

# Strategic Mandate Agreement (SMA 3)

## Overview

MUFA  
Feb 2020



# SMA3 Summary: Changes to Operating Grant

SMA 3 will see the new outcomes-based funding phased in over the five-year cycle starting in 2020 with the gradual activation of metrics and funding linked to performance.

- 10 Metrics aligned with government priority areas:
  - 6 Jobs & Skills Outcomes
  - 4 Economic & Community Impact
- 2 Reporting Metrics
  - Faculty Workload
  - Faculty Compensation
- Mechanism
  - Competition against self

# SMA 3 - MCU Funding

We will remain in the same corridor assessed for 16/17 (adjusted for grad growth received to 19/20).

- Demographic data used as a basis for 16/17 corridor has changed significantly. (no dip in 18+ age as predicted)

By 5<sup>th</sup> year of SMA3 MTCU Funding will be proportioned (approx.):

- 60% Outcomes based (10 Metrics each weighted from 5% to 25%)
- 36-37% Enrolment based (WGU per unit \$ value will be reduced)
- 3-4% Special purpose/Differentiation grants

Note: this only impacts our Ministry Funding, which is about 38% of operating revenue.

# SMA3 Technical Manual

- Pass/Fail for each metric, full funding if we are within our Band of Tolerance for each.
- Funding will be adjusted down from the floor of our band of tolerance, proportionate to our missed target.
- Continuous Improvement Factor will be included, which means our Targets and Bands of Tolerance will be adjusted **annually** based on each most recent 3 year moving average.
- Unallocated Funding from Universities that do not meet targets, will be redistributed to the ones that do, on the proportionate weighting of each metric.

# Metric 1 – Graduate Employment Rate

Proportion of graduates of bachelors or first professional degree programs employed full-time that consider their work either “closely” or “somewhat” related to skills developed in the university program, two years after graduation. **Excludes Graduate programs.**

Source: OUGS survey      **Activated: Year 1**

# Metric 2 – Institutional Strength/Focus

Proportion of enrolment (FTEs) in an institution’s program area(s) of strength.

Source: USER data **Activated: Year 1**

Institutional Selections should focus on a program or related group of programs. The program or group of programs should be described in commonly used classification nomenclature (e.g. CIP)



**Numerator - Total Enrolment (FFTEs, domestic and international) in Program Area of Strength**

**Denominator - Total Institutional Enrolment (FFTEs, domestic and international).**

# Metric 3 – Graduation Rate

Proportion of all new, full-time, year one undergraduate university students of bachelors (first entry) or first professional (second entry) degree programs who commenced their study in a given fall term and graduated from the same institution within 7 years.

**Excludes: Part-time and graduate**

Source: University Graduation Rate Data Collections, will be adjusted by student mobility when OEN data available

**Activated: Year 1**

# Metric 4 – Community/Local Impact

Institution’s total headcount divided by the age 15 – 64 populations in which the institution is located, using the relevant census counts.

Source: USER; 2016 Census Data (Statistics Canada)

Activated Year 1

2018-2019 Weighted Total		
Hamilton	McMaster University(HC-31,599); McMaster Nursing at Mohawk(HC-653); McMaster Divinity College(HC-188)	96.13%
Kitchener	McMaster Nursing at Conestoga	2.13%
Burlington	McMaster at Burlington	1.74%
		100%

Campus populations weighted for each location to derive overall metric.



# Metric 5 – Institution Specific Economic

## (Innovation) Impact

Chosen by Institution: The metric should demonstrate the economic impact of their institution, using the following principles:

- Metric is a measure of economic impact
- Data is derived from high-quality, objective data
- Data is verifiable, auditable, annually available

### Activated Year 1

McMaster's principles:

- Aligns with McMaster's Objectives
- Stable or Growing, Controllable, Achievable, Affordable

**Chosen:** Invention Disclosures

# Metric 6 – Research Funding & Capacity: Federal Tri-Agency Funding

Amount and proportion of funding received by institution from federal research granting agencies (SSHRC, NSERC, CIHR) in total funding received by Ontario universities.

Source: Tri-Agency Institutional Programs Secretariat  
Activated Year 1

# Metric 7 – Experiential Learning

Number and proportion of graduates in undergraduate programs, who participated in at least one course with Experiential Learning (EL) components.

Source: Institutions

**Activated Year 2**

Currently in the process of tagging all courses that have experiential component (OCAV vs. Ministry definition) and identifying shortfalls.

# Metric 8 – Innovation: Research Revenue Attracted from Private Sector Sources

Research Revenue Attracted from Private Sector Sources

Source: University Financial Statements,(COFO)

Activated Year 2

	2016-17	2017-18
<b>Innovation: Research Revenue from Private Sector Sources</b>	<b>\$109,149,333</b>	<b>\$132,045,333</b>

Ministry is contemplating expanding the definition to include Foundations and Non-profits, provided the info is evidence based, auditable and provided through a third party. COFO is looking at possibility of developing a stream for this.

# Metric 9 – Graduate Earnings

Median employment earnings of university graduates in a given calendar year, 2 years after graduation

Source: Education and Labour Market Longitudinal Platform (ELMLP), Statistics Canada

Activated Year 2

# Metric 10 – Skills and Competencies

Metric to be developed/confirmed, random sample of undergraduate students

Source: Education and Skills online tool, Organization for Economic Co-operation and Development (OECD)

Activated Year 3 – Ministry will set weighting at 5% and provide full notional allocation based on publication of results.

COU is engaged in discussing the nature of the ESO tool and giving thought to administrative issues, risks and possible unintended consequences.

# Status

February 2020 – Revisions on tech manual due from Ministry, second round of discussions with the Ministry, the finalized Agreement is due.

## Current and ongoing work

- Modify workbooks based on updated Ministry rules and respond to Ministry edits and build in as much flex as possible.
- Continue tagging our Experiential Learning courses
- Influence Sector and Ministry definition of “Faculty workload”
- Assess impact to our budget model
- Develop programs to support and improve our metrics