



Faculty Advisory Council Illinois Board of Higher Education

On Zoom, November 18, 2022
Minutes approved January 20, 2023

FAC members/alternates attending and their institutions

Angela Antonou	University of St. Francis
Hossein Ataei	University of Illinois at Chicago
Paul Bialek	at-large (Trinity International University)
Cynthia Boyce	at-large (Lincoln Trail College)
Julie Clemens	at-large (Illinois Central College)
Lane Crothers	Illinois State University
Marie Donovan	DePaul University
Joao Goebel	National Louis University
Jeff Hancks	Western Illinois University (alternate)
Crystal Harris	Governors State University
Dan Hrozencik	Chicago State University
Pratima Jindal	Waubonsee Community College
Jim Kulich	Elmhurst College (alternate)
James Marshall	Rockford University
Steve Miko	Sauk Valley Community College
Gay Miller	University of Illinois at Urbana-Champaign
Linda Monge	Frontier Community College
Nataka Moore	at-large (Adler University)
Laura Murdaugh	Kishwaukee College
Ken Nickels	at-large (Black Hawk Community College)
Mike Phillips	at-large (Illinois Valley Community College)
Manny Rodriguez	Parkland Community College
Linda Saborio	Northern Illinois University
Shawn Schumacher	at-large (DeVry University-Addison)
Pete Seely	Benedictine University
Dana Trunnell	Prairie State Community College
Brian Vivona	Northeastern Illinois University
Lichang Wang	Southern Illinois University-Carbondale
J. Matt Ward	Quincy University
Sue Wiediger	Southern Illinois University-Edwardsville
Larry White	Eastern Illinois University

IBHE Members and Staff

Jennifer Delaney, public university representative to the IBHE (via Zoom)

Representatives/Institutions not present:

NO REPRESENTATIVE	University of Illinois-Springfield
Gene Dunkley	Greenville University

Chasity Gunn
 Laura Laskowski-Ferrell
 LaSandra Skinner

Elgin Community College
 Saint Xavier University
 Harry S. Truman College, City Colleges of Chicago (alternate)

Meeting called to order at 9:01 am. During introductions, we welcomed our new members: Steve Miko of Sauk Valley Community College and James Marshall of Rockford University. Pratima and Paul have agreed to serve as new webmasters, so Shawn will connect them with Lucy Park (former UIC FAC representative and our former webmaster).

Reports

Chair Report (Shawn): Shawn and Stephanie Bernoteit, Executive Deputy Director of Academic Affairs for the IBHE, had onboarding meetings with Steve Miko and James Marshall.

Vice Chair Report (Linda Saborio): Our next meeting on December 16 will be held at Prairie State College in Chicago Heights with Dana Trunnell as our host. As soon as Linda has the hotel and Thursday evening dinner information ready, she'll share it with everyone. Regarding our January 20 meeting at UIC, Linda been working with Elizabeth Dooley, the coordinator of the UIC Senate, on some of the meeting details. Elizabeth wanted Linda to let FAC know that she signed a contract reserving a block of rooms at the Crowne Plaza Chicago West Loop for the night of January 19, 2023, for a group rate of \$115.00 per room. The Crowne Plaza is located at 25 South Halsted Street in Chicago, close to UIC. Reservations must be made on or before the cut-off date of December 27, 2022, to be eligible for the group rate. Linda will send out reservation details on Monday and several reminders about this deadline with the Crowne Plaza Hotel over the next few weeks.

For the new members: we have a Canvas page that we use to share our working documents. Please send Linda an email reminder to be added to the site: lsaborio@niu.edu

And finally, a quick note that our Feb 17 meeting will be via Zoom.

Legislative Liaison Report – [Mike offered an informal report during introductions, but the recording had not yet been turned on so Amy could not hear what Mike said when listening to the recording after the meeting. Mike subsequently shared in an email this recollection of what he's shared: "I think I mentioned that the elections had taken place Nov 8 and committee assignments would not be announced until January. Also, the General Assembly would meet for veto session in late November/early December but no action on bills significant to higher ed were anticipated."]

Secretary Report (Shawn in Amy's absence): There were some corrections to the minutes and a final draft was shared with the council; we will vote to approve the minutes later during our business meeting

Report from the Public University Representative to the IBHE Board (Jennifer Delaney). There was an IBHE meeting on Tuesday, with a [High Impact Tutoring](#) presentation. Illinois State is coordinating this

initiative. There was an institutional denial at the IBHE meeting. Jen also attended the last two meetings of the adequacy and the resources workgroups of the [Illinois Commission on Equitable Public University Funding](#). Kudos to Dan for offering public comment at the resources workgroup! Now things get handed off to a technical workgroup, which will handle the funding formula and its details. She's been raising concerns with these workgroups, and will continue to do so after seeing these meetings all day yesterday. She worries that by being very focused on adequacy, the values of equity are falling out in the funding formula. K-12 funding (where adequacy has been used) is based on property taxes, so it's not entirely analogous to higher ed funding for public 4-years. Jen was pushing them to consider *subsidy values* per student at the publics—for out-of-state and international students as well as in-state students. Those subsidies keep tuition lower than it would otherwise be. At the publics those subsidies are provided through the state's share of support; private institutions provide subsidies through donors and endowment wealth. Subsidies enable college access and success. Jen is also concerned the charge to the technical group isn't clear, nor that either workgroup came to enough consensus about what they wanted.

Marie asked who was on the technical work group. Jen said that wasn't known yet, but that the commission itself has more than 30 members, including institutional presidents, Partnership for College Completion, and one faculty representative (from NIU) appointed by the union. Jen wonders if the consultants are paid for the complexity of the process, and she sees a danger in that. We seem to be heading toward a *complex* funding formula but there is value in transparent, simple funding formula that can be communicated both to policymakers and to institutional leaders. Marie echoed that when she was on the performance base funding group several years ago, that was the message they preached: keep it simple. Mike then noted that the list of [technical modeling workgroup](#) members has now been posted on the commission website. Jen looked at it and said that its membership consisted of members from the adequacy and resources workgroups, and everyone was either a full or alternate member of the commission.

Dan added that he too was shocked by the complexity of the process when he attended the resources workgroup. How much are we going to charge for housing? How much draw on an endowment? Etc. By the end, his head was spinning. (And, Jen noted, he is a mathematician.) Mike added that at the IFT convention, he attended the Higher Ed Constituency Council, and IFT's lobbyist told him they are very concerned with the direction the commission is headed as well. Their concerns are very similar to Jennifer's.

Jen noted that in his public comments, Dan said that what we need is adequate, stable higher ed funding, to be sure that we're providing for a well-qualified faculty. And she thinks that was the first time she had heard that raised this way in *all* of these meetings since August. She appreciates Dan bringing this faculty perspective to the process.

[IBHE Guest Presentation on "IBHE Data Tools and Overview of New Data for Illinois Graduate Programs"](#)

Presenters: Dr. Eric Lichtenberger, IBHE Deputy Director of Information Management and Research; David Smalley, IBHE Associate Director of Information Management and Research; and Dr. Yasamin

Khoshpour, IBHE Assistant Director for Data and Accountability.

Eric notes that Yasmin's background is in policy science, and she will share the same presentation with the Illinois Association of Institutional Research. Then David will share some of the IBHE's underutilized data tools.

Yasamin presented with slides on Developing Program Measures for Graduate and Professional Students. We've had some interesting findings and analysis on this quite overlooked and ignored group of students in higher education.

Why examine graduate and professional programs? There is not much info on graduate and professional program outcomes, yet many professional and occupational areas require graduate and/or professional degrees (or earn higher salaries with them). It is important to include their data in our data sets and metrics and measures. There is an equity component of this project; in order to close equity gaps, we need to know what those gaps are – and make it available to public entities; then take steps to close them. Better data might enable faculty (and administrators) to better reflect the racial/ethnic composition of students being served at an institution. Graduate/professional programs can be expensive to administer, so why not better articulate their contributions? Sometimes the line between graduate and professional education and employment gets muddled with graduate research and teaching assistantships and clinical placements.

Overall Illinois public university enrollment increased in grad and prof student populations between 2018-19 (49,315 students) and 2022-23 (57,173 students), even as overall undergraduate populations declined in these years at public universities (from 133,232 to 126,589 students). Illinois outpaced the national figures for grad/prof enrollment growth. ISU serves the lowest percentage of graduate students (12.3%) in proportion to the undergraduate population. UIUC, GSU, and CSU have the highest percentages of graduate students (36-37%). Of Illinois 12 largest private institutions, Columbia College has the lowest percentage of graduate students (3.6%) and Concordia the highest (74.7%).

Graduate students make up 35% of all higher ed students in Illinois—a significant number; numbers are growing. **2/3 of all graduate students are at the master's level** (here and below uses fall 2021 data). 34% of Master's students in Illinois go to one of the 12 public institutions; the rest are scattered across 75 private institutions offering Master's programs. 42% of *all* graduate and professional programs are at the public universities. At Illinois public universities, the two largest groups are whites (44%) followed by international students (23%). African American, Asian, and Latinx grad students each make up 9%, respectively. The majority of grad/prof students are female (53.8%), except among international students (43% are female). That data is relatively similar at private colleges.

We took a **closer look at the Illinois Master's cohort from 2018** to analyze how the students are doing. We chose this group because we had the information, and wanted to allow a long enough time-horizon to measure degree completion regardless of program area. We also had the opportunity to examine continued enrollment for students who did not graduate within three academic years (some students complete within one year). In this cohort, almost half are aged 25-40 (more than 6% are above 50). In this cohort, 12% were international, coming from 166 countries around the world (almost 30% from China, with Indian students the second largest, and South Korea the third). More than 75% of the students are from Illinois; the next largest domestic student groups come from Florida, California, and

Ohio. With regard to graduation rates (by 2021) at Illinois' **public universities**, international students have the highest rates of success (over 90%). There is no graduation gap between White, Latinx, and Asian Master's students at Illinois public universities (ranging from 72-74%), with African Americans at 63%. An average of 10.7% of all students who did *not* graduate by 2021 were still retained (which means just under 12% of the cohort neither graduated nor were still enrolled after 2021). There is a similar pattern of graduation rates with private Illinois institutions. UIUC, UIC and ISU have the highest success rates (over 80%); CSU is the lowest (44%). GSU, NEIU, and UIS have success rates under 60%; the other regionals have success rates over 70%. Among the 12 largest **privates**, the Univ of Chicago (91.7%), Northwestern (82.5%), and the Illinois Institute of Technology (85.3%) have the highest rates of completion; Aurora has the lowest (50.4%). Overall, **public universities had higher rates of completion (86% for graduation) than the privates in Illinois (76.66% for graduation)**. Part-time students have lower completion rates (56.2% graduated at the publics, 52.6% at the privates) but we see that they are being retained. Females have a marginal advantage in completion rates at the publics; males have a marginal advantage at the privates. Business and Health enrollments account for the two largest Master's level program areas for Illinois institutions (Business = 24,733 students, Health 23,285, Education 11,368; CIS at 8191). [Amy notes while studying the slides that there were more grad students in Illinois studying Theology—2,932—than the Arts at 2,490 or Math at 1,740; Chicago's Hyde Park neighborhood has been known for having the highest concentration of ministry or theology students in the world, across several institutions.] At the publics, business had the most enrollment; at the privates, health was higher. Engineering students have the highest success rates at the publics (85.6%); psychology (64.3%), health (70.2%), and education (72.2%) have lower completion rates (within three years). The data from the privates is similar with regard to engineering, lower on health (54.7%). **Key take aways: at publics: there are completion gaps between African American and white master's students, but they aren't as large as what exists at the undergraduate level.** Overall, there are no gaps between Latinx and white Master's students. There are similar patterns at private college, but overall lower rates likely because we include all private colleges. There is more variability among the private colleges in looking at success rates by academic program. Selection bias due to admissions criteria may be a factor in why engineering students have the highest success rates. Theology master's students at private colleges have the lowest rates of completion, but the highest still enrolled [Amy notes that, with internships, many M.Div. programs are 4-year programs.] Part-time students have lower completion rates, but a higher likelihood of still being enrolled.

Future work: We want to systematize this data and make it available for benchmarking. The higher learning commission asks for performance reports and there is not much data available for grad programs. Getting into differences by program area may require combining cohorts. We might bookmark the undergraduate enrollment patterns of graduate and professional students, asking how individuals end up in graduate school. A survival analysis might involve getting at the "time-to" aspect of completion. We can also examine short-term and long-term workforce outcomes and patterns of graduates. An equity component is important to study.

Eric presented on Census Bureau Postsecondary Education Outcomes Project (PSEO), which should help with data collection. What are grads doing after they exit an institution? We educate people who don't necessarily stay in Illinois. PSEO includes outcomes for graduate and professional programs; it

is national in scope; private colleges in Indiana and Virginia are included; almost half of the states are participating, or will soon be; data will be released in late spring; participation is required for Illinois public universities (free and voluntary for others). What we are finding right now (based on the data from Illinois' public universities) is that college grads do quite well; obviously there are variations by degree programs (nursing students start well-paying jobs right away; liberal arts graduates tend to take longer); but the vast majority of college graduates (with 4-year degrees) earn significantly more. Data is tracked prior to graduation and after – with a huge degree of movement once students become 4-year college graduates (as college students, many worked in retail and entertainment industry, not making much money); **they definitely showed a huge degree of movement in the first quarter after graduation away from retail to enter occupations that require bachelor's degrees or a prof/advanced degree.**

Gay asked: is there data on whether students go directly into a grad program from their undergraduate experience, or do they reenter higher education from the workforce? I have heard evidence that graduate education pays for itself in terms of lifetime earnings, but I have concerns about the confidence level of recent college graduates who enter graduate school because they aren't quite sure what they want to do next. They often have less confidence and knowledge of their goals than those entering graduate degree programs from the workforce. David: We didn't take into account where graduate students were coming from, but that's a really good point. We have access to the National Student Clearinghouse and we could go backwards to see where students were coming from.

Nataka Moore: Can you share presentation slides with us? Yasamin: Yes. Nataka: What do we do with the data? African Americans have lower completion rates. We know it is hard sometimes to give scholarships based on ethnicity/race. But often there are financial difficulties; can we break down the data by finances; are they taking out loans? This data can empower institutions in advocating for students. I am guessing finances can be one of the reasons students don't complete. Yasamin: A good point. What variables do we need to be able to study this group and learn their needs? A limitation of our study is that grad students do not receive Pell or MAP grants. We don't have this financial component; but something we do have access to is that grad assistants are about one-third of hired staff in institutions; this could be component related to financial issues. Eric: The employer/student lines become quite blurred at grad/professional level. We currently don't collect data on teaching assistantships and fellowships. I was wondering if the differentiation in success is related to different fields offering different rates of graduate assistantship positions [and that those might be fields with more African American students]? It's something we considered but cannot address right now. David: we are lacking financial data right now, but having it would help schools with interventions.

Nataka: Can schools provide data on who is taking out loans? David: systematically, hard to collect that data for 125 institutions. If we add new component, we can definitely look at this definitely; but we experience a lot of push back from institutions on how much data they give us. We have a disability field that no one fills in anymore because they don't want to. Eric: The data we have could still provide benchmarking info; we could share it with institutions and then they connect it with local data; build on it and add nuanced info at local level. Some institutions are interested in doing this now because of HLC requirements at the graduate and professional level.

Sue: I wonder about crosstabs on some of the data—e.g., international status with program and with finances; this may show interesting correlations. (International students are not permitted to work

anywhere else, only in assistantships.) Or crosstabs between a program like education and attending grad school part time (because they have to work). These might show correlation, even if not causation. Yasmin: That's part of what we can do with what we have: see relationships with different variables, like gender, or the success rate for different racial groups at different levels and for different programs.

Gay: A veterinary association did a broad study to show what we found at UIUC: veterinary graduates had huge problems with the level of student debt compared to their earnings capacity. We realized most schools instituted counseling programs to talk through with grad students the implications for long-term indebtedness. This may be helpful information to gather for general graduate student education. Eric: My wife is vet and personally understands long-term debt. Maybe we need to do a better job of systematically capturing loan information. This relates to the long-term outcome of graduate and professional programs; we do look at earnings, employment and how institutions prepare students for graduate programs.

David presented on the Illinois Higher Education Information System (IHEIS) Resources. He shared the [IHEIS website](#) with data (he's the data collector). There are cool tools at the website regarding student information, college information, and data collections. Some faculty might be interested in: the **Program Inventory**, searchable by program or by institution. He showed us how to search, with Education as an example. Here you can do research for new programs: who else is offering this program in the state, for example? The **Enrollment and Degree Data Tool** shows enrollments and degrees broken down by degree level, race, gender, sector, institution name or sector, etc. The **Interactive Transfer Enrollment Dashboard** shows info like new undergraduate institution-level and statewide totals; the primary transfer institution for a particular 4-year; the percentage of student population that is transfer; statewide totals broken down by gender/race/etc.; data by sending institution and receiving institution; academic majors for new undergraduate transfers. All information can be downloaded. Last point: David worked with NIU (and ISBE on the Illinois Report Card) and ICCB's data to create a site organized around prospective student questions about postsecondary education options in Illinois: "Where could I study? What could I do? What about equity?" You can look up institutions and see characteristics of those institutions; or can choose a specific pathway, for example, to can see how much they make, and degrees related to an occupation. David's contact information is on the IBHE website and he enjoys guiding people through the data.

Working groups and caucus groups met.

Business Meeting

Linda S. needed to take over in chairing the meeting because Shawn had to take over driving in a blizzard.

Old Business: October minutes were approved (Maria moved, Dan seconded), with one abstention, after Pete corrected the spelling of his last name.

Working Group Reports

Early College & Online/Remote Learning: Angela reported that the group had focused on the student bill of rights for dual credit—advantages, disadvantages, best practices, strategies for how to succeed in a dual credit program. They'll likely meet outside the FAC meeting to finalize the bill of rights.

Equity: Crystal reported that they had split up the equity plans and identified things they saw in common, things that they saw as limitations or missing. The work is ongoing.

Prior Learning Assessment: Marie reported that their main agenda item was figuring out the format for their thinking and researching, and decided on a short two-page position statement for the council for review and eventual endorsement, sometime in the spring.

Student Debt and Affordability: Pete reported that they discussed public relations for our profession. Many in the US have become very tribalized when it comes to higher education. I can look at Facebook any time and see this really anti-intellectual, snide comments from people I went to grade school with. We really are suffering from a public relations problem in our professions and in higher education more broadly. What might be some ways to address that? Dana T. spoke of investment. Students can see the front door, but once in it, don't see the development they need to have had through higher ed to advance and to problem solve. Linda S. suggested they need to get that message more to the lawmakers. They don't always hear us and our perception of our profession. To denigrate higher education has become a real national problem. Some businesses have begun to talk about a 3-year degree. It's a long-range project that we would have to do, but we've become stymied about debt relief and forgiveness—the nasty things directed at the President after his declaration of it. Pratima found something called College Corps (California Volunteers) educating a person for going into higher ed—what to prepare for, how to carry yourself, tutoring for K-12, etc.—as a way to reduce their costs from college and contributing to society, and in a way that people can see the value of education. (Pratima reported on part of this portion). Someone mentioned that during the Clinton administration they offered debt forgiveness if you spent two years in the Peace Corps. We want to look more into these programs that might help.

Student/Faculty Mental Health: Nataka thanked everyone who took time to complete their survey. We have 20 responses. We've begun to merge the data and our hope is to present you with our findings in February. They are very telling. We don't know yet if we want to open it up to other institutions and publish.

Higher Education Funding: Dan reported that their working group has been meeting almost every Friday for the past month to discuss some of the things they're learning from what the commission on public university funding has been working on. Lichang and Jennifer attended the adequacy session; Jennifer and Dan the resources meeting yesterday. Today the group met with Simón Weffer from NIU, the only faculty member on the commission. He spoke of how the commission came to use the adequacy model, and his concerns about the process, like whether they were allowing enough time for what they were doing. The workgroups will give their findings to the [technical] modeling group. We want to have periodic review of the model, hold harmless provisions, etc.

Linda S. said she ran into Xiaodan Hu (who presented on dual enrollment at our May 2022 meeting), and Dr. Hu said she was working with the Partnership for College Completion to study the adequacy model. Her understanding is that the model advocates for increased funding for higher ed, rather than a redistribution of funding—for equity purposes. Is that the working group's sense of the direction of the commission? Dan: I would say yes, but there are some assumptions behind that we'd have to talk about. The resources group was talking about that yesterday, including the no-harm provision that would mean no institution could receive less funding than they do now. The idea is that they're going to grow that funding, but the Q is by how much and how they will determine how that will happen. The resource group was talking about what institutions could contribute and how the state would make up the difference. How much from endowment? Housing? Students? It was so unbelievably complicated. Dan was surprised. The Partnership for College Completion is a consulting group that is helping the commission, writing reports and such.

Illinois Math Badging Initiative: This is not an FAC working group, but Dan serves on this initiative on behalf of IBHE. It's organized by Education Systems Center at NIU. The idea is that students may be failing an algebra class in high school, but only need certain areas to improve in. Maybe they can earn badges through completing modules over the summer or after school. Or maybe students pass the class, but are weak in certain areas; the badges help them also to move on and get credit for these courses. Four pilot sites are being designed: Illinois Math & Science Academy, Phoenix Stem Military Academy, Ridgewood HS, and Round Lake HS. Some of the classes are interdisciplinary. Questions for Dan were: who are the stakeholders at the universities to be sure what they are developing will be accepted by accredited universities? What would you like to see so that you'd be comfortable accepting these for credit? We're starting to develop a list of people to be involved: deans, provosts, admissions officers, those involved in determining transfer credit. Please email Dan if you know of any other sort of individuals you think would be appropriate to have input. Dan updated Stephanie this week, and thought math faculty on FAC might meet at the next meeting to talk about this.

Caucus Meetings

Privates: Paul reported that they wondered what private institutions had not sent in data. (Eric L. sent them data about which ones had.) *Why?* Embarrassed at how poorly they are doing in a particular area? Privacy concerns? Understaffed for an optional request? We also noticed that certain majors are really popular; why? Pay? Does it fit our well-being as a society? Joao: How do we get our institutions to respond? Angela: your institutional research persons. Marie suggested your provost; Paul your registrar.

Community Colleges: Cyndi reported that they had three topics of discussion. (Mike reminded us also that this is election time for BOT's of CC's; pay attention). 1) **Corequisites and developmental courses:** Laura raised Q's about our institutions regarding developmental math. Linda M. talked about what our district is doing where developmental math is not required, but the state mandate is moving toward the corequisite requirement. Ken talked about what they're doing at Black Hawk, and the consensus was that developmental math is needed, even if not required. Corequisites don't always serve students' best interests. The other side: students can take so many developmental courses that they can't graduate on

time. On English, at Lincoln Trail we are doing corequisites in developmental writing right after a composition course. We also talked about how this need for math and proper preparation is affecting science classes. Manny mentioned that at Parkland they offer a quest test before a chemistry class to determine whether a student is ready, needs corequisite classes, or should take a math class first. 2) **Cost of textbooks**, especially in science courses (ebooks, inclusive access, OER = Open Educational Resources). Shawn and I are on the state task force discussing textbook affordability. Some of the concerns we shared on that taskforce were brought up by the caucus: OER's don't work for everyone, especially in the sciences. Who gets them, maintains/updates them, pays for them? Where do you find them? Some schools are printing their own lab book manuals (costs \$25 vs. \$150).

Public Universities: Dan reported that they considered one issue: in Florida, an executive order restricts which topics can be discussed in higher ed, and how (although Lane noted a federal judge just rejected it; as a preliminary injunction, as Larry read it). Lane wrote an academic freedom statement. We'd like the group to ultimately approve the statement, but we don't feel ready to do that right now. We'll ask Shawn to send it out to everyone for comments and seek approval. We'd like to get support from Faculty Senates down the road, and perhaps the legislature. Linda S. asked: is academic freedom in union contracts? Lane doesn't know (no union at ISU). Jeff said "academic freedom" isn't anywhere in WIU's UPI contract. Crystal asked if state law overrode union contracts; Larry said he thought the recently passed Amendment 1 prevented that. Lane said no one on this body is an attorney, but the way he drafted it was as a generic statement. What troubles him is that the Florida executive order was defining faculty as agents of the state, and "if our bosses are telling us we can't say something, we can't say it."

[Presentation on "The External Social Benefits of Higher Education"](#)

Jennifer Delaney, Associate Professor of Education Policy, Organization, and Leadership, UIUC; Walter McMahon, Professor of Economics and Professor of Education Emeritus, UIUC presented based on their book by the same title.

Jennifer: This project really resonates with the work she and FAC have been doing in responding to the public university equitable funding commission. **Higher eds social (not just private) benefits help nations grow, support democracy, and are a fundamental rationale for why there should be public or private charitable support for higher education.**

External social benefits (ESB) of HE are the public benefits that flow to others, including future generations. Your children are better off if you are more educated. These contrast with private benefits (like earnings). ESF are central to productivity growth (as we attempt to improve the human condition), broader per capita social development, hence to human well-being. ESB are the main rationale on efficiency grounds in economics for public support. While modest in the short-run, in the long run, ESF's are essential to individual, community, and national well-being.

What's the problem? Underinvestment in HE. Private individuals will not pay for social benefits since they mostly flow to others. Thus, public tax support (or endowments for scholarships) are necessary.

Our book provides original research on the external social benefits of HE—of the theory, size, and estimated value of the external individual and total social benefits of HE, including five new

previously unidentified ones. It presents strong new empirical evidence of positive effects on democratization that interacts with human rights, political stability, and, indirectly through these, on higher per capita growth and development. And the book covers the endogenization of new ideas through investment in graduate student education for careers in research and development.

Jen and Walt are the editors and wrote some of the chapters, but other contributors come from around the world (see the TOC). The chapters provide comprehensive empirical estimates worldwide of externalities at primary, secondary, and HE levels in 22 developed countries and 175 less developed countries, with chapters on specific social benefit externalities in sub-Saharan African countries, the EU, Spain and Portugal, and in the US on civic returns and on how volatility in state HE funding has adverse implications for ESBs.

Two key themes: both the level and the methods of public (and private) funding of HE *really* matter. We worry when the financial aid systems are regressive.

We describe improved specifications or new data with regard to previously researched education outcomes on **democratization, trust and civic engagement, and lower fertility rate**, as well as findings regarding newly identified social benefits: **reducing youth unemployment, the link between volatility in state support for HE and ESBs, and the *value* of new ideas, esp. w/graduate education.**

After noting that he was once chair of FAC, Walt McMahon said the increased student debt loads and slower growth in the state and the nation are tied to reduced funding for higher education. The IBHE tends to focus very much on earnings and jobs, and that's not unimportant, but we're talking today about benefits above and beyond these.

Private non-monetary benefits per graduate are valued at \$42,212 annually for a BA and \$12,385 for an Associate degree, on measures of better health for oneself, one's spouse, and one's children; greater longevity (4.5 years for a BA); children's education and cognitive development; a smaller family size (less poverty); efficient consumption and asset management, and (not quantified with measurements here) increased happiness, work and location amenities, and lifelong learning. (See the fuller chart in Jen's slides.) On conservative estimates, the external social benefits per graduate are valued at \$27,973 annually for a BA and \$8,207 for an Associate degree, on measures of democracy and civic institutions, judicial human rights, political stability, lower homicide rates, less property crime, lower public welfare and prison costs; water, air, forest, and wildlife sustainability. Other ESBs lack good empirical measurements (longer life expectancy, less inequality, poverty reduction, increased social capital, new ideas and refinements).

Evidence of underinvestment in HE, based on the logic of the model and the evidence in this book, shows that the rate of return is significant for HE even on monetary grounds of earnings alone, and much more significant when ESBs are factored in. There is serious underinvestment for optimal development. If we invested \$23,881 more per year (about 2/3 of institutional costs per associate degree), the return on investment after 45 years (when private and social benefits are included) would be \$592,785.

Conclusion: we're concerned that the privatization of HE has gone too far, in the form of reduced state support per student, leading to increased tuition, lower Pell grants, increased loans to cover higher tuition. Students who cannot pay are driven out, lowering enrollments. Class sizes are much larger, often covered by teaching assistants (i.e., reduction in quality). Slow economic growth. These negative effects on economic growth are often ignored by state legislators. The most serious underinvestment in the US (and UK) is at the community college level, but also bachelors.

We are not suggesting zero tuition (except perhaps at CC level). In countries where tuition is zero, there is too *little* privatization. There is little resource recovery from wealthy parents. When we look around the world, e.g., in Sweden, Pakistan, sub-Saharan Africa, there's essentially zero tuition;

they then use test scores for admission, restricting enrollment to the wealthy (test scores are correlated with per capita family income). Very restrictive admission in EU countries. In sub-Saharan Africa, they provide free tuition, room, and board; again, test scores restrict entry to the wealthiest. This is a regressive system. They can't afford to offer HE very widely.

All of this operates to slow productivity growth. Other adverse effects: lower trust, reduced democratization, political polarization and instability, reducing the flow of new ideas, etc.

For a podcast by U Penn interviewing Walt on privatization, see <https://www.researchminutes.org/episodes/> or [HigherGood WalterMcMahon Podcast.mp3 \(dropbox.com\)](#) For a link to the book, see <https://www.lintonatlanticbooks.com/the-external-social-benefits-of-higher-education/>

Dan asked: The volatility of *what* is being measured? Jen: The volatility of state general appropriations for higher ed (Jen's own paper)—what we call in Illinois the university income fund, or UIF. (The UIF does not include capital funds or student aid.) The volatility in this funding leads to instability which leads to suboptimal university behaviors—e.g., seeking alternative revenue sources; cash cow Master's degree programs. Shifts internally what happens in institutions, where revenue-generating programs or programs with clear labor market outcomes are being preferred over arts and humanities, education, social work--programs that produce nice social goods. We propose three ways of measuring volatility and to push the literature that way so we can have ongoing discussions about how to measure enrollment trends; measures at both the state and institutional level. In the discourse we talk about the negative consequences of having an unpredictable funding environment and producing social benefits. And inasmuch as volatility in state funding is pushing students and institutions to think more about *individual* benefits and more about revenue generation, we lose sight of those public goods.

Paul noted that FAC had a letter to the Chicago Tribune based on Walt's work. He wonders what we can do, besides trying to present this information to legislators. Walt: There's a new crop of legislators every year, and I think that's an important mission for FAC. Higher ed committees are key places. If they could go more into understanding what this underinvestment is all about, we'd all be better off. We've had people running in my district that talked about what a rathole higher ed is and how your pour money into it and get nothing out. This kind of naivete is a problem. They are not really paying attention. Ways of doing it? Getting the word out. Talk with your administrators. A lot of faculty are very inward turning—think about their classroom and students, not their lives for the next 45 years. The more we can educate our colleagues—that's part of it too. But only 39% of the people in our state have 2- or 4-year degrees. They are unhappy because their per capita income has been going down since 1980. They are hurting, upset, and vote protesting their situation and blame whoever is in power. Reasons might be worldwide, but they don't think about that. As technology plunges forward, there's a lot of people who are left out, losing their jobs and livelihood. Hard to answer your Q in full about how to reach a much broader audience.

Marie: How to reach other stakeholders—business, industry, the Ken Griffins? Have you been trying to make inroads with them? School boards? Walt: This podcast is one effort; I've done three of them. Maybe it could go to the IBHE, or from FAC to the higher ed committee in the senate. Marie? Do

we sit down with the Illinois business roundtable? Walt: not a bad idea. Federal support cut back is a problem, too. A little policy in the federal govt is having a tremendous impact on all our lives: to get any federal Medicaid dollars, you can't cut back your state support, or have to increase it. That restriction leads to cutbacks in higher education; let students pay for HE themselves. Perhaps one idea is for the federal government to condition its own support for HE on states not cutting it back. Jen agrees that this might be a time for a new state-federal partnership. We may be at a place where states can't do this on their own. 49 states have a balanced budget requirement. There have to be cuts whenever there is an economic downturn. And because there isn't a federal match—something external to the state—for higher ed, it is always the major discretionary area to cut. A lot of states have court decrees on K-12 funding. We tested out a new partnership during the pandemic, when the federal government provided funds with maintenance of effort requirements for the states; funding had to be spent directly on students. Under Obama, the federal funding condition was that states can't cut more than the average funding they provided for the prior two years. We need to target funding toward the most vulnerable students. For the most part, the states followed the pandemic federal funding rules (except for Mississippi, where there's a lawsuit) and did not cut HE funding. And only the federal government can borrow its way through an economic crisis. Maybe we need to ask the federal government to provide more counter-cyclical funding in an economic downturn so that there *is* more stability.

Walt added that yes, we shouldn't leave out federal legislators in our thinking about what the strategy is. I remember when there were few women in HE except in teaching and nursing, and my daughter was a member of a business fraternity—called a "little sister"—she was very upset by that. A federal law said that wasn't legal. The federal policies do have significant effects.

Linda S. asked about the research in Spain. Walt: A former president of a Spanish university has written a chapter about micro-data on effects on trust of those who have more HE. Spain and Portugal became full-fledged democracies with HE. Most Latin (not Central) American countries followed. They were not before 1980. Linda S: Young Spaniards here don't feel there are good job prospects in Spain. Walt: we are entering a worldwide recession.

Crystal spoke about a student vote interview grant she's part of that is about the influence faculty have in the classroom for civic engagement like voting—making sure we use our influence to not just make students media literate, but good critical thinkers and able to understand the link between their classroom work and what happens in their local community in terms of public policy. And so we've just started a round of identifying which students we're going to interview for how greater civic understanding translates into things like voting. I want to go back and talk with faculty about these social goods in HE. We have the ability to influence the youth voting bloc. It's currently 65% are registered in some campuses up to 90% because student life has systems in place for it. But few actually get to the polls, because they're busy, tired, don't think it matters.

Pratima: Your work helps our working group talk about more than the economic factors of HE. In India, we have that system where it's much more affordable if you can get admission into a public university, but yes you have to be at a higher performing level to get in. But if we brought that model into the US, we'd not have that same issue because we don't have that much population. I come from a middle-class family, and I was glad to be able to just focus on my studies—not to have to work while a student. I paid less for my college education than you pay for one textbook. So we *can* learn from other

countries, and are in a much better place than others with regard to finances, population. We just need that will. Jen: Arguably part of India's story has been about access to education. In sub-Saharan Africa and Brazil, there are very broken K-12 systems; fees to attend. Wealthy individuals send their children to private schools. Free HE then extends only to the latter. Erodes what HE does in terms of producing social goods; that's why the *type* of funding matters for ESB.

Lichang: when I was in PhD student in Denmark, I got to know the Nordic system. The students get it free and every month are provided \$500 for their living, had health care. Interesting to compare. Walt: I spent a year at Erasmus University. The per capita income in Scandinavian countries is higher than in the US. I've just returned from Norway, Finland, Sweden; they are living very well; they have few natural resources—they have very well-educated people. Same for the Netherlands and other European countries. They have invested in their human resources. Explaining the residual (rest of) economic growth through externalities like new ideas.

Joao: from Brazil on the unintended consequences of free education. Brazil a lot smaller than the US and we do have free college systems and anyone can apply and go, but the demand higher and very competitive to get in. I had a public education; almost no chance to get into free HE. I applied to several universities, had to take a huge test. I was wait-listed in the public high-quality free ones; I ended up getting accepted into a private school and worked and paid for my own tuition (impatient about waiting 6 months to a year on the waiting list). Walt: Enormous inequality in Brazil, but they don't have any chances at HE—or even primary education in e.g., rural areas (same in Pakistan). Where are the rates of return the highest? What encourages immigration of graduates? On this point: we're not advocating free public 4-year HE. There's a big difference between direct institutional costs and foregone earning costs. Let's say at CCs, HE is free in terms of tuition and fees. They're still paying \$10-\$20,000 in foregone earning costs that their families are helping to bear. That's "free." Privatization has gone too far; all things in moderation may be better. Indonesia is better balanced in support for primary, secondary, and some increased for HE. In my opinion people should pay some of the costs at HE.

Linda S.: Next meeting is at Prairie State on December 16. Mike made a motion to adjourn; an apparently male voice seconded (not visible on the screen nor named). The ending time was not on the recording, but seemed to be about 2:35 pm.

Meetings written by Amy Carr, FAC Secretary (based on the recording after the meeting was held), with draft notes from Linda Saborio. The minutes were approved at the January 20, 2023 FAC meeting.