
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Technical Modeling Workgroup Meeting #4 - February 16, 2023 (9am-11am CT)
Meeting Notes

MEETING OBJECTIVES

1. Discuss findings from Topic Teams on Instruction and Student Services and identify considerations for adjustments
2. Discuss options for mission components for adequacy
3. Review Equitable Student Share for resource calculations

Welcome & Agenda Overview

Martha Snyder 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. Snyder then provided an overview of the agenda.

Action: Approval of minutes from February 2, 2023 Workgroup Meeting

Andrew Rogers made a motion to approve the minutes from the February 2, 2023 workgroup meeting. Corey Bradford seconded the motion. All workgroup members present were in favor. Workgroup members were asked to provide an introduction and share their affiliation during the approval of minutes.

Overview of Workgroup/Review of Work Plan

Start with an Equity-Centered Adequacy Target

Martha Snyder walked through the conceptual model, similar to the K-12 EBF was shared on the screen as a reminder. Each institution will have an Adequacy Target, built from the components of what it costs for students to succeed and will vary based on student need. Equity adjustments will be made based on variable student need to reflect the priority of increasing more equitable access and success for historically underserved student populations. Adequacy will also consider research, service, and artistry missions. Cost for facilities operations and maintenance included, as well.

Conceptual Model

Identify Available Resources: include existing state funding as base, account for "expected tuition," and other resources, like endowment. "Expected tuition" rather than actual tuition helps address more equitable affordability.

State Funds fill in Gap in Resources: model to be developed, but goal to distribute new state investments to institutions with the greatest gap between equity-centered adequacy target and current available resources (state, expected tuition and other).

Mission (Research, Public Service & Artistry) and Equitable Student Share: Topic Team Check-ins

Mission (Research, Public Service & Artistry)

Commissioner Simón Weffer shared that there has been more success on the research side to use as benchmarks to provide guidance. The HERD survey from NSF has been helpful and the team plans to dive deeper to help build out the research component. Commissioner Weffer asked that if there were suggestions from the group, to please share/email these thoughts, especially around public service and artistry. Commissioner Weffer expected to have additional information, based on the HERD study, for the next meeting. Executive Director Ostro suggested looking at the Cost Study that includes data that IBHE compiles.

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An older version of the report is available on the IBHE website, and IBHE can circulate newer raw data.

Equitable Student Share

Commissioner Ralph Martire shared that they were trying to identify a very simple approach that identifies a student's individual capacity and reduces the amount that student is allocated to, based on factors (Pell grant status, high school attended (tier), traditionally disadvantaged minority, rurality). The more items that a student "has" the lower the expected student share would be. Corey Bradford shared that there was discussion around special appropriations that universities receive and looking at these areas that are not always transparent. How do system appropriations get allocated in also needs to be factored in, as the system is providing some benefit to institutions. There hasn't been much data available regarding endowment income: how is the income being used to advance students? Nate Johnson raised that there may be a fairly large number of students that the expected student share may be zero. Would it be simpler to come up with descriptors that outline which students fall into this category? Commissioner Robin Steans raised that it would be great if the tuition number that students see would be completely predictable, known and transparent. Commissioner Steans also raised that we need to be careful around fees which can be significant and maybe it would be best to include and understand better. Will Carroll shared that fees, endowments and other sources of revenue will be areas for new topic teams in the second half of this process. Commissioner Weffer also shared that fees are a way for institutions to increase revenue without specifically raising tuition. Mike Abrahamson echoed Commissioner Steans' idea of a "price tag" that is transparent and understandable to students. He also shared that there may be research available around fees. Sandy Cavi pointed out that some of the revenue streams mentioned may have compliance concerns; certain operations have revenues that cannot be used for general operating expenses. Executive Director Ostro shared it was important that if there are areas that don't make sense, the Commission could consider whether these areas could warrant recommendations as to whether it makes sense to keep.

Instruction and Student Services: Topic Team Report Outs & Discussion

Martha Snyder shared a chart with the Topic Teams as a reminder, as follows:

- Student Centered-Access: Sandy Cavi and Michael Moss
- Academic Supports: Robin Steans and Kim Tran
- Non-Academic Supports: Mike Abrahamson and Andrew Rogers
- Core Instructional Program Costs: Dan Mahony and Jeanette Malafa
- Research, Public Service & Artistry: Beth Ingram and Simón Weffer
- Equitable Student Share: Corey Bradford and Ralph Martire

Cross-Cutting Discussion Topics

Will Carroll walked through considerations for addressing status quo data: what years to use for enrollment and finance data?

- How to adjust for Adequacy
- How to adjust for Equity
 - $(\text{Costs or Expenditures} / \# \text{ of Students}) \times (\text{Adequacy Adjustment}) \times (\text{Equity Adjustment})$

Commissioner Steans shared a concern about only using current data and where that comes into the equation as an issue that needs to be approached consistently. Will Carroll shared that this could be placed in the "adequacy adjustment" area. This needs to be spelled out: how does it come in and how to spell it out. Commissioner Martire agreed with the

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comments. What are ways to get better data when systems are underfunded? Kim Tran echoed his agreement and noted that guidance on how to adjust for adequacy and equity will be very important. Sandy Cavi raised there is no easy answer to say who is adequately funded and there is quite a range of spending.

Student-Centered Access

Michael Moss and Sandy Cavi shared an updated spreadsheet on the screen, which outlines state appropriation, student contribution and how these factors all weave into a formula. The team outlined areas (instruction, public service, academic support, etc.) by each institution that can be sorted/filtered. Each different expenditure was used to come up with a cost per headcount baseline with the proposal of a worksheet for each team, focusing less on the baseline. What adjustments need to be made? How much would they cost per student? Modifiers could be layered in from the baseline. The spreadsheet allows for modeling out scenarios. Commissioner Weffer asked for clarification around the cost of new students, based on the spreadsheet. There was discussion around how the model was built out and what example costs/numbers were inserted for discussion. Mike Abrahamson raised the importance of adjustment to the enrollment. Commissioner Martire shared that the EBF creates a “typical school” which outlines each area and how to adjust. How can we take this data and build the cost for a typical university and build out costs accordingly? Corey Bradford recommended that the workgroup consider the average deviation +1.

The orange tabs in the shared spreadsheet are the adequacy areas. Michael Moss and Sandy Cavi were working to build out other areas, noting there was still a bit of work to continue to flesh out. Sandy Cavi asked whether MAP or Pell is a better measure to capture a larger population?

Academic Supports

Commissioner Steans and Kim Tran shared information they pulled together. When thinking about calculating adequacy:

- Create simple ratios using expenditures and enrollment from current IBHE data
- Utilize adjustments and premiums to factor in institutional and student need
- Calculate cost of evidence-based factors needed to reach agreed upon goals and benchmarks
- Add average baseline funding and premiums/adjustments to create an individualized funding per student

Cost Ratios: Cost Divided by Enrollment

- When using past expenditure data we are baking in the inequities amongst institutions from an inequitable formula and years of disinvestment. Should we be taking a cost ratio from high-performing IHEs as the baseline?
- If we choose to use current expenditures and enrollment to establish cost ratios we will need to consider the following:
 - How are we factoring in recent decreases in enrollment and building out towards adequacy?
 - Should we be using a historical water mark, small school adjustments, or future-state benchmarks (i.e., 85% graduation rate)?

Commissioner Steans shared a spreadsheet/slide around calculating an institution’s adequate funding needed per student for academic support bundles. Feedback was requested regarding whether this is the correct approach. Kim Tran raised a question

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around how to build a bundle that supports IBHE's strategic plan and supports individual institution's missions. To find the academic support bundle base, it could be adjusted based on factors such as: adult student, STEM major, transfer, etc. There needs to be agreement from the group as to how to approach.

Non-Academic Supports

Mike Abrahamson shared that he and Andrew Rogers looked at conceptual issues with a productive lens. The team was not ready to present a spreadsheet yet, but are looking at the concepts in similar ways that other teams are doing so. Mike Abrahamson walked through the template outlining Method 1 (Building up the current system: what are our current expenditures, what effect would additional spending have?), Method 2 (Funding for new programs: what would it look like if CUNY ASAP was the model, marginal effect on institutions?).

Mike Abrahamson shared the variables that their team has pulled out, sorted by service or component, cost of the service, service/student or another ratio and adjustments. The components were color-coded (blue/yellow) based on expenditure or new spending categories. How do we know that a sample model is "good" that the workgroup is ready to put their name on?

Core Instructional Program Costs

Commissioner Mahoney and Jeanette Malafa shared a spreadsheet on the screen for the workgroup to review. Data used in the spreadsheet is from IBHE's Cost Study report from FY 2018. Ideally, a national data set would be the preference with equity factors. The IBHE Cost Study data from 2020 is available (raw data) and can be circulated. Jeanette Malafa raised the concern of using 2020 data due to the COVID pandemic.

Cross-Cutting Discussion & Planning for Subsequent Meetings

Commissioner Weffer suggested that we need to step back to agree on the baseline so the workgroup knows how to adjust accordingly. Sandy Cavi noted that the topic teams working from the bottom up will provide important data because they will be able to help identify the modifiers. HCM suggested building a foundation and identifying areas of consistency from each of the topic teams for the workgroup members to respond to. The consensus of the workgroup was for HCM to put together the models and ideas presented to offer a through-line with options.

Public Comment

There were no members of the public requesting to make public comment.

Adjournment

Will Carroll asked that materials shared on screen by Topic Teams be shared via email with HCM. The next workgroup meeting was scheduled for Thursday, March 2, 2023 (9am-11am CT).

Workgroup Members in attendance

Mike Abrahamson, designee for Lisa Castillo-Richmond
Kim Tran, designee for Zaldwaynaka Scott
Sandy Cavi, designee for Terri Kinzy
Robin Steans
Ralph Martire

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Simón Weffer
Corey Bradford, designee for Cheryl Green
Dan Mahony
Michael Moss, designee for Javier Reyes
Jeanette Malafa, designee for Guiyou Huang
Andrew Rogers

Support Team Members in attendance

Ginger Ostro
Jaimee Ray
Martha Snyder
Jimmy Clarke
Will Carroll
Nate Johnson
Katie Lynne Morton
Brenae Smith