

IL Funding Commission
Technical Workgroup meeting
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Public Comment
Jennifer A. Delaney

I want to problematize the characterization of the equitable student share category that the meeting started with today. In his opening remarks, Ralph equated local revenues in the K12 EBF formula to tuition paid in higher education. This is very concerning along a number of dimensions, and I urge the technical working group to question this conceptual framing and to seek an alternative.

Local property taxes are public funds that are contributed to by all members of the community to support local schools. The underlying idea is that all members of a community benefit from providing education to kids. People without kids and those whose kids have graduated continue to pay into the property tax base to support education as a public good.

Tuition does not function in this way.

1. First, tuition is a private burden, not a public one. Only those students who are admitted to institutions are asked to pay tuition. Because of this the prices faced by students are vastly different and reflect both the stratification of institutions and stratification of students within institutions.
 - a. Relatedly, as mentioned by Robin selective admissions greatly shapes tuition prices faced by students and the markets in which institutions operate, which largely shapes each institution's ability to set tuition prices.
2. Second, our public universities are not locally serving and instead have the entire state as their service area ("Illinois" is the most common word in all public 4-year institutional names). Local revenues are non-existent for most of our 4-years in most years. A better analogy in the EBF formula is that state general appropriations are like local property taxes since these are both related to the service area and are public tax funds.
 - a. Moving to think about tuition as a "public benefit" holds great risks of creating a regressive system, which will work against equity goals.
 - b. Currently all in-state students receive a "discount" by paying in-state tuition rates as such the tuition prices themselves reflect the subsidy values provided by the state as mentioned by Beth. Building a formula like this ignores how the pricing itself already reflects state revenues and is likely to inaccurately count state support.
3. Third, institutions set their own tuition levels due to their independent boards. As such the burden on families to afford a particular institution varies by student and impacts enrollment decisions.
4. Fourth, the important element in higher education is differences in family background in ability to pay among students, so there is a level of analysis problem in considering tuition to be the same as a local revenue since it fundamentally compares communities to individuals.

I strongly encourage the technical workgroup to think about tuition from the student perspective not the institutional one as a revenue stream. For students and families state funding for universities is not the same as tuition revenues. Using a student perspective will ensure a focus on affordability and access, both of which are important concepts in ensuring equity.

There are three important elements that need to be considered:

1. Clarity is needed about what is counted in the student share:
 - a. Is student aid a student benefit?
 - b. Are state-funded MAP grants a state benefit or a student one?
 - c. Are Pell grants a federal benefit or a student one?
2. Complications in tuition pricing need to be explicitly considered moving forward. Three areas that seem vital to me (there may be others) are:
 - a. Institutional aid
 - b. Differential tuition
 - i. In-state, out-of-state
 - ii. Enrollment intensity (full-time, part-time)
 - iii. Level (undergrad/grad, lower division/upper division)
 - iv. Major/field
 1. For example, there are 26 different tuition differentials at UIUC with a \$5,000 spread in tuition prices between the base rate and high-cost programs like business and engineering.
 - c. Truth in tuition – fixed rate pricing
 - i. Ties institutional hands to alter tuition levels since changes only impact freshmen and then are locked in for four years.
3. The equity adjustments have been presented as a broad umbrella, so using some of the same categories within the equitable student share is problematic. I would encourage the group to use only one set of categories consistently across all parts of the formula. I would also encourage some thought about using these categories twice in two parts of the formula. It would likely be clearer if only used (and calculated) once as Sandy mentioned.

I have offered this concept to the workgroup before, but one viable alternative is to consider state funding to be subsidy values and to keep the formula focused on how the system is experienced by students.