

TORONTO STAR

PROVINCIAL POLITICS

Almost half of Ontario universities are running deficits, putting student services at risk, council says

Almost half of Ontario's universities are now running deficits, with schools warning that student services will face cuts if the government does not provide a bump in funding and also allow tuition to rise by at least five per cent this fall.

Updated Jan. 9, 2024 at 9:40 p.m. | Jan. 9, 2024 | 2 min read

By Kristin Rushowv Queen's Park Bureau

Postsecondary Funding in Ontario

How student loans keep some people trapped in debt

Expert says student loans are a 'gateway debt' that perpetuate inequality

Aloysius Wong · CBC News · Posted: Jun 18, 2023 4:00 AM EDT | Last Updated: June 18, 2023



Keele and Glendon campuses in "critical disrepair" — the real cost of Markham campus

Stacey Kusnetsov · Posted: September 16, 2024 | Updated: September 18, 2024



York's Markham campus is big news this fall. 10-stories high with state-of-the-art facilities and cloaked with "variegated patterns of vision glass and bronze anodized aluminum panels," it is expected to welcome over 5,000 students within the first five years. Meanwhile, the Keele and Glendon campuses are slowly sinking into a billion-dollar repair backlog that defines the everyday experiences of over 50,000 students.

Modern facade, deteriorating facilities

The aerial pictures of the Lassonde building or of the futuristic outline of York University subway do not accurately

Global NEWS

EDUCATION

Fleming College in Peterborough suspends 29 programs in wake of international student cap

By Greg Davis · Global News
Posted April 24, 2024 12:59 pm · Updated April 24, 2024 1:56 pm · 3 min read

Fleming College in Peterborough, Ont., is suspending more than two dozen programs in the wake of the federal cap on international students and other funding shortfalls.

On Wednesday morning, the college announced that on Tuesday the college's Board of Governors approved changes to 29 program offerings beginning in Fall 2024.

In a public statement, college president **Muhammad Adamjee** said as a result of

India's stats on student deaths in Canada sit heavily on family of London hit-and-run victim

Indian ministry cites natural causes, accidents, medical conditions, attacks among causes of deaths

Angela McInnes · CBC News · Posted: Sep 18, 2024 5:00 AM EDT | Last Updated: September 18



Roshan Mathew, left, sits with his brother-in-law, Jibin Benoy, in an undated photo. The two were close when

The Current State of Postsecondary Education

University deficits

- 8 universities are projecting deficits for 2023-24, totally \$152 million.
- 12 universities are projecting operating deficits in 2024-25 for a combined total of \$293 million.

Program closures at colleges

\$6.3 billion backlog in deferred maintenance (\$5.1 billion at universities; \$1.2 billion at colleges)

Students struggling financially

Limited access to student services and mental health supports

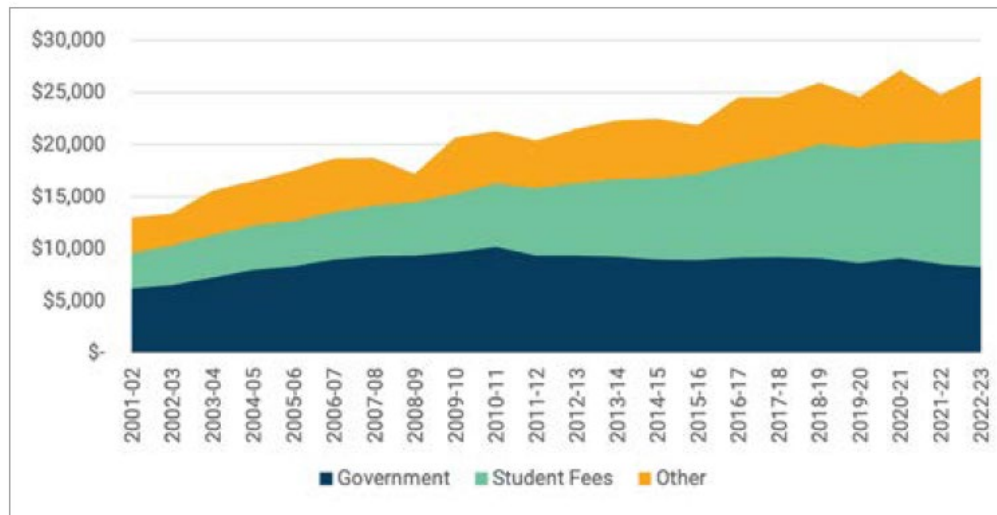
International students exploited

Understaffing and burnout

Contract staff and faculty

How Postsecondary Education is Funded

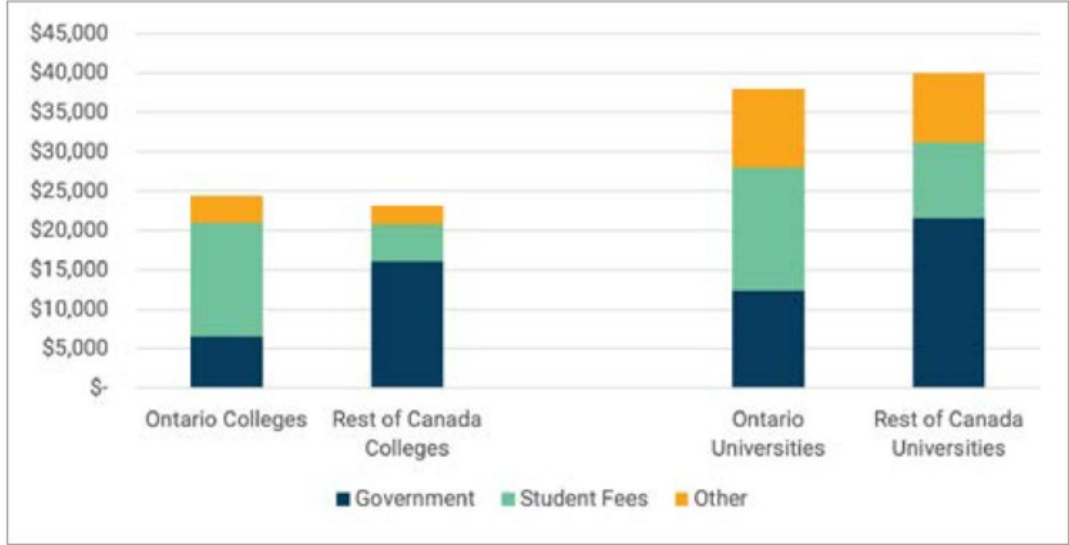
Total University and College Income by Source, Ontario, 2001-02 to 2022-23, in \$2022.



1. Government
 - Enrolment-based funding
 - Differentiation funding
 - Special purpose grants
2. Student fees
 - Domestic tuition
 - Ontario students
 - Out-of-province students
 - International tuition
 - Other fees
3. Other sources, for example
 - Donations
 - Sponsored research
 - Entrepreneurial activities, such as corporate partnerships, facility rentals, etc.

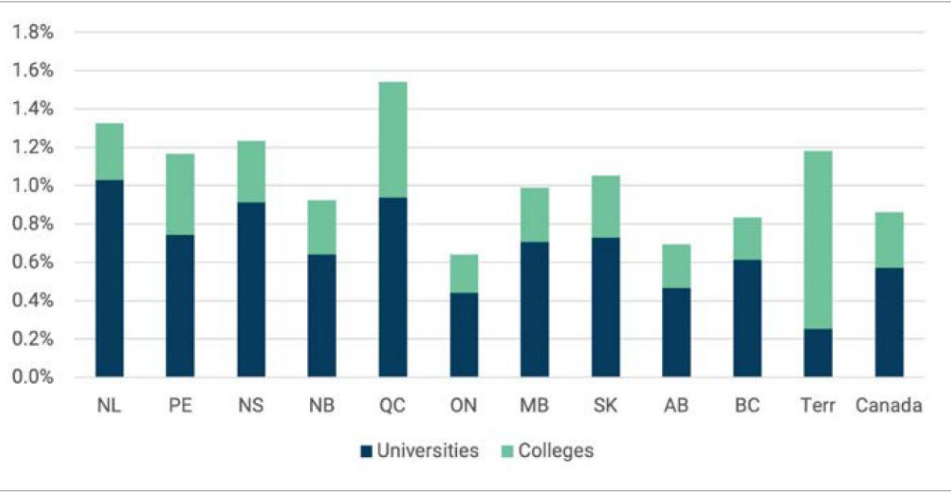
Ontario vs Canada

Total Income per FTE Student, by Source and Type of Institution, 2022-23

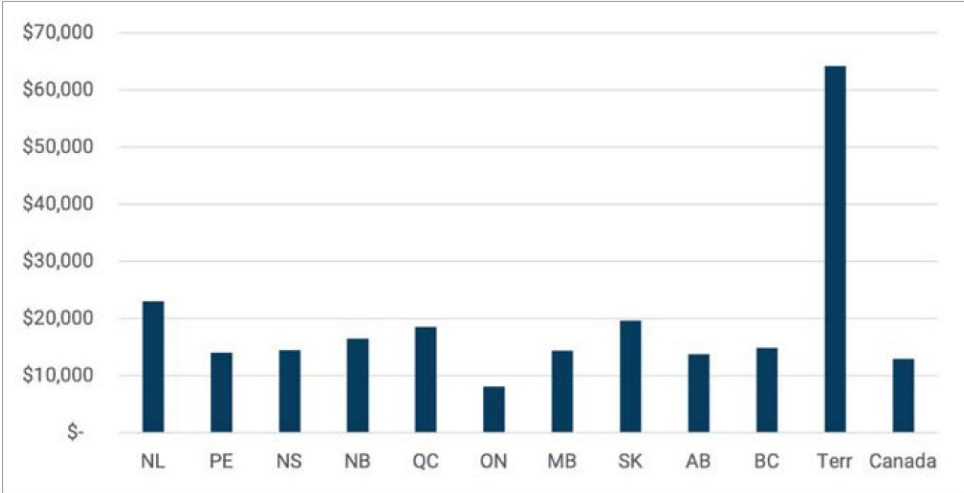


Source for all figures on this page: “The State of Postsecondary Education in Canada, 2024” by Higher Education Associates. https://higheredstrategy.com/wp-content/uploads/2024/09/2024-09-04_SPEC-2024_v5_Publications.pdf

Provincial Expenditures as a Percentage of Provincial GDP, 2022-23

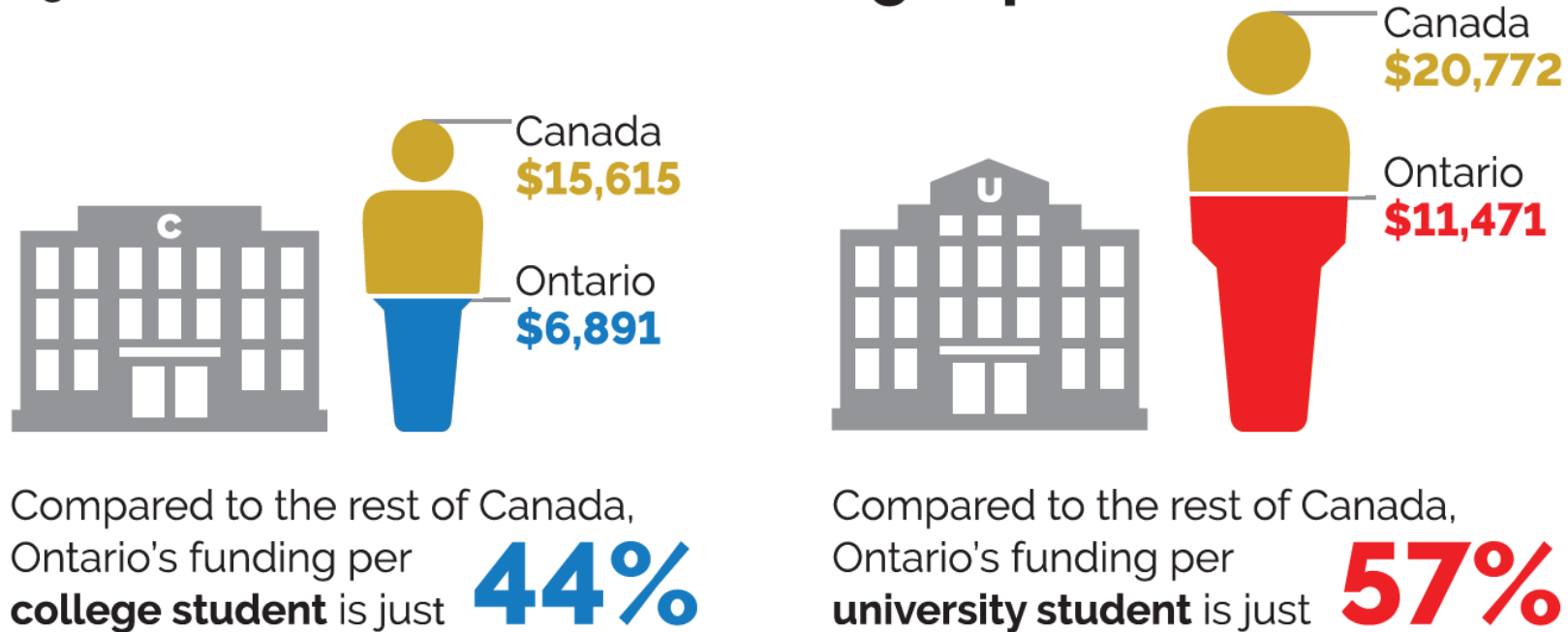


Provincial Expenditures per FTE student, 2022-23



Ontario vs Canada

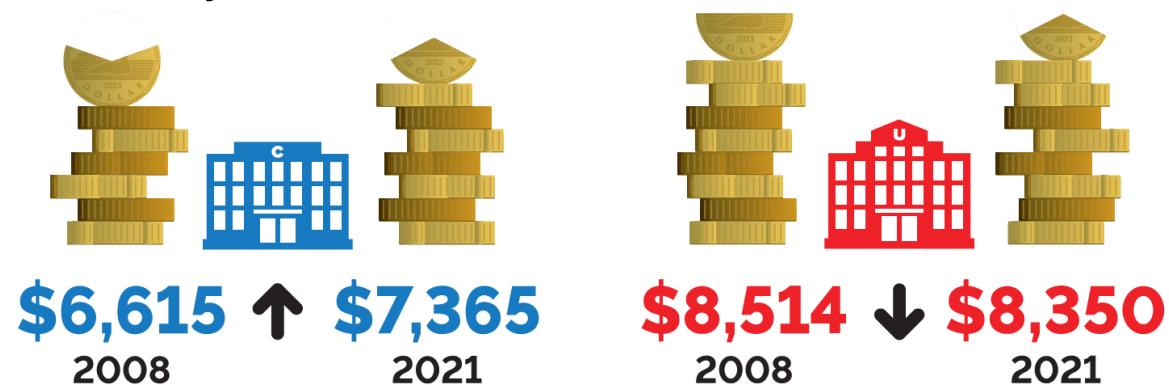
Figure 1: **2021-2022 Government Funding Gap**



Source: "Ensuring Financial Sustainability for Ontario's Postsecondary Sector" by Blue-Ribbon Panel on Postsecondary Education Financial Sustainability.
<https://www.ontario.ca/page/ensuring-financial-sustainability-ontarios-postsecondary-sector>.

Per-student funding

Nominal Operating Grants per college student and university student



***Note:** The real value of these grants was further reduced by inflation over the same period of time. According to the Bank of Canada's inflation calculator, a basket of goods that cost \$100 in 2008 would have cost \$122.88 in 2021.*

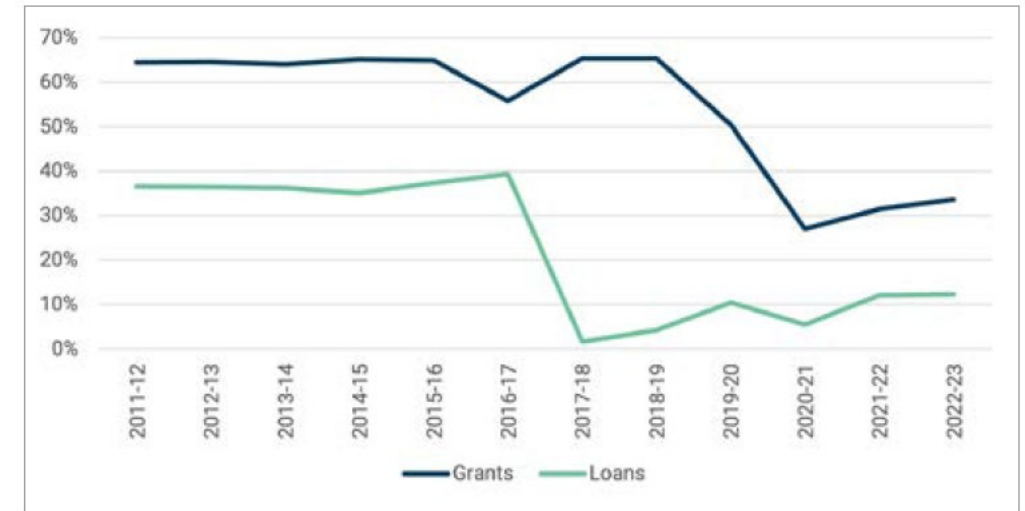
There are currently **over 30,000** unfunded domestic students in Ontario universities, and **over 2,500** unfunded domestic students in Ontario colleges.

The Council of Ontario Universities estimates that by **2047**, Ontario's colleges and universities will need an additional **119,000** spaces for domestic students.

Tuition & Financial Aid

- In 2019, the Ford government cut tuition by 10% for Canadian students.
- It has been frozen since, and will be frozen for at least three more years for in-province students.
- Institutions will be able to increase out-of-province domestic tuition by no more than 5% in 2024-25.
- International tuition is unregulated, so institutions can set it and increase it at their discretion.

Figure ON8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2022-23

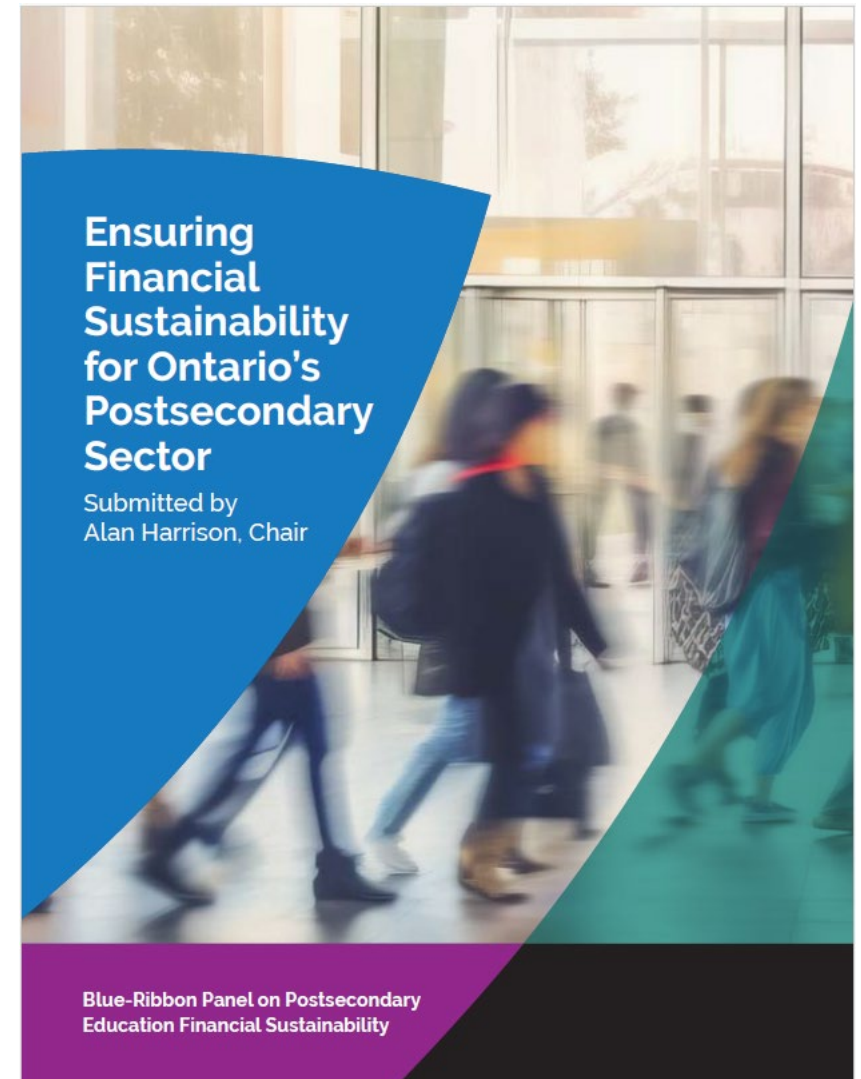


The Blue-Ribbon Panel Report

November 2023

Recommended

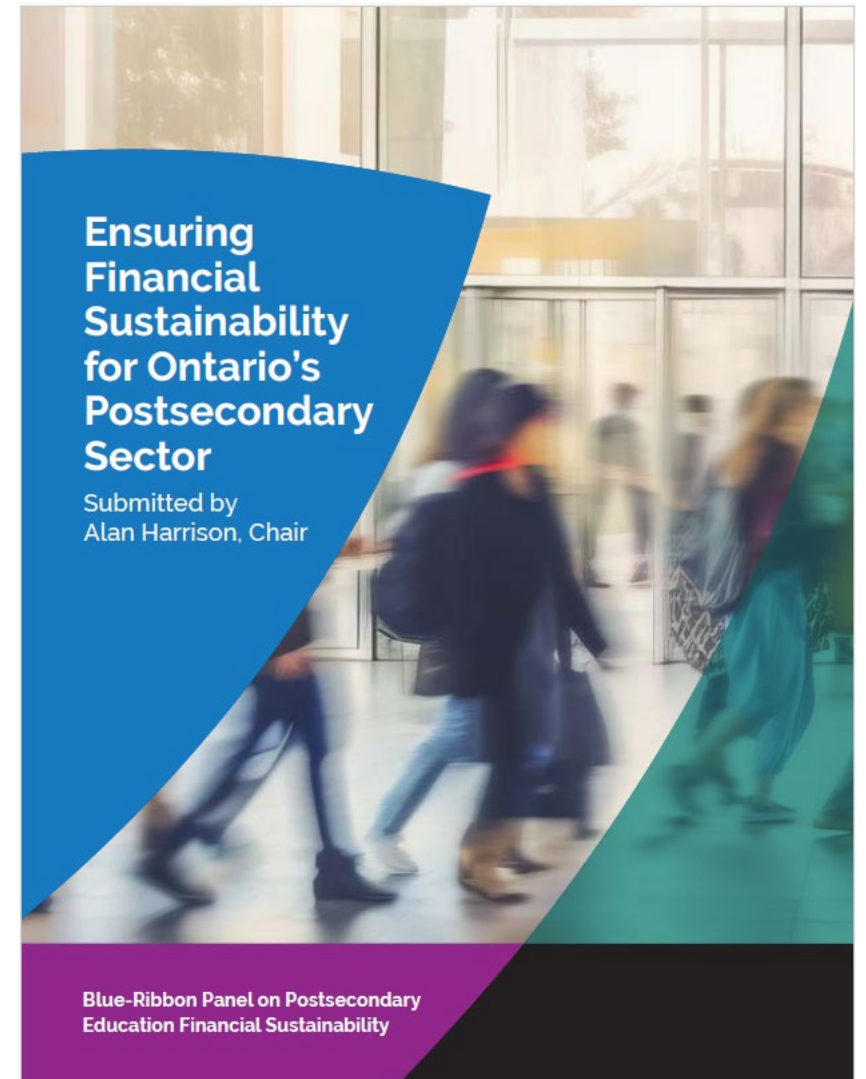
- \$2.5 billion investment over three years, just to keep the sector afloat
- 10% immediate increase in grants to institutions, followed by increase equal to 2% or inflation thereafter
- 5-8% increase in tuition rates, and increases equal to 2% or inflation thereafter
- Financial aid adjustments to offset tuition increases



Since the Blue-Ribbon Panel Report

- High inflation
- Bill 124 remediation
- Federal changes to international study permits and work permits

The government has announced investments totalling less than half of what the Blue-Ribbon panel recommended BEFORE accounting for these added pressures.



Reliance on International Students

- Moratorium and re-opening and encouragement of public college – private partnerships.
- Trick Report
- Auditor General warnings
- Blue-Ribbon Panel recommendations

2020-2021 Ontario College Revenue Sources



Reliance on International Students

Figure 5.6: International Undergraduate Student Tuition by Province, Canadian Universities, 2023-24

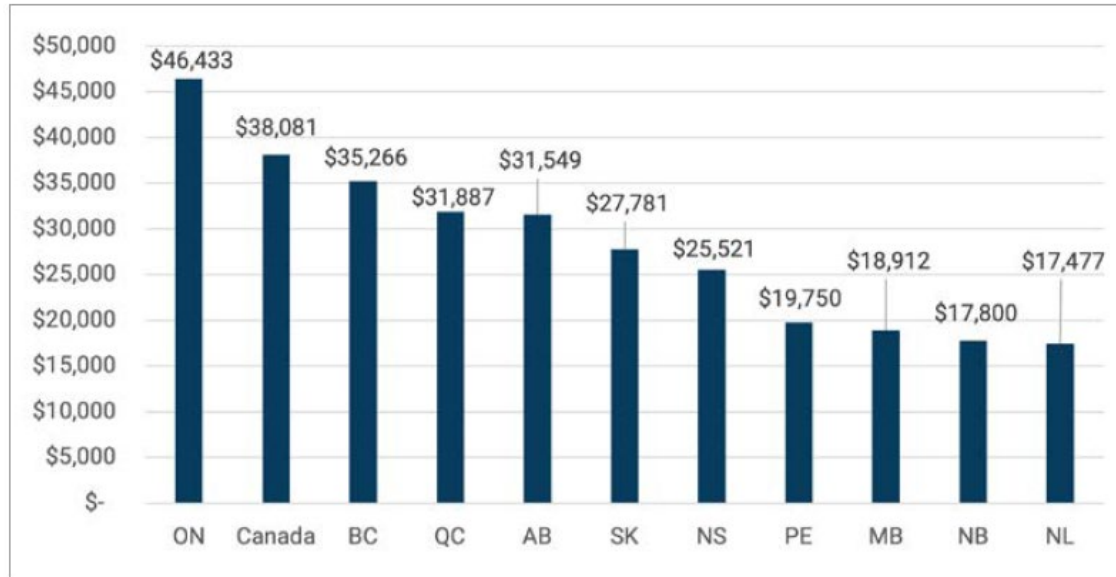
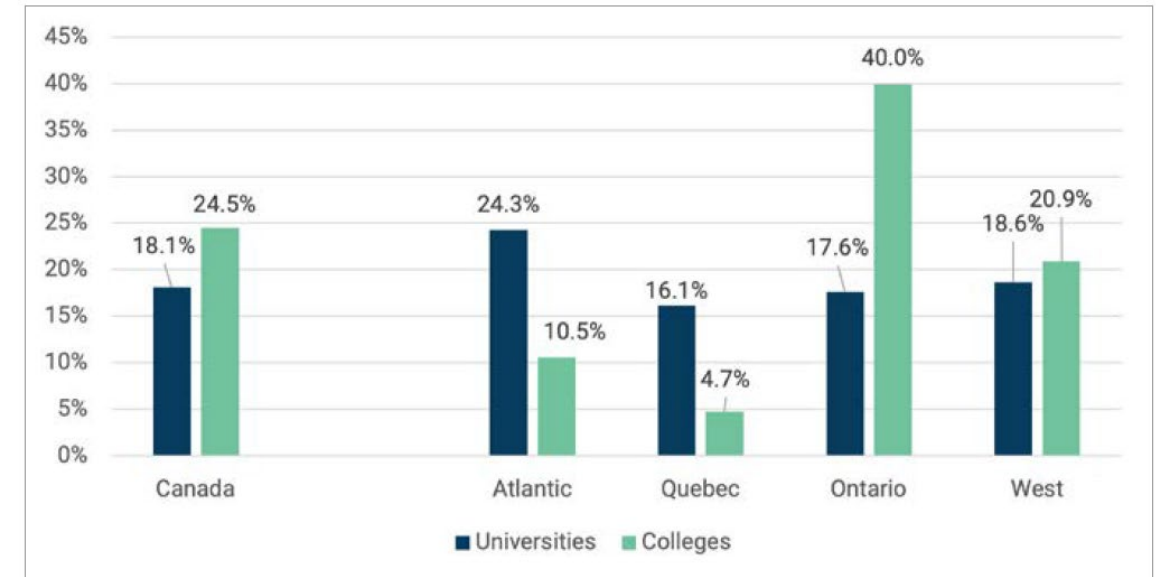


Figure 1.23: International Students as a Percentage of Total Student Body, by Region and Sector, 2022-23



Federal Changes

- Cap on the number of international study permits that the federal government will process.
 - 35% reduction in 2024 (50% in Ontario)
 - Further 10% in 2025, with that level to be maintained in 2026
 - Federal Minister says this will result in 300,000 fewer study permits from 2024-26.
- No post-graduation work permits for students who attend public-private partnership colleges
- New language proficiency requirements for all PGWP applicants
- Limitations on work permits for spouses of students

COU STATEMENT: Impact of Federal Changes to International Student Study Permits

“As a result of the changes, Ontario universities are projecting financial losses of more than **\$300 million in 2024-25**, compared to 2023, doubling to more than **\$600 million the following year**, if trends continue. That’s nearly a **\$1-billion** financial impact in the first two years alone.”

Solutions

Increase per-student funding.

Fund enough spaces to meet the demand in the labour market and among Ontario students.

Convert all student loans to grants.

Provide adequate funding to properly resource student services.

Targeted student housing solutions.

It's time for real funding commitments to ensure the financial future of our postsecondary institutions.

- MPPs Peggy Sattler
NDP Critic for Colleges and Universities



Sources

“The State of Postsecondary Education in Canada, 2024” by Higher Education Associates.

https://higheredstrategy.com/wp-content/uploads/2024/09/2024-09-04_SPEC-2024_v5_Publications.pdf

“Ensuring Financial Sustainability for Ontario’s Postsecondary Sector” by Blue-Ribbon Panel on Postsecondary Education Financial Sustainability, February 2024. <https://www.ontario.ca/page/ensuring-financial-sustainability-ontarios-postsecondary-sector>.

“Funding Enrolment Growth to Support Ontario Students and Economic Growth” by Council of Ontario Universities, August 2024. <https://ontariosuniversities.ca/wp-content/uploads/2024/08/Funding-Enrolment-Growth-to-Support-Ontario-Students-and-Economic-Growth.pdf>

<https://ontariosuniversities.ca/news/cou-statement-response-to-ontarios-2024-budget/>