

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Technical Modeling Workgroup Meeting #1 - January 5, 2023 (9am-11am CT)  
Meeting Notes

## **MEETING OBJECTIVES**

1. Orient workgroup members to the purpose and charge of the Commission and of this workgroup.
2. Review and understand the considerations and recommendations from the Adequacy and Resources Workgroups.
3. Outline the workgroup's work for 2023.

## **Welcome & Agenda Overview**

Executive Director Ginger Ostro 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. Martha Snyder provided an overview of the agenda.

## **Introductions & Ice Breaker**

Martha Snyder started a round of introductions and asked each workgroup member to introduce themselves. Ja'Neane Minor led an ice breaker game for the workgroup members to participate in.

## **Commission Objectives and Charge**

Executive Director Ginger Ostro provided an overview of *A Thriving Illinois* outlining that the state cannot survive without a strong equitable higher education system. The work is grounded in data. Strategies outlined in the strategic plan are designed to Close equity gaps, Build a stronger financial future and Increase talent and innovation to drive economic growth. Executive Director Ostro offered a reminder that the recommendations compiled by the commission should be aligned with the principles outlined in *A Thriving Illinois*.

Principles for a public higher education funding system that is equitable, stable, and adequate include:

- Provide equitable funding so that students can receive the best educational experience and succeed
- Support a thriving postsecondary system that enriches the state and its residents
- Fund institutions sufficiently to achieve student, institutional, and state goals
- Ensure affordability for all students
- Recognize institutional uniqueness
- Provide predictability, stability, and limited volatility
- Include a "hold-harmless" provision
- Support accountability
- Support a collaborative higher education system
- Encourage partnerships outside higher education

## ***Commission Legislative Charge***

By July 1, 2023, evaluate the existing funding methods and recommend specific, data-driven criteria and approaches to adequately, equitable and stably fund our public universities.

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Must fulfill the principles established in the Strategic Plan and be informed by the Chicago State University Equity Working Group.

Must be equity-centered and consider 13 areas, including:

- Remediate inequities
- Incentives to enroll underrepresented students
- Monitoring and continuous improvement, with transparency and accountability
- Serve underrepresented students, including graduate and professional students
- Support individual institution missions, including research and health care
- Hold all universities harmless to their current funding level

## *Commission Goals and Scope*

Martha Snyder shared the following goals:

- Create a shared understanding of how Illinois' public universities are funded and the alignment of these approaches to critical state goals and objectives.
- Cultivate information from other state approaches for financing postsecondary education that promotes equitable access and success.
- Consider how to address the various functions of a university and account for different institutional missions.
- Develop recommendations for an adequate, equitable and stable formula centered around increasing access and success for underrepresented and historically underserved student populations while reflecting the varied missions of Illinois' public universities.

Martha Snyder walked through the phases of the Commission's work, including which meetings have been completed and the topics covered during those meetings. A conceptual model was shared on screen which was developed during the time in which the Adequacy and Resource Workgroups met.

## **Workgroup Overview (Objectives, Meeting Calendar)**

Martha Snyder shared the charge for the Technical Modeling Workgroup. The technical workgroup will build upon the conceptual framework established by the Commission (informed by the Adequacy and Resource workgroups) and begin identifying metrics/data, modeling distribution mechanisms and various funding scenarios/implementation options based on spending considerations. The workgroup's analysis will incorporate the components of adequacy and varying levels of resources (revenue streams) across institutions, as outlined by the Commission.

The workgroup will meet every 2 weeks from Jan 5th until the end of March, with subsequent work and meetings to be scheduled. The workgroup will report to the full Commission in February, April, and June.

## **Considerations & Recommendations from the Adequacy Workgroup**

Martha Snyder shared considerations and recommendations from the Adequacy Workgroup's work, including a potential model for developing an adequacy definition.

## *Instruction and Student Services: Framing Analytical Questions for Adequacy*

- What does it cost to produce a desired outcome (enrollment, persistence, completion) for a student with no need factors? ("base" per student costs)

---

## ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

- What is the relative difference in spending necessary to achieve similar outcomes (enrollment, persistence, completion) for students from particular backgrounds? ("weighted" per student cost)
- Do different types of institutions (size, concentration of populations) require more spending to offer comparable services and supports?
- What additional costs may be associated with different degree levels/program areas?

### *Student Centered Access Components*

Description: Costs to support outreach, recruitment and enrollment of students.

Rationale: Outreach, recruitment and enrollment activities have costs for all students and will be higher to achieve more equitable access for underserved populations.

Evidence-based Practices (examples): Financial aid/FAFSA application support, Targeted information to low-income students and students of color from those who have gone (mentorship), Admission application support, Financial Literacy.

Potential Measures to Calculate Cost: Student services expenditures, Admissions office expenses, Other identifiable direct outreach/marketing expenses, Financial aid admin expenses attributable to incoming undergraduates, Student-Level Finance Measures, Cost of individual student access strategies.

### *Student-Centered Pathways: Academic Supports*

Description: Costs to provide high-impact academic supports for student retention and completion.

Rationale: Academic supports enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities.

Evidence-based Practices (examples): First-Year Seminars and Experiences, Summer Bridge, Learning Communities, Undergraduate research, Career connections, Internships/apprenticeships, CUNY ASAP components (tutoring, early registration, block scheduling, transportation support).

Potential Measures to Calculate Cost: Total instructional expenditures, Total academic support expenditures, Specific academic support expenditures: libraries, technology, Cost studies from research/evaluation in other locations, Student-Level Finance Measures, Cost of individual student pathways: Costing out the pathway of student services used by students to support retention and completion.

### *Student Centered Pathways: Non-Academic Supports*

Description: Costs to provide high-impact supports for student retention and completion.

Rationale: Non-academic supports that enhance retention and completion with investment needed to ameliorate historical disadvantages and inequities.

Evidence-based Practices (examples): Single Stop, Financial Aid; Emergency Aid, Social Emotional/Counseling/Mental Health Support, Housing, childcare, transportation, CUNY ASAP components (financial, personal supports).

Potential Measures to Calculate Cost: Total student services expenditures, Financial aid, Specific student services expenditures: advising, career services, health, Student-Level

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Finance Measures, Cost of individual student pathways: Costing out the pathway of students services used by students to support retention and completion.

## *Adjustments for Student Needs*

Description: Factor(s) based on student characteristics applied to base costs for access, academic supports, and non-academic supports.

Rationale: To reflect additional costs to close equity gaps and to fund state priorities to achieve better outcomes for target populations.

Potential measures to Calculate Cost: Low-income, Race/ethnicity, First generation, Academic preparation level, K-12 district resources (e.g. EBF Tier), Students with disabilities, Undocumented Students, Students who are parenting, Working Adult, Employment history, Rurality.

## *Academic/Instructional Core Costs*

Description: Core cost of undergraduate (and graduate) instructional programs.

Rationale: To define a baseline cost factor for serving students without any additional supports.

Potential Measures to Calculate Cost: Competitive compensation factors w/priority for recruiting and retaining diverse faculty, Discipline / major differentials, Faculty / student ratios.

## *Considerations for Technical Modeling Workgroup*

- Determining the right level of analysis for costs associated with evidence-based practices
- Recognizing the "Status quo" of available cost data vs. funding additional capacity to serve more students and achieve greater equity in access, retention and success
- Accounting for historical inequities in certain cost data (program/discipline)

## *Approaches for Measuring Adequacy*

- Benchmark key student ratios
- Link to staffing costs/salaries
- Incorporate costs of effective program/services
- Apply weights to reflect the additional costs

## *Benchmark a Limited Number of Key Student Ratios*

Considerations for the Technical Modeling Workgroup:

- What key factors (averages, ratios) are most important?
- How should these be benchmarked?
- Where are student ratios best applied?

## *Associate to Personnel Costs*

Considerations for the Technical Modeling Workgroup:

- Should faculty compensation be benchmarked by discipline? By other criteria?
- Should non-faculty compensation be benchmarked by occupation? Location? Both? Neither?
- How should non-compensation factors be derived?

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

## *Apply Weights and Adjustments to the Benchmark*

Considerations for the Technical Modeling Workgroup:

- How do we establish appropriate weights if a research base isn't available?

## *Incorporation Degree Levels/Graduate Education*

Option 1: Separate graduate and medical education as one or two categories

Option 2: Include in overall formula with weights that differentiate costs (Masters, Ph.D., Medical Professional)

Option 3: Include but don't differentiate weights from those used for undergraduate education

Considerations for the Technical Modeling Workgroup:

- Which approach best allows for equity to be addressed within the context of advanced degree opportunities?

## *Potential Data Sources for Adequacy*

High-performing institutions/program components in Illinois

- Advantages: Comparable context, data, financial structures, ease of "translation"
- Disadvantages: Limited #, limited range of funding and performance levels, challenges maintaining objectivity, reflects historical funding patterns

High-performing institutions/programs out of state

- Advantages: Wide range of performance and funding levels, sources for new ideas, easier to be objective
- Disadvantages: Different contexts, financial structures, data classifications, hard to connect funding to specific outcomes

Academic research

- Advantages: Potential for more rigorous connections between funding and outcomes, credibility with key stakeholders
- Disadvantages: Limited number of use cases in context of overall funding levels

## *Operation and Maintenance*

Description: A stable foundation of financial support for essential operations.

Rationale: Each institution has certain, fixed costs associated with running a university that are independent of enrollment that need to be supported.

Approaches: Fixed costs that are calculated for each institution. Variable costs take into consideration specific elements, such as size, across institutions.

Potential Measures to Calculate Cost: \$ rate per square footage, Equipment value (replacement cost), Flat rate calculated across all institutions, Per FTE small school adjustments.

Considerations for Technical Workgroup: What are the best measures to ensure current inequities are not part of potential cost calculation?

## *Remaining Issues: Deferred Maintenance*

- Significant levels of deferred maintenance across institutions which have implications for equity

---

## ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

- Discussion focused on considerations reflecting the deferred maintenance in O+M vs. treating within the capital budget process
- Next Steps: Recognize the need to address deferred maintenance and implications on equity but use capital budget process to facilitate addressing gaps

### *Research, Service and Artistry*

Description: Funding to support the research, public service and artistry mission components of each university

Rationale: Reflect the state's benefit of supporting research, public service and artistry mission of universities and ensure all students have some minimum level of access to these

Potential Measures to Calculate Cost: Per FTE calculation that recognizes basic level of access to research, service and artistry

Considerations for Technical Modeling Workgroup:

- How can equity be embedded in this component to ensure it reflects some basic level of access but also reinforces the existing mission of institutions?
- Ensure alignment with how factored into resource assessment?

### *Supporting Future Adequacy*

Each component of an adequacy cost model reflects status quo/grounded in current costs. How can the model also support and incent growth of the system toward future goals for increased and more equitable access and success?

### **Considerations & Recommendations from the Resource Workgroup**

Will Carroll shared considerations and recommendations from the Resource Workgroup's work.

### *Components of a University's Resource Profile*

- University Income Fund (tuition and fees)
- Auxiliaries
- Grants & Contracts (government and private)
- Endowment
- Hospitals & Athletics

### *Reflections on Building the Resource Profile*

#### Equity

- Resources must be evaluated through lens of equity and how they influence an institution's ability and capacity to equitably serve students.
- The key issue is not always the definition and direct use of resources, but a more critical understanding: does having access to the resources provide differential capacity to institutions? Does this have implications for equity?

#### Affordability

- Tuition increases and/or variable tuition across institutions can impact equitable access.
- The socioeconomic make-up of a school's student body affects its ability to increase tuition or charge student fees.
- State disinvestment can force schools to increase tuition to break even, exacerbating access issues for low-income students.
- A new approach should ensure that increases in tuition are not used as a "release valve"



---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

## *Factoring in Affordability - using "Expected UIF"*

Currently, the state allocates funds to universities, and universities fill in the remaining gap to costs through tuition and fees, often unaffordable.

The new model would assign each university an "Expected UIF" based on its student body, and then allocate new state funds based on the gap to the Adequacy Target.

This example assumes:

- The Adequacy Target is higher than the current amount a college spends to educate students
- The Expected UIF will be lower than current tuition collected.

## *Calculating Expected UIF*

- The state would establish groups of students and an "**Equitable Student Share**" that students in that group can reasonably be expected to pay in tuition.
- The groups would be based on characteristics like income, race/ethnicity, residency, undergrad/grad, and mandatory tuition waiver eligibility.
- There could be many groups or very few.
- In the examples shown here, Group D might be a mandatory tuition waiver student that is expected to contribute \$0 in tuition. Group A might be an out-of-state, high-income student.

## *UIF - Recommendations and Further Work*

### Recommendations

- Use the Expected UIF model to account for student ability to pay
- Equitable Student Share groups should account for income, race/ethnicity, residency, undergrad/grad, and mandatory tuition waiver eligibility.

### Further Work for the Technical Workgroup

- Create a mechanism to address when a school continues to charge high tuition, bringing in more UIF than the "Expected UIF".
- Evaluate how to include fees, including whether they fund adequacy components, are self-sustaining enterprises (e.g. support auxiliaries), are mandatory, etc.

## *Non-Appropriated Funds: Grants, Contracts and Endowments*

### Description

- Gov't Grants and Contracts: Revenues from local, state, and federal governments that are for specified purposes and programs (e.g., research, other priorities)
- Private Grants and Contracts: Gifts and grants provided to the university from individuals (private donors) or non-governmental organizations Included in this funding category are revenues provided for student financial assistance.
- Endowments: Income from endowment and similar fund sources, including irrevocable trusts

### Equity Implications

- Capacity to bring in these resources may vary across institutions and are often self-reinforcing (institutions with higher resources have greater capacity to seek other types of resources)
- Access to these dollars can indirectly impact equity:
- Research dollars can affect ability to recruit faculty, give students access to STEM or other opportunities.
- Endowment can endow chairs, free up resources for other spending
- Access to private resources and endowments often reflects historical wealth inequities distributed in inverse proportion to racial/ethnic enrollment.

Initial Recommendation: More analysis needed to develop a nuanced way to include in the institutional resource profile

## *Framework for Considering Non-Appropriated Resources*

---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Consider how access to grants, contracts, and endowments provide differential and/or inequitable capacity to institutions.

Technical Workgroup to include these resources in a nuanced way, rather than an “all or nothing”:

- What are the different resources institutions have access to?
- What are the uses and limitations of these resources?
- How do these resources impact the components of the Adequacy Target and services to students?
- What are implications for equity?
- What are considerations for including these resources in assessing an institution’s level of adequate resources?

## **Public Comment**

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

## **Plan for Subsequent Meetings**

- January 2023-March 2023: Develop Adequacy Targets and Resource Profiles
- March 2023-May 2023: Further development of Targets and Profiles as needed; Build the formula for allocating dollars
- January 19, 2023: next meeting
- Begin to identify data needs, available data, and create plan for collection
- Identify and initiate workstreams
- Start with Adequacy Targets then develop Resource Profiles, but work on issues concurrently
- Should create iterations of models for Commission to react to
- Key Remaining Issues: Hospitals, Athletics, Auxiliaries

## **Adjournment**

The next workgroup meeting was scheduled for Thursday, January 19, 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  
Ayesha Safdar, designee for Robin Steans  
Ralph Martire  
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  
Ja’Neane Minor  
Jaimee Ray  
Martha Snyder  
Jimmy Clarke  
Will Carroll



---

# ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

---

Nate Johnson  
Toya Barnes-Teamer  
Katie Lynne Morton