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ILLINOIS COMMISSION ON  
EQUITABLE PUBLIC UNIVERSITY FUNDING

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## Meeting #4

Welcome to the August 25, 2022 meeting of the Resource Workgroup. The meeting will begin at 1:00 p.m. This meeting will be recorded.

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 2:45 p.m. We will call on you during the public comment period and ask that you keep your remarks to under three minutes.

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# Welcome & Agenda Overview

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**ILLINOIS COMMISSION ON**

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**EQUITABLE PUBLIC UNIVERSITY FUNDING**

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- 1:00 pm      Welcome & Agenda Overview
- 1:10 pm      Action: Approval of minutes from August 4, 2022 Workgroup Meeting
- 1:15 pm      Introductions & Team Building Activity
- 1:30 pm      Workgroup Overview & Purpose
- 1:35 pm      Revisiting Revenue Categories & Discussion
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# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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- 2:10 pm      Prep for September Commission Meeting
  - 3:00 pm      Break
  - 3:15 pm      Public Comment
  - 3:30 pm      Prep for Meeting #5
  - 4:00 pm      Next Steps and Adjournment
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Action: Approval of minutes from  
August 4, 2022 Workgroup  
Meeting

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# Introductions & Team Building Exercise

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Lisa Castillo-Richmond	Partnership for College Completion
Zaldwaynaka "Z" Scott	Chicago State University
Terri Kinzy	Illinois State University
Vicky Gress	University of Illinois Urbana-Champaign
Jack Wuest	Alternative Schools Network
Eric Zarnikow	Illinois Student Assistance Commission
Dr. Wendi Wills El-Amin	Southern Illinois University School of Medicine
David Glassman	Eastern Illinois University
Gloria Gibson	Northeastern Illinois University
Dennis Papini	University of Illinois Springfield
Ketra Roselieb	Western Illinois University

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# Workgroup Overview

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# Workgroup Overview

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Three proposed workgroups: 1) Adequacy, 2) Resources and 3) Technical Modeling

Role and Purpose: Inform the analytical, data and technical modeling of the Commission's work. The workgroups will comprise a subset of Commission members or other assigned representatives. Workgroups do not make decisions but provide added, focused capacity to the Commission to elevate and understand options for addressing funding components and considerations.

Representatives: Selected by co-chairs; ~ 10 members for each workgroup; Will reflect groups and organizations on Commission with regional, mission and other attributes represented.

- Adequacy: Conceptual, Policy and Analytical skills
- Resource: Conceptual, Analytical skills
- Technical Modeling: Policy, Data Analytics and Modeling skills



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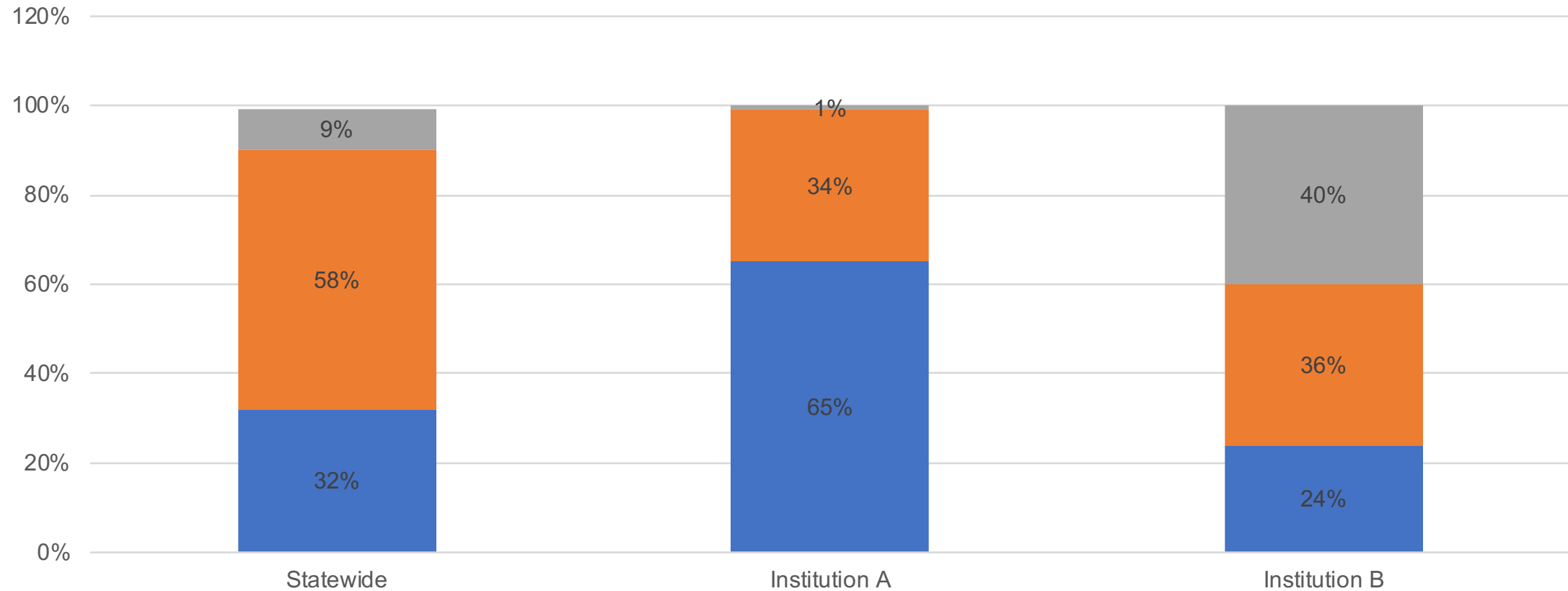
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**Resource Workgroup Report**

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# University Revenue: All Sources

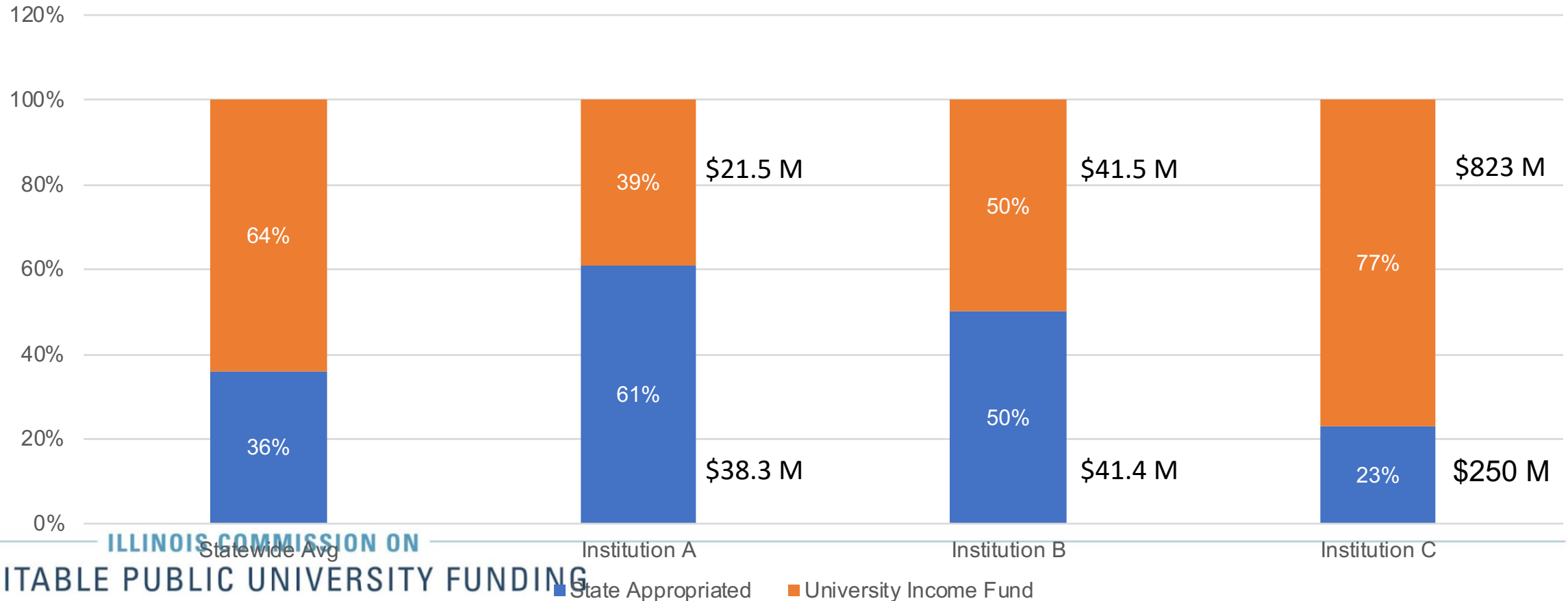
*At a statewide level, the majority of university revenue comes from University Income Fund (UIF, (Tuition)). However, there is significant variation across universities. Some universities receive nearly all of their revenue from state appropriated and UIF sources. Other institutions receive higher proportion from “other non-appropriated funds” which include: government grants and contracts, private gifts and various auxiliary sales and services.*



ILLINOIS COMMISSION ON ■ State Appropriated ■ UIF ■ Other Non-Appropriated Funds

# University Revenue: State Appropriated + UIF

*Statewide, isolating only State Appropriated + University Income Funds (UIF, (Tuition)), approximately 64% of revenue comes through tuition and 36% from State Appropriated Funds. Variation across institutions ranges with some institutions more reliant on state appropriated funds, others receiving higher levels of resources from UIF. Institutions A and B (below) illustrate this variation.*



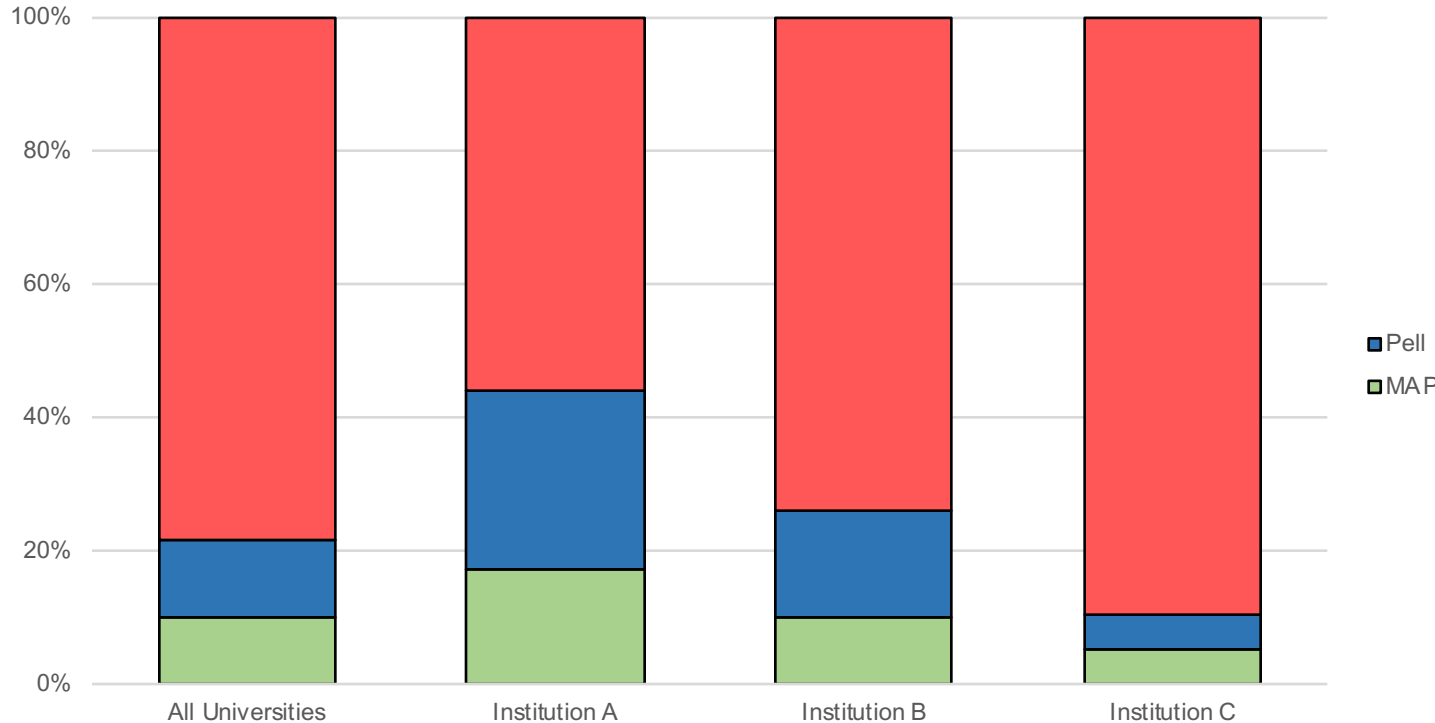
# Resource: University Income Fund (Tuition)

## MAP + Pell as % of Tuition Income, FY 2020

Total Pell: \$231.4M

Total MAP: \$210.1M

MAP Claims as a Percentage of Tuition Income Fiscal Year 2020



### Considerations

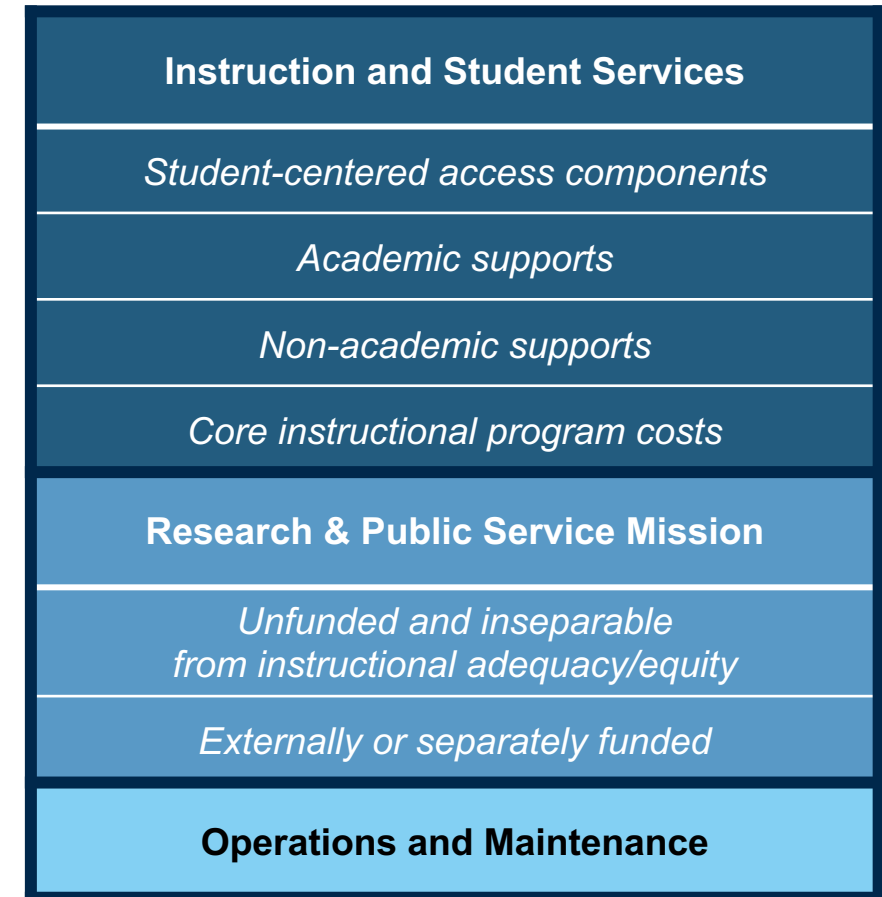
- Institutions with larger share of income from MAP and Pell have higher percentage of low income students served; dependent not only on state operating appropriations but also state appropriations for MAP
- Implies less capacity to raise tuition from student body (student ability to pay); less capacity for students to self-fund services through fees.

# Adequacy & Resources: How the Workgroups Interrelate

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*Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. The Adequacy Workgroup is developing these components.*

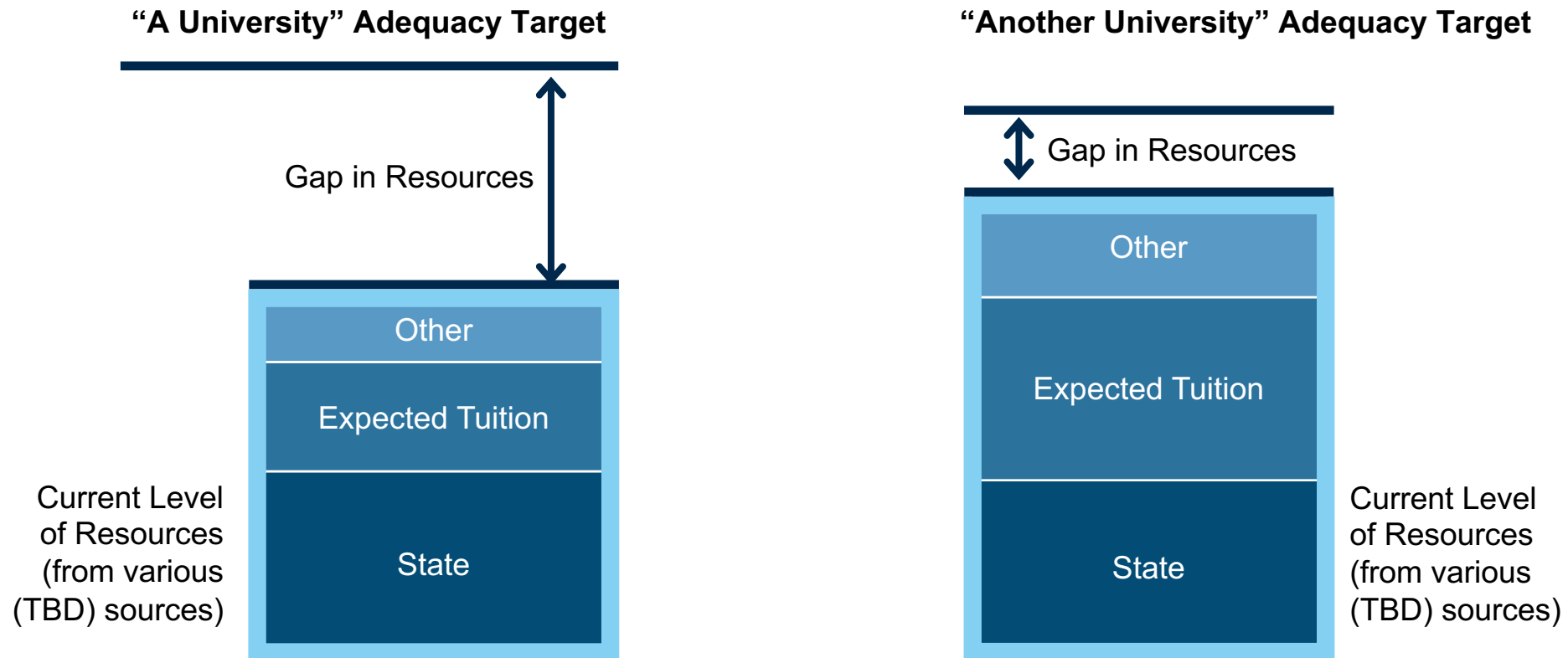
## **“A University” Adequacy Target**



# Adequacy & Resources: How the Workgroups Interrelate

*Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. The Adequacy Workgroup is developing these components.*

*Each institution has Resources available to it. The Resources Workgroup is determining which types of resources should be counted to determining how close an institution is to adequacy.*



# Initial Recommendations/Considerations

Resource	Definition	Type	Considerations	Initial Workgroup Recommendation
University Income Fund	Student Tuition Revenue	Primarily Unrestricted	<ul style="list-style-type: none"> <li>Assumptions on what should be generated from tuition revenue and variations in institutions ability to raise tuition and balance it with considerations for equity and affordability.</li> <li>How to factor in student fees needs to be further evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>Should be included but deduct mandatory waivers</li> <li>Factor in variations in students' ability to pay/capacity of institution to raise tuition level/reliance of institution on state funding for both operational and financial aid.</li> </ul>
Gov't Grants and Contracts	Revenues from local, state, and federal governments that are for specified purposes and programs (e.g., research, other priorities)	Primarily Restricted	<ul style="list-style-type: none"> <li>Capacity to bring in these resources may vary across institutions, and access to research dollars can affect ability to recruit faculty, give students access to STEM or other opportunities.</li> <li>Many say full costs aren't covered by grants.</li> </ul>	Should not be included; small % of funding overall (though there is a range across institutions both % and amount). Rationale that this should supplement other resources and create a disincentive to seek these resources

# Initial Recommendations/Considerations

Resource	Definition	Type	Other Considerations	Initial Workgroup Recommendation
Private Grants and Contracts	Gifts and grants provided to the university from individuals (private donors) or non-governmental organizations Included in this funding category are revenues provided for student financial assistance.	Varies, usually restricted	<ul style="list-style-type: none"> <li>Not all institutions have equal access to private support or capacity to raise this revenue. Can be reliant on relationships between philanthropy, access to private donors.</li> <li>Access to alumni donors/resources often reflected of historical wealth inequities</li> </ul>	Should not be included; small % of funding overall (though there is a range across institutions both % and amount). Rationale that this should supplement other resources and create a disincentive to seek these resources
Endowment Income	Income from endowment and similar fund sources, including irrevocable trusts	Varies, typically unrestricted	<ul style="list-style-type: none"> <li>Often distributed in inverse proportion to racial/ethnic representation at institutions.</li> <li>Level of endowment across institutions can vary significantly.</li> <li>Endowment can endow chairs, frees up resources for other spending.</li> </ul>	Should not be included.



# Resource: Other Non-Appropriated *Sales/Service – Auxiliary Enterprises*

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## **Definition**

Auxiliary enterprises include residence halls, food services, parking facilities, student unions, college stores, and such other services as barber shops, beauty salons, movie houses, and bowling alleys. In some cases these are self-sustaining (fees charged cover expenses) in other cases they may be revenue generators.

**Type:** Varies, mostly restricted

## **% of Institutional Revenue:**

Statewide: 9.3%

High: 19.7%

Low: 4.4%

## ***Questions for considering auxiliary enterprises income in institution resource “mix”***

- What connection do auxiliary services have to supporting students?
- Given these are often supported by student fees or other charges, what connection might they have to student ability to pay?
- In what way should auxiliary enterprises be considered in defining resources available to meet the adequacy target? To what extent could/should these resources be included?

# Resource: Other Non-Appropriated *Sales/Service – Educational Departments*

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## **Definition**

- Incidental revenues of educational departments that were collected from activities not directly associated with the education of students (training courses; software)

**Type:** Varies

## **% of Institutional Revenue:**

Statewide: 8.2%

High: 13.4%

Low: 0%

## ***Questions for considering this resource in institution resource “mix”***

- What connection do these services have to supporting students?
- To what extent could/should these resources be included in defining an institutions adequacy target?

# Resource: Other Non-Appropriated *Sales/Service - Hospitals*

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## **Definition**

- Revenues from daily patient services (medical, surgical, pediatrics, intensive care and so forth); from nursing services (operating room, recovery room and so forth) would be reported under this category. Only monies directly attributable to the operation of the hospital are reported in this category.

**Type:** Varies

## **% of Institutional Revenue:**

Statewide: 16.3%

High: 23.5%

Low: 0%

## ***Questions for considering this resource in institution resource “mix”***

- What connection do these services have to supporting students?
- To what extent could/should these resources be included in defining an institutions adequacy target or be funded separately?

# Resource: Other Non-Appropriated *Other Misc. Revenue*

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## **Definition**

- Examples include investment income from unrestricted funds and miscellaneous sales and rentals

**Type:** Varies

## **% of Institutional Revenue:**

Statewide: .8%

High: 10.1%

Low: 0%

## ***Questions for considering this resource in institution resource “mix”***

- What connection does this revenue have to supporting students?
- To what extent could/should these resources be included in defining an institutions adequacy target?

# Next Steps

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- Continue to Refine Understanding of (non-state appropriated) Resources and Considerations for Equity and Adequacy
- Recommendations in context of state appropriated funds
  - Overall state goal (% of revenue from state)
  - Variation across institutions considering student and revenue
- Finalize recommendations and considerations for the technical workgroup

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Break

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## Public Comment

Facilitated by Katie Lynne Morton, 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.

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## Next Steps and Adjournment

Next Meeting: September 22, 2022

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