



Submission to Oireachtas Special Committee on Covid-19

1. Introduction

The Irish Universities Association represents the seven universities – Dublin City University, Maynooth University, NUI Galway, Trinity College Dublin, University of Limerick, University College Cork and University College Dublin. More than 130,000 students are enrolled in our universities representing almost 60% of undergraduates and 80% of post-graduates in Irish third-level education¹.

Our universities account for 83%² of all Research and Development expenditure in higher education. The total annual contribution by the universities to the Irish economy is close to €9billion. They employ approximately 16,000 staff with a further 6,000 jobs indirectly supported. They are centres of economic and regional growth with key industry clusters such as ICT, pharma, agri-food and med-tech centred around or closely linked with our university network.

This submission, as requested, is divided into two parts. The first deals with the range of impacts arising from Covid-19 across the university sector. The second deals with the universities response to the replacement of Leaving Cert 2020 with a system of calculated grades.

Covid-19 Challenges and Responses in Irish Universities

2. Universities as Crisis Responders

Our **universities have played a leading role in support of the national response to Covid-19** through the provision of expertise, testing capacity, facilities, contact tracing and virus research. This includes:

- Providing medical and other professional expertise;
- Leadership roles on key national response expert groups;
- Facilities and resourcing of key infrastructure such as contact tracing centres;
- Enhancing Covid-19 testing capacity and virus research;
- Training and support services to the health authorities;
- Secondment and re-assignment of staff to essential services.

A full schedule of our extensive contribution can be seen [here](#).

¹ HEA Facts and Figures

² Indecon International Economic Consultants, Assessment of the Social and Economic Impact of Irish Universities, 2019

3. Rapid migration to remote teaching and assessment

The challenge of maintaining continuity of academic programmes given the rapid onset of the Covid-19 crisis was formidable. ***The over-riding objective of universities was and is to ensure that the quality and integrity of programmes for our students is maintained*** in the transition to the online / remote learning environment. Our academic and support staff have done a remarkable job in successfully transitioning, not just the teaching and learning, but also the end year assessment across the full range of programmes.

Given the almost impossible timeframe for the transition, the result has been well executed with generally positive feedback from students. It should be noted, nonetheless, that what has been achieved is a temporary transition of the last part of an academic year programme. The relative success of this should not in any way diminish the challenge of a more sustained or long-term remote learning scenario for either staff or students.

Plans are now at an advanced stage to roll out a blended learning programme for the next academic year in view of the likelihood of continued public health restrictions. This poses significant challenges for our universities as is the case across the education sector. The IUA is currently working with the Higher Education Authority and the Department of Education and Skills to develop guiding principles for re-opening campuses and to enable the maximum possible level of student engagement on-campus in a safe environment.

The implementation of social distancing and other public health measures over a prolonged period will result in additional costs for all universities. Investment is also required on digital infrastructure to effectively implement a robust blended learning solution.

4. Covid-19 financial impact on universities

As with virtually every part of Ireland's social and economic life, Covid-19 has had a major negative impact on universities. The level of financial impact on universities is disproportionately greater than in other sectors of education due to the fact that the revenue buffers developed to offset the decline in funding during the financial crisis, i.e. international fee income and commercial revenues, have been decimated by the Covid-19 crisis.

The cumulative net loss of revenue for the seven universities is in the order of €328m across our seven member universities in the financial years 2020 and 2021.

The largest contributors to this are:

- An estimated €181m in lost fee income from international (non-EU) and EU students;
- A decline of €37m in revenue from rental of on-campus accommodation;
- A drop of €79m in commercial revenues arising from the closure of key tourism / event facilities such as Book of Kells, The Helix etc. and other commercial and ancillary activities such as Sports Centres;
- €30m in additional costs due to the major disruption of research activities.

Universities have responded to the financial challenge by initiating a cost reduction programme where possible. Contract staff in subsidiary companies in some universities have regrettably been laid off. Budget savings are being identified in the current and next financial

year. However, given the strained financial position that universities are already operating in, there are limitations on the extent of savings from discretionary budgets. It should be noted that the number of permanent staff and the pay rates for all staff in universities are set by government. This accounts for up to 70% of operational budgets so the potential for university management to achieve significant savings is curtailed.

Our universities have submitted detailed financial projections for 2020 and 2021 to the Higher Education Authority. These projections, based on current estimates, show that all universities will incur substantial financial deficits by 2021 unless funding mitigation measures are provided. **The combined projected deficits in 2020 and 2021 for the seven universities is close to €300m.** It should be noted that the combined borrowing of the universities now exceeds €800m, mainly from the European Investment Bank. The capacity of universities to service these loans or to draw down further tranches of loans to cover projects already underway will be severely curtailed without funding assistance.

5. International student income impacts

The seven IUA universities account for nearly three-quarters of the international students in third-level in Ireland. This 17,000 strong cohort of students generate tuition fee income of €216m per year³ and generate €386m in total export earnings to the Irish economy. The fee revenue is split at approximately two-thirds for undergraduates and one-third for post-graduates.

International student fee revenue is particularly important in that, given the significant cumulative reductions in state funding to the university sector over the last decade, this income is used to cross-subsidise the costs of Irish students. Without the income from international students, the universities will be unable to offer the same quality and experience to our domestic students.

However, this hidden gem of the Irish exports story has been severely impacted by Covid-19. As outlined above, **we estimate a direct loss of revenue in this year and next of €181m.** It will require a concerted effort to recover this lost business even after the Covid-19 travel restrictions are lifted. Non-financial supports in the form of a more flexible visa processing regime, where much improvements have been made in recent years, are essential to support the recovery of the international student business.

6. Universities as Partners in the Recovery

Our universities play a central role in the economic, social and cultural life of the nation. They feed the talent pipeline for the growing knowledge economy. They are centres of creativity and learning. They generate cutting-edge research and innovation. They nurture culture, heritage and sports. They support communities and regions and are key employers with over 16,000 staff catering for more than 130,000 students.

It is essential that the capacity of the universities to maintain this level of contribution to the economy and society is underpinned in a national recovery programme. In the aftermath

³ Indecon International Economic Consultants, Assessment of the Social and Economic Impact of Irish Universities, 2019

of the last financial crisis, the availability of a highly-skilled workforce and the legacy of a strong research and innovation base was crucial to the recovery. Universities have demonstrated their capacity to play a key role in:

- Developing the skill base;
- Providing access opportunities for disadvantaged groups;
- Fuelling economic growth by supporting job creation;
- Partnering with industry in leading-edge research and innovation;
- Supporting key public services such as the health sector as the Covid-19 response has shown;
- Delivering capital projects that are essential for Ireland's future.

7. Building our Capacity as Partners

A range of measures are required to help universities recover from the Covid-19 financial shock and to be positioned as key enablers of the economic recovery by developing the talent base and research and innovation base of the nation. We have proposed a balanced range of measures as follows:

7.1 Stability: A €230m **Stability Fund** to provide targeted support for students and their families in the aftermath of the crisis focused on enhanced Access programmes, improved Susi grant and well-being supports. The Fund should also be used to address the dramatic fees loss from international students and to stabilise university finances. We propose:

- ❖ €85m for an enhanced Access programme for students from disadvantaged background and for increases in Susi grant support given the likely increase in students / families who will be unable to attend third level without such supports. Additional funding for welfare / mental health supports for students is also critical.
- ❖ A €125m allocation in 2020/21 is sought to offset the expected drop in international students and associated fee income. This may be in the form of direct financial supports or soft loans to give universities the capacity to trade out of the cliff-fall in international fee income.
- ❖ A €20m marketing fund is needed to drive the recovery of the international student business as travel restrictions are lifted. This should be spear-headed by Education in Ireland, the education section of Enterprise Ireland.

7.2 Transformation: Ireland can only make a successful recovery if we continue to compete successfully in high-skills sectors such as ICT, pharma and med-tech. This is essential to maintain our position as an FDI destination of choice in Europe. Universities have a key role to play in this. We propose the establishment of a **Transformation Fund** to support an enhanced skills development programme and to provide capacity for the known demographic growth of up to 30,000 in student numbers over the next decade.

- ❖ An additional €100m per year should be allocated to this with funds drawn from the reserves that have been built up in the National Training Fund.
- ❖ A designated restructuring budget of €50m per year over 5 years is required to support HR transformation with enhanced flexibility and agility for universities.
- ❖ €180m is proposed in capital funding on top of the capital programme for third level under Project Ireland 2040 to develop our digital capacity and infrastructure.

7.3 **Research & Innovation:** The pandemic has demonstrated in stark terms the fundamental value of science and knowledge. We need to ensure that our R&D system is adequately resourced if we are to meet the even greater societal and economic challenges we now face. Universities are central to this. An expanded and focused **Research and Innovation Fund** is needed. Investment in research innovation has consistently lagged behind our key global competitors with State investment in R&D at 0.95% of total government expenditure as against an EU27 average of 1.3%.

- ❖ A special research recovery fund is required to offset the costs incurred during the crisis shutdown. A fund of €15m per month of shutdown is needed. In addition, the costs being incurred by universities to support the pandemic response should be reimbursed by central government.
- ❖ Underpin the future talent and innovation pipeline by ring-fencing research funding for foundational or discovery research. A multi-annual programme of investment is required with an additional €50m per year in 2020/21 rising to an extra €80m per year by 2025;
- ❖ Create a fully independent Scientific / Research Advisory Council to ensure that government policies and decisions are informed by the best scientific evidence and strategic long-term thinking;
- ❖ Introduce a multi-annual programme of investment in the maintenance and renewal of outdated research equipment and infrastructure so that our leading researchers are equipped with the required current technologies. An annual €30m fund is proposed.

Apart from funding issues, there is a growing body of evidence that the pandemic and its resultant effects are disproportionately affecting female researchers, particularly due to caring responsibilities. While publication submissions and grant proposal submissions are in general increasing during the lockdown, the number of publication and proposal submissions from females is declining. Monitoring such trends is key to be able to provide appropriate mitigation in order to ensure that we support a gender-balanced research system.

8. Student Accommodation – Impact and Challenges

We have outlined above the financial impact of the loss of revenue to universities for student accommodation which we estimate at €37m up to the end of 2021. It is clear that:

- Summer rental of student accommodation will be impossible or extremely limited as long as public health restrictions remain in place.
- Rental income during the academic term will be severely curtailed due to social distancing requirements for the foreseeable future.
- The costs of servicing and maintaining student accommodation are likely to increase in order to provide for social distancing and enhanced cleaning measures.

The seven universities currently provide approximately 15,000 bed spaces. Plans have been developed to build up to 7,000 additional spaces. This building programme is an important component of the national response to the housing crisis. Those plans are at risk due to the financial constraints arising from Covid-19. It is essential that necessary measures and supports are put in place by government in order to safeguard the student accommodation building plans in the short to medium term.

Leaving Certificate 2020

9. Process around calculated grades

The Irish Universities Association (IUA) welcomed the Minister's announcement in early May that the 2020 Leaving Certificate examinations would be replaced by a system of calculated grades. Given the Covid-19 situation, we believe this is the best way to proceed, and that it provides certainty to students in terms of ensuring State Certification for the end of their senior cycle education. It also allows them to make plans for third level or other progression opportunities. We note that many other European countries have had to take a similar approach, in the best interests of their students, teachers and school communities.

In the interests of Leaving Certificate students and broader educational and societal stakeholders, the IUA has worked with the Department of Education and Skills around the implementation of the 2020 Calculated Grades process, to ensure maximum alignment possible with the university admissions processes.

10. Non-school students

The IUA has liaised closely with DES and the State Examinations Commission regarding the situation facing students who in 2020 were either studying an additional Leaving Certificate subject outside of the school system or were external candidates with no link to any second-level school. In particular, we have sought to understand how these students can receive a Calculated Grade for these 2020 Leaving Certificate subjects.

While the universities' role is not and cannot be to provide an alternative to the DES Calculated Grades process, we do wish to ensure that any students in these two categories should not be penalised for the purposes of satisfying university matriculation requirements.

University matriculation requirements are the minimum entry standards which students must meet for a place at that university. It is a separate and distinct process to obtaining the points needed to be offered a place. Depending on the university, matriculation requires obtaining an H7 / O6 in a small number of specified subjects⁴.

From liaising with the DES Executive Office for Calculated Grades, our understanding is that the number of students who will not receive a calculated grade in a subject required for matriculation purposes is likely to be low, no more than 1% of the total number of students.

Following full consideration of this issue by the University Registrars/Chief Academic Officers, and pending confirmation of more detailed numbers from the Executive Office for Calculated Grades, the universities have provisionally agreed to exceptionally grant matriculation waivers for the students who this year find themselves in this situation. It should be stressed that this waiver will be granted solely for matriculation purposes, not for any additional programme requirements over and above the matriculation requirements, and cannot be used for points purposes.

We expect to be able to be in a position to finalise this agreement in advance of the CAO Change of Mind deadline on 1 July, with the aim of reassuring all students who may find themselves in this difficult situation.

11. Impact on CAO system and third-level admissions

We have publicly confirmed on a number of occasions that ***the universities will accept the new 2020 Leaving Certificate calculated grades for admission in the same way as the Leaving Certificate in other years.*** The 2020 calculated grades will likewise be processed by the CAO in the same way as other years.

We will likewise continue to accept all State-certified end of school results based on calculated grades from other European countries in 2020 (including from the United Kingdom), in the same way as in other years.

We note that the Department of Education and Skills has not yet confirmed a date by which the calculated grades will be made available to the CAO, but we are working on the assumption that the normal timeframe for this will be followed, so that the CAO process can take place at the expected time. We are working with the CAO to ensure that this is possible, and so that we can welcome over 25,000 new students into our universities this autumn.

⁴ For the NUI Constituent Universities and other NUI recognised and linked colleges, Matriculation requirements include Irish, English and a third language for most degree programmes, and Mathematics and a Science for others; for Trinity College Dublin, matriculation subjects include English, Mathematics and a language other than English; for DCU, English or Irish, and Mathematics. Full details are available on each university's website.

12. Supporting students

The Covid-19 situation risks deepening existing levels of disadvantage across Irish society in general and, in particular, in education. We would also like to highlight the importance of ensuring that students from disadvantaged backgrounds are adequately supported in their progression to higher education. Many families are experiencing loss of employment or reduced incomes, and students themselves will have few opportunities for part-time work this summer and during the coming year.

We understand from DES that there has already been an increase of 15% increase in SUSI applications compared to this time last year. ***These students must be supported and the requisite State funds provided to enable their successful participation in higher or further education, and their onward progression into the labour market.*** The alternative is that they lose their opportunity to advance and end up being supported through another branch of the State at considerably greater expense.

We understand that every extra 1,000 students supported on SUSI costs approximately an additional €5m. These funds need to be secured immediately as part of the overall investment in our young people who are the talent base for the future growth and development of the economy. For the vast majority of study disciplines in third level, there are ample places available in our universities and institutes of technology. However, there is a risk that some students may not be able to take up these places without the necessary supports.

Irish Universities Association

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