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
 Defining and measuring quality is difficult Student success is still the priority Focus on undergraduate teaching Strong services contribute to student success Support faculty renewal Supporting innovative programming and quality infrastructure Good job conditions contribute to a better student experience Preparing students for employment Outcomes matter, but opinions vary about how to weigh them 	 The many facets of differentiation Focusing on university strengths Supporting regional diversity Excellence in research and graduate education should be supported Strategic Mandate Agreements help drive differentiation Outcomes-based funding could support differentiation 	Strengthening transparency What students need to know about universities – and what decision makers need to know about students The funding formula should be clear Better data and reporting are needed Oversee, don't overstep Alignment with government policies is important	 Ensuring predictability and stability of funding Assessing the international opportunity Funding formula should recognize universities' cost realities Challenges to sustainability Respecting autonomy and encouraging collaboration Funding should be fair Current weighting system needs revision Funding model changes must be phased in Colleges on implementation

What We Learned

Quality & Student Experience	Differentiation	Transparency & Accountability	Financial Sustainability
Viewing quality in terms of learning outcomes is consistent with a student-centric perspective. Effectiveness of linking funds to discrete components of student experience is unclear. Universities are seen to value research excellence over teaching excellence. Experiential learning and research opportunities enrich the undergraduate student experience.	 Several groups of universities exist with shared interests and needs. Sector acknowledges the benefits of moving away from a one-size-fits-all approach to university funding. SMAs are widely seen as the Ministry's best tool to tie funding to differentiation. 	Progress must be made on cleaning up components of the funding model. While there is a large volume of data on universities, not all of it is transparent, validated or made relevant to the public. The lack of coherent data places limits on funding formula reform and evidence-based policymaking. Some issues facing universities are outside the current governance relationship with the ministry.	 Universities are managing operating budgets through enrolment growth, economies of scale and teaching efficiencies. The current funding model will contribute to the vulnerability of universities with declining enrolments, but reallocations may not fully address financial challenges. A strengthened role for the ministry is needed to ensure universities remain sustainable.

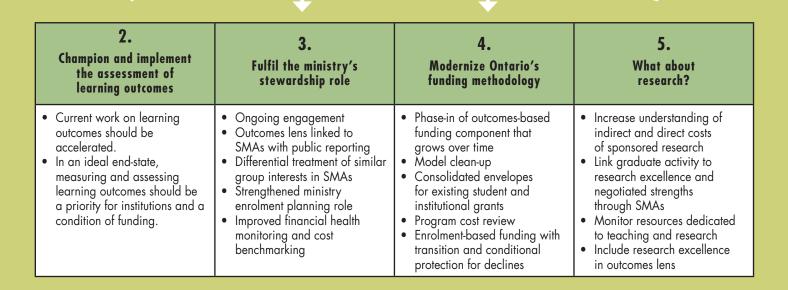


1. The basics

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



Road Map for Change

Current	Transition	Future
 Limited ability to identify and improve student outcomes and skills Fragmented data "One-size-fits-all" approach with enrolment growth as main revenue source Institution-specific, programmatic focus Funding methodology poorly understood with unexplainable historical factors 	 Student and outcomes lens applied to funding Learning outcomes measured and made available Validated, standardized and readily accessible data Ministry stewardship of funding relationship with universities well-defined Progress on sustainability Rational, defensible and transparent funding methodology 	 Continuous improvement in student learning and system outcomes Strengthened funding levers help Strategic Mandate Agreements drive specialization Broad student success measures offset enrolment-driven allocations Student, economic and social development supported in a productive and sustainable manner

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