mike Halpin  
Representative Katie Stuart  
Sheila Caldwell  
John Coleman  
Lisa Castillo-Richmond  
Dr. Wendi Wills El-Amin  
Cherita Ellens  
Dr. Katrina Bell-Jordan  
Matt Bierman  
Cheryl Green  
Guiyou Huang  
Aondover Tarhule  
Dan Mahony  
Ralph Martire  
Brandon Schwab  
Zaldwaynaka "Z" Scott  
Robin Steans  
Respicio Vazquez  
Simón Weffer  
Eric Zarnikow

### *Commission Members not in attendance*

Representative Dan Swanson  
Senator Dale Fowler  
Representative Mike Marron  
Senator Terri Bryant  
Lisa Freeman  
Warren Richards  
Brandon Kyle  
Dr. Karen Colley  
Jack Wuest

### *Support Team Members in attendance*

Ginger Ostro  
David Antonacci  
Jaimee Ray  
Ja'Neane Minor  
Martha Snyder  
Will Carroll  
Jimmy Clarke  
Toya Barnes-Teamer

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Nate Johnson  
Brenae Smith