

# FUNDING FORMULA REVIEW CONSULTATION SUBMISSION

*Ministry of Colleges, Universities,  
Research Excellence and Security*



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## Introduction

The Canadian Federation of Students–Ontario represents over 350,000 students across the province.

Students want to see the sustainability of the post-secondary education sector for the completion of their diploma or degree but also for the long-term future of the sector, and provincial funding is crucial for the success of the sector.

At this critical moment of review, the provincial government has an opportunity to reverse years of austerity and underfunding. The revised funding formula must correct the systemic underfunding that has left institutions reliant on student tuition and unstable private-sector partnerships. The next framework must be driven by equity and public investment. The Federation holds the following principles as essential to this goal:

- Dedicated public funding to support future enrolment growth for students interested and qualified;
- Value all academic programs as effective job training for Ontario's future;
- Strengthen support for Northern, rural and small campuses, as well as French-language and bilingual programs, and recognize their contribution to local communities and economies;
- Respect the academic autonomy of Ontario's post-secondary education sector



## **Labour Market Needs:** Serve the needs of all learners while aligning with labour market needs

Ontario's colleges and universities have a proven track record of student employment following graduation, with 83.4% of 2020–2021 college graduates and 90.4% of university graduates employed within six months of graduation, and a subsequent rate of 94.3% university graduates employed after two years in the workforce.<sup>1</sup> Despite a high-rate of employment post-graduation, education outcomes are being further tied to labour market needs, reducing education to transactional, short-term job training, even though the sector has a proven track record of graduating students finding employment in their preferred field.

This vision undermines the very foundation of postsecondary education. Colleges and universities are not factories for industry-specific labour, but spaces for holistic learning, critical thinking, and skill development that prepares students to thrive

<sup>1</sup> Harrison, Alan. "Ensuring Financial Sustainability for Ontario's Postsecondary Sector." [ontario.ca](https://ontario.ca), November 15, 2023.

in a rapidly shifting economy. A healthy labour market demands adaptable, interdisciplinary graduates — not rigid, employer designed programming. The way forward for Ontario's economy and post-secondary education sector is to reject narrow industry-specific job training models. The future of the province depends on a publicly-funded education system that produces well-rounded graduates capable of contributing meaningfully across industries and communities.

### **Financial Sustainability:** Support postsecondary and provincial financial sustainability

Ontario's post-secondary sector is not financially sustainable — neither for students, staff or institutions. For decades, the education system has relied on tuition fees as its primary source of revenue, shifting the cost burden onto students and families, creating cycles of instability, and contributing to increased international student exploitation. All the while, systemic precarity is furthered within institutions. As faculty and support staff are stretched thin under unstable working conditions, threats to their job security, contracting out of services, and unfair wages, students simultaneously experience worsening academic quality and infrastructure.

Ontario currently has the lowest per-student funding, with the province's universities on average receiving \$10,246 per FTE student, which was \$6,511 below the national average of \$16,756.<sup>2</sup> Additionally, Ontario's colleges received funding below the national average at \$10,910, which was \$5,093 below the national average of \$16,002.<sup>3</sup>

Students do not benefit from a funding model dependent on tuition fees, but rather, a model that is publicly funded. This involves increases to provincial funding, protecting funding from performance-based metrics and private sector interests, while also providing the sustainability to maintain a domestic tuition fee freeze. A funding formula that prioritizes increases to per-student funding to match the National average and adequately meet the needs of students, would greatly benefit the sector.

<sup>2</sup> Ava Rahbari (Financial Analyst) under the direction of Matthew Stephenson (Senior Manager, Financial Analysis) and Luan Ngo (Chief Financial Analyst). Ministry of Colleges, Universities, Research Excellence and Security, 2025 Spending Plan Review. Financial Accountability Office of Ontario, 2025. (pg. 2)

<sup>3</sup> Ibid, pg. 2

## **Regional Unique Needs:** Ensure responsiveness to the unique needs of different regions and learners.

Students studying in Northern Ontario face compounded barriers: geographic isolation, poor access to transit, limited housing, fewer programs and campus services than their counterparts in Southern Ontario, and the most severe program cuts. Institutions like Nipissing University, Lakehead University, College Boreal, Algoma University and l'Université de Hearst are important for the region, providing teachers, nurses, access to French-language programs and educational opportunities for students without having to move to Southern Ontario. In 2024, recognizing the need to support access to training and education in these communities, the Ontario government invested an additional \$10 million in one-time funding.<sup>4</sup> However, this funding is not sufficient to make up for the annual gaps of provincial funding. In the next iteration of the funding formula, specialized funding for Northern institutions is necessary to protect the learning opportunities in the region.

Regional needs are not limited to Northern Ontario and STEM programs. It is necessary to highlight important programs in small, mid-sized and/or satellite institutions such as nursing at the University of Windsor, teacher education at Trent University or at the Lakehead University-Orillia campus, as well as arts and humanities courses throughout the province. Students want access to public funding for full program access, not just those aligned with “high-demand” fields in the regional economy. Students should continue to have access to programs throughout the province at the institution that suits them. Regional streamlining that reduces program offerings or forces institutional mergers is not an issue of duplication, but a matter of access. We urge the Ministry to fund institutions based on distinct community needs, not market logic. “Regional responsiveness” must not become a euphemism for consolidation or program loss.

## **Reward Quality:** Incentivize continuous improvement in student, community and economic outcomes

Students and educators highly value Ontario’s world-class post-secondary education system and want to protect it for incoming students, educators and researchers. This quality system has not been supported by proper public funding and the real cost of providing high-quality education has been downloaded onto students through their tuition fees. Institutions are being pushed to do more with less – with devastating consequences. Students are shouldering the burden of paying for the system while faculty, sessional lecturers and research assistants are experiencing burnout and support staff are being stretched thin. This results in the deterioration of academic quality and the performance of campus services.

<sup>4</sup> “Colleges Ontario’s 2025 Budget Submission.” Colleges Ontario’s 2025 budget submission – Colleges Ontario, January 24, 2025.

Additionally, there is a growing influence of corporate interests in research that threatens academic freedom and prioritizes business outcomes rather than public research for the public good. The pathway away from privatization and corporatization of education is the reorienting funding incentives around student well-being, community impact and equity programs – not simplistic performance metrics. Attaching funding to narrow metrics disincentivizes the genuine programs that make for a more inclusive education system. Additionally, a drop in academic quality at an institution should be interpreted as a warning sign of the lack of funding, rather than an indicator of inefficiency or poor management. Institutions are designed to educate the next generation of Ontario’s workforce, and profits in post-secondary education do not correlate with high quality or best academic performance. If colleges and universities were funded properly, institutions would be given the funding necessary to succeed.

### **Drive Efficiency:** Drive greater institutional efficiencies and accountability

Ontario’s public education system has developed efficiencies even as institutions are pushed to the limit. Students worry that the search for further efficiencies could lead to a decrease in education quality, access to essential campus resources and vital, life-giving student funded services. Students are already picking up the costs for under-resourced institutions, paired with additional pressure for student-run services to operate. Simultaneously, those same services, such as but not limited to food centres, sexual violence support centres, printing are under consistent scrutiny.

As provincial funding cuts become more frequent, students are concerned about efficiency taking precedence over quality. “Efficiencies” has often meant outsourcing, underfunding, and privatizing – but rather, it should be understood as the best use of public dollars. The Federation cautions about prioritizing efficiencies over quality with an expected double cohort and increased demand for post-secondary education, with an expected additional 225,000 domestic PSE seats by 2046 and an estimate that Ontario’s PSE enrolments are expected to grow by 45%, reaching 725,000 students by 2046<sup>5</sup>. Ontario’s public colleges and universities are not business, and although these institutions should be financially stable, the purpose of these institutions is not to run like a corporation, but as a public institution to serve the public.

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<sup>5</sup> Lanthier, S., Button, A., & Kaufman, A. (2025) Ontario’s Domestic Postsecondary Enrolment: Examining Recent Trends to Inform Policy and Planning. Higher Education Quality Council of Ontario, pg. 5.

## Streamline: Allocate funding in a fair, predictable and transparent manner

Ontario's current post-secondary funding model is opaque and unreliable. Students warn about the consolidation of programs, campuses or the contracting out of services. Many students in post-secondary institutions are not fully informed about how their education system is funded. Although they pay high-priced tuition fees, students are rarely told how their institutions are funded; or underfunded for that matter. A funding that is fair recognizes all disciplines and institutions, not just those deemed "high-performing" by narrow metrics. The deteriorating conditions of education has shown us that one-time funding does not ensure longevity. For the next funding formula model, having a transparent, predictable and accessible formula for students to access would improve the public's understanding of where their tax dollars and where students' tuition fees go.



## Conclusion

The future of Ontario's public post-secondary education system must remain publicly funded. With the review of the funding formula, there is an opportunity to meet the needs of students, educators and the needs of the future economy of the province, without sacrificing funding, programs, campuses or academic quality. The revised funding formula should provide dedicated funding to support future enrolment growth in the sector, as well as proper funding for a variety of programs; valuing all academic programs as effective job training for Ontario's future economy. This formula should additionally accommodate regional differences and strengthen support for Northern, rural and small campuses, as well as French-language and bilingual programs, recognizing the importance of local colleges and universities to the development of communities and its economy. Lastly, in order to ensure academic success and quality, future funding formulas must recognize and respect the academic autonomy of Ontario's post-secondary education sector and recognize it as a public institution that supports not only the economic development of Ontario but also the next generation of students in this province.

