

# ONTARIO UNIVERSITIES: A UNIVERSITY SECTOR IN TRANSFORMATION



**The Issue:** With new and emerging technologies, online learning opportunities, demographic shifts, funding pressures and rising operating costs, Ontario's universities are transforming, adapting and evolving to meet the changing needs of our students and of the labour market. They are also finding ways to drive efficiencies, streamline and reduce red tape, diverting more resources to students through cost-savings.

## Background

- Ontario's universities remain committed to supporting students, their communities and the province as the demands of the economy and labour market continue to shift and new challenges and opportunities arise.
- Employers are increasingly placing an emphasis on transferrable skills, particularly interpersonal and communication skills. A recent report by the Business + Higher Education Roundtable (BHER) and Business Council of Canada (BCC), Empowering People for Recovery and Growth: 2022 Skills Survey Report found that the most in-demand skills for present and future labour markets are "social and emotional".
- Additionally, mid-career workers are finding that shifts in industry practices and in-demand skills are requiring them to reskill and upskill to keep at-pace with the demands of the modern economy.
- The rapid pace of change brought on by technological advancements, shifting demographics and emerging challenges facing our province requires a nimble, innovative approach to be adopted across all major industries – including the postsecondary sector.
- Universities remain committed to transforming and staying nimble in the face of change.

## How Universities Can Continue to Support Ontario

To continue to serve the needs of Ontario's students and communities, universities have embraced transformation by continuing to modernize and adapt courses to help mid-career workers reskill and upskill, while ensuring students are equipped for the new realities and complexities of a changing social and economic landscape.



In addition, universities have been and continue to find a wide-range of cost efficiencies and ways to reduce red tape, such as:

- **Reducing Procurement Spending:** Working with the Ontario Education Collaborative Marketplace (OECM) and Supply Ontario, regional and other organizations, and across postsecondary institutions, to take advantage of savings through joint purchasing agreements.
- **Optimizing Space:** Updating space standards to optimize existing use of physical space to reflect changing space-use requirements including digital technology.
- **Joint Housing Builds:** Engaging in ongoing discussions around P3s, alternative structures for residences and other opportunities to support university housing.
- **Sharing Services:**
  - Partnering on the Ontario Universities' Application Centre, which removes the need for each institution to process its own applications and eliminates duplication.
  - Partnering on MyCreds, a digital credential wallet that facilitates secure issuance and verification of official documents, creating efficiencies through a shared model.
  - Developing the University Pension Plan (UPP), which protects the security and sustainability of pensions through a Jointly Sponsored Pension Plan model. The UPP currently manages \$11.8B in pension assets across 16 organizations.

However, Ontario's universities continue to face significant financial pressures:

- Real per student operating grants have declined by 31% since 2006-07 and currently represent about 30% of total university operating revenue.
- The tuition cut in 2019 and ongoing freeze has reduced the real value of undergraduate domestic tuition fee revenue by 23%.

- Universities receive the lowest per-student government funding in Canada with Ontario receiving \$8,647, while the Canadian average was \$12,215 in 2020-21.

With investment in the sector, Ontario's universities can continue to optimize, transform and adapt in key areas, such as:

- **Program and Course Optimization** by exploring collaborations to optimize course sizes, enhance student access and find efficiencies.
- **Digitization and Automation of Processes** by identifying more opportunities for procurement and joint purchasing, using innovative new software or the centralized implementation of software to increase efficiency.

Ensuring the financial sustainability of the sector is critical to supporting the delivery of high-demand programs, and the research and innovation which will drive economic growth in communities throughout Ontario.

## Partnering for a Strong Ontario

A vibrant and healthy university sector is critical to meeting the needs of students, fostering community economic growth, driving research and innovation and developing the highly skilled talent critical to Ontario's economy.

**It is why, in order to fully unleash their potential, Ontario's universities are asking for support – to allow greater flexibility to increase their revenue sources.**

It is now more important than ever for government and universities to continue to work together to allow Ontario's universities to build the better and brighter future for our province that we all want to see.

