Behind university cutbacks

by Dan Keeton
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Pssst. Wanna buy some used university buildings? Or perhaps even: Pssst. Wanna buy a used university?

An odd question. But there is every indication the Ontario government is planning to substantially decrease its investment in post-secondary education, and rationalize further the job-training orientation of community colleges.

The result would be the maintenance of universities as training grounds for the silent corporate elite, the colleges as producers of the skilled labor an increasingly capital-intensive industrial economy requires, backed up by a large semi-skilled and unskilled (and probably largely unemployed) labor force.

The desired rationalization of Ontario's post-secondary educational resources could not take place overnight. As government advisors noted in the recent "Henderson Report" on the Commission on Government Spending, "Post-secondary institutions and their clients require considerable lead-time to respond to change, particularly financial arrangements."

Universities Happy Over Lower Funding

Perhaps this explains why the universities were happy to receive a 14.4 percent increase in total post-secondary education grants for the 1976-77 academic year. The Henderson Report, (more aptly entitled the McKeough Report, since provincial treasurer Darcy McKeough chaired the government spending commission) preceded the government funding announcement by scarcely two weeks, hinted darkly that the "public" was not getting an equitable return on its investment in post-secondary education, and that drastic cutbacks in spending might be in the offing.

In fact, increases in university and college financing have decreased in Ontario over the last three years. For the 1974-75 academic year, government funding increased 19.6 percent from the previous year and when it was announced last year that the increase for '75-76 would only be 16.9 percent, university presidents and governing boards across the province protested loudly and immediately implemented cutbacks in their own budgets.

But this year, the Council of Ontario Universities (COU) quietly accepted the 14.4 percent increase, announced by the government on December 15, while noting that enrolment increases were estimated at 5.4 percent, and hence the increase in per student revenue would only be 7 percent.

"Since inflation is still running well above the 8 percent guideline target, the pattern of budget cutbacks which has affected all aspects of university operations in recent years will thus have to be continued", the COU statement undramatically concluded.

One might conclude that Ontario's universities have accepted the obvious need for continuing decreases in funding, and are implementing the government's cutback measures with belt-tightening resignation. But the reason for their complacency may be that, while they feel the "cost-revenue squeeze right now, their salvation lies in government proposals to reduce enrolment."

Reduced Enrolment New Policy

The McKeough Report provides the clear answer to crowded classrooms and declining facilities: universities could maintain and even improve the quality of education, if they were only allowed to drastically reduce enrolment, it said.

Currently the bulk of Ontario universities' financing is pegged enrolment. One full-time undergraduate (or full-time equivalent) is worth one Basic Income Unit, (BIU) in provincial funds. But the report notes that the system moved from an enrolment based financing formula to "a global budgeting approach" in 1974, while simultaneously granting the reduced funds on the stipulation that the institutions keep their fees at the present level.

So the report recommends the government lift its control on tuition, allowing the individual institutions to raise fees as they see fit, and points to an eventual fee increase of 56 percent, to be achieved over a three to four year period.

The effect would be, as the report notes, to make students pay more towards their education. What it doesn't mention is that such high fees (approximately $970 for universities, and $400 for community colleges) would be an effective financial barrier for a large number of those currently enrolled in post-secondary institutions.

What it does is pit accessibility to higher education against the quality of education. Quality can be maintained and even improved if enrolment is cut. In the end both faculty and students lose: if enrolment is reduced, faculty will be laid off.

The report's answers to these problems are perhaps better understood when viewed not as haphazard, emergency measures but as part of an overall plan to restructure the post-secondary education system to meet the needs of an industrial economy dominated by private corporations.

The Ontario Federation of Students suggests this in its brief to Ontario's Interim Committee on Financial Assistance for Students.

This argument is consistent with the recent developments in post-secondary education financing, and the recommendations of the McKeough Report. Despite former MCU minister James Auld's insistance that community colleges are facing budget constraints "at least as severe" as universities, it is worth noting that cutbacks for the former are suggested mainly in the "general-interest" courses, while the McKeough Report endorses the colleges' value as vocational and technical centres.

The brief shows statistics revealing that private corporations share of public expenditure costs have dropped, while personal income taxes have gone up, in the period from 1964-1974.

"Surely it would be more sensible to direct one's assault at the tax system itself...(particularly) on the question of the benefits derived by the corporate sector," the brief states, comparing the benefit corporations receive from post-secondary education compared to what they pay in taxes.

Funny Queen's Park hasn't thought of that.