

"BECAUSE OUR FUTURE DEPENDS ON HIGHER EDUCATION"



## VOL. 9

*Looking to the future of Ontario's post-secondary education.*

## FEATURE

*Interviewing HESA's Alex Usher on differentiation: looking for change in all the wrong places.*

## PLUS

"UNIVERSITIES UNDER PRESSURE"

"PERVERSE INCENTIVES"

"ADDRESSING THE WAGE GAP"

"QUALITY: THE FINAL FRONTIER"

WITH A FOREWORD FROM PREMIER KATHLEEN WYNNE

# SYSTEM



# VISION

*where do universities go from here?*

AN ONTARIO UNDERGRADUATE STUDENT ALLIANCE PUBLICATION

# OUS

## Ontario Undergraduate Student Alliance

***Our vision** is for an accessible, affordable, accountable and high quality undergraduate education in the province of Ontario*

***Our mission** is to develop educated solutions to challenges facing undergraduate education in Ontario and to successfully lobby government to make them a reality*

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## FEATURE

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## INTERVIEW



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*Steering Committee, and all who contributed*



## FROM THE EDITOR

Welcome to Volume Nine of Educated Solutions! This issue is called *System Vision*, and is aimed at challenging and contemplating the systemic direction of higher education in Ontario.

When you are young and new to a sector, you are susceptible to feeling like the concerns you have or the gaps you discern are brand new, no matter how perennial or age-old they may be. At OUSA, we are wary of being “the boy who cried wolf” in signaling major changes or concerns within the post-secondary system. Yet in the case of the future of universities in Ontario, it seems like right now we are indeed poised at a significant fork in the road.

Universities and their purpose are increasingly up for debate in the public sphere, from newspapers to family dinner tables. We can see this instability in microscopic, Ontario-specific ways: as the province attempts to redesign our funding formulae, as individual universities trim budgets and slash programs, and as universities and colleges begin to interact in new ways. However, we must also be aware and adjust to macroscopic shifts in education: the rise of MOOCs, the disproportionate swell of contract faculty, or the internationalization of universities around the globe. Ontario has the opportunity to be proactive instead of reactive in addressing these developments, and using the flexibility of changing times to shape a new vision for higher education in the province.

This issue of Educated Solutions gathers ideas, opinions, and concerns from students and leaders in the post-secondary sector on what this vision might look like, and what collectively we must do to realize it.

Thank you so much to all of our contributors for their insight and time; you have given us much to consider, and much to be excited about.

**JASMINE IRWIN**  
*Director of Communications*

Having just finished the third year of my degree, I’ve been involved with the McMaster Students Union (MSU) for quite some time now. Perhaps it’s a symptom of my increasing involvement with the organization and the university, but as I’ve progressed throughout the MSU it has become clear to me that the way students view and interact with the sector is changing. Costs are rising, funding is scarce, and the role of the university in the 21st century is being challenged to no end.

It is during moments like these that students, universities, and governments need to work most closely together. With the tuition framework being reworked, the funding formula consultation wide open, and topics such as student mental health and experiential education continuing to rise in visibility and importance, it is essential that students are given the chance to make their voices heard and for those around them to listen. By capitalizing on this type of working relationship that OUSA has strived to nurture for a number of years, students can be confident that the province is moving towards an educational system that adheres to OUSA’s well-known and respected goals: an affordable, accessible, accountable, and high quality education.

I expect our fair share of challenges as we progress this year, but as always these challenges are an indication of a willingness to engage with difficult topics. OUSA has never been one to shy away from this, and there’s all the reason to believe we won’t do so this year either.

I am excited for the road ahead: thank you.

**SPENCER NESTICO-SEMIANIW**  
*OUSA President 2015-2016*

## FROM THE PRESIDENT





# CONTRIBUTORS



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*“Educated Solutions is an annual student-focused magazine that is designed to provoke thought, discussion, and dialogue about higher education in Ontario”*



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# FOREWORD

PREMIER KATHLEEN WYNNE  
WRITES ON HER EDUCATIONAL  
PAST AND ONTARIO'S  
EDUCATIONAL FUTURE: WHY  
INVESTMENTS IN PSE ARE  
CRITICAL TO DEVELOPING  
TOMORROW'S LEADERS.

## HON. KATHLEEN WYNNE

It's been 40 years since I was in your shoes — as an undergraduate in an Ontario university. But this winter, I went back to school. In January, I spent ten days visiting university and college campuses across Ontario. I met hundreds of students, faculty, staff and school leadership.

I went on this tour — and I'm looking forward to doing another one this fall — because, as Premier, I have a stake in your success. That's why it is so critical for me to meet students, to listen to your concerns, your hopes, and your plans. It's one of the most important things I can do as Premier.

Your education plays an essential role in your future, and the future of our province. As government, we must do our part to ensure our universities and colleges are accessible, affordable, high-quality and student-centered so that every Ontarian has an opportunity to succeed.

The value of education has always been at the core of my belief system — it is a cornerstone of our democracy and the critical means by which we as a government

are able to increase opportunities for people to live fulfilling lives as engaged citizens.

Seeing my old dorm at Chown Hall at Queen's University, I had a chance to reflect on how far our system has come and to think about the exciting work ahead that will continue to transform Ontario's outstanding post-secondary education system. I am proud of the progress we're making. We are reviewing the university funding formula to ensure that it is focused on student success.

We are working with our partners to improve the overall student experience. And with the important student aid changes we made in this most recent budget, we are making post-secondary education more affordable. But there is more that we can do. That is why I am so glad to have partners like OUSA and the students you represent to undertake that work together.

One final thought: All those people who refer to students as the leaders of tomorrow have it wrong. You are leaders today, and you are showing that the future of our province is in good hands.

**BASIC INCOME UNITS (BIUs)** refers to the weighting system used to assign operating funding to institutions. Different BIU weights, ranging from 1.0 to 7.5 are assigned to individuals studying in different programs, and different levels. For example, a first time Arts and Science student is assigned a BIU weight of 1.0, while a doctoral student is assigned BIU weight of 7.5. Each BIU is worth a specific amount of government funding each year, determined by the total amount of funding available for the system as a whole. The B.I.U.s were intended to reflect the elevated costs of certain programs, but have been difficult to update to current program realities.

**CORRIDOR FUNDING** refers to a model of enrolment funding where institutions have preexisting targets for enrolment growth and are only funded when growth falls within the set targets. During the 1990s, growth was funded through this corridor funding model.

**DIFFERENTIATION** refers to the idea that institutions should develop different areas of specialization to maximize the efficiency of the post-secondary system. There are many types of differentiation including differentiation by teaching and research, by program or discipline, or by enrolment size.

## *key terms explained*

**FUNDING** refers to how universities obtain revenue to carry out their operations. The main sources of funding for Ontario universities are tuition fees, ancillary fees, provincial government grants, federal government grants, private donations, and endowments.

**FUNDING ENVELOPE** refers to a portion of money distributed to institutions for a specific purpose or objective that has its use restricted to that purpose or objective. Funding envelopes have been used by the government as a way of influencing university priorities.

**KEY PERFORMANCE INDICATORS (KPIs)** refer to a set of performance measures for gauging the success of individual institutions as measured by the Ministry of Training, Colleges and Universities. For universities, these indicators of success are graduation rates, employment rates, and OSAP loan default rates.

**STRATEGIC MANDATE AGREEMENTS (SMAs)** refer to a set of visioning documents through which institutions and the government establish long-term plans for the future direction of individual universities, based on institutional strengths, objectives and goals. The first cycle of SMAs remains valid from 2014-2017.



# UNIVERSITIES

## *under pressure*

DR. MAX BLOW

**I**t is increasingly difficult for any Ontario university to 'Reach Higher'. In fact, our universities today are less sustainable and resilient to setbacks than they have been for some time. Why? And what can be done to change course, to build resilience and strength in our institutions?

Ontario has invested massively in university education over the past decades. Much of the increase has been to fund more students (access). Some of the increase has gone directly to students in the form of increasing scholarships, bursaries, loan programs, and grants to reduce tuition costs (student financial aid). However the formula that funds institutions has remained virtually unchanged – ensuring that while the numbers of students (and cost to government) has escalated dramatically, the resources available to support students within the universities have become increasingly constrained.

Within this broad framework, and to specifically examine why institutions currently have less capacity than in the past, consider the following revenue pressures:

- *fewer university-bound domestic students, the end of the “echo” generation;*
- *lower provincial contributions to the cost of education, “efficiency”, and other reductions;*
- *increased regulation of tuition and other fees, and appropriation by government of some fee revenues, such as \$750 per international graduate student;*

These factors have resulted in Ontario universities occupying the very bottom echelon of funding per student (combined grant, tuition, and other fees) in all of Canada. They have contributed to the vulnerability of our system to sustain itself in quality and capacity, and to compete on the international stage.

While institutional revenues have become increasingly constrained, costs rise rapidly due to:

- *the premium price of intellectual talent combined with pattern bargaining among our faculty, staff and contract employees drives remuneration considerably higher than in other sectors of the economy;*
- *high levels of sector-specific inflation (e.g. copyrighted printed and e-materials, scientific and health equipment)*
- *increasing expectations and mandates by society and governments for direct public benefit from research;*
- *higher expectations on universities to engage with the challenges of their communities and regions, and with the grand challenges that our world faces (climate change, conflict, poverty, inequality etc.)*
- *pension deficiency contributions and other post-retirement benefits costs;*
- *maintenance and renewal of specialized and aging infrastructure, including buildings;*
- *capital borrowing costs to support strong growth in student numbers over the past decades;*
- *meeting the needs of an increasingly diverse and service-oriented population of students;*
- *increasing occupational, safety, and other workplace standards;*
- *growing requirements for accountability and detailed reporting and increased costs associated with inter-institutional competition and advocacy;*

It is important to note that these forces are not experienced equally by institutions, and that considerable variation exists among them in financial health and the ability to withstand adversity.



There are three other important factors that drive differences in sustainability and resilience among universities...



## LOCATION

Students are unevenly distributed across Ontario. There will be a dip in university aged student numbers in the short-term in nearly every census area in the province. However, and importantly, the dip will be minor and/or reverse quickly in the core of the GTA (Halton, York, Peel, and Toronto) and growth will follow. In other parts of the province the decline in university-aged students is forecast to continue indefinitely. Universities in, or close to, the GTA will be able to attract students and revenue much more easily than those in more remote parts of the province. Growth in student numbers has been the dominant driver of financial capacity of nearly all universities in Ontario for some time, so those that are in regions of ongoing demographic decline have a bleak future unless changes are made in how universities are funded.



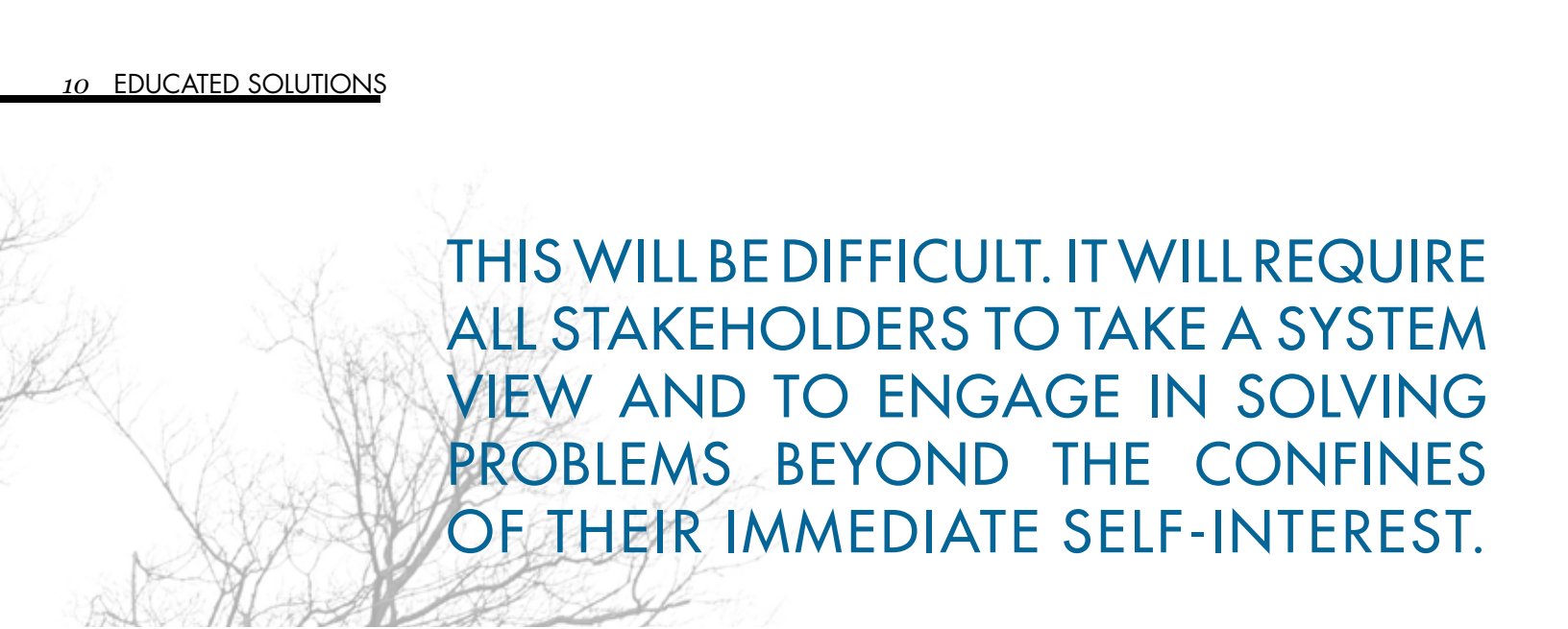
## REPUTATION

Reputation is the most important asset that any university has because it facilitates the attraction of talent and resources. Reputation depends on age of the institution, location, size and complexity, performance of faculty in research and in shaping the opinions of the day, ability to capture the public imagination about the relevance and importance of the contributions it makes (newsworthiness), and relationship in prestige to other institutions in Canada and around the world. Reputation rises only slowly, and it is often out of step with reality for rapidly-changing institutions. Unfortunately it often has little to do with teaching outcomes and the student experience (which virtually every institution understandably touts), or with the contributions of the university to its communities or region.



## VARIATION

The current funding formula in Ontario provides higher revenues to some academic programs than to others. At one time there may have been a connection between cost to deliver a program and government revenue per student (known as the BIU “yield”) to support that cost. But today such a relationship is not formally recognized, and a logical basis for variation in BIU yield is unclear. Among universities there is great variation in the mix of general, professional, undergraduate and graduate programs, so there is considerable variation among universities in the amount of support they receive per student. Liberal arts universities with few professional or other specialized programs receive less support per student than universities with a higher proportion of specialized, professional, and graduate programs. As a rule then, larger, and more research intensive universities with more specialized programs have greater financial health than those that are smaller, less specialized and with fewer professional programs.



## THIS WILL BE DIFFICULT. IT WILL REQUIRE ALL STAKEHOLDERS TO TAKE A SYSTEM VIEW AND TO ENGAGE IN SOLVING PROBLEMS BEYOND THE CONFINES OF THEIR IMMEDIATE SELF-INTEREST.

When we take these three major influencers of financial health (location, reputation, variation) and apply them to the universities in Ontario we see considerable difference (but also remember that universities are not well funded relative to the rest of Canada). Those in high growth (GTA) locations with strong reputations and high revenue-per-student programs are more resilient and sustainable. Others have less strong reputations and are in negative growth locations with a lower revenue-per-student program mix, so they are more vulnerable; in some cases highly vulnerable. Others are in intermediate zones of strength/vulnerability depending on the mix of their location, reputation, and revenue-per-student.

In other words, our universities are very highly differentiated in their fundamental capacities and potential, and well beyond the sense implied by SMA documents. This differentiation in financial capacity and ability to deliver on university mandates for the education of our students is more fundamental than the differentiation described by SMA agreements. Funding formula review must go beyond a narrow consideration only of government operating grants. To meet the needs of future students throughout Ontario it (or a larger process) must address, in a more sophisticated and nuanced manner than has been achieved in the past, the

relationships among institutional mission, location and demographic opportunity, reputation, cost of programs relative to revenue for programs, balance between student (tuition) and government (operating grant) contributions, and the contributions by institutions in teaching and to the community.

This will be difficult. It will require all stakeholders to take a system view and to engage in solving problems beyond the confines of their immediate self-interest.

All Ontarians benefit from a vibrant university system - supporting well those institutions that are at the pinnacle of international reputation and performance, while equally supporting those that make vital local or regional teaching, learning and community contributions. Our goal must be to make all of our universities more sustainable, resilient and, dare we hope, robust institutions that will carry their differentiated missions forward with confidence and capacity.

*The views expressed are the personal views of the author, and not the reflections, positions, opinions or priorities of Wilfrid Laurier University where he is president, nor of the Council of Ontario Universities of which he is chair.*



# SUPPORTING THE BIG PICTURE

## TAKING THE LONG VIEW



DR. PATRICK  
DEANE

**H**igher education reform is well underway in Ontario—somewhat surprisingly, it has to be said, given that in 2010 John Milloy, then Minister of Training, Colleges and Universities, proclaimed *Reaching Higher* an all-round success. “Ontario can claim one of the finest post-secondary education and training systems on earth,” he declared. In the resonance of that welcome affirmation, who in the sector properly heard—and having heard, was able fully to register the significance of, Milloy’s caution that “We’ve done a great job so far, but we have to do better if we are to out-educate the competition in the years ahead”? And who anticipated the scale of the crisis portended in his understated observation, “Government is heading into some challenging fiscal times”?

Strategic Mandate Agreements were signed with all the universities and colleges last year, perhaps the most visible evidence up to that point of a determination in government—notwithstanding what Minister Milloy had said about the success of *Reaching Higher*—to reshape and rationalize the higher education sector. The principal motive for this has never been a secret nor is it unreasonable: while Ontario needs strong and diverse institutions, it also needs the sector as a whole to be sustainable.

Concerns about sustainability may have triggered the reform agenda, but higher education institutions in Ontario have over the last year become the focus of a much wider range of public discontents and anxieties. Concerns about youth unemployment, for example, are becoming conflated with a national discourse on the so-called “skills mis-match,” and disparaging assertions are being made about the employment rate of university graduates that are demonstrably at odds with the evidence. Recent labour disputes on a number of campuses have made universities the focus of a debate about precarious employment, and controversies about executive compensation have been fuelled by broader indignation at the widening gap in our society between the rich and the poor.





In such circumstances there is a danger that, faced with the apparent impossibility of effecting far-reaching social, political and economic change more broadly in our society, politicians and a frustrated public alike will see “reform” of the universities as a connected, equally urgent, and yet more easily achievable goal. The evidence that this is already occurring is not hard to find, most notably in bills before the legislature that are responsive less to the facts of life in our institutions than to assertions in the media and policy challenges in society at large.

Any attempt to strengthen higher education in Ontario must be a good thing, and in that regard the current initiative to revise the funding formula certainly represents a welcome opportunity. But it is also a project fraught with danger, in particular because the formula—more than almost any other aspect of university business—is technically very complex, and, because it has evolved with the universities over nearly fifty years, is inextricably tied to the character, the strengths and the weaknesses of our institutions. Simply excising it from the body of higher education in Ontario cannot be an option—at least not before we have some sort of prosthesis, at least as effective in fostering strength and with significantly fewer deleterious elements, ready for implantation.

Government has let it be known that there shall be the broadest public consultation on this process, and in itself that is not a problem. Indeed, as public institutions we count on an ongoing and vibrant dialogue with the constituencies we serve. The risk, though, is that the formula—that highly technical operating system for institutions—will become a site on which immediate issues of social and economic policy will be contested; subsequent

consequences for the universities and the work that must be done in them could be disastrous, especially where the long-term mandate of those institutions is left out of consideration. Universities are the creatures of society and they exist to serve society, but they perform that role, paradoxically, by challenging society to understand itself and to make policy for the long-term good. For that very reason they have historically been buffered from political contingency, and governments have actively fostered a funding arrangement that provided consistency and predictability over time, that effectively supported their diverse and complex mandate, and that conferred the measure of autonomy required to discharge the university mandate to a high standard.

What is needed from the current reform process is a formula that does these things and more. During the consultations, however, it is unlikely that there will be unanimity on that point. It is to be hoped, however, that all parties with a direct stake in higher education—students, faculty, staff, alumni and administrators, for example—will press very hard on it, even when efforts will be made to suggest that their interests are divergent. And in particular it is the province’s students to whom I would appeal to speak most loudly and strongly about the need for a funding formula that does not compromise the nature and value of what our universities have to offer them and the province to which they are heirs.

We have been told that the new formula must be “student-centred” and there already is the first invitation to diverge, to have students position themselves in opposition—to what? Depending on the broader public issue invoked, the enemy might be a “full-time faculty-centred” formula, or an “administration-centred” formula, or, tautologically, a “university-centred” formula. The most pernicious of these false oppositions, and the one which received a good deal of air time during recent labour action, positions the interests of students and researchers as antagonistic.

But how many engaged students really regard their professors’ research activities as a narcissistic indulgence the only tangible consequence of which is

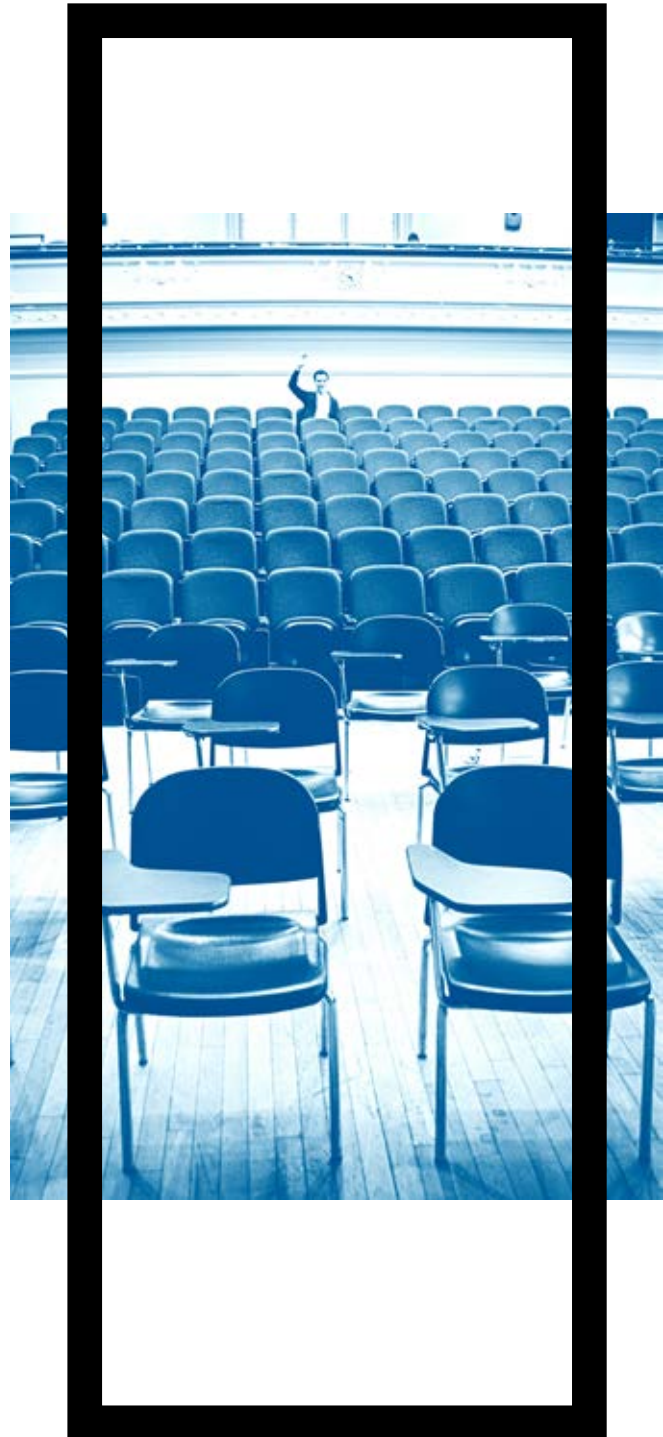
“UNIVERSITIES ARE THE CREATURES OF SOCIETY AND THEY EXIST TO SERVE SOCIETY, BUT THEY PERFORM THAT ROLE, PARADOXICALLY, BY CHALLENGING SOCIETY TO UNDERSTAND ITSELF AND MAKE POLICY.”

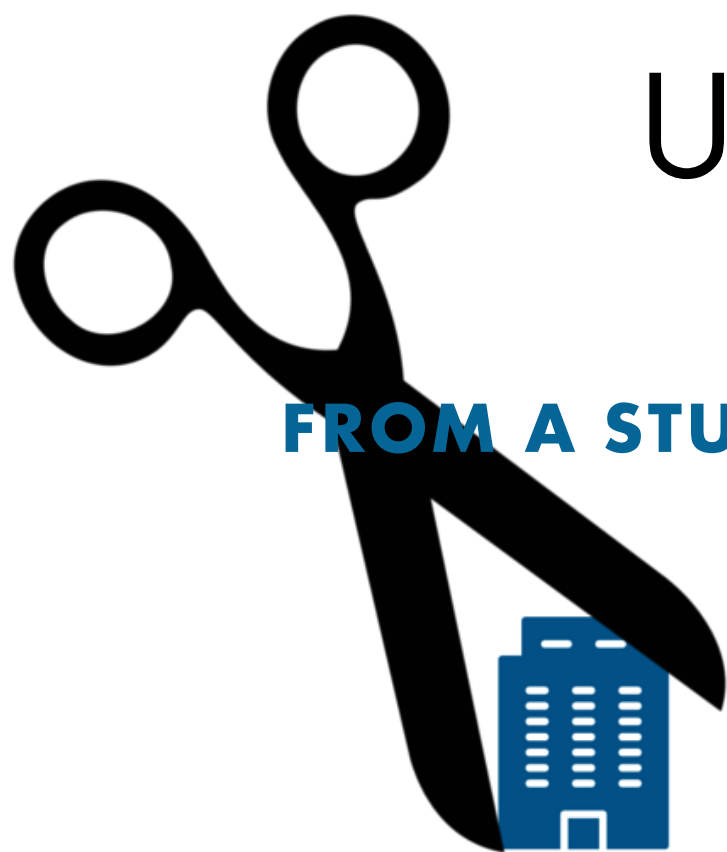
to enlarge class size and deprive students of material benefits otherwise their due? My experience tells me that this commonplace of the recent public debate is fallacious, and in fact evidence of an ongoing underestimation of students and their excitement about learning and discovery.

It goes without saying that students are right to be concerned about growing class size and the quality of instruction. They are also understandably concerned about their career prospects and desirous of securing good and meaningful employment after graduation. But despite the way in which public discussion of these issues has been tending, that does not necessarily mean students regard all spending on research or investments in liberal education as an illegitimate use of university resources. To claim the latter may seem like a defence of students' interests but it is in fact an insult to them. In my experience most students know that research activity and institutional breadth bear in some way upon the quality of their education, even though they may not always be able to articulate how, and even when they have chosen to pursue a course of study that is specialized, or in the case of the professions, highly circumscribed and regulated. They know, in other words, why they have chosen to attend a university rather than some other sort of institution.

In the coming months students' voices will be heard and carefully listened to in consultations about the funding formula review and the "reform" of higher education. My hope—indeed, my belief—is that they will advocate for changes that strengthen rather than impoverish the universities, that they will let it be known that a "student-centred" funding formula is one that continues to support the large view of universities as places of discovery as well as of learning, and that underwrites the growth and development of human beings rather than merely the training of functionaries.

The students at the centre of this discussion have much more to offer, and a capacity to create and contribute to society far greater, than many of their public advocates ever imagine.





# UNIVERSITY CUTS

## FROM A STUDENT PERSPECTIVE

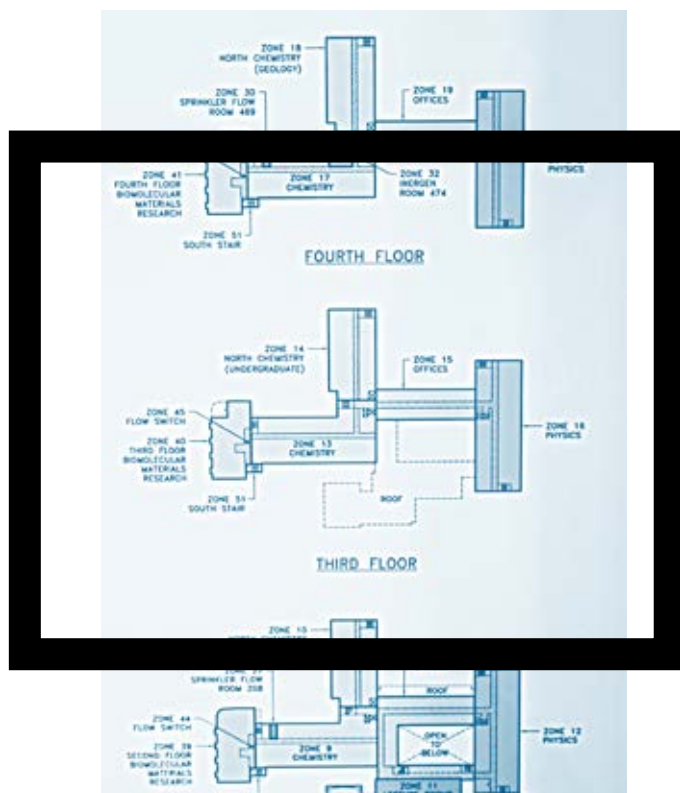
MATT MCLEAN

In March of 2015, Wilfrid Laurier University cut twenty two different positions in an effort to reduce operating expenses. This decision was met with extreme backlash from both students and faculty, mostly centred on where these cuts were being made and what it would mean for the overall quality of education. While tempers have cooled since then, a palpable fear still exists about the form that these austerity measures will take in the future. As Laurier President Dr. Max Blouw himself has warned, these cuts are only the beginning.

However, it's important to recognize that this phenomenon is not unique to Laurier. Universities collect funds from two primary sources: tuition and contributions from the provincial government. As a result of already low contributions from the government pegged to a 1% annual increase, the 3% cap on tuition fee increases and declining enrollment in general, many Ontario universities find themselves in a difficult financial position. As a result, decisions have to be made around resource prioritization in the future. Regardless of what form this takes, it is clear that spending cannot continue at its current pace.

This begs a simple question moving forward: From where will these cuts be made? Or perhaps more importantly, from where should they be made?

Few argue against the necessity of the cuts themselves, but there are numerous opinions amongst different groups about the form in which





these cuts should take. Faculty, staff and the general public frequently chime in on what they believe to be the best solution for the problem, and what areas should be sacrificed in order to save others. However, the voice of students often gets lost in the debate.

The irony of this reality is that students are the primary reasons that these institutions exist in the first place. However philosophical you want to get about the key function of a university, it's a simple reality that Ontario students are the primary payer of their bills.

So given that students are at the heart, it stands to reason that their collective priority would be the core function of the institution itself: education. No matter where these budget cuts are made, they should have little to no impact on its quality. With any other purchase, the cost should not go up while the overall value of the product goes down. Simply put, students don't want less bang for their buck.

Most students are not naïve enough to claim that they have all the answers regarding the fiscal situation of universities. However, they are experts when it comes to receiving an education. Rather than make cuts to that area, why not trim around the edges in areas that are not essential to the functioning of the university? Athletics, perhaps? Alumni relations? University administration?

Whatever the answer may be, it cannot be found in the classroom. The reputation of an institution (not to mention its enrollment) is greatly dependent on the quality of education it delivers. However, that isn't to say that the current situation is ideal either. As a result of increasing wages for full-time faculty members, the universities increasingly rely on the services of part-time faculty at a significantly reduced rate of pay. This too impacts the quality of education received by students that continue to pay more each year. As a result, this area is facing enough challenges without the looming threat of reduced funding moving forward.

“

*However philosophical you want to get about the key function of a university, it's a simple reality that Ontario students are the primary payer of their bills.*

”

Think of it this way: hockey fans do not attend games to watch the coaches, and so they are the ones blamed when the team fails to perform. Similarly, students do not attend university to engage with the bureaucracy that helps it function, so why should it be sustained at the same rate when budget troubles arise?

It is not clear where all cuts should be made, but if students are the top priority, the task of making them should be much easier and less painful. Institutions need to focus on their core purpose when allocating resources. Otherwise, students will be the victims of a situation for which they are not to blame. In fact, they are the ones maintaining it in the first place.

# *quality:*

DR. HARVEY P. **WEINGARTEN**

I thank OUSA for the opportunity to comment on the future of higher education. This is a tough assignment because, as Yogi Berra said, “Predictions are hard, especially when they are about the future.”

The issue that should dominate the future of higher education is quality – quality of the student experience, quality of our graduates, quality of our postsecondary institutions and quality of our higher education systems. Ultimately, quality is the metric by which our students and institutions are judged and what determines their value and competitiveness.

Some people will suggest that the dominant issue of planning for the future is funding; you cannot discuss quality or improve the status quo without additional revenue or financially sustainable institutions. However, two pieces of evidence suggest otherwise. First, universities in Ontario over the last decade or so have seen annual revenue increases of 7% or more. Yet, it is exactly in this period of nontrivial revenue increases where, as has been pointed out by OUSA and others, concerns over the quality of education in Ontario have become more acute. This increased revenue has accommodated inflation, growth, wage settlements above the rate of inflation, and increased support for research. All of this has been exacerbated by the apparent reduction of teaching loads for full-time faculty. The last 10 years provide an instructive case study in the misguided belief that simply putting more money into the system as it currently exists would necessarily improve quality.

Second, a recent HEQCO (Higher Education Quality Council of Ontario) analysis of postsecondary systems in Canada, *Canadian Postsecondary Performance: Impact 2015*, demonstrated that within the funding levels that currently exist, there is no correlation between the funding of a provincial system and its level of performance. As that report concluded, it is time to refocus the postsecondary discussion from how much money institutions get to what they do with that money and what outcomes are being achieved. OUSA has been particularly vocal on this view and it is particularly relevant to Ontario students, as Ontario is a top performer in access and value to society measures, but below average on a basket of indicators related to value to students.



# *the final frontier*

So, what must we do to achieve a higher education system focused on quality?

It requires an articulation of what postsecondary graduates should know and be able to do. Consensus on desired learning outcomes is fundamental, and ideally should be shaped by institutions, government, employers, the public, and students. At HEQCO, we have promoted a taxonomy of learning outcomes that suggests four overarching but related categories: i) disciplinary knowledge; ii) basic cognitive skills such as literacy and numeracy; iii) higher order cognitive skills, such as problem-solving and critical thinking; and iv) transferable life skills, such as resilience, and time management.

A postsecondary world focused on quality also measures whether the desired learning outcomes are actually being achieved. This is a challenging question because we need reliable and valid measurements of relevant learning outcomes; we have these for some outcomes but not for others.

We need to do a better job of collecting and reporting relevant, meaningful information about higher education systems and institutions, including the knowledge and skills of their graduates, their performance and their outcomes - not for ranking or punishment, but because meaningful measurement is a necessary pre-condition for continuous improvement. You can't manage-or improve-what you don't measure, and most importantly, what gets measured gets done.

So, what about differentiation, system design, funding formulas, tuition— all of which you know as areas of research and policy analysis associated with HEQCO? These issues are important, but they are not ends in themselves. Rather, they are tools – powerful ones – that can help us achieve an improved and higher quality postsecondary system, an outcome that would serve our students, society and country remarkably well.





# "A PERVERSE INCENTIVE"

*The Government of Ontario has engaged the post-secondary sector in a review of the funding formula for higher education. As Ontario universities evolve in the face of new policy priorities and a changing post-secondary context, this undertaking could not be more timely or important. Indeed, the funding formula provides the framework upon which much of our system is built; the incentives it offers to institutions are a formative element of the decisions they make, and the distribution of resources dictates the priorities of the province.*

**ALLISON WILLIAMS**

*Just as it is important, this undertaking is also incredibly nuanced. By in large, the post-secondary*

*sector has responded to the growth drivers embedded in the current funding formula with a staggering commitment. At the same time, incongruities and policy relics in the current formula have introduced perverse incentives across the system. Just as it has responded to the primary driver of system growth, the sector has also been profoundly affected by these alternate incentives since the instigation of the funding formula half a century ago.*

*Just as it is important, this undertaking is also incredibly nuanced. By in large, the post-secondary*

## **A HISTORICAL PERSPECTIVE: PROVINCIAL FUNDING AND THE EVOLUTION OF THE POST-SECONDARY SECTOR**

Since the late 1960s, the landscape of higher education in Ontario has been defined by system growth. Enrolment at universities across the province has enjoyed a steady uphill climb, fuelled by increasing participation rates, an expanding population, and strong incentive for expansion through the provincial funding formula.

Enrolment figures saw government regulation through a model of corridor funding, whereby institutions negotiated their percentage of the incoming cohort with the province and enrolment-based funding had to stay within a  $\pm 3\%$  corridor of the agreed upon target. In the early 2000s, though, this practice was effectively phased out. As the 18 to 24 demographic began to expand rapidly and the “double cohort” loomed, there was recognition on the part of the province that universities would be unable to remain within their respective corridors. Growth beyond the corridor ceiling began to receive full funding as a result.

In an environment that already linked funding closely to enrolment, this allowed universities to take full advantage of the funding formula’s growth imperative. When considered in concert with the facts that provincial per student funding has not been tied to inflation since 1980 or meant to reflect program cost in real dollars since 1970, it becomes clear that acute attention has been placed on system growth across the sector. Since the funding universities receive does not increase to meet growing costs, they are effectively required to increase enrolment in an effort to balance their budgets. Moreover, since policies surrounding corridor funding were never technically removed, universities are faced with the perpetual concern that their funding could cease in any given year. This has only exacerbated the pressure to capitalize on growth for funding when enrolment targets are determined.



# *a look at pse funding*

Alongside the predominant driver for growth, new governmental priorities have been carried out through small tweaks to the current funding formula over the course of the last 5 decades. Funding bundles were temporarily made available for specific provincial initiatives. As previously articulated, methods such as corridor funding were phased out in practice but not in policy. Respective program weights were shifted to change the value of per-student grants, dictating which areas of study students should – or should not – pursue.

In many cases, these incremental changes to the funding formula have resulted in perverse outcomes. For example, in 1998, the Government established the Access to Opportunities Program envelope with the objective of increasing enrolment in computer science and high-demand engineering programs. This resulted in many institutions, some of which had not previously specialized in computer science, developing academic programs to access the associated revenue, only to meet significant challenges with the collapse of the IT sector in the early 2000s. In the wake of this initiative, the sector was left with an over-supply of computer science programs; a significant financial pressure on many institutions and a poor use of a large funding envelope.

Another perverse incentive was introduced with the alteration of the Basic Income Units (BIUs) over time. The BIU system provides enrolment-based funding through a weighting scheme in which different funding values are assigned by program and year of study. The system assigns each student a weight ranging from 1.0 to 7.5 based on estimates of the relative costs of different programs and different levels of study. Operating funding for a university is then calculated by multiplying enrolment (as measured by Fiscal Full-Time Equivalents or FTEs) by the accumulated BIU weights.

Although they were meant to operate as an approximation of program cost in the original funding formula, BIU weights do not represent a fair and accurate assessment of the current cost of educating different students. The BIU system has remained virtually unchanged over the past 50 years, despite significant changes in the costs associated with educating students. Moreover, changes to BIUs have sometimes occurred as a means of altering incentives across different programs to meet government priorities. This was evident when the BIU attributed to Education programs was cut in half in 2013 despite the fact that the cost of delivering the program had not changed.

The result of the changing value of BIUs has incentivized universities to funnel enrolment disproportionately towards certain programs over others as a result of relatively high proportionate subsidy from government. This is demonstrated by the evolution of honours programs as compared to general programs over time. Students registered in an honours program are assigned a higher funding value than those in a three year general degree, despite the costs and content of their programming being virtually indistinguishable for the first two or even three years. This has incentivized universities to register all or most of their students in honours programs and has contributed to the phasing out of the three-year degree.

The myriad of incremental changes to our funding formula have introduced a number of unintended consequences across the sector, and have ultimately served to decrease its utility. Relics of past priorities have burdened the distribution process, and created perverse incentives for universities. As the province begins to enact new policy priorities that do not place system growth at the forefront, it is imperative that the funding formula undergoes deep and meaningful reconsideration. As is evident through past failures, another series of tweaks and minor alterations will be nothing more than a disservice to the system as a whole.

# SO WHAT COMES NEXT?

AS THE IMPETUS FOR ENROLMENT GROWTH BEGINS TO EASE, THE PROVINCIAL GOVERNMENT WOULD LIKE TO SHIFT THE CONVERSATION TOWARDS THE TOPICS OF DIFFERENTIATION AND QUALITY. WITH THE RECENT CREATION OF A DIFFERENTIATION FRAMEWORK AND THE SIGNING OF INSTITUTIONAL STRATEGIC MANDATE AGREEMENTS (SMAs), ONTARIO HAS MADE STRIDES TOWARDS REDEFINING THE SYSTEM'S FOCUS. THIS INITIATIVE SHOULD BE UNDERTAKEN WITH THE INTENTION OF INCREASING THE QUALITY AND EFFICIENCY OF THE SECTOR; THE FOLLOWING THREE ISSUES ARE CENTRAL IN PURSUING THAT END.

## 1

### FUNDING AND THE DIFFERENTIATION FRAMEWORK

In recognizing differentiation as a defining policy development for the post-secondary system moving forward, it is crucial that the provincial funding formula be reflective of this priority. More specifically, funding incentives should be explicitly aligned with the desired outcomes delineated in the framework, with institutions being evaluated on the basis of performance against pre-determined metrics.

## 2

### REINTRODUCTION OF THE CORRIDOR

As the province looks to provide predictable and planned funding for Ontario universities in the context of a waning university-aged demographic and a stagnant provincial budget, a fundamental misalignment has emerged between the government's priorities and the current funding formula's singular incentive for growth. The reintroduction of corridor funding could operate as the determinant for the allocation of base operating grants to institutions.



# 3

## TARGETED USE OF ENVELOPE AND PERFORMANCE BASED-FUNDING

Alongside the reintroduction of corridor funding, the government has the opportunity to reinforce key policy priorities relating to differentiation and quality through the strategic use of envelope and performance-based funding.

As a funding lever available to all institutions, envelope funding is most effective when it is attached to general priorities and quality-enhancing initiatives that would see wide application across the sector. In allowing institutions to access general quality enhancing funding regardless of strategic mandates, the province could encourage broad improvement in areas of focus without infringing on institutional autonomy. Teaching quality and access initiatives are examples of priorities that would be well suited to envelope funding.

By contrast, a differentiated system necessitates that certain strategic priorities see specific application on certain campuses. In recognizing their institution-specific nature, these initiatives would be better suited to being funded through the strategic mandate negotiation process in the form of multi-year accountability agreements. With the selection of specific key performance indicators for every area of strategic priority, targeted funding could be allotted to incentivize excellence in each area. The implementation of this system of performance-based funding would allow the province to ensure that each institution is able to progress towards its unique strategic mandate without risking duplication across the sector.

## LOOKING TO THE FUTURE OF FUNDING

Until funding levers are aligned with the differentiation framework and the accompanying institutional SMAs, the system cannot move in a unified direction. Ultimately, the funding formula's perverse incentive for system growth is at odds with many of the government's current policy priorities. Until this discrepancy can be reconciled, the system's resources cannot be distributed towards the fulfillment of its intended outcomes.

A new funding formula has the potential to reinforce the policies the government has established. Indeed, the use of funding levers to support emergent policy priorities is the only path forward that could enact meaningful change. That said, without careful attention to detail, a new formula could also undermine the same priorities it seeks to enforce. In a sector that responds so powerfully to financial incentives, the implementation of a new funding formula to meet the system's evolving needs is equal parts challenging and necessary. It is a difficult discussion, and it is one that students look forward to being a part of.



# SPOT THE



# DIFFERENCE

*talking to HESA's Alex Usher about differentiation*

**AS ONTARIO LOOKS TO RE-DEFINE AND REDEVELOP ITS UNIVERSITY FUNDING FORMULA, INCREASING "DIFFERENTIATION" IS A KEY TENET OF THE OVERHAUL. DIFFERENTIATION IS A CONCEPT WELL KNOWN TO THOSE WITHIN THE POST-SECONDARY EDUCATION SECTOR, YET OFTEN NEBULOUS AND CONFUSING TO THOSE WHO AREN'T; IN ESSENCE, DIFFERENTIATION DESCRIBES THE DEGREE TO WHICH UNIVERSITIES HAVE A MISSION OR CHARACTERISTICS THAT SET THEM APART FROM EACH OTHER. EDUCATED SOLUTIONS SAT DOWN WITH ALEX USHER, THE FOUNDER AND PRESIDENT OF HIGHER EDUCATION STRATEGY ASSOCIATES TO TALK ABOUT THE ROLE OF DIFFERENTIATION WITHIN ONTARIO'S POST SECONDARY LANDSCAPE:**

**HOW DO WE DIFFERENTIATE ONTARIO'S UNIVERSITIES?  
ALTERNATIVELY-SHOULD WE BE TRYING TO DIFFERENTIATE AT ALL?**

***EDUCATION SOLUTIONS: It seems there's a trend in Ontario towards exploring methods of differentiation, whether through SMAs [strategic mandate agreements] or generally re-examining funding formulae. Do you think that institutional diversity is important, and does it make a difference to students?***

ALEX USHER: Yes, it's important. Does it make a difference to students? Probably. ... Part of the problem with the way that universities are sold to students is that in a lot of ways, they are sold simply as 'school.' To the extent that students notice differentiation at the campus level, what they notice is differentiation of the availability of programs. But, if I'm in arts and science, there's not a lot of differentiation. What they see is differentiation of experience- which is 'small school versus big school'-of which Ontario has nowhere near enough, and this government wants less of, as far as I can tell. Students look for the kind of people they want to hang out with. It's, "are there going to be people like me, are there people with whom I can enjoy the next four years?" That's actually what students care about, and nobody talks about that kind of stuff. You could imagine if we had a lot more universities we could be a lot more selective and one of the reasons we're not differentiating in Ontario is because every university's comprehensive. And of course you're going to be comprehensive at twenty thousand or thirty thousand students.

***Right.***

There is nowhere in the Anglo-sphere where we have the phenomenon really of big specialized universities. There are small specialized universities, but not a lot of big specialized universities. There's not a twenty thousand person "science" university in the Anglo-sphere anywhere. So what do we mean by differentiation? Prestige comes in at a certain point- students are not unaware of which institutions are prestigious, and which are not. In a sense a lot of that is around branding, and branding is a form of differentiation.

***So if we are looking at differentiation in a broader sense- as schools that have made themselves distinct from one another, using whatever metric outside the context of just teaching and research.... Have you seen anywhere in the world that you think they're doing differentiation well, or that actually enhances the overall post secondary environment in that place?***

I think it depends by what you mean by differentiation. There are lots of people who, when they talk about differentiation, they're only talking about it on one axis: which is research intensity. But that's only one axis of things. I don't understand that type of differentiation because....it's politically... dodgy, difficult. (pauses) I'm trying to find the words not to say stupid. Because the only way we have in academia to determine prestige is research. Basically what you're saying is, "I want prestigious universities, and I want less prestigious universities." You can't act surprised when people or institutions who you're putting in the less distinguished group flip you the bird.

***All right, so this is both stratification and differentiation...so inherently what you're saying is that any time you're making concerted distinctions between universities there's inherently some form of ranking that arises, even if it's meant to be value-neutral.***

No, no, I'm not saying that at all. I'm saying that there are axes of differentiation where ranking does come into effect. However, there are other axes to differentiation. For example, what you teach. In many parts of the world they do that- they say, "you know what? Not everybody's going to teach everything. We're going to do more science, or maybe we're going to teach everything but we're not going to teach everything at the same intensity." Right? You can differentiate on the palette of programs that you offer. You can differentiate on the way you're going to teach. Nobody wants to do that because everybody's too conservative, but...

***Okay....***

Well, actually- one way of differentiation is that we have a certain number of institutions in this province that are very experiential learning focused. We could say, "you know what we want more people doing? Case-based education." You could also talk about the way universities engage with industry; or "you know what? We're just going to be the small business place." And still other places could be, "well we're going to be the entrepreneurial place." You could differentiate in the way that they interact with the community. I think those kinds of alternatives are all sensible ways to do these things. But this is never going to work if your definition of differentiation is you demarcating: "these schools are going to be prestigious universities, and these schools aren't." It just doesn't work.

*For better or for worse, it seems like the main framework that universities use regarding differentiation is getting prestige by way of the current system- a system that reinforces success in research. Are there ways that the government can incentivize the kind of profiling you're describing- that is, different institutional profiles or specialties?*

I think you're hitting the nail on the head. The issue is how you structure your incentives for these things. What I'm worried about is that I think that this government is moving in a very different direction. They're not particularly interested in incentivizing anymore...they're going to try and write a mandate that forces institutions to stick to them. That's everything that I've seen on how they are doing differentiation. It's about mandating agreements, giving schools a pigeonhole and asking them to fill it, instead of asking ourselves "how can we incentivize outcomes?" One of the problems is that the biggest pool of money is not something they want to use incentives with, and that's tuition. If we had market-based tuition-or "market-ier" based tuition, you would see a lot more differentiation.


*So when you refer to mandates, you're saying that there is a top-down directive for specific characteristics-like, "you are the widget school, and are you producing enough widgets? We're going to measure that, and allocate funds accordingly?"*

Well not just you've the widgets school- even if they go on multiple axes the way I was talking about, then the government wants to clamp down on that because that's not what you're supposed to do. My impression is everything's that seen from this government is very narrow minded about that stuff. It's, "how do we control things?" And I understand that in the sense that universities are a pain in the ass in many ways. They can be pretty obstreperous about insisting "we're going to do our own thing." But it's very rare that I see any good come of governments trying to micromanage universities. I can think of them finding ways to fund institutions that are innovative. I think the ways that they have created research incentives that are interesting. On the other hand- I mean you can see it now. They're cutting overall money to institutions, but they'll do a run-around the province, going "we're going to use fifty thousand for mental

**BUT THAT'S NEVER GOING TO WORK IF YOUR DEFINITION OF DIFFERENTIATION IS YOU DEMARCATING "THESE SCHOOLS ARE GOING TO BE PRESTIGIOUS UNIVERSITIES, AND THESE SCHOOLS AREN'T" IT JUST DOESN'T WORK.**

The other way is you can say, "we're going to bring in judges from all over the world, and we're going measure how well people are doing at engaging with small business." We could think of twenty things we want incentivized and give out money on the basis of those outcomes. But instead they're talking about a formula that takes into account mandates, which just sounds nuts to me. I don't understand how you put those two things together other than by saying, "you're publishing a lot. Here's some money." Which is exactly the kind of differentiation that I don't think works very well.

health, or fifty thousand for entrepreneurship"- and they get as much publicity for that as they would if they'd cut the budget in the first place. And with all respect to your members, student unions help them get away with it 'cause they show up and they tell the Premier how great the government is for doing this. But really it's the government saying, "we'll tell the institutions where we want our money to go. If it's going to go to mental health, it's going to mental health. It's not going go to classrooms, it's not going to go to instruction"... It's a problem.



***So having that type of envelope funding, that kind of short term grant funding, you think works against incentivizing institutional behavior or identity in the long term?***

I think so, oh yeah. It's a way of controlling institutions and making them do what we want them to do. If I were an institution I would find that totally insulting – the government isn't paying for the institution, the students are paying. This is true in a lot of places around the world. The regulatory structures become more and more complicated even though government isn't paying the piper anymore. At a certain point institutions will say, "screw you, we're going private." McGill must be on the verge of it. What I know of their finances, what I know of their ability to raise money, and their ability to charge tuition, McGill is within five years.

***Now do you think if that does happen, or if it continues to be a trend, do you think that will be enough of an incentive for either the government or institutions to go, "wow...this isn't working. We don't want these institutions to privatize, something's got to give." Or no?***

I don't know.

***So something else that is interesting is the existence of "flagship programs" as a part of differentiation in Ontario. So yes, all of these schools have comprehensive arts and science programs for undergrad- but we also have McMaster with their Life Sciences program, or Western with the Information and Media studies that are a bit more distinct...***

Apparently government doesn't think that constitutes as differentiation.

***Do you think it's something that should be viewed as differentiation and encouraged as a way of making institutions distinct, embedding them with an identity?***

I'm not sure. Frankly, I'm not sure how big

comprehensive institutions differentiate themselves in teaching, or anything more than that. I have a really hard time with that. I mean in principle I can think of ways, but in practical ways, trying to change an institution over the course of five or ten years that would be viable... It's not easy to redo the curriculum, ever. What is a differentiated system? I've never heard anyone from the government- or anyone in Ontario, really- talk about differentiation as anything other than research intensity. And I do see some of the economic arguments for that. They are based on that assembly line, Adam Smith pen factory ideal that everybody's going to be more effective if they stick to what they're doing- and there's something to that. But those arguments don't necessarily require differentiation.

***Do you think any conversation about differentiation is necessarily married to the conversation around enrolment? If numbers are going down and institutions are trying to fight for the same pool of students, don't they have to make themselves distinct somehow?***

It's a fascinating question because it cuts both ways. On the one hand, institutions have the incentive to drop standards in order to keep their share- or, keep their absolute numbers and therefore increase their share. But you don't want to have to fight for people. Institutions don't want to do that. So how are they going to have a better shot? I can get a higher share of the better students, then I don't have to do that embarrassing thing of trying to scramble for people.

***If it's getting competitive, and it's going to go more dog-eat-dog in terms of attracting the students, it seems like universities might feel pressure to differentiate themselves in different ways.***

Yes. But going back to how students make these decisions...what makes you think differentiation is going to get students to those institutions? Their first instinct will be to throw another thousand bucks in scholarships at students, because that's simple. "Here, we got a price discount for you."



***[Laughs] So like a coupon to go to university?***

Yeah. Everybody knows it's the wrong thing to do, but everyone will do it because it's the simplest thing to do. One of the problems is a lot of existing discussions on this, and a lot of the international models that we have, are from countries that are much more densely populated. They have a lot more institutions, and a lot more students that go to them. So, in the UK, does brand matter? Yeah, because 70% of students go away to school. Same with the United States. Bits of southern Ontario are genuinely competitive....lower mainland BC is competitive.... Nova Scotia's competitive. The rest of the country, not so much. That's why we have large comprehensive universities: because geography's a problem in Canada. We're spread out.

***So instead we see these... regional university systems?***

Yes. It doesn't make sense for Carleton to be differentiated in the context of the Ontario system. It does make sense for them to be distinct from the University of Ottawa, which they are.

***So let's go back. Let's say the government went, "look, we really want to create more institutional diversity both in terms of prestige but also in terms of experiences, or teaching methods, or whatever other identifier." If the government was to have metrics or develop metrics for incentivizing difference or innovation... what kind of metrics or benchmarks could they use to measure success?***

If you are going to do it, there's two ways to do it. For the government if you want to go with the control method thing you do mission based compacts, and you don't use funding formula, you don't use any of that bull\*\*\*. You say, "these are the goals we want [the universities] to achieve. This is the system we want you to achieve, and we're going give you this much money to do it. And in three years we're going to decide whether or not you've met those goals, and if not, we're going have some words and you might get a different amount of money for two years." That would be one way to do it. The other way to do it is to

encourage outcomes. And you offer monetary prizes, and you judge [universities]. Use the information to improve products, improve programs, outcomes, whatever you want. I don't care. Go. Go, and we'll come to the institutions later. Come in, we'll bring in all these people to take a look and ask, "OK- which of these is good?" And that creates an ecosystem. But some institutions will go, "you know what? That's way too much work. We're not good at that stuff so let's go over to that other fifty million dollar prize over there, where we're rewarded for working with small business"- or whatever it happens to be. But let the institute create an ecosystem for themselves, where institutions can *choose* what they want to be good at.

***So in order to do that, government should create a smorgasbord of incentives to choose from.***

Yes, yes. Rather than the incentives we have now which is one) grow more, and two) publish more. Those are the only two incentives we have in the system. And then people wonder why we have isomorphism. But- you have to make those other prizes big. Because that's what institutions respond to- we know what the prestige ladder looks like, we know what institutions will do to rise to that prestige ladder, there's nothing you can do about that stuff. That's the way academics are. What you can do something about is ask- what are the other things you can offer? How can you make these alternatives exist as "the system that works"?

***Do you think that there are institutions that would welcome the opportunity to be in that ecosystem where they were given the chance to go for distinctive opportunities or programming, rather than just research dollars?***

If they were given freedom to do certain things, yeah. A lot of differentiation that could be happening, and was happening until four or five years ago when this government decided to change the rules on everybody, is with professional masters programs. That's where a lot of the niche-ing is going on. Well, the government puts like eighteen to twenty-four month wait time on letting institutions open those because they "have to look at this, and look at that, and they're worried about the risk here." You want niches? You can't do it in a regulated system. The incentives to specializing

are a lot lower the higher the regulations are. So, for example, Queen's University asked to have a new program. It was an add-on program to their mining program, it was about helping people in the mining industry work with Aboriginal groups.... about civic engagement by Aboriginal title, that kind of stuff. And Queen's has a really good mining school. But word came back from Queens Park that they weren't going to let it go through because they weren't really sure the mining industry in Ontario had much of a future. In theory, government could let you find niches, but in practice they're pretty stupid about it. And it's not that there's no innovation in the system, there is. You have these neat little programs where you can take a college program while you're in university, and it becomes a minor within your degree- we've seen this at Queen's and McMaster with Mohawk...

***So... universities are adjusting in this bottom-up fashion while regulations are coming top down simultaneously?***

Exactly. What we need to figure out is how we can get the bottom up stuff to happen faster.

***Right. Okay...so are there ways to incentivize that bottom-up growth, that organic innovation?***

Yeah.

***But what you're saying is the government needs to say "Here's your sandbox, play in it. I'm not going to tell you what to do with the sand, but we'll review your castle later."***

Yeah. But it's hard for governments to get their minds around it. Especially this government, which thinks it knows how to run the PSE system better than the universities do.

THIS INTERVIEW HAS BEEN EDITED FOR LENGTH AND CLARITY.



# ADDRESSING

MICHAEL GILL

**W**hile job creation is always a hot topic in the world of politics, recent discussions across Ontario have highlighted youth unemployment as a growing issue. This newfound interest is not surprising given that, across Canada, the unemployment rate for youth is nearly double that for adults between the ages of 25 and 44. In Ontario, the relative gap is even larger; 15.1% of Ontario's youth experience unemployment, while only 6% of those over the age of 25 experience the same. This gap of almost 9% is close to the highest in history, and has led many to identify the "youth skills gap" as one most pressing problem of our time. Indeed, when one looks at the long lasting apathy, lower income, and decreased overall happiness that may appear as a consequence of being unemployed at a young age, there is good reason to be concerned.

Perhaps in response to this, both the provincial and federal governments have identified "training a highly skilled workforce" as a priority and set aside funding to support youth employment. Most of these initiatives will involve post-secondary institutions and graduates, who are necessary partners given that seven in ten new jobs require post-secondary education. The 2015 Ontario budget has earmarked \$250 million for the Ontario Youth Jobs Strategy, and the Federal budget includes a onetime \$65 million investment to help post-secondary institutions better align themselves with the needs of employers.

However, despite all of this commotion and funding, very few people seem to be asking a critical question: what is the best way to improve the employment prospects of post-secondary students? The issue can be approached as a "supply side" or a "demand side" problem. From the latter perspective, one might say that the struggle to employ youth is a symptom of shifts in employer behaviour. Today, more jobs are

being created in small firms, which have limited resources with which to effectively train those who lack work experience. As a result, many of the jobs being created are difficult for youth to access. Alternatively, one might say that the skills youth are obtaining through their post-secondary education are becoming less relevant, making it more difficult for employers to hire suitable, young candidates.

Either perspective suggests different policy options. Ontario has largely wagered on the demand side; the Youth Employment initiative directly subsidizes employers who hire young candidates. This approach has been widely successful in helping youth find jobs, while also allowing the government to provide more aid to those populations who face

the largest hurdles to employment. However, the plan is not perfect. It does not directly address any systemic problems, such as the limited ability to train new hires in smaller companies or organizations. As a result, it is difficult to suggest that students who enter the job market after the program terminates will realize any benefit from it having ever existed.

Supply side fixes, on the other hand, can be theorized to have much longer lasting benefits. If, for example, the \$65 million Canada is investing leads to the creation of new programs that help students gain far more relevant skills, it is easy to imagine that many generations of students would see improved employment outcomes as a result. However, the effectiveness of supply-side interventions is much harder to evaluate and requires a much longer time scale to gauge efficacy.

These challenges have led past policy makers to embrace flawed interventions. Previously, both unpaid internships and direct instruction of employment skills have been discussed as solutions to youth unemployment. Both are now recognized

***"The [youth employment gap] gap of almost 9% is close to the highest in history..."***

# THE GAP

as faulty. In the case of unpaid internships, the issue has heavy ethical implications. To begin with, the notion that one should be willing to work for free simply because they are inexperienced is exploitative and ignorant of the financial realities students everywhere face. Further, these individuals lack many fundamental workplace protections, although legislation such as Ontario's Bill 64 is working to correct this. While less ethically questionable, academic instruction of employment skills seems to be an equally poor route towards improving post-secondary graduate employment. Simply put, multiple studies have demonstrated that there is no measurable benefit to students when professors try to teach them how to be more employable.

Luckily, effective "supply side" solutions do exist. One example is the practice of industry informed education. This approach involves bringing employers into the academic setting to help identify and introduce the most relevant skills for students. This can be achieved through direct engagement in course design, or through more peripheral participation in course delivery and guest lectures. All of these approaches have been empirically demonstrated to improve graduate labor outcomes. Beyond this, the increasingly popular practice of work-integrated learning (WIL) seeks to find paid routes for students to participate in work experience during their education. Students in co-op programs report improved soft skills and superior industry-specific knowledge, which inarguably helps them to find future careers.

Inconsistent approaches and prior failures in addressing youth unemployment demand that more time is invested in determining optimal interventions. Moving forward, governments must think critically about both the short-term implications and the long-term value of proposed solutions. While it might win votes to pay employers to hire students, it does little to address the systemic issues that

exist. Alternatively, fundamental solutions might not yield results within one election cycle. On top of this, there is still debate around whether or not governments should be incentivizing such specific educational outcomes in the first place; some argue that heavily incentivizing employment outcomes is a risk to institutional autonomy that could allow corporate interest to bleed in to the classroom (to say nothing of the inherent unpredictability of the labour market). Ultimately, it is imperative that student experience and outcomes remain a central priority in this discussion and serve to inform any proposed strategies to address youth unemployment in Ontario.





# OUSA

Ontario Undergraduate Student Alliance

*at  
a  
glance*

*OUSA represents the interests of over 140,000 professional and undergraduate, full-time and part-time university students at seven student associations across Ontario. Our vision is for an accessible, affordable, accountable and high quality post-secondary education in Ontario. To achieve this vision we've come together to develop solutions to challenges facing higher education, build broad consensus for our policy options, and lobby government to implement them.*

## ORGANIZATIONAL STRUCTURE



## POLICY PAPERS

ABORIGINAL STUDENTS  
ACCESS STRATEGY  
ACCOUNTABILITY  
ANCILLARY FEES  
HEALTH AND WELLNESS  
INTERNATIONAL STUDENTS  
LGBTQ+ STUDENTS  
MATURE STUDENTS  
MOBILITY AND CREDIT TRANSFER  
ONLINE LEARNING  
RURAL AND NORTHERN STUDENTS  
STUDENT EMPLOYMENT  
STUDENT FINANCIAL ASSISTANCE  
STUDENT SUCCESS  
STUDENTS WITH DISABILITIES  
SYSTEM VISION  
TUITION  
UNIVERSITIES AND THE PRIVATE SECTOR



# recent advocacy milestones

## CHANGED INCOME ASSESSMENT FOR STUDENT LOANS

Because of changes made in the 2015 Ontario budget, students who choose to work while in study will no longer have their income count against their allocated OSAP needs assessment. Additionally, pre-study income assessment has been changed to allow for universally applied flat-fee contribution. Overall, this means a much more predictable means of budgeting for students.

## BETTER PAYMENT STRUCTURES

Just as important as how much students pay in tuition is *how* students pay tuition. Universities will now offer tuition billing per-term, and will no longer charge students fees to graduate or for deferring the payment of their bills.

## CONTINUATION AND EXPANSION OF THE ONTARIO TUITION GRANT

OUSA has advocated for the continuation of the 30 % Off Ontario Tuition Grant (OTG). Additionally, OUSA successfully lobbied the government to extend OTG eligibility to students with disabilities and dependents, as well as co-op students in five-year programs

## DECOUPLING OF LOANS AND GRANTS

OUSA advocated for the separation of loans and grants, so that students who did not want to take on OSAP debt could still apply for provincially administered grants, a change that was realized in the 2015 Ontario budget and will help debt-averse students access school.

## GREATER PROTECTION & OPPORTUNITY FOR INTERNS AND STUDENT WORKERS

Advocacy from OUSA's Youth Employment submission resulted in students participating in unpaid co-ops being extended protections under the Occupational Health and Safety Act (OHSA). OUSA has also worked with NDP MPP Peggy Sattler on the *Learning Through Workplace Experience Act* to expand work-integrated learning opportunities for students in-study.

## CONTINUED TUITION REGULATION

OUSA has advocated consistently for continued regulation, predictability and oversight of tuition in Ontario.



## IN CASE YOU MISSED IT: *gender pay gap campaign*

THIS SPRING, OUSA RAN A CAMPAIGN TO ENGAGE STUDENTS ON THE ISSUE OF THE GENDER PAY GAP IN ONTARIO, GARNERING FRONT-PAGE NEWS COVERAGE AND OVER 32,000 VIEWS ON YOUTUBE. TO CHECK OUT THE 'BACHELORETTE DEGREE' CAMPAIGN, VISIT:

[www.ousa.ca/paygap/](http://www.ousa.ca/paygap/)

# *in house...*

## OUSA'S LGBTQ+ RESEARCH

ZACHARY ROSE

In November 2014, OUSA embarked on a research project hoping to learn more about the opinions and experiences of Ontario university students who identify as LGBTQ+. We originally conducted this project hoping it would provide some modest support for a new policy paper, but after attracting hundreds of respondents, including many who shared frank accounts of deeply personal experiences, the LGBTQ+ Student Experience Survey exceeded our expectations.

Our General Assembly had decided, the previous year, to develop OUSA's first ever policy paper on the topic of LGBTQ+ students. Research was an early concern. Though not nearly as scarce as it once was, we were keenly aware that academic information about the experiences of individuals who identify as LGBTQ+ can be hard to find. Some fascinating studies have been published, but most focus on American elementary and high school environments (with the exception of Egale's 2011 national climate survey of Canadian high schoolers). This was somewhat worrisome for us, since we prefer to use information within the Ontario university context whenever possible.

To address this concern, OUSA created (after several consultative focus groups and interviews) a 23-question survey. Among other things, our questions allowed participants to rate their level of agreement with statements like "I would prefer to use gender neutral washrooms," to rate how frequently they encounter – in their view – exclusionary or alienating comments in class, and to provide some written accounts of their experiences with service providers (to name a few examples).

The survey was hosted online and the link was distributed primarily through social media. It was open to any Ontario university student who identified as LGBTQ+. This approach was by no means representative; given the "snowball" recruiting technique, most respondents were probably from the seven OUSA universities (though some responses suggested a wider range, with participants mentioning the universities of Windsor and Ottawa), and self selection introduced further possible bias.

Nonetheless, this non-probabilistic sample generated over 300 responses and yielded many intriguing policy suggestions. Additionally, the quantitative data hinted at some fairly strong trends. Some were unsurprising (such as broad support among Trans respondents (79%) for gender-neutral washrooms) but others were less predictable, such as overwhelming favour (84%) for increased university staff involvement in LGBTQ+ groups and events.

Small, targeted survey efforts are not routine for OUSA. Every two years, OUSA conducts a large survey of approximately 10,000 students on issues ranging from financial assistance to housing. However, as the LGBTQ+ Student Experience survey has shown us, there is tremendous value in more selective exercises, particularly regarding the attitudes and experiences of marginalized communities whose voices often go unheard. Even when limited in representativeness, this kind of research project provides valuable insight and offers a useful starting point for policy discussions. For areas with a dearth of Ontario-specific information, OUSA may look to do more in the future along these lines.

*Look for the full results of the LGBTQ+ Student Experience Survey, which will be published in a standalone research report.*





# ONTARIO POST-SECONDARY STUDENT SURVEY

DANIELLE **PIERRE**

**T**his November, we will be administering our third biennial Ontario Post-secondary Student Survey (OPSSS). The OPSSS is comprehensive and asks about our members' experiences with student financial assistance, employment, their teaching and learning environments, textbook and ancillary fees, and municipal issues.

This survey is an important data collection tool for OUSA. We use the OPSSS to monitor the attitudes and behaviours of our membership and collect feedback to inform our policy and advocacy work. It is also a rich source for information that is not available anywhere else.

Recognizing our unique positioning and the value of this new information, we have no intention of keeping this data all to ourselves; we will share our results and highlight important findings for our stakeholders. It is for this reason that Zak and I have worked hard to build a more reliable instrument and introduced more rigor to the design process.

Guided by strong research questions, we've completely overhauled the questionnaire. The 2015 OPSSS has a more logical flow and we hope this will yield more relevant results.

It contains about 125 questions, including questions recycled from previous surveys and new ones added this year. We've added some questions regarding our students' experiences with contract academic staff and some crucial follow-up questions regarding credit transfer and the international student experience.

Following this redesign, we hope to begin building our own longitudinal dataset. We paid close attention to improving the quality of the data being collected while getting the questionnaire to a less volatile state. The next steps will involve clearly laying out and documenting our goals and objectives more specifically.

We have faith that the instrument is now strong enough that it will not require many substantial revisions in the next few rounds.

This should allow future OUSA Research Analysts to focus on weeding out questions that are not returning the information we need, pinpointing the most useful time series data, and tracking long term trends.

We plan to use the results in several ways. We will have a rich source of student-supplied information to inform policy paper revisions and steer our advocacy initiatives. We will also provide our student associations with snapshots of their own student members.

Lastly, we will be able to provide a picture of the student experience to the sector. These externally facing reports will be published as a series of mini-reports, beginning in the new year.

Everyone in the OUSA Home Office is excited to start data collection. Watch for our survey this fall, and make sure you spread the word to participate!

*want to know more?*

**OUSA RESEARCH CONTACT:** *research@ousa.ca*



# *snapshots*



# HEY STUDENTS!

# GET \$915 BACK!

OUSA AND YOUR STUDENT  
ASSOCIATION WORKED WITH  
THE ONTARIO GOVERNMENT  
TO BRING YOU THE  
**ONTARIO TUITION GRANT (OTG)**



[WWW.ONTARIOTUITIONGRANT.CA](http://WWW.ONTARIOTUITIONGRANT.CA)

**OUSA**  
Ontario Undergraduate Student Alliance

## ARE YOU ELIGIBLE FOR OTG?



### ARE YOU?

- A CANADIAN CITIZEN, PERMANENT RESIDENT OR PROTECTED PERSON?
- AN ONTARIO RESIDENT, AND HAVE BEEN FOR A YEAR PRIOR TO UNIVERSITY?
  - STUDYING FULL-TIME?
- A STUDENT WHO'S BEEN OUT OF HIGH SCHOOL FOR FOUR YEARS OR LESS?
  - IN SATISFACTORY ACADEMIC STANDING?
- IN A FIRST-ENTRY PROGRAM (NOT LAW, MEDICINE, VETERINARY, DENTISTRY, ETC)
  - OF PARENTS WHO MAKE LESS THAN \$160,000 COMBINED?

**YES**



**ARE YOU ON  
OSAP?**

**YES**

**NO**



**CONGRATULATIONS**  
YOU NEED NOT APPLY. OSAP  
RECIPIENTS ARE  
AUTOMATICALLY ASSESSED  
FOR GRANT ELIGIBILITY AND  
RECEIVE FUNDS DIRECTLY.

**NO**



**NOT ELIGIBLE**  
WE ARE WORKING  
TO EXPAND  
ELIGIBILITY.  
CONTACT YOUR MPP!

### APPLY ONLINE

1. VISIT [WWW.ONTARIO.CA/300FF](http://WWW.ONTARIO.CA/300FF)
2. GET YOUR SOCIAL INSURANCE NUMBER AND PARENTS' SINs & TAX LINE 150.
3. FILL OUT THE ONLINE APPLICATION.
4. PRINT AND SIGN THE APPLICATION, & GET YOUR PARENTS TO SIGN

# DON'T FORGET!



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# OUSA

Ontario Undergraduate Student Alliance