

**Ontario Provincial Profile  
May 2005**

**DRAFT**

**The Case of Ontario: The Impact of Post-secondary Policy on Ontario's Higher  
Education System**

by

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## **I-INTRODUCTION**

The purpose of this chapter is to present a provincial profile of Ontario's higher education policy evolution over the last twenty years. This report analyses the major post-secondary policy developments during the period 1985-2003, characterizes the policy process in Ontario post secondary education during this same period, and identifies how the policy developments have influenced the post secondary policy environment and structural arrangements of the post secondary 'system' in Ontario.

This provincial profile is part of the larger research project funded by the Ford Foundation known as the Alliance for International Higher Education Policy Studies (AIHEPS). The purpose of the larger study is to provide evidence about the relationship between policy environments, the process of decision-making ("rules of the game"), and performance of higher education in selected jurisdictions in the United States, Mexico and Canada

Higher education systems operate in very different policy environments influenced by constitutional status, political culture, and federal research and development policies. The focus of this project is on how policy priorities get translated into the higher education system as reflected in "system" behaviors, performance, fiscal arrangements, design and structural components.

### **Definitions and Limitations**

In this study we use the term "policy making" broadly to include where and how policy is made. This definition refers to policy communities, policy environments, policy initiatives, and policy processes.

We are not asserting a causal relationship between policies and outcomes in this study. Rather we are tracing the connection between policies and trends that have occurred over time in Ontario's post secondary education - trends that include patterns in system indicators and changes in system behaviour. Given the complexities of system dynamics whereby multiple variables are operating and influencing the system, it would be difficult, and methodically unwise, to make causal claims without further research.

### **Framework**

The framework employed for the project envisioned examining links between state/province and federal policies and higher education performance across the following dimensions:

- The general context or "policy environments" that includes population demographics, history, geography(regionalism), political culture, economies, political philosophies/ideologies and constitutional issues;
- The priorities of the government at both the federal and provincial (or state) governments concerning higher education policy;
- The organization of the higher education system (system design)including the types of institutions, co-coordinating agencies, information systems, technology and the private sector;

- The financial strategies (fiscal policies) concerning the functioning of institutions, operating support, capital funding, incentive funding, student assistance and tax policy;
- The behaviour of the system contextualized by jurisdiction including communication, collaboration accountability and priorities; and
- The performance of the system based on indicators developed by the participants.

The framework presents the relationship as a multidimensional, dynamic exchange between policy makers, the higher education community and the higher education behavior and performance. This framework has been revisited and refined upon discussion between the three countries. As the project unfolded the framework has been amended to reflect the emerging understanding of the workings of each jurisdiction's higher education policy environments.

### **Research Method**

The Ontario provincial report is presented in the form of a case study. Data collected included indicators and other secondary statistical data, documentary and policy papers and qualitative interviews. The first stage of the project involved collecting and analyzing key documents covering the period between 1985- 2003 related to Ontario's post secondary education including Royal Commissions Reports, government reports and other major policy documents including policy statements, laws, by-laws, briefs, periodicals, pamphlets and association newsletters. These have been examined and analyzed thematically based on elements emerging from the study's framework described above. A draft profile of Ontario's post secondary policy evolution was developed that included 'system' design arrangements, federal and provincial government roles and priorities in post secondary education, and fiscal strategies. The profile was layered with system indicators and other secondary statistical data reflecting the same time period including preparation, affordability and participation data.

The next stage involved 12 qualitative interviews with key policy makers at the provincial and sectoral levels in Ontario. Individuals were purposefully selected for the interviews because they were knowledgeable about policy and policy making at the provincial and sectoral levels. They have a historical and /or a contemporary perspective on the evolution of higher education policy in the province. The individuals selected for the interviews reflect an array of constituents. In Ontario they include: current and former Deputy Ministers responsible for post- secondary education from the different administrations over the last twenty years, senior officers in post secondary institutions from each sector (degree granting institutions, CAATs, private vocational colleges), representatives from the Post Secondary Education Quality Assessment Board (PEQAB), the Council of Ontario Universities (COU), the Association of Colleges Applied Arts and Technology of Ontario (ACAATO), the Colleges Compensation and Appointments Council as well as the Ontario Confederation of University Faculty Associations (OCUFA). Participants were invited to engage in an open discussion and to respond to semi-structured interview questions about the higher education policy environment in the province, and the behavior of the higher education sectors over the last 20 years. The interviews were conducted in April and May of 2004. Each interview lasted

approximately 1 1/2 to 2 hours, was audio-taped and transcribed. The transcripts were reviewed, coded for themes, analyzed and synthesized into the profile of Ontario triangulating the data already collected.

## II- ARRANGEMENTS FOR POST SECONDARY EDUCATION IN ONTARIO

### i) **Components of Post Secondary Education**

Ontario's post secondary system consists of universities, colleges of applied arts and technology (CAATs), agricultural colleges, colleges of health sciences and of art, a military college, privately funded degree-granting institutions and registered private career colleges. Historically it has been referred to as a binary system because the two dominant sectors, universities and colleges of applied arts and technology (CAATs) are distinct and run parallel to one another. Recently, however, Ontario has seen changes described in this paper that have resulted in new arrangements making it more difficult to neatly classify it as a binary system.

#### **Universities <sup>1</sup>**

Ontario has 18 publicly funded universities (including the most recent University of Ontario Institute for Technology- UOIT)<sup>2</sup>. Each university offers undergraduate (bachelor's) degrees, and most offer graduate (master's and doctorate) degrees. Each institution operates independently and determines its own academic and admissions policies, programs, and staff appointments.<sup>3</sup> The Ministry of Training, Colleges and Universities provides funding to the universities and gives them degree-granting authority, originally under the *Degree Granting Act, 1983* and currently under the *Post-secondary Education Choice & Excellence Act, 2000*. Each university in Ontario operates under its own distinct provincial charter (legislative act) as an independent not-for-profit corporation.

#### **Privately Funded Ontario Institutions with Degree-Granting Authority**

There are also several privately funded degree-granting institutions in the province with degree granting authority. To date there are 17 institutions that have been granted restricted degree-granting authority by the Legislative Assembly of Ontario. All are bible colleges or small religious-affiliated institutions.<sup>4</sup>

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1. Ontario has a population of 11,921,878. It is the most populous province in Canada followed by Quebec (7, 418,651) and British Columbia (4,102,838) (CAUT, 2002, p.3). It has the highest provincial share of total university FTE enrolment in Canada at 39% followed by Quebec (25%) and British Columbia (9%) (CAUT, 2002, p.13)

2. The Ontario College of Art and Design has recently been given degree-granting status and is treated as part of the university sector. Also The Royal Military College also has degree-granting status. See Table 8 in Appendix for list of universities.

3 Currently the degree-granting powers of the UOIT have been held in abeyance as that section of its Act has not been proclaimed by the legislature. This means that the UOIT must have its new programs approved by the Post Secondary Quality Assessment Board in accordance with *Postsecondary Education Choice and Excellence Act, 2000*.

4. See Table 9 in Appendix for a list of these institutions. Note that all but ICS and Redeemer University College on the list are restricted to granting "religious" degrees. ICS has the authority to grant Masters degrees in Counseling and Redeemer has authority to offer secular degrees such as B.A. and B.Sc., though its Act is somewhat restrictive in its language. Glen Jones suggests that Redeemer may be thought of as

### **Publicly Funded Non-degree Granting Institutions: The Colleges of Applied Arts and Technology (CAATs)**

In 1965 the Colleges of Applied Arts and Technology (CAATs) were created in Ontario. The CAATs are publicly funded institutions. The Ministry of Training, Colleges and Universities approves programs offered by colleges of applied arts and technology and is responsible for their overall governance. The goal of the CAATs as originally conceived was to be distinct from the universities but of comparable quality and status. The central objective of the CAATs is to serve the needs of the labour market. The occupational education function is generally regarded as one of the most important functions of a community college. Unlike hierarchical relationships between community colleges and universities found elsewhere in North America with the community colleges serving as feeder institutions for the universities through a transfer process, in Ontario the founders of the CAATs explicitly rejected the transfer model in implementing a system of colleges of applied arts and technology. Instead they envisioned the CAATs as being first rate technical institutes and adult education centres offering a comprehensive, applied curriculum rather than second rate university colleges. The CAATs were designed in Ontario to be technical vocational colleges without an explicit university-transfer function. The transfer element was a controversial issue in the establishment of the CAATs and in the history to follow. In the evolution of the CAATs and the universities in Ontario difficulties surrounding articulation arrangements and transfer functions between the CAATs and the universities have resurfaced repeatedly over the last 25 years. The need for better co-ordination between the two sectors has been noted in numerous government commissions and reports.

The CAATs initially offered only diplomas and certificates under the *Ministry of Colleges and Universities Act, 1971*. However, with the passage of the new the *Post-secondary Education Choice & Excellence Act, 2000*, applied degree-granting status has been extended to some CAATs and new hybrid institutions have been created by the government that combine elements of a university and a CAAT and some CAATs have been designated Institutes of Technology and Advanced Learning (ITALs).<sup>5</sup>

### **Private non- degree granting institutions**

There are over 450 registered private career colleges in Ontario. Private career colleges have been a part of post-secondary education for many years; in fact, several of the colleges have recently celebrated their 100th anniversaries. Although several of them offer training in a variety of occupations, the majority focuses on courses that will prepare students for clearly defined occupations. Private career colleges are privately owned and are operated as commercial enterprises. They must be registered under the *Private Career Colleges Act*, administered by the Ministry of Education and Training. Registration of a college under the Act means that it has met the minimum requirements

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Ontario's first real private university in this respect but its degree-granting authority is much more limited than its public peers.

<sup>5</sup> New university- college arrangements, such as Guelph University at Humber College, offers parallel/joint programs that result in both a college credential and a university degree. Sheridan, Humber and Conestoga Colleges each have been designated as Institutes of Technology and Advanced Learning instead of CAATs.

set out in Regulation 939, as amended under the Act, regarding curricula, teacher qualifications, advertising, and refund policies.<sup>6</sup> A limited number of registered private career colleges are eligible to participate in various government financial assistance programs for students. Normally, this assistance applies only to courses of twelve weeks duration or longer and that require Grade 12 or equivalent standing for enrolment.

## ii) **The Role of the Federal and Provincial Governments in Education**

Under the Canadian constitution provincial governments are responsible for education.<sup>7</sup> The provinces have the central role in providing direct operating support to institutions in developing legislation, regulation, and co-ordination.

The federal government does not have a direct role in co-coordinating higher education institutions in Canada. This arrangement is rather unusual in that Canada is the only industrialized country without a federal office or department of education (Young and Levin, 2002). Thus different arrangements exist in each province with regard to education. The federal government does have an indirect role in higher education and in some areas that cross into provincial jurisdiction. Major areas of federal involvement in education evolve out of areas of federal responsibilities<sup>8</sup> such as national defense, Indian affairs, the territories, prisons, external affairs and the economy. The federal government is responsible for the education of service personal (and their children) through the Department of National Defense. Similarly the solicitor general is responsible for education and training programs operated for inmates in prisons. The Department of Foreign Affairs and International Trade (DFAIT) through the Canadian International Development Agency (CIDA) provides education and technical assistance to other countries and funds education exchange and work-abroad programs. In the Yukon, Nunavut, and the Northwest Territories education is, in part, a federal responsibility because provincial departments of education in these territories are funded largely by the federal government.

Education for Aboriginal peoples is controversial and a critical historical issue in Canada. Section 91(24) of the *Canadian Constitution Act, 1867* designates "Indians and Lands reserved for the Indians" as a federal responsibility. The term 'Indian' legally refers to registered (status) Indians (living on-reserve or on Crown land) under legal jurisdiction of the *Indian Act, R.S.C.1985, c. I-5* kept on register by the Department of Indian and Northern Affairs Canada (INAC). The funding of their schooling is a federal responsibility. Registered Indian families living off of reserves and Métis do not come under federal jurisdiction- the funding of their education is a provincial responsibility.

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<sup>6</sup> As potential consumers, students must take the same care and precautions when choosing a program as they would take when making any other major purchase. Many institutions offer training that does not lead directly to employment (for example, driving instruction for non-commercial vehicles, speed-reading, health and fitness, and tax preparation). These programs are non-vocational in nature, and the colleges offering them are not required to register under the Private Career Colleges Act. Non-registered programs are not included in the 450 listed by the Ministry and are not scrutinized by the Ministry of Training, Colleges and Universities.

<sup>7</sup> Section 93 of the *Canadian Constitution Act, 1982* gives primacy to provincial authority over education.

<sup>8</sup> These are outlined in Section 91 of the *Canadian Constitution, 1982*.

Early implementation of the *Indian Act, R.S.C.1985, c. I-5* saw the federal government enlist churches to operate schools among Indian communities. The aim was to Christianize and assimilate into the lower strata of the dominant society often brutally and without regard for local culture, language, traditions and values. In the 1950's the federal government began to operate their own schools. In the 1960's attempts were made to integrate Indian children into provincial school systems. Since the 1970's First Nations have struggled to assert jurisdiction over their own education within their claim of self-government. By 1973 the federal government accepted local control of education but much remains to be done. See the *Report of the Royal Commission on Aboriginal Peoples (Canada, 1996)*. Furthermore the population of nonregistered/nonstatus, off-reserve Indians and Métis has increased and become more urbanized presenting challenges for provincial governments responsible for their education.<sup>9</sup>

The federal government also has involvement in educational areas that represent a national interest. This has resulted in the 1970's and 1980's in federal resources being allocated to the Canada Studies Program for programs and production of curricula that focused on elevating student awareness about their own country. Similarly the **Official Languages in Education Program** focused on educating official minority language students in their mother tongue and promoted bilingualism.<sup>10</sup>

The federal government also has a history of involvement in vocational and technical training, collaborating and sometimes coming into conflict with the provincial government. The federal government's role in this area is seen as an extension of their responsibility for national economic development. Their concern with producing a well trained, work force for Canada to compete in the global economy heightened in the 1980s and 1990s. In the higher education system this involvement is most obviously seen in the federal governments involvement in community college skills training program.

The federal government's responsibility for economic development has also led them to support university-based research. The federal government is the largest source of support for university-based research. Consequently the federal government wields considerable influence over this aspect of higher education. Similarly the federal government also has a role in student financial assistance – historically through the **Canada Student Loan** program, and more recently through the **Millennium Scholarship Foundation**. Some examples of federal government bodies supporting university research and /or students include:<sup>11</sup>

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<sup>9</sup> 'Aboriginal peoples' in Canada are defined by the Canadian Charter of Rights and Freedoms as including Indian, Inuit and Métis people. 'Indian' is a legal term used under the Indian Act referring to those who have status as registered Indians under federal jurisdiction. It was also used by Europeans in references to Aboriginal peoples of North America. It is considered pejorative and it homogenizes the cultural diversity the people. 'First Nations' is a political designation preferred by many Aboriginal peoples and it encompasses the various governments of the Aboriginal peoples of Canada

<sup>10</sup> This program saw the federal government enter into bilateral agreements with the provinces to provide money for support of minority languages programs including immersion programs and also protected other minority language opportunities (Young and Levin, 2002).

<sup>11</sup> For more detailed description of these bodies, their function and responsibilities see Shanahan, (2002).

- The Social Sciences and Humanities Research Council of Canada (SSHRC)
- The Natural Sciences and Engineering Research Council of Canada (NSERC)
- The National Research Council of Canada (NRC)-federal agency that works in partnership with companies, universities and research organizations to develop the knowledge based economy offering resources to research community (laboratories, institutes, specialized researchers and equipment)
- The Networks of Centres of Excellence (NCE)-multi-university projects with private sector links supported by the federal government to promote economic development through directed research, commercialization of technology, and training of personnel
- Canada Foundation for Innovation (CFI)-independent corporation established by the federal government that invests in research infrastructure through partnerships with private and voluntary sectors, and provincial governments, aimed at universities, colleges, hospitals and other not-for-profit institutions involved in science and technology development and targeting health, environment science and engineering needs in Canada
- The Canada Millennium Scholarship Foundation
- Canada Research Chairs Program (CRC)-contributes to the indirect cost of research by enabling universities, hospitals and affiliated research institutes to attract outstanding researchers in priority areas identified by universities in their strategic plans by offering salary and research support
- Advisory Council on Science and Technology
- The Canadian Institute of Health Research (CIHR)-multi-disciplinary granting council replacing the Medical Council of Canada

Finally, there are national organizations involved in post-secondary education that have connections with the federal government. The **Council of Ministers of Education Canada (CMEC)** is a national organization involved with education at the national level. It is made up of all the provincial ministers of education and post-secondary education. While it has historically had limited impact on education in Canada because it only acts when all the ministers are in agreement there are examples of pan-Canadian activities initiated by the CMEC described later in this paper.<sup>12</sup>

### iii) Fiscal Arrangements

The financial relationship between the provinces and the federal government are complex and controversial. In the Canadian federal system the federal government enjoys the largest share of revenues from economic growth (e.g. through income tax). However, the provinces have the main responsibility for providing essential and expensive services such as health and education. This situation creates a disparity for the provinces in their revenues compared with their required spending. To rectify the imbalance the federal government established transfers from the federal government to provinces in the form of

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12. In addition there are national educational organizations such as the Canadian Education Association (CEA) made up of provincial governments, universities and school districts. As well major interest groups in post secondary education have national organizations that lobby on their behalf such as the Association of Universities and Colleges of Canada (AUCC) and the Canadian Association of Universities Teachers (CAUT) etc.

equalization payments.<sup>13</sup> The national fiscal arrangements allow for the federal government to assist the poorer provinces so that essential services such as health and education are provided for across the country at the same level of basic service. This eliminates the discrepancy between the poorer provinces and the richer provinces in delivery of such services. In the past the money flowed from the federal government to the provinces in various amounts according to each province's annual fiscal health. In some case the money was specifically designated for services such as health or social services but in other cases the provincial government was given the ability to spend funds according to their own priorities (Young and Levin, 2002).

These transfer payments were formerly known as Established Programs Financing (EPF). The transfer program was revised, renamed the Canada Health and Social Transfer (CHST) and reduced in 1995 as part of an overall federal government spending reduction effort. As a consequence social assistance cost-sharing with the provinces was limited while cash transfers for health and post secondary education have almost disappeared. In turn the provinces have had to make up the shortfall in various ways including reducing provincial grants to post secondary institutions setting the stage for the search for alternative sources of revenue for the post secondary system.

**Table 1**

**Total Expenditures\* on Universities, by Province in Constant 1998 \$, 1988/89-1998/99 (1998=0)**

<b>Fiscal</b>	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% dif
<b>Canada</b>	11.03	11.45	12.12	12.41	12.56	12.52	12.63	12.30	11.94	11.70	11.79	6.9
<b>NF</b>	226	238	248	249	257	245	243	249	231	216	214	-5.3
<b>PEI</b>	44	54	48	47	49	46	47	43	47	44	44	0.0
<b>NS</b>	469	475	479	487	485	498	462	461	474	448	457	-2.6
<b>NB</b>	290	286	292	297	315	309	326	315	324	313	306	5.5
<b>PQ</b>	2,752	2,857	3,074	3,182	3,332	3,345	3,471	3,366	3,124	2,919	2,871	4.3
<b>ON</b>	3,976	4,122	4,393	4,504	4,485	4,394	4,432	4,276	4,199	4,254	4,337	9.1
<b>MN</b>	461	474	495	506	509	490	495	486	481	469	482	4.6
<b>SK</b>	447	501	516	508	471	461	472	518	503	500	519	16.1
<b>AB</b>	1,142	1,164	1,154	1,117	1,126	1,141	1,083	1,061	996	1,034	1,040	-8.9
<b>BC</b>	1,070	1,098	1,254	1,342	1,369	1,437	1,423	1,390	1,427	1,386	1,396	30.5

Source: Adapted from Statistics Canada and Council of Ministers of Education, Canada (2000), Education Indicators in Canada: Pan-Canadian Education Indicators Program 1999, Table 3.22.

\* 'Total expenditures' includes the operating, capital and sponsored research expenditures of all degree-granting institutions and their affiliates, as well as government spending on student aid and on other departmental administrative programs.

Table 1 shows the provincial government response to the federal cuts in transfer payments as reflected in total university expenditures which plunged during the mid 1990s. Ontario's percentage of increase between 1989 and 1999 on total expenditures on universities was third across the country after B.C. and Saskatchewan standing at 9%.<sup>14</sup>

13 According to Young and Levin (2002, p.151) some provinces receive as much as 40% of their total revenue in the form of transfers from the federal government.

14 This table only tells part of the story because Ontario's cutbacks in university funding have exceeded any other province. Operating grants per capita for universities in Ontario are now the lowest of any province in the country. Moreover, between 1995/96 and 1999/2000, in terms of four-year relative change

Currently the provincial governments provide almost all the funding for education. Exceptions have been noted above particularly in the federal government's support of university research. Provincial funds for post secondary education are drawn from the general revenue of the province (which includes any federal government transfers and provincial tax revenue). While part of the annual provincial government's budget is set aside for education other provincial ministries outside of education have been involved in initiatives that have benefited education.<sup>15</sup> Currently, tension exists in the political climate between the demands of tax relief or tax freezes and demands for revenue to support provincial government expenditures. This tension has only been heightened by the recent passage of legislation in several provinces including Ontario that requires the provincial government's to balance their budgets every year. A more detailed look at Ontario's provincial funding mechanisms comes later in the paper.

#### iv) Provincial Co-ordination of Post Secondary Education

Prior to the 1960's, the provinces employed an institutional approach to co-ordination of the post-secondary system - that is the provincial government dealt with institutions on an individual basis. However, a review of the post-secondary system took place in every Canadian province between 1960's to the early 1970's in response to a need to expand higher education. As a result of these reviews there was a move to sectoral co-ordination through provincial policies for universities and the creation of intermediary bodies whose common objective was to give government advice on university matters.

It was during these reviews that the colleges of applied art and technology (referred to, in Ontario, as the CAATs) were created in 1965 (Jones, Skolnik, Soren, 1998). Hence two distinct higher education sectors emerged: the universities and the colleges of applied art and technology,<sup>16</sup> with distinct roles and regulatory mechanisms. Although universities and colleges operated under the same Ministry in Ontario each had its own advisory intermediary body. Consequently policy discussions in higher education in Ontario have typically revolved around the particular sector rather than around the totality of the system (Cameron and Royce, 1996; Jones, 1997).

Almost every province (excepting Newfoundland) experimented with some form of intermediary governing body focused on university-sector policy. Ontario's advisory body was first called the **Committee on University Affairs** and then, in 1974 the **Ontario Council on University Affairs (OCUA)**. Both incarnations were advisory bodies to the Ontario Minister responsible for universities and did not have executive decision-making authority. OCUA was dismantled in 1996 by the Progressive Conservative government. Universities in Ontario now deal individually or collectively

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in provincial or state funding operating expenses in Canada and the United States, Ontario ranked 59th out of 60 provinces and states. See [Missing Pieces III](#) (2002) for more information.

15 Ontario's newest university, the University of Ontario Institute of Technology ( UOIT) is the result of funding from the Ministry of Finance as well as Training, Colleges and Universities. Also a new government Ministry has been created to deal with provincial infrastructure which will manage the Superbuild Fund that supports capital projects in the post secondary sector.

16 Enabling legislation for the CAATs was passed in 1965 and by 1970 there were 20 colleges operating across the province (Jones, Skolnik, Soren, 1998).

through the **Council of Ontario Universities (COU)**, with the state without a buffer body.<sup>17</sup>

In the university sector structural arrangements have been characterized by a high level of institutional autonomy for universities, the strict regulation of degree granting by government and the equal treatment of institutions with regards to the distribution of provincial grants within the university sector (Jones, 1997). Historically the government controlled expansion of the university sector by strictly controlling authority to grant degrees. Originally this was accomplished by giving funding only to secular institutions, then in 1983 the *Degree Granting Act* was passed legally securing the provincial government's monopoly over degree granting by limiting expansion of the sector and regulating out-of-province institutions offering degree granting in Ontario (Jones, 1997; Skolnik, 1987). In 2000 the *Post-secondary Education Choice & Excellence Act* was passed to replace the Degree Granting Act, 1983. Currently, institutions in Ontario wishing to offer degrees, or programs leading to degrees, must comply with the *Post-secondary Education Choice & Excellence Act, 2000* which governs degree-granting institutions. The new Act prevents institutions from granting degrees, providing programs of post-secondary study leading to a degree, or being known as universities, unless they are so authorized by an Act of the Legislative Assembly of Ontario or have the consent of the Minister of Training, Colleges and Universities.

The intermediary role between the CAATs and the government was formerly assumed by the **Ontario Council of Regents for Colleges of Applied Arts and Technology**.<sup>18</sup> The Council is a provincial agency established under the *Ministry of Colleges and Universities Act, 1971* and provides advice to the Minister responsible for the college sector. Recent changes to the CAATs governing legislation have transformed this body into the **Colleges Compensation and Appointments Council**. The Council's responsibilities are fourfold: providing advice and/or strategic planning; appointing college boards and dealing with governance issues; collective bargaining and human resource management; and other roles and responsibilities assigned by the Minister.

The CAATs are governed by individual boards. Governance is highly centralized with the provincial Council appointing governors to the college boards across the province and controlling curricula.<sup>19</sup> Under the *Colleges Collective Bargaining Act, 1990*, the Council has the authority to act as the agent for the employers (the provincial government) in negotiating collective agreements with academic and support staff at the colleges who are members of the Ontario Public Service Employees Union (OPSEU). The Council is also responsible for making recommendations to the Minister regarding salaries and terms and

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17 The COU consists of the president of each Ontario university and an "academic colleague" elected by the university senate. It provides research and information shared among the universities and advocates for university interests vis-à-vis the government and its agencies (Royce, 1997). It also serves its members by providing co-coordinating and planning and the central processing of university applications. (For more information on the COU see [http://www.cou.on/HOME/about\\_cou.htm](http://www.cou.on/HOME/about_cou.htm)).

18 The creation of the Council was announced by the Minister of Education in 1965 as part of the implementation of the system of colleges of applied arts and technology in Ontario.

19 See Ministry of Colleges and Universities Act, Reg. 770.

conditions of employment for administrative staff.<sup>20</sup> Interview data indicated recent changes to the CAATs charter legislation has increased the Governing Board powers and diminished the Council's role in collective bargaining and Board appointments. However, these changes have not led to significantly more autonomy for the CAATs.

*Our old charter basically said we weren't universities. But it didn't say what we were. So we got a new charter that expanded the objectives of what colleges could do and it included applied research for the first time. It recognized the partnerships we have with industry...and it eliminated some of our strings to government but left us with others. [It has not increased our autonomy] The Boards have the right to the terms and conditions of employment for administrative staff and the Boards have the right to do some real estate transactions and those kinds of things, but there was always a catch to it... So the new powers were not free and clear. No, we were not cut loose. (Interview 10:6-7)*

### **III-THE POLITICAL ECONOMY AND HIGHER EDUCATION POLICY IN ONTARIO: 1985-2003**

This section presents a brief narrative of the political administrations from 1985-2003, the economic context of their reign and their major post secondary initiatives. A more detailed chronology of post secondary initiatives and government commissions and reports is provided in the Appendix at Table 11.

Ontario has had four different political administrations since 1985:

- the Liberals under David Peterson (1985-1990)
- the New Democrat Party (NDP) under Bob Rae ( 1990- 1995)
- the Progressive Conservatives under Mike Harris (1995- 2002) and then Ernie Eves (April 2002 –October 2003)
- the Liberals under Dalton McGuinty (October 2003 - present)

This profile focuses on the first three up to October 2003 when the Liberals took power.

#### **i) The Liberals under David Peterson (1985-1990)**

##### **The Political Economy**

In taking power in 1985 the Peterson Liberals not only toppled a 43 year Tory dynasty they also brought in a new socioeconomic era referred to as Ontario's "quiet revolution" (Courchene and Telmer, 1998, p.70). In part their victory was due to the Liberal-NDP Accord which subsequently dictated much of the Liberal government's policy in Peterson's minority government. The Liberals assumed leadership when Ontario was in

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<sup>20</sup> The Association of Colleges of Applied Arts and Technology of Ontario (ACCATO) is another body involved with the CAATS. However its role does not include governance rather it is an advocacy, communication and marketing association of the Colleges of Applied Arts and Technology.

“full economic bloom”. A strong economic climate continued throughout their administration and was described as a “golden era” for Ontario (Courchene and Telmer, 1998, p.5). In its post war history, this was a period of unparalleled economic growth for Ontario. The combination of a strong economic climate and a social policy agenda driven by the Liberal-NDP Accord resulted in increased government spending and the advancement of Ontario’s social policy agenda.

Ontario’s economic policy agenda at this time was geared to ensure Ontario’s economic competitiveness internationally focusing on the key areas of human capital and the information/technology revolution. This was to be achieved through active government intervention in the economy. Peterson's Liberals were the first Ontario government to attempt to respond to globalization and the knowledge/information revolution in their economic policies.<sup>21</sup> However, the economic agenda never superseded the social policy agenda.

The booming Ontario economy proved incapable of financing the expensive revolution in spite of the successive tax hikes that took Ontario from one of the lowest tax jurisdictions to one of the highest during this administration. The tax and spend approach of the Liberals proved insufficient to support the social agenda and left little room to generate much needed revenue through further hikes. Eventually, the economic bubble burst in Ontario in late 1989 and early 1990. At the same time as the economic downturn, Ontario's social assistance spending was set to expand under a newly legislated program. Additionally, the federal government’s 1990 budget imposed a cap on the Canada Assistance Plan that was applicable only to the wealthy provinces, which further exacerbated the financial strains in Ontario. However it was the newly elected NDP government (1990) that was met with these challenging fiscal problems.

### **Higher Education Policy under the Liberals** <sup>22</sup>

Funding of post secondary education was a concern at this time for the government. Jones (1997) explains that accessibility and reducing/stabilizing the level of government funding were the two important government goals during this period. The Liberal government focused on funding and particularly the mechanism for allocating operating grants in post secondary education. Their priorities may have been set in part by the burgeoning participation in and demand for post-secondary education beyond all predictions for both the university and college sectors (Cameron and Royce, 1996).

During the Liberals reign new corridor funding was introduced as well as targeted funding envelopes.<sup>23</sup> In addition an \$84 million accessibility fund was created by the Liberal government in 1987-88 to fund unexpected and significant enrolment growth.

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<sup>21</sup> See “Competing in the New Global Economy “(1988, Vol. 1) Report of the Premier’s Council. The Council was established by the Liberals with a mandate to “steer Ontario into the forefront of economic leadership and technological innovation”. The Premier chaired the Council along with senior cabinet ministers from trade, treasury, skills, labour, education, and colleges/universities.

<sup>22</sup> See Table 10 in Appendix for the names of the Education Ministers and Ministries under the Liberals.

<sup>23</sup> “The corridor funding provided stable shares of operating support as long as institutions did not go beyond plus or minus 3% of the formula enrollment calculations” (Jones, 1997. P.149).

This fund provided additional revenue for institutions beyond their corridor entitlements. However in doing this Royce points out the government actually undermined the effect of the corridor funding. She states: “This special funding program effectively over-rode the intended enrolment insensitivity of the corridor system and resulted in a formula that was highly sensitive to enrolment.” (Royce, 197, p.189-190)<sup>24</sup>

Funding was also an issue for the CAATs at this time in addition to a crisis of governance. Operating grant support was determined by an enrolment sensitive formula rewarding growth.<sup>25</sup> This increased competition between the CAATs for enrolment.<sup>26</sup> Labour relations in the CAATs were also contentious. At issue were workloads, salaries, collective bargaining and the relationship between the Council of Regents as management and the colleges in the collective bargaining process. Province wide strikes occurred in 1984 and again in 1989. In 1985 Walter Pittman, then Executive Director of the Ontario Arts Council, was appointed to advise the Minister on “the current governance structures of Ontario’s college system”. Pittman’s report was entitled *The Report of the Advisor to the Minister of Colleges and Universities on the Governance of the Colleges of Applied Arts and Technology*. It recommended changes to the structural arrangements of the CAATs, establishing an advisory Council on the colleges and the shifting of functions and responsibilities away from the Council of Regents to the college level. The government did redefine the role of the Council of Regents after the release of the report but substantial changes were not made to the CAATs’ governance arrangements (Cameron and Royce, 1996).<sup>27</sup>

Although the Liberals did not attempt any major structural changes to the overall higher education sectors they did attempt to link higher education policy to the province’s economic agenda. Ontario’s higher education policy at this time was focused on economic globalization, strengthening the provinces’ science and technology infrastructure and stimulating university-industry research partnerships (Lang, House, Young and Jones, 1999). The creation of the **Centres of Excellence**, publicly supported

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<sup>24</sup> For more information see “The Accessibility Envelop, Ontario Council on University Affairs, “Advisory Memorandum 87- III, The On-going Accessibility Envelope for 1987-1988” Fourteenth Annual Report, 1987-1988, Toronto: Ministry of Colleges and Universities, 1988.

<sup>25</sup> Institutions which increased enrolment at a higher rate than their peers received a larger share of available support (Jones, 1997).

<sup>26</sup> The college funding model is based on student enrolment. Colleges receive a portion of the general purpose operating grant based on its level of activity measured by the number of students at that college. A college’s revenues are subject to instability if enrolment declines or other colleges grow at a faster rate. The result is competition between the colleges for more students to maintain their share of declining operating grants.

<sup>27</sup> In 1987 the Minister of Colleges and Universities commissioned another report of Jeffrey Gandz, a professor of business at the University of Western Ontario, to review and advise the Ministry on the effectiveness of the collective bargaining process for the CAATs. Gandz’s report entitled *The Report of the Colleges Collective Bargaining Commission (1988)* also recommended structural changes in the CAATs governance and a new collective bargaining framework. Some of these called-for-changes were pursued by the Liberal government and were before the legislature when the government changed in 1990. However, the proposed bill subsequently died in the house in 1992 (Cameron and Royce, 1996).

research corporations linking university and industry was the largest initiative.<sup>28</sup> For this the Peterson Liberals can be lauded as the first Ontario government to attempt to address the implications of globalization and the knowledge/information revolution for human capital and the industrial structure as reflected in the *Report of the Premier's Council, Competing in the New Global Economy (1988, Vol. 1)*.<sup>29</sup>

Initiatives that flowed from this Report included the establishment of the **Premier's Council on Technology** in 1986 which provided \$1 billion in provincial funding over 10 years to steer Ontario to the forefront of the technological innovation. In addition, after consultation with Ontario universities and business leaders the **Ontario Centres of Excellence (OCE)** were created in December 1987 by the Premier's Council and partly funded through the **Premier's Council Technology Fund** and the **University Research Incentive Fund (URIF)**. The objectives of the **OCE's** were to stimulate advanced research, to train and develop researchers and encourage technology transfer to industry.<sup>30</sup>

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<sup>28</sup> Funding for the OCEs was renewed by the NDP and P.C. governments that followed but the P.C. government reduced the number of Centres from seven to four.

<sup>29</sup> *Competing in the New Global Economy (1988, Vol. 1)* Report of the Premier's Council emerges from the partially implemented policy direction of the Liberal government's in response to globalization and the information/ technology revolution. The Council was established by the Liberals with a mandate to "steer Ontario into the forefront of economic leadership and technological innovation". The Premier chaired the Council along with senior cabinet ministers from trade, treasury, skills, labour, education, and colleges/universities. The Report found that:

- Ontario was uncompetitive in many high growth industries, and emerging industries such a biotechnology (p. 11-12 of the Report).
- Ontario's education and training systems were not up to the levels of our competitors and not adequate to challenges to be faced (p. 12-13 of the Report).
- The science and technology infrastructure of the provinces in universities and government labs had not focussed on industrial priorities and world class performance (p. 13).
- The support systems of an advanced industrial economy that has the basic abilities, specific skills and ideas of people should be developed. More attention needs to be paid to human capital infrastructure (p.13).

The Report urged resources be devoted to benefit high-growth industries in need of strategic investment in R & D and marketing (p.13). It advocated creating an entrepreneurial risk-taking culture, building a strong science and technology infrastructure, which could support the technical needs of the province's industries, and improving education, training and labour infrastructure to levels adequate to sustain the provinces industrial competitiveness.

Although some of the recommendations from the Report were implemented the competitive thrust of this Report never penetrated the social agenda of the government.

<sup>30</sup> The OCE's are interesting for a number of reasons (including the fact that the Mulroney Government used a similar model on a national basis). First, they were driven by a policy discussion that took place outside the normal Ontario higher education policy community. In fact the Ministry of Colleges and Universities were largely excluded from the discussions. The initiative was driven by economic policy and notions of innovation for the new economy. Second, OCE's were essentially new entities that were distinct from existing universities, that is they were new corporations that had complex contractual relationships with government and with affiliated universities (Jones, 1994).

*Competing in the New Global Economy (1988)* was followed by *People and Skills in the New Global Economy (1990)* also from the Premier's Council. This second Report made recommendations with respect to post-secondary co-ordination and planning. It suggested viewing Ontario's post secondary education as a continuum allowing for life-long learning opportunities, viewing the community colleges and university in a "post secondary context" instead of two discrete sectors and establishing credit transfer arrangements between colleges and universities. The Report called for a co-coordinating council to deal with system issues related to transferability and continuity across the system (i.e. admission requirements, program standards, degree requirements, and transfer of credits). Implementation of the recommendations has been an on going challenge in Ontario. As the decade drew to a close the lack of formal interaction between the universities and CAATs sector was becoming a major point of discussion in Ontario.

In 1988 the Ministry of Colleges and Universities asked the Council of Regents to review the Ontario CAATs to develop a vision for the year 2000. Charles Pascal, Chair of the Council of Regents at the time and subsequently the Deputy Minister of Education for the NDP, organized the Taskforce. The final report was released in 1990 as *Vision 2000*. The report affirmed the original mandate and role of the CAATs. It recommended increased level of co-operation between the universities and CAATs, increased student mobility between sectors, and recommended an "institute without walls" to facilitate the co-ordination of arrangements between universities and colleges. These recommendations led to the development of a government transfer guide (in 1994 during the NDP administration) and an increase in articulation arrangements between individual universities and colleges. However this report did not ultimately resolve the issue of university/college relations because there was no mechanism in Ontario higher education that transcended both sectors. A major recommendation of *Vision 2000* was that the CAATs should have a periodic program reviews and reviews of system wide quality standards. This led to the creation of the **College Standards and Accreditation Council (CSAC)**.

Another recommendation was the call for a taskforce to examine how the province could meet its advanced training needs. Once again Walter Pittman chaired this taskforce called *The Taskforce on Advanced Training: No Dead Ends*. The report of the Taskforce came out in 1993 (during the NDP administration) and addressed the challenges of the technologically-dominated economy. Recommendations included system changes to link colleges, universities, businesses and industry to design advanced-training. It also recommended the development of credit transfer policies and practices. Steps taken in response to the Taskforce's recommendations included, (in 1994 during the subsequent NDP administration), the creation of the **College University Consortium Council (CUCC)** a voluntary consortium responsible for colleges and universities to promote college-universities co-operation.

Other concerns for the Liberals included the need for post-secondary bilingual programs for Franco-Ontarians, special costs associated with post-secondary programs in the north and developing mechanisms to support post-secondary research overhead costs. Three

CAATs had been added to the system by 1993 where French was a primary language of instruction to address the bilingual needs of Franco-Ontarians (Cameron and Royce, 1996; Jones, 1997; Royce, 1997).

## **ii) The New Democratic Party (NDP) under Bob Rae (1990-1995)**

### **The Political Economy**

Bob Rae's NDP government inherited the Liberal's legacy when David Peterson was unexpectedly defeated in the 1990 election. The NDP were elected on the platform "Agenda for the People" which continued the social agenda of the Liberal/NDP Accord. The Agenda included new taxes for the wealthy and corporations, tax relief for the poor, increased funding to public schools, and a myriad of other promises including government-run auto insurance, employment equity and other employment protection plans increased social assistance, environment protection initiatives and resources to improve conditions in Ontario's north. Patrick Monahan observes, "Running through the agenda was a single theme: resources should be allocated by state planners rather than by private markets, to redistribute wealth rather than create it." (1995, p.16)

Most of the agenda did not survive the economic downswing, the only significant exception being employment equity. The NDP entered office during the worst depression in Ontario since the 1930's.<sup>31</sup> This administration was mired in debt and deficits flowing from the expansion of the welfare system, the federal governments transfer cuts in the 1990's, and the 1990 recession. Their first budget exacerbated the situation: the newly elected NDP government enacted further increases in welfare benefits to take effect on January 1, 1991. By 1992 the NDP were forced to retrench the system and introduced the "STEP down" initiative. Other NDP initiatives, such as the social contract<sup>32</sup> and

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<sup>31</sup> Courchene and Telmer (1998) suggest that fiscal disaster would have befallen any government in power during this period given the performance of the economic indicators over the 1990-1995 period (Courchene and Telmer, 1998). In fact the 1990 recession triggered such dramatic revenue collapses that Ontario thrice qualified for stabilization payment during Bob Rae's mandate. Unfortunately the federal government had altered the program by this time and limited the maximum pay out. The changes detrimentally impacted on Ontario's benefit from the program.

<sup>32</sup> As the financial situation in Ontario became more difficult the NDP took significant measures to shore up expenditures and keep the deficit within the \$10 billion range. One of these measures was the Social Contract (Bill 48) introduced in the 1993 budget. Via the Social Contract the Ontario government planned to shave \$2 billion from planned expenditures on wage compensation from the broader public sector. This sector included schools, colleges, universities, municipalities, hospitals, agencies, boards and commissions. Rather than just cut transfer payments to the various public institutions the government chose to leave it to the individual employers and unions to deal with what was essentially a 5% roll back of the public sector - not a huge amount given that Alberta introduced a 20% roll back but in much better financial times. The Social Contract legislation included a failsafe that permitted employers to negotiate new compensation to meet government savings targets, but failing that, it gave them the power to unilaterally institute measures to reduce compensation. Under this arrangement the unions lost power once negotiations were abandoned. Needless to say as a result of Bill 48 the NDP lost the support of much of the labour movement. When Bill 48 expired in 1996 employee wages returned to their pre-contract levels but by this point the Harris Conservative government had been elected and they chose to implement a new round of budget cuts. Some suggest that the spirit and direction of the Social Contract were long overdue in Ontario and had Rae introduced the Social Contract in the 1991 budget instead of the 1993 budget the fiscal and political history of Ontario may have been different (Courchene and Telmer, 1980).

employment equity<sup>33</sup> (both continuations of Ontario's quiet revolution), further challenged main stream party support.

During their administration the NDP increased Ontario's debt by \$60 billion over and above the \$42 billion debt they had inherited from the Liberals and they progressively increased taxes to make Ontario one of the highest taxed provinces. Courchene and Telmer (1998) argue it effectively set the successor government's fiscal direction-that is the next government would have to "place fiscal conservatism at the core of its platform" and "invited a dramatic retrenchment" (p.6 & p.141) that followed with Harris' Progressive Conservatives.

### **Higher Education Policy under the NDP**<sup>34</sup>

The NDP government followed the Liberals lead in terms of employing higher education policy to build upon university and industry linkages and to increase industrial and technological developments but with a greater emphasis on equity and social mobility (Lang, House, Young and Jones, 1999). Two issues dominated policy decisions during this era: accessibility in light of restrictive funding levels and improving university accountability.<sup>35</sup>

At the same time the Minister of Colleges and Universities, Richard Allen, asked OCUA to provide advice on how to establish a system of program review for academic quality for universities. OCUA's response (in the form of a discussion paper, policy options and a background document in 1994 and 1995) to the accountability for program quality

<sup>33</sup> The employment equity legislation (Bill 78) was aimed at workplace discrimination against four designated groups- aboriginals, people with disabilities, racial minorities and women. Ontario employers were required to review employment policies, identify barriers to recruitment/promotion of individuals in the designated groups, implement an employment equity plan that would eliminate the barriers and establish timetables to recruit/promote members in the designated groups. The objective of the legislation was to ensure that the workplace reflected the representation of the designated groups in the community. The Employment Equity Commission monitored and enforced the obligations of the legislation. The legislation was sweeping in its application and affected every public sector employer with more than 10 employees and every private sector employer with more than 50 employees.

<sup>34</sup> See Table in Appendix for names of the Education Ministers and Ministries under the NDP government.

<sup>35</sup> Accountability had become an issue as a result of the Provincial Auditor's conclusion following an inspection audit of three universities between 1988 and 1990 that accountability for funding in Ontario universities was inadequate (Cameron and Royce, 1996). Comprehensive provincial audits were subsequently recommended. In 1991 William Broadhurst, a member of the Ontario Council on University Affairs (OCUA), chaired the *Taskforce on University Accountability*, which focussed on accountability at the institutional level and the role of governing boards. In 1993 the Broadhurst Taskforce report, *University Accountability: A Strengthened Framework*, was released. It recommended an institutionally-based accountability framework with the responsibility for demonstrating accountability assigned to the governing board of each institution. In addition it was suggested that an independent external agency located within OCUA should be set up to monitor accountability (Royce, 1997). Although the report was accepted the external monitoring body suggested by the Taskforce was never established. In part this was because it lacked a system perspective and focussed narrowly on accountability within each institution in isolation rather than how well all the institutions together as a system were meeting the public's needs (Royce, 1997; Skolnik, 1994).

question was controversial in the post-secondary community.<sup>36</sup> The Council recommended the establishment of a province-wide systemic quality review process at the undergraduate level, (noting that the Ontario Council on Graduate Studies had an appraisal process in place since the late 1960s for graduate programs across Ontario's universities). Royce (1997, p.210) suggests this was a "monitored self-regulation" approach to accountability for program quality. It was to take the form of a publicly-appointed, independent body, which would audit institutions to make sure that policies and processes were in place for reviewing the quality of undergraduate programs.

In essence the recommendations, similar to the recommendations of the *Taskforce on University Accountability*, in their report *University Accountability: A Strengthened Framework*, advocated further government intervention in universities in a political environment where the government was retrenching. The recommendations were deemed unworkable and the government did not respond. Instead in 1995 the Ministry approved the **Education Quality and Accountability Office (EQAO)** with responsibility for addressing issues of educational quality and accountability in the elementary/ secondary and post secondary sector. However, the post-secondary responsibility of EQAO did not materialize. OCUA went ahead and established its own undergraduate program review process. An undergraduate program review audits committee was created with responsibility for conducting the annual audits of institutional reviews of undergraduate programs. These were to commence in 1997. However, the government changed hands before these took place and OCUA was dismantled by the new Progressive Conservative government in 1996.

Rae's Employment Equity legislation and Social Contract legislation affected the higher education sectors in Ontario. Both universities and CAATs were considered part of the broader public sectors and were affected by the arrangements and obligations.<sup>37</sup> The *University Restructuring Steering Committee*, co-chaired by Dr. Bernard Shapiro, Deputy Minister of Education, and Colin Graham, then chair of OCUA, was established in 1992. It was mandated to develop long term strategies that would make the university sector responsive to continuous life-long learning and the needs of the modern economy, and at the same time assure the NDP government's access and equity agenda in a time of financial constraint. The Committee could have reshaped the post-secondary sectors in Ontario. But by 1993 the government was making further funding cuts and had shuffled the cabinet. A new "super ministry" was created integrating elementary, secondary and post secondary education; the Ministry of Colleges and Universities combined with other

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<sup>36</sup> Entitled *Sustaining Quality in Changing Times: Funding Ontario Universities, A Discussion Paper*, August 1994 and *Advisory Memorandum 95-III: Resource Allocation for Ontario Universities*, 1995.

<sup>37</sup> The Employment Equity legislation began to change the face of faculty and staff in the post-secondary institutions. The Social Contract legislation shifted the locus of power and the roles of agencies in the university sector especially the Council for Ontario Universities (COU) which now acted on behalf of management in sector wide discussions and negotiations to meet the target reductions required by the government. The Ontario Confederation of Faculty Associations (OCUFA) acted for faculty in discussions and negotiations. Although negotiations were delegated by the government to the institutions to work out the prescribed process left little room for autonomy or traditional collective bargaining (Jones, 1997).

education related units to form a new “Ministry of Education and Training”. As a result of the fiscal developments the new Minister buried the report (Royce, 1997).

The severe and sudden fiscal constraints facing universities in the 1990s led to a number of developments within institutions within the province. Royce (1997) suggests that the government began to move unilaterally to address these individual issues and in higher education policies in general which would affect the future shape Ontario’s university system, breaking with the tradition of broad consultation with the university system and OCUA.<sup>38</sup> Fiscal restraint was facilitating the rationalization and planning of the system.

During this decade a number of institutional changes took place. Nipissing College affiliated with Laurentian University had requested independent degree granting status as far back as 1988 during the Liberal government. Royal Assent finally came in December 1992 through a Private Member’s bill.<sup>39</sup> Similarly Ryerson Polytechnic Institute sought to become a polytechnic university during this period. Royal assent was granted in 1993.<sup>40</sup> In 1994 the complete integration of the independent Ontario Institute for Studies in Education with the University of Toronto was proposed as OISE was financially straining. A complete merger was approved in 1995 by the Minister of Education and Training (Dave Cooke) with the significant involvement of his Deputy Minister, Charles Pascal (Royce, 1997).

Throughout the 1990’s a major theme of commissions and reports continued to be the need for greater co-ordination and planning between and within sectors of the post-secondary system. Emphasis was placed on credit- transfer between the sectors so as to facilitate life long learning. The *Report of the Commission of Inquiry on Canadian University Education (1991)* led by Stuart L. Smith at the request of the Association of Universities and Colleges of Canada expressed these concerns and called for greater co-operation within higher education noting in particular the problem of credit transfers. At the suggestion of Stuart Smith’s 1991 Report for national leadership on this issue the

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<sup>38</sup> For example in September 1993 the University of Western Ontario with government support proposed closing the School of Journalism due to financial constraints. The University reversed itself after intense lobbying from the graduates of the school. In the same year the University of Toronto agreed to cap its enrolments in medicine. Royce (1997) notes that these agreements were made with the Minister directly who sought to reduce the number of doctors produced by the universities in exchange for the assurance that there would be no cost to the institution through lost tuition. Tuition in the Dentistry programs at the University of Toronto and the University of Western were also deregulated at this time (1996) through a special agreement with the Minister and the two universities. By 1996 a new B.A. of Fine Arts at the University of Ottawa resulted from consolidating the existing programs and it led to the elimination of 50 courses in the department. Additionally two Engineering programs at McMaster University were products of rationalization and involved the closure of six existing programs. Royce (1997) suggests these changes reflect the ad hoc system planning and co-ordination that were occurring during this period illustrating the “complete absence of any ongoing master planning activity on the part of the Ministry responsible for universities, the advisory body OCUA, or the university collectivity.” (Royce, 1997, p.342).

<sup>39</sup> Nipissing had a special teaching-oriented mission and was restricted to education and liberal arts and sciences. See Government of Ontario, *Bill Pr.70, (Chapter Pr. 52 Statues of Ontario, 1992) an Act Respecting Nipissing University*, Royal Assent December 10, 1992.

<sup>40</sup> The amendments limited Ryerson’s university powers to granting degrees in areas of applied knowledge and research. See Government of Ontario, *An Act to amend The Ryerson Polytechnical Institute Act, 1977*, Royal Assent, June, 1, 1993.

Council of Ministers of Education Canada (CMEC) issued a document entitled *Pan-Canadian Protocol on the Transferability of University Credits* in 1995. This document called on degree granting institutions to provide a national transferability of credit for 1st and 2<sup>nd</sup> year university courses. This group of provincial education ministers had no national authority in Canada but in Ontario OCUA approved the CMEC protocol. As of 1996-97 the CMEC protocol pertaining to the transferability of year one and year two credits among universities have been in force and all post-secondary institutions in Ontario have complied (Royce, 1997). In 1992 the *Transfer of Undergraduate Course Credits among Ontario Universities: Report and Recommendations*, also known as the *Baker Report* after its chair Donald Baker, Vice President Academic of Wilfrid Laurier University, was released and also recommended policies and procedures with respect to transfer of credits among Ontario universities. As a result of the *Baker Report*, the Council of Ontario Universities (COU) moved towards making credit transfer practices among universities more consistent in 1993 and Ontario universities agreed to a general policy for credit transfer

### **iii) The Progressive Conservatives under Mike Harris (1995- 2002) and Ernie Eves (April 2002 – October 2003)**

#### **The Political Economy**

The Harris Conservatives were elected in June 1995 winning 82 of 130 seats and 45% of the popular vote. They swept to power on a platform called “The Common Sense Revolution” (CSR) and within 18 months had implemented every tenet of their CSR platform. This government had two foci: to address the provinces fiscal situation and to implement a massive municipal and institutional restructuring. Almost immediately they cancelled or reduced nearly all the initiatives of the Liberal- NDP Accord including rolling back welfare benefits by approximately 20%, introducing workfare for able-bodied recipients, and abandoning Employment Equity and Bill 40 and 48 (Social Contract). This government prioritized the economic agenda and abandoned the social agenda. They advocated for a smaller, less intrusive government, reduced taxes, privatization, and institutional restructuring (i.e. reorganization of delivery of health care especially hospitals, reworking provincial and municipal financial arrangements, municipal amalgamation, school board consolidation, and the creation of the Toronto mega city).

The primacy of the market infused their political agenda. During this government’s administration the economy recovered - attributed to the cyclic changes experienced by the international markets associated with Ontario’s industrial base and not as a result of anything the government did or did not do. In 1997 the Conservatives’ administration enjoyed the lowest interest rates, the lowest inflation rates and the most competitive economy since the Robarts era of the 1960’s in Ontario - a fiscal environment that was largely inherited rather than created (Courchene and Telmer, 1998, p. 47).

### Higher Education under the Progressive Conservatives<sup>41</sup>

The post-secondary agenda for the Progressive Conservatives can be found in *New Direction II- A Blueprint for Learning in Ontario, 1992*. This document advocates a smaller role for government in university affairs and financing, increased partnership funding, and increasing contributions to post-secondary education by students, government and the private sector. *Blueprint for Learning* foreshadowed increased tuition fees, an expanded student loan program, income-contingent, loan-repayment schemes, an increase in institutional scholarship and bursary programs. It also suggested greater private sector support for higher education in the form of research and development and increased competitiveness and productivity of institutions. Additionally institutions would be encouraged to specialize as in either graduate or undergraduate studies. The document proposed public accountability through value-for-money audits of universities and promised the lifting of the restrictions on private degree granting.

Shortly after taking office the new Minister of Education and Training announced the decision to review government policy pertaining to the post secondary system specifically calling for restructuring, rationalizing, eliminating and cutting on a scale never seen before in the post-secondary system (Royce, 1997, quoting the Honourable John Snobelon, Nov. 8, 1995). From the Ontario Ministry of Education and Training, Future Goals for Ontario Colleges and Universities: Discussion Paper, July 1996, flowed the “blue ribbon committee” *Advisory Panel on Future Directions for Post-secondary Education*. This was the first commission since 1972 that examined the post-secondary system as a whole. The panel was given an extremely short time frame of 5 months within which to research and release its report. The report entitled *Excellence, Accessibility and Responsibility* was released in December of 1996. The thrust of the report emphasized: the restoration of public funding; less regulation and less deregulation; greater responsibility assigned to governing boards of institutions to demonstrate accountability; a larger role for governing bodies of colleges and universities; differentiation among institutions; stronger student financial aid; tuition deregulation; stronger support for research and innovation; and focused incentives for the private sector support and partnerships with universities and colleges.

The Panel affirmed the basic binary structure of Ontario’s post secondary sectors- endorsing the structural status quo. However it recommended establishing a body on post-secondary matters covering colleges and universities to produce research and oversee institutional accountability but not to undertake system co-ordination and planning. The Panel placed the task of post-secondary quality assurance in the hands of the governing boards of institutions. The panel rejected the approach of British Columbia and Alberta to treat the post-secondary sectors and institutions as components of an integrated system. The panel supported a parallel system of differentiated colleges and universities and endorsed the continuing work and funding of the **College-University Consortium Council (CUCC)**.<sup>42</sup> The report is significant in its broad review of the post

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<sup>41</sup> See Table 10 in Appendix for names of the Education Ministers and Ministries under the Progressive Conservative government.

secondary system in Ontario and its acceptance of Ontario's ad hoc approach to policy co-ordination and planning.

After initial funding cuts to universities the government slowly began to reinvest.<sup>43</sup> However, the new funding was tied (to enrolment growth and university performance) and some of it was delivered in envelopes. The first envelope was tied to enrolment growth of first entry undergraduate and second-entry professional and graduate programs. The second envelope was for Performance-Based Funding and was distributed on the basis of an institutions graduation's rate of 1992, and the 6 month and 2 year employment rate of 1998 graduates of undergraduate programs. In addition the May 2001 budget announced increases to operating grants to universities and colleges by \$293 million by 2003-04 to accommodate increased enrolment anticipating the 'double cohort'. In 2003 in Ontario both OAC and Grade 12 students graduated and entered the post secondary system at the same time. These are the first students in the new four year high school program who will graduate at the same time as the graduates of the five year program thereby doubling the graduating cohort that will enter the post secondary stream. Enrolment was projected to increase by 16% in 2003-2004 over 1995 figures. Operating grants to universities for 2001/02 would total \$1.72 billion, an increase of 48.4% over 2000/01 levels.

Other parts of the increase came in the form of ongoing grants connected to the **Access to Opportunities Fund (ATOP)**<sup>44</sup> and increases in Northern grants. The Ontario Ministry of Education and Training announced the ATOP program in May 1998. The 1998 Ontario budget provided \$150 million over three years to double entry-level enrolments at universities in computer science and high-demand fields of engineering by September 2000, and to increase entry-level enrolments in related college programs by 50 per cent.

In addition to ongoing funding, the government provided each participating university or college with one-time program expansion funding on a 'matching' basis (up to defined maximums based on actual enrolment). The government would match dollar-for-dollar private sector cash and/or in-kind contributions towards eligible one-time expansion

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<sup>42</sup>The CUCC was established in 1996 by the COU and the Association of Colleges of Applied Arts and Technology (ACAATO). Its mandate is to promote joint education and training ventures, establish electronic credit transfer guide and undertake research on post-secondary student mobility.

<sup>43</sup>In 1996/97 the P.C. government cut \$280 million from university operating grants. Since then universities have suffered a loss of approximately \$1.7 billion cumulatively. The government's own *Investing in Student's Taskforce Report* noted that between 1990/91 and 2000/01 government operating grants to universities declined by 11% in real dollars and operating grant revenue per student declined by 29%. According to OCUFA operating grants per capita for universities in Ontario are now the lowest of any province in the country. Ontario spends 38% less per person than the province of Newfoundland and 18% below the national average. See OCUFA (Oct.2001) Ontario Government Directions Concerning Higher Education at [www.ocufa.on.ca/lobby/ogd.asp](http://www.ocufa.on.ca/lobby/ogd.asp). In March 2000 the government announced increases to total operating grants at \$1.6 billion which was an extra \$52 million from 2000 but still \$255 million less than in 1995-96 and a shortfall of 13%.

<sup>44</sup>For more information see: <http://www.edu.gov.on.ca/eng/general/postsec/atop/>

costs. Every eligible dollar contributed by the private sector meant two dollars to the university or college.<sup>45</sup>

The **SuperBuild** fund was created in 1999 by the P.C. government and partners would infuse much needed capital into the colleges and universities. The first expenditure was directed at upgrades, and renovations of existing buildings and building new residences. The second round of funds committed in the 2001 budget was to assist institutions to create new student spaces and fill any new positions due to expanded enrolment of the double cohort as well as new learning resources and tools. This investment was directed at primarily capital expansion, as opposed to operating costs, and was intended to ensure that facilities are up-to-date.<sup>46</sup>

This use of targeted/tied funding and provisions for matched private sector contributions for research, infrastructure and capital projects while at the same time reducing operating grants enabled the Progressive Conservative government to steer the direction of university education towards a greater emphasis on vocational training.

Student university tuition fees increased more than 60% between 1995 and 2001-02 during this administration. Tuition fees were deregulated for graduate and certain professional programs (for example tuition had been deregulated in business/commerce, dentistry, law, optometry, pharmacy, and veterinary medicine). Fees for undergraduate engineering and computer sciences programs were deregulated following ministerial approval of universities plans to double the number of entry level spaces in these programs by Sept. 2000. General arts and science programs continued to be regulated.<sup>47</sup> The government tuition policy at this time was to balance funding for colleges and universities by bringing tuition fees back to 35% of the cost of providing university and college courses. At the same time funding for student assistance was supposed to be increased to maintain accessibility.<sup>48</sup> A 5-year cap at 2% on tuition fees was introduced for most programs over the maximum allowable levels set in 1999-2000. Caps extended over the years when enrolment would be affected by the double cohort.

The Progressive Conservative government placed a greater emphasis on matched private sector funding, increased university spending on student assistance and discipline specific

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<sup>45</sup> In order to qualify, the private sector contributions had to be pledged by April 15, 1999, and received by the university or college no later than March 31, 2001.

<sup>46</sup> According to OCUFA, ¾ of the funding under the SuperBuild program is directed to projects in the applied technology, health and general sciences even though students in the liberal arts programs constitute the largest area of the university program demand. See OCUFA (October 2001) Ontario Government Directions Concerning Higher Education at p.12 [www.ocufa.on.ca/lobby/ogd.asp](http://www.ocufa.on.ca/lobby/ogd.asp)

<sup>47</sup> See Ministry of Training, Colleges and Universities (Spring/Summer 2002). Update: Ontario's Plan for Students in the double Cohort. p.3 at <http://www.edu.gov.on.ca/eng/general/postsec/postsec.html>

<sup>48</sup> In 1997 See Ministry of Training, Colleges and Universities (Spring/Summer 2002). Update: Ontario's Plan for Students in the double Cohort. p.3 at <http://www.edu.gov.on.ca/eng/general/postsec/postsec.html>  
In 1997/98 university income from tuition represented 37.6% of university revenue, while 57% came from operating grants and 5.1% from other sources. Student debt load has doubled since 1995.

See OCUFA (October 2001) Ontario Government Directions Concerning Higher Education at p13 [www.ocufa.on.ca/lobby/ogd.asp](http://www.ocufa.on.ca/lobby/ogd.asp)

scholarships as opposed to enhancing the Ontario Student Assistance Program (OSAP). In 2001 the provincial government has also created tuition scholarships called *Aim for the Top Scholarships* whereby \$35 million is to be invested annually in tuition scholarships.<sup>49</sup> Additionally through an agreement with the federal government the *Canada Federal Millennium Scholarship Foundation* guarantees Ontario's share of the Millennium fund will reflect its population- approximately \$113 million a year. *Ontario Graduate Scholarships* were increased in number and value from \$11,859 to \$15,000 over three terms and 500 *Ontario Graduate Scholarships in Science and Technology* are awarded annually. However universities are now expected to contribute one third of this amount. *The Ontario Student Opportunity Trust Fund* was created in 1997 to establish a permanent trust fund with a total value of \$600 million created with private and public sector contributions for colleges and universities to distribute to provide aid for students in need. In addition universities and colleges are required to set aside 30% of tuition increases for student aid. Funding for the *Work Study Program* was doubled in 2000 budget and \$4 million was allocated to free tuition for medical students agreeing to practice in rural and northern Ontario.

At the same time student loans regulations were tightened (tougher credit screening, eligibility requirements, reassessment procedures, default rate threshold etc). According to OCUFA the government's expenditures on student support dropped from \$400 million in 1995- 1996 to \$310 million in 2000-01. Over the same period student aid recipients in Ontario have decreased by 25%.<sup>50</sup> The Ontario government during this period also signed an agreement with the federal government to harmonize loans under the Canada student Loans Program with provincial student assistance programs.

**Investing in Students Task Force**<sup>51</sup> was struck in response to the double cohort and rising concerns about increasing tuition and the overall cost of post secondary education undermining access and quality in universities and colleges. The double cohort and the demographic pressures for access associated with it have become a policy issue for the Progressive Conservative government although the government's response was deemed inadequate to the impending influx of students in Ontario universities. The *Investing in Students Task Force* was established in September 2000 to advise the Minister of Training, Colleges and Universities on ways to ensure that public funds supporting post-secondary education are directed at providing the highest quality of education for students while ensuring access, affordability and accountability. Some recommendations included creating a seamless system as current arrangements for transfer are a burden on individual students as they move in and within the post-secondary education system, encourage the differentiated missions for post-secondary education institutions and supporting them through investment (i.e. polytechnical and other specialized institutions could foster advanced training and skills), establish a new College Charter by 2003 whereby Colleges would continue their evolution as non-profit corporations, and generate

<sup>49</sup> 8000 scholarships were awarded in 2000 paying up to \$3500 a year for a student's tuition fees for up to four years at any Ontario colleges or university provided grades are maintained.

<sup>50</sup> See OCUFA (October 2001) Ontario Government Directions Concerning Higher Education at p.8 [www.ocufa.on.ca/lobby/ogd.asp](http://www.ocufa.on.ca/lobby/ogd.asp)

<sup>51</sup> See Ministry of Training Colleges and Universities, Investing in Students Task Force at <http://www.edu.gov.on.ca/eng/general/postsec/taskhme.html>

revenue through new partnerships. It also recommended that college boards to be fully responsible and accountable for governance, the establishment of a clear accountability framework for publicly funded institutions and the requirement of an annual public report by institutions that should contain information on mission, key strategies and accomplishments, outcomes on performance indicators and student benefit and audited financial statements.

Greater co-operation between the universities and colleges in Ontario was, and continues to be, a theme that runs through many reports of the last three governments. The Progressive Conservative government has encouraged credit transfers and joint degree programming. On their part colleges have lobbied for degree granting powers while COU has been opposed and would rather see credit transfers between the two sectors instead. In May 1999 an Ontario *College-University Degree Completion Accord* was signed by the college and university sectors which set out, within the voluntary framework of the Accord, principles for developing degree completion arrangements between colleges and universities. The government's *Advisory Panel on Future Directions for Post-secondary Education* recommended that "the award of secular degrees should continue to be a responsibility of universities at this time. It should be possible, however, for a college to transform to a polytechnic degree-granting status and from there to a university." In April 2000 the government announced it would allow applied college degrees.<sup>52</sup> In July 2001 Ontario College of Art and Design (OCAD) was given degree-granting status.

In the May 2001 budget the government announced plans to build the **University of Ontario Institute of Technology (UOIT)**, a polytechnic university created in partnership with Durham College with the purpose of supporting the automotive and power industries in Durham Region. On Oct.4, 2002 the Minister of Finance and the Minister of Training, Colleges and Universities along with the new President Gary Polonsky (former president of Durham College) announced Canada's newest university and the first new university to be created in Ontario in almost 40 years.<sup>53</sup> The proposed university integrated its campus, administration and services with Durham College and linked university and college curricula offering a number of market-driven programs ranging from manufacturing to nuclear technology and safety. The government provided \$60 million to establish the **UOIT** through the SuperBuild Corporation Fund.

Although the government did not allow for the creation of new private secular post-secondary institutions in its first mandate this was clearly envisioned in their policy direction.<sup>54</sup> It was recommended by the party's *Advisory Subcommittee on*

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<sup>52</sup> Eight pilot projects per year for three years (starting Sept. 2001) are to be established and evaluated by the **Post secondary Quality Assessment Board**. These programs are not to be duplicate programs normally offered at an Ontario university.

<sup>53</sup> See Ministry of Finance News Release (Oct.4, 2002) [Canada's Newest University to Meet the Demand for Market-Driven Degree Programs - Province to Invest \\$60 million in Ontario Institute of Technology.](http://www.gov.on.ca/FIN/english/nre-oit.htm) at [www.gov.on.ca/FIN/english/nre-oit.htm](http://www.gov.on.ca/FIN/english/nre-oit.htm)

The last publicly funded university created in Ontario was Brock University, which opened in St. Catharines in 1964.

<sup>54</sup> See "New Directions II" (1992), the Progressive Conservative policy document states "the restriction on private, degree granting universities should be lifted. However anyone wishing to start a private university

*Postsecondary Education* in 1996 and 1997. Further, the government's own *Advisory Panel on Future Directions for Postsecondary Education (1996)* also recommended the establishment of privately-financed, not-for-profit universities under strict conditions and standards developed by an advisory body on postsecondary education. The Ministry of Training, Colleges and Universities passed new legislation for degree granting and operating a university in Ontario entitled the *Post-secondary Education Choice and Excellence Act, 2000*.<sup>55</sup>

This new Act permits organizations to offer programs leading to a degree, or to operate a university, either with the consent of the Minister of Training, Colleges and Universities or by an act of the Legislative Assembly of Ontario. The Act also continues the **Postsecondary Education Quality Assessment Board (PSQAB)**, an advisory board to the Ministry of Training, Colleges and Universities.<sup>56</sup> All applications for ministerial consent must be referred by the Minister to the Postsecondary Education Quality Assessment Board (PSQAB) for recommendation. The PSQAB evaluates programs offered by out-of-province institutions, new free standing institutions and college applied degree programs. However existing Ontario degree-granting institutions are exempt from assessment by the PSQAB (except UOIT). The new PSQAB was also mandated to advise the Minister on applications from out-of-province universities seeking to offer degree programs in Ontario.<sup>57</sup>

Shortly after taking power the P.C. government began advocating a system of postsecondary accountability that would run parallel to the existing academic senates and governing boards and monitoring of programs by the Council of Universities (COU).<sup>58</sup> In addition to announcing the creation of the "Public Sector Accountability Act" requiring public sector organizations (including universities, colleges, hospitals, municipalities, schools boards and social service agencies) to account for their budgets, business plans, and other determined requirements, the Ontario government now requires all colleges and universities to report on a set of **Key Performance Indicators (KPI's)** for each program as an expression of their commitment to increased accountability to stakeholders in education. The full set of KPI's for colleges and universities were first reported in 1999. As previously discussed post secondary funding was subsequently linked to these performance indicators in March 2000.

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should be subject to intense government scrutiny to ensure that the institution will be self-supporting and that its curriculum will not only meet provincial standards, but will focus on areas of emerging need."

<sup>55</sup> See: Ministry of Training, Colleges and Universities (2000). Directives and Guidelines for Applying for Ministerial Consent Under the *Post-secondary Education Choice and Excellence Act, 2000*.

<sup>56</sup> The Board is chaired by Donald Baker and consists of ten part-time stakeholder representatives.

<sup>57</sup> Procedures and standards can be found in Ministry of Training, Colleges and Universities (2000). Directives and Guidelines for Applying for Ministerial Consent Under the *Post-secondary Education Choice and Excellence Act, 2000*.

<sup>58</sup> see Ministry of Training, Colleges and Universities (Fall/Winter2001). Update: Reporting on performance at Ontario's colleges and universities.

For more information about Ontario's KPI's or to view the full set of statistics see: [www.edu.on.ca/eng/general/postsec/ps\\_overview.html](http://www.edu.on.ca/eng/general/postsec/ps_overview.html)

#### IV- THE PROCESS OF POLICY-MAKING IN ONTARIO (1985-2003)

The policies adopted by each administration from 1985 through to 2003 reflect different ideologies but also different economic climates. Consistent among the administrations is the increasing tendency to view higher education policy as an instrument of economic development with each administration placing varying emphases on social, equitable and educational goals and principals (Lang, House, Young and Jones, 1999). Ideology has also been reflected in the respective government's focus on the elimination of the deficit, balancing the budget and the increased role of the market.

A distinctive aspect of Ontario's higher education policy process has been the absence of a systematic approach or system perspective to higher education policy (Lang, House, Young and Jones, 1999). Interview data confirmed this finding.

*So there is no one home at the overarching policy framework shop in Ontario; there is no plan... it's all about keeping a lid on things. There is no integrative holistic vision from what all they have. (Interview 9:23)*

*Ontario appears to be one of the most deregulated and undirected jurisdictions in the world of advanced countries. So there is less of a plan which universities tend to like. There are all kinds of discretion on the part of battling administrators. I wouldn't put so much emphasis frankly on that there are two sectors- 'there is the sector here and a sector there'- implying this one has a plan, that one has a plan and the plans aren't coordinated. I don't think there is a plan in an unusual way [in either sector]. (Interview 2:5)*

Two major government commissions (*Commission on the Future Development of the Universities of Ontario, 1984*, a.k.a. The Bovey Commission, after its Chair, Edmund Bovey and the *Committee on the Future Role of Universities in Ontario, 1981*, a.k.a. The Fisher Committee, after its Chair Harry Fisher, Deputy Minister of Colleges and Universities) attempted, with limited results, to address sector rationalization and institutional differentiation in the early 1980's in a search for an appropriate fiscal and policy framework for universities (Jones, 1997; Cameron and Royce, 1996; Royce, 1997). The approach of Ontario's higher education policy has been to deal with Ontario's universities and colleges of applied arts and technology (CAATs) as separate sectors with distinct missions and funding mechanisms.<sup>59</sup> Lang et al (1999) state,

Even within these two sectors there is little evidence of policy designed to treat institutions as components parts of a network of complimentary institutions. Even within the Ministry, policy development has tended to focus on one sector or the other. The conclusion that there is no such thing as an Ontario higher education "system", or even an Ontario university system, is far from new since it has been raised in a number of

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<sup>59</sup> Lang et al (1999) observe the notable exception to this general approach in Ontario's higher education policy is in the area of tuition fees and student aid where policy is "highly symmetrical" (1999, p.158).

government reports and research articles, but there is little indication that the government is taking steps to even consider higher education policy in terms of a system. (Lang et al 199, p.158-159).

Interview data also confirmed this view.

*They don't situate their policy discussions in terms of what's good for society or not. You know public education should be about advancing society, advancing human kind, but most of the university presidents are trying to balance budgets. They are technocrats parading around as leaders. Once in a while they will give a speech on something but the narrow self-interest of the behaviour of most post secondary presidents is frightening. (Interview 9:6)*

Historically policy making in higher education in Ontario has been a broad, consultative process. It has included intermediary advisory bodies to the Minister without executive decision-making authority that focused on the university or CAAT sectors (such as the Committee on University Affairs followed by the Ontario Council on University Affairs-OCUA and the Ontario Council of Regents for Colleges of Applied Arts and Technology). However, this tradition of consultation was broken in the early 1990's with the New Democratic Party when the government began to (re)act unilaterally to sudden and severe fiscal constraints (Interview 6). Notwithstanding this change to the policy-making process the government continued to take an ad hoc approach to system planning and co-ordination, reacting to the fiscal realities rather than developing a master plan. Fiscal restraint drove the policy-making process (Royce, 1997, Interview 9:23). The Progressive Conservative government that followed in the mid to late 1990s continued the movement away from consultation with the broader post secondary sector by dismantling agencies, diminishing opportunities for consultation and closing points of entry into the policy community and decision-making process by sectors of broader society.

*Consultation? Mr. Davis [Progressive Conservative Minister of Education in 1965 and following when CAATs were created] met with College presidents every year and university presidents every year, in separate meetings. There were all sorts of opportunities to give and get information. So Mr. Davis' government was extremely democratic and so was the Peterson government [Liberal 1988] and the Rae government [NDP 1990]. But that consultation stopped----- and an example of it, just look at when the post secondary institution [the UOIT-University of Ontario Institute of Technology] came out of nowhere in the budget, it was a budget of Jim Flaherty [Progressive Conservatives Finance Minister].(Interview 9:19)*

*I don't think anyone worked harder than the colleagues we had in the Ministry during the Charter process during a variety of things that have happened in the last four to five years, how could they have been more*

*consultative? Talking on a regular basis, and meetings and submissions and all sorts of things. But the Litmus test is: did they listen? But I think really our college's branch of the Ministry has made efforts to be consultative. Where we differ is that we didn't see, didn't get everything we wanted, and maybe that's unrealistic. (Interview 10J:11)*

*I think it's fair to say that when bodies like OCUA and the Council of Regents are dismantled there is a reduction in the opportunities for consultation, just because that's all those bodies did. Which isn't to diminish the willingness of the Ministry to consult but that body doesn't exist anymore. Now whether those kinds of bodies actually can ever bring about change is another question. And that may be part of why the government ended them they see them as an impediment to change. (Interview 10B:11)*

The recent governments have preferred to deal directly with each individual institution or collectively with institutions within a sector (in the case of universities through the Council of Universities-COU) and without intermediary advisory bodies. While the CAAT governance and decision-making has historically been highly centralized in the current environment this has been heightened. In both sectors in recent years the policy and decision-making community has been tightly restricted around the Ministry. In fact a criticism of the recent outgoing Progressive Conservative government (1995-2003) that has come to light post-election has been that the party was ruled by a few: the Premier and his close circle of unelected advisors. Ministers and Cabinet were excluded from the process. In such a circumstance it is not difficult to understand how the broader political community seeking to engage in the policy-making process was ignored. The current Liberal government has sought to rectify the situation promising to make the decision-making process more transparent. All elected officials will be given the opportunity to participate in Cabinet decisions. Further the hiring process for the new Ministries has been opened up to the public. The new governments approach may signal an opening up of the policy-making process but it is too early to tell.

Notwithstanding the movement over the last two decades that saw the shrinking of the policy community and consultative process, and limited government resources dedicated to generating and research policy options, the government's ability to change policy did not diminish. In fact in the last two decades education (broadly) in Ontario has seen changes of such a scale and with such speed as never before experienced in its history. This has been accomplished both through omnibus bills that introduced of massive amounts of new legislation as well as through new policies. The aim has been to achieve: rationalization and reorganization, centralization of decision-making and control (in elementary and secondary education particularly but not exclusively), delegation of services to local government, spending cuts and the introduction of accountability mechanisms – all of which have affected post secondary education to a greater or lesser degree. However the actual capacity of government to generate its own research and consider policy alternatives (policy capacity) appears to be extremely curtailed. Interview

data suggested that the Ontario post secondary Ministry had "*no capacity inside*", conducted no original research, nor did they have the resources to hire outside researchers to conduct research on their behalf (Interview 9:23). This finding raises questions about the changes that were brought in this past decade: what was informing or driving the direction of these changes if it wasn't the government's research on the best course of action to take?

Post secondary education enjoyed a high degree of structural stability up into the 1980s and was characterized as binary with little integration between the sectors.

*I guess the first thing I would say is I actually think there has been remarkable stability compared to other jurisdictions. There hasn't been radical policy shifts in post secondary in Ontario in the last 20 years. Compared to structural changes that perhaps have been made in other jurisdictions and policy shifts Ontario I think has been relatively stable. (Interview 10B:1)*

The university sector reflected a high degree of autonomy while the CAATs were governed more centrally. Little integration between the sectors occurred. Interview data suggested this was the result of a lack of leadership on the part of universities.

*Ontario is, if you compare it to British Columbia, in terms of all the different types of models and diversity, Ontario is the backwater. And it's because of the short sighted and dysfunctional leaders of most of the Ontario Universities. (Interview 9:2-3)*

Since the 1980s higher education policies not specifically directed at the structure of the system have indirectly effected changes in the structure that this author argues has blurred the boundaries between the sectors. This has occurred whilst government commissions such as the ***Advisory Panel on Future Directions for Postsecondary Education (1996)*** were endorsing the structural status quo at the same time they recommended: allowing polytechnic colleges to offer applied degrees, opening up the degree granting to the private sector, increasing differentiation among institutions, introducing tuition deregulation and providing incentives for the private sector support and partnerships with universities and colleges. All of these recommendations were to have structural implications. Changes in higher education policy in recent years have moved the system closer to the market, the private sector and privatization. It could be argued this shifted the locus of control away from the government towards the market with implications for university autonomy. Interview data suggests it also has implications for governance- not unlike the crisis of governance gripping the corporate world.

*What university president is telling it like it is? It's very disappointing so it's all about you know market opportunities and not offending the corporate heavy weights on your Board. Governance has been a big issue*

*since '85 and it shouldn't be. There's bad governance everywhere you look (Interview 9:8).*

## **V- GOVERNMENT PRIORITIES IN POST SECONDARY AND FISCAL POLICY**

### **i) Accessibility**

#### **Definition**

Accessibility is defined in this chapter as participation and retention in, and graduation from the post-secondary system by all willing and capable persons regardless of age, gender, socio-economic status, race, culture, religion and geographic region.

#### **Translation**

Any discussion of accessibility in Ontario's post-secondary system must recognize that, historically, in Ontario degree-granting has been strictly controlled by the government under the *Degree Granting Act, 1982* and public universities monopolized degree-granting. In the past in Ontario the private post-secondary sector was small and inconsequential. Moreover the university and college sectors lacked integration even though CAATs had repeatedly lobbied unsuccessfully for a transfer function over the years. As demand for participation increased these inherent characteristics of Ontario's post-secondary system became challenges and arguably hindrances for successive governments to achieve the goal of accessibility.

As previously outlined accessibility has been a priority of all the governments over the past two decades. However, each government expressed this priority in various ways and pursued adopted different mechanisms to achieve this goal. Early attempts during the Liberal administration (1985-1990) to address accessibility focused on reducing and stabilizing levels of government funding in order to accommodate burgeoning demand for post-secondary education. This was accomplished by introducing corridor funding, targeted funding envelopes and by creating an accessibility fund (\$84 million) to fund unexpected and significant enrolment growth. In addition this government focused on attempting to integrate the system linking universities and the CAATS viewing post secondary education as a continuum. This was evidence through a series of reports and commissions including *People and Skill in the Global Economy* as well as *Vision 2000*. However, these efforts were largely unsuccessful because there was no co-coordinating body that had responsibility for system wide planning and there was no attempt by the government to introduce structural changes. Accessibility was improved during this era by overall expansion of the number of post secondary institutions and the introduction of post secondary bilingual programs and CAATs where French was the primary language of instruction in order to meet the needs of Franco-Ontarians.

Between (1995-1995) accessibility continued to be a concern for the New Democrats Party however within a very different economic context: namely restrictive funding. This government continued to try to link universities and the CAATs which was the theme of three major reports commissions during this period: the *Smith Report* (1991), the *Pan-*

*Canadian Protocol on the Transferability of University Credits* (1995) and the *Baker Report* (1992).

The recent Progressive Conservative government (1995-2003) took another approach to accessibility by opening the private sector, expanding degree-granting authority and increasing competition among publicly funded universities. Government policy and legislation during this administration opened the door to private, not-for-profit universities under the *Postsecondary Education Choice and Excellence Act, 2000*. This legislation has also allowed publicly-funded CAATs to offer applied degrees as long as the applied degree program does not duplicate an existing program offered by a university and the program meets strict conditions and standards developed by the Postsecondary Education Quality Assessment Board (PSQAB). The universities have consistently opposed the CAATs getting degree-granting status and were working on a credit transfer option.<sup>60</sup> The government explicitly justified these changes to degree granting in terms of increasing accessibility and choice for students. This initiative has, arguably, resulted in the most dramatic (albeit inadvertent) change in system organization, moving Ontario's post-secondary system out of a strict binary typology and into a hybrid arrangement. Moreover, its impact on accessibility and choice for students is contested and controversial.

## ii) Accountability

### Definition

In Ontario post secondary education accountability has involved institutional accounting for public funds and demonstrating achievements on government prescribed benchmarks or indicators. Accountability is also reflected in an institution's demonstration of meeting their mandate or achieving their mission. Thus, accountability to whom? and for what?, are evident in Ontario's post-secondary system.

By contrast, accountability by whom?, and, in what form? have proven more difficult and challenging in Ontario post secondary education. Accountability at the sector or system level (as opposed to the institutional level) has been more problematic to implement in Ontario because of the lack of system level planning. Similarly institutional accountability in the form of Key Performance Indicators has proven controversial in the post-secondary education.

### Translation

Improving post-secondary accountability emerged as a major policy priority between 1990-1995 after audits of three Ontario universities proved inadequate. Comprehensive provincial audits were recommended and the New Democratic Party struck the Taskforce

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<sup>60</sup> Some movement was made toward this: the Baker Report (1992) recommended transfer of credits; the *Pan-Canadian Protocol on the transferability of University Credits 1995* provided protocol for the transferability of 1<sup>st</sup> and 2<sup>nd</sup> year university courses among universities only and while it does not have national authority all Ontario post-secondary institutions have adopted it since 1996/97; the Council of Ministers of Education of Canada (CMEC) passed the *College-University Degree Completion Accord, 1999* signed by both college and university sectors that sets out principles for developing degree completion arrangements between the colleges and universities.

on University Accountability that produced its report *University Accountability: A Strengthened Framework*. The Report called for an accountability framework that rested with the governing board of each institution. It also called for an external monitoring system that was never established. Narrowly focused and lacking a system perspective the framework recommended viewing each institution in isolation rather than viewing how well the system was functioning together as a whole to meet the public's needs. In 1995 the NDP government approved the **Education Quality and Accountability Office (EQAO)** to address issues in educational quality and accountability. However, the post-secondary responsibility of EQAO did not materialize.

The recent Progressive Conservative government (1995-2003) also identified accountability and quality as a major thrust of their higher education platform. This government brought in Key Performance Indicators (KPI's) to address this concern and required all colleges and universities to report on a set of KPI's. This in addition to existing reporting by academic senates and governing boards of universities.<sup>61</sup> The CAATs have also had to respond to government indicators. Interview data suggests that the accountability mechanisms have become excessive, time consuming and expensive.

*We haven't been fighting against having KPI's. We have been arguing against having any more. But the five that we have got now seem to be something that we can live with... It is just more red tape. Just more expensive data collection and for what? We are saying 'if we do have more Key Performance Indicators make them mission specific'. ..Every successive government has said you will be more and more, and more accountable. How that's being translated is more and more rules. More and more reports. There are 14 audits that the colleges are doing now. Every single bit of new money has come with its own strings around measurement targets and reporting and so it's been very expensive. There have been requirements for public disclosure and that's fine. So tighter the money the more they are asking us to be publicly accountable for it. We are saying we don't mind, but rather than 14 audits can we just have one audit? And it's expensive and it's time consuming. (Interview 10:13-14)*

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<sup>61</sup> Colleges information is reported on:

- Graduation rates,
- Graduation employment rates six months after graduation,
- Graduate satisfaction rates,
- Employer satisfaction rates, and
- Student loan default rates.

For universities, information is reported on:

- Graduation rates,
- Graduation employment rates six months after graduation and again at two years after graduation, and
- Student loan default rates.

### iii) Developing a Competitive Economy: Emphasis on Vocationalism and Skills, Research, Science and Technology

#### Definition

Over the last three decades provincial governments have linked Ontario's higher education policy to economic development and Ontario's competitiveness in a global economy. This has been reflected in primarily two ways: through an emphasis on vocational and skills training, as well as an emphasis on research and development (especially science and technology). There has been a distinct shift in emphasis in Ontario's higher education system away from liberal education towards a vocational, technical education and away from basic, curiosity-driven research toward applied, market-driven research. The change in funding mechanisms toward tied and matched private sector funding has moved the system towards the market and has placed a greater emphasis on vocational training, meeting labour market needs and increasing market-oriented research and development.

#### Translation

The Ontario Liberal government (1985-1990) first addressed the implications of the globalized economy, and advances in technology. This priority is clearly evidenced in the *Report of the Premier's Council, Competing in the New Global Economy* (1988). Further, the creation of the *Ontario Centres of Excellence* was the largest publicly-supported initiative linking university and industry research corporations. This government also established the *Council of Technology* (1986) providing \$1 billion towards technological innovation. The *University Research Incentive Fund (URIF)* also aimed at developing research capacity and encouraged technology transfers from university to industry. Meeting the need of the labour market was also important to this government as evidenced by the *Taskforce on Advanced Training: No Dead Ends* which addressed challenges of the technologically-dominated economy and recommended greater links between colleges and universities and industry. One response to the report included the establishment of the **College University Consortium Council (CUCC)** promoting college-university co-operation.

The New Democratic Party (1990-1995) followed this lead and built upon university-industry linkages aiming to increase technological and industrial developments at the same time preserving the government's equity agenda. The **University Restructuring Steering Committee** was established to develop long term strategies that would make the university sector responsive to continuous life-long learning as well as the needs of the economy. Unfortunately the committee's efforts to reshape the post-secondary sector were buried as a result of the negative fiscal developments in the economy during this period.

The Progressive Conservatives (1995-2003) favoured market principles in achieving these objectives. This government's post-secondary policy emphasized serving labour market needs – that is educational training is linked to the labour market to build industry infrastructure and to sustain industrial competitiveness. This was accomplished through vocationally-oriented programs and through market-oriented research. For example, the

first new university created in 40 years in Ontario under the new degree granting legislation is an amalgamation of Durham College and the new Ontario University Institute of Technology. It is a publicly-funded university but its mission is explicitly to serve the needs of the surrounding labour market (the automotive and power industry in the neighbouring region).

There has been an overall trend in higher education policy toward increasing post-secondary-industry partnerships. In part, this has been encouraged by decreasing government support to universities over the past decade. At the same time changes in the funding mechanisms used by government promoting matching grants from the private sector has increased the role of the private sector and industry in universities. In the decade between 1990/91-2000/01 government operating grants to universities declined as did operating revenue per student. However, since the 2000 budget the government has started to put money back into the system by way of operating grants.<sup>62</sup> The new funding is tied to performance indicators: enrolment growth<sup>63</sup> and university performance.<sup>64</sup> In addition the government has increased the use of targeted and matching private sector funds. This combination of funding mechanisms has enabled the government to steer universities. The government has used targeted funding mechanisms and matching funding programs to emphasize its priorities (of vocationalism and skills, research, science and technology) and to induce the post secondary institutions to embrace its priorities.<sup>65</sup>

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<sup>62</sup> They have also created the SuperBuild Fund which allows for capital expansion (upgrades, renovations or existing building and new residences) but does not contribute to operating costs.

<sup>63</sup> Enrolment growth is determined by growth of 1<sup>st</sup> entry undergraduate programs and 2<sup>nd</sup> entry professional and graduate programs.

<sup>64</sup> Performance is determined by institutions graduation and employment rates, and student loan default rates.

<sup>65</sup> As previously mentioned examples of targeted funding initiatives from the government's first mandate include:

- the \$550 million 10 year **Ontario Research and Development Challenge Fund** to foster greater university collaboration with the private sector to conduct commercially- viable applied research
- the **Access to Opportunity Program (ATOP)** intended to increase the number of new spaces in computer science and high demand engineering programs by almost 40% between 1998/99 and 2000/01 (see above)
- the **Fair Funding Grant** to redress inequities of the current funding formula, for professional development and supplement hiring new faculty

Examples of tied funding initiatives in the May 2000 and 2001 budgets include:

- the annual \$30 million **Ontario Research Performance Fund**, for overhead research costs
- the **Ontario Innovation Trust** which has an endowment of \$750 million for research infrastructure. Funds from the Trust will be used the match funds from the federal Canada foundation for innovation projects supporting research infrastructure
- **Premier's Research Excellence Awards** increased to \$ 10 million annually from \$5 million
- The 2001 budget also established \$10 million to be invested over 6 years to establish the **Premier's Platinum Awards** for the best senior researchers.

#### iv) Marketization and Privatization

##### Definition

Marketization is defined in this chapter as combining market principles of private property, competition and profit with state interests of authority, public interest and citizenship. Marketization in higher education is reflected in a shift of the education system from state-centred towards market-driven through the introduction of notions of market primacy, free trade, deregulation and privatizations with a corresponding reduced role of the public sphere. (Shanahan, 2002). Young (2002) describes marketization in Ontario higher education policy in terms of the introduction of market mechanisms, not precluding nor increasing government control, but changing government's approach to reform, and changing the nature of government control over the system in order to induce universities to adopt priorities identified by the government.

##### Translation

This policy priority is reflected right across social policy in Canada through retrenchment measures which began with the federal government (Progressive Conservative party) in the late 1980's and continued into the 1990's (with the federal Liberal government). The federal measures had provincial consequences and resulted in cuts, restructuring, the introduction of performance based funding and reinvestment through targeted initiatives. In Ontario, the province saw: the reorganization of local government, the consolidation of the provincial government's control over education (through a massive amalgamation of school boards), massive cuts in social spending and an over all reduction in the size of government accompanied by cuts in corporate and individual taxes (Courchene and Telmer, 1998). The shift towards the market was apparent in the opening up of the private sector in previously public-dominated areas, deregulation, downsizing and rationalization. Increasing industry partnerships are particularly evident in the area of research where there has also been an increase in investment both provincially and federally with a view to making Ontario/Canada internationally competitive by building on a strong science and technology infrastructure.

*The university administrator is in constant search for resources so they go to whatever is available that's legally and philosophically consistent. That translates into development offices of universities growing considerably with emphasis on private donations and efforts to seek joint industry contributions for research as well. And going to governments, particularly the federal government, for research funding. There hasn't been a whole lot of money coming from the private sector for ongoing costs of research and virtually zero for ongoing costs of operations. There is income from endowments. But it still very small number relative to provincial government operating funds and tuition. (Interview 2:8)*

Policies in Ontario's higher education that reflected this privatization priority include new laws and policies that allow new private degree granting institutions and programs in the province. The opening of the post-secondary system to the private sector was clearly

evidenced by the new legislation, *Postsecondary Education Choice and Excellence Act, 2000*, which is expected to increase the size of the private postsecondary degree granting sector beyond the bible/religious affiliated institutions that currently exist.<sup>66</sup> The new legislation allows a greater role for the market to operate in Ontario's post-secondary system. However, interview data suggests that this may not translate into a burgeoning private post secondary system any time soon although it may move Ontario somewhat closer to a U.S. model of higher education.

*I think there is a gradual shift- whether it's glacial or a little bit faster-shift towards looking more like the United States. The whole world in most areas is moving towards looking more like the United States so higher education won't be an exception, but I have never thought that there was a serious possibility in the next decade of private institutions [in Ontario] other than very niche-oriented areas. The market has been available for the [University of ] Phoenixes and so on but you know as it turns out it actually costs quite a lot of money to provide education in most areas, and in most areas people are only willing to spend a particular amount. And we public institutions have huge inherent advantages and we do get some public funds and we have well established reputations and alumni. We run a pretty efficient system. So a private institution would have to develop ----- to buy from us an application system and all of the networking. So we do have economies of scale and the badges of tradition and so on. I don't think in the university sector we are not going to see private institutions developing any time soon in Ontario. (Interview 2:12)*

*But certainly the ability of colleges to grant applied degrees is a significant shift of government policy. The other coincidental piece was moving to some greater differentiation of the colleges and establishing a number of colleges as the bodies called ITALS . And they have is greater capacity to offer more applied degrees. There is a limitation for most colleges in terms of offering applied degrees to up to five per cent of their program based and these ITALS can have applied degrees up to 15 per cent of the program base. But again who knows how that will unfold over the next decade you know whether the ITALS will become fundamentally different from the rest of the colleges I think its too early to know but to have the government give them a different status has to be noted. (Interview 10B:3)*

*I think the movement of the degrees [into the CAATs] was a natural step given that so many of the colleges were offering what we call post graduate programs for people with college diplomas or university degrees to come back and get the applied learning that they need. So I think the natural step then is rather than have someone take four or five years to do university and then go back to college, why wouldn't you just combine it in a very applied way? In terms of drift, I think there are a few institutions that show drift. I think the majority of colleges*

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<sup>66</sup> Note that the private, for-profit, non-degree granting sector has been quietly growing for years and there are now 450 non-degree, vocational colleges in the provinces. It is sometimes referred to as the "shadow sector".

*however don't see themselves as drifting, but see themselves as being able to offer a choice to students and employers... So I think as long as people keep that in context we are o.k. There is no question in my mind that a few of the institutions thought that's where they would like to go. Government made it very clear of "Oh no, thou shalt not go in that direction. Your college is continuing to be a comprehensive college, you must offer the whole area from adult learning, adult training right through the apprenticeship, skills placement and post-secondary continuous learning and then these applied degrees for those who wish it." (Interview 10J:4-5)*

In addition changes in provincial allocations to universities have increased the importance of other sources of income for universities especially through the use of matching grants from the private sector to fund different parts of the system. This has increased interactions between universities and the private sector. For example, the **Ontario Student Opportunity Trust Fund** is a matching program whereby the government of Ontario matches all funds raised in the private sector for student aid (Guidelines for Ontario Student Opportunity Trust Fund, August, 1996). The **Access to Opportunity Program** aims at doubling computer and engineering graduate rates in these fields. In this program the government matches funds raised by the private sector to fund the program. The **Ontario Research and Development Challenge Fund** also is matching fund program where the government contributes one third of the total funds required to support research initiatives that have secured private sector financing. The CAATs have experienced similar pressures. Interview data shows that these trends have a pronounced impact on the CAATs by increasing fundraising, increasing partnerships and possibly disadvantaging smaller rural colleges without the fundraising and partnership base.

*In terms of policy with government money drying up, they have allowed the colleges and even demanded that the colleges find alternate sources of revenue and one example is fund raising. We used to have a ceiling on how much we could fund raise. Obviously when they cut our funding by 17 per cent in 1995 they had to lift that cap. So clearly we had to fund raise, and in terms of policy they were willing to match. Another example is we had to go out and find partners to pay for some of the equipment and the development of programs so the ATOP, Access to Training, or whatever money they gave us we had to have a partner for a matching the same amount. That principle now has held for just about every almost every piece of money we have received since then. That there has to be a matching and whether its applied research money or whether it was ATOP money whether it was ASOTOP Student Opportunity Trust Fund money no matter what it was we had to find a match through fund raising, partnership raising etcetera for that. And so that's a principal that has prevailed. No the only one was last year the Quality Assurance Fund we didn't have to find a partner. But Superbuild was another good example. [The government policy was] 'We are not just going to hand it out you go show the need you find your partners and we'll then help you and you will*

*be accountable for it.' So in terms of a policy direction it has been significant for us because as hard as it is for the largest college in Canada, Seneca to find endless partners it is even more difficult for the smaller and rural colleges what do you do if you are Algoma or Inco and that's your one industry in town?  
(Interview 10:15)*

This policy priority is also evidenced in the partial deregulation of tuition fees and changes in student assistance. Between 1995 and 2001/02 tuition fees in Ontario have increased on average across programs over 60%. Tuition fees have been deregulated in certain programs (i.e. business and commerce, dentistry, law, medicine, engineering, optometry, pharmacy and the M.Ed. and Ed.D. programs in Education and all other programs deemed “professional”, including museum studies and the masters program in public health). General arts and science program tuition fees are still regulated but are increasing (government has permitted basic arts and science fee to increase at the discretion of the universities to 133% of the formula fee)<sup>67</sup>. Student assistance policy emphasizes greater matched private-sector funding and greater university spending on student assistance.<sup>68</sup> Government policy is moving away from assistance in the form government guaranteed loans through Ontario Student Assistance Program (OSAP) and towards government created scholarships. Examples include: the provincial *Aim for the Top* scholarships, federal *Canadian Millennium Scholarship Foundation, Ontario Graduate Scholarship, Ontario Student Opportunity Trust Fund* and the *Workstudy Program*. Student loan regulations have tightened (terms of entitlement and repayment). The amount of government funding going toward student aid is decreasing as is the total number of recipients on government loans is decreasing.

Changes in tuition policy suggest that the government is moving away from supporting students and is shifting that responsibility to the students and their families, universities and the private sector. In so doing it is keeping government costs to a minimum while increasing student's costs. By downloading the costs of the post-secondary system to “consumer” student the government is adopting a market paradigm.

*We have got a shift from government funding towards students, plus more private sector and fund raising [in the CAATs]. In effect the colleges have five avenues of funding open to them. And that mix has changed. It used to be students and government grants were the primary too, and now we have added the other three. We have added international, we have added contract training and partnerships, and we have added fund raising- you are seeing now a development of those alumni associations because we have to know who they are if we are going to ask them to remember our college.(Interview 10:16-17)*

<sup>67</sup> See Young, S. (2002). ‘The Use of Market Mechanisms in Higher Education Finance and State Control: Ontario Considered.’ *The Canadian Journal of Higher Education*. Vol. XXXII, No.2, 79-102.

<sup>68</sup> Universities are required to set aside 30% of tuition increases for student aid.

## **VI- SYSTEM MEASURES: Post secondary organization and outcomes**

### **i) System behaviour: The impact of policy changes on system organization**

In order to understand Ontario's system it may be helpful to consider the typology of four broad types of post-secondary education systems first developed by Clark (1983) and later discussed by Scott (1995). The typology includes: dual systems (i.e. Holland and Germany); binary systems (i.e. most Canadian provinces have had binary type systems); unified systems (i.e. Britain, Australia); and stratified systems (i.e. California). Absent is the original type where universities dominate the system. It is argued that systems evolve through this typology. Therefore a system might begin as a university dominated system where universities are the postsecondary sector and all other institution types are in a secondary sector. The movement to a dual system (such as Holland, beginning in 1992) involves the inclusion of other institutions in the postsecondary sector along with universities as a properly acknowledged system develops. Co-ordination of the system emerges as a priority even though universities remain dominant. In the binary stage there are two parallel sectors. Usually one sector is created as an alternative to universities to serve a complimentary function but this function often moves toward competition between the sectors. A unified system (i.e. Australia 1988 and U.K. 1992) is comprehensive. All institutions are recognized as part of one system with regulatory and co-coordinating institutions. The stratified system is the final type (i.e. as in California, 1960). A stratified system has differential missions attached to the different sectors (strata).

It is important to keep in mind when comparing and categorizing systems using this typology that the definition of "higher" education varies somewhat by jurisdiction so that certain types of institutions may be included or excluded in "higher education" in different jurisdictions. This typology adopts the local definitions of what constitutes "higher" education without accounting for such discrepancies. Canada has tended to adopt a more inclusive definition of postsecondary education. Additionally this formulation takes no account of the division between public and private sectors in systems (which mark both the USA and Japan).

As described at the outset of this chapter Ontario's post secondary system currently consists of universities, colleges of applied arts and technology (CAATs), agricultural colleges, colleges of health sciences and of art, a military college, privately funded degree-granting institutions and registered private career colleges. Universities and colleges of applied art and technology have been the dominant sectors historically, running parallel to each other, distinct and lacking integration. Hence the Ontario has been referred to as binary system. Recently, however, Ontario has seen changes, as described in this chapter, that have resulted in new arrangements moving it out of the binary type, into a new type perhaps not captured by the Clark/Scott typology.

To summarize recent changes in higher education policy in the last two decades in Ontario include:

- An opening up of private sector, expansion of degree granting, increasing competition, accessibility and choice.
- Greater emphasis on meeting labor market needs through curricula, research and development in the post-secondary system.
- Greater emphasis on post-secondary partnerships with industry
- Shift in government funding of post-secondary institutions- introduction of Key Performance Indicators, targeted and matching private sector funds
- Greater emphasis on demonstrating accountability and quality
- Changes in government approach to student tuition and assistance including: deregulation and increase in tuition, a shift in student assistance away from government grants/loans toward government scholarships and emphasis on greater matched private-sector funding and greater university spending on student assistance, student loan regulations have tightened (terms of entitlement and repayment), the amount of government funding going toward student aid is decreasing and the total number of recipients on government loans is decreasing
- Overall, a greater role of the market and use of market mechanisms by the government in all of the above areas.

These policy directions in Ontario's higher education system have created the potential for academic drift. The shift in government policy has transformed the "binary" nature of the system. Universities are no longer the only sector to offer degrees. Colleges have already been engaged in applied research but now they are offering applied degrees. The government began granting applied degree powers to CATTs in 2001.<sup>69</sup> Three CAATs of 25 in the past year have applied to become polytechnic institutes. Also CAATs are changing into Polytechnic Universities.<sup>70</sup> With these developments some CAATs are moving within university territory of research and degree-granting (albeit applied research and degree-granting). Additionally a myriad of new program arrangements between colleges and universities have cropped up (e.g. Guelph University at Humber College<sup>71</sup>). New types of hybrid institutions have been created (e.g. University of Ontario Institute for Technology<sup>72</sup>). Out-of-province, public, non-profit and private, for-profit institutions are applying for degree-granting status for main stream programs already offered by Ontario universities – no longer do they need to be niche program areas that

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<sup>69</sup> Ontario College of Art and Design (OCAD) was the first to be allowed degree-granting status in 2001 and have been treated as part of the university sector.

<sup>70</sup> In 1992 Nipissing College affiliated with Laurentian University became an independent degree-granting polytechnic university. In 1993 Ryerson Polytechnic Institute became Ryerson Polytechnic University. Both of these occurred before the new legislation was passed but they illustrate where government post-secondary policy was heading.

<sup>71</sup> Guelph University at Humber College offers parallel courses in the university and college ultimately leading to a degree.

<sup>72</sup> University of Ontario Institute for Technology (UOIT) is an amalgamation of Durham College and a new polytechnic university. It received \$60 M from government to start up. The President of Durham College is the new President of the institution and will integrate campus, administration and services with Durham College. UOIT was specifically established to respond to labour market needs in the region and will link university and college curricula offering market-driven programs.

Ontario universities were unable or unwilling to offer. However the interview data suggests that this trend is moving very slowly.

It is not clear if this *academic drift* is going to flatten and homogenize the system as the sectors, and institutions within them, become more like each other OR if it will increase diversity within the system as new hybrid institutions and arrangements between university and colleges crop up. It is clear that the system is no longer neatly classified as “binary” as the boundaries of the university and college sectors are starting to blur. The policy directions have started to change the organization and behaviour of the components of the system.

## ii) System Outcomes: Preparation, Participation and Affordability

Two indicators have been used in the Canadian cases to assess the how well the provinces prepare their young people to enter post-secondary education; high school completion rates and how well the 15 year-olds did on the International Student Assessment (PISA).

**Table 2: High school completion rates**

Sources: BC Ministry of Education Annual Report, 1999/2000 and Stats Canada Education Quarterly Reviews 1995, 1998, 2000 and 2003.

Year	93/94	96/97	99/00
<b>BC</b>	67.8	71.7	75.3
<b>Ontario</b>	75.8	72.0	77.3
<b>Quebec</b>	67.8	75.9	84.2
<b>Canada</b>	71.5	73.4	76.7

**Table 3: International student assessment (PISA) 2000. Results for 15-year-olds.**

Subject (average score)	BC	Ontario	Quebec	Canada	USA	Mexico
Reading	538	533	536	534	504	422
Mathematics	534	524	550	533	493	387
Science	533	522	541	529	499	422
Reading retrieving	535	528	531	530	499	402

Tables 2 and 3 show a number of findings. First, high school completion in Ontario is currently above the national average although below Quebec. While Ontario had higher completion rates than both Quebec and B.C. in 1993/94, Quebec reported a completion rate that was 7 percentage points higher by 1999/00. Table 3 shows that Canadian 15 year olds are, according to the PISA results, very well prepared and scored consistently well on the different tests. However, Ontario 15 year olds are not as well prepared as their counterparts in Quebec and B.C.

Opportunity, participation, and affordability are aspects of accessibility. We have considered enrolment rates, participation rates of the traditional student group, 18-24 year

olds and 25-29 year olds, undergraduate tuition rates and student loan rates to profile accessibility.

**Table 4: Undergraduate Enrolment by Province, 1987/88-1997/98\***

	1987/88		1991/92		1997/98		% dif 1987/88-1997/98	
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
<b>Canada</b>	427,807	257,785	485,461	271,886	497,072	207,900	16.2	-19.4
<b>NF</b>	10,208	4,481	11,909	4,227	11,749	2,051	15.1	-54.2
<b>PEI</b>	2,019	753	2,574	948	2,415	477	19.6	-36.7
<b>NS</b>	22,214	5,890	26,258	7,084	27,865	5,533	25.4	-6.1
<b>NB</b>	14,467	4,408	17,114	5,075	17,576	3,578	21.5	-18.8
<b>PQ</b>	98,568	102,421	109,739	100,402	108,103	79,358	9.7	-22.5
<b>ON</b>	170,665	86,756	199,494	96,274	199,009	66,224	16.6	-23.7
<b>MN</b>	17,201	13,197	18,093	15,189	18,637	8,843	8.3	-33.0
<b>SK</b>	19,356	8,277	20,886	8,524	22,129	6,042	14.3	-27.0
<b>AB</b>	41,414	15,493	43,146	14,895	46,598	15,615	12.5	0.8
<b>BC</b>	31,695	16,109	36,248	19,268	42,991	20,179	35.6	25.3

Source: Adapted from Statistics Canada and Council of Ministers of Education, Canada (2000), Education Indicators in Canada: Pan-Canadian Education Indicators Program 1999, Table 3.18.

Undergraduate enrolment rates for Ontario vary between part-time and full-time enrolment. Table 4 shows an overall decline of 19.4 % across Canada in part-time undergraduate enrolment rates over the decade from 1987 to 1997 whereas full time enrolment rates increased by 16.2 %. The part time enrolment decline occurred in all provinces except Alberta and British Columbia. The full time enrolment increase also occurred in all provinces led by British Columbia. Ontario's enrolment rates mirror the national average for full-time undergraduate enrolment rates but trail the national average for part-time undergraduate enrolment.

**Table 5. PSE participation rates by age (18-24 and 25-29)**

Source: Labour Force Stats 2001

	1976	1990	1997	2000
<b>B.C.</b>				
Age 18-24	18.8	29.3	36.8	38.7
Age 25-29	7.7	7.2	14.4	14.6
<b>Ontario</b>				
Age 18-24	23.3	31.8	36.8	37.8
Age 25-29	8.5	9.8	11.5	11.9
<b>Quebec</b>				
Age 18-24	21.1	35.2	45.2	43
Age 25-29	6.7	10.6	11.5	13
<b>Canada</b>				
Age 18-24	20.6	31.1	38	38.1
Age 25-29	7.4	9.5	11.2	12.1

Table 5 illustrates participation rates by ages 18-24 and 25-29 years. Overall Ontario shows a steady increase in participation rates for Ontario over the last three decades

slowing in the latter part of the 1990s. Ontario's participation rates by ages 18-24 and 25-29 years have followed the national average fairly closely over the last three decades. Early in the 1990s Ontario showed a slightly higher than national average in both age categories. However this dipped to a slightly lower than national average by the late 1990s. Significantly, Ontario participation rates led both British Columbia and Quebec but by the end of the 1990s Ontario's participation rates had fallen below Quebec and British Columbia in both age categories. This pattern corresponds to a period of cuts to universities, tuition increases and restructuring of student assistance programs in Ontario.

Average undergraduate tuition rates and student loan rates are presented as reflections of affordability. Table 6 shows undergraduate tuition rates for full time students across Canada and in Ontario, British Columbia and Quebec.

**Table 6: Average undergraduate tuition fees for F/T students**

The fees reported for 1990-1998 refer to arts; the fees for 1998 onwards are for arts and sciences

	90/91	95/96	2001/02	2002/03	2003/04
<b>BC</b>	2,056	2,638	2,527	3,176	4,140
<b>Ontario</b>	1,905	2,579	4,492	4,665	4,923
<b>Quebec</b>	1,049	1,772	1,842	1,851	1,862
<b>Canada</b>	1,741	2,486	3,577	3,749	4,025

Table 6 shows Ontario's tuition rates have been above the national average for the past decade and currently stand at the highest of the three provinces profiled. The table shows dramatic increases in Ontario's tuition fees in the late 1990's. This corresponds with the tuition deregulation in Ontario occurring in the latter part of the 1990's.

**Table 7: Maximum provincial student loan (full-time, with no dependents, single, based on 34 weeks of study) and total maximum assistance for 2001.**

	Max. loan	Total max. assistance (incl. grants)
<b>BC</b>	\$8,840/year	\$8,840/year (\$260/week)
<b>Quebec</b>		
Cegep student	\$2,005/year	\$14,152/year (\$416/week)
Undergraduate student	\$2,460/year	\$16,619/year (\$489/week)
Graduate student	\$3,255/year	\$17,414/year (\$512/week)
<b>Ontario</b>	\$9,350/year	\$9,350/year (\$275/week)

Table 7 shows the maximum student loan and maximum student assistance for 2001. While Ontario leads the three provinces profiled in maximum loan amounts Quebec clearly leads in total maximum assistance. This data reflect Quebec's rich scholarship program including grants that significantly improves affordability in Quebec as compared to Ontario and British Columbia. Furthermore, Ontario's figures must be taken in context of their tuition fees reflected in the previous Table which are much higher than Quebec's.

The data suggests mixed outcomes for the system. This data taken together suggests Ontario's post secondary system is less affordable than other provinces in the country.

Arguably it reflects accessibility is also undermined especially for certain groups particularly those who need to attend school part-time perhaps because of work and financial considerations. While there is growth and increased participation it is for certain groups in Ontario (i.e. full time students and students that don't require financial assistance). Notably increases in Ontario's participation rates have slowed in the late 1990's corresponding to tuition increases. In various rankings Ontario's post secondary education ranks behind the other Canadian provinces in terms of accessibility and affordability (See Missing Pieces III). Thus, system outcomes data suggest Ontario students are well prepared entering post secondary education but raise concerns around participation and affordability.

## VII- CONCLUSIONS

Higher education policy in Ontario reflects government employing fiscal strategies that include market mechanisms and market principles to assist in resource allocation and revenue generation, to address issues of accessibility and accountability, and to meet labour market needs. The policy approach is not one of outright privatization, nor has the government ceded control of the post-secondary system to market forces. Rather the approach appears to represent a compromise whereby the universities maintain a degree of autonomy and the state maintains some degree of control over the post secondary system.

The introduction of market principles into Ontario's higher education policies comes within the historical context of a lack of system planning and the absence of a structural, co-coordinating component that oversees and integrates both/all sectors and develops coherent policy for the system (as opposed to sectors within higher education). Ontario lacks a plan or a systematic approach to co-ordination and policy-making in post secondary education. Post secondary education lacks clear objectives. The process of policy making has been characterized by an ad hoc decision making approach. To compound matters the Ontario government has demonstrated a limited capacity to conduct their own research tailored to the Ontario post secondary landscape and culture that would ideally inform policy decisions. Rather, interview data suggests that successive Ontario governments over the past two decades have looked to other jurisdictions within Canada (i.e. Alberta and British Columbia) and outside of Canada (i.e. certain states in the United States such as New Jersey) and imported principles and approaches without regard for the different political context.

The policy process in the last decade is marked by unilateral, philosophically and ideologically driven decisions, influenced more by individual personalities and politics than by rationality and the application of the 'rules of the game'. Government consultation with post secondary constituents has alternatively expanded and contracted over the last two decades depending on the government in power. However even in periods of consultation it is unclear whether the consultation has been meaningful or effective in influencing the policy direction taken by the government or the behaviour and outcomes of the system.

It is into this post secondary policy and co-coordinating vacuum that market dynamics have crept in Ontario providing direction and even producing changes in the organizational arrangement of the system, even while the government promoted the structural status quo. The data confirmed that successive Ontario governments have generally pursued post secondary priorities of accessibility, accountability, economic growth and marketability/privatization. There is evidence that governments have used fiscal policy to steer the system towards these priorities but without an overall vision of where the system should go or what it should look like. In fact one interview suggested that recent fiscal policies were used to deliberately ‘shake up’ the system rather than provide desperately needed coherence and direction. This causes some concern especially for those critical of the market paradigm operating in what was once a public sphere. It also represents a significant divergence in recent years for Ontario higher education, which has been, historically, primarily public and structurally stable. More than ever in its history Ontario requires a clear vision of co-ordination and planning, along with a strong policy process to achieve this end in higher education.

While this ‘shake up’ approach has affected system organization by increasing diversity of institutions, increasing the potential for degree granting, and increasing the potential for privatization, it is less clear what it has done for the performance and outcomes of the system. Ontario ranks poorly on a variety of Canadian indicators as compared to other Canadian provinces. It has ranked 10 out of 10 Canadian provinces in both post secondary quality and accountability indicators. It has ranked 7 out of 10 Canadian provinces in equity indicators and 6 out of 10 Canadian provinces in accessibility indicators. Overall it has ranked 10 out of 10 Canadian provinces across equity, accessibility, quality and accountability indicators. (See Missing Pieces III at page 7 and following for details on the numerous post secondary indicator data used to arrive at these rankings.) Nevertheless Ontario has a large, relatively accessible system compared to other international and Canadian jurisdictions. It has dealt with and survived recent government decreases in financial support (albeit on the backs of students and having allied with the private sector – responses that have adamant objectors).

However one characterizes the performance and outcomes of Ontario’s post secondary system (good, bad or ugly), it is more difficult to assert a direct causal link between the policy decisions taken over the last two decades and post secondary system measures largely because of the policy vacuum within which Ontario post secondary education has operated over this period. Fiscal restraint has had more of an impact on the direction, arrangements and behaviour of post secondary education and institutions than an informed policy vision. Therefore Ontario does not fit the assumptions underlying the model of state planning and co-ordination used to frame this study, namely: that policy decisions are the result of rules that are created and revised through a political process; that individual actors are intentionally rational (‘bounded rationality’); that there are causal links between policy and performance; and that ‘rules in use’ ultimately determine the behaviour of the system. (See Richardson, 2004 ‘A Conceptual Framework for Comparative Studies of Higher Education Policy’ Working Paper). Our findings in developing the Ontario profile do not fit this framework from a systems perspective. Perhaps because of different cultural and institutional arrangements the framework does not explain the workings of the Ontario post secondary education.

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## APPENDIX

<b>Brock University</b>	<b>University of Toronto</b>	<b>Ryerson Polytechnic</b>
<b>Lakehead University</b>	<b>University of Western Ontario</b>	<b>Carleton University</b>
<b>Nipissing University</b>	<b>University of Ottawa</b>	<b>Laurentian University</b>
<b>Queen's University</b>	<b>University of Waterloo</b>	<b>Wilfrid Laurier University</b>
<b>Trent University</b>	<b>University of Guelph</b>	<b>McMaster University</b>
<b>University of Windsor</b>	<b>York University</b>	<b>University of Ontario Institute for Technology (OIT)</b>
<b>Ontario College of Art and Design<sup>73</sup></b>	<b>Royal Military College<sup>74</sup></b>	

<b>1</b>	<b>Baptist Bible College Canada and Theological Seminary</b>
<b>2</b>	<b>Masters College and Seminary (formerly Eastern Pentecostal Bible College)</b>
<b>3</b>	<b>Canada Christian College and School of Graduate Theological Studies</b>
<b>4</b>	<b>Ner Israel Yeshiva College</b>
<b>5</b>	<b>Emmanuel Bible College</b>
<b>6</b>	<b>Redeemer University College</b>
<b>7</b>	<b>Faithway Baptist College</b>
<b>8</b>	<b>St. Phillips Seminary</b>
<b>9</b>	<b>Great Lakes Bible College</b>
<b>10</b>	<b>Talpiot College</b>
<b>11</b>	<b>Heritage Baptist College and Heritage Theological Seminary (formerly Central Baptist Seminary and Bible College and London Baptist Bible College)</b>
<b>12</b>	<b>Theological College of Reformed Canadian Churches</b>
<b>13</b>	<b>Institute for Advanced Judaic Studies</b>
<b>14</b>	<b>Toronto Baptist Seminary and Bible College</b>
<b>15</b>	<b>Institute for Christian Studies</b>
<b>16</b>	<b>Tyndale College and Theological Seminary (formerly Ontario Bible College)</b>
<b>17</b>	<b>Maimonides Schools for Jewish Studies</b>

<sup>73</sup> Granted degree granting status and treated as part of the university sector.

<sup>74</sup> Degree granting authority from federal government.

<b>Table 10: Provincial Ministers Responsible for Ontario's Post Secondary Education 1985-2003</b>			
<b>Party: Premier</b>	<b>Minister</b>	<b>Deputy Minister</b>	<b>Ministry</b>
<b>Liberal: David Peterson 1985-1990</b>	Gregory Sorbara 1985-1987		Ministry of Colleges and Universities
	Lyn McLeod 1987-1989		
	Sean Conway 1989-1990		
<b>New Democrat Party: Bob Rae 1990-1995</b>	Richard Allen 1990-1993	Dr. Bernard Shapiro	Ministry of Colleges and Universities and Ministry of Skills Development
	Dave Cooke 1993-1995	Dr. Charles Pascal	Ministry of Education and Training <sup>75</sup>
<b>Progressive Conservative: Michael Harris 1995-2002</b>	John Snobelon 1995-1997	Richard Dicerni	Ministry of Education and Training <sup>75</sup>
	David Johnson 1997-1999	Veronica Lacy	
	Janet Ecker 1999-2002	Suzanne Herbert	
	Elizabeth Witmer 2002-present	Suzanne Herbert	Ministry of Education <sup>76</sup>
<b>Ernie Eves 2002-2003</b>	Dianne Cunningham 2002-present	Kevin Costante	Ministry of Training, Colleges and Universities <sup>77</sup>
<b>Dalton McGuinty 2003-present</b>	Mary Anne Chambers 2003-present	Kevin Costante	Ministry of Training, Colleges and Universities
		Bob Chrisite	

<sup>75</sup> Super Ministry with elementary, secondary and post secondary education integrated into one Ministry.

<sup>76</sup> Ministry of Education and Training is split into two: Ministry of Education and Ministry of Training, Colleges and Universities. Ministry of Education is responsible for elementary and secondary education.

<sup>77</sup> In the area of post secondary education, the Ministry of Training, Colleges and Universities is responsible for:

- developing policy directions for universities and colleges of applied arts and technology
- planning and administering policies related to basic and applied research in this sector
- authorizing universities to grant degrees
- distributing funds allocated by the provincial legislature to colleges and universities
- providing financial assistance program for post-secondary school students
- defining courses of study at faculties of education
- registering private career colleges

In the area of training, the Ministry of Training, Colleges and Universities is responsible for:

- developing policy directions for adult education and labour market training
- managing provincial relations with the federal government concerning training programs
- setting standards for occupational training, particularly for trades under the *Trades Qualification and Apprenticeship Act*
- managing provincial programs to support workplace training and workplace preparation, including apprenticeship, career and employment preparation and adult literacy and basic skills
- undertaking labour market research and planning