

IL Funding Commission
Technical Workgroup meeting
5/25/2023
Public Comment
Jennifer A. Delaney

Thank you for the opportunity to offer public comment. I want to touch on an important conceptual problem with the model being proposed that has not yet been resolved by the group. Especially with the expanded timeline for this work, it seems important to go back to fundamentals and to make sure that these are done right in a way that will support the formula.

It is a concern that I have mentioned consistently throughout this process. To briefly review:

Conceptual Concerns:

The adequacy model equates state funding and tuition revenue. This is immensely concerning on two important dimensions:

1. Tuition is not the same as state funding, especially from the point of view of students and families.

Tuition is a private burden, not a public one.

Only those students who are admitted to institutions are asked to pay tuition.

Moving to think about tuition as a “public benefit” holds great risks of creating a regressive system, which will work against equity goals.

2. The model is equating local property tax in a K-12 adequacy model to tuition. This is problematic. For public 4-year institutions in Illinois, there is *no* local property tax base.

In the K-12 model, there are inequities across communities in property tax levels. 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. The state role is therefore to fill in funding to make sure that all school districts are funded adequately.

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 4-years in most years. All of the money is state money. There is no need to fill in since the state money is simply allocated across institutions.

Concerning Implications:

If the model continues to treat tuition the same as state funding, then students are treated like trees where as much revenue as possible should be harvested. This is going to move in a direction that is the opposite of affordability goals.

This also works against all three of the principles that were presented as goals for the Expected UIF proposal.

While it is important to address subsidies within the model, this is best done with a foundation of a strong conceptual model.

In my world a student with an unsound conceptual model does not pass their dissertation defense and the rest of their scholarship does not continue until a sound foundation can be established. Likewise, I encourage the commission to address the problems with the conceptual foundation being used before the details of how the formula should be adjusted and implemented are settled.

Next steps:

If there is a way to justify treating tuition revenue the same as state appropriations and conceptually equating local property taxes with tuition, then that case needs to be made. I do not currently see it.

If not, then a new definition of adequacy needs to be used.

If the model will only work if there are clear accountability mechanisms that will put a check on tuition growth, then clear discussion is needed about these accountability mechanisms (tuition caps?) since those will be the real policy drivers for achieving affordability in this model.

One Possible Solution:

One solution would be to use a considerably simplified model of adequacy. Perhaps the EBF Tier 1 or Tier 2 measures could be promoted to become the adequacy model. This would tie the adequacy concept directly to the definition of adequacy used in K-12. Other subsidies can then be set for different student populations, but this would preference those students who were underinvested in by the state throughout their K-12 years first to set an adequacy floor for in-state undergraduates. A second step would be to then set a standard for how affordable college should be for these students – perhaps this group should attend college for free.

Additional Comments:

The commission needs to decide how student aid enters into the model!

1. Setting up a model where the students with the most need get the lowest state investment is concerning. I am not arguing that Pell and MAP should be ignored, but the idea that these students would receive less from the state than other more privileged students is concerning.

2. Clarity is needed about what is counted in the student share (e.g., is student aid a student benefit? Are state-funded MAP grants a state benefit or a student one? Are Pell grants a federal benefit or a student one?)

Michael's argument that all residents should be subsidized is important as is his push to consider hospital funding.

Clearly articulating the goals for the formula would be an important contribution. It is worthwhile to take time in the technical workgroup to have this conversation.