THE RAE REPORT IN RETROSPECT:

A VIEW FROM THE COLLEGE SECTOR

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EXECUTIVE SUMMARY

In 2004, former Ontario Premier Bob Rae was invited to lead the Postsecondary Education Review to provide advice on the seemingly intractable job of reconciling the province' aspirations for a high quality, highly accessible and affordable postsecondary education system with the level of financial support that governments have felt able to provide for this endeavor. The report was considered extremely successful in providing 28 recommendations that were "sensitive to long-standing patterns of public opinion, articulated new public goals, [and] recognized the important role to be played by each major stakeholder."(Clark and Trick, 2006, p. 180).

As recommendations rather than policy initiatives, Rae's proposals were as likely to be disregarded or significantly modified as they were to be adopted as a strategy by the government. While it is impossible to consider the implications of having not done something, this report considers actions that were in different directions than those recommended in the report, as well as those that furthered the recommendations, in order to get a more complete picture of the impact of the report. For example, by design, omission or evolution, three agencies entered higher education landscape in the past decade: the Higher Education Quality Council of Ontario (HEQCO), a short-lived Research Council, and the recent emergence of Ontario Council on Articulation and Transfer (ONCAT), which have contributed to research in, and coordination of, Ontario's system, and perhaps influenced the direction of research.

The overall structure of the Ontario system has changed little since Rae was asked to provide his advice on system design. Along with calling for a new legislative framework, Rae recommended the reaffirmation of the College mandate to "to focus on occupational education and labour market needs, while continuing to allow applied degrees and institutional evolution" (Rae, 2005, p. 28). While neither of these recommendations were heeded, there have been modifications to the everyday activities of colleges, for example in apprenticeship programming, remedial education, bachelor's degree provision and research.

The most significant change to the college sector in the past 10 years is in the number of applications and enrollments. A key recommendation of Rae, and one that that was taken up by the government, was to significantly increase participation. Adding approximately 50,000 students, expansion has essentially added the equivalent of a new Fanshawe College every two years in

enrollments. In order to support the 21% increase of students (between 2004-2005 and 2012-2013), there has been a 29% in increase in faculty – though nearly half of that is in part-time appointments.

Accountability and funding were the primary ways Rae recommended supporting the expansion of system. Multi-year Action Plans (MYAs) and the Multi-year Accountability Agreements (MYAAs) that were introduced as part of the Reaching Higher plan were a direct result of the Rae Report. By 2011, the MYAA had evolved into a data-collection tool, and a new more strategic instrument, the Strategic Mandate Agreement (SMA) was introduced in 2012. While quality assurance was not an explicit concern for Rae, Ontario colleges today are responsible for complying with five different sets of binding accountability and quality assurance mechanisms managed by five different bodies.

On the topic of funding, the Rae Report recommended developing a new revenue framework. Noting that the Ontario system was underfunded compared to its Canadian and international peers, the report states "the goal should not focus on being first in spending…but on being first in quality" (p. 93). The government did not design a new funding framework, but did inject the system with additional money. Depending on which type of calculation is used, it seems college revenue per FTE is now below, or at the same level, as in 2005 when Rae called for a significant increase. Accordingly, Ontario has returned to last place amongst its Canadian peers in funding levels. Nonetheless, graduation rates have increased, and graduate and student satisfaction rates have improved, as have perceptions of educational and facility quality.

Many of the system challenges of 2005 remain significant issues in 2015. For example, without a clearly established legislative framework the system continues to revisit questions of governmental responsibility, expectations and long-term goals. Similarly, without an affirmation of the College mandate the colleges are increasingly responsible for a growing range of responsibilities. There are good and substantial reasons for the expanding role of the colleges. The problem is that they have occurred without a new funding framework to respect the financial requirements and implications, resulting in a college system with the same funding deficits Rae noted 10 years ago.

INTRODUCTION

Fifty years ago the Ontario Colleges of Applied Arts and Technology (CAATs) were founded for the purposes of increasing access to post-secondary education (PSE), addressing the needs of learners not served by the university system, and meeting local economic and community development needs. In 1966 when Centennial College was the first college to open its doors there were 450 fulltime and 160 part time students in 16 programs. Today, the 24 public colleges of Ontario serve 220,000 fulltime and 300,000 part time students and provide 4500 credentialed programs (MacKay, 2014, p.2; Colleges Ontario, 2015). In today's knowledge based economy, colleges provide a route to secure and meaningful employment, and provide access for all Ontario citizens to achieve educational success.

Ontario has struggled with how to accommodate the ever increasing demand for places in its universities and colleges while at the same time keeping higher education affordable to students, families and government, and maintaining, or attaining, an acceptable level of quality. A number of commissions, task forces, and other advisory bodies have been established to provide advice on the seemingly intractable job of reconciling the province' aspirations for a high quality, highly accessible and affordable postsecondary education system with the level of financial support that governments have felt able to provide for this endeavor.

The most recent substantial initiative of this type was the Postsecondary Education Review that was established in conjunction with the 2004 Ontario Budget, headed by former Ontario Premier, Bob Rae. The report arising from this exercise, in which Mr. Rae was assisted by seven other members of the advisory panel, has generally been referred to as the Rae Report, and was submitted to the Premier and the Minister of Training, Colleges and Universities in February 2005. The Report was considered an extremely successful exercise in providing recommendations that were "sensitive to long-standing patterns of public opinion, articulated new public goals, [and] recognized the important role to be played by each major stakeholder…"(Clark and Trick, 2006, p. 180)

In its terms of reference, the advisory panel was requested to provide advice on two main matters: "the design of a publicly funded postsecondary system offering services in both official languages" and on "funding model(s) that link provincial funding to government objectives for postsecondary education" (Rae, 2005, p. 1). The report, which gave much greater attention to

system funding than to system design, presented 28 recommendations organized within seven key strategies (see Appendix A for recommendations).

Almost all of the recommendations were formulated with respect to "postsecondary education" rather than specifically toward colleges or universities, yet there are a few that pertain more to colleges. For example, one of the recommendations specifically concerns the "college mandate" of supplying occupational and labour market needs as well as providing room for institutional evolution and degree provision. Another recommendation relates to apprenticeship, for which the colleges have a particularly important role. Similarly, colleges may have had a greater stake than the universities in the recommendations pertaining to base funding, since it constitutes a larger share of total revenue for the colleges than it does for the universities, and underfunding was more pronounced for the colleges than for the universities.

The following review focusses on selected recommendations pertinent for colleges, while providing insight on the impact to Ontario's postsecondary education system overall. The recommended strategies and recommendations were crafted to support what we identify as five over-arching themes: (1) changes to the PSE landscape (2) improved efficiency in system design, (3) improved accountability and educational quality; (4) improved access to, and participation in, postsecondary education; (5) a more robust funding structure. Through these five themes, this review will examine the achievement of Rae's recommendations and goals, and offer insight into the impacts on the Ontario college sector.

In any public policy analysis it is difficult to isolate the impact of one strategy, policy or action. In this particular case, there have been other forces promoting some of the same goals as those of the Rae Report, and it is thus hard to isolate the impact of that report. For example, advocacy for improvements in college-to-university transfer date back at least to Vision 2000 (Ministry of Colleges and Universities, 1990) and the No Dead Ends Task Force (Pitman, 1993). Further complicating the task of evaluating impact is the length of time specific initiatives take to be developed and implemented. For example, while the Ontario Government introduced a major initiative in regard to transfer, it did not do so until 2011, six years after the Rae Report. While it is possible, perhaps even probable, that this initiative would have gone forward anyway, the influence of the report in this matter should not be underestimated.

As a consideration while preparing this review we note that as recommendations rather than policy initiatives, Rae's proposals were as likely to be ignored or significantly modified as they were to be adopted as a strategy by the government. For example, the first recommendation was for a new legislative framework for postsecondary education which would allow the government to "communicate[s] its mission, anchor[s] its commitment and articulate[s] the principles and key framework strategies" (Rae, 2004; 39). This recommendation was not adopted. While it is impossible to consider the implications of having not done something, it is relevant to look at actions of the government and postsecondary institutions that were in different directions than those recommended in the report, as well as those that furthered the recommendations in order to get a more complete picture of the impact of the report.

MAJOR CHANGES TO THE LANDSCAPE:

By design, omission or evolution, there have been three major additions to the Ontario higher education landscape in the past decade; the foremost example is the Higher Education Quality Council of Ontario (HEQCO). A second organisation that was recommended by Rae, but whose tenure was brief, was a Research Council. On the other hand, the report did not explicitly recommend the establishment of the Ontario Council on Articulation and Transfer (ONCAT), but given the emphasis that Rae placed on improving transfer it is understandable that the stakeholders reacted in a way that gave it the attention it demanded.

The Rae Report called for a new council reporting to the Minister of Training, Colleges and Universities to advise government on how to achieve its learning mission, set targets and measure for improvement, monitor and report on performance and outcomes, coordinate research on higher education, and encourage best practices. The Higher Education Quality Council of Ontario opened its doors in 2006 and quickly began work turning its annual 5 million research budget into 162 publications over the past 8 years in three primary areas: access, accountability and quality (HEQCO, 2015). The Report suggested that this council "should [also] provide valuable advice on the evolution of the system" (p. 15), and referred to the role of the colleges in degree-granting as an example of the kind of system design issue that the council might examine.

One of the major tasks assigned to HEQCO in the Rae report was to support the development of the accountability agreements – which required establishing targets, indicators and goals. It was quickly

realised, however, that there was a lack of data to establish benchmarks in order to even develop strategies and expectations. HEQCO spent much of its early years establishing baseline information and data sets, and has been a proponent for better information and data collection since its inception and has added considerably to the knowledge of Ontario's postsecondary education system. Despite its ability to bring together college and university data, provincial data and national data sources, Jones (2015) notes the continued need for better data on the whole of the PSE system, not just in Ontario but across the country.

An area of postsecondary education that Rae felt strongly deserved equal attention was research. Recommendation 25 called for the establishment of a council that would advise on research priorities and develop a "coordinated, strategic approach to the funding of research from all sources, which meets provincial priorities" (p. 90). The proposed research council would advise and coordinate research priorities and allocate provincial funding in line with the priorities and in partnership, where appropriate with federal funding agencies. The intent of the recommendation was not spelled out in much detail, but it would seem to provide a framework for the province to take a systematic approach to the allocation of research funding among postsecondary institutions, and possibly foster differentiation in research roles among institutions.

This recommendation was taken on by the McGuinty government, and culminated in the Ontario Research and Innovation Council (ORIC). The organisation, however, existed for only two years (Ontario government, 2015). Perhaps it was because of the enormity of the task that the council was dissolved, and instead it seems that the work of the group supported the Ontario Innovation Agenda and the creation of the Ministry of Research and Innovation. The implication of removing the research agenda from the ministry responsible for higher education funding is impossible to determine. Other initiatives relevant to this discussion include the Government's decision to endow a network of Ontario Research Chairs designed to strengthen the province's policy research infrastructure. The MaRS Discovery District, which was initiated before the Rae Report, was intended to bring together public and private sectors in order to support innovation and entrepreneurship (Evans 2005), but has been considered relatively unsuccessful by some (Morrow, 2014). Similarly, there has been an expansion of applied research in the colleges that is arguably not funded or accounted for in a suitable or equitable manner (discussed in more detail below).

A third addition to the Ontario landscape not explicitly articulated by the Rae Report is the Ontario Council on Articulation and Transfer (ONCAT). The pressure to create a more coordinated system was not new. In 1994, the Ministry announced its intention to establish a voluntary consortium of colleges and universities that would promote cooperation and would publish a guide for students on credit-transfer arrangements. Originally the College-University Consortium Council (CUCC) was to have involved a selected group of universities that were especially interested in working with colleges. However, some universities feared that the non-participants would be perceived by the Minister as uncooperative, and so all universities agreed to be participants. CUCC (which was formed in 1996) was reformed in 2011 to become ONCAT. It is a government agency with a 5-year mandate to improve credit transfer and student mobility in Ontario's public institutions.

It is too soon to tell if the new transfer initiative will lead to increases in the rate, or improvements in the conditions, of transfer. Given the difficulties of making changes in transfer arrangements, the Rae Report asserted that the "government's approach in this area must be aggressive to stimulate real progress" (p.42). Indeed, the report goes further, suggesting that "If institutions cannot make progress under an umbrella of incentives, government should be prepared to mandate greater co-operation in the best interests of Ontario students" (p. 42).

ISSUES OF SYSTEM DESIGN

While the new bodies described above supported research in, and the coordination of, postsecondary education in Ontario, the overall structure of the Ontario system has changed little over the past decade. The term "system design" refers to the mix of different types of institutions in a postsecondary education system and their relationship with one another (Clark *et al*., 2009). Postsecondary institutions may differ from each other in many ways, for example, in their respective missions, the functions that they perform, the credentials that they award, the fields of study that they cover, and their methods of program delivery. The most fundamental choice in designing a postsecondary system concerns the extent of institutional differentiation: whether to have institutions that are similar to one another in regard to mission, functions, and other major characteristics, or to have a more diverse set of institutions. It is widely thought that up to a point, greater institutional differentiation enables a postsecondary system to operate more efficiently by

reaping the benefits of specialization. However, if pushed too far, institutional differentiation can limit accessibility and social integration.

Ontario's postsecondary system has had less institutional differentiation than the postsecondary systems of many other jurisdictions, and accordingly since the 1980s attention has been given to the question of whether the system should be modified to provide for greater institutional differentiation, and if so how that should be done (Clark *et al*., 2011; Jones, 1996) . The major factor that has been responsible for interest in this question has been the possibility that certain modifications in the design of Ontario's postsecondary system might enable it to reconcile the desire to increase access and quality with the need to keep postsecondary education affordable for the student and the public. The question of system design has been part of the mandate of almost every major review of higher education in Ontario going back to the Committee on the Future Role of Universities in Ontario (1981), and the fact that this was one of the two main issues which the Rae Review was asked to provide advice says something about the complexity of the question, and the political challenges associated with addressing it (Jones, 2013).

The Rae Report clearly recognized the importance of system design: "If increased access and improved quality are key goals for Ontario, then ensuring the province has the right postsecondary system design and structure is a critical part of the solution" (p. 2). However – perhaps owing to the urgency of dealing with the financial side of its mandate – the review provided only a few recommendations pertaining to system design. There is some indication that Rae regarded system design as a matter that was more appropriate to address in the longer term than during the brief time span of his review, and for that reason included it within the mandate of the Higher Education Quality Council that he proposed (Paniagua, 2014; Skolnik, 2005).

The main recommendation pertaining to system design is Recommendation 2, on Differentiation and Collaboration. In elaborating on its recommendation on Differentiation and Collaboration, the report says that institutional differentiation benefits students and should be facilitated through the multi-year planning process of each institution and by giving institutions (rather than the government) the responsibility for setting tuition levels within a tuition framework established by the government. Beyond that general statement of principles, the report has nothing specific to say about differentiation among universities, for example on whether it would be a good idea for some universities to concentrate on undergraduate education; nor about differentiation

among colleges, such as whether some should become polytechnics. Moreover, the report does not deal explicitly with differentiation between colleges and universities, though the question of whether blurring the boundaries between sectors was becoming a problem had been a topic of considerable discussion in Canada at the time the report was commissioned (Fisher & Rubenson, 1998). The report does address the mandate of the colleges, but there is no comparable recommendation regarding the mandate of the universities. Nor does Recommendation 4 contrast the college and university mandates.

The discussion of the recommendation on Differentiation and Coordination consists largely of a plea to improve the credit transfer arrangements for students who move from a college to a university. The report argues that such improvements could result in costs savings for "students, their families, the government and the public" (p. 43). The recommendation for the universities to substantially increase the amount of transfer credit that they award for college courses may be somewhat in conflict with the mandate that the report assigns to the colleges in Recommendation 4 (Skolnik, 2005). The associated vision pertains not only to college-to-university transfer, but also transfer between colleges, between universities, and from apprenticeship to diploma in the colleges. Recent reports on transfer in Ontario indicate a range of estimates of the rate of college-to-university transfer between 5% and 8% but no clear trend (Kerr *et al*., 2010; Trick, 2013).

Recommendation 4 reaffirms the original mandate of the colleges articulated by Education Minister, William Davis, in 1965, while perhaps amending the original role to include more emphasis on reaching out to high school students who do not go on to any form of postsecondary education. The recommended mandate would continue to "allow" the colleges to award applied degrees, but is otherwise silent on college degree-granting. The problem is that the original mandate was to provide courses for those not wishing to attend university. In fact, the Minister had noted that the liberal or general education courses in the colleges were "not thought of as university level courses" (Davis, 1965, p. 13). The report does not mention the changes that have taken place since 1965 in the occupations for which the colleges prepare their graduates, and hence, the corresponding changes in the level and sophistication of the knowledge requirements in the college curriculum, nor that as a result of such changes, comparable institutions in many jurisdictions have become predominantly degree-granting institutions (Higher Education Strategy Associates, 2012; Skolnik, 2013). It is only because of the more advanced level of education that colleges provide compared to

when they were founded that the problem the report mentions of students being required to duplicate courses in university that they have taken in college has arisen.

The government's decision in 2000 to authorize colleges meeting certain requirements to offer four-year baccalaureate degrees has led some colleges to compete directly with universities for students seeking degrees. Changes in the labour market and in students' preferences have led many universities to introduce new career-oriented baccalaureate programs that compete with longstanding college programs. In effect, each college and each university makes its own choices about where to collaborate and where to compete in offering baccalaureate programs. From 2005, when the Rae report was submitted, to 2013, enrolment in baccalaureate programs in the colleges increased about five-fold, from 1,765 to 8,415 (Higher Education Quality Council of Ontario, 2014), even though the report gave no encouragement to these programs and the emphasis in the recommendations was elsewhere. Moreover, in September 2012, Colleges Ontario recommended that the colleges be permitted to award three-year baccalaureate degrees (Colleges Ontario, 2012). As this recommendation would involve converting most or all of the present advanced diplomas into baccalaureate degrees, its implementation would result in a considerable shift in the mix of credentials awarded by the colleges, in a direction other than that recommended by the report.

There has been no formal affirmation of the college's mandate, as Rae recommended that the government should do. However, this is consistent with historical practice, as the call by Vision 2000 in 1990 for the formal adoption of a mandate for the colleges also went unheeded. Perhaps the concern is that a written mandate might inhibit the flexibility of the colleges to respond to changing societal needs in diverse and innovative ways, which perhaps is an apt description of their *de facto* mandate. There is some indication that the colleges have responded heartily to another element of the report's recommendation on college mandate, outreach to high schools. One avenue for getting high school students oriented toward pursuing postsecondary education is the establishment of dual credit programs in which students simultaneously take courses both in a high school and in a college. Dual credit programs had just been started on a pilot basis in 2005, and had only a few hundred students. This idea appears to have resonated well with high school students. By 2011, about 15,000 students were registered in dual credit programs in Ontario (Phillpot-Skilton, 2013).

It should be noted that while the Rae Report had little to say about differentiation within the university sector or within the college sector, most other discussion of differentiation in Ontario's postsecondary system, both before and since the review, has focused mainly on the university sector. Because the community college was originally viewed as a *local* institution whose mission was to bring equivalent opportunities to the different communities and regions of the province, institutional differentiation was not built into the design of the college system, although some differentiation in programming was anticipated due to economic and demographic differences across the province.

However, as the colleges evolved and developed their own particular strengths, considerable differentiation of certain types has emerged. For example, Colleges Ontario has observed that: seven colleges deliver more than 60% of the apprenticeship training in the system; three colleges deliver about 40% of post-graduate programs; five colleges deliver more than 85% of college baccalaureate programs; and six colleges serve more than 50% of aboriginal learners in the college system (Colleges Ontario, 2013). One of the questions that will need to be addressed in the course of making differentiation a major policy driver for postsecondary education is whether the focus will be primarily on differentiation within the university sector and between universities and colleges, or whether differentiation within the college sector will also be a major policy target.

One of the most common elements of differentiation in other jurisdictions is the special mission institution. Examples are institutions that concentrate on certain functions, such as a liberal arts college; those that focus on a limited range of disciplinary fields like a technical university; or those that embrace a particular educational philosophy and/or method of program delivery, like an open university. About the only institutions of this type in Ontario's public postsecondary system are OCAD University and UOIT. Rae did not recommend that Ontario move further in this direction.

Apparently, the type of special mission institution that received the most attention during the review was an online (which is not necessarily the same as an "open") university, as Rae noted that he "received some suggestions for a bold, new Ontario-based institution that would be dedicated to distance and on-line education" (p. 17). This idea was rejected on the grounds that it would be expensive and "duplicative of what was already starting", though evidence of such duplication was not provided. The report noted the role that Athabasca University played in meeting the demand for online learning in Ontario, and in the College Mandate section, it recommended

special funding for online learning in Northern and rural communities. Despite the Rae Report's moderate support for open and online learning, the government indicated an intention to go further than Rae recommended (but perhaps not as far as the "bold" suggestions that he had received). The government indicated its intention to establish the Ontario Online Institute, however it has been slow in materializing ("Long-promised Ontario Online Institute", 2012), and the most recent iteration of the institute sees it as a hub of courses available online from existing institutions ("Ontario to launch $42-million central hub for online postsecondary classes" 2014).

Another instance of an increase in college activity in an area not specifically recommended by the Rae Report is applied research. Although specific figures on the amount of applied research done in the colleges are not available, it appears that there has been a substantial increase since applied research was formally added to the mandate of the colleges in the 2002 Colleges of Applied Arts and Technology Act. Examining the Statistics Canada "Revenue for colleges in Ontario" for example, shows a near 20 fold increase in sponsored research – from about 3 million in 2004-2005 to 61 million in 2012-13 (StatsCan, 2015). Provincial and particularly federal government agencies concerned with productivity and innovation have encouraged colleges to be more involved in applied research to help small and medium sized enterprises (SMEs) and have initiated numerous programs, such as the federal College and Community Innovation Program, to support this activity.

A study published by the Conference Board of Canada showed that applied research collaborations between colleges and SMEs frequently result in the development of new or improved products, services and processes (Munro & Haimowitz, 2010). Proponents of applied research note valuable learning experiences for students. According to Colleges and Institutes Canada, in 2012-13, 29,356 students participated in college research projects, an increase of 22% from 2011-12 (Colleges and Institutes Canada, 2014). The Conference Board study (Munro & Haimowitz, 2010) showed also that in many cases the experience that students obtained in these applied research projects led directly to jobs after college.

Unlike the situation in Ontario universities, where faculty are expected to divide their time between teaching and research, applied research is not a normally expected part of a college professor's job description. However, when funding is obtained for an applied research project, that may enable the college to release a faculty member from some of her or his teaching in order to participate in the research, and employ a part-time teacher in their place. Thus, the expansion of

applied research may be a contributing factor in the increase in the use of part-time faculty, although probably one of the lesser factors. Since external funding for research often fails to fully cover indirect costs, the need to maintain an infrastructure for administering research may divert some college resources from other uses.

QUALITY AND ACCOUNTABILTY

Accountability was a key objective set out in *Reaching Higher.* Rae clearly set an expectation that targets and measures would be established to monitor the quality and performance of the post-secondary education sector, and that agreements between the government and institutions would be in place to ensure the results were achieved. It is widely perceived that the Multi-year Action Plans (MYAs) and the Multi-year Accountability Agreements (MYAAs) that were introduced as part of the *Reaching Higher* plan were a direct result of the Rae Report recommendation for multi-year planning (Paniagua, 2014). Consistent with the elaboration on Recommendation 28 in the Rae Report, the emphasis in the MYA/MYAA process was on the institution, and there were "no system-level objectives" in the implementation of these processes (Paniagua, 2014, p. 226). The accountability objective was first implemented through the Interim Accountability Agreements for 2005-06. This interim arrangement was followed by Multi-Year Accountability Agreements (MYAAs), in place from 2006-07 to 2008-09. MYAAs were extended by one year until a new framework could be put in place.

By 2011, the MYAA had evolved into a data collection tool, and a new more strategic instrument, the Strategic Mandate Agreement (SMA) was introduced in 2012. While it was hoped that the SMAs might provide a better basis for steering the postsecondary system, an early instance of using this approach was found to be wanting. The Expert Panel that assessed the 2012 Strategic Mandate Agreement (SMA) Submissions from universities and colleges found that the SMAs proposed by the universities "demonstrate[d] a tendency to greater homogenization of the system based on the preferences" of the institutions (Expert Panel, 2013, p. 11). The only evidence that the Expert Panel reported of SMAs contributing to greater differentiation in either sector was the intention of some colleges to become more involved in degree granting. The Expert Panel concluded that any movement toward greater differentiation would have to be driven by government. Perhaps it was not a coincidence then, that seven months after the Expert Panel reported, the Ministry issued

a Differentiation Policy Framework for Postsecondary Education which stated that "the government has opted for differentiation as a primary policy driver for the system" (MTCU, 2013, p. 6).

While the accountability agreements are supportive of system level coordination, issues of educational quality have become more prominent over the past decade no doubt due to the explosion of new programs and in the numbers of students. Beginning in 2002, with the advent of the Ontario Qualifications Framework, Ontario's colleges have been given more guidance in their educational provision than ever before in order to both maintain and ensure high quality provision. In fact, Ontario colleges are responsible for complying with five different sets of binding accountability and quality assurance mechanisms managed by five different bodies (Lennon, 2014).

All Ontario programs must comply with the Ontario Qualifications Framework which establishes expectations across all credentials. Colleges providing undergraduate degrees must comply with the Postsecondary Education Quality Assurance Board (PEQAB) standards. Note that these are different expectations than for the university providers. The diploma programs must demonstrate compliance with the both the governments' Essential Employability Skills (EES) and program standards through the Ontario College Quality Assurance Service (OCQAS). This arms-length peer-review quality assurance agency for Ontario's colleges is mandated by the government to provide quality assurance of college programs through Credential Validation Services (which approves new programs), and through the Program Quality Assurance Process Audit (PQAPA) (which conducts academic audits). Finally, apprenticeship programs must comply with the parameters set out by the newly established Ontario College of Trades.

In late 2013, OCQAS was granted permission from its governing board (made up of college presidents) to become an accreditation agency (Ontario College Quality Assurance Agency, 2013). Unprecedented in Canada, the accreditation agency is expected to help validate the quality of the colleges. The development of the accreditation body is currently underway, and is expected to be operational by 2015. The shift to institutional accreditation is an effort to make the quality of the colleges' education more transparent. For example, some research suggests the that Ontario's 3 year diplomas is an equivalent credential to 3 year degrees offered elsewhere (Mitchel, Trotter, Wilson, & Walmsley, 2013). But until there are objective measures of student success in learning outcomes the college system will continue to be subjected to adverse comparisons with the Ontario university sector. Aligning the different frameworks is challenging, and there is little coordination and limited

formal paths of communication between the agencies (though there are informal conversations). These factors confound the straightforward understanding and comparison of programming. Each program complies with the EES as well as the OQF, but there is no alignment with university programming, so it is very difficult to have credits recognised for a university degree (Heath, 2012). Also, the very specific program learning outcomes make it difficult to recognise the transferability to other college programs

While quality assurance was not a priority in Rae's Report per se (other than discussing the need for better performance indicators), the report did make strong recommendations on the governance of apprenticeship. He recommended prioritising apprenticeship and recognising it as a core business of the college and that colleges be given responsibility to 'administer and provide outreach to employers' (Rae, 2005, p. 29). Doing so would tie funding into the colleges, give them responsibility for intake, and support credit recognition. Historically, apprenticeship in Ontario was regulated by the Ministry of Training, Colleges and Universities (MTCU) according to the Trades Qualification and Apprenticeship Act, 1990 (TQAA) and the Apprenticeship and Certification Act, 1998 (ACA). Both of these were replaced by the Ontario College of Trades and Apprenticeship Act (OCTAA) in 2009, which led to the creation of the Ontario College of Trades in April 2013. In effect the development of this agency has fulfilled Rae's recommendation to allow the institutions greater autonomy in program development and delivery while permitting the government to be responsible for legislation and funding.

In examining changes in accountability and quality assurance in the colleges over the past 10 years it seems there has been a shift in the model of government control, where they are relinquishing day to day oversight responsibilities and allowing institutions to have more say in the direction of the their programming. Nonetheless this has come with different forms of oversight through establishing metrics and performance indicators and a heavy reliance on non-governmental quality assurance.

THE EXPANDING SYSTEM

A major recommendation in the Rae Review dealt with increasing participation of Ontario youth and adults, focusing on the needs of francophone, aboriginal and historically underrepresented groups, particularly first generation students (p. 62). This recommendation was taken on fully by the McGuinty government and was one of the pillars of the 2005 'Reaching Higher' budget and 2010 'Open Ontario Plan', when the government promised a place in post-secondary for "every qualified Ontarian who wants to go to college or university" (Government of Ontario, 2010).

Alongside changes to the financial assistance and minor adjustments to the tuition policies, Rae's recommendations to support the engagement of underrepresented groups by targeted programming and funding had a significant impact on applications and enrollment. The impact of the double cohort in 2003 makes a ten year comparison difficult, however, college applications from 2000-2001 to 2012-2013 increased by 50,000, with the most sizable jump between 2008-9 and 2010-11 when applications soared by 20,000 (HEQCO, 2015b). Examining the timeline for government strategies and the rollout of campaigns, it is possible to correlate the governments' efforts to the increased interest from Ontario's citizens. However, that the changes are largely attributed to 'non-direct' entry students (i.e., those not coming straight from high school), suggests that the economic downturn and tight labour market may have also been a factor.

The goal of increasing the number of applications from a wider base of students was matched by the recommendation to support the ability of institutions to take on more students. Again, the government's policy was successful at facilitating the enrolment of an additional 50,000 college applicants from 2000-2001 to 2012-2013, adding an average of 7,000 FTE's each year (HEQCO, 2015c). That enrolment growth is equivalent to adding an institution the size of Fanshawe College every two years. Of the additional students, approximately 1,000 each year are enrolling in bachelor's degrees (HEQCO, 2015c).

Wider access to postsecondary education naturally expands the diversity of the student base, and it is the responsibility of the college to support the students to succeed. One of the challenges presented to colleges is the need for remedial programming to support student success for the new, non-traditional, and perhaps under- prepared students. Colleges have always played a role in supporting learners in achieving their educational goals, however in order to maintain

standards and ensure educational quality, colleges are increasingly responsible for providing basic educational programming that is argued to be of high school equivalency.

While current numbers are not available for Ontario, research in 1999 put the number at 41% of students at one college being "below the functional skill level for postsecondary communications" (Payne, 1999, p. 3), and research in the US suggests that nearly 50% of their community college students enroll in remedial programming. A report authored by Fanshawe college academics Fisher & Hoth (2010), for example, examines literacy in colleges, and notes the importance of supporting literacy on an ongoing basis to support retention and graduation. The colleges rose to the additional challenge of providing basic education and despite widening access to include underprepared students; the graduation rate[1] in 2001 was 57.5 and in 2012/2013 had increased to 65.4 (Colleges Ontario, 2004; 2014).

Another recommendation of the Report was that increased student participation in college programming needed to be accompanied by increasing the number of faculty members available to accommodate the new students. In Table 1 below which examines changes between 2004-2005 and 2012-2013 we can see a significant increase in part-time faculty numbers and an increase in support and administrative support.

[1] The graduation rate calculation is based on the tracking of individual students from their entry point to the college on a full time basis, to their graduation from the college, normally in the program they entered. The normal program duration used to establish a student's program completion time frame equals approximately 200 per cent of the normal program duration.

Table 1: Staffing levels (head count) and student enrollment (FTE)

	2004-2005	2012-2013	% change
Student Enrolment	182,404	220,743	21.0%
Total Faculty	17,050 (100%)	22,676 (100%)	29.7%
FT Faculty	6,634 (38.9%)	7,362 (32.5%)	11.0%
PT Faculty	10,416 (61.1%)	15,314 (67.5%)	47.1%
Total Support and Administrative Staff	16,787	20,723	23.5%

Source: Colleges Ontario 2006; 2014a

When we consider the expansion of institutions – in terms of students, programs, faculty and staff numbers we must also keep in mind the expanding role that the institutions are taking on. They are taking on larger numbers of less prepared students and providing more remedial programming, are engaging in more research activities, and have greater responsibility for apprenticeship and bachelors' level programming. Hence, today's colleges are being pulled in many directions and these change poses a significant challenge for them. Questions of funding, however, have been a continuous concern, as each of the changing roles requires appropriate financial support in order to secure high quality activities.

ISSUES OF FUNDING

On the topic of funding the post-secondary system the Rae Report offered recommendations for developing a new revenue framework. While noting that the Ontario system was underfunded compared to its Canadian and international peers, the report notes that "the goal should not focus on being first in spending…but on being first in quality" (p. 93). In order to provide additional resources for the delivery of quality education and student experience he recommended increased per-student funding, increased base-funding, and better collaboration with the federal government for a 'predictable and sustained' funding partnership.

The Rae report endorsed the view that the Ontario PSE system was underfunded relative to its counterparts in other provinces and countries. *Reaching Higher* acted on this advice by allocating an additional $1.6 billion to the sector over a 5-year period, with $1.2 billion of this amount going as operating grants to college and universities (Ontario budget, 2005). The funding infusion allowed for more college faculty to be hired, and for upgrades to the physical infrastructure of colleges. In addition, there was money allocated to reducing student debt. However, the recommendation to develop a new funding framework was not adopted, and hence the funding model remained largely unchanged despite a few years of added revenue.

At the time of their founding, approximately 75% of operating funding for the CAATs came from provincial government grants via the Ministry of Colleges and Universities (MCU), and the Ministry of Skills Development (MSD) (MacKay, 2014, p. 31). In 2012-2013, approximately 45% of the operating revenue was from the Ontario Government (StatsCan, 2015), and tuition fees currently make up approximately 33% of the operating revenue of Ontario Colleges - a 300% increase from 1967 (MacKay, 2014, p. 31). Federal matching funding was strongly recommended throughout the Rae Report. In 2002-2003 Federal contributions to college operations was less than 1% of overall operations budget and the contribution proportionally shrank to less than 1% by 2012-2013 (StatsCan, 2015). The overall federal contribution to college revenues has remained approximately constant (around 1%), however, as sponsored research contributions by the federal government have increased funding for applied research in the colleges.

The introduction of new provincial government funding in 2005 through the Reaching Higher Budget temporarily increased the operating funding per student to its highest level in 2007-2008, however, by 2013-2014 it had declined by 16% lower than that high (Colleges Ontario, 2014, p. 2). As it was at the time of the Rae Report, this suggests Ontario has returned to having the lowest funding per FTE among the provinces.

There are two ways of calculating the inflation adjusted revenue per FTE student: Using the Consumer Price Index (CPI) and Higher Education Price Index (HEPI). Norrie and Lennon (2011), for example, show that using the Consumer Price Index (CPI) suggests that the university revenue per FTE has remained somewhat constant since 1980. However using the Higher Education Price Index, the calculations suggest that there was a decline of 21.2% in revenue comparing 1980 and 2008. There was a significant dip in the 1990s that only began to increase with the additional funding

associated with Reaching Higher. The discrepancy is due to the fact that per-student costs tend to increase more quickly than the CPI. Growth in compensation costs has often exceeded the CPI as a consequence of wage settlements, progress-through-the-ranks increases for faculty, and higher increases in benefit costs. Other institutional costs such as utilities may climb faster than CPI inflation as well. In the meantime, there has been a long-term shift among full-time university faculty towards greater research responsibilities and reduced undergraduate teaching loads, and similarly shifts are likely occurring the colleges. Furthermore, the heightened competition among institutions for research grants, capital grants, high-quality students, private-sector partnerships, and gifts from donors have also imposed new costs (which can be seen in the increased size of the non-academic staff).

The HEPI recognizes that compensation represents a large percentage of college and university costs, and that changes in faculty compensation may differ from movements in the CPI. The 2014 Colleges Ontario Environmental Scan (p. 14) shows that operating grant plus tuition revenue per FTE in constant dollars was almost exactly the same in 2012-13 as in 2005-06. A However, a calculation of average salary per full-time faculty shows that it increased by about 25% (a bit over 3.5% per year) over that period, while the CPI increase was 13.7% (just under 2.0% per year).

As was discussed in the book *Academic Transformation* (Clark et al. 2010), the colleges have fewer options for dealing with this imbalance than the universities: colleges can't increase class size without adding more faculty because of the workload formula; and they don't have as much scope for increasing tuition revenue. So about all they can do to balance their budgets is shift more toward part-time faculty which they have done (see Table 1 above).

While the Rae Report had a significant impact on college funding, it was short-lived even if the increase in funding was important to maintain or increase the quality of provision. Looking at the outputs of colleges as an indicator of success and productivity there is some indication that it had a beneficial impact. Recent data shows that graduation rates have increased, and graduate and student satisfaction rates have improved, as have perceptions of educational and facility quality (Colleges Ontario, 2004; 2014).

SUMMARY AND CONCLUSION

Examining the Rae Report recommendations for the college sector 10 years after the fact brings to light the relative consistency of Ontario's post-secondary education system. Rae's vision for the system proposed some major modifications as well as other areas to focus on. In some respects government – and institutions – wholly took on the principles. Supporting the participation of a larger population of students, for example, and ensuring they were backed with appropriate financial support was no doubt a catalyst for the expansion of the system and the addition of roughly 50 thousand students in the college system over the course of 10 years. Similarly, the injection of funds to the college sector was badly needed and a few years of increased funding was important to maintain or increase the quality of provision.

However there were significant recommendations that were ignored. As noted at the outset, it is impossible to fully consider the impact of not doing something. We can, however, see how some of the challenges of the system in 2005 remain significant issues in 2015. For example, lacking a clearly established legislative framework for post-secondary education forces the system to continuously revisit questions of governmental responsibility and expectations on the system and its long term goals. Similarly, lacking affirmation of the College Mandate can be argued to have allowed the colleges to be increasingly responsible for apprenticeship, undergraduate degrees, remedial education as well as research – arguably an expansion of its original role in the system. There are good and substantial reasons for all of these expansions in the role of the colleges. The problem is that they have occurred without any consideration of their financial requirements and implications. Furthermore, the unwillingness or inability of governments proceeding the Rae Report to clearly establish a revenue framework for the colleges has resulted in a system with basically the same funding deficits it had 10 years ago.

It has become more clear since the Rae Review that one of the issues that would be most important to address in a financial framework for postsecondary education in Ontario is that over the long term, costs per student tend to increase at a faster rate than the CPI. Consequently, either funding for the postsecondary system must reflect the actual rate of cost inflation in the system rather than the CPI, or colleges and universities will continue to be forced to make adjustments to bring their actual costs into balance with their revenue. As we have noted, the colleges do not have

as much flexibility as the universities in making such adjustments. The chief means available to the colleges for bringing costs into balance with revenue is increasing the proportion of teaching done by part-time faculty. In many cases part-time faculty bring valuable workplace expertise to the college. However, the increasing reliance on part-timers is also problematic in several respects. For one thing, part-time faculty are generally less accessible to students than full-time faculty, and thus the increasing use of part-time faculty may have adverse implications for the depth and quality of student engagement. Also, the increasing use of part-time faculty increases the burden on a relatively smaller cadre of full-time faculty for core academic functions such as student advising, program planning and curriculum development.

With respect to other areas of the Rae Report, recommendations that were adopted in part, may offer some lessons. The case, for example, of making differentiation a primary policy driver for postsecondary education. First, the review provided further confirmation of just how difficult it is for the government to get any advisory body to produce specific recommendations for a more differentiated university system. It is not clear whether the inhibiting factors are more technical/conceptual or political, but the output of the Rae review was strikingly similar to that of the Bovey Commission (Commission on the Future Development, 1984) three decades earlier in choosing to concentrate on finance to the near exclusion of system design though having been explicitly requested to produce an operational plan for a more differentiated university system. Perhaps one of the lessons of both experiences is that it is not helpful to advocate differentiation without specifying the types of differentiation that are desired.

Finally, it seems ironic that the interest in differentiation that is illustrated, for example, by the release of the Ministry's Differentiation Policy Framework and by several HEQCO reports (Weingarten & Deller, 2010; Hicks *et al*., 2013; Weingarten *et al*., 2013) has occurred largely after the expansionary period of the *Reaching Higher* plan. It is likely easier – organizationally and politically – to reform system design during an expansionary period than during a period of stability or contraction. But, perhaps paradoxically, making reforms in system design in order to improve productivity and reduce costs tends to seem less urgent in an expansionary period.

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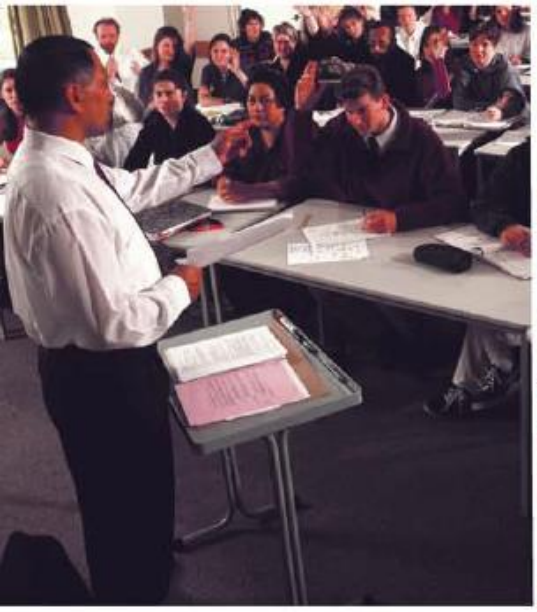
APPENDIX A: RAE REPORT RECOMMENDATIONS

ONTARIO
A LEADER IN LEARNING

Report & Recommendations
February 2005



The Honourable
Bob Rae
Advisor to the Premier and the Minister of Training, Colleges and Universities

Framework for Reform

What follows are seven strategies supported by twenty-eight interrelated and interdependent recommendations for action. They flow from Bob Rae's overarching goals for reform:

- Great Education
- Opportunities for More People
- A Secure Future for Higher Education

The recommendations are deliberately framed as actions to be taken by government. In many areas, collaboration between government and other partners in implementation will be necessary for effective and sustainable change.

GOAL: GREAT EDUCATION

STRATEGY 1

Clearly state the mission and purpose of Ontario's public higher education sector and its institutions.

Recommended Actions:

1. *A New Legislative Framework*
2. *Differentiation and Collaboration*
3. *Francophone Education*
4. *College Mandate*
5. *Apprenticeship*

STRATEGY 2

Pursue quality and innovation to make the student experience rewarding and successful.

Recommended Actions:

6. *New Council*
7. *Academic Renewal*
8. *Quality Assurance*
9. *Experience Abroad*
10. *International Students*

GOAL: Great Education

STRATEGY 1: Clearly state the mission and purpose of Ontario's public higher education sector and its institutions.

Recommended Actions

1. A New Legislative Framework: Legislate a mission for Ontario as a Leader in Learning, founded on: access for all qualified students to higher education, excellence and demonstrable quality in teaching and research, institutional autonomy within a public system, and the mutual responsibility of government, institutions and students.

   The legislation would set out the parameters of the student assistance program, the frameworks for revenue – including tuition – and accountability, and mandated public reporting of performance and results.

2. Differentiation and Collaboration: Encourage the distinct evolution of each institution and promote differentiation through the tuition framework, accountability arrangements and the design of the province's funding formula. At the same time, require that colleges and universities recognize each other's related programming to create clear and efficient pathways for students.

3. Francophone Education: In recognition of the francophone institutions' unique mission in Ontario society, establish an advisory committee to the Minister of Training, Colleges and Universities on francophone postsecondary education and provide incremental funding to institutions to better support this mission.

4. College Mandate: Reaffirm the mandate of colleges to focus on occupational education and labour market needs, while continuing to allow applied degrees and institutional evolution. Mandate colleges to reach out to the 50% of high school students not going on to further studies and to lead the formation of K-16 Councils to promote learning and facilitate the transition to higher education.

5. Apprenticeship: Recognize apprenticeship as a postsecondary destination, and treat the apprenticeship programming delivered by colleges as a core business. Assign to colleges the government's role in administration and outreach to employers (for those apprenticeship programs in which colleges deliver in-school training). Union training centres will continue to play their vital role.

STRATEGY 2: Pursue quality and innovation to make the student experience rewarding and successful.

Recommended Actions

6. NEW COUNCIL: Establish a Council on Higher Education, reporting to the Minister of Training, Colleges and Universities, to: advise government on how to achieve its learning mission, set targets and measures for improvement, monitor and report on performance and outcomes, co-ordinate research on higher education, and encourage best practices.

7. ACADEMIC RENEWAL: Direct new investments towards teaching excellence and educational innovation so that students have increased opportunities for meaningful contact with faculty, and better facilities and equipment. A single Ontario digital library should be developed.

8. QUALITY ASSURANCE: In co-operation with the institutions and the students, establish quality standards and measures to ensure improvements are made at the sector, institution, program and student level. Improvements in the student experience would include the area of student services.

9. EXPERIENCE ABROAD: In co-operation with the institutions and with the support of the private sector, establish an Ontario International Study Program to increase the opportunities for Ontario students to complete a portion of their studies abroad.

10. INTERNATIONAL STUDENTS: Pursue marketing efforts, jointly with the sector and the federal government, to ensure that Ontario remains an important "educational destination" for international students. Encourage the federal government to allow international students in Ontario to obtain off-campus work permits.

GOAL: OPPORTUNITIES FOR MORE PEOPLE

STRATEGY 3

Reach out to and expand the opportunities for those capable of participating in higher education.

Recommended Actions:

11. Better Information
12. Participation Targets
13. Aboriginal Students
14. "First Generation" Strategy
15. Students with Disabilities
16. Promote Saving

STRATEGY 4

Make higher education affordable for students and their families.

Recommended Actions:

17. Up-Front Grants
18. Enhanced Access to Loans
19. Help with Loan Repayment
20. Better Service
21. Philanthropy
22. Invest in Student Assistance

STRATEGY 5:

Ensure that the capacity of the system meets Ontario's growth priorities.

Recommended Actions:

23. Graduate Education
24. Capital Needs
25. Research Priorities

GOAL: Opportunities for More People

STRATEGY 3: Reach out to and expand the opportunities for those capable of participating in higher education.

Recommended Actions

11. BETTER INFORMATION: Set up and maintain a consumer-friendly web portal for domestic and international students and their families as a source of current information on the labour market, postsecondary institutions and programs, admissions and student aid.

12. PARTICIPATION TARGETS: Set medium- and long-term targets for growth in participation in higher education, including the participation of students from under-represented groups.

13. ABORIGINAL STUDENTS: Enhance the Aboriginal Education and Training Strategy, target growth in the professions and skilled trades and extend support to Aboriginal Institutes for recognized postsecondary programming.

    To ensure the success of these initiatives, establish an advisory committee to the Minister of Training, Colleges and Universities on Aboriginal postsecondary education, comprised of representatives from the provincial and federal governments, First Nations governments, Aboriginal communities, schools and postsecondary institutions.

14. "FIRST GENERATION" STRATEGY: Assist students who are the first in their family to participate in higher education through: early outreach to such families with children in elementary and secondary schools to stimulate interest in and planning for higher education, and through ongoing supports for first generation students enroled in a postsecondary program.

15. STUDENTS WITH DISABILITIES: Require institutions to reach out to students with disabilities at their schools and in their communities to ease the transition to postsecondary education. Provide funding for enhanced academic and career counselling on campus. Allow for the evolution of centres of research and service excellence and distribute funding to institutions for supports and services on the basis of the size of a given institution's population of students with disabilities.

16. PROMOTE SAVING: Finance an Ontario Learning Bond program to encourage saving for higher education by low-income families so that parents can prepare for and contribute financially to their children's future college or university education.

STRATEGY 4: Make higher education affordable for students and their families.

Recommended Actions

17. UP-FRONT GRANTS: Remove barriers facing low-income students and their families by:
    - introducing a provincial grant for low-income students to cover tuition and compulsory ancillary fees for the first four years of study to a maximum of $6,000 per year. Institutions that set higher fees will be required to provide grants to cover any additional amounts for students in need;
    - calling on the federal government to recognize living costs fully and introduce a substantial program of federal grants towards living expenses for low-income students, high-need students and students with dependents;
    - providing support to Ontario Works recipients to enrol in postsecondary programs.

18. ENHANCED ACCESS TO LOANS: Reduce financial barriers facing students by:
    - increasing the total loan amount available to students to better recognize living and education costs;
    - increasing provincial student loan limits to cover the first $6,000 of tuition and compulsory ancillary fees for students who have financial need but are not eligible for the new provincial grants, and requiring institutions that charge more to provide grants to students who do not have the financial resources to cover the additional costs;
    - reducing the contribution parents are expected to make towards their children's education when determining eligibility for Canada and Ontario Student Loans;
    - extending supplemental loans to help parents meet their expected contributions, up to the full amount of tuition and compulsory ancillary fees; in cases where parents refuse to provide the required assistance, the loan may be transferred to the students upon appeal.

19. HELP WITH LOAN REPAYMENT: Make repayment easier by:
    - increasing help for students in repaying their loans and forgiving more debt for those students whose income does not allow them to repay their full loan;
    - calling on the federal government to reduce the interest rate on Canada Student Loans from prime plus 2.5% to prime plus 1%;
    - working with the federal government and other provinces to make it possible for students to pay for their education after graduation through a payment option that is geared to income and administered through payroll deductions.

20. BETTER SERVICE: Bring together the myriad of student assistance programs. Encourage registrar, student aid and disability offices in institutions to work more closely together so that all students receive a comprehensive admissions and aid package.

21. PHILANTHROPY: Re-establish OSOTF (Ontario Student Opportunity Trust Fund) as a permanent program for all institutions to provide bursaries to students in need. The match provided by government to institutions whose OSOTF endowment is less than $1,000 per student should be enhanced for a two-year period.

22. INVEST IN STUDENT ASSISTANCE: Invest $300 million a year to support the recommended program changes and enhancements that make higher education affordable for students.

STRATEGY 5: Ensure that the capacity of the system meets Ontario's growth priorities.

Recommended Actions

23. GRADUATE EDUCATION: Expand graduate enrolment at those institutions that can demonstrate quality and a capacity to provide the necessary supports to students to ensure the successful and timely completion of their studies.

24. CAPITAL NEEDS: Over a 10-year period, make available to institutions up to $200 million per year for facility renewal and up to $300 million per year for new facilities and equipment for increased enrolment.

25. RESEARCH PRIORITIES: Establish a Council, reporting to the Premier, to advise on and co-ordinate research priorities, and allocate provincial funding in line with these priorities and in partnership, where appropriate, with federal funding agencies.

GOAL: A SECURE FUTURE FOR HIGHER EDUCATION

STRATEGY 6

Ensure sustainable revenues for higher education through a responsible funding partnership of the provincial and federal governments, the students, the institutions and private donors.

Recommended Actions:

26. Revenue Framework

27. Tuition Regulation

STRATEGY 7

Require tangible commitments from governments and the institutions in support of higher education, and continually evaluate and review progress.

Recommended Action:

28. Multi-Year Plans

GOAL: A Secure Future for Higher Education

STRATEGY 6: Ensure sustainable revenues for higher education through a responsible funding partnership of the provincial and federal governments, the students, the institutions and private donors.

Recommended Actions

26. REVENUE FRAMEWORK: Establish a new framework that provides sustainable revenues for institutions, in which the key funding partners – the provincial and federal governments, institutions, students – each contribute in a responsible and predictable manner.

    Obtain a commitment from the federal government to become a full funding partner in supporting base operations and priorities for labour market training and immigration, apprenticeship, research and graduate education in a predictable and sustained way.

    Invest a total of at least $1.3 billion in new provincial base funding to institutions by 2007-08. This investment would focus on quality improvements and results, fund enrolment growth and ensure that all eligible students are properly funded. It should include funding to institutions that covers: higher costs incurred by institutions serving significant numbers of students that require additional services, the high cost of providing clinical education and the base adjustment for revenues lost as a result of the tuition freeze.

    Allocate provincial funding through a new transparent formula comprised of core funding for basic operations and strategic investment envelopes tied to results and applied to both colleges and universities.

    By 2007-08, the per-student revenue base of Ontario's colleges and universities should be at least comparable to other provinces. This would require at least $1.5 billion in new revenues to institutions.

    The "stretch target" over the long term should be to bring the per-student revenue base up to the level of public institutions in peer North American jurisdictions. This would require approximately $2.2 billion more in revenues to the institutions than they receive today.

27. TUITION REGULATION: Establish a regulatory framework enshrined in legislation to guide institutions in making decisions about tuition levels, to ensure that future increases are predictable, transparent and affordable for students. As noted above, the institutions would be responsible for supporting low-income students and students in need to cover fees in excess of $6,000 per year.

STRATEGY 7: Require tangible commitments from governments and the institutions in support of higher education, and continually evaluate and review progress.

Recommended Action

28. MULTI-YEAR PLANS: Set out the provincial funding commitments to the institutions on a multi-year basis. The institutions need to prepare multi-year plans that set out:
    - the mission and program focus of the institution;
    - enrolment targets, commitments to access, and tuition guarantees;
    - planned improvements in quality of programming and the student experience;
    - transferability of credits and areas of collaboration with other institutions;
    - revenue requirements and how they will be met through provincial transfers, tuition and other sources;
    - the results and measures that will be used to demonstrate progress against the multi-year commitments.

    These plans should be informed by the work of the Council on Higher Education.

    A Standing Committee of the Legislature should conduct periodic reviews of individual institutions' multi-year plans and performance.