



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

**Budget 2011 Backgrounder:
Ontario's Postsecondary Spending Plans**

OCUFA WORKING PAPER SERIES

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

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Since it announced *Reaching Higher* in 2005, the McGuinty Liberal government has made the expansion and accessibility of postsecondary education (PSE) one of its signature contributions to Ontario's development. It has promised that all eligible qualified students would find a place in the province's postsecondary institutions and that each of these places would be funded by the provincial government.

In advance of last year's budget, the Ontario government signaled support for a one-year enrolment increase in its Throne Speech. This year, the Finance Minister gave advance notice that the Ontario government is anticipating demand for 60,000 additional college and university places by 2015-16 and is committing funding over the next three years to meet that demand.

Welcome as it is for the government to gesture that it is getting ahead of the curve on enrolments and funding, essentially it ensures a supply of seats for students. It does not provide additional money for faculty hiring, facility renewal, teaching or research – all essential elements for maintaining quality in an expanding higher education system.

Government operating grants

Budget 2011 reprises last year in announcing additional funding for enrolment growth in the coming year, and takes a step further by looking several years forward. The budget announces added funding of \$309 million by 2013-14. For the forthcoming year, the budget commits \$64 million for the expected college and university undergraduate enrolment increase. Approximately two-thirds of the new students are expected to be heading to universities, but the portion of the \$64 million flowing to universities is not yet known. 2011-12 is also the final year of the graduate expansion funding envelope, which provides for an additional \$17.2 million in operating grants to universities.

In nominal terms, combined college and university per student funding will remain relatively stable over the next three years. Taking projected inflation into account, per student funding will decline in the neighbourhood of 10 per cent.

Projected per student PSE operating funding, 2009-10 to 2013-14ⁱ

	Student full-time equivalent 'eligible' enrolment					Budget estimates	Operating grants / FTE	
	Graduate	Under-grad	College	Under-grad & College	Total PSE	Operating grants \$ millions	Current \$	Constant 2009-10 \$
2009-10	38,485	340,049	205,412	545,461	583,946	\$ 4,519	\$ 7,739	\$ 7,739
Add	20,000							
2010-11	39,298	350,634	214,827	565,461	604,759	\$ 4,708	\$ 7,785	\$ 7,602
Add	college & undergrad students			12,000	12,000	\$ 64 m		
	graduate students				1,325	\$ 17 m		
2011-12	40,624			577,461	618,084	\$ 4,789	\$ 7,748	\$ 7,414
Add	36,000					\$ 309 m		
2013-14	45,645			610,461	656,106	\$ 5,017	\$ 7,646	\$ 7,042

Decline in constant \$ per student funding 2009-10 to 2013-14 9 %

In the absence of other increases to operating funding to recruit more faculty and enhance teaching and research, it is hard to see how Ontario institutions and faculty members will be able to make forward strides to improve the quality of students' learning experience and environment. Ontario's student-faculty ratio is 27-to-1 and compares poorly with 19-to-1 in the rest of Canada and 18-to-1 at comparable US institutions. OCUFA's estimates also indicate that first year university class sizes have increased by a quarter or more since *Reaching Higher* was launched. As enrolment grows over the next five years, that trend in class size will continue to spill over into second, third and fourth year classes.

Other initiatives

In a period in which governments are turning their attention to deficit reduction, it is little surprise that, apart from \$50 million in funding over 10 years for the Perimeter Institute, Budget 2011 offers little else that is new for the postsecondary sector.

Separately, we have been assured that additional funding will be provided to the Ontario Student Assistance Program to accommodate enrolment growth. For the most part, however, the budget reiterates prior commitments and initiatives. These include \$73.7 million to support a provincial credit transfer system, the extension of provincial and federal stimulus investments in capital projects, and changes to student assistance. The pension measures outlined have all been announced before.

Previously announced reductions include the elimination of the research and development-related Premier's Discovery and Catalyst Awards. Discontinuation of the Ministry of Health and Long Term Care Career Scientist award program will affect faculty members who have been freed up to conduct health-related research.

The budget also introduces a plan to reduce funding for the executive offices of certain transfer partners by 10 per cent over two years. It does not say explicitly that this will apply to universities, but universities and colleges are listed as recipients of some of the largest transfer payments from the provincial government.

Although last year's budget announced a major review of capital expenditures and consultations on a 10-year infrastructure plan which is to report this year, Budget 2011 makes no mention of it, and there are no indications that current year infrastructure funding plans include any additional funds for universities. At present, universities require an average of \$381 million per year to maintain their facilities in the current state of repair, far above current allotments for the Facilities Renewal Program.

Concluding comments

Although the budget lists quality improvement in PSE as one of the government's objectives, it continues to be lost amidst the effort to reach a postsecondary attainment rate of 70 per cent and the promise to ensure seats are available for qualified applicants seeking admission to Ontario's colleges and universities. There is no question of the McGuinty government's intentions, but its promise continues to be a victim of its own success as long as enrolment growth offsets the effect of added funding.

A genuine commitment to accessibility and quality requires adequate funding. To ensure access for all students, OCUFA advocates a tuition freeze. To ensure student success, and to assure the quality of teaching and research undertaken at Ontario universities, OCUFA proposed adding \$300 million to operating grants each year to compensate for the tuition freeze, hire more full-time faculty, provide additional library and teaching resources, and ensure the safe and effective operation of newly added infrastructure. OCUFA also proposed increased spending to address restore the physical learning environment. Together, these funding initiatives would be a modest step that recognizes current economic circumstances. The longer the delay, the longer and steeper will be the steps we need to take.

Note

ⁱ 2009-10 enrolment figures are as reported by MTCU and Colleges Ontario; Budget estimate for college and university operating grants includes \$155 million added in supplementary estimates.

2010-11 enrolments based on MTCU data for university fall enrolment; assumes 20,000 undergraduate and college enrolment increase achieved; Budget estimate as reported.

2011-12 graduate enrolment and funding based on Graduate Expansion envelope targets agreed between MTCU and universities; college and undergraduate enrolment increase assumes equal increase each of four years.

Subsequent years based on media announcement of Duncan statement except Grad enrolment (based on COU June 2010 Position Paper: *Framework for Planning and Funding of Enrolment*, which estimates an annual growth rate of 6%). Constant \$ index based on U of T Policy and Economics Analysis Program forecast for Ontario.