

IL Funding Commission
Technical Workgroup meeting
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Public Comment
Jennifer A. Delaney

Thank you for the opportunity to offer public comment. I want to address some of the details that were raised today. First, I address the proposal to use tiers, then I move on to thinking about the proposed recommendations on MAP. Finally, I offer some general reflection on student aid and how values are reflected in the formula.

Proposal to use tiers

The tiered approach does not make sense within the context of a higher education funding formula. In this context, it flags some campuses as being preferred and others not.

In the K-12 formula the state is serving the role of “leveling up” total spending after local funds are collected. The tiers reflect those school districts with the least local support. By contrast, in higher education, *all* money is state money. Therefore, creating tiers indicates that there are “favorite children” among the campuses in the state. To me this does not seem like a policy approach that would be wise to take.

More broadly, I will reflect that earlier in the summer it seemed like the discussion was shifting to a place where there was better understanding of higher education finance. The discussion of tiers today seems like the group is back to using a “cookie cutter” approach in applying K-12 model to higher education. My observations over more than 15 years studying state support for higher education is that K-12 models are nearly always inadequate to capture the complexity and ambitions of higher education institutions.

Recommendations on MAP

MAP is not included in the funding formula since it is budgeted separately from state general appropriations for institutions. However, recommendations seem warranted since affordability cannot be addressed in the formula without accounting for the state’s large need-based grant aid program.

I support the recommendation about allowing MAP to act like Pell to cover up to the full cost of attendance beyond tuition and fees.

However, the group will need to think through what this would mean for the other institutions that receive MAP funds especially community colleges, private, non-profit institutions and for-profit institutions. Fundamentally, allowing room and board to be covered by MAP will increase the award amounts received by students. This will especially be true at community colleges which has the potential to lead us back to a period where rationing is needed to allocate MAP awards. As an illustration, many students who would receive the max MAP award based on family income actually receive a lower amount capped at tuition when they attend community

college. This opens up funds for other students to receive MAP awards, so allowing MAP to apply to room and board costs at community colleges will reduce the total number of students who can receive awards. This is not a reason to abandon the recommendation, but rather encouragement to think through implications as part of the process of moving forward.

- One possibility to consider is a mechanism akin to a negative Pell award for MAP that would direct more than tuition and fees to the most needy students, but with the amount capped and consistent across campuses regardless of cost of attendance. There is space between the full cost of attendance and tuition and fees that might be able to be used to support low-income students and to accommodate political issues.

I would additionally like to see a recommendation that MAP awards are granted earlier, so there is more certainty for students that they will receive awards. Waiting until after someone is admitted to an institution is too late to know that an award will come through.

In addition, there maybe other policies that are not specifically within the purview of the funding commission that would benefit from policy recommendations – like capital, deferred maintenance (if not otherwise included), dedicated revenue streams, hospitals (depending on this how is incorporated or not in the formula), etc.

General reflections on student aid

It seems like there is still not conceptual clarity if student aid is a student or federal/state resource. This needs to be resolved as it will help clarify how these resources are considered within the formula.

Some of the rhetoric around student aid makes it seem like the focus of state funds is on middle class students, which does not obviously align with equity concerns. If low-income students are “covered” with MAP and Pell, then state funding does not go to this group and instead would move up the student income distribution. I think it is important to think about how the value of enhancing equity relates to the mechanics of which types of students would be targeted in the formula to receive state subsidies.

Nearly all of the discussion on student aid is focused on undergraduates, but this leaves out many students with different types of aid. I think the functionality of the formula needs to better reflect enrollments at campuses, especially graduate students.

An overall general reflection

It would be helpful if the group could separate out value questions (what should happen) from mechanical questions. Too often mechanics seem to be taking over and important value judgements are not settled.