February 21, 2020

RE: Outcomes-based funding consultation (IMA Outline for discussion purposes)

Minister Nicolaides,

Alberta’s post-secondary institutions have been significantly impacted by recent provincial budget cuts. The University of Calgary has cut jobs and raised tuition, and students are concerned that further budgetary cuts will impact the quality of their education. While students have advocated for greater transparency and accountability of post-secondary funding in Alberta, no jurisdiction has ever successfully implemented performance based funding (PBF) while simultaneously cutting base grants to post-secondary institutions.

Students fear that the short timeframe for implementation of this new model has resulted in limited opportunity for the Government of Alberta to engage in meaningful consultation. Examples of jurisdictions where long-term implementation worked include Tennessee, where for 30 years additional funding was tied to performance while metrics were refined through research and institutional input. Only recently (2010) they moved to an at-risk PBF model after rigorous research, consultation, and development of their funding model.

Australia and the UK both conducted a full year of public consultation and development before considering moving their post-secondary education systems to new funding models. In Canada, Manitoba has committed to a full year of consultation and development before introducing PBF. The Alberta government’s decision to implement PBF less than ten weeks after it was first announced leaves little time for transparent metric development and preparation for system-wide funding changes.

Numerous examples exist where PBF metrics, introduced with limited public consultation and over short timeframes, fail to achieve the transparency and accountability outcomes intended. Implementing government-mandated performance measures in this way only resulted in deeper funding cuts to post-secondary institutions. Ultimately, this negatively impacts the quality of education, the reputation of the institutions and the jurisdictions involved, and the outcomes for students including their employability.

If the Government of Alberta is intent on implementing PBF, the Students’ Union recommends a longer timeframe to allow for meaningful consultation with stakeholders. Measures must be supported by evidence that clearly shows they incentivize transparency, accountability, and positive outcomes for students. Metrics should be introduced at a slower rate of no more than three or four per year and evaluated on an ongoing basis. Additionally, any at-risk funding “lost” by institutions must be kept within the post-secondary sector, either by rewarding institutions that exceed targets or by supporting students directly.
Below, we have included preliminary critiques of the specific metrics proposed in the *IMA outline for discussion purposes* that we received on January 21, 2020. Given the short timeframe, our council has had limited time to review and we would appreciate additional time to discuss and consolidate our feedback; however, most importantly, in order to consider this consultation meaningful, we must see these concerns reflected in the final metrics when they are implemented.

It is critically important that the government clarify whether the “student-proposed” metric will be per-institution or province-wide, and whether this must be the same as “institutional priorities” or if it will be a stand-alone measure. Additionally, clarification is required as to whether these metrics will be tied to funding.

While we have full faith in our provincial association (CAUS), they have only had one meeting to provide preliminary feedback. We ask for the opportunity for individual institutions’ student associations to provide individual input, and we expect that the government will hold additional meetings with provincial student advocacy groups to provide feedback on the updated metrics prior to their implementation.

Students expect their post-secondary education system to be affordable, accessible, and of the highest quality. While the intention of outcomes-based funding is to ensure institutional accountability and transparency, putting a portion of their funding at risk instead of incentivizing performance does little to achieve this goal. We urge evidence based decision-making and a slower implementation of any new funding model for post-secondary in Alberta.

Respectfully submitted,

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President
Students’ Union, University of Calgary

Encl.: Preliminary critiques of the specific metrics proposed in the *IMA outline for discussion purposes*

CC: MLA David Eggen, Advanced Education Critic
    Dr. Ed McCauley, President, University of Calgary
    Dr. Dru Marshall, Provost, University of Calgary
    Geeta Sankappanavar, Chair, University of Calgary Board of Governors
Preliminary critiques of the specific metrics proposed in the *IMA outline for discussion purposes*

**Skills and Labour Market Outcomes**

Overall these are mostly not focused on universities; rather, they appear to apply to polytechnics and colleges. The large differences in how graduates of professional programs and academic/research-based programs experience employment must be considered.

1. **Graduate Employment Rate** – Most institutions measure this in some way already. While not ideal to tie to at-risk funding, this metric is likely suggestive of institutional outcomes, although it does little to increase transparency.

2. **Skills and Competencies** – Highly problematic given subjectivity and lack of applicability to many university programs. Measurement is also unclear. Concerning that this may limit the diversity of programming offered.

3. **Employment in a related job** – Extremely problematic (same as above), especially when we know that many university grads work outside of their field of “training” or return to complete a graduate degree. Meaningful employment must be considered related to education and it is unclear how this will be defined or measured. Job cuts in professional disciplines (nursing and education) further complicate this.

4. **Time to find employment** – Definition suggests this applies most directly to programs with internships (re: “graduates who were employed during school and kept that job”) and there is no plan in place to correct for market forces. This is outside of the control of PSIs and does nothing to encourage institutional transparency or accountability and it is unclear how this measures university performance. Many students intentionally take time off after studies to travel, volunteer, or seek additional education in graduate or professional faculties.

5. **Graduate median income** – This is another highly problematic measure as it risks alienating a good proportion of fine arts programs and causing institutions to shift focus away from important humanities, sciences, and arts programs that may directly result in higher-income jobs.

**Teaching and Research**

Overall *experiential learning* as an umbrella for work-integrated learning (WIL) and other programs is missing. There is an argument that this (and WIL) should also fall within the first category. Citations, publications, patents, number of inventions and innovations, and start-ups are not considered, but benchmarks for these are critical to set in a fair manner if used to ensure high standards of quality are maintained. Additionally, it is unclear how any of these metrics explicitly relate to teaching.

1. **Sponsored research revenue** – No comments.
2. **Access to career/employment services** – Problematic given that this will cost money to implement or enhance, and there doesn’t seem to be provincial funding available. The definition (“proportion of current... students who accessed...”) doesn’t measure accessibility, nor does “proportion of student who have taken one or more steps to prepare for a career” (which arguably is 100% because students are in school). Availability of appointments, courses, services, etc. may be a better way to measure this.

3. **Work integrated learning** – conceptually this is good, but it does require additional funding like point #2 above. The definition currently reads “work placements” which limits the scope of what an institution can offer for WIL, which is problematic.

**Institutional Performance**

Accessibility is a huge concern when it comes to the four enrolment measures proposed. It is unclear how transfer students or naturalized international students will be included in enrolment targets. It is unclear whether fundraising and tuition/fees should be considered own-source revenue, or if it's just a portion thereof. Student experience is a high priority; however, issues with measurement (from the reliability of the measurement mechanism to the representativeness of responses to the bias introduced by the group doing the measuring) must be considered. Suggested metrics are primarily based on spending and employment and therefore do not represent a holistic measure of performance.

1. **Administrative expense ration** – The measures proposed are not specific (some institutions consider direct student support staff as administrative while others do not) and the risk that student services will be negatively affected is a concern. Without these details, this measure may contradict other metrics in this category.

2. **CAG dependency ratio** – Unclear whether this would be an accurate measure if divided by total expenditures, or if it should be divided by total revenue for the institution. Lack of clarity around this means it could be dangerous as it may penalize the institution for successful revenue generation outside of CAG.

3. **Own Source Revenue** – If tuition is part of this, it is concerning that institutions may increasingly rely on tuition or fee increases to buffer this ratio.

4. **Expenditure targets** – Unclear whether the definition of students per dollar is accurate, or if it should be dollars per student. Regardless, this is highly problematic as it risks incentivizing larger class sizes and decreased instructional quality to limit per-student expenses to meet this metric. Establishing a fair baseline, in this case likely an average rather than a high point, will be critical.

5. **Enrolment** – Accessibility for low-income or first-generation students/families is a huge concern and must be ensured. The list of high-demand programs is not yet published, but concerns still exist that institutions will prioritize these over arts & culture, social sciences, even hard sciences if they aren’t considered “high demand.”