Public Comments for October 20, 2022
Resources Workgroup Meeting
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Today I want to present three conceptual areas for consideration, then get a little into the weeds about important elements to think about in relation to shares.

In general, I like the idea of thinking about a shared responsibility model since it seems to be working on these issues at the right level and setting values for a formula. **But… why not use a shared responsibility model for the full funding formula?** It seems to me that what is needed here is **a state-level model**.

- While we do not seem to be following MN, it is not clear why this should only be applied to tuition-related prices. But, to me it is equally confusing about why we would use only an institution-level model (as discussed today).
- I urge the group to think about developing a state-level shared responsibility model.

The committee should **question the assumption of the intergenerational transfer of wealth.**

- It is not clear that this assumption should continue today.
- It is not the lived experience of most students today (President Gibson made this point well).
- Perhaps this is not an area to follow the feds on.
- Can we develop a system like the UK that full considers college students to be adults and sets tuition/grants/loans as though only the generation attending college is paying for college?

I agree with the representative from ISAC that it is important to also think about **time** in this model. The misalignment of timing between institutional time horizons and state annual budgeting is a problem for higher education. It is also a problem for students who need funding throughout their degree programs. Thinking about funding over time and ensuring student support beyond the freshmen year is very important.

Looking into the weeds, I think there is the need for more thought about which items fall into which "share". Thinking about who pays for aid is different than thinking about where the support is targeted.

- [For instance, in the MN model, it is odd to count Pell counts as taxpayer, but institutional aid counts as student share.]
- I think a clearer decision is needed if voucherized aid (where students vote with their feet – MAP and Pell) is a student resource or a resource from the state or feds.
- Counting institutional aid as part of the student share would likely incentivize institutional merit-aid over need-based aid. The group should be careful about incentives with type of aid if a goal is to increase equity.
- Likewise, I think there needs to be a clearer decision if institutional aid is an institutional or student contribution.

There is a need to think about how shares are met.

- It is not the same to meet a student obligation through **grants as opposed to loans**.

- Also, some thought is needed about institutions with **no loan programs** – Illinois Commitment, the Huskey promise, etc.
- **AIM High** money should also be included, but it is not clear if this is a state contribution or an institutional one.
- **Tuition discounting** needs to be considered. It is not student aid, but rather forgone income. It does reduce costs for students, but does not have the same impact on institutional operations as do funded institutional aid programs (like from donors).

Likewise, this seems to **undercount the "state share"** since the state is funding both direct institutional appropriations and state student aid (and the new baby bonds (529 plans)).

It is important to consider these issues in light of **need-blind admissions policies**. Something that to me seems important to maintain in our public institutions to maintain equity.

The formula needs to **reflect the federal laws about how institutions package aid**. Institutions are limited in how they can appropriate grants, loans, and institutional aid.

Under this model would there be incentives for institutions to stop playing "**Robinhood**" to "recycle" tuition into student aid to support low-income students? For decades this has been essential to providing access for low-income students with institutional aid, but there are important ethical considerations with this approach.

- Providing incentives to move away from "recycling" tuition would be pushing for a more expensive model for the state, but might have value as we think about which stakeholder has primary responsibility for ensuring access for low-income students and advancing equity.

Finally, I am concerned to see the continued use of the adequacy figure on slide 8 of today's slide deck. It still shows equal weighting of tuition and state support for achieving adequacy. This provides incentives for institutions to raise tuition. These revenue streams are not the same from the point of view of students and families. Nor are they equal in terms of what they mean for advancing equity or affordability. There is a need for different conceptual framing here.