

Higher Education Quality Council

MINUTES

June 11, 2013

12:40 p.m. – 4:50 p.m.

1 Yonge Street, Suite 2402

Present

Council Members:

Elizabeth Dowdeswell, Chair
Richard Dicerni
Cindy Hazell
Michael Hill
Chris Monahan

Guest: (by phone)

Deborah Newman, Deputy Minister

President and Secretary to the Board:

Harvey P. Weingarten

Staff supporting the Council:

Diana Macri, Chief Administrative Officer
Martin Hicks, Executive Director, Data & Statistics
Ellen Permato, Executive Assistant and Recording Secretary

1. Call to order

The Chair called the meeting to order at 12:40 p.m. She congratulated the members of the newly composed Audit Committee.

2. Approval of agenda

The Chair informed the members that the Deputy Minister will be joining in by phone at 4:15 pm to give the Ministry's update.

The members approved the agenda as presented.

3. Approval of Meeting Minutes

Motion:

1. That the Board approve the Minutes of the Board Meeting of March 25, 2013

Moved by Cindy Hazel; seconded by Michael Hill

Passed unanimously.

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4.1 Chair's update

The Chair reported that she had:

1. several discussions with H. Weingarten about the members' recommendations of potential items for Board meetings;
2. understanding of the Government commitment to fill Board vacancies;
3. a productive conversation with the Deputy Minister in which the latter affirmed the value of HEQCO to the work of the Ministry, her support of the Council's work, the importance of a fully functioning Board and her openness in discussing postsecondary issues.

4.2 President's update

H. Weingarten reported on the distribution of HEQCO's research work, giving details on:

- the number of new projects initiated since 2007 by mandate area: access, quality and accountability
- total value and average value of external contracts
- new projects initiated each year; cumulative number of projects
- percentage of external contract dollars spent in each mandate area in the two time periods 2007-09 vs. 2010-12;

Since its inception, HEQCO has initiated more than 200 projects with foreseeable increase over time. As requested by members, an analysis of the impact of HEQCO's research work will be submitted at the next Board meeting in September.

In its early years, HEQCO was focused on accessibility as it was the government's dominant policy issue. It has started the dialogues and contributed a lot of its research work to government policy. H. Weingarten considers the results of HEQCO's work on accessibility a success as more and more groups are now focusing their resources on accessibility.

HEQCO has now shifted its priorities to quality-related projects. HEQCO will continue to put out and share data, point and lead the way; it will remain reactive and responsive while leading the discussions.

Projects related to accountability/system design are kept in-house. HEQCO published two influential reports: *A Report from the Expert Panel to Assess the Strategic Mandate Agreement Submissions* and *The Benefits of Greater Differentiation of Ontario's University Sector*.

HEQCO handles about 70 projects at any given time, which is a greater number compared to 3-4 years ago. It is updating its technical software system to enable tighter control of project management.

He touched on the necessity of a government funding model. He showed graphs of the funding formula policy of the state of Tennessee, USA, published by the Tennessee Higher Education Commission. One pie chart shows the state's *Enrollment-based Funding Formula, 1979-2011*, with a small slice going to performance funding vs. enrollment. The same small slice of performance funding vs. outcomes shows on the pie

chart illustrating *Outcomes-Based* Funding Formula, 2011-present.

A Performance Funding for Higher Education report published in the United States on February 2013 reported that many states are shifting from the enrollment-base funding model to a performance-funding model based on the number of students who complete courses and degrees.

A member noted that the Ontario government's intention regarding funding on postsecondary education was to drive enrollment growth while underscoring quality. The US government cut student funding 3-4 years ago.

5.1 **Audit Committee Report**

Michael Hill was elected Chair of the Audit Committee. He asked Diana Macri to report on the Audit Committee meeting held earlier in the day.

HEQCO's fiscal year 2013-14 budget was submitted to the Audit Committee. It was explained that the "Services" item represents spending on office rent, IT service and maintenance, equipment lease, office repairs and maintenance and utilities.

85% of the budget is allocated to research as well as conferences and honoraria. HEQCO has never overspent its budget. There are no significant changes in expenses. A quarterly financial report is provided to the Minister.

5.1.1 **6.1.1. Budget 2013-14**

For approval

1. That the Board accept the recommendation of the Audit Committee to approve the 2013-14 budget.

Motion: Moved by Michael Hill; seconded by Richard Dicerni
Passed unanimously.
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5.1.2 **6.1.2 2012-13 Audit Report and Audited Financial Statements**

D. Macri reported that staff from PricewaterhouseCoopers (PwC), HEQCO's external auditors, presented the Audit Report and Financial Statements to the Audit Committee.

The auditors noticed the absence of an official letter from the Ministry about the allocation of funds for FY 2012-13, as well as documentation on the Transfer of Payment Agreement. The members said they would mention this to the Deputy Minister.

The Financial Statements, which form part of the 2013 auditor's year-end report, are made public through their inclusion in the Annual Report which is posted on the website after the Minister has tabled it with the Legislature.

Members were informed that based on the recommendations of internal auditors, HEQCO's assets are shown as revenues. However, this is under review by PwC and the practice may have to be changed.

For approval

1. That the Board accept the recommendation of the Audit Committee to accept the 2013 year-end report to the Audit Committee (PwC);

and

2. That the Board accept the recommendation of the Audit Committee to approve the Audited Financial Statements for the Fiscal Year 2012-13 for inclusion in the 2012-13 Annual Report and for submission to the Minister of Training, Colleges and Universities of the Audit.

Motion: Moved by Michael Hill; seconded by Richard Dicerni

Passed unanimously.

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6.1 Draft Annual Report 2012-2013

The members made the following recommendations:

1. Include an Appendix with a list of finished research projects, conferences and workshops
2. More emphasis on what has been accomplished rather than what will be done in the future
3. Eliminate pages 9 and 10 (Outlook for 2013-14) and replace it with a shorter paragraph on the same topic.

Other comments include:

- Identify the target audience of the Annual Report
- Reduce the number of hard copies. (*Note: The legislative requirement is to provide the Ministry with 160 copies in English and 130 copies in French.*)
- A more comprehensive and significant Annual Report should be prepared when HEQCO reaches its tenth year.

They noted that the Annual Report is a document of accountability and, therefore, should cover what HEQCO has done in the past, while the Business Plan should disclose future plans in accordance with the Council's strategic plan.

For approval

1. That the Board approve the draft Annual Report in principle as amended following the recommendations presented by the members;
2. That the Chair submit the finalized report to the Minister on behalf of the Board no later than the end of July 2013.

Motion: Moved by Michael Hill; seconded by Cindy Hazell

Passed unanimously.

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7.1 New Research Projects 2013-14

H. Weingarten presented a list of new research projects for the year 2013-14 categorized into three mandate areas: access, quality and accountability/system design. Before the start of a new fiscal year, HEQCO undergoes the process of identifying the projects, scope of work involved and allocation of funds. The Research Plan is then presented to the Board at its yearly strategic planning session. Once approved, it is incorporated into the Business Plan which is submitted to the Ministry.

HEQCO approaches each project both from a proactive and reactive angle. The majority of projects are in direct response to what the government requires it to do. HEQCO also accommodates requests from the postsecondary sector to partner with its projects. There is an increase in the number of research projects this year because of such requests. The number of projects undertaken depends on the budget allocation and additional in-year funds granted by the government to initiate new projects.

The range of projects available for funding is unlimited. However, HEQCO is only currently accepting projects that deal with:

- Learning outcomes
- Skills and labour market
- How to optimize the use of public funds to reach the aims of postsecondary education

The Council aligns itself and forms partnerships with groups and people doing those three areas, not only within Canada but around the world as well.

The process, from putting out RFPs, accepting bids, reviewing the proposals and allocating funds to finally signing the proposals, takes from six to seven weeks. It is relatively faster now than before and the credit goes to Richard Wiggers, Executive Director, Research & Programs, for establishing and managing a system that expedites the whole process.

Grants go to the individuals through their institutions. All projects above \$100,000 are brought to the Board and signed off by the Chair.

H. Weingarten said that the high quality of work HEQCO put out has resulted in its credibility in the postsecondary sector.

The members would like to have a discussion on the following items at some future meetings:

1. Value for money of research work.
 - Overall scope of potential research work HEQCO would like to pursue in the next three years, with a budget of \$5 million per year
 - What has been learned in the past and areas left to be researched
 - Is there a niche to fill
2. Develop a mechanism, e.g., briefing notes, to advise the Board on a regular basis of

ongoing research work

- A quarterly report about: achievements on finished projects, ongoing projects and future projects
- Give members a heads up on major reports to be made public
- Identify the levels of reports to new, different, important, significant

Sharing information with the Board would enable the members to make a conscious effort to help staff focus on issues.

3. Impact of research work

- Who are the target audiences of the reports? Who reads the reports?
- Is there any evidence to show that HEQCO's research work has helped government make a better decision?

Other questions asked were:

1. Is HEQCO's work leaning towards advisory or advocacy?
2. How strategic is its research?

In preparing the Strategic Planning Session in September, the members suggested including these items: the overarching goal of the Council – what does it want to do, why and how to achieve it; the rationale for broader areas of research; funding allocations; and future plans.

8. Executive Session

Out of in-camera session:

8.1 Ministry of Training, Colleges and Universities update

Deputy Minister Deborah Newman gave a brief report on these topics:

- Ontario Budget 2013
- Postsecondary Education Transformation
 - Summer Working Roundtables
 - Graduate Enrolment Allocation and Graduate Expansion
 - Tuition Fee Framework

She gave assurances that HEQCO will get its funding for fiscal year 2013-14.

Adjournment

The meeting adjourned at 4:50 p.m.