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HIGHER EDUCATION AUTHORITY

Review of the Allocation Model for Funding Higher Education Institutions

Working Paper 9: Supporting Access and Retention

Contents

1) Introduction

This paper considers the issues around how the funding model should support higher education access and retention. This is a complex area due to the difficulties in fully understanding access costs, which are often embedded within mainstream teaching and learning activities, and the different roles played by different institutions in facilitating access by particular target groups. By considering the objective of access funding policy, the current approach to allocating funding, the data driving this funding, the transparency of the funding and how we reflect costs within the allocation, and the need to evolve the access approach, we can develop a series of potential options for consideration by the review.

2) Objective of Access Funding Policy

The overall goal of access policy in higher education is that the student population in our higher educational institutions will reflect the diversity and social mix of Ireland's population. Equity of access is mainstreamed across all areas of HEA business and there is also a dedicated policy unit - the National Access Office (NAO) - that drives equity of access policies and priorities across the higher education system. The National Access Office and its associated National Access Plan (NAP)[1] defines access in a broad remit. Access refers to refers to bringing in students from the target groups (pre-entry work), appropriate teaching and learning and associated resources, participation in research and postgraduate opportunities, positive student experience and successful progression and completion. Access for the target groups is about the full ambit of higher education experience for the students. Although RGAM allocations are specifically in line with registered access students at 1st March each year, the funding in respect of access is intended to cover all areas from pre-entry through retention to completion and beyond to employment. It should essentially support an adequate access infrastructure in each institution, in line with Goal 2.1 of the National Access Plan, 2015 – 2019. There is no 'one size fits all' approach in this regard, as different HEIs with different student profiles will require different types of access infrastructure, some favouring more academic staff and some favouring more non-academic staff.

3) Current Approach to Allocating Access Funding

There are three aspects to funding support for access and retention – funding allocated to institutions in respect of the institution costs of recruiting and retaining students from target groups (block grant RGAM funding); funding allocated to institutions to support individual students' progress through HEI and PATH competitive funding. These are further detailed below.

3.1 Block Grant

The funding treatment of access in the existing block grant, and in strategic competitive funding until 2008, was strongly informed by the recommendations of the OECD National Review of Higher Education in Ireland of September 2004. The OECD had highlighted the need for HEA "to recognise in its funding formula the additional costs of recruiting and retaining students from disadvantaged backgrounds". This had led to an identifiable additional weighting of 33% on the weighting provided in respect of a non-laboratory-based undergraduate student in the block grant element of funding, which remains in the existing funding model.

Funding included in the block grant allocations based on access metrics is not ring-fenced *for* access, as in line with the principles of a block grant system, internal distribution between different activities

[1] National Plan for Equity of Access to Higher Education 2015-2019 http://www.hea.ie/en/policy/national-access-office/national-plans-equity-access-higher-education/2015-2019-access-plan

such as Access, Teaching or Research, or between different disciplines, is at the discretion of the institutions. During the consultation process many institutions expressed the view that access approaches and supports were embedded in the delivery of teaching, and while the direct costs of running HEI access offices could be determined, there were many other hidden costs of effective access contained within mainstream delivery.

The additional 0.33 Access weighting was based on a study carried out by Mazars for HEA on the actual additional costs which institutions were then incurring. The study had found that the total cost per access student was roughly 30% higher than that for non-Access students. The weighting in the HEA core grant also followed HEFCE grant allocation practice at that time in its widening participation premium. At that time HEFCE grants covered the majority of costs (student fees were only being introduced). As the Irish block grant came to constitute a smaller proportion of total HEI funding, so HEA grant funding related to access constituted a smaller proportion of the originally envisaged provision in respect of additional costs of access to institutions.

The OECD had also recommended that the HEA should report on retention. This led to regular HEA progression reports and the HEA finding ways "of taking account of wastage figures in the calculation of recurrent grant in order to provide an incentive to institutions to remove some of the structural barriers to retention". This latter recommendation had been made following commentary in the OECD review on the distinctive role of the Institutes of Technology in the front line of the Irish widening participation agenda. This meant they had higher proportions of local students and more students from less advantaged groups than the universities. This gave them a role in providing ladders of opportunity to such students, but with the associated by-product of lower retention and completion rates (although it should be noted that such rate differentials are typically a first-year issue and often related to poor programme choice by students following failure to get their first preference). It is often argued that the more favourable staff student ratios in the Institutes of Technology sector, and the high student contact teaching model, were in recognition of this student profile within the sector.

3.2 Focused Funding Programmes

The Student Assistance Fund (SAF) provides an allocation to publicly-funded higher education institutions to enable participating students in both temporary and ongoing financial need to be assisted. The Fund for Students with Disabilities (FSD) funds the provision of disability supports and services in both further and higher education institutions. The SAF is paid directly to students whereas the FSD is coordinated by HEIs to put in place the necessary supports for students.

As part of the implementation of the National Access Plan 2015-2019 separate reviews of both funds have been recently been completed. The reviews included consideration of the interface between these funds and the services supported by the institutional funding for access. One of the recommendations of the FSD review is that the fund be extended to students with disabilities who are studying part-time. This would imply a corresponding need for the access funding allocated to institutions to build in recognition of the cost of supporting students who are part-time.

3.3 PATH Competitive Funding

More recently the competitive funding programme Programme for Access to Third-level (PATH) was introduced to allocate additional investment to the HEIs to support particular goals in the delivery of the National Access Plan. In 2017 the PATH fund announced its first strand, targeting widening access to initial teacher education. Two more strands are expected later in 2017 targeting very disadvantaged communities and students.

4) Data Driving Access Funding

The following categories of full-time students are currently defined as access students for the purposes of applying the 0.33 weighting in the allocation of the block grant:

- Mature entrants
- Entrants from target socio-economic groups and traveller backgrounds
- Undergraduates at all years of study are supported by the Fund for Students with Disabilities

An RGAM allocation is provided to students in the first two categories for the first two years of study only. This is in recognition that the majority of access support needs, and the greatest risk of non-progression, lies in the early years of study. This is also in line with the HEFCE approach in England. The third category is allocated funding for all years of study with a multiplier of 2 then applied to better reflect the support costs for students with disabilities.

The total of the three categories is then multiplied by 0.33 to get the access full-time equivalent (FTE) student. That access FTE is added to the HEI's other weighted FTE student numbers (i.e. lab based students count as 1.7, those doing courses with elements of fieldwork 1.3, and so on) as an access weighting. These adjustments are made within the separate universities and IoT pots of funding. Therefore a relatively high level of access students in an IoT means a greater share of the fixed pot of IoT resources – it does not reflect any differences in the proportion of access students between IoTs and universities.

To determine the block grant to an institution, total weighted FTE student numbers are divided into total available HEA grant to get a standard resource per FTE student. The standard resource is multiplied by the institution's weighted FTEs to get the institution's grant. The standard resource multiplied by the institution's access FTE is the amount of funding that is identified within the institution's block grant as driven by access student numbers – the amount which is widely regarded as its access grant.

Table 1 shows the access student numbers across each of the institutions where the 0.33 weighting has been applied. It highlights the relatively larger proportion of access students in IoTs in comparison with universities, with the former only accounting for 41% of the weighted student numbers but 52% of the access student numbers, against 55% and 45% for the latter. There has been strong representation by the IoTs that the current funding model does not reflect their enhanced access role in higher education. The case is made that they recruit, support and progress a significant base of students, typically with lower levels of academic achievement at post-primary level and hence lower CAO points, providing regional access to college for a cohort that would not otherwise participate. They contend that this requires significantly greater access resources, apparent in dedicated support units, more intensive work with students on a 1:1 basis or in smaller groups, and in the mainstreaming of access supports and approaches across every aspect of teaching and learning.

Table 1: Access FTE Student Numbers by Institution

Higher Education Institution	RGAM Weighted Student Nos	% of Total	Access Students in RGAM	% of Total	Access FTE	% Access Students per WTEs
Dublin City University	13,036	5%	3,141	7%	1047	8%
National University of Ireland, Galway	21,726	9%	2,741	6%	914	4%

Maynooth University	11,090	4%	2,953	6%	984	9%
Trinity College Dublin	22,890	9%	2,951	6%	984	4%
University College Cork	23,330	9%	3,651	8%	1217	5%
University College Dublin	32,164	13%	3,621	8%	1207	4%
University of Limerick	15,779	6%	2,548	5%	849	5%
Universities (Totals)	140,015	55%	21,607	45%	7,202	5%
Mary Immaculate College	2,493	1%	571	1%	190	8%
Mater Dei Institute	3,815	1%	*	DCU		0%
National College of Art and Design	727	0%	380	1%	127	17%
St. Patricks College Drumcondra	898	0%	*	DCU		0%
St. Angela's College	3,039	1%	248	1%	83	3%
All Other Colleges (Totals)	10,972	4%	1,199	3%	400	4%
Athlone Institute of Technology	5,987	2%	1,435	3%	478	8%
Cork Institute of Technology	12,807	5%	2,424	5%	808	6%
Dublin Institute of Technology	21,035	8%	4,216	9%	1,405	7%
DLIADT	2,936	1%	808	2%	270	9%
Dundalk Institute of Technology	5,018	2%	1,481	3%	494	10%
Galway-Mayo Institute of Technology	7,755	3%	2,477	5%	826	11%
Institute of Technology Blanchardstown	4,371	2%	1,139	2%	380	9%
Institute of Technology Carlow	7,947	3%	1,749	4%	583	7%
Institute of Technology Sligo	6,481	3%	1,569	3%	523	8%
Institute of Technology Tallaght	5,472	2%	958	2%	319	6%
Institute of Technology Tralee	3,407	1%	1,020	2%	340	10%
Letterkenny Institute of Technology	4,091	2%	1,303	3%	434	11%
Limerick Institute of Technology	6,969	3%	2,017	4%	672	10%
Waterford Institute of Technology	9,519	4%	2,347	5%	782	8%
All Institutes of Technology (Totals)	103,795	41%	24,944	52%	8,314	8%
All Higher Education Institutions	**254,782**	**100%**	**47,750**	**100%**	**15,916**	**6%**

The counter argument is that, if you take account of the significant pension commitments embedded within the university/college pot, and the fact that there are no such commitments in the IoT pot, then IoTs do already receive a disproportionate share of resources, and that this is reflected in higher staff/student ratios within the institutes which takes account of the higher support needs of their students.

The access numbers are driven by categorisation within particular target socio-economic groups and are currently derived from survey data and other sources including the HEA's Student Records System. This is partly because of data protection constraints on accessing data from other data sources. The Expert Panel heard quite significant criticism of the adequacy of the existing Equal Access Survey due to its voluntary nature and significant variations in response rate by institution, and we do believe that efforts should be made to improve its robustness as a source or to investigate other potential data

options. The suggestion was made that data from Student Universal Support Ireland (SUSI), which is the new system underpinning the award of student grants based on family income, could be used. However, there is concern that it would not reflect all the target access groups and that it does not provide a sufficiently robust gauge of socio-economic status due to reliance on income rather than wealth. Nonetheless it does largely reinforce the relative 'position' of each sector set out in Table 1 above and further illustrates that over half the student body in the IoT Sector are in receipt of support (Table 2 below). Using SUSI data could have potential to have some role as part of a wider set of mechanisms in determining the evolving future approach to access allocations.

Table 2: Full-time Undergraduate Enrolments receiving SUSI Grants by Sector, 2015/16

Sector	SUSI Grant No.	Total Enrolments	% receiving Grants
Universities	27,081	82,636	33%
Colleges	2,743	8,764	31%
Institutes of Technology	33,193	65,317	51%
Total	**63,017**	**156,717**	**40%**

Using SUSI as one possible means to gather data and evidence of access participation is in line with the identified need in the National Plan for Equity of Access to Higher Education, and Goal 3.1 of the Plan, to develop an overall data strategy for equity of access. The National Access Office in the HEA is currently undertaking a study of the data used to measure participation by target socio-economic groups and it is likely that there may be some changes in future in the data used for this purpose. If the National Access Office decides on foot of the findings of its data study to use different data sets to measure participation by socio-economic group in future, then that new data may replace the existing socio-economic group data used in grant allocations. In line with the case for the inclusion of part-time students noted in section 3, such new data approaches should consider gathering information on these part-time students. There is also value in collecting more access data on postgraduate students to facilitate future policy decisions in this regard and ensure a full understanding of access trends across each institution.

It is acknowledged that there are specific areas for development with regard to the data driving funding for access and these include:

- Data on the profile of part-time students from target groups and linking funding to this
- Data on the retention of target groups and linking funding for access and participation/teaching and learning to this
- Incentivising access to postgraduate study by target groups. The need for this has been acknowledged in the UK and also in Ireland via the recent restoration of the SUSI grant for the most disadvantaged students.
- Incentivising progression from further education
- Refining the weighting that is used to support services for students with disabilities. Should the double weighting for high incidence/ low needs groups be modified.
- The need for an access data plan which will, in time, support more robust socio-economic data.

5) Transparency of Access Funding

At present the total amount of block grant funding that is related to access within the HEA core grant allocations to HEIs emerges at the end of the allocation process from applying an agreed access cost weighting to the number of students in the agreed categories. It is not determined at the beginning of the process from a decision by the HEA to reserve an amount within the model, to be distributed on the basis of access metrics, as it does for example with the research top-slice for the universities. The rationale is that access numbers serve as a reasonable volume driver for the access-related funding allocation.

As noted in section 3, the access-related amounts emerge separately within each funding pot, (the pot for the universities and colleges and the pot for the institutes), and the impact of their distribution is limited by the funding available within each funding pot.

The HEA has generally resisted calls to ring-fence elements of block grant funding for particular activities and has attempted to preserve the discretion of institutional management to allocate internal budgets in the way that best allows them respond and adapt to evolving challenges and meet agreed targets from one year to the next. This argument is easier made however when the amounts for the activities in question are likely to be augmented in internal HEI allocations by additional resources. If on the other hand a HEI was to consistently make internal allocations to access that was *less* than the amount which was notified in its HEA grant allocation letter, this becomes harder to justify.

In relation to access funding however, the case is made that there is a minimum level of (typically) non-academic staffing required across the system to support access recruitment and retention, and that some access funding should be ring-fenced to support this, even allowing for the fact that different institutions configure and resource their access activities differently. The funding model needs to support this core dedicated access resource, as well as addressing access and retention issues via its ongoing delivery of teaching, learning, research and other activities. While keeping to the principles of a block grant system discourage formally ring-fencing amounts for specific purposes, there has been criticism during the consultation process that there is insufficient transparency with regard to how access funding is allocated within institutions. There is also concern at inconsistencies in the degree to which formal access plans at institutional levels specify the activities that support access and retention and how these will be enhanced.

While we do not wish to be prescriptive in a system which must allow institutional autonomy in the direction of expenditure, the scale of the access allocation does merit some clear and consistent accountability reporting. This is best achieved within the strategic compacts agreed between the HEA and HEIs. While these have already placed a growing focus on access and retention, this should be built upon by agreeing a core set of relevant KPIs on which all institutions should report, and also by a link to a comprehensive institutional access plan in a specified consistent format across the system.

6) Reflecting Access Costs in the Allocation

Most studies of the actual additional costs of widening participation in higher education in Ireland and in the UK are now out of date and were carried out in the early 2000s. None of the existing activity-based costing systems in higher education in Ireland or UK such as TRAC, FEC or Unit Costs, have mechanisms designed to identify the costs of access activity as a structural output. We consider the

need for a new consistent and comparable costing system in other review papers, and if such a system is implemented it should consider how it can better ascertain the costs of access and retention.

The earlier access costing studies were based on surveys of access activity in several representative institutions and tended to find an average additional cost of the order of 30% per access student but with significant variation between institutions. Access activity at that time was heavily concerned with the recruitment of students from under-represented groups in higher education and costing of access activity at the time reflected this outreach focus. A major difficulty encountered by costing studies was defining exactly what constituted access activity, particularly where this might involve support and interventions that had been mainstreamed into teaching and learning as part of programme delivery in one institution while these were provided were under the remit of a dedicated access function in another[2]. A HEFCE UUK 2003 report found that estimated additional costs of widening participation had varied widely between institutions from £345 per student to £1,776 per student with an average of £ 879 per student on a base price of £2,808. Funding to support access at the time of these studies was not ring-fenced within either the HEFCE teaching and learning grants or the HEA block grants to HEIs. As access routes became more mainstreamed the focus of higher education effort in the UK moved increasingly towards support for retention and for successful completion and it has become harder to disaggregate access costs within teaching and learning costs. A 2008 report by the UK National Audit Office stated that the NAO could not determine how institutions had spent income allocated to support their widening participation activities. The focus of accountability for access funding continues to move more towards monitoring performance against agreed strategies for improving student outcomes.

If there is a minimum non-academic staffing level required to support access and retention, it is unclear how this should scale with institution size or whether there should be a per institution element as well as a per student element to funding allocations. This might be fairer to smaller institutions but the HEA has been less inclined to fund additional costs of smaller institutions in recent years since the thrust of the national strategy towards greater coherence, collaboration and consolidation in the landscape of higher education institutions.

In a reformed funding allocation model, income from the student contribution and from free fees may be taken into account in determining core grant allocations, effectively applying the model's weightings to a higher proportion of total income than at present. In such a scenario, the issue would arise as to whether to retain the approach of determining access-related funding as the outcome from applying an access cost weighting of 0.33 and allowing this to flow through the model. This approach would considerably increase the amount of funding driven by access metrics. As with all considerations in relation to the grant allocation model, this is a zero sum impact overall – more funding for one activity or for one institution necessarily leads to less funding for remaining activities or institutions.

An alternative option to the 0.33 weighting approach, applied either to the existing RGAM funding base or to the expanded basic regulated income base, would be to decide beforehand on the amount of access funding within the core grant that should be distributed based on access student numbers. This would effectively treat Access funding as a top slice from the core grant, and could be done either within both the university/college and IoT pots, or via one unified access pot (which would recognise the different access roles of the two cohorts). This would offer greater visibility to the total access funding allocated and need not necessarily undermine the block grant principle, if institutional

[2] The costs of widening participation in higher education A report to HEFCE, UUK and SCOP by JM Consulting Ltd April 2004 and HEA Mazars Survey of costs of access to higher education, June 2007.

discretion was still allowed on overall budgets (as opposed to ring-fencing the top-sliced amount). In addition, there could also be a performance based funding element linked to entry and retention of target groups and evidence of ongoing innovation and development in access programmes. However as noted in Section 4, a more robust approach within the system performance framework allied to comprehensive and consistent institutional action plans may be an effective way of introducing this approach, particularly if a rewards-based funding mechanism can be implemented as part of the model over time.

7) Evolving the Approach to Access Funding

The data on which access-related funding is based is focused on recruitment and enrolment of access students. The focus of effort required to improve sectoral rates of student completion however may not be distributed across institutions in the same pattern as access enrolments. The HEA progression studies consistently find a strong relationship between prior educational attainment based on Leaving Certificate points and non-progression rates from first year. Progression from the first year is proven to hold the key to successful completion overall. Students with higher prior educational attainment are more likely to progress to the following year than those with lower educational attainment. Rates of non-progression also vary across fields of study and by NFQ level. Of the 20% of students with the lowest Leaving Certificate points, 89% are in the Institute of Technology sector. Less than 4% of university entrants have 350 LC points or less, compared to almost 40% of Institute entrants.

As the approach to access funding evolves, there is potential to look at how the different retention support requirements for institutions are reflected. Effectively this would take account of the normal profile of an institution's intake in terms of its non-progression risk load. This could, in theory, be applied as an institution weighting (perhaps based on low or medium points entrants as a percentage of total entrants) to each HEI's access student numbers. Thus, an institution whose normal student intake might be 40% low-medium points students, with 100 Access students, might get credit for 100 x 1.4 = 140 Access students, whereas an institution with 100 Access students and a normal intake of 4% low-medium points students might get credit for 100 x1.04 = 104 students. The purpose of the institution weighting would not be to incentivise institutions to compete with the FET sector for the recruitment of more medium or low points students but rather to recognise the differential costs involved in supporting the students that HEIs already do recruit as part of their agreed access strategies targeted on under-represented groups. However careful consideration would have to be given to whether there were such unintended consequences from moving to this type of funding approach, or others such as a reduced incentive to ensure the progression of this student cohort. On this latter point, the weighting would have to be related to improving completion rates over time, as an institution should not continue to get a high retention support weighting and at the same time as overseeing low retention rates. All of these complexities suggest that there would need to be significant development and testing of any new approach of this kind, but it does merit ongoing consideration as the National Access Office consider how access data should develop in future.

There is also a wider argument that the introduction of access funding was designed to embed access supports as part of the core operations of an institution, and that there should at some point be a case for fully mainstreaming funding in line with the expectation that institutions will continue to dedicate significant resources to maintaining support infrastructure and good performance in access and retention. However it is clear that access challenges remain to be addressed, while the significantly different student profiles of institutions and the resulting different resource implications still need to be considered.

It is extremely important however that access approaches continue to evolve and innovate to effectively address evolving challenges. The HEA introduced a separate access and retention stream into the 2005 Strategic Innovation Fund to encourage innovative new approaches. Projects funded from this stream enabled the consolidation of several sectoral access admissions routes for under-represented groups such as HEAR (Higher Education Access Route which allowed students from lower socio-economic groups to gain additional points credit for access to higher points faculties) and DARE (Disability Access Route to Education which also gave additional points to students with a disability) into clearer and more flexible procedures that are now a mainstreamed part of the CAO system. It is important that the funding model continues to support the development of new innovative approaches to access and retention and supports joint approaches across institutions.

8) Options for development

A series of options were concluded by the Expert Panel.

- The consideration of new sources of data to drive access funding allocations was welcomed. There is a review being undertaken by the National Access Office to replace or build upon the current role of the Equal Access Survey. The Equal Access Survey data contributes to approximately 45% of Access funding and numbers. Other numbers such as number of mature students are taken from the SRS.
- When a universal funding pot is pursued, access weightings may have to be applied on the same basis across all institutions with the same value of premium per student.
- There was some welcome for an access top-slice based on access student numbers prior to allocation of funding. It was noted that this top-slice should not be the entirety of Access funding and that there is a need to allow some mainstream Access funding.
- Applying access weightings to part-time access students on a pro rata basis was welcomed by the Expert Panel and should be implemented as soon as possible.
- There was full support to apply access weightings across the basic regulated income of institutions (i.e. student contribution, free fees and RGAM components).
- In the absence of Access costings, a further study was recommended to examine whether it would be feasible and reasonable to extend the application of weightings to access students from the first two years of study to the entire length of degree programmes.
- Ensure full transparency of the approach to access and retention via an enhanced focus in performance compacts and ensuring more comprehensive and consistent associated institutional access plans including commitments to appropriate infrastructure.
- Retention is important in the Access arena but it is not entirely an Access function and there must be an integrated approach to retention in each HEI.
- Consider the feasibility of introducing a progression and completion weighting mechanism over time to recognise the lower levels of previous academic achievement by some students and the additional data required.
- Ensure that scope for shared approaches and new and innovative thinking to finding solutions for access and retention challenges are rewarded within the transformation fund.