

February 2010

# Higher Education: The Engine of Economic Recovery

Submission to the Standing Committee on Finance and Economic Affairs



# OUSAA

Ontario Undergraduate Student Alliance

## EXECUTIVE SUMMARY

This year, one of the boldest investments in post-secondary education in a generation is coming to an end. Over the past five years, the Ontario government's Reaching Higher Plan has invested \$6.2 billion into the sector, yet much is left to do. As the government designs a new plan, it is crucial that steps are taken to improve the quality and accessibility of higher education. For students this means serious commitments to student financial assistance, student success initiatives, and the overall financial health of our institutions.

Given the immense economic and social benefits of higher education, this year's budget must continue to invest in higher education. The 2010 budget should be the first step in defining the parameters of a new long-term plan for higher education. As the original Plan expires, it is crucial that new and equally ambitious goals are set for the next five years in higher education. The priorities below would set the government on a course towards the most accessible, affordable and highest quality education system in the country, and around the world.

### PRIORITY ONE: RATIONALIZING STUDENT FINANCIAL ASSISTANCE

To address long-standing issues with both the delivery and repayment of student loans in Ontario, the Committee should:

1. Raise the OSAP maximum to \$175/week and, for the future, tie the maximum level to annual CPI increases. This will accommodate important changes to the needs assessment formula.
2. Immediately abolish all education tax-credits, as promised in the 2007 Liberal platform, and instead redirect the funds into maintaining the Ontario Student Opportunity Grant cap at \$7,000.
3. Act on the government's election promise to establish a one-year grace period before a student must begin repaying their OSAP loans. In addition, interest should not accrue during the grace period.

### PRIORITY TWO: ENSURING STUDENT SUCCESS

The budget of 2010 should fund creative projects that help students succeed and persist through to the completion of their degree, including:

1. Five pilot projects which would begin to give formal instruction in teaching methods and practices to PhD students at a total cost of \$1 million.
2. A small number of Teaching Chairs, at a cost of \$1.2 million, to increase the quality of and focus on teaching.
3. Piloting early warning programs at five universities across the Province, at a cost of \$1 million.

### PRIORITY THREE: FUNDING DURING CHALLENGING ECONOMIC TIMES

The Standing Committee should ensure that this year's budget returns fairness to Ontario's cost sharing model for higher education by:

1. Adding \$300 million per year to the basic operating funds and regulating tuition increases at the rate of inflation.

## INVESTING IN A NEW PLAN FOR HIGHER EDUCATION

The 2009 budget was clearly focused on dealing with a crisis: Ontario, along with the rest of the world, was plunged into a serious recession. Through targeted stimulus funds, an attempt was made to stem a tide that threatened to swallow up the wealth of ordinary Ontarians. But a new decade has begun, and the budget of 2010 must be different. Now is the time to ensure that this great province exits the recession stronger than it began. The students of Ontario know this year's budget must reign in spending, while ensuring that our economy is even more productive than it ever has been.


Returning Ontario to a place of economic strength is no easy task, but there is one sure fire way to ensure its long-term success: invest in post-secondary education. Given that 70 per cent of future jobs will require some amount of education beyond high school, now is the time for a significant and visionary investment.<sup>1</sup>

Investment in post-secondary education is an important and viable way to increase Ontario's economic strength. In fact, the provincial government's own Task Force on Competitiveness, Productivity and Economic Progress has continually argued that Ontario must increase its investments in post-secondary education in order to increase our productivity, and with it, our collective wealth. Since the establishment of the Task Force by the Ontario government in 2001 to measure and monitor the province's economic performance, it has recommended in every annual report that the provincial government must provide greater investments in post-secondary education.<sup>2</sup>


In 2005, heeding the advice of the Task Force and others, the Government of Ontario recognized that higher education is the key to our success in the global creative age. An investment of \$6.2 billion over five years began a process of strengthening the overall quality, accountability and accessibility of Ontario's higher education system. The benefits of the Reaching Higher Plan are numerous, but one point is undeniable: More students than ever before have been empowered to access and excel in a post-secondary degree.

Unfortunately, the desired impact of the Reaching Higher Plan was dampened by stronger than predicted growth in enrolment. "As a result, much of the investment intended for quality improvement was diverted to serve the growing numbers of students. While funding on a per-student basis has grown, it has not kept up with universities' actual growth in costs during this period. Our institutions have had to constrain costs that, in turn, have had an impact on the quality of programs that help students reach their potential to contribute to Ontario's success."<sup>3</sup>

As the government designs a new plan to replace the expiring Reaching Higher Plan, it is crucial that steps are taken to improve student financial assistance, student success, and the overall financial health of our institutions. Above all, this year's budget must continue to build upon the investments made over the past five years. The Reaching Higher Plan must become the catalyst for a long-term strategy to enhance post-secondary education and propel our province into the economy of tomorrow.



Since the establishment of the Task Force by the Ontario government in 2001 it has recommended in every annual report that the provincial government must provide greater investments in post-secondary education.





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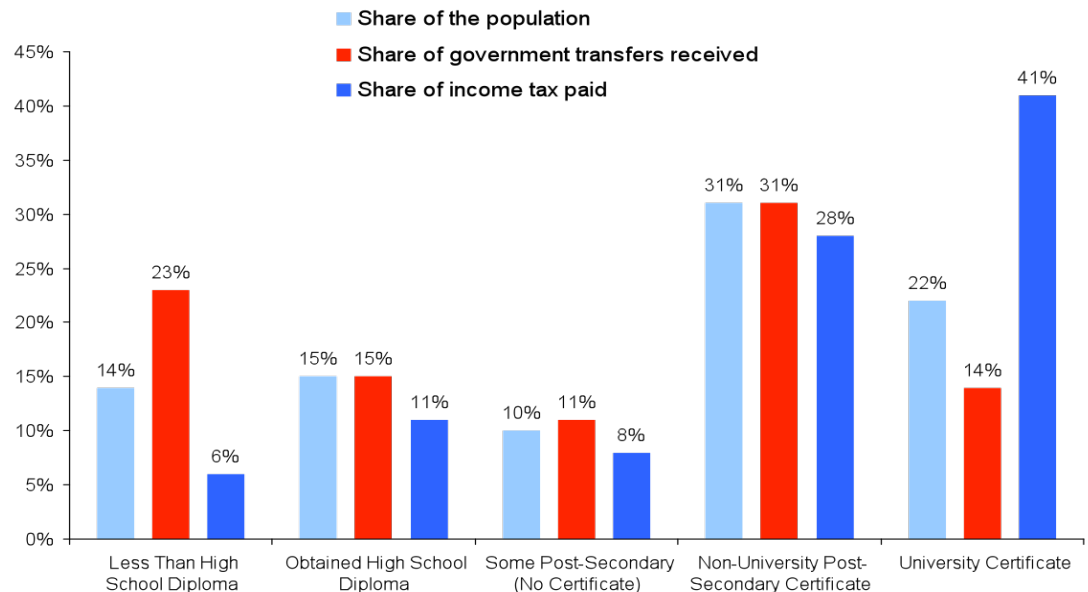


## THE ECONOMIC BENEFITS OF HIGHER EDUCATION

The knowledge economy is no longer off on the horizon – we are in the thick of it. Global competition for jobs, ideas and people has become a reality. In the process, the path to success in our world has been confirmed: the better educated your citizenry, the more prosperous your city, province, or country. Every day, new jobs requiring a higher education are created, but to fill them we must first fund and fill seats in our institutions. For Ontario to lead in the new economy, the government will have to create a truly affordable, accessible and high quality post-secondary education system. This task is no small feat, but the benefits to society are too great to let this opportunity pass.

The Canada Millennium Scholarship Foundation (CMSF) recently completed a thorough investigation of the benefits of higher education and found that, over 40 years, a bachelor's degree holder in Ontario will earn \$769,720 more than someone with only a high school education.<sup>4</sup> Moreover, those with a university degree comprise only 22% of the population but contribute 41% of income tax paid and only receive 14% of government transfers.<sup>5</sup> The graph below further outlines the societal contributions made by people from various educational backgrounds.

Percentage of the Population and Share of Income Tax Paid and of Government Transfers Received by Level of Education among Canadians Aged 25 to 64 in 2006



In addition to increased government revenue, Ontarians with a post-secondary degree are likely to live longer, be healthier, commit fewer crimes, vote in larger numbers, donate to charity, and volunteer in their communities. Having post-secondary educated parents leads to lower levels of teenage pregnancy, child abuse and neglect, and reduced crime in children. There is even evidence of a strong correlation between educational attainment and morality. Finally, families headed by a university educated individual are half as likely to live in poverty.<sup>6,7</sup>

The personal and societal benefits outlined above are not always immediately tangible, especially at a time when the government is looking for serious solutions to continuing economic challenges. To that end, it is important to point out the real and immediate benefits university funding has on local economies. From bookstores and landlords in St. Catharines, to internationally renowned telecommunications firms in Waterloo, institutions of higher education are a foundational part of Ontario's economic future.

Local economic benefits come in many forms including: salaries paid out to employees who live in university regions; purchases made by a university; and, the overall economic benefit as calculated by the Statistics Canada “multiplier effect” on economic growth.

In many of Ontario’s communities, universities and colleges represent a major employer in a wide range of jobs including not only faculty and administrative staff, but also doctors, maintenance workers and food service professionals, to name a few. These individuals not only work at these institutions, but necessarily live in the surrounding areas as well. Thus the vast majority of university salaries go toward goods and services purchased in the university community. As has been stated in Price-Waterhouse-Coopers’ report on the economic impact of the University of Waterloo, “A large proportion of [university] spending is on wages and salaries. As a result, university expenditures create more jobs than some other sectors.”<sup>8</sup>


While human capital is the major expenditure for every university, a great deal is also spent on goods and services. From the pens and paper used by staff, to food and drink, universities represent major consumers in their region. A great deal of this money is paid out to local business or to the local branches of national or international companies.

Queen’s University, for example, conducted a local economic impact study and found that after an examination of expenditures to local suppliers, based on Kingston and area addresses, there were clear indications that over \$34 million were spent locally on goods and services provided by almost 500 businesses in 2001-02. Similarly, the University of Windsor purchases furniture, equipment, supplies, computer technology, and a variety of other goods and services. In 2006-07, these and other non-salary and benefit expenditures totalled to about \$112 million, which includes purchases made in connection with the University’s research activities.


Due to the effect that these expenditures have on a community as they worm their way from business to business and person to person, Statistics Canada has created a “multiplier” for university monies spent. This number attempts to account for the plethora of impacts that a university has in the way it spends its money.

Queen University’s impact study for Kingston asserts that the total of \$567.9 million directly spent by the institution has a great deal more influence when augmented by conservative estimates of the multiplicative effects of direct spending, and produces a total impact of just over \$1 billion.<sup>9</sup> In the Niagara region, Brock University estimated that in 2008 that institution was responsible for \$265 million in financial stimulus.<sup>10</sup> The University of Waterloo report showed that when employment and business “value added” is taken into account, approximately \$1.1 billion is infused into the region.<sup>11</sup> Lastly, the University of Windsor estimates that in 2006-2007 it contributed \$665 million when you include the multipliers that salaries and purchases have in the community.<sup>12</sup>

These are only a few examples of the positive impact of government investment in post-secondary institutions. The benefits flow not only to students, but directly impact communities across the province. Conversely, reduce or freeze funding for post-secondary education and it is not just students who suffer. Truly, money given to universities and colleges is an immediate and powerful economic stimulus. By increasing participation in post-secondary education and enhancing its quality through serious financial investment, we will improve the society in which we live and prepare our economy and our people to compete for the jobs of tomorrow.



As has been stated in the Price-Waterhouse-Coopers’ report on the economic impact of the University of Waterloo, ‘A large proportion of [university] spending is on wages and salaries. As a result, university expenditures create more jobs than some other sectors.’





In 2005, the government commissioned 'Rae Review' recommended that the OSAP maximum be raised to \$175/week by 2006/07, but this increase never came.



## PRIORITIES: LAYING THE FOUNDATION FOR A POST-REACHING HIGHER ONTARIO

Given the immense economic and social benefits of higher education, this year's budget must continue to invest in higher education. The students of Ontario have already developed and delivered a plan for the next five years in higher education, containing suggestions for both short- and long-term investments in the areas of student financial assistance; student success and quality improvement; and funding. These recommendations from students are meant to build upon the expiring Reaching Higher Plan.

The upcoming budget should be the first step in defining the parameters of a new long term plan for higher education. As the original Plan expires, it is crucial that new and equally ambitious goals are set for the next five years in higher education. The priorities below would set the government on a course towards the creation of the most accessible, affordable and highest quality education system in the country, and around the world.

### Priority One: Modernizing Ontario Student Financial Assistance

After years of cutbacks, the Reaching Higher Plan finally addressed some of students' longstanding concerns with the Ontario Student Assistance Program (OSAP). Additionally, the Ontario government, in conjunction with the Canada Millennium Scholarship Foundation, increased the amount of non-repayable financial assistance to Ontario students with the greatest need. These changes meant that students who might never have received government funding in the past were, for the first time, eligible for support. For many young people, the dream of attending higher education could finally become a reality. But there is more to do.

Ontario students believe it necessary to once and for all modernize financial assistance. This will require reforms to OSAP that bring it in line with the realities faced by students in the twenty-first century. The following recommendations outline specific budget measures that will make higher education in Ontario more accessible, and its students more likely to persist to graduation. These recommendations are delivered as a suite of changes to Ontario student assistance that must happen simultaneously in order for their positive effects to be completely realized. Thus, each point is directly related to the others in this section.

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**Recommendation One:** *The OSAP maximum should be raised to \$175/week and, for the future, the government should tie the maximum level to annual CPI increases. This will accommodate important changes to the needs assessment formula.*

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Currently the maximum loan provided through OSAP is \$140/week. Despite a rise in inflation of 7.1% over the past four years, this maximum has not increased by a single dollar over the same time period. Because the maximum has remained unchanged for years, the buying power of student loans diminishes each year in the face of rising prices and the ever-increasing cost of tuition. In addition, many students have a level of financial need calculated by OSAP that far surpasses this maximum and they are simply not given this money. In 2005, the government commissioned "Rae Review" suggested that the OSAP maximum be raised to \$175/week by 2006/07, but this increase never came.

By increasing the ceiling on loan disbursement, the Ontario government will finally be able to remedy long-standing issues within the OSAP system. One area of particular concern is the manner in which the needs assessment under estimates costs, while over estimating available resources. If the loan limit is increased and students are more fairly assessed, then the overall

accessibility of our system will be enhanced.

Finally, it is not enough to simply raise the OSAP maximum as a onetime fix. Instead, the ceiling for assistance should increase annually by inflation. Inflation indexing is already practiced in various parts of government. For example, the Canada Pension Plan adjusts all benefits once a year by the Consumer Price Index in order to ensure that seniors' pension payments have the same purchasing power. This and other policies recognize that for people on limited budgets, depreciation through inflation can have a major impact. This same consideration should be applied to students receiving OSAP.

According to estimations from the Ministry of Training, Colleges and Universities, the costs associated with increasing the OSAP maximum to \$175/week for the 2010/2011 academic year is \$50 million. The bulk of this cost comes from the increased burden on the Ontario Student Opportunity Grant (OSOG) and the funding required to cover interest while students are in school. These costs could easily be covered by redirecting funds currently being given out in the form of untargeted education tax-credits.

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**Recommendation Two:** *All education tax-credits should be immediately abolished, as promised in the 2007 Liberal platform, and the funds instead be channeled into maintaining the Ontario Student Opportunity Grant debt cap at \$7,000.*

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Canadian governments collectively spend more than twice the funds allocated to student financial aid on untargeted tax-credits, rather than targeted grants.<sup>13</sup> Unfortunately, tax credits do not equally benefit individuals across income brackets. On average, high income earners claim more through tax credits than people from low or middle income families, putting more money into the pockets of those who can already afford post-secondary education. In fact, 60 per cent of all education and tuition tax credits go to families with incomes above the national median.<sup>14</sup> This is an unfortunate reality that is pulling valuable and scarce funding away from assistance for lower-income and otherwise disadvantaged groups.

Adding to the concerns over education tax credits is the timing of the provision of funds. Students in school are often unable to claim the tax credit and can only receive it at the end of their education. This poses a problem for students who are not able to complete their education due to financial constraints and require the benefit of the tax credit while in school.

The students of Ontario assert that this money would be better spent on grants for students with the highest need. In its 2007 platform, the government promised to eliminate education tax credits and use the savings to increase grants, such as the Ontario Student Opportunity Grant. OSOG serves as a debt cap for the poorest students by capping repayable debt for a two term academic year at \$7,000. Maintaining this cap at its current level is crucial to protecting students from potentially crippling debt.

This year, the Ontario government gave out nearly \$300 million in untargeted tax-credits. Simultaneously, it also provided almost \$300 million to close to 85,000 students with the highest need through OSOG. In a year when even more Ontario families are struggling, and more students than ever before are taking loans through OSAP, it seems reasonable to use the funds already within the system more efficiently. Moreover, the costs of OSOG will continue to rise year over year as enrolment maintains its strong growth at or above ministry projections. Thus, taking the scarce government resources currently going primarily to families with higher incomes and redirecting it towards students who may not have the ability to attend PSE without support is just the right thing to do during a time of economic uncertainty.



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Currently, as soon as a student graduates from university, interest begins to accrue on his or her outstanding loan. While no payments must be made for the first six months, calling this period of interest accrual a ‘grace period’ is clearly misleading.




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**Recommendation Three:** *The Ontario government must act on its election promise to establish a one-year grace period before a student must begin repaying their OSAP loans. In addition, interest should not accrue during the grace period.*

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In order for a student to transition properly into the workforce, it is important that the loan system be supportive rather than punitive when it comes to repayment. Saddling students with a crippling debt that hinders their ability to start an adult life benefits no one.

The vast majority of university and college graduates find work in their field and quickly become productive members of society. However, in order to be successful in the early years of work it is important that those repaying student loans be given the opportunity to start the new chapter of their life without being immediately punished for the one previous. Currently, as soon as a student graduates from university, interest begins to accrue on his or her outstanding loan. While no payments must be made for the first six months, calling this period of interest accrual a “grace period” is clearly misleading. It will often take graduates a year if not longer to find stable employment which enables them to begin paying back their loan, as evidenced by this past year’s abysmal youth employment numbers.

Premier McGuinty has promised to extend the non-repayment period after graduation by another six months to total a full year. OUSA recommends that a students’ interest-free status also extend during that year, creating a “true” grace period. This relatively small amount of extra time, when compared to the lifetime of the loan, will likely reduce default rates and give students a better chance of repaying their loan in a timely and complete fashion.

Based on Ministry calculations, it is estimated that a one year, interest-free grace period, would cost approximately \$20-\$30 million each year. The costs associated with this initiative are due mainly to the higher level of debt accumulated by those graduating after four years of receiving loans. This amount would be a new cost; however, it would be immediately lessened by a reduction in costs associated with the interest relief program and annual defaults, which required \$15 million and \$30 million respectively last year.

### **Priority Two: Ensuring Student Success**

Though the goals of increased quality may not have been met in the first Reaching Higher Plan, it does not mean that the 2010 budget and a post-Reaching Higher strategy cannot find new and creative ways to ensure that students succeed throughout their post-secondary education experience. First and foremost, the discussion on quality must shift toward a more student centric understanding of a high quality education. The question must change from “what do we need to fund for a quality education” into “what does it take to help students succeed.” In this way, OUSA recommends that this year’s budget contain measure to improve teaching and find creative ways to identify students at risk of non-completion.

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**Recommendation Four:** *The provincial government should fund five pilot projects, at a cost of \$1 million, which would begin to give formal instruction in teaching methods and practices to PhD students.*

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One of the systemic problems with teaching at Ontario universities is the fact that professors are not required to be formally trained as teachers, even though they will spend countless hours in the classroom. High school teachers are expected to complete a degree in teaching, yet university instructors can teach without any prior experience. This is a concern for OUSA, considering the impact a skilled teacher can have on student success.

Neither teaching nor learning are static processes and should not be treated as such. At present, “most campuses have centres to encourage better teaching practices but they are not mandatory and often it is teachers who need help most who get it the least.”<sup>15</sup> Individual institutions have made commendable efforts to improve the support offered to instructors; however the province must make a significant investment in the improvement of teaching quality to all institutions in Ontario. The 2006 national Survey of Student Engagement (NSSE) showed that 22% of first year students and 24% of upper year students indicated that their university most needed to address quality of course instruction by professors.<sup>16</sup>

Many of Ontario universities already have departments that focus specifically on improving the teaching ability amongst faculty. These Centres for Teaching and Learning are natural fits for the delivery of pilot projects. By providing proper funding to pilot unique programs, best practices can be built upon, and in the long run, applied to institutions across the province. An additional positive spinoff is the ability to immediately evaluate the projects for the efficacy and efficiency.

Thus, the Ontario government should set aside a small pot of money that contains enough for five separate universities to participate in the establishment of one-year teacher training pilot projects. Based on the assumption that a project of this nature would require an experienced teaching staff member (or members) and an administrative assistant, as well as the cost of materials, OUSA recommends the initial pilot program be funded at the level of \$200,000 per institution, or \$1 million. After an initial year, a review could be undertaken to judge the amount of funding being provided.

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**Recommendation Five:** *A small number of Teaching Chairs should be funded, at a cost of \$1.2 million, to increase the quality of and focus on teaching.*

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In 2005 the province pledged \$25 million to create research chairs at universities across the province.<sup>17</sup> These prestigious appointments are given to researchers who are “acknowledged by peers as a world leader in the field.” The money for research chairs is provided to allow professors the ability to focus on research alone during the time of their funding. This contributes greatly to the culture of excellence in research that exists in Ontario.

But in addition to research excellence, Ontario’s faculty are also developing leading edge curriculum and pedagogy that will have an immeasurable positive impact on the next generation of students. These world leaders are equally deserving of recognition and the government must support their activities if we are to restore the balance between teaching and research.

Queen’s University, for example, already employs Teaching Chairs in the same way one might their research counterparts. This program involves “undertaking research that will contribute to literature pertaining to teaching and learning. This approach means that teaching is treated in the same scholarly way as one’s area of research. It involves defining a problem or question, investigating the problem or question through appropriately designed research, and drawing conclusions.”<sup>18</sup> By undertaking this initiative, the Ontario government would be sending a clear message that teaching quality is important and our faculty should be some of the best teachers in the world.

OUSA recommends assigning a value to teaching that is equal to research; thus, Teaching Chairs should receive a grant of \$150,000 per year. This money would allow faculty to undertake the important research discussed above, while covering the costs associated with that research as well as the lost teaching time. Piloting this program at eight universities would require \$1.2 million per year.

By undertaking this initiative, the Ontario government would be sending a clear message that teaching quality is important and our faculty should be some of the best teachers in the world.

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**Recommendation Six:** *To enhance persistence, early warning programs should be piloted at five universities across the Province, at a cost of \$1 million.*

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Academic support services currently lack the resources to proactively help those students at risk of falling through the cracks. To assist these students, institutions must be given adequate resources to track the progress of their students, identify key warning signs, and offer unsolicited assistance when necessary.

Recent research has identified several key groups of students with low student engagement rates (which have been correlated with persistence and student success), as well as several risk factors that show up early in a student’s academic career. Institutions should track the success of these students more carefully than others. Specifically, students who have been shown to have difficulties persisting include: first generation students, off-campus students, and part-time students.<sup>19</sup> Universities must be ensured not only the resources to track this data, but also for student affairs professionals and advisors to reach out proactively to students who may need additional assistance.

By providing funding to several universities to experiment with different methods of tracking the progress of students and intervening early if there are signs of trouble, best practices will emerge that could be used across the Province. To properly pilot these projects, OUSA assumes that approximately 3-4 staff would be required to work across disciplines to track students. Due to staff resources and the materials that would be used in delivering the program, a cost of \$200,000 per university would likely be appropriate for funding a one year pilot. Providing support to students throughout their educational career, rather than simply up to the point that they enter an institution of higher education, will ensure more students persist and succeed.

**Priority Three: Funding During Challenging Economic Times**

The students of Ontario believe strongly that the foundation for a cost recovery system for higher education should be fairness. Fairness means that because both students and society-at-large reap the benefits of post-secondary education, both parties should support in its provision. All across Canada, every institution that receives public funding also requires the student to make a contribution. While Ontario students accept this reality, over the past two decades their contribution has grown significantly, while, by comparison, the government portion has decreased considerably. It is time for fairness to be returned to Ontario’s cost recovery model.

Students have long argued that the provincial government is in the single best position to control tuition fees in Ontario. As an objective third party, the province can balance competing stakeholder demands and build a system which is both accessible and able to offer the highest quality education.

While most tuition increases were regulated under the expiring framework, one group was completely left out of this regulation: international students. The creative economy and future success of the province depends on having the brightest minds from around the world working and contributing here in Ontario. There is currently a dangerous trend in the province to charge these students more than the true cost of their education. At Queen’s University in 2008, for example, domestic arts and science students paid \$4,785 in tuition while international students paid \$15,765 – more than three times more.<sup>20</sup> By charging international students more than the cost of their education, the de facto result is that they subsidize the education of domestic students. Not only is this unfair, it is also works against the goal of attracting the world’s best to Ontario.

In addition to continued regulation of tuition, if tuition increases must occur they should be permitted to go no higher than the rate of inflation. The government's tuition policy, as it currently exists, has allowed Ontario to become the province with the highest fees in all of Canada. The budget of 2010 should provide universities with adequate funding at a level that allows them to hold tuition increases at the rate of CPI.

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**Recommendation Seven:** *Demonstrate progress toward restoring a 2:1 cost-sharing model where tuition makes up no more than one-third of university operating budgets by increasing base operating funding by \$300 million per year for five years.*

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Ontario students echo their partners both in the faculty and administration in calling on the provincial government to provide increased funding that can cover ever ballooning enrolment as well as desired improvements to quality. The Council of Ontario Universities warns that "... without new resources, our universities will only be able to grow by constraining costs through measures that erode quality (such as letting facilities degrade, increasing class sizes, using more part-time instructors, and reducing program offerings)."<sup>21</sup> This creeping erosion has been going on for the better part of two decades, and it is critical to not only stop it from going further, but to change its course completely.

It is important to highlight that the amount of funding suggested herein would only facilitate the continuation of the current level of quality and services and accommodate the enrolment growth that the Ontario government has already projected. If the government wishes to further enhance the quality of education, which all stakeholders believe is crucial, then a further annual investment in addition to what we have outlined would be required. Investments in the areas of student success will return this province to its place of prominence in the realm of higher education.

Increasingly, Ontario measures its success on an international level, particularly against peer jurisdictions in the United States. Yet Ontario still spends far less than other provinces and peer jurisdictions on post-secondary education. In June of 2008, the Council of Ontario Universities reported that, even after Reaching Higher, "Ontario is still last in funding in Canada on a per capita basis, with operating grants per student of \$6,052 versus a Canadian average of \$8,500."<sup>22</sup> The further we draw away from our peers, the harder it will be to compete for the human capital that is so essential in the creative economy which is developing around us.

The Reaching Higher Plan took a bold step in ensuring that Ontario's future would be bright. Budget 2010 should be a renewed commitment to the province continuing down this path. It has been suggested that if the tuition framework, which provides for unfair increases each year, is allowed to continue the required increase in funding would be \$200 million on average per year, for the next five years. If the government instead chooses to limit tuition increase to a fair amount, such as the rate of inflation, the system would require an additional \$300 million from the government each year for the next five years just to cover cost inflation and enrollment growth. This would not only adequately fund the system for its projected growth, but also begin to restore a fair 2:1 cost-sharing model.



The Council of Ontario Universities reported that, even after Reaching Higher, 'Ontario is still last in funding in Canada on a per-capita basis, with operating grants per student of \$6,052 versus a Canadian average of \$8,500.'



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## ABOUT OUSA

The Ontario Undergraduate Student Alliance represents the interests of over 140,000 professional and undergraduate, full-time and part-time university students at seven institutions across Ontario: McMaster University, Queen's University, the University of Western Ontario, the University of Windsor, the University of Waterloo, Wilfrid Laurier University and Brock University.

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.

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