

**IL Funding Commission**  
**Technical Workgroup meeting**  
**7/6/2023**  
**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 and provide some thoughts based on research about how to tackle these areas conceptually. Specifically, I will address affordability and the need for simplicity in approaching and communicating affordability to students and families. With high-cost programs, I want to address gender inequities and concerns about dismantling internal institutional cross-subsidization and the potential impact on educational quality. I will also touch on a few concerns about facilities and Operations & Maintenance. I will end with a discussion of direct admissions.

### **Affordability**

The discussion today started with a reflection on the focus from the full commission meeting on affordability. I concur with the importance of addressing affordability for students and families in the process of developing a statewide funding formula.

I want to urge the group to incorporate the concept of *simplicity* in addressing affordability. There are numerous academic studies that show both that college pricing is complicated and poorly understood by students and that simple messages tend to have a larger impact on student behavior. Higher education's pricing structures are more complicated than airline pricing. Students do not know their individualized prices until after they have decided to apply to a college, are admitted, have submitted financial aid applications, and receive a financial aid package.

There is a large body of work on state-level financial aid policies, such as TN Promise program or Georgia HOPE scholarship, which shows that simple messaging is vital for state policies to alter student behavior such as by increasing enrollments.

I recommend defining affordability in a way that is amazingly simple. One recommendation that I have given the past to this group is to set an expectation of "free" college in Illinois for students who are MAP-eligible. Other approaches are also possible.

A big idea is needed in this space to develop a way that the formula will support affordability and can be simply communicated to in-state residents.

### **High-Cost Programs**

With high-cost programs, it is important to separate out those programs that are high-cost due to instructional costs and those that are high-cost due to faculty salaries or other underlying structures.

### *Gender Inequities*

There is a noticeable correlation between high-cost programs and gender inequities in higher education. This is the case both with faculty salaries and anticipated labor-market outcomes for students. I do not see that there is a state interest to bake-in gender-based pay inequities in higher education. As such, I want to echo Beth's concerns and recommend great caution in identifying "high-cost" programs and how these enter into the formula.

### *Dismantling Internal Institutional Cross-Subsidization*

The approach taken to attempt to itemize each element of spending has the potential to fundamentally dismantle the cross-subsidization processes within institutional budgeting. A large concern to raise about this is the potential for this approach to reduce educational quality. Cross-subsidization and the intertwined nature of teaching and research (or learning and clinical work, etc.) is learning-enhancing for students. By way of example, consider separating the funding of clinics from medical education. The nature of education in the medical field requires the intertwining of these areas since it is an apprenticeship-based field that requires "hands-on" training for students to be successful in practice.

### **Facilities and Operations & Maintenance**

In this area, I want to caution the development of a formula that will discourage donor investment and other non-state investments in facilities. The state-sponsored number in the data (from RAMP or APPA, or any other source – like SCUP) is likely misleading. This is because of the argument that Mike Abrahamson gave about long term disinvestment in capital, but also because of differences across institutions in their ability to fundraise and raise federal research grant funding. As such lab space on one campus may be entirely funded by federal research grants whereas lab space that serves the same function on a different campus could be entirely state-sponsored space.

Sandy's question about using either headcount or FTE is important to resolve. I will also encourage the group to resolve this in a way that is consistent across the elements of the formula.

I'll also note, as Robin did, that deferred maintenance needs to be addressed in some way. Technically capital expenditures is outside the scope of the funding commission since this body is only addressing institutional appropriations and capital is budgeted separately in Illinois (and in most states). I will also note that research has shown that capital spending is typically more political than general appropriations for institutions and bringing capital into the formula has implications for the overall political nature of the formula.

### **Direct admissions**

Simon mentioned the idea of greatly simplifying the admissions process to proactively admit students to college. I have done considerable research on direct admissions and have been working with a number of states to develop direct admissions programs across the nation. This is a good idea with a solid research base and one that has great potential to both enhance enrollments and equity in enrollments in Illinois. With state funding to move all public four-year

institutions onto the non-profit Common App, there is a clear, low-cost pathway for launching direct admissions universally in Illinois. While not likely part of a funding formula, direct admissions is part of the strategic plan, and a recommendation to pursue this idea seems like something that could come out of this commission.