

# Focus on Outcomes, Centre on Students: Perspectives on Evolving Ontario's University Funding Model

## The Context

- ◆ \$3.5 billion in operating grants to universities
- ◆ Enhancing quality and the overall student experience
- ◆ Supporting the existing differentiation process
- ◆ Increasing transparency and accountability
- ◆ Addressing financial sustainability
- ◆ Broad sector engagement with over 25 meetings and 20 written submissions

## What We Heard

Quality & Student Experience	Differentiation	Transparency & Accountability	Financial Sustainability
<ul style="list-style-type: none"> <li>• Defining and measuring quality is difficult</li> <li>• Student success is still the priority</li> <li>• Focus on undergraduate teaching</li> <li>• Strong services contribute to student success</li> <li>• Support faculty renewal</li> <li>• Supporting innovative programming and quality infrastructure</li> <li>• Good job conditions contribute to a better student experience</li> <li>• Preparing students for employment</li> <li>• Outcomes matter, but opinions vary about how to weigh them</li> </ul>	<ul style="list-style-type: none"> <li>• The many facets of differentiation</li> <li>• Focusing on university strengths</li> <li>• Supporting regional diversity</li> <li>• Excellence in research and graduate education should be supported</li> <li>• Strategic Mandate Agreements help drive differentiation</li> <li>• Outcomes-based funding could support differentiation</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening transparency</li> <li>• What students need to know about universities – and what decision makers need to know about students</li> <li>• The funding formula should be clear</li> <li>• Better data and reporting are needed</li> <li>• Oversee, don't overstep</li> <li>• Alignment with government policies is important</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring predictability and stability of funding</li> <li>• Assessing the international opportunity</li> <li>• Funding formula should recognize universities' cost realities</li> <li>• Challenges to sustainability</li> <li>• Respecting autonomy and encouraging collaboration</li> <li>• Funding should be fair</li> <li>• Current weighting system needs revision</li> <li>• Funding model changes must be phased in</li> <li>• Colleges on implementation</li> </ul>

## What We Learned

Quality & Student Experience	Differentiation	Transparency & Accountability	Financial Sustainability
<ul style="list-style-type: none"> <li>• Viewing quality in terms of learning outcomes is consistent with a student-centric perspective.</li> <li>• Effectiveness of linking funds to discrete components of student experience is unclear.</li> <li>• Universities are seen to value research excellence over teaching excellence.</li> <li>• Experiential learning and research opportunities enrich the undergraduate student experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Several groups of universities exist with shared interests and needs.</li> <li>• Sector acknowledges the benefits of moving away from a one-size-fits-all approach to university funding.</li> <li>• SMAs are widely seen as the Ministry's best tool to tie funding to differentiation.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress must be made on cleaning up components of the funding model.</li> <li>• While there is a large volume of data on universities, not all of it is transparent, validated or made relevant to the public.</li> <li>• The lack of coherent data places limits on funding formula reform and evidence-based policymaking.</li> <li>• Some issues facing universities are outside the current governance relationship with the ministry.</li> </ul>	<ul style="list-style-type: none"> <li>• Universities are managing operating budgets through enrolment growth, economies of scale and teaching efficiencies.</li> <li>• The current funding model will contribute to the vulnerability of universities with declining enrolments, but reallocations may not fully address financial challenges.</li> <li>• A strengthened role for the ministry is needed to ensure universities remain sustainable.</li> </ul>

## 1. The basics

- ◆ Apply an outcomes lens to all ministry investments, with a focus on undergraduate student success as a starting point
- ◆ Ensure data is validated, coherent, centralized and easily accessible
- ◆ Introduce an outcomes-based component of funding that could grow over time
- ◆ Full implementation should occur over two Strategic Mandate Agreement (SMA) cycles, with the first element put in place for the 2017 negotiations

### Student Success

- ◆ Employment outcomes
- ◆ Learning outcomes
- ◆ Retention
- ◆ Graduation
- ◆ Participation
- ◆ Student satisfaction
- ◆ Labour market preparedness
- ◆ Outreach and opportunity
- ◆ Time-to-completion

2. <b>Champion and implement the assessment of learning outcomes</b>	3. <b>Fulfil the ministry's stewardship role</b>	4. <b>Modernize Ontario's funding methodology</b>	5. <b>What about research?</b>
<ul style="list-style-type: none"> <li>Current work on learning outcomes should be accelerated.</li> <li>In an ideal end-state, measuring and assessing learning outcomes should be a priority for institutions and a condition of funding.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing engagement</li> <li>Outcomes lens linked to SMAs with public reporting</li> <li>Differential treatment of similar group interests in SMAs</li> <li>Strengthened ministry enrolment planning role</li> <li>Improved financial health monitoring and cost benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>Phase-in of outcomes-based funding component that grows over time</li> <li>Model clean-up</li> <li>Consolidated envelopes for existing student and institutional grants</li> <li>Program cost review</li> <li>Enrolment-based funding with transition and conditional protection for declines</li> </ul>	<ul style="list-style-type: none"> <li>Increase understanding of indirect and direct costs of sponsored research</li> <li>Link graduate activity to research excellence and negotiated strengths through SMAs</li> <li>Monitor resources dedicated to teaching and research</li> <li>Include research excellence in outcomes lens</li> </ul>

## Road Map for Change

Current	Transition	Future
<ul style="list-style-type: none"> <li>Limited ability to identify and improve student outcomes and skills</li> <li>Fragmented data</li> <li>"One-size-fits-all" approach with enrolment growth as main revenue source</li> <li>Institution-specific, programmatic focus</li> <li>Funding methodology poorly understood with unexplainable historical factors</li> </ul>	<ul style="list-style-type: none"> <li>Student and outcomes lens applied to funding</li> <li>Learning outcomes measured and made available</li> <li>Validated, standardized and readily accessible data</li> <li>Ministry stewardship of funding relationship with universities well-defined</li> <li>Progress on sustainability</li> <li>Rational, defensible and transparent funding methodology</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement in student learning and system outcomes</li> <li>Strengthened funding levers help Strategic Mandate Agreements drive specialization</li> <li>Broad student success measures offset enrolment-driven allocations</li> <li>Student, economic and social development supported in a productive and sustainable manner</li> </ul>

### Further Observations

- Impact on colleges of university funding reform
- Faculty renewal, pension reform and inflation
- Experiential education and entrepreneurial learning
- Employer engagement
- Role of universities in quality assurance
- Tuition and the Ontario Student Assistance Program
- Operating grant escalator