
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Resource Workgroup Meeting #2 - July 14, 2022 (1pm-4pm CT)
Meeting Notes

MEETING OBJECTIVES

1. Continue to develop understanding of types of institutional resources.
2. Discuss how different types of resources may affect an institution's capacity to provide equitably serve students and carry out its mission.

Welcome & Agenda Overview

Ginger Ostro opened the meeting with general announcements regarding Open Meetings Act, that the meeting will be recorded and instructions for any members of the public who would like to participate in Public Comment. Martha Snyder provided an overview of the agenda.

Team Building Activity

Chief of Staff Ja'Neane Minor facilitated a Team Building/Ice Breaker "College Mascot Challenge" activity for the group. Workgroup members were asked to view the institution's mascots shown on the screen and guess which institution the mascot belongs to, what the mascot is and the name of the mascot.

Workgroup Overview + Purpose

Martha Snyder provided a reminder overview of the Resource Workgroup to level set. It was noted that the Adequacy Workgroup is working in parallel and that there will be a total of three Workgroups over the time of the Commission's work.

The Adequacy, Resources and Technical Workgroups (workgroups) for the Illinois Commission on Equitable University Finance (Commission) will inform the analytical, data and technical modeling of the Commission's work. The workgroups are composed of a subset of Commission members or other assigned representatives. The workgroups, supported by IBHE and HCM, will expand the capacity of the Commission's work between full Commission meetings, providing opportunities to dig deeper around concepts and considerations advanced by the Commission.

The resource workgroup will help define the different types of resources to be considered as a way to assess adequacy and inform how to equitably invest new state resources toward achieving adequacy for institutions.

The outcome of this workgroup will be resource mapping across each institution that can be used (in conjunction with the adequacy workgroup) as a "gap analysis" between institutional adequacy and resources. This effort may include evaluating factors such as:

- Understanding and defining the types of resources to be considered,
- Evaluating the different scopes of resources across institutions,
- Assessing and incorporating students ability to pay into resource considerations, and
- Resource Mapping: Variations in Resources across IL institutions

Representatives were selected by the co-chairs with ~10 members for each workgroup. Membership will reflect groups and organizations on the Commission with regional, mission and other attributes represented.

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

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

The resource workgroup will help define the different types of resources to be considered as a way to assess adequacy and inform how to equitably invest new state resources toward achieving adequacy for institutions. The outcome of this workgroup will be resource mapping across each institution that can be used (in conjunction with the adequacy workgroup) a “gap analysis” between institutional adequacy and resources.

The Commission’s definition of “adequate funding” was shared as a reminder: The amount of funding necessary to equitably support all students to enroll and complete a degree without placing undue financial burden on students/families and for each university to carry out its mission. The cost of adequacy will vary across institutions based on the different needs of students being served, different degree types offered and the different mission components across institutions. Achieving adequacy requires directing new state investments to institutions with the greatest gap after accounting for other revenue sources.

Recap: Resource Framework

Martha Snyder shared that the IBHE and HCM teams took the information from the Jamboard in the first meeting and built out these categories and topics into a framework. Following the meeting, the framework would be sent out to the workgroup members. Categories shared on the left side of the document are the categories of funds that IBHE uses. For example, State Appropriated Funds and University Income Funds. The second column offers a definition from IBHE for each of the categories. The framework also outlines whether the funds are unrestricted or restricted, what causes change and what the implications from an equity lens of the different categories of resources or how they are directed to institutions. Categories shared include State Appropriated Funds, University Income Funds, Other non-appropriated funds: Government gifts/contracts (state, federal, local); Private gifts, grants, contracts; Endowment Income; Sales/Service: Auxiliary; Sales/Service: Educational Departments; Sales/Services: Hospitals; Other. The framework shows all sources of funds (not just operating). The framework was intended to be a discussion starter.

Discussion: Resource Categories and Considerations for Adequacy

The workgroup members noted that there will be a wide variation in percentages based on the various institutions. The workgroup members were asked to brainstorm and identify the resources that should be considered when factoring in and talking about adequate funding. How close are different institutions to being adequately funded? This work would merge with the work of the Adequacy Workgroup. Which categories of funds should be factored in? What are the implications for equity?

Commissioner Glassman shared that deferred maintenance fits into both adequacy and equitability. At one time, there were funds set aside for maintenance. Now, this money needs to come out of the budget at each institution. Infrastructure at institutions (labs, dorms, etc.) is a concern. Commissioner Scott agreed that there is so much of their budget that has to focus on maintaining facilities. Nate Johnson suggested that maybe there needs to be a line in the framework that accounts for capital budgets.

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Commissioner Eric Zarnikow shared that there are a number of unfunded required scholarship programs, but there was no money from the legislature. If spread equally among the institutions, it wouldn't be an issue, but it is not spread equally (national guard, tuition waivers for special education teachers). How many tuition waivers are granted annually? IBHE publishes a report on this data each year. Ketra Roselieb shared that WIU is waiving over \$2 million annually. Commissioner Scott shared that CSU's appropriated funds make up 47 percent of their yearly budget. Commissioner Glassman shared that EIU has a similar percentage to CSU.

Nate Johnson walked through the equity implications that were outlined in the shared framework. Allocations are historically based and they don't necessarily account for demographics and needs of specific institutions. Executive Director Ginger Ostro shared that there are a series of specific grants within the state appropriated funds and suggested that we highlight this section to recognize that there are multiple pots of money within this category (and who is benefiting from these funds). The gap between the cost and sticker price tuition (for those without need-based financial aid) is narrow enough that private and out-of-state institutions can compete without any state subsidies. Differential tuition has been implemented at some institutions. Unless universities can provide help, segregation may be an outcome. The students that need the higher-cost courses will not be able to afford them. Illinois State relies on tuition for 60 percent, which drives a lot of decisions (higher enrollment keeps the doors open). More students then leads to more cost for the institution. Commissioner Lisa Castillo-Richmond shared that the decades of disinvestment has led to a significant affordability crisis for students across the state. The COVID pandemic has exacerbated the affordability crisis. Illinois is the state with the second highest crisis in the nation for students from low income households to attend many of the institutions in the state.

Commissioner Zarnikow raised that there is a difference between willingness to pay and ability to pay. Implications from out migration need to be considered. Related, does the state have any responsibility (equitably or adequately) to out of state and international students?

Do research grants help cover the cost of the university? It varies. Vicky Gress shared that at the University of Illinois Urbana-Champaign research costs the institution money. There are F&A (Facilities and Administration - physical items and costs to support the research and compliance) funds but they do not cover the infrastructure.

To what extent do institutions see endowments as a resource? Commissioner El-Amin shared that there are endowments but it doesn't impact tuition or help students, but rather supports faculty and departments. For example, hiring a faculty member in a specific field, specific to the endowment's interest. Commissioner Scott shared that the CSU Endowment is small, but the Foundation targets fundraising around priorities, but the funding is not stable year over year. Student's ability to pay needs to be looked at.

Break

The workgroup took a ten minute break before reconvening.

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Discussion: Resource Categories and Considerations for Adequacy (continued)

Martha Snyder continued the conversation with the workgroup members. Increased state resources to the degree available, and how should they be directed based on resources received at the institution. Commissioner El-Amin shared that their institution only accepts students from within the state and there was discussion around how this impacts the funding. Some institutions have the same rate for in-state and out-of-state students, but there is a differential rate for international students. This has been happening more and more in states that have been hit hard with enrollment loss. In Illinois, these rates are approved by individual boards. It would be an interesting piece of data to know where this exists/doesn't.

Nate Johnson facilitated a conversation around student equity in the auxiliary categories (transportation, housing, food services). Some institutions do make a profit from these auxiliary areas that can be transferred to their general fund; other institutions may be in a position where this area causes money loss.

A student's ability to pay has equity implications. The quality of the student services are also only based on what they can fund. If trying to serve students that cannot afford housing and food service, maybe there is a public role in making these services available to students. Commissioner Scott shared that their food pantries would be reopening, a child development center will open in the Fall, health services offers full resources (including wellness assessments). All of these resources available are working to meet students where they are. Tuition resources will not cover every need.

Institutions with large teaching hospitals have different responsibilities and opportunities, with equity implications.

Public Comment

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

Prep for Meeting #3: What additional information/analysis is needed?

Martha Snyder opened up for the workgroup to provide any suggestions around what additional information or analysis is needed for the third workgroup meeting. The workgroup members shared that the conversation and walking through the framework was helpful. HCM would revise the framework and offer suggestions for subcategories for discussion at the third meeting.

Workgroup members asked for further information around tuition waivers. Workgroup members also asked for a copy of the report that Executive Director Ginger Ostro mentioned earlier in the meeting. Is there a breakdown of tuition differentials (per institution)?

Next Steps and Adjournment

The third meeting was scheduled for August 4, 2022 (1pm-4pm CT).

Workgroup Members in attendance

Lisa Castillo-Richmond
Zaldwaynaka "Z" Scott
Aondover Tarhule, designee for Terri Kinzy

ILLINOIS COMMISSION ON
EQUITABLE PUBLIC UNIVERSITY FUNDING

Vicky Gress, designee for Andreas Cangellaris
Jack Wuest
Eric Zarnikow
Dr. Wendi Wills El-Amin
David Glassman
Ketra Roselieb, designee for Guiyou Huang

Support Team Members in attendance

Ginger Ostro
Ja'Neane Minor
Jaimee Ray
Jerry Lazzara
Martha Snyder
Jimmy Clarke
Toya Barnes-Teamer
Nate Johnson
Katie Lynne Morton