

Fact Sheet

System Design

Chapter 5: Third Annual Review and Research Plan

This chapter deals with the pressing need to accommodate the tens of thousands of additional students expected over the next decade.

College-University Collaboration

The Ontario College-University Transfer Guide (OCUTG) contains an inventory of college-university collaborative agreements. There were over 350 agreements registered on November 16, 2009, compared to around 300 a year ago. The profile of agreements did not change over the period. By category, the great majority of the agreements are bilateral; by type, the great majority are for degree completion. Very few agreements have colleges as the receiving institution.

Collaborative arrangements are clearly an important part of the Ontario postsecondary education landscape, and they deserve to be supported and encouraged in instances where institutions wish to introduce new programs and have developed compelling academic and financial cases for them.

Pathways

The traditional view of PSE participation as a simple and linear process is no longer the norm. Postsecondary students frequently switch programs, institutions, even PSE sectors, and they might switch either before or after graduation from their initial program. These pathways are being forged despite the fact that Ontario's postsecondary system was originally designed to have separate college and university sectors with little movement between them.

Efforts to produce a full empirical record of various PSE pathways have faced the challenge of limited system-wide sources of information on student mobility. Each of the instruments or sources of information listed provides only a portion of the transfer picture, and the data across the sources are not easily linked with other measures such as academic performance, course selection, or employment outcomes.

The most complete information available on the decisions made by college graduates to continue in postsecondary studies is derived from the MTCU's *Graduate Satisfaction Survey*. In 2006-2007, 27 per cent of college graduates reported that they were continuing their education within six months of graduation. Most continuers (14%) returned to their own college for further education, 2 per cent transferred to another college in Ontario, and approximately 7 per cent continued at an Ontario university. The remainder continued at a non-Ontario university or in another form of PSE (Decock, McCloy, and Liu, forthcoming).

Revenue Trends

Figure 5.1 shows real revenue per FTE for Ontario universities for the period 1980 to 2008. The numerator contains the major sources of operating revenue: provincial grants, tuition credit, other fees, and miscellaneous income (e.g., investment income).¹ The denominator contains the number of full-time equivalent students.

Two deflators are used: the Consumer Price Index (CPI) in 2008 dollars and a special Higher Education Price Index (HEPI) as calculated by the Association of Universities and Colleges of Canada (AUCC, 2008, Volume 3, Appendix E). HEPI recognizes that compensation represents a large percentage of college and university costs, and that changes in faculty compensation may differ from movements in the CPI.

The choice of deflator clearly matters. Using the CPI, inflation-adjusted revenue per full-time equivalent student in 2008 was virtually identical to what it was in 1980, although funding still fluctuated somewhat throughout the period. There was a sharp fall between 1980 and 1982, followed by a slow but steady increase to 1993, at which time revenue was back at its 1980 level. Revenue fell significantly between 1993 and 1997, rose slightly to 2000, was flat until 2004, and rose after 2004 with the injection of *Reaching Higher* funding.

Using HEPI, the revenue picture is much starker. Real revenue per FTE student was 21.2 per cent lower in 2008 than in 1980. It fell continuously from 1980 to 1990, rose slightly to 1993, and then declined virtually continuously until 2005 when the *Reaching Higher* allocations appear.

¹ Note that the variable chosen is operating revenue which is only a portion of total funds available to colleges and universities. The choice of what to include in the numerator is arbitrary and, inevitably, controversial. The authors devote considerable space to explaining their decision of what to include and, significantly, what to exclude.

FIGURE 5.1
Real Revenue per FTE for Ontario Universities, 1980 to 2008

Source: Snowdon and Associates, "Revisiting Ontario College and University Revenue Data", 2009 HEQCO

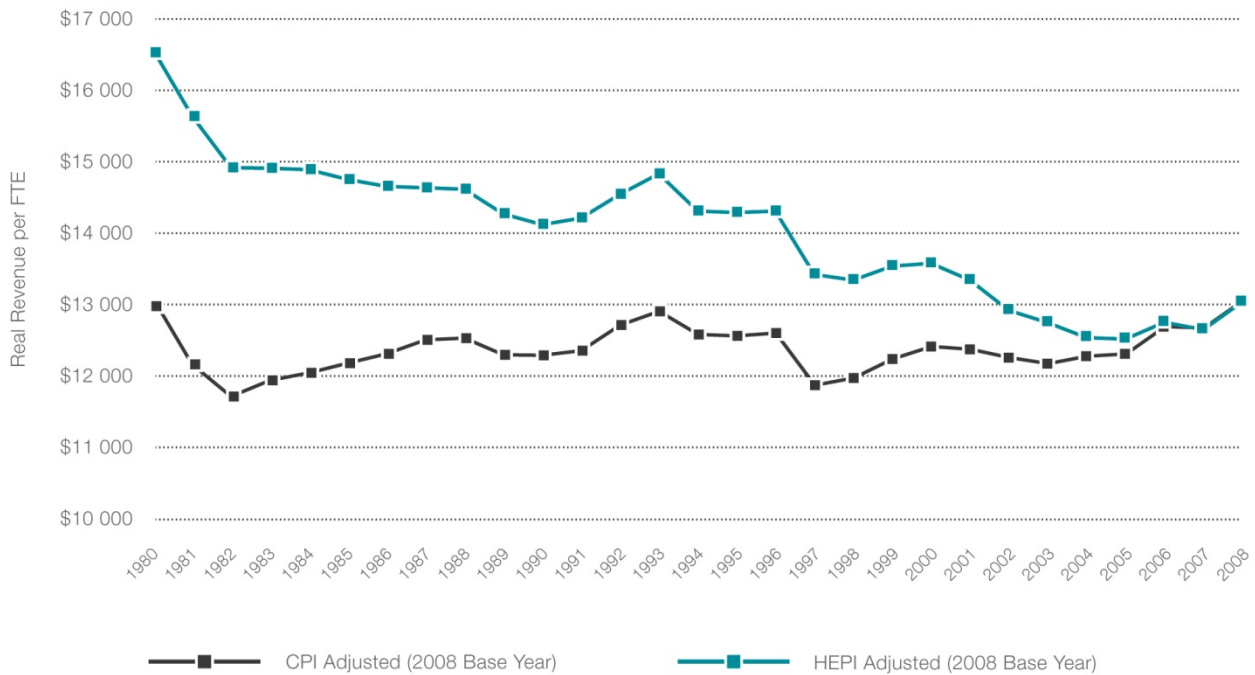
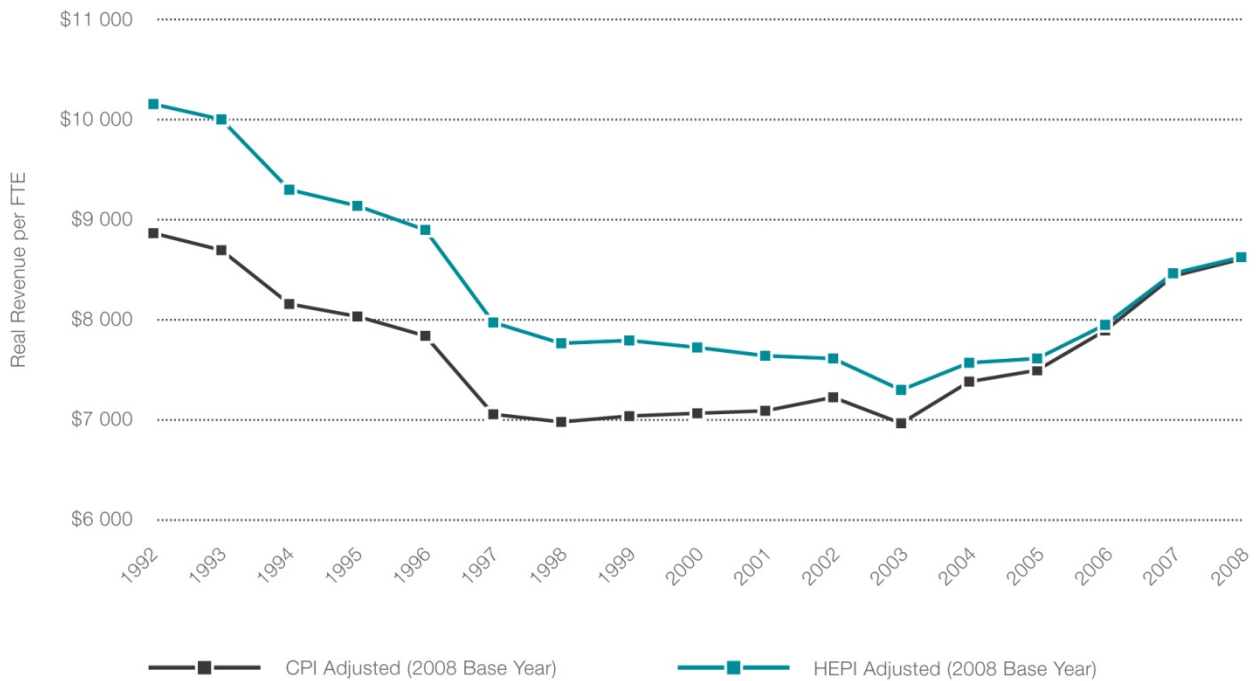


Figure 5.3 shows real revenue per FTE for colleges for the period 1992 to 2008. The numerator contains grants and tuition revenue. The denominator contains full-time equivalent enrolment.

Real revenue per FTE using the CPI deflator was only slightly lower in 2008 than in 1992, although it exhibits a definite U-shape over the period. Revenue per FTE student fell significantly between 1992 and 1997, was flat until 2003, and has risen slowly but steadily since. The same pattern holds when HEPI is used as the deflator, although revenue per FTE continues to fall until 2003. The notable difference between the two series is that the 2008 value for real revenue per FTE using the HEPI deflator is significantly below its 1992 value.

FIGURE 5.3
Real Revenue per FTE for Ontario Colleges, 1992 to 2008

Source: Snowden and Associates, "Revisiting Ontario College and University Revenue Data", 2009 HEQCO



Academic Transformation – A Case for System Change

HEQCO recently commissioned a book as part of its research strategy on system design. The assignment was to identify the main challenges that the Ontario postsecondary education system will face in the next decade, to evaluate the ability of the system as currently structured to meet these challenges, and to suggest options for reform.

The authors' recommendations are of three types: changes at the individual institution level, changes at the system level, and creating new institutions.

Changes at the Institution Level

One proposal at the institution level is the introduction, or re-introduction, of a 3-year bachelor's degree. The authors surmise that a high quality, carefully designed and implemented three-year degree would serve students well as a pre-professional degree for those going on to professional study in disciplines such as law, education, journalism, business, social work, and media studies, and as a final degree for those who pursue on-the-job professional training in the financial, government, management, retail, public service, and other sectors.

A second proposal is to expand the number of full-time teaching professors at universities. These individuals would carry heavier teaching loads, and would take the lead on curriculum development and on mobilizing knowledge for effective teaching and learning. The presence of substantially more

members of full-time faculty holding predominantly teaching appointments would reduce the reliance of universities on part-time, contract instructors.

Changes at the System Level

At the system level, the authors support greater transfer options. In particular, they believe that students in career-related college programs should have more opportunities to transfer to university. The experience of other jurisdictions suggests that there are two principal ways of improving transfer opportunities for students in college career programs. One involves the establishment of provincial committees that consist of representatives of the colleges and universities and have a specific mandate to improve transfer opportunities. The other is the development in universities of specific programs aimed at facilitating transfer for students from college career programs.

A second system-level proposal is that a small number of colleges play a greater role in providing bachelor's programs. The college system continues to have the important mission of educating and training workers in a wide range of levels and fields for the provincial economy, and offering opportunities for career and personal development for individuals. Within that broad mission, there should be greater emphasis on ways in which this role might be enhanced and the whole system made more efficient through institutional differentiation and specialization. This differentiation could take a variety of forms including greater emphasis on training in the trades, more focus on serving under-prepared learners, or greater involvement in the provision of career-focused bachelor's programs that rest on a solid liberal arts foundation.

New Institutions

Ultimately, they argue that creating degree-granting institutions that are highly focused on undergraduate education is the design change that would do the most to enhance the current system. To be effective, the degree programs offered by such institutions would be solely at the bachelor's level, and the emphasis of the institution would be on teaching rather than on research. The responsibilities of faculty, therefore, would be primarily undergraduate education.

They also suggest establishing an open university. Open universities deliver most or all of their courses online or through other electronic media. Yet, it is not the technology through which courses are provided that defines an open university. Rather, it is an educational philosophy, a key element of which is "open" admissions, that is, although students, once accepted and enrolled, must meet traditional course requirements and standards, their admission to programs and courses is not based upon their prior academic achievement but on their needs and aspirations as learners. An open university could play a particularly important role in facilitating degree completion for college graduates.