
ILLINOIS COMMISSION ON
EQUITABLE PUBLIC UNIVERSITY FUNDING

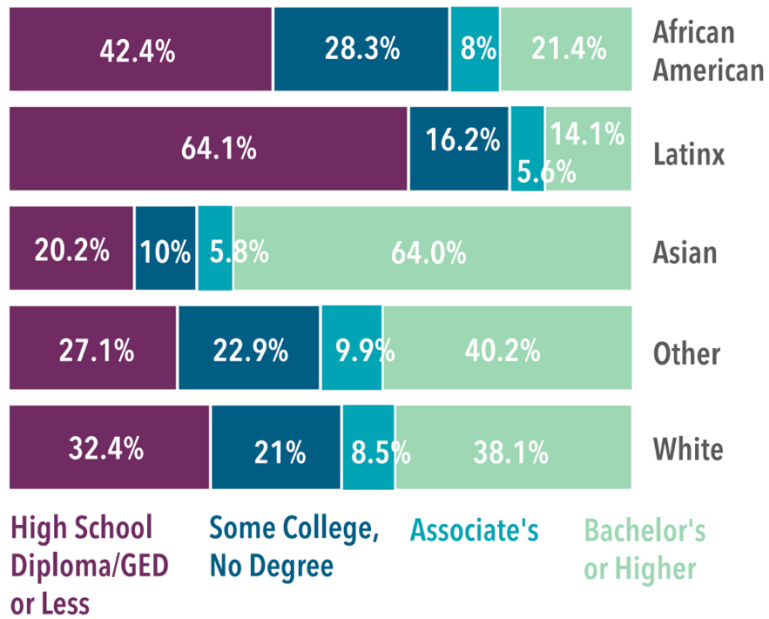
Defining Adequacy and Equity in
Illinois' Proposed University
Funding Model

Illinois University Context

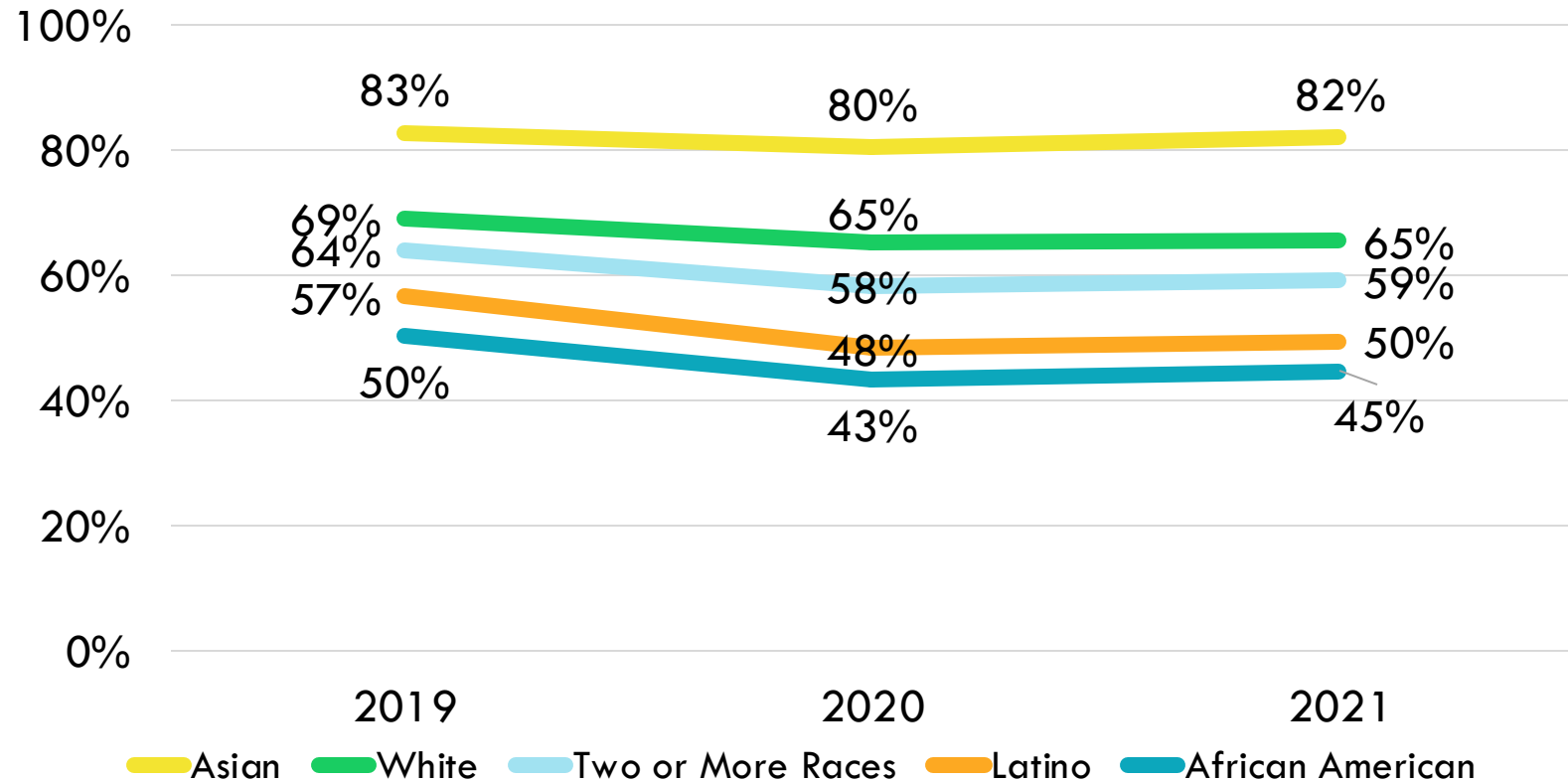
- 12 Universities
 - 2,300 – 53,000 students
 - 2 systems (UI and SIU)
 - 3 R1 institutions
- Basis for reform
 - Illinois Board of Higher Education's Strategic Plan
 - Chicago State Equity Working Group: Developed an action plan to close equity gaps among Black learners.
 - Illinois' K-12 Evidence-Based Funding formula
- State Funding
 - No formula. Across-the-board allocations.
 - Down 22% since 2015.

Gaps in Postsecondary Access and Success

EDUCATIONAL ATTAINMENT IN ILLINOIS (AGE 25+) BY RACE/ETHNICITY



COLLEGE-GOING RATE OF HS GRADUATES BY RACE/ETHNICITY



The Commission

- Legislatively established in August 2021
- Membership:
 - Co-chaired by two legislators, IBHE Board Chair, and Deputy Governor
 - 34 members including all 12 presidents, advocates, and faculty.
- Legislative charge:
 - Recommend approaches to **ADEQUATELY, EQUITABLY**, and **STABLY** fund public universities.
 - 13 specific considerations related to remediating current and historical inequities impacting underrepresented minorities, increasing access and supports for historically underserved students, recognizing unique institutional missions, ensuring transparency and accountability, and including a hold harmless.

The Commission's Recommendations

An adequacy-based, equity-centered funding model:

- Builds an equity-centered, data-driven **Adequacy Target**
- Determines the **Resource Profile**
- Establishes an **Equitable Student Share** of the total cost of the Adequacy Target
- Identifies the **Adequacy Gap**
- Closes Adequacy Gaps, using an equitable **Allocation Model** for new state investment

Overall Framework

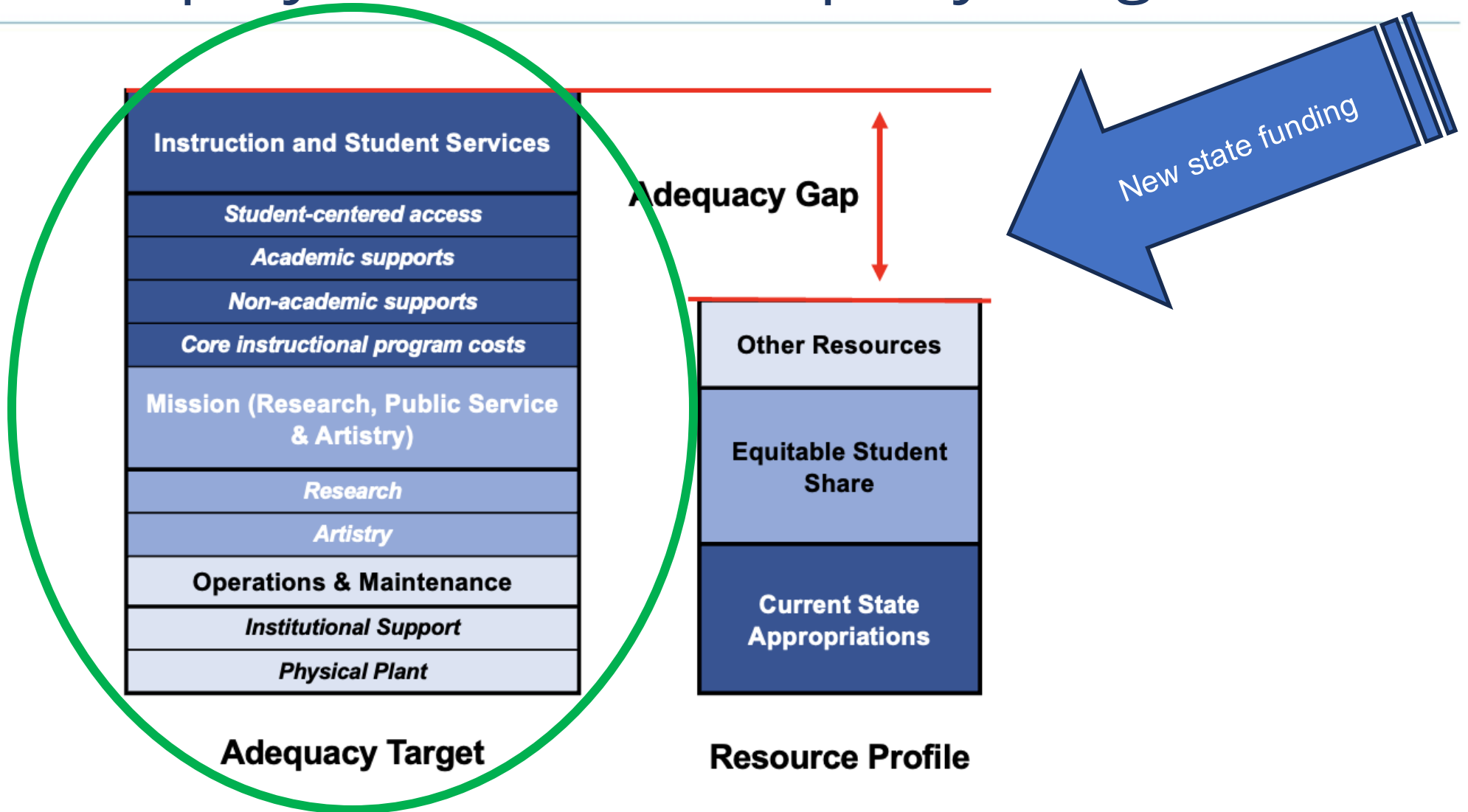


Adequacy Target – An institution-specific cost needed to deliver an equitable and quality education, based on the specific characteristics of the institution and its student body.

Resource Profile – The resources an institution currently has available to cover the costs of its Adequacy Target.

Adequacy Gap – The remaining amount the state must provide over time to adequately fund an institution. The Adequacy Gaps help target new state funding to the most underfunded universities.

Building an Equity-Centered Adequacy Target



Approach to Calculating Adequacy Targets

Baseline Spending

Start with the average statewide per pupil funding levels



Equity Adjustment

Close equity gaps by adjusting the baseline spending for certain student, program, and institutional characteristics



Base Adjustment due to Underfunding

Recognizing IL's history of underfunding higher education, increase the baseline per pupil expenditures to a sufficient level



Adequacy Target

Equity and Institutional Adjustments

Student Equity Adjustments

- Adult
- Rural
- EBF Tier 1/2
- Low-Income
- Underrepresented Minority
- URM in high-cost programs

Institutional Adjustments

- High-cost programs
- School size
- Concentration of equity-adjustment-eligible populations
- Carnegie Classification
- Lab Space

The adjustments are intended to accomplish two objectives:

- **Incentivize enrollment and success** of underrepresented student groups, and
- Reflect the different levels of resources necessary to deliver **different programs and missions**, and to generate outcomes for **different groups of students**.

Embedding Equity and Mission in the Adequacy Target

Adequacy Component		Base Cost Per Student	Adjustment 1	Adjustment 2
Instruction and Student Services	Student-Centered Access	\$1,136	Access Equity Adjustment Medium/Low +\$1,000/\$500	
	Academic & Non-Academic Supports	\$2,196	Support Equity Adjustment Intensive/High/Medium/Low +\$8,000/\$6,000/\$4,000/\$2,000	Concentration Factor >75% of UG in Int/High: +50% 60-75%: +30% 50-60%: +10%
	Core Instructional Program Costs	\$9,797	High-Cost Programs Factor High-Cost: +20% Health Prof: +100% Medical: TBD	Diversity in High-Cost Programs Adjustment High-Cost: +45% Health Prof: +69% Medical: +18%
Research & Public Service Mission	Research	\$600	Research Factor R3: +\$500 R2: +\$700 R1: +\$1,200	
	Artistry	\$200	N/A	
Operations & Maintenance	Institutional Support	\$1,941	School Size Factor Sliding scale 0%-45%, capped at 20,000 students.	
	Physical Plant	\$7.78 (per sq ft)	Laboratory Space Adjustment +\$1.54 per lab sq ft	

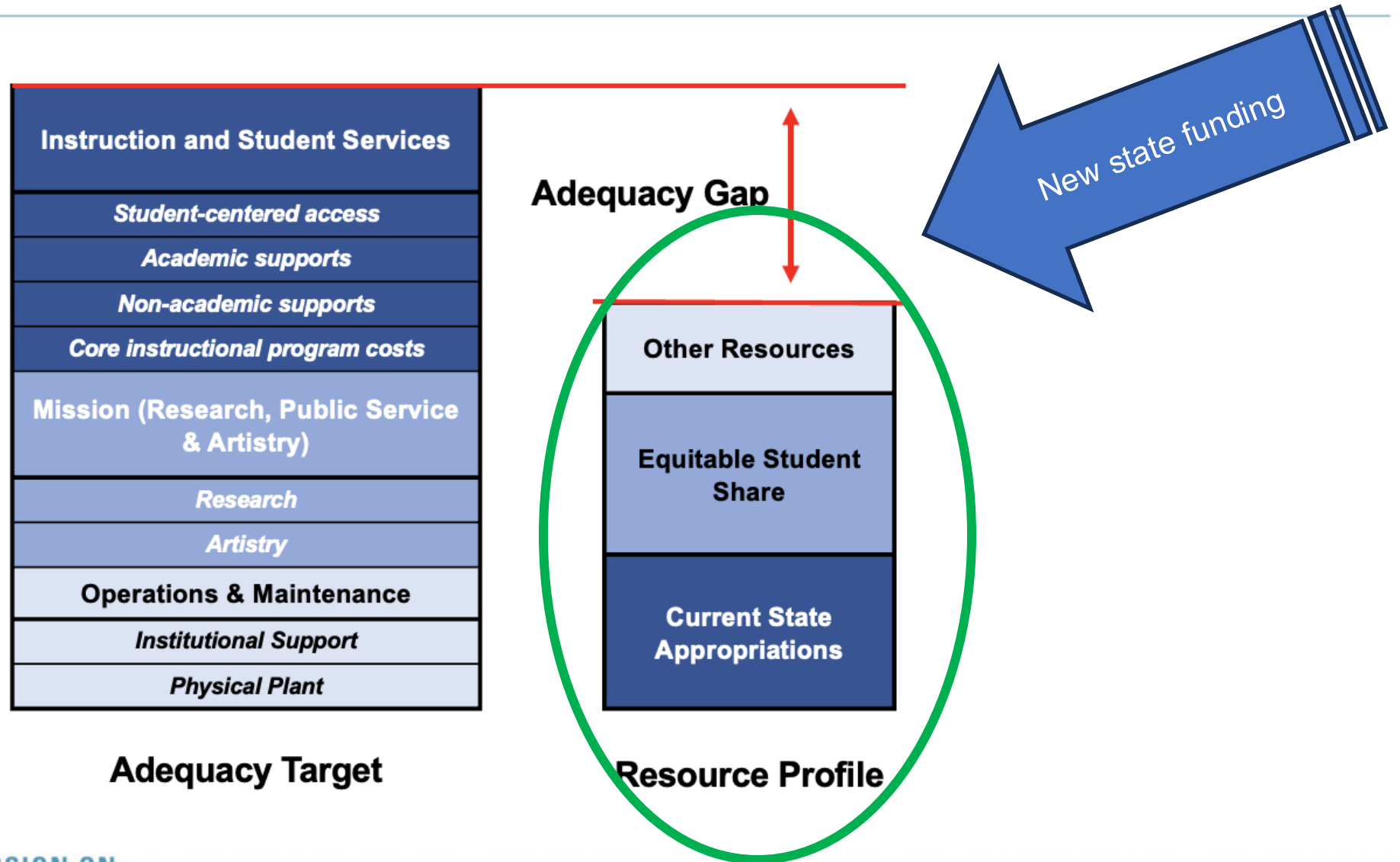
Determining Access & Supports Equity Adjustments

Gaps in college-going rate and retention rate were used to identify which student groups would be eligible for the Access and Supports equity adjustments.

4-yr College Going Rate	Student Characteristic	Tier	Equity Adjustment Amount
Statewide Gap			
-21.8%	Low-Income/Not Low-Income	Medium	\$1000
-19.0%	Rural/Not Rural	Medium	
-16.2%	Latinx/White	Medium	
-9.8%	Black/White	Low	\$500
-9.1%	Native/White	Low	
N/A	Adult	Low	

The adjustment amounts were based on the costs of effective Illinois and national college access and holistic support programs.

Determining the Resource Profile



A Reasonable, Affordable, and *Equitable Student Share* of the Costs

ESS represents a **reasonable and affordable** portion of the adequacy target that should be **generated from tuition and fees** based on the **characteristics of the student body**.

It considers how much students *should* pay, not how much they *do* pay.

ESS identifies populations for which the state has a greater responsibility for covering the costs of adequacy. The student's share of that cost is reduced through subsidy rates assigned to each characteristic.

ESS subsidy populations:

- In-state
- Undergrad
- Underrepresented Minority
- Low-income
- EBF Tier 1/2
- Adult

Calculating the ESS Index

A university's subsidy rate is the weighted average of the individual subsidy rates for each student enrolled.

The remaining share is the **ESS Index**, the portion of the adequacy cost that should come from tuition and fees.

Adequacy Target (\$)	
Institutional Subsidy Rate: 72%	ESS Index: 28%

The more high-subsidy student groups a university enrolls, the lower its ESS. The lower the ESS, the more the state is responsible for covering the costs of adequacy.

Institution	Base Funding	ESS Index	Equitable Student Share
Northeastern	\$110,499,854	24.3%	\$26,892,037
UI - Chicago	\$631,938,744	41.0%	\$258,830,123
UI - Urbana / Champaign	\$1,068,300,918	65.1%	\$695,086,947
Illinois	\$3,678,738,776	50.0%	\$1,808,610,922

Illinois

Degree-Seeking Enrollment **176,991**

Adequacy Target

Student-Centered Access

Base Cost \$197,000,000
Access Equity Adjustment \$73,000,000

Acad & Non-Acad Supports

Base Cost \$393,000,000
Support Equity Adjustment \$596,000,000
Concentration Factor \$100,000,000

Core Instruction Costs

Base Cost \$1,734,000,000
High-Cost Program Factor \$288,000,000
Diversity in High-Cost Programs \$19,000,000

Research & Artistry

Base Cost \$142,000,000
Research Adjustment \$140,000,000

Institutional Support

Base Cost \$344,000,000
School Size Factor \$30,000,000

Physical Plant

Base Cost \$391,000,000
Lab Space Adjustment \$17,000,000

Adequacy Target **\$4,466,000,000**

Adequacy Gap **\$1,408,000,000**
Percent of Adequacy Funds **68%**

Resource Profile

*Other Resources** \$120,000,000

Equitable Student Share \$1,809,000,000

Current State Approps \$1,130,000,000

Resource Profile **\$3,058,000,000**

Share of Adequacy Target When Fully Funded

Adequacy Target per Student	\$25,232	
State	\$14,337	57%
ESS (Tuition & Fees)	\$10,219	40%
Other Resources	\$675	3%
Current State Approps per Student	\$6,382	

How will IL distribute new dollars and close Adequacy Gaps?

Ideas the allocation formula is trying to balance:

- 1) Adequacy gaps should be a primary factor in the allocation.
- 2) All schools should receive some reasonable equal percentage increase (“guardrail”) each year there is new money (to help ensure tuition is not a release valve for increasing costs).

These present an inherent tradeoff. The larger the guardrail, the more stability for every institution, but less emphasis on adequacy and equity.

How will IL distribute new dollars and close Adequacy Gaps?

Institution	Adequacy Gap Percentage
Northeastern Illinois University	39.3%
Governors State University	44.5%
Northern Illinois University	55.6%
Illinois State University	56.0%
Eastern Illinois University	61.1%
University of Illinois at Chicago	61.6%
Southern Illinois University Edwardsville	62.4%
Western Illinois University	62.7%
Chicago State University	69.6%
University of Illinois at Springfield	71.7%
Southern Illinois University Carbondale	81.7%
University of Illinois at Urbana / Champaign	91.8%
Illinois	68.5%

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Commission Recommendations
Summary

Major Formula Design Features

- Each institution has a **unique funding level based on its students' needs**, mission, and mix of programs.
- **Encourages greater access and success** for historically underrepresented students.
- **Every institution gets a funding increase** when new dollars are invested.
- **Institutions have flexibility** to invest in ways that best serve their students.
- Incentivizes institutions to **reduce reliance on student tuition** with increased state investment.

Key Takeaways & Next Steps

- Calls for an **increase of \$1.4 billion** in state funding, through targeted annual investments
- Built on best practices and research on **what it costs to serve students equitably**
- **Includes \$800 million** to equitably serve students
- Distributes new funding through an **equity-focused allocation**
- Seeks to **reduce burden on students**, putting tuition share at **40%** of total cost
- Calls for **transparency and increasing accountability** as institutions get closer to adequate funding

Next Steps:

- A bill was introduced last week. This is the first step in a long legislative process.

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Questions?
