# BUILDING TOMORROW'S INDUSTRIES MEANS BUILDING TALENT TODAY

## An investment in Ontario's universities is an investment in Ontario's future

2025 Pre-Budget Submission to the Ontario Government

ONTARIO'S UNIVERSITIES
Partnering for a better future

JANUARY 2025

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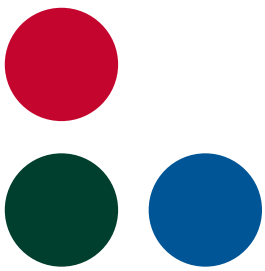


# INTRODUCTION

As Ontario faces growing international threats to our economy, the need to address our labour shortages, support community economic development and foster innovation has never been greater. Investing in Ontario's universities is investing in our economy and our economic security.

Universities prepare graduates with the skills and experience necessary to meet Ontario's rapidly changing labour market demands, and make the types of innovations that help secure Ontario's position at the forefront of fast-growing fields, such as energy, life sciences, clean tech and advanced manufacturing.

However, the provincial funding model for universities is failing to keep pace with the increased need for highly skilled workers and the growing demand from Ontario high school students who want to enrol in an Ontario university.

In fact, Ontario's universities receive the lowest per-student funding in Canada, undermining student supports and access, and jeopardizing the province's future economic growth.

Critical investments are required to support universities, so that they can continue to address Ontario's workforce needs, while helping create jobs and attract investment across the province. We know that:

**Ontario's universities are building Ontario's economy; but their financial sustainability is at risk. It's time to properly invest in Ontario's universities.**

**Recommendations to the provincial government:**

- **Boost base operating grants to meet the recommendations set by the Blue-Ribbon Panel;**
- **Fully fund enrolment expansion and current unfunded domestic students to reflect changing demographics and increased demand from Ontario high school students; and**
- **Boost operating grants for Northern and bilingual programming to reflect the higher costs and special needs of delivering these programs.**

Increasing operating funding per student is not just a recommendation—it's a necessity. If Ontario is to remain competitive, it must properly invest in the universities that are educating the next generation of leaders, innovators and skilled professionals.

**Increasing funding will allow universities to:**

- **Expand enrolment to meet a growing demand from Ontario high school students.**
- **Enhance student services, providing the financial, academic, career and mental health supports students need.**
- **Build and update the innovative, modern learning environments that reflect how students learn today.**
- **Develop and adapt programs to align with emerging industry and labour market needs, keeping Ontario competitive.**

This pre-budget submission serves as a call to action for the provincial government to recognize the critical role of universities in shaping Ontario's economic future and to take bold steps to ensure they can continue to help build the economy.

# UNIVERSITIES ARE BUILDING THE WORKFORCE OF TODAY AND TOMORROW

Ontario is at a critical turning point in its economic future, as the increasing demand for highly skilled workers threatens to disrupt key sectors across the province.

From health care to advanced manufacturing and clean technology to infrastructure, if the talent needs in these critical industries are not met, Ontario risks slowing economic growth, stalling innovation and undermining the province's global competitiveness.

**From 2021-2030, Ontario's growing economy will need a total of 928,700 jobs that require a university education.**
*– Ontario Future Labour Force Needs Study, Stokes Economics, December 2021*

In response, Ontario's universities are stepping up to meet the challenge, playing a pivotal role in bridging the gap between the skills employers need and the workforce of tomorrow.

Universities continue to partner to advance key industries across regions and strengthen Ontario's talent pipeline with graduates that are ready for the job market, ultimately leading to increased economic growth for both our communities and the province.

In fact, the highly skilled talent pipeline of more than 592,000 students enrolled at Ontario universities in 2023-24 is attracting investment in key industries, like critical minerals, technology, manufacturing and life sciences, from companies like Meta, Stellantis, Volkswagen, Honda, AstraZeneca and Sanofi to the province.

**"The decision to invest in Canada, and Ontario specifically, is a testament to the network of world-class universities, hospitals, and research centres in the GTA and southern Ontario, and the diverse scientific talent pool that exists in the region."**
*– AstraZeneca Canada, February 27, 2023*

By aligning programs with government priorities and industry needs, fostering innovation through made-in-Ontario research and preparing students for the changing job market, universities are not just responding to current demands—they are actively shaping Ontario's future.

## Meeting Ontario's Labour Needs with Highly Skilled University Talent

It's clear that with a growing demand for highly skilled workers across multiple sectors, including technology, health care and advanced manufacturing, the need for university graduates with advanced problem-solving skills, creativity and technical knowledge is more important than ever.

**To ease pressing needs in many sectors across the province, Ontario also needs international talent to help bridge the gap of highly skilled workers and ensure we have the skills and workforce needed to fuel our growth. International students play a vital role in supporting Ontario's workforce needs, bringing diverse perspectives and global talent. In fact, many international students stay in Ontario after graduation, filling critical gaps in the labour market.**

## Just how big is the demand for highly skilled talent in Ontario?

**Here's a snapshot of the growing need:**

- **Based on a 2021 study by Stokes Economics, from 2021-2030, Ontario will need:**
  - **More than 233,000 jobs in STEM that require a university degree, including nearly 45,000 engineers.**
  - **Nearly 148,000 jobs in health care that require a university degree.**

- **Ontario teacher retirement and elementary-secondary enrolment forecasts indicate need for an additional 1,500 more new teachers annually by 2030.**
  **– *Ontario College of Teachers, Transition to Teaching Report, 2022***

- **The province needs 26,000 additional registered nurses (RN) just to catch up to the RN-to-population ratio in the rest of Canada – a profound gap that has widened by 3% since 2022.**
  **– *Registered Nurses' Association of Ontario (RNAO), July 25, 2024***

- **18,500 workers are estimated to leave the sector every year between now and 2031.**
  **– *Canadian Manufacturers & Exporters (CME), Ontario Manufacturing Workforce Report, May 2024***

- **55% of high-tech entrepreneurs say they can't recruit the workers they need to grow.**
  **– *IT World Canada, October 2, 2023***

- **Canada's EV battery supply chain could support up to 250,000 jobs by 2030 and add $48 billion to the economy annually. This includes jobs at all stages of the supply chain, from automotive engineers to business managers and executives.**
  **– *Clean Energy Canada, Canada's New Economic Engine Report, September 2022***

Ontario's universities are graduating job-ready workers. The latest Graduate Survey from the Ministry of Colleges and Universities shows that 95.1 per cent of university graduates are not only employed within two years of graduating, but they are successfully finding employment in some of Ontario's most in-demand areas, aligning with Ontario's workforce needs.

For example, the employment rate for university graduates in high-demand programs just two years after graduation is:

- Engineering: 95.7%
- Nursing: 98.4%
- Medicine: 99.2%
- Business and Commerce: 96.2%
- Humanities: 93.5%

In fact, in response to changing labour market demands, universities are continuously evolving their programs. They are integrating new technologies, emphasizing experiential learning and forging partnerships with industry to ensure that graduates are job-ready, as well as increasing enrolment in high-demand fields such as STEM and health care (see the graph on page 6).

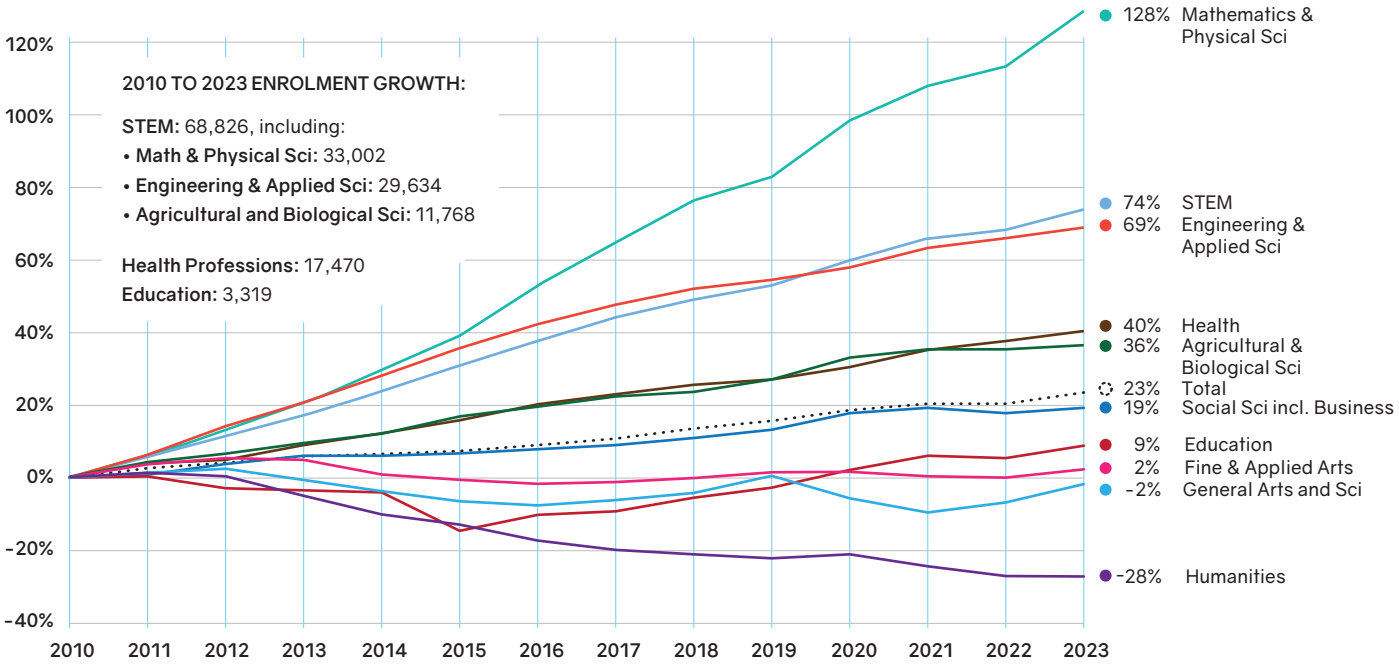
Expanded capacity to continue to deliver these types of programs and courses will ensure universities are better positioned to meet the demand for these highly skilled workers and help Ontario remain competitive.

### Rising Demand, Expanding Enrolment and the Long-Term Economic Gains of a University Education

As the needs of Ontario's job market change, and universities continue to transform and evolve, the demand for a university education has never been stronger.

And students are voting with their feet.

## Ontario Universities Transforming to Meet Changing Labour Market Needs




Source: Ontario Universities' Enrolment Data

Universities across the province are seeing a growing number of Ontario high school students applying for a university education. In fact, from 2020 to 2025, the number of Ontario high school students applying to an Ontario university has increased by more than 16 per cent.

It is projected that up to 18 per cent more Ontario high school students will want to enrol in an Ontario university by 2030, when accounting for rising participation rates and changing demographics.

But the current funding cap on domestic students, known as the corridor model, limits Ontario student access to a university education in the province. This has created a significant barrier to Ontario high school students attending a program of their choice. For example, for 2023-24, less than 60 per cent of all Ontario university STEM applicants were enrolled in a university STEM program. Increasing the corridor would allow more domestic students to enrol in STEM and other high demand programs in Ontario.

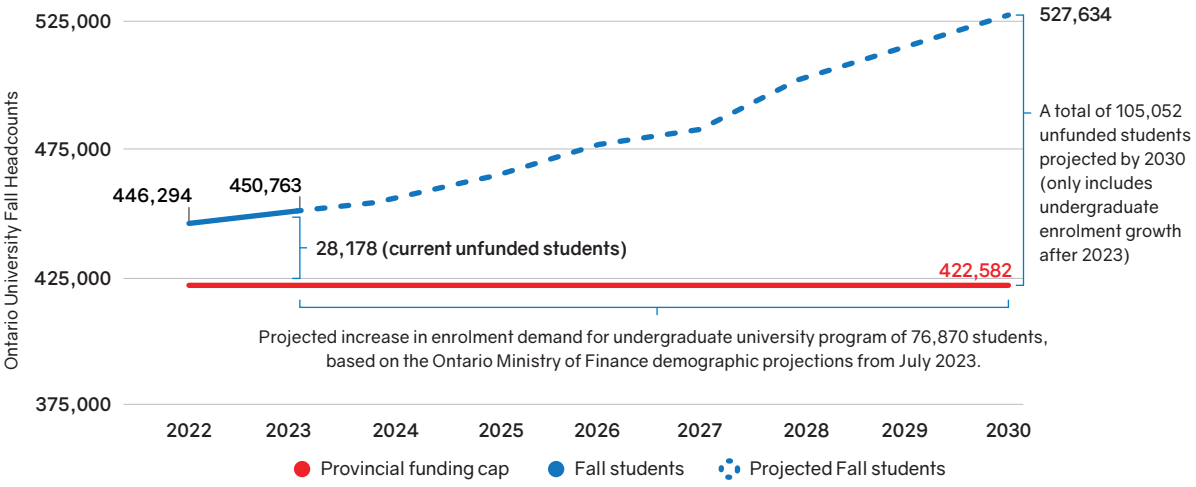
**"Ontario and Canada's future depends on innovative and sustainable solutions to our infrastructure challenges. These solutions require a strong pipeline of diverse engineering talent, which Ontario's universities play a vital role in delivering to continually supply the growing needs of the industry.**

**There is an expected increase in demand for over 200,000 STEM related professional positions, at all levels in the next 6 years. The consulting engineering industry frequently finds challenges in recruiting. It's clear we need to do more to encourage all Ontarians to pursue STEM careers, specifically with women, who represent only 14% of licensed engineers.**

**By fostering inclusive environments and mentoring diverse talent, we can prepare the next generation of engineers to deliver the solutions our communities need to thrive."**

*– Andrew Hurd, Executive Director, Association of Consulting Engineering Companies – Ontario*

## Increasing Demand by Ontario High School Students to Attend an Ontario University




**Notes:** Enrolment data for 2022-23 and 2023-24 are fall headcounts calculated from Weighted Grant Units. Estimates for 2024-25 apply the average cumulative change in participation rates from 2018 to 2020 to future years to Ontario Ministry of Finance population projections from July 2023.
**Source:** COU's unfunded student model. Ontario's universities' undergraduate enrolment data, and Ontario Ministry of Finance projections for the 18-to-24-year-old population.

As a result, more and more Ontario high school students will not be offered a place in the program of their choice and may be forced to leave the province.

In fact, because of this provincial funding cap on domestic students, by 2030, up to 100,000 Ontario high school students could be at risk of not getting into the university or program of their choice, despite their qualifications (see the graph above). More and more Ontario high school students are frustrated by not getting into a program of their choice even with high grades.

As we continue to face economic uncertainty the need for a strong workforce is now more important than ever, rationing university spaces is not in the best interest of the province.

**Did you know the current funding cap, known as the corridor model, limits the number of domestic students that institutions receive funding for? This restricts Ontario students' access to a university education in the province.**

There are already more than 28,100 domestic students above the funded level per the above graph. The underfunding for these students is estimated at more than $224 million per year. This means that funding for these domestic students falls short of what is needed to cover the costs and universities have to find other means to cover these additional seats.

**The Blue-Ribbon Panel noted the importance of the province adjusting the funding cap, which has not been updated since 2016, to reflect growing demand and changing demographics: "These concerns serve to magnify the need to act now. Failure to do so will mean it will be more and more difficult for students to find spaces in the programs of their choice. In consequence, the system will fall considerably short of meeting the needs and expectations for access of a growing Ontario population. At the same time, the postsecondary institutions will find it increasingly difficult to ensure their programs evolve so that they continue to be relevant to the needs of the labour market as it evolves."**

*– Ensuring Financial Sustainability for Ontario's Postsecondary Sector – Blue-Ribbon Panel on Postsecondary Education Financial Sustainability, November 15, 2023*

It is critical to ensure there are spaces for all qualified Ontario students, and that universities are equipped with the resources to accommodate the projected influx to ensure quality education for all.

Because we know that universities are gateways to career success.

Graduates of Ontario universities are contributing significantly to the economy, with university-educated individuals earning higher wages on average over their lifetime. The Blue-Ribbon Panel has noted that the economic return on investment for university graduates far exceeds that of non-degree holders, illustrating the long-term financial benefits of university education for individuals and the broader economy.

**University graduates on average earn more than twice the annual earnings compared to those with a high school diploma and almost $2,000,000 more in lifetime earnings.**

*– RBC Thought Leadership, "**Financial returns after a post-secondary education have diminished**," September 9, 2024*

*Note: See **Lifetime Earnings Calculator** for estimated lifetime earnings assuming 2% annual wages increases for 39 working age years.*

# UNIVERSITIES FUEL ONTARIO'S INDUSTRY TALENT PIPELINE

## HEALTH CARE AND LIFE SCIENCES

According to **BioTalent Canada**, the bio-health, bio-industrial, agri-bio and bio-energy sectors will require 64,300 new workers through 2029 – including many in research and development and management roles that predominantly require a university education.

As many Ontarians struggle to access a family doctor, Ontario's medical schools are critical to graduating the doctors our health-care system, and Ontarians, so desperately need. By further expanding spaces at medical schools, universities will continue to fuel this vital workforce from family doctors and surgeons to emergency physicians and more.

In the **Ontario Ministry of Finance's Long-Term Report on the Economy, 2024-46**, specialized talent gaps are identified, particularly in executive and management levels, as a risk to the future growth of the life sciences sector in Ontario.

With the expanding role of nurse practitioners (NPs) as primary care providers, especially in remote and rural areas, access to quality health care is becoming easier. Primary Care NPs are educated through two different university programs: the University of Toronto Primary Health Care Global Health Program offered in the Greater Toronto Area; and the Ontario Primary Health Care Nurse Practitioner Program, an efficient and unique advanced nursing education program offered through a partnership of nine Ontario universities. Both programs are giving patients more choices and showing them that NPs are a viable option for primary care services.

A shortage of up-to-date research and wet-lab facilities has limited Ontario's potential to be a leader in health-care innovation and biotech commercialization. A new **University of Ottawa** medical research facility set for 2026, will help grow the medical biotechnology sector in the Ottawa region though health-related research and development, and strengthen Ontario's ability to attract and retain top global talent in health-care innovation.

An immersive and interactive learning environment designed to replicate a variety of real-life situations and procedures for students and professionals from various disciplines, including nursing and social work, has been opened by **Nipissing University**. The George and Helen Vari Simulation Centre features four hospital simulation suites with life-like manikins that can be programmed to recreate a wide range of professional situations for emergency care, pediatric learning, and procedural training in a low-risk, supportive, and controlled environment to help prepare students for professional practice.

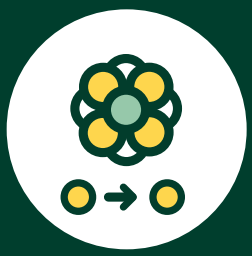
Recognizing a gap in access for palliative care and the unique barriers faced by vulnerable people, a **Lakehead University** research project is improving the experiences of those in need of palliative care among Ontario's underserved populations.

A research team from the **University of Waterloo** has developed a new material that shares many of the same traits as bone tissue. Using 3D printers, they are providing a new and innovative treatment option for patients undergoing major skeletal repair and reconstructive surgery. It may also eliminate the need for metal plates, reduce the risk of infection, and increase the chance that the patient's body will successfully accept the graft.

## ENERGY AND CLEAN TECHNOLOGY

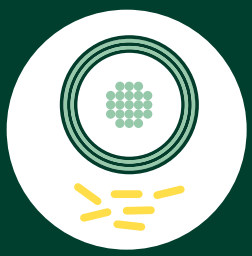
According to the Government of Canada, Ontario led the country in clean tech employment in 2021 with 135,971 jobs, representing 41.5% of overall clean tech employment in Canada. This includes a range of jobs requiring a university education, including scientists, engineers and business managers, among others.

76,000 jobs were created by Canada's nuclear industry as of 2019 – that number will grow as Ontario and other provinces increase investment in nuclear energy. According to the Canadian Nuclear Association, 42% of these jobs require a university degree – Clean Energy Canada



An advanced fusion research partnership between **Ontario Tech University** and Canadian Nuclear Laboratories is preparing the next generation of nuclear science and engineering leaders through hands-on learning, deep insights into current nuclear research and mentorship opportunities for their career advancement.

To streamline electric vehicle conversions and provide students with hands-on experience in sustainable automotive technology, **Queen's University** has launched Queen's Relectric. By developing innovative solutions for mechanical, electrical and thermal systems, Relectric aims to reduce waste in the global transition to electric vehicles, making sustainable transportation more accessible and affordable for consumers.



The nuclear research talent at **McMaster University** is paving the way for the next-generation of medical isotope research and production. As the world's leading supplier of medical isotope iodine-125, which provides treatment for over 70,000 cancer patients every year – the university is leveraging their suite of world-class nuclear facilities to create a robust supply of medical isotopes, helping ensure Ontarians and Canadians have reliable access to advanced therapies.

A **Western University**-led Marine Biomass Innovation research project seeks sustainable, entrepreneurial solutions in the fishing industry, creating economic opportunities for communities. It is one of largest Indigenous, industry and academic research partnerships in the country.

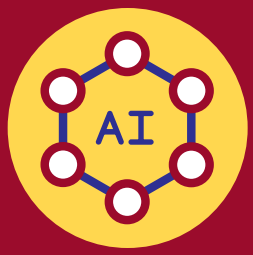
## ADVANCED MANUFACTURING

"This shift to zero-emission vehicles (ZEVs) represents a unique opportunity for Ontario, while also presenting challenges as it relates to the workforce... This transition calls for significant updating of existing curricula for schools, colleges and universities and developing new, relevant programs." – **Canadian Manufacturers & Exporters, 2024**


In 2022, Ontario's mining sector produced minerals worth $13.5 billion, accounting for 22% of Canada's total production value, according to the **Ontario Mining Association**. This supports the supply chain for advanced manufacturing, from resource extraction to materials refinement.

Though a blend of teaching and research, the **Laurentian University** Intelligent Mobile Robotics Lab provides a platform for hands-on learning in programming, control systems, and robot design. Focusing on a range of mobile robots from wheeled platforms to advanced-legged humanoid robots, the lab is not just a space for technical learning but a launchpad for future careers in areas like autonomous systems in the mining sector.

To accelerate materials discovery, the **University of Toronto's** Acceleration Consortium (AC) is developing self-driving labs (SDLs) that combine AI, robotics and advanced computing to rapidly design and test new materials and molecules. By accelerating the design and commercialization of materials for sustainability and health applications, the AC will help society solve some of our most significant challenges.




With the demand for professionals with expertise in the supply chain and logistics field, **Trent University's** Logistics and Supply Chain Management program is training and producing highly-skilled graduates, ready to enter the industry. The program focuses on the management of supply chain networks and logistics systems and allows students to navigate real-world scenarios by applying knowledge gained in the course to research-based projects, giving them the relevant supply chain knowledge and skills that employers are increasingly looking for.

The predicted retirement of one-third of the agricultural workforce by 2030, creating a need for 100,000 new jobs, highlights the importance of automation in addressing labour shortages. With 1 in 9 Ontarians employed in the $50.7 billion agri-food sector, **University of Guelph** researchers are developing self-driving, weed-cutting robots to assist workers, easing stress on operators and allowing human resources to be utilized more effectively and transforming the future of farming.

By leveraging 3D printing for sustainable, affordable housing solutions, a partnership between **York University's** Lassonde School of Engineering and Printerra is helping address Canada's growing demand for affordable and sustainable housing. Using state-of-the-art printing technology to innovate and manufacture 3D-printed concrete homes, this project can transform the future of housing construction, reducing both labour costs and construction time.

# INFRASTRUCTURE

The province of Ontario has embarked on an ambitious infrastructure plan and is investing more than $200 billion to build schools, hospitals and public transit. The delivery of these projects will require highly skilled talent from Ontario's universities including engineers, ecologists and architects among many other disciplines, in addition to skilled trades and apprenticeships.

According to a study by Stokes Economics, from 2021- 2030, Ontario will need 9,533 civil engineers, 3,653 architects, 2,096 urban and land use planners, in addition to thousands of other jobs that require a university education that will be essential to the delivery of Ontario's critical infrastructure projects.

With a goal to shape the future of sustainable construction, one **Brock University** researcher is using engineered bamboo as a sustainable alternative to steel and concrete, aiming to innovate construction with fast-growing, durable and eco-friendly materials through advanced fabrication techniques.

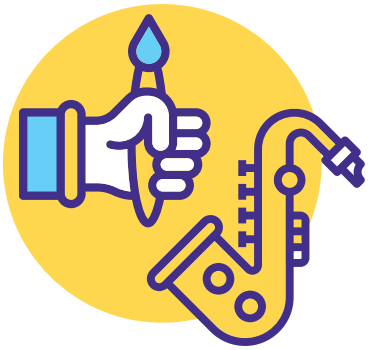
To help modernize Ontario's infrastructure through digital twinning, Infrastructure Ontario is leveraging **Toronto Metropolitan University** researchers' digital twins expertise to test innovative solutions for more efficient delivery of public infrastructure. The partnership addresses provincial goals such as building transit, highways and housing faster; creating climate resiliency; and examining how existing infrastructure solutions can be leveraged to create a network of digital twins.

Designed to boost job prospects for students, the **University of Windsor**, with community partners, is launching a series of career-building workshops tailored to enhance the skills of those in the Master of Engineering (MEng) and Master of Applied Computing (MAC) programs. This series brings together insights from industry and community organizations, including research from Europe and Australia, that will support students as they embark on careers.

To tackle sustainability, housing density, and better integration of natural assets, **Carleton University** architecture students have partnered with the City of Cornwall. This partnership offers students hands-on experience, giving them an opportunity to work on projects that have an immediate and tangible need in a city while learning how architecture can contribute to the future of Cornwall.

## CREATIVE INDUSTRIES

According to the Ontario Arts Council (OAC), arts and culture contributes $27 billion annually to the provincial economy, representing 3.4% of Ontario's GDP. These gains are supported by the contributions of university graduates, including artists, directors, musicians and business managers, among others.



In an increasingly digital world, **Algoma University** launched its inaugural Startup GameJam, a two-day intensive game design and development session in Brampton led by expert instructors from Unity Technologies Inc. The GameJam marked the beginning of Algoma University's new game incubator, part of the university's new National Centre of Excellence in Immersive Technology. Through these initiatives, Algoma is shaping the next generation of innovators in the global tech landscape.

To increase inclusive design and accessibility in the world of gaming, a **Wilfrid Laurier University** game design and development graduate has co-created a software that aims to help people with little or no mobility to play video games. The software, which costs about $7 allows users to bind certain movements to controls in a game so that even if you can't move, you can still play.

An innovative hands-on training program at **OCAD University** is supporting talent development for Canada's billion-dollar content creator economy through OCAD U LiVE – an on-demand video channel, production house, and content creator studio featuring original media produced by students. This innovative model provides students with access to studio space, equipment, training, mentoring and networking sessions, giving them the tools they need to succeed in the film/media industry.

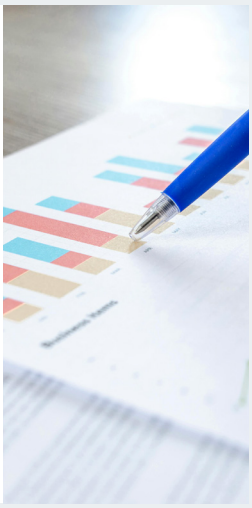
# Universities Are Transforming to Meet Student and Community Needs

**Ontario's universities are continually transforming to meet the needs of students, employers, our communities and the province. Below are just a few examples:**

Universities continue to ensure every willing and qualified student can access a university education by providing more than **$1.4 billion** annually in scholarships, bursaries and grants (Council of Ontario Finance Officers data).

**In fact, did you know Ontario's universities are investing more in student financial support than the province of Ontario is investing in the entire OSAP budget for colleges and universities?**

Universities have put forward a **Financial Health and Transparency Framework Plan**, as well as leading practices in university board governance to ensure strong fiduciary oversight and open and transparent decision-making, highlighting a commitment to strong financial management, transparency and accountability.



As housing demands increase, universities have added more than **6,400** new residence spaces over the past five years. There are currently a total of **72,000** residence and off-campus spaces.

Universities are adapting and evolving to better serve students and find even more innovative ways to drive greater efficiencies, as outlined in the sector's efficiency update. In fact, universities now rank **second lowest** (instead of third) in the country after Alberta, while spending **50% more** on student services, and more than double on scholarships and bursaries per student FTE than Alberta.

By acting responsibly in **enrolling international students with modest growth rates** and offering student supports, including leading practices, universities are helping ensure international students studying at an Ontario university have the best possible experience. Universities provide them with the supports and resources they need to succeed – including following rigorous recruitment processes, adhering to strong and transparent admissions practices and providing wraparound student supports, such as helping students find housing.

In 2021-22, Ontario universities spent nearly **$1.6 billion** on student services such as counselling, career guidance and placement, student health, athletics and more. Overall, spending on student services has increased by **27%** over the past five years with universities spending an average of **14%** of their operating funds on student services.

By making educational data transparent and accessible through the Open Data Platform, **Ontario's universities are leading the way in transparency**. This centralized data hub, which provides public access to critical education data, recently won the 2024 Information and Privacy Commissioner (IPC) Transparency Challenge in recognition of its work to support transparency and accountability across the province's universities.

**The above examples are just a few of the ways Ontario's universities are supporting student and community needs, while also ensuring that education is accessible to all. However, while universities have remained efficient, without increased government funding, it is becoming increasingly difficult to maintain this level of support. The time for the provincial government to properly fund universities is now. Ontario's students and universities cannot afford to wait.**

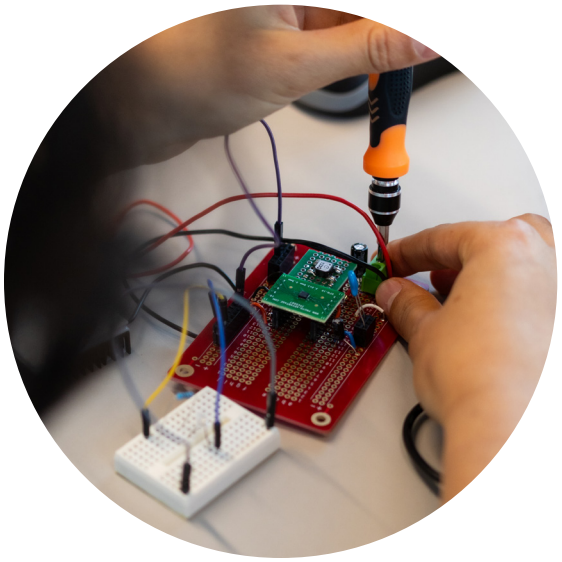
# THE FINANCIAL SUSTAINABILITY OF ONTARIO UNIVERSITIES IS AT RISK

Investing in Ontario's universities is investing in the future – in the success of Ontario's students and the economic prosperity of our province.

While it is clear that Ontario's universities are vital to the province's economic future, they are being restricted by broken funding levers that limit their ability to continue to develop the workforce of tomorrow – the next generation of medical researchers, engineers, urban planners, educators and entrepreneurs who will help advance our local economies.

To ensure Ontario has the talent it needs, we need a future where Ontario's universities are properly funded, globally connected and strategically invested in to produce and attract top-tier talent.

Strong financial support translates into high-quality education and a well-prepared workforce of Ontario university graduates that are entering the labour market ready to work.



## Properly Funding the University System

Ontario's universities are in the midst of an eight-year-long tuition cut and freeze without adequate multi-year base funding, which continues to undermine the financial sustainability of the sector.

**Did you know? Ontario's universities receive the lowest per-student funding in Canada and are only funded at 57% of the average of all the other provinces.**

The government's initial investment of nearly $1.3 billion in February 2024 over four years across 23 universities and 24 colleges was a crucial first step toward stabilizing the sector. However, this increase in time-limited funding fails to keep pace with inflation and represents less than one-third of what the Blue-Ribbon Panel on postsecondary education recommended in operating revenue increases.

And with the new funding ending after 2026-27, it creates a financial cliff that will further threaten the financial sustainability of universities.

Even after factoring in the government's initial funding increase for the first year, 13 universities are projecting total operating deficits of $338 million in 2024-25, growing to 14 universities and more than $400 million in 2025-26. After 15 years of no per-student funding increases, the lowest per-student funding in Canada, and a 10 per cent tuition cut and freeze since 2019, the Panel's call for immediate government investment needs attention now.

These financial challenges will be further exacerbated by the recent federal changes to international student study permits. Even though Ontario universities acted responsibly in the recruitment of international students, with only modest growth representing less than 19 per cent of all students and by providing wraparound support services, universities were impacted by the federal government's changes to study permits.

While these changes were designed to limit the number of international students coming to Canada without adequate supports, it has the unfortunate impact of also discouraging top students from around the world from coming to Canada. As a result of federal changes, Ontario universities are estimated to reduce revenue by nearly $1-billion in the first two years alone.

After years of doing more with less, universities are at a tipping point. As the government's own experts concluded, Ontario universities are among the most efficient in the country. With a long history of finding cost savings, universities remain committed to finding even more innovative ways to drive greater efficiencies, as outlined in the sector's efficiency update.

In fact, when comparing total salaries and benefits per student, Ontario universities now rank second lowest (instead of third in previous years) in the country after Alberta. Compared with Alberta, universities in Ontario spend 50 per cent more on student services, and more than double on scholarships and bursaries per student FTE.

However, the funding gap is just too large to close with efficiency savings alone.

**Funding for Ontario universities comes from three main sources:**

1. **domestic tuition fees**
2. **international student tuition fees**
3. **annual operating grants from the province**

**All three have been cut or frozen.**

The university sector is at a critical juncture, and without sufficient support, Ontario risks reducing student access and the talent needed to foster economic growth and prosperity.

**The government's own appointed Blue-Ribbon Panel's recommendations were clear: "The sector's financial sustainability is currently at serious risk, and it will take a concerted effort to right the ship. Our recommendations, if implemented in their entirety, will, we believe, set the sector on the path to a financially sustainable future."**

*– Ensuring Financial Sustainability for Ontario's Postsecondary Sector – Blue-Ribbon Panel on Postsecondary Education Financial Sustainability, November 15, 2023*

**To ensure Ontario has the talent it needs, Ontario universities are calling on the province to increase per-student operating funding as well as fund enrolment expansion to meet the growing needs of Ontario high school students.**

Investing in long-term, stable funding for Ontario's universities means investing in the high-quality programs, services and resources students need to graduate job-ready, while also ensuring they have the supports they need to succeed in today's rapidly changing job market.

# IT'S TIME TO PROPERLY INVEST IN ONTARIO'S UNIVERSITIES AND BUILD THE WORKFORCE OF THE FUTURE TOGETHER

A commitment from the provincial government is essential to ensure Ontario's universities can continue to support students and build the workforce of the future. This investment is not just in universities; it is an investment in the future success of Ontario's students and the province's long-term economic success. We know that:

**Ontario's universities are building Ontario's economy; but their financial sustainability is at risk. It's time to properly invest in Ontario's universities.**

**Recommendations to the provincial government:**

- **Boost base operating grants to meet the recommendations set by the Blue-Ribbon Panel;**
- **Fully fund enrolment expansion and current unfunded domestic students to reflect changing demographics and increased demand from Ontario high school students; and**
- **Boost operating grants for Northern and bilingual programming to reflect the higher costs and special needs in delivering these programs.**

As Ontario continues to build its economic future, the ability to meet the ever-shifting labour demands across sectors will be critical. From advanced manufacturing to critical minerals to life sciences, there is no industry or sector in the province that does not rely on the highly skilled talent produced by Ontario's universities.

When it comes to creating the conditions for good-paying jobs and local economies to grow and succeed, Ontario cannot afford to fall behind.

A properly funded university system is essential to maintaining a strong workforce, driving innovation and building a resilient economy.

The time to invest in Ontario's universities is now.

# FURTHER READING

Funding Enrolment Growth to Support Ontario Students and Economic Growth

Efficiency Update: Driving Greater Efficiencies to Deliver on Student Success and Economic Growth

Graduate Survey: Skilled, Adaptable University Graduates Ready for the Workforce

Partnering with Municipalities to Drive Regional Talent Development

A Plan for Prosperity: Fueling the Advanced Manufacturing Supply Chain

ONTARIO'S UNIVERSITIES
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**For more information, please contact:**
Council of Ontario Universities
180 Dundas Street West, Suite 1800
Toronto, ON M5G 1Z8
contact@ontariosuniversities.ca

**Connect with us:**
www.cou.ca
www.ontariosuniversities.ca
@OntUniv