

OCUFA Policy Statement on Provincial operating grants and funding envelopes

OCUFA has been a consistent advocate of adequate and stable funding for Ontario universities. Sufficient funds are required to ensure universities are equipped to provide equitable access to a university education, to secure a high quality education for all students, and to foster excellence in research. Predictable funding with formula-based mechanisms to accommodate expansion provides a sound foundation for university planning to meet these challenges.

It is understood that university missions and circumstances reflect the diversity of Ontario and that established funding envelopes such as the Bilingualism and Northern Ontario grants are necessary to accommodate such differences. The provincial government also has legitimate policy goals – such as enhancing the participation of under-represented groups – that require it to set aside specific targeted funds.

While there may be justification for transitional envelopes to facilitate system change or expansion, a series of supplementary funding envelopes introduced since 1998 have proved problematic. From a public policy perspective, new supplementary envelopes have introduced conditions on expenditures in some cases, and reduced the general level of certainty for planning purposes. From a collective bargaining standpoint, they have produced uncertainty and friction over the availability and use of future funding from such envelopes.

As a general policy statement on provincial funding for universities, it is recommended that OCUFA affirm the following principles:

1. The first priority of provincial government support must be adequate and stable funding;
2. Base operating grants are the primary funding mechanism to provide sufficient, secure funding for planning and system continuity;
3. Other permanent envelopes to supplement base operating grants must be for specific and identifiable purposes that are not enrolment-related;
4. Any additional envelopes must be strictly transitional in nature, with clearly defined goals, timelines, and sunset dates;
5. Funding from transitional envelopes must be folded into base operating grants, whether annually or at the sunset date;
6. No funding envelope should be punitive in nature; all funding must enable or enhance rather than restrict institutions' capacity;
7. Funding should not be conditional or their use restricted; where conditions may apply, they must be broad enough to identify the policy objective without limiting university stakeholders' ability to negotiate the use of such funds.

The manner in which envelopes created since 1998 should be folded into base operating grants will vary, depending on the purpose and method of allocation. They include funds for access for under-represented groups, including persons with disabilities, aboriginal persons, and first generation students. Access funds fall under the rubric of principle #3 above.

Certain envelopes – e.g., Performance Funding – are not enrolment-based. Other funds, such as General/Quality grants, are more closely aligned with enrolment, but are not distributed in direct proportion to base operating grants. To transfer funding from non-enrolment-proportionate envelopes to the enrolment-based base operating grants, the following principles are recommended:

- The greatest proportion of each of these envelopes that could be treated as consistent with enrolment-related funding should be transferred to base operating grants;
- The remaining funds from each such envelope should be consolidated into a single envelope, which may be designated as quality funding, and which is distributed subsequently according to each university's original contribution to the consolidated envelope;
- Any subsequent increase in the consolidated envelope cannot be greater than the proportionate increase in base operating grants.

Program expansion funding – for expansion of nursing, clinical and medical education (previously referred to as Health Human Resources Development), and for Graduate Expansion – warrants treatment as enrolment-related funding and, in principle, comparable to formula funding under the rubric of base operating grants. Enrolment growth funding provided under the Undergraduate Accessibility fund is similarly enrolment-related. The following principles are recommended as being consistent with the general policy statement, above:

- The government must state a clear objective and set corresponding timelines and sunset dates for program expansion funding;
- Funding for nursing, clinical and medical education expansion and Graduate Expansion funding should be folded into base operating grants on an annual basis; or, present levels of funding must be assured, and, with any additional funding for future growth, rolled into base operating grants at the end of the programs;
- Undergraduate Accessibility funding must be rolled into base operating grants;
- At a minimum, the government must immediately declare that each university will continue to receive their current allocation and their respective shares of future undergraduate enrolment growth.