

**BRIEF TO THE STANDING COMMITTEE
ON FINANCE AND ECONOMIC AFFAIRS**

Pre-Budget Consultations
Ontario Confederation of University Faculty Associations (OCUFA)
February 2, 2006

Recommendations:

The provincial government promised change in the last election, and it promised to make education a top priority. Budget 2005 funding commitments represent a healthy first step but Ontario needs a plan to take it to the next level, to become a national and international leader in higher learning by 2010-11. OCUFA recommends that the government :

Develop and immediately act on a plan that will allow universities to expedite faculty hiring at both the graduate and undergraduate levels:

- Ensure the plan recruits more tenure-track or tenured faculty rather than maintaining the stop-gap practice of hiring sessional faculty;
- Ensure the plan is geared toward bringing the student-faculty ratio of 24:1 from the worst in Canada to the national average or better by 2010-11;
- Ensure the plan yields smaller class sizes;
- Ensure support staff hiring is commensurate with faculty hiring.

Invest in measures to improve quality:

- Invest in libraries, laboratories, and ‘technologically smart’ classrooms;
- Take a balanced approach to funding research;
- Address Ontario universities’ longer-term capital expansion and repair needs, including a plan to deal with the problem of deferred maintenance;
- Fund unfunded Basic Income Units (BIUs);
- Invest in student service improvements;
- Ensure that future funding increases are adjusted for inflation.

Make tuition more affordable:

- Extend the tuition freeze into 2007-08, including compensatory funding to universities to cover the shortfall;
- Expand student grants so they cover more of the costs and extend them to ensure both low- and middle-income students have access to aid if they need it;
- Re-regulate deregulated programs.

Introduction: Challenges that lie ahead for Ontario universities

Ontario's academic community has applauded and supported this government's commitment to higher learning. Unfortunately, the province still has a long way to go to repair its university system after years of fiscal neglect. Between 1995-96 and 2004-05 real funding per student was cut by 19 per cent (COU 2005). As a result of underfunding, Ontario hovers near the bottom in many core comparisons with other Canadian universities: Ontario still scores tenth and dead last in the country in terms of per capita funding to its universities; it is ninth in terms of per student funding; it has the worst student-faculty ratio and some of the largest classroom sizes in all of Canada (COU 2005, *Maclean's* 2005, Doucet 2006).

Budget 2005's commitment to increase base operating funding to postsecondary education by 35 per cent, or \$1.2 billion, between now and 2009-10 represents a healthy step forward. But it is only a first step. Our goal should be to become a national leader on key measures of quality university education, yet there are urgent pressures that need to be addressed immediately. Almost one year after the budget announcement was warmly received by the academic community, universities still await their allocations; many have been forced to make important fiscal decisions in the dark. The money promised in Budget 2005 cannot flow fast enough. More needs to be done, and quickly, to deal with several looming pressures: the need for quality improvements, the urgency of new faculty hires, and the need to grapple with high tuition.

Pressing need to address faculty shortage

Most pressing from our vantage point is the need to address Ontario's faculty shortage stemming from the triple pressures of growing enrolment, a double cohort poised to enter graduate school, and a wave of pending faculty retirements. Ignoring this issue could compromise quality in the classroom. The situation is already critical. Lecture halls crammed with 1,500 students are becoming an increasingly common sight. Despite last year's funding announcements, Ontario still has the worst student-faculty ratio in all of Canada. To bring Ontario to the middle of the pack, the current student-faculty ratio of

24:1 would have to drop to 18:1. It would require filling 7,194 faculty positions by 2010. To make Ontario a leader in student-faculty ratios, the ratio would have to go down to 15:1, filling 10,834 faculty positions by 2010 (OCUFA 2005). That is an increase equivalent to 84 per cent of the number of faculty in Ontario universities today – and it cannot be turned around overnight. University hiring processes are complex and time-consuming. Hiring searches that start now yield new faculty at least a year later.

The looming faculty shortage has been well documented, with most studies reaching similar numerical targets. In his review of postsecondary education, Bob Rae said Ontario would need to hire 11,000 university professors by the end of the decade (Rae 2005). The Council of Universities estimates Ontario universities need to hire 13,000 faculty between 1998 and 2010 “to replace retirees, keep pace with enrolment growth and move student-faculty ratios to the national average” (COU 2005). A COU-commissioned study by PricewaterhouseCoopers in 1999 estimated Ontario universities would need to hire 11,000-13,000 new faculty by 2010 (COU 2005).

Class sizes growing

There is a growing urgency to the matter. Even with mandatory retirement, the 32 per cent of Ontario faculty who are aged 55 or over can be expected to retire within the next 10 years. This alone represents a significant hiring challenge for universities. Ontario’s university classrooms are already bursting at the seams. Some class sizes are 500+ and growing – evidence of difficult decisions administrators made following years of provincial government underfunding (OCUFA 2006).

Large class sizes at the undergraduate level, and certainly at the senior and graduate levels, affect quality in the classroom and diminish Ontario’s ability to compete with universities in other jurisdictions. When elementary and secondary classrooms in Ontario were overflowing, the current provincial government moved swiftly to fund smaller class sizes. University students deserve the same decisive action.

Double cohort still placing pressures on the system

The advent of the double cohort introduced new pressures into the system, first on the undergraduate system, and soon on the graduate system. The cohort is spread over three years, meaning their higher numbers could pressure Ontario's graduate system for the next four to 10 years. More work needs to be done to gain a clearer understanding of the percentage of double cohort planning to continue on to graduate school and the resources required to accommodate the bulge in grad students.

Even without the double cohort, enrolment pressures are expected to continue. Coupled with the advancement of the knowledge-based economy, demand for a university education is not expected to wane anytime soon. In Ontario, full-time university enrolment climbed from 264,777 in 1994-95 to 348,224 in 2003-04 (COU 2005), representing a 31.5 per cent increase. Undergraduate enrolment in Ontario is expected to increase by 37 per cent – from 318,000 in 2000 to 435,000 in 2010 – and graduate enrolment is projected to double by 2013 (COU 2005).

Faculty complement has decreased while enrolment swelled

As enrolments increased, the number of full-time faculty in Ontario decreased by 12.4 per cent between 1993-94 and 2000-01. Due to the double cohort, the number of new faculty started to increase in 2000-01 (by 8.4 per cent between 2000-01 and 2003-04) and increased again by 4.2 per cent between 2002-03 and 2003-04 (COU 2005). Yet the number of full-time faculty is still lower than it was in 1993-94, before the mid-1990s cutbacks and faculty retirements (COU 2005). To add to an already complex situation, the government has committed to expand the number of graduate students by 14,000 between now and 2009-10. This expansion is needed and most welcome, but there is no plan in place to ensure the increase in students is matched with a proportionate increase in senior faculty appointments. This is a serious consideration, given the requirements involved in appointing enough senior faculty (tenured, full-time) qualified to teach at the graduate level. Faculty requirements at the graduate level are far more stringent, and class

sizes much smaller than in undergraduate programs. There are no quick-fixes to a shortage of faculty at the graduate level.

Since the 1990s, the solutions implemented to deal with the double cohort at the undergraduate level have included hiring sessional, part-time and non-tenure track faculty to teach increasingly growing class sizes. Such stop-gap solutions at the graduate level will seriously undermine efforts to improve quality in teaching and research.

Unfunded BIUs remain a problem

Not only is enrolment increasing, there is also the ongoing problem of unfunded students, or BIUs. BIUs (Basic Income Units) represent a complex formula whereby funding is distributed to universities on the basis of weighted enrolment by program of study. Since the 1980s, however, the province has failed to provide full funding to cover enrolment growth. Universities have been forced to make up the difference, which has resulted in unfunded BIUs. The current government has promised to address the issue but universities still await the details. There are over 34,000 unfunded BIUs in the system, worth nearly \$136 million (COU 2005).

Buildings need repair

Ontario's universities are experiencing a space shortage of 727,000 net assignable square metres (COU 2005). Coupled with the deteriorating physical conditions of many aging university buildings due to deferred maintenance, the province's campuses are in desperate need of repair to ensure they are safe for students, faculty, and staff. The previous government's SuperBuild program led to new buildings on campus, but it was problematic on two fronts: it failed to address all the capital needs for Ontario campuses (especially the need to repair aging buildings) and its private matching funds requirement privileged some campuses over others, some capital projects over others.

The Rae report (2005) recommended that the government, over the next 10 years, make available to institutions up to \$200 million each year for facility renewal and up to \$300 million each year for new facilities and equipment for increased enrolment. Deferred maintenance costs are also growing, now estimated at \$1.4 billion, and remain unaddressed. In September 2005, the Ministry of Training, Colleges and Universities (MTCU) announced “special one-time funding” of \$250 million to repair and modernize buildings on Ontario university and college campuses (MTCU 2005). It is a start, but only the beginning. What’s needed is a longer term capital plan without strings attached such as matching funding requirements that weakened SuperBuild.

Balanced research agenda is key

Ontario’s academics are also concerned about provincial government funding for basic research, which dropped from 20 to 15 per cent over the past decade. The Premier’s enthusiasm to fund commercialized research, while welcome, raises new concerns that funding will be diverted from basic research in the social sciences and humanities – both of which are critical to the economic and social development of our province. There needs to be a comprehensive and balanced approach to provincial research support, including the need to fund both basic and applied research in the sciences, social sciences and humanities.

Need to address access issues

Both government and universities share a joint responsibility in ensuring quality improvements to enhance the economic and social well-being of the province. The provincial government has indicated a desire to expand access to students from diverse backgrounds – which is essential to ensure that a greater cross-section of Ontarians are equipped to compete in the global economy of tomorrow. If Bob Rae is right and 70 per cent of all future jobs will require postsecondary education, then Ontario needs to open the doors to university and make sure any student who is qualified to attend university has a spot.

But affordability will be an important factor in the drive to expand access. The provincial government's plan to end the two-year freeze on tuition increases runs counter to access goals. The government's current student aid and grants program targets low-income students while not addressing the needs of those from middle socioeconomic backgrounds. Given the reality of high tuition, help to a broader range of students is required. Undergraduate students in Ontario pay an average of \$4,881 in tuition fees – 190 per cent higher than the \$1,680 tuition fees (in current dollars) they paid in 1990-91 (Statistics Canada 2005c). After the provincial government allowed for deregulation of programs in 1998, some students saw their tuition fees balloon: fees quadrupled for medical school, rose five-fold for dentistry, and nearly tripled for law (Statistics Canada 2005b). By 2003-04, tuition represented 44.7 per cent of university operating revenue – up from 27.5 per cent in 1994-95 (COU 2005).

High tuition squeezes out the middle

Shifting onto students a greater share of the burden of funding Ontario universities comes with a social cost. Student debt load in Ontario kept rising in step with tuition hikes in the 1990s. In 2002, 52 per cent of all Ontario B.A. graduates had incurred student debt, accumulating an average debt load of \$22,800 (Statistics Canada 2005a). The prospect of exorbitant tuition and student debt loads can make university appear out of reach for low- and middle-income students. While the province is attempting to counterbalance the effect of high tuition with grants targeted at low-income students, the program covers only part of the cost of the first two years of a university education – and students from middle-income families receive little or no help. A Statistics Canada study documents how high university tuition in Ontario in the 1990s hit students from middle socioeconomic backgrounds hardest (Statistics Canada 2005b).

The study is further evidence that Ontario's decision in the late-1990s to allow tuition fees for deregulated professional programs to triple and quadruple is associated with a significant drop in enrolment for students from the middle class. The Statistics Canada

study echoes findings from an OCUFA-commissioned research report which shows up to 60 per cent of families in the middle of Ontario's income spectrum could easily get squeezed out of being able to afford university if tuitions rise (Mackenzie 2005). Many would debate what level of tuition is appropriate in Ontario, but if the goal is to ensure that more students who are ready and able to go to university get an opportunity to do so, the evidence indicates high tuition yields the opposite result.

Conclusion

It is widely agreed, investing in postsecondary education is a win-win situation. Increasingly, the market requires degree-holders: University graduates hold 27 per cent of jobs in Ontario, a figure that has risen from 18.6 per cent in 1990 (COU 2005). Getting a university education pays, too: University graduates tend to earn higher incomes and contribute to the health of Ontario's economy by paying taxes, consuming goods, and engaging in the knowledge-based job market. What is more, a number of studies of Ontario's economic future confirm the central role of a healthy university system. The Panel on the Role of Government in Ontario and the Task Force on Competitiveness, Productivity and Economic Progress are examples of government-appointed bodies that recommend greater investment in postsecondary education to stay competitive in the economy, and to ensure our universities are competitive with those in Canadian and U.S. jurisdictions. Clearly, what is good for Ontario's universities is also good for Ontario's economy. We look to Budget 2006 to spell out a plan to take the province's postsecondary education system to the next level.

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