

IL Funding Commission
Technical Working Group meeting
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Public Comment
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Thank you for the opportunity to offer public comment. I am Jennifer Delaney a professor of higher education at the University of Illinois Urbana-Champaign. I appreciate the opportunity to offer public comment today.

At the most recent full commission meeting, we heard about the impact of the supreme court ruling this past summer on the work of the commission.

Because of this, it seems like the technical workgroup is in a good moment to take a pause and to reassess the future direction of the group and the type of formula that will be produced from this commission.

In the field of economics, there is a concept called the “sunk cost fallacy”. The idea speaks to a very human desire to continue on a current path because so much prior effort has been put into that particular path. What most people do not realize is that all of the costs and work that was expended in the past is already spent time and effort, so that work in itself should not guide what would be the best choice for how to act in the future. I realize that a lot of work has been put in to get this technical workgroup to where it is today. However, we are in an important moment to take a pause, to have this reflection, and to figure out what should come next. I will also argue that the next step does not need to be tied to prior efforts alone.

I want to encourage the group to think carefully about the future, consider how race can (or cannot) be incorporated into this work, and to work towards something that is not overly complex. My guess is that consultants are not paid by the number of variables included in the formula, so there is no prize for developing a complex formula.

Specifically, I want to encourage the group to consider two simple approaches to a statewide funding formula for public 4-year institutions.

First, for the past few years IBHE has been recommending equitable distribution of increased state funding by the share of students on each campus that receive Pell grants. While perhaps not perfect, this approach is a simple one that will likely lead to increased equity in the allocation of state funds, especially for low-income students. This approach also does not have any race-based measures. Specifically, I would like the group to model a simple approach like this to see how it allocates resources across institutions and how that compares to a complicated cost-based model. IBHE has already done this modeling over a number of years, so it should be straightforward to model this approach into the future.

Second, Nate mentioned earlier in the meeting moving towards a “free tuition” model. This too would be a simpler approach, one that does not rely on race-based measures, and one that puts affordability at the center of the approach. Specifically, I would like the group to model a “free

college” approach to see how this simple idea could be used to develop a state funding formula, what the allocations to campuses would look like under this model, and how that allocation would compare to a complicated cost-based model.

Even if these two ideas may not end up as reasonable substitutes, I want to encourage the group to “run the numbers” to see how these simple approaches compare to the complicated cost-based model that prior work sought to develop.

Thank you for the opportunity to offer comment today.