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Date of submission January 15, 2025		
Title of Resolution Addressing the Funding Crisis in Post-Secondary Education in Ontario		
Resolved, that CFUW Ontario Council strongly urge the Provincial Government of Ontario to address the budgetary crisis in post-secondary education (PSE) by implementing the following measures: • Immediately increase per student funding to bring Ontario funding up to or above the Canadian average of gross domestic product (GDP) spent on post-secondary education • Enhance the student assistance budget and convert loans into needs-based grants • Provide emergency funding to colleges and universities most impacted by the significant reduction in international student study permits.		
Background The current funding crisis in post-secondary education in Ontario has been decades in the making. In the 1990's institutions turned to private sources, such as fundraising campaigns, and endowments to offset declining government funding. (Usher, 2023) From 2000 to the present, income from the provincial government steadily declined and income, from non-government sources of funding made up two-thirds of the total income which is the highest in Canada. The largest portion of non-government funding comes from tuition fees and ancillary fees charged to students to cover mental health, disability, library and athletic and other services. Over a ten-year period from 2013 to 2023, the funding transferred from the Province to post-secondary institutions declined by 14% in inflation adjusted dollars. (Usher & Balfour, 2024, p.43) Ontario's funding per full-time domestic college student is lower by far than any other province. (Office of the Auditor General of Ontario [AGO], 2021, p.4) In 2021-22, Ontario's funding per college student was less than half (44%) of the amount for the rest of Canada, \$6,891 versus \$15,615. The situation for Ontario universities is not much better. Compared to the rest of Canada, Ontario's funding per university student is just 57%, \$11,471 compared to \$20,772. (Blue-Ribbon Panel, Ensuring Financial Sustainability for Ontario's Postsecondary Sector [EFS], 2023, p.7) Another concern is to read that the provincial comparison of the GDP spent on PSE in 2022-23 by province. Despite its strong economy, Ontario spends less of its GDP (0.6%) than any other province on post-secondary education (PSE). The average is 0.9% and Quebec, Ontario's next-door neighbour, invests more than double that of		

Ontario (1.5%) of its GDP on PSE. (Usher & Balfour, 2024, p.46)

Demand for Post-Secondary Education from Ontario Students

The current funding model in Ontario needs to change. In 2017, the decision was made to hold constant the number of domestic students eligible for direct provincial funding at each institution. (EFS, 2023, p.13)

However, since 2020 the number of domestic students applying to university has grown by 9,647 (12.2%) and is projected to grow by 76,870 (18.2%) between 2023 and 2030. (Council of Ontario Universities, 2024)

The Freeze in Tuition Funding

In 2019 the Ontario government cut tuition fees by 10% and froze them at this level, where they have remained. Despite this, Ontario university students pay the third highest amount of tuition fees in Canada on average. Ontario college students on average pay the third lowest amount of tuition fees in Canada. (EFS, 2023, p. 28)

To offset the decreasing funding from the Ontario government, both colleges and universities recruited international students. In November 2022, the Auditor General of Ontario released a report called Value for Money Audit: Financial Management in Ontario Universities. It raised the concern of universities relying on international students. (AGO, 2022, p.2)

The Impact of International Students on Post-Secondary Budgets

Both the federal and Ontario governments have developed strategies to support and encourage universities and colleges to participate in international post-secondary education. (Ont.ca, 2018 & Government of Canada, 2019)

Between 2014-15 and 2021-22, international student enrolment nearly doubled at Ontario universities and more than tripled at colleges (Jones, 2024). By 2023, 32% of all college revenue came from international students compared with 11% from domestic students. (Callan & D'Mello, 2024). In 2021, international students contributed less than 20% of university revenue but it would still be a substantial risk if the international students ceased to come. International undergraduates in Ontario paid almost five times the tuition of domestic students in 2024-25. (Statistics Canada, 2024)

The Impact of Specialized Student Services on Post-Secondary Budgets

University and college student populations have changed significantly over the past decades, prompting the creation of specialized services for students with disabilities, mental health challenges and a diverse range of cultural backgrounds. From 2017 to 2022, spending on these services increased by 22% accounting for 13% of post-secondary education budgets. (Chiem & Orsini, 2024)

The Tipping Point

In January 2024, the Government of Canada announced a cap on international student study permits which came into effect in September 2024 with a further 10% reduction in permits planned for 2025. This reduction represents a decrease of 35% of international students for colleges and universities. To provide an understanding of the impact on colleges of this decision, by 2023 40% of the total 435,000 study permits in Canada were issued to colleges in Ontario. (Ouellet & Crawley, 2024) With

regard to specific colleges, some colleges had international student enrolment as high as 77% of total enrolment.

It is important to note that this decision by the federal government was part of an overall immigration policy to address unsustainable growth which had impacted the availability of housing and services across Canada.

The Provincial Government Response

In March 2023, the Government of Ontario announced the creation of a blue-ribbon panel comprised of experts from education and business sectors to provide advice and recommendations to the Minister of Colleges and Universities to help keep the post-secondary education sector financially strong and focused on providing the best student experience possible. Their report entitled *Ensuring financial sustainability for Ontario's postsecondary sector* was published in November 2023. Their key recommendation was that Ontario immediately raise grants to institutions by 10% and then increase by the rate of inflation or a minimum of 2% for the next three years thereafter. (EFS, 2023, p.20)

In February 2024, the Ontario government announced nearly \$1.3 billion in new funding to colleges and universities while maintaining the tuition fee freeze to keep costs down for Ontario students and parents. The funding covered a range of areas from funding for capital repairs, to one-time funding financially vulnerable institutions, support for STEM programs, research and innovation and mental health services. (Ontario.ca, 2024)

Response to the Funding Announcement from OCUFA

The Ontario Confederation of University Faculty Associations (OCUFA) has asked that the Ontario provincial funding formula be reviewed along with other specific recommendations regarding immediate funding solutions. OCUFA has identified that due to the long-term underfunding in Ontario, the funding announcement by the province in February 2024 does not address the immediate crisis or future sustainability of universities in the province. OCUFA has requested a compounding annual total provincial university funding increase of 11.75 per cent for a period of five years to reach the national average. OCUFA has also recommended that the government enhance the student assistance budget and convert loans into grants. Further recommendations are to review Ontario's provincial funding formula for universities. (OCUFA, 2024 p.11)

The Current Situation at Ontario Colleges and its Community Impact

Since the cap on international study permits was announced, each college has been addressing the financial impact and what it means for staff, students, and services. Some of the specific decisions are as follows:

- Sheridan announced the suspension of 40 programs and an undetermined number of staff layoffs. (Friesen, 2024)
- Mohawk has projected a \$50 million deficit with plans to lay off between 200 to 400 staff. (McCullough, 2024)
- Georgian has predicted a \$45 million deficit for 2025-26, a layoff of 23 employees and an impact on 100 full-time positions. (D'Avino, 2024)

The Importance of Colleges and Universities

“Ontario needs strong post-secondary education in order to create skilled workers in the province of Ontario. Post-secondary degrees lead to better paying employment. A Statistics Canada study in 2019 showed that earnings increase with each added year of post-secondary education.” (AGO, 2022 p.15)

In a statement issued November 20, 2023, Colleges Ontario described colleges as “the talent pipeline for Ontario’s economic future”, highlighting how graduates fill jobs in diverse sectors from manufacturing to health care to nuclear energy. An article on the value of universities, noted that its students develop “technical skills, human skills and business skills”. (Council of Ontario Universities, 2021, p.3)

Post-secondary institutions themselves provide a significant influence on local economies through job creation, revenue and cultural diversity. (Gus Canada, 2024)

CFUW embraces education as one of its pillars for action and advocacy. It has supported post-secondary education for girls and women for decades, recognizing its value in developing future leaders.

Summary

This resolution highlights the crisis in post-secondary education funding in Ontario. It is disheartening to learn of the discrepancy between the level of funding the Government of Ontario is investing in post-secondary education in comparison with other provinces. As noted in the background, education is a cornerstone of the work which CFUW champions. Without significant changes now, future students and the institutions they attend will be impacted for years to come. The resolution clause outlines several actions to address the funding crisis which will benefit students now and, in the decades, to come.

Implementation

CFUW Ontario Council and CFUW Clubs in Ontario are encouraged to advocate on this issue through the following actions:

1. Writing letters and meeting with MPPs to emphasize the need for sustainable funding for post-secondary institutions in Ontario in light of inadequate funding from the province, the expected increase in domestic students, and the importance of colleges and universities in establishing a competitive labour market.
2. Requesting that CFUW Ontario Council monitor the funding from the province and share information with CFUW Clubs in order that they provide follow-up as needed.
3. Responding to requests from colleges and universities in communities affected by financial challenges and provide letters of support as appropriate.
4. Prioritizing scholarships for students entering colleges and universities recognizing the increased need for funding.

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