

COLLEGE RESOURCES

Environmental Scan ∴ 2010

AN ANALYSIS
OF TRENDS AND
ISSUES AFFECTING
ONTARIO



COLLEGES | COLLÈGES
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College resources

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1.0 HIGHLIGHTS

REVENUES AND EXPENSES

- In 2008-09, college system revenues totaled almost \$2.98 billion. Grants accounted for more than half of college system revenues.
- College system expenses amounted to about \$2.93 billion. 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

- Despite the positive impact of the *Reaching Higher Plan* on operating grants for colleges, in 2009-10 real operating funding per student (full-time equivalent - FTE) was about seven per cent lower than it was in 1994-95. In contrast, college enrolments in 2009-10 were almost 26 per cent higher than in 1994-95.
- Per student revenues from operating grants and tuition fees for Ontario colleges continue to be the lowest among the provinces. Funding (per student) for Ontario colleges also continues to significantly lag that for secondary schools and universities.
- In current dollars, the apprenticeship per diem has changed little since 1994-95. After inflation is taken into account, the per diem has decreased by 26 per cent. The student in-school fee has offset some of this reduction.

HUMAN RESOURCES

- Colleges employ almost 37,000 people. Between 1994-95 and 2008-09, the number of full-time staff employed at colleges decreased slightly, whereas the number of students (FTEs) increased significantly.

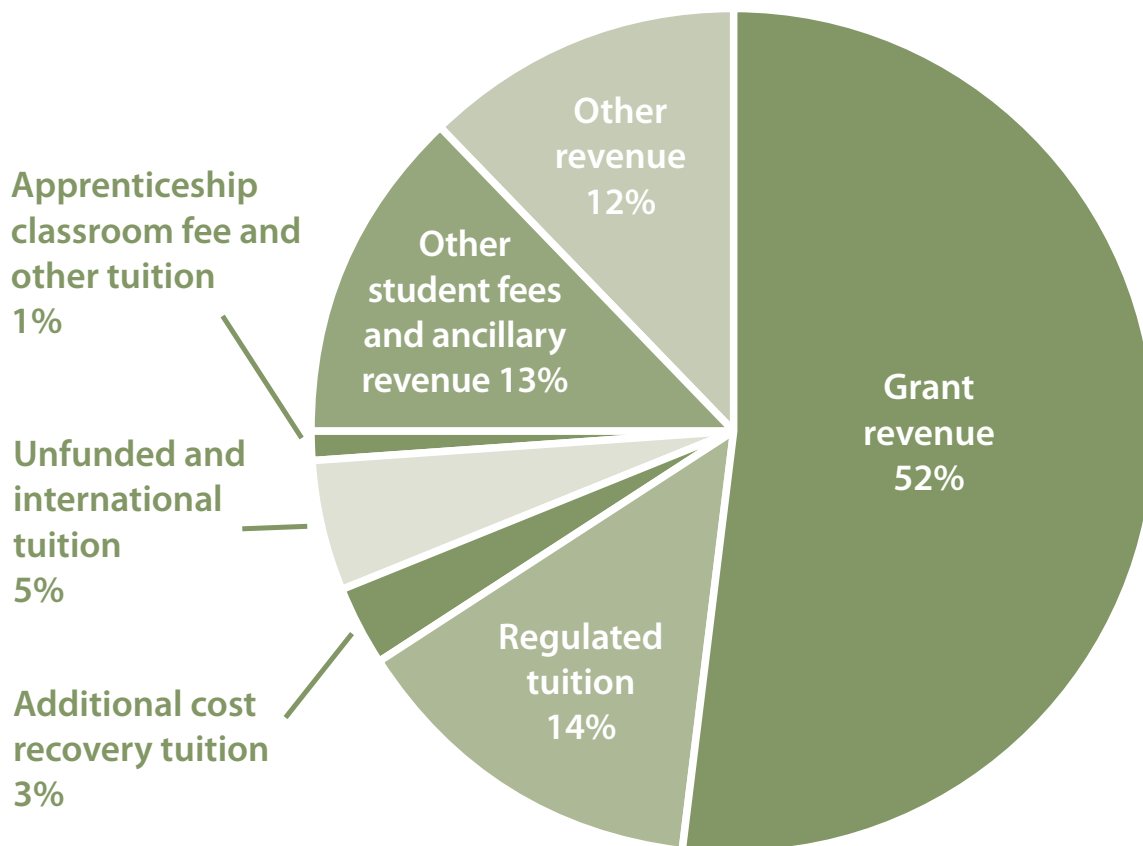
STUDENT FINANCIAL AID

- In 2008-09, about 72,000 college students were Ontario Student Assistance Program (OSAP) recipients (44 per cent of total full-time college students).
- The OSAP default rate for the college system was 10.6 per cent in 2008, slightly lower than in 2007.

1.1 COLLEGE SYSTEM REVENUES AND EXPENSES

Figure 1. Ontario college system revenues, 2008-09

Total revenue = \$2,979,769,175



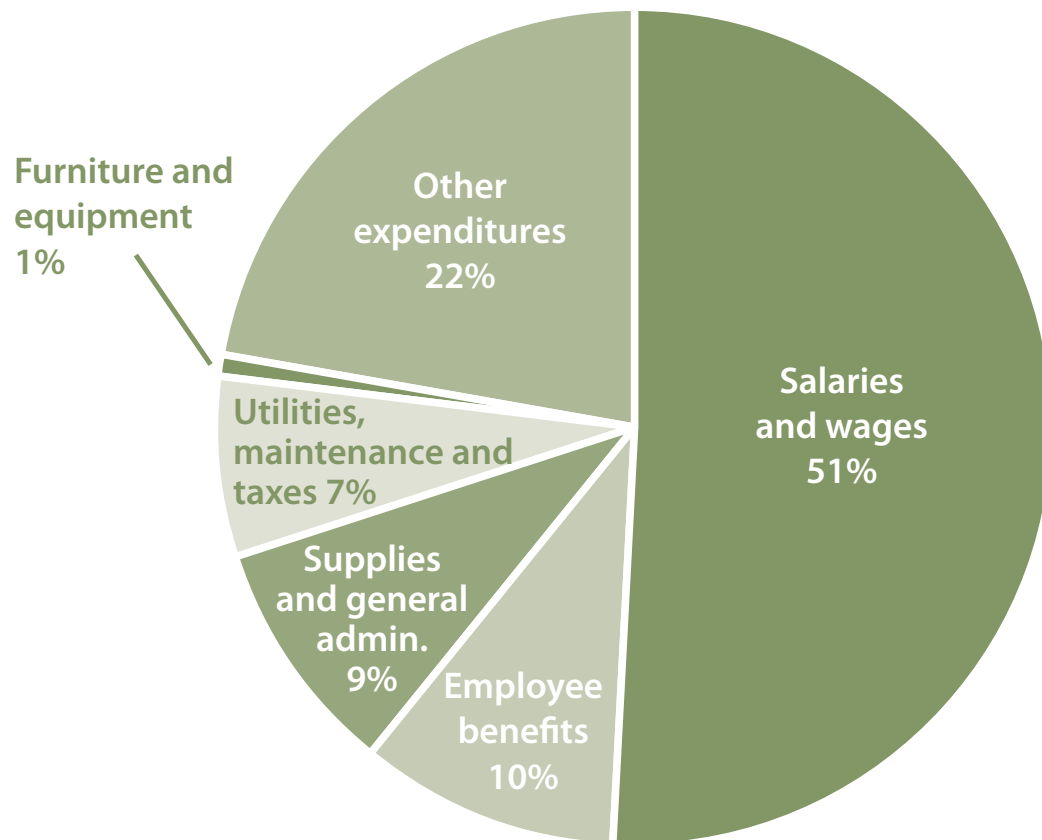
Note: Grant revenue is from all sources.

Source: Ontario Ministry of Training, Colleges and Universities, CFIS 2008-09.

- Grants account for more than half of college system revenues. Tuition fees are also a significant source of revenue for colleges and account for slightly more than 22 per cent of system revenues.

Figure 2. Ontario college system expenses, 2008-09

Total expenses = \$2,928,981,264



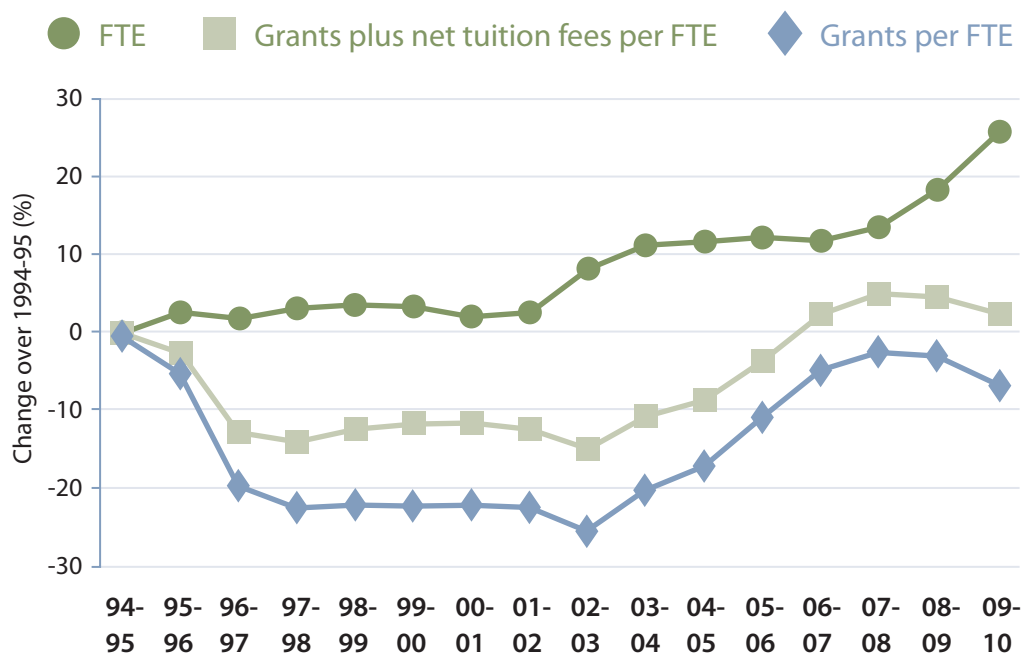
Note: Other expenditures include ancillary services expenditures.

Source: Ontario Ministry of Training, Colleges and Universities, CFIS 2008-09.

- College system expenses include items such as flow-through expenditures, contract services, scholarships and the tuition set-aside.
- Compensation costs (salaries and benefits) are the largest expense item for colleges.

1.2 TRENDS IN COLLEGE FUNDING

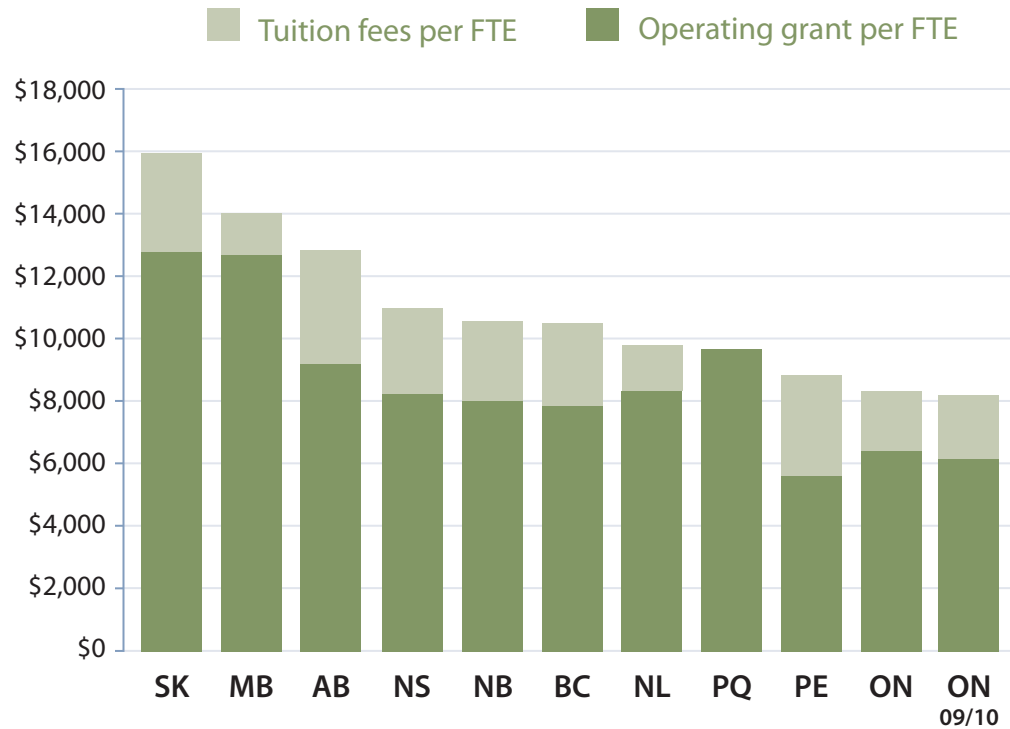
Figure 3. Enrolment and revenue changes, 1994-95 to 2009-10 (indexed to 1994-95)



Note: Revenue figures are in constant 2002 dollars. Figures exclude the tuition set aside and Collaborative and Second Entry Nursing.
Source: Ontario Ministries of Training, Colleges and Universities and Finance, Statistics Canada and Colleges Ontario.

- Despite the positive impact of *Reaching Higher*, in 2009-10 real operating grants per student were seven per cent lower than in 1994-95.
- In comparison, college enrolments were almost 26 per cent higher than they were in 1994-95.
- When tuition fees and operating grants are considered together, real per student revenue was about two per cent higher than in 1994-95.

Figure 4. Estimated grant and tuition fee revenue per college student, for all provinces 2008-09 and Ontario 2009-10

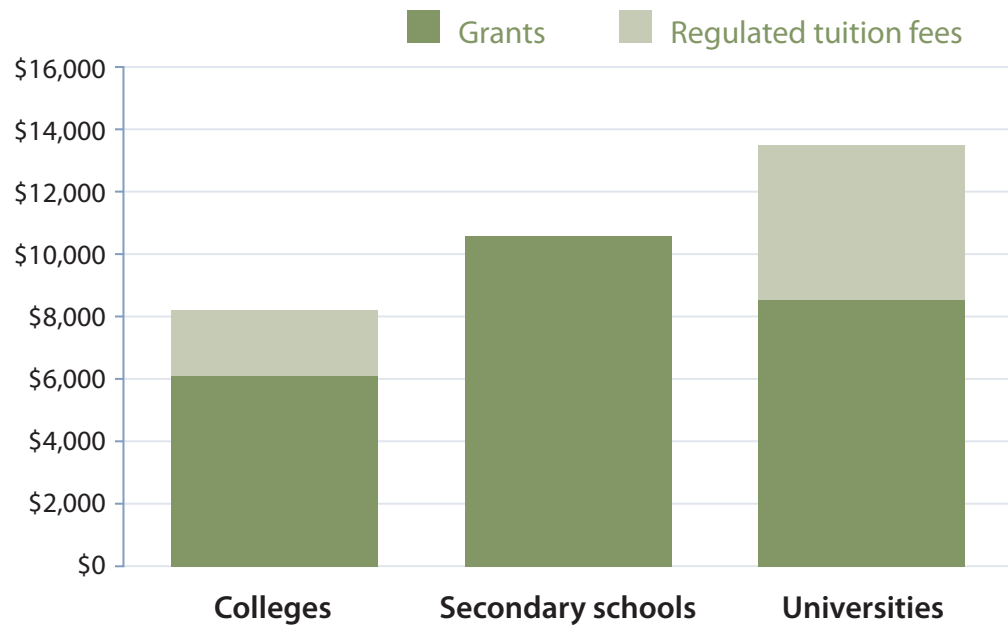


Notes: Ontario figures exclude the tuition set aside and Collaborative and Second Entry Nursing. Operating grants and enrolments are for provincially funded activity and exclude apprenticeship. Enrolment and funding data for Quebec are for full-time students.

Sources: Colleges Ontario, Ontario Ministry of Training Colleges and Universities, relevant provincial ministries.

- When college operating grants and tuition fees are considered together, in 2008-09 per student revenue in Ontario (\$8,332) was the lowest among the provinces.
- Per student revenue (operating grants plus tuition fees) in Ontario was about 48 per cent lower than that in Saskatchewan, the province with the highest level of per student revenue (\$15,950).

Figure 5. Operating funding and regulated tuition fees per student for Ontario education sectors, 2009-10



Note: Figures for colleges exclude the tuition set aside and Collaborative and Second Entry Nursing. Fees for universities are for first-year Arts and Sciences.

Source: Ministry of Training, Colleges and Universities and Ontario Public School Boards Association.

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

Table 1. Summary of apprenticeship per diem history, 1994-95 to 2009-10

	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
1994-95	\$57.63	n/a	\$57.63	84.7	\$68.04	\$68.04
1995-96	\$58.64	n/a	\$58.64	86.8	\$67.56	\$67.56
1996-97	\$58.64	n/a	\$58.64	88.2	\$66.49	\$66.49
1997-98	\$58.64	n/a	\$58.64	89.8	\$65.30	\$65.30
1998-99	\$58.64	n/a	\$58.64	90.6	\$64.72	\$64.72
1999-00	\$58.64	n/a	\$58.64	92.4	\$63.46	\$63.46
2000-01	\$58.64	n/a	\$58.64	95.1	\$61.66	\$61.66
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
Change 1994-95 to 2009-10	-0.5%	n/a	16.9%	34.2%	-25.9%	-12.9%

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

Sources: Ontario ministries of Training, Colleges and Universities and Finance, Statistics Canada and Colleges Ontario.

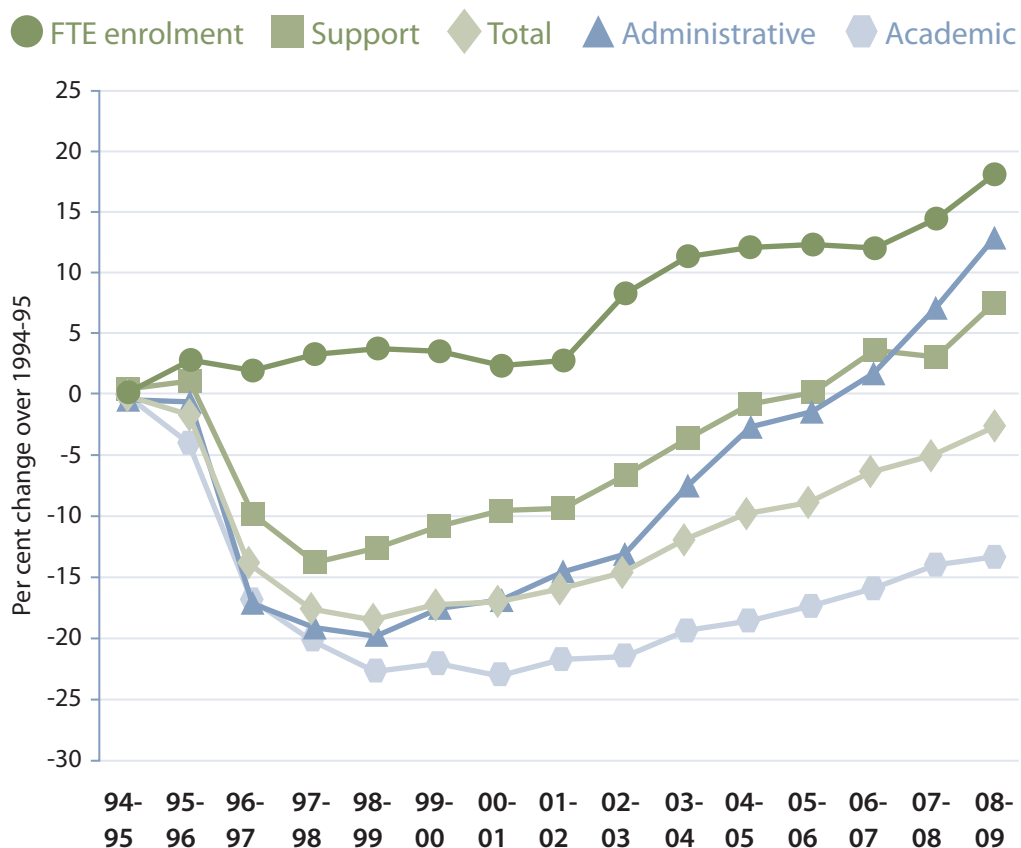
1.3 HUMAN RESOURCES TRENDS

Table 2. College staffing levels, 2008-09

	Full-time	Part-time	Total
Academic staff	7,051	11,783	18,834
Support staff	6,751	9,110	15,861
Administrative staff	2,069	n/a	2,069
Total	15,871	20,893	36,764

Source: College Employer Council.

Figure 6. Changes in full-time college staff and FTE enrolment levels, 1994-95 to 2008-09 (indexed to 1994-95)



Source: College Employer Council, Ontario Ministry of Training, Colleges and Universities and Colleges Ontario.

- The number of full-time staff at colleges decreased slightly between 1994-95 and 2008-09. In contrast, the number of students (FTE) increased significantly during this period.

1.4 STUDENT FINANCIAL AID

Table 3. Levels of student assistance and number of recipients*

Year	Canada student loan (current \$)	Ontario student loan (current \$)	No. of college OSAP recipients	Total full-time postsecondary enrolment**	% of total
1995-96	215,629,393	185,478,505	73,096	134,127	54%
1996-97	260,511,404	241,772,883	72,329	134,409	54%
1997-98	267,928,680	246,830,445	71,885	135,831	53%
1998-99	253,665,820	210,114,562	68,539	136,170	50%
1999-00	236,765,028	195,673,536	63,767	137,342	46%
2000-01	208,400,244	175,446,527	55,648	135,136	41%
2001-02	191,759,052	161,653,012	51,042	138,103	37%
2002-03	195,144,941	162,868,898	52,055	147,391	35%
2003-04	209,840,409	165,630,631	54,133	152,446	36%
2004-05	211,635,640	178,704,456	55,384	153,881	36%
2005-06	261,777,389	195,504,480	59,605	151,558	39%
2006-07	279,555,035	203,166,375	63,390	151,354	42%
2007-08	294,604,639	193,135,259	66,994	155,288	43%
2008-09	316,441,612	204,509,499	71,737	162,070	44%

*Ontario Student Loan entitlement includes Canada Millennium Bursary. Students may receive an Ontario Student Opportunity Grant (OSOG) for the portion of the loan that exceeds \$7000. Commencing in 1999-00, Millennium Bursary recipients may receive enhanced OSOG for the portion of the loan that exceeds \$6,500.

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

Source: Ontario Ministry of Training, Colleges and Universities.

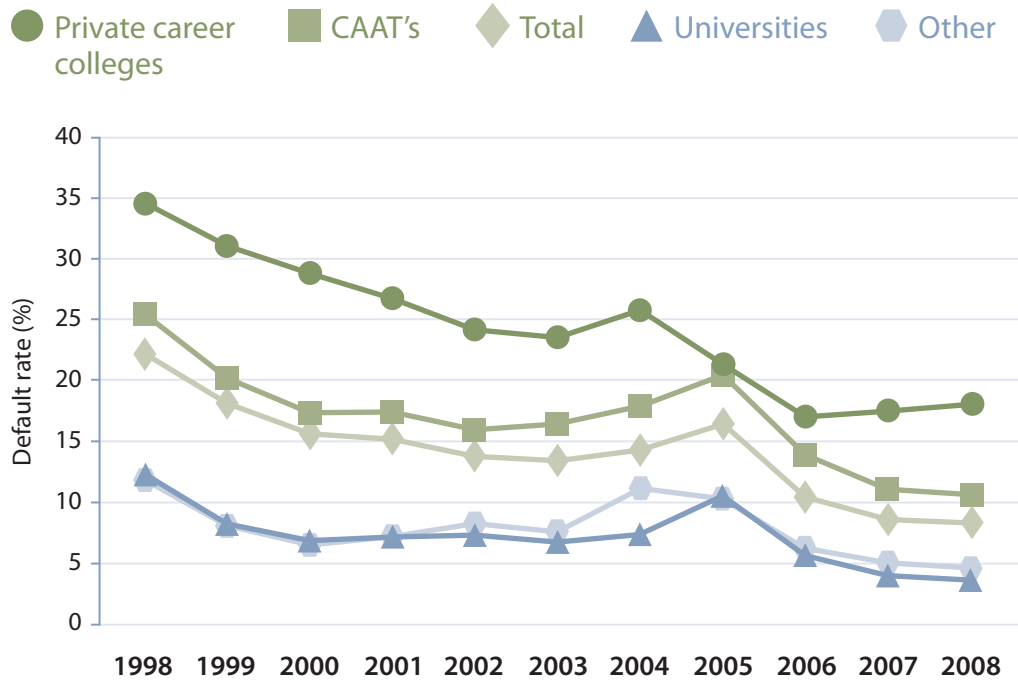
Table 4. OSAP default rates by type of institution, 2007 and 2008

Type of institution	Rate for 2007 (%)	Rate for 2008 (%)
Colleges	11.0	10.6
Universities	4.3	3.9
Private career colleges	17.5	18.0
Other Institutions	4.8	4.3
Postsecondary system total	8.6	8.4

Source: OSAP (<http://osap.gov.on.ca>).

- The OSAP default rate for colleges falls mid-way between that for universities and private career colleges.

Figure 7. OSAP loan default rates, 1998 to 2008



Source: OSAP (<http://osap.gov.on.ca>).

- The total default rate for all postsecondary institutions in 2008 (8.4 per cent) was about 38 per cent of what it had been in 1998 (22.1 per cent).

1.5 APPENDICES

Appendix 1. Operating grants and regulated tuition fee revenue per FTE, 1994-95 to 2009-10

Academic Year	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Total operating grants ¹ (\$Millions)	\$807.9	\$809.2	\$688.8	\$686.5	\$698.9	\$709.1	\$722.2	\$745.8	\$767.6
FTE ²	163,498	167,977	166,165	168,560	169,367	168,997	166,912	167,679	176,473
FTE index	0.0	2.7	1.6	3.1	3.6	3.4	2.1	2.6	7.9
Total operating grants per FTE	\$4,941	\$4,817	\$4,145	\$4,073	\$4,127	\$4,196	\$4,327	\$4,448	\$4,350
Ontario CPI (constant 2002 dollars) ³	84.7	86.8	88.2	89.8	90.6	92.4	95.1	98.0	100.0
Total operating grants per FTE – constant dollars	\$5,834	\$5,550	\$4,700	\$4,535	\$4,555	\$4,541	\$4,550	\$4,539	\$4,350
Total operating grants per FTE – constant dollars – index	0	-4.9	-19.4	-22.3	-21.9	-22.2	-22.0	-22.2	-25.4
Tuition fee revenue per FTE ⁴	\$1,008	\$1,109	\$1,275	\$1,403	\$1,543	\$1,684	\$1,718	\$1,752	\$1,786
Tuition fee revenue per FTE – constant dollars	\$1,190	\$1,278	\$1,446	\$1,562	\$1,703	\$1,823	\$1,807	\$1,788	\$1,786
Tuition set-aside per FTE ⁵	\$0	\$0	\$17	\$55	\$97	\$139	\$150	\$160	\$170
Net tuition fee revenue per FTE	\$1,008	\$1,109	\$1,258	\$1,348	\$1,446	\$1,545	\$1,569	\$1,592	\$1,616
Net tuition fee revenue per FTE – constant dollars	\$1,190	\$1,278	\$1,427	\$1,501	\$1,596	\$1,672	\$1,649	\$1,625	\$1,616
Net tuition fee revenue per FTE – constant dollars – index	0	7.4	19.9	26.1	34.1	40.5	38.6	36.5	35.8
Total operating grants plus net tuition fees per FTE	\$5,949	\$5,926	\$5,404	\$5,421	\$5,573	\$5,741	\$5,895	\$6,040	\$5,966
Total operating grants plus net tuition fees per FTE – constant dollars	\$7,024	\$6,828	\$6,127	\$6,036	\$6,151	\$6,213	\$6,199	\$6,163	\$5,966
Total operating grants plus net tuition fees per FTE – constant dollars – index	0	-2.8	-12.8	-14.1	-12.4	-11.5	-11.7	-12.3	-15.1

Academic Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Per cent change 1994-95 to 2009-10
Total operating grants ¹ (\$Millions)	\$868.6	\$921.6	\$1,018.5	\$1,105.4	\$1,177.1	\$1,238.3	\$1,264.3	56.5
FTE ²	181,415	182,404	183,024	182,239	185,929	193,420	205,412	25.6
FTE index	11.0	11.6	11.9	11.5	13.7	18.3	25.6	
Total operating grants per FTE	\$4,788	\$5,053	\$5,565	\$6,066	\$6,331	\$6,402	\$6,155	24.6
Ontario CPI (constant 2002 dollars) ³	102.7	104.6	106.9	108.8	110.8	113.3	113.7	34.2
Total operating grants per FTE – constant dollars	\$4,662	\$4,830	\$5,206	\$5,575	\$5,714	\$5,651	\$5,414	-7.2
Total operating grants per FTE – constant dollars – index	-20.1	-17.2	-10.8	-4.4	-2.1	-3.1	-7.2	
Tuition fee revenue per FTE ⁴	\$1,820	\$1,820	\$1,820	\$1,911	\$2,008	\$2,110	\$2,208	119.0
Tuition fee revenue per FTE – constant dollars	\$1,772	\$1,740	\$1,703	\$1,756	\$1,812	\$1,862	\$1,942	63.2
Tuition set-aside per FTE ⁵	\$180	\$180	\$180	\$180	\$180	\$180	\$180	
Net tuition fee revenue per FTE	\$1,640	\$1,640	\$1,640	\$1,731	\$1,828	\$1,930	\$2,028	101.2
Net tuition fee revenue per FTE – constant dollars	\$1,597	\$1,568	\$1,534	\$1,591	\$1,650	\$1,703	\$1,784	49.9
Net tuition fee revenue per FTE – constant dollars – index	34.2	31.7	28.9	33.7	38.6	43.1	49.9	
Total operating grants plus net tuition fees per FTE	\$6,428	\$6,693	\$7,205	\$7,797	\$8,159	\$8,332	\$8,183	37.5
Total operating grants plus net tuition fees per FTE – constant dollars	\$6,259	\$6,398	\$6,740	\$7,166	\$7,364	\$7,354	\$7,197	2.5
Total operating grants plus net tuition fees per FTE – constant dollars – index	-10.9	-8.9	-4.0	2.0	4.8	4.7	2.5	

¹ Figures exclude CERF and Collaborative and Second Entry Nursing.

² Enrolment figures for 2009-10 assume 6.2 per cent growth.

³ Sources include Statistics Canada, Ontario ministries of Training, Colleges and Universities (MTCU) and Finance.

⁴ Tuition fee figures were obtained from MTCU and are based on tuition fee reports submitted by colleges.

⁵ Tuition set aside is constant at the 2005-06 level.

Appendix 2. Number of awards by student group

Student group	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Dependent at home	11,283	10,400	11,443	12,362	12,577	13,581	14,651	16,011	17,172
Dependent away	15,541	14,249	14,773	15,364	15,076	15,675	16,765	18,261	19,821
Independent*	15,668	14,442	14,045	14,821	16,508	19,063	20,535	21,256	22,807
Married	5,998	5,566	5,777	5,883	5,757	5,809	5,837	5,690	5,942
Sole support	7,087	6,375	6,011	5,703	5,466	5,477	5,602	5,775	5,995
Other	71	10	6	0	0	0	0	1	0
Total	55,648	51,042	52,055	54,133	55,384	59,605	63,390	66,994	71,737

*Prior to 2004-05, includes students who qualify as independent students under the Canada Student Loans Program and dependent students under the Ontario Student Loans Program.

Source: Ontario Ministry of Training, Colleges and Universities.

Appendix 3. Average loan entitlement by student group*

Student group	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Dependent at home	3,146	3,336	3,467	3,676	3,825	3,826	3,727	3,577	3,527
Dependent away	6,089	6,016	6,160	6,360	6,416	6,803	6,713	6,549	6,388
Independent**	6,384	6,381	6,363	6,512	6,903	8,001	8,146	8,254	8,431
Married	9,719	9,732	9,938	10,117	10,147	11,156	11,134	11,956	11,995
Sole support	13,400	13,575	13,395	13,375	13,378	14,853	14,870	15,772	15,968
Other	6,358	12,647	6,988	0	0	0	0	1,544	0
Total	6,898	6,924	6,878	6,936	7,048	7,672	7,615	7,942	7,718

*Canada Student Loan & Ontario Student Loan entitlement divided by number of awards. Entitlement includes Canada Millennium Bursary. Students may receive an Ontario Student Opportunity Grant (OSOG) for the portion of the loan that exceeds \$7,000. Commencing in 1999-00, Millennium Bursary recipients may receive enhanced OSOG for the portion of the loan that exceeds \$6,500.

**Prior to 2004-05, includes students who qualify as independent students under the Canada Student Loans Program and dependent students under the Ontario Student Loans Program.

Source: Ontario Ministry of Training, Colleges and Universities.

Appendix 4. Distribution of loan recipients by student group and sector, 2008-09

	Married/sole support		Independent		Dependent	
	Number	Per cent	Number	Per cent	Number	Per cent
Colleges of applied arts and technology	11,937	16.5%	22,807	31.6%	36,993	51.5%
Universities	7,540	5.8%	37,398	29.1%	83,223	64.9%
Private career colleges (formerly PVSs)	4,744	45.0%	4,129	39.2%	1,641	15.5%