

Future Goals for Ontario Colleges and Universities

Discussion Paper

July 1996

A Message from the Minister

In the November 29, 1995 Fiscal and Economic Statement, the Minister of Finance announced the government's intention to release a discussion paper on the future goals of Ontario's colleges and universities. This paper has now been completed and is attached for your perusal. It addresses issues such as the balance between student, private sector, and provincial government shares of postsecondary funding, accessibility, program rationalization, and co-operation among the public educational institutions.

Although we have reason to be proud of our postsecondary educational institutions and their performance over the years, we must recognize that changes will have to be made if they are to continue to meet the educational needs of the province. The accelerated rate of technological change occurring throughout the world makes this a time of radical alteration and restructuring in business and industry. This is creating a critical need for knowledge and skills that differ from those required in the past. What's more, the employment scene will be far from stable; the average individual will change careers a number of times throughout his or her life. These changes, along with others outlined in the paper, present a number of challenges that require us to review and update the policy framework we now use to guide postsecondary education decisions.

The government is committed to public support of the postsecondary sector and to finding solutions and strategies that are both cost-effective and responsive to student needs. I have asked the panel that will co-ordinate this discussion to give me advice, once they have assessed all comments and proposals, on what government policy we should adopt to arrive at a system that will achieve our five objectives: excellence, accessibility, a range of programs and institutions that meets our needs, accountability, and responsiveness.

Specifically, panel members have been asked to:

1. recommend the most appropriate sharing of costs among students, the private sector, and the government, and ways in which this might best be achieved;
2. identify ways to promote and support co-operation between colleges and universities, and between them and the secondary school system in order to meet the changing needs of students;
3. provide advice on what needs to be done to meet the expected levels of demand for postsecondary education, both with reference to existing public institutions and existing or proposed private institutions.

I look forward to your active and constructive participation in this process over the next few months.

John C. Snobelen
Minister of Education and Training

Contents

Introduction	2
Reviews of Postsecondary Education in Ontario	2
An Overview of Postsecondary Education in Ontario	3
Colleges of Applied Arts and Technology (CAATs)	3
Universities	4
Other Postsecondary Institutions and Private Training	4
Co-operation and Partnerships Within and Beyond the Postsecondary Education System	4
Student Assistance	5
Objectives Guiding Policy Development	5
1. Excellence	5
2. Accessibility	6
3. Range of Programs and Institutions	6
4. Accountability	6
5. Responsiveness to Evolving Needs	6
Factors Influencing Policy Development	7
1. Demographic Factors	7
2. Changes in Labour Force Requirements and Social Policy Priorities	8
3. Funding Considerations	8
4. The Use of Technology	9
Areas for Discussion	9
Accessibility	9
Fee Policy and Sharing of Costs	11
Co-operation Among Institutions and Systems	12
Conclusion	13
Appendix: Changes in Other Jurisdictions – Some Examples	13
Bibliography	14

Introduction

Over the years, Ontario's public postsecondary educational institutions have served us well. The province's colleges and universities enjoy a reputation for high standards and, on the whole, have successfully met the needs of a varied student population. However, if they are to continue to be effective, change will be necessary. The wide-ranging social and economic developments that characterize our times require that we take a close look at our postsecondary education system to ensure that it can continue to meet our students' needs and respond to the challenges of the future. More specifically, we need to review and update the policy framework within which we currently make decisions concerning postsecondary education.

The purpose of this paper is to generate discussion on some of the fundamental issues that determine the priorities we set for postsecondary education. Although funding considerations are at the root of some of these issues, they are not the prime concern of this paper. The purpose of the proposed review and discussion is to formulate policies that will allow us to achieve the objectives we see as essential for the kind of postsecondary education system we want for our province. These objectives are: excellence; access to postsecondary education for all qualified students; a range of programs and institutions that meets students' varying needs; accountability to both users of the system and taxpayers in general; and responsiveness to evolving requirements and circumstances.

All of the issues raised in this paper are related to the achievement of these objectives. No doubt other issues will emerge in the course of discussion. Because of time constraints and other initiatives under way or planned, research, governance, and training will not be the primary focus of the discussion.

In today's fiscal climate, it is essential that every cent allotted to the postsecondary system be put in the service of excellence. In the light of this necessity, the postsecondary sector's frustration with having to provide remedial courses for incoming students, as has been the case in recent years, is only too understandable. In response to this situation, the government is also working towards the improvement of standards at the secondary level. Measures must be taken to ensure that funds allocated to colleges and universities are directed to education at a postsecondary level.

Reviews of Postsecondary Education in Ontario

Over the past twenty years or so, there have been a number of studies on postsecondary education in Ontario. These studies have focused on one or the other sector of the system – colleges or universities – rather than on the system as a whole. The current review will be the first initiative to examine the entire postsecondary education system, including both colleges and universities.

Prior to the 1970s, the studies centred largely on growth and on ways of meeting the demand for new places. In the 1970s, the studies began to reflect the need for more planning and advocated a variety of central structures to address this need. Throughout the next twenty years, the balance between system co-ordination and planning and an appropriate degree of autonomy for individual institutions, particularly universities, remained a point of discussion. In the university sector, there were a number of debates over the issue of decision-making authority for central bodies. However, autonomy for universities prevailed, and the universities were never “centrally planned”. Various advisory or co-ordinating bodies were established to address specific issues that needed attention at various points in time.

In addition to planning, a number of studies also addressed the rationalization of programs. Although the issue was widely debated, little action arose from the discussion. Since the colleges had been in existence for barely a decade, most of the studies conducted up until the early 1980s centred on the university system.

Beginning in the 1980s, the issue of co-operation between the two sets of institutions – colleges and universities – received increasing attention. There was a growing call for more formal arrangements between them, and some modest steps were taken to promote articulation agreements between local

colleges and universities. The Vision 2000 report on the colleges in the late 1980s made some specific recommendations for greater co-operation, and the subsequent Pitman report also called for measures that would allow students to move more freely between the two sectors.

An Overview of Postsecondary Education in Ontario

The Ontario postsecondary education system includes universities, colleges of applied arts and technology (CAATs), and private postsecondary education and training facilities of various types. Another key feature of the system is the program for granting student loans.

Statistics indicate that the postsecondary education system in Ontario compares favourably with systems in other jurisdictions in terms of cost-effectiveness and accessibility. Canada provides access to education for a higher proportion of the population than most other countries in the Organization for Economic Co-operation and Development (OECD).¹ Enrolment is increasing, while the funds available for education are not. Thus, it is more important than ever to find cost-effective ways to preserve and enhance accessibility and quality. Change is required to achieve these goals.

Those in the labour force with either a postsecondary certificate or diploma or a university degree have consistently had a lower unemployment rate than those lacking these qualifications.

1. According to OECD accessibility indicators, Canada led the other OECD nations in three categories: the percentage of the population enrolled in tertiary education; the percentage completing tertiary education; and the theoretical age of graduation from universities. See Organization for Economic Co-operation and Development (OECD), Centre for Educational Research and Innovation, *International Conference on Learning Beyond Schooling – New Forms of Supply and Demand*, Paris, December 14-16, 1994.

Colleges of Applied Arts and Technology (CAATs)

Colleges of applied arts and technology were established by provincial legislation in the mid-1960s with a mandate to “offer programs of instruction in one or more fields of vocational, technological, general and recreational education and training in day or evening courses and for full-time or part-time students.”² Colleges provide services primarily to local communities and to secondary school graduates not bound for university who wish to continue their education beyond high school. More specifically, they:

CAATs: Statistics, 1994-95

- 25 colleges, including three French-language colleges
- 132,000 full-time postsecondary students
- 190,000 part-time postsecondary students
- 407,000 part-time non-postsecondary students
- 8,149 full-time academic employees
- \$808 million in provincial operating grants
- \$1.7 billion in total revenue

- provide courses that, in their type and level, are beyond, or not suited to, the secondary school setting;
- meet the educational needs of graduates from any secondary school program, apart from those who wish to attend university;
- meet the educational needs of adults and out-of-school youth, whether or not they are secondary school graduates.

Each college is a Crown agency governed by a board. The board of governors is responsible for establishing the mission and goals of a college and for its efficient and effective management. The

2. Ministry of Colleges and Universities Act, R.S.O. 1990, c. M.19, section 5(1).

maintenance, operation, and governance of the college system as a whole is the responsibility of the Minister of Education and Training.

Universities

Each university has been established by an individual act of the federal or provincial parliament

Universities: Statistics, 1994-95

- 17 universities and 5 related institutions (the Ontario College of Art, Ontario Institute for Studies in Education, Collège dominicain de philosophie et de théologie, and 2 affiliates of Laurentian University – Algoma College and Collège de Hearst)
- 205,500 full-time undergraduate students and 24,300 full-time graduate students
- 83,300 part-time undergraduate students and 11,000 part-time graduate students
- 13,300 full-time academic staff and 17,895 full-time equivalent non-academic staff
- \$1.9 billion in provincial operating funds
- \$4.2 billion in total expenditures

as a private corporation. Universities are independent, autonomous institutions, in which ultimate fiduciary responsibility for the institution rests with its governing board. Many of the province's universities began as denominational, church-associated universities or colleges, evolving later into secular, publicly assisted educational institutions. Each university has developed its own mission and role and defines its own community. Many have a

national or an international focus rather an exclusively regional or provincial one.

The universities have a mandate to:

- develop a more educated populace;
- educate and train for the professions;
- provide study at the highest intellectual level;
- conduct basic and applied research, including development and evaluation to provide service to the community.³

3. Ontario Council on University Affairs, *The Ontario University System: A Statement of Issues, Fifth Annual Report, 1978-79*, pp. 11-13.

Other Postsecondary Institutions and Private Training

A number of privately funded religious postsecondary institutions with restricted degree-granting authority are chartered in the province. Bill 41, An Act to Regulate the Granting of Degrees, provides the province with the means to regulate these institutions. There is also a large network of licensed private vocational schools operating under the auspices of the Private Vocational Schools Act. As well, various types of post-secondary qualifications may be earned through employer-sponsored training and apprenticeship, which are regulated by the Trades Qualification and Apprenticeship Act.

Private Vocational Schools: Statistics, 1994-95

- 320 schools
- 54,000 students
- no provincial operating support
- provincial student support

Business plays a key role in providing education and training. As the skills needed in the Ontario workforce change, retraining within business becomes increasingly important. Some companies provide training and retraining through their own organization, some through programs at colleges and universities, and others through private training firms.

Co-operation and Partnerships Within and Beyond the Postsecondary Education System

For the most part, colleges and universities have different objectives and roles and serve different populations. They have undertaken some joint operations, but usually on an ad hoc basis. There are, however, a number of ways in which colleges and universities could benefit from provisions for more extensive and systematic co-operation; as well, their students could benefit from improved mechanisms for the transfer of credits between the two types of institutions.

Similarly, while some mutually advantageous partnerships between private-sector businesses and colleges and universities have been formed on an

ad hoc basis, there is considerable room for growth in this area. There is, for example, a growing demand for part-time employment for students, for co-operative education programs, and for more effective ways of assisting graduates to enter the workforce. Both parties might also benefit from provisions for stronger private-sector representation on advisory committees on goals and standards in specific areas, and more private-sector funding for specific college- or university-based programs and projects.

The need for increased emphasis on co-operation and partnerships is discussed at greater length later in this paper (see page 12).

Student Assistance

At present, the Ontario Student Assistance Program (OSAP) plays a key role in making postsecondary education accessible to many students. Changes to the program must be made, however, to limit the burden on the taxpayer while continuing to ensure accessibility for students.

The government is committed to the introduction of an income-contingent student assistance program. At present, ministry staff are working with Human Resources Development Canada and Statistics Canada to develop a micro-simulation model on which a Canada/Ontario income-contingent student loan plan can be based. The objective is to ensure that students

Appropriate student assistance programs are a key consideration for accessibility policy in postsecondary education. Under the present student assistance program, students can accumulate a debt of up to \$6,000 for two terms of study. This amounts to \$24,000 for a regular four-year program of study. In 1995-96, 42 per cent of university students and 57 per cent of college students received OSAP. The average loan in 1995-96 was \$6,430.

can obtain the financial assistance they need, on repayment terms that are manageable.

Objectives Guiding Policy Development

Five broad objectives that should guide policy development for postsecondary education in Ontario are discussed below. In brief, the five are: excellence; accessibility; a range of programs and institutions; accountability; and responsiveness to evolving needs.

None of these objectives can be pursued in isolation from the others. The challenge for those developing policy will be to find an appropriate balance among them while ensuring that all are achieved to the greatest extent possible.

1. Excellence

Achieving excellence in postsecondary education is essential to achieve the maximum possible benefits from the investment of time and money, both by the public and students, in postsecondary education; to help meet employer and workforce requirements for well-educated and well-trained graduates and high-quality research; and to help make Ontario more competitive internationally in all fields of endeavour. These results, in turn, will strengthen public recognition of the contribution made by postsecondary education to the economic and social development of the province.

It is also important, in a global economy and society, to preserve and enhance the reputation for high educational standards that Ontario holds in the international community. A commitment to excellence will enable us to do so by ensuring the integrity of the credentials offered in the province's postsecondary educational institutions.

2. Accessibility

It is important for all Ontarians to have, throughout their lives, opportunities to receive the education and training they need, both to develop their personal potential and to contribute to the economic and social development of their communities. We should therefore seek to ensure access for qualified applicants to a comprehensive range of postsecondary education services.

Factors that affect accessibility include: the availability of programs appropriate to a range of needs; affordability by students and taxpayers; and the geographic distribution of educational facilities and programs.

3. Range of Programs and Institutions

It is important to recognize the great variety of postsecondary educational needs that exist within our province. To accommodate the full range of these needs, many different types of facilities are needed. These could include publicly supported institutions and privately supported institutions, and, in some cases, “mixed” facilities in which the private sector supports some programs offered within a publicly funded institution. We also need to determine whether future needs can be met within the current structure or whether new types of institutions or new freedoms for existing institutions will be required.

Since many, very different types of programs are needed to meet the range of existing needs, it may be better, both in terms of cost effectiveness and program quality, for some institutions to specialize in particular areas rather than trying to offer a comprehensive set of programs. Thus, a number of institutions might have – or might develop – different, specialized missions and might offer only certain types of programs, or only some types or levels of degrees or qualifications.

Specialization may occur for a variety of reasons and may often be related to local conditions: it may evolve as a result of an institution’s particular strengths, history, age, geographic location, existing partnerships, or emerging expertise and connections. Articulation agreements are to be encouraged as a way of ensuring that programs and credentials

not offered at a particular institution are available to students who require them.

4. Accountability

Accountability can be an important means of demonstrating to the public that expenditures on postsecondary education result in significant gains for the province’s economy and its social and scientific development. At the same time, accountability allows us to demonstrate to students and taxpayers that the funds used to support postsecondary education are being used effectively and efficiently.

Postsecondary education institutions should be able to show students, government, and taxpayers that the available financial resources, including tuition fees, are being used wisely and efficiently. The evaluation of results should focus on the potential of graduates and research activities to contribute to the economic and social development of the province, and on the system’s ability to meet employer and workforce requirements for well-trained graduates.

5. Responsiveness to Evolving Needs

The postsecondary education system should have the capacity and willingness to adapt to meet the evolving needs of students and the community.

Increasingly, an individual’s employability depends on education, training, or retraining at the postsecondary level. To allow as many students as possible to achieve their educational goals, the postsecondary system should continually monitor its ability to offer the broad range of programs students require. It should also try to anticipate and respond promptly to new educational demands generated by emerging opportunities and fields of study, or by changes in employer and workforce requirements.

As well, postsecondary institutions should continue their efforts to accommodate individual needs by refining mechanisms to allow transfers of credits between institutions and actively exploring alternative means of program delivery.

Factors Influencing Policy Development

The policy framework developed for postsecondary education in Ontario will not only be guided by the five objectives outlined above, but will also be shaped by a variety of practical considerations and constraints. Some of the most important factors that will have a significant bearing on policy development are discussed below.

1. Demographic Factors

The present rates of participation in postsecondary education are higher in Ontario than in many other jurisdictions. In 1994-95, there were 132,000 full-time students and 190,000 part-time students enrolled in college programs. An additional 407,000 students were enrolled in part-time vocationally oriented college courses. In the province's universities, there were 229,800 full-time students and 94,300 part-time students.

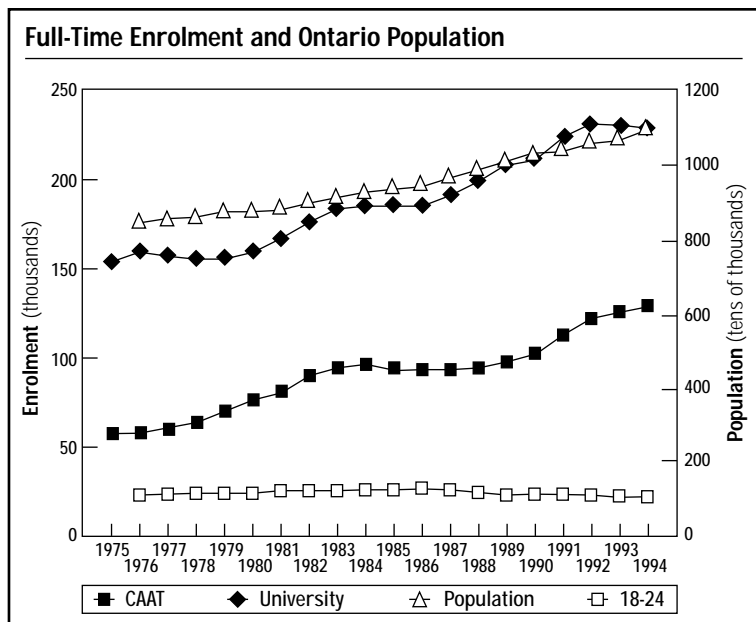
In colleges, 74 per cent of full-time students are between 18 and 24 years of age; in universities, 79 per cent. Full-time students between ages 25 and 29 account for 11 per cent of enrolments in

colleges, and 12 per cent in universities. There are also significant numbers of full-time students aged 30 or older enrolled in college programs.

There has been a substantial growth in enrolment in both types of institutions in the past decade (1984-85 to 1994-95): a 17 per cent increase in university enrolment and a 47 per cent increase in college enrolment.

The overall population of Ontario is expected to increase by almost 25 per cent by the year 2010.⁴ A 16 per cent increase is expected in the 18- to 24-year-old group. In postsecondary institutions, if current participation rates continue,⁵ the university population will increase by about 10.6 per cent by the year 2010, to more than 250,000 full-time students; the college population is expected to grow to about 150,000 full-time students in the same period. This increased enrolment will not, however, be distributed evenly among all the province's postsecondary institutions. Wide fluctuations in regional populations are predicted,⁶ and these will affect the demand for places in postsecondary institutions in different parts of the province. The Greater Toronto Area and some neighbouring areas are likely to experience population growth well above the provincial average, while northern regions may see a decline in population.

As well, enrolment will vary from year to year as a result of interaction among factors such as the economic cycle, student demand, and the ability of institutions to accommodate students.



4. Ontario, Ministry of Finance, *Population Projections*, March 1994.

5. Participation rates in 1994 for each level of study and for full-time and part-time status, by age group and gender, were considered separately in estimating university student populations for 2010. Participation by age group (based on 1992 enrolment, the most recent year for which data about this category were available) was considered in developing the college estimates for full-time enrolment only. Because detailed data were unavailable for other categories, all other estimates were based on simple total enrolment related to total population.

6. Ontario Council on University Affairs, "Resource Allocation for Ontario Universities", Advisory Memorandum 95-III (June 1995), p. 18 map, and data in Appendix D.

2. Changes in Labour Force Requirements and Social Policy Priorities

The demand for postsecondary education will grow as employability is increasingly linked to level of education.

According to some observers, “labour force characteristics and an increased global interdependence clearly indicate that most good jobs, now and in the future, require at least 17 years of formal education.”⁷

In particular, recent structural changes in OECD economies have made extended or continuing learning important to

Since 1990, nearly all new jobs in Ontario have gone to workers with postsecondary education, and these new jobs have been created in industries and occupations where the average weekly pay was above the average for all workers.

the lives and employment prospects of all citizens, not just an élite few. There has, for example, been a sharp decline in the number of unskilled jobs in manufacturing industries from the early 1980s onwards. As well, the rapid development of new technologies is bringing about changes in the economy (and the employment market) that imply new roles for citizens and workers. Increasingly, employers require workers who possess “generic” learning and research skills, thinking skills, and communication skills that allow them to function effectively in new and unfamiliar situations, adapt to changing technologies and jobs, and engage in continuous learning.⁸

Growth is expected in the medium term (through 1998) in occupations requiring specific skills and/or some form of postsecondary education. Managerial, administrative, and professional positions will account for almost one-third of new jobs during this period, while sales and service positions will make up more than one-quarter of the new

7. Dennis Forcese and Jill Vickers, “Post-secondary Accessibility and Canada’s Next Century”, *This Week at Carleton* (March 9, 1995).

8. Employers frequently express a desire for a more skilled workforce, although the effectiveness with which they communicate their demand for skills to the public is variable. See Organization for Economic Co-operation and Development (OECD), Centre for Educational Research and Innovation, *International Conference on Learning Beyond Schooling – New Forms of Supply and Demand*, Paris, December 14-16, 1994.

jobs. Workers equipped to adapt in an environment of widespread and rapid technological change will be in demand. Growth in clerical jobs is expected to be slow, and, as the use of voice-mail, scanning, voice-recognition, and CD-ROMs becomes more widespread, new clerical positions will likely require at least some technical expertise.⁹

Changing social policy priorities will also increase the demand for postsecondary education. The high priority placed by government on self-sufficiency and reduced dependence on social support programs will lead to an increased demand for the postsecondary and continuing education programs that can open up new routes to employment. “Opportunities to learn are critical to social policy reform”.¹⁰

3. Funding Considerations

The government recognizes that Ontario’s ability to provide widespread access to postsecondary education will have a direct effect on the long-term economic well-being of the province.¹¹ At the same time, financial constraints make it necessary to reduce the overall cost of providing such education. In February 1995, the federal government announced major reductions in the Established Programs Financing (EPF) and Canada Assistance Plan (CAP) funding. By 1997-98, federal contributions to Ontario for health, postsecondary education, and social services will decline by \$2.2 billion from the 1995-96 level. In November 1995, the government took steps to achieve savings of \$400 million from the postsecondary education system.

While the need to provide postsecondary education to Ontarians in a cost-effective manner must be our primary concern, we must also be mindful of the economic and social consequences of failing to provide Ontario residents with the educational opportunities they need. Such consequences could include a decline in the educational level and

9. Ontario, Ministry of Finance, *Ontario Economic Outlook: 1994-1998* (November 1994), p. 37.

10. Alberta Advanced Education and Career Development, *New Directions for Adult Learning in Alberta* (October 1994).

11. Progressive Conservative Party of Ontario, *The Common Sense Revolution*, 5th printing (May 1994), p. 12.

employability of the province's workforce, with a corresponding increase in government expenditures on social services such as unemployment insurance, welfare, law enforcement, and correctional services.

The need to practise fiscal restraint while expanding educational services means that funding must be based on clearly defined priorities. The criteria for allocating resources to postsecondary education should emphasize initiatives that can contribute to the economic development of the province and produce graduates who possess skills needed in the labour force.

4. The Use of Technology

Advances in information and communications technology have given individuals access to a wide range of sources of information and have reduced and in some cases eliminated constraints of time and geography. Such advances change the shape of education by opening up alternatives to traditional forms of postsecondary education. As well, today's students are increasingly likely to have been exposed to information technology in secondary school, and to demand the benefits which it can provide at the postsecondary level.

The continuing ability of postsecondary education institutions to attract students will depend, perhaps

to a great extent, on their capacity to adapt the delivery of programs and services to respond to new demands and needs. In some publicly supported institutions, communications and information technology are being effectively used to provide a greater number of students with postsecondary educational programs and services. It is important for all institutions within the postsecondary education system to have technologically advanced delivery systems, in order both to achieve economies of scale in the long term and to remain competitive in the global education community. It should be recognized, however, that perceived economies of scale may be offset to some extent by the initial high cost of the technology and the eventual cost of renewing or replacing it to keep pace with technological advances.

Collège des Grands Lacs, a college offering French-language programs to students in southern Ontario, makes extensive use of audio-visual technology to enable small groups of Francophones located in different centres to receive instruction as a "class". The use of technology thus allows instruction that would otherwise be prohibitively expensive (instruction would have to be provided to the groups separately) to be delivered in a cost-effective manner.

Areas for Discussion

Consultation is more likely to be productive if it is focused. Priority in discussion should therefore be given to the three broad topics outlined below.

Accessibility

The government is committed to ensuring that all Ontarians who wish to pursue a postsecondary education have an opportunity to do so. A variety

of factors affect applicants' opportunities. These include:

- 1) the availability of places and appropriate programs;
- 2) the ability of applicants to qualify for postsecondary programs;
- 3) affordability by students;
- 4) the geographic distribution of facilities and programs.

1. The availability of places and appropriate programs

It is likely that the postsecondary education system will be called upon to accommodate increasing numbers of students in the next ten to fifteen years. Allowing for year-to-year variations, if participation in postsecondary education continues at its present rate and Ontario's population grows as expected, the actual number of postsecondary places required in the province will increase. This number may be further augmented by an increase both in the proportion of secondary school graduates applying for entry and in the number of people seeking access to postsecondary education at later periods in their lives.

We need to determine whether the existing publicly supported institutions have the capacity to accommodate the anticipated increase in demand using current modes of delivery. If they do not have the capacity, we need to determine how to respond to the increase. Could there be a bigger role for private institutions? Could an extension of alternative modes of delivery enable existing institutions with limited physical capacity to meet the higher demand? Would more flexible policies allowing institutions to charge higher tuition fees have the effect of making more places available? Could more places be created through partnerships between public institutions and the private sector and through the use of full-cost-recovery measures in some program areas?

Action taken at the secondary school level to provide programs for Francophone and Aboriginal students has increased the numbers of such students seeking programs at the postsecondary level. French-language programs are currently available in bilingual universities and the three recently established French-language colleges to accommodate Francophone students. Efforts to improve postsecondary opportunities for Aboriginal students have also been made over the past several years and will need to continue.

2. The ability of applicants to qualify for post-secondary programs

The ministry, school boards, and schools share the responsibility for developing and delivering curriculum at the secondary school level and for ensuring that all Ontario students have equal opportunities to achieve the standards required for entry to postsecondary education. Postsecondary institutions also have a responsibility to consult and co-operate with educators at the secondary school level to ensure that the criteria for admission to postsecondary education do not unintentionally block access, to keep informed about the evolving needs of each new generation of applicants, and to find ways to assist students to achieve their educational goals. Initiatives such as the "Open Learning Strategy" developed by the Ministry of Education and Training¹² are designed to improve access in a variety of ways. These include measures to increase flexibility in admissions policies, develop alternative curriculum choices and methods of delivery, and enhance support services.

3. Affordability by students

Responsibility for providing financial assistance through the student-aid plan is currently shared by the provincial and federal governments. Participation in the plan has increased steeply over the past several years. If the postsecondary education system is to accommodate the higher numbers of students expected in the next ten to fifteen years, either student-aid programs will have to be expanded with the aid of non-government sources or the cost per student will need to be reduced significantly.

Questions about funding identified in the section "Fee Policy and Sharing of Costs" (see next page) also affect the issue of affordability.

12. Ontario, Ministry of Education and Training, "Open Learning in Ontario – A Strategy", April 1995.

4. The geographic distribution of facilities and programs

It is not possible for every postsecondary education institution in Ontario to offer the full range of programs and services. Ways must therefore be found to allow students to pursue their educational goals even when the appropriate facilities and programs are located some distance away. Facilities for distance education have expanded in recent years, to help students overcome constraints of time, location, or job and family commitments. Distance education initiatives supported by the ministry include Contact North and the Franco-Ontarian Distance Education Network. The distance education capability of many institutions will almost certainly need to be developed further, using advanced information and communications technology.

Fee Policy and Sharing of Costs

The operating costs of publicly supported postsecondary education institutions are covered by revenue from a combination of three sources: government, students' tuition fees, and private-sector sources. Discussion should focus on ways of increasing revenue from non-government sources.

1. Students' tuition fees

Historically, tuition fees have been charged for two reasons: first, to help pay for the education provided; and second, to increase students' involvement in and commitment to their education.

At present, about 19 per cent of the estimated annual operating costs of college programs and 26 per cent of the costs of university programs are covered by students' tuition fees. Partial deregulation to allow tuition fees to rise above current levels has already occurred. As announced in the government's November 1995 Fiscal and Economic Statement, a combination of reductions in transfer payments and increases in tuition fees will raise these percentages to approximately 24 per cent for college students and 34 per cent for university students. In addition, the "discretionary portion"¹³

13. This discretionary portion was intended to replace compulsory, tuition-related ancillary fees, which were banned by the provincial government in 1987.

of university tuition fees will be permitted to rise by an average of 10 per cent over 1995-96 levels. The fees charged to international students by both colleges and universities will be deregulated.

In attempting to determine what levels of fees would be appropriate, we need to take a number of factors into account. The provision of postsecondary education meets society's need for a trained workforce; it also increases students' potential earning power and provides them with additional opportunities for personal fulfilment. The question of whether society or the individual benefits most is considered by some to have a bearing on fee policy. If individuals are seen to reap most of the benefits, it is argued, they should pay a greater share of the cost than they do at present. That share might be calculated in a variety of ways. Fees could be based on a student's estimated potential earnings or on the level students are willing to pay. Or, the estimated proportion of benefit to the public and to the individual could be used to determine what share of the cost of teaching (and of research, in the case of universities) should be paid for out of tuition fees.

Other considerations that affect fee policy include the need to ensure accessibility to qualified students and the related matter of the amount of funding available through a student-aid plan (see "Affordability by students", p. 10).

2. Private-sector sources

Revenue from non-tuition, non-government sources – that is, from the private sector – forms only about 4 per cent of the operating revenue of colleges and universities. Efforts by publicly supported institutions to increase revenues from private sources have had varying degrees of success.

Possible ways to encourage growth in this area could include improved tax incentives for donors, partnerships with business and industry for the sharing of equipment or training facilities, and initiatives involving the matching of donations, such as the one announced in the 1996 Provincial Budget.

Co-operation Among Institutions and Systems

Reducing program duplication within systems and increasing transfer opportunities among institutions and systems can effect savings in the costs of program delivery without compromising program quality or seriously limiting accessibility.

1. Reducing duplication of programs

Savings can be effected by reducing program duplication in cases where several institutions are offering the same or similar programs. The money saved in this way could be reinvested in the system to improve the quality of programs, to make more places available overall, to fund new or alternative programs, or to pay for the initial cost of establishing technologically advanced delivery systems.

As part of the process of reducing duplication, institutions would have to become more specialized and, as a result, more clearly different from one another. Institutions would need to identify particular areas of specialization in which they would concentrate their efforts and resources. For example, an institution might decide to focus on areas in which it already excels, on programs leading to particular levels or types of qualifications, or on programs related to its key areas of research activity.

Articulation agreements between institutions within college or university networks, and also between colleges and universities, may provide additional opportunities for reducing program duplication.

Discussion and advice are needed about the best ways of rationalizing programs on a regional or province-wide basis.

Colleges in the eastern region of the province have been working together and have established a common costing model for programs that has facilitated internal restructuring.

In addition, discussions are under way to develop a transfer protocol enabling students to receive full credit transfer between colleges in the eastern region when moving from the second to the third year of selected programs.

2. Increasing transfer opportunities

With greater institutional specialization and program rationalization, ways must also be found to ensure that programs and credentials not offered at a particular institution are available to students who require them. Measures that allow students to transfer easily from one institution to another – with fair and prompt recognition of credits already acquired – must therefore be part of any plan to reduce program duplication.

Some progress has been made towards increased co-operation within and between the college and university networks. An Advanced Training Consortium is being established to explore ways in which college and university programs can complement and reinforce one another while still maintaining their traditional areas of expertise and performing their distinctive roles. The consortium will have a mandate to facilitate credit transfers within and between networks and to support a variety of advanced training activities. These will include: establishing criteria for granting advanced standing for student achievement in related fields of study; establishing university degree-completion programs for college graduates and college diploma-completion programs for university students and graduates; and encouraging joint college-university programming.

As well, the consortium will maintain the “Ontario Transfer Guide”, first published in 1994, which describes all credit-transfer and joint college-university programming arrangements.

The need for greater flexibility to allow students to transfer between institutions and/or networks was also addressed in the Vision 2000 study published by the Ministry of Colleges and Universities in 1990. This study recommended, among other initiatives, the creation of a provincial institute, similar to the Council for National Academic Awards (CNAA) in the United Kingdom, which would be able to recognize student achievement at the post-secondary level and award credentials independently of existing institutions.

Conclusion

The system of postsecondary education in Ontario must change in order to meet evolving educational needs and adjust to new fiscal realities, while at the same time raising standards and accommodating

growing numbers of students. If we are to accomplish these tasks, we need to explore new ideas for restructuring, for co-operation and sharing, and for achieving economies and efficiencies through the use of new technologies. This paper provides a starting point for discussion about the ways in which we can respond constructively to equip Ontario's postsecondary education system to meet the challenges of the future.

Appendix: Changes in Other Jurisdictions – Some Examples

In Canada, four provinces have recently conducted reviews of their postsecondary education systems: British Columbia,¹⁴ Alberta, and Manitoba¹⁵ in 1992, and Nova Scotia in 1993.

Alberta's report, *New Directions for Adult Learning in Alberta* (1994), and Nova Scotia's report, *Shared Responsibilities in Higher Education* (1995), identify the goals for reform in their respective jurisdictions and discuss strategies for bringing about change. Also in Alberta, a discussion paper released in August 1995 focuses on policy development to encourage research in Alberta universities.¹⁶ In Nova Scotia, steps have already begun to rationalize programs and services, with a proposal to centralize administrative services for the seven universities and colleges in Halifax.¹⁷

In the United States, reviews have taken place most recently in Colorado¹⁸ and Virginia.¹⁹ Outside North America, several countries have restructured their postsecondary education systems in the past decade. In Australia and the United Kingdom, the distinction between colleges or polytechnic institutes and universities has been eliminated. In Australia, institutions receive funding on the basis of contracts to provide educational services. In the United Kingdom, research and teaching are now funded separately, and the government has started to tie funding to the achievement of high standards and measurable outcomes. Denmark now funds students enrolled in postsecondary education through a limited voucher system, while Norway takes into account enrolment levels and appropriate outcomes in allocating funds.

14. J. Stefan Dupré, *University Financing in British Columbia: An Equity Study of Provincial Operating Grants*, Report of the University Presidents' Council (Victoria, B.C.: Ministry of Advanced Education, Training and Technology of British Columbia, 1992).

15. Manitoba, University Education Review Commission, *Post-Secondary Education in Manitoba: Doing Things Differently* (December 1993).

16. Gilles E. Cloutier, for Alberta Advanced Education and Career Development, *University Research in Alberta: A Policy Framework*, June 1995.

17. This proposal replaces a more radical proposal for merging the seven Halifax colleges and universities into one institution.

18. Colorado Commission on Higher Education, *Colorado Higher Education Master Plan* (1992).

19. Virginia introduced a budget plan in 1991-92 with three major goals: access, excellence, and accountability. From 1989-90 to 1991-92 funding to postsecondary institutions in the state was reduced by 30 per cent, while enrolment grew by 8 per cent.

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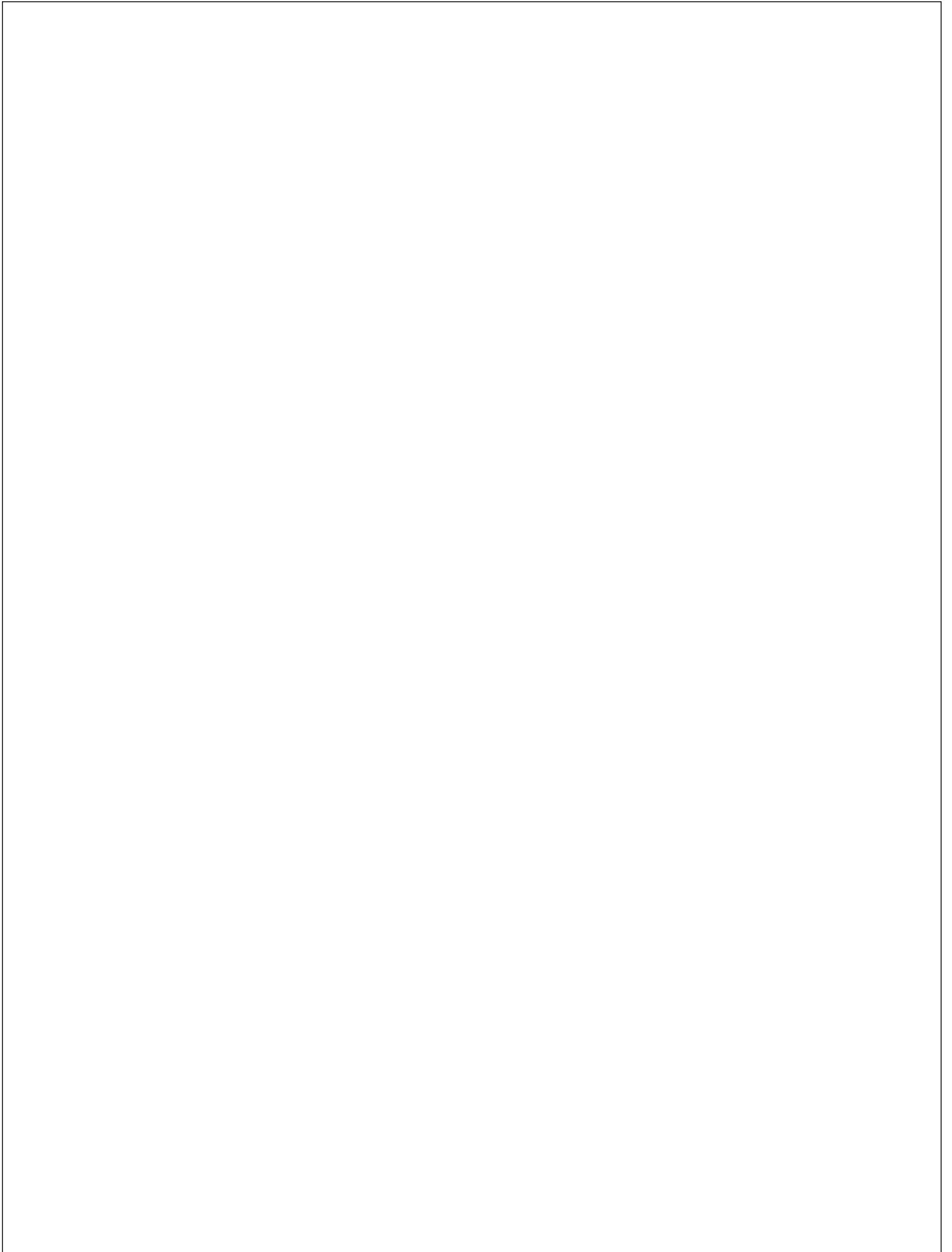
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