

The Higher Education Quality Council of Ontario (HEQCO) presents
Rethinking higher ed: Beyond {the buzzwords}
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Day Two
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Morning Plenary | Not your grandparents' funding formula
Rejigging the incentive structure to get what [we] want

Facilitator: Steve Paikin, TVO's The Agenda with Steve Paikin
Paul Lingenfelter, State Higher Education Executive Officers Association
Carl Amrhein, University of Alberta
Richard Rhoda, Tennessee Higher Education Commission

Paul Lingenfelter, State Higher Education Executive Officers Association
Higher education is more important than ever, but achieving quality mass higher education is a challenge as governments struggle to deal with population growth and limited resources.

It is wrong to operate on a business model as opposed to an education model. Every state is pushed towards measuring outcomes, but different states attach different importance to quantitative data and analysis of outcomes.

Ontario, and every jurisdiction, needs to think about what it wants to accomplish and put resources behind those priorities. However, funneling money from one program to another could harm both programs as one becomes less efficient and the other less effective.

Richard Rhoda, Tennessee Higher Education Commission
Tennessee moved from an enrolment- to outcomes-based funding model because the old model wasn't working. The state needed more productive education, and when the recession hit, funding could no longer be based on numbers.

All institutions have the same outcomes, but those outcomes have different weights based on the kind of institution they are. What the state needs from a liberal arts degree is different from that of a research institution, and the model is designed to take these differences into account.

The new model measures student progress using a method borrowed from the state of Washington, where it's in the institution's interest to take on disadvantaged students. Now that Tennessee has changed the funding formula, there is room to discuss real policy issues and outcomes. The formula is a policy tool and a means to a greater end.

Carl Amrhein, University of Alberta
In the past, ministers have been reluctant to take on universities. Canada faces huge issues including an aging population and a continuous drop in labour productivity compared to OECD countries. Canada is

increasingly a resource-based economy, but ownership of resources is less and less in Canadian hands. Currently, we have mandate creep without any additional funding.

The enrollment model doesn't fund the research, service and professionalization that institutions are doing. We need to move towards a funding model based on success or outcomes; however, you can't just import a model from another system and expect it to work in all of Canada's 13 provincially based systems.

One option is matching funding to outcomes that are important to our economy, where programs like engineering would have lower tuition. Another model aligns the institution to values determined by politicians, but rewriting that social contract would require a conversation between government and citizens.