

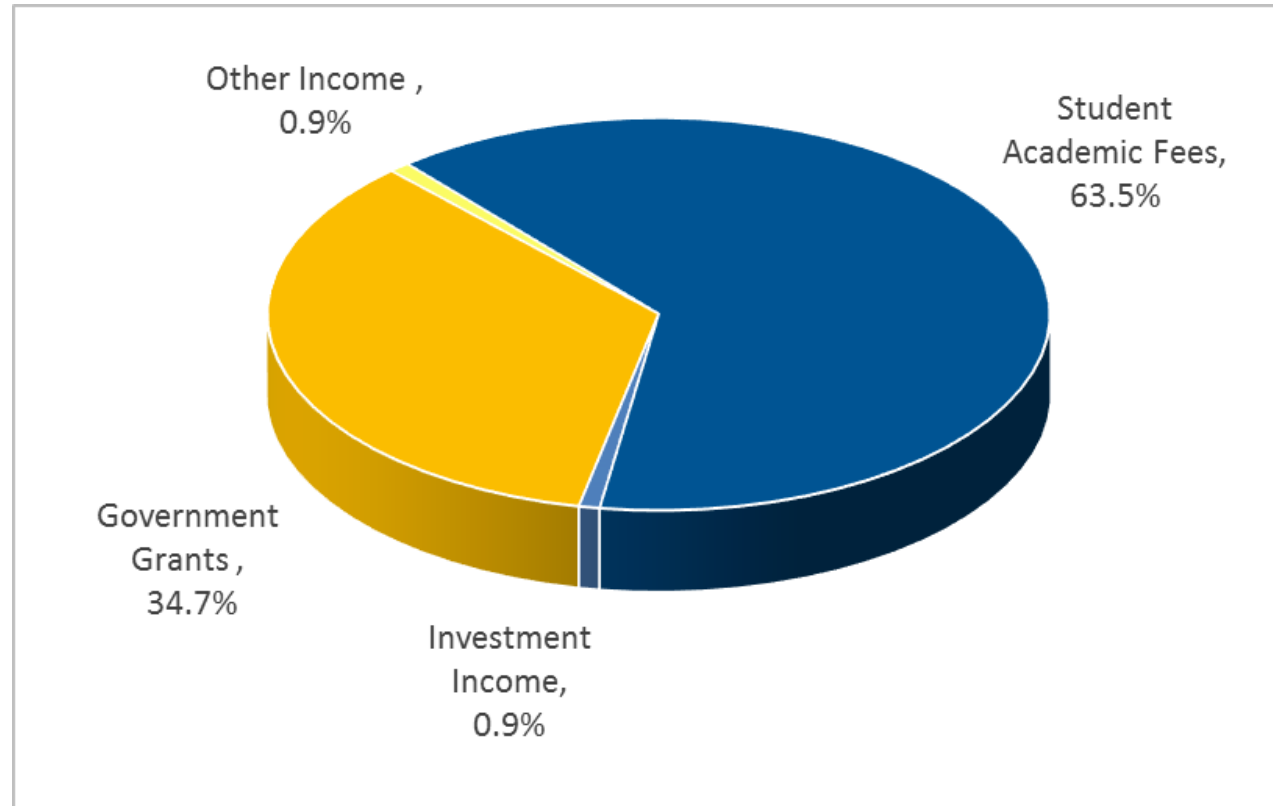
Strategic Mandate Agreement 3 and Performance Funding

September 2019



University of Windsor

Total University Budgeted Operating Revenue 19/20

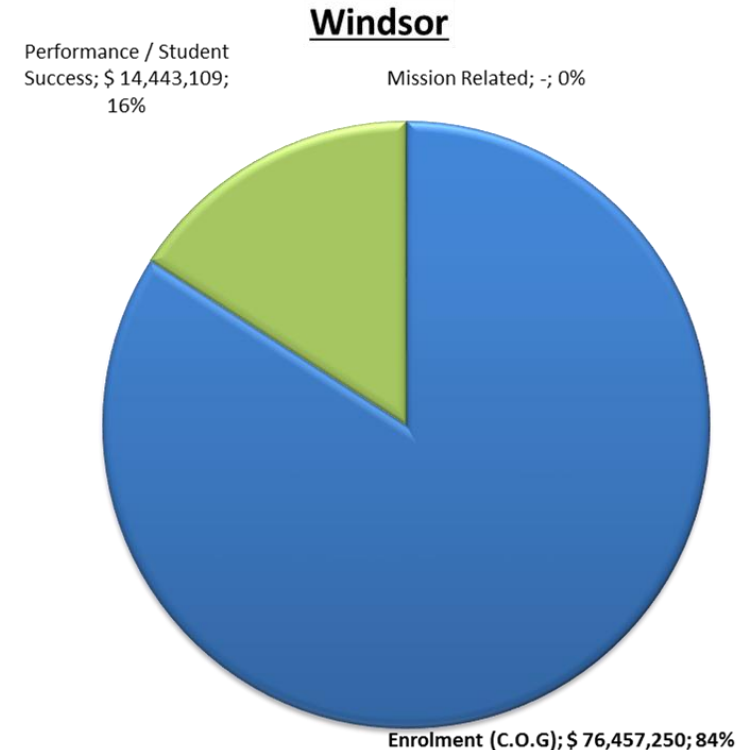


Government Grants (2017-2020)

Three Components

- | | |
|--------------------------|-------|
| 1. Core Operating Grant | \$76M |
| 2. Differentiation Grant | \$14M |
| 3. Special Purpose | \$0 |

Under the former government, the Differentiation Grant was going to be subject to performance beginning with SMA3. The new government has changed the approach for SMA3



Government Grants (2017-2020)

1. Core Operating Grant

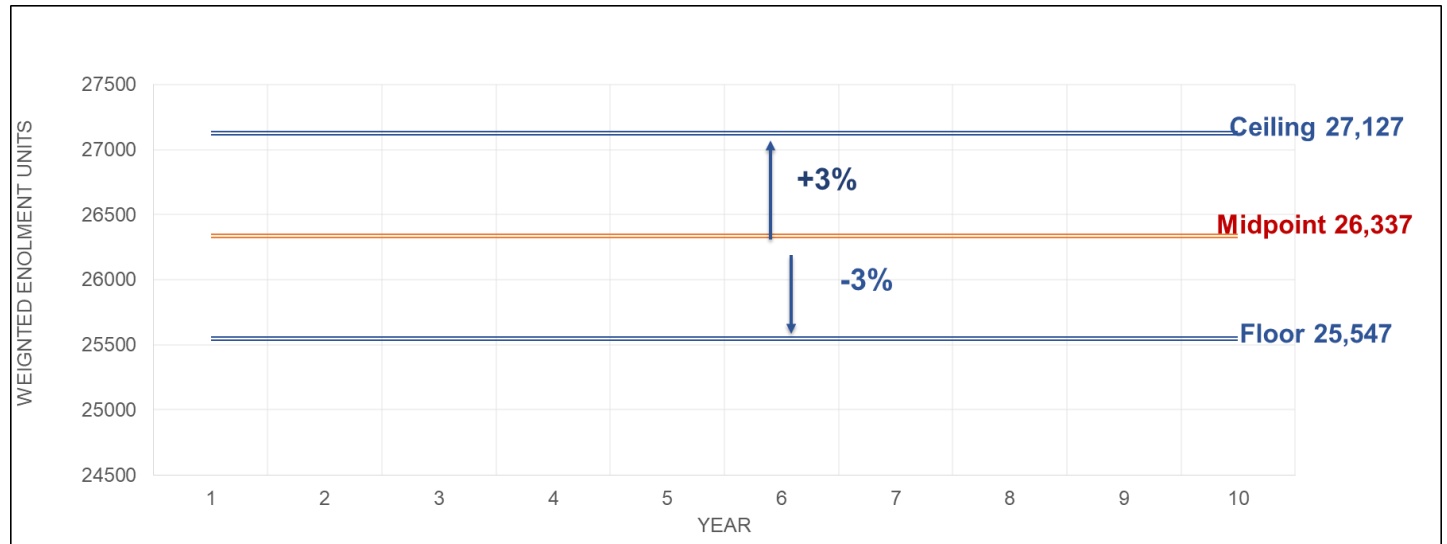
- Our enrolment based operating grant is governed by a corridor mechanism
- As long as enrolment stays within **+/- 3%** of the midpoint, the University will receive the same share of system

How the Corridor Works:

Growth within: same share of funding (same amount as long as the system amount remains stable)

Growth above: No additional government grant (only tuition),

Falling below: decrease in our government grant



Government Grants (2017-2020)

2. Differentiation Grant

This grant was intended to be performance based, using negotiated outcomes for SMA3 starting in 2020. Accountabilities, metrics and targets were being developed jointly between the Ministry and the university sector for potential implementation in SMA3.



Current Funding (2017-2020)

3. Special Purpose Grants

These grants address government and system-wide priorities (e.g., French Language Grant)

This funding model was developed and implemented by the Ministry under the *Ontario Liberal Government*.



SMA3 Announcement

- The new *Ontario Conservative Government* in their 2019 Budget announced SMA3, albeit with major changes:
 - ***“Through the next round of SMAs, Ontario will become a national leader in outcomes-based funding by tying 60 per cent to performance by the 2024–25 academic year.”***
- There will be 10 metrics attached to performance funding and 2 reporting only metrics.



Performance Fund

Initially **25% of funding** will be linked to performance increasing to **60% by 2024/25** at 'steady state' where all metrics have been developed and activated.

	20/21				
	Year 1	Year 2	Year 3	Year 4	Year 5
Metrics activated	6	9	10	10	10
Funding	25%	35%	45%	55%	60%



Transition SMA2 to New SMA3

- Core Operating Grant will remain as an enrolment-based corridor
- Differentiation Grant will become the new performance/outcomes funding grant, however the proportion of this grant will increase annually over the period of the SMA3
- As there will be **no new money**, growing the performance funding will occur through transfers from Core Operating Grant. This means the amount of funding associated with our student numbers is significantly reduced over the SMA3 as the funds are shifted to performance



Performance Fund

The 10 metrics will align with the government priorities:

- Skills and job outcomes (6 metrics)
- Economic and community impacts (4 metrics)

Also, 2 reporting metrics for transparency and accountability:

- Faculty workload
- Faculty compensation

This performance-based approach will affect over \$50 million of our revenue once it is fully in place



Metric Activation Schedule

In Year 1

- ✓ there will be six metrics activated, 3 related to skills and job outcomes, 3 related to economic/community impact.
- ✓ **Proportion of funding based on performance 25%**
- ✓ Weightings are to be added to each with a minimum of 10% and a maximum of 35% for a total of 100%

Year 1: 2020/2021

- Graduate employment
- Graduation rate
- Institutional strength and focus
- Research funding and capacity
- Community/local impact
- Institution-specific economic impact metric



Metric Activation Schedule

In Year 2

- ✓ There will be nine metrics activated: the six from Year 1 plus two related to skills and job outcomes, and one related to economic/community impact
- ✓ **Proportion of funding based on performance 35%**
- ✓ Weightings are to be added to each with a minimum of 5% and a maximum of 30% for a total of 100%
- ✓ Reporting metrics begin

Year 2: 2021/2022

- Graduate employment
- Graduation rate
- Institutional strength and focus
- Research funding and capacity
- Community/local impact
- Institution specific economic impact metric
- *Graduate earnings*
- *Experiential learning*
- *Innovation: Industry funding*



Metric Activation Schedule

In Year 3

- ✓ All ten metrics will be activated
- ✓ **Proportion of funding based on performance 45%**
- ✓ Weightings are to be added to each with a minimum of 5% and a maximum of 25% for a total of 100%

Year 3: 2022/2023

- Graduate employment
- Graduation rate
- Institutional strength and focus
- Research funding and capacity
- Community/local impact
- Institution specific economic impact metric
- Graduate earnings
- Experiential learning
- Innovation: industry funding
- *Skills and competencies*



Our Decisions

- Of the ten metrics, there are two that the University can define, within parameters provided by the Ministry:
 - *Institutional strength and focus*
 - *Institution specific measure of economic impact*
- Institutions will weight each of the metrics to reflect their own specific goals
 - The weighting must fall within the range provided by the government for that particular year



For more detailed information, the following are available on the site:

- SMA3 Timeline
- SMA3 Technical Manual
- SMA3 Metric Dictionary
- Campus Consultation Opportunities

Questions or comments? Please let us know at sma3@uwindsor.ca

