
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Meeting #9

Welcome to the May 11, 2023 meeting of the Technical Modeling Workgroup. The meeting will begin at 9:00 a.m. This meeting will be recorded.

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 10:15 a.m. We will call on you during the public comment period and ask that you keep your remarks to under three minutes.

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Welcome & Agenda Overview

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9:00 am	Welcome & Agenda Overview
9:05 am	Action: Approval of Minutes from April 27, 2023 Workgroup Meeting
9:10 am	Equitable Student Share Proposal
9:50 am	Core Instructional Costs and Access Adjustments
10:05 am	Equity-Centered Adequacy Model Draft

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10:35 am	Topic Teams: O&M, Other Resources, Auxiliaries
10:45 am	Public Comment
10:55 am	Plan for Subsequent Meetings
11:00 am	Next Steps & Adjournment

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Action: Approval of minutes from
April 27, 2023 Workgroup Meeting

Technical Modeling Workgroup Membership

Name	Title	Organization
Corey Bradford	VP for Admin & Finance	Governors State University
Dan Mahony	President	Southern Illinois University
Michael Moss	Associate Vice Chancellor	University of Illinois Chicago
Mike Abrahamson	Senior Manager of Research and Policy	Partnership for College Completion
Beth Ingram	Executive Vice President and Provost	Northern Illinois University
Ralph Martire	Executive Director	Center for Tax and Budget Accountability
Robin Steans	President	Advance Illinois
Simón Weffer	Associate Professor	Northern Illinois University
Sandy Cavi	Associate Vice President for Budgeting and Planning	Illinois State University
Kim Tran	Chief of Staff	Chicago State University
Andrew Rogers	Director, Financial Analysis and State Budget Reporting	Northern Illinois University
Ketra Roselieb	Executive Director, Financial Affairs	Western Illinois University

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Equitable Student/State Share
Proposal

Equitable Student/State Share

Principles

- Incentivize enrollment of historically underrepresented students
- Shift some of the cost burden from students to the state

Equitable Student/State Share

Considerations

- The model is based on averages
 - It is not meant to be a tuition setting policy, and should allow for institutional aid decisions
 - It can't account for every student's financial aid amount (e.g., private aid, varying Pell Grant amounts)
- The model doesn't dictate how a school spends its funds or what it charges students in each subsidy category - which is where accountability/transparency has to come in

Equitable Student/State Share

Key Questions Reflected in the Model

1. How much is reasonable for students to pay (by student characteristic)?
2. What should the state share be overall?
3. Should we ensure the model produces an expected tuition that's always less than or equal to current tuition?

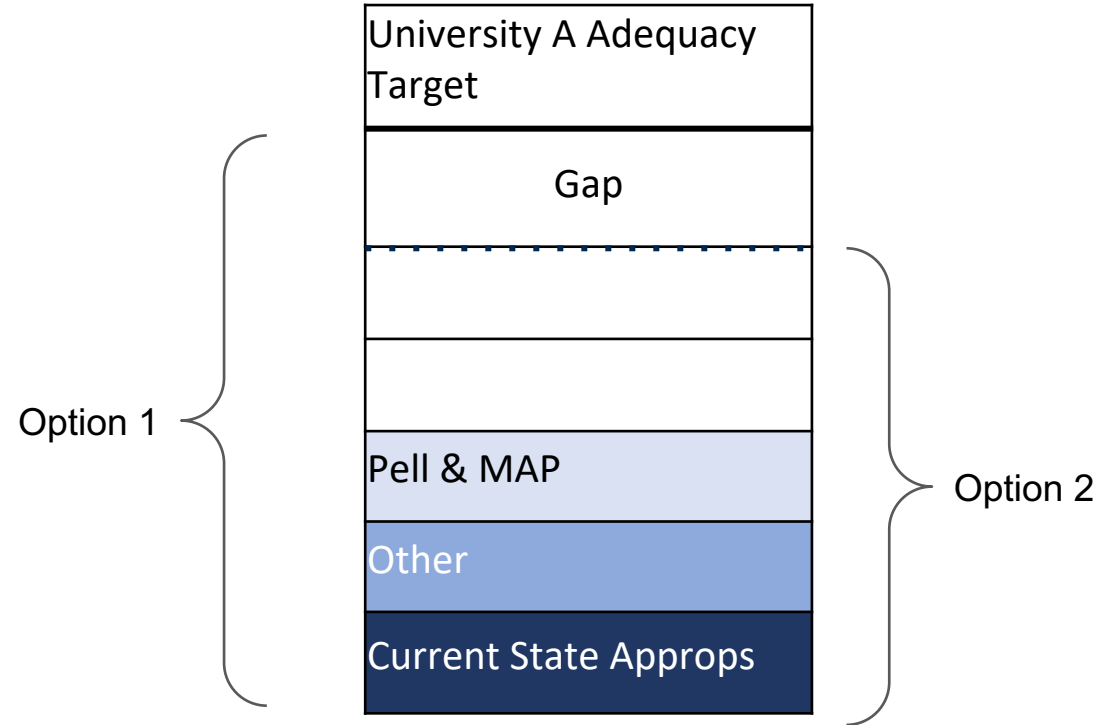
The three are interconnected in the model - and to the base off of which we subsidize. The base and the subsidy amounts can act as dials; the other two are outcomes we can solve for.

Equitable Student/State Share

- Tying the subsidy to the adequacy target means the larger adequacy target can increase the total amount of revenue expected from students, even if the students' share is lower.

University A Example	New Model	Current
Adeq Target/Expenditures	\$134,639,745	\$65,000,000
Adeq Target/Expend per Student	\$26,928	\$13,000
Expected/Actual UIF	\$54,380,624	\$47,500,000
Student Share	40%	66%

Dial 1: What to apply the subsidy to?



The dotted line represents the Per Student Adjusted Base of \$23,124 per student. The difference between that and the Adequacy Target is the equity adjustments.

Option 1 - What share of the total Adequacy Target should students pay?

Option 2 - What share of the Per Student Adjusted Base should students pay?

Dial 1: What to apply the subsidy to?

Option 1: Each Institution's Per Student Adequacy Cost

- A student's expected contribution would depend on which institution they go to, due to different equity adjustments

Option 2: Base Per Student Funding

- Consistent subsidy amounts, but possible problems with separating out base and equity

Option 3: Statewide Per Student Adequacy Cost

- Consistent subsidy amounts, but a higher expected contribution for students than Option 2 (same as Option 1)

Dial 2: How much should students pay?

The model’s subsidy amounts are placeholders. What discount is reasonable for the students in these groups? Subsidies could be combined up to 100%

Per Student Contribution (example):	
0%	\$25,592
25%	\$19,194
50%	\$12,796
75%	\$6,398
100%	\$0

Students and Associated Subsidies	
Out-of-state undergrad	0%
Graduate/Professional	0%
Resident undergrad	25%
URM (undergrad and grad)	25%
Rural	25%
EBF Tier 1 or 2	25%
Pell	50%
Mandatory Tuition Waiver	100%

Financial Aid in Expected Student Contribution

- The 100% subsidy category implies a university collects no resources from those students, but many will come with financial aid.
- What does that mean for students and schools?
 - A university could charge exactly the expected per student amount in each group (net tuition revenue). Pell students in the 100% subsidy group could apply all of their grant to non-tuition costs.
 - A university could also “capture” the Pell Grant revenue and use it to lower the amount charged to other students.

		0%	25%	50%	75%	100%
Expected Student Contribution per student		\$25,592	\$19,194	\$12,796	\$6,398	\$0

Financial Aid in Expected Student Contribution

Discussion

- Should the subsidy amounts reflect how much the student contributes after paying with federal/state/private aid? Or should we factor in financial aid to the expected contribution after assigning the subsidy categories?
- Should the model encourage Pell to be used for costs beyond tuition and fees? If so, how?
- How else can the adequacy or resource calculations incentivize greater affordability?

Equitable Student/State Share

Key Questions Reflected in the Model

1. How much is reasonable for students to pay (by student characteristic)?
1. What should the state share be overall?
1. Should we ensure the model produces an expected tuition that's always less than or equal to current tuition?

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Adequacy:
Access Tiers + Instructional Costs
Adjustments

Snapshot of Per Student Adequacy Framework

Instruction and Student Services Adequacy Component	Current Per Student Expenditures	Benchmark Adjustment	Per Student Base Funding	Equity Adjustment	Per Student Adequate Funding
Student Centered Access	\$1,070		\$1,401	\$500-\$1000	\$1,901-\$2,401
Academic Supports	\$1,070		\$1,401		
Non-Academic Supports	\$1,003		\$1,313		
Core Instruction Costs	\$10,714		\$14,020	\$422	\$14,442
Subtotal	\$13,858	\$4,276	\$18,135	\$2,922-\$9,422	\$21,057-\$27,557

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Academic Supports	\$1,070	+ \$4,276 =	\$1,401	+ \$2,000-\$8,000 =	\$4,714-\$10,714
Non-Academic Supports	\$1,003		\$1,313		
Core Instruction Costs	\$10,714		\$14,020		
Subtotal	\$13,858	\$4,276	\$18,135	\$2,922-\$9,422	\$21,057-\$27,557

Adequacy Component	Per Student Base Funding	Equity Adjustment	Per Student Adequate Funding
Mission (Research, Public Service, Artistry)	\$1,200		\$1,200.0
Institutional Support	\$1,588	+ =	\$1,588.0
O&M - Physical Plant (per sq ft)	\$9.0		

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Student Centered Access	\$1,070	+ \$4,276 =	\$1,401	\$500-\$1000	\$1,901-\$2,401
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		Adequacy Component	Per Student Base Funding	Equity Adjustment	Per Student Adequate Funding
		Mission (Research, Public Service, Artistry)	\$1,200	+ =	\$1,200.0
		Institutional Support	\$1,588		\$1,588.0
		O&M - Physical Plant (per sq ft)	\$9.0		\$9.0
Total Per Student Adequate Funding					\$26,252-\$32,752

Instruction and Student Services Updates

Student-Centered Access

- Equity adjustment tiers based on student groups' under-enrollment in 4-year universities

Academic/Non-Academic Supports

- High School GPA instead of Developmental Education
- Two tiers for Grad students using race/ethnicity

Core Instruction Costs

- High-cost programs premiums
- Revised faculty diversity equity adjustment

Student-Centered Access: Equity Adjustments

Best Practices in Enrolling Historically Marginalized Students

Upward Bound	\$4,900 per student
Bottom Line	\$1,000 per student
Talent Search	\$540 per student
College Advising Corps	\$170 per student

Proposal

High Tier: \$1,000

Low Tier: \$500

Assign students to tiers based on college-going enrollment gaps. Amounts are not additive; student with multiple characteristics are assigned their highest tier.

Student-Centered Access Tiers

Student Characteristic	College Going Rate	Possible Tier
	Statewide Gap	
Low-Income/Not Low-Income	-21.8%	Medium
Rural/Not Rural	-19.0%	Medium
Latinx/White	-16.2%	Medium
Black/White	-9.8%	Low
Native/White	-9.1%	Low
Adult?	?	?

Instructional Program Weights--Objectives

- Simple to calculate and update based on IBHE data
- Recognize persistent and consistent cost differences
- Recognize health programs specifically called out in legislation

Primary Recommendations

- 20% weight for credit hours in high-cost programs (all levels): Engineering (14), Visual and Performing Arts (50), Clinical Nursing (51.38), Accounting (52.03), Finance (52.08)
- 100% weight for doctoral health profession enrollments (51): Medicine, Dentistry, Nursing Practice, Pharmacy, Audiology, Physical Therapy, Occupational Therapy
- 50% additional weight for Black, Latino, Native American enrollments in high-cost programs programs & 30% in medical professional (i.e. 30% & 130% total)

High-Cost Programs (ex. Medical Professional)

- Goal is to identify programs where costs are consistently high in multiple years and at multiple institutions
- Used IBHE Cost Study total cost per credit hour (line 214 divided by line 100)
- Identified programs with higher than average cost per credit for level at 70% of IBHE institutions (min. 3) that had the program in 2020
- Identified programs with costs greater than 120% of average for level statewide in 2012, 2015, and 2020
- Identified programs on both lists
- Included entire 14 and 50 CIP codes to capture unusual programs with likely similar cost structure

List of Programs Identified

LowerDiv	14.08	Civil Engineering
LowerDiv	14.19	Mechanical Engineering
LowerDiv	50.07	Fine and Studio Art
LowerDiv	50.09	Music
UpperDiv	14.01	Engineering, General
UpperDiv	14.08	Civil Engineering
UpperDiv	14.10	Electrical, Electronics and Communications Engineering
UpperDiv	50.03	Dance
UpperDiv	50.07	Fine and Studio Art
UpperDiv	50.09	Music
UpperDiv	51.38	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing.
UpperDiv	52.03	Accounting and Related Services
GradI	50.09	Music
GradI	52.08	Finance and Financial Management Services/Insurance/Management Science

Medical Professional Costs/Weights

- Accounting methodologies vary widely
- Limited IL-specific data
- Difficult to disentangle from research, patient care, related health/STEM disciplines
- Analyzed national expenditure and enrollment data
- Results vary depending on assumptions, but always much higher cost (see 3 methods following)
- 72%-177% higher than average E&R, depending on assumptions

Additional Weight for Students of Color in High-Cost Programs

- Black, Latino and Native American students
 - 16% of high cost degrees (exc. Medical)
 - 17% of medical professional
 - 23% of other (non-high cost)
- Without additional weight, higher funding for higher cost programs would result in lower average funding for students of color
- Additional weights required to make program cost-weighting race neutral (on average)
 - ~50% of 20% weight for high-cost programs (= 30% total)
 - ~30% of 100% weight for medical professional (= 130% total)

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Equity-Centered Adequacy Model Draft

Remaining Issues in Adequacy Calculation

- Simplification and communication
- Three-year averages and final equity counts
- Small school and concentration factor adjustments
- Dual Credit enrollment
 - Should dual credit students be counted on an FTE basis?
May not require the same level of services as a degree-seeking student.
- O&M and Institutional Support
- Mission

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Topic Teams Update

Updated Topic Teams

O&M Sandy Cavi Andrew Rogers	Auxiliaries Mike Abrahamson Ketra Roselieb Kim Tran
Other Resources Robin Steans Dan Mahony Michael Moss	Equitable Student Share Ralph Martire Corey Bradford
Mission Beth Ingram Simón Weffer	

Other Topics

Implementation Related Topics

- Accountability and transparency
- Path to fully funding the adequacy gap
- Formula review process

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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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Next Steps

Next Steps

- New topics begin analysis to present findings next meeting:
 - O&M, Other Resources, Auxiliaries
- Ongoing work on Mission and ESS
- HCM will:
 - Refine the adequacy model
 - Develop proposals for the remaining adequacy issues

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Adjournment

Next Workgroup Meeting: May 25, 2023

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Appendix: Adjusting for Equity

Core Instruction Costs

Faculty Diversity Efforts

Faculty Diversity Program	University	Per Student Cost
Targets of Opportunity Program	UI-UC	\$264.98
Strategic Hiring Initiative	SIU-Edwardsville	\$307.46
Faculty Diversity Enhancement Program	ISU	\$444.82
Underrepresented Faculty Recruitment Program	UI-Chicago	\$667.00
	Average	\$422

Best Practice Interventions

- In this approach, we identify research-based interventions specific to each adequacy component that improve outcomes and equity for target populations
 - Student Centered Access
 - Academic & Non-Academic Supports
 - Core Instruction Costs

<p>Tiers of Academic & Non-Academic Support “Packages” and Cost/Student for Equity Adjustment</p>			
Intensive	High	Medium	Low
\$8,000	\$6,000	\$4,000	\$2,000

Package costs based on best-practice interventions – the most effective had higher costs around \$5,000 per student, but interviews indicated that some students required more services than what the average cost implies.

Academic & Non-Academic Support Tiers

Recommended approach to identifying which students would be eligible for the equity add-on associated with each “package”:

- Base the level of service needed on the current outcomes gap in IL, creating tiers based on natural breaks in the data
- Students with multiple characteristics would be placed into the tier above the tier of their highest characteristic

Student Characteristic	Retention Rate		Possible Tier
	Median Institutional Gap	Statewide Gap	
American Indian*/White	N/A	-22.1%	High
African-American/White	-11.9%	-20.3%	High
Tier 1 EBF/Tier 4 EBF	-11.0%	-14.8%	High
Dev Ed/No Dev Ed	-10.3%	-17.2%	High
Age 25+*^/Under 25	N/A	-12.5%	Medium
Pell/Non-Pell	-7.3%	-10.4%	Medium
Latinx/White	-6.5%	-8.9%	Medium
2 or More Races*/White	N/A	-7.6%	Medium
Tier 2 EBF/Tier 4 EBF	0.6%	-5.4%	Low
Rural/Urban	2.6%	-2.1%	Low or N/A?

* There are too few students of this type at each institution to calculate a median university gap

^ There are only 39 first-time, full-time students age 25+

Academic & Non-Academic Support Tiers

6-year Graduation Rate Gaps (National)	
Black/African American Gap	-20%
Pell Gap	-16%
Hispanic/Latino Gap	-9%
Black/African American + Pell Gap	-26%
Hispanic/Latino + Pell Gap	-14%
Age 25+	-48%
Students with Children	-48%

- National graduation data show similar outcomes and relative gaps among groups of students to IL retention rate data. It also indicates the added impact of multiple characteristics.
- The national data is not limited to first-time, full-time students, so adults and students with children that enroll mostly part-time have much larger gaps

Academic & Non-Academic Support Adjustments

Discussion Questions:

- Does a tiered set of services approach make sense?
- Are the number of tiers (4) and costs right?
- Is the approach to identifying which students get which tier of service right?
- What other services or interventions should be included in the equity add-on for these components?

Student-Centered Access: Equity Adjustments

- The equity adjustment could match funding to programs that increase the enrollment of traditionally underrepresented students
- Bottom Line has the most rigorous evaluation and impact among those listed here, but there may be others

Best Practices in Enrolling
Historically Marginalized Students

Upward Bound	\$4,900 per student
Bottom Line	\$1,000 per student
Talent Search	\$540 per student
College Advising Corps	\$170 per student

Discussion Questions:

- Should we use a tiers approach for this component?
- Are there other practices that should be part of the add-on to the access component?
- Which students should get this add-on in the formula?
- How can we apply the add-on to ensure schools enrolling lots of first-gen, low-income students are adequately funded for their work AND schools with low enrollment are incentivized to increase their outreach and recruitment?

Core Instructional Costs: Equity Adjustments

- Most of the adjustments to close equity gaps would be through Academic & Non-Academic Supports
- The Adequacy Work Group included a recommendation to include the costs of recruiting and retaining a more diverse faculty.
- UI-Chicago Underrepresented Faculty Recruitment Programs: **\$667 per student**
- **Discussion Questions:**
 - Are there other programs to use as benchmarks for this adjustment?
 - Are there other equity adjustments to instruction costs that should be made?

Equity Adjustments

Adequacy Component	Per Student Adjusted Base	Equity Adjustments
Student Centered Access	\$1,404	\$1,000
Academic Supports	\$1,404	\$2,000-\$8,000
Non-Academic Supports	\$1,313	
Core Instruction Costs	\$14,019	\$667
Mission (Research, Public Service, Artistry)	\$1,227	TBD
O&M	\$3,757	TBD
Total	\$23,124	\$3,667-\$9,667

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Core Instructional Costs Baseline

Core Instruction Costs: High-Cost Programs

- Certain programs and courses have higher costs due to small class sizes, higher faculty salaries, or lab and other resource requirements.
- The per student Core Instruction Cost should account for some of this variation as a way to adjust for the programmatic differences across institutions.
- Without an adjustment for high-cost programs, the formula could undercount the existing Core Instruction Costs at institutions with a large share of high-cost programs.

Core Instruction Costs: High-Cost Programs

Proposed Approach

- Calculate a university's Core Instruction Costs adequacy target using two costs: an average for high-cost programs and an average for all other programs.
- Identify the high-cost programs and the premium amount using IL Cost Study data as well as other state examples.

Baseline Cost per student

Adequacy Component	Baseline IL Expenditures
Student Centered Access	\$1,073
Academic Supports	\$1,073
Non-Academic Supports	\$1,003
Core Instruction Costs	\$10,714
<i>High-Cost Programs</i>	<i>TBD</i>
<i>All Other Programs</i>	<i>TBD</i>
Mission (Research, Public Service, Artistry)	\$1,227
O&M	\$3,757
Total	\$18,848

Core Instruction Costs: Example Calculation

University A	
Total Enrollment	5,000
Student Credit Hours in High-Cost Programs	24%
Student Credit Hours in All Other Programs	76%

Adequacy Component	Baseline IL Expenditures	University A Adequacy Target (pre-equity adjustments)
Student Centered Access	\$1,073	\$5,364,705
Academic Supports	\$1,073	\$5,364,705
Non-Academic Supports	\$1,003	\$5,017,384
Core Instruction Costs	\$10,714	
<i>High-Cost Programs (40% premium)</i>	\$12,857	\$15,428,458 = 24% * 5,000 students * High-Cost Baseline \$
<i>All Other Programs</i>	\$8,571	\$32,571,188 = 76% * 5,000 students * All Other Program Baseline \$
Mission (Research, Public Service, Artistry)	\$1,227	\$6,135,591
O&M	\$3,757	\$18,786,046
Total	\$18,848	\$88,668,077

Equity Adjustment Tiers

High School GPA vs Developmental Education

- Using developmental education can create perverse incentives and schools are moving away from these courses.
- The retention rate gaps for students with GPAs < 2.5 would likely place low-GPA students in the Medium tier instead of High (where Dev ED was)

Student Characteristic	Retention Rate		Possible Tier
	Median Institutional Gap	Statewide Gap	
American Indian*/White	N/A	-22.1%	High
African-American/White	-11.9%	-20.3%	High
Tier 1 EBF/Tier 4 EBF	-11.0%	-14.8%	High
Dev Ed/No Dev Ed	-10.3%	-17.2%	High
< 2.5 GPA/>3.0 GPA	-11.8%	-10.2%	Medium?
< 2.5 GPA/>2.5 GPA	-9.7%	-8.4%	Medium?
Age 25+*/Under 25	N/A	-12.5%	Medium
Pell/Non-Pell	-7.3%	-10.4%	Medium
Latinx/White	-6.5%	-8.9%	Medium
2 or More Races*/White	N/A	-7.6%	Medium
Tier 2 EBF/Tier 4 EBF	0.6%	-5.4%	Low
Rural/Urban	2.6%	-2.1%	Low?

Equity Adjustment Tiers

Acad/Non-Acad Supports Equity Adjustments for Grad Students

- Proposal:
 - Create two tiers based on the groupings of race/ethnicities from the undergrad adjustments
 - Use lower funding levels; few examples of intensive services provided to graduate students
 - **Medium (\$4,000):** Black, American Indian
 - **Low (\$2,000):** Hispanic, 2 or more races

Equity Adjustment Tiers

Other Student Populations

- Students with Disabilities
- Student Parents
- First-Gen Students
- Adult Learners

Sample Subsidy Group Distributions

	Percentage of Students at a School in Each Subsidy Category					
	0%	25%	50%	75%	100%	Total
University A	14%	14%	17%	17%	38%	100%
University B	23%	13%	24%	17%	23%	100%
Illinois	28%	25%	18%	14%	16%	100%

0% = no state subsidy, all UIF

100% = \$0 UIF, state fully subsidizes

Applying Subsidy to Adequacy Target

	Expected UIF - From Each Subsidy Category and Total					
	0%	25%	50%	75%	100%	Total
University A	\$12,312,698	\$9,698,301	\$7,661,585	\$3,776,358	\$0	\$33,448,942
University B	\$22,902,126	\$10,065,222	\$11,999,023	\$4,203,562	\$0	\$49,169,933
Illinois	\$717,844,502	\$477,333,322	\$232,954,790	\$89,613,492	\$0	\$1,517,746,105

0% = no state subsidy, all UIF

100% = no student share, state fully subsidizes