



**CUPE Ontario University Workers Coordinating
Committee's written response to the University
Funding Formula Review**

9/1/2015

I. Introduction

We welcome this opportunity to state our position on this important initiative.

While we recognize that the funding formula review currently underway is aimed primarily at the mechanism in which university funding is allocated, we believe that it is incumbent for all those involved in university funding to recognise that the primary challenge that Ontario Universities face is that of chronic and significant underfunding.

Ontario's per-student funding is the lowest in the country at 34% below the Canadian average. This is 30% lower than funding levels during the 1990s. Inadequate funding has resulted in significantly higher tuition fees and consequently staggering student debt, larger class sizes, fewer professors, crumbling infrastructure, contracting out of good jobs and high levels of precarious academic and non-academic work across the sector.

Any meaningful examination of university funding must begin with recognizing this fundamental starting point. Having said this, this does not change the fact that there is a compelling case for reviewing and amending the current system of allocating operating funding. The discussion below identifies the principles by which CUPE Ontario believes any university funding mechanism should operate, and by which the funding formula review should be guided.

II. Principles

CUPE believes that the formula for determining and allocating university funding must be aimed at ensuring that funding is:

Adequate

As noted, Ontario has the lowest per-capita funding for post-secondary education in the country. The erosion of funding is resulting in deteriorating campus infrastructure, increasing precariousness and workloads for university workers, and decreasing accessibility for students, all of which negatively effect the quality of university program delivery and student experience.

Stable and predictable.

A revised funding formula should be sensitive to changing enrolment levels, recognising that core functions and long-term planning require mitigation against significant changes in revenue. While enrolment must obviously play a prominent role in determining university funding, we note that there are key aspects of university operations that are not enrolment driven. For example, the creation and maintenance of healthy, clean and safe environments is a crucial component of university operations regardless of fluctuations in enrolment. Thus, operating funding cannot be solely determined by enrolment levels.

Student centred, with recognition of the value of institution-driven, quality employment.

The central functions of a university are providing excellent teaching and learning, and acting as the main sites and drivers of high quality research. The funding formula must maintain these core functions, while recognising the integral role that thousands of university support workers play in providing the learning and research environments key to these core functions. Moreover, post-secondary institutions are large employers providing good-paying, stable jobs that have economic spin-offs that benefit local communities and the national economy. Thus, while the funding formula needs to be responsive to the centrality of student learning and research, it must recognize the need of a funding floor that ensures that campus infrastructure is maintained, and that fair working conditions prevail for university workers.

These considerations should be seen not as separate, but rather as an integral part of the whole student experience.

In addition, CUPE submits that as part of the 'whole student experience', funding must focus not only on academic program delivery, but on vital services that support effective learning and research environments. In particular, we believe that funding must be provided for mental health services for students and the university workers who support them.

Transparent and data driven.

While recognizing the need for universities to maintain a considerable degree of autonomy, we maintain that funding mechanisms must be transparent and easily understood. As public institutions, universities and colleges should be accountable to the public, which should include enhancing data collection systems, and making data publically available. Currently, reporting mechanisms appear to take ad hoc forms, and differ from campus to campus. CUPE believes that a robust, standardized system of data collection and reporting should be put in place.

At present there appears to be very little known about the composition of academic workers – e.g. the proportion of teaching being done by sessionals/contract faculty and TAs. We have also found that obtaining information about our non-academic work environment, for example around contracting out, casualization and the ability of departments to shift dedicated funding from one area to another, is difficult to obtain, often despite contractual obligations mandating information sharing.

We believe that open, accountable and transparent information gathering and sharing practices benefits all parties. Consequently, funding should be contingent upon improved reporting by universities, and a standardized reporting and information housing system should be implemented across the sector.

Equitable, Public and Accessible

Post-secondary education in Ontario has become distinctly less public over the last two decades.

A critical aspect of the funding formula is that it must support a commitment to publically delivered, fully accessible education. Twenty years ago public funding accounted for 75 percent of university budgets, and now almost 50% (in some cases more) of university revenue comes from tuition and other, private sources. The consequences of this range from increasingly privatized research, a push to attract more students into more revenue generating programs (i.e. those that experienced tuition deregulation in the past), crippling student debt, and decreased accessibility.

The complete deregulation of tuition in 1998-2004 for numerous programs under the auspices of 'Additional Cost Recovery' has resulted in a patchwork of different tuition rates between programs. Under ACR, programs that not only carried differences in delivery costs, but also in demand, and ostensibly in earning potential for graduates, were subject to significant increases in tuition.

We believe that in order to ensure accessibility, differential delivery costs should be borne by the public delivery of operating funding, not by students through higher rates of tuition. Earning potentials are changeable, uneven, and difficult to predict. They are subject to vagaries of labour market fluctuations, graduation rates and other measures that are not easily controlled. Moreover, determining tuition rates by potential and average salaries can serve to preclude those students who, by nature of specialization, are unlikely to meet the earning outcomes used to justify tuition rates that are significantly higher than those that were not included in ACR.

High rates of tuition for the study of law are instructive for this discussion. While the legal profession characteristically reflects annual earnings well above provincial and national averages, there is significant variance in earning outcomes amongst different kinds of law practices. Legal aid, social justice law

and public interest law are, for example, notably less well-paid than many other types of legal work. As such, it seems more than plausible to anticipate that these areas of law will be increasingly difficult to practice, particularly for those students who do not have family or other sources of income to assist with their education, or who are in fact themselves financially responsible for others.

This is an area of concern being raised by the Law Student's Society of Ontario (LSSO), law faculties and academics, who argue that high tuition and student debt is forcing graduates to overlook opportunities which would service more marginalized members of society. This is particularly so for graduates from non-affluent backgrounds.

A 2014 LSSO survey also reported that students "whose parents have completed more advanced credentials tended to have lower average debt levels and their debt balances fell within a smaller range than their peers. First generation students carry up to \$25,000 more debt than their peers by the third year of their program".¹ As such, the burden of high tuition rates is falling disproportionately on students from lower socio-economic backgrounds, who then end up paying even more for their degree than others due to debt-financing.

This is only one example of the inequity caused by differential and high tuition rates. It is not difficult to imagine that similar conditions would prevail in other so-called high demand programs whose tuition deviates significantly from standard tuition fees.

High tuition is a characteristic across the sector, creating barriers to participation generally, not merely in programs with disproportionately high tuition.

In addition to addressing the increasing private nature of university revenue and its relationship to accessibility, we recommend that university funding be responsive to other barriers to access. In particular we would like to see the strengthening of special purpose funding aimed at northern institutions, indigenous students, first generation students, francophone education and students with disabilities.

Institutional Equity

Beyond inequity experienced by students themselves, ACR resulted in a patchwork tuition framework for similar programs across different institutions. Again, looking to law programs in Ontario, an approximate \$14,000 per year spread exists between the least and most expensive law school in the province.

Students should be able to expect an excellent and comparable education no matter what institution at which they study. Funding for Ontario post-secondary

¹ "Just or Bust?: Results of the 2014 Survey of Ontario Law Student's Tuition, Debt & Student Financial Experiences". Law Students Society of Ontario, 2014, p. 4.

institutions must be equitable in order to mitigate against wide variations in program quality across the province.

In sum, we firmly believe that funding must reflect the true cost of education, and, at present, there is compelling reason to believe that the current Basic Operating Unit (BIU) structure does not do this. The current system of BIU funding appears to have a skewed weighting, over-rewarding some programs at the expense of others. This, combined with differentiated tuition, is having the effect of shifting system wide curriculum away from humanities and liberal arts, towards programming that appears to be more revenue generating for individual universities. This has the effect of creating competition both between programs within universities and between universities themselves.

Performance based funding

In keeping with the above point, CUPE believes that performance based funding serves to exacerbate, not improve, variations between programs and institutions. We do not support the allocation of funding that withholds or disburses funds on the basis of meeting output or performance indicators. If such measurements are important and are not being met, it is unclear how withholding funding will improve and not worsen the achievement of these measurements. This serves to not only create deteriorating conditions, but penalizes students in such programs.

There should not be a punitive component to the allocation of funding. Funding should be always be aimed at creating the conditions for excellent program delivery and student experience.

III. Conclusion

In conclusion we reiterate that while a funding formula review is an important process, such a review cannot meaningfully take place abstracted from the larger discussion of funding adequacy.

In addition, there is an integral relationship between the funding formula and tuition frameworks, and we believe that it is not possible to speak to one without the other. Any effective funding formula must play a role in modulating tuition and ensuring accessibility.

Lastly, we emphasize that the core functions of universities – teaching and research excellence – cannot take place without consideration to the overall student experience, which itself is dependent on healthy, safe environments, and the workers that provide these. As such, stable and predictable funding must take into consideration these crucial components of campus operations.

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