

Public funding for Ontario universities continues to erode

OCUFA analysis of the 2015 Ontario Budget

April 2015

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Ontario Confederation of University Faculty Associations
Union des Associations des Professeurs des Universités de l'Ontario

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The Ontario Confederation of University Faculty Associations is the voice of 17,000 university faculty and academic librarians across Ontario.

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The 2015 Ontario Budget, tabled on April 23, did not make needed public investments in Ontario's universities. The importance of postsecondary education is repeatedly acknowledged throughout the Budget and the government accepts that 7 out of 10 new jobs are expected to require postsecondary training. Despite this recognition, no new investments were made in a sector that has now struggled with stagnant funding for half a decade.

In effect, austerity remains the reality for Ontario's universities. Beyond the notable absence of new investment, there was relatively little news for universities in this year's budget. The government remains committed to pursuing its differentiation agenda and expanding its role as "steward of the system," indicating a continued interest in playing a more directive role in institutional planning and governance. OCUFA will continue to work to ensure that this agenda does not obscure ongoing underfunding, or become a justification for further cuts.

Privatization was one of the key planks of the 2015 Ontario Budget, as the government announced the high profile sell-off of Hydro One. In higher education, a quieter form of privatization is also taking place as a greater share of costs is being shifted onto students and their families. As OCUFA reported in March 2015, for the first time ever, tuition fees now account for more than half of university operating budgets.

FUNDING PICTURE

The planned funding allocations for universities were largely unchanged from the inadequate commitments made in the 2014 fiscal plan. The 2015 Ontario Budget allocated \$3.49 billion for universities in 2015-16, a change of less than one per cent over the allocation of \$3.48 billion in last year's budget. As funding fails to keep pace with inflation, this failure to make real new investments amounts to real cuts for the postsecondary sector.

Adjusted for inflation, the projected funding allocations for 2017-18 in this year's budget have fallen to 2008-09 levels. Ontario's per-student operating grants are already 34 per cent behind the rest of Canada average. With no change in direction in this budget, this gap is now set to widen even further.

The Budget also restates the government's intent to review and reform the funding model for universities. The stated objective of the review is to better align funding with outcomes and to advance the province's differentiation agenda.

GOOD JOBS IN THE UNIVERSITY SECTOR

The 2015 Ontario Budget does nothing to address the need for more full-time faculty hiring at Ontario's universities. With no new investments, the government has not taken the leadership that is needed to move towards bringing Ontario's student-faculty ratio in line with the rest of Canada average, which would require hiring over 8,000 full-time faculty by 2020.

The Budget reiterated the government's commitment to undertaking a review of employment and labour law in the context of a changing labour market. The government recognizes an increase in non-standard employment, including temporary work, part-time work, and holding multiple jobs. OCUFA will participate in the government's review at every opportunity in order to make recommendations that could improve working conditions for a growing number of contract faculty at Ontario universities who are subject to precarious terms of employment.

The Budget also extended the government's commitment to net zero agreements in the broader public sector, requiring that the cost of any wage increases are offset by other measures. The financial pressures that accompany this approach will continue to disproportionately affect those workers already facing precarious terms and conditions of employment – such as contract faculty in the university sector – by incentivizing the greater use of low-cost and high-uncertainty employment options.

PENSION SOLUTIONS FOR UNIVERSITIES

The government continues to pursue the legislative changes required to facilitate the possible conversion of public sector single-employer pension plans (SEPPs) to jointly sponsored pension plans (JSPPs). The Budget commits the government to continued engagement with interested stakeholders on the draft regulations. It also recognizes that the availability of exemption from solvency funding is a main factor for many stakeholders considering the move to a JSPP. The Budget restates the government's

openness to considering feedback from stakeholders on the proposed criteria for solvency exemption before it is finalized. OCUFA will continue to communicate with the government to ensure that the regulations and criteria reflect our members' interests.

There were no substantial new details included about the Ontario Retirement Pension Plan (ORPP) in this budget. The key design questions laid out mirror those to which OCUFA responded in February 2015 in a submission to the Ministry of Finance. The key issue for OCUFA will remain the scope of the ORPP. A wide-reaching plan that is as universal as possible will ensure that those in need of support, such as contract faculty, are included in the plan and will facilitate the portability of pension savings from one workplace to another.

OTHER BUDGET MEASURES

Several other measures that impact the postsecondary education sector were also announced in this budget:

- The government earmarked another \$15 million in 2016-17 to support Ontario Online, which the Budget indicated will begin operations in the 2015-16 academic year.
- Some changes were made to the Ontario Student Assistance Program (OSAP), including indexing repayable and non-repayable debt to inflation, launching a loan rehabilitation program, decoupling grants and loans, and changing in-study financial contribution rules. Students have expressed that while some of these changes may be sensible, they do nothing to address the actual cost of postsecondary education.
- There were no new announcements made regarding postsecondary infrastructure. The Budget indicated that a decision will be made at a future date about the successful proposals in the bid for funding for satellite campus expansion.