

Strong universities for a strong Ontario

**OCUFA's 2015 Pre-Budget Submission
to the Standing Committee on Finance and
Economic Affairs**

OCUFA

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

SUMMARY OF RECOMMENDATIONS

OCUFA's 2015-16 pre-budget recommendations are directed toward enhancing the quality and affordability of university education in Ontario through increased government investment. We are sensitive to the province's fiscal circumstances, but believe that investment – at any level – will help build a thriving university sector and a more prosperous Ontario. When the provincial government invests in higher education, the entire province will enjoy the benefits.

We recommend that the Government of Ontario:

1. Increase per-student public investment in Ontario's universities to the rest of Canada average by 2020-21.
Cost in 2015-16: A minimum of \$165 million to maintain current levels of per-student funding.
2. Support universities to bring Ontario's student-faculty ratio in line with the rest of Canada average by 2020-21 by hiring 8,640 new full-time faculty members.
Cost in 2015-16: \$157 million
3. Ensure fairness and improve working conditions for contract faculty through improved minimum standards for equal pay and access to benefits, government support for good jobs in the university sector, and funding for universities at a level that can support the hiring of more full-time faculty.
4. Continue to work with the university sector to ensure that the regulatory framework governing the transition of single-employer pension plans (SEPPs) to jointly sponsored pension plans (JSPPs) will support the work being done by OCUFA and sector partners to develop fair and sustainable pension solutions for the university sector.
5. Ensure that the Ontario Retirement Pension Plan (ORPP) supports a secure retirement income for contract faculty.

STRONG UNIVERSITIES FOR A STRONG ONTARIO

Ontarians should be proud of our universities. Over nearly two centuries of distinguished history, our institutions of higher learning have grown into world-class centres of research and learning. Our universities have created untold opportunities for hundreds of thousands of our fellow citizens. Through innovative research, they have improved lives, created jobs, and built whole new sectors of the economy. Universities have enriched our cultural life while helping us understand what it means to live in a democratic society.

Ontario now finds itself in uncertain times. The province is struggling to recover after the economic downturn of 2008, while a host of serious problems – from climate change to terrorism to income inequality – will challenge Ontario in the years to come. Tackling these challenges will not be easy. Fortunately, we have our universities – and the professors who help them thrive – to help build a prosperous, peaceful, and equitable future.

But they can't do it alone. Strong public universities require a consistent, long-term commitment by government: a commitment to providing stable funding that protects learning quality while keeping tuition fees affordable; a commitment to preserving the independent and free-thinking nature of our institutions. And, our universities need government to commit itself to ensuring that academic jobs are good jobs, and that those who work in universities can be confident in a secure retirement.

At this moment, our universities also face an uncertain future. They continue to be seriously underfunded by government. Ontario currently has the lowest rate of per-student public funding for universities in Canada, and we lag behind many American jurisdictions. That means that we give our students and professors fewer resources to learn and teach than almost anywhere else in North America. In a hyper-competitive global economy, we can't afford to put our young people behind before they even get out of the gate.

As universities struggle with underfunding, government and administrators look for quick fixes. One of the band-aid solutions is hiring part-time or contract faculty. These individuals do all of the work of full-time professors, but must struggle with poor job security, low pay, and no access to benefits. They are excellent teachers and researchers, but we are not giving them the resources they need to be successful.

Band-aids and quick fixes don't address our underlying problems. Already, Ontario's universities are being forced to cut programs and lay off staff. If funding does not increase, these cutbacks

will get much worse. If Ontario continues to lag on its financial commitment to universities, the situation may become dire for many institutions.

The Government of Ontario has invested in universities before, as with 2005's *Reaching Higher* plan. While this initiative led to historic increases in funding, its bold vision has not been sustained over the past decade. Our last major investment was ten years ago. We must begin to re-invest again so we do not lose all that we have achieved in our universities. Without visionary action, we risk entering a phase of contraction that will hurt students, communities, and the province.

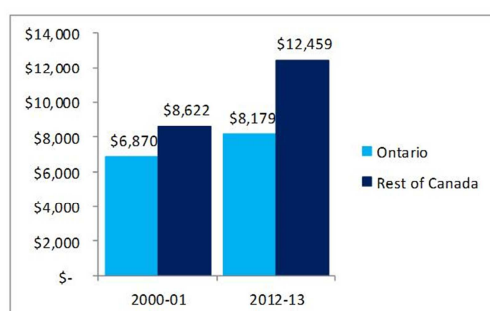
Ontario's professors and academic librarians know that money is tight. But we also know that we cannot afford to let our universities languish. When we begin to address the challenges facing our postsecondary institutions, we give them what is needed to help Ontario as a whole become a fairer and more prosperous province. The recommendations in this submission provide a roadmap to increasing public funding in a sustainable way; to hiring more full-time faculty members and improving the working conditions of thousands of bright academics stuck in low-paid precarious work; and to ensuring a secure retirement income for everyone who works in a university. These investments are crucial and reasonable.

Today, we have a choice. We can choose struggling universities and an uncertain future. Or, we can choose a bold vision of strong universities and a strong Ontario. We urge you to make the right choice.

RENEWING OUR INVESTMENT IN HIGHER EDUCATION

Robust and adequate public funding is crucial for strong and thriving higher education in Ontario. But Ontario's universities do not currently receive the level of funding they need to continue to excel. Ontario's universities receive the lowest level of per-student funding in all of

Provincial operating grants per student



Between 2000-01 and 2012-13, per-student operating grants in Ontario increased by 19% from \$6,870 to \$8,179. In the rest of Canada, operating grants increased by 45% from \$8,622 to \$12,459.

In 2012-13, operating grants per student were 34% lower than the rest of Canada average. In 2000-01, they were 21% lower than the rest of Canada.

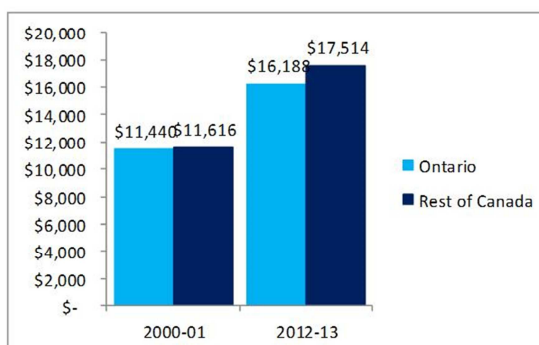
Canada. Despite increased investments in the early 2000s under the Reaching Higher plan, Ontario has been at the back of the national pack for over a decade – and we're falling further behind. At \$8,179 in 2012-13, Ontario's per-student operating grants were 34 per cent behind the rest of Canada average of \$12,459 per student.

This funding gap cannot simply be closed by asking universities to do more with less. Ontario's universities and their faculty are highly productive by any measure. In terms of the number of students taught, graduation rates and research output, Ontario's universities are leaders in Canada. And they do all this on the tightest budget in the country – even when tuition revenue is taken into account.

Despite having the highest tuition fees in Canada, combined operating grants and net tuition fees in Ontario are the lowest nationwide, at \$16,188 per student, compared to \$17,514 per student in the rest of Canada. This means that

our universities are trying to provide a high quality learning experience with far fewer dollars per student overall than comparable institutions in any other province.

Combined net tuition fees and provincial operating funding per student



In 2012-13, combined funding and fees in Ontario were 8% lower than the rest of Canada. In 2000-01, Ontario was only one per cent behind – roughly on par with the rest of Canada.

Between 2000-01 and 2012-13, combined funding and fees per student in Ontario increased by 41%. In the rest of Canada, they increased by 51%.

Bringing per-student funding of Ontario's universities in line with the rest of Canada average would require a cumulative investment of \$3.56 billion from 2015-16 to 2020-21. OCUFA recognizes that the province continues to face a period of financial constraint and that a commitment to investment of this magnitude is unlikely in the short-term. But any reinvestment that increases per-student funding is important and will help to ensure that Ontario's universities do not fall even further behind our provincial counterparts.

At an absolute minimum, the government must maintain investment at the current level of per-student funding. With anticipated enrolment and adjusting for inflation, **investment on this scale would require an additional \$165 million in 2015-16 above the \$3.49 billion that was allocated to universities in 2014-15.**

Cost of maintaining current (2014-15) level of per-student funding						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Annual Increase	\$165 million	\$170 million	\$180 million	\$185 million	\$200 million	\$205 million
Cumulative	\$165 million	\$335 million	\$515 million	\$700 million	\$900 million	\$1.11 billion

Holding the line on per-student funding in order to maintain the current level of investment in higher education, until more substantial investments can be made, will allow our universities to hold their ground and help to preserve the quality of education that our students receive. These interim investments in universities will not only help to support a thriving postsecondary education sector – they will yield far-reaching economic and social returns.

Investment in universities has clear and significant economic benefits. First, universities are key drivers of economic growth. A recent report from the Conference Board of Canada shows that every dollar spent on postsecondary education delivers \$1.36 for the Canadian economy. This means that once their \$41 billion in direct spending and its multiplier effect are considered, colleges and universities generate over \$55 billion in economic activity.¹

*“...when it comes to public spending, investing in public education has better returns than almost any other budget item...”
(p. 5)*

Second, when it comes to government spending, investing in public education has better returns than almost any other budget item. A report by the Centre for Spatial Economics

¹ The Conference Board of Canada, “The Economic Impact of Post-Secondary Education in Canada,” November 2014, 48.

evaluated the impact on the provincial economy of spending across sectors. They found that spending on education generated more GDP than any other sector except for health and social services.² This strengthens the case for government investment in universities, particularly in a time of slow economic growth. In fact, failing to do so is a missed opportunity to both support young people in higher education and boost economic growth.

Universities provide Ontario with the knowledge, skills, and innovative research it needs to grow and prosper. At the same time, they help build fairness and equity in our society by providing pathways to success for students and their families. We sometimes forget, but universities are also key institutions for the health of our democracy, promoting debate, critical thought, and instilling values of tolerance and respect. When we underinvest in universities, we fail to maximize these benefits, and the province suffers as a result.

² *The Centre for Spatial Economics*, "Budget 2012 and the public sector's contribution to Ontario's economy," April 2012, 12.

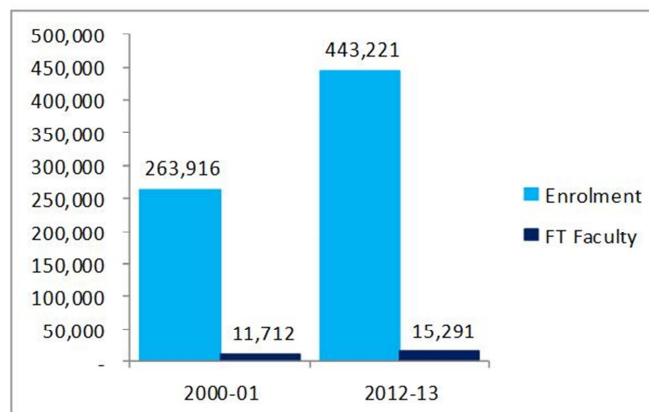
PROMOTING GOOD JOBS IN THE UNIVERSITY SECTOR

Just as good jobs are at the heart of Ontario's economy, good academic jobs are at the core of a thriving university sector. High quality education relies on professors and academic librarians who have the time and resources to mentor and support their students. But Ontario's universities have been moving in the opposite direction, with enrolment increases outstripping full-time faculty hiring. The problem is getting worse as departments fail to replace retiring full-time professors, instead hiring more part-time and contract faculty.

Full-time faculty hiring

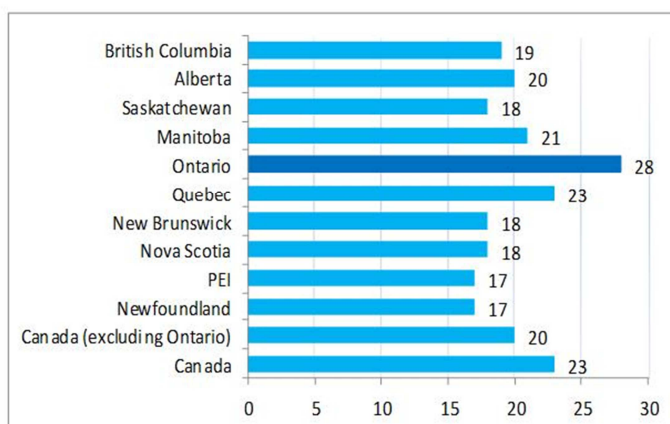
Over the past decade, hiring of full-time faculty has failed to keep pace with enrolment increases. Between 2000-01 and 2012-13, full-time student enrolment increased by 68 per cent. Over the same period, the number of full-time faculty employed at Ontario universities increased by only 31 per cent.

Student Enrolment and Full-Time Faculty



Between 2000-01 and 2012-13, full-time student enrolment increased by 68%. Over the same period, the number of full-time faculty employed at Ontario universities increased by only 31%.

Student-Faculty Ratios in Canada (2010-11)



As a result of this imbalance, Ontario has the highest student-faculty ratio in Canada. In 2010-11, there were 28 students for every full-time faculty member at an Ontario university compared to a national average of 23 to 1. In 2014-15, the student faculty ratio in Ontario had increased to just over 29 to 1.

This means that students in Ontario are learning in larger classes, with

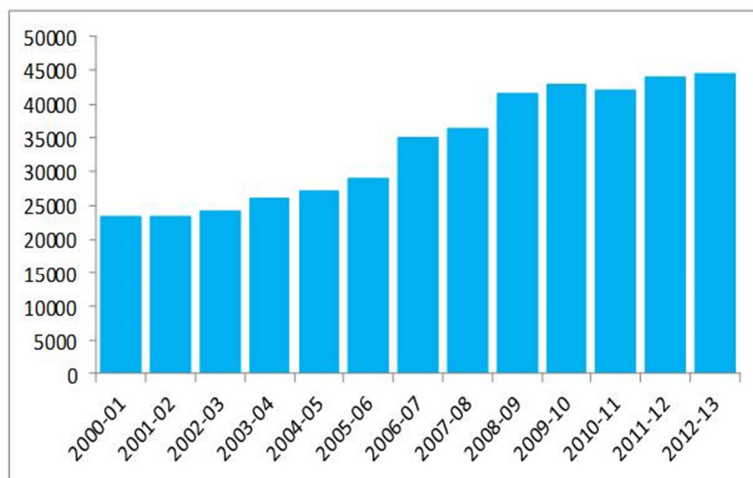
fewer course options, and with fewer opportunities for meaningful interaction with their professors – key indicators of student success.

OCUFA estimates that to bring Ontario’s student-faculty ratio in line with the average in the rest of Canada, **8,460 full-time professors would need to be hired between now and 2020, or 1,410 professors per year**. Hiring at this level would cost an additional \$157 million a year. Supporting this level of investment in full-time faculty hiring will facilitate greater student-faculty interaction and an enhanced learning experience for all students.

Fairness for contract faculty

As full-time faculty hiring in Ontario has stagnated, universities have been turning to part-time and contract faculty members to bridge the gap between enrolment and hiring. While initially a temporary stop-gap to accommodate a one-time surge in undergraduate enrolment following the double cohort in 2003-04, the use of part-time contract faculty has become an entrenched strategy, used by university administrators to keep costs down and cope with stagnant public funding.

Number of courses taught by contract faculty



Parallel to broader trends in the Ontario economy, a growing number of contract faculty are subject to precarious terms and conditions of employment, as more academic work is done on a per-course or limited-term basis. While there is a lack of comprehensive province-wide data available, OCUFA estimates that the number of courses taught by contract faculty has nearly doubled – increasing by

90 per cent between 2000 and 2012. A report from the Higher Education Quality Council of Ontario (HEQCO) indicates that between 1999 and 2010 the proportion of temporary full-time faculty at Ontario universities rose from 10 to 17 per cent of faculty, while the proportion of temporary part-time faculty increased from 7 to 15 per cent.³

³ Cynthia Field, Glen A Jones, Grace Karam Stephenson and Artur Khojetsyan. “The ‘Other’ University Teachers: Non-Full-Time Instructors at Ontario Universities,” *Higher Quality Council of Ontario*, July 2014, 10.

Contract faculty face job insecurity, low pay, and lack access to benefits and pensions. While contract faculty are skilled teachers and researchers, they are too often constrained by their working conditions and lack the institutional resources they need to achieve their full potential and deliver the highest possible quality learning experience for students. If the rise of precarious work in the university sector is not addressed, not only will the quality of education suffer, but the next generation of bright academics will not have access to the opportunities they have worked so hard to achieve.

While decisions about hiring are made by individual institutions, the trend towards casualized academic work cannot be understood separately from the context of underfunding, which impacts institutions' capacity to invest in adequate levels of faculty hiring.

"Just as good jobs are at the heart of Ontario's economy, good academic jobs are at the core of a thriving university sector..." (p.7)

Financial pressures in the broader public sector 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. This risky strategy may pass muster on a balance sheet, but it does real harm to employees stuck in precarious work. This harm is then passed on to families and communities.

The provincial government must take a leadership role in setting the future of academic work on a new path and protecting the quality of education at Ontario's universities. First, there are opportunities to improve minimum standards by legislating equal pay and access to benefits for part-time workers under the Employment Standards Act. Second, the government must take into account the disproportionate impact provincial funding and labour policies in the broader public sector have on precarious workers and explore ways these policies can better support good jobs in the university sector. Finally, it is paramount that the province fund universities at a level that is sufficient to support the hiring of more full-time faculty.

SECURE AND AFFORDABLE PENSION SOLUTIONS

University sector pension plans

The Ontario government has identified improving the sustainability of broader public sector pension plans, including university pension plans, as a key priority. Ontario's professors and academic librarians recognize that pensions are important and have taken strong action to address the issue head on. OCUFA's priority is to ensure adequate benefits, at a fair cost to members, delivered through stable and sustainable pension plans.

Research conducted in 2013-2014 by OCUFA with financial support from the Ministry of Training, Colleges and Universities (MTCU) assessed the sustainability of current plans. The research established that while there is no sector-wide sustainability problem, there are pockets of concern. Collaborating with unions and employers across the sector, as well as with the Ministries of Finance and Training, Colleges, and Universities, OCUFA is working to develop solutions that provide good pension plans that work for everyone.

One option that we are actively exploring is the establishment of a university sector multi-employer jointly-sponsored pension plan (JSPP). There are several principles that must underpin this initiative if it is to be successful. First, it is critical that participation in the plan is voluntary. Second, the plan must receive exemption from solvency valuations and funding requirements. Third, the plan must also be non-statutory, include a guaranteed formula, and be fully funded on a going concern basis at inception.

The Ministry of Finance is currently developing the regulatory regime that will govern the transition of single-employer pension plans (SEPPs) to new and existing JSPPs. To date, OCUFA has expressed specific concerns that must be addressed in this framework. First, upon transfer of the assets, previously earned benefits must be maintained or replicated. Second, employers must be required to fund any deficiencies on the wind-up of the plan. Third, collective agreements must be respected at every stage of the transition. The Ministry of Finance has released draft regulations for consultation and OCUFA will continue to work with the Ministry to address the varied and complex issues that must be considered when establishing this regulatory framework.

Ontario Retirement Pension Plan

Improved public pensions are necessary to improve retirement security for Ontarians. The Ontario Retirement Pension Plan (ORPP) will contribute to securing adequate retirement income for all Ontarians, including university faculty. Contract and part-time faculty in

particular stand to gain from the ORPP because they often do not have access to workplace pensions, or when they do, the benefit is inadequate to provide for a secure retirement.

While the ORPP aims to mirror the Canada Pension Plan, it risks falling short on one key design feature. The government has indicated that those already participating in a comparable workplace pension plan would not be enrolled in the ORPP. Even if the ORPP is not going to be universal, it is important that it be available to as many Ontarians as possible. This could be achieved by defining “comparable” narrowly when considering participation in a comparable workplace pension plan, as well as by providing opportunities for those who are not automatically enrolled to opt-in to the plan. Otherwise, the plan risks leaving behind many Ontarians who are in need of support.

Even contract faculty who do have access to a workplace pension plan must reach certain thresholds in order to be eligible to participate. Moreover, those who have access to a workplace pension plan work too few hours or earn insufficient pay to secure a satisfactory retirement income. For example, some contract faculty only gain access to a workplace pension plan after teaching a certain number of courses. Due to their level of pay and irregular hours, this means that they will not have earned an adequate benefit upon retirement. With the incidence of precarious and part-time work on the rise throughout the university sector and the economy as a whole, an ORPP that is as close to universal as possible will have the greatest benefit to Ontarians.