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September 2010

Toward a Progressive Post-Secondary System

OUSA's Submission to the
Ontario New Democratic
Party Platform



Ontario Undergraduate Student Alliance

TOWARD A PROGRESSIVE POST-SECONDARY SYSTEM

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About OUSA

OUSA represents the interests of over 140,000 professional and undergraduate, full-time and part-time university students at seven institutions 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.

INTRODUCTION

After years of tuition fee increases and no recognizable improvement in the quality of the learning environment, post-secondary students in Ontario are deeply concerned with the affordability and quality of their education. After a preliminary meeting to discuss possible elements of the NDP platform, the Ontario Undergraduate Student Alliance wishes to present the following ideas in greater detail. Students understand that political and economic circumstances will play a large role in platform development, and we have attempted to focus on ideas that are both good policy and good politics, but with a low price tag. As the 2011 Ontario Election approaches, bold and innovative ideas will be necessary to improve the system and to capture the imagination of the students and people of Ontario.

1. IMPLEMENT A GRADUATED TUITION MODEL

Background

A graduated tuition model is one in which students are charged differing tuition fees depending on their personal circumstances. Certain criteria, such as assets and parental income, are used to determine this individual fee. The graduated tuition model is currently in use in Italy, where higher education is provided predominantly by universities, though there are also technical universities, institutes and a variety of other institutions that provide artistic education and professional training in commerce, fashion, and industry.

Like Canadian universities, Italian institutions are autonomous with respect to the governance of their own affairs and the setting of tuition fees within government guidelines. The government has mandated that tuition fees amount to no more than 20% of the total operating fees provided by the state, leading to a maximum annual charge of 1,426 € (\$1,901 CDN) in 2007-08. The universities then apply reductions to the tuition charge based on family income, assets, and size, and the institutions are free to set the number of tuition exemptions given to students. These reductions, which averaged 38% off the maximum tuition charge, resulted in a mean tuition fee of 880 € (\$1,173 CDN) in 2007-08.

It should be noted that enrolment in Italian universities is considerably lower than other European countries. This low participation is caused by a host of social and economic factors and, while the graduated tuition model was created to address low-income enrolment, it is difficult to extrapolate what results this model has had on accessibility.

Implementation and Cost

If this model was to be adopted in Ontario, student suggest that government, not institutions, be responsible for setting the degree to which tuition fees are graduated and the criteria behind the adjustment. The OSAP program already employs a sophisticated system for assessing a student's available resources and financial need, and this could be simplified to create perhaps five or six tuition fee levels. Students in the lowest level would be charged zero or almost zero tuition, while students in the highest level could perhaps be charged tuition fees that are higher than current levels. In addition, because all students would be required to submit financial information, the government and institutions could provide further financial assistance automatically and without a separate application. The fee reductions could be put into practice immediately either through an expansion of the Ontario Access Grant program or a revision of the tuition framework.

Ontario universities and colleges are underfunded by government and are constantly struggling to balance their books. To implement a graduated tuition model, the government would have to guarantee institutions that any loss in tuition fee revenue will be made up for in government grants. By allowing tuition to increase further for those who can afford to pay, the cost of this model could be substantially reduced. In fact, this model is flexible enough that simply changing the way the model is implemented can set the final cost to government.

However, it should be noted that substantial tuition increases for some students, even those from high-income families, could be met with resistance by some stakeholders and voters. Furthermore, this model would not necessarily reverse the creeping privatization of the sector.



As the 2011 Ontario Election approaches, bold and innovative ideas will be necessary to improve the system and to capture the imagination of the students and people of Ontario.



“ Lowering interest rates would also lower the default rate that currently costs the government over \$30 million each year in bad debt expenses, which is much more than it spends on subsidizing interest. ”

Messaging

Tuition fees are the first thing students and families think of when it comes to post-secondary issues. A 2008 survey by the Canadian Council on Learning showed that less than half of Canadians believe our post-secondary education system is doing a good job of providing access to all qualified students. Furthermore, a full 63% of Canadians feel that students from low-income families have somewhat less or much less of an opportunity to get a post-secondary education. A graduated tuition model would allow full access to all qualified students, rich or poor, without adding substantially to the deficit. It's also easy to communicate – if you have the money to pay tuition you can go; if you don't have the money to pay tuition, you can still go, and without taking on a crippling debt load. Finally, it's an innovative idea that has not been considered in Canada and is sure to attract attention.

2. REDUCE INTEREST RATES ON STUDENTS LOANS TO THE RATE OF INFLATION

Background

Ontario Student Assistance Program (OSAP) loans are utilized by approximately 40% of Ontario post-secondary students. These loans consist of two separate loans from the federal and provincial student loan programs, integrated into a single loan known as a Canada-Ontario Integrated Student Loan. With an OSAP loan actually consisting of two loans from different sources, there are two separate interest rates charged on OSAP loans, with different rates charged on the portions of the loan funded by the federal and provincial governments. The Canada Student Loan portion of the loan is charged an interest rate of Prime + 2.5 per cent for loans with a floating interest rate, and Prime + 5.0 per cent for loans with a fixed interest rate. The Ontario Student Loan portion is charged Prime + 1.0 per cent. With the prime rate currently set at 3%, Ontario students are paying 4% interest on the Ontario portion of their loans.

Implementation and Cost

The Ontario government currently pays all interest while the student is in school. According to the Ministry of Training, Colleges and Universities, this costs approximately \$8 million per year at current interest rates. Given that the average loan is paid off in seven years, if the government was to eliminate interest on student loans entirely, OUSA estimates it would need to spend about 4 times that, or \$32 million, though the exact number depends on a great many other variables. It is also important to note that interest rates will likely increase in the coming years, increasing the cost of subsidizing students' interest. That said, lowering interest rates would also lower the default rate that currently costs the government over \$30 million each year in bad debt expenses, which is much more than it spends on subsidizing interest.

Given the current fiscal situation, students suggest that interest simply be reduced to the rate of inflation, rather than eliminated entirely. In real dollars, loan amounts would remain constant and the government would not spend as much on interest subsidies.

Messaging

Interest rates on student loans are problematic because they force poorer graduates to pay more over the lifetime of their loan. According to a 2009 survey of Ontario undergraduate students, more than half of students (53%) were concerned about being able to pay back their debt. With average debt after graduation continuing to climb and now in excess of \$25,000 for Ontario undergraduates, students and their parents deserve to know that a post-secondary degree will not burden them with unmanageable debt. A study by Statistics Canada found those with student debt had less net worth and had a significantly lower probability of having savings and of owning a home. By reducing interest rates, every student, regardless of how much money they make after graduation, will have the same chance to build a new life.

3. REDUCE ONTARIO'S EXPECTED PARENTAL CONTRIBUTION TO THAT OF CANADA

Background

OSAP loans consist of two separate loans from the federal and provincial student loan programs, integrated into a single loan known as a Canada-Ontario Integrated Student Loan. The federal and provincial governments employ need assessment formulas that differ in a number of important ways, the most significant of which is the expected parental contribution.

The process for calculating the parental contribution is the same at both levels: Take the parents' after tax income and subtract the Moderate Standard of Living (MSoL) to get Annual Discretionary Income (ADI). A portion of the ADI is then assessed as the expected parental contribution.

The 2009-10 MSoL for Canada and Ontario are shown below. A higher MSoL results in a lower ADI and thus a lower parental contribution. As you can see, the federal government's MSoL calculation is significantly more generous than Ontario's – a full 28% higher for a family of four.

Moderate Standard of Living (Canada portion of COISL)								
Family Size								
2	3	4	5	6	7	8	9	10
\$42,976	\$53,354	\$60,717	\$66,433	\$71,095	\$75,044	\$78,458	\$81,473	\$84,174
Moderate Standard of Living (Ontario portion of COISL)								
Family Size								
2	3	4	5	6	7	8	9	10
\$37,395	\$42,791	\$47,431	\$51,533	\$55,094	\$58,115	\$60,598	\$62,540	\$63,943

After the MSoL is subtracted from the parents' net income to calculate ADI, the government assumes a percentage of the ADI will be put toward the child's education. Here again, Ontario is significantly less generous than Canada. Below you can see the 2009-10 parental contributions based on ADI in both Canada and Ontario. Based on this data, Canada expects parents to contribute \$2,450 of their first \$14,000 in discretionary income, while Ontario expects \$5,250 – more than double the amount.

Weekly Parental Contribution Based on ADI – Canada	
If annual discretionary income is between:	Weekly Parental Contribution is calculated as:
\$0 - \$7,000	15% of ADI / 52 weeks
\$7,001 - \$14,000	[\$1,050 + 20% of (ADI - \$7,000)] / 52 weeks
\$14,001 and over	[\$2,450 + 40% of (ADI - \$14,000)] / 52 weeks

Weekly Parental Contribution Based on ADI – Ontario	
If annual discretionary income is between:	Weekly Parental Contribution is calculated as:
\$0 - \$7,000	25% of ADI / 52 weeks
\$7,001 - \$14,000	[\$1,750 + 50% of (ADI - \$7,000)] / 52 weeks
\$14,001 and over	[\$5,250 + 75% of (ADI - \$14,000)] / 52 weeks

Canada expects parents to contribute \$2,450 of their first \$14,000 in discretionary income, while Ontario expects \$5,250 – more than double the amount.



Most people assume that lowering class sizes is the best way to improve teaching quality. Students recognize, however, that a class of 10 with a terrible professor is much worse than a class of 500 with an engaging professor.



Implementation and Cost

Lowering Ontario's parental contribution requirements is easy to implement and will allow students to receive significantly more assistance in the form of both loans and grants. Calculating the cost of this change, however, is difficult given the complexity of the OSAP assessment formula and its effect on the number of students eligible for loans and the size of the loan available. For the sake of simplicity, students recommend adjusting the Ontario numbers to match the federal numbers.

Messaging

Ontario's families are suffering due to the economic downturn and any relief from the government will be met with gratitude. The details of how the parental contribution is calculated are too complex to easily communicate, but providing examples of what this change will mean for Ontario families is an easy way to sell the idea. The tables below describe the impact of this change on two sample families.

Family of 5 with net income of \$75,000

	Moderate Standard of Living	Annual Discretionary Income	Expected Parental Contribution
Current System	\$51,533	\$23,467	\$12,350
Proposed Change	\$66,433	\$8,567	\$1,363

Family of 3 with net income of \$55,000

	Moderate Standard of Living	Annual Discretionary Income	Expected Parental Contribution
Current System	\$42,791	\$12,209	\$4,355
Proposed Change	\$53,354	\$1,646	\$247

4. IMPROVE THE QUALITY OF TEACHING

Background

Students feel strongly that the quality of the instruction they receive is insufficient. More than 60 U.K. universities now sponsor teaching accreditation programs for university faculty, yet in Ontario, one can become a professor without a single lesson in how to teach. At present, most campuses have a Centre for Teaching and Learning, but using their services is optional and it is the instructors who need help the most that get it the least. Students are left to ponder why high school teachers need an entire degree in education when there is absolutely no prerequisite for university instructors.

Furthermore, we have known for decades that the traditional lecture method of teaching is considerably less effective than active learning pedagogies that promote deep learning, such as inquiry-based learning, community service learning, and problem-based learning. Without a reason to improve the way they teach, however, our universities have been, and will continue to be, content with the status quo.

Implementation and Cost

Most people assume that lowering class sizes is the best way to improve teaching quality. Students recognize, however, that a class of 10 with a terrible professor is much worse than a class of 500 with an engaging professor. Given the tremendous cost of additional faculty to lower class sizes, students currently recommend a focus on making our teachers better. To this end, we have devised a package of initiatives that could be implemented at a much lower cost.

Provide direct government funding for Centres for Teaching and Learning.

How much funding is needed to give these Centres the resources they need to create change is uncertain. OUSA suggests that an average increase in funding of \$500,000 at each university, a total investment of \$11 million a year, would empower these Centres to do what is necessary to change the culture around teaching and learning on their campuses.

Require all new university instructors to complete some form of training in teaching.

One of the systemic problems with teaching at Ontario Universities is the fact that professors are not required to complete any formal training in teaching. While many schools have opportunities for professional development, these are not mandatory. Organized instruction in teaching for new college instructors has existed for some time and we should expect the same from our universities.

OUSA proposes that each university and college be required by the government to develop and provide a module of pedagogical training to all new instructors. Each institution's Centre for Teaching and Learning would develop their own curriculum and would provide the instruction on campus through existing infrastructure; the government would only need to specify the number of hour of instruction – say 40 hours – and provide some funding to expand the resources of these Centres enough that they could carry out this objective.

OUSA believes an average of \$300,000 per year would be required at each university to hire educational developers and to operate training programs. At a total cost of less than \$7 million, such a program would have a profound impact on the next generation of university instructors.

Set a province-wide target for the proportion of post-secondary courses employing some form of active learning.

Targeted government support for the implementation of new and better teaching methods would finally signal that the old way of teaching is no longer good enough for the 21st century economy. More importantly, thousands of students would receive a better education than they do now. Some funding would be required to assist institutions in this endeavour, but much of the answer is simply to have the government demonstrate leadership on this issue and demand change from our institutions. Once administrations understand that this is a priority, they will find the means to make change.

Fund Chairs in Teaching Excellence that would act as role models for their colleagues.

In 2005 the Ontario government pledged \$25 million to create research chairs at universities across the province. These prestigious appointments are given to researchers who are “acknowledged by peers as a world leader in the field.” 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 and campus leaders are equally deserving of recognition and the government must support their activities if we are to restore the balance between teaching and research. The Ontario Research Chair program provides \$150,000 per faculty member. At this unit cost, one hundred teaching chairs could be established for only \$15 million.

Implement a high profile provincially funded award for excellence in teaching.

Due to an increased emphasis on research and innovation at both the provincial and federal level, universities are all scrambling to become “research intensive” and thus capitalize on additional government funding. Unfortunately, this has also resulted in a devaluation of teaching. Establishing a high-profile award for excellence in teaching would restore the prestige associated with being a world-class instructor, and demonstrate to universities that teaching matters.

Require all universities to offer one small class experience for all first-year students.

Traditionally, large first- and second-year classes have been scheduled to allow for lower class sizes in third- and fourth-year. However, recent research indicates that students who experience a small class in first-year feel more included at their institution and are less likely to dropout. To improve quality and student success, the government should push universities toward a model of small first- and fourth-year classes with necessary larger classes in between.

Messaging

The McGuinty government's investments in post-secondary education have resulted in a greater number of spaces, but have failed to provide increases in quality, even as tuition fees have steadily climbed. Furthermore, 16% of Ontario families are currently paying tuition fees and many more are saving for them. They deserve to know that they're getting results for their money. Printing degrees is not enough; Ontario's universities should provide the best education in the world, and that starts with our university and college teachers.

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