IL Funding Commission
Technical Workgroup Meeting
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Public Comment
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Thank you for the opportunity to offer public comment. I am Jennifer Delaney a professor of higher education at the University of Illinois Urbana-Champaign. I appreciate the opportunity to offer public comment today.

Today, I want to address a number of topics including the equitable student share discussion, ESS affordability adjustment, and diverse faculty recruitment.

Equitable Student Share

By including student financial aid in the student share, the ESS is fundamentally a regressive calculation. Effectively, ESS taxes low-income students for receiving need-based student aid. Those student groups who bring need-based aid with them will look like they are adequately funded, but middle- and upper-income students without the need-based aid will look like they are not adequately funded so additional state funding is needed to subsidize these groups of students.

It seems like the adjustment for Pell and MAP are then being used to adjust for the inclusion of financial aid in the formula. This does not change the fundamental regressive nature of the approach. Related to this, I want to raise five issues that did not come out in the discussion from the group today.

First, is to be sure that the adjustment is equal to or more than the Pell and MAP adjustment. It does look like this issue has been considered. However the averages hide a lot and create skewedness in predictable ways. This could be driven by student type. If institutions enroll more zero-EFC students (to use an old financial aid term), then they would be underfunded since these students receive the maximum Pell amount, not the average amount. It is also possible to have a lot of Pell students who receive only partial awards that would receive too much funding than institutions that have more Pell students closer to the average award amount. This could be driven by institutional type with those institutions that serve more part-time students benefiting by the use of averages.

Second, this causes a conceptual issue for the other groups that are intended to receive an adjustment, but do not bring specific aid with them – URM, EBF, Adult, and Rural students. If there are some target groups that receive true "bonus" funding and other target groups where the ESS is backfilled by student aid, then those groups that bring in "bonus" funding would be more attractive students to institutions than those that are low-income.

At the last technical workgroup meeting, I raised the issue of what it signals to students to use different percentages for different types of student groups. It is not clear that it is meaningful to use different amounts since it is not clear that some targeted groups should be shown to hold more value than others. This concern is only exacerbated by the different intentions of what these adjustments will do in the formula.

Third, I want to recommend that, if this approach is taken, that the formula include a specific year-to-year adjustment tie to Pell and MAP, especially given promises about increasing MAP grants in the future. If the values of these scholarships increase, then the Pell and MAP amounts should also be increased in the formula to not short-change these students.

Fourth, I want to echo the comments from President Mahoney about the use of no loan programs at Illinois institutions. It is not clear how having "free tuition" programs, like Illinois Commitment or the programs at the two Southern campuses, interact with this approach. Most of these programs are dependent on institutional aid since they operate as last dollar programs. It seems likely that this approach in the formula will make it more difficult for institutions to meet these commitments. This will also be true with the state truth-in-tuition law, which I addressed in my public comments at the last meeting. Instead, I encourage the group to think about ways to directly encourage institutions to spend institutional aid in ways that support low-income students and enhance equity.

Finally, I will point out that a different approach would be to make the ESS calculation *not* be regressive so these adjustments would not be needed.

ESS Affordability Adjustment

It seems like this will not be used going forward, however, I would like to make two broad comments about the approach.

I encourage the group to use more consistency in identifying low-income students in the formula. At some points of the formula, Pell and MAP are used. In this proposal a $30,000 threshold is used. These are not entirely the same populations. Fundamentally using different definitions of low-income in the formula will create unintended consequences for some groups of low-income students (like those with family incomes between $30-40k). It is not recommended to build-in this "weirdness" in the formula.

What does a reduction of ESS mean for institutions? Doesn't this mean that institutions that offer low or free tuition would be the most constrained in their tuition increases? It is not clear if creating differences across institutions in their ability to raise tuition within the ESS calculation is productive.

Diverse Faculty Recruitment

I think it is important that these funds can be used for both recruitment and retention. Most of the discussion today only focused on recruitment.

I also wanted to comment on the idea of substituting including this item in the formula with the DFI program. The DFI program currently only funds students pursuing degrees in Illinois institutions. This limits the pool of future faculty that are eligible for these funds. Also, the funding goes towards supporting expenses during degree programs. These funds are “paid back” by years of service as a faculty member at an Illinois institution. With this structure, funding would not go directly to institutions to help with recruitment or retention.