CALL TO ACTION:

PRIORITIZING POST-SECONDARY EDUCATION IN ONTARIO

Provincial Election 2025

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About CSA

As a not-for-profit, non-partisan organization, the College Student Alliance (CSA) collaborates with college students, post-secondary education (PSE) stakeholders, and government to enhance the college experience. For 50 years, CSA has represented tens of thousands of full-time college students across Ontario, working alongside student leaders to advocate for their interests at the provincial level. Our advocacy approach is rooted in developing student-driven, evidence-based policy recommendations that seek to uplift the student experience on campus, in the classroom and in the community.

Land Acknowledgement

As a virtual organization historically based in Toronto/GTHA, the College Student Alliance (CSA) acknowledges that we are situated on the traditional territory of many Indigenous nations, including the Anishinaabe, Haudenosaunee, the Mississaugas of the Credit, Huron-Wendat, and First Nations. We recognize the impact of assimilation, displacement, and settler-colonization on Indigenous communities, and commit to advocating for reconciliation, especially seeking to support and uplift Indigenous college students. We honor the resilience of Indigenous Peoples who have shaped this region for centuries and strive for a more equitable future.

RECOMMENDATION 1: INCREASE OPERATING FUNDING TO POST-SECONDARY INSTITUTIONS.

Ontario's college graduates are essential to the province's success, providing the skills needed to drive economic growth in housing, health care, transportation, and more. Currently, 25% of all job vacancies in Ontario require a college education, and this demand is expected to grow, with 36% of new jobs in the coming years requiring college credentials.[1] To meet this growing demand and ensure Ontario's economic security, CSA believes that it is crucial to increase operating grants to post-secondary institutions.

International students in Ontario contribute a notable $16.9 billion to the GDP, making it the lead province in economic impact from international education.[2] Additionally, the college sector's emphasis on STEM education—producing over 25,000 graduates annually—and its robust industry partnerships are critical to addressing labour gaps across key sectors.[1] In the first quarter of 2023, over 22,000 vacancies in health positions required education that only colleges can provide, accounting for nearly 60 per cent of all health sector vacancies in the province.[1]

Ontario's reliance on public colleges for economic impact and competitiveness is undeniable. However, in a hyper-competitive global marketplace for talent, insufficient funding threatens to undermine the province's ability to attract and retain skilled students, faculty, and industry partners. Without proper investment, Ontario risks falling further behind other Canadian jurisdictions, leading to a shortage of qualified graduates, diminished innovation and research capacity, and lost opportunities to secure a leading position in critical sectors.

In 2023, the Blue Ribbon Panel's *Ensuring Financial Sustainability for Ontario's Postsecondary Sector* recommended a significant increase in operating grants, highlighting the need for $2.5 billion in additional funding.[3] This recommendation was made prior to the international student cap, which is expected to result in an average 35-40% drop in total income for institutions in the 2025-26 year.[4] While the current Ontario government has taken a positive first step by investing $1.3 billion in public colleges and universities over three years, this falls short of addressing the funding crisis. The college sector alone faces a funding gap of up to $1 billion by 2026.

Ontario's post-secondary funding has seen a dramatic decline over the past few decades. In the mid-1990s, government funding accounted for approximately 70% of operating revenues for Canadian universities and colleges.[5] Today, in Ontario, it has fallen to just 24%, the lowest level among all provinces (Figure 1). Despite over a 20% rise in full-time enrollments at Ontario colleges over the past decade, the corresponding revenue growth has primarily been driven by student fees rather than increased provincial transfers. Out of the 24 publicly-funded Ontario colleges, only the two francophone colleges—La Cité and Collège Boréale—receive more money from the government than from students.[6] Additionally, Ontario currently has the lowest per-FTE student expenditure in Canada, with Ontario colleges funded at only 44% of the national average.[7]

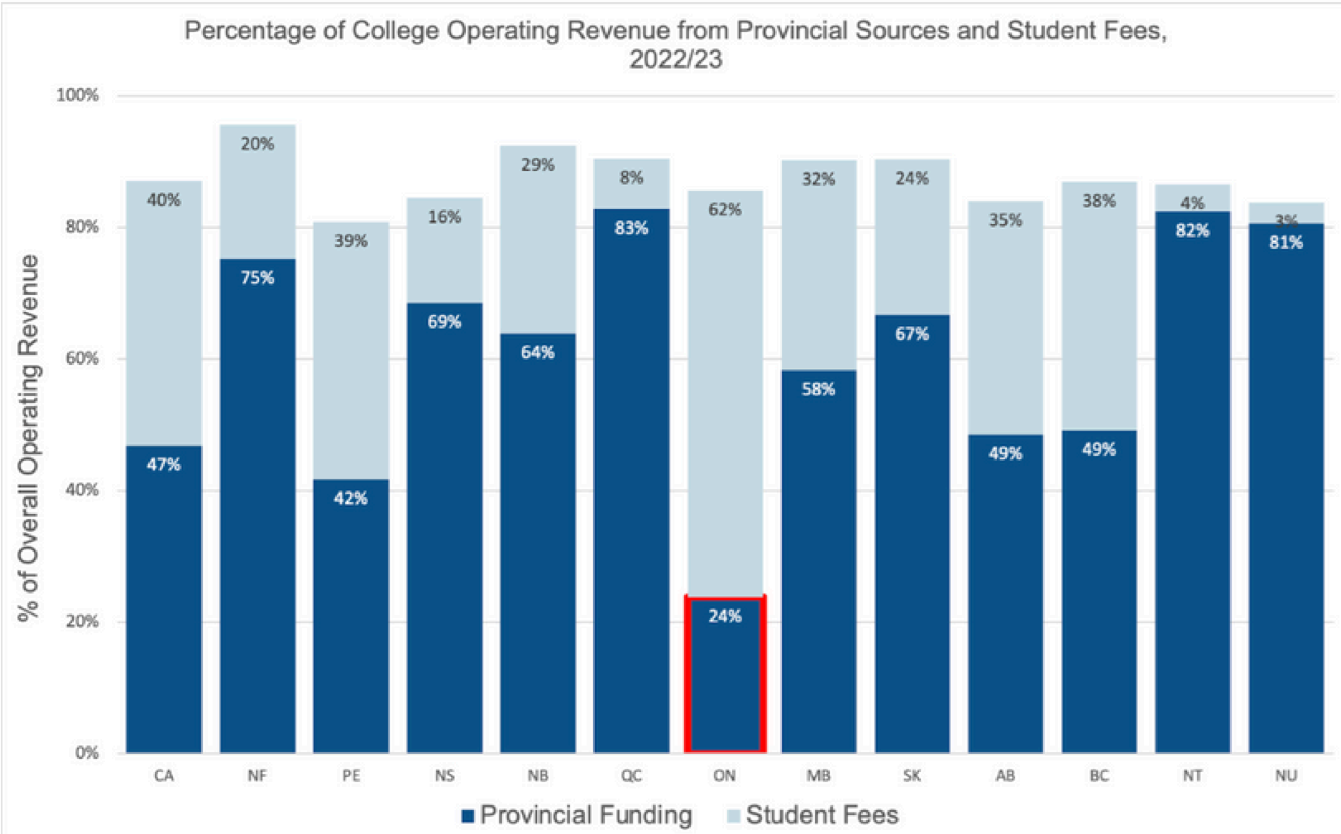

Figure 1 Percentage of Ontario college total operating revenue from provincial funding vs. student fees for 2022-2023. Data sourced from Statistics Canada (2024) Table: 37-10-0028-01.[8]

The current funding model is unsustainable and puts the quality of education at risk. Without action, most public colleges in Ontario will face deficits by 2026. Colleges are already being forced to make difficult decisions on potential campus and program closures that could hurt students, local communities and labour markets.

To ensure continued success and meet the growing demand for skilled graduates, we urge Ontario's political parties to take decisive action. First and foremost, commit to increasing operating grants to support public college students. It's also imperative to align per-student funding with the national average, ensuring Ontario's competitiveness in the post-secondary landscape. This approach will foster a skilled workforce capable of driving growth across various sectors and meeting the evolving demands of the job market, ultimately benefiting both students and the broader economy.

RECOMMENDATION 2: REGULATE INTERNATIONAL STUDENT TUITION.

The second critical recommendation addresses the urgent need for regulation on international student tuition. The current situation has created an unsustainable and potentially exploitative model that puts both institutions and students at risk.

Over the past decade, faced with domestic tuition caps, freezes, and decreasing provincial funding, post-secondary institutions have increasingly relied on revenue generated from international tuition fees. This has led to a staggering 160% increase in international tuition between 2008/09 and 2021/22, compared to a 50% increase in domestic fees.[9] As a result, international students now pay tuition fees that are five times higher than those of domestic students, creating a significant financial burden that directly impacts their mental health and well-being.

The scale of this issue is particularly pronounced in Ontario's college sector. In 2023, 175,000 international student permits were issued for Ontario's public colleges—over four times the number for the province's universities.[10] Ontario's public colleges now make up 19 of the 25 Canadian institutions with the highest number of permits issued since 2021.[10] This over-reliance on international student revenue has created a precarious situation. With recent changes to international student policies, the college sector anticipates hundreds of program closures, including high-cost programs in health and trades that are essential for the labor market, along with significant job losses.

The CSA calls for a clear and predictable formula for international student tuition, aligning with the findings of the government's own Blue-Ribbon Panel. The panel acknowledged the risks associated with the current reliance on international student revenue and called for a more balanced approach. Specifically, capping incoming student tuition at a maximum 5% increase each year, with subsequent increases of a maximum of 3% per year for continuing students, to address concerns about the "unbridled or unmanaged growth" of international student enrollment.[3]

This approach would provide financial predictability for international students, helping to alleviate stress and improve their overall educational experience. It would also allow institutions to plan more effectively, reducing their vulnerability to sudden policy changes or fluctuations in international student enrollment. Moreover, it would help maintain Ontario's competitiveness in the global education market while ensuring that international education remains a sustainable and ethical component of our post-secondary system.

RECOMMENDATION 3: ADJUSTMENTS TO STUDENT FINANCIAL AID.

The next recommendation aiming to improve post-secondary education in Ontario is updating student financial aid. Current measures are insufficient to support students adequately, leading to significant financial strain and negative impacts on student well-being and academic performance. We propose implementing an income-contingent loan system, which would tie loan repayments to a graduate's income, ensuring that repayment obligations remain manageable and providing greater financial security for students while reducing the risk of default.

Furthermore, we strongly support the province's Blue Ribbon Panel recommendation to eliminate interest on Ontario student loans. Six provinces have already eliminated provincial student loan interest, and the federal government removed interest on Canada Student Loans effective in 2023.[11] Interest on student loans creates an unnecessary and detrimental financial burden on graduates who have invested in their education to drive the province's success. The panel also suggested removing the minimum 10% loan requirement for low-income students, which would significantly reduce the financial burden, particularly for those from disadvantaged backgrounds.[3] Over time, Ontario has shifted towards a more loan-heavy model, while other jurisdictions have found success with a higher proportion of grants. For instance, in 2024-25, the federal government extended the increase in full-time Canada Student Grants from $3,000 to $4,200 per year.[12] Ontario should consider a similar approach to reduce student debt loads.

Ontario's grant program for low-income earners was cut in 2019. Figure 2 illustrates the resulting decline in overall student financial aid and the corresponding increase in loan reliance after the discontinuation of this program in 2020. The impact of insufficient financial aid is evident in the high proportion of students graduating with debt. Financial strain is a significant issue, with 64% of college students reporting that it contributes to poor mental health.[13] More than 3 in 4 students find it difficult to afford basic needs, with 60% reporting cutting out necessities to make ends meet.[14] This financial stress negatively impacts students' grades, nutrition, sleep, and social life. By pleading to address these issues, Ontario's leaders can significantly improve the financial well-being of students, reduce barriers to education, and ultimately contribute to a more skilled and productive workforce.

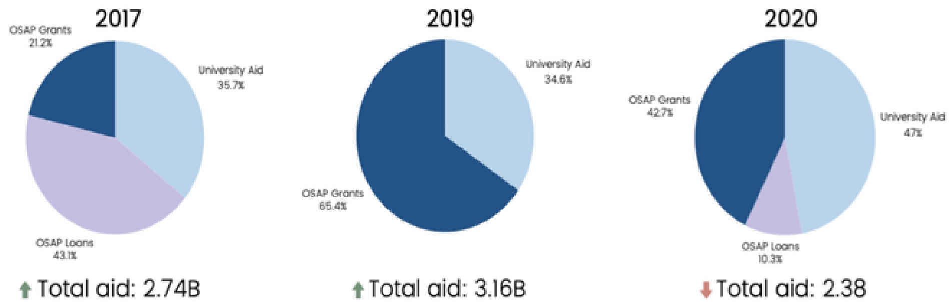

Figure 2 Percentage of total financial aid from OSAP loans, OSAP grants, and university aid in 2017, 2019, and 2020. Data sourced from Common University Data Ontario Student Financial Assistance Table 1 and Table 2.[15]

RECOMMENDATION 4: SUPPORT STUDENT-CENTRED HOUSING, FOOD INSECURITY AND MENTAL HEALTH INITIATIVES.

At the heart of all these issues - underfunding, high international tuition fees, and reduced financial aid - are the students who bear the brunt of these challenges. Our students, the future workforce and leaders of Ontario, are carrying an immense burden that impacts their education, well-being, and future prospects.

The direct effects of an underfunded higher education system are felt directly by students through reduced quality of education, fewer resources, limited academic support, and inadequate financial aid.[16] Research consistently shows that a well-funded system enhances academic success, improves graduation rates, and increases access to well-paying jobs. However, the current financial strain is forcing many students to struggle with affording basic necessities like housing and food.

As outlined in *CSA's 2024/25 Issue Brief* report, we propose targeted funding to address these critical areas of student need. For housing, we recommend supporting tenant rights initiatives by providing students with free legal aid services for tenant complaints and developing housing supports to help students find affordable, quality housing options. To combat food insecurity, we suggest implementing local food programs, such as food coupons and campus local food targets or community partnership incentives. Mental health support is another crucial area requiring attention. We advocate for funding to support the Centre for Innovation in Campus Mental Health (CICMH) to develop best practices for diverse student populations, ensuring that mental health services are accessible and effective for all students.

These recommendations are rooted in CSA's commitment to students as our number one priority. By addressing these fundamental needs, we can create an environment where students can focus on their studies and personal growth without the constant stress of financial insecurity.

While we propose these targeted measures to address immediate student needs, we must acknowledge that the root of many issues students face today lies in financial insecurity - a problem significantly exacerbated by an unsustainable post-secondary education sector. It's imperative that we recognize the long-term implications of these challenges. The burdens students carry today will impact their future financial stability, career prospects, and overall well-being. By investing in student support now, we are investing in the future prosperity of Ontario.

Conclusion

Ontario's post-secondary education system is at a critical juncture, requiring bold and strategic investments to ensure its sustainability, accessibility, and quality. Increasing operating grants to Ontario's colleges is the most urgent and impactful step to address the sector's funding crisis. In addition, CSA highly recommends the regulation of international student tuition, enhancement of student financial aid, and addressing core student needs such as housing, food security, and mental health, to create a system that empowers students and supports the province's economic growth.

With the upcoming provincial election, the timing is perfect for all political parties to demonstrate their commitment to supporting post-secondary education and addressing the pressing needs of students. Ontario's post-secondary education system should truly serve its primary stakeholders—the students—and set them up for success in their academic journeys and beyond. However, these investments will not only improve student outcomes but yield a strong and much-needed return on investment by producing a highly skilled workforce essential for driving economic growth across key industries. Ontario can reestablish itself as a leader in higher education, both nationally and globally, driving long-term growth and prosperity.

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