



**Initial CUPE Analysis of Bob Rae's report –
"Ontario, A Leader in Learning: Report and Recommendations
of the Postsecondary Review"
February 7, 2005**

The Ontario government announced in Budget 2004 a review of the design and funding of postsecondary education in the province. Former Premier, Hon. Bob Rae, the advisor to the Premier and Minister on this issue has just concluded the review and today released his report. The following is CUPE's initial analysis based on our first reading of the report.

The review began with an overview of some of the literature on PSE restructuring, using examples from neo-liberal experiments in Australia and the U.K. Rae issued a discussion paper at the conclusion of this phase.

The consultation period included a series of round-table discussions followed by a town-hall meeting in regions across Ontario. At the same time, written submissions were received from interested parties, and Rae met with groups individually. The Ontario University Workers' Coordinating Committee submitted the "Campus Check-up Report", organized participation in all of the Round-table/Town halls (save one). Paul Moist and members of the OUWCC executive met with him on three separate occasions in his Toronto offices.

The report is a 124 page document organized into three main sections. The first is a chapter written by Bob Rae, outlining his view on the process and the recommendations. The second outlines the recommendations grouped into seven "strategies". The third section reviews how the review was held.

Strategy 1: Clarifying the mission and purpose of post-secondary education

- This is a general statement of a legislative focus on access, excellence, autonomy, responsibility.
- Discussion about collaboration between universities and colleges and recommends different mandates (differentiation) for institutions.
- Encourages continuous learning, skills training and apprenticeship, which requires coordination between high schools and colleges.
- Attention given to the need for apprenticeship programs and the role of trade unions.

Bob Rae says:

“The commitment that every qualified student in Ontario should find a place in college or university regardless of means should be enshrined in new legislation.”

“Enrolment trends will also tell us which way ‘customers’ are going’.”

“Education is what drives us forward, inspires innovation and creates an engaged democratic society.”

“All the reforms I suggest here are connected to one another. We won’t get where we need to go by piecemeal tinkering.”

What this means to CUPE members:

We welcome the attention given to increasing the number of high school leavers in post-secondary education; as well as students from francophone and northern communities. We are concerned about the possibility that institutions would be “differentiated” from one another in such a way as to disadvantage working class people. We are concerned the legislative examples he uses come from market-based experiences in Alberta and Texas.

Strategy 2: Establish a Council of Higher Education

- This Council would have key responsibilities in the area of benchmarking, performance measures, and reporting on quality and system performance.
- Rae notes the importance of student services, a critical but often ignored component of students’ experience. Good practices and measurement of service levels and satisfaction should form part of the new quality assurance framework.
- Recommends increasing the number of international students, lobby the Federal government to allow international students to obtain off-campus work permits.
- Rae argues additional funding should be linked to specific improvements in programs, as well as to measured improvements in student experience and faculty contact.

Bob Rae says:

“I am concerned about the quality of the relationship between student and teacher. There are awards for great teachers, but it is often teaching assistants who have the most contact time with students.”

What this means to CUPE members:

We would support this attention to student services. Support staff provide those services but are largely invisible in the discussion of the Council. We are concerned that workers' needs will not be considered when establishing these benchmarks. Rae notes that resistance to setting targets, measuring and reporting on performance is strong. Indeed, we would be very leery of this central mandate for the Council, because it can be used to justify privatization, contracting-out and increased workload.

Strategy 3: Expand opportunities

- Encourages the use of web information to increase participation of traditionally under represented groups.
- Wants government to establish targets for participation from under represented groups.
- Recommends setting up an advisory council on Aboriginal students.
- Suggests a mentoring and outreach program for students who are the first in their family to go to higher education.
- Recommends institutions should be required to reach out to students with disabilities.
- Recommends promotion of savings through an Ontario Learning Bond program to match federal funds.
- Argues that the federal government has a key role to play in the financing of higher education in the provinces.

Bob Rae says:

“Students and parents are right to be concerned about the cost of university and college. But that concern must never overshadow a shared understanding of the value of higher education. Going to college or university is important enough that governments should invest more, but it is also important enough that we need to encourage students and parents to save and invest in it themselves. We also must convince the private sector that continued investment in research and innovation and philanthropy for student support are crucial to the future social and economic health of the province.” Page 7

“The absence of federal-provincial agreements on labour market training and immigration for example, puts Ontario at a significant disadvantage ... Given the centrality of Ontario's role in accepting new immigrants to Canada and in the training of a generation of skilled people for the new economy, the unreliable nature of federal financial support is intensely problematic.”

“There is no dedicated federal transfer to the provinces for universities and colleges. There should be. ... (T)he lack of predictable and adequate support from the national government for basic operating costs of the institution poses a deep problem.”

What this means to CUPE members:

We are pleased that the Rae Review is concerned with issues of accessibility and has concrete suggestions on how to encourage traditionally under represented groups to go on to post-secondary education. However, this concern is fundamentally at odds with the deregulation of tuition fees and the recommended approach to student aid. Rae's view on savings dovetails with new "asset-based" and "individual" approaches to social policy that diminish the role of government.

Strategy 4: Affordability

- Recommends clarity in funding formula and multi year commitments.
- Argues there should be no more "unfunded students".
- Recommends a fairer and more predictable method of funding.
- Would introduce provincial grants for low-income students to cover tuition and ancillary fees for four years; calls on federal government to introduce grants towards living expenses.
- Makes his recommendations assuming tuition will soon be \$6,000.
- Increase loans, especially for middle-income students, by increasing the weekly loan limits.
- Shifting from loans to grants for low-income students, and encourages corporate philanthropy, as well as increased savings by students and parents.

Bob Rae says:

"The "Graduate Benefit" would be repaid by graduates, but the repayment amount would be linked to income and could even be paid through payroll deductions." Page 22

"Flexibility and affordability are of real value to lower-income Ontario graduates."

"I am recommending income-sensitive repayment tied to payroll deduction not because it will cost government less, but because it is more flexible and affordable for graduates who are paying it."

"Lurking behind some of the arguments against this new approach is the core objection that graduates who have benefited from attending college or university would not be expected to bear a reasonable share of the costs of higher education. This is not a view that should detain us very long."

“While there is unquestionably a significant social benefit to higher education that should be recognized by a stronger commitment to public funding, there is also an important private benefit to the student and the graduate. It is only reasonable for the students to pay part of the cost. Otherwise we would be asking taxpayers who don’t go to subsidize those who do.”

What this means for CUPE members:

We are very concerned about the proposal to institute “income-sensitive” loan repayments through a geared-to-income payroll deduction. This proposal looks progressive. It is accompanied by a grants program for low-income students. As well, Rae recommends that loans would be written off by government if low-income persists.

The problem here is that income-contingent loans are a right wing alternative to a progressive taxation policy. It means that lower-income people will be paying a user-fee like a mortgage for years after they graduate, and will end up paying more interest than higher income earners who will pay off their loans earlier. This is particularly disadvantageous for women. It is not clear what the specific impact would be on graduate students. It is small consolation that the payback period should not exceed 20 years. Page 80

Rae assumes tuition will rise immediately to \$6,000 but at the moment it’s less than \$5,000. A web-portal encouraging “first generation” or traditional under-represented groups to attend university will likely not overcome their reluctance to enter such heavy “debt-sentences.” Rae suggests opponents of this approach are trying to shirk their responsibilities, but we are firm believers in a progressive income tax system, which is the appropriate policy instrument.

Strategy 5: Ensure capacity meets growth priorities

- Recommends expanding graduate enrolment.
- Good discussion of the problem of deferred maintenance in the rationale on page 89. Notes the need for new facilities with projected enrolment to increase.
- Recommends making available money for facility renewal. \$200 million per year for three years. Estimates the backlog at \$1.8 billion.

Bob Rae says:

“Partner donations have figured prominently in recent capital strategies. They should continue to be encouraged and given priority, but should not be made mandatory.”

What this means for CUPE members:

In his discussion of graduate students, Rae makes no mention of the needs of graduate students as workers. Resources are needed to support the work that graduate students do, given their specific needs in the university community (e.g. Ontario wide pension and benefits plan.)

Although we are pleased the report recognizes the problem of deferred maintenance, it does not outline a mechanism for ensuring the government will not simply pay the high costs incurred by institutions borrowing from private lenders.

There is no discussion of privatization at all. This apparently neutral view is more likely to be seen as a tacit endorsement, especially if the Council is established.

Strategy 6: Ensure sustainable revenues through a responsible funding partnership

- Recommends a regulatory framework for predictability in tuition increases, but this does not mean tuition increases to be set by the government. Rather, each institution will set tuition.
- Suggests tuition increases only after student aid reform of grants and loans, a new revenue framework for institutions. Frozen fees until 2005-06.
- Argues that the Federal government should bear responsibility for labour market training and immigration, apprenticeship, research and graduate education;
- Provincial government should invest at least \$1.3 billion in new base funding to focus on quality improvements, fund enrolment growth and ensure proper funding of all eligible students; reach level of other provinces at least; and up to the level of public institutions in peer North American jurisdictions.

Bob Rae says:

“Greater tuition fee variation will promote institutional and programmatic differentiation.”

“The government should not set tuition levels but should establish the regulatory framework that ensures predictability, transparency and affordability for students.”

“The notion that higher education is some kind of nationalized industry, where the price of everything is set by central planners in an office at Queen’s Park, is out of place in the modern world.”

“Students have significant choices in higher education in Ontario. The age of “one size, one price fits all” should be over. “Page 24

What this means to CUPE members:

The Rae Review recommendations lead to the conclusion that tuition will increase dramatically across colleges and universities after the freeze is lifted in 2006. If the government chooses to follow this course of action, and academic workers do not have protection from tuition increases, there will be significant labour unrest across Ontario’s universities.

Rae suggests at least \$2.2 billion more in revenue needed, but he doesn't say that has to be all public funding.

The goal is "more money well spent". He mentions the importance of student support services for a supportive campus environment, but never clearly defines what those are. He does mention counselling and registrar services, but not much else. There is little attention given to libraries. He talks about employment, only insofar as colleges and universities are seen as drivers of economic well-being in local communities.

Strategy 7: Require tangible commitments from governments and institutions

"Ontario has moved beyond this traditional environment in recent years. Government has begun to budget on a multi-year basis. Key performance indicators and public reporting have been put in place. This report seeks to take these processes much further."