

# Building on a 50-Year Legacy of Excellence

The Ontario colleges' submission for the 2016 provincial budget



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## Introduction

On May 21, 1965, Ontario's minister of education, William G. Davis, introduced legislation to establish the colleges of applied arts and technology – publicly funded post-secondary institutions specifically designed for students who were not university-bound and who were seeking technical or vocational education.

***“The real needs of a very substantial number of our young people are elsewhere; they would be served poorly and fare poorly in the traditional university programs.”***

***- Speech to the Ontario legislature, Hon. William G. Davis, May 1965***

The first colleges opened their doors in 1967, training less than 20,000 students for technical and vocational fields.

Since then, college education has grown enormously – in both size and in the impressive breadth of programs available to students throughout the province.

Ontario's 24 colleges now offer about 900 programs in everything from health care and business to biotechnology, advertising, hospitality, engineering, aviation, and much more. The range of programs includes everything from the in-class portion of apprenticeship training to four-year degree programs in specialized areas such as software development, industrial design, and digital animation.

Today's colleges offer post-graduate programs and other opportunities for university students and graduates seeking to add career-specific qualifications and training to their education. In fact, the number of university graduates enrolled in Ontario's colleges has increased more than 50 per cent over the past five years.

As well, colleges work collaboratively with businesses on applied research projects that create economic growth and new jobs.

Colleges play a leading role in training people for emerging fields such as 3D manufacturing and digital health care, and continue to be leaders in the development of online programs and courses – providing greater flexibility to people in the workplace who are looking to build on their education.

More than two million people have graduated from Ontario's colleges, achieving successes in every sector of the economy – both within Ontario and throughout the world. Full-time enrolment is at an all-time high, as increasing numbers of students and parents value the professional and technical qualifications provided to students at Ontario's colleges.

As the Organization for Economic Co-operation and Development has noted, Canada is a world leader in post-secondary attainment rates because of the access to college education across the country.

Successful Ontario college alumni include Hockey Night in Canada host George Stroumboulopoulos, movie director Paul Haggis, comedian and TV star Brent Butt, GlobalMedic founder Rahul Singh, and HGTV host Jim Caruk.

Other successful alumni include Jack J. Collins, the Chief Capital Officer at Metrolinx, who has been bringing in the largest urban transit project in the country, and senior executive Marc Caira, who was named the Canadian Press Business Newsmaker of the Year in 2014 for his \$11-billion (U.S.) deal that paired Tim Hortons and Burger King.

In 2017, Ontario will celebrate the 50th anniversary of college education in this province. Colleges will mark the occasion by highlighting their tremendous legacy and everything that has been achieved since 1967.

It will also be the time to look ahead to the next 50 years, and to determine how Ontario must build on the strength of its 24 colleges.

The province must seize this watershed moment as an opportunity to ensure career-focused post-secondary education becomes a priority.

For Ontario to lead the world in talent and skills, there must be a clear vision for post-secondary programs with an applied focus. It must be a vision that will help greater numbers of people – particularly young people – attain career-specific qualifications and advanced skills that align with career opportunities in the new economy.

The new vision must emphasize career outcomes for students and strengthening the workforce to produce economic growth and more vibrant communities. And Ontario must make the necessary investments to promote that vision.

This submission highlights the priority areas that will position Ontario as a world leader for the next 50 years.

# Colleges today

## COLLEGE CREDENTIALS AND PROGRAMS

Through the education and training that they provide - from literacy and basic skills training to apprenticeship, diploma and degree programs - colleges build the talent and skills of students. This helps more people pursue rewarding careers, strengthens the economy, and helps build Ontario's reputation on the international market.

College programs provide students with opportunities to pursue careers in a wide range of fields, including health sciences, business, the arts, skilled trades, engineering and technology, community services and hospitality.

In fact, an independent study has demonstrated that investing in colleges and a college education yields high rates of return for both students and the government. Students receive an internal rate of return of 14.3 per cent for the time and money they invest in an Ontario college education. The benefit to the Ontario government is even higher - it receives an internal rate of return of 20.4 per cent on its investment in Ontario colleges.

To ensure that graduates' professional and technical qualifications continue to align with advancements and changes in the labour market, colleges work with program advisory committees comprised of business and industry leaders to develop their academic programs. Based on employer and student demand, colleges develop new programs on an ongoing basis. Some examples include:

- Cloud computing for big data.
- Retirement communities management.
- Rural and remote nursing.
- Moving image design.
- Digital health.
- Food tourism.
- Big data analytics.
- Advanced ergonomic studies.
- Advanced cyber security administration.

## **INNOVATION AND APPLIED RESEARCH**

Colleges also help small and medium-sized businesses to innovate and to become more competitive. Each year, colleges work with more than 750 companies on market-driven applied research activities that create new jobs and improve production and products.

Applied research is also an important element of modern teaching and learning and benefits students by exposing them to an innovative and entrepreneurial environment.

## **INNOVATIONS IN TEACHING AND LEARNING**

In keeping with developments in teaching and learning, colleges are moving away from using traditional teaching methods and are increasingly using innovative approaches such as cross-disciplinary learning, experiential and case-based learning, flipped classrooms, and the full spectrum of technology-enabled learning. Some examples include:

### *Mohawk College*

The college and the Hamilton Community Foundation have established the Neighbourhood Leadership Institute in 11 priority neighbourhoods in Hamilton. The institute offers participants leadership and skill-based training focused on such topics as project management, conflict resolution, effective communication, grant writing, public speaking and team leadership. In addition, participants are able to transform their community-focused ideas into action while creating tangible, actionable change in their neighbourhoods. Sessions take place in neighbourhoods throughout the city and provide hands-on activities designed to encourage collaborative learning while establishing networks for engagement and action. Participants are able to apply for a grant to launch their project plan in their neighbourhood at the end of the training.

### *Lambton College*

The renovation technician and construction carpentry techniques mobile programs are utilizing mobile technology through the flipped classroom approach to engage students and provide more opportunities for active learning in the classroom. The student response has been very favourable and there has been an improvement in the grades and engagement of students.

In the flipped classroom model, students review lecture content online through their mobile devices prior to coming to class and then come to class prepared to apply the knowledge with the professor facilitating the learning. In the classroom, the professor uses a variety of mobile applications such as:

- *Nearpod* - an interactive lecture tool that allows one to engage students with multimedia.
- *Kahoot* - a game-based polling and quizzing tool that energizes the classroom.
- *Socrative* - a quiz tool that allows one to test students with pre-planned tests or quizzes that are made up by the professor 'on the spot'.

### *Durham College*

An online general education geography course assigns students the simple task of "taking a hike" with a plan and purpose to discover course concepts. During the online hike, students take on the role of a geographer by seeking to locate, describe, interpret, and connect the human and physical elements on their journey. Students report that the hike – along with the reflection and documentation of their journey – is a very impactful learning experience.

## **INTERNATIONALIZATION AND GLOBALIZATION**

Colleges are increasingly becoming global institutions as others around the world recognize the value proposition of Ontario colleges.

The quality and range of educational and training opportunities provided by colleges continues to attract an ever-increasing number of international students to Ontario – more than 33,000 international students are currently enrolled in Ontario colleges. International students make a strong contribution to the Ontario economy, add to the cultural enrichment of local communities, and help provide an enhanced classroom experience for domestic students. They also help to create international networks that strengthen Canada's and Ontario's economic, social and scientific linkages with other countries.

Not only are colleges educating more and more international students on their domestic campuses, they are also internationalizing their curricula and exporting educational services. More than ever, colleges are being called upon to assist overseas institutions and even entire jurisdictions with their local systems of technical, vocational or applied learning.

### *Northern College*

Northern partners with several colleges in eastern China in program delivery. The college has established a teacher training/development program for its Chinese partners. This program is flexible and adaptable to the partners' needs. Northern offers two components to the program. Chinese instructors can travel to the college for a designated period, join in classes, be mentored in western teaching methods, and have formal lessons in Western pedagogy and strategies. Northern will also offer teaching supervision and development in China, where the college's faculty work with a small teaching group to mentor, supervise, and develop their skills.

### *Seneca College*

Seneca has partnered with University of Central Asia (UCA), a secular and private university established in early 2000, to develop a preparatory year curriculum in English, Mathematics and Science. Seneca was selected from among 30 institutions to develop comprehensive upgrading. The partnership was initially focused on curriculum development for the preparatory year but has since been expanded to include general consultancy on matters such as setting up media laboratories for communications studies, consultancy on library holdings (preparatory year and first year), faculty development, a secondary school intervention program (English upgrading in secondary schools), and more.

### *Niagara College*

Niagara is partnering with Vinh Long Community College (VLCC) in Vietnam. This partnership will strengthen Vietnamese capacity for technical and vocational education and training (TVET) leadership and management at the national and provincial levels in three provinces (Binh Thuan, Hau Giang and Vinh Long) and aims to improve the performance of a leading Vietnamese community college in each province with a larger goal of increasing youth employment. The partnership will provide technical assistance and strengthen VLCC's capacity to develop, implement and deliver TVET programs in food science.



## COLLEGES CONTRIBUTE TO THEIR COMMUNITIES

Colleges also play a central role in strengthening Ontario's communities. Colleges help municipalities provide a range of services from improved health care to arts, entertainment and support programs for young people, and are active partners with community-based organizations such as chambers of commerce, economic development councils, training boards and other education and social development organizations.

By working with local businesses, colleges drive innovation and improved productivity. Some examples of how colleges are strengthening their local communities include:

- Centennial College delivers a six-week, on-campus educational experience for young people over the age of 17. The program reduces or eliminates barriers to higher education through free tuition, transportation, breakfast, lunch, and learning materials.
- Working in partnership with the Ontario government, Collège La Cité is coordinating the delivery of agricultural programming and services at the Alfred Campus in eastern Ontario that was previously run by the University of Guelph. This will ensure students continue to have access to French-language agricultural education.

## The next 50 years

In the next 50 years, the pace of change in society generally will intensify and affect the external and internal operating environments of colleges.

Technologies that are just on the horizon now – such as drones, 3D printing, self-driving cars, virtual reality and wearable technologies – will become more mainstream and change the world of work, education and people's day-to-day lives.

Students will demand more flexibility in how and when they are taught – and indeed, what they are taught. They will look for opportunities to customize educational programs to fit their needs.

There will also be a heightened labour market need for workers who possess highly specialized and technical skills – the types of skills and training provided by college programs.

In its efforts to ensure that Ontario becomes North America's leading jurisdiction for talent, skills and training, it is important for the province to understand what occupations and skills employers will need in the future.

A recent Conference Board of Canada study (The Cost of Ontario's Skills Gap, June 2013, pgs. 19 and 20) reported that when asked which occupations they expect to have difficulty filling in the coming years, organizations most frequently cited engineering occupations, followed by electrical trades and professions, information and network technology professions, and skilled labour and trades in general.

When asked about the specific educational credentials they will look for in the future, more employers said they will be looking for college graduates than university graduates.

Meeting students' needs and ensuring that there is an adequate supply of highly skilled workers to meet future labour market demands will be challenging, given the fiscal situation of the colleges and changing demographics. A concerted effort will be required to ensure that more students from groups with lower levels of post-secondary participation have an opportunity to participate, including first-generation students, aboriginal students and students with disabilities.

Colleges already play a major role in educating students who would not access and succeed in post-secondary education because of a range of barriers and challenges that they face, including weak academic preparation, learning, physical or other disabilities, or being a member of an underrepresented group. These students often face multiple risks to completing their credentials unless they receive additional supports from colleges.

A report by Deloitte concluded that college programs and services for students at risk increase graduation rates by an estimated 35 percentage points. The report also said that colleges are allocating more than \$100 million from their base budgets – beyond funding earmarked by government – to help such students.

With their focus on social equity and inclusiveness, colleges must continue to ensure that young people from all socioeconomic and cultural backgrounds have access to a quality college education that is going to help them find good jobs and rewarding careers in the future.

## Fiscal challenges

Colleges appreciate that the government announced last year that it has increased funding for apprenticeship over three years. Without this support, many apprenticeship programs were becoming unsustainable. Colleges look forward to working with the government on a long-term mechanism to adjust funding annually in line with cost pressures.

Meanwhile, Ontario's colleges continue to face a very difficult fiscal environment in 2016-17 and beyond because of the government's funding constraints and policy changes.

For example, the provincial tuition fee policy has adversely affected college revenues.

During the last five years, the average undergraduate university fee has increased by about \$200 annually while regulated college fees have increased by about \$100 annually. This difference is a result of requiring a standard maximum annual percentage fee increase across the post-secondary sector.

Had the colleges been able to increase tuition fees by \$200 per year over the last five years, system revenue would be about \$100 million higher. The availability of these revenues would have greatly assisted colleges to deliver programs and serve their students.

Although the 2015 budget announced increases in the operating funding for colleges, the outlook suggests the increases will be small. In 2016-17, total operating funding for the college system is expected to be about one per cent higher than in 2015-16. However, not all colleges will receive funding increases of one per cent – many will experience reductions and others will see increases of less than one per cent.

As well, any positive benefit from these anticipated increases will be more than offset by the increasing costs that colleges face in providing students with a high-quality learning experience.

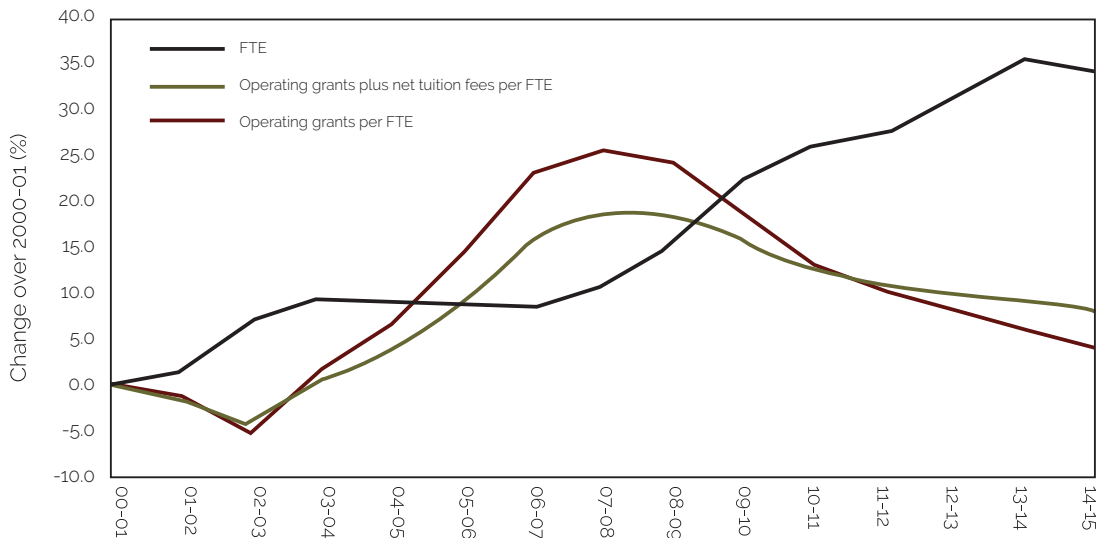
In recent years, the per student revenue that colleges receive from operating grants and tuition fees has declined sharply. This can impact the ability of colleges to adequately meet their mandates and serve their students.

In 2014-15, real operating grants per student were almost \$1,000 lower than in 2007-08. While increases in tuition fee revenues have helped to offset some of this decline, combined revenues from net tuition fees and operating grants per student – in real terms – are still almost \$700 lower than they were in 2007-08 (see Figure 1).

College revenues on a per student basis are also lower than those for secondary schools and universities, as seen in Figure 2.

This imbalance must be corrected. Unlike universities, the student population at Ontario's colleges reflects the socioeconomic diversity of the province. To effectively provide higher education to greater numbers of students from underrepresented groups, provincial budget allocations must put more emphasis on college programs and supports.

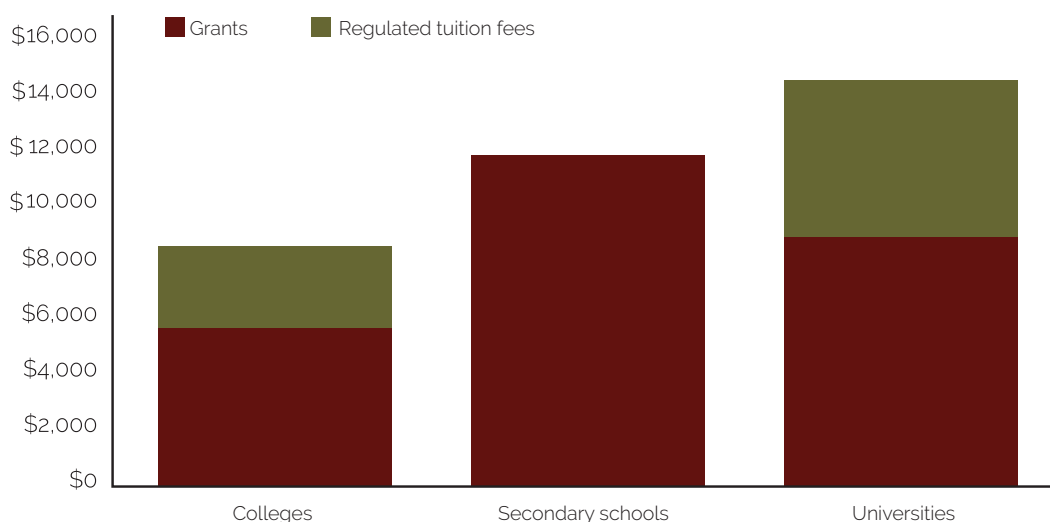
**Figure 1. Enrolment and revenue changes, 2000-01 to 2014-15 (indexed to 2000-01)**



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

Note: Revenue figures are in constant 2002 dollars. Figures exclude tuition set-aside, collaborative and second entry nursing and clinical education funding for collaborative nursing. Regulated tuition fees.

**Figure 2. Operating funding and regulated tuition fees per student, Ontario education sectors, 2014-15**



Note: Figures for colleges exclude tuition set-aside, collaborative and secondary entry level nursing and clinical education funding for collaborative nursing. Tuition fees for colleges are estimates.

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

## College sector efficiencies and results

Colleges are prudent fiscal managers and excellent stewards of the public and student investments they receive.

Colleges collaborate on a number of fronts to achieve administrative efficiencies and improve productivity, including a provincewide approach to collective bargaining and a single defined benefit pension plan for the entire college sector.

The provincewide collective bargaining at colleges is cost-efficient and results in comprehensive solutions that are applied across the sector. Recent settlements for unionized faculty and support staff are reflective of the restrained fiscal environment and were achieved without labour disruption.

The average annual wage increases over the term of the agreement are 0.7 per cent for support staff and 1.5 per cent for faculty. These modest outcomes follow the previous faculty agreement that froze wages for two years.

Colleges also demonstrate efficient and prudent use of resources in the management of their provincewide pension plan. The CAAT Pension Plan is jointly sponsored by colleges (employers) and plan members, whereby the risks and costs of providing pensions are shared equally between the colleges and the members. This structure ensures that all stakeholders appreciate the costs and risks of delivering pensions, which in turn helps them align their interests towards a common goal. The plan maximizes economies of scale across all colleges and reduces duplication to ensure that benefit and pension costs are managed in a responsible and sustainable manner.

Other areas where colleges collaborate include a centralized student application service, shared support services for libraries and resource centres, and purchasing. Colleges participate in collaborative purchasing through partnerships with other colleges and with other partners in their local community. Colleges also participate in the Ontario Education Collaborative Marketplace (OECM).

Beyond sharing administrative costs, colleges also share academic programs and services. Colleges have been collaborating for many years in online education through OntarioLearn, a consortium in which all 24 colleges participate.

The six northern colleges (Boréal, Cambrian, Canadore, Confederation, Northern and Sault) are also participating in the Northern Colleges Collaborative Programming Project. The colleges are working on developing and implementing shared programming that will sustain students' access to a breadth of programs in the north.

As well, colleges were successful in receiving funding for projects through the government's Productivity and Innovation Fund. In keeping with the priorities of the initiative, college projects focused on three areas:

- Administrative and service delivery transformation through collaboration on shared services, including back-office operations and procurement.
- Program prioritization through analyses of academic programs for improvement, maintenance or cancellation to enhance differentiation and specialization.
- Course/program redesign through a review of courses or programs to improve delivery and quality outcomes.

Colleges have implemented these administrative efficiencies and productivity improvements and participated in collaborative initiatives to ensure that programs and services for students are not adversely affected by the financial pressures that colleges face. The high satisfaction ratings that colleges continue to receive from employers and graduates, and the high employment levels among college graduates, attest to the fact that colleges have been successful in ensuring that the teaching and learning experiences of students are protected.

**Table 1. Key Performance Indicators\***

<b>Graduate employment rate (6 months after graduation)</b>	<b>84.0%</b>
<b>Employer satisfaction rate</b>	<b>88.1%</b>
<b>Graduate satisfaction rate</b>	<b>80.0%</b>

\*Survey of 2013-14 graduates six month after graduation.

## **Principles to guide funding decisions**

Colleges recognize the government's own fiscal challenges and its commitment to return Ontario to a balanced budget by 2017-18.

At the same time, it is essential that colleges have the resources to address the opportunities and challenges of the next 50 years and to help Ontario develop a modern, forward-looking post-secondary education sector. Students must be the central focus of the province's decision-making.

Colleges are proposing that a principle-based approach be used to guide funding decisions for the post-secondary sector. The proposed principles are:

1. The needs of student populations and the complexity of those needs must be foremost in making decisions about how to allocate funding within the post-secondary sector.
2. Students across Ontario should have access to equivalent levels of supports and services.
3. The ability of each sector to meet local/regional employer and community needs must be recognized as it is a critical factor in ensuring that students have access to employment opportunities.
4. Students must have the assurance that they will be taught in safe and effective learning environments.

## Funding to meet the sector's needs

As with other organizations, colleges require a minimum level of new investment each year just to meet the ongoing costs that they incur in the process of providing educational and training programs and services to their students.

As shown in Table 2, system-wide costs in 2016-17 for compensation and other expenses for college operations are expected to be \$111 million higher than in 2015-16. While expected increases in domestic tuition fee revenues will help offset the anticipated cost increases, the college system faces a net funding gap of \$86 million in 2016-17. There are also significant local costs that vary by college.

**Table 2. Anticipated increases in college system costs and revenues in 2016-17**

<b>Projected increases in system-wide costs</b>	<b>\$111 M</b>
<b>Projected increases in domestic tuition revenues</b>	<b>\$25 M</b>
<b>Funding gap</b>	<b>\$86 M</b>

Notes: Costs are prorated to reflect only the portion that can be attributed to post-secondary enrolments. These are estimates prepared by Colleges Ontario based on data from CFIS and the College Employer Council.

The college sector's investment proposals for 2016-17 are provided in Table 3 and discussed on the next page.

The colleges believe that these requests for additional operating and capital funding represent an investment in the social and economic well-being of our students for the next 50 years and are needed in order for Ontario to become North America's leading jurisdiction for talent, skills and training.



**Table 3. Proposed new investments for 2016-17**

<b>AREAS OF NEW INVESTMENTS</b>	<b>AMOUNT</b>
<b>STUDENT-FOCUSED ENHANCEMENTS</b>	
• Funding for students with disabilities	\$15 M
• 30% Off Ontario Tuition grant (OTG) reform	NIL*
• Student Success Fund	\$8 M
<b>ENSURING QUALITY LEARNING</b>	
• Capital improvements: Preparing for the next 50 years	\$10 M
• Base funding to support quality learning (net of committed increase in enrolment growth funding)	\$70 M
<b>FOSTERING INNOVATION</b>	
• Technology Modernization Fund	\$5 M
• Instructional equipment	\$10 M
• Innovation and applied research	\$2 M

\*This would be financed through the repurposing of existing funds.

## **Student-focused enhancements**

Ontario's efforts to provide post-secondary education to greater numbers of students creates new pressures, as many students from groups that have traditionally been underrepresented are more costly to educate. The needs of student populations and the complexity of those needs must be foremost in the government's decisions about the allocation of funding.

### **FUNDING FOR STUDENTS WITH DISABILITIES**

More students with disabilities are participating in post-secondary education and are choosing college over university.

About 28,000 students with disabilities are enrolled in colleges and make up about 15 per cent of total enrolment. Students with disabilities are a rapidly growing segment of the college student population. In the last 10 years, the number of students with disabilities has increased by 93 per cent, and just in the last five years, the number of students with disabilities has increased by 48 per cent.

Growth has been especially rapid for some categories of disabilities. For example, the number of students with Attention-Deficit/Hyperactivity Disorder (ADHD) has increased by 70 per cent over the last five years and the number of students with mental health disorders has increased by 163 per cent.

Within the mental health disorders group, the number of students with autism has grown by more than 70 per cent since just 2010. Colleges are also reporting that the complexity of conditions is increasing and many students have multiple disabilities. The increasing volume and complexity of needs is posing significant resource challenges for colleges.

The government provides funding to colleges to support their students with disabilities through a special purpose grant, the Students with Disabilities Grant. The total preliminary allocation for this grant in 2015-16 (including the funding allocated to other organizations for college students) is just over \$29 million – or about \$1,000 for each student with a disability.

The level of support provided to colleges for their students with disabilities is significantly lower than that provided for high school students with special education needs.<sup>1</sup>

Estimates suggest that at the secondary level, the two largest components of the Special Education Grant – the Special Education Per Pupil Amount (SEPPA) and the High Needs Amount (HNA) – provide about \$4,500 per special education needs student.

While colleges recognize that the obligation to provide education differs between the JK-12 and post-secondary sectors, and that the type of support that students from each sector require may be different, the large gap between the per student funding between colleges and high schools has to be narrowed.

The colleges are recommending that the government increase the Students with Disabilities allocation for colleges by an additional \$15 million to ensure that there is continuity in the supports that students with disabilities receive as they make the transition from high school to college.

**Outcomes:** Students with disabilities will experience higher retention, graduation and employment rates. Students and graduates with disabilities will also give higher satisfaction ratings to their colleges.

1. Both colleges and secondary schools receive additional funding to support students with disabilities. For example, through the College Funding Framework, colleges receive about \$12 million for the Community Integration through Co-Operative Education Program, which is a unique program that is designed for individuals with intellectual disabilities or significant learning challenges. Similarly, school boards receive funding through the Special Incidence Portion – about \$69 million – for students with very high needs. These amounts have not been included in the calculations provided above because the funding is targeted to students with extraordinary needs.

## 30% OFF ONTARIO TUITION GRANT

In January 2012, the government launched the 30% Off Ontario Tuition Grant (OTG) for eligible students.

In 2015-16, the OTG is providing \$1,830 to eligible college and university degree students and \$850 to eligible college diploma and certificate students.

Regrettably, many college students in Ontario aren't eligible for the grant under its current eligibility criteria.

In addition to meeting citizenship and residency requirements, students are currently eligible for the OTG if:

- They are full-time students at a post-secondary institution approved for OSAP.
- They have been out of high school for less than four years (some exceptions apply).
- They are in a program that they can apply to directly from high school (e.g., undergraduate level).
- Their parents' gross income (total before taxes) is \$160,000 or less.

In 2014-15 (the last year for which data are available), about 72,000 college students received the OTG – about 38 per cent of all full-time college students. Thus, a significant number of college students are not receiving the OTG, partly because they don't meet the eligibility criteria.

The requirement that students be out of high school less than four years needs to be removed as it disadvantages college students who don't enter college directly from high school. Compared with universities, a much higher proportion of college students – about 60 per cent – are non-direct entrants.

Students who have been out of high school more than four years are likely to need the grant the most. Many of them are likely to be independent of their parents and are returning to college after facing a difficult labour market, or to acquire new skills to succeed in the workplace.

A significant proportion of college applicants are from households with low or modest annual incomes, with 29 per cent reporting household incomes of less than \$30,000 and 55 per cent reporting household incomes of less than \$60,000.

The colleges are recommending the OTG be redesigned to include students who have been out of high school for four years or more.

Preliminary estimates suggest that close to 40,000 undergraduate college students would become eligible for the grant.

College students in graduate certificate programs would continue to be excluded as would university graduate students and students in second-entry programs.

Colleges recognize that this change in the eligibility requirements to include more students within the parameters of the OTG could require additional funds. To help address this, colleges are further proposing that the expenditure required to implement this change be offset by lowering the current parental income threshold of \$160,000. One option would be to reduce the parental income cut-off to \$120,000. This would generate annual savings of close to \$50 million, which could be redirected to support those who are in greater need.

**Outcomes:** College participation, retention and graduation rates will improve. There will also be equitable access to financial aid for low-income adult college students.

## **STUDENT SUCCESS FUND**

Improving college access and retention are important goals that colleges share with the government, particularly for students from underrepresented groups. Given the current economic and demographic trends, students who are traditionally less likely to participate in post-secondary education must not only be provided with access to post-secondary education but must also be supported to achieve success once they have enrolled in a post-secondary institution.

The government currently provides about \$7 million annually through the First Generation Institutional Grants to colleges for the delivery of academic services and supports to help first-generation students remain in and be successful in college. Currently, the funding is project-based and there is little certainty that the funding will continue from one year to the next. To allow colleges to plan their activities for the coming year and to ensure that there are no gaps in services and supports for students, there must be continuity in this funding.

Colleges are proposing that the First Generation Institutional Grants be replaced by a new special purpose grant – the Student Success Fund – that provides dedicated funding for the academic and other supports for all at-risk students, not just first-generation students.

In total, colleges are recommending that the government allocate \$15 million annually to the new Student Success Fund. Specifically, colleges are proposing that the \$7 million per year that is currently being provided for First Generation Institutional Grants be regularized and rolled into the new grant and an additional new investment of \$8 million be provided for the new grant.

The additional investment will allow colleges to enhance the supports that they currently provide for at-risk students with the goal of improving retention and graduation rates. Higher graduation rates will mean that more students will have the skills and knowledge that will improve their employment outcomes while at the same time strengthening the talent and skills base in Ontario.

Government investments in student retention in the secondary system have significantly improved high school graduation rates, providing evidence that increasing the resources available for retention can produce tangible results.

**Outcomes:** The student retention rate will improve, the graduation rate will increase and there will be greater numbers of highly skilled employees.

## Ensuring quality learning

The critical need to provide an effective learning environment and ensure student safety continues to be a significant challenge at the colleges.

The aging infrastructure at a number of colleges must be replaced. While colleges are pleased that the Ontario and federal governments recognize the importance of investing in infrastructure, the backlog of maintenance and capital projects at colleges is at a critical stage. Addressing these challenges must be a priority.

### **CAPITAL INVESTMENTS**

#### **DEFERRED MAINTENANCE (FACILITIES RENEWAL)**

Ontario's colleges are pleased that in its 2014 Ontario Budget, the government committed to providing additional funding of almost \$500 million over the next 10 years to address critical maintenance repairs in the post-secondary sector.

This increase in funding is an important first step towards an evidence-based infrastructure plan as requested by the 2010 report of the Auditor General of Ontario. By increasing annual funding for critical repairs, fewer facilities will deteriorate to the point that very expensive structural repairs are required.

However, the currently planned investment will not fully address the deferred maintenance backlog, which now exceeds \$1 billion for colleges alone.

For example, the audit for an apprenticeship training building at Confederation College indicates that most facilities systems are either classified as unreliable or beyond useful life, including safety issues with ice build-up. This audit confirms that more than \$11 million (almost the entire current facilities renewal allocation for the college system) needs to be invested immediately just to bring the building back to an acceptable condition.

While the 2014 budget commitment represents a very important improvement, there continues to be a pressing need to secure adequate resources for colleges to address this problem. Even with these new investments, the deferred maintenance backlog will continue to grow.

Ontario must further enhance its investments into deferred maintenance at the colleges.

## **COLLEGE INFRASTRUCTURE FUNDING**

With funding support from the province, Education Consulting Services has completed an evidence-based analysis of the space requirements in the college system. The study points to an overall 18 per cent shortfall of space in Ontario's colleges – or 4.7 million square feet.

The shortfall in college space is particularly acute in the classroom and learner support spaces that contribute to student success and program completion. This results in insufficient access to critical learning spaces such as labs and learning resource centres, along with poor timetables, which can be particularly difficult for students with jobs or with children.

To ensure that college facilities are ready for the coming decades, colleges are proposing that a federal-provincial multi-year capital fund be established. The investment would allow colleges to improve the student learning environment, repurpose existing space to meet changing labour force needs, and address shortfalls in space.

## **CAPITAL IMPROVEMENTS: PREPARING FOR THE NEXT 50 YEARS**

Colleges are proposing that the province provide \$50 million over three years for capital legacy projects to match funding that colleges would raise from corporate and private donors.

With matching funds from the private sector, new resources totaling \$100 million could be available to invest in college capital and would help build even stronger partnerships with business, industry and the community.

The new capital funding could be used for a variety of branded 50th anniversary legacy projects across the province, including the repurposing and modernization of facilities, renovations and additions, or smaller building projects that enhance the teaching and learning environments for students.

These investments would provide an enduring, visible commemoration of the 50th anniversary of the college system, emphasizing both the importance of improving the student experience and a new commitment to the transformation of colleges to meet the emerging demands of the coming half-century. The investments would help to establish the government's legacy in the future of higher education and would be actively promoted throughout the province.

The government is being asked to provide an initial investment of \$10 million in 2016-17 for capital legacy projects, followed by annual investments of \$20 million in each of 2017-18 and 2018-19.

The funds would be equally allocated amongst the 24 colleges, so that all colleges can participate in the 50th anniversary initiative, regardless of size. This would also enable all colleges to leverage an investment for locally co-sponsored capital projects that may not otherwise be possible, leaving a provincewide permanent mark of the colleges' 50th anniversary.

**Outcomes:** Students will have improved access to critical learning spaces such as classrooms and labs. There will also be better scheduling and timetables for students, improved student access to learning resource centres and other learning spaces. Ultimately, student retention and achievement rates will improve.

## BASE FUNDING TO SUPPORT QUALITY LEARNING

While these are challenging times for government budgets, colleges are also facing considerable financial challenges. For colleges to continue to provide their students with the necessary supports and high-quality learning experiences that will help them succeed in the workforce, colleges need stable and predictable operating funding.

Colleges are good stewards of the public monies that they receive and have implemented a variety of measures to increase efficiency and make productivity gains. But after many years of implementing efficiencies and collaborative approaches to reduce costs, there is little room left for colleges to implement new efficiencies that will result in additional savings without significantly impacting quality.

As shown in Table 2, colleges require an additional investment of \$86 million in 2016-17, just to maintain – at minimum – their current levels of operations and to preserve the quality of programs and services that they provide to their students.

Colleges recognize that the 2015 budget committed to providing an increase of approximately \$16 million in 2016-17 to support enrolment growth in the college sector. The government must flow the funding that it has committed for enrolment growth.



Taking the funding committed for enrolment growth into account, the colleges are proposing that the government increase base funding for the sector by a net amount of \$70 million in 2016-17.

**Outcomes:** The current program mix and quality and service levels for students will be maintained. Colleges will sustain strong performance indicators in all areas.

## Fostering innovation

All post-secondary institutions have a critical role to play in ensuring that they produce graduates that can help strengthen their communities and local businesses. Ensuring that students get an education that will allow them to pursue good jobs in their communities is critical.

### TECHNOLOGY MODERNIZATION FUND

Ontario's colleges that serve northern and rural Ontario have limited capacity to invest in much-needed advancements in technology. While all colleges are dealing with significant fiscal challenges, these colleges face added financial challenges as a result of demographic changes and the need to respond to the needs of special population groups, such as those living in remote indigenous communities.

With previous provincial financial support, these colleges have undertaken projects to enhance their overall cost-effectiveness. Most of these projects involved developing and implementing technology to reduce costs, increase efficiencies and, in some cases, increase revenue opportunities.

Many of the projects have been suspended or not fully implemented as a result of fiscal constraints. Other opportunities to improve the effectiveness and efficiency of the colleges have not been acted upon because of the resource limitations. The integration of technology and systems is increasingly important to assure seamless program delivery and service to students and to the Ministry of Training, Colleges and Universities.

Technology modernization strategies/projects can include academic and student support technologies, communication and information technologies, new systems (financial, human resources and/or student information), and other critical investments in new technologies.

It is recommended that the government invest \$10 million over two years to support Ontario's colleges that serve rural and northern Ontario. New provincial investments will support cost savings, cost avoidance, and promote student success. These new investments will also ensure students studying anywhere in the province have access to up-to-date technology to ensure they are workplace ready when they graduate.

Colleges are also calling for the Ministry of Training, Colleges and Universities to consult with the sector on the selection criteria that will be used to allocate ongoing funding for this purpose.

**Outcomes:** There will be greater efficiencies, more cost-effective operations, and cost avoidance for colleges serving northern and rural communities. Students in these colleges will benefit from up-to-date technology and the graduates will be better equipped for the workforce.

## INSTRUCTIONAL EQUIPMENT

Using instructional equipment that meets industry standards to teach students is critical if colleges are to maintain the currency and relevance of their programs in relation to workplace needs.

In addition to equipment that reflects industry requirements, colleges need to be at the forefront of teaching excellence, which frequently involves new technology to support digital delivery (online, remote and blended learning), simulators, and software designed to help address the needs of students with learning challenges

The 2015 budget provided \$8 million for instructional equipment through the College Equipment Renewal Fund (CERF). At a time when the skills mismatch is one of the critical factors in industry competitiveness and economic renewal, that level of investment is insufficient. The recent Conference Board of Canada report on the skills mismatch states:

"... in 2012, Ontario industry investments in machinery and equipment averaged \$5,267 per full-time employee equivalent...By contrast, Ontario colleges managed to invest only \$69.28 per full-time student equivalent—merely 1.3 per cent of the spending by Ontario industry. Ontario college students do not have enough access to the equipment and technology that constitute key elements of industry-relevant experiential learning."

To ensure that colleges are able to educate students using current instructional equipment and to advance the integration of technology-enabled learning, the college sector is proposing the government enhance its current level of investments. Colleges are proposing the government provide an enhancement of \$10 million in the CERF program for instructional equipment, including IT infrastructure and equipment to support the implementation of digital strategies.

**Outcomes:** The employment rate for graduates and the satisfaction ratings from graduates and employers will improve.

## **INNOVATION AND APPLIED RESEARCH**

It is well-recognized that Ontario has a poor innovation track record compared to international leaders. Indeed, only three per cent of Ontario businesses perform any research, and the record suggests their performance on other innovation indicators is also lacking.

Colleges are increasingly playing a critical role in encouraging more small businesses to innovate.

Each year, Ontario colleges work with more than 750 companies to pursue market-driven applied research activities and with about 80 organizations on projects which address provincial socio-economic priorities. At least half of these clients plan to pursue further applied research with colleges, and significant numbers report new job creation, higher sales, and improved products and production as a result of their college collaboration.

These applied research partnerships between businesses and colleges also provide many students with unique opportunities to get hands-on experience in the development of real-world innovations, increasing their value to employers once they graduate.

As both Quebec and the federal government have discovered, college-specific funding is essential if colleges are to respond effectively to employer applied research needs. Yet Ontario's core operating funding for colleges provides no support for applied research activities.

The federal government has recognized that colleges fulfil a different role than universities and benefit from programs specifically designed to help colleges overcome the barriers to effective industry-responsive applied research. The federal government has found that college applied research is so important to the economy that it has increased its base funding several times, and has created new college funding for capital and for social innovation programs.

Quebec has designed its applied research programs so that its CEGEPs have received almost \$100 million – or more than \$40 million above its population share – from federal programs for colleges.

In order to support competitiveness and job creation in key industry clusters, Ontario should establish a new \$30-million, multi-year competitive fund for college-based industry cluster experts. Awards will allow colleges to work with key industry clusters (including industry suppliers and major customers) for five years to solve industry-defined applied research challenges. This market-driven applied research will result in new products and processes that support the competitiveness of the cluster.

By working together with multiple firms and potentially bringing competitors together, colleges will contribute to innovation through collaboration. College-industry applied research projects will also strengthen the province's export opportunities.

Industry partners would be required to match government funding (cash and in-kind) and will directly participate in each funded project. Projects will engage professors, industry/suppliers/customers, and students. Funding would cover the release costs of college-based applied researchers and ancillary costs, such as equipment, new curriculum development, and overhead.

**Outcomes:** The province's competitiveness will be strengthened by increasing by more than 50 per cent the number of innovative private sector employers who partner with colleges. There will also be an increase in the Ontario college share of federal applied research funding.

## Conclusion

College education is central to the province's economic strength. It helps more people pursue rewarding careers.

While Ontario has benefited from a strong college system, the province cannot afford to be complacent. Competing jurisdictions are placing a greater emphasis on post-secondary education – in particular, in the types of career-specific programs currently provided at Ontario's colleges. Ontario must stay ahead of its competitors.

In the next 50 years, post-secondary education must be transformed so that there is a greater emphasis on career success after graduation. Graduates must acquire knowledge and technical skills that are much better aligned with the opportunities in the labour market.

Ontario's colleges have been incredibly successful and have provided a true competitive advantage since 1967. In the years to come, it will be essential that colleges are at the centre of provincial strategies to strengthen the economy and the labour force in every community in the province.

A new vision is needed, along with the necessary resources to deliver on that vision. Working together to address the priorities outlined in this submission, Ontario can chart a course that will ensure the province leads the world in the next 50 years.

Algonquin College

Collège Boréal

Cambrian College

Canadore College

Centennial College

Conestoga College Institute of Technology and Advanced Learning

Confederation College

Durham College

Fanshawe College

Fleming College

George Brown College

Georgian College

Humber College Institute of Technology and Advanced Learning

Collège La Cité

Lambton College

Loyalist College

Mohawk College

Niagara College

Northern College

St. Clair College

St. Lawrence College

Sault College

Seneca College

Sheridan College Institute of Technology and Advanced Learning



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