



the Educator

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For Fanshawe College Professors, Librarians and Counsellors

Education is not filling a bucket but lighting a fire – W. B. Yeats

LET'S MAKE A DEAL!

RELUCTANT ENTREPRENEURS: THE CULTURE OF THE DEAL AT ONTARIO COLLEGES



Mark Feltham

Ontario colleges have in recent years engaged in a flurry of deal-making, including attempts to partner with private colleges, proposed (and actual) ventures into Saudi Arabia, and various spin-off entities meant to turn a profit.

In 2014, for example, Fanshawe College pursued a deal with TriOs College; this deal never materialized, but it provides a concrete local example of the culture of deal-making at Ontario colleges. Other colleges, including St. Clair in Windsor and Cambrian in Sudbury, have had active partnerships with private colleges. Fanshawe never did expand into Saudi Arabia; Algonquin College, however, did, though it has subsequently announced the end of this venture. The cost of this failed venture, as reported in the *The*

Ottawa Citizen on 12 August 2016, was 5.8 million dollars. Here in London, Fanshawe has, meanwhile, launched the Canadian Centre for Product Validation, using a significant amount of money pulled from the College's operating budget, along with funds from the Federal Government. All of this speaks to what I think of as the culture of the deal in Ontario Colleges.

Unions, including OPSEU Local 110, have repeatedly expressed significant concerns about these various deals. Our concerns are numerous: they include questions about the appropriateness of public money being used to support partnerships with private entities, including private career colleges, questions about the human-rights implications of operations in Saudi Arabia, and questions about how such deals—often financed with money from operations — may negatively affect the jobs of our members.

Readers of *The Educator* are familiar with these issues, and the information above serves only to establish a context for a much more fundamental question: why has this culture of deal-making arisen, what are the implications of such a culture, and what can we do about it? The story behind these questions is very long with many winding paths; the Union's

photocopier would run out of toner and paper before we explored this matter fully. In brief, though, a significant portion of the answer is this: the systematic reduction in public funding to colleges and universities in Ontario over the past two decades has turned post-secondary educators and administrators into would-be—and sometimes reluctant—entrepreneurs.

The portion of our budget that comes from direct per-student grants from the province has shrunk to below 50%, a shift marked by a parallel shift in terminology: we've gone from being a "publicly funded" to a "publicly supported" post-secondary system. The adjective "supported" signals a key change: as our public funding has fallen below 50% of our operating budget, the College's use of contingent employees, included contract faculty, has massively increased. Our tuition is regulated: it cannot be increased enough to fully make up the difference, and even if it could be, increased tuition funds education on the backs of vulnerable students least able to afford even small increases in the cost of their schooling.

As a result, administrators, instead of focusing on the core educational mission of the institutions they are entrusted by the public to serve,

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have been left scrambling to find money to make up the difference. They have, in many cases, become reluctant entrepreneurs.

Indeed, I argue that such reluctance, where it appears, is actually a sign of good sense. Why? Our core mission is educational. Our expertise is educational. It is, in general, not entrepreneurial, and insofar as we can do both, the swerve towards outside deals that seek to raise cash takes colleges outside the envelope of

their expertise and risks distracting from their basic mission. Administrators certainly need to manage the financial side of the College, and there may well be a limited place for entrepreneurial activity, especially in the context of programs that would have an academic interest in such activity—business programs, for example. However, entrepreneurship should not be a central aspect of the College's plans, mission, or activities.

What can we do? To begin,

we can draw on our critical thinking skills to examine where we are, how we got here, and the consequences of continuing along a path defined by forced deal-making and its various forms of collateral damage, including the erosion of good jobs, the increased use of contingent labour, and the creeping re-imagining of our courses and curriculum as nothing more than dollar signs in a spreadsheet.

PRIVATE INTERESTS AND PUBLIC EDUCATION



In *The Devil's Dictionary*, Ambrose Bierce defined Politics as "A strife of interests masquerading as a contest of principles. The conduct of public affairs for private advantage." This definition is more than sufficient to explain the state of our politics in North America and around the world. Here in Ontario our elected officials exemplify this definition. Be it cancelling gas plants, or proposing (and abruptly retiring) plans for an Ontario Pension Plan, every decision can be summed up as a public policy for private, political advantage.

Higher education may be

the exception. With a diverse group of stakeholders, educational politics is much more nuanced. Decisions are largely driven by evidence, and ultimately, student success is the goal.

Or not!

Enter Dalton McGuinty. After leaving the Premier's office, Mr. McGuinty waited mere hours before accepting a job as a lobbyist for Desire2Learn (D2L), the makers of *FanshaweOnline*. Not long after assuming his new role, the province announced the expansive *eCampus Ontario* initiative.

This multi-institution initiative endeavored to create a series of flagship, online courses that would be offered to ALL students - regardless of institution.

The provincial government's shared online course fund would be available to help partner institutions cover the significant development costs associated with producing a quality online course. Fanshawe received \$140,000.

On the surface this isn't a problem, until we dig a little deeper to understand the full transaction. Institutions like Fanshawe do not have the staff or the capacity to undertake such a laborious initiative. Guess who they turn to?

Fanshawe - and other institutions around the province - enlist D2L to manage the project. Let's connect those dots: Dalton McGuinty joins D2L as a lobbyist; the province announces a \$72 million dollar fund to develop

online courses; and recipient institutions hire D2L to handle the design and development. Seamless!

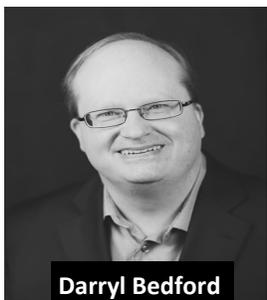
The University of Guelph received \$6 million in funding from government. That money flowed right to D2L. McMaster received \$400,000 - you get the picture. D2L's clients also include, Wilfrid Laurier, Conestoga College, and Mohawk - that's a big pay-day. Now before we heap blame on our college leadership, let's be mindful of the fact that they are only trying to do the best job they can, within a set of constraints. Often they are making decisions based on

evidence, with goals of making education better. In doing so, they simply respond to the incentives before them (i.e. self-preservation, career advancement, promotion, etc.). Conversely, for educational technology companies like D2L, quality education is a secondary concern.

They hijack policy at the provincial level by actively seeking to bend the education system to fit their product offerings. To be fair, a move towards quality, shared online courses could warrant further exploration. It might even be preferred in an open discussion of ideas.

That isn't happening - the direction of educational policy is being driven by a collection of private interests responding to private incentives. The product is a pipeline flowing from the taxpayers to a single technology firm. Unfortunately, this is how our democracy works. Concentrated lobbying interests can trump the diffuse preferences of the electorate, merely by virtue of organizational effectiveness (see the NRA). This is not a problem with capitalism, per se, but rather a bug in our democracy. This bug wouldn't be an issue if Ontario had proper safeguards in place to limit the influence of lobbyists and their corporate clients, but it doesn't.

UPDATE ON CONTRIBUTION TO OVERHEAD (CTO) AT FANSHAWE COLLEGE



Darryl Bedford

You may recall that in the November 2011 issue of *The Educator* we addressed the issue of continually increasing Contribution to Overhead (CTO).

Put simply, CTO is the percentage of program revenue that is directed to other college operations once the expenses for that program — including faculty, support staff, and academic administrator salaries — are paid. If a program has 50% CTO, then that translates to 50 cents of every student revenue dollar (either tuition or government grant) is going towards the general overhead of the college.

You can see the most recent CTO report for 2015-16 on our website at <http://www.opseu110.ca/cto>

Here are a few things I have observed in the current CTO report.

Every academic school and area campus at the college has a positive CTO (i.e. "makes money").

There are plenty of schools in the 40% CTO range. This is much higher than the expected or typical CTO of 18% of a couple of decades ago.

The School of Information Technology appears to have the highest CTO at 51.1%.

The Aircraft Structural Repair program is staffed by Sault College which explains the 98.6% CTO.

I'm not exactly sure why the Precision Metal Machining program is at 100% CTO. If you know why, please drop us a line and let us know!

My impression is that the academic programs of the college are performing fantastically. The academic programs generate \$178.3 million in revenue with \$124.1 million in expenses, for a net of \$54.2

million.

One member commented that with that kind of return the college is really an "Edu-business". It also begs the question as to why Fanshawe is seeking alternative sources of revenue. For example, the opening of the Canadian Centre for Product Validation (CCPV) as a for-profit subsidiary. I submit that Fanshawe's "normal" academic programs are among the most profitable businesses one could possibly be operating.

Feel free to look up your own program in the report. What observations do you have? If you spot something interesting, please contact us at union@opseu110.ca

NOTE: The CTO for GAP/GAS in the School of Language and Liberal Studies is 77% — That rate meets the definition in business parlance of "a cash cow," a unit milked for money. 3/4s of every dollar the school brings in is taken out.

BUILDING A MYSTERY: My \$10 MILLION LAMBTON COLLEGE ADVENTURE

Darryl Bedford

Yes, you read that title correctly. For once, this is not a story about Fanshawe.

It all started out innocently enough. In 2014 I found myself on the CAAT-A Bargaining Team. Our team wanted to understand more about arrangements that some public colleges had with private colleges, such as the contract Cambrian College has with Hanson College. You may also recall that Fanshawe had attempted a deal with Trios, and I think the attention our membership brought to it was successful in killing it.

We caught wind of Lambton doing business with Cestar College in Toronto and we needed to know more. The President of the faculty union local at Lambton (OPSEU 125) back then was Baiba Butkus. Baiba, now retired, is an experienced union activist but she didn't know her way around the Freedom of Information (FOI) process the way I did. Alas, I volunteered to submit a request to Lambton. My request dated April 23 2014, sent along with a cheque for \$5 from Local 110, was simple enough:

"All records (including but not restricted to e-mails, contracts, and agreements) relating to the delivery of Lambton College programs by Cestar College."

In discussions with Lambton College, I decided to restrict the request to just the agreements. I then received this response in September of 2014:

"We have identified three responsive records. Having sought and received representations from Cestar, we deny access based on the exemptions in sections 14, 17 and 18 of FIPPA [Freedom of Information and Protection of Privacy Act (Ontario)]."

I found it strange that *nothing* would be disclosed. The general principle in Ontario is that if a private entity is doing business with a public entity, the public is entitled to know some basic information about that activity. I would have expected some heavily redacted documents.

Nonetheless I was not satisfied with Lambton's answer and I filed an appeal with the Information and Privacy Commissioner of Ontario (IPC). In goes a cheque for \$25 from Local 110. The IPC assigned a mediator. Still,



no disclosure from Lambton College. I then forwarded my request to the next step: adjudication.

What happened next is something I could never have predicted.

Suddenly, Lambton was being represented by top-notch lawyer Daniel Michaluk of the law firm Hicks Morley. Hicks handles employment law matters for many of the colleges, but it was surprising to see them on a simple FOI case. Lambton is surely spending thousands of dollars on something the union has only spent \$30 on. Why?

What arrived on my desk was an 88 page document. In it were various representations prepared and

assembled by Michaluk to the adjudicator. Here's how it begins:

"This appeal is about the scope of the right of access to five legal agreements that contain detailed confidential information about Lambton College's business relationship with its Toronto affiliate, one of which the College developed and used as a template and constitutes the College's intellectual property.

There is also an issue about the right of public access to three of the five agreements because the three agreements are the subject of an outstanding production dispute in an ongoing lawsuit against the College."

Lawsuit against Lambton? What lawsuit?

Let's keep going:

The College is engaged in a multi-million dollar business endeavour. It invests significantly in this endeavour, employing 11 individuals who are responsible for developing a strong network of licensees and agents to grow revenues

The endeavour is highly competitive. The College competes on a global basis with all schools who offer post-secondary education to international students. Domestically, it competes with publicly funded colleges and universities, private providers and affiliations between publicly funded colleges and universities and private providers."

A Dean at Lambton College provides more details:

"The College's relationship with Cestar is one of a number of relationships through which the College earns licensing fee revenue from

international students. The College has similar relationships with:

- (a) Jinlin University In Changchun, China
- (b) Hubei University of Technology in Wuhan, China
- (c) Jiangnan University in Wuxi, China
- (d) Norquest College in Edmonton, Alberta
- (e) Lakeland College in Lloydminster, Alberta”

I suspect these arrangements are largely unknown, even to the faculty at Lambton College. It continues:

“In this regard, the College competes with all publicly funded Ontario colleges and universities, who also enrol international students directly and who provide courses and programming to international students through relationships with Canadian affiliates. The following are examples of domestic private career college affiliations that compete with the College's own domestic affiliations:

- (a) Alpha International Academy in Toronto is an affiliate of St. Lawrence College;
- (b) Hanson International Academy (with campuses in Brampton, Toronto and Vancouver) is an affiliate of Cambrian College
- (c) Stanford International College of Business and Technology in Toronto is an affiliate of Canadore College
- (d) Ace Acumen Academy in Toronto is an affiliate of St Clair College.”

The arrangement with Hanson was known but the others will also come as a surprise to college faculty. Just how many of these contracts are out there? How are they regulated? Who ensures the quality of education?

The representation continues:

“Although the College attempts to

differentiate its programming from the programming of other colleges and universities, the College's essential offering - quality courses and programs and well-respected academic credentials is the same as its competitors' essential offering. The College therefore competes for the strongest affiliates based on a broader value proposition. The value proposition is based partly on the quality of the College's courses and programs but is also based on:

- (a) the services the College offers to affiliates in addition to its outcomes and programs;
- (b) the administrative costs the College imposes on affiliates in order to meet its quality control and risk management objectives;
- (c) the risks the College allocate; to affiliates versus the risks the College bears itself and
- (d) the price the College charges for our affiliation and for the use of its courses and programs.

The College also competes for the attention of international education sales agents - foreign agents who direct international students to international courses and programs for a commission. We attract the attention of international sales agents by developing appealing educational opportunities (e.g., the opportunity to receive a Lambton College credential while attending school in Toronto) and by offering appealing commission rates.”

This exposes the underbelly of international education. How do we know that all of these international sales agents are acting ethically? Especially while they are on commission?

Let's dive deeper:

“The records at issue contain detailed confidential information about our business arrangements with our

Toronto affiliate - Willis Business College (and its affiliated entity) from 2011 to 2012 and Cestar College from 2012 in present,”

So who is Willis Business College?

“...Lambton College has been named as a Defendant in a lawsuit which involves an entity known as Willis Business College ("Willis"). Within the lawsuit, Willis has requested the production of the contractual documents between Lambton College and an entity known as Cestar. Lambton College has taken and continues to maintain the position that the documents should not be produced.”

Oh! There's the lawsuit! From a statement of defence, we learn more about Willis:

“Willis Business College [Willis] was founded in 1896 and operates as a private career collage. It is a Canadian operation with its head office in Ottawa, Ontario. Rima Aristocrat [“Aristocrat”] and Chris Bissylas [“Bissylas”] are directors of Willis.”

The documents go into a lengthy history of the former relationship between Willis and Lambton College. Other players become involved. A numbered company controlled by Willis and Aristocrat is created. An entity known as the Toronto School controlled by Estar operates under licence as “Willis College in Toronto”:

“6315464 would pay to Lambton College \$5,000 plus 18% for the first 50 students registered under the agreement, and 20% for any additional students. Lambton College recruitment agents would also be paid a commission fee, where applicable.

Willis would receive payment in an amount \$500 per International Student for each registered student

that completed two (2) semesters far any Lambton Program. The Toronto School has failed to make any payments to Willis in this regard.”

Later on:

“Bissylas would provide consulting services to 6315464 for the operation of the Toronto School, and in particular, Lambton College programs offered at the school);

“Bissylas would be paid 3% of the tuition of all Lambton programs at the Toronto School.”

“The Lambton Agreement was applicable only to international students. No domestic students were permitted to be registered for any Lambton course.”

Now we start to see the picture that is emerging around the province. Private colleges are paying public colleges for the use of their name and credentials. They’re trading on the public colleges’ good name and reputation for profit.

So what happened here? Why the lawsuit? Here’s the allegation made by Willis seeking general damages in the amount of \$10 million:

“Willis never received amounts due and owing on account of the Lambton Agreement. Instead, following this agreement, Chris Slade, on behalf of Lambton College, and then Chen defendants by counterclaim... took steps to cut Willis out of the Lambton Agreement.”

I want to make clear that the documents I received contain merely allegations, but all I can say is “wow!”

The point I would make to you as readers is the emerging danger of these unholy alliances between public colleges and private career colleges whose motives are to make a profit any way they can.

All of this begs the question, besides lawsuits, what other risks are the public colleges assuming here?

Let’s move forward to 2015 and 2016. The case goes through adjudication. I represent myself and the union. So our total expenditure is still a mere \$30.

This summer the decision, Order PO-3620, is issued. It reads:

“I uphold, in part, the college’s decision to withhold discrete portions of the records under section 18(1)(c).

“I do not uphold the exemption claims made for the remainder of the information in the records. I order the college to disclose the non-exempt information to the appellant by July 22, 2016 but not before July 18, 2016.”

The result is I will receive most of the information. In another word: victory!

My jubilation would be then quickly followed up with disappointment. Lambton College’s legal counsel filed for what is known as a judicial review by an Ontario court.

The outstanding questions are many. What is Lambton hiding? How did they get into this mess? Is it only the lawsuit with Willis Business College that they are afraid of? Why are they spending all of this money to avoid disclosing information about their dealings to OPSEU or to the general public? Should Ontario colleges even be engaged in these deals? Did curriculum prepared by Lambton professors make its way to either Willis or Cestar? How do we know Willis or Cestar met the standards for public college programs? Who is profiting from these arrangements? And to what extent? Did Fanshawe dodge a huge bullet by backing out of the Trios deal?

Stay tuned while I seek answers. It’s been a strange adventure so far. I have a feeling things will only get stranger from this point forward.



From Twitter: Reza Moridi (Minister of Training Colleges and Universities) with Rima Aristocrat

An aside: According to social media, Rima Aristocrat met with then-Minister Reza Moridi on a least two separate occasions. Was the minister aware of the lawsuit Willis had launched against Lambton College? How could not have been aware? Why would he meet with a private college involved in a suit against the colleges he represents?

EDITOR’S NOTE

We are aware that readers may doubt our veracity that the owner of a private college who is attempting to profit from the reputation of a public college (and who is now bringing suit against that public college) is actually named “Aristocrat.” However, we have confirmed that this is, in fact, the plaintiff’s name.

We are pleased to confirm that, (rumors to the contrary) the name of her law firm is not Dewey, Cheatham and Howe.

The Inter American Press Association visits London

German Gutierrez-Sanin



During three days, from September 19th to the 21st, the current President of the Inter American Press Association, its president elect, two members of its Board of Directors and its Executive Director carried out an inspection visit of the City of London to determine whether our infrastructure, tourist attractions, international hotel facilities and amenities would be suitable for the Association to host its 2018 or 2019 Annual General Assembly.

As the only Canadian member of IAPA at the time, it was an honor for me when my invitation to visit our City of Forests was accepted by Ricardo Trotti, the executive director. Steve Patterson, who was then Chair of the School of Language and Liberal Studies, was very supportive of the idea of having Fanshawe College take the lead in providing an academic setting as the most proper background for the visit. As conversations continued, the idea began to take shape. Ricardo Trotti suggested putting together a forum where IAPA could present its main areas of focus and direct action to interested Londoners from the Academic and Media communities. While we were discussing the different possibilities, Steve Patterson was appointed Chair of Fanshawe's School of Aviation and Jessica Bugorski assumed the role of Chair of

SLLS. Jessica was supportive of the initiative from the moment we shared the account of our ongoing conversations with her.

I then discussed the idea of the forum with Mayor Matt Brown who immediately expressed his interest in the possibility of offering the City as the site for an international event of the hemispheric press. IAPA is a non-profit organization of newspapers and other publications throughout the Americas and the Caribbean dedicated to protecting freedom of the press and the people's right to be fully informed. It has over 1300 members including some of the largest newspaper chains and television networks from the United States and Mexico and several of the most influential newspapers from Latin and Central America.

The Mayor agreed to meet with Steve, Jessica and me, and during a brief and very executive session with him, he asked for the participation of the City's Tourism Office and its International Conventions group to support the initiative.

As our conversations continued, the Forum acquired its final shape and things began to take on full speed. The month of August was a very busy and exciting one. I received the enthusiastic support of Western University's Faculty of Information and Media Studies and the commitment of the Hilton Hotel whose General Manager, Joe Drummond, graciously offered complimentary accommodations for the visiting executives. The City of London offered a private dinner with the Mayor and both Fanshawe College and the University of Western Ontario offered to host what turned

out to be an academic discussion of extraordinary interest, with two panels, one at each institution, including a lunch at Western and a dinner at Saffron's.

The members of IAPA were delighted with the opportunity to speak with Canadian students, faculty and members of the local Press. Joe Ruscitti, the Editor in Chief of the London Free Press was a guest panelist at Fanshawe and was also a guest at the dinner offered by the Mayor. Other media organizations had the opportunity to share their points of view and experiences with the members of IAPA. One of these organizations, City Media has now applied to become a member of the Association.

The IAPA's objectives are simple and straightforward:

To protect freedom of the press wherever it is challenged in the Americas.

To foster and protect the interest of newspapers and magazines throughout the Americas.

To promote and maintain the dignity, rights and responsibilities of journalism and journalists.

To encourage and maintain high standards of professionalism and ethics.

To exchange ideas and information that contributes to the cultural, material and technical development of the press.

To foster greater professional exchange among the peoples of the Americas in support of democratic principles and individual liberty.

In addition, the IAPA has:

- Set up a Press Freedom Emergency Fund to provide loans to newspapers damaged or destroyed by terrorists or dictatorial regimes. (El Espectador in Colombia was rebuilt with this support after being blown up by drug traffickers in 1989.)
- Created the IAPA Awards for journalists and publications in the U.S. and Canada whose work promotes inter-American friendship and understanding. Separate prizes are awarded to Latin American journalists and publications for distinguished work on behalf of their communities and for public service, photography, editorial cartoons, and defense of press freedoms.
- Created a Scholarship Fund, allowing U.S. and Canadian journalist and students to study in Latin America and the Caribbean, and vice versa.
- Established a Technical Center, to

provide members – especially in Latin America – with technical and modern management assistance through

seminars and other programs.

A General Assembly of the IAPA in London has several very positive implications for the City and its Institutions. IAPA Assembly guests over the last 67 years have included Presidents George Bush Senior and Bill Clinton of the United States; Ollanta Humala of Peru; Vicente Fox and Felipe Calderón of México; Ricardo Lagos of Chile; Álvaro Uribe of Colombia; Violeta Chamorro of Nicaragua; Fernando de la Rúa of Argentina; Ramiro de León Carpio of Guatemala; Alfredo Palacios of Ecuador; Luiz Inácio Lula da Silva of Brazil; José Luís Rodríguez Zapatero of Spain; Julio María Sanguinetti of Uruguay; Antonio Saca and Francisco Flores of El Salvador; Martín Torrijos and Juan Carlos Varela of Panamá; Pedro Roselló of Puerto Rico; Rafael Caldera of Venezuela; and Fernando

Lugo of Paraguay.

Other world personalities who have been present at IAPA Annual conventions include Javier Pérez de Cuellar, José Miguel Insulza, King Juan Carlos I of Spain, Oscar Arias, Federico Mayor Zaragoza, Mario Vargas Llosa, Jean-Francois Revel, Bill Gates, and Nobel Prize winners Henry Kissinger, Gabriel García-Márquez, and Rigoberta Menchú.

In the next few weeks, IAPA will officially communicate its decision about the cities in which it plans to hold its next three mid-year and Annual general assemblies. We hope London is chosen for 2018 or 2019.

Needless to say, the attendance of the internationally acclaimed personalities mentioned above provides an extraordinary opportunity to showcase our City of Forests as an adequate scenario for events of a truly international category.

HOW TO CHAMPION PUBLIC SECTOR PENSIONS

By Derek W. Dobson, CEO, CAAT Pension Plan

The facts about public sector Defined Benefit (DB) pension plans may surprise you. Modern plans are fully funded, well-governed and superbly efficient at providing retirement income at an affordable cost. Now spread the word.

Some commentators and lobby groups are stuck in the past. They have mistakenly concluded public sector pension plans are on the whole unsustainable and present a crushing burden to taxpayers. Nothing could be further from the truth.

Modern DB pensions have some form of shared risk, most are fully funded and operate efficiently with the goal



of securing adequate retirement income at an affordable cost to members and employers. The CAAT Pension Plan is 110.4% funded which means that for every dollar we've promised in pension payments, we

have set aside a \$1.10. Why do we need a funding reserve? Because we're jointly governed, meaning members and employers share equally in the responsibilities for the Plan. Cost increases are painful for everyone, so a funding reserve is used to keep contributions stable in a volatile world.

As a multi-employer pension plan primarily serving the Ontario college system, the CAAT Plan pools risks among its 38 employers – the most recent addition is the Royal Ontario Museum (ROM). The ROM's single-employer pension plan with 640 members, merged with the CAAT Plan to create greater efficiencies and

eliminate their pension management risk by joining a jointly sponsored multi-employer plan with 41,900 members.

We also share risks by providing conditional inflation protection that is dependent on the Plan's funded status. Guided by the CAAT Funding Policy, the Plan pays retired members conditional inflation protection increases only when it can afford it. Under the policy, if the Plan is less than fully funded, this benefit is suspended until the Plan is fully funded again. In this way, risk is shared among employers and generations of members. The CAAT Plan is managed to remain fully funded and has always been able to pay conditional benefits, including during the global financial crisis in 2008 and 2009.

More than two-thirds of Canadians do not have access to a workplace pension and there is a growing need for adequate retirement income. A recent study published for the Broadbent Institute sounds the alarm that about half of Canadians aged 55 to 64 have no accrued employer pension benefits and about half of that number have inadequate savings amounting to less than one year's

worth needed to supplement CPP, Old Age Security (OAS) and the Guaranteed Income Supplement (GIS). This same study also points to rising levels of senior poverty, from a low of about one in 25 in 1995 to about one in nine in 2013. The poverty rate for single seniors, especially women, is at a stunning one in three.

Adequate retirement income from DB pensions provides a deferred tax base, which will be vital as the number of Canadians over the age of 65 doubles during next 25 years. As well, senior poverty is expensive to manage if governments rely on social programs, such as OAS and GIS, funded through general revenue.

DB plans are the most efficient way to provide pensions. Many mistakenly believe that taxpayers are paying 100% of benefits as they come due. The facts are different. Seventy-five cents of every pension dollar paid actually comes from investment income. Member and employer contributions amount to 12.5 cents each. In Ontario, where less than half the costs of operating a college comes from the provincial government and the remainder from tuition and other revenue sources, taxpayers contribute about 6 cents for every pension dollar.

We all benefit from having pension systems that provide adequate retirement income. In Ontario, nearly 1.3 million DB pensioners account for an estimated \$27 billion in consumer spending. This generates about \$6 billion in tax revenue. Spending by DB pensioners is crucial for many cities and towns. DB Pensioners feel confident about having a steady income in retirement, so they spend their pension benefits at local restaurants, businesses and stores. instance, in the Ontario cities of Kingston, St. Catharines and Thunder Bay, about one fifth of the economic activity generated in these communities comes from pensioners.

Modern public sector DB pension plans have a bright future. They are stable and an efficient way to provide adequate retirement income for members and their families, while helping to support local economies. So, spread the word and be a champion for your pension plan.

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1. Pension Research Series by the Canadian Federation of Independent Business, "Report 1: Canadian's Hidden Unfunded Public Sector Pension Liabilities," by Ted Mallett.
 2. Based on the regulatory requirement of a going-concern funding valuation conducted as at January 1, 2016.
 3. "An Analysis of the Economic Circumstances of Canadian Seniors," By Richard Shillington, for the Broadbent Institute, February 2016, pages 2 and 3.
 4. "Defined Benefit Pensions: The Most Effective and Efficient Means of Delivering Retirement Income," by Robert L. Brown, in Seeing Beyond Risk, Canadian Institute of Actuaries, Document 216007.
 5. Shifting Public Sector DB Plans to DC: The experience so far and implications for Canada, by R. Brown and C. McInnes (2014), page 22

Hamburger University College

Matt Ferrell



Fanshawe College made headlines in August when they announced a new partnership with McDonald's of Canada. Another article in the *London Free Press* outlined Fanshawe's desire to target 10 new programs per year, ostensibly to keep pace with a rapidly changing job market. These developments are cause for concern. In the quest to stay relevant Fanshawe must guard against chasing short-term labour market trends at the expense of essential skills training. This is one area where the labour market is clear: today's college graduates lack basic skills for success.

Our partnership with McDonald's (one that extends to all Ontario colleges) would allow McDonald's management-level employees to count their work experience towards one full year of college instruction. That is a tremendous on-ramp for students who may not have the best high school grades. It is also quite a giveaway. Especially when we consider the college's numerous foundations programs, which are designed to prepare students with the foundational skills necessary for post-secondary success. The new message from the college is clear: don't waste your time (and money) coming to Fanshawe for a year. A few months working the deep-fryer will suffice.

Can you imagine a University doing something similar? Perhaps students could forgo first year math if they've worked as a cashier. That summer you spent bartending? That counts as first year chemistry. Sound ridiculous? Yes. The notion is ridiculous. Institutions of higher education would rightly have concerns about quality. Quality isn't just a buzzword that looks good on a fridge magnet, and it can't be outsourced.

An earlier announcement this summer lauded Fanshawe's roster of new programs launching this fall. It also noted the desire to launch another slate of programs for 2017. This can be a good thing. It is imperative that the college system is responsive to the labour market. Think of our colleagues in the University sector. They are in the midst of an existential crisis, as they grapple with the perception of being out-of-step with the modern economy. The *Toronto Star* asked "Is there any point to an arts degree?" While the *Globe and Mail* wondered if arts graduates were destined to work as baristas. It only makes sense to have an awareness of our surroundings.

New programs aren't the crux of problem. The danger lies in compromising quality. In the drive to launch new programs it is essential that College leadership ensures new programing pays sufficient attention to literacy and numeracy education. Currently, all college programs require a demonstration of writing proficiency through the WRIT curriculum. There is also a mandatory communications (or COMM) requirements for all programs, designed to reinforce workplace specific skills. It is a lack of these

basic skills that limits our economy.

A 2013 paper from Weaver and Osterman found that when firms can't find qualified workers, it isn't due to a niche skill set or lack of specialized training. Rather, it is deficits in math and communications skills that underpin prolonged vacancies. Hiring managers today are increasingly finding that graduates lack basic skills in literacy and numeracy. This is where the college system excels. (The study didn't note a shortage of drone flying skills.)

I'm not advocating that the college ignore new trends or emergent technologies. If we set aside the Canadian Centre for Product Validation - which has only a hypothetical link to higher education - the college must continue to stay current in the face of changing technology and vanishing government funding. We should, however, be judicious with our new partnerships and programming. Fanshawe must continue to do what it does best: offer a quality education grounded in math, communications, and critical thinking skills. Failing to do so would be a disservice our students and our upstream partners who hire them.



The McDeal



Whitney Hoth

The agreement between the McDonald's Corporation and Colleges Ontario to accept corporate training as equivalent to public education should be of concern to anyone who cares about the integrity of Ontario colleges. I have heard people express amused disgust about "McDiplomas" and "Hamburgler ethics," but that is not an adequate response. Neither is a shoulder shrug. This deal is a serious threat to the integrity of public education and needs your attention. As the union learns more about the deal, it appears increasingly problematic. Here's an update:

The Ontario Council on Articulation and Transfer (ONCAT) is the agency responsible for assessing and coordinating credit transfer between colleges and universities. It initially appeared that ONCAT had some role in authorizing the articulation agreement between McDonald's and Colleges Ontario. We have since learned this is not the case. Lia Quickert, Executive Director (Acting) of ONCAT, in a phone call with Local 110 President Darryl Bedford, has asked the union to clarify that ONCAT had no role in determining credit equivalences between the McDonald's Corporation and Ontario colleges. As Ms. Quickert was at pains to clarify, an articulation agreement between a private

corporation and a public college is not within the mandate of ONCAT, which can only review credit and transfer agreements between *educational* institutions.

Misunderstanding about the role of ONCAT derives from a posted online Heads of Business (HOB) Presentation that appeared to have been made at the April 2016 ONCAT conference. Ms. Quickert has explained that ONCAT did host a one day conference for HOB to discuss college-to-college articulations but that HOB held a second day of meetings on its own not hosted or funded by ONCAT at which they discussed their McDonald's deal.

If ONCAT wishes to disavow any responsibility for the McDonald's deal, they may wish to consider removing the HOB presentation from their website or attaching a disclaimer. Otherwise anyone viewing the site might reasonably assume, as we did, that ONCAT warrants the deal. In any case, we are pleased to set the record straight.

HOB claims, in its online presentation, that credit equivalences in the McDonald's deal were determined using "curriculum equalization that has been done through the ONCAT projects," which might suggest to you, or anyone else, that standards were applied which conformed to the mandate and function of ONCAT. Not so. Evidently HOB has used one set of assessment tools designed for a quite different purpose as a convenient device to give some appearance of ONCAT authorization to an independent venture. In any case, although HOB used ONCAT project materials to design the McDonald's deal, and although they did this at the same venue and a day after the

ONCAT conference, we now understand that ONCAT had nothing to do with the deal. One could be forgiven for thinking, given this proximity to ONCAT meetings and methods, that ONCAT had some involvement.

What is the takeaway? There has been no ONCAT review of the McDonald's/Colleges Ontario agreement. Moreover, there cannot be one because ONCAT only reviews and coordinates transfer agreements between educational institutions. This removes any suggestion of review or assessment by an independent body, which returns us to the question of who determined these purported credit equivalencies and on what basis? We do not know. So far, all requests for information have been refused. OPSEU has initiated FOI requests, but these will take time to process; they may be challenged, and if approved, they may be redacted (censored). Meanwhile the architects of this deal can bank on the news cycle to wear away attention and concern. We hope to resist that by keeping the story in focus until we have the information necessary to fully understand it and present it to our readers.

For now we know this much: the deal was brokered by a relatively small number of persons and any information concerning it is being denied to the public. Any transfer agreement involving institutions of public education should be public, and the continued refusal of the parties involved to share information indicates the questionable nature of the agreement. The signatories to the agreement are McDonald's and Colleges Ontario. Colleges Ontario is a private lobbying organization exempt

from any obligation to comply with FOI requests. Why a private lobbying organization and a for-profit corporation are acting as signatories for an agreement involving public colleges is difficult to explain and harder to justify. Since when is the curriculum of public colleges determined by private lobbying organizations? There is much about this deal that is fundamentally dubious.

Improving pathways for working students to access college education is desirable goal. A robust and streamlined PLAR process could help achieve this, but a one-for-one

articulation agreement in which corporate training displaces an entire year or more of a college education is an indefensible giveaway. This current agreement does not honor the workplace experience of prospective students, it devalues public education. Advanced Education and Skills Development

(AESD) Minister Deb Matthews has touted the deal. The job of the government is to ensure affordable high-quality public education not offload that responsibility to for-profit corporations. However desirable the goal, the deal as it stands now is a bad

deal, a dangerous precedent that contributes to the continued dilution of a college education and the credibility of its credentials.

The union will follow this story and attempt to provide our readers the facts. So far they are hard to come by since the whole process is shrouded in secrecy. We hope interest and concern will not flag as we undergo the slow process of extracting information from people who evidently have a strong investment in withholding it.

PARTIAL-LOAD FACULTY REMINDER

Please be sure to check your college mailboxes for your OPSEU Membership Form! A signed membership form is needed to reconfirm membership for OPSEU with each contract renewal.

Please return the signed and completed form to the Local 110 Office in ROOM D2018 as soon as possible.

Much Appreciated!