

Strengthening the Heart of Ontario Universities

OCUFA's 2016 Pre-Budget Submission

January 2016

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 and academic librarians in 28 faculty associations across Ontario.

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SUMMARY OF RECOMMENDATIONS

OCUFA's 2016-17 pre-budget recommendations are directed toward enhancing the quality and accessibility of university education in Ontario through increased government investment.

We recommend that the Government of Ontario:

1. Increase per-student public investment in Ontario's universities to the rest of Canada average by 2020-21.

Cost in 2016-17: A minimum of \$150 million to maintain current levels of per-student funding.

2. Support universities to bring Ontario's student-faculty ratio in line with the rest of Canada average by 2020-21 by hiring 8,510 new full-time faculty members.

Cost in 2016-17: \$189 million

3. Ensure fairness for contract faculty by strengthening employment and labour law at the conclusion of the Changing Workplaces Review and supporting good jobs at Ontario universities.

Cost in 2016-17: No additional cost

4. Establish a new higher education data agency mandated to collect, analyze, and disseminate key information on Ontario's universities.

Cost in 2016-17: No additional cost

5. The Government of Ontario should reject the use of "performance-based funding" as it seeks to modernize and reform its funding model. Such policies are inconsistent with the principles of publicly funded higher education and may do real harm to the quality of university education in the province.

Cost in 2016-17: No additional cost

STRENGTHENING THE HEART OF ONTARIO UNIVERSITIES

Ontario's universities are world-class institutions that deliver enormous value to our society through expanding knowledge, driving innovation, and strengthening our economy. They have educated generations of Ontarians and produced first-rate research. By fostering debate, critical thought, and democratic values, they have helped build fairness and equity in our communities. Universities also create good jobs in their communities and are important drivers of economic growth, delivering strong returns to their local economies. When we make strong public investments in Ontario universities, we receive substantial social and economic returns.

University professors and academic librarians are at the heart of Ontario universities. Faculty across the province work hard to deliver the important research and excellent teaching that make our universities great. Faculty need time, resources, and good working conditions to conduct leading-edge research and to educate the next generation of leaders, thinkers, and builders. To ensure our universities continue to thrive, robust public investment is needed to support a strong cohort of full-time faculty.

But for too long, Ontario has allowed its investment in universities to fall behind. For six consecutive years, Ontario has ranked last of all the provinces for per-student funding. In fact, adjusted for inflation, Ontario's per-student funding is now at its lowest point since the government began building capacity and expanding access in the 1960s. In 2015, for the first time ever, tuition fee revenue exceeded revenue from public operating funding for Ontario universities. Meanwhile, the gap in faculty hiring has widened with increases in student enrolment outstripping increases in faculty hiring every year since 2000.

Years of inadequate public investment is threatening our universities' ability to fulfil their core missions of teaching and research at the highest standard. A recommitment to adequate public funding for Ontario universities is the only path forward for ensuring high-quality postsecondary education across Ontario.

This recommitment must also include a sharp focus on supporting good academic jobs. The faculty hiring gap is increasingly being filled with professors employed on a per-course or limited-term basis. Contract faculty face unfair conditions of work: job insecurity, low pay and lack of access to benefits and pensions. And this trend is having a harmful impact on the quality of education faculty are able to deliver to students across Ontario.

At a time when the need for renewed government investment is pressing, we cannot afford more uncertainty in the sector. The ongoing review of the university funding formula must produce results that will improve the stability and adequacy of funding. Risky proposals for unproven and inequitable performance funding schemes must be rejected. For students and faculty already feeling the squeeze produced by accumulated underfunding, it is crucial that any revised funding model prioritize accessible and high-quality education.

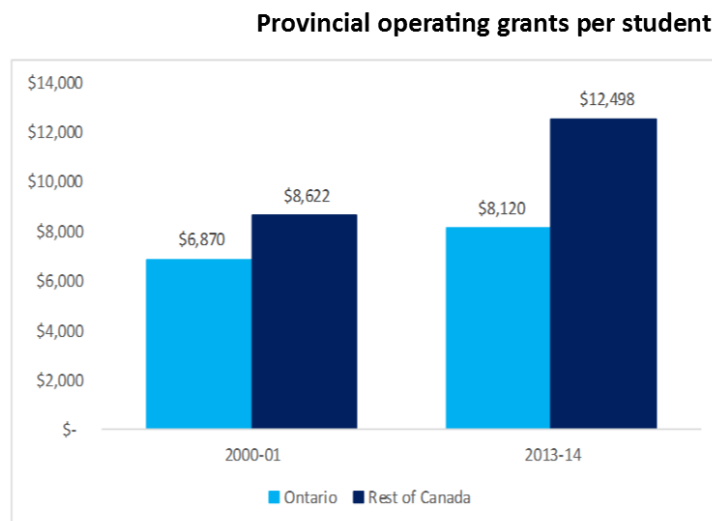
Ontario needs to provide stable, adequate funding for our universities to boost the number of professors and academic librarians, and to ensure that every academic job is a good job. If we do that, we secure the quality of Ontario universities – and the success of our students – for years to come.

ASSESSING ONTARIO'S PUBLIC FUNDING FOR UNIVERSITIES

Faculty in Ontario have long maintained that adequate, predictable public funding for universities is foundational for a strong higher education sector in the province. But Ontario's universities currently do not receive adequate public funding to support excellence.

On a per-student basis, Ontario's universities receive the lowest level of public funding in all of Canada – Ontario has ranked dead last on per-student funding in Canada for six consecutive years. While increased investments in higher education in the early 2000s under the *Reaching Higher* plan narrowed the gap between Ontario and the rest of the country for a time, it has continued to widen ever since, and we are falling further behind our provincial counterparts on several measures.

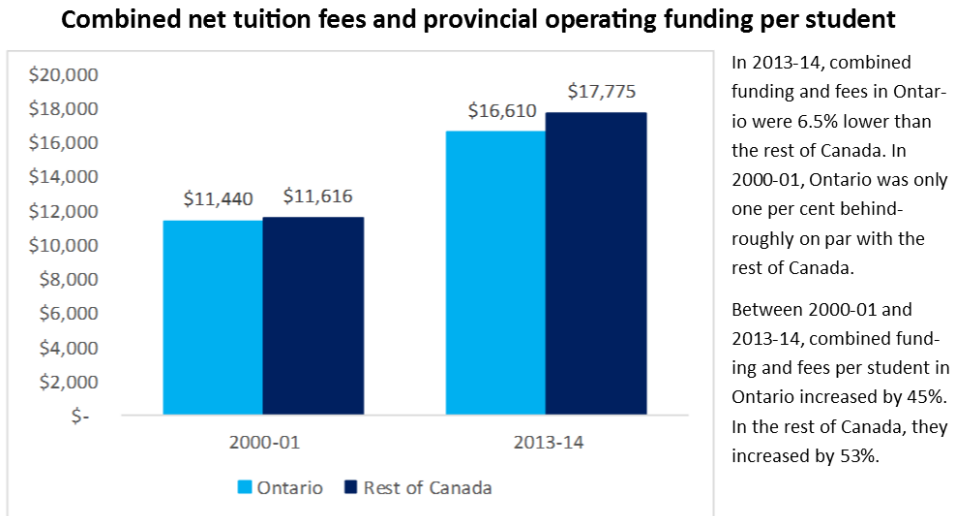
Data for 2013-14 show that Ontario's per-student operating grants were 35 per cent lower than the rest of Canada average. Ontario universities received \$8,120 per student, while the average for the rest of Canada was \$12,498 per



Between 2000-01 and 2013-14, per-student operating grants in Ontario increased by 18% from \$6,870 to \$8,120. In the rest of Canada, operating grants increased by 45% from \$8,622 to \$12,498. In 2013-14, operating grants per student were 35% lower than the rest of Canada average. In 2000-01, they were only 20% lower than the rest of Canada.

\$12,498 per student. In fact, the per-student funding for 2013-14 represents a slight drop from 2012-13 levels (when universities received \$8,179 per student).

Even when tuition fees are included in the overall revenue picture, Ontario's universities are still at the back of the pack in Canada, despite having the highest tuition fees in the



country. In 2013-14 Ontario universities received \$16,610 per student in combined provincial operating funding and net tuition fees (fee revenue minus money paid out in scholarships), while the rest of Canada average was \$17,775. Only Quebec universities, where tuition is the lowest in all of Canada, received less at \$15,634 per student. This means that Ontario universities must find ways to provide a high-quality education to students with less overall funding per student than most other universities in Canada.

Low levels of public funding undermine our universities by continually forcing them to do more with less. When the financial health of universities is at risk, so too is their ability to be leaders in higher education. Ontario's universities and the faculty members who work at them are highly productive by any measure. In terms of the number of students taught, graduation rates and research output, Ontario's universities are leaders in Canada. And they do this on the tightest budgets in the country. But universities and faculty are increasingly overextended. This impressive level of productivity cannot be maintained against a backdrop of inadequate public funding in the long term without cracks beginning to show.

The government's refusal to address the question of the adequacy of overall funding as part of their ongoing review of the university funding model is deeply problematic. Regardless of the method according to which public funding for higher education is distributed, if there simply is not enough funding to go around, no new mechanism for distribution will be able to correct for the challenges created by inadequate public funding. Comparative cross-provincial data make clear that inadequate public funding for Ontario's universities compromises the financial health of our institutions and their ability to provide a high-quality university education for our young people.

To bring per-student funding of Ontario’s universities in line with the average in the rest of Canada would require an additional investment of \$3.29 billion between 2016-17 and 2020-21. OCUFA recognizes that a commitment to investment of this magnitude is unlikely in the short-term. But any reinvestment that increases per-student funding is important and will help to ensure that Ontario’s universities do not fall even further behind our provincial counterparts.

At an absolute minimum, the government must maintain investment at the current level of per-student funding. With anticipated enrolment and adjusting for inflation, **investment on this scale would require an additional \$150 million in 2016-17 above the \$3.48 billion that was allocated to universities in 2015-16.**

Cost of maintaining current (2015-16) level of per-student funding					
	2016-17	2017-18	2018-19	2019-20	2020-21
Annual Increase	\$150 million	\$160 million	\$165 million	\$175 million	\$180 million
Cumulative	\$150 million	\$310 million	\$475 million	\$650 million	\$830 million

Holding the line on per-student funding to maintain the current level of investment in higher education, until more substantial investments can be made, will help to ensure that our universities don’t fall any further behind and will give faculty the breathing room they need to maintain the quality of education that our students receive.

PROMOTING GOOD JOBS IN THE UNIVERISTY SECTOR

Professors and academic librarians are at the heart of Ontario universities – they teach courses, mentor students, and conduct research that expands knowledge and drives the economy. Universities rely on faculty to undertake research and deliver high-quality education to students across the province. But for many years now, the number of faculty available to do this foundational work has not been keeping up with student enrolment. As departments fail to replace retiring full-time professors and hire part-time and contract faculty instead, the problem is getting worse.

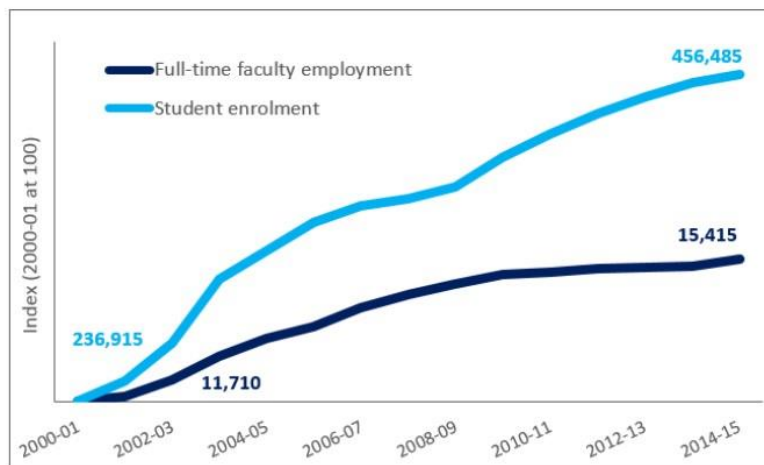
Full-time faculty hiring

Full-time faculty hiring in Ontario has consistently failed to keep pace with student enrolment for over a decade. This year, it has fallen even further behind. Between 2000-01 and 2014-15, full-time student enrollment increased by 73 per cent. Over the same period, the number of full-time faculty employed at Ontario universities increased by only 32 per cent.

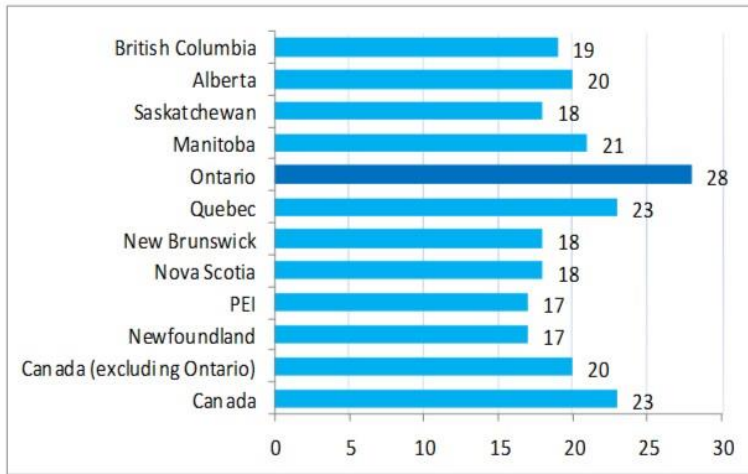
In the classroom, the impact of this gap between enrolment and faculty hiring is dramatic. Ontario has the highest student-faculty ratio in Canada and class sizes are steadily rising. In 2010-11, there were 28 students for every full-time faculty member at an Ontario university compared to an average

of 20 to 1 in 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 Quebec at 23 to 1. While updated data for the rest of Canada is unavailable, in 2014-15 the student faculty ratio in Ontario increased even further to almost 30 to 1.

Student Enrolment and Full-Time Faculty Employment



Student-Faculty Ratios in Canada (2010-11)



These are negative trends for students. More students and fewer professors leads to less one-on-one engagement, fewer opportunities for mentorship, and diminished chances for undergraduate students to be involved in the research projects of their professors – all of which are key indicators of student success.

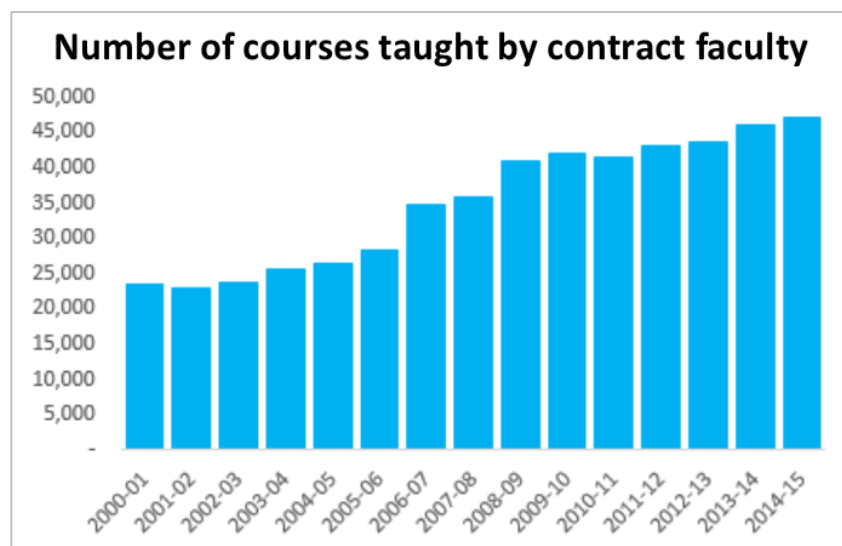
OCUFA estimates that to bring Ontario’s student-faculty ratio in

line with the average in the rest of Canada, **8,510 full-time professors would need to be hired between now and 2020, or 1,702 professors per year.** Hiring at this level would require an additional public investment of \$189 million a year. Providing funding to support full-time faculty hiring will have a significant and positive impact on students’ learning experience by facilitating greater student-faculty interaction.

Fairness for Contract Faculty

One of the most dramatic changes at Ontario’s universities over the last quarter century has been a shift in the nature of academic work. As full-time faculty hiring in Ontario has stagnated, universities have turned to hiring faculty in insecure, contract positions. While there is a lack of comprehensive province-wide data available, OCUFA estimates that the number of courses taught by contract

faculty has doubled between 2000-01 and 2015-16. Employing professors on a per-course basis or on limited-term contracts has become an entrenched strategy, used by university administrators to keep costs down and cope with stagnant public funding.



This shift takes its toll on the individuals who are employed in these positions. For contract faculty, job insecurity and last-minute hiring means that they lack the stability they need to make long-term plans for themselves and their families. This type of precarious employment has been shown to have negative impacts on general and mental health, household well-being, community participation, and workplace productivity.ⁱ Many contract faculty also work at multiple universities simultaneously to make a living, which requires a lot of time on the road commuting between campuses and can create additional barriers when it comes to accessing benefits and pension plans.ⁱⁱ

The rise of precarious academic work also threatens the quality of education and research capacity at Ontario's universities. While contract faculty are skilled teachers and researchers, they are too often constrained by their working conditions and lack the institutional support to deliver the highest possible quality learning experience for students.ⁱⁱⁱ Furthermore, while many contract faculty do *unpaid* research to remain competitive for future tenure-stream positions, they are not supported in this work nor do they have access to the same resources as their tenure-stream colleagues. A decline in the research capacity or educational quality at Ontario's universities is not in the public interest and is inconsistent with the government's vision of advancing a knowledge economy.

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The provincial government must take a leadership role in setting the future of academic work on a new path. While decisions about hiring are made by individual institutions, the trend towards casualized academic work cannot be understood separately from the context of underfunding. Financial pressures in the broader public sector disproportionately affect those workers already facing precarious terms and conditions of employment. Increased public investment would provide universities with the financial resources to hire more full-time faculty and help build fairness for contract faculty.

The government must also strengthen employment and labour law at the conclusion of the ongoing Changing Workplaces Review to drive universities in the right direction. OCUFA has made recommendations on how to raise standards and provide greater protection for contract faculty, including legislating equal pay for work of equal value and equal access to benefits regardless of employment status, eliminating the use of discontinuous contracts to prevent the achievement of workplace rights, ensuring fair scheduling and adequate notice of work, as well

as updating labour law to ensure all workers can organize collectively in a union. The benefits of these changes will be felt widely, not only by faculty and students at Ontario's universities, but throughout their local communities and economies.

A BETTER UNIVERSITY FUNDING FORMULA

The Ministry of Training, Colleges, and Universities (MTCU) is currently undertaking a review of the university funding formula, the mechanism by which public money is distributed to universities in the province. In many ways, this review is long overdue. The current funding formula was designed in the late 1960s, and decades of tweaks and additions have made it confusing and opaque.

OCUFA has been an active participant in the review process. We released a series of principles intended to guide our work and the work of the review team, including that the funding formula provide funding that is adequate, student-centred, supportive of good jobs, stable and predictable, equitable, transparent, and respectful of university autonomy and academic freedom. We continue to believe that these principles are foundational to a funding formula that ensures equitable and high-quality university education in Ontario. We hope they will be key considerations as the government charts out its reforms in the coming months.

While it will take some time to develop and implement changes to the funding model, there are nevertheless ideas and proposals that the Government of Ontario should consider immediately: the need for a new higher education data structure in Ontario, and the harmful nature of “performance-based funding” in the Ontario context.

Better data for better universities

At present, efforts to reform the university funding formula – and to enhance the quality of higher education in Ontario – is impeded by a lack of usable data on students, faculty, and institutions. There is actually a large amount of data produced by the sector every year, but it is often not in an easily accessible form that facilitates comparison and analysis. As the Final Consultation Report of the university funding formula review observes, “most respondents said that valid and easily accessible data are needed to ensure openness, support system-wide comparisons and enable informed policy making.”^{iv}

OCUFA agrees that universities should produce reliable, accessible, and comparable data. Greater availability of data supports expanded accountability, and allows the sector to understand how it is doing while supporting continuous improvement in teaching and research quality. However, to ensure that the higher education data is useful to government, stakeholders, students, and the public, it is important that this data be managed in an impartial and objective way.

To that end, OCUFA is proposing that a new higher education data system in Ontario be administered by a new arm's-length agency of the provincial government. This new organization would be responsible for determining what data is needed by the sector and how best to collect that data. It would

also be responsible for analyzing the data to facilitate informed student choice and public policy initiatives, and making this data and analysis widely available. To

Valid and easily accessible data are needed to ensure openness, support system-wide comparisons and enable informed policy making.

be effective, this new agency should include meaningful representation of all higher education stakeholders, including students, staff, faculty, administrators, and government through their various representative bodies. International examples of this type of organization, such as the United Kingdom's Higher Education Statistics Agency, should be examined to determine best practices.

The good news is that creating the Ontario Higher Education Data Agency can be cost neutral for the government. At present, there is already a government agency operating in the higher education sector – the Higher Education Quality Council of Ontario (HEQCO). HEQCO was established in 2005 to advise the government on how to improve the quality, accessibility, and accountability of Ontario's colleges and universities. Although OCUFA was initially supportive of HEQCO, after 10 years of existence the Council has had a negligible impact on higher education policy in the province. Moreover, HEQCO does not have the capacity – or indeed the confidence of the sector – to play an impartial data management and analysis role. Therefore, OCUFA recommends that HEQCO's operations be wrapped up and its funding (some \$5 million a year) transferred to support the creation of a new data agency.

A new data system, headed by an impartial data agency, will build public confidence in Ontario's universities while facilitating greater collaboration in the sector towards improving student outcomes and research success. It will also allow the government to initiate successful reforms in the sector, starting with the funding formula.

Avoiding the unjustified risk of performance funding

Some observers of Ontario's university sector have suggested that performance-based funding should be incorporated into the new funding model. Such a system would make a portion of a university's funding dependent on its ability to meet certain prescribed targets. From the outset of the funding formula review, OCUFA has cautioned against this approach as both dangerous and unnecessary.

Performance funding is inconsistent with the principles of a publicly funded higher education system. Public investment in our universities is intended to support accessibility for students from a wide variety of backgrounds, while offering a consistently high level of quality at every institution. Performance funding, by definition, requires that institutions be divided into

Public funding is meant to operate as a mechanism to foster equity between individuals and between regions, not as a vehicle for punishment.

winners and losers. The winners – those institutions deemed to be doing well – will be given resources to do even better. The losers will languish as they are denied the resources they need to improve. Ultimately, it is the students at

these institutions who would suffer. Universities in Ontario also play important regional educational and economic roles. It would be deeply unfair if students, families, and businesses in these regions were left to cope with sudden and harsh losses to university funding. Public funding is meant to operate as a mechanism to foster equity between individuals and between regions, not as a vehicle for punishment.

There is also no evidence to suggest that performance funding is effective at improving student and institutional outcomes. The lack of evidence is not a result of a lack of examples. In the United States, 34 states have implemented, are implementing, or are considering some form of performance funding. Research from some of these states is worrying, to say the least. A 2013 policy brief from the Wisconsin Center for the Advancement of Postsecondary Education (WISCAPE) concluded: “Results suggest the [performance funding] policy has not been significantly effective... and it may even have had negative effects in some states.”^v Similarly, a 2014 study that examined data from 500 postsecondary institutions in all 50 states over 18 years found that, “student outcomes are related to student profiles, institutional characteristics, and state environments but are not enhanced by performance funding policies.”^{vi} Moreover, “student outcomes may even decline following the adoption of these policies. At best, these policies are ineffective, and, at worst, they are negatively linked to student performance.”^{vii}

Based on this emerging body of research, OCUFA has rejected performance funding as untenable in both principle and in practice. We encourage the Government of Ontario to not pursue this policy direction as they seek to modernize the university funding model.

ⁱ *Poverty and Employment Precarity in Southern Ontario (PEPSO) Research Group. (2015). The Precarity Penalty: Executive Summary. McMaster University and United Way Toronto. Pg. 9-14; Aleksynska, M. & Muller, A. (2015). Nothing more permanent than temporary? Understanding fixed-term contracts. International Labour Organization. Pg. 5.*

ⁱⁱ While they may be approaching or exceeding full-time hours, their employment classification and the reality of working at several institutions can mean that they still do not qualify for benefit or pensions plans.

ⁱⁱⁱ For example, lack of job security reduces the ability to follow through with students (e.g. one-on-one mentoring and letters of recommendation for graduate school); last-minute scheduling limits time for course preparation affecting the quality of assignments and syllabi; and inadequate office space, or lack thereof, impacts class preparation and a professor's ability to meet with students.

^{iv} Herbert, S. (2015). Focus on Outcomes, Centre on Students: Perspectives on Evolving Ontario's University Funding Model. Toronto: Ministry of Training, Colleges, and Universities. Pg. 23.

^v Hillman, N.W. & Tandberg, D.A. (2013). State Performance Funding for Higher Education: Silver Bullet or Red Herring? [WISCAPE POLICY BRIEF] Madison: University of Wisconsin-Madison, Wisconsin Center for the Advancement of Higher Education [WISCAPE].

^{vi} Rutherford, A. & Robovsky, T. (2014). Evaluating Impacts of Performance Funding Policies on Student Outcomes in Higher Education. *The Annals of the American Academy of Political and Social Science*, 655(1). Pg. 204.

^{vii} *Ibid.*, Pg. 204.