

**Review of the Allocation Model for
Funding Higher Education Institutions**

Scoping Paper

January 2016

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1. Introduction

This paper sets out the approach to undertaking the review of how the HEA funds higher education institutions (HEIs). It considers the strategic context which must drive the appropriate targeting of funding, the current approach to funding, and the rationale for reviewing the approach at this time. The current approach in Ireland is also placed in international context through discussion of funding models overseas. A series of key principles to underpin the future approach to funding are then defined, along with the terms of reference for the review. The scoping paper concludes by discussing the practicalities of the review exercise, including the key steps to be undertaken, the nature of the review panel, its advisory group and the timeframe for completion.

2. National Higher Education Strategy

In recent years, there has been significant emphasis on setting out clear strategies for the higher education sector which will reinforce wider national policy objectives, drive performance improvement and impact and ensure its future relevance and sustainability. When the *National Strategy for Higher Education to 2030* was published in 2011, it set out a long-term vision of higher education as a central driver of innovation, competitive enterprise and academic excellence. This strategy recognised the new challenges facing a system transformed by the mass participation in higher education which had occurred over the previous three decades¹. A range of priorities were defined with regard to participation; the student experience; the quality of teaching and scholarship; research and innovation; engagement; and internationalisation. There was a major emphasis on the restructuring of the higher education sector, reducing the number of HEIs and providing for the introduction of a new type of institution, the technological university. The need for a sustainable and equitable funding model was also flagged, with agreements to be established with institutions identifying key outcomes to be delivered.



Following publication of the *National Strategy*, subsequent documents, including *Towards a Future Higher Education Landscape* in 2012, set out options and parameters for potential future system reconfiguration and criteria for Technological University designation. There was a commitment to move towards a performance evaluation framework to make institutions accountable for delivering on the national priorities and objectives set down by the Minister for Education and Skills, with funding linked to the achievement of these objectives. This developed into a formal process of strategic

¹ In 1976, there were only 31,000 students participating in higher education in Ireland, while in 2015/16 there were 220,000, changing perspectives from a system viewed as the preserve of the elite to one where all had the potential to third level provision.

dialogue and institutional compacts, where three-year plans for delivering on seven key policy objectives were agreed with individual HEIs and monitored via an annual process with the HEA. (The first compact cycle began in 2014 and the process runs until the end of this year). The HEA then reports to the Department of Education and Skills on the performance of the system against these objectives each year.

In 2015 and 2016, the role of higher education in delivering on national objectives with regard to access; research and innovation; skills development; internationalisation; and gender equality has been further articulated with:

- The *National Plan for Equity of Access to Higher Education 2015-19*, setting new and increased targets for participation in HE, committing to a more consistent approach to access support across HEIs and progressing a number of projects in order to understand and to measure access data more effectively.
- The *National Skills Strategy 2025*, including a strong focus on the up-skilling of the existing workforce via part-time and online provision and a more integrated post-secondary system.
- *Innovation 2020*, making considerable commitments to winning competitive Horizon 2020 research funding, increasing collaboration and impact with industry and further development in postgraduate provision, with all of this requiring strong foundation investment in building research capability in institutions.
- *Irish Educated, Globally Connected*, which targets significant increased international student numbers and an increased international focus to provision in higher education.
- *National Review of Gender Equality in Irish Higher Education Institutions*, recommending the linkage of performance monitoring to funding through the HEA's strategic dialogue process.

Funding will be committed to support the realisation of these strategies, but it must be channelled correctly and with appropriate accountability in order to drive performance and impact.

Therefore, there now exists a diverse set of priorities and responsibilities which will have to be met by the higher education sector. Understanding how the differentiated mission of each HEI ensures a unique and optimal contribution to their implementation is a critical challenge. So too is evolving the system to take account of the re-structuring of the sector, and particularly the way in which it funds and incentivises institutions. The recently published Cassells report, *Investing in National Ambition: A Strategy for Funding Higher Education*, made clear the need for increased levels of investment in higher education, but also pinpointed key areas where the funding approach would have to change, including around access, research and flexible provision.

3. The Current Approach to Funding HEIs

The role of an effective higher education funding system should be to ensure that agreed sectoral objectives are delivered by institutions making differentiated contributions to their realisation while maintaining quality and facilitating the pursuit of excellence in provision. The HEA's current approach to funding HEIs consists of three components:

- **The Block Grant:** A free fees and recurrent grant allocation, driven primarily by student numbers, which are weighted by the relative costs of providing education in different disciplines, with additional performance mechanisms built in to reflect outcomes with regard to access, skills-based provision and research. Funding is allocated on a fixed-proportion basis between universities/colleges and institutes of technology.

- **Directed Top-Slice Allocations:** Top-sliced allocations are made for specific strategic purposes, such as: shared service initiatives (e.g. HEAnet, IReL, ISSE, Athena SWAN); to reflect additional cost components related to particular types of provision (e.g. medicine, music); to meet ongoing pension obligations; or competitive funding calls (e.g. strategic innovation fund, HEI merger and re-structuring fund)
- **Performance Based Funding Component:** A performance funding component, which allows for the withholding of up to 10% of institutional recurrent funding on the basis of performance, centres around a system of agreed three-year compacts where HEIs commit to actions and targets in line with seven objectives defined by the Minister for Education and Skills.

Maintaining an appropriate balance across the three mechanisms is critical to ensuring that the aforementioned mission differentiation – a principle that is key to successful higher education and that is essential if all national objectives are to be delivered – is facilitated and stimulated. It should also be recognised that ongoing institutional costs must be met in order to cover the day-to-day running of HEIs.

4. The Irish Approach in International Context

The funding of higher education is changing, with the role of, and accountability for, public investment needing to evolve as a diversified revenue base drives institutional behaviour and performance. A recent European University Association study of 22 countries found that public funding represents 50% to 90% of the universities' income (Estermann, 2013), with significant cuts made to the budgets for higher education and research in the majority (13) of these countries over the period 2008-2012. The variation in dependency on public investment was examined in the recent Expert Group Report on Future Higher Education Funding (Cassells, 2016),² which noted that the Nordic countries have some of the highest levels of investment per student in the world, with the majority of funding coming from the state, and students paying no tuition fees. With the exception of the US and, more recently, England, undergraduate student fees or contributions reflect only a proportion of the estimated costs of provision, with state or other funding cross-subsidising this activity. This also drives higher education institutions to maximise their revenue from other activities where they are reimbursed at or beyond full cost, such as from postgraduate fees or by attracting non-EU students to programmes.

As an input into the Cassells report, Bekhradnia (2015) prepared a detailed review of the higher education funding systems of Australia, England, Chile and Norway. The following findings highlight the alignment of key aspects of the Irish approach to funding with that adopted in these other states:

- Australia, England, Chile and Norway are similar insofar as they have highly autonomous higher education institutions to which core funding allocations are made as a **block grant**, with a small amount of funding being allocated for specific purposes. Within the wider European context, the use of a block grant is also commonplace, though the amount is determined in a variety of different ways: through negotiation, on a historical basis, via a funding formula, or by a mix of all three elements (Estermann, 2013). Where a funding formula is adopted, this has tended to rely on input-oriented indicators – namely, **student numbers**.

² Lebeau (2012) noted that the UK, Japan, Korea and USA have more than 60% private funding. The UK figure will have increased further after 2012, when a variable, full-cost fee regime under which institutions were allowed to charge up to £9,000 per annum was introduced.

- Aside from Chile, all countries analysed by Bekhradnia (2015) have created **data** collection mechanisms to enable them to acquire the data that they need in order to operate the funding system, and such data is audited regularly. Again, this is similar to the Irish case.
- England and Australia include the same basic elements in the **formulae** used to calculate and to distribute government funds: full-time equivalent numbers; weightings for different academic subjects; and elements to encourage the recruitment of students from disadvantaged backgrounds (i.e. access).
- Funding systems in Australia, Chile and Norway provide grants for **student fees**. As noted above, fees are not charged in Norway, and they have recently been discontinued in Chile. In contrast, direct state grants are moderate to low in Australia, New Zealand and England, with the government providing loans to students to enable them to pay tuition fees, which are repayable on an income-contingent basis. Notably, Australia was the first country in the world to introduce an income-contingent loan system to support tuition fees – in 1989 (Cassells, 2016).³
- All four countries include an amount of funding (outside any formula) to enable targeted **national or regional priorities** to be met.
- Australia, England, Chile and Norway encourage institutions to generate **additional income** beyond that which is received in grant and fees. This may encompass research contracts, fees arising from provision of services, philanthropic funding, and European funding.
- Norway and Australia allocate funding on the basis of **performance** criteria, which are based on indicators and on negotiated outcomes. In a process not dissimilar to the HEA's strategic dialogue, discussions are held with individual institutions as part of the funding and governance process in these countries. This helps institutions to establish specific performance measures against which they will be assessed. Furthermore, it serves to ensure that, without infringing on their autonomy, they are sensitive to government priorities. In a European University Association study, it was found that 15 of the 22 systems considered had performance compacts, though the extent to which this impacted directly on funding was variable (Estermann, 2013). Nonetheless, as noted by HECQO, measuring performance is a 'confounding endeavour [...] strong and relevant measures elude, especially in the domain of quality' (HEQCO, 2013: 3). It is noteworthy that there is the potential for tensions to arise between the need for a clear and transparent monitoring framework and the validity of the indicators and measurements (Benneworth, 2011). The best method of resolving such tensions is probably the development of meaningful indicator sets through dialogue.
- In relation to the measurement of performance, **access** criteria are a key metric, both in Ireland and internationally. A recent example of the development of a performance system is the 'SUNY Excels' initiative, in USA; notably, the first of its five priority areas is access.⁴ Similarly, access is the first of the three dimensions analysed by HEQCO in relation to Ontario (Weingarten, 2015).
- England, Norway and Australia also direct part of core funding towards support for **research** activity, in line with the Irish approach. The strongest performance-related funding mechanism in this regard surrounds HEFCE's research funding in England, which is part of the block grant and is entirely driven by the results of the Research Excellence Framework (although a change in this approach is proposed, with legislation currently progressing through parliament).

³ Ruffini (2015) groups OECD countries into four cohorts on the basis of their levels of tuition fees and the relative development of their student support systems.

⁴ For further information, see <https://www.suny.edu/excels/>.


Finally, it is noteworthy that Bekhradnia (2015) applied an apt caveat to international comparisons: each country has its own contextual starting point, and unique social and political circumstances are always present. It is proposed that the present review will welcome learnings from international experience while also being attuned to the particular nuances of the Irish context.

5. An Evolved Funding Approach to meet Evolving Needs

Traditional funding patterns for higher education and research are changing across Europe, alongside the nature of provision itself, with digital transformation offering new opportunities and challenges in the delivery of learning by providers. There is acknowledgment that the approach to funding in Ireland needs to evolve to reflect the evolving strategy and national landscape and to address the different requirements of a digital world. The use of a performance component of funding is still a relatively new concept in this context, while the decline in funding in recent years has limited the use of top-slicing for anything other than critical short-term priorities. The key challenge now lies in how these mechanisms can be used in tandem with the block grant in order to maximise the future contribution by higher education to meeting national objectives.

The current approach to block grant funding of higher education via the HEA was introduced for universities and colleges in 2006 and was phased in for institutes of technology (IoTs) from 2009. It is generally respected by HEIs as a transparent and fair means of allocating available resources. The combination of a differentiated free-fees system and a recurrent grant allocation model (RGAM) driven by student numbers to provide a block grant to each HEI ensures that Exchequer funding broadly reflects costs of provision and offers institutional autonomy to plan spending strategically. It also serves as a strong driver of efficiency, rewarding institutions that can find a means to reduce cost below a standard unit of resource, by effective deployment of staff, control of non-pay costs or expanding student numbers. The weighting system within the RGAM, which adjusts allocations on the basis of the discipline mix of provision, and which largely draws on equivalent weightings established for the English system by HEFCE, is the type of core approach which underpins most international HE recurrent funding strategies and is recognised as an independent and essential component of the Irish system moving forward. It is clear that the model has many strengths and that it has balanced a very wide range of demands and delivered generally successful outcomes.

Nevertheless, there is recognition that the overall approach to block grant funding, while appropriate for resourcing undergraduate provision for school leavers, may need to evolve to reflect the fact that higher education must meet the upskilling and development needs of other cohorts and fulfil other key functions. Also, the model was developed at a time when there were: three relatively fixed types of institutions; a greater reliance on Exchequer funding by HEIs; and an expectation that this would grow year on year. While the model offers an efficiency incentive as noted above, in a constrained funding environment it also poses a risk of driving down the standard unit of resource below sustainable levels, undermining quality and influencing behaviour which can undermine system objectives (e.g. by re-aligning provision towards lower cost disciplines where student numbers can be increased without significant incremental costs).



THE CURRENT ALLOCATION
MECHANISM FOR BLOCK GRANT FUNDING
SHOULD BE REVIEWED BY THE HEA, IN CONSULTATION
WITH RELEVANT STAKEHOLDERS TO ENSURE THAT IT IS
STRUCTURED SO AS TO SUPPORT OVERALL PRIORITIES AND
OBJECTIVES OF THE SYSTEM

Expert Group on Future Funding for Higher Education

With a rapidly evolving landscape, an increased emphasis on differentiating the offerings of HEIs and clarity on the range of objectives which Government expects to be met from higher education, a **'future proofed' funding and management information model now needs to be introduced** to direct Department higher-education funding further to drive performance and required system change.

The Expert Group on Future Funding for Higher Education, chaired by Mr Peter Cassells, was clear about the need for such a review. The final report of the Group recommended that such a review should include:

- Grant in lieu of fees element;
- Discipline, access and part-time/flexible weightings;
- Consideration of weightings for strategically important and vulnerable provision, collaborative provision or other national priorities;
- Consideration of input, output and outcome metrics (e.g. such as those currently included in HEA Performance Compacts).

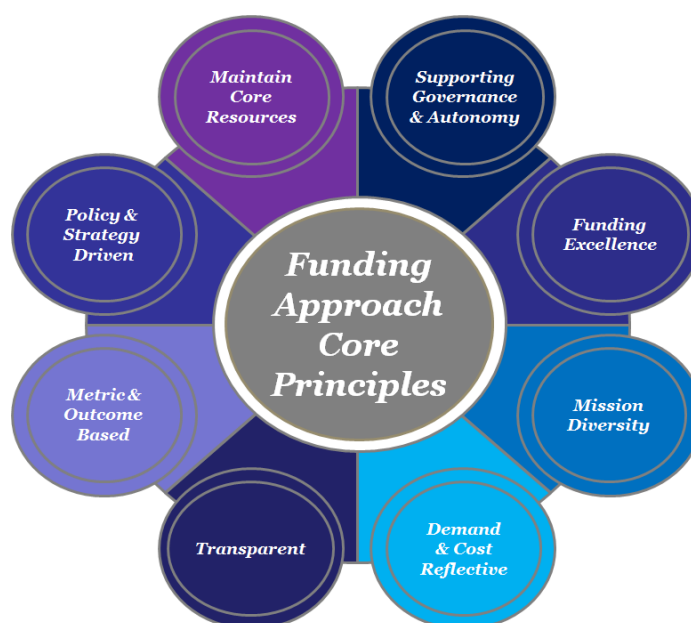
In response to the recognised need to build on and to adapt the existing approach and the clear recommendation of the Expert Group, it has been decided to establish a full review of the system of funding higher education institutions by the HEA. This exercise is running in parallel with wider work to look at the overall funding of higher education and finding a means to deliver the increased levels of investment required to ensure future sustainability. The role of this review, therefore, will be to ensure that such investment is deployed with maximum effectiveness and impact.

6. Core Principles Underpinning the Future Approach to Funding HEIs

The future funding model should be driven by four key characteristics:

- Recognising institutional autonomy;
- Supporting institutional sustainability;
- Reflecting Government and higher-education objectives; and
- Maintaining integrity as an independent and robust allocation system.

In addition, it has been agreed that there are a number of core principles that should underpin the future approach to funding HEIs. They should be used as a central reference point throughout the review process and effective checklist when the final conclusions and recommendations are made. The proposed principles are summarised in the diagram and described in further detail below:



- **Maintaining core operations** – The funding model should recognise the significant resources required to maintain operations and the inflexibility around which these can be deployed. It must remain focused on maintaining the core mission of the HEI and provides resources in a

way that ensures that it can deliver on this mission. Every institution will require a core base of funding which reflects its relative scale and underpins its ongoing sustainability.

- **Policy and strategy driven** – The overarching approach to funding should be able to recognise, influence and reward institutional behaviour in response to national policy priorities by using an appropriate balance of block grant, performance component and top-sliced competitive funding mechanisms. Aligned with this, the funding approach should require, reflect and reward institutional strategic planning which reflects its particular priorities, delivers on national objectives and sets a clear course of performance improvement over the medium and long-term.
- **Metric and outcome based** – The metrics used to determine funding allocations in relation to a specific theme should be measurable, objective, robust and available in a timely manner. The metrics should reflect, as far as possible, all relevant aspects of performance, including outcome and impact indicators.
- **Transparent and understandable** – All stakeholders should have complete clarity regarding the basis on which the levels of funding are allocated. The variables that are used to calculate these allocations must be measurable on a consistent basis across the system.
- **Demand and cost reflective** – Funding should be able to adapt to changing patterns of student demand across the system and should be aligned with relevant ongoing institutional costs where there is a clear rationale for full or partial State subvention. It should reflect the discipline and structural mix of provision and the operational commitments to maintain a nationally and internationally competitive institution.
- **Differentiating missions** – The goals for the higher education system are diverse and significant. For the system to have the desired impact at regional, national and international level, it is critical that the approach to funding supports and encourages differentiation of mission between individual institutions. This differentiation encompasses but is not limited to: blend of programme-level offering; balance across teaching, research and external engagement; student-cohort diversity and access performance; mix of undergraduate and postgraduate intake; regional/international focus; and variation in pedagogical methods.
- **Recognising excellence and supporting transformation** – There is a need to avoid a system based solely on sustainability. The approach to funding should recognise and reward excellence at institutional level and facilitate innovative and transformative propositions to maintain or to build international competitiveness.
- **Supporting governance and autonomy** – While respecting institutional autonomy and allowing flexibility in the deployment of resources by HEIs, the funding approach should also ensure that good governance by HEIs is recognised and rewarded. The level and timeliness of compliance with HEA and other mandatory requirements should be linked to an appropriate funding mechanism.

7. Terms of Reference

The review panel (about which further information is detailed below) is asked to deliver on the following core terms of reference:

- review the existing approach to funding higher education institutions by the HEA in terms of its effectiveness in delivering on national objectives; reinforcing mission diversity; ensuring sustainability and quality; and driving performance
- identify and consider options with regard to how that approach is developed in order to reflect the principles which must underpin future funding of higher education, including the appropriate balance between the three different components of the current funding model (block grant; performance funding component; top-sliced targeted or competitive funding)

- make recommendations on an appropriate future approach and on an implementation timeframe to protect short-term financial stability

In delivering on these terms, the panel is also asked to consider the following specific issues with regard to the future funding approach:

- **Outcomes Focus:** The degree to which the existing approach to funding reflects the outcomes of higher education and the most appropriate means of ensuring a focus on outcomes within the future funding model.
- **Overall Allocation:** The system of allocating funding on a fixed-proportion basis between universities/colleges and institutes of technology, and the application of top slices for strategic targeted or competitive funding at different stages of the allocation process.
- **Free Fees Allocation:** The appropriateness of the existing free-fee model, the existing levels of free fees, the extent to which these reflect costs of provision, and whether the free-fee contribution should be integrated into a wider recurrent grant allocation model as part of the block grant funding component.
- **Capital Funding:** The role of capital funding, and whether there is scope to build this into the annual recurrent grant model in recognition of the ongoing renewal and reinvestment required to ensure that the HE system can maintain and build relevance, quality and international competitiveness.
- **Support for Access:** The extent to which the existing funding approach supports access infrastructure in each HEI and existing access weightings are adequate and based on appropriate and sufficiently robust data, having regard to the National Access Plan and its implementation. The review should consider whether a weighting-based and/or a targeted approach to access funding is most effective in driving future access performance.
- **Changes to Existing Criteria for Allocating Funding:** Any changes which should be made to the existing mechanisms for allocation of funding on the basis of:
 - Part-time and online provision (including eligibility for free fees; whether weightings are appropriate to incentivise provision; whether developmental or competitive funding should be provided to build the offering)
 - Research and innovation (how allocations can more accurately reflect the HEA's foundation investment in university research capability; use of a wider base of metrics, particularly impact; examining applicability of mechanisms outside the University sector)
 - Pensions (how best to fund ongoing pension costs given the rapidly changing landscape with a view to ensuring greater transparency in the public contribution towards these costs and its separation from the costs of current higher education provision)
 - Apprenticeships (how traditional apprenticeship provision should continue to be supported; the need for a new approach to reflect the needs of the planned apprenticeships)
 - Skills development (current use of fee adjustments to incentivise provision in key areas; potential for use of RGAM weightings, the performance funding component or topsliced competitive call to target skills needs)
- **Potential New Criteria for Allocating Funding:** Examination of options around the recognition within the funding approach of the role of an institution with regard to:
 - Regional contribution and impact (incentives for collaborative provision at regional level; recognition of HEIs with a distinct regional mission including economic, cultural and societal impact; the greater access role of regional HEIs and associated costs; specific regional infrastructure costs including provision across multiple campuses)

- Industry and employer engagement (where provision is tailored to meet particular skills needs; where they can demonstrate high levels of employer or industry engagement; recognition of entrepreneurship and enterprise support and facilities)
- Compliance with governance requirements (i.e. can the funding model reflect compliance in areas such as submission of Governance documentation within stipulated deadlines, Delegated Sanction Agreement core-staffing targets, additional payments regulations, gender/PwD quotas, etc.)
- **Discipline-specific Issues:** It is critical that the funding model remains focused on maintaining the core teaching mission of the HEI and provides resources in a way that ensures that it can deliver on this mission. In this regard the review should consider the appropriateness of weightings around the following specific disciplines and whether changes should be made to the weightings, or within another aspect of the funding approach, to bring funding more in line with the costs of provision:
 - Teacher Education
 - Health Professions
 - Art, Design & Media
 - Engineering
 - ICT
 - Music
 - Interdisciplinary courses
- **Funding Excellence:** Consideration of how funding to recognise and reward excellence and maintain international competitiveness via innovative and transformative activity can be supported within the funding approach, and the most appropriate means of facilitating this.
- **Integration with Wider Funding Landscape:** Consideration of whether and how the complex funding infrastructure for higher education should be taken into account within the funding model (e.g. research funding from SFI, IRC and other agencies; enterprise & innovation funding from Enterprise Ireland; philanthropy; commercial income, etc.). This should include evaluation of whether the generation of Non-Exchequer revenue could or should be incentivised by the funding model in order to develop certain activities and the most appropriate means of achieving this.
- **Moderation of Change:** The current impact of the moderator on institutional funding and future role of the moderator, or any other alternative moderating mechanism, on an ongoing basis or for a fixed time period, in order to guard against major year-on-year change and undermine HEI planning.
- **Management Information:** The adequacy of existing management information and reporting by institutions in order to fund an effective funding approach, and any changes which need to be made to this system to underpin the proposed future funding approach.
- **Linking Gender-equality Performance to Funding:** Methods of integrating follow-up evaluation and performance monitoring in the area of gender equality into the funding model.
- **Criteria for HEIs' successful implementation of core principles:** Flexibility in HR practices, ability to engage in the delivery of overseas education, capacity of HEIs to borrow, etc.

7.1 Review Panel

The review will be undertaken by a panel of four experts with significant national and international insight as follows:

- Ms Brid Horan (Chair)
- Professor Sir Ian Diamond
- Professor Philip Gummett
- Ms Mary Kerr

While working closely with the HEA, the Department of Education and Skills and the wider Advisory Group as set out below, the panel will be solely responsible for delivering an independent report to the Authority which sets out clear recommendations on the optimal future approach to funding higher education institutions.

7.2 Timeframe

The review will commence in November 2016. An interim report, highlighting progress made, initial findings and conclusions and options for consideration should be produced by April 2017. A draft report will be produced setting out the overall findings of the review by end May 2017, with the report finalised following consideration by the Authority by end June 2017.

7.3 Advisory Group

An Advisory Group will be established to provide advice and input to the review at key points during the process. It is proposed that this advisory group will meet in November 2016 (commencement of the review), February/March 2017 (following the consultation phase), April 2017 (to present and discuss interim findings) and May/June 2017 (review of draft report). The Advisory Group will involve nominated representatives from the HEA; the Department of Education and Skills; the Department of Jobs, Enterprise and Innovation; the Department of Public Expenditure and Reform; the Irish Universities Association (IUA); the Technological Higher Education Association (THEA); the Union of Students in Ireland (USI); the HEI Access Officers' Network; Science Foundation Ireland (SFI); the Irish Research Council; SOLAS; Enterprise Ireland; IDA; Ibec and Quality and Qualifications Ireland (QQI).

7.4 Secretariat

The System Funding section will serve as the secretariat for the review and will be responsible for servicing all of the information needs of the panel as they assess options and their implications. The System Performance section will also provide input on the performance framework in place for institutions and the performance funding component of the HEA model. External expertise may also be sought to support the review around the modelling of different proposed funding approaches, undertaking desk research and the organisation of the review tasks.

7.5 Methodology

A four stage methodology is proposed comprising four distinct phases: review; consultation; options development; and final reporting. The steps to be delivered as part of each phase are set out below:

Phase 1 - Review

- Review documentation relating to the nature of the higher education sector in Ireland and the 26 individual funded institutions
- Review all legislation and documentation relating to the current approach to funding higher education institutions and how this has evolved over time
- Review relevant national policies and strategies including the *Strategy for Higher Education*, upcoming DES strategy, *National Skills Strategy*, *Innovation 2020*, *National Access Plan*, *National Action Plan for Jobs*, etc.

- Collation, analysis and presentation of desk research into the different components of international HE funding models, with a particular focus on how the potential issues identified in the Terms of Reference are addressed in other jurisdictions.
- Work with the System Funding and System Performance Sections to develop a detailed understanding of how the existing HE funding system and performance framework operates

Phase 2 - Consultations

- Call for submissions from individual institutions around the future approach to funding and review of documentation received
- Meet with the relevant functions within the Department of Education and Skills to understand the purpose and objectives for which funding is provided for higher education via the State and the parameters within which the sector must operate.
- Meet with all state agencies with an interest in the funding, quality, output and impact of the higher education sector, including DPER, DJEI, DoH, QQI, SFI, IRC, EI, IDA, HRB and others.
- Meet with institutions via the established fora under the Irish Universities Association and the Technological Higher Education Association (formerly IOTI) for Presidents, Registrars and Bursars/Secretary-Financial Controllers. Representative groups involving HEI personnel responsible for access and research/innovation should also be met.
- Meet with representatives from the private higher education provision (HECA) and specialist colleges (CHOICE)
- Meet with student and staff representative bodies including the USI, TUI, IFUT, Impact and IRSA.
- Meet with industry and employer representatives including Ibec, ISFA, American Chamber of Commerce.
- Meet with charity, community and not-for-profit sector organisations.
- Meet with key national and international experts to provide insight and inform thinking around the development of the approach to funding.

Phase 3 – Options Development

- Review a range of individual reports on the costs of provision within particular discipline areas and make recommendations on the appropriate future funding approach with regard to these disciplines.
- Develop a range of different funding model proposals and test these proposals via extensive modelling over the short, medium and long-term.

Phase 4 – Final Reporting

- Draft a final report which proposes recommendations on the appropriate future funding approach for HEIs and sets out a clear rationale for the changes put forward.
- Finalise the report in consultation with the HEA, the Department of Education and Skills and the Advisory Group.

Following completion of the review, the HEA will establish an Implementation Group which will plan and oversee the phased roll-out of the recommendations in the report. This will ensure that HEIs can plan for, accommodate and respond to the changes without any immediate funding ‘shocks’ which could disrupt provision.

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