



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

OCUFA BRIEFING NOTE

Federal Cap on International Students: Implications for Ontario's Universities

January 23, 2024

The Announcement

- The federal government announced changes to the International Students Program for the next two years. These changes include capping the number of new visas approved this year at 364,000, a 35 per cent decrease from the previous year. This cap will only apply to undergraduate and college students and not to those seeking visas for master's programs, doctoral degrees, or primary and secondary school programs.
- Students in public-private college partnerships will no longer be eligible to access Canada's Post-Graduate Work Permit as of September 1, 2024.
- Except for students in graduate and professional programs, students' spouses will no longer be eligible for work permits.
- The federal government says these caps are being put in place due to concerns that international students are adding pressure to the current the housing crisis and because of [quality concerns](#) over public-private college partnerships.

The Problem

- The proposed cap on international student visas does not address the root causes of the perils of Ontario's postsecondary sector, namely, chronic underfunding and growing privatization.
- The proposed cap risks scapegoating international students as the cause of the housing shortage in Canada. International students have been treated like ATMs by underfunded postsecondary institutions and predatory private colleges, all while suffering from the same housing crisis afflicting everyone.
- Ontario's college sector has seen a recent explosion in public-private partnerships, with private colleges establishing storefronts that use public resources to teach public college programs, mainly in the GTA and other urban areas.
- These partnerships create diploma mills that target international students. In exchange for a Post-Graduate Work Permit enabling work and extended residence in Canada, students pay extremely high rates of tuition.

- Ontario needs international students. The education they currently receive, however, is often inadequate, with poorly compensated instructors pressured to lower standards to ensure as many students complete their programs – and pay full tuition – as possible.
- Although diploma mills are predominantly a problem for Ontario’s colleges, the university sector has seen increasing incursions from private actors seeking similar partnerships, such as Yorkville University.
- Ontario’s poorly funded postsecondary system has attracted bad actors. Private institutions have sought to profit from astronomical international tuition fees, while public institutions in need of resources are targeted by private corporations that are often not in alignment with the rigorous standards, governance structures, and educational missions of colleges and universities.
- Many international students have become victims of exploitation, paying astronomical rates of tuition for inadequate privatized education and vague promises of immigration opportunities.

An Inadequately Funded System

- This is a manufactured crisis. Low per-student funding has left Ontario’s postsecondary institutions with little choice but to chase after highly lucrative and unregulated international tuition fees.
- Ontario’s universities have the lowest per-domestic student funding in Canada-by far. Ontario provided \$9,890 in total university funding per domestic full-time equivalent in 2021-22, far behind the national average of \$15,807.¹
- This heavy funding shortfall has led Ontario universities to be more reliant on tuition revenues than universities elsewhere in the country.
- In the current academic year, Ontario’s domestic students paid an average tuition of \$8,190. This is over \$1,100 more than the Canadian average of \$7,076.²
- Ontario’s universities are unable to significantly grow their revenues from domestic students. In its first year in office, the Ford government lowered tuition by ten per cent and enacted a tuition freeze that is still in place today. Furthermore, the province caps the number of funded domestic students at each university; enrolling more domestic students does not increase a university’s government funding.
- Low provincial funding and stagnant domestic tuition left universities with one main option to increase enrolment: unregulated international student tuition fees.
- Since 2008-09, international student tuition in Ontario has nearly tripled in current dollars, rising from \$16,891 to \$46,433. In the same period, domestic tuition has increased by just over \$2,500. As a result, international students are primarily responsible for new revenue within Ontario’s universities.
- Many of Ontario’s universities are facing financial pressures, with at least ten indicating a state of financial distress. This is even though Ontario’s universities

¹ Statistics Canada. Table 37-10-0026-01: Revenue of universities by type of revenues and funds (in current Canadian dollars) (x 1,000); Statistics Canada. Table 37-10-0018-01: Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender; and authors’ calculations. Note: Part-time enrolments were converted into full-time enrolments by dividing them by 3.5, as is standard practice.

² Statistics Canada. Table 37-10-0045-01: Canadian and international tuition fees by level of study (current dollars)

have the lowest number of faculty per student, with 32.4 university students per faculty member in 2021 compared to the rest-of-Canada average of 22.5 per faculty member.

- Ontario's universities, long doing more with less, cannot afford any further revenue setbacks.

Funding Solutions Are Needed

- Ontario's universities should not be forced to rely on charging international students astronomical rates of tuition. An enhanced commitment from the province is needed to adequately fund Ontario's universities to a level approaching the Canadian average.
- A significant drop in international students would be disastrous for all Ontario universities if not coupled with a meaningful increase in other revenue. Some estimates project that the proposed cap will lead to a drop of almost 50 per cent in Ontario's international student population.
- Based on 2020-21 financial data³, a sudden loss of 50 per cent of their international students would cause losses of \$65 million at York University, \$43 million at Carleton, and \$3 million at Nipissing. However, if each of these institutions were funded at the national average provincial level, their financial prospects would significantly improve even with the departure of 50 per cent of their international students. Simply put, international student dollars are not a replacement for adequately funded public education.
- OCUFA calls for annual increases of 11.75 per cent in total provincial university funding for a period of five years to bring Ontario's funding levels to the Canadian average. This increase would reduce Ontario universities' reliance on elevated rates of international student tuition and help to diminish opportunities for bad actors to take advantage of a vulnerable student population.

Although acknowledging the presence of "[bad actors](#)" in the sector, Ontario Minister of Colleges and Universities Jill Dunlop has yet to fully address the details of the announcement. The government has also remained silent on the recent recommendations of the Blue-Ribbon Panel, leaving much uncertain and making it difficult to plan effectively. OCUFA is waiting for the government's response on both matters.

³ Statistics Canada Table 37-10-0026-01: Revenue of universities by type of revenues and funds, and OCUFA calculations.