



Funding the Future for Technological Universities

Budget 2023 submission from the Technological Higher Education Association (THEA)

July 2022

On behalf of its member institutions, Technological Universities and Institutes of Technology, the Technological Higher Education Association (THEA) is pleased to make this submission toward Budget 2023.

Context

The establishment in May this year of the South East Technological University as the fifth in a network of new and distinctive Technological Universities that serve the whole country marks a significant milestone in the evolution of the higher education landscape in Ireland. The new universities are transforming into a group of reinforced higher education institutions with the collective ambition to make a stronger impact on their regions, the nation, and the wider world. The expectation of them from government, enterprise, and society is considerable. It is time now for government to step up efforts to address the complex funding needs of these new technological universities.

The requirement for funding fully to establish and embed technological universities in the higher education landscape is not unexpected. The 2011 Strategy, now over ten years old, set out the challenge starkly.

*“To match our national ambitions, there will need to be greater investment in higher education into the future as well as greater effectiveness in the manner in which resources are deployed”.*¹

By merging and consolidating, by expanding their role and remit in the legislative context, the technological universities increased the effectiveness of how resources are deployed. The other side of the equation – greater investment – is the one that now requires action.

¹ National Strategy for Higher Education to 2030, p.111 <https://hea.ie/assets/uploads/2017/06/National-Strategy-for-Higher-Education-2030.pdf>

Section 1- Funding the Future

Introduction

THEA recognizes that government and the Oireachtas have afforded the funding of higher education considerable attention in recent times. In May 2022, the government launched *Funding the Future*, heralded as a landmark policy on the future of higher education in Ireland. The allocation of an additional €307 million by Minister Harris is a recognition of the underfunding that threatened the very reputation of our system. The subsequent report on *The Future Funding of Higher Education* from the Joint Committee on Education, Further & Higher Education, Research, Innovation, and Science (JCEFHERIS) in July 2022 provides clear advice on the prioritization for this funding following extensive consultation. As the chair, Deputy Paul Kehoe, states in his foreword:

I strongly believe that human talent in the broadest sense will be a key to the future development and prosperity of Ireland. Higher Education will be one of the keys that unlocks that potential and enables Ireland to engage in research and innovation to the highest levels on the international stage.²

The ten key report recommendations echo closely the representations made over successive budget submissions by the THEA member institutions and we strongly welcome the report of the JCEFHERIS and support the findings.

As set out in the *Funding the Future* document, “*Exchequer investment through the annual Estimates process will fund enhancements to core funding of higher education, with the intention of reaching additional core investment of €307 million over the coming years*”. That means that choices will have to be made in each of the coming three years around the competing priorities for that investment. In this section we set out THEA’s view on the elements that should be prioritized in the 2023 Budget, while in the following section, we set out some views on those issues not covered by *Funding the Future* which should be advanced for 2023.

Supporting Students after Covid

The most important education priority for government for 2023 should be the support of students post-COVID-19. As we stated in our submission for Budget 2022 “*the mental health challenge of recovering from COVID-19 should not be underestimated. Our young people have taken the brunt of that effect, losing out on their most important formative years with many rites of passage either delayed, postponed, or passed by.*” The evidence on the ground over the last year confirms this to be the case.

Last year, we looked for targeted funding of €12 million for our sector to address the gap in student mental health supports relative to the traditional university sector. While some funding has been provided and is acknowledged, the gap remains and, if anything, continues to grow as the need for such services also increases. Furthermore, this now extends beyond the mental health services and into other support services for students whether it is around general health services, assistance with sourcing accommodation, or support with adapting to university life. A significant investment is now

² Joint Committee on Education, Further & Higher Education, Research, Innovation, and Science, *The Future Funding of Higher Education* (July 2022), Cathaoirleach’s foreword, 3. Hereinafter JCEFHERIS.

overdue. When considering where to prioritize in providing the extra staff envisaged under *Funding the Future*, student support services in the TU sector must be top of the list.

One of the areas focussed on by *Funding the Future* is the need to strengthen representation in higher education for under-represented groups. It is envisaged that this will provide supports for priority groups who are underrepresented in higher education. We welcome this ambition, and this is addressed further below in respect of academic structures. However, one area that the government could focus on in the near future is on the weightings in the funding model that are applied to students from such priority groups as well as students from disadvantaged areas. These weightings are currently insufficient to make a substantive change to the experiences of these students. An increase to the relevant access metric weighting together with an expansion of the criteria is well overdue. This can be addressed consistent with the second recommendation from the JCEFHERIS which advocates that:

*... the State should move towards a European Model where tertiary education is viewed as a State Asset and funded primarily by the Exchequer. Future Funding of Higher Education should be based on the principle that it is a right for all citizens and a key investment in the future.*³

This relates also to the very first recommendation from the JCEFHERIS which THEA member institutions support and which concentrates on reform of the funding model. It advocates specifically:

*Ring Fenced Funding, as required, for individual HEIs with positive discrimination towards Technological Universities who have been in receipt of lesser funding to date. Models of funding with accountable measures across all HEIs for excellence in teaching, learning & research with additional supports as required for TUs. Also to support equality, diversity, inclusion at third level.*⁴

Student Contributions

Addressing cost as a barrier to access has emerged as a political priority and is one supported by the technological sector once it doesn't compromise the commitment to address the acknowledged gap in HE funding. There are a number of choices available to government in moving forward on the issue of student contributions. The government could opt for a cut in the student contribution for all students, or it could use that funding to increase the income thresholds for the SUSI free fee support. There are equity considerations that would favour the latter approach, as there may be many students who cannot afford the current €3,000 contribution and who would not be able to afford a lesser contribution, even if it is significantly reduced. Increasing the income thresholds should therefore be on the table for consideration, however, without the detailed data that is available to government, we are not in a position to comment on which is the best approach. We recognize also that these choices will be considered by the relevant Implementation Group and its focused working groups.

Whatever choices are made in respect of reducing the student contribution, full restoration of finance to each HEI should be made as the fees are currently used for student tuition, student services, and other supports with HEIs, and the student experience will suffer if that funding is not provided in other ways to the HEIs.

³ JCEFHERIS, 9.

⁴ Ibid, recommendation 1, 9.

Equality of Access for Technological University Students and Researchers to Cutting-Edge Research Information

As described in detail in the THEA Budget Submission from September 2020⁵, one piece of research and innovation (R&I) infrastructure that requires urgent investment is providing the funding for the technological university sector to become a full member of the Irish Research e-Library (IREL).⁶ We have built an element of this into our successful submission under the EU Next Generation Recovery Plan for Europe, but the quantum is unlikely to be adequate to provide access to the required range of resources.⁷ IREL provides access to quality peer-reviewed online research publications, including journals, databases, and index & abstracting services, as well as ebooks, for member institutions. Being only partial members of IREL at present, the sector does not benefit fully from the collective purchasing power of IREL and must negotiate separately with powerful international publishers. This means that they cannot get the best value for money, which reduces the number of e-resources they can purchase. The ultimate outcome is that the sector's researchers and students, including undergraduate and taught postgraduate students, do not enjoy the same equity of access to the online research literature as those in other Irish higher education institutions. This second-class status is a key impediment to the sector achieving the research objectives set out by government and the Oireachtas in the Technological Universities Act. The current situation reduces their access to information on cutting-edge developments in R&I which is needed for project work, theses, and research proposal preparation.

A 2019 review of IREL recommended that membership should be expanded, and **we now call for an investment of approximately €5 million per annum to support the technological university sector to become full members of the IREL consortium.**

Working with Further Education

A key objective of government and set out in *Funding the Future* is to foster “greater linkage between existing further education, higher education and research sectors, leading to an enhanced overall system with a more complementary range of choices to facilitate learners”. The extent of existing co-operation between further and higher education is sometimes underestimated with many links having arisen organically over the decades. For example, over half of the new entrants to technological universities each year are other than school-leavers through the CAO. Mature students, others returning to education, and those progressing from further education and are among the groups that contribute to this number.

Nevertheless, more can be done to foster greater links between further and higher education. In this we are conscious of the policy imperative to develop a tertiary landscape with seamless pathways for students. A further dimension to this is the regional dimension of the mission of technological universities. While each of the technological universities has built strong links with their local education and training boards, there are no consistent formal structures in place to facilitate such co-operation. Dedicated funding to the TUs could be provided to formalise these arrangements. This could allow for the TUs to take a greater role in co-development of courses at Levels 6 and 7 with the ETBs, as well as assisting in areas such as quality assurance which is, typically, at a much earlier stage of development / maturity in the ETBs compared to THEA member institutions. A collaborative approach of this nature would also help to address the cultural issues around participation in further

⁵ See page 36 and 37 of http://www.thea.ie/contentFiles/THEA_pre-budget_submission.pdf

⁶ <https://irel.ie/>

⁷ The technological higher education sector, working inclusively, was successful this spring in winning a major award under the National Recovery and Resilience Plan.

education as opposed to higher education. Such an approach can also leverage the traditional strengths of the TUs as well as utilizing their awarding powers.

Apprenticeships afford an excellent model in this regard. Government ambition and the policy direction is set out in the *Action Plan for Apprenticeship 2021–2025*; it seeks to ensure that apprenticeships can constitute a much larger part of the education landscape in Ireland. The technological sector, and especially the five new TUs, are ideally positioned to build upon established links with further education and with the ETBI structure along with our close ties to enterprise to realize the “single system” and deliver on the ambitions within the apprenticeship plan.⁸ The potential inherent in this is recognized by the JCEFHERIS and it commands a dedicated recommendation which states:

The Higher Education Authority (HEA) should provide ring fenced funding to the Technological Universities (TU)s, as necessary, to ensure there is sufficient physical capacity and lecturer capability to deliver on the increased numbers of Craft and New Generation Apprentices.

Section 2 – Additional Investments

Student Accommodation and the Borrowing Framework for Technological Universities

Housing is a problem right across the whole state. This is a challenge for students as well. There is no doubt that this coming autumn will see the strongest demand yet for student accommodation. A combination of factors has led to this situation, with the increased number of students at third level, the late delivery of Leaving Certificate results, the general pressures in the housing market, and the temporary housing of Ukrainian refugees, all combining to make an intolerable situation notably worse. Sadly, there are few measures that can alleviate the pressures for this September.

However, there are a few simple measures that can lead to the possibility of the pressure easing in future years. These include:

- Access to a borrowing framework for technological universities
- Subsidisation of capital costs
- Access to cheap funds
- Assistance with project management and fast-track planning

There has never been a legislative block on technological universities, or indeed institutes of technology before them, accessing a borrowing framework. Rather there has been the failure of successive public bodies to put in place the necessary permissions and arrangements for them to borrow. These mechanisms must be expedited by the end of this summer to create the climate for technological universities to be able to move confidently forward into the provision of on-campus student accommodation. Secondly, one of the issues preventing development is that the returns on capital required to fund repayments result in unaffordable student accommodation for the “ordinary” student, thereby resulting in a reluctance to commit to build. This is largely caused by significant costs of construction. Subsidising the capital cost of building student accommodation, as the government is doing in relation to apartments in cities, will change the dynamics of return, making it possible for

⁸ The single system is referenced in the Apprenticeship Plan, 14.

HEIs to invest in on-campus student accommodation, and be confident that they can provide this at a reasonable cost to students.

The third factor in this equation is access to funding at repayable interest rates. Like the cost of construction, the availability of lower-cost funding allows for returns that do not depend on unaffordable costs to students. Ensuring access to such funding for technological universities is another required game-changer. Finally, there are synergistic benefits to co-operation across the sector. Many technological universities have campus space on-site to build student accommodation. Building similar modular accommodation with central project management and planning support could fast-track the construction while reducing the overall cost. Some seed funding to back this approach would be useful.

As for other points in this submission, the JCEFHERIS has considered the advocacy of our member institutions and of THEA on the matter of the borrowing framework and issued the following comment and recommendation:

The current inability of Technological Universities (TUs) to borrow money on the financial markets is both unfair and unsustainable and puts them at a clear disadvantage. The enabling legislation should be enacted by the Higher Education Authority (HEA) so that borrowing can commence by end of 2022. The borrowing capacity could be used for a wide range of purposes including student housing, infrastructure and research and development expansion.

Building the Technological Universities and Mainstreaming the HCI and NRRP

The Technological Universities Transformation Fund (TUTF) has been a welcome development in financing the creation and early development of Ireland's new technological universities. Similarly, the Human Capital Initiative (HCI) has been instrumental in supporting change throughout higher education. We welcome the multi-annual commitment to these projects which will see them continue into 2023 and beyond. However, it is timely to consider the long-term future of these projects beyond the expiry of the funding, which, while it remains a number of years away, will inevitably be discussed.

Many will recall the successes of the Strategic Innovation Fund (SIF), a multi-annual fund which was directed towards support for innovation, collaboration and reform in Higher Education and run by the HEA from 2006-2011. The SIF was highly successful at the time, not least in encouraging collaborative work, but many of the projects subsequently fell into abeyance as funding dried up. Lessons learned at that time need to be taken on board. While nobody would suggest that the level of funding for the TUTF and the HCI projects needs to be maintained indefinitely, sudden cut-offs run the risk of collapsing the projects before they have been successfully mainstreamed.

The audience for this paper will appreciate that we are embarked on a process of unprecedented change. Institutes of Technology don't transform into Technological Universities overnight, or over a short period of years; rather, it tends to be a process that tapers off over a much longer period. In order to ensure that the transformation is both full and complete, the funding will need to be maintained for a further period.

Similarly, consideration needs to be given to the long-term mainstreaming of projects under the HCI and subsequently applied to the more recent funding under the National Recovery and Resilience Plan (NRRP).

OECD Report on Lecturing in Technological Universities

At the time of writing, the publication of an OECD Review on Academic Contracts, Career Paths, and Organisational Structure, and Leadership is awaited. This will be highly significant for our institutions and indications are that it may not be available until the third quarter of the year. The OECD was asked to identify a set of benchmark higher education institutions from other OECD countries that are relevant to the development of the profile of the future Irish technological universities, and to describe and analyse their academic human resources policies, career paths, and organisational structures. Informed by knowledge of international practice and consultation with Irish higher education stakeholders, the OECD will identify options for academic contracts, academic careers, and organization structures that can inform the further development of Ireland's technological universities.

This report will set the benchmark for the development of the organizational structures and human resource policies for the technological universities for the next decade. It is expected to revolutionise the sector, introducing professorships, professionalising the leadership and management structures. However, such change does not come without a price tag. The government's document - *Funding the Future* – acknowledges that this OECD Report will need dedicated funding over and above the commitments therein.

Apropos this point, we can reflect on the unprecedented change embarked on by this sector in recent years and the promise inherent in five new technological universities. But we have also two remaining independent institutions in Dundalk and Dun Laoghaire. These are institutions of high standing with significant learner cohorts; both are valued members of the technological sector who operate collegiately with TUs and are working to meet the criteria as set out in the Technological University Act (2018). It is important to record in this budget submission the shared THEA support for the strategic ambitions of both IADT and DkIT and to ensure that they are fully factored into future funding and structural determinations.

Political discourse has evidenced the awareness that the cohort of students in the technological universities needs particular consideration. All students journey to the same endpoint of a NFQ award. However, the journey is not the same for all. Talent is evenly distributed; opportunity is not. If you are from a disadvantaged background, if you start from a lower points position but with the same potential of those with higher points, if you are disabled, then the journey is more arduous. Our institutions, including the TUs, draw disproportionately from those cohorts, and support them with smaller classes, more intensive teaching and learning strategies, and extra help. These arrangements must be sustained through the implementation of the OECD Report and the necessary resources for extra academic posts as well as for extra promotion posts will be required if the objectives are to be realized. The TUs are ready to meet the challenges set by government, to succeed, the relevant recommendations from the *Funding the Future* report must be fully funded and implemented at the earliest possible date. In this context, it is promising that the Implementation Group for HE Reform established by Minister Harris to deliver on the recommendations within the government report has foregrounded student support as a principal focus.

Improving the Baseline of Research and Innovation Grant Funding for Technological Universities

Impact 2030, Ireland's Research and Innovation Strategy,⁹ sets out an objective to “maximise the impact of the new technological universities on regional R&I activity”. It commits to updating the

⁹ <https://www.gov.ie/en/publication/27c78-impact-2030-irelands-new-research-and-innovation-strategy/>

recurrent funding distribution model, which “would see the TUs and traditional universities report on costs and access funding on a more comparable basis, including access to recurrent research-oriented funding”. This statement reinforces the recommendation in the 2018 Review of the Recurrent Grant Allocation Model¹⁰ that additional funding should be provided to introduce to recurrent research-oriented funding for the TU sector, and this funding should increase to 5% of the sector’s overall Recurrent Grant allocation (around €18.5 million per annum). The comparable allocation for traditional universities is 10% of their overall Recurrent Grant Allocation.

While an initial tranche of funding was introduced in 2019, it has remained static at €5 million per annum. THEA’s recent pre-Budget submissions have repeatedly called for an increase towards the goal of €18.5 million p.a., which has not to date been delivered. These calls for investment have been accompanied by evidence, in the form of an independent review of the impact of the first two tranches of the R&I allocation (in 2019 and 2020),¹¹ which demonstrated strategic use of the funding by the sector, early-stage impact, and identified future needs to justify the requested investment.

THEA proposes a phased increase to €18.5 million p.a. over a period of 4 years, increasing by €3.375 million per year:

2022	2023	2024	2025	2026
€5.0m	€8.375m	€11.75m	€15.125m	€18.5m

We call for an investment of €3.375 million in 2023 as a first step towards the commitment in *Impact 2030*, as stated above, for TUs and traditional universities to have comparable access to recurrent research-oriented funding. This funding would allow the TUs to commit to multi-annual R&I expenditure in line with their individual needs, using it to co-fund initiatives where appropriate. Initiatives which are “kick-started” using capacity-building funding, such as through the TU Transformation Fund, could be embedded using this recurrent research-oriented funding. The delays in funding this increase over the last two years have meant that the annual increase required to reach the target has increased. No further delay should be tolerated.

Continuing Access to Internationally Renowned Postgraduate Research Scholarships

Increasing the number of postgraduate research students in their student body is a legislative requirement for TUs and candidate TUs. When they are formed, TUs are required to have a certain percentage of research students and must almost double this percentage within 10 years of establishment.¹² To assist the TUs in reaching this metric, the Irish Research Council were allocated supplementary funding of approximately €3.2 million in 2021 and again in 2022 to allocate an additional number of their prestigious Government of Ireland postgraduate research scholarships to the technological university sector. The funding allowed the Council competitively to allocate 29 additional scholarships, improving the sector’s overall success rate in securing IRC scholarships from 7.5% to 24%. This investment will have a strong impact on the sector reaching the legislative targets, thereby enhancing postgraduate research capacity in the technological university sector, and we strongly recommend that it continue in 2023 and beyond. **We call for an investment of €3.2 million**

¹⁰ Review of the Allocation Model for Funding Higher Education Institutions: Final Report by the Independent Expert Panel for the Higher Education Authority (2018). Available at <https://hea.ie/funding-governance-performance/funding/funding-review/>

¹¹ http://www.thea.ie/contentFiles/Impact_Study_Report_THEA_2020_Final_Sep_2020.pdf

¹² See Section 28 (a) and (b) of the Technological Universities Act 2018. Available at <https://www.irishstatutebook.ie/eli/2018/act/3/section/28/enacted/en/html#sec28>

in 2023 to continue providing Irish Research Council postgraduate research scholarships for the technological university sector.

Supporting a Zero-Tolerance Approach to Sexual Violence and Harassment in the HE Sector

Government recently announced a €363 million investment in the Third National Domestic, Sexual, and Gender-Based Violence Strategy.¹³ The strategy's implementation plan reinforces the requirements for each HE to implement the recommendations in the Framework for Consent in Higher Education Institutions.¹⁴ The sector has been scaling up its implementation of these recommendations, supported by the outcome of the THEA PROPEL (Promoting Consent and Preventing Sexual Violence) project.¹⁵

Earlier this year, upon the request of Minister Harris, the Higher Education Authority Advisory Group on Ending Sexual Violence and Harassment in Higher Education Institutions submitted a funding proposal to D/FHERIS to support implementation of the Framework. THEA worked with the other members of the Advisory Group to develop this proposal, which outlined number of resources which should be established within higher education institutions to support the implementation of the Consent Framework. These include:

- A Sexual Misconduct Prevention and Support Manager (SMPSM) in each institution who will play a central and proactive role in fostering a safe, respectful, and supportive culture in the institution
- Appropriate staff to support the work of the SMPSMs, including additional Counselling Staff to provide trauma-informed support to affected staff and students
- Training managers to oversee the delivery of bespoke Consent training for students and staff, including enhanced training for staff/students most likely to receive disclosures
- Funding to deliver special communications and awareness-raising campaigns, including a annual national conference to showcase and share best practice
- Resources to develop a systematic and systemic approach to gathering data via surveys and other appropriate means
- Funding to form a panel of external investigators to investigate cases of sexual violence and harassment.

The recent announcement of the 3rd National Strategy includes no details of funding for HE to deliver its nominated actions in the associated implementation plan. Therefore, we reinforce the earlier submission to the Minister FHERIS by **calling for €7 million per annum of the €373 million investment in the 3rd National Strategy to be ring-fenced to support and enhance its implementation across the entire higher education sector.**¹⁶ The relevance of this work to wider society should be taken into consideration; higher education has the potential to be an exemplar in this area.

¹³ <https://www.gov.ie/en/campaigns/fb746-zero-tolerance/?referrer=http://www.gov.ie/zerotolerance/>

¹⁴ Framework for Consent in Higher Education Institutions: "Safe, Respectful, Supportive and Positive – Ending Sexual Violence and Harassment in Irish Higher Education Institutions" (2019) <https://www.education.ie/en/Publications/Education-Reports/framework-for-consent-in-higher-education-institutions.pdf>

¹⁵ <http://www.thea.ie/contentFiles/PROPEL.pdf>

¹⁶ For a breakdown of this cost for THEA member organisations, please see [http://www.thea.ie/contentFiles/THEA Consent Implementation Costs Final.pdf](http://www.thea.ie/contentFiles/THEA%20Consent%20Implementation%20Costs%20Final.pdf)

Section 3 – Sources of Investment

Financing the required investment in the Technological Universities

Throughout the consideration of the original Cassells proposals, THEA and its members have consistently opposed the introduction of student loans as a method of financing higher education. The experience in the UK, the future mobility options of Irish students, as well as the resultant income pressure on graduates informed that position. We were therefore pleased to see that when the government announced its landmark policy – *Funding the Future* – that it was decided that income contingent loans for fees will not form part of the future funding model.

The government now proposes that the multi-funded model will be retained including a reducing student contribution, and a mix of additional exchequer investment and employer contributions through the National Training Fund. The minister has indicated the intention to progress measures to reduce the student contribution over time as part of an annual cost of education assessment.

The National Training Fund has played a key role in supporting higher education over the last few years, most particularly through the Human Capital Initiative. For industry, seeing the link between contributions and outcome is most valuable. We would like to propose that this approach be extended to other areas. Over the coming years, Ireland will be tasked with increasing corporation tax from 12% to the new OECD level of 15%, subject to finalization of the OECD agreement. This will place a significant extra taxation burden on industry. It would be useful if a portion of this increase – say 1% of the 3% - was set aside to support the new technological universities. In particular, there is a capital gap between the traditional universities and the modern technological university sector. Philanthropy and the borrowing framework have allowed the traditional universities to invest in upgraded building, facilities, and equipment in a way that was unavailable to the then institutes of technology. With the exception of Grangegorman, which is a superb modern facility, the technological universities have been left behind. Setting aside this portion of the corporation tax increase for capital investment in the technological sector would demonstrate both to industry and to wider society the clear value that the government place on the technological universities supporting regional development and their role in driving this country forward.

Technological Universities are the future of higher education – Invest in them.