



Why Illinois Needs an Equitable, Adequate, and Stable Higher Education Funding Approach

February 29, 2024

Advance Illinois uniquely blends policy, research, and engagement to advance a healthy education system.

- ▶ Our goal is a healthy system that sets high expectations and brings together talented professionals, necessary resources, strong supports, family & community connections, and a commitment to continuous improvement across the birth-career continuum.
- ▶ We tailor our approach to each issue to leverage our core competencies and our partnerships across the state to drive impact.

POLICY ANALYSIS AND RESEARCH

Through rigorous analysis and research, inclusive stakeholder input, and clear and strategic communications, we build:

- Common understanding among stakeholders of challenges;
- Evidence-based solutions informed by community perspectives

COALITION BUILDING AND ADVOCACY

Through strategic partnership, community engagement, and evidence-based advocacy, we create:

- The right solutions to critical challenges;
- Leverage in the policy-making process to drive change

**15 Years of Advancing Illinois
Public Education Together**



Overview

Persistent and Deep Equity Gaps in the Postsecondary Continuum

Historical Inequities in Higher Education Funding in Illinois

Developing an Adequacy Based Model for Institutional Funding

Implementation and Next Steps

**INEQUITIES WITHIN THE HIGHER
EDUCATION LANDSCAPE ARE DEEP AND
PERSISTENT - IN BOTH FUNDING AND
OUTCOMES FOR STUDENTS**

The data is clear – earning a degree pays off for students and families for decades to come. Equity gaps keep Illinoisians from experiencing these benefits in their lives and their communities.



Positive Economic Outcomes:

On average attaining a bachelor's degree in IL doubles an individual's income, allowing a graduate to contribute \$278,000 more to their local economy than the average high school graduate.



Quality of Life:

Higher degree attainment is associated with increased life expectancy and improved physical health.

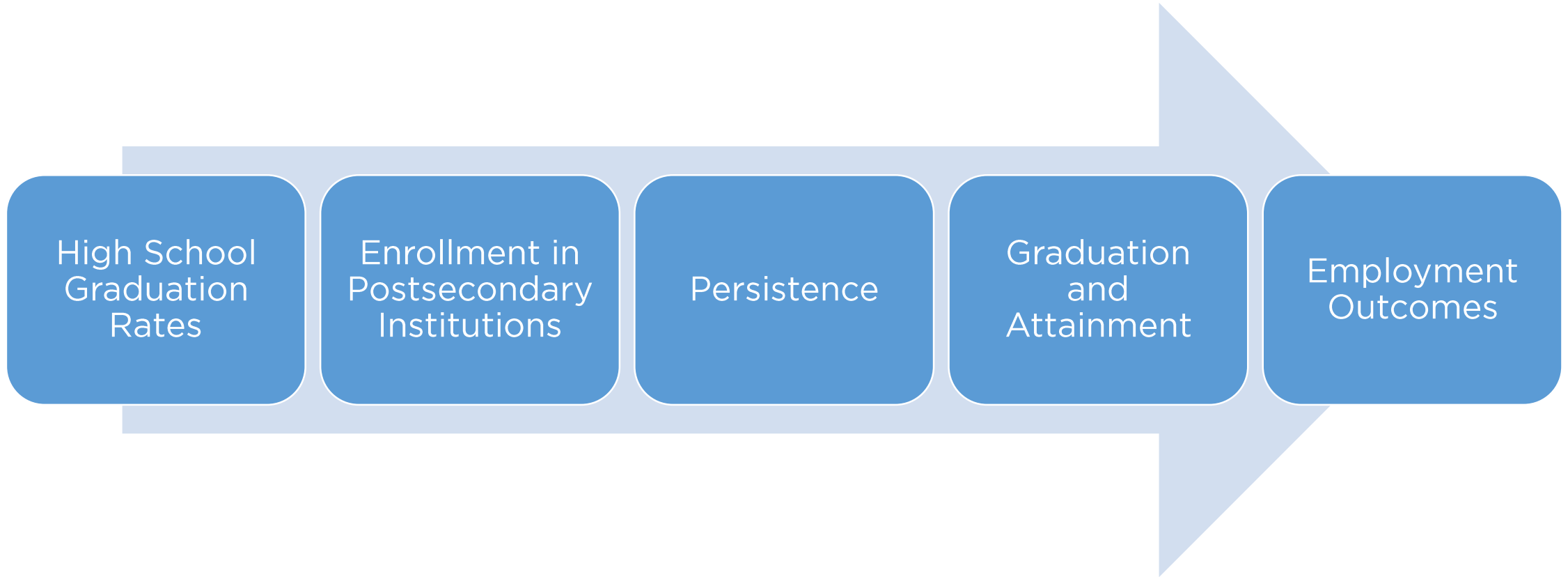
College graduates show increased civic engagement through voting and volunteering and fewer incidents of crime and incarceration.



Intergenerational Benefits:

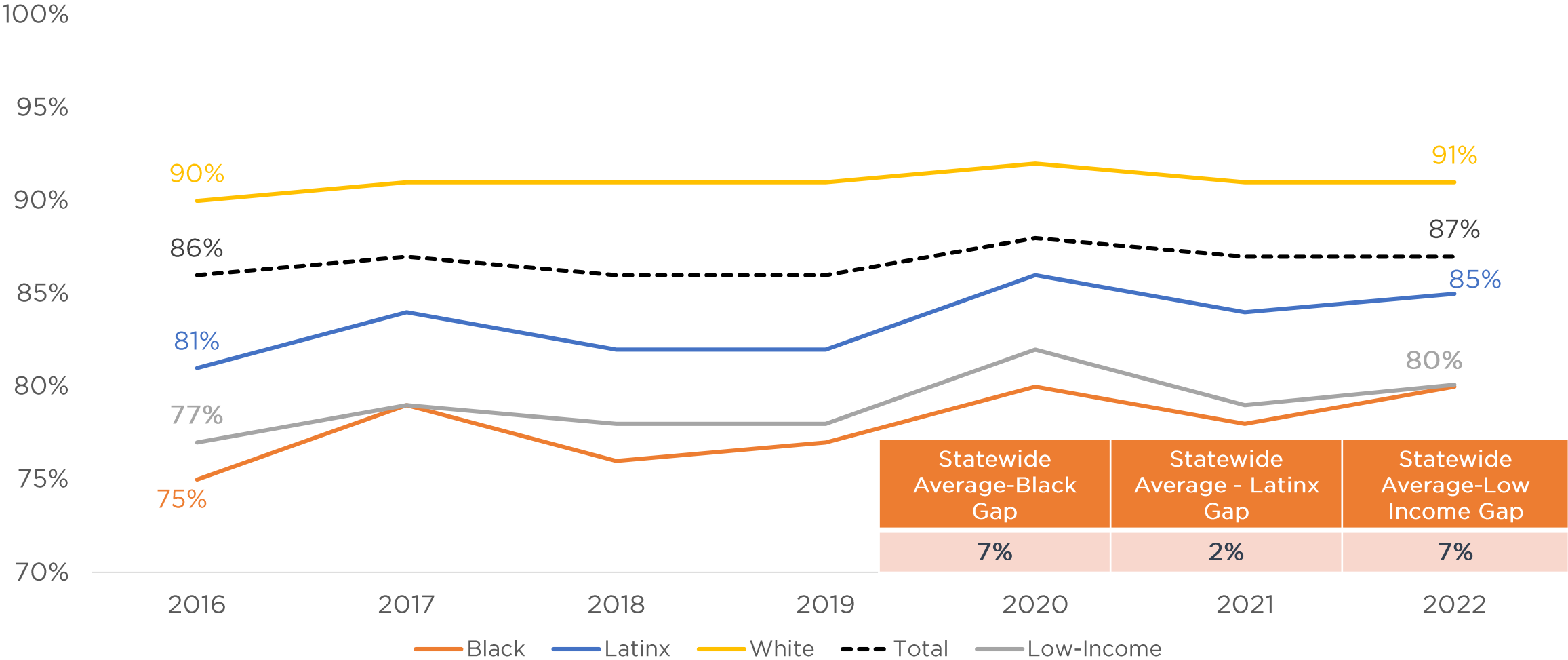
Higher degree attainment increases family wealth and results in future generations having greater education attainment and a lower likelihood of growing up in poverty and experiencing hunger.

Equity gaps exist at all points of the postsecondary continuum for students of color, students from low-income backgrounds, and other groups underrepresented in higher education.



High school graduation rates show that before even stepping foot onto campus, equity gaps exist, particularly for Black and low-income students.

Four-Year High School Graduation Rates

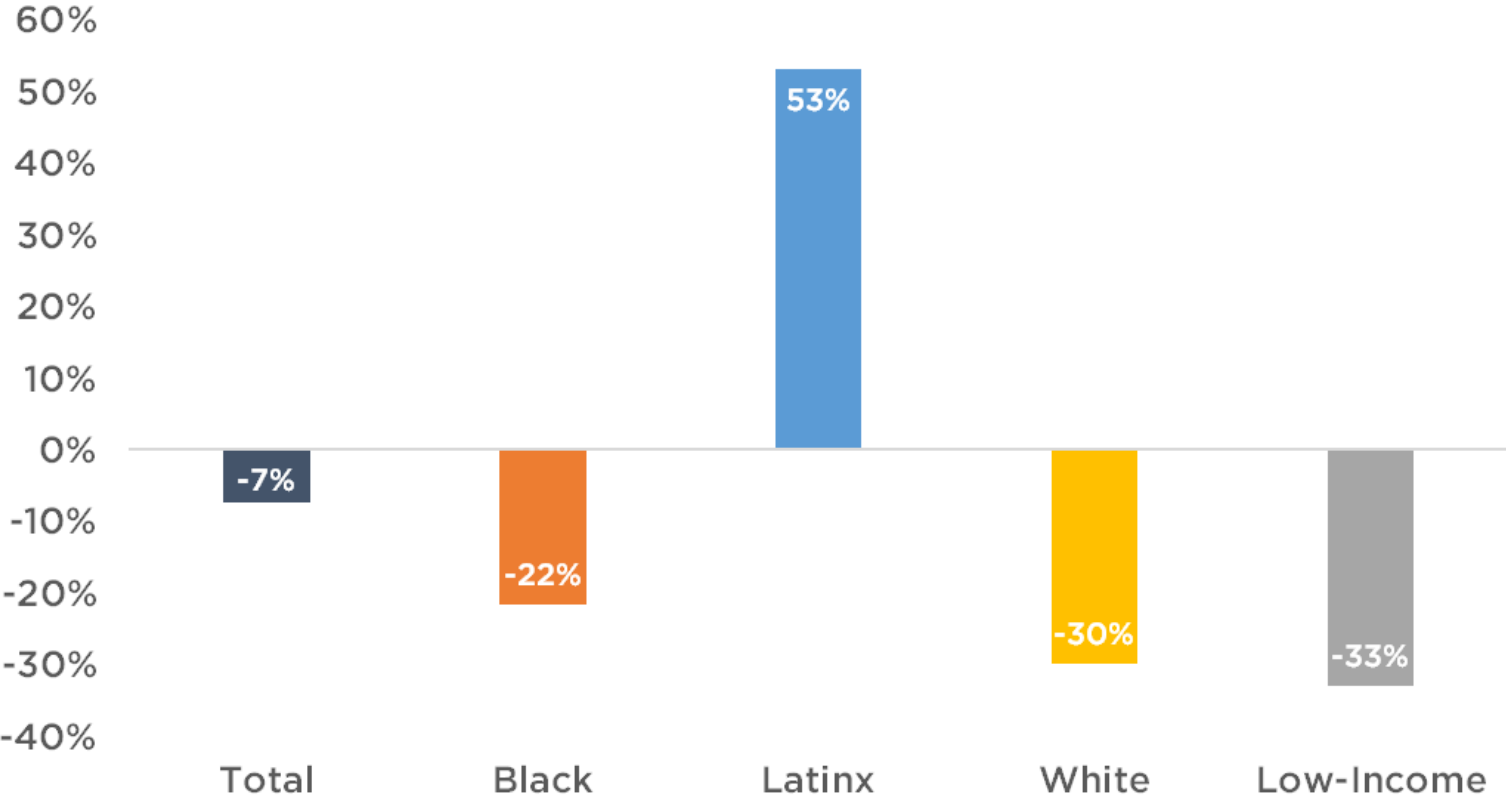


SOURCE: ISBE Report Card Data



Across all public universities, enrollment decreased by nearly 7% in the last decade – but those decreases were most severe for low-income students.

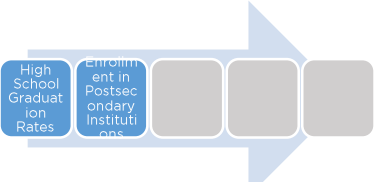
2012 to 2022 Percent Change in Public University Enrollment by Race and Income Status



- IL enrollment decreases are aligned with national trends, but our decreases are more dramatic.
- Generally, decreases in college enrollment are more pronounced than population decreases among college age populations (17-35).
- One factor that may contribute to decreased enrollment included students attending out-of-state schools - largely driven by affordability concerns due to uniquely high costs for IL public universities.

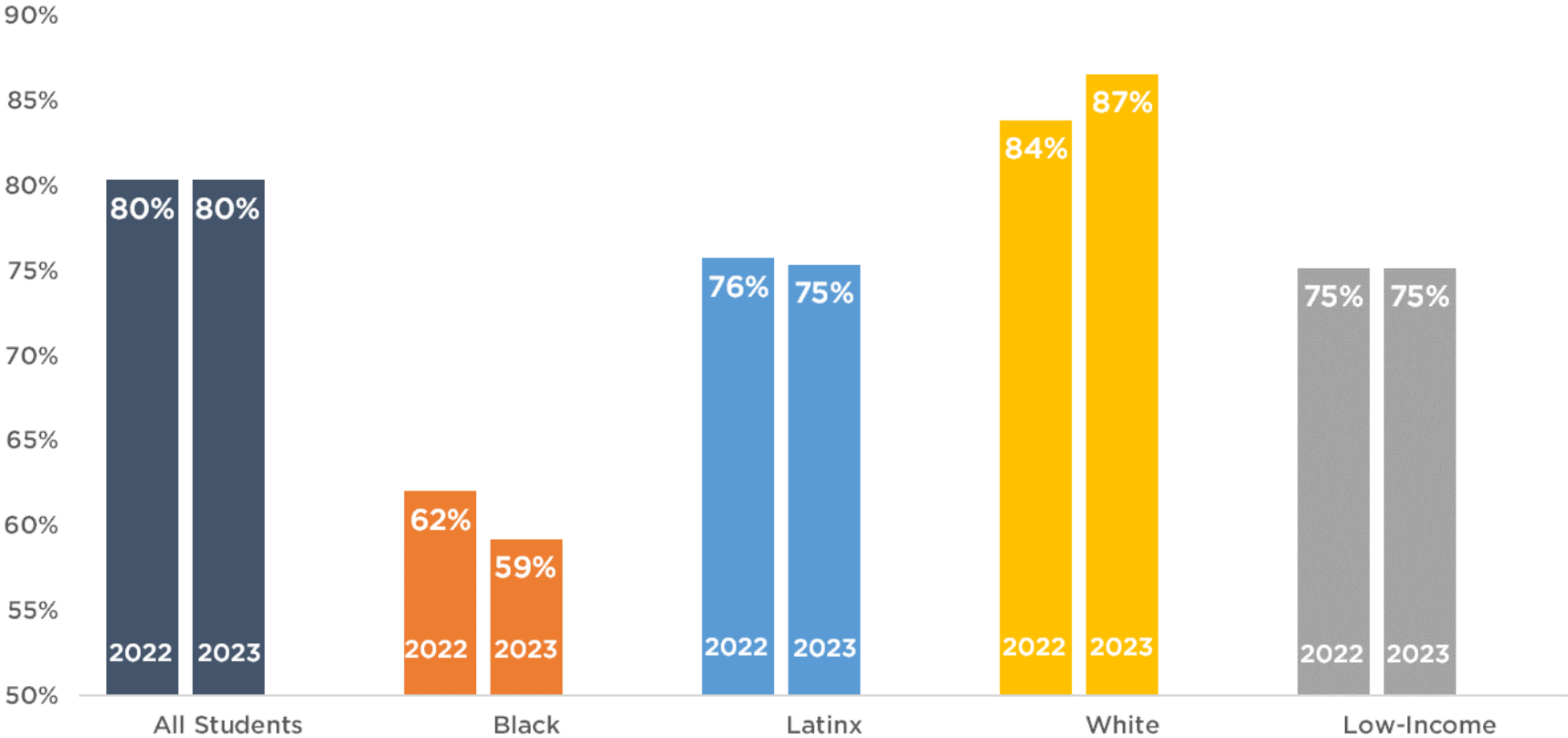
SOURCE: IBHE

Note: Enrollment in public universities in Illinois decreased by 140,000 students from 2012 to 2022 (556,969 to 417,585 respectively).



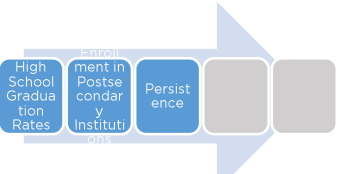
At public universities, retention rates vary greatly. Students of color and students from low-income backgrounds are less likely to be retained each year.

IL 4-yr Public University Retention Rates by Race and Income Status (2022-2023)



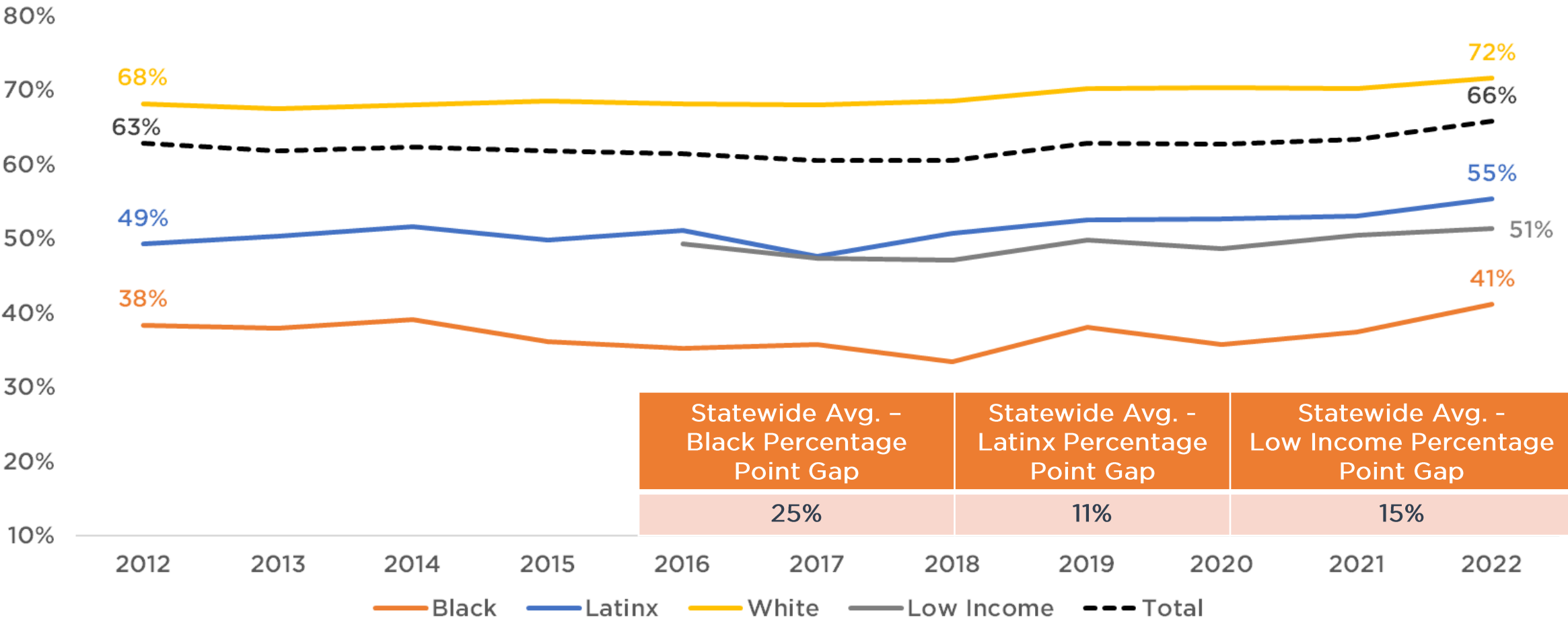
- Black student retention rates are diminishing at a faster rate than any other racial category.
- Low retention rates sets up students for financial hardship as they are burdened by student debt, but lack the credential that would create more opportunities to earn the income to pay off this debt.

Source: [IBHE First Look-Fall Enrollment 22-23](#)



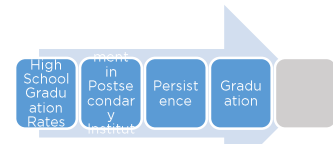
Although close to the national average - only 63% of first-time full-time Illinois students go on to graduate from a public university- with significant gaps for low-income, Black, and Latinx students.

Six-Year Cohort Graduation Rate at IL Public Four -Year Universities

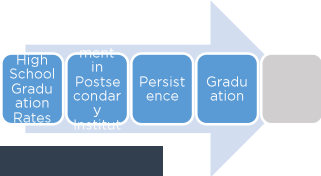
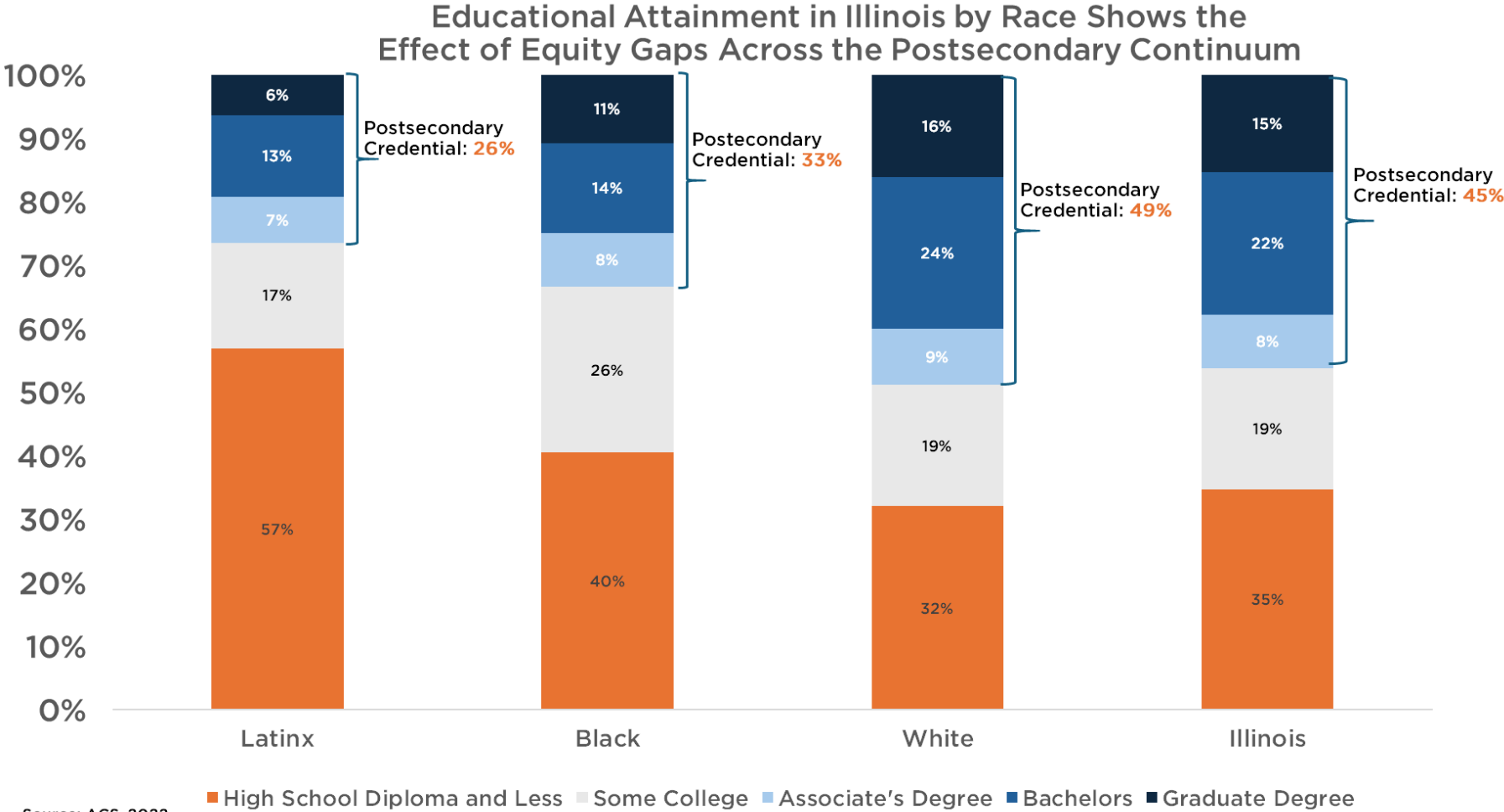


Source: IPEDS, 2021 American Community Survey 5-Estimates

Notes: Graduation rates listed are for first-time full-time students only. IPEDS started reporting cohort graduation rates for the class of 2011.



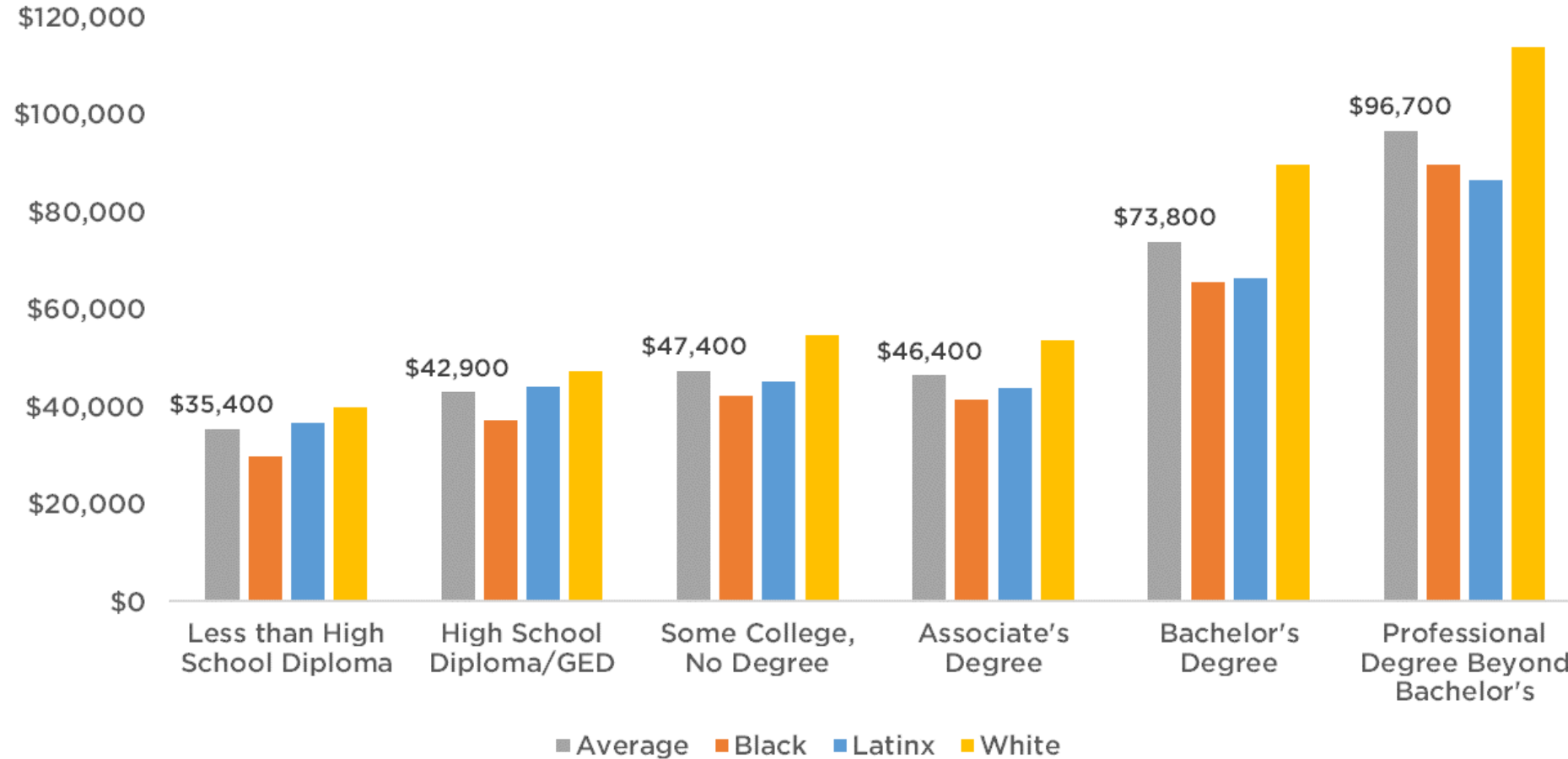
Higher education attainment racial gaps shows the effect of equity gaps across the postsecondary continuum.



The statewide attainment rate (45%) outpaces that of Black (33%) and Latinx (26%) Illinoisans. These racial categories are far more likely to have solely a high school diploma or to stop out of college at some point.

On average, attaining a bachelor's degree in Illinois increase an individual's income by over 70%.

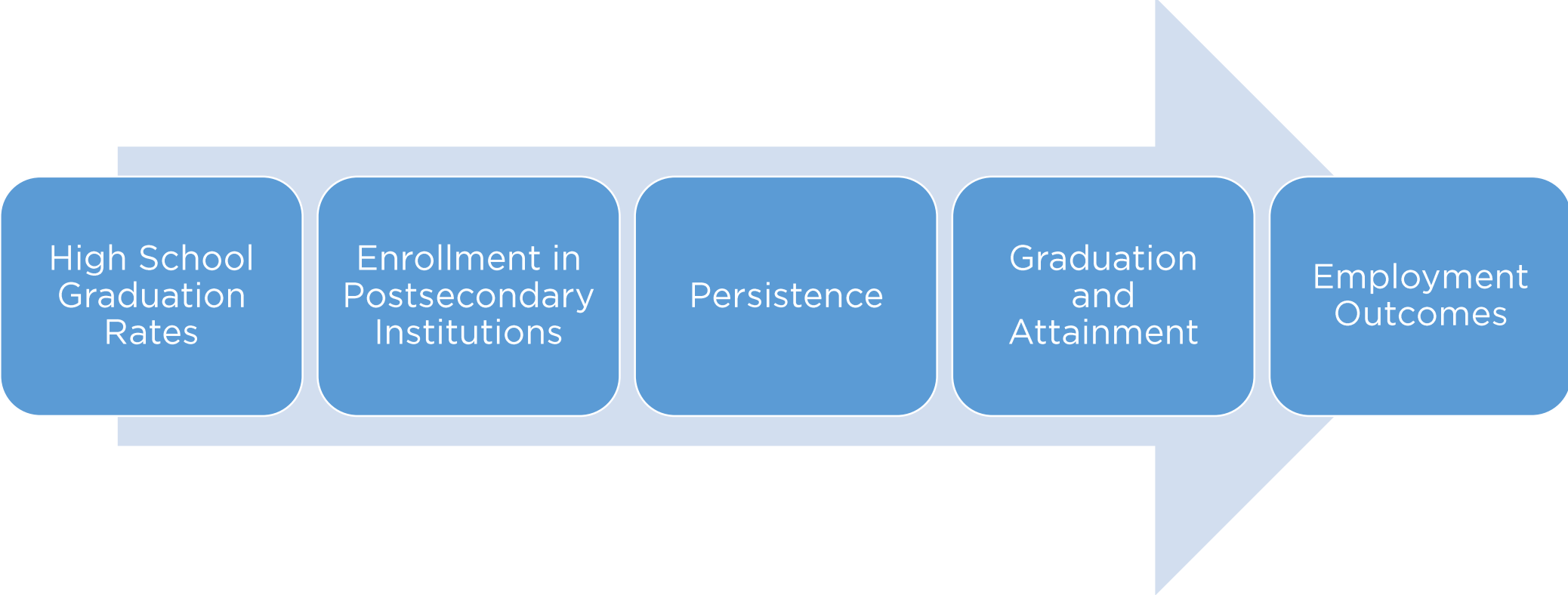
Average Annual Income in Illinois by Educational Attainment and Race



Assuming consistent annual income over time, a 10% increase in college credentials of Black and Latinx Illinoisans could:

- Increase the total annual income in Illinois by \$2.9B
- Increase the average annual income of a Black and Latinx Illinoisan by \$1,700 – a 9% raise.

Postsecondary credentials matter more now than ever, so equity gaps across the continuum reach far beyond university and far beyond the students themselves for decades to come.



**MONEY MATTERS IN HIGHER EDUCATION
AND INCREASED STATE INVESTMENTS
PLAY A POWERFUL ROLE IN CLOSING
EQUITY GAPS**

Access to, and success in, higher education for all students requires investment in both state financial aid and institutional funding.

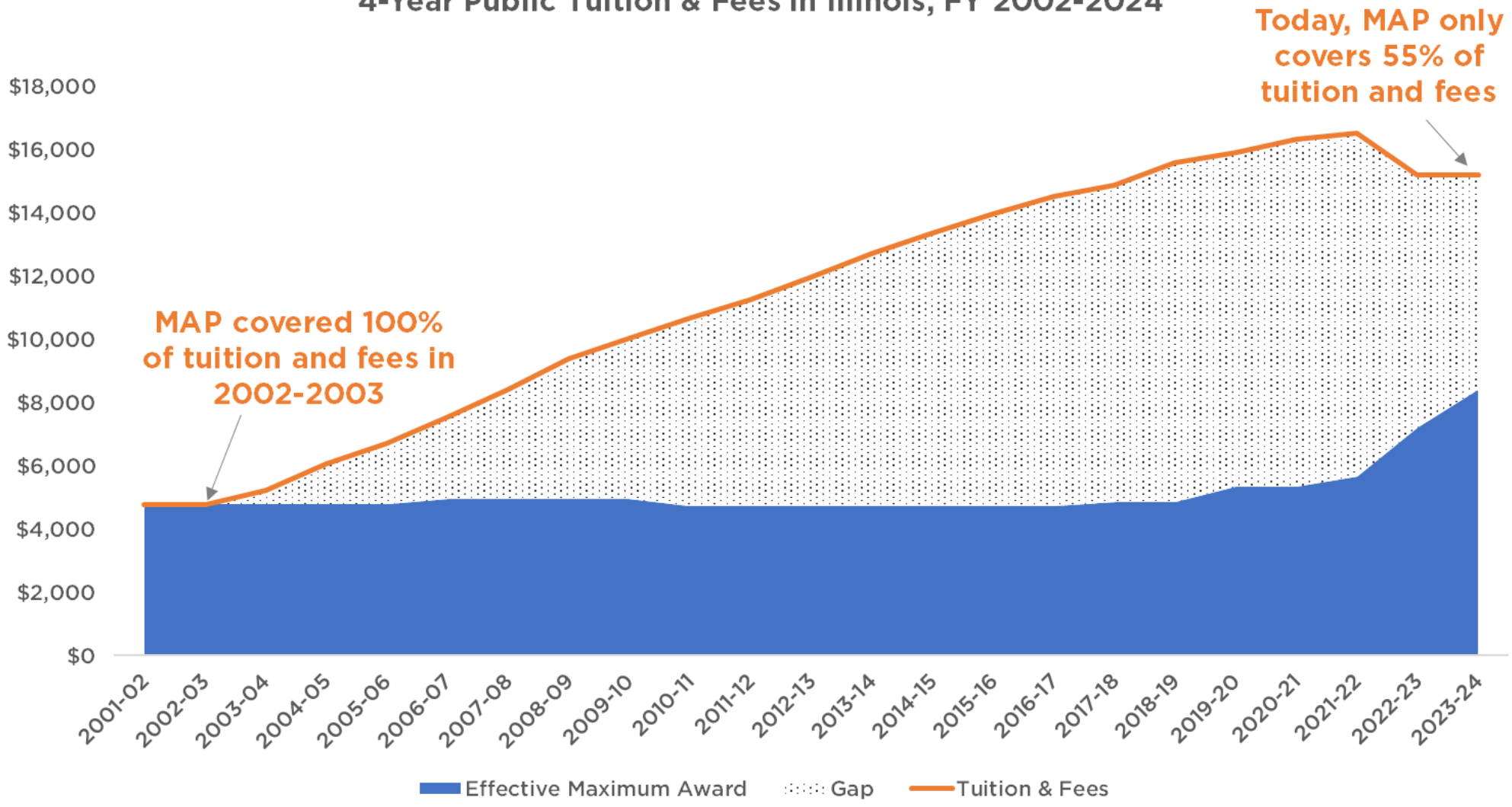


INSTITUTIONAL FUNDING	ADEQUATE SUPPORTS TO EQUIP STUDENTS TO COMPLETE COLLEGE <ul style="list-style-type: none">• Academic supports• Mental health services• Social supports
FINANCIAL AID	AFFORDABILITY FOR ALL STUDENTS <ul style="list-style-type: none">• Targeted state scholarship programs to support students with biggest gap• Sufficient state funding to effectively bring down the cost of attendance for students



STATE FINANCIAL AID is a powerful tool in addressing affordability for students in the state, but its potency has diminished over the years without critical investment.

Maximum MAP Award vs.
4-Year Public Tuition & Fees in Illinois, FY 2002-2024

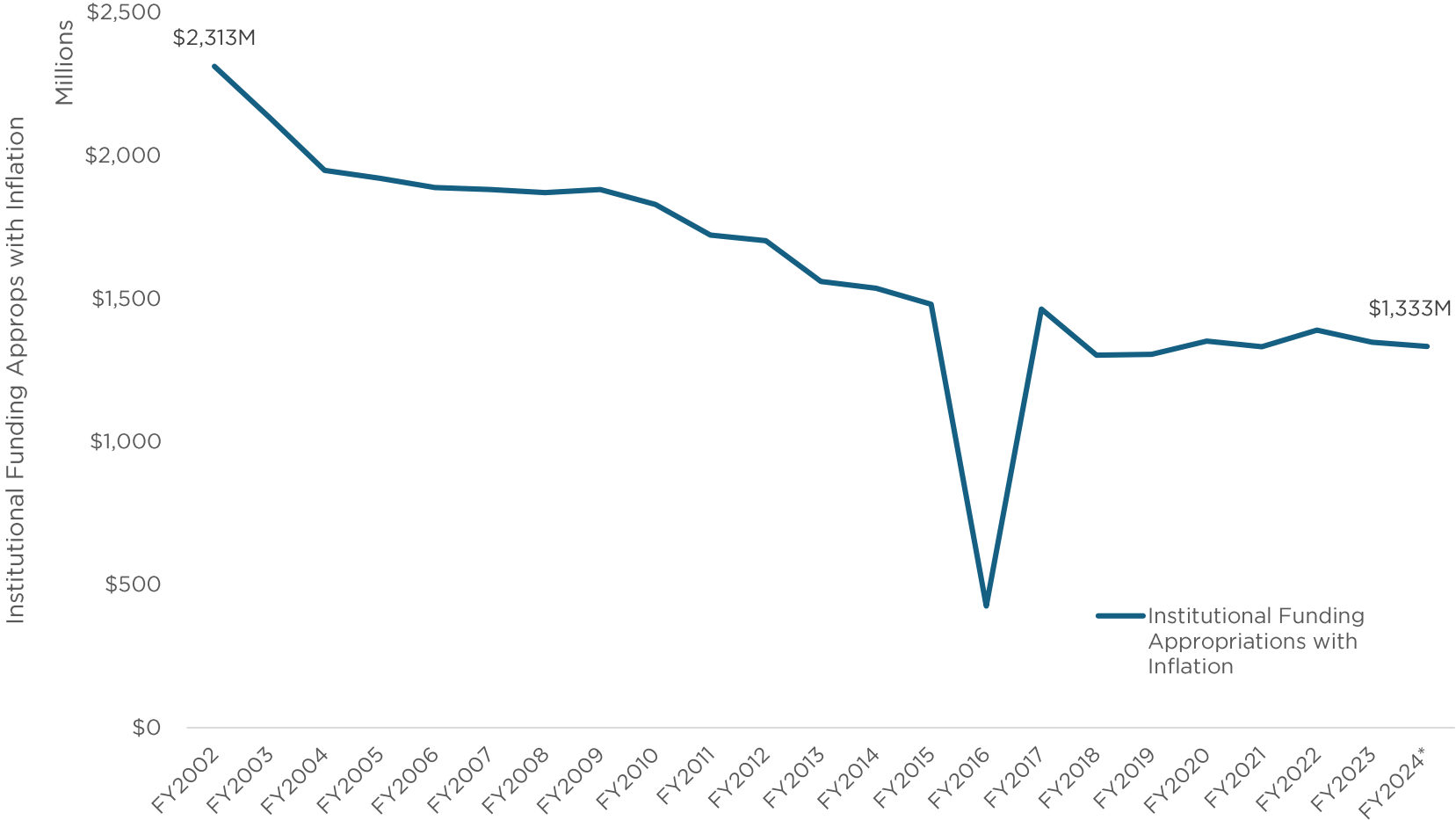


Despite increased investments in MAP, two decades of decreased state appropriations have led to increases in tuition and fees that have outpaced the effectiveness of MAP.

SOURCE: ISAC Data Book

Yet financial aid alone is not enough to fix and remediate inequities in our broken system - INSTITUTIONAL FUNDING MATTERS

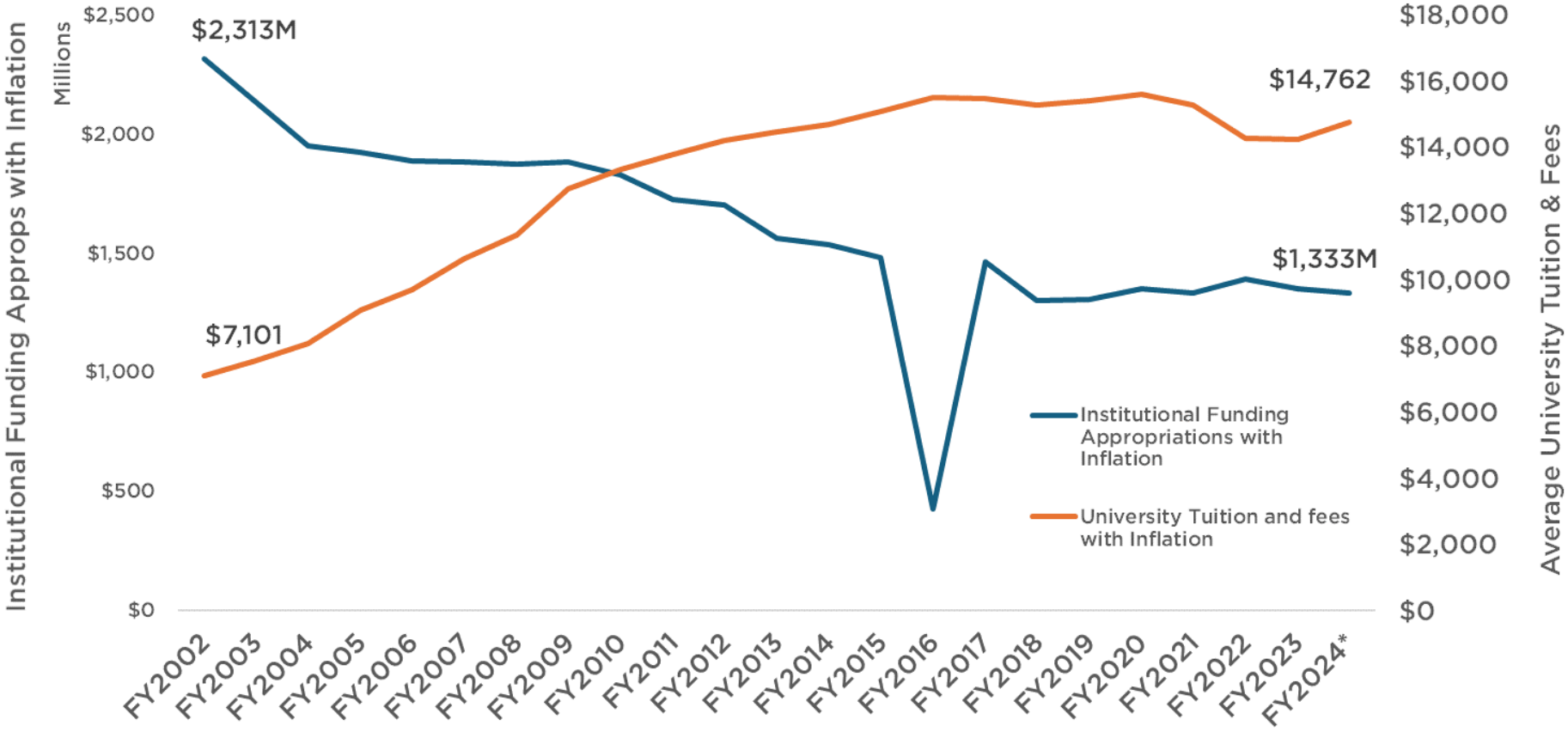
Declining State Appropriations to Public Universities and Increasing Average Public Undergraduate Tution Over Time



Over the last two decades, the state has disinvested in institutional funding. The state is now appropriating **46% less** than it was in fiscal year 2000.

Yet financial aid alone is not enough to fix and remediate inequities in our broken system - INSTITUTIONAL FUNDING MATTERS

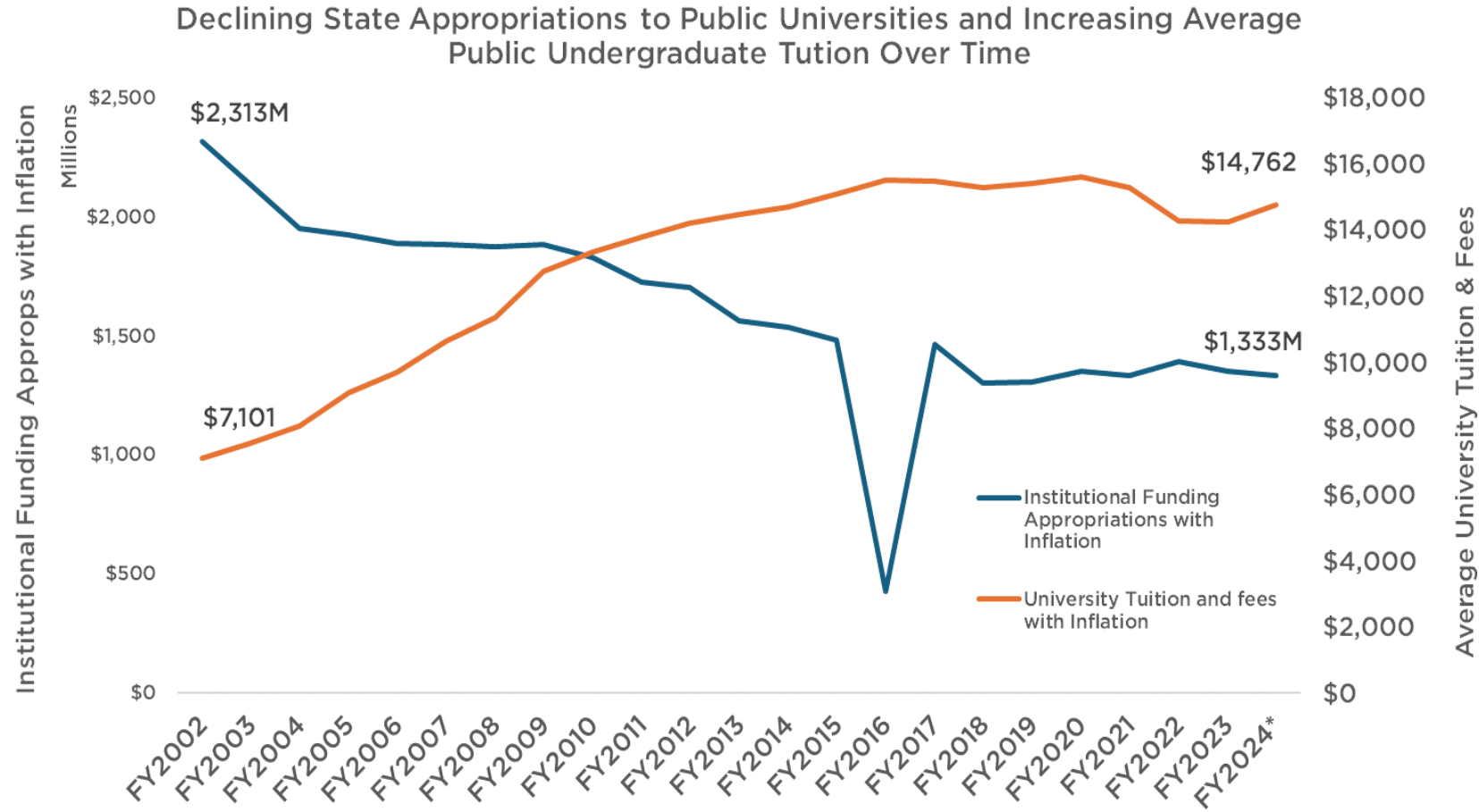
Declining State Appropriations to Public Universities and Increasing Average Public Undergraduate Tuition Over Time



Over the last two decades, the state has disinvested in institutional funding. The state is now appropriating **46% less** than it was in fiscal year 2000.

And although, State financial aid is a powerful tool in addressing affordability for students in the state, insufficient state appropriations has led to institutions raising tuition and fees such that **MAP is unable to cover costs** for students.

Yet financial aid alone is not enough to fix and remediate inequities in our broken system - INSTITUTIONAL FUNDING MATTERS



When institutional funding is insufficient it creates challenges around:

- Affordability:**
 Nationally on average, a \$1,000 per student decrease in institutional funding from the state leads to students paying \$257 more each year.
- Net Price:**
 Increasing access to state financial aid does not address the total cost of attendance (i.e., transportation, housing) which has been increasing in the absence of state appropriations.
- High-Quality Services:**
 Financial aid does not address the fundamental challenges created by inadequate funding for institutions (i.e., less access to high-quality instruction and student services).

To ensure that students can not only enroll in higher education but thrive, institutions need sufficient and stable resources to support persistence and graduation – especially for historically underrepresented groups.

We also know that institutional resources fund powerful, impactful, and research-based services that can support students to and through college.

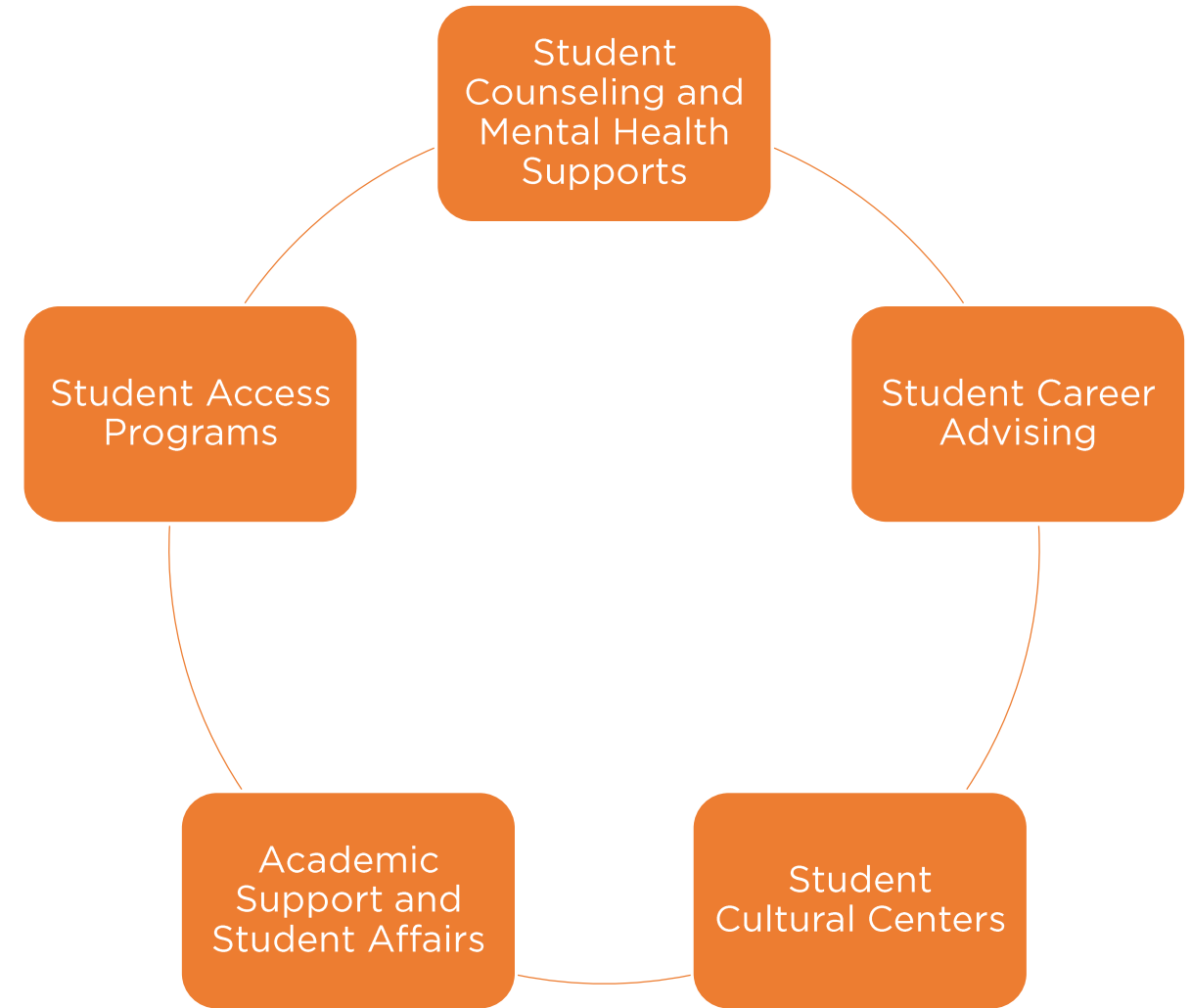
There is growing research that shows targeted interventions and holistic programs can be used to close enrollment gaps, increase persistence, and ultimately have significant positive impacts on college graduation.

Targeted Interventions:

- **Student-centered access programs:** Summer melt programs, advising interventions to increase enrollment of historically underrepresented groups
- **Academic and Non-Academic Supports:** Learning communities, tutoring, and career connections
- **Core Instruction:** Faculty diversity initiatives, co-requisite courses to increase equitable representation in high-cost and high-value programs

Holistic Services:

Wrap-around services aimed at eliminating gaps in retention and completion. Programs often used multiple targeted interventions that can be used to support students.



Research shows that while most students face common obstacles, these challenges have a greater impact on student success for students from low-income households and students of color.

Financial



- Financial need remains the #1 barrier to higher education access.
- During college, students that work full-time to offset costs (most often students of color and low-income students) can result in declining grades and less access to academic opportunities (e.g., internships).
- Increased debt taken on by Black and Latinx students during college can impact a student's likelihood to graduate.

Socio-Emotional



- The majority of college students today meet the criteria for at least one mental-health problem.
- And, students of color are less likely to get treatment for an identified mental-health problem.
- Students of color and low-income students are more likely to be independent students with caregiving responsibilities.

Students of color face all the obstacles of other college students, but in the absence of economic resources and the added challenges of social stigma and discrimination, they are burdened by a unique set of challenges while pursuing their degree.

What types of support have you seen to be effective in supporting students to and through college?

The current erratic and fluctuating funding approach is not rooted in adequacy, stability, or equity.

Illinois' current funding approach:

1. Does not factor in the actual costs it takes to adequately and sufficiently support students
2. Does not take into consideration different needs of different students
3. Is largely driven by political negotiations.
4. Absent equitable distribution of new funds, bakes in historical disparities with every year of funding increases

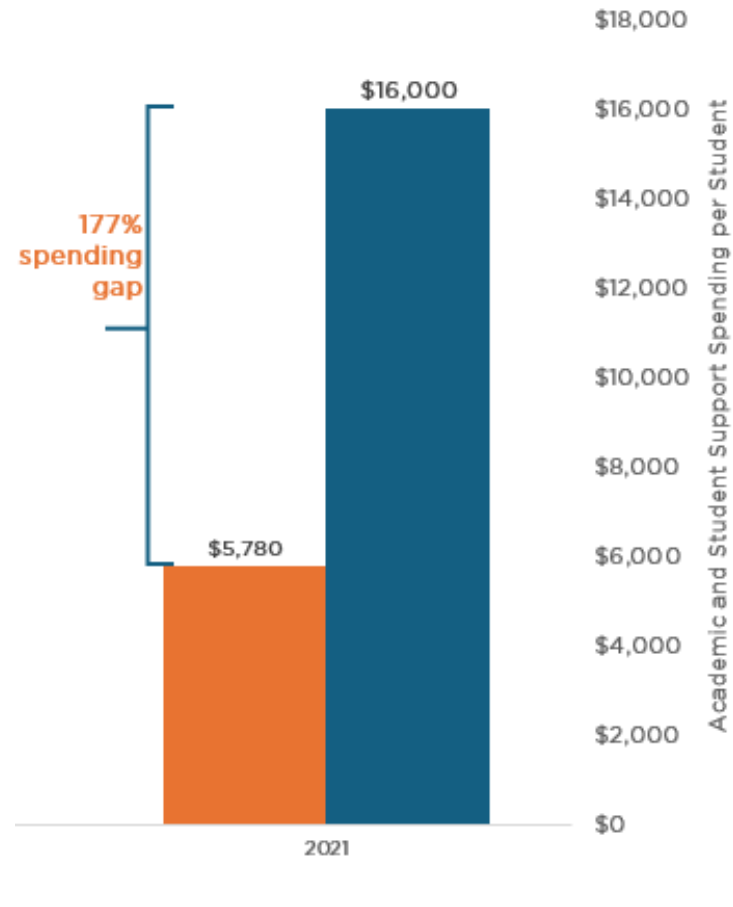
Decades of inequitable and unstable funding have left institutions with inadequate services to support students.

Historically, inequities in how universities fund academic and student supports disproportionately impacted underrepresented student groups.

Academic and Student Support Spending Gaps Between University Types
(System vs Regional)

Systems: A set of multiple affiliated universities that are geographically distributed

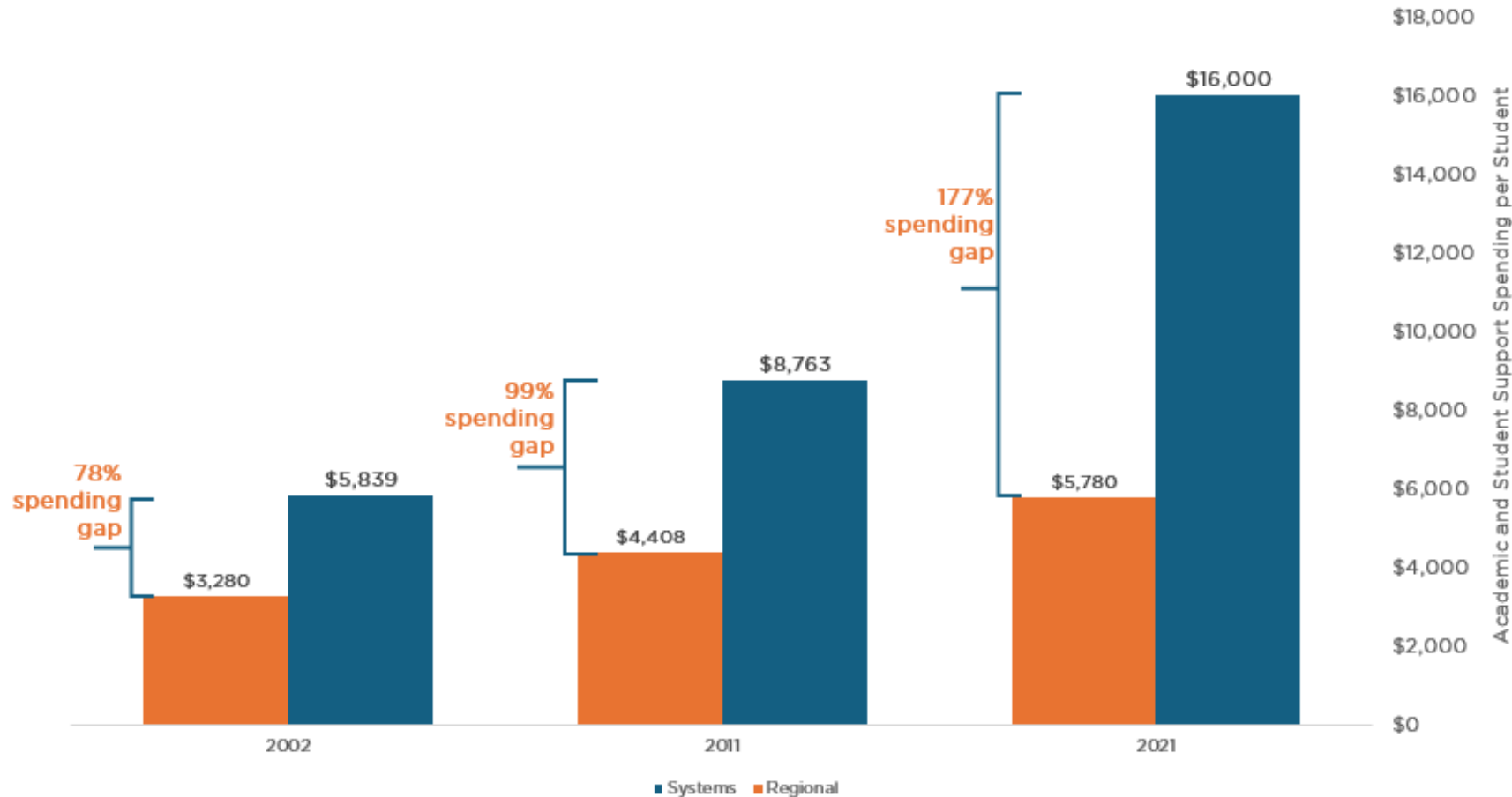
Regional: Four-Year, community-oriented public universities



- System universities have more resources to spend on academic and student supports. This is a trend seen nationally.
- Increased funding for academic and student supports allows institutions to create additional structures and supports to enable all students have access to the necessary resources to persist and graduate.

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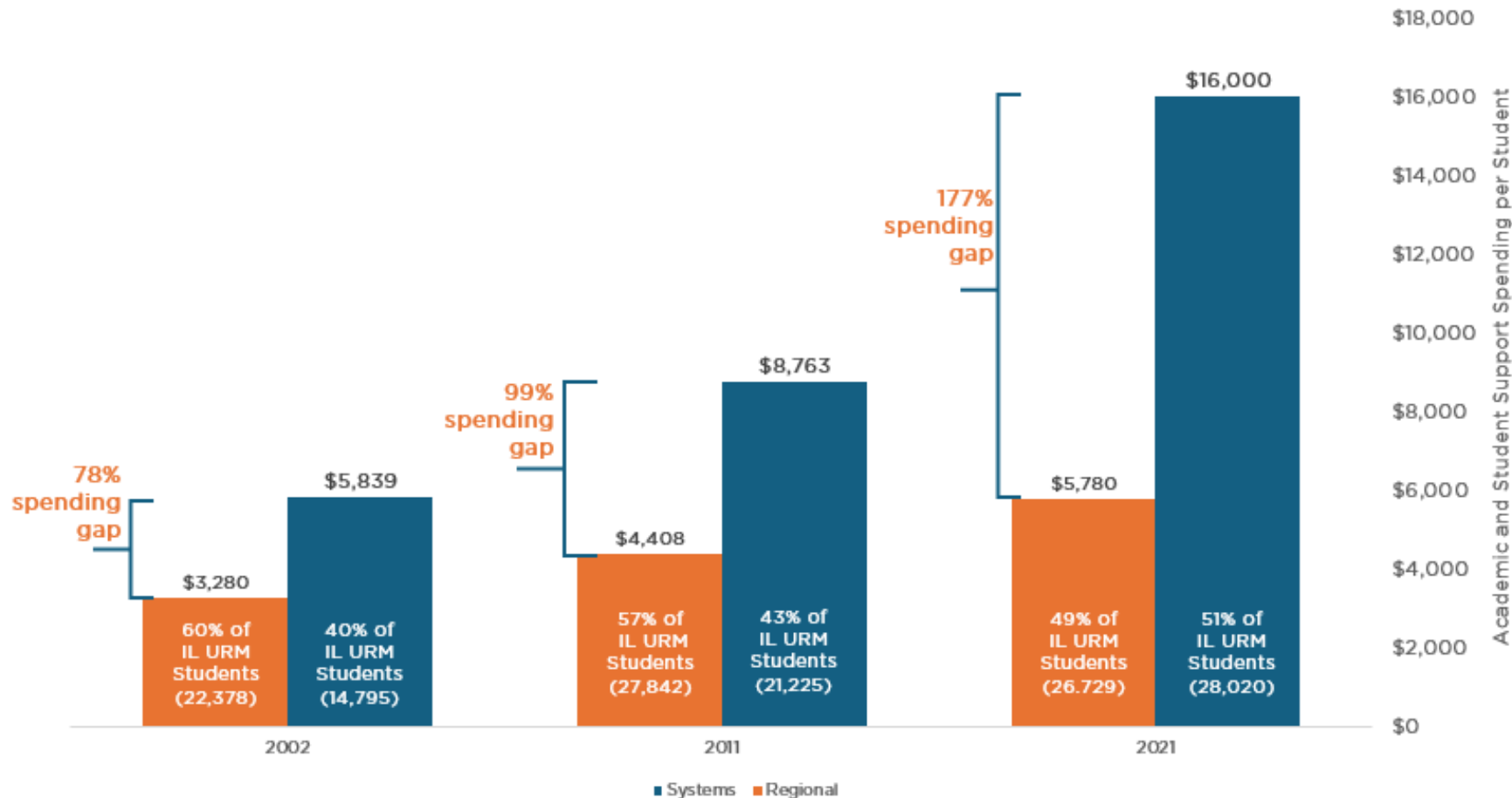
Academic and Student Support Spending Gaps Between University Types
(System vs Regional)



- Historically, Illinois has underfunded regional institutions meaning that any year-over-year appropriation increases without a change in how we distribute these funds will further exacerbate inequalities.

Historically, inequities in how universities fund academic and student supports disproportionately impacted underrepresented student groups.

Academic and Student Support Spending Gaps Between University Types (System vs Regional) Have Deepened Impacting Underrepresented Minority (URM) Groups Over Time



- Increasing resources for non-selective and regional universities – where **nearly half** of all our historically underrepresented student groups attend – can have strong impacts on student outcomes.

What questions do you have about the current funding approach used in Illinois?

BASIC MODEL COMPONENTS

The Commission on Equitable Public University Funding

- Advocates, the Illinois Legislative Black Caucus, and the Governor's office took a historic step toward higher education equity in drafting and signing PA102-0570 during the 101st General Assembly by creating the Commission on Equitable Public University Funding.
- For the last two years, the Commission has evaluated existing funding methods to recommend to the General Assembly specific data-driven approaches to fund Illinois' public universities more equitably.
- The 33-person Commission is made up of:
 - Elected officials
 - Representatives from the 12 state four-year institutions
 - State agencies (IBHE and ISAC)
 - Non-profit leader representation (Partnership for College Completion, Women Employed, Advance Illinois, Alternative Schools Network, & Center for Budget and Tax Accountability)
 - Unions (IEA, IFT)
- The Commission is set to publish their findings and recommendations tomorrow!

Key equity components of the charge from SB815 (PA102-0570)

IN 2021, THE COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING WAS CHARGED WITH ADDRESSING NUMEROUS ISSUES IN HIGHER EDUCATION, INCLUDING INEQUITIES WITHIN SYSTEM

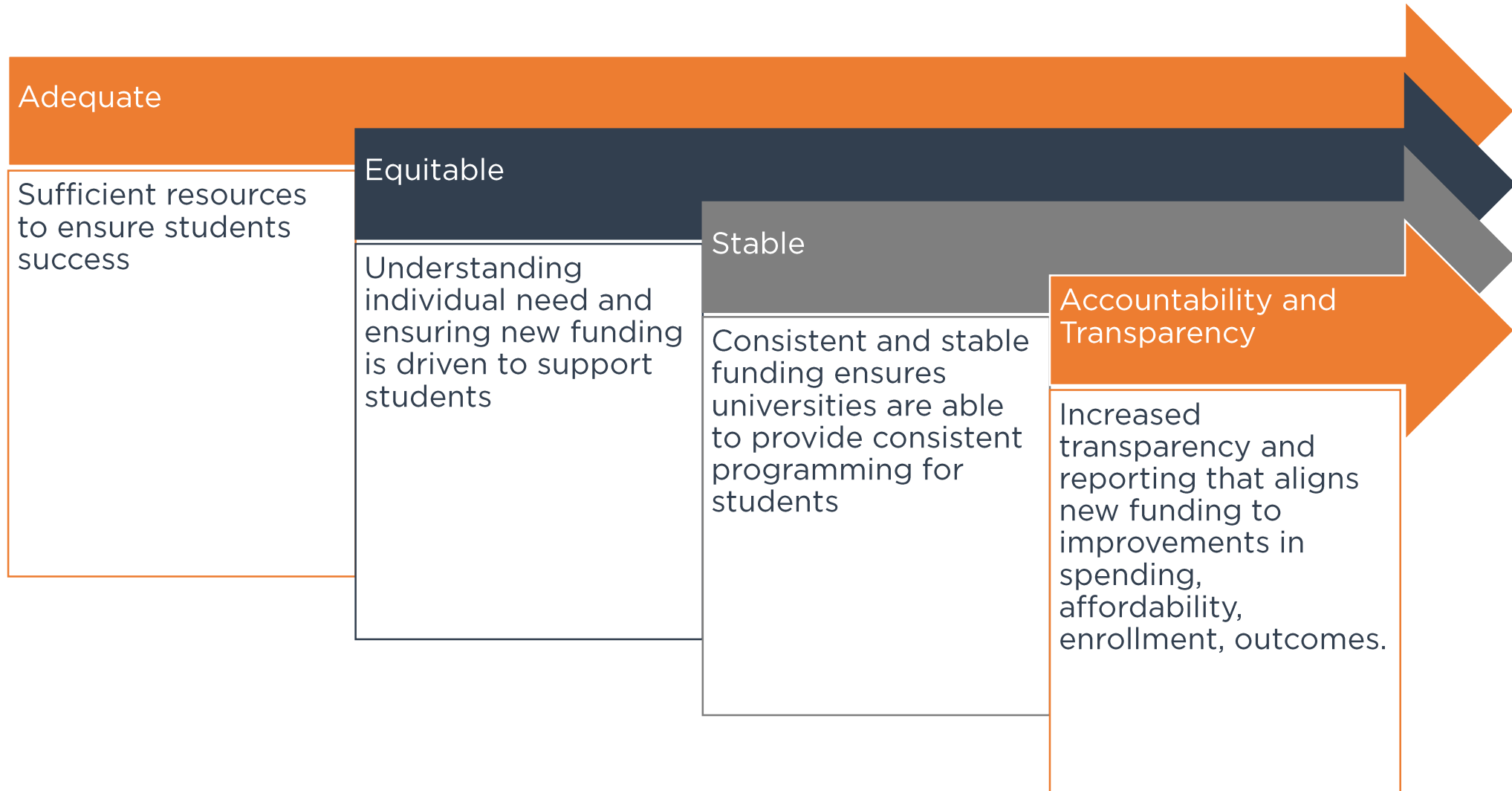
Recommendations for an equity-centered funding model to distribute state resources to public universities

Establish a funding formula that will remediate inequities that have led to disparities in access, affordability, and completion of underrepresented students

Provide incentives to enroll underrepresented students

Adequate funding for institutions that serve underrepresented students, including graduate and professional students

Through the work of the Commission on Equitable University Funding Illinois has had the opportunity to reimagine a higher education funding formula that is student-driven with equity at the center.



Adequacy
Target

Access to
Resources

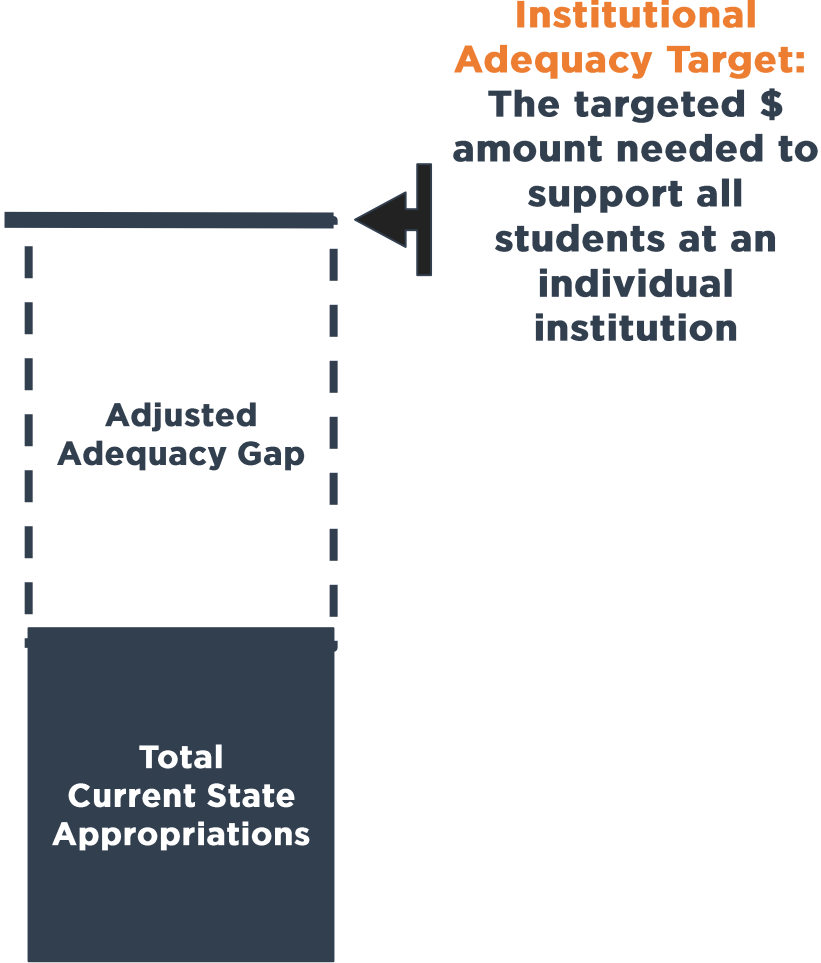
Key Elements of
an Adequacy-
Based Funding
Model

Distribution of
New Funds

Transparency
and
Accountability

The Commission has proposed a preliminary model that will center **EQUITY, ADEQUACY, AND STABILITY**

The **Institutional Adequacy Target** seeks to quantify the cost of providing students with a high-quality education based on the institution's given student population and unique needs. (Note: this is similar to the approach Illinois uses in its K-12 Evidence-Based Funding Formula)



Calculating the equity adjustments

Adjusted Base:

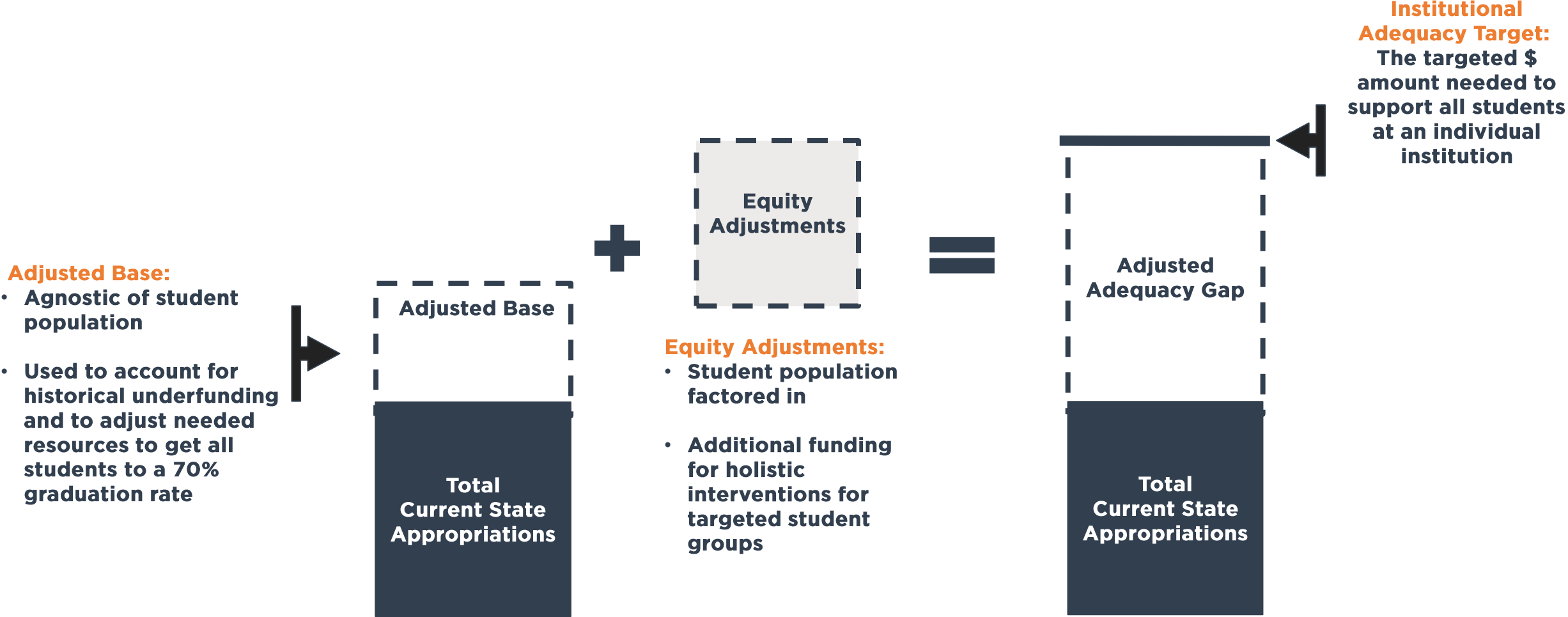
- Agnostic of student population
- Used to account for historical underfunding and to adjust needed resources to get all students to a 70% graduation rate



Equity Adjustments:

- Student population factored in
- Additional funding for holistic interventions for targeted student groups

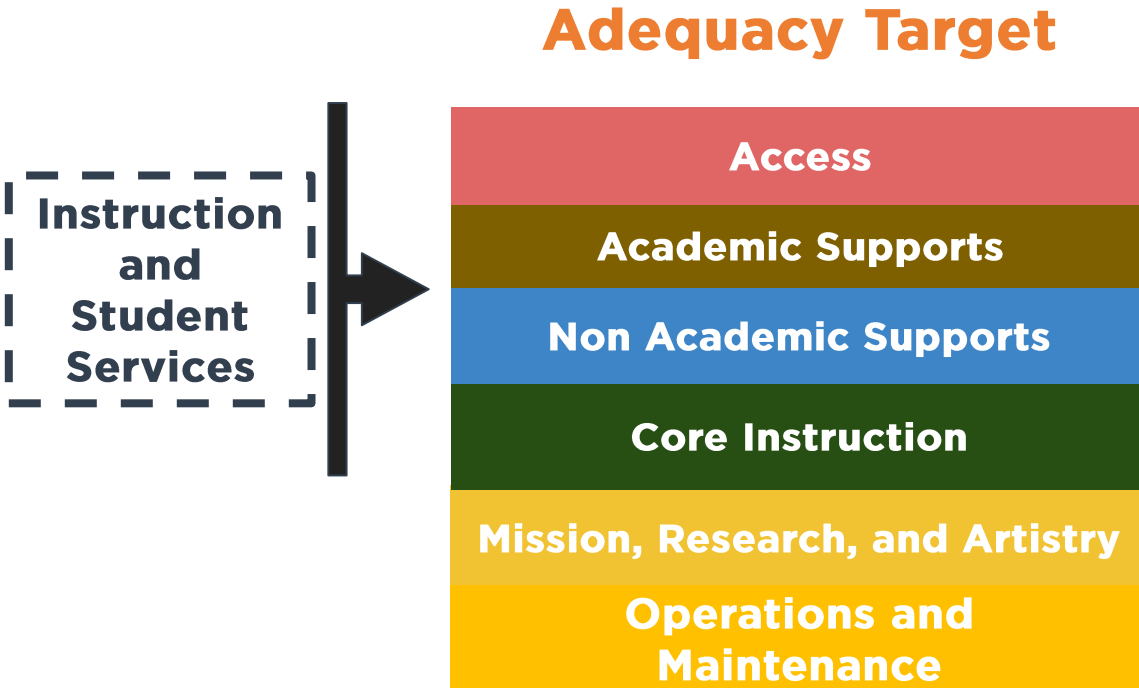
The proposed adequacy calculation uses historical expenditures and makes adjustments for **ADEQUACY AND EQUITY**



Components of an equity-centered adequacy target

Each institution will have an Adequacy Target:

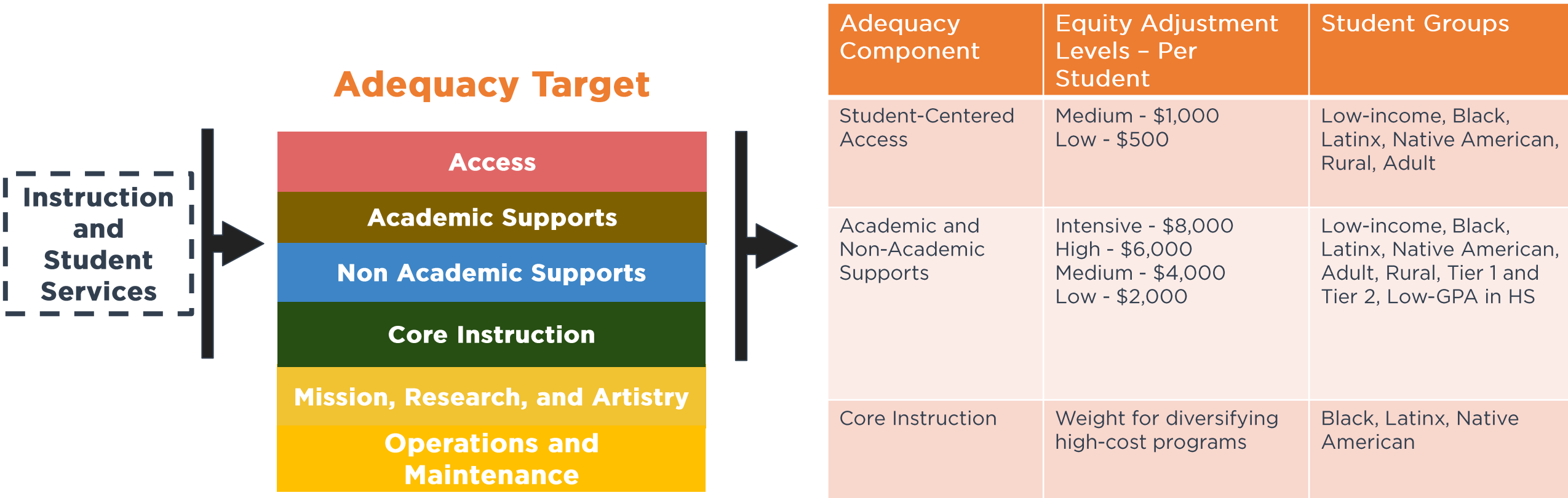
- Primarily built from student-centered components of what it costs for students to succeed (Instruction and Student Services).
- This baseline calculation also considers Mission and Operations and Maintenance (O&M).



Components of an equity-centered adequacy target.

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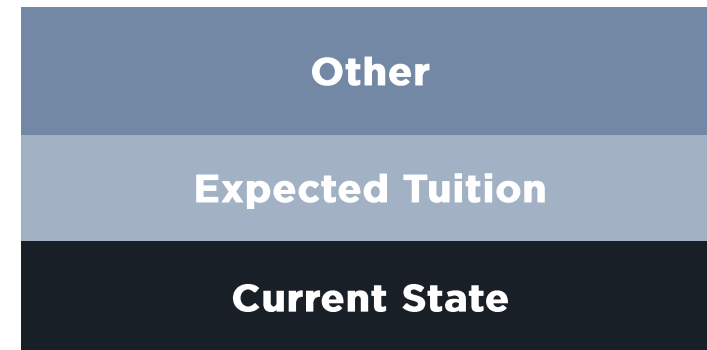
- *Equity Adjustments* are added to the Total Current Adjusted Spending.
 - These adjustments will be made on each of the Instruction and Student Service components based on variable student need to reflect the priority of increasing more equitable access and success for targeted student groups.
- The adjustments included in the table are rooted in the research on evidence-based holistic and targeted supports that is proven to have positive impacts on access, retention, and ultimately graduation rates.
- Lastly, data was used to identify the level of supports each individual student group would need to succeed.



Identifying (1) an institution's available resources, and (2) state responsibility.

- Calculating the Resource Profile
 - Include current state funding as base
 - Account for Expected Tuition or the “Expected Student Share”
 - Incorporate other resources like endowments

Resource Profile



Identifying an institution's resources and state responsibility.

- Identifying Available Resources:
 - Include current state funding as base
 - Account for “expected tuition”
 - Incorporate other resources like endowments
- State Funds Fill in Gap in Resources:
 - A distribution model has not been finalized but the goal would be to distribute more resources equitably with more funds going to institutions farthest from their Adequacy Target.



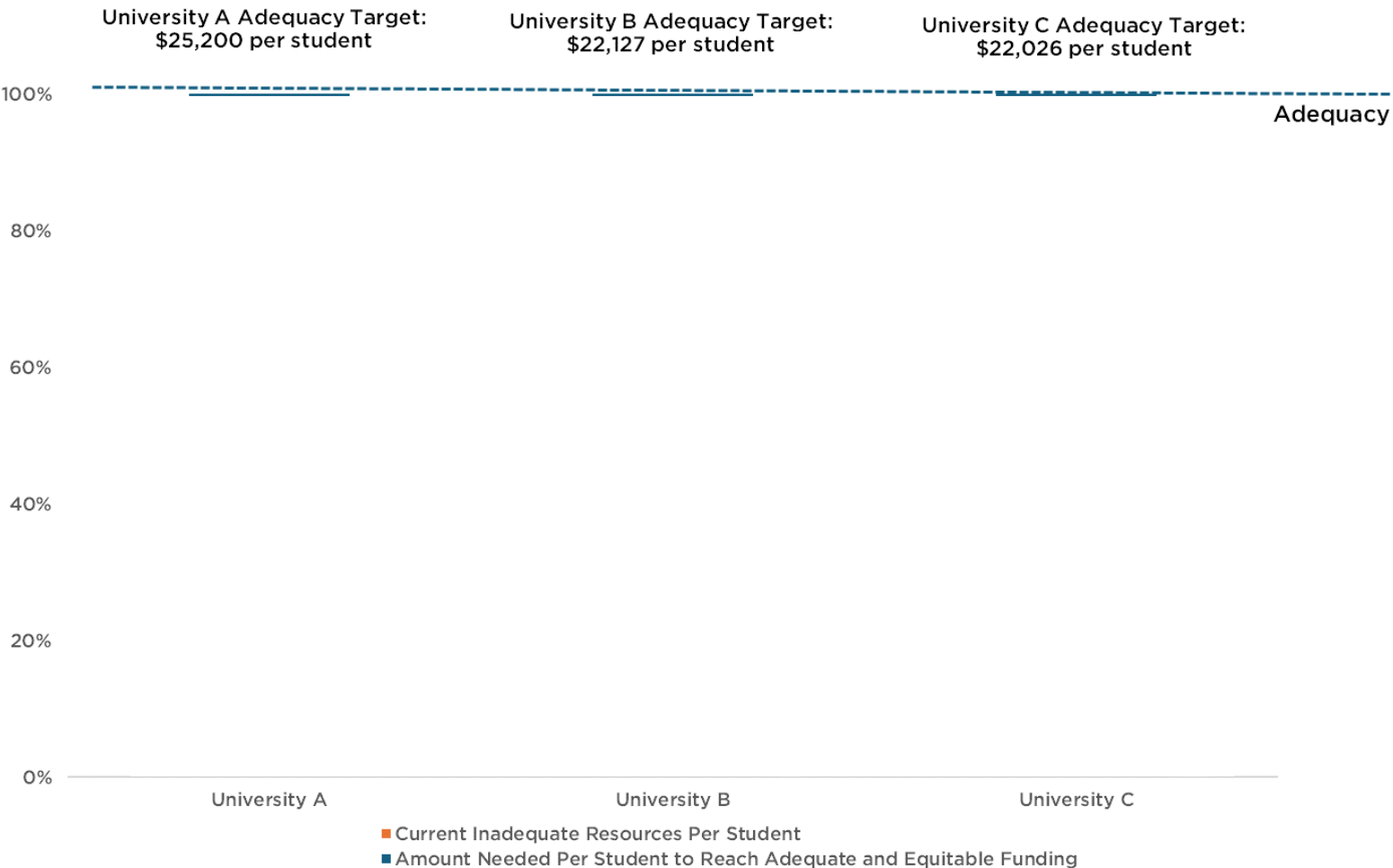
Preliminary model outputs result in institutions ranging in their percent of adequacy target funded from 39.3% to 91.8% of full funding

Institution	Adequacy Target	Resource Profile	Adequacy Gap	Percent of Adequacy Target Funded
Chicago State University	\$73,946,649 -	\$51,438,569 =	\$22,508,080	69.6%
Eastern Illinois University	\$160,407,847	\$97,935,521	\$62,472,325	61.1%
Governors State University	\$111,172,532	\$49,525,882	\$61,646,650	44.5%
Illinois State University	\$451,949,678	\$253,050,272	\$198,899,406	56.0%
Northeastern Illinois University	\$163,265,538	\$64,126,329	\$99,139,209	39.3%
Northern Illinois University	\$387,199,162	\$215,357,994	\$171,841,169	55.6%
Southern Illinois University Carbondale	\$265,069,595	\$216,957,028	\$48,112,567	81.8%
<i>Southern Illinois University - SOM</i>	<i>\$48,259,140</i>	<i>\$42,623,602</i>	<i>\$5,635,537</i>	<i>88.3%</i>
Southern Illinois University Edwardsville	\$315,406,274	\$196,589,445	\$118,816,829	62.3%
University of Illinois at Chicago	\$823,257,774	\$507,297,056	\$315,960,718	61.6%
<i>University of Illinois at Chicago - SOM</i>	<i>\$186,831,808</i>	<i>\$86,882,509</i>	<i>\$99,949,300</i>	<i>46.5%</i>
University of Illinois at Springfield	\$88,395,275	\$63,419,909	\$24,975,365	71.7%
University of Illinois at Urbana / Champaign	\$1,178,179,841	\$1,081,201,494	\$96,978,347	91.8%
<i>University of Illinois at Urbana / Champaign - St</i>	<i>\$19,873,151</i>	<i>\$11,244,444</i>	<i>\$8,628,707</i>	<i>56.6%</i>
Western Illinois University	\$189,057,837	\$118,547,564	\$70,510,272	62.7%
Illinois	\$4,462,272,099	\$3,068,919,938	\$1,393,352,161	68.8%

ALLOCATION FORMULA

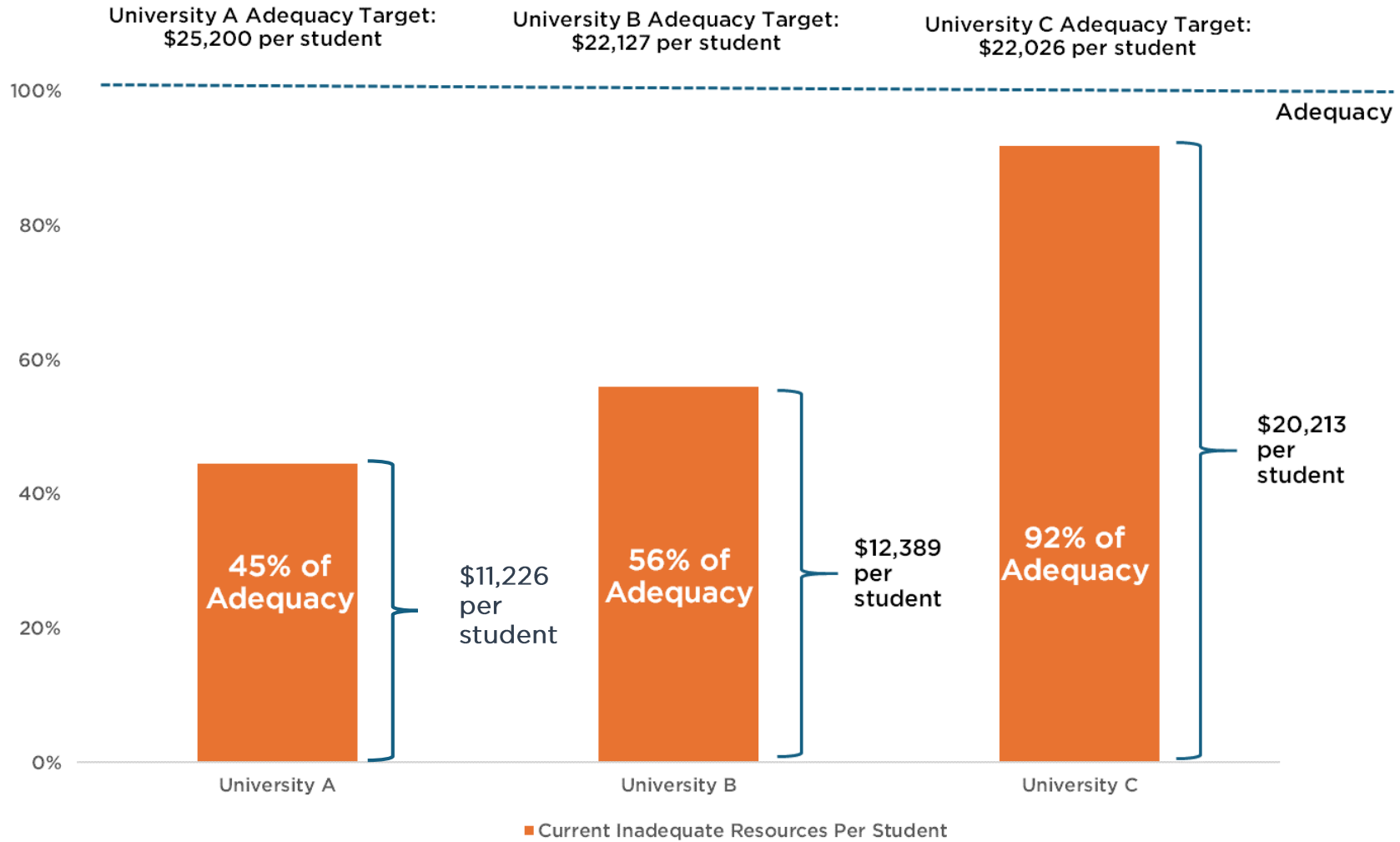
The proposed model would use each institutions adequacy gap, or how far they are from full funding, to determine how new funds would be prioritized.

The Current Funding Model Leaves Some Students Further from Adequate and Equitable Resources



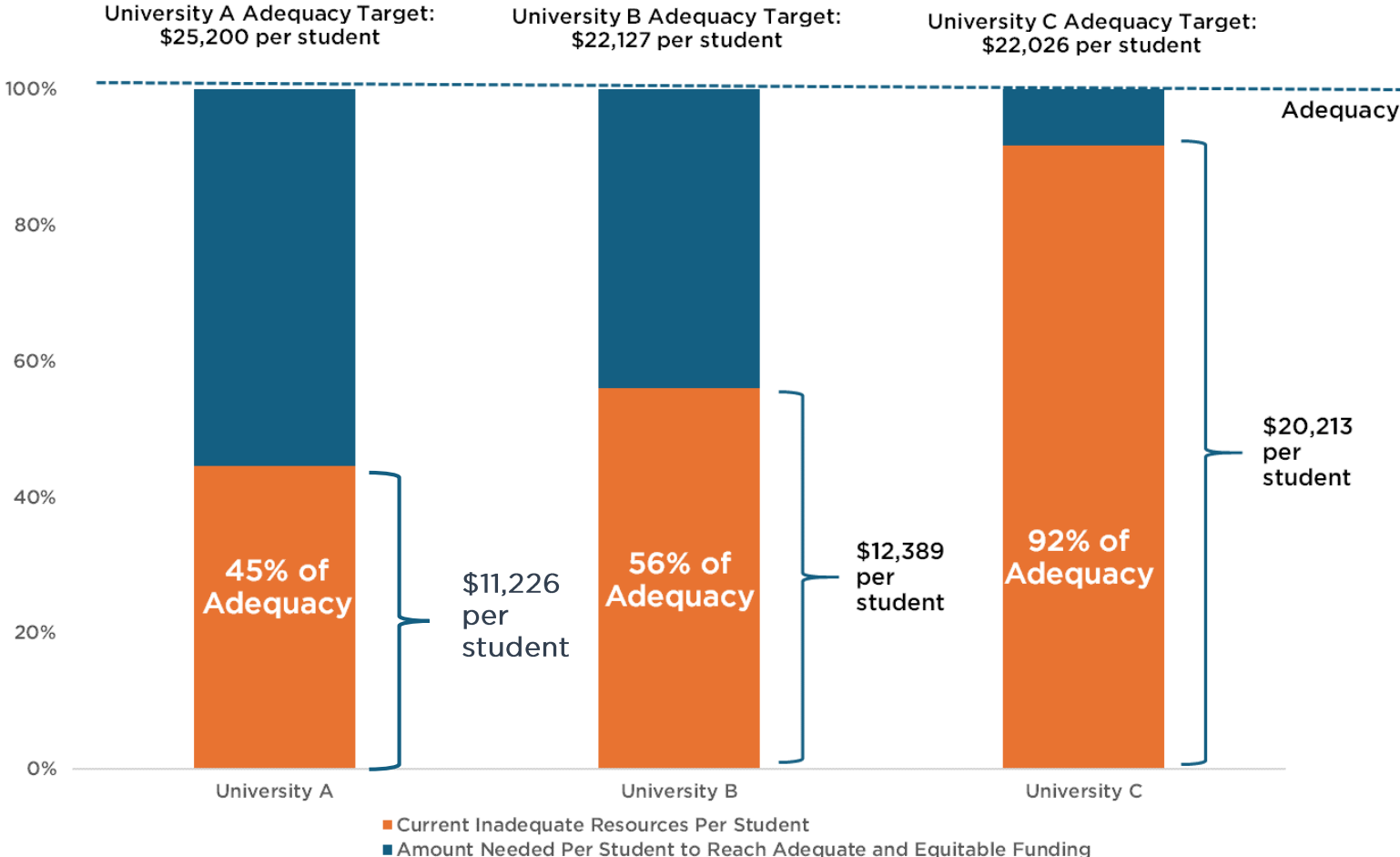
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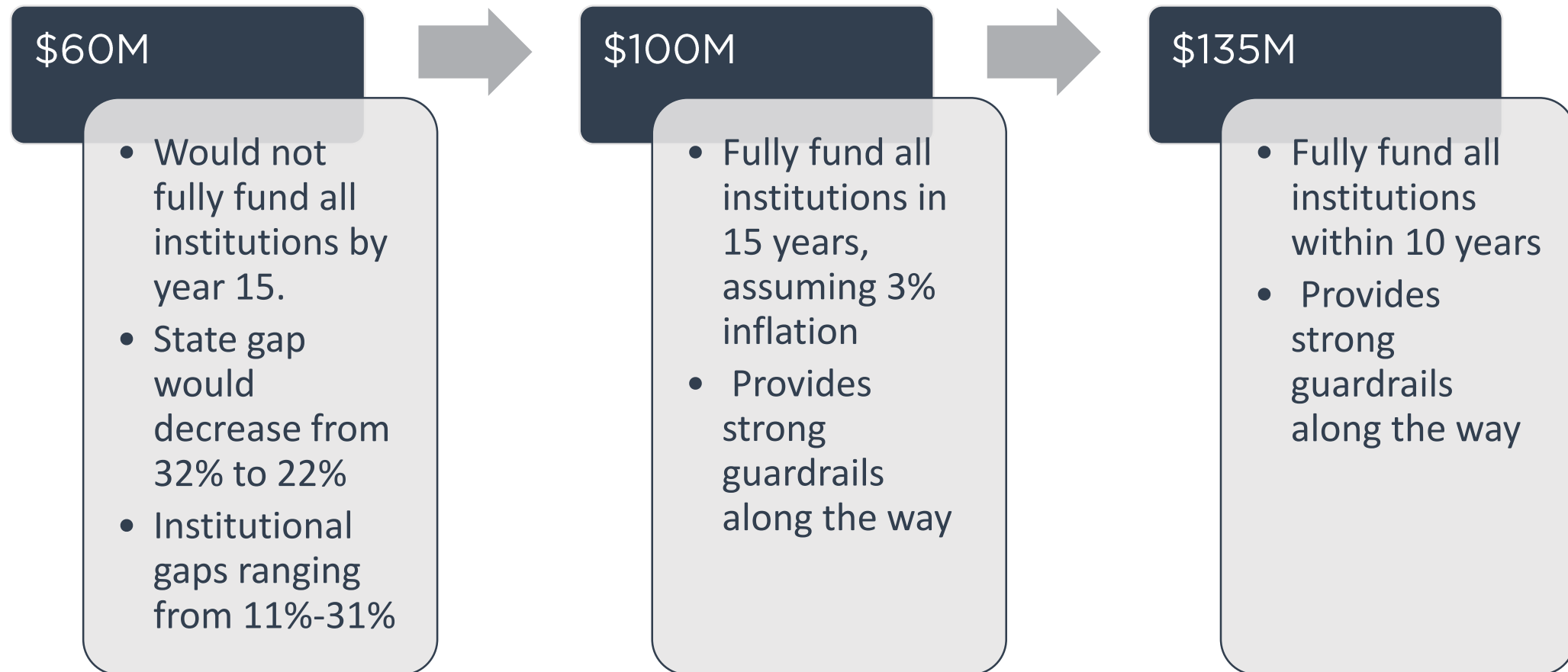
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The allocation is based on the absolute and relative size of a university's adequacy gap (area in blue) such that those furthest from adequacy in any given year will be prioritized.

To ensure that the highest percentage of new dollars goes through the equity components of the model, the Commission has discussed setting a targeted annual increase (as was done with the Evidence-Based Funding Formula in K-12)

At a high level, identifying a sufficient yearly increase is the only way to address rising costs for all institutions and redress persistent equity gaps across the state.



What questions do you have this new approach for funding higher education?

ACCOUNTABILITY AND TRANSPARENCY

Proposed principles of the accountability and transparency framework.



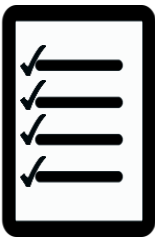
Timing

Institutions will be responsible for new accountability measures once they receive new funding and reach an appropriate threshold of adequacy.



Transparency and oversight for new funds

Universities must spend new funding toward achieving goals, and report that transparently.



Categorical accountability

Universities must spend new funds such that they improve toward goals in *affordability, enrollment, and persistence and outcomes.*

The categories for accountability are intended to mesh with existing/evolving accountability and transparency efforts, such as IBHE's equity plans.



Effective & equitable consequences

If universities are not achieving goals, they will be held accountable in ways that inform and direct new funds rather than defunding institutions existing resources.



Holistic Review

An accountability and transparency body will provide regular oversight by holistically reviewing quantitative and qualitative measures.

The current proposal for Accountability and Transparency seeks to avoid past formula mistakes by improving on the timing of institutional accountability, the issues of interest for which institutions are being held accountable, and the actionable measures taken to regulate institutions actions and

Potential accountability levers

Using a regular holistic review of their progress institution that are deemed to be adequately funded but have failed to meet stated goals, possible accountability measures include:

Closer monitoring of spending

Deeper category-specific reporting

More direction in how to use funds

Restricted or diminished access to additional funds from the formula

What questions do you have about the proposed framework for Accountability and Transparency?

Next Steps and Discussion

Key remaining issues

Adequacy Target

- Calculation of Adequacy Targets:
 - Cost of Medical/Dental
 - Graduate students more generally

Access to Resources

- Calculation of universities' resource profile:
 - Access to Endowments
 - How to account for student's tuition and fees in an equitable way

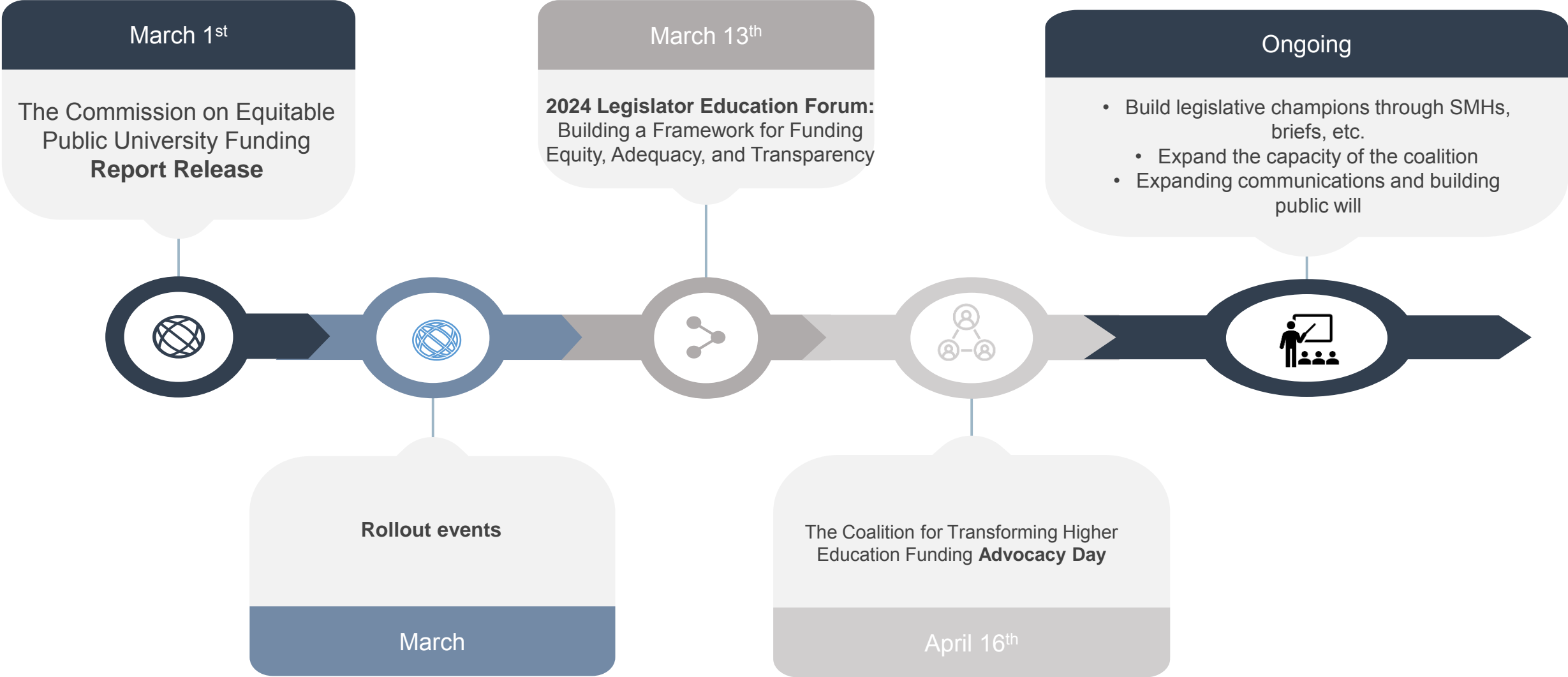
Distribution of New Funds

- Allocation Formula
- How to sufficiently address inflation costs without hindering the equity focus components of the model
- How to handle lean/underfunded years

Transparency and Accountability

- Alignment and cohesion with current A&T work at the state and federal level

What's next for higher education funding in Illinois?



The Coalition for Transforming Higher Education Funding is made up of a group of advocacy organizations, college access and success organizations, school districts, civil rights and faith based organizations, and educators that are committed to advancing equity in higher education centering student experiences.

Our advocacy includes:

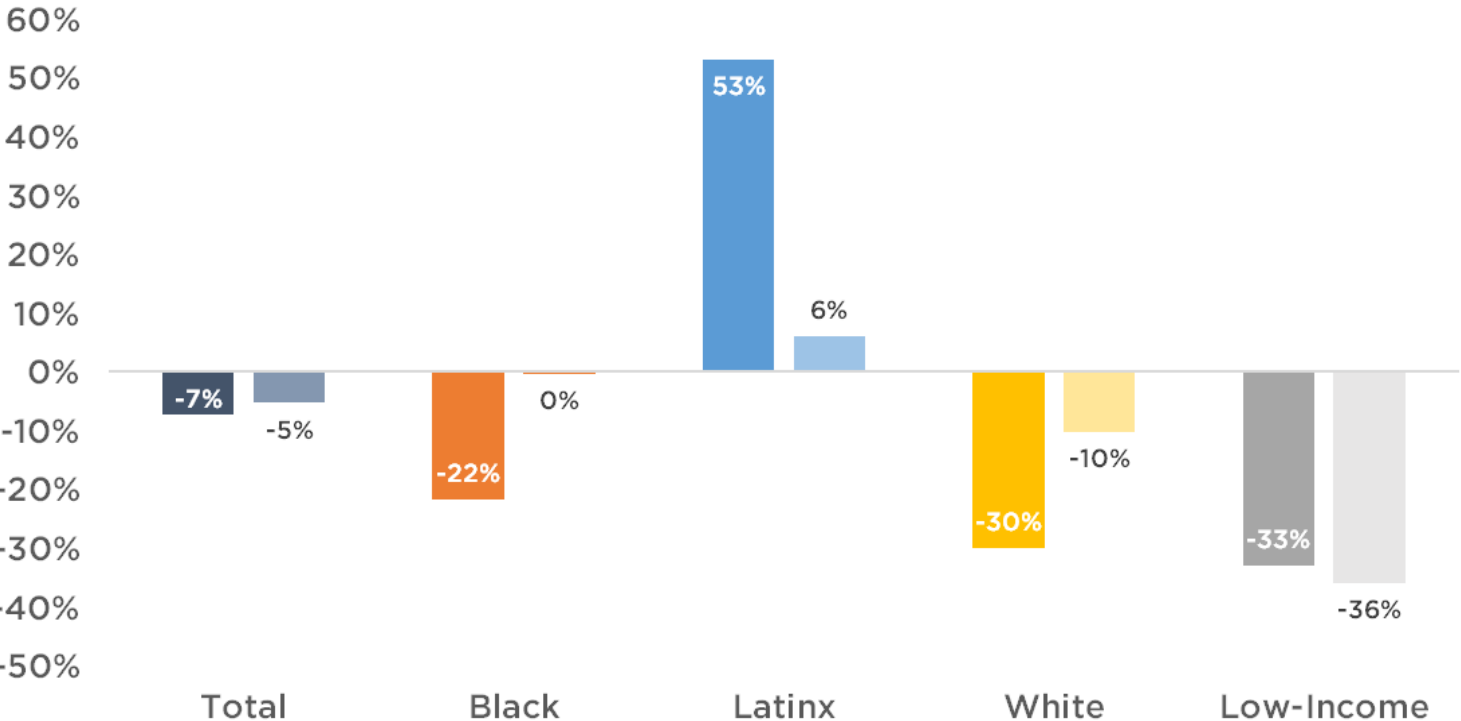
- Equitable, adequate, and stable institutional funding
- Increased investments in Monetary Award Program (MAP)



APPENDIX

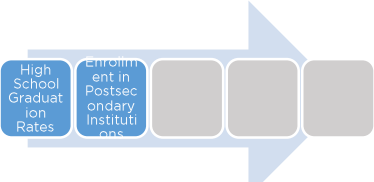
ACROSS ALL PUBLIC UNIVERSITIES, ENROLLMENT DECREASED NEARLY 7% IN THE LAST DECADE – BUT THOSE DECREASES WERE MOST SEVERE FOR LOW-INCOME STUDENTS

2012 to 2022 Percent Change in IL Public University Enrollment and Overall College Age Population Change By Race and Income



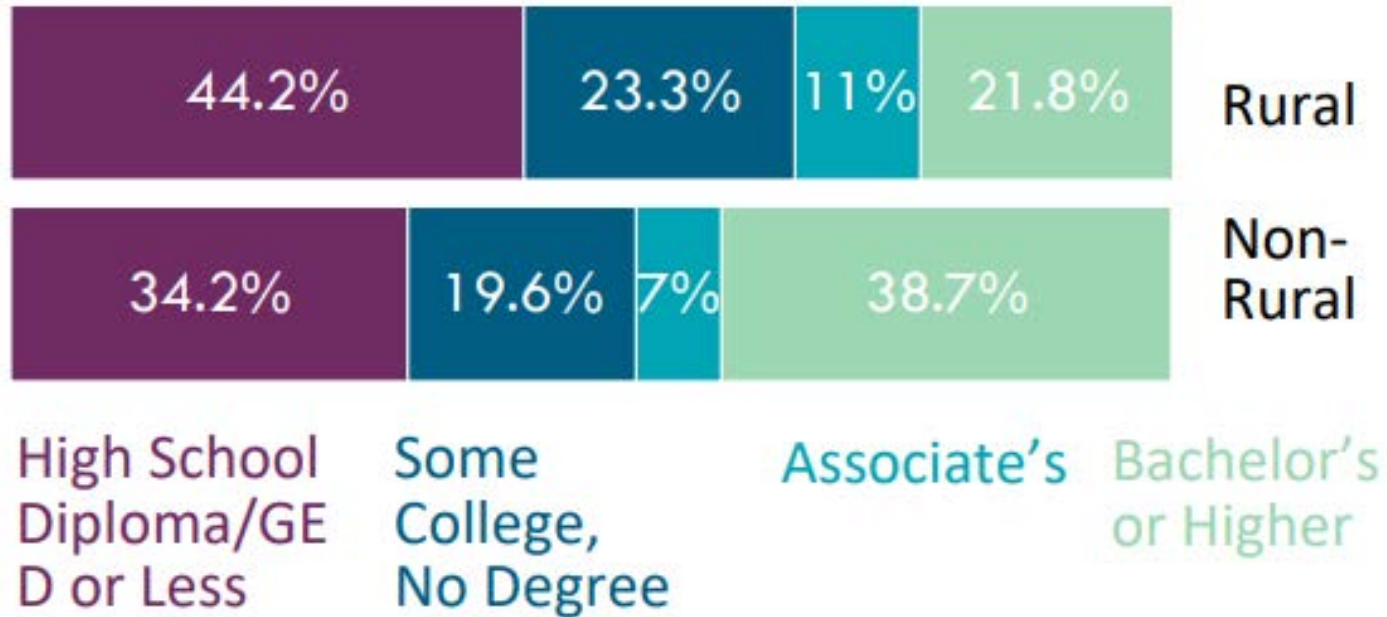
- Generally speaking, decreases in college enrollment are more pronounced than population decreases among college age populations (17-35), so other factors are at play
- One such factor is the increased number of students that are going out of state, a phenomenon that is largely driven by affordability concerns due to uniquely high costs for IL public universities

SOURCE: IBHE, ACS



EDUCATIONAL ATTAINMENT IN ILLINOIS VARIES BY GEOGRAPHIC REGION

EDUCATIONAL ATTAINMENT IN ILLINOIS (AGE 25+) BY RURALITY



Key elements of an adequacy-based funding model.

Adequacy Target

- The dollar amount that quantifies the true cost of providing students with a high-quality education based on the institution's given student population and unique needs.
- Student needs should be the primary driver of the formula while considering the unique mission and programs at each university.

Access to Resources

- Accounts for the varied level of resources— from state appropriations, tuition revenue, and institutional assets— to which each university currently has access to fund its adequacy target.

Distribution of New Funds

- The universities that are farthest from full funding should be prioritized in the allocation of new state dollars.
- An allocation formula that, through the use of a "hold harmless" prioritizes stability by ensuring universities do not lose funding and by building inflation into the model.

Transparency and Accountability

- Any new funds should be paired with increased transparency and uniform reporting of university spending, practices, and outcomes.
- Institutions should report how new funds are used to accomplish critical goals and be responsible for accountability measures when they receive appropriate funding.

Data clearly shows that more intensive supports are needed to help targeted student groups to and through college.

GAPS IN ACCESS

Student Characteristic	Gaps in Enrollment of Recent HS Graduates
Statewide Average	66%
Low-Income/Non Low-Income	-21.8%
Rural/Non-Rural	-19.0%
Latinx/White	-16.2%
Black/White	-9.8%
Native American/White	-9.1%
Adult	N/A

GAPS IN RETENTION

Student Characteristic	Gap in 1 st Year Retention Rates Compared to Statewide Averages
Statewide Average	80%
Native American	-22.1%
Black	-20.3%
Tier 1 EBF	-14.8%
Adult Learner	-12.5%
Pell Recipient	-10.4%
Low High School GPA	-10.2%
Latinx	-8.9%
2 or more races	-7.6%
EBF Tier 2	-5.4%
Rural	-2.1%

The Commission’s current recommendation is to use enrollment and retention data to identify the level of per-student financial adjustments required to support these student groups – these equity adjustments will be discussed later in the presentation.

Note: IBHE does not currently have data to report on the following groups of interest but plans to include recommendations for further data collection: Students with disabilities, students with children, and first-generation students

Note: Recent HS graduates means students graduating from an Illinois public high school who enroll in a public university within 6 months of graduating high school.

The Commission did a survey of academic and students supports used at other universities to identify how much support spending is necessary to support students to graduation.

There is a growing research that shows targeted interventions and holistic programs can be used to close enrollment gaps, increase persistence, and ultimately have significant positive impacts on college graduation.

Targeted Interventions:

- **Student-centered access programs:** Summer melt programs, advising interventions to increase enrollment of historically underrepresented groups
- **Academic and Non-Academic Supports:** Learning communities, tutoring, and career connections
- **Core Instruction:** Faculty diversity initiatives, co-requisite courses to increase equitable representation in high-cost and high-value programs

Holistic Services:

Wrap-around services aimed at eliminating gaps in retention and completion. Programs often used multiple targeted interventions that can be used to support students.

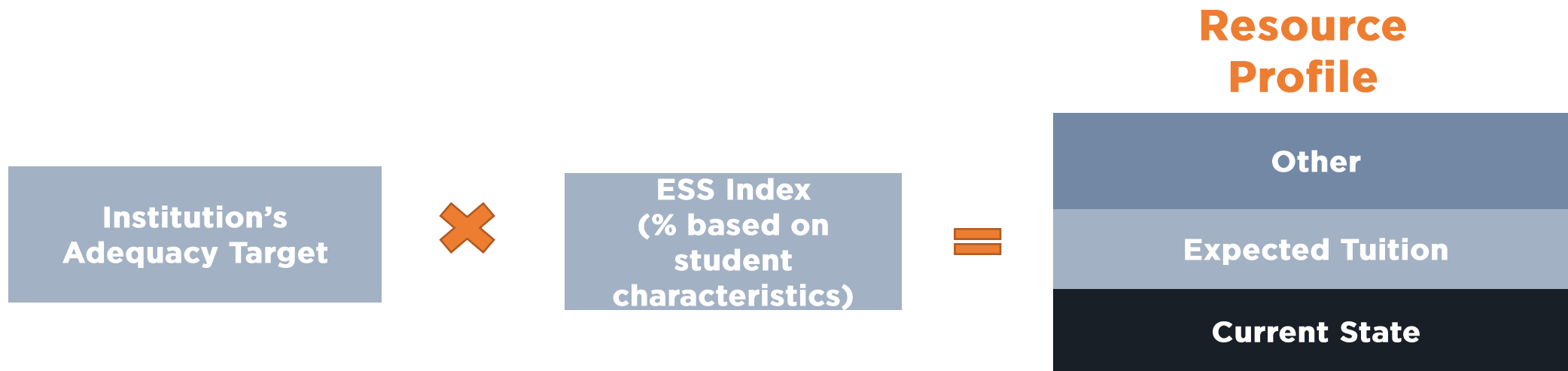
Example Intervention	Description and Targeted Group	Per-Student Cost	Impacts
Bottom Line	Access Advising (pre-enrollment) and Success Advising <i>Low-income students enrolled in developmental education</i>	\$1,000	7.6 percent age point (16%) increase in BA completion
Opening Doors	Learning communities - linked courses counseling, tutoring, and textbook voucher <i>Community college students</i>	\$2,461	4.6 percentage point increase in completers
Project Quest	Advising, financial aid, academic supports, counseling, meeting on life skills <i>Adult learners, first-gen students</i>	\$12,464	13percentage point increase in postsec attainment
CUNY ASAP	Advisors, full-time enrollment, financial assistance for basic needs, tutoring, career services <i>Low-income, first-gen students</i>	\$4,676	17 percentage point increase in graduation rates

ADEQUACY COMPONENTS - EQUITY AND INSTITUTIONAL ADJUSTMENTS

Adequacy Component	Base Cost Per Student	Base Cost Per Student	Adjustment 1	Adjustment 2	Adjustment 3
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/Med/Low +\$8,000/\$6,000/\$4,000/\$2,000	Concentration Factor >75% of Undergrads in Int/High: +30% 60-75%: +20% 50-60%: +10%	
	Core Instructional Programs	\$10,706	High-Cost Program Factor	Diversity in High-Cost Programs Adjustment Med/Doc/Prof: 1000% Other High-Cost: 30%	Faculty Diversity Adjustment +\$422/per student
Research and Public Service Mission	Research	\$600	Research/Mission Adjustment R2, R3: +\$6,000 R1: +\$1,200		
	Artistry	\$200	N/A		
Operations and Maintenance	Institutional Support	\$1,941	School Size Factor Small: +30% Medium: +15%		
	Physical Plant	\$7.78	Laboratory Space Adjustment +\$1.54 per lab sq ft		

Identifying (1) an institution's available resources, and (2) state responsibility.

- Calculating the Resource Profile
 - Include current state funding as base
 - Account for “expected tuition”
 - Incorporate other resources like endowments
- Expected Tuition or the Equitable Student Share (ESS)
 - ESS represents a reasonable and affordable amount a university is expected to generate through tuition and fees based on its student body.
 - ESS would be calculated by applying subsidy rates tied to characteristics of a university's student body – to the adequacy target.
 - The greater share of high-subsidy student groups (e.g., low-income, underrepresented minority) a university enrolls, the lower the ESS.



ESS INDEX: WEIGHTED AVERAGE OF THE ESS PROFILE OF EACH INSTITUTION

Institution	ESS Index (weighted average)
Chicago State University	26%
Eastern Illinois University	42%
Governors State University	34%
Illinois State University	42%
Northeastern Illinois University	26%
Northern Illinois University	39%
SIU-Carbondale	50%
SIU-Edwardsville	50%
U of I at Chicago	44%
U of I at Springfield	51%
U of I at Urbana/Champaign	67%
Western Illinois University	44%
Grand Total	50%

		Base	URM	Low-Income	EBF	Adult
In-State	Undergrad	30%	50%	50%	10%	25%
	Grad	25%	50%			
Out-of-State	Undergrad	10%	25%			
	Grad	5%	25%			

IDENTIFYING (1) AN INSTITUTION'S AVAILABLE RESOURCES AND (2) STATE RESPONSIBILITY

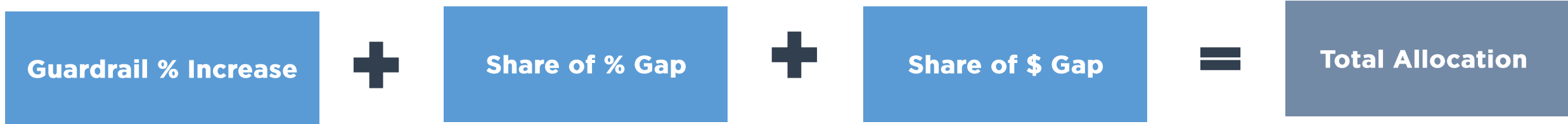
- The ESS is calculated by applying subsidies – tied to the characteristics of a university's student body – to the adequacy target.
- The subsidy rates represent what portion of the adequacy target will be covered by the state and reflect a state policy choice about which students the state wishes to cover a greater share of the cost for.
- The ESS creates a base subsidy rate for each student.
 - Example: An in-state undergraduate (30%) who is low-income (50%) would have an 80% subsidy rate.
 - Subsidy rates are capped at 100%.

		Base	URM	Low-Income	EBF	Adult	Rural
In-State	Undergrad	30%	50%	50%	10%	25%	10%
	Grad	15%	50%				
Out-of-State	Undergrad	10%	25%				
	Grad	0%	25%				



Current allocation formula

1. The first step of the allocation formula is to set aside a portion of funds to be allocated through an **across-the-board increase**.
2. Half of the new remaining funds would be allocated based on each institutions **share of the adequacy gap** as measured by its percentage of its adequacy target (percentage gap)
3. The other half of the would be allocated based on each institution's **share of the absolute dollar gap** (\$ gap)



Proposed categories for increased accountability and transparency

Spending

Given the substantial new investments institutions should expand spending transparency and, if necessary, accountability for how additional funds are being directed.

Affordability

With significantly additional funding going toward lowering students' expected share of costs, universities should demonstrate an equitable reduction in the overall price of attendance for students.

Enrollment

Universities will have more funds dedicated to increasing affordability and access, which should drive enrollment increases.

Persistence & Outcomes

Outcomes improvements should result from increased resources. However, it takes time to improve supports, and the benefits on student outcomes lag.

*Metrics in each category should address absolute and progress metrics as well as reduction in gaps.

Next steps for accountability and transparency

The Commission is currently recommending that the newly created IBHE Accountability and Transparency Committee should pick up the proposal to fully operationalize the recommendations.

This would include the following:

- Establish overarching state and institutional goals for each institution to strive towards
- Develop a full system of accountability metrics including targets and anticipated progress toward them
- Identify a funding threshold at which an institution can be reasonably expected to make progress towards state goals in each category
- Review current reporting (state and federal) and ensure any new reporting is not duplicative or ensure that recommended changes to current reporting that more closely align with goals