

SB3965—ADEQUATE AND EQUITABLE FUNDING FORMULA FOR PUBLIC UNIVERSITIES

Illinois' future depends on a higher education system that is adequately resourced and able to provide affordable, high-quality programs to college students from every background and corner of the state.

The success of public university students depends on adequate, sustainable, and equitable state funding.

Adequate and equitable state funding is crucial as it enables targeted services like teaching, advising, student support, and outreach. These services strengthen enrollment, increase completion rates, and reduce time to degree. State appropriations allow for robust investment in student supports, which researchers have identified as the most critical factor in student success, helping to close equity gaps in outcomes across racial and socioeconomic lines.

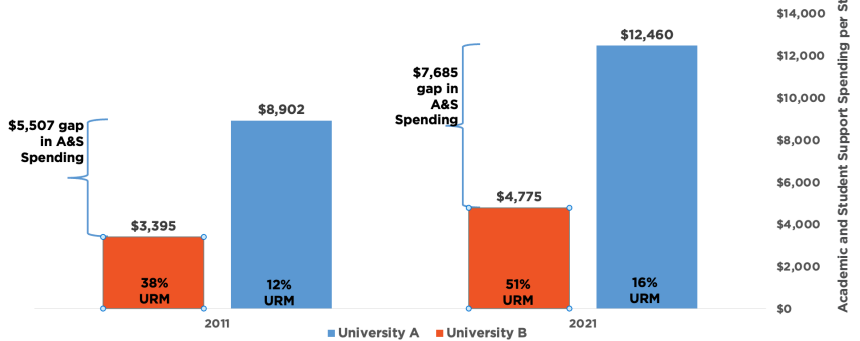
But Illinois' current formula is out-of-date, inequitable, and deepens gaps between students and institutions.

For decades, Illinois has maintained a largely politically-driven funding process that:

- Does not factor in the actual costs it takes to adequately and equitably support students
- Does not take into consideration the unique student needs of diverse student populations at different universities
- Bakes in disparities by generating across-the-board increases and decreases in institutional funding

This inequitable and insufficient appropriation creates disparate spending on essential academic and student supports.

THE GAP IN ACADEMIC AND STUDENT (A&S) SUPPORT SPENDING PER FTE IS GROWING WITH THE LOWEST SPENDING AT INSTITUTIONS WITH A HIGH PERCENTAGE OF UNDERREPRESENTED MINORITY (URM) STUDENTS



The new bill establishes the Adequate and Equitable Funding Formula for Public Universities, which uses an adequacy-based, student-centered approach that targets new state dollars to universities furthest from the funding they need to serve their students.

The goal of the Adequate and Equitable Funding Formula is to ensure that all public universities get a funding increase each year, closing the gap between their current funding and the actual funding they need to serve their students.

This legislation establishes a new funding formula that will:

1. Calculate a unique **Adequacy Target** for all eligible public institutions that incorporates student-need and the unique mission of each university.
2. Assess the **Resource Profile** for each institution, i.e., the resources each university has to serve students.
3. Use an institution's adequacy gap—or how far they are from full funding—to determine how new funds will be prioritized, as well as an inflation adjustment for all universities to make sure no institution falls behind.



The bill includes two robust and holistic mechanisms for oversight:

- **Accountability and Transparency Committee:** Consisting of education leaders and technical experts, this committee will meet regularly in service of holding universities accountable for progress on institution and state goals as their funding ramps up.
- **Funding Formula Review Panel:** A panel of technical experts, legislators, advocacy groups, university representatives, and other education leaders responsible for upkeep and maintenance of the formula, including regular recalibration of key metrics and a full evaluation of the success of the formula.

Passing and funding this bill will result in an estimated:

- **\$1.4 billion in additional funding over 10-15 years to ensure all universities have adequate resources**
 - Over 29,000 additional university graduates moving through the system
 - More than \$6.3 billion in additional state taxes paid over the lifetime of these graduates