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Taighde, Nuálaíochta agus Eolaíochta
Department of Further and Higher Education,
Research, Innovation and Science

Funding the Future

Investing in knowledge and skills: Ireland's competitive advantage

A FUNDING AND REFORM FRAMEWORK FOR HIGHER EDUCATION

May 2022

Part One: Introduction and key elements of the funding and reform framework

The Government's Economic Recovery Plan makes clear that Ireland must intensify its commitment to building a knowledge-based economy in an increasingly competitive global environment, reinforcing and building on existing competitive strengths. It identifies the critical role of the higher education sector in ensuring high quality performance and outcomes and supporting a pipeline of highly skilled graduates.

The question of which funding model should underpin the performance of the higher education system has been open for much of the past decade. Notwithstanding significant increases in funding to the sector over the past number of years, the uncertainty over sustainable core funding has hindered the planning and delivery of longer-term skills responses, affected quality and impacted on Ireland's international reputation for education and talent. This is reflected in the downward trend of Irish universities in global rankings.

This is a challenging position for a country whose defining competitive advantage is talent. Ireland's higher education system is a core element of strategic national infrastructure. It is central to producing a pipeline of skills for our economy, driving innovation in enterprise, producing research which helps to meet grand challenges ranging from health to the environment, driving social mobility for individuals and fostering our shared civic values as a society.

To meet these challenges, in a context of significant demographic increases, the higher education system requires certainty on how it will be funded – and at what level – in the future. Equally, there needs to be clarity for those who fund the system, including taxpayers, employers and students and their families, on what will be delivered as funding levels are enhanced.

The issues and risks relating to the lack of a sustainable funding model in higher education led to the establishment of the Cassells Group in 2014 and were analysed in great detail in the eventual report, *Investing in National Ambition: A Strategy for Funding Higher Education*, published in 2016. The report concluded that the approach to funding was unsustainable, and that substantial increases in investment in higher education must be made to ensure that the sector can remain viable and provide the capacity to meet the major increase in student demand projected up to 2030. It identified three potential options for future funding: (i) a predominantly state-funded system; (ii) increased state funding with continuing student fees; (iii) increased state-funding with deferred payment of fees through income contingent loans.

The then-Minister for Education and Skills requested the Oireachtas Joint Committee on Education and Skills¹ to consider the Cassells report and to build political consensus on the appropriate funding options. The Committee in turn sought further information by way of an economic evaluation of the three options.

In this context, and given the need to more fully work through the economic analysis, support was sought under the European Commission's Structural Reform Support Programme to procure the independent review of the future sustainability of further and higher education.

At the same time, a separate review of the Student Grant Scheme was conducted, in fulfillment of a Programme for Government commitment, to ensure that student supports reflect the costs of education and are aligned with the strategic direction of higher education provision.

The final report and comprehensive deliverables of the Economic Evaluation and the review of the Student Grant Scheme have been considered by Government and are appended to this policy paper. Summaries of the Economic Evaluation's recommendations and the Student Grant Scheme review's conclusions and recommendations are set out in appendix 1 and 2 respectively.

Key elements of the funding and reform framework

The Government has made the following decisions in respect of higher education funding and reform:

- Funding of the higher education system will be through a mixed model, comprising funding streams from the Exchequer, employer contributions and student contributions.
- Student loans have been ruled out as an approach to funding higher education.

The Government has also noted:

- A figure of €307 million has been identified and agreed between the Department of Further and Higher Education, Research, Innovation and Science and the Department of Public Expenditure and Reform, as representing the quantum of increase in core funding required to deliver enhanced performance, strategic reforms and strengthened quality of outcomes.

¹ Which has been succeeded in the current Oireachtas term as the Joint Committee on Education, Further and Higher Education, Research, Innovation and Science.

- 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.
- In return, the higher education system will make progress across a number of key reform and performance priorities including supporting the creation of a unified knowledge and skills system, strengthening representation in higher education for under-represented groups, enhancing quality of outcomes, meeting skills needs of essential public services and the wider economy and driving a culture of lifelong learning.
- Implementation and monitoring of system performance will be undertaken through the system performance framework, to be put on a statutory basis through the Higher Education Authority Bill 2022.

In addition, the Minister for Further and Higher Education, Research, Innovation and Science has identified the need to address cost as a barrier to higher education, and will pursue funding measures on these issues through the Estimates process, including in respect of reductions to the student contribution and enhancements to the SUSI grant in line with the Student Grant Review.

This policy paper elaborates on the key elements of the funding and reform framework for higher education, describes the major strands of reform which will need to be undertaken over the coming years, and outlines the oversight and accountability mechanisms which will drive this work in a collaborative way between the sector, Government and wider stakeholders. It is informed by the recommendations of the Economic Evaluation and the Student Grant Review.

This funding and reform framework is positioned within a wider context of performance, governance and reform across the tertiary education and training system being driven by the Department of Further and Higher Education, Research, Innovation and Science. Some important elements include:

- Meeting the Programme for Government commitment to enhance “performance, financial management, governance, and transparency” through further development of robust higher education oversight and governance structures, including through enactment and implementation of the Higher Education Authority Bill 2022.
- A strong development agenda for the Technological Universities to enable them to meet their ambitious missions and contribute to balanced regional development.
- A commitment to pursuing a unified knowledge and skills system at tertiary level.
- The new national research and innovation strategy, and the focus on enhancing impact across society, economy and the environment from research undertaken in universities and technological universities.

- The forthcoming international education and research strategy which will outline national ambitions for global engagement by the higher education sector over the coming years, balanced with the imperatives of meeting national skills needs.
- The Shared Island Initiative, which envisages a strong role for higher education in promoting north-south co-operation, including in research and student mobility.

It is also the Minister's intention to develop a major new tertiary education strategy as envisaged in the Higher Education Authority Bill 2022 within the timelines set out the in the legislation.

Part Two: Funding of the Higher Education System

Higher education funding status

The period 2008 to 2015 saw a significant retrenchment in public funding to the higher education system, with the level of funding reducing from €1.4 billion to €923 million. The implementation of efficiencies and cost reductions, the introduction of a student contribution, and the diversification of higher education income streams partially offset the reduction in Exchequer support.

Since 2016, there has been significant public re-investment in higher education. This has included targeted investment through the National Training Fund, including the Human Capital Initiative, as well as core investment including funding for demographic pressures. Total funding will exceed €2 billion in 2022. The revised National Development Plan also includes Exchequer capital funding of over €700 million for higher education for the period 2022 to 2025, a significant step-change compared to funding levels over the past decade.

This period of re-investment has, however, coincided with a major increase in demographic demands on the system. This demographic expansion is expected to continue, and even under a low growth projection, is likely to peak at almost 223,000 full-time students in 2030, an increase of more than 38,000 compared to 2017 levels. This reflects a growing young adult population and the fact that participation rates in higher education in Ireland are among the highest in the EU, as increasingly employers highlight the transversal skills of graduates, including problem solving and critical thinking, as key to employability in a knowledge economy. The demographic increase places further strain on a system that was defined as being on a “worrying downward trend” in the Government’s National Risk Assessment implications in terms of capacity and regional imbalance risks.

Update of the Economic Evaluation

The Economic Evaluation carried out as part of the Structural Reform Support Programme confirms that additional funding is required to meet the requirements for a high quality higher education sector in Ireland. The level of funding required will also increase in line with the impact of ongoing demographic changes in the period to 2030. The quantification of the funding required was based on:

- the level of investment in higher education on a per student basis over ten years ago, prior to the retrenchment in funding during the period following the financial crisis; and
- international benchmarks of the level of investment in higher education in high quality higher education systems.

The evaluation report based on 2018/19 data indicates that €317m of additional funding would be needed per student cohort to reinstate a sustainable level of core funding to the higher education sector.

A technical assessment of this identified funding gap was undertaken in early 2022 by the Department of Further and Higher Education, Research, Innovation and Science and the Department of Public Expenditure and Reform. This assessment reflects core funding decisions taken and the growth in full time Irish/EU student numbers between 2008 and 2022. It further proposes a realignment with funding to the sector from the early millennium which equated to international norms at the time. In summary, the revised updated figure stands at €307m; further details on this are set out in a separate technical paper.

The updated figure does not take account of amounts that will be required for:

- future demographic increases;
- pension costs;
- implementation of future pay and industrial relations agreements;
- implementation of certain reform measures for the higher education sector including those related to the Technological University transformation agenda.

Further work on substantive demographic increases will be the subject of a spending review conducted jointly by the Department of Further and Higher Education, Research, Innovation and Science and the Department of Public Expenditure and Reform during 2022.

Approach to enhancing core funding for Higher Education

It is the intention that, over a number of years, additional core funding will be prioritised by the Minister for Further and Higher Education, Research Innovation and Science through the Estimates process in order to deliver on the increased level of funding identified in this framework.

The allocation of resources will proceed in tandem with the reform programme identified in part four of this paper. Assessment of progress on reforms will be overseen by the Higher Education Funding and Reform Oversight Group, details of which are set out in part four.

The Department will continue to examine the implications for the balance sheet treatment of a number of higher education institutions with respect to the proposed increase in Exchequer resources.

Student Support funding

It is also the Minister's intention that, over the course of a number of Budgets, progress will be made in implementing the recommendations of the Student Grant Scheme Review and reducing the levels of the student contribution. These decisions will be informed by an economic analysis including the dynamic effects of additional sectoral supports to be undertaken prior to each Budget (set out in part four).

Prior to the changes made in the 2021 and 2022 Budgets (which involved increasing postgraduate supports and rates of maintenance grant and making changes to income thresholds and adjacency rates), the levels of funding for student support had been relatively static since budgetary reductions were put in place in 2011, as part of cost containment and reduction measures taken during the post-2008 financial crisis. Despite this, evidence of transition from second to third level remained positive.

This static funding position had two main effects. First the overall number of students in receipt of the grant has been in decline – from over 84,000 in 2016/17 to 76,000 in 2021/22. This is notwithstanding the significant demographic increases over this period leading to increased enrolment in higher education, meaning the grant is covering a smaller proportion of the student population. Second, as the cost of living increased by 25% for students, the proportion of costs covered by the grant has declined, covering one-third of undergraduate expenditures and a quarter of postgraduate expenditures.

Part Three: Policy and Funding responses to drive high-quality outcomes and greater access to education

Implementation of reforms on a partnership basis

In prioritising core funding increases, the intention is that quality of outcomes will improve, the agility and responsiveness of higher education will be strengthened and the reputation of Ireland's higher education system will be enhanced, including in international rankings. It should also provide a basis to address issues regarding precarity of employment in the sector.

The approach to implementation will be based on partnership between Government, the higher education sector and wider societal and enterprise interests. The approach will also be informed by the "virtuous circle" identified in the Cassells report:

- (i) actions to ensure investment is used effectively
- (ii) an enhanced focus on improving the quality of programmes and learning outcomes, better student engagement and a more responsive and flexible system and
- (iii) a strong focus on better verification of outcomes and costs through data and evidence to ensure value for money for current and future funding.

This will entail a stronger focus on measuring and verifying performance from the system, as well as assessing information on costs, quality issues and outcomes which respond to economic and societal need. This will necessitate:

- development and implementation of evidence and data strategies to identify and measure key metrics;
- work to review and better specify quality, evaluation of learning outcomes and competences;
- reformed systems performance framework to ensure effective steering of the higher education sector.

This work will have regard to international benchmarks. Verification of the implementation of reforms and improved performance will proceed alongside any increased investment, rather than be developed subsequently.

This approach will be enabled through the introduction of a revised Performance Framework, as provided for in the Higher Education Authority Bill 2022. This will be instrumental in

strategically steering the overall system, on a partnership basis, to align with national priorities, while respecting the academic freedom and autonomy of institutions. Evolving the Framework from an operational to a more strategic tool, with the flexibility to allow differing priorities across institutions, will better facilitate the delivery of these priorities. This will be supplemented by the enhanced role envisaged in the legislation for the Higher Education Authority (HEA) to plan for the provision of higher education in the State in close collaboration with the sector.

The Department will also engage with the HEA to develop and implement a revised funding distribution model which is objective and transparent, encourages high quality teaching & learning provision, excellent research and the achievement of key strategic objectives. This will be supplemented by a single costing model for the sector which will enable accurate comparison and reporting to inform future strategic policy objectives and outputs. This will be informed by work underway between the HEA and the OECD on resourcing higher education.

Priority strands

Five priority strands of work on which progress will be made, both within and in addition to the scope of the core funding investment, have been identified as:

STRAND 1: ENHANCE QUALITY AND INTERNATIONAL STANDING OF THE HIGHER EDUCATION SYSTEM ACROSS THE THREE MISSIONS OF TEACHING AND LEARNING, RESEARCH AND ENGAGEMENT

A high quality education system is fundamental to realising Ireland's full potential for future economic and social development. Higher education institutions operate in a global context and the reputation of our system needs to stand up internationally. As many countries increasingly position their economies as knowledge-driven and knowledge-led, higher education has moved to the centre of national competitiveness agendas across the developed world. The education and skills system must remain equipped to meet future challenges and to secure its long-term sustainability.

The performance of higher education institutions is grounded in accomplishments of its staff as scholars and teachers, as innovators, and as partners with enterprises, communities and public bodies.

The ratio of students to academic staff in Irish higher education institutions is now an outlier relative to European peers. 2018 Eurostat figures show an EU-27 (excluding Ireland) average

student-academic staff ratio in tertiary education of 15.3:1². HEA institutional profile data for 2018/19 indicate a ratio of 19:1 for Ireland³.

The Department considers the current student staff ratios challenge quality and have contributed to deterioration in the position of Irish institutions in international rankings. The adoption of a sustainable funding model will enable steps be taken to move back towards European and OECD norms in terms of staffing ratios. It will also support the sector in moving away from the scale of use of more precarious forms of employment arrangement, subject to DPER engagement.

Increased staffing profiles are necessary but insufficient on their own to guarantee quality outcomes. In addition to work which will be carried out at institutional level, national efforts will support a focus on enhancing quality, including through:

- Supporting collaborative improvements to teaching and learning through the work of the National Forum for the Enhancement of Teaching and Learning within the HEA, including in important areas such as the exploration of the role of teaching and learning in non-progression in particular disciplines.
- Increasing the impact of research via enhanced alignment with the ambitions of the new National Research and Innovation Strategy.
- In addition to reforming core funding and as a new policy measure for consideration, the introduction of a new fit-for-purpose, output-based academic contract in technological universities to facilitate the realisation of national TU objectives particularly with regard to engagement with industry, research output and commercialisation which will be developed and presented to DPER subject to agreement.

STRAND 2: DRIVE SKILLS AND ENGAGEMENT - WITH A PARTICULAR FOCUS ON ESSENTIAL PUBLIC SERVICES

To enable the system to deliver on the skills and talent needs of our society and economy, the Department and HEA will strengthen planning for provision, and alignment between the sector and the national skills architecture, including workforce planning for key public services.

The Department of Further and Higher Education, Research, Innovation and Science seeks to develop an agile and responsive skills systems which will react to the skills needs of the economy and society.

² https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary_education_statistics

³ <https://hea.ie/assets/uploads/2021/11/Insitutional-Profiles-2018-19-January-2022.pdf>

The OECD Skills Strategy project for Ireland is reviewing how the National Skills Strategy 2025 needs to be adapted to address current skills challenges and seize future opportunities. The project is reviewing four priority areas which are aligned with the reform priorities set out in this framework:

- Securing balance in skills through a responsive and diversified supply of skills
- Fostering greater participation in lifelong learning in and outside of the workplace
- Strengthening the governance across a joined up skills ecosystem
- Leveraging skills to drive innovation and strengthen the performance of firms

A well-resourced and unified knowledge and skills system is a critical national asset in responding to the rapidly changing world to which Ireland and its citizens must increasingly adapt.

The *National Digital Strategy* sets out an objective for Ireland to be a digital leader at the heart of European and global digital developments, building on the progress and adaptability demonstrated across society during the pandemic. The strategy recognises the requirement to promote the digital agenda effectively and coherently across all areas of Government policy and service delivery, and identifies Skills and the need to support talent and skills at all levels across the general population, workers and enterprise as one of the strategies key dimensions.

The Department of Further and Higher Education, Research, Innovation and Science is working with the Department of Enterprise, Trade and Employment on ambitions to further increase digital skills provision following the conclusion of *Technology Skills 2022* at the end of this year.

Skills for Zero Carbon was developed in the context of the need to urgently accelerate the transition to a Zero Carbon Economy, as reflected in the binding targets for emissions reduction over the next decade, and ultimately, carbon neutrality by 2050. The Expert Group on Future Skills Needs report outlines recommendations for consideration with regard to the overall delivery of the Climate Action Plan by 2030. DFHERIS will continue to work with colleagues across government to support the implementation of this plan.

The absence of an adequate core funding model in higher education has contributed to an unintended incentive for institutions to increase provision in certain disciplines at the expense of others, and to move towards much greater levels of international recruitment,

beyond the balanced approach envisaged in Ireland's international education strategy. This is particularly apparent in health and social care disciplines.

Realignment of the recurrent funding distribution model in terms of targeted student weightings and fee rates, informed by appropriate costing data for the sector, is critical to facilitate appropriate targeting of provision towards skills needs.

A particular focus will be put on cross governmental engagement and workforce planning to ensure, in collaboration with professional regulators, an appropriate pipeline of suitably qualified individuals to enable the delivery of essential public services and other Government priorities. This will be crucial for ensuring the successful delivery of critical government priorities including Sláintecare, Housing For All, teacher supply and the Climate Action Plan.

As an example, in the healthcare area, Ireland has made a commitment to implement the 2010 WHO Global Code of Practice which entails increasing the domestic production of health workers and reducing the current reliance on overseas recruitment. Health workforce planning by the health authorities meet future health needs of the population. This workforce planning can then move Ireland towards self-sufficiency in the production of healthcare graduates. The Department of Further and Higher Education, Research, Innovation and Science is working closely with the Department of Health on the Health & Social Care Workforce Planning Project being completed with technical assistance through the DG REFORM of the EU Commission. This work will supplement the ESRI "Hippocrates" model of demand for healthcare services.

In the medium term, a focus on lifelong learning, supporting part-time and blended provision and micro-credentials will facilitate the ongoing adaptation of skills to areas of particular need and allow more flexible access by more diverse learners to higher education. The UNESCO Institute for Lifelong Learning argues for "a learner-centric, demand-led approach to education that enables learners of all ages and backgrounds to co-design actively and use any learning process and its outcomes to achieve their full potential".

The lifelong learning rate in Ireland stood at 14.7% in Q4 2019. Government has set a target of 18% by 2025 in its Future Jobs initiative.

Ensuring the availability of a variety of upskilling programmes to meet different learner needs will continue to be important. Consideration will be given to the potential mainstreaming of successful Human Capital Initiative Pillar 3 projects.

The expansion of supports provided to fulltime undergraduate students to part time and lifelong learners, as recommended in both the Economic Evaluation and Student Grant Scheme Review, represents a significant multi-year project but one with the potential to transform how lifelong learning is viewed and accessed.

STRAND 3: ENHANCING STUDENT PARTICIPATION AND SUCCESS WITH A FOCUS ON UNDER-REPRESENTED GROUPS

Notwithstanding significant progress which has been made in enhancing access, analysis of Deprivation Index Score (DIS) data shows that in 2018/19, only 10% of the student population in Ireland came from disadvantaged areas. There is significant variation in the socio-economic profile of students across disciplines and levels of study. There are similar challenges for other cohorts of people who are traditionally under-represented in higher education.

Inclusion is one of the core strategic goals for the Department, and the ongoing development of the new Strategic Action Plan for Equity of Access, Participation and Success in Higher Education fits with the ambition of the Department to ensure that we provide supports and opportunities for learning to all. Critically, the plan will be underpinned by an evidence-driven approach.

This Plan will build on the vision of previous plans, and will set out an ambition “that the higher education student body entering, participating in and completing higher education, at all levels and all programmes reflects the diversity and social mix of Ireland’s population, and that our higher education institutions are inclusive, universally designed environments which support and foster student success and outcomes, equity and diversity and are responsive to the needs of students and wider communities.”

Working with priority groups the Department and the HEA continue to develop effective supports and interventions. Barriers to access and successful participation in higher education and research can be complex and multifaceted. The contribution to enhanced access over the medium term of additional supports for part time and lifelong learning will also be considered.

A broader focus beyond access will be taken to include successful participation and outcomes, across all programmes and all levels of higher education. The Department, in collaboration with the National Forum for the Enhancement of Teaching and Learning, will promote universal design for learning and student success.

STRAND 4: CREATE A UNIFIED KNOWLEDGE AND SKILLS SYSTEM WHICH IS BALANCED AND INTEGRATED

To enable a coherent, comprehensive and balanced range of learning opportunities, an integrated and balanced tertiary education and research system will be developed.

This approach will seek to unify the existing further education, higher education and research sectors, while supporting the distinct purpose and contribution of each element. The enhanced overall system will present a more comprehensive and complementary range of choices to facilitate learners, researchers and innovators to seek opportunities to develop and adapt in ways that are best suited to their talents, motivations and potential.

The system will be characterised by clear and extensive pathways for learners, and an expansive qualifications frameworks aligned to current and future knowledge and skills needs.

The Programme for Government (2020) contains a commitment that apprenticeships will become a much larger part of this system, and the Action Plan for Apprenticeship sets out a vision for a flexible and responsive system delivering sought after qualifications across both private and public sectors. Government is committed to public service leadership in the area of apprenticeships, with a target of annual recruitment of 750 public service apprentices by 2025.

The OECD Skills Strategy project for Ireland is reviewing how the National Skills Strategy 2025 needs to be adapted to address current skills challenges and seize future opportunities. The project is reviewing four priority areas which are aligned with the reform priorities set out in this framework:

- Securing balance in skills through a responsive and diversified supply of skills
- Fostering greater participation in lifelong learning in and outside of the workplace
- Strengthening the governance across a joined up skills ecosystem
- Leveraging skills to drive innovation and strengthen the performance of firms

A well-resourced and unified knowledge and skills system is a critical national asset in responding to the rapidly changing world to which Ireland and its citizens must increasingly adapt.

STRAND 5: ADDRESS COST AS A BARRIER TO HIGHER EDUCATION AND IMPROVE STUDENT SUPPORTS

Work under this strand will inform the progressive implementation of measures to address costs as a barrier to education, within the overall context of Government policy towards costs of living and other relevant strategies including those related to access and participation in education. Subject to resources available to the Department, the Minister intends to do this through enhancement of student supports and annual reviews of the cost of going to Higher Education. Measures in this area will take account of the strategic priorities set out in the Student Grant Scheme Review, including increasing supports for postgraduate study.

To contribute to an evidenced-based and strategic approach to implementation, beginning in 2022, an annual options assessment for measures including student contribution changes and SUSI grant scheme changes will be developed, with a view to informing the annual budgetary process. This will identify costs and potential impacts, based on an assessment of economic forecasts by the Department. This assessment will be published without prejudice to eventual Government decisions as currently takes place, for example with the papers of the Tax Strategy Group. Prioritisation and consideration of changes to the scheme will be considered and progressed by the Minister through the annual estimates process.

This annual options process will consider progress on incremental implementation of the following measures:

- Increasing the level of the student grant (an increase of 25% from 2021 maintenance rates, as recommended in the Student Grant Review, would cost €43.6m). This could include interventions targeted at the most disadvantaged, for example those on the special rate of grant. Budget 2022 took significant steps to commence addressing the aforementioned gap as all student grant maintenance payments, including the special rate of grant, will be increased by €200 per year, effective from the start of the 2022/23 academic year. A further increase on these agreed increased supports is estimated to cost circa €30m.
- Reviewing income thresholds for the student grant to account in recognition of the cost of living
- Annually reviewing the student contribution rate, with the policy intent that any changes will not impact on the overall core funding position of the higher education sector which benefits annually from €248 million (exclusive of contributions paid on behalf of students via SUSI) in income from this source
- Expanding the grant eligibility thresholds to ensure that more students are exempt from the student contribution.
- Further extending maintenance supports to low-income postgraduate students. (The Student Grant Review estimates that increasing maintenance to the same level as undergraduates and extending fee supports to a maximum of €6,270 for those eligible

for SUSI would cost €26.2m.) Assessment of measures could include targeting at the most disadvantaged in the first instance.

In addition, over time, the annual options assessment will also consider progress on other strategic priorities, particularly the extension of supports to enable more flexible forms of learning including blended/online and part-time, and simplification of the student grant system to make it more learner-friendly.

Part Four: Implementation of the Funding and Reform Framework

Implementation approach and structures

The Minister for Further and Higher Education, Research, Innovation and Science will convene a higher education policy and reform implementation and review Group to provide guidance to the Department in the rollout of the Funding and Reform Framework. This group will comprise membership from sectoral, enterprise, societal and Government/agency representatives, to ensure ongoing consensus on the outcomes required from the higher education system and to oversee progress against identified reforms to take place alongside implementation of the funding model.

It is envisaged that the group will meet four times a year. Sub-groups will be established (including one involving sectoral stakeholders on the development of funding systems) and take forward key workstreams. Terms of reference will be developed and published by the Department. Membership may include:

- Chair - Minister for Further and Higher Education, Research, Innovation and Science or nominee
- Deputy chairs (appointed by the Minister for Further and Higher Education, Research, Innovation and Science)
- And representatives from the following Organisations:
 - Department of Further and Higher Education, Research, Innovation and Science
 - Department of Education
 - Other relevant Departments
 - DFHERIS Agencies
 - Sectoral representatives
 - Student and Learner representatives
 - Enterprise sector representatives
 - Representatives of staff

Appendix 1 - Recommendations of the Economic Evaluation

1. Measures should be implemented to reduce underutilisation of human capital while also tackling under-education in certain groups in Irish society.
2. The HE and FET systems should be strongly encouraged and supported to continue to respond to the significant shift in future labour market requirements towards high skilled employment and the rapidly changing needs of emerging sectors and technologies.
3. Resources should be allocated to further strengthen predictions of demand for skills and qualifications on an integrated and cohesive basis.
4. Investment and a strong additional emphasis should be given to putting in place seamless pathways between and further and higher education.
5. Flexible and responsive education and training measures should be introduced as a priority to reskill those who have lost employment during the COVID-19 pandemic.
6. Employers should have an enhanced role in shaping and delivering the education and training system to reflect the prioritisation of human capital development and to secure greater socio-economic equality.
7. A sustainable model of financing for the HE and FET system should be prioritised to support the future development of the HE and FET systems in meeting the economy's human capital and skills needs.
8. The Irish Government should ensure that the appropriate level of HE provision is determined with sustainable and adequate resources available to support high quality higher education in Ireland.
9. The Government should decide how the funding gap will be addressed.
10. The Government should increase and extend maintenance and fee support.
11. Consideration should be given to a 'hybrid' model of higher education fees and funding in Ireland.
12. The application of means-testing for the provision of student support should be improved.
13. The student support system should be simplified.
14. The Government should develop and implement a rigorous long-term data strategy and infrastructure for the collection of higher education data.

Appendix 2 - Independent Review of the Student Grant Scheme

Conclusions

1. The Student Grant Scheme is the main financial support scheme for students studying in further & higher education in Ireland
2. Ireland has achieved high levels of participation in further and higher education
3. Cost of living for students has increased by 25% due to higher rents
4. The Student Grant Scheme covers one-third of undergraduates' expenditures and 29% of postgraduates'
5. Large majority of recipients unlikely to have pursued studies without scheme grant support
6. The need to work can impact a student's studies. For this reason, a limit is placed on holiday earnings deductions under the scheme. Many courses of a duration of 1 year or more are eligible for scheme support
7. Significant minority of students would have considered studying part-time if grants were available
8. Students whose normal residence is far from college report greater financial difficulties
9. Financial supports in FET largely built around social welfare entitlements
10. Many European student support schemes cover both FET and higher education
11. The SUSI scheme is complex, and many find it difficult to understand
12. Student support systems across Europe are highly varied

Recommendations

	Recommendation	Timescale for implementation
1	Increase student maintenance grant rate levels targeting those most in need	Medium-long term
2	Adjustments should be made to adjacency criteria	Short-medium term
3	Adjust income thresholds to account for inflation	Ongoing
4	Extend supports to more flexible forms of learning including blended/online and part-time	Long term

5	Investigate the potential to streamline the approach to providing financial supports in FET and HE	Long term
6	Further extend supports to low-income postgraduate students	Medium term
7	Develop and implement a comprehensive data plan for further and higher education in Ireland	Long term
8	Targeted communication aimed at NAP groups	Short term