



**Report of the Academic Colleague
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December 13, 2009**

A meeting of the Academic Colleagues was held in Toronto on December 11, 2009.

Two main items were discussed. A complete update of Council of Ontario Universities (COU) activities is presented in Appendix 1.

The first item was a discussion of the brief entitled "Reaching Even Higher: The Next Multi-Year Funding Plan for Postsecondary Education" which was submitted to the Ontario Ministry of Training Colleges and Universities (MTCU) by the COU. As background, 100,000 student places have been funded by the government since 2002. Enrolment is expected to increase perhaps by as much as 60,000 - 75,000 additional new spaces in the next 5 years. The growth is expected to be particularly acute in the Greater Toronto Area. The position of the COU is that funding at the current level per student must increase or the "quality" of university education will be adversely affected.

The government's initial response has been positive. However there is a sense that the MTCU may equate quality with voluntary university differentiation upon university-decided choices. The government is also concerned about university expenditures. Specifically, they view faculty salary increases as problematic because they lead to more sessional lecturers being hired.

The book "Academic Transformation: The Forces Reshaping Higher Education" by I. D. Clark, G. Moran (UWO), M. Skolnik and D. Trick, has captured the attention of the COU and the Ontario government because of its basic conclusion that the current Ontario system of post secondary education is unsustainable. There is perceived general agreement with the book's analysis of the problems, but not necessarily with some of the proposed solutions. Interestingly differentiation is one of those ideas.

The budget situation will remain uncertain until the province tables its next budget.

The second item was an update from a Working Group whose mandate is to consider possible solutions to the pension problems of the Ontario universities which have arisen because of the poor global economy. This applies mainly to those universities which have defined benefit pension plans (not Western). There are two requirements which universities must contend with: "going concern" payments and "solvency" payments. The former are the payouts that must be met on an annual basis while the latter are payments which must be included annually in the event that an institution goes bankrupt and must pay out to all its employees immediately. Currently pension contributions annually correspond to ~18% of the operating costs of each university. This number would be reduced to ~11% if the solvency requirement was waived by the Ontario government. The argument presented by the COU is that Universities

are not like many other businesses in that it is highly unlikely they would close their doors because of temporary market losses. Furthermore, the savings of 7% could be invested into the "quality" mandate of the universities. To date Ontario has not accepted this argument although interestingly Quebec, Manitoba, and Alberta have. Saskatchewan is now also seriously considering this model.

The Working Group is seeking a solution which respects the ~100 Collective Agreements currently in place at Ontario universities but may still involve co-mingling of funds from the different universities to achieve savings based on economies of scale. The Ontario government would like to see a plan which involves more employee contributions.

Appendix 1: COU Update as of December 11, 2009

Subject	Issue	Status
<p>University Operating Funding</p>	<p>This issue continues to be the number one priority for universities.</p>	<p>Developing and communicating a position around the government's next multi-year funding plan has been a priority of the COU this fall.</p> <p>David Trick helped to lay the groundwork in the summer by interviewing executive heads and providing some valuable data analysis. The Executive Heads retreat helped to shape the position and COU's Policy and Analysis group has been refining details of the submission and preparing technical papers since then.</p> <p>Simultaneously, COU has been reaching out to senior government officials, including Leah Myers, who heads the government's secretariat on postsecondary education. Issues have been explored with them and with politicians both in TCU and other ministries.</p> <p>In addition, university representatives came together on University Day at Queen's Park to present their case to government.</p>
<p>Fall Economic Update</p>	<p>The Ontario government is now projecting deficits of \$24.7 billion in 2010-11 and deficit of \$19.4 billion in 2011-12. The government also announced that, as more people go back to college and university, an additional \$95 million is forecast to be spent in 2009-10 to accommodate greater OSAP and enrolment pressures.</p>	<p>The government has not yet clarified what portion of the \$95 million will be spent on OSAP and whether or not there will be any funds remaining to address enrolment pressures. TCU expects to have a better estimation of costs early in the new year once most of the OSAP figures have been finalized.</p>

Subject	Issue	Status
<p>Capital Funding</p>	<p>The Ontario government committed \$60 billion to a ten-year infrastructure plan. MTCU, with support from the Ministry of Energy and Infrastructure is developing a long-term capital planning process to meet the province's infrastructure needs, including those in the postsecondary sector. The Courtyard Group, a third party expert consulting firm, facilitated the exercise</p> <p>The Knowledge Infrastructure Program is a federal initiative to renew Canada's college and university infrastructure. The program is an important element of the Government of Canada's \$12 billion Economic Action Plan, announced in the 2009 Budget, providing up to \$2 billion to support infrastructure enhancement at universities and colleges.</p>	<p>Ontario universities have included capital in their submission to government concerning the next multi-year funding plan because new investments in buildings will be necessary to handle the high level of growth that MTCU is forecasting.</p> <p>In the meantime, MTCU staff has indicated that the Ministry along with the Ministry of Energy and Infrastructure are reviewing the report of the Courtyard Group, which presented its report on PSE capital needs to government on February 2009. The government is still considering next steps.</p> <p>The federal and provincial governments jointly announced infrastructure funding for Ontario universities and colleges in May, 2009. Universities received \$487.9 million from the federal government and \$607.1 million from the provincial government.</p>
<p>Applications for 2009-10</p>	<p>The Ontario Universities' Application Centre (OUAC) released first year undergraduate data on applications for 2009-10 on September 17, 2009</p>	<p>As at September 17, 85,395 applications were received from secondary school students, an increase of 1.1% from 2008. The number of applications received from first-year, non-secondary school (105) students increased to 45,049, a 2.0% increase over the same time last year. Total affirmative responses for first-year 2009 are up 563 or 0.7% from 2008. More details and regular updates can be found at: http://www.ouac.on.ca/news/news.html</p>

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<p>Ontario Universities' Fair (OUF)</p>	<p>12th Annual OUF sees record-breaking attendance</p>	<p>The 12th annual Ontario Universities' Fair (OUF) took place September 25-27, 2009 at the South Building of the Metro Toronto Convention Centre. It was another record-breaking year with over 116,000 senior secondary school students, their teachers, family and friends attending this free event. The OUF is the largest fair of its kind in Canada.</p> <p>Representatives from all of Ontario's universities were on-site to answer questions and provide information about applying to university. The busiest day was Saturday this year, with a one-day attendance record of 48,558 visitors.</p> <p>Next year's event will take place at the same location, September 26-28, 2010.</p>
<p>Student Mobility and Pathways</p>	<p>The provincial government would like student mobility and pathways enhanced at the postsecondary level.</p>	<p>COU is continuing its consultations with MTCU and Colleges Ontario on ways to facilitate student mobility and pathways across the province and has made progress on developing a set of core principles to guide student mobility.</p> <p>The Ministry has established a Steering Committee with representatives from COU, Colleges Ontario, CUCC and student associations to develop options for a credit transfer system for Ontario. COU representatives are Alastair Summerlee, Guelph, Patrick Deane, Queen's, Dan Lang, Toronto, and Peter Gooch, COU. The Ministry also set up a Working Group to support their work, with representatives from the same four groups noted above: COU, CO, CUCC and student associations. COU's representatives are Dan Lang and Peter Gooch. In addition, COU has established a resource group to advise the COU members of the Steering Committee and Working Group on strategies and challenges.</p> <p>The resource group includes Jerry Tomberlin, Carleton, Ken Lavigne, Waterloo, Ray Darling, WLU, Sheila Embleton, York, Richard Marceau, UOIT, Karen Maki, Trent, Feridun Hamdullapur, Waterloo, Barbara Brown, York, Keith Alnick, Ryerson, and George Granger, OUAC.</p>

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Quality Assurance	<p>Significant changes are under development for quality assurance processes at the graduate and undergraduate levels. Oversight of graduate quality assurance is transitioning to the Ontario Council of Academic Vice-Presidents (OCAV) from the Ontario Council of Graduate Studies (OCGS). OCAV already oversees the undergraduate component (UPRAC).</p>	<p>A draft framework has been prepared by the Quality Assurance Transition/Implementation Task force and submitted to OCAV, which is currently reviewing and refining it in cooperation with the new Executive Director of Quality Assurance, Dr. Donna Woolcott. A process for finalization and implementation is being developed by the OCAV Executive.</p> <p>Under the proposed Framework, undergraduate and graduate programs would be treated in the same way; the Framework includes a New Program Approval Protocol, a Cyclical Program Review Protocol and an Audit process. It is intended that institutions will design and implement an Institutional Quality Assurance Process consistent with the university's mission statement and degree-level expectations, and with the Framework. The institutional processes will be submitted to the Quality Council for review and ratification.</p> <p>Other tasks to be completed by the OCAV Executive working with the staff at COU include development of the terms of reference of the Ontario Universities Council on Quality Assurance (OUCQA) – the new body that will implement the Framework.</p>
Student Access Guarantee (SAG)	<p>COU and Colleges Ontario (CO) continue to work with MTCU on issues related to the implementation of the SAG.</p>	<p>Universities are strongly committed to the Student Access Guarantee and will continue to work with the Ministry on the development of the annual guidelines. The COU Task Force on Student Financial Assistance contributes to the consultations and helps communicate COU's position on the impact of this initiative.</p> <p>COU has issued an RFP for a Student Line of Credit, as required for the SAG, on behalf of several universities. The RFP was issued in September to six major banks. Once the vendor has been selected, a provider agreement will be developed between the bank and the participating universities. It is anticipated that the vendor will be selected in early January 2010.</p>

Subject	Issue	Status
University Health Insurance Plan	Costs of UHIP	<p>The issue continues to be a concern for Ontario universities in their efforts to attract high quality students.</p> <p><u>Background Information:</u> COU has been reviewing concerns about the cost of UHIP to international students. International students and their parents have been lobbying their universities to lower or eliminate UHIP premiums. A joint letter from COU and the Ontario Undergraduate Student Alliance (OUSA) was sent to the Minister of Health and Long-Term Care, requesting:</p> <ul style="list-style-type: none">• Reinstatement of OHIP coverage which should include all UHIP members (foreign students, faculty and staff from abroad, and their dependants).• A joint Executive Heads/Student meeting with the Minister to discuss the issue. <p>Paul Genest met the Deputy Minister of Health and Long-Term Care and the Deputy Minister of MTCU to discuss various issue including UHIP.</p>

<p>University Pension Plans</p>	<p>Unmanageable solvency and going concern special payments:</p> <ul style="list-style-type: none"> -based on June 30/July 1, 2009 estimates going concern special payments were estimated to be \$298 million per year and \$257 million per year for solvency payments for total special payments of \$555 million per year. -based on the relief provided in the 2009 Budget, these payments could be reduced to \$349 million per year provided member consent is attained. 	<p>The Working Group on University Pension Plans presented its Interim Report to Executive Heads on October 15, 2009. The Interim Report contains:</p> <ul style="list-style-type: none"> - Information on existing defined benefit and hybrid pension plans including the funded status and projected special payments of each university's pension plan estimated at June 30/July 1, 2009 - Comparisons of university pension plans benefits and contributions to large public sector pension plans. - Information on permanent solvency exemptions for universities in other provinces including any accompanying requirements. - Services available from public sector pension plans including a summary of meetings with HOOPP and OMERS. (The Working Group has plans to meet with the Commonfund, a non-profit investment manager.) - An assessment of the Pension Benefit Guarantee Fund. - Pension plan governance structure in each Ontario University. <p>In addition, the Working Group presented a possible end state solution or framework for an agreement with government. Essentially, the framework document laid out what may be required of the universities to get the desired result from government, which is a solvency funding exemption.</p> <p>To focus the work of the Working Group moving forward, Executive Heads were presented with 4 options for moving forward at their round table meeting on October 15, 2009, including the Working Group's recommended framework. Executive Heads were asked to consider the options and communicate to Bonnie Patterson by October 30th their support for proceeding with one of the options.</p> <p>Following the October 15th Executive Heads Round Table, 12 universities with Defined Benefit or Hybrid pension plans provided their active support for the proposed framework (option 3).</p> <p>MTCU has committed \$240,000 to fund the actuarial costs associated with the completion of the Working Group's mandate. As a requirement of the funding, the Ministry asked that, where applicable, the Working Group's report include inputs from groups representing plan members including retirees, as well as OCUPA. The Ministry indicated that the consultations be held on the findings of the feasibility</p>
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		<p>analysis of alternatives to enhance the long-term sustainability of university pension plans. The Working Group is developing a slide package for the consultations to be shared with CSAO and Directors of communications prior to its release.</p> <p>Stakeholder consultations with OCUFA, CUPE, United Steel Workers, and OSSTF have been scheduled for December 17th and 18th, 2009. Additionally, a presentation will be made to the Academic Colleagues at their meeting on December 11th.</p> <p><u>Background Information:</u> The Ontario Expert Commission on Pensions (OECF) has concluded its work and issued its final report on Pensions, titled <i>A Fine Balance</i> on Thursday November 20, 2008. A copy of the report can be found at http://www.pensionreview.on.ca/english/report/</p> <p>Unfortunately, the university's main concern has not been satisfactorily addressed in the report: that is, exemption from pension solvency funding requirements for universities.</p> <p>On February 26th, COU provided comments on the report to the Minister of Finance indicating that we are in disagreement with the underlying premises for solvency funding for universities and quantified the staggering special payments required (special payments of \$566M annually based on October 31, 2008 estimates),</p> <p>The Ontario 2009 Budget did provide some regulatory changes to pensions provided that universities acquire the needed consent from plan holders. If consent could be obtained, total special payments based on October 31, 2008 estimates would be reduced from \$566 million per year to \$331 million per year.</p>
<p>Climate Change</p>	<p>University Sector Climate Change Statement – <i>Statement on Creating a Sustainable Environment</i></p>	<p>Executive Heads approved a draft made-in-Ontario Climate Change Statement submitted by CSAO, as well as a communications plan to launch it.</p> <p>On University Day, November 26th, 2009 a framed copy of the Climate Change was presented to the Premier and to the Ministers of Environment and Training, Colleges and Universities on November 26th (University Day) at a noon-hour reception at Queen's Park.</p> <p>Along with the statement, a report, <i>Ontario Universities: Going Greener</i>, was presented. The report is a high level summary of university greening initiatives based on the findings from the survey conducted this summer by CASO.</p>

		<p>Simultaneously, the pledge and results of the survey were announced to the media through a media release. The release and full report of university greening initiatives are available on COU's website.</p> <p>Individual institutions are organizing their own campus launches after the Queen's Park event. As well, a working group will be formed to plan a sustainability conference for Earth Day, April 20, 2010.</p> <p>On an ongoing basis, COU has been sharing information with the Climate Change Secretariat in the Premier's office as well as briefing political staff in various Ministries. Most recently, a high level summary of university green accomplishments was provided to the Climate Change Secretariat for inclusion in their annual report to the legislature. This report was released on December 2nd, 2009 and included some of the green initiatives currently underway at Ontario Universities.</p>
<p>Education Safety Association of Ontario (ESAO)</p>	<p>Inequitable funding model</p>	<p>Ontario universities, along with schools boards, libraries, and colleges, are members of ESAO. In the past, Ontario universities have had serious concerns about the performance and structure of ESAO. COU recently (October 20th) submitted comments to the Workplace Safety Insurance Board (WSIB) relating to the <i>Illustrative Future State Model</i> outlined in a report from the Occupational Health and Safety Council of Ontario entitled <i>Roles Review and Realignment</i> dated September 5, 2008.</p> <p>Ontario universities support the apparent direction of the proposed model that would significantly reduce the number of Health and Safety Associations (entities), create multi-stakeholder governance and enable the streamlining of administration. The latest iteration of the model seems to address the funding inequity universities faced in the previous model and should provide better services as well to institutions. COU through CSAO and CEHSO will continue to monitor this issue.</p>

<p>Auditor-General (AG) Report</p>	<p>Response to the 2007 Auditor General report and the Standing Committee on Public Accounts recommendations</p>	<p>On May 28, 2009, the Standing Committee on Public Accounts held hearings on a section of the Auditor General's 2007 Annual Report, Universities – Management of Facilities. On February 19, 2009, the committee notified COU that it has asked the Ministry of Training, Colleges and Universities (MTCU) to obtain data through COU on deferred maintenance spending for fiscal years 2005-06 to 2008-09.</p> <p>On June 4th, MTCU and COU met to discuss the data collection process. MTCU agreed that universities do not have to report previously collected historical data on the new template. COU used the historical data provided by MTCU to pre-populate the templates. Data has been gathered over the summer. The finalized dataset was submitted to MTCU on August 24th.</p>
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<p>New Space Management Committee</p>		<p>At the Executive Heads Round Table of May 21, 2009, Executive Heads agreed to a recommendation by CSAO for the formation of a new, broad-based Space Management Committee with representation from CSAO, OCAV, the Ontario Association of Physical Plant Administrators (OAPPA), Registrars, and senior space management specialists from the committee on Space Standards and Reporting. The new Committee will perform in-depth analyses of space management practices; examine the extent to which facilities renewal requirements impact space utilization; make strategic recommendations for change; and provide advice to the Ministry of Training, Colleges and Universities (MTCU) for their response to the Standing Committee on Public Accounts recommendations related to the Auditor General's 2007 Annual Report deferred maintenance section.</p> <p>At its first meeting in September, the Committee agreed that a two-step process is required in order to gather information to provide advice to the MTCU. As a first step, the Committee is gathering information on current space management practices at each university through a survey. The second step will be to develop a second survey to obtain information on utilization rates, based on the responses received from the first request.</p> <p>The survey on current space management practices was developed and distributed on October 7, 2009 to both OCAV and CSAO. All responses have been collected and the findings are currently being analyzed.</p> <p>The Committee has scheduled its next committee meeting on January 19th, 2010 to discuss the researching of best practices in other jurisdictions, and the drafting of a second survey, aimed at collecting utilization rates.</p>
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PST/GST	Cost impact on Ontario universities of GST/PST harmonization	<p>The Government of Ontario announced in the 2009 Budget it will introduce the harmonized sales tax (HST) in 2010.</p> <p>At the February 12th Executive Heads meeting, CSAO was asked to review the impact of sales tax harmonization, as currently universities are exempt from paying PST on a range of goods and services. The issue was discussed at the 2009 CSAO winter meeting. The members concluded they were not opposed to harmonization as long as it was cost neutral.</p> <p>CSAO authorized COFO to perform the analysis of the HST impact.</p> <p>COFO provided a status update to CSAO on November 3, 2009 in which they noted that a template had been developed to assess the implications of the HST. The template was tested by 5 universities, and based on primary results the implementation of HST will result in tax savings in the operating and ancillary funds, a small tax savings in the research funds dependent upon the proportion of previously exempt research equipment to the total fund expenditures, and increased costs in the capital fund.</p> <p>The template was discussed at the COFO Executive meeting on November 5, 2009 and was shared with all universities for completion. COFO is currently collecting the results and will soon finalize their analysis.</p>
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<p>Supply Chain Guideline</p>	<p>Government guidelines for university procurement</p>	<p>COFO members continue to monitor the development of Supply Chain Guidelines and report on issues of significance to CSAO.</p> <p>In October 2009, the Deputy Minister, MTCU, informed universities of changes to the government’s Procurement Directive, and Travel, Meal and Hospitality Directive. Among other changes, the new Procurement Directive requires a competitive process for all consulting services and increases the restrictions of allowable expenses for consulting services. Although universities do not all within the application of these directives, Bill 201, the <i>Public Sector Expenses Review Act</i>, not only enables the Integrity Commissioner to review employee expense claims in a public entity, but enables the Integrity Commissioner to prescribe any entity as a public entity.</p> <p>COFO is reviewing how the various directives fit together.</p> <p><u>Background Information:</u> The Supply Chain Guideline has been prepared to support and improve broader public sector (BPS) supply chain activities. The Treasury Board of Cabinet has directed that the Supply Chain Guideline be incorporated into the transfer agreements of organizations in the broader public sector (BPS) receiving more than \$10 million in funding per fiscal year including organizations funded by the Ministry of Training, Colleges and Universities.</p>
<p>Ontario Council on University Research</p>	<p>New Ontario Network of Excellence</p>	<p>In June 2009, the Ministry of Research and Innovation announced a new Ontario Network of Excellence, which is intended to streamline programs and services to accelerate collaboration and commercialization of research.</p> <p>OCUR has committed to working closely with the Ontario government in order to ensure open discussion and input into the development and implementation of this initiative. In particular, it is interested in participating in the development of performance metrics. OCUR invited the Ontario Centres of Excellence (OCE) to its meeting on November 19, 2009 to provide an update on OCE’s work in this area. The OCUR Sub-Committee on Provincial Relations is pursuing a dialogue with MRI to better understand the ways in which the ONE will affect universities.</p>

<p>Research Matters</p>	<p>A first meeting of a Working Group comprised of members from OCUR and the ADM Integration Board is scheduled to be held on November 26, 2009.</p> <p>In order to help advance the issue of research with both the federal and provincial governments, OCUR has identified the need for a new approach to ensure effective delivery of their message. OCUR has committed to making this a priority for their work this year.</p>
<p>Conférence des recteurs et des principaux des universités du Québec (CRÉPUQ)</p>	<p>A Working Group has been struck to develop a new framework and advocacy materials on why research matters. Work on this initiative will be ongoing throughout the year.</p> <p>As part of its outreach efforts, OCUR has signaled an interest in developing closer links with Vice-Presidents Research in Quebec. Initial discussions have been held and a joint meeting among Vice-Presidents Research from COU and CRÉPUQ is tentatively scheduled for Winter 2010.</p>

<p>Medical School Expansion</p>	<p>The 2009 Ontario Budget announced a commitment to establish 100 new undergraduate medical school positions.</p>	<p>The government announced the 100 new positions on May 21, 2009. The government is providing operating funding at the higher funding rate as in past expansions and is providing \$35m in capital funding to support these new positions.</p> <p>The 100 new positions will be introduced at McMaster (21); NOSM (8); Ottawa (12); Toronto (35); and, Western (24) over the next three years, with 24 positions being established in 2009-10; 67 positions in 2010-11, and 9 positions in 2011-12. The positions at McMaster, Toronto and Western will be introduced at the campuses in Hamilton, Toronto and London, respectively, as well as their distributed sites.</p> <p>This increase in undergraduate medical school positions is an important part of the government's physician resource plan and builds on the two previous successful expansions of 160 new positions begun in 2000 and 104 new positions begun in 2005. This third expansion, along with the establishment of the Northern Ontario School of Medicine, will increase the total number of first year spaces from 532 in 2000 to 952 in 2011.</p> <p>Queen's University was not part of this round of expansion because it required funding for a new building for the medical school. The federal and provincial governments announced at the end of May they will provide funding of nearly \$58m to support the construction of a new medical school building at Queen's as part of the recent capital infrastructure projects.</p>
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