

## Stakeholder Summary

### Sustaining the quality of higher education goes beyond simply balancing the books

As Ontario universities and colleges struggle to deal with rising expenses and stagnant revenues, academic quality risks being compromised, argues a new report by the Higher Education Quality Council of Ontario (HEQCO).

The paper reviews the findings of HEQCO's [previous evidence-based analyses](#) of the sustainability challenge facing the province's postsecondary institutions and identifies a number of levers to address those challenges.

Stagnant rates of domestic enrolment in most areas of the province, save the Greater Toronto Area, will limit growth in government operating grants. At the same time, provincial policy is likely to limit tuition fee increases to 3% annually. With limited new funding options, institutions have no choice but to look elsewhere to balance their budgets, namely the spending side of the ledger.

The single largest expenditure that institutions have is labour costs; they account for 66% of college spending and 73% of university spending. The average salary of a full-time faculty member at an Ontario university is \$152,000 a year, among the highest in the world. It has been increasing at an average of 4% a year, higher than annual increases in operating revenues. One way institutions have sought to mitigate labour costs is by relying on part-time instructors who now account for two-thirds of the teaching workforce at colleges and one-half at universities.

At the same time, the elimination of mandatory retirement in 2006 has led to an increase in the proportion of university faculty aged 66 and older to 9% of full-time faculty from virtually zero, while the proportion of professors 35 years old and younger has shrunk to 5% from 9%. Had mandatory retirement remained in place, 1,239 professors would have retired over the past 12 years freeing up the same number of positions for new faculty hires and still resulting in substantial savings in the cost of the full-time faculty complement relative to what is being spent today. Senior faculty members are not only at the top of their earnings curve, but unlike some other provincial government employees, their salaries have no cap. Most continue to receive progress-through-the-ranks pay raises and in some cases are permitted to draw a pension while continuing to collect a salary. This has a serious impact not only on institutional financial sustainability, but also in terms of faculty renewal.

The paper sets out several recommendations to mitigate these challenges. Salaries and benefits are determined through a collective bargaining process and HEQCO does not advocate restricting collective bargaining rights. However, institutions could ensure that there is comprehensive information about revenues and spending made available to all parties during collective bargaining and make public the full cost of salary agreements, including both the negotiated cost-of-living wage adjustments and progress-through-the-ranks pay increases. For its part, the government could provide institutions with multi-year operating-grant funding and tuition policy that would allow institutions to engage in long-term planning.

Preventing age discrimination is an important principle that ought to be protected. However, the government and institutions could consider implementing provisions that would encourage more senior faculty members to retire at age 65, such as prohibiting faculty members from collecting both a full salary and full pension at the same time, imposing salary caps and eliminating progress-through-the-ranks salary increases for faculty past the age of 65. These actions could also enhance the rate of faculty renewal.

To address the sustainability challenges they face, institutions might also consider the workload distribution of full-time faculty. The potential gains would be significant. Ontario university professors teach approximately 3.4 one-semester courses per year and faculty who are not active in research teach little more than those who are research active. If every full-time university faculty member taught one additional one-semester course per year, this would result in an increase of 13,500 courses at no additional cost to the system. If faculty who are no longer active in research (13%, according to a [study](#) by the Council of Ontario Universities) taught double the load of those who undertake heavier research agendas, this would result in a significantly decreased reliance on part-time instructors and would have the equivalent effect of increasing teaching capacity by about 10%, all at no additional cost.

Institutions could develop comprehensive workload reporting mechanisms that cover all major aspects of job responsibility and monitor trends in productivity over time to inform future compensation negotiations and workload provisions.

And finally, the higher education sector must identify and implement ways to measure academic quality. HEQCO is committed to developing large-scale assessment techniques that directly measure the skills and competencies that postsecondary graduates should possess. Measuring academic quality is challenging, but there is a responsibility to undertake this work to ensure a sustainable future for the postsecondary system. HEQCO has recently completed two large trials measuring the improvement in critical-thinking, literacy, numeracy and problem-solving skills in Ontario college and university students from the time they enter their programs to the time they graduate. The results of these trials will be made public later this year.

*The Sustainability of the Ontario Public Postsecondary System: Putting Together the Pieces of the Puzzle* is written by Harvey P. Weingarten, Amy Kaufman, Linda Jonker and Martin Hicks, Higher Education Quality Council of Ontario.