
ILLINOIS COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING

Technical Modeling Workgroup Meeting #9 - May 11, 2023 (9am-11am CT)
Meeting Notes

MEETING OBJECTIVES

1. Discuss proposal for Equitable Student Share resource calculations
2. Review current draft of the Adequacy Target model
3. Review remaining issues in Instruction and Student Services and Mission
4. Initiate conversations and topic team work on O&M, other sources of revenue, auxiliaries, accountability and transparency

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.

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

Beth Ingram made a motion to approve the minutes from the April 27, 2023 workgroup meeting. Kim Tran seconded the motion. Eleven workgroup members were in favor. Workgroup members were asked to provide an introduction and share their affiliation during the approval of minutes.

Executive Director Ostro acknowledged the timeline that's currently in place and asked for feedback and thoughts from workgroup members. Martha Snyder provided an overview of the agenda.

Equitable Student/State Share Proposal

Will Carroll walked through a series of slides that outline what is outlined in the spreadsheet.

Equitable Student/State Share

Principles: Incentivize enrollment of historically underrepresented students; Shift some of the cost burden from students to the state.

Commissioner Steans noted that we also need to add the word "affordability."

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.

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?

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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 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.

Commissioner Steans pointed out that the state share shouldn't be a goal, but rather a means to an end. She also noted that if adequacy increases, there may be pressure added to tuition. Commissioner Martire noted that in an adequacy-based formula, all institutions in Illinois are underfunded. Who should bear the primary burden of new money? The model shouldn't create incentives to increase tuition or fees. Commissioner Weffer noted that there needs to be discussion around how financial aid deals with this. The entire ecosystem needs to be discussed. Beth Ingram shared that one strategy may be to go with Pell to determine reasonability. The state has an obligation to subsidize areas of mission.

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. Will Carroll walked through a table shared on the screen.

Dial 1: What to apply the subsidy to?

The dotted line represented 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?

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)

Carroll walked through a spreadsheet, shared on screen, that was previously shared with the workgroup members, to better understand the options. A number of workgroup members raised the point of a possible gap if institutions cannot reach the total amount/number. Corey Bradford reminded the workgroup members that averages are central tendencies: institutions will be above and below. Do we use a statewide average, that treats all students the same? Mike Abrahamson reminded the workgroup that language really matters. Commissioner Martire shared that the per student adequacy number is problematic, and explained the K12 EBF model further for comprehension. Commissioner Mahony shared that option 1 makes the most sense to him. Corey Bradford noted that the middle option appears to keep the expected student portion the lowest.

Michael Moss asked for clarification around many of the components in the middle section of the spreadsheet. The relationship between the subsidies are all relatively similar to what they were before. There was confusion around addressing it as an adequacy issue and a

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resource issue. Commissioner Steans echoed the goal of affordability and who are we trying to make this affordable for? And, at what level? Commissioner Martire shared a number of data points around tuition and affordability. Compared to other states, tuition is high in Illinois. New resources need to be allocated carefully.

Adequacy: Access Tiers + Instructional Costs Adjustments

Will Carroll walked through a snapshot of the per student adequacy framework, including components around Mission and O&M (institutional support, physical plant) as placeholders.

Instruction and Student Services Updates

- Student-Centered Access
 - Equity adjustment tiers based on student groups' under-enrollment in four-year universities
- Academic and 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

Proposal: High Tier (\$1,000), Low Tier (\$500)

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

Carroll walked through the gaps in college going rates per student characteristics and what possible tier they could be grouped into. Corey Bradford suggested that the adult population (characteristic) should be at a higher tier.

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 and 30% in medical professional (i.e., 30% and 130% total)

Beth Ingram asked what the percentage is of. There would be a weighted average of the \$14,000 core instruction cost. The \$14,000 represents the overall state cost (per capita number). The weights are related to the cost of instruction (instructional expenditures). Nate Johnson shared that other programs (doctoral health professions) didn't jump out as

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consistently high-cost. Should master's level programs that feed into the doctoral programs be included?

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.

Mike Abrahamson and Kim Tran both shared thoughts about making the case for high-cost programs. Nate Johnson shared his goal to balance responsiveness to cost differences with the desire for simplicity.

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 (excl. 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)

Mike Abrahamson shared that the way this is considered is important. This is directly relevant to equity and he appreciates how it's considered.

Equity-Centered Adequacy Model Draft

Will Carroll walked through the spreadsheet that shows the adequacy model draft. Beth Ingram noted that having equity adjustments on each piece is confusing and that an overall equity adjustment would be easier to understand and explain. Corey Bradford echoed his agreement. Commissioner Weffer shared that it would be almost impossible to track the faculty diversity piece. Commissioner Steans raised the point that when areas are pulled out of a formula, it causes space for mischief and inequity.

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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

Updated Topic Teams

The updated topic teams were outlined, and follow-up emails would be sent around to the workgroup members.

Other Topics

Implementation Related Topics

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

Public Comment

Members of the public wishing to make public comment were given three minutes:

- Jennifer Delaney, member of the IBHE and faculty member at UIUC. Ms. Delaney shared two overarching concerns from the discussion today – affordability and complexity. It is not clear how the formula will increase affordability. She shared that this is immensely important to address. Not setting a funding formula to keep college affordable, especially for low-income students, is a missed opportunity of having spent the time working on this funding commission. In addition, the affordability issue is directly connected to complexity. Ms. Delaney does not fully understand the model as presented and no high school senior will either (neither will most parents or legislators) and thinks it is very important to communicate a clear message to potential students about affordability. To this end it would be helpful to have a handhold that would enable clear communication. Ms. Delaney suggested that the group work towards a very simple model for affordability that would clearly address affordability for the lowest income students, enable clear, non-complicated messaging, means-tested free college will go a long way towards addressing equity across student groups and is more targeted at vulnerable student populations and less expensive overall than a universal free-college approach. Ms. Delaney shared that her back-of-the-envelope calculations show that the state already has free tuition for MAP/Pell-eligible at all community colleges in the state and most public four-year institutions. As such, the lift for the state will be small to fill in gaps (where they exist) for this population of students and to make it a guarantee so that students can count on having free college when they are ready to enroll. If the increase in MAP, which was requested by IBHE and is in the governor's requested budget, is approved by the General Assembly, Illinois might have free college for all low-income students as early as Fall 2023. However, no one knows this and there has not been marketing around free college. Ms. Delaney shared that this seems like a missed opportunity that would be particularly impactful for our most vulnerable students. While free college might be achievable soon, there is no mechanism for sustaining it if this goal is not codified in a funding formula. Within the free college space, it is worth considering the no-loan models that some of the four-year publics

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are operating – Illinois Commitment at UIUC and the Huskie Pledge Grant at NIU. However, Ms. Delaney cautioned against setting an affordability model that is tied directly to merit (or selective admissions) in a statewide program. Research supports the idea that clear, simple communication is vital as is a guarantee such that students can plan for college. There is research in the promise program literature that when students are offered “free college” they change not only their preparation for college, but also their aspirations. Likewise, the aspirations and expectations of teachers and parents shifted after the introduction of promise programs as trusted adults start to see all of their students as being able to go to college. Ms. Delaney argued that there is no benefit to holding on tight to a conceptual model if it does not get to a place that the group hopes to go. In this case, it is not clear that the model will get to a place that would enhance affordability of higher education for the state. Ms. Delaney amplified Mike Abrahamson’s comment about radically simplifying the model and his question of whether tuition should be in the model. Ms. Delaney raised her concern that student tuition is still being treated as being equivalent to local property taxes in the state’s K-12 funding model. Finally, Ms. Delaney thinks that this model does not appropriately take into account the current student aid system. More thinking about this is needed and student aid needs to be clearly and purposefully entered into the model. For instance, she shared that it is still not clear if Pell and MAP are seen as a student or a state/federal resource.

Next Steps

Will Carroll outlined next steps, including:

- New topic teams begin analysis to present findings at the 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.

Commissioner Steans asked whether accountability and transparency is included in next steps. These areas are included in the next steps, acknowledging that workgroup members may need to “double up” and tackle more than one topic.

Adjournment

The next workgroup meeting was scheduled for Thursday, May 25, 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

Simón Weffer

Corey Bradford, designee for Cheryl Green

Beth Ingram, designee for Lisa Freeman

Dan Mahony

Michael Moss, designee for Javier Reyes

Andrew Rogers

Ketra Roselieb, designee for Guiyou Huang

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Support Team Members in attendance

Ginger Ostro

Jerry Lazzara

Jaimee Ray

Martha Snyder

Will Carroll

Jimmy Clarke

Nate Johnson

Katie Lynne Morton

Brenae Smith