



Ontario Confederation of University Faculty Associations
Union des associations des professeurs des universités de l'Ontario

The Progressive Conservatives' first budget targets Ontario's universities

On April 11, the 2019 Ontario Budget was tabled. Given the track record of the Ontario government to date, this budget delivered what we expected: a continued attack on workers' rights, university autonomy and public services including postsecondary education, and needless cuts to public services, especially those aimed at low-income Ontarians.

The overall postsecondary education and training sector budget is projected to be cut by \$700 million, which mainly reflects a deep cut (over \$670 million) to the Student Financial Assistance (OSAP) budget. This will reduce the budget for the sector from the \$12.1 billion in 2018-19 to \$11.4 billion in 2019-20.

The budget included several postsecondary-related announcements that will be of interest to faculty associations.

Performance funding

The budget introduces a drastic move towards tying funding to performance outcomes. It proposes the allocation of a total of 60 per cent of university funding based on institutional performance by the year 2024-25. The change in allocations will begin by tying 25 per cent of overall funding to performance in 2020-21 (up from 1.4 per cent for universities and 1.2 per cent for colleges in 2018-19). This proportion will then increase by 10 per cent in the next three years and 5 per cent in the last year to a total of 60 per cent in 2024-25. To put this change in dollar figures, funding tied to performance will increase from \$50 million (the current figure for 2018-19) to an estimated \$2.2 billion by 2024-25.

To measure each institution's performance, the government will use 10 metrics that they have yet to announce (reduced from the current 28 metrics for universities) that are aligned with the areas of skills and job outcomes and economic and community impact.

OCUFA has long cautioned against shifting towards allocating a portion of university funding based on performance. Such a shift would be counterproductive as it will, by design, create inequities and slowly but certainly undermine the integrity of Ontario's postsecondary education system.

This drastic shift in the way postsecondary institutions are funded will only serve to destabilize the sector, make long-term planning impossible, encourage more bureaucracy and stifle innovation.

Rather than employing such risky and destabilizing methods, available data should be leveraged to improve policy-making decisions and outcomes.

Cuts to student assistance

The Ministry of Training, Colleges and Universities' January 17 announcement already foreshadowed a cut to student assistance in the upcoming budget.

On January 17, the ministry announced its decision to cut tuition fees by 10 per cent in 2019-20 and freeze tuition fees in 2020-21, revert OSAP back to 2016-17 levels, and remove the grace period on student loans after graduation.

The budget proposal revealed the dollar value of OSAP cuts: over \$670 million dollars less in student assistance.

The budget confirms that the government's 10 per cent tuition fee reduction was no more than a political gimmick designed to distract attention away from damaging cuts to the province's already under-funded postsecondary education system.

It is now clear that the 10 per cent tuition fee reduction, coupled with a \$670 million cut to tuition assistance and the removal of the grace period on provincial loans will leave students with higher student debt and less grants for their education.

The government's budget proposal also repeated part of the government's earlier announcement on the "Student Choice Initiative," which will require institutions to allow opt-out options for "non-essential services," including student union dues and dues for university newspapers. This is a direct attack on student rights, students unions, and student media on our campuses.

Core Operating Grants (base funding)

The proposed budget projects a 0.48 per cent increase in base funding for universities and colleges. Although there were no direct reductions to core operating funding for universities and colleges in this budget, universities and colleges are still effectively facing a 2-4 per cent reduction in revenue as a result of the government's January announcement to reduce tuition fees without a matching increase in core funding.

The government is also reducing the funding for infrastructure spending on university campuses by \$193 million, a reduction from \$245 million in 2018-19 to \$52 million in the 2019-20 budget.

Faculty renewal

Under the guise of faculty renewal, the budget signals that the government is considering targeting the rights of senior faculty and interfering with university collective agreements. The budget makes a preposterous claim, without any supporting data, that the higher average retirement age is the reason the hiring of junior faculty members is limited.

This budget announcement is not surprising since the Ministry of Training, Colleges and Universities held a consultation on February 12 on “employee renewal”, with a very narrow focus on faculty members who continue to work full-time past the age of 65 and simultaneously collect a pension. This consultation directly borrowed language from the Higher Education Quality Council of Ontario’s publications which is a crown agency that reports to the Minister of Training, Colleges, and Universities.

We view this signal to be alarming, as it promises to infringe on collective agreement and bargaining rights and reinforce age discrimination.

OCUFA views this focus on senior faculty to be a distraction from the real challenges facing the postsecondary sector, including systemic underfunding, an alarming shift towards precarious academic positions, and the absence of an effective faculty renewal strategy.

Mandatory retirement was eliminated in Ontario in 2006 as a step towards ending age discrimination in employment, and senior faculty are invaluable to the strength of collegial governance at their institutions. We believe that a real faculty renewal strategy must ensure that retiring faculty members are replaced with full-time, tenure-stream faculty.

Bargaining and public sector compensation

The Ontario budget also signals the government’s intention to undermine collective bargaining and agreements in the public sector.

This was not surprising given the Treasury Board Secretariat’s announcement last week of its intention to consult with “Ontario public sector employers and bargaining agents about how to achieve reasonable public sector compensation growth.”

The tone and content of the consultation and the budget proposal are alarming. The Ford government is deploying the usual rhetoric of fiscal responsibility and has strongly signaled that centrally mandated bargaining is on the way and universities will not be exempt.

OCUFA is very concerned by this announcement, and views it as a direct attack on collective bargaining and agreements. We are consulting with allies in the sector as well as receiving legal advice on how to best respond to this alarming initiative by the government.

It is also worth noting here that faculty members are employed by, and negotiate their contracts with universities, not the provincial government. Any attempt by the Ford government to interfere in university collective agreements and bargaining practices would violate university autonomy and the constitutionally protected rights of faculty and staff.

Commercialization expert panel

The budget proposal also included a worrying move toward commercialization of research. It indicates that the government will create an “Expert Panel,” which will be tasked with delivering an action plan for a “provincial intellectual property framework and maximizing commercialization opportunities specifically related to the postsecondary education sector.”

The composition of this panel remains unclear even though the budget proposal says it will potentially include representation from “the postsecondary, industry, innovation, venture capital and investment, banking and finance sectors, as well as from medical research and intellectual property legal expertise.”

This initiative could potentially invite further privatization in the postsecondary sector and demonstrates a lack of understanding of the value of postsecondary education as a public good.

Conclusion

The 2019 Ontario budget, as expected, will exasperate the key challenges facing the postsecondary sector in Ontario, namely the chronic underfunding, rapid casualization of the academic workforce and systemic barriers to access to postsecondary education for students.

With this budget, the already over-stretched postsecondary education system in Ontario will need to grapple with a de-facto cut to core operating grants, deep cuts to student assistance, a drastic shift towards performance-based metrics, and forthcoming attacks on collective bargaining rights.

There are a number of critical details about the roll out of the measures contained in the budget that we will be analyzing in the coming days and weeks. We will provide you with analysis as those details become available. We will also have an opportunity to discuss next steps at both the upcoming CAUT meeting and the May Board meeting.