

# COLLEGE RESOURCES 17



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## 1. HIGHLIGHTS

### REVENUES AND EXPENSES

- In 2015-16, college system revenues totalled more than \$4.1 billion. Grant revenue from all sources accounted for less than half of college system revenue.
- College system expenses amounted to almost \$4 billion in 2015-16. Like other organizations in both the public and private sectors, salaries and benefits are by far the largest expense item for colleges.

### TRENDS IN COLLEGE FUNDING

- In 2016-17, real operating funding per full-time equivalent (FTE) student was 8.8 per cent higher than in 2001-02 – but 14.3 per cent lower than during the peak in 2007-08.
- Per student revenue from operating grants and tuition fees for Ontario colleges continues to be the lowest among the provinces. Funding per student for Ontario colleges continues to be significantly lower than that for secondary schools and universities.
- Space per student is much lower for Ontario colleges (84 square feet per student) in comparison to universities and secondary schools and is actually lower than it was three years ago.
- In April 2015, the Ontario government announced that it would further support the apprenticeship system by providing additional funding for pre-apprenticeship programs and to increase the per diem.
- While the apprenticeship per diem in current dollars is higher than it was in 2001-02, the per diem is 20 per cent lower than it was 15 years ago once inflation is taken into account. The student in-school fee has not increased since it was introduced in 2002-03.

### HUMAN RESOURCES

- Colleges employ more than 47,000 people. Between 2001-02 and 2016-17, the number of full-time staff employed at colleges increased by 35 per cent, while full-time equivalent enrolment increased by 29 per cent.

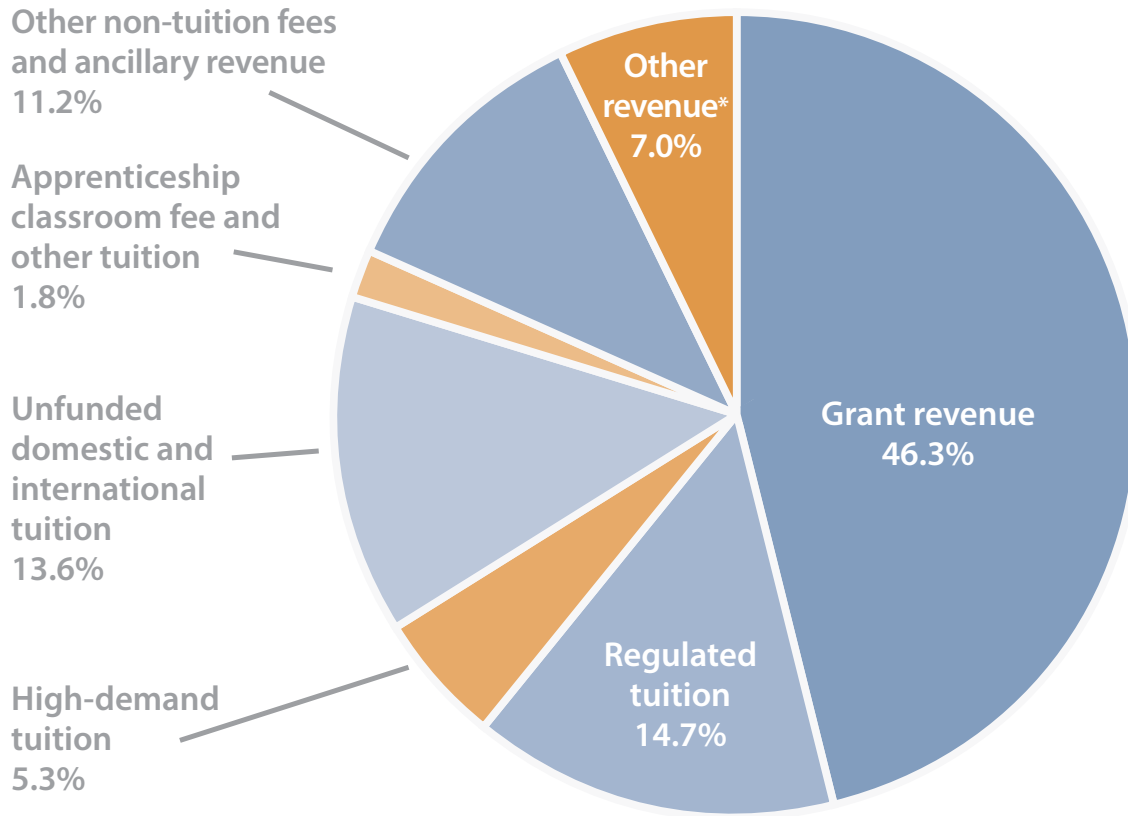
### STUDENT FINANCIAL AID

- In 2015-16, 131,000 college students were OSAP recipients. This represents 69 per cent of the total full-time post-secondary enrolment.
- The OSAP default rate for all post-secondary institutions in 2015 was 8.1 per cent. For the college system, it was 10.8 per cent.

## 2. COLLEGE SYSTEM REVENUES AND EXPENSES

Figure 1. Ontario college system revenues, 2015-16

**Total revenues = \$4,108,994,545**



Source: Ontario Ministry of Advanced Education and Skills Development, college financial information system (CFIS).

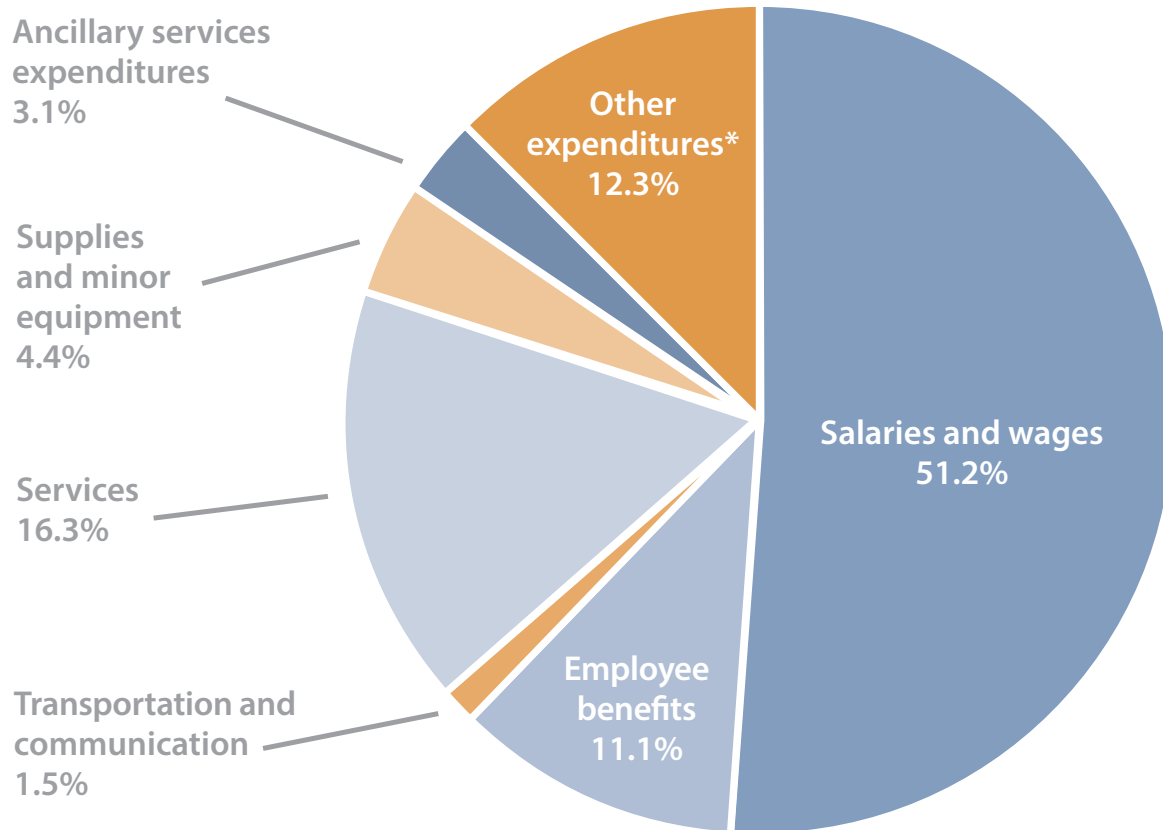
\*Includes contractual and other fee for services.

- In 2015-16, grant revenue from all sources accounted for less than half of college system revenue.
- Tuition fees are a significant source of revenue for colleges. In 2015-16, regulated and high-demand tuition fees accounted for 20 per cent of system revenue.

## 2. COLLEGE SYSTEM REVENUES AND EXPENSES – CONTD.

Figure 2. Ontario college system expenses, 2015-16

**Total expenses = \$3,973,081,330**



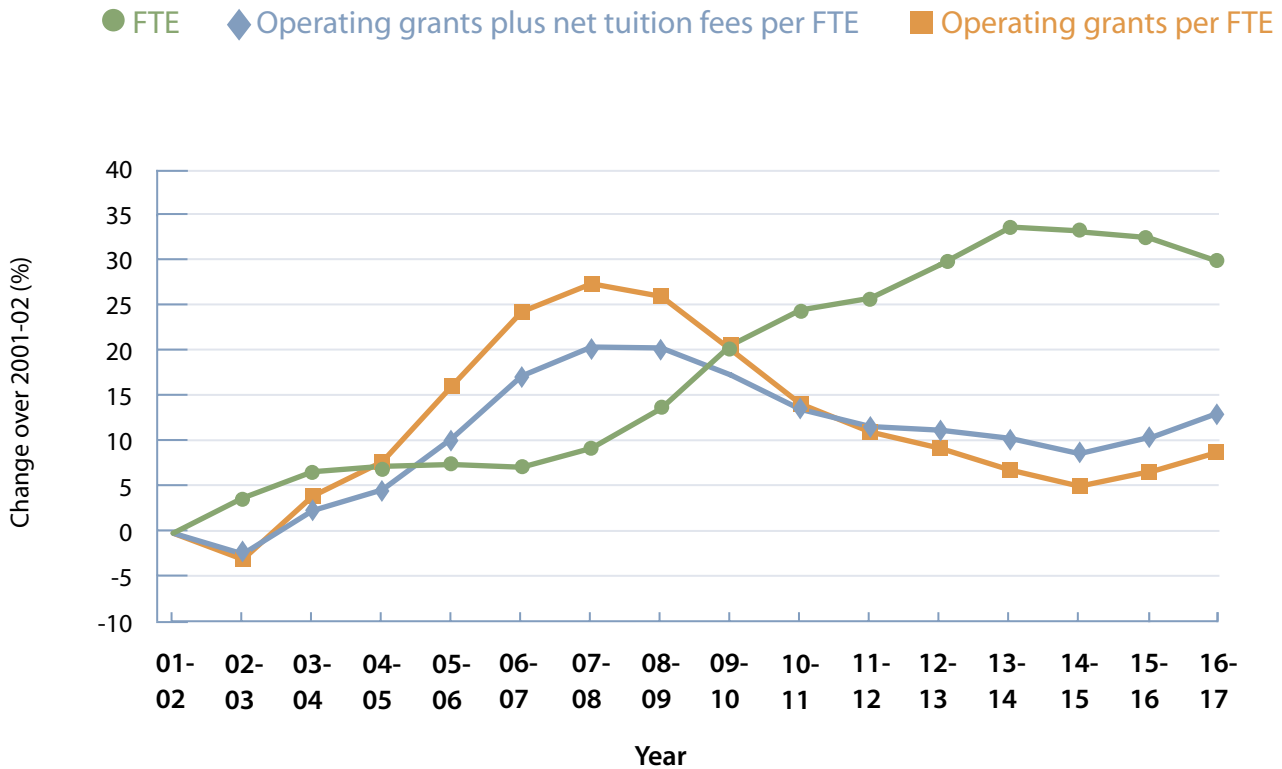
Source: Ontario Ministry of Advanced Education and Skills Development, CFIS.

\*Includes amortization expense.

- College system expenses include items such as amortization expense, contract services, scholarships and student assistance from the tuition set-aside.
- Like other organizations in both the public and private sectors, compensation costs – salaries and benefits – are the largest expense item for colleges.

### 3. TRENDS IN COLLEGE FUNDING

Figure 3. Enrolment and revenue changes, 2001-02 to 2016-17 (indexed to 2001-02)



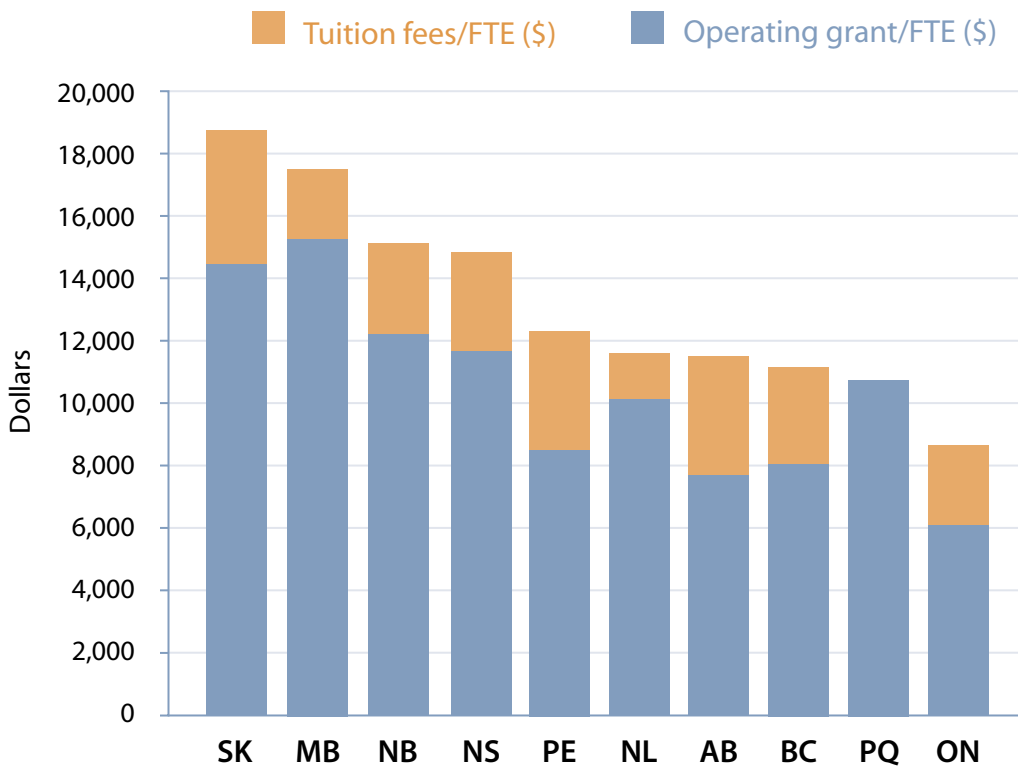
Note: Revenue figures are in constant 2002 dollars. Figures exclude the tuition set-aside, collaborative and second-entry nursing, nursing pilot and clinical education funding for collaborative nursing. Also excluded is the portion of funding for other organizations that is not for the college sector. Regulated tuition fees.

Sources: Ontario Ministry of Advanced Education and Skills Development; Ontario Ministry of Finance; Statistics Canada; Colleges Ontario.

- In 2016-17, real operating grants per student are 8.8 per cent higher than in 2001-02 – but 14.3 per cent lower than they were at their peak in 2007-08.
- When tuition fees and operating grants are considered together, real per student revenue in 2016-17 is estimated to be 12.8 per cent higher than in 2001-02. However, compared to the 2007-08 peak, it is 6.1 per cent lower.

### 3. TRENDS IN COLLEGE FUNDING – CONTD.

Figure 4. Estimated grant and tuition fee revenue per college student, all provinces, 2015-16



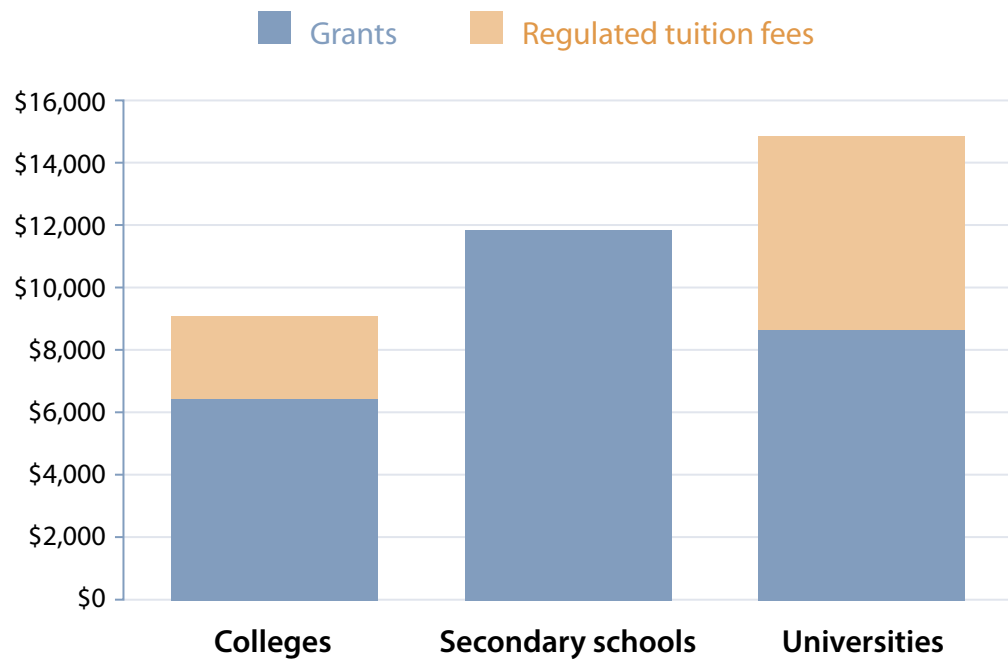
Notes: Ontario figures exclude the tuition set-aside and collaborative and second-entry nursing and clinical education funding for collaborative nursing. Also excluded is the portion of funding for other organizations that is not for the college sector. Regulated tuition fees. Operating grants and enrolments are for provincially funded activity and exclude apprenticeship. Enrolment and funding data for Quebec are for full-time students.

Sources: Colleges Ontario; Ontario Ministry of Advanced Education and Skills Development; relevant provincial ministries.

- When college operating grants and tuition fees are considered together, per student revenue in 2015-16 in Ontario (\$8,603) was significantly lower than in any other province.
- Per student revenue in Saskatchewan was the highest among the provinces and more than double that in Ontario.

### 3. TRENDS IN COLLEGE FUNDING – CONTD.

Figure 5. Operating funding and regulated tuition fees per student, Ontario education sectors, 2016-17



Note: Figures for colleges exclude the tuition set-aside and collaborative and second-entry nursing and clinical education funding for collaborative nursing. Tuition fees for colleges are preliminary estimates. For consistency with the university figures, funding for other organizations is included in the figures for colleges.

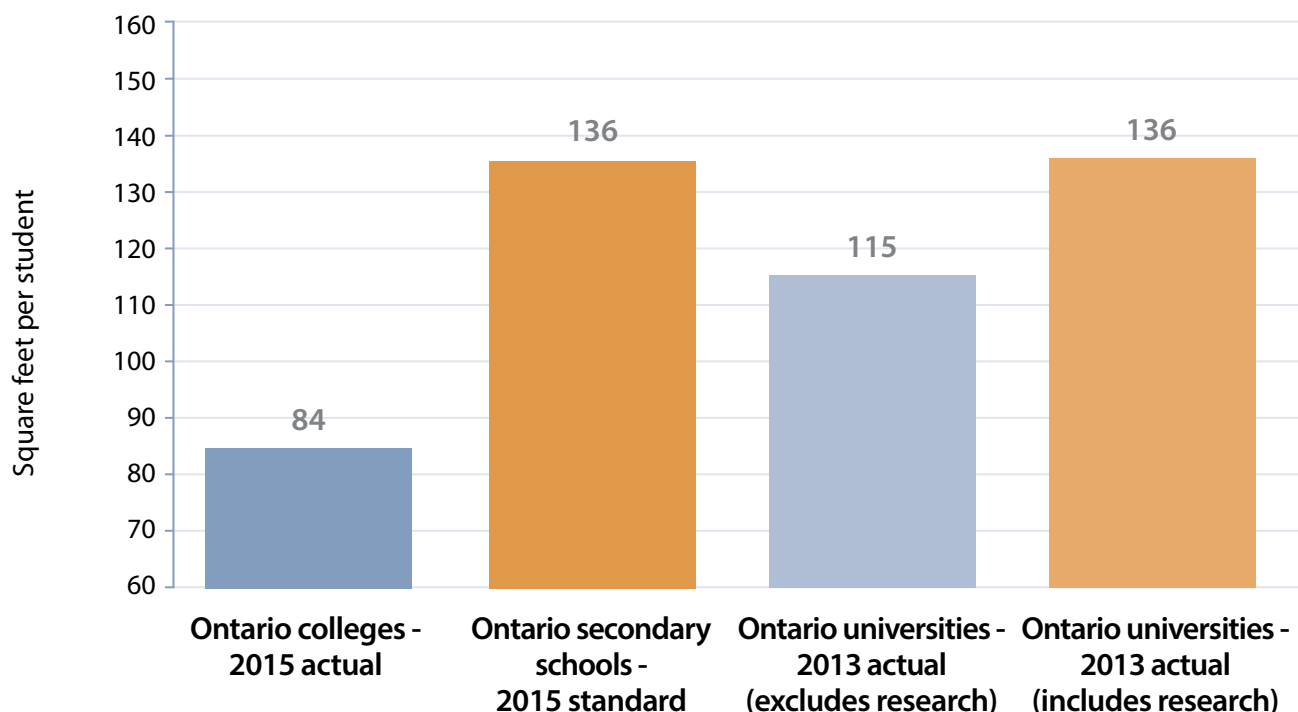
Sources: Ministry of Advanced Education and Skills Development; Ontario Public School Boards Association; Colleges Ontario.

- On a per student basis, funding for Ontario colleges continues to lag that received by publicly funded secondary schools and universities.



### 3. TRENDS IN COLLEGE FUNDING – CONTD.

Figure 6. Square feet per student, Ontario education sectors



Note: Enrolments for colleges represent full college activity (unweighted FTEs).  
Sources: Colleges Ontario; inventory of physical facilities of Ontario universities.

- In 2015, colleges averaged 84 square feet per full-time equivalent student (SF/FTE), excluding residences and parking – significantly lower than that in secondary schools and universities.
- Space per student in the college sector has declined since 2012, when there were 90 SF/FTE. The decline is attributable to a much slower increase in space in comparison to enrolment growth. Between 2012 and 2015, the total space inventory used by colleges increased by less than one per cent whereas enrolment rose by more than seven per cent.
- The federal and Ontario governments, donors and colleges are investing more than \$1.1 billion to enable colleges to add needed space and undertake renovations. Once these new facilities are completed, and assuming that enrolment levels remain stable, Ontario colleges could see an increase in the number of square feet per full-time equivalent student.
- College facilities shortfalls continue to be significant in classroom and laboratory space and learner support facilities.

### 3. TRENDS IN COLLEGE FUNDING – CONTD.

Table 1. Summary of apprenticeship per diem history, 2001-02 to 2016-17

	Per diem fee	Student fee	Total apprenticeship budget per student	Ontario CPI (constant 2002 dollars)	Per diem in constant 2002 dollars	Total per student apprenticeship budget in constant 2002 dollars
2001-02	\$59.81	n/a	\$59.81	98.0	\$61.03	\$61.03
2002-03	\$51.01	\$10	\$61.01	100.0	\$51.01	\$61.01
2003-04	\$52.23	\$10	\$62.23	102.7	\$50.86	\$60.59
2004-05	\$53.47	\$10	\$63.47	104.6	\$51.12	\$60.68
2005-06	\$54.74	\$10	\$64.74	106.9	\$51.21	\$60.56
2006-07	\$56.03	\$10	\$66.03	108.8	\$51.50	\$60.69
2007-08	\$56.03	\$10	\$66.03	110.8	\$50.57	\$59.59
2008-09	\$57.35	\$10	\$67.35	113.3	\$50.62	\$59.44
2009-10	\$57.35	\$10	\$67.35	113.7	\$50.44	\$59.23
2010-11	\$57.35	\$10	\$67.35	116.5	\$49.23	\$57.81
2011-12	\$57.35	\$10	\$67.35	120.1	\$47.75	\$56.08
2012-13	\$57.35	\$10	\$67.35	121.8	\$47.09	\$55.30
2013-14	\$57.35	\$10	\$67.35	123.0	\$46.63	\$54.76
2014-15	\$57.35	\$10	\$67.35	125.9	\$45.55	\$53.49
2015-16	\$61.36	\$10	\$71.36	127.4	\$48.16	\$56.01
2016-17	\$63.09	\$10	\$73.09	129.7	\$48.64	\$56.34
<b>Change 2001-02 to 2016-17</b>	<b>5.5%</b>		<b>22.2%</b>	<b>32.3%</b>	<b>-20.3%</b>	<b>-7.7</b>

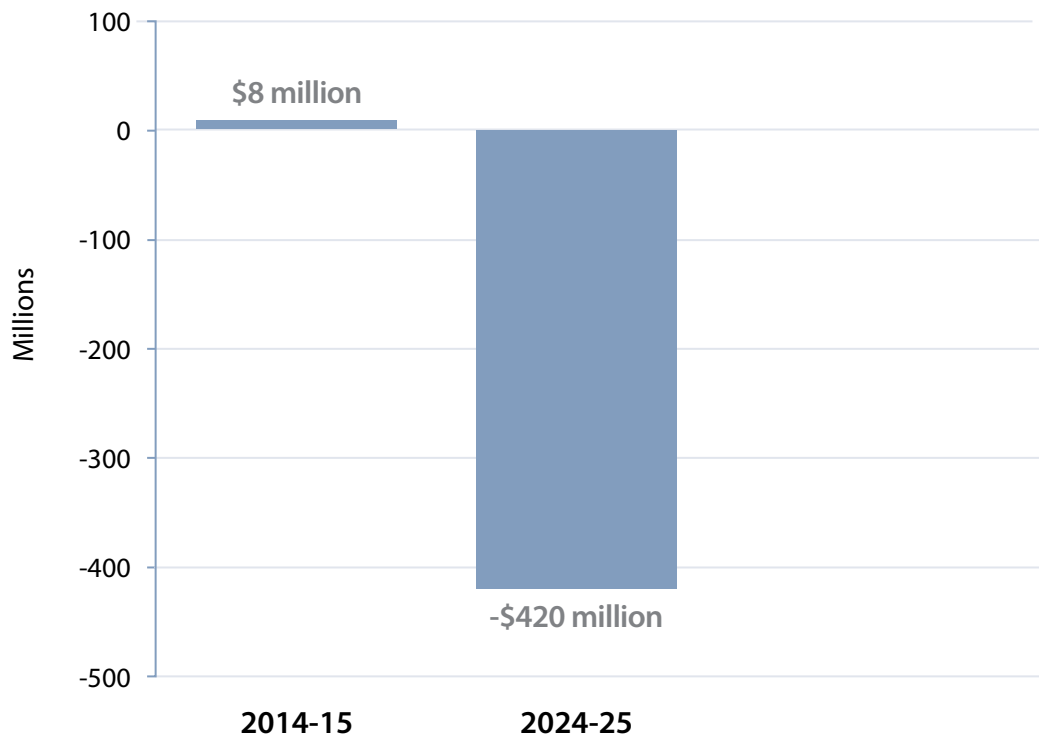
Note: The per diem and classroom fee are based on the standard six-hour training day.

Sources: Ontario Ministry of Advanced Education and Skills Development; Ontario Ministry of Finance; Statistics Canada; Colleges Ontario.

- In April 2015, the government announced that it would provide \$19 million over three years to increase the amount that training delivery agents receive per day, per apprentice to \$61.36 in 2015-16 and to \$63.09 in 2016-17 and beyond.
- In current dollars, the apprenticeship per diem is 5.5 per cent higher than it was in 2001-02. However, after inflation is taken into account, the per diem is 20 per cent lower than it was 15 years ago. The student in-school fee has not increased since its introduction in 2002-03.

### 3. TRENDS IN COLLEGE FUNDING – CONTD.

Figure 7. Projected net revenue position, Ontario college system total (dollars)



Source: PwC, Fiscal Sustainability of Ontario Colleges, 2017, Page 30.

A new report by PwC Canada, commissioned by Colleges Ontario, indicates that if no actions are taken to change current trends of revenues and expenses, Ontario colleges could face an annual operating deficit that will exceed \$400 million a year by 2024-25 and a cumulative shortfall of more than \$1.9 billion by that time.

The report points to three key factors underlying its analysis and conclusions:

- The traditional pool of college-age population will decline across the province.
- Colleges' revenues have been increasing at a slower rate than inflation, which is not sustainable.
- Labour costs (including salaries and wages, benefits and pensions) constitute more than 60 per cent of colleges' expenses.

The PwC modeling shows that most colleges would soon face operating shortfalls that would grow to substantial deficits within a decade. On a proportional basis, PwC projects the deficits to be larger among smaller colleges and those located in more rural and remote areas.

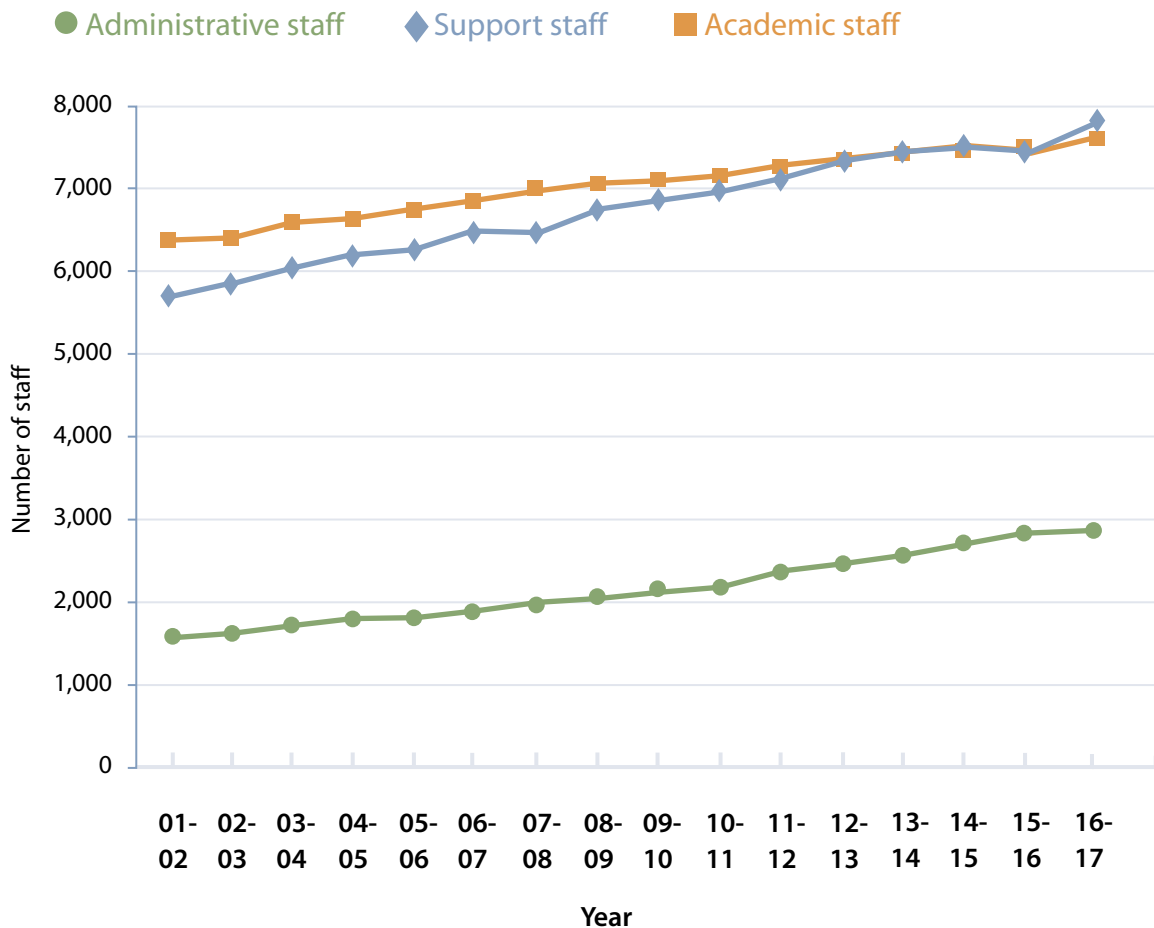
## 4. HUMAN RESOURCES TRENDS

Table 2. College staffing levels (head count), 2016-17

	Full time	Part time	Total
Academic staff	7,667	15,423	<b>23,090</b>
Support staff	7,832	13,556	<b>21,388</b>
Administrative staff	2,915	N/A	<b>2,915</b>
<b>Total</b>	<b>18,414</b>	<b>28,979</b>	<b>47,393</b>

Source: College Employer Council.

Figure 8. Number of full-time college staff by category, 2001-02 to 2016-17



Sources: College Employer Council; Colleges Ontario.

- The total number of full-time staff at colleges increased by 35 per cent between 2001-02 and 2016-17 while full-time equivalent enrolment increased by 29 per cent.

## 5. STUDENT FINANCIAL AID

Table 3. Levels of student assistance and number of recipients, college sector

Year	Canada-Ontario Integrated Student Loans (\$)	Total Canada and Ontario grants excluding OSOG <sup>1,2</sup> (\$)	No. of college OSAP recipients	Total full-time post-secondary enrolment**	% of total
2006-07	457,360,843	64,542,486	63,390	151,147	42%
2007-08	486,729,589	65,951,458	66,994	155,124	43%
2008-09	515,398,451	72,819,012	71,737	161,422	44%
2009-10	545,333,004	152,203,148	81,328	172,070	47%
2010-11	623,246,349	164,232,978	88,712	178,139	50%
2011-12*	689,338,751	195,598,764	111,529	179,740	62%
2012-13	782,584,506	224,477,517	124,551	185,445	67%
2013-14	857,042,853	240,984,355	130,962	192,466	68%
2014-15	832,532,779	243,396,255	128,991	190,758	68%
2015-16	860,539,492	243,991,816	131,304	190,947	69%

Notes: \*Starting in 2011-12, the number of OSAP recipients includes students who received the 30% Off Ontario Tuition grant.

\*\*Full-time post-secondary head count (excludes other, sponsored and international students).

<sup>1</sup> The Ontario Student Opportunity Grant (OSOG) reduces repayable debt on Canada-Ontario Integrated Student Loans to \$7,000 per two-term academic year up until 2009-10, and \$7,300 from 2010-11 to 2014-15. After 2014-15, the OSOG threshold is adjusted annually for inflation.

<sup>2</sup> The composition of Canada and Ontario grants has evolved over the past decade.

Source: Ontario Ministry of Advanced Education and Skills Development.

Table 4. Canada-Ontario Integrated Student Loan default rates for Ontario post-secondary institutions

Type of institution	Default Rate for 2015 (%)
Public colleges	10.8
Universities	3.6
Private career colleges	17.0
Other private and public institutions	3.4
Ontario total	8.1

Note: The default rates reflect the repayment status of borrowers who received the Canada-Ontario Integrated Student Loan in 2012-13, did not receive loans or grants through the OSAP program in 2013-14, and were in default of the loan repayment obligations as of July 2015.

Source: Ontario Ministry of Advanced Education and Skills Development.

## 6. APPENDICIES

### Appendix 1. Operating grants and regulated tuition fee revenues per FTE, 2001-02 to 2016-17

Academic year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Total operating grants <sup>1</sup> (\$millions)	\$746	\$768	\$869	\$918	\$1,014	\$1,101	\$1,171	\$1,233	\$1,246
FTE <sup>2</sup>	169,923	176,482	181,414	182,413	182,873	182,255	185,939	193,420	205,203
Total operating grants per FTE	\$4,389	\$4,349	\$4,788	\$5,034	\$5,545	\$6,039	\$6,300	\$6,373	\$6,070
Ontario CPI (constant 2002 dollars) <sup>3</sup>	98.0	100.0	102.7	104.6	106.9	108.8	110.8	113.3	113.7
Total operating grants per FTE – constant dollars	\$4,479	\$4,349	\$4,662	\$4,813	\$5,187	\$5,551	\$5,686	\$5,625	\$5,339
Regulated tuition fee revenue per FTE <sup>4</sup>	\$1,752	\$1,786	\$1,820	\$1,820	\$1,820	\$1,911	\$2,008	\$2,110	\$2,208
Tuition fee revenue per FTE – constant dollars	\$1,788	\$1,786	\$1,772	\$1,740	\$1,703	\$1,756	\$1,812	\$1,862	\$1,942
Tuition set-aside per FTE <sup>5</sup>	\$160	\$170	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Net tuition fee revenue per FTE	\$1,592	\$1,616	\$1,640	\$1,640	\$1,640	\$1,731	\$1,828	\$1,930	\$2,028
Net tuition fee revenue per FTE – constant dollars	\$1,625	\$1,616	\$1,597	\$1,568	\$1,534	\$1,591	\$1,650	\$1,703	\$1,784
Total operating grants plus net tuition fees per FTE	\$5,981	\$5,965	\$6,428	\$6,674	\$7,184	\$7,770	\$8,128	\$8,303	\$8,098
Total operating grants plus net tuition fees per FTE – constant dollars	\$6,103	\$5,965	\$6,259	\$6,381	\$6,721	\$7,142	\$7,336	\$7,328	\$7,122

Academic year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Per cent change 2001-02 to 2016-17
Total operating grants <sup>1</sup> (\$millions)	\$1,253	\$1,270	\$1,302	\$1,327	\$1,322	\$1,358	\$1,385	85.7
FTE <sup>2</sup>	211,817	214,135	214,135	220,369	225,658	223,692	219,218	29.0
Total operating grants per FTE	\$5,914	\$5,930	\$5,907	\$5,838	\$5,859	\$6,069	\$6,317	43.9
Ontario CPI (constant 2002 dollars) <sup>3</sup>	116.5	120.1	121.8	123.0	125.9	127.4	129.7	32.3
Total operating grants per FTE – constant dollars	\$5,077	\$4,938	\$4,850	\$4,747	\$4,654	\$4,764	\$4,871	8.8
Regulated tuition fee revenue per FTE <sup>4</sup>	\$2,311	\$2,414	\$2,524	\$2,618	\$2,658	\$2,770	\$2,858	63.1
Tuition fee revenue per FTE – constant dollars	\$1,984	\$2,010	\$2,072	\$2,128	\$2,111	\$2,174	\$2,204	23.3
Tuition set-aside per FTE <sup>5</sup>	\$190	\$201	\$212	\$221	\$225	\$236	\$245	53.4
Net tuition fee revenue per FTE	\$2,121	\$2,213	\$2,312	\$2,397	\$2,433	\$2,534	\$2,613	64.1
Net tuition fee revenue per FTE – constant dollars	\$1,820	\$1,843	\$1,899	\$1,949	\$1,932	\$1,989	\$2,015	24.0
Total operating grants plus net tuition fees per FTE	\$8,035	\$8,144	\$8,219	\$8,235	\$8,292	\$8,603	\$8,930	49.3
Total operating grants plus net tuition fees per FTE – constant dollars	\$6,897	\$6,781	\$6,748	\$6,695	\$6,586	\$6,753	\$6,885	12.8

<sup>1</sup> Figures exclude CERF and collaborative and second-entry nursing, nursing pilot and clinical education funding for collaborative nursing. Also excluded is the portion of funding for other organizations that is not for the college sector.

<sup>2</sup> Enrolment for 2016-17 is estimated to decrease two per cent.

<sup>3</sup> Sources for CPI include Statistics Canada and Ontario Ministry of Finance. Other sources include the Ontario Ministry of Advanced Education and Skills Development and Colleges Ontario.

<sup>4</sup> Tuition fee figures for 2016-17 are preliminary estimates and represent regulated fees.

<sup>5</sup> Tuition set-aside figures are estimates.

## Appendix 2. Number of college student assistance recipients, by student type

Student group	2011-12*	2012-13*	2013-14*	2014-15*	2015-16*
Dependent at home	30,994	37,944	40,914	41,587	41,511
Dependent away	31,265	32,250	32,605	31,378	30,683
Independent home	9,257	11,324	12,757	12,934	15,175
Independent away	23,610	25,561	26,579	25,387	26,074
Married	8,427	8,827	9,184	9,000	9,403
Sole support	7,976	8,645	8,923	8,705	8,458
<b>Total</b>	<b>111,529</b>	<b>124,551</b>	<b>130,962</b>	<b>128,991</b>	<b>131,304</b>

Note: \*From 2011-12 and onwards, numbers include students who received the 30% Off Ontario Tuition.

Source: Ontario Ministry of Advanced Education and Skills Development.

## Appendix 3. Average student assistance issued to college students, by student type (\$)

Student group	2011-12*	2012-13*	2013-14*	2014-15*	2015-16*
Dependent at home	4,015	4,222	4,495	4,522	4,684
Dependent away	6,098	6,538	7,112	7,328	7,465
Independent home	5,620	5,782	6,089	6,096	6,295
Independent away	10,394	10,644	10,874	10,899	10,465
Married	14,333	14,637	14,936	14,363	15,569
Sole support	19,009	19,576	19,986	19,890	19,691
<b>Total</b>	<b>7,935</b>	<b>8,086</b>	<b>8,384</b>	<b>8,341</b>	<b>8,414</b>

Note: \*From 2011-12 and onwards, numbers include students who received the 30% Off Ontario Tuition.

Source: Ontario Ministry of Advanced Education and Skills Development.

## Appendix 4. Distribution of student assistance recipients by post-secondary sector and student group, 2015-16\*

	Married/sole support		Independent		Dependent	
	Number	Per cent	Number	Per cent	Number	Per cent
Colleges of applied arts and technology	17,861	52.8%	41,249	40.1%	72,194	31.4%
Universities	8,156	24.1%	55,560	54.0%	155,077	67.5%
Private career colleges	7,523	22.2%	4,671	4.5%	1,727	0.8%
Other Ontario post-secondary institutions	302	0.9%	1,405	1.4%	681	0.3%

Note: \*Distribution of recipients attending Ontario institutions.

Source: Ontario Ministry of Advanced Education and Skills Development.