

Types of Institutional Resources: Definitions, Uses, and Equity Implications

	Definition (From IBHE)	Unrestricted All funds, including institutional funds, received with no stipulation made by the donor or an external agency as to the purpose for which the funds should be expended. 46.6% of Total Revenue (IL)	Restricted Funds available for financing operations that are limited by donors or external agencies to specific programs, departments, or schools. Examples of these limitations would include restrictions imposed on grants received from federal or other state or local agencies. 54.4% of Total Revenue (IL)	What causes change?	What are implications for equity? <i>Reference: Johnson, N. (2017) Understanding Higher Education Finance: Sources of Postsecondary Funding and Implications for Low-Income Students. Postsecondary Analytics</i>
State Appropriated Funds (~15%)	Direct operations and grants appropriations made by the General Assembly and signed by the Governor	Yes	No	Economy; Revenue, state priorities	IL: Base + Not targeted based on needs of institutions different populations – can favor institutions with higher-income students. Can be most direct lever for state equity priorities. Reductions in state funding often most affects the students with the greatest needs.
University Income	Student Tuition	Yes	No	Enrollment;	Student ability to pay not

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<p>Funds (~27%)</p>	<p>revenue (can be funded by a variety of sources)</p>			<p>balance with state appropriations</p>	<p>evenly distributed across race/ethnicity and geography.</p> <p>Differential tuition on programs (professional/in-demand) without commensurate increases in student aid can have equity implications (access to programs).</p> <p>Variable tuition across campuses can also have equity implications in terms of access to different institutions, with lower-income students attending lower tuition institutions. This can affect overall resources available to serve students.</p> <p>Interplay with state appropriations is critical. State disinvestment led to enrollment declines with inequitable impacts.</p>
<p>Other Non-Appropriated Funds</p>					

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Govt Gifts/ Contracts (State, Federal, Local) (~16%)	Revenues from local, state, and federal governments that are for specified purposes and programs.	No (usually)	Yes (usually)	Research/other priorities; available funds allocated to support activities.	Access to research dollars can affect ability to recruit faculty, result in higher faculty pay, qualifications. Student perspective research can increase access to STEM opportunities.
Private Gifts, Grants, Contracts (~7%)	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.	Not usually	Yes	National, state and local economic trends, federal and state tax policy, financial markets	Varies by source and purpose. Often distributed in inverse proportion to racial/ethnic representation at institutions.

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<p>Endowment Income (~9%)</p>	<p>Unrestricted and restricted income from endowment and similar fund sources, including irrevocable trusts.</p>	<p>Yes</p>	<p>Yes</p>	<p>National economic trends; financial markets</p>	<p>Often distributed in inverse proportion to racial/ethnic representation at institutions</p> <p>Level of endowment across institutions can vary significantly.</p> <p>Use and focus can also vary.</p>
<p>Sales/Service: Auxiliary (~8%)</p>	<p>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.</p>	<p>Yes</p>	<p>Yes</p>	<p>Enrollment trends, local real estate markets</p>	<p>Typically Concentrated in institutions serving higher-income students.</p> <p>Can influence student success: Access to housing, food, transportation, childcare</p> <p>Supported by student fees – underlies question about student’s ability to pay.</p> <p>Quality and quantity of these services may be related to the profile of the students.</p> <p>Self-sustaining vs. revenue generator.</p>

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Sales/Service: Educational Depts (~8%)	Incidental revenues of educational departments that were collected from activities not directly associated with the education of students (training courses; software)	Yes (some)	Yes (some)	Varies depending on goods or service	Varies; access to goods / services provided and ability to pay
Sales/Services: Hospitals (~16%)	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	Yes (some)	Yes (mostly)	Changes in federal policy and budget, esp. Medicaid, Medicare; changes in private insurance markets; public health trends	Access to healthcare; access to student STEM / health / clinical opportunities; Source of revenue for some health professions. Faculty compensation

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	<p>under this category. Only monies directly attributable to the operation of the hospital are reported in this category.</p>				
<p>Other (~1%)</p>	<p>Examples include investment income from unrestricted funds and miscellaneous sales and rentals.</p>	<p>Yes (mostly)</p>	<p>No</p>		