
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #21

Welcome to the December 14, 2023 meeting of the Technical Modeling Workgroup. The meeting will begin at 9:00 a.m.

Members of the general public will remain muted throughout the meeting and will have the opportunity to comment during the public comment period. To make a comment, please leave your name and the organization you represent in the Q&A section by 10:45 a.m. We will call on you during the public comment period and ask that you keep your remarks to under three minutes.

ILLINOIS COMMISSION ON

EQUITABLE PUBLIC UNIVERSITY FUNDING

Welcome & Agenda Overview

ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

- 9:00 am Welcome & Agenda Overview
 - 9:05 am Action: Approval of Minutes from November 30, 2023
 - Workgroup Meeting
 - 9:15 am Faculty Diversity
 - 9:30 am Graduate Student Costs
 - 9:45 am ESS Subsidy Levels & Financial Aid
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ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

- 10:25 am Allocation Formula
 - 11:05 am Other Resources
 - 11:20 am Public Comment
 - 11:25 am Plan for Subsequent Meetings
 - 11:30 am Next Steps & Adjournment
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ILLINOIS COMMISSION ON
EQUITABLE PUBLIC UNIVERSITY FUNDING

Action: Approval of minutes from
November 30, 2023 Workgroup
Meeting

ILLINOIS COMMISSION ON

EQUITABLE PUBLIC UNIVERSITY FUNDING

Faculty Diversity Adjustment

Faculty Diversity Adjustment

Options:

1. Leave as is. This is something all institutions should be doing and is part of the concept of an adequate and equitable education.
2. Target the adjustment. Tie the funds to the percent of BIPOC faculty to create better incentives. Institutions with higher shares of faculty of color get more per student.
3. Remove entirely. The formula cannot adequately incentivize or ensure that institutions address this important issue, and it should be funded through a separate initiative.

Possible adjustment to Option 2: Include all staff, not just faculty

Option 2 – Target the Adjustment

Adequacy Gap - Delta from Baseline to Option 2

Institution	Adequacy Target	Resource Profile	Adequacy Gap	Percent of Adequacy Target Funded
Chicago State University	\$2,268,889 -	\$0 =	\$2,268,889	-2.2%
Eastern Illinois University	-\$729,600	\$0	-\$729,600	0.3%
Governors State University	\$2,034,040	\$0	\$2,034,040	-0.8%
Illinois State University	-\$4,701,540	\$0	-\$4,701,540	0.5%
Northeastern Illinois University	\$2,295,296	\$0	\$2,295,296	-0.6%
Northern Illinois University	-\$2,433,175	\$0	-\$2,433,175	0.3%
Southern Illinois University Carbondale	-\$1,277,624	\$0	-\$1,277,624	0.4%
Southern Illinois University Edwardsville	\$485,684	\$0	\$485,684	-0.1%
University of Illinois at Chicago	\$3,800,992	\$0	\$3,800,992	-0.3%
University of Illinois at Springfield	-\$906,149	\$0	-\$906,149	0.7%
University of Illinois at Urbana / Champaign	\$2,057,813	\$0	\$2,057,813	-0.2%
Western Illinois University	-\$1,417,472	\$0	-\$1,417,472	0.4%
Illinois	\$1,477,153	\$0	\$1,477,153	0.0%

Option 3 – Remove Entirely

Adequacy Gap - Delta from Baseline to Option 3

Institution	Adequacy Target	Resource Profile	Adequacy Gap	Percent of Adequacy Target Funded
Chicago State University	-\$998,311	\$0 =	-\$998,311	1.0%
Eastern Illinois University	-\$2,675,199	\$0	-\$2,675,199	1.0%
Governors State University	-\$1,864,537	\$0	-\$1,864,537	0.8%
Illinois State University	-\$8,619,491	\$0	-\$8,619,491	0.9%
Northeastern Illinois University	-\$2,524,826	\$0	-\$2,524,826	0.6%
Northern Illinois University	-\$6,691,232	\$0	-\$6,691,232	0.9%
Southern Illinois University Carbondale	-\$4,684,622	\$0	-\$4,684,622	1.4%
Southern Illinois University Edwardsville	-\$5,342,520	\$0	-\$5,342,520	1.0%
University of Illinois at Chicago	-\$13,936,972	\$0	-\$13,936,972	1.0%
University of Illinois at Springfield	-\$1,661,273	\$0	-\$1,661,273	1.3%
University of Illinois at Urbana / Champaign	-\$22,635,939	\$0	-\$22,635,939	1.7%
Western Illinois University	-\$3,118,439	\$0	-\$3,118,439	1.0%
Illinois	-\$74,753,361	\$0	-\$74,753,361	1.2%

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Graduate Student Adjustments

Graduate Student Adjustments

TWG Feedback: The formula does not provide sufficient equity adjustments for graduate students.

Grad student eligibility for some adjustments is somewhat limited by data availability (e.g., income) and applicability (e.g., age).

Access	Acad/Non-Acad Supports	Faculty Diversity	Increasing Diversity in High-Cost Programs	Equitable Student Share
No	Yes (lower amounts)	Yes	Yes	URM Grads

Graduate Student Adjustments

Proposal: Increase the amounts that graduate URM students receive for Acad/Non-Academic Support to match undergrads of the same race.

Black and AI/AN grad students would go from \$4,000 to \$6,000; Hispanic, 2+ Races, and NHOPI would go from \$2,000 to \$4,000.

UG – High \$6,000	UG – Medium \$4,000	Grad – Medium \$4,000	Grad – Low \$2,000
Black AI/AN	Hispanic 2+ Races NHOPI	Black AI/AN	Hispanic 2+ Races NHOPI

Increasing Graduate Adequacy

Adequacy Gap - Delta from Baseline

Institution	Adequacy Target	Resource Profile	Adequacy Gap	Percent of Adequacy Target Funded
Chicago State University	\$1,535,733 -	\$0 =	\$1,535,733	-1.5%
Eastern Illinois University	\$462,400	\$0	\$462,400	-0.2%
Governors State University	\$1,723,200	\$0	\$1,723,200	-0.7%
Illinois State University	\$862,667	\$0	\$862,667	-0.1%
Northeastern Illinois University	\$1,410,067	\$0	\$1,410,067	-0.4%
Northern Illinois University	\$1,858,267	\$0	\$1,858,267	-0.2%
Southern Illinois University Carbondale	\$1,144,000	\$0	\$1,144,000	-0.3%
Southern Illinois University Edwardsville	\$1,020,067	\$0	\$1,020,067	-0.2%
University of Illinois at Chicago	\$6,692,000	\$0	\$6,692,000	-0.5%
University of Illinois at Springfield	\$542,000	\$0	\$542,000	-0.4%
University of Illinois at Urbana / Champaign	\$5,245,333	\$0	\$5,245,333	-0.4%
Western Illinois University	\$648,000	\$0	\$648,000	-0.2%
Illinois	\$23,143,733	\$0	\$23,143,733	-0.4%

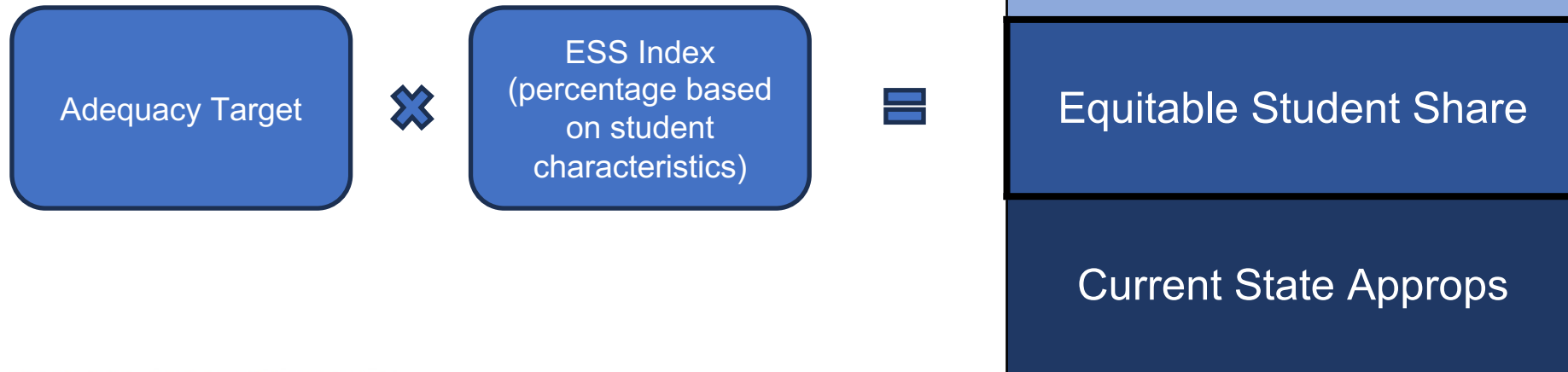
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Equitable Student Share
Subsidy Levels and Financial Aid

Equitable Student Share – Framework

ESS represents a reasonable and affordable amount a university is expected to generate through tuition and fees based on the characteristics of its student body. ESS would be calculated by applying subsidy rates – tied to characteristics of a university's student body - to the adequacy target.

The greater the share of high-subsidy student groups (e.g., low-income, underrepresented minority) a university enrolls, the lower its ESS.



Equitable Student Share – Factoring in Financial Aid

- ESS represents an estimate of the reasonable and affordable amount a university can generate through tuition and fees based on the characteristics of its student body.
- ESS represents all tuition and fees revenue that students bring with them from an external source to the institution, regardless of source. *It is net of institutional aid since that is not an external source.*
 - Avoids problematic incentives of financial aid recipients increasing a university's ESS.
 - Recognizes the complex institutional decisions that go into financial aid packaging.
 - Maintains the incentive to enroll low-income students and enables universities to lower tuition.

Equitable Student Share – Institutional Aid

- Institutional aid is essentially “off-formula” for the purpose of the adequacy target
 - Institutions account for their own aid very differently, but for this purpose it is not an expenditure and has no effect on the formula
 - Whether an institution charges a student \$5,000 with no aid or \$50,000 with a \$45,000 scholarship, it has a net \$5,000 to spend on adequacy
 - The ESS estimate is based on the net amount expected for the student population profile
 - Institutions can raise this amount however they wish, with or without aid/discounts

Equitable Student Share – Institutional Aid

- What if a university wants to increase institutional aid by \$5m?
- The current proposal would not directly affect such a decision, which is already a complicated one and would continue to be. The key questions would continue to be:
 - Would increasing aid help raise more net tuition revenue? E.g. would increasing aid \$5m help bring in \$6m in gross tuition for a net gain of \$1m?
 - If the increased aid would not pay for itself, how would the institution make up for the reduction in net tuition revenue?

Equitable Student Share – Pell & MAP

- The ESS subsidy levels currently provide a 50% subsidy for a Pell or MAP recipient. Equivalent to about ~\$10,300 of the average base cost.
- The average Pell Grant is \$4,700; the average MAP Grant is \$4,300.
- A school that enrolls a Pell/MAP student gets a double incentive: a lower ESS index = a higher state share, while also receiving the grant funds.
- Schools could use those grant funds to reduce room & board costs for Pell/MAP students, increase services, or reduce other students' tuition.

- Is this double incentive perhaps too steep?
- Does not accounting for MAP make it more difficult for legislators to strategically invest in and address affordability?

Equitable Student Share – Pell & MAP

Alternative: Include MAP revenue in each school's ESS - calculate ESS using the ESS Index, then add actual MAP funds.

- To keep the ESS total at a reasonable level, both statewide and at each institution, the base in-state subsidies are increased.
- The state has two ways of addressing affordability, through MAP and through the funding formula. By accounting for MAP funds into the formula, that investment in affordability will be reflected in adequacy gaps.
- Pell Grants are kept out partly because they can be used for non-tuition and fees costs, which are outside of adequacy, and would therefore be difficult to parse out the right amounts to include.

Equitable Student Share – Pell & MAP

Alternative

		Base	URM	Low-Income	EBF	Adult	Rural
In-State	Undergrad	30 40 %	+50%	+50%	+10%	+25%	+10%
	Grad	15 20 %	+50%				
Out-of-State	Undergrad	10%	+25%				
	Grad	0%	+25%				

	ESS Index			Total ESS			Adequacy Gap	
	Baseline	Alternative		Baseline	Alternative		Baseline	Alternative
Chicago State University	26.5%	28.8%		\$14,305,612	\$15,535,780		\$20,012,871	\$18,782,703
Eastern Illinois University	42.2%	44.5%		\$52,803,953	\$55,654,138		\$66,753,996	\$63,903,811
Governors State University	33.7%	35.3%		\$28,153,293	\$29,465,347		\$59,635,518	\$58,323,463
Illinois State University	42.4%	41.4%		\$165,785,813	\$161,807,344		\$234,399,775	\$238,378,244
Northeastern Illinois University	26.2%	29.0%		\$30,501,990	\$33,797,818		\$96,491,379	\$93,195,551
Northern Illinois University	39.0%	40.2%		\$126,077,740	\$130,070,952		\$187,745,918	\$183,752,706
SIU-Carbondale	49.8%	48.9%		\$122,595,775	\$120,320,999		\$30,753,929	\$33,028,705
SIU-Edwardsville	49.8%	47.4%		\$130,977,723	\$124,595,679		\$133,280,716	\$139,662,760
U of I at Chicago	44.2%	45.8%		\$319,281,899	\$330,980,359		\$321,724,914	\$310,026,454
U of I at Springfield	51.0%	50.8%		\$39,102,152	\$38,886,091		\$27,802,728	\$28,018,789
U of I at Urbana/Champaign	66.6%	65.9%		\$744,260,895	\$736,580,474		\$110,876,434	\$118,556,855
Western Illinois University	44.0%	46.3%		\$65,854,453	\$69,371,569		\$75,892,247	\$72,375,132
Grand Total	50.0%	50.3%		\$1,839,701,298	\$1,847,066,550		\$1,365,370,426	\$1,358,005,173

Equitable Student Share – Revising Subsidy Levels

TWG Suggestions:

- 1) Remove rural subsidy
- 2) Make EBF Tier 2 conditional on low-income
- 3) Increase grad student subsidies

Higher Grad Subsidies		Base	URM	Low-Income	EBF	Adult	Rural
In-State	Undergrad	30%	+50%	+50%	+10%	+25%	+10%
	Grad	15 5 ²⁵ %	+50%				
Out-of-State	Undergrad	10%	+25%				
	Grad	0 5 ⁵ %	+25%				

Increased Grad Student Base Subsidies

	ESS Index			Total ESS		Change in Percent of Adequacy Target Funded
	Baseline	Higher Grad Subs		Baseline	Higher Grad Subs	
Chicago State University	26%	23%		\$14,305,612	\$12,461,974	-2.5%
Eastern Illinois University	42%	40%		\$52,803,953	\$50,087,507	-1.6%
Governors State University	34%	30%		\$28,153,293	\$25,386,559	-2.5%
Illinois State University	42%	41%		\$165,785,813	\$161,607,334	-0.9%
Northeastern Illinois University	26%	24%		\$30,501,990	\$27,896,356	-1.6%
Northern Illinois University	39%	37%		\$126,077,740	\$118,948,560	-1.7%
SIU-Carbondale	50%	48%		\$122,595,775	\$117,215,126	-1.8%
SIU-Edwardsville	50%	48%		\$130,977,723	\$125,864,620	-1.6%
U of I at Chicago	44%	41%		\$319,281,899	\$298,876,220	-2.2%
U of I at Springfield	51%	48%		\$39,102,152	\$36,848,829	-2.4%
U of I at Urbana/Champaign	67%	64%		\$744,260,895	\$717,787,097	-2.1%
Western Illinois University	44%	42%		\$65,854,453	\$62,725,767	-1.6%
Grand Total	50%	48%		\$1,839,701,298	\$1,755,705,950	-1.9%

Remove Rural

	ESS Index			Total ESS		Change in Percent of Adequacy Target Funded
	Baseline	No Rural		Baseline	No Rural	
Chicago State University	26%	26%		\$14,305,612	\$14,311,703	0.0%
Eastern Illinois University	42%	44%		\$52,803,953	\$55,417,134	1.6%
Governors State University	34%	34%		\$28,153,293	\$28,189,826	0.0%
Illinois State University	42%	43%		\$165,785,813	\$168,715,984	0.6%
Northeastern Illinois University	26%	26%		\$30,501,990	\$30,507,835	0.0%
Northern Illinois University	39%	39%		\$126,077,740	\$127,195,362	0.3%
SIU-Carbondale	50%	51%		\$122,595,775	\$125,767,168	1.1%
SIU-Edwardsville	50%	51%		\$130,977,723	\$134,761,772	1.2%
U of I at Chicago	44%	44%		\$319,281,899	\$319,530,006	0.0%
U of I at Springfield	51%	52%		\$39,102,152	\$39,648,373	0.6%
U of I at Urbana/Champaign	67%	67%		\$744,260,895	\$747,008,012	0.2%
Western Illinois University	44%	46%		\$65,854,453	\$68,196,828	1.2%
Grand Total	50%	51%		\$1,839,701,298	\$1,859,250,003	0.4%

Make EBF Tier 2 Conditional on Low-Income

	ESS Index			Total ESS		Change in Percent of Adequacy Target Funded
	Baseline	EBF & Low-Income		Baseline	EBF & Low-Income	
Chicago State University	26%	26%		\$14,305,612	\$14,3016,271	0.0%
Eastern Illinois University	42%	44%		\$52,803,953	\$54,607,462	1.1%
Governors State University	34%	35%		\$28,153,293	\$29,025,043	0.8%
Illinois State University	42%	47%		\$165,785,813	\$184,830,329	4.0%
Northeastern Illinois University	26%	27%		\$30,501,990	\$31,166,305	0.4%
Northern Illinois University	39%	41%		\$126,077,740	\$133,150,800	1.7%
SIU-Carbondale	50%	52%		\$122,595,775	\$128,544,540	2.0%
SIU-Edwardsville	50%	52%		\$130,977,723	\$137,117,460	1.9%
U of I at Chicago	44%	45%		\$319,281,899	\$324,625,679	0.6%
U of I at Springfield	51%	53%		\$39,102,152	\$40,871,208	1.9%
U of I at Urbana/Champaign	67%	67%		\$744,260,895	\$750,576,211	0.5%
Western Illinois University	44%	46%		\$65,854,453	\$68,583,394	1.4%
Grand Total	50%	52%		\$1,839,701,298	\$1,897,414,701	1.3%

All Three Combined

	ESS Index			Total ESS		Change in Percent of Adequacy Target Funded
	Baseline	All Three		Baseline	All Three	
Chicago State University	26%	23%		\$14,305,612	\$12,478,724	-2.5%
Eastern Illinois University	42%	44%		\$52,803,953	\$54,504,198	1.0%
Governors State University	34%	31%		\$28,153,293	\$26,294,841	-1.7%
Illinois State University	42%	47%		\$165,785,813	\$183,582,021	3.7%
Northeastern Illinois University	26%	25%		\$30,501,990	\$28,566,516	-1.2%
Northern Illinois University	39%	39%		\$126,077,740	\$127,139,243	0.3%
SIU-Carbondale	50%	51%		\$122,595,775	\$126,335,284	1.3%
SIU-Edwardsville	50%	52%		\$130,977,723	\$135,788,406	1.5%
U of I at Chicago	44%	42%		\$319,281,899	\$304,468,107	-1.6%
U of I at Springfield	51%	51%		\$39,102,152	\$39,164,105	0.1%
U of I at Urbana/Champaign	67%	65%		\$744,260,895	\$726,849,530	-1.4%
Western Illinois University	44%	45%		\$65,854,453	\$67,797,083	1.0%
Grand Total	50%	50%		\$1,839,701,298	\$1,832,968,057	-0.2%

Equitable Student Share – Revising Subsidy Levels

TWG Suggestions:

- 1) Remove rural subsidy
 - 2) Make EBF Tier 2 conditional on low-income
 - 3) Increase grad student subsidies
- Do you support putting forward these changes to the Commission for consideration? Any concerns?

Equitable Student Share – Affordability Adjustment

Current Model: Includes an adjustment to ESS to incentivize institutions to address affordability for lowest-income students, including non-tuition and fees costs.

How it works: Institutions where the net price for students with family incomes between \$0-\$30k is less than \$9,400 receive a 5% reduction of their ESS. The \$9,400 threshold is the average of the 25th percentile in IL and the national median.

Why: ESS enables institutions to lower tuition, with the state backfilling as it moves toward full funding, but it doesn't incentivize affordability. This approach also is the only part of the formula that addresses non-tuition and fees costs.

Equitable Student Share – Affordability Adjustment

Institution Name	3 yr Avg Net Price - \$0-\$30k income, TIV recipients	2024 Preliminary ESS	2025 Affordability Incentive (5% of Preliminary)	2024 Final ESS
Chicago State University	\$10,696	\$14,305,612	\$0	\$14,305,612
Eastern Illinois University	\$11,250	\$52,803,953	\$0	\$52,803,953
Governors State University	\$9,078	\$28,153,293	\$1,407,665	\$26,745,628
Illinois State University	\$14,008	\$165,785,813	\$0	\$165,785,813
Northeastern Illinois University	\$13,819	\$30,501,990	\$0	\$30,501,990
Northern Illinois University	\$12,423	\$126,077,740	\$0	\$126,077,740
Southern Illinois University-Carbondale	\$12,713	\$122,595,775	\$0	\$122,595,775
Southern Illinois University-Edwardsville	\$8,074	\$130,977,723	\$6,548,886	\$124,428,837
University of Illinois Chicago	\$9,979	\$319,281,899	\$0	\$319,281,899
University of Illinois Springfield	\$9,826	\$39,102,152	\$0	\$39,102,152
University of Illinois Urbana-Champaign	\$5,329	\$744,260,895	\$37,213,045	\$707,047,850
Western Illinois University	\$11,736	\$65,854,453	\$0	\$65,854,453
Threshold	\$9,400	\$1,839,701,298	\$45,169,596	\$1,794,531,702

Equitable Student Share – Affordability Adjustment

- Does this serve an important role in the formula?
- Are there downsides to this approach?
- Are there other ways that the formula, or other levers, could address affordability?

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EQUITABLE PUBLIC UNIVERSITY FUNDING

Allocation Formula

Allocation Formula

Options under consideration:

- 1) Guardrail + Adequacy gap percentage
- 2) Guardrail + Adequacy gap percentage and total dollars
- 3) Guardrail + Tiers based on adequacy gap percentage

The Allocation topic team is converging on Option 2.

- Option 1 requires very large increases in state funding to before all institutions are funded at least at inflation and leaves the large \$ gap institutions further behind.
- Option 3 produces very similar results to Option 2, but Tiers may be harder to communicate and understand.
- Option 2 starts to reduce adequacy gaps at every institution earlier than the other options.

Allocation Formula

Questions:

- What size should the guardrail be?
- Should the allocation formula be the same in all funding/inflation scenarios, specifically when there is a cut in state appropriations?

Allocation Formula - Guardrail

The guardrail functions the same in all options:

- Equal to inflation **or** half of the state appropriation increase, whichever is less.
Example: Inflation is 3%, State Approp increase is 4% → 2% guardrail
- A “guardrail factor” adjusts the share of funds that go through the guardrail.

Inflation = 3%; State Approp Inc = 4%		
Guardrail Factor	Percent of Formula Allocated by Guardrail	Guardrail Increase
50%	25%	1.0%
66%	33%	1.3%
75%	38%	1.5%
100%	50%	2.0%

Allocation Formula - Option 2

Guardrail + Share of Adequacy Gap % + Share of Adequacy Gap \$

Institution	Guardrail Increase	Guardrail Allocation	% of Gap Unfunded	% Gap Share Increase	% Gap Allocation	Adequacy Gap	\$ Gap Share Increase	\$ Gap Allocation	Total Allocation
Chicago State University	3.00%	\$1,184,797	27%	6.2%	\$1,055,459	\$20,012,871	1.5%	\$251,136	\$2,491,392
Eastern Illinois University	3.00%	\$1,289,375	40%	9.2%	\$1,580,532	\$66,753,996	4.9%	\$837,678	\$3,707,585
Governors State University	3.00%	\$719,002	53%	12.2%	\$2,082,518	\$59,635,518	4.4%	\$748,350	\$3,549,871
Illinois State University	3.00%	\$2,158,999	49%	11.2%	\$1,916,176	\$234,399,775	17.2%	\$2,941,421	\$7,016,596
Northeastern Illinois University	3.00%	\$1,102,575	59%	13.4%	\$2,294,900	\$96,491,379	7.1%	\$1,210,845	\$4,608,320
Northern Illinois University	3.00%	\$2,722,736	46%	10.5%	\$1,797,511	\$187,745,918	13.8%	\$2,355,974	\$6,876,221
Southern Illinois University Carbondale	3.00%	\$4,069,800	10%	2.4%	\$406,703	\$30,753,929	2.3%	\$385,923	\$4,862,426
Southern Illinois University Edwardsville	3.00%	\$1,906,316	41%	9.2%	\$1,583,026	\$133,280,716	9.8%	\$1,672,505	\$5,161,846
University of Illinois at Chicago	3.00%	\$7,585,212	35%	8.1%	\$1,380,169	\$321,724,914	23.6%	\$4,037,241	\$13,002,622
University of Illinois at Springfield	3.00%	\$748,039	30%	6.8%	\$1,171,396	\$27,802,728	2.0%	\$348,889	\$2,268,325
University of Illinois at Urbana / Champaign	3.00%	\$9,242,968	9%	2.0%	\$348,296	\$110,876,434	8.1%	\$1,391,359	\$10,982,623
Western Illinois University	3.00%	\$1,537,528	39%	8.9%	\$1,516,988	\$75,892,247	5.6%	\$952,352	\$4,006,867
Illinois		\$34,267,347			\$17,133,674			\$17,133,674	\$68,534,694

Scenario: Guardrail Factor = 100%; State Approp Inc = 6%; Inflation = 3%

Allocation Formula - Option 2

Guardrail + Share of Adequacy Gap % + Share of Adequacy Gap \$

Institution	Guardrail Increase	Guardrail Allocation	% of Gap Unfunded	% Gap Share Increase	% Gap Allocation	Adequacy Gap	\$ Gap Share Increase	\$ Gap Allocation	Total Allocation
Chicago State University	2.00%	\$789,864	27%	6.2%	\$1,407,279	\$20,012,871	1.5%	\$334,848	\$2,531,991
Eastern Illinois University	2.00%	\$859,582	40%	9.2%	\$2,107,377	\$66,753,996	4.9%	\$1,116,905	\$4,083,864
Governors State University	2.00%	\$479,334	53%	12.2%	\$2,776,693	\$59,635,518	4.4%	\$997,801	\$4,253,828
Illinois State University	2.00%	\$1,439,331	49%	11.2%	\$2,554,902	\$234,399,775	17.2%	\$3,921,897	\$7,916,130
Northeastern Illinois University	2.00%	\$735,049	59%	13.4%	\$3,059,868	\$96,491,379	7.1%	\$1,614,461	\$5,409,378
Northern Illinois University	2.00%	\$1,815,156	46%	10.5%	\$2,396,683	\$187,745,918	13.8%	\$3,141,300	\$7,353,139
Southern Illinois University Carbondale	2.00%	\$2,713,198	10%	2.4%	\$542,271	\$30,753,929	2.3%	\$514,564	\$3,770,033
Southern Illinois University Edwardsville	2.00%	\$1,270,876	41%	9.2%	\$2,110,702	\$133,280,716	9.8%	\$2,230,007	\$5,611,585
University of Illinois at Chicago	2.00%	\$5,056,803	35%	8.1%	\$1,840,226	\$321,724,914	23.6%	\$5,382,991	\$12,280,020
University of Illinois at Springfield	2.00%	\$498,692	30%	6.8%	\$1,561,862	\$27,802,728	2.0%	\$465,186	\$2,525,740
University of Illinois at Urbana / Champaign	2.00%	\$6,161,972	9%	2.0%	\$464,395	\$110,876,434	8.1%	\$1,855,146	\$8,481,514
Western Illinois University	2.00%	\$1,025,018	39%	8.9%	\$2,022,651	\$75,892,247	5.6%	\$1,269,803	\$4,317,472
Illinois		\$22,844,875			\$22,844,909			\$22,844,909	\$68,534,694

Scenario: Guardrail Factor = 67%; State Approp Inc = 6%; Inflation = 3%

Outputs of Option 2 - Target State Increases

Minimum State Increase for All Schools to Receive an Approp Increase >= Inflation			
Inflation	Factor: 50%	Factor: 67%	Factor: 100%
2%	6.30%	4.95%	3.40%
3%	9.45%	7.40%	5.05%
4%	12.60%	9.85%	6.75%
5%	15.80%	12.35%	8.40%
6%	19.00%	14.80%	10.10%

Minimum State Increase to Fully Fund Adequacy by Year 15		
Inflation	% Increase	\$ Increase
2%	7.5%	\$85,668,368
3%	8.7%	\$99,375,306
4%	9.9%	\$113,082,245
5%	10.7%	\$122,220,204
6%	11.8%	\$134,784,898

While the amounts to fully fund in 15 years are ambitious, the objective is to generate support for more annual spending for higher ed than would occur otherwise.

Outputs of Option 2 - Impact of Guardrail

Smallest Institutional Increase when State Approp is +2% of Inflation			
Inflation	Factor: 50%	Factor: 67%	Factor: 100%
2%	1.56%	1.82%	2.38%
3%	1.96%	2.28%	2.97%
4%	2.35%	2.74%	3.56%
5%	2.74%	3.19%	4.16%
6%	3.13%	3.65%	4.75%

Smallest Institutional Increase when State Approp is -1% of Inflation			
Inflation	Factor: 50%	Factor: 67%	Factor: 100%
2%	0.39%	0.46%	0.59%
3%	0.78%	0.92%	1.19%
4%	1.17%	1.38%	1.78%
5%	1.56%	1.84%	2.38%
6%	1.96%	2.29%	2.97%

A higher Guardrail Factor creates a higher floor and distributes more funding in an across-the-board manner.

Outputs of Option 2 - Impact of Guardrail

The guardrail ensures more institutions make progress towards reducing their adequacy gaps, but reduces the speed at which those least funded close their gaps.

Range in Institutions' Adequacy Gap %			
Year	Factor: 50%	Factor: 67%	Factor: 100%
Year 5	10%-45%	9%-46%	8%-48%
Year 10	10%-35%	9%-36%	7%-37%
Year 15	6%-26%	5%-27%	5%-25%

Measure of Variance - Sum of Absolute Value of Institution's Difference from Statewide Adequacy Gap			
Year	Factor: 50%	Factor: 67%	Factor: 100%
Year 5	128%	132%	142%
Year 10	91%	98%	115%
Year 15	75%	79%	87%

These scenarios assume a 6% state increase and 3% inflation.

Allocation Formula - State Funding Cuts

- The topic team has just begun exploring scenarios where state approps are cut.
- Option 2 generally provides smaller percentage cuts to those closest to adequately funded.
- Alternatives could be:
 - Across-the-board
 - Something that reflects the same priorities of how increases are distributed (cut least from those farthest from adequacy)

Allocation Formula - Cuts Under Option 2

	Factor: 100%			Factor: 50%			
Institution	% Change in State Approps	Share of \$ Cut	Cut Per Student	% Change in State Approps	Share of \$ Cut	Cut Per Student	ATB Cut Per Student
Chicago State University	-2.6%	4.5%	-\$434	-2.9%	5.0%	-\$484	-\$334
Eastern Illinois University	-2.7%	5.1%	-\$182	-3.0%	5.7%	-\$206	-\$136
Governors State University	-3.5%	3.7%	-\$190	-4.3%	4.5%	-\$231	-\$108
Illinois State University	-2.9%	9.1%	-\$102	-3.3%	10.5%	-\$118	-\$70
Northeastern Illinois University	-2.9%	4.7%	-\$181	-3.4%	5.5%	-\$209	-\$123
Northern Illinois University	-2.3%	9.2%	-\$132	-2.5%	9.8%	-\$141	-\$114
Southern Illinois University Carbondale	-1.6%	9.4%	-\$194	-1.4%	8.2%	-\$169	-\$244
Southern Illinois University Edwardsville	-2.6%	7.2%	-\$129	-2.9%	8.0%	-\$144	-\$100
University of Illinois at Chicago	-1.7%	19.1%	-\$132	-1.6%	17.6%	-\$121	-\$153
University of Illinois at Springfield	-3.6%	3.9%	-\$226	-4.4%	4.8%	-\$276	-\$127
University of Illinois at Urbana / Champaign	-1.4%	18.5%	-\$79	-1.1%	14.3%	-\$61	-\$115
Western Illinois University	-2.5%	5.6%	-\$174	-2.8%	6.2%	-\$192	-\$139
Illinois	-2.0%	100.0%	-\$129	-2.0%	100.0%	-\$129	-\$129

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Other Resources

Other Resources

Three options:

- 1) Count fundraising overhead as an adequacy cost
- 2) Count a portion of actual endowment (current model is 4.2%; could be dialed)
- 3) Base amount on estimated capacity for fundraising rather than actual amounts raised (e.g. size and estimated wealth of alumni base)

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Other Topics & Next Steps

Items To Be Discussed/Finalized

These topics/model components will guide our meeting agendas and work

- Benchmark adjustment
- ESS subsidy levels and groups
- Faculty diversity equity adjustment
- School Size and Concentration Factors
- Med/Doc premium
- Acad/Non-Acad Support amounts for grad students
- Other Resources: endowment/gifts
- Addressing Systems and SIU School of Medicine
- Headcount/FTE
- Auxiliaries: non T&F support
- O&M calculation

Implementation Topics

Accountability & Transparency

- Use of, or reporting on use of funds
- Accountability for or reporting on outcomes
- Other reporting requirements (e.g., institutional reports to IBHE; IBHE reports)

Formula Upkeep

- Review process (structure and timeline)
- Keeping components of the formula up to date (inflation, high-cost program list, etc)
- New data (low-income, first-gen, student parents)

Allocation Formula

- Formula for allocating new funds based on adequacy gaps
- Path to full funding
- Hold harmless implementation

Future Adequacy

- Should initial adequacy targets be based on a target/projected enrollment rather than current levels?
- Should the adequacy target include some amount for growth/innovation?

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Public Comment

Instructions for Members of the Public:

Please wait for your name to be called. Public comments will be limited to three (3) minutes per person.

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Plan for Subsequent Meetings

Next Steps

December 14	Technical Modeling Workgroup meeting
January 8	Commission meeting (11:30am-2:30pm CT)
January 11	Technical Modeling Workgroup meeting
January 25	Technical Modeling Workgroup meeting

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Adjournment

Next Workgroup Meeting: January 11, 2024
