

Provincial Funding in Post-Secondary Education



Definitions

- MCU** The Ministry of Colleges and Universities (MCU or the Ministry) is the body of the Ontario government responsible for allocation of funding to Ontario Universities.
- SMA** The Strategic Mandate Agreement (SMA) is a document signed by both the University and the Ministry outlining the accountability of each party. The SMA provides both the performance-based funding and the performance metrics.
- SPE** Special Purpose Envelopes (SPE) are government grants used to fund system priorities. The funding has specific guidelines for spending and requirements for annual reporting on the expenditures made under the grant.

Introduction

The Ontario government provides universities and colleges with operating funding and sets the policy and frameworks that permit tuition and other fees charged to students. Shown in Figure 1, operating funding is broken into three major components: Core Grant, Performance-Based Grant and SPEs. The operating funding allocation to the University of Windsor is 31% of the total budgeted operating revenues (2021/22)¹.

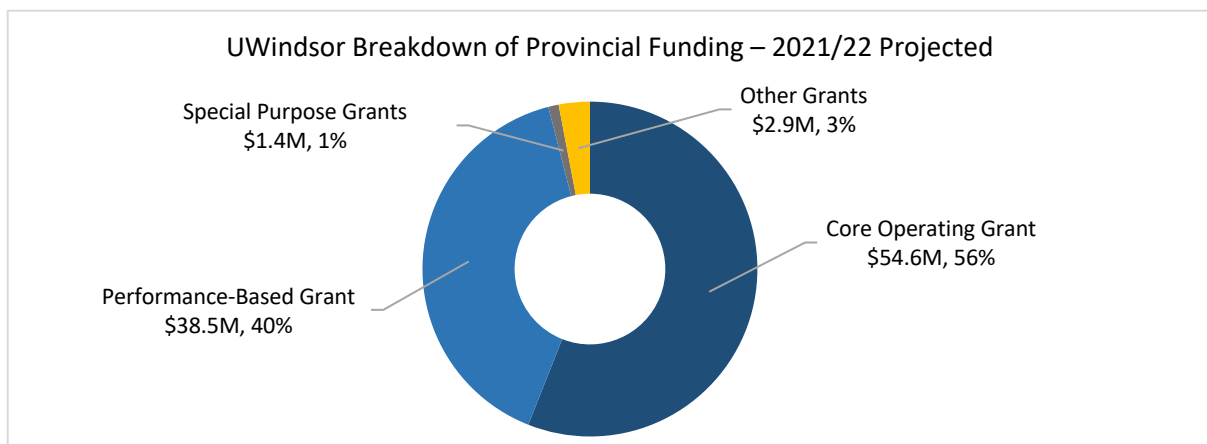


Figure 1

¹ University of Windsor (2021). Operating Budget: 2021-2022. https://www.uwindsor.ca/finance/sites/uwindsor.ca/finance/files/2021.22_budget_document_final_bog_approved.pdf

Facts and Figures

Core Grant

- Universities must maintain a certain level of domestic enrolment or else funding is reduced. If the university exceeds their funded enrolment level, no additional grant funding is available.
- At the graduate level, there is a time limit for domestic students, after which they are not funded.
- Except under certain circumstances, international students are not funded. In fact, the university’s funding is reduced by \$750 per international student (undergraduate and Masters).
- The government regulates the level of tuition for students that are included in the funding.

Performance-Based Grant

- The performance fund is linked to the [SMA3](#) metrics. There are 10 metrics attached to performance funding and 2 “reporting only” metrics.
- Shown in Table 1, 10 metrics align with government priorities: Skills and Job Outcomes (6 metrics) and Economic and Community Impact (4 metrics).

Table 1. Metrics for Performance-Based Grant

Skills & Job Outcomes	Economic & Community Impact
<ul style="list-style-type: none"> • Graduate employment rate in a related field • Institutional strength/focus • Graduation rate • Graduate employment earnings • Experiential learning • Skills and competencies 	<ul style="list-style-type: none"> • Community/local impact of student enrolment • Economic impact (Institution-specific) • Research funding and capacity: Federal Tri-Agency funding secured • Research revenue attracted from private sector sources

- The government acknowledged the potential profound impact and uncertainty caused by COVID-19 on the SMA3 metrics and agreed to a delay to the planned activation of performance-based funding for the first two years of SMA3 (2020/21 and 2021/22). UWindsor is projected to meet or exceed all SMA grant metrics for 2022.

Other Grant Components

- SPEs account for approximately 11% of the University’s total operating funding.

- The primary source of other grants for UWindsor is the Faculty of Nursing². We receive a separate and distinct grant from the province for our collaborative nursing program (with Lambton College and St. Clair College). The value of the grant in 2021/22 was \$5.3 million.
- The Ministry penalizes universities financially for international student enrolment (netted against our total grant). This is called the International Student Recovery (ISR). In 2021/22 the UWindsor expense for the ISR was \$2.8 million.

Government Support for Universities

Provincial government funding is a relatively smaller percentage of total revenues for Ontario universities compared to others around the country. As shown in Figure 2, in the University's Operating Budget (2021/22), 32% of total operating fund revenues were from the Province of Ontario; 6 out of 10 provinces receive more than 50% of their operating fund revenues from their respective province.

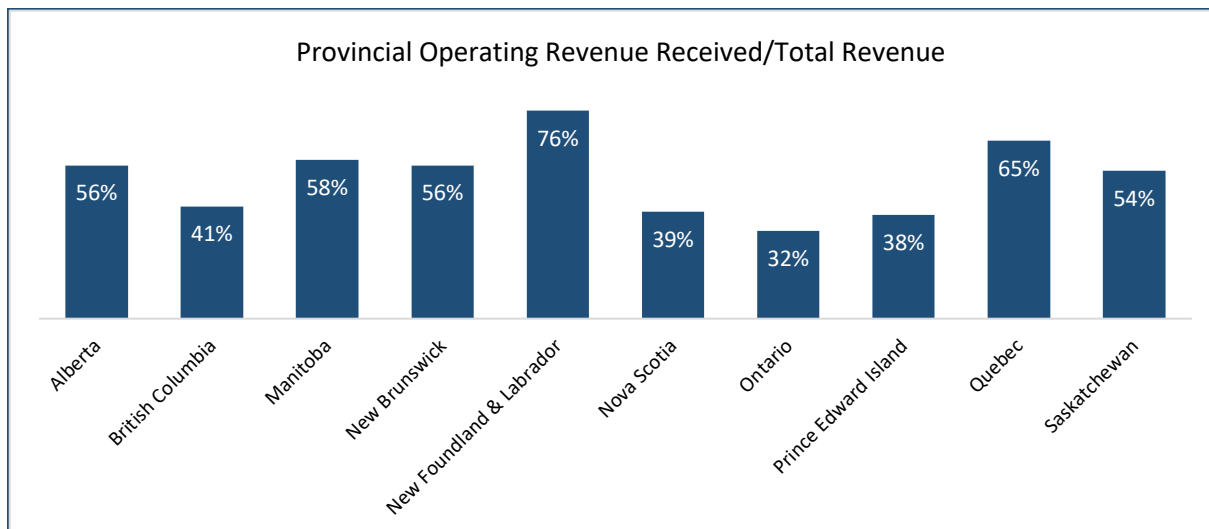


Figure 2

Note: Provincial Operating Revenue Received value used is the operating fund only.

Provincial Funding for Research

- Various Ministries within Ontario provide funding to UWindsor researchers to support the operational costs of major projects of strategic value to the province.
- UWindsor received \$2.9 million in sponsored research from Ontario Ministries in 2020/21.

² CAUBO. (2020). Financial Information of Universities and Colleges 2019-2020. <https://www.caubo.ca/knowledge-centre/analytics-and-reports/fiuc-reports/#squelch-taas-accordion-shortcode-content-4>

- Ministries that UWindsor researchers have collaborated with include: Ministry of Natural Resources and Forestry, Ministry of Environment, Conservation and Parks, e-Campus Ontario, Ministry of Transportation, Early Researcher Award program and Ontario Research Fund.

Best Practices

The SMA3 provides detailed information about role the University performs in Ontario's post-secondary education system and how it will build on its strengths to achieve its vision and help drive system-wide objectives and government priorities.

Thinking Question: When the SMA3 was signed, the President was clear that it was not a strategic plan. How should our new strategic plan connect to the SMA3, if at all?