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# FUNDING ONTARIO'S FUTURE

STUDENT RECOMMENDATIONS  
FOR THE 2020 ONTARIO BUDGET



**350,000 UNDERGRADUATE,  
GRADUATE AND COLLEGE  
STUDENTS UNITED.**

The Canadian Federation of Students-Ontario is the oldest and largest student organization in the province, representing over 350,000 college, undergraduate and graduate students from Thunder Bay to Windsor.

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# EXECUTIVE STATEMENT

## **Students need a more accessible and sustainable future for post-secondary education in Ontario.**

There have been significant changes to Ontario's colleges and universities over the past year, but they have not all been for the better. Cuts to financial aid and a lack of new public investment make post-secondary education more difficult to access. A robust plan towards a fully-funded and forward-thinking education system is not only good for students, but for a brighter future in Ontario.

Post-secondary education in Ontario is not only unaffordable for students today, it also creates a cycle of debt for future generations to come. Ontario has some of the highest tuition fees in the country. The ten per cent tuition fee reduction introduced this year, followed by a freeze in 2021 is only a band-aid solution to the skyrocketing cost of education. It does not systemically address nor provide a long-term solution, as the financial barriers in accessing education still exist. Meanwhile, the Ontario Student Assistance Program (OSAP) faced the largest financial cut in history, leaving students with significantly larger debt loads and not enough money to afford their education.

Instead of band-aid solutions, students propose a move towards free education. Eliminating financial barriers will result in a more prosperous Ontario as everyone benefits from a well-educated society. In the short-term, alleviating student debt will enable recent graduates to invest more in Ontario's economy providing the financial freedom to purchase homes, start families and businesses, buy locally and participate in the economy.

In addition to affordability, post-secondary education must be high quality. Students are concerned about the impact that performance-based funding will have on the quality of our education. A performance-based analysis of our communities, campuses and alumni is simply not sufficient to measure the many factors that contribute to providing high quality post-secondary education in this province. The newly introduced funding model will also place unnecessary pressure on students, staff, and faculty, worsening the already precarious state of mental health of college and university campuses.

The student experience is about more than time spent in the classroom. Campus life equips students with essential skills and experiences that cannot be taught in the classroom. This year, campus life was threatened by the Student Choice Initiative. While the policy was deemed unlawful in November by the Ontario Divisional Courts, the Canadian Federation of Students, along with many students' unions and organizations in Ontario are calling for legislation to protect groups that maintain campus life and to respect the democracy and autonomy of student organizations.

In addition to the issues of affordability, quality and campus life, there are systemic barriers in Ontario's education system. First Nations, Métis and Inuit students face disadvantages that can hinder academic success. The Franco-Ontarian community does not have the same access to colleges and universities as Anglophones in this province. International students face significantly higher tuition fees and lack of access to universal health care.

The time to create a sustainable future for our post-secondary education system is now. It's time to invest in a public post-secondary education system in Ontario by increasing provincial funding for colleges and universities. Students have put together the following recommendations to put post-secondary education on the right path in this province.

**Felipe Nagata**, Chairperson

**Kayla Weiler**, National Executive Representative

**Fabrice Jean-Baptiste**, Treasurer



# SUMMARY OF RECOMMENDATIONS



## TUITION FEES IN ONTARIO

- Eliminate tuition fees for ALL students by creating a comprehensive Tuition Fee Framework that aims to gradually phase-out tuition in the course of a decade
- Investigate efficiencies within the operations of post-secondary institutions to reduce administrative costs



## REVERSE OSAP CUTS AND CHANGES

- Reverse cuts and changes to OSAP, and provide more grants than loans to low- and middle-income families
- Re-instate the six-month grace period on interest post-graduation
- Annual data on OSAP and student debt



## PROTECTING STUDENTS' RIGHT TO ORGANIZE

- Protect all students' right to organize by implementing legislative protections for college and university students' associations in Ontario



## FROM RECONCILIATION TO RECONCILIATION

- Legislation mandating in-depth data collection on First Nations, Inuit and Métis student recruitment, enrollment and retention
- A fully funded Transitional Year Program
- Designated First Nations, Inuit and Métis student support services fund in order to create programs



## FAIRNESS FOR INTERNATIONAL STUDENTS

- Introduce a cap on International tuition fees
- Create a framework to reduce International Student tuition fees to domestic rates
- Reinstatement of the Ontario Health Insurance Program for students with valid study permits

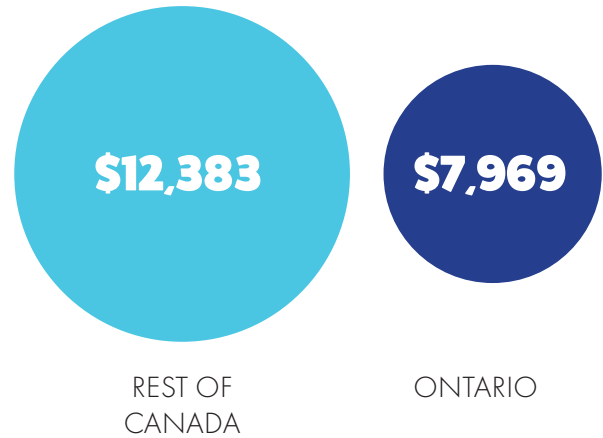


## PERFORMANCE-BASED FUNDING

- Reinstall corridor funding for post-secondary institutions
- Have consultations with institutions, student organizations, and other groups who will be affected by funding changes prior to making such changes to the funding formula

# ACCESS TO EDUCATION

## AVERAGE PER-STUDENT FUNDING 2018 - 2019



## UNAFFORDABILITY OF TUITION FEES IN ONTARIO

Tuition fees in Ontario are the highest in history, with domestic undergraduate students paying, on average, \$8,000 dollars per year.<sup>1</sup>

Over a decade of underfunding led colleges and universities to rely on tuition fee increases to compensate for a lack of public funding. While the ten per cent tuition fee reduction and subsequent tuition fee freeze will put a pause on the rising cost of education, per-student funding in Ontario is amongst the lowest in the country at around \$8,000 - roughly 40 per cent less than the national average of \$12,300 in the rest of Canada.<sup>2</sup> We need a long-term strategy in addressing high tuition fees and investing in the future of this province.

High tuition fees either discourage enrolment in post-secondary education altogether, or – more commonly – force students into debt. As approximately 65 per cent of jobs in Ontario require some level of post-secondary education, the province should be investing in students, rather than indebting them.<sup>3</sup>

*Tuition fees in Ontario are the highest in history.*

## UNIVERSITY TUITION FEES

Students in Ontario pay some of the highest tuition fees in Canada, second only to Nova Scotia. This is particularly alarming as an undergraduate degree is almost a basic necessity for an individual to join the workforce. The result is a disproportional system that disenfranchises marginalized students as they progress in their studies. Students with disabilities, low-income students and other marginalized groups face more entrenched financial barriers resulting in disparities in university demographics, and ultimately increasing inequalities in Ontario's general population.

## COLLEGE TUITION FEES

College tuition fees are roughly half that of university tuition fees. There is also a higher percentage of mature and low-income college students, which may be a result of the Ontario Student Grant (OSG), which covered the cost of tuition fees for students of families that earned \$50,000 or less.<sup>4</sup> About 73 per cent of college students across Ontario benefited from the OSG before it was changed in January 2019. The changes to the OSG have left college students in more precarious financial positions. Some are taking on more loans and therefore more debt while others are taking on second and third jobs, and many have had to make the difficult decision to leave their studies. Tuition fees are a barrier to those working to end the cycle of poverty.

*We need a long-term strategy in addressing high tuition fees and investing in the future of this province.*



## **CONCLUSION**

Ontario should eliminate financial barriers to post-secondary education. Investments in education are always good investments. Apart from the direct benefits to the provincial economy, post-secondary institutions are also hubs of innovation that generate human and intellectual capital. A highly educated population results in innumerable benefits from technological advancement to a more stable economy.

## **RECOMMENDATIONS**

*Eliminate tuition fees for ALL students by creating a comprehensive Tuition Fee Framework that aims to gradually phase-out tuition in the course of a decade.*

*Investigate efficiencies within the operations of post-secondary institutions to reduce administrative costs.*

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<sup>1</sup> Statistics Canada. "Canadian and International tuition fees by level of study." <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710004501>.

<sup>2</sup> Statistics Canada. "Education in Canada: Key Results from the 2016 Census." <https://www150.statcan.gc.ca/n1/daily-quotidien/171129/dq171129a-eng.htm>.

<sup>3</sup> OCUFA Pre-Budget Submission. <https://ocufa.on.ca/assets/2019-OCUFA-Pre-Budget-Submission.pdf>.

<sup>4</sup> CBC. "40% of Ontario full-time post-secondary students granted free tuition." <https://www.cbc.ca/news/canada/toronto/ontario-schools-tuition-data-1.5003005>.

# REVERSE OSAP CUTS & CHANGES

Ontario's 2019 budget instituted a \$670 million cut to the Ontario Student Assistance Program (OSAP). There were also a number of significant changes to OSAP that created further financial barriers for students. This year, students from middle- and low-income families felt the burden of these cuts and changes, and the resulting impact on the affordability and accessibility of post-secondary education.

## ADJUSTED GRANTS AND LOANS ELIGIBILITY GUIDELINES

In 2018, students from middle- and low-income families who relied on financial aid received more grants than loans to help fund their education. This year, as a result of the \$670 million cut to OSAP, students faced reassessments of their financial aid. Many students found themselves taking on more debt as non-repayable grants were turned into loans.

Students from low-income families who applied for OSAP this year encountered a number of challenges in seeking financial aid. They received the majority of their aid in loans and only minimal in non-repayable grants. The family income eligibility threshold for the Ontario Student Grant was reduced from \$35,000 to \$25,000, forcing more students to take on loans over non-repayable grants. Ultimately, many students found the loans they received were not even enough to cover their tuition despite the 10 per cent reduction in tuition fees. Students faced with this hardship were forced to take on more work and additional private debts at a higher interest rate.

Graduate students face unique challenges as a result of changes to financial aid. Graduate students and students in professional programs including law and medicine, who are in need of financial assistance to pay their tuition, now have significantly less access to grants, and must take out a loan no matter their financial situation.

While all students are impacted by mounting debt loads, middle- and low-income students are disproportionately impacted. For these students, loans will take decades to pay back, and ultimately cost more as interest continues to accrue.

## DEPENDENT, MATURE & PART-TIME STUDENTS

Changes in the definition of dependent have also affected eligibility for student financial aid. Dependent students are students who rely on family support. In the context of financial aid, this means that their parental income is factored into their OSAP needs assessment. In 2017-18, 55 per cent of those who received financial aid were dependents and 43 per cent were mature students.<sup>6</sup> The definition of a dependent was recently changed to include any student who has been out of high school for less than six years – while it was previously defined as four. This means that mature students, regardless of being economically independent, must include their parental income as part of their OSAP assessment. Additionally, the changes to OSAP eligibility now states that students with a family income of \$140,000 and above will only be able to receive repayable loans and students with a family income of \$50,000 and below will receive up to 82 per cent of financial aid in grants, however none will receive grants alone and instead, will receive financial aid in a combination of grants and loans.

Part-time students are currently ineligible for OSAP. However, the cuts and changes to OSAP mean that full-time students who can no longer afford the high upfront costs of post-secondary education are forced to drop down to part-time status, thereby making them ineligible for OSAP. Students, regardless for their status, should have fair access to financial assistance and eligibility should be based on financial need and not course load or parental income.

# \$31,091

AVERAGE DEBT IN 2018 from low-income families. This includes government student loans and other private loans.<sup>5</sup>



*Students from low-income families who applied for OSAP this year encountered a number of challenges in seeking financial aid.*



## **INTEREST-FREE GRACE PERIOD**

The six-month interest-free grace period was also eliminated from the Ontario Student Assistance Program. This policy previously stipulated that student loans would not accrue interest and would not require repayment within the first six months after a student graduated. With the elimination of this grace period, loans now immediately begin accruing interest following graduation and students are required to begin repayment. As only approximately 34 per cent of students have job offers post graduation,<sup>7</sup> this policy applies undue pressure on graduates who must start saving to repay their loan while they struggle to find a job.

## **RECOMMENDATIONS**

*Reverse cuts and changes to OSAP, and to provide more grants than loans to low- and middle-income families.*

*Re-instate the six-month grace period on interest post-graduation.*

*Annual data on OSAP and student debt.*

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<sup>5</sup> Canadian University Survey Consortium 2018 Graduating Students' Survey.

<sup>6</sup> Office of the Auditor General of Ontario. "Ontario Student Assistance Program." Ministry of Training, Colleges and Universities, 2018, [www.auditor.on/en/content/annualreports/arreports/en18/v1\\_210en18.pdf](http://www.auditor.on/en/content/annualreports/arreports/en18/v1_210en18.pdf)

<sup>7</sup> Canadian University Survey Consortium 2018 Graduating Students' Survey.

# PROTECTING STUDENTS' RIGHT TO ORGANIZE

## THE STUDENT CHOICE INITIATIVE

In 2019, the Ministry of Training, Colleges and Universities (MTCU) created a new framework governing ancillary fees, known as the Student Choice Initiative (SCI).<sup>8</sup> This policy directive arbitrarily dictated that a number of ancillary fees, including those paid to student-run service centers, campus food banks and, most notably, membership in students' associations were to be made optional.

During the period where students were permitted to opt-out of ancillary fees, the budgets of many student groups including students' associations and the Canadian Federation of Students were unknowable. As the inevitable result of decreased funding, student levy-funded groups were left with no choice but to lay off workers, eliminate permanent full-time positions and cut back or discontinue services they offered.

Not only did this policy directive affect the delivery of campus services and advocacy, it altered a long-standing precedent guiding the relationships between governments, post-secondary institutions and students' associations.

*Student levy-funded groups were left with no choice but to lay off workers, eliminate permanent full-time positions and cut back or discontinue services they offered.*

## THE LEGAL FRAMEWORK SUPPORTING THE AUTONOMY OF POST-SECONDARY INSTITUTIONS AND STUDENTS' ASSOCIATIONS

On November 21, 2019, the Divisional Court of Ontario quashed the SCI, ruling that it was inconsistent with statutory schemes regulating colleges and universities in Ontario and deeming it unlawful.<sup>9</sup> This decision re-affirmed that Universities are self-governing institutions who hold exclusive authority over their relationships with student associations including, but not limited to, the democratic processes associated with the collection and remittance of student association membership fees.<sup>10</sup>

Institutional autonomy has historically been a fundamental principle guiding the governance of post-secondary institutions in Ontario.<sup>11</sup> This precedent has protected the independence of students' associations from political interference and the Divisional Court's decision only highlights the need to solidify these protections through legislation.

Mandatory membership fees are required for student associations as well as, provincial and national students' organizations to fully represent the interests of and serve their members. Students have the democratic authority to determine what ancillary fees should be optional and which are mandatory.<sup>12</sup> Historically it has always been the case that the remittance of fees must be done by institutions for student groups and unions as well as, provincial and national organizations.

Passing legislation to protect and legitimize the hard work of student representatives in Ontario is a necessity after the future of such representation was under threat. With the support of the judicial system, student groups must be recognized as legitimate through legislation. British Columbia and Québec have protected the autonomy of institutions to govern all matters relating to the collection and remittance of students' association membership dues by implementing legislation that grants them this right.<sup>13 14</sup> Such legislation is needed in Ontario to clarify relationships and ensure good governance between institutions, students' associations and government and in addition, to provide legal protections for students' associations with regards to their ability to be self-governing, autonomous and private not-for-profit organizations.<sup>15</sup> Recognition of the autonomy and democracy of students' unions guarantees a vital element of the post-secondary sector that amplifies the student voice and the advocacy that is beneficial to the future generation of students studying in Ontario.



## RECOMMENDATION

*Protect all students' right to organize by implementing legislative protections for college and university students' associations in Ontario*

*Such legislation should outline at minimum that:*

- *Every student enrolled and paying fees to a post-secondary institution in Ontario must be represented by, and pay a fee to, a central student government.*
- *It is the democratic right of student associations who are private and independent not-for-profit organizations to set their rates and conditions of membership.*
- *Governance of fees must be done by institutions to student groups and unions, and provincial and national organizations.*

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<sup>8</sup> Queen's Printer for Ontario, 2019. "Affordability of Postsecondary Education in Ontario." Ministry of Training, Colleges and Universities, Jan. 2019" [news.ontario.ca/maesd/en/2019/01/affordability-of-postsecondary-education-in-ontario.html](https://news.ontario.ca/maesd/en/2019/01/affordability-of-postsecondary-education-in-ontario.html).

<sup>9</sup> Canadian Federation of Students v. Ontario (2019), ONSC 6658.

<sup>10</sup> Ibid

<sup>11</sup> Ibid

<sup>12</sup> Ibid

<sup>13</sup> Act respecting the accreditation and financing of students' associations (1983), RSQ, c-A 3.01, <http://legisquebec.gouv.qc.ca/en/showdoc/cs/A-3.01?langCont=en#ga:l i-h1>.

<sup>14</sup> College and Institutes Act (1996), RSBC, c.52, [http://www.bclaws.ca/civix/document/id/complete/statreg/96052\\_01#section21](http://www.bclaws.ca/civix/document/id/complete/statreg/96052_01#section21).

<sup>15</sup> Bill 184, An Act respecting student association at post-secondary educational institutions in Ontario, 2nd Sess, 29th Leg, First Reading, Ontario, 2011.

# FROM RECONCILIATION TO ReconciliACTION

## A HISTORICAL CONTEXT

Despite the fact that education is a fundamental right for First Nations, Inuit and Métis people, there is a significant gap in educational attainment between Indigenous and non-Indigenous populations in Ontario. With over 374,000 First Nations, Inuit and Métis peoples in Ontario, only 16,000 are enrolled in the province's publicly-assisted colleges and universities.<sup>16</sup>

## EDUCATIONAL ATTAINMENT GAP

**29.3%**

of the non-Indigenous population has a university degree

**11.3%**

of the Indigenous population has a university degree<sup>17</sup>

However, it is difficult to fully assess the situation of Indigenous learners in Ontario's post-secondary education system as there is little to no data collected on the specific experiences of First Nations, Inuit and Métis students.

Significant barriers such as lack of funding, ongoing harms of colonialism, intergenerational traumas of residential schools and the '60s Scoop have made Ontario's colleges and universities unattainable for the vast majority of potential Indigenous learners. For Indigenous students who are enrolled in college or university, campuses become sites of violence and alienation.

## THE FUNDING GAP

In a country where achieving a post-secondary education is almost essential to obtaining employment, raising just First Nations graduation rates to be comparable to the Canadian population would lead to an economic benefit of \$401 billion (2006 dollars), and \$115 billion in reduced government

spending.<sup>18</sup> The government of Ontario has a responsibility to ensure that the province's publicly-funded colleges and universities are accessible to potential Indigenous learners where they feel supported throughout their academic lives, understood in their experiences and reflected in campus life.

Providing incoming Indigenous students with the tools and skills they need to succeed and creating Indigenous-specific support services and programming on campuses are small steps this government can take towards closing the educational attainment gap between Ontario's Indigenous and non-Indigenous populations. Students who are able to access government funding and a college or university education become leaders in their field and continue on to provide meaningful contributions in their communities.

*The government of Ontario has a responsibility to ensure that the province's publicly-funded colleges and universities are accessible to potential Indigenous learners*



## RECOMMENDATIONS

*Legislation mandating in-depth data collection on First Nations, Inuit and Métis student recruitment, enrollment and retention in Ontario's post-secondary system.*

*A fully funded Transitional Year Program to support Indigenous learners in bridging between high school and Ontario's public post-secondary education system.*

*Designated First Nations, Inuit and Métis student support services fund in order to create programs, such as, academic support services, mental health services, Elders in residence programs and culturally-specific programming.*

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<sup>16</sup> Statistics Canada. "The Educational Attainment of Aboriginal Peoples in Canada." *Statistics Canada*, National Household Survey (NHS), 2011, 2011, [www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011003\\_3-eng.pdf](http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011003_3-eng.pdf).

<sup>17</sup> Canadian Federation of Student Ontario. "Indigenous Education Factsheet." *Canadian Federation of Students Ontario*, Jan. 2017, [www.cfsontario.ca/wp-content/uploads/2018/10/2017.01-Indigenous-Education-factsheet.pdf](http://www.cfsontario.ca/wp-content/uploads/2018/10/2017.01-Indigenous-Education-factsheet.pdf).

<sup>18</sup> Drummond, Don, and Ellen Kachuck Rosenbluth. "The Debate on First Nations Education Funding: Mind the Gap." *Queens University Policy Studies*, Dec. 2013, [qspace.library.queensu.ca/bitstream/handle/1974/14846/Drummond et al 2013 Debate on First Nations.pdf?sequence=1](http://qspace.library.queensu.ca/bitstream/handle/1974/14846/Drummond%20et%20al%202013%20Debate%20on%20First%20Nations.pdf?sequence=1).

# FAIRNESS FOR INTERNATIONAL STUDENTS

The number of international students studying at post-secondary institutions in Ontario has grown significantly over the past decade, bringing cultural diversity and adding value to our campus communities, while also making significant contributions to Ontario's economy.<sup>19</sup>

However, the concerted recruitment of international students by post-secondary institutions is not always innocent. As international students pay differential tuition fees, up to three to five times higher than domestic fees, they are often seen as cash cows by colleges and universities, bridging the gap between lack of public funding and regulated domestic tuition fees. In addition to exponentially higher tuition fees, international students also find themselves tangled in red tape as they apply for study and work permits and having to pay extra for things like expensive and inadequate health insurance.

## INTERNATIONAL TUITION FEES

International tuition fees are exponentially higher than domestic tuition fees because they are unregulated. While these fees are already astronomically high, institutions can increase them as much as they want from year to year. For example, this year the University of Waterloo increased tuition fees for international students studying computer science by 62.1 per cent to offset the ten per cent tuition fee cap that was introduced with no new funding.<sup>20</sup>

Using international students as a revenue-generating source is a short-sighted and unsustainable strategy for post-secondary institutions.<sup>21</sup> Ontario needs to properly invest in institutions, not rely on international students to offset the cost of post-secondary education in Ontario.

# 62.1%

TUITION FEE INCREASE for international students studying computer science at the University of Waterloo

*Ontario is out of step with the majority of Canadian provinces when it comes to international student healthcare.*

## ONTARIO HEALTH INSURANCE PROGRAM FOR INTERNATIONAL STUDENTS

In addition to high tuition fees, international students have to pay extra for private health insurance. While international students were covered by OHIP until the early nineties, they now have to rely on privately administered medical insurance plans: College Health Insurance Plan (C-HIP) and University Health Insurance Plan (UHIP).

These private plans are prohibitively expensive, costing between \$500 and \$2,000 annually depending on the size of the covered party.<sup>22</sup> Beyond the financial burden, there is limited coverage and bureaucratic red tape. Too often, international students find themselves unable to find a doctor, clinic or specialist that will accept their coverage. While this problem persists in all Ontario communities, it is even more acute in smaller, isolated municipalities.

Ontario is out of step with the majority of Canadian provinces when it comes to international student healthcare. Five out of ten provinces – British Columbia, Alberta, Saskatchewan, New Brunswick, and Newfoundland and Labrador – all offer public health insurance to international students, provided they meet certain eligibility requirements, including a commitment to staying in the province for a majority of any twelve-month period.<sup>23</sup>

# \$8

# BILLION

In 2016, international students contributed APPROXIMATELY \$8 BILLION TO THE PROVINCE.



## CONCLUSION

International students are an important part of Ontario's economy. In 2016, international students contributed approximately \$8 billion to the province through tuition fees, basic living expenses and consumer spending. The province already recognizes international students as a target population for immigration growth. Regulating international student tuition fees and re-integrating international students into public health insurance would make Ontario an even more attractive destination to live, work and study.

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<sup>19</sup> Statistics Canada. "International Education Impacts." <https://www.international.gc.ca/education/report-rapport/impact-2017/index.aspx?lang=eng>.

<sup>20</sup> Waterloo Chronicle. <https://www.waterloochronicle.ca/news-story/9245625-university-of-waterloo-raising-tuition-rates-for-international-students/>.

<sup>21</sup> OCUFA President Letter to MTCU on International Education Strategy. <https://ocufa.on.ca/assets/Letter-OCUFA-President-Ontario-International-Education-Strategy-April-4-2016-FINAL.pdf>.

<sup>22</sup> UHIP Website. <https://uhip.ca/About/Index>.

<sup>23</sup> My Canada Dream Immigration Consultancy Company: Is it Free the Health Insurance for Students in Canada, <http://www.mycanadadream.com/is-it-free-the-health-insurance-for-students-in-canada/>.

## RECOMMENDATIONS

*Introduce a cap on International tuition fees.*

*Create a framework to reduce International Student tuition fees to domestic rates.*

*Reinstate the Ontario Health Insurance Program for students with valid study permits.*



# PERFORMANCE-BASED FUNDING

## A PROBLEMATIC MODEL

This past year, the Ontario Government introduced changes to the funding formula for publicly-assisted universities and colleges. By 2024-25, 60 per cent of funding will be tied to ten performance-based metrics, six related to skills and job outcomes, and the remaining four related to economic and community impact. This plan was created with no consultation of sector stakeholders and with no released research that suggests it would be an effective model for assessment and funding basis.<sup>24</sup> Performance-based funding models can lead to a decrease in the quality of education, academic autonomy, diversity of research, and accessibility for marginalized students.<sup>25</sup> Rather than granting more resources to institutions that are struggling in an attempt to boost their performance, students and faculty will be punished by being put into worse financial conditions. Furthermore, the model that the Ministry of Colleges and Universities is implementing will leave colleges and universities with less access to public funding resulting in a loss portion to their existing budgets.<sup>26</sup>

*Performance-based funding models can lead to a decrease in the quality of education, academic autonomy, diversity of research, and accessibility for marginalized students.*

## PERFORMANCE-BASED FUNDING AROUND THE WORLD

Since 2010, over a dozen districts and countries around the world have implemented a performance-based funding model for post-secondary education. The Research Excellence Framework was established by the United Kingdom, where it has been said to influence academic hiring and manipulate how research is conducted, what is studied, and where it is published.<sup>27</sup> In New Zealand, their performance-based research framework prioritizes international work and academics, causing a disadvantage for community-based and Indigenous research.<sup>28</sup> Multiple studies have shown that research in these models tend to produce quantity over quality, neglecting unconventional and unexplored research areas that take longer to be published.<sup>29</sup> These examples of performance-based funding exhibit how Ontario's education system would be negatively impacted by performance-based indicators that ignore the innovation and academic work of Ontario's colleges and universities.

## SACRIFICING QUALITY OF EDUCATION

Exploration and innovation across fields of study, and equitable access to programs, have been a cornerstone of high quality education in Ontario. While emphasizing graduation rates may seem to be a useful tool in ensuring that colleges and universities are producing potential workers to support Ontario's economy, it ignores the many indicators of success that are applicable to the post-secondary education sector. By requiring institutions to achieve higher graduation rates in order to receive the entirety of their public funding, it encourages them to lower standards in grading and evaluating students.<sup>30</sup> Professors, lecturers and teaching assistants will be pressured into giving students passing grades in order to keep their jobs, resulting in an influx of people in the workforce who do not have the qualifications and skills that are required. This shift to performance-based funding model is focused on treating students as commodities that can fill roles within the workforce, rather than wholistic students with fundamental skills and experience to contribute to the growing Ontario economy.



## ACADEMIC AUTONOMY

The introduction of ten metrics in which colleges and universities will be evaluated by is not just a radical departure from the previous model of enrollment-based funding, but a model that threatens the institutional autonomy of post-secondary institutions. Although the metrics chosen may seem arbitrary, it is important to note that it is not a neutral act and tying funding to any specific metric places pressure on colleges and universities to sacrifice their existing mission of educating people in favour of creating workers.<sup>31</sup> Educational institutions should not be influenced by corporate or private interest, but with the introduction of metrics such as graduate earnings, institutions will feel the repercussions for not focusing on fields of study that produce higher wage earning workers. This will ultimately compromise academic freedom and disrupt collegial governance. Using performance metrics to determine funding will alter and manipulate research and teaching agendas, resulting in institutions that are designed to create workers who will uphold the status quo rather than foster critical thinking, creativity, and innovation.

## EQUITY AND ACCESSIBILITY

Performance-based funding also raises several concerns regarding equity and accessibility for marginalized students. Professions that are predominantly filled by women typically earn less than fields led by men. This incentivises post-secondary institutions to cater to the labour market, prioritizing academic programs that are traditionally filled with male students and will increase the inequities faced by women and those with different identities.<sup>32</sup> Full-time employment rates are on the decline and with discriminatory hiring practices as a reality that marginalized communities consistently face, post-secondary institutions will be less inclined to accept students from these affected groups in order to achieve optimal scores in graduate employment rates.<sup>33</sup> Requiring post-secondary institutions to prioritize these performance statistics will create more barriers to accessing education for students who already experience vast disadvantages.



## RECOMMENDATIONS

*Reinstall corridor funding for post-secondary institutions.*

*Have consultations with institutions, student organizations, and other groups who will be affected by funding changes prior to making such changes to the funding formula.*

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<sup>24</sup> OCUFA's status of women and equity committee: The Ontario government's performance-based funding model is a threat to equity and diversity at universities. <https://ocufa.on.ca/blog-posts/ocufas-status-of-women-and-equity-committee-the-ontario-governments-performance-based-funding-model-is-a-threat-to-equity-and-diversity-at-universities/#>.

<sup>25</sup> Spooner, M. "Performance-based funding in higher education." CAUT Education Review. [https://www.caut.ca/sites/default/files/caut-education-review-performance-based\\_funding\\_in\\_higher\\_education.pdf](https://www.caut.ca/sites/default/files/caut-education-review-performance-based_funding_in_higher_education.pdf).

<sup>26</sup> Usher, A. "Development in Ontario's performance-based financing system, Higher Education Strategy Associates." <http://higherstrategy.com/developments-in-ontarios-performance-based-financing-system/>.

<sup>27</sup> Sayer, Derek. "Rank Hypocrisies: The Insult of the REF, Sage." 2015.

<sup>28</sup> Ibid

<sup>29</sup> Ibid

<sup>30</sup> Ibid

<sup>31</sup> Ibid

<sup>32</sup> Ibid

<sup>33</sup> Ibid

# COSTING SUMMARY

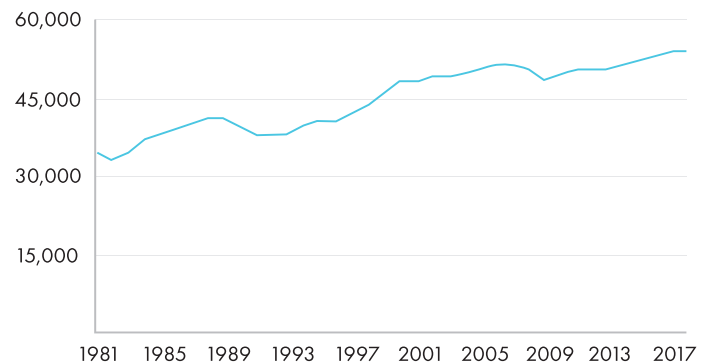
Budgets are about priorities. We know that Ontario benefits from prioritizing and investing in a well-educated population - and we have the money to do it. In 2019, Ontario was the richest it has ever been (figure 1), yet Ontario spends about \$2,000 a year less on programs on a per person, per year basis (figure 2).<sup>34</sup>

By mobilizing the resources of this province, we can afford to invest in changes to post-secondary education that will enable young graduates to give back to the economy, rather than being saddled with debt. Four of the recommendations outlined in this document require no new investments in post-secondary education:

- Annual data on OSAP and student debt
- Legislation mandating in-depth data collection on First Nations, Inuit and Métis student recruitment, enrollment and retention in Ontario's post-secondary system.
- Protect all students' right to organize by implementing legislative protections for college and university students' associations in Ontario
- Have consultations with institutions, student organizations, and other groups who will be affected by funding changes prior to making such changes to the funding formula

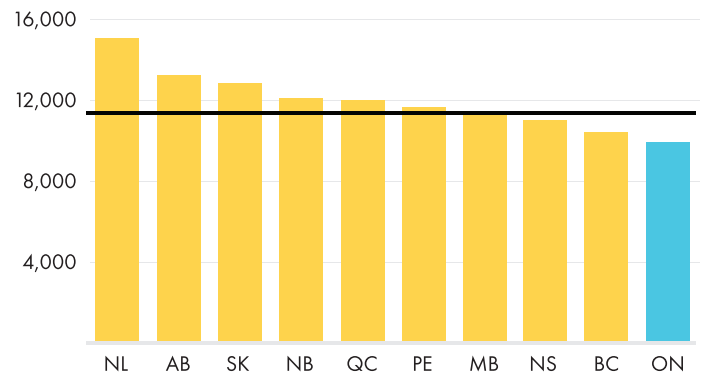
Moving towards free education and providing more grants to low- and middle- income students will require new investments. We can't make these changes by cutting spending. We can do this fairly, and quickly by raising revenues through progressive tax reform. At a time when Ontario is richer than ever before, hard working people in Ontario deserve a fair share of the wealth we've created together.

ONTARIO GDP PER CAPITA,  
ADJUSTED FOR INFLATION  
1981 - 2019



(Figure 1)

PROGRAM EXPENSES PER  
CAPITA, BY PROVINCE



(Figure 2)

<sup>34</sup> CCPA Ontario. "Richer Than Ever Before." November 22, 2019, <https://www.youtube.com/watch?v=YYoEPMWSYks&t=1s>.



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# **FUNDING ONTARIO'S FUTURE**

STUDENT RECOMMENDATIONS FOR THE 2020 ONTARIO BUDGET