

# Strong Universities for Strong Communities

OCUFA's 2023 Pre-Budget Submission  
February 2023

# OCUFA

Ontario Confederation of University Faculty Associations  
Union des associations des professeurs des universités de l'Ontario

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Ontario Confederation of University Faculty Associations (OCUFA)

The Ontario Confederation of University Faculty Associations has been the provincial voice of university faculty since 1964. OCUFA represents over 17,000 professors, academic librarians, and other academic professionals in 30 member organizations across Ontario.

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# Table of contents

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**Introduction .....2**

**Funding solutions: Summary of recommendations.....3**

- ▶ Pillar 1: Flourishing regional and local economies
- ▶ Pillar 2: Red tape reduction
- ▶ Pillar 3: Increase access to post-secondary education
- ▶ Pillar 4: Reliable and good employment

**Risks in the current funding landscape.....4**

- ▶ Over-reliance on tuition fees and privatization
- ▶ International student tuition as a substantial source of funding
- ▶ An ineffective and harmful funding model
- ▶ Over-reliance on contract faculty: a flawed and inequitable approach

**Opportunities in the current funding landscape .....9**

- ▶ A more equitable and sustainable model
- ▶ Investing in university research and special purpose grants
- ▶ Reliable and good employment
- ▶ Investing in a sustainable, high-quality public university system
- ▶ Sexual violence prevention education

**Solutions and recommendations ..... 14**

**Conclusion..... 15**

# Introduction

Ontario's renowned public universities—proudly supported by dedicated and world-class academic staff—are indispensable public institutions that nurture human development through education, community development, and fostering ground-breaking research that drives innovation. University education is proven to provide enhanced economic status and higher paying jobs.

Government commitment to postsecondary education is essential for sustaining universities and their contributions to Ontario's economic, social, and cultural health. And in a shifting economy, this commitment to funding is more important than ever.

Strong universities are foundations that underpin strong communities. Our public universities are also key foundational economic engines in local and regional economies. Atop these foundations sit four conceptual pillars that, if strengthened, will keep our communities thriving:

## **Pillar 1: Flourishing regional and local economies**

*Boosted research will drive innovation and enhance community standing.*

## **Pillar 2: Red tape reduction**

*Minimizing bureaucratic processes increases funding for additional community projects and services.*

## **Pillar 3: Increase access to post-secondary education**

*More community members with access to education will create and protect jobs and benefit local and regional communities.*

## **Pillar 4: Reliable and good employment**

*Communities will thrive because of stable and fair working conditions, increasing worker retention and lowering recruitment and re-training costs.*

Public funding for Ontario's universities is at a record low. Ontario is dead-last in Canada in per capita funding of its universities. The biggest impact is felt at the community level, damaging the province's reputation as a world leader in post-secondary education.

We have an opportunity to change that. We can put Ontario on a winning path that prioritizes quality public education for students, fosters innovative research, and promotes fairness for the province's contract faculty, all in the name of **strong** communities.

# Funding solutions: Summary of recommendations

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## Pillar 1: Flourishing regional and local economies

1. **Increase per-student funding by \$615 million in 2023-24** to improve Ontario's ranking—from last—in Canada.

## Pillar 2: Red tape reduction

2. **Reverse the performance-based funding scheme** and return to an enrolment-based funding model in the next round of Strategic Mandate Agreements (SMAs).

## Pillar 3: Increase access to post-secondary education

3. **\$12.5 million** investment in the Bilingualism Grant to offset inflation since 2007-08.
4. **\$6.5 million** investment in the Northern Ontario Grant to offset inflation since 2002-03.
5. **\$1.5 million** investment in Indigenous education and training to offset inflation since 2009-10.
6. **\$5 million** investment in 2023-24 in Ontario's research funding to enhance the province's ranking by one, followed by future investments totalling \$1 billion to bring provincial research funding into line with the rest of Canada average.

## Pillar 4: Reliable and good employment

7. **\$300 million** investment to support the hiring of additional full-time tenure-stream faculty to improve student outcomes and represent the diversity of the student body.
8. **Establish a faculty renewal strategy** that includes limiting the number of precariously hired academic workers and providing incentives for hiring full-time tenure-stream positions. To make informed decisions, Ontario must create data collection incentives on contract faculty and other equity and diversity markers in faculty recruitment and retention.
9. **Withdraw the Bill 124 appeal** and respect the court decision to allow free and fair collective bargaining across Ontario universities.
10. **Allocate new funding** to create or improve campus sexual violence prevention education programs.

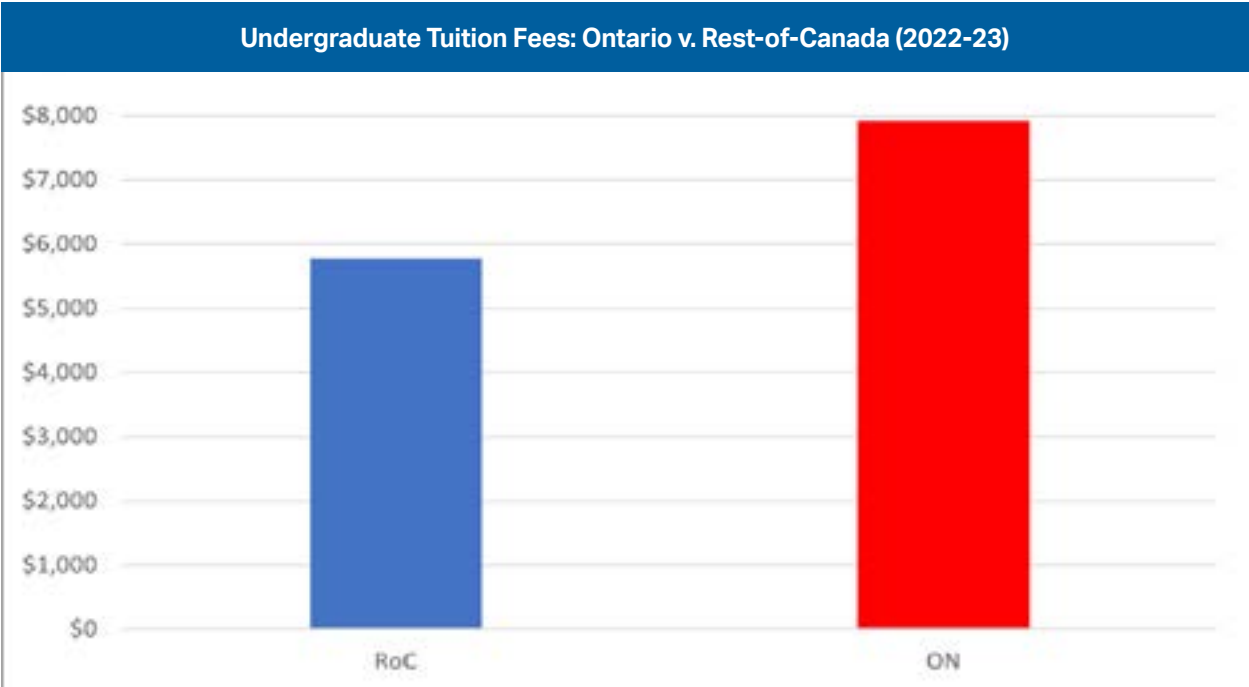
# Risks in the current funding landscape

## Over-reliance on tuition fees and privatization

The decline of per-student funding in Ontario has put increasing pressure on universities to raise tuition fees to bridge the financial gap.

As of 2016-17, tuition fees surpassed public funding as the single largest source of university revenue at Ontario universities. By far the highest amongst all Canadian provinces, student fees currently supply 58 per cent of Ontario universities' operating income. This figure was only 20 per cent in 1990, demonstrating an increasing reliance on user fees and the gutting of the public funds provided to universities over the past three decades. Even when revenue from rising tuition fees is accounted for, Ontario still ranks low in per-student funding figures, the current funding model is both ineffective and, importantly, unsustainable.

Since 2010, Ontario's undergraduate fees have increased by 25 per cent. The province's fees are 35 per cent higher than the average for rest of Canada. Even more egregious are Ontario's graduate and international tuition fees, which are currently, and respectively, 61 per cent and 62 per cent higher than the average for the rest of the country.

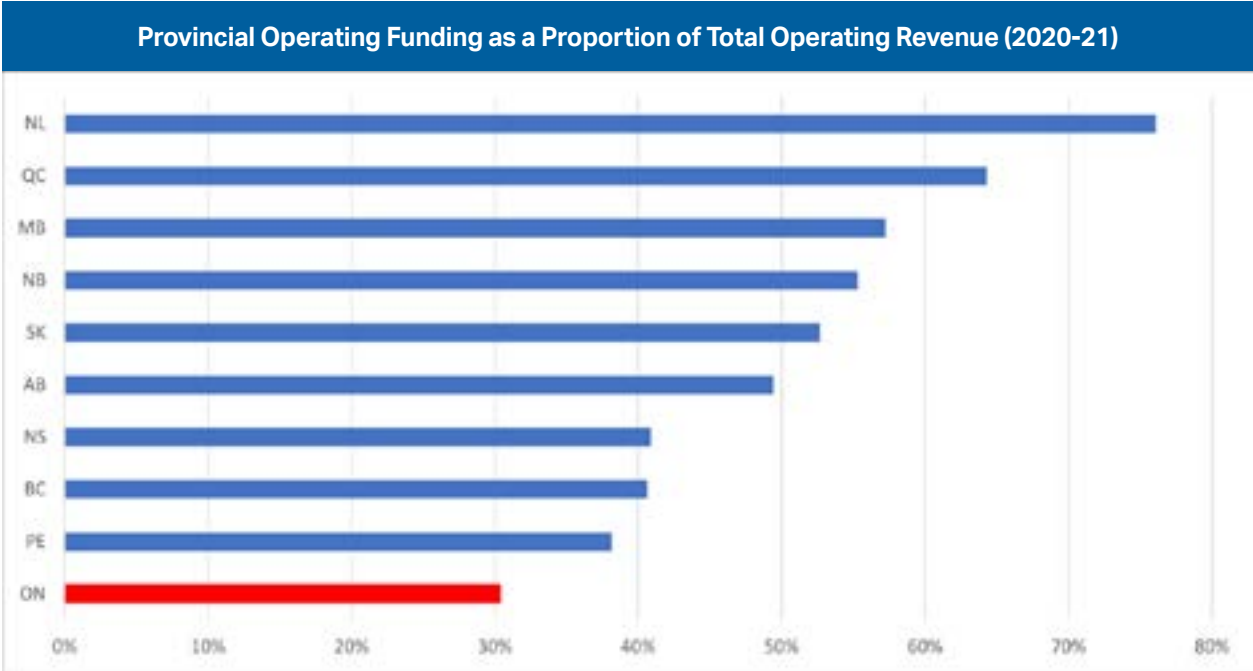


## International student tuition as a substantial source of funding

The continuous divestment of provincial resources from public postsecondary education and the lack of regulation of international tuition fees has made Ontario universities increasingly and questionably dependent on international student recruitment and fees. And this dependence is untenable at many Ontario universities.

According to a 2021 Statistics Canada report,<sup>1</sup> from 2018 to 2020, there was a 13.7 per cent increase in international student enrolments at colleges and universities, while domestic student enrolment declined by 0.9 per cent. The past decade follows a similar trend. From 2008 to 2018, domestic enrolment in formal programs increased by 10.9 per cent, while the growth in international student enrolment more than tripled, resulting in international student enrolment accounting for 57.2 per cent of the total growth in all program enrolment in that period.<sup>2</sup> In Ontario, international enrolment has increased by close to eight per cent between 2016 to 2021.

As of 2017-18, international tuition fees make up 17 per cent of the total operating revenue of Ontario universities, only partially offsetting the cost of the eroding public funding in our postsecondary system.



The increasing over-reliance on international student fees threatens the sustainability and predictability of university funding in Ontario. For example, in 2018, Saudi Arabia ordered all its postsecondary students out of Canada as a result of a diplomatic dispute. More recently, the COVID-19 pandemic limited the ability of international students to travel to Canada. Dependence on student fees, in particular international fees, is an unreliable and destabilizing model of funding for public universities.

1 <https://www150.statcan.gc.ca/n1/daily-quotidien/211124/dq211124d-eng.htm>

2 <https://www150.statcan.gc.ca/n1/daily-quotidien/201125/dq201125e-eng.htm>

High tuition fees create barriers to entry to public universities and perpetuate social inequities. Students are increasingly being burdened with decreased access to financial assistance, costlier loans, and higher amounts of debt. When university education becomes unaffordable, students from low-income backgrounds are forced to choose between significant debt or no university education. And should they enroll, basic necessities, such as housing and food, become unaffordable. Low-income and middle-income students accrue crushing debt that is relatively more challenging to tackle after graduation. This debt perpetuates cycles of poverty, making it harder for these students to improve their economic status and achieve financial security.

OCUFA has long argued that tuition fees are a barrier to access that prevent students from pursuing a postsecondary education. Tuition should not be relied upon as a foundation for university funding. OCUFA supports the call from Ontario's students' unions for a reduction in tuition fees with a simultaneous increase in public funding for the province's universities.

OCUFA strongly believes that university funding, tuition fees, and financial aid be assessed as part of a unified funding system. These funding elements viewed in isolation of each other would produce fragmented and contradictory policies. While OCUFA strongly advocates for the reduction of tuition fees in Ontario, any such reduction must be accompanied by a corresponding increase in government funding.

## **An ineffective and harmful funding model**

In April 2019, the Ontario Government announced a drastic shift in the enrolment-based university funding model towards an outcomes and market-based approach that would tie 60 per cent of postsecondary funding (over \$3 billion across all universities and colleges) to a set of performance metrics, most of which these institutions have little to no control over. This dramatic and potentially destabilizing shift follows years of stagnant public funding for postsecondary education in Ontario.

Faculty across Ontario are deeply concerned about the impact of this funding model on the province's postsecondary education system.

A wide body of research shows that performance-based funding is highly flawed. This funding model is incapable of credibly reflecting or evaluating the breadth and depth of a student's education, the long-term benefits of basic research projects, or the contributions of faculty or staff members.

Performance-based funding incentivizes universities to prioritize short-term gains at the expense of academic quality and student well-being. This model can also have a negative impact on institutions that serve disadvantaged populations, who may not have the same resources or support systems as more affluent institutions and may struggle to meet performance metrics.

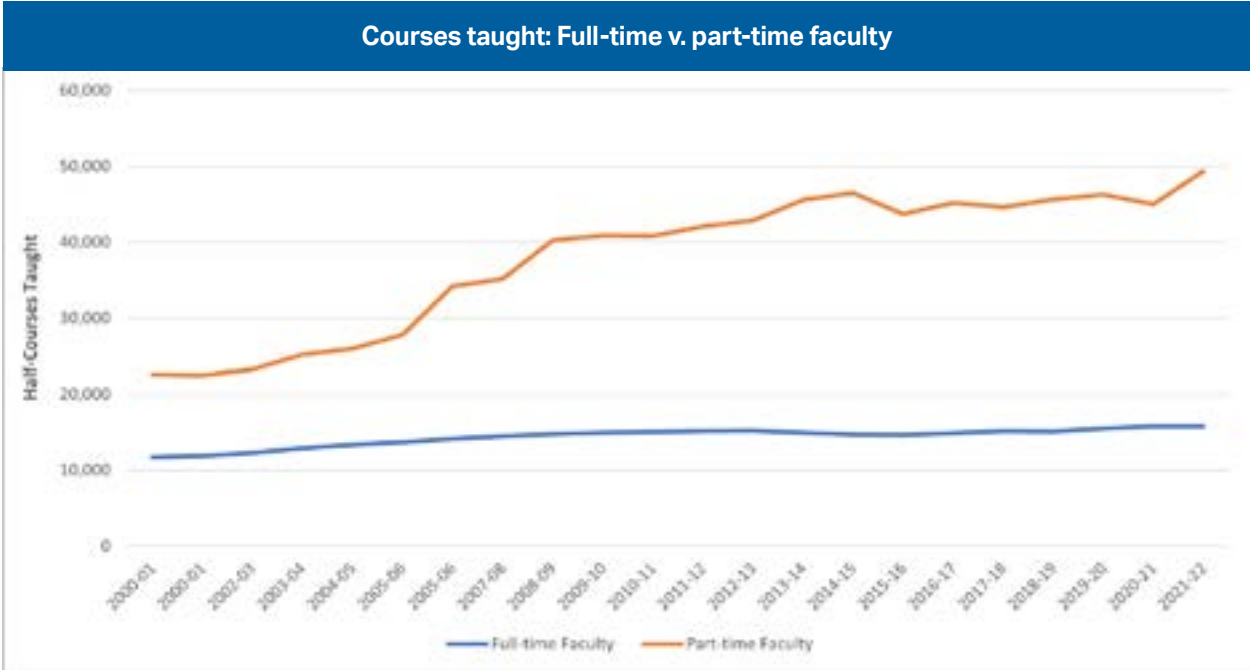


By design, performance-based funding rewards institutions that meet specific targets while penalizing those that do not. In doing so, this model withholds vital funding that improves educational outcomes from the institutions that need it the most. Rather than encouraging institutions to improve in areas where targets are not being met, this approach can lead to financial instability and will ensure institutions fall further behind.

Higher education should foster creative, curious, and critical minds. It should provide students with the support, opportunity, and inspiration to push forward in the quest for knowledge and understanding. Outcome and market-based performance funding measures undermine these values and the very purpose of universities.

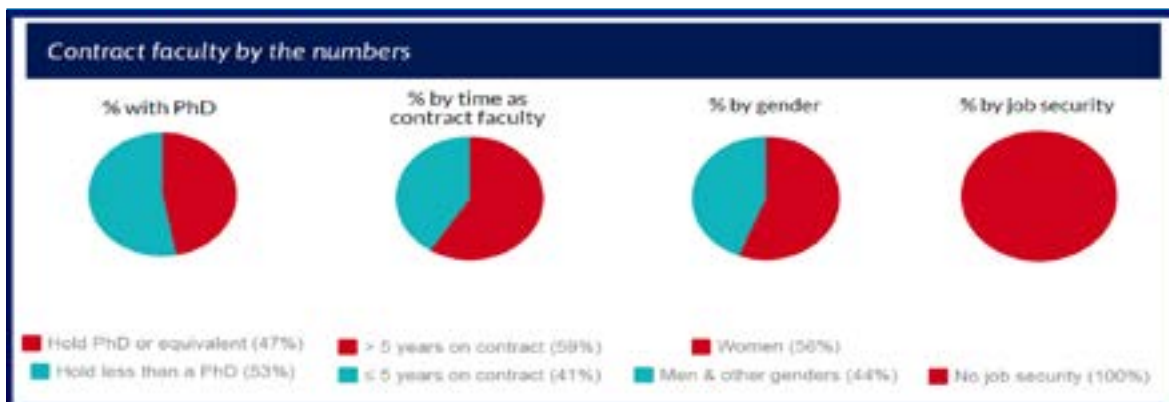
### Over-reliance on contract faculty: A flawed and inequitable approach

While full-time faculty hiring has stagnated at Ontario’s universities, the reliance and dependence on contract faculty has increased. These contract educators typically work under a short-term contract or on a per-course basis as ‘sessional’ instructors. Although comprehensive province-wide data is not readily available, according to OCUFA’s collected data, the proportion of courses taught by contract faculty has almost doubled since the year 2000. Recent data also suggests that more than half of all university courses are now being taught by contract faculty. Further, OCUFA’s recent data demonstrates that currently about 23 per cent of OCUFA’s 19,446 members are categorized as contract faculty or academic librarians. This number gets considerably larger when adding the contract faculty at 16 universities and university colleges where contract faculty are represented by a different union.



The employment of contract faculty in universities throughout Ontario has transformed from a temporary solution for dealing with sudden enrollment growth in the early 2000s, to a widespread and established practice. This change has brought about a significant and concerning shift in the academic work landscape.

Contract faculty lack job security and consistent scheduling, are regularly paid less than their tenure-stream colleagues for performing the same work, seldom have access to benefits or pension, and often hold multiple jobs at different institutions. Despite these challenges, many contract faculty work within these precarious conditions for extended periods of time. While some contract faculty are professionals who teach on the side, most rely on teaching as their primary employment and aspire to have secure full-time positions in the academy. Further, the majority of contract faculty are women, making fairness for contract faculty an issue of equity.



While the expectations for teaching at universities are equal for both contract and tenure-stream faculty, contract faculty do not receive equal compensation for this work. Despite being paid only for teaching, many contract faculty engage in unpaid research and service to remain competitive for future positions. However, contract faculty do not have access to the same resources as their full-time tenure-stream colleagues, such as libraries and research funding.

The one percent wage restriction imposed through the Ontario Government's Bill 124, increased contract faculty precarity and led to a decline in already low levels of real income. As inflation rates surpassed the government's mandated wage cap, Bill 124 limitations exacerbated the real income imbalance.

Relying solely on contract faculty to address the gap between enrolment and tenure-stream faculty hiring is not a viable solution. Contract faculty are highly qualified educators and researchers, but the uncertainty of their employment hinders their ability to teach at their fullest potential and to provide students with the consistent education they deserve. Job insecurity and low wages restrict contract faculty's capacity to provide students with the necessary support and guidance for success.

# Opportunities in the new funding landscape

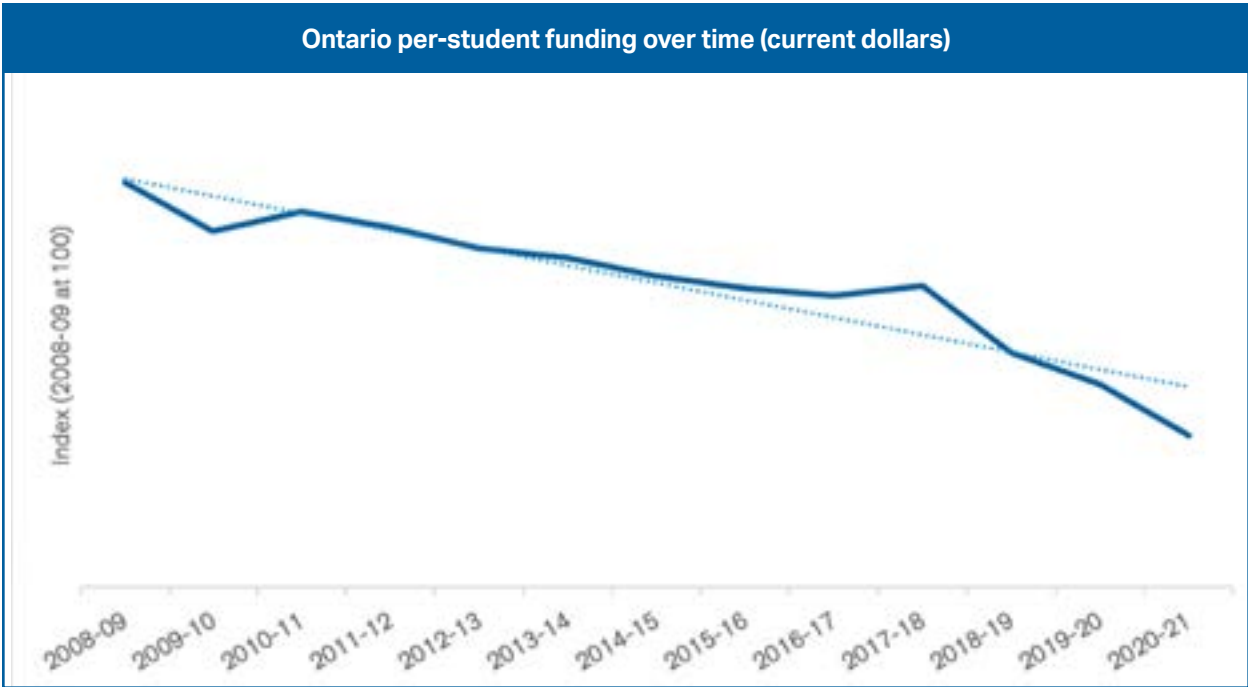
## A more equitable and sustainable model

Early in the pandemic, the Ontario government postponed the introduction of the performance-based funding model by a year, followed by an extended delay until 2022.

This extended postponement is an implicit recognition by the government of the flawed nature of performance-based funding models. The COVID-19 crisis has illuminated the serious inequities, instabilities, and distortions embedded within this funding formula in holding universities accountable for measures that they have little-to-no control over.

Instead, funding allocation mechanisms should be structured in ways that improve the student learning experience. As the government moves forward with its funding allocations for the next round of Strategic Mandate Agreements, it should move away from linking performance metrics to funding. The evidence clearly shows that these metrics will fail to help the government achieve its goals and are likely to do real damage to postsecondary education in Ontario. Instead, the data being collected should be leveraged to identify better ways for universities to improve their educational quality and research outputs.

Adequate, stable public funding for postsecondary education will help students by ensuring better academic support services, sustainable faculty-to-student ratios, and lower tuition fees—all of which are effective ways to increase degree attainment. Public funding for universities also supports good jobs on campus by providing universities with resources to invest in faculty renewal and hire precariously employed contract faculty and staff into secure full-time positions.



Rather than engage in risky and destabilizing changes to Ontario's postsecondary education funding formula, the government should instead put students first and invest in the province's universities.

## **Investing in university research and special purpose grants**

Northern Ontario universities face unique financial and program challenges as a result providing university educational and research programs suited to the needs of the specific geographical location, population, and social, cultural and economic factors present in the extensive geographical area they serve. The unique mandates of northern universities and their particular circumstances result in challenges that are not shared by other universities in the province. It is important to note that the Northern Ontario University Grant has been created to specifically address the challenges faced by Ontario's northern universities.

This vital source of funding, however, has been stagnant for over a decade with no increases or adjustments to keep up with inflation. Similarly, the government has failed to ensure that funding for the Bilingual Grant and the Special Purpose Funding envelope keep up with growing student bodies and the needs of institutions.

Additionally, for several years now, per-student research funding in Ontario has not kept up with the average for the rest of the country. In fact, on a per-student basis, research funding in the province is currently at less than half of the rest of Canada average.

## **Reliable and good employment**

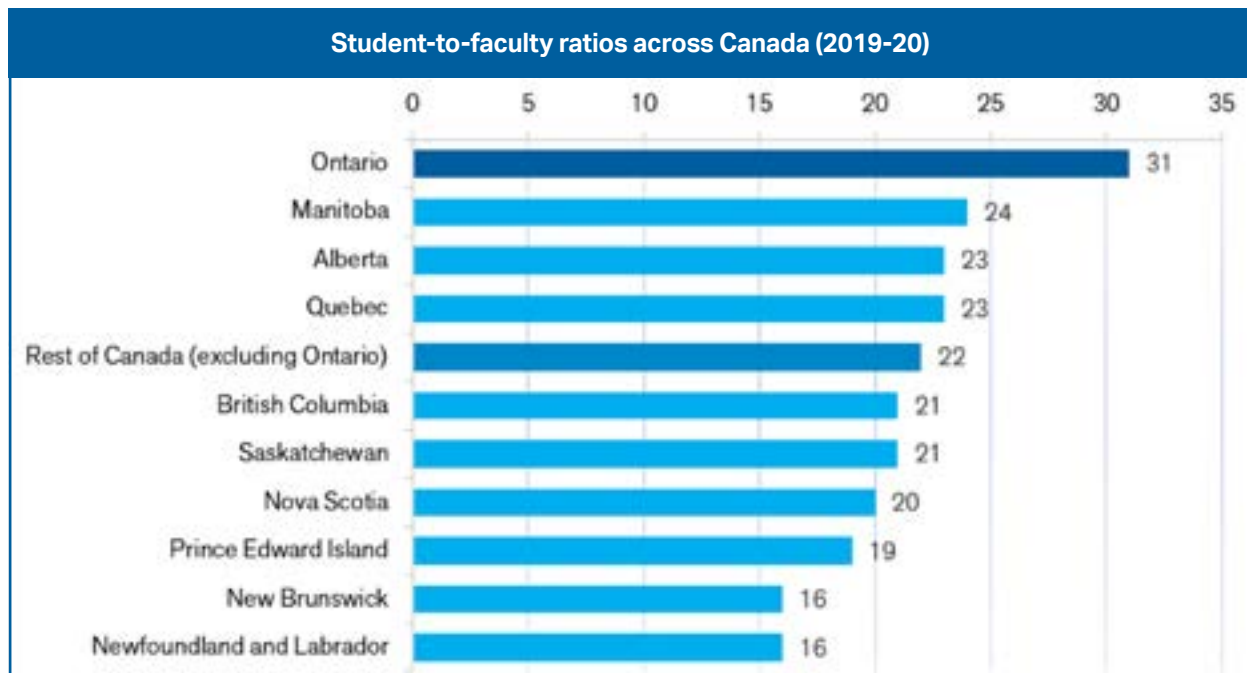
Professors and academic librarians are at the heart of Ontario's vibrant universities. They teach courses, mentor students, and conduct research that expands knowledge and drives innovation. Their role is central to the mission and mandate of Ontario's universities and to driving the economy.

While student enrolment has steadily increased over the last decade, full-time faculty hiring at Ontario's universities has not kept pace with that growth. As a result, the student-to-faculty ratio in the province has dramatically increased and universities have resorted to hiring more contract faculty to fill this gap

In the last decade, full-time student enrolment increased by over 20 per cent. Over the same period, the number of full-time faculty employed at Ontario universities increased by only 4 per cent. Over the last ten years, the rate of increase in student enrolment has been about five times that of faculty hiring.

In the classroom, the gap between enrolment and faculty hiring has a dramatic impact. Ontario has the highest student-faculty ratio in Canada and, since 2000, the ratio has increased substantially – worsening by 44 per cent. As of 2020-21, there were 32 students for every

full-time faculty member at Ontario university compared to an average of 22 students for each university faculty member across the rest of Canada. Ontario is far and away the worst on this measure – the next highest student-faculty ratio in the country is in Alberta, which has a ratio of 25 to 1.



These trends have a negative impact on teaching and learning. More students and fewer professors leads to less one-on-one engagement, larger class sizes, fewer opportunities for mentorship and academic advising, and fewer chances for undergraduate students to be involved in professors' research projects.

The latest data on class sizes from Common University Data Ontario (CUDO) show that the number of courses with 30 students or fewer at Ontario universities was 14 per cent lower in 2017 (the last year of available data) than it was in 2007. By comparison, over the same period, the number of courses offered with 250 students or more rose by a stark 25 per cent and the number of courses offered with 101-250 students was 14 per cent higher.

Due to years of chronic underfunding, students have fewer opportunities for mentorship and individual engagement with their professors. Data suggest that the quality of education available to students attending universities in Ontario is deteriorating.

## Investing in a sustainable, high-quality public university system

It is critical that the government begin seriously considering the investment required to close the per-student funding gap so the quality of university education and research in Ontario does not continue to languish behind other Canadian provinces. Currently, for Ontario to match the average per-student funding of the rest of Canada, the funding level needs to increase from slightly over \$7,000 to over \$12,000. A sensible step in the right direction would be to increase Ontario’s level of per-student funding to match the next province in the national ranking (an increase to over \$10,000). This would require an investment of over \$4 billion within the next three years, starting with a \$615 million investment in this year’s budget.

Cost of improving Ontario's rank from 10 to 9:					
	2023-24	2024-25	2025-26	2026-27	2027-28
Annual increase	\$615 million	\$1.3 billion	\$2.2 billion	\$3.1 billion	\$4.3 billion
Cummulative increase	\$615 million	\$1.9 billion	\$4.1 billion	\$7.3 billion	\$11.6 billion

The goal of higher education is to foster creative, curious, and analytical minds, providing students with the necessary support, opportunities, and motivation to pursue knowledge and understanding. Using performance-based funding measures that prioritize outcomes and market efficiency detracts from these values and goes against the fundamental purpose of universities. Funding allocation mechanisms should not be structured in ways that harm the student learning experience. OCUFA recommends that the government reverse the unstable and inequitable performance-based university funding model and revert to the largely effective enrolment-based funding model. The data being collected through the strategic mandate agreements and reporting structures should be leveraged to identify better ways for universities to improve their educational quality and research outputs.

## Sexual violence prevention education

Bill 26, the *Strengthening Post-secondary Institutions and Students Act*, which comes into force on July 1, 2023, does little to prevent sexual violence. The Act creates new punitive measures under the *Ministry of Training, Colleges and Universities Act* which allows for ‘just cause’ discipline and discharge of an employee who has committed an act of sexual abuse against a student. The Act also requires all public postsecondary institutions to adopt and/or updated employee sexual misconduct policies with minimum prescribed requirements.

OCUFA strongly supports measures to address sexual assault on campus. Bill 26 lays out a punitive approach as a supposed means of deterrence against sexual violence. We, instead, recommend a holistic approach to enforcing policies around sexual violence on campus focused on prevention, education, and support.

The most effective and principled way to deal with all forms of sexual violence in university communities is to prevent it - primary prevention - by stopping it before it occurs. For prevention to happen, we need to target risk factors at all levels, and this includes at the community level. Resources for prevention education must be allocated to universities to inform all university community members about sexual violence and sexual violence prevention.

Mandated by the *Ontario Health and Safety Act, 1990*, employers have a legal responsibility to provide a safe and harassment-free workplace. Employers must take "every reasonable precaution to ensure the workplace is safe," which includes sexual violence prevention education. Comprehensive and robust education to prevent sexual violence can only happen with adequate and targeted funding. Universities are employers that deserve envelope funding to create and/or sustain these prevention programs.

# Solutions and Recommendations

## OCUFA recommends that the 2023 budget include:

- ▶ A meaningful increase to northern and bilingual grants in recognition of the important mandate of northern and bilingual universities and the particular challenges they face. A sensible first step would be the investment of an additional \$6.5 million in the Northern Ontario Grant to offset inflation since 2002-03 and an additional \$12.5 million in the Bilingualism Grant to offset inflation since 2007-08.
- ▶ An increase in special purpose funding, particularly to support funds provided for Indigenous education and training, institutional grants, and indigenous initiatives and programming. An investment of \$1.5 million in the fund would be required to offset inflation since 2009-10.
- ▶ Increased funding for research under the Ministry of Colleges and Universities' research funding envelope. A modest investment of \$5 million in this year's budget with annual increases over the next four years, would enhance Ontario's ranking in the country.

Funding for research recommendation					
	2023-24	2024-25	2025-26	2026-27	2027-28
Annual increase	\$5 million	\$20 million	\$65 million	\$165 million	\$420 million
Cummulative increase	\$5 million	\$25 million	\$90 million	\$255 million	\$675 million

- ▶ The government of Ontario should demonstrate leadership by making a commitment to a faculty renewal strategy that includes limiting the number of precariously hired academic workers and providing incentives for hiring full-time tenure-stream positions. To make informed decisions, the government must create data collection incentives on contract faculty and other equity and diversity markers in faculty recruitment and retention.
- ▶ To improve the student-to-faculty ratio by a modest margin, improving Ontario's ranking by one step, OCUFA estimates that 7,040 full-time professors need to be hired by 2027-28. Hiring at this level should be supported by increased public investment and would cost universities approximately \$2.2 billion over four years—beginning with a \$300 million investment to support 1,195 additional positions in 2023-24. With this level of investment, Ontario could reach a student-to-faculty ratio of 25 students per faculty member by 2027.
- ▶ The Ontario government must respect the court decision and withdraw its Bill 124 appeal, which contributed to wage inequities in the university system and disproportionately impacted the already disadvantaged contract faculty and academic librarians.
- ▶ To prevent campus sexual violence among all university community members, allocate resources to create and/or sustain campus sexual violence prevention.



## Conclusion

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With strong and sustainable funding, Ontario's universities can enhance their status as the cultural and economic anchors of our strong communities. We can benefit students with proper academic supports by working to balance faculty-student ratios. We can continue to create and sustain jobs, especially in remote communities, by revitalizing their faculty workforce and convert contract and precarious staff into full-time positions. We have a chance to elevate Ontario's status as a proud funder of postsecondary education by moving up in the national rankings of per capita funding.