

# A Strong Ontario Needs Strong Universities

COUNCIL OF  
ONTARIO UNIVERSITIES

CONSEIL DES  
UNIVERSITÉS DE L'ONTARIO

profile of  
COUNCIL

**T**he Council of Ontario Universities (COU) represents the collective interests of Ontario's 18 member universities and two associate members. The organization was formed under the original name of the Committee of Presidents of the Universities of Ontario in 1962 in response to a need for institutional participation in educational reform and expansion.

COU's mandate is to provide leadership on issues facing the provincially funded universities, to participate actively in the development of relevant public policy, to communicate the contribution of higher education in the province of Ontario, and to foster co-operation and understanding among the universities, related interest groups, the provincial government and the general public.

The Council consists of two representatives from each member institution: the executive head (president, principal or rector) and an academic colleague appointed by each institution's senior academic governing body. It meets five times during the academic year and is supported by the Executive Committee, which, in turn, is supported by a full-time secretariat that provides centralized service functions for the Council as well as for its Executive Committee and Academic Colleagues. Over 50 affiliates, special task forces, committees and other groups also support and work toward the achievement of Council's objectives.

Ontario

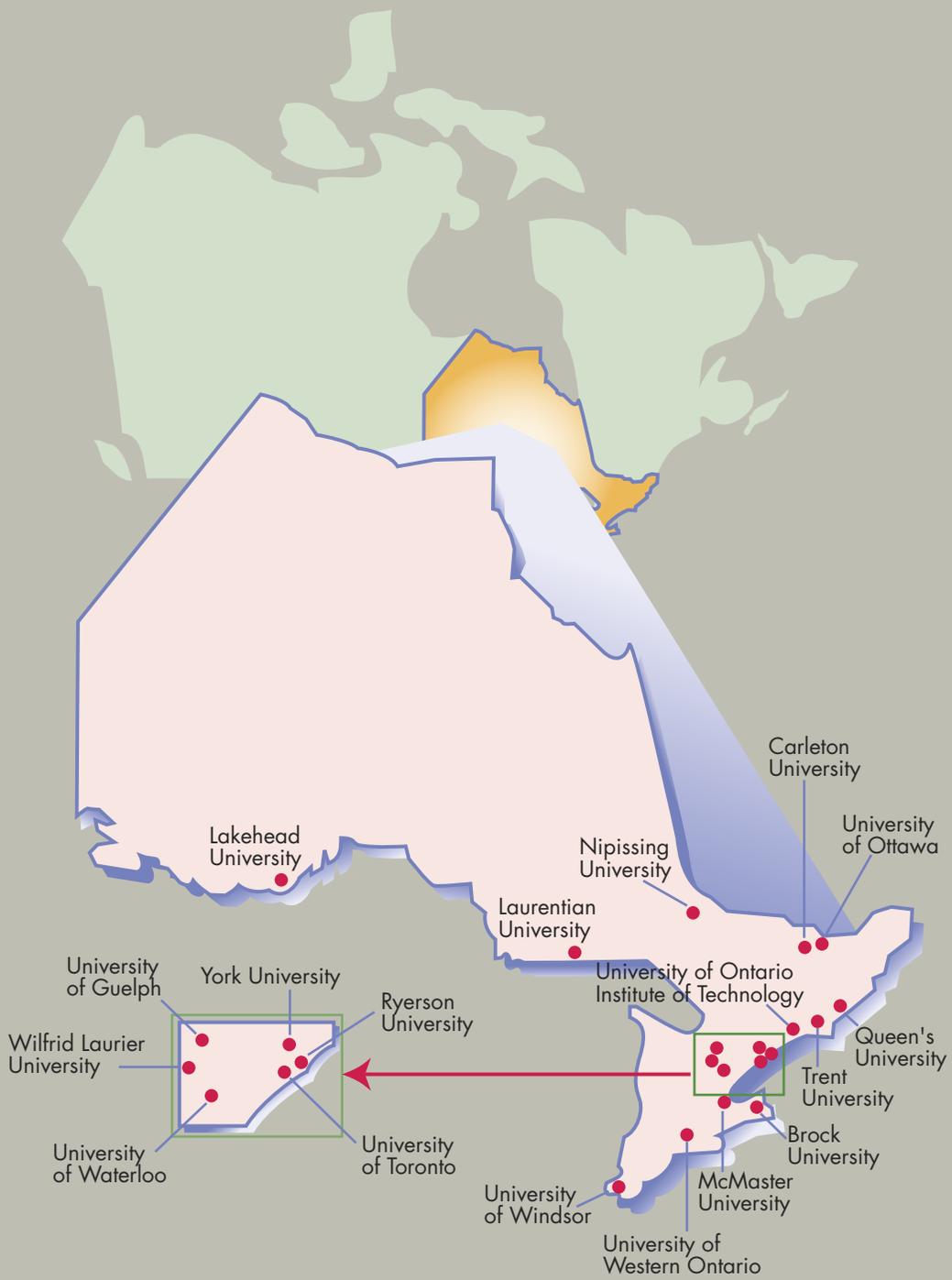
## MEMBER INSTITUTIONS

Brock University  
Carleton University  
University of Guelph  
Lakehead University  
Laurentian University  
McMaster University  
Nipissing University  
University of Ontario Institute  
of Technology\*  
University of Ottawa  
Queen's University  
Ryerson University  
University of Toronto  
Trent University  
University of Waterloo  
University of Western Ontario  
Wilfrid Laurier University  
University of Windsor  
York University

## ASSOCIATE MEMBERS

Ontario College of Art & Design  
Royal Military College of Canada

*\*Council approved the motion to admit the University of Ontario Institute of Technology as a full member effective July 1, 2003*



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A  
Strong  
Ontario  
Needs  
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Universities

In the months leading up to its first budget in spring 2004, the new Ontario government invited public debate on what values and goals should guide provincial spending decisions. Discussions centred around five major priorities, proposed by the government:

- Better student achievement.
- Healthier Ontarians in a healthier Ontario.
- Better workers for better jobs in an innovative economy.
- Safe and vital communities that offer Ontarians a higher quality of life.
- More active citizens contributing to a stronger democracy.

Citizen response to Budget Town Hall 2004 showed that these priorities do indeed reflect the shared aspirations of Ontarians. There is a high level of consensus that Ontario's continued strength, growth and quality of life depend on meeting these priorities, and every one of them is fundamentally reliant on a strong provincial university system. Consider:

- Better student achievement at every level of learning – early, elementary, secondary, undergraduate and lifelong – is a goal in which Ontario universities are already deeply invested. In addition to training our teachers, universities are in the vanguard of research into how people learn, leading the development of improved teaching methods and new technologies to help students learn more effectively.

- Universities are integral to the strength of the provincial health care system. Our university schools of medicine, nursing and other health science disciplines are expanding to ensure that Ontario will have the right mix and number of professionals to meet the needs of every region in the province. Many of the ground-breaking advances in medical science and technology that are keeping Ontarians healthier today are the product of university research.

- High-level knowledge and skills are the axis of the new economy in which Ontario must compete if it is to prosper. Ontario universities are home to teachers and researchers whose discipline expertise ranks with the best in the world, and who are committed to developing Ontario's human resources and capacity for innovation to world-class standards.

- Graduates of Ontario universities are putting their professional training to work in myriad ways to make our communities safe and vital: as builders and planners, environmental experts, entrepreneurs, providers of social and health services, artists, engineers, educators and more. And through research programs that address the problems faced by Ontario communities – homelessness, food and water safety, pollution, waste management, energy consumption, and rural access to health care, among scores of others – Ontario universities are helping us find the solutions that will make our communities stronger in the future.

- By exposing students to new ideas in a climate of discourse and diversity, universities prepare young Ontarians for responsible citizenship. Ontario university graduates are highly engaged members of our society, in both their personal and professional lives. They support educational, research, religious, health, cultural, arts and recreational causes at a rate far surpassing Ontarians with lower levels of educational attainment.

In these and countless other ways, Ontario universities have helped the province achieve the level of strength it enjoys today – so effectively, indeed, that many Ontarians may take it for granted that our universities are adequately funded. This is a false assumption. After more than a decade of flat or declining operating grants that have left Ontario 10th out of 10 among the provinces in per-student funding, Ontario universities are in a weakening position to deliver the expected level of support for Ontario's economic and social agenda. Unless this pattern is reversed, the hoped-for goals and gains articulated in the Town Hall consultation process are unlikely to be achieved.

In a *TD Economics Special Report* published in March 2004, the TD Bank Financial Group stressed that “post-secondary education is at the heart of Canada's economy and society,” urging all primary stakeholders in higher education to work together to design a fair and workable financing structure:

“We are fortunate that a generation ago our leaders had the foresight to build a strong post-secondary education system. It still serves us well, but years of under-funding have left it creaking. We must address the deficiencies now ... A collection of further random acts of good intention will not reform [the] system in an effective way. We need a comprehensive plan, formulated together by the federal and provincial governments, students, the private sector and the education institutions. The importance of getting the education system right cannot be minimized. Indeed, the future standard of living for Canadians depends upon it.”

*We can* create the future we want. *We will* create it if we choose to invest in our strength, through a renewed and sustainable funding commitment to our provincial universities. Because today more than ever, a strong Ontario needs strong universities.

RICHARD VAN LOON



CHAIR, JULY 1, 2003 TO JUNE 30, 2005

## Investing in Ontario's Productivity



According to a recent report of the provincial Task Force on Competitiveness, Productivity and Economic Progress, Ontario is less productive – and 10% less prosperous – than the median of a peer group of North American jurisdictions, despite having a comparable resource base. The report cites under-investment in Ontario universities as a major reason for the prosperity gap. We as a province are simply not adding value to our human capital as effectively as our more competitive peers despite the clear-cut evidence linking regional prosperity to strong universities.

Ontario has been under-investing in its universities at an alarming rate for well over a decade. The per-student operating grant has fallen by 25% (in constant dollars) over the last 10 years. In 1996, while 48 out of 50 American states increased appropriations for higher education by an average of 11.5%, Ontario reduced its university operating grants by 15%. Ontario's per-student funding is now the lowest of any province in Canada and 40% lower than funding levels in American public universities.

In 2003, in an attempt to compensate for some of this revenue shortfall, the former government established a Quality Assurance Fund for the postsecondary sector that would provide urgently needed monies for investment in faculty hiring, new learning resources, equipment upgrades and student services. Allocations under the four-year fund were earmarked to rise annually. However, the current government, in its 2004 Budget, did not provide for the anticipated and much needed increase to this fund, nor did it increase the universities' per-student operating grant.

Ontario students are suffering the consequences of deteriorating campuses and out-of-date labs; faculty and staff complements that are too low relative to student numbers; fewer program choices and programs that are seriously under-resourced; and increasingly limited availability of the critical support services that aid in student retention and success.

Canadian employers are clamouring for more graduates with advanced degrees, but Canada's universities and Ontario's in particular have not had the capacity to keep up with the demand. Since 1990, some 200,000 Canadian jobs have gone to master's and doctoral graduates from other countries who possess the high-level knowledge and skills that are wanted and needed in today's economy.

With Ontario's productivity lagging, the province is facing a deficit of a magnitude that dictates the need for hard spending decisions. The new government is taking a "go slow" approach to the university funding crisis pending the completion of its commissioned review of higher education in Ontario that is expected to lead to the formulation of a sustainable funding framework for the province's postsecondary sector.

Ontario universities have welcomed the appointment of former Ontario Premier Bob Rae to lead this review. Given his active interest in postsecondary education and appreciation of the importance of high-quality education and research, Mr. Rae can be expected to propose a funding strategy that reflects the true costs and benefits to Ontario of maintaining a first-class university system.

Because the benefits of university education and research flow to everyone, the issue of university funding is a societal, not a sectoral one. We need to consider university funding from a broadly social perspective – not just as a slice of the allocations pie, but as the substrate that determines the quality of the *whole* pie. There is no prosperous jurisdiction in North America that is not fuelled by an excellent

education system. Long and thoughtful consideration must be given to what benefits Ontario derives from its universities, and what the social and economic costs would be if those benefits were diminished. We must take honest measure of what we want and expect our universities to do, and invest in them at a level that will deliver the desired returns.

The development of a new funding strategy for Ontario universities is no light task. It demands a public policy response that looks past the exigencies of the moment to focus steadily on Ontario's long-range goals. The gains on university investment are not realized all at once, but they are guaranteed to grow exponentially over years and generations. Our universities are a secure and high-performing trust fund for our future.

MORDECHAI ROZANSKI

A handwritten signature in dark ink, appearing to read "M. Rozanski". The signature is fluid and cursive, with the first letter "M" being particularly large and stylized.

CHAIR, JULY 1, 2001 TO JUNE 30, 2003

## Planning Beyond the Double Cohort



Between 1999 and 2003, the government and universities of Ontario were engaged in intense planning for the arrival of the double cohort – students of the old (five-year) and new (four-year) Ontario secondary school curriculum who will graduate simultaneously for a period of years until the old curriculum is fully phased out, leading to a sharp annual escalation in demand for university admission during this decade. While large numbers of double cohort “fast-trackers” reached university campuses as early as 2002, the first great wave arrived in fall 2003 as an incoming class of 70,000 entry-level students.

The province and Ontario universities shared the common goal that, regardless of their growing numbers, every qualified, motivated student in the province would be assured of a place at an Ontario university. That promise has been kept. Through meticulous planning and new public investment, the universities have thus far accommodated every qualified double cohort student who has sought admission. Of remarkable note is the fact that, in the 2003-2004 academic year, 82% were placed in a program or institution that ranked among their top three choices.

This is a landmark achievement that should make Ontarians proud, but not complacent. Though its impact on the university sector is enormous, the double cohort accounts for only 35,000 of the projected 90,000 additional full-time students who will be seeking university access during this decade. Our biggest challenges lie ahead.

Rising university enrolments are the way of the future. Factors that will continue to drive enrolments up for years to come include a growing youth population, higher participation levels among the population at large, new workplace/professional standards that are bringing many working adults back to university for re-credentialing, and an upsurge in demand for graduate education. Total undergraduate enrolments province-wide are projected to swell from 318,000 in 2000 to around 435,000 by 2010. This represents a 37% increase in the space of a decade.

The past five years have seen the introduction of a number of enrolment-driven funding programs to help Ontario universities accommodate more students. Initiatives such as SuperBuild, the Access to Opportunities Program, and the provision of full funding for every newly enrolled student through to 2003-2004 all had the specific purpose of increasing the intake capacity of universities. As they were intended to do, these programs have enabled the universities to provide places for many thousands of additional students. They have not, however, addressed the vexatious question of how to maintain learning *quality* for a vastly larger student population.

The components of learning quality, as defined by internationally recognized benchmarks, include outstanding professors and skilled support staff in balanced ratio to student numbers; up-to-date classrooms, labs and libraries; a comprehensive range of program choices; strong student services; and a safe, functional campus. As public opinion surveys clearly show, an overwhelming majority of Ontarians evaluate learning quality against these measures and expect their universities to match or exceed peer jurisdictions in delivering them.

Without a substantial increase in university base operating grants, it will be impossible to meet this expectation in the coming years. It is scarcely possible now.

The university operating grant was designed to ensure equity, accountability and simplicity in the allocation of public monies across the sector. The province's annual, enrolment-based grant helps Ontario universities finance their base operating costs, plan ahead, and implement quality enhancements in line with their institutional priorities as budgets permit. The province has been under-investing in the operating grant for more than a decade, to the point where it now provides only 50% of university operating revenue, down from 74% in the early 1990s.

As the universities' base funding has declined, base operating costs and student enrolments have soared. A Quality Assurance Fund, established by the former provincial government for investment in faculty hiring, learning resources, equipment upgrades and student services, promised to partially redress the shortfall. However, this year's planned increase to the fund has been frozen by the current government, pending the outcome of the Rae review, which will include the design of a new funding strategy for Ontario's postsecondary sector. Nor has the operating grant been increased, even though Ontario universities need an increase of \$1.2 billion to their base funding just to bring the institutions in line with the average of the rest of Canada.

This is an anxious time for Ontario universities. To reduce the strain on their resources, some universities will need to introduce a new round of austerity measures such as cutting courses and curtailing services. Meanwhile, student numbers continue to climb. Total full-time university enrolment is expected to exceed 326,000 in fall 2004, an increase of 5.1% over 2003 and 28.6% over 2001.

For the short term, universities will receive funding for enrolment growth and compensation for the revenue shortfalls arising from the government's implementation of a two-year tuition freeze that takes effect in fall 2004. The lack of certainty as to how these monies will be incorporated into a longer-term funding framework, however, creates problems for the universities in budgeting beyond the next academic cycle.

While so many fundamental issues remain in doubt, it is unwise to make bold forecasts about the future. Nevertheless, Ontario universities are confident that the Rae review, scheduled to file its report in 2005 in time for consideration in the province's planning for the 2005 Budget, will substantiate their case for a meaningful increase in public funding and propose a sustainable plan for doing so.

IAN CLARK



PRESIDENT

# DOUBLE COHORT

arrival of the

**T**hrough joint university-government planning and new public investment, Ontario fulfilled its promise to provide a place for every qualified, motivated student in the province at an Ontario university despite the sharp escalation in demand driven by the double cohort phenomenon – the simultaneous graduation of university-bound students from the old (five-year) and new (four-year) secondary school curriculum.

The first half of the period covered by this report was dominated by preparations for the double cohort, whose arrival was led by large numbers of students from the old curriculum who had fast-tracked through their program to reach Ontario university campuses in fall 2002. This advance wave was followed by the first combined class of old and new curriculum graduates in fall 2003.

# Universities Successfully Accommodate First Graduating Class of Double Cohort Students in Fall 2003

Ontario universities met their commitment to the province by providing places for all qualified applicants from the first graduating class of double cohort students in fall 2003.

Over 76,000 Ontario secondary school graduates from the old (five-year) and new (four-year) curriculum accepted offers of admission for fall 2003 – 82% in a program or institution that ranked among their top three choices.

The successful accommodation of these students was achieved through five years of advance joint planning by the universities and government. Guided by the principle of “access to excellence,” the planning process was informed by two central challenges:

- To create new spaces for dramatically larger numbers of incoming students by fall 2003.
- To maintain educational quality as student numbers continue to grow through the double cohort years and beyond.

Following is a summary of key issues and initiatives to date in planning for a decade of unprecedented enrolment expansion.

preparing for the

# Double Cohort: 1998-2003

## ACADEMIC YEAR 1998-1999

Projections indicated that close to 90,000 additional students would be seeking admission to Ontario universities by 2010, owing to:

- *The elimination of Grade 13*, resulting in two cohorts of secondary school students (graduates of the old five-year and new four-year curriculum) both seeking university admission at the same time, with a peak effect on university enrolments between 2002-2003 and 2004-2005.
- *Higher overall university demand* arising from significant growth in Ontario's population of 18- to 24-year-olds (the traditional university age band); rising participation rates among the general population; and more employed adults returning to school for academic upgrading to meet new workplace/professional standards.

COU commissioned PricewaterhouseCoopers (PwC) to analyze enrolment projections and the capacity of Ontario universities to meet the projected demand. PwC found that Ontario universities lacked the resources to accommodate higher enrolments. Forecasts indicated that pressures on the universities would be strongest at precisely those points where the operating grant reductions of the 1990s had left them weakest: in faculty numbers, resources for teaching and learning, research infrastructure and deferred maintenance on aging physical plants.

**FALL 1998:** According to the findings of an **Angus Reid public opinion survey**, the vast majority of Ontarians expect government action to accommodate the demand surge and ensure that Ontario students, regardless of numbers, receive a high-quality education on par with peer jurisdictions.

**FALL 1998:** The **Premier of Ontario launched a series of province-wide conferences** as the basis for developing a job creation/economic growth strategy for Ontario. The conferences canvassed leaders from business, industry, education, and community and social organizations. The process culminated in the March 1999 release of *A Road Map to Prosperity: An Economic Plan for Jobs in the 21st Century*. The report concludes that provincial prosperity will be built on the knowledge and skills of Ontario citizens and offers a framework for strategic investment in higher education. More than half of the *Road Map's* 21 priorities for achieving economic prosperity relate to education.

## BUDGET 1999

The basic operating grant to Ontario universities, decreased by 15% in 1996-1997, was increased by 1% in 1999-2000.

The government announced the creation of SuperBuild, the largest capital investment in Ontario's postsecondary sector in more than 30 years, to help colleges and universities construct new academic buildings and upgrade existing teaching facilities to accommodate the growing numbers of students.

Funding for the Access to Opportunities Program (ATOP) increased to help colleges and universities create 23,000 new spaces in high-demand computer science and engineering programs.

The Ontario Innovation Trust was established to support infrastructure costs at Ontario research institutions.

## ACADEMIC YEAR 1999-2000

Universities began working with government to plan for enrolment expansion.

First-year enrolments were up by 9.7%.

University presidents called on government for firm financial commitments on operating funding to support additional enrolment and quality enhancements.

## BUDGET 2000

The SuperBuild Growth Fund was augmented, research funding increased, and new student assistance measures were introduced. In the same year, the government announced:

- A four-year cap on tuition fees for regulated programs (2000-2001 to 2004-2005) limiting increases to no more than 2% above the maximum average fee for the previous year.
- A new \$16.5-million Performance Fund, to be allocated among qualifying universities on the basis of three performance indicators.

## ACADEMIC YEAR 2000-2001

Ontario universities continued to press for increased operating funding to build their institutional capacity in time for the arrival of the double cohort. Priorities were focused on enhancing quality by hiring additional faculty and staff, increasing inventories of teaching and learning resources, adjusting funding inequities and addressing deferred maintenance costs on aging facilities.

**JANUARY 2001:** In a COU-commissioned report by **Enterprise Canada Research**, Ontario universities are shown to be major contributors to economic growth and job creation in the province, sustaining more than 375,000 jobs and generating more than \$10 billion in economic activity every year.

**JANUARY 2001:** The provincially appointed **Investing in Students Task Force**, created to examine the administrative efficiency of Ontario universities, concludes that the universities are cost-efficient and responsibly managed, and calls for system-wide investment as the solution to the sector's financial challenges.

## BUDGET 2001

The government committed to increasing college and university operating grants annually between 2001-2002 and 2003-2004 in amounts “directly proportional to projected enrolment growth.” Using then-current enrolment forecasts, this funding was set to increase by \$293 million by 2003-2004. A portion of the grants continued to be awarded on the basis of institutional performance rankings.

The budget provided \$100 million on a one-time basis to help colleges and universities address deferred maintenance costs. (*Ed. Note:* A 2003 condition audit shows that these costs have reached \$1.4 billion in the university sector alone when adaptation and renewal renovations are included.)

Research funding increased significantly.

## ACADEMIC YEAR 2001-2002

The enrolment surge began, at a level far exceeding earlier projections. With enrolment growth in 2001-2002 approximately double previous forecasts, the universities sought reassurance from the province that:

- The government’s full-funding commitment would apply to *all* newly enrolled students, based on actual versus projected enrolments.
- The funding would be adjusted for rising base operating costs. In the absence of provision for further operating grant increases, the purchasing power of the government’s multi-year commitment to full average funding would be reduced by almost 50% (for example, the additional funding provided for 6,000 newly enrolled students would be cancelled out by increases in energy costs).
- Educational quality would not be allowed to erode as student numbers climbed.

## BUDGET 2002

The government committed to providing full funding for every newly enrolled student based on revised, higher enrolment projections. Funding through to 2003-2004 for colleges and universities would now increase by \$368 million over 2000-2001 levels. A portion of the grants continued to be tied to institutional performance rankings.

The government announced a second round of SuperBuild to increase the number of student spaces “in the areas where they are needed.”

The government announced its intention to initiate a second phase of the highly successful Ontario Student Opportunity Trust Fund, with the goal of providing financial assistance to an estimated 400,000 college and university students over the next decade.

## ACADEMIC YEAR 2002-2003

The universities reported success in responding to increased demand from double cohort “fast-trackers.” Double cohort applications and admission-offer acceptances for fall 2002 were both up by over 16% – showing that, despite a sharp escalation in demand, the ratio of applications to acceptances was holding steady with previous years.

Every university developed an institutional plan for enrolment growth and formally committed to accept a specific number of secondary school graduates in 2003. The total of these commitments equalled the total number of spaces required to meet the Ministry’s revised enrolment projections.

The number of students applying to Ontario universities for fall 2003 admission rose by approximately 46% (to just under 103,000 students) over the previous year's numbers at the same time. The double cohort accounted for most of the increase. If the historical proportion of applicants to registrants were maintained, this would result in an incoming class of around 70,000 students.

Now that the size of the double cohort was known, Ontario universities continued to work with government to increase their enrolment capacity and focus on the remaining challenge of securing funding for quality improvements.

**SUMMER 2002:** A study by the **Canada Millennium Scholarship Foundation** shows that public return on investment in university education includes higher graduate earnings, higher tax revenues to support public programs, and lower claims on government transfer payments to individuals.

**FEBRUARY 2003:** According to a COU-commissioned study by **EKOS Research Associates** on public perceptions of quality in Ontario universities, quality issues are top of mind for Ontarians – even outranking concerns about providing spaces for all qualified students. The survey shows broad-based support for increased government funding to maintain a high-quality university system, even if it means a tax increase or reduction of resources allocated to other areas.

### BUDGET 2003

For the third budget in a row, the government increased college and university funding to reflect rising enrolments. Funding through to 2003-2004 for colleges and universities would now increase by \$443 million over 2000-2001 levels. A portion of the grants continued to be tied to institutional performance rankings.

The government committed \$400 million to support phase 2 of the Ontario Student Opportunity Trust Fund.

The budget advised that the second round of SuperBuild grants (originally announced in 2002) would fund more than 21,000 new spaces at 13 institutions around the province – nine of them universities – bringing the total number of new postsecondary spaces created under the program to 135,000.

The government announced the establishment of a Quality Assurance Fund for investment in faculty hiring, new learning resources, equipment upgrades and student services. The funding designated for universities under the four-year plan was \$75 million in 2003-2004, with allocations rising annually to reach \$200 million by 2006-2007. From 2004 onward, institutional eligibility would be conditional on performance criteria.

### ACADEMIC YEAR 2003-2004

With these new funding provisions in place, building on significant public investments over the previous three years, Ontario universities announced their readiness to accommodate 70,000 double cohort students for the 2003-2004 academic year. The expansion of staff and facilities, although not uniformly adequate, had been substantial. Without diminishing the problems still to be faced, universities across the province reported that they had successfully met the double cohort crisis.

At time of writing, enrolment demand is continuing to rise. As of June 30, 2004, over 72,900 secondary school students have applied for fall 2004 admission. Applications from non-secondary school students (college-university transfers, mature students, and out-of-province and international students) are up by 23.8%. Total full-time university enrolment is expected to exceed 326,000 in fall 2004, an increase of 5.1% over 2003 and 28.6% over 2001.

**NOVEMBER 2003:** The second annual report of the **Ontario Task Force on Competitiveness, Productivity and Economic Progress**, *Investing for Prosperity*, concludes that under-investment in Ontario universities is a key factor in the 10% prosperity gap between Ontario and peer jurisdictions in North America.

**JANUARY 2004:** A TD Bank Financial Group topic paper informs parents and prospective students about the “stellar rate of return” they can expect from their investment in higher education.

**MARCH 2004:** A TD Bank Financial Group special report positions postsecondary education “at the heart of Canada’s economy and society” and calls for immediate redress of the deficiencies caused by “years of under-funding that have left [the system] creaking.”

#### **BUDGET 2004**

The budget provided initial measures for higher education pending the outcome of a comprehensive review of the postsecondary sector by former Ontario Premier Bob Rae, whose mandate is “to recommend how we can best provide Ontarians with a high-quality, accountable, affordable system of postsecondary education that gives Ontarians the opportunity to achieve their full potential, regardless of income.” The report is due by early 2005.

Universities will be compensated for a substantial portion of the revenue shortfalls arising from the two-year tuition freeze that is to take effect in the 2004-2005 academic year. Funding for enrolment growth was also provided.

The Quality Assurance Fund was not increased.

preparing for the next phase of

# Enrolment Expansion: 2004-2010

Since 2000, the government has invested significantly to expand the capacity of Ontario universities to increase their student intake. Necessarily, efforts have focused on meeting the deadline imposed by the arrival of the double cohort. Now that this deadline has been met, attention must be given to long-range expansion planning.

Ontario continues to experience the greatest surge in demand for university education since the 1960s. The children of the baby boomers – the “echo boom” – have begun to enter university and will have a major impact on enrolment for the next 20 years, just as their parents fuelled the growth of the university sector throughout the 1960s and early 1970s. Other factors driving the demand surge are a growing youth population, rising participation rates among the population at large, and new workplace/professional standards that require many working adults to upgrade their academic qualifications.

These factors will sustain the upsurge of the double cohort years and create a continuing demand for university education for a larger overall student population. Total undergraduate enrolments province-wide are projected to swell from 318,000 in 2000 to around 435,000 by 2010 – a 37% increase over the decade. This projection does not include the growing number of students who are expected to pursue graduate studies at Ontario universities.

# PRODUCTIVITY

investing in

**M**ore and more Ontarians from every spectrum of our society are aspiring to be university-educated citizens. Though its impact on the university sector is enormous, the double cohort *only accounts for about 35,000 of the 90,000 additional full-time students who will be seeking university access during this decade.* Other factors driving the demand surge are a growing youth population, rising participation levels among the population at large, and new workplace/professional standards that require many working adults to obtain a university credential or upgrade from a diploma to a degree. In addition, a higher-than-historical proportion of today's students are motivated to pursue graduate education. If targets calling for a doubling of master's and PhD enrolments by 2013 are met, our student population will be larger still.

Rising enrolments are the way of the future as a growing proportion of Ontarians seek opportunities to participate in and contribute to the knowledge economy through access to university education. This trend, encouraged, will lead to an exponential increase in the value of Ontario's human capital.

To realize this future productivity gain, Ontario must continue to invest in its universities. Despite the successful accommodation of the double cohort, the need for ongoing expansion and capacity-building within the university sector remains. This challenge will demand a public policy response that is focused on Ontario's long-range prosperity goals.

## *Under-investment in provincial universities is a key factor in Ontario's lagging productivity.*

### Findings of the Ontario Task Force on Competitiveness, Productivity and Economic Progress

Ontario is less productive – and 10% less prosperous – than the median of a peer group of North American jurisdictions because of a pattern of under-investment by government, business and individuals that is trading tomorrow's prosperity for today's consumption. A key area in which under-investment is limiting Ontario's productivity gains is university education.

*"Ontarians are not investing enough of today's wealth for tomorrow's prosperity... Education is a perfect example."*

This is the conclusion reached by the Ontario Task Force on Competitiveness, Productivity and Economic Progress in its second annual report, *Investing for Prosperity*, released in November 2003 (viewable at [www.competeprosper.ca](http://www.competeprosper.ca)).

Comprising leaders from business and academia, the government-appointed Task Force was created in 2001 to monitor the province's economic performance against other North American jurisdictions, and to stimulate productivity in business, government and educational institutions through research and policy recommendations. The Task Force is chaired by Roger Martin, Dean of the Joseph L. Rotman School of Management at the University of Toronto.

Comparing Ontario to 14 major U.S. states and Quebec, the report demonstrates that Ontario is substantially less effective than peer jurisdictions in adding economic value to its human, social and physical capital. Though endowed with comparable resources, Ontario generates less prosperity because its spending, both public and private, is weighted in favour of *immediate consumption* (for example, the provision of services such as health care and social programs) relative to *investments that increase future productivity*, such as university education.

The report finds that Ontario invests in the same things as the peer groups – and initially, almost at the same level. But as investment requirements grow and become more sophisticated, Ontario opts not to contribute additional funds. While more competitive jurisdictions continue to invest, Ontario chooses instead to consume the fruits of past investments. Latest findings from 2001 show that **pro-consumption spending choices in the province have resulted in a 10% prosperity gap relative to Ontario's U.S. counterparts**. This gap represents an annual shortfall of \$4,118 in GDP per capita (in 2001 Canadian dollars).

### Investments in University Education Show Important Weaknesses

The report finds that Ontario has traditionally kept pace with peer state investments in primary education and college education on a per capita basis. “But at the important leading edge of investment in [university] education, particularly graduate degrees,” participation by governments, students and donors declines. Lower productivity is the result.

Task Force analysis shows that, while Ontario’s postsecondary investments have grown at a moderate rate over the past decade, support for universities has fallen far below U.S. levels – to the point where **Ontario spends only half as much on university education as the peer states**. Between 1995 and 1999, the U.S. out-invested Ontario by a margin of 2 to 1 on a per capita basis. Per-student investments during the same period averaged \$31,227 in the U.S. against \$18,334 in Ontario – an annual differential of \$12,893 per student. (Comparisons were made in constant 2001 Canadian dollars after adjusting for purchasing power parity.) This dramatic investment gap is widening, warns the report.

Ontario Government Spending Ratios:		
Consumption Versus Investment	1992	2000
Consumption (e.g., health care, social services)	\$1.00	\$1.00
Investment (e.g., education, infrastructure)	\$0.53	\$0.47

Peer U.S. States Spending Ratios:		
Consumption Versus Investment	1992	2000
Consumption (e.g., health care, social services)	\$1.00	\$1.00
Investment (e.g., education, infrastructure)	\$0.51	\$0.54

### Closing the Prosperity Gap

*Investing for Prosperity* concludes that to achieve higher productivity Ontario must “break out of the under-investment trap,” which is reflected in our “widening bias towards consumption rather than investment in government spending.” Closing the 10% prosperity gap would represent a significant economic improvement for the average person in Ontario. The Task Force calculates that the average household would gain approximately \$6,600 in annual, after-tax disposable income – enough to put home ownership within reach of many. **The federal and provincial governments would collect an estimated \$17 billion from Ontario taxpayers each year, without raising taxes, to fund health care and social programs more adequately than they can today.**

# Universities Generate Provincial Prosperity

## Universities prepare graduates for success in the workplace.

Graduates of the Class of 2001

(across all disciplines) posted an employment rate of 95.8% and an average salary of \$43,296 in 2003. Statistics Canada consistently reports that university graduates enjoy the highest employment rates and average personal incomes of graduates from all postsecondary sectors.

## University graduates maintain the social safety network through their taxes.

National statistics from the Canada Millennium Scholarship Foundation show that in 1999 university graduates (15% of the population) paid 35% of the nation's income tax and received just 8% of government transfers. People with less than a high school education (25% of the population) paid 10% of income tax and received over 40% of government transfers. Overall, postsecondary graduates (40% of Canada's working-age population) pay nearly 60% of total personal income taxes, while receiving less than one-third of government transfers to individuals. "It is not an exaggeration to say that the Canadian welfare state as presently constituted would be unable to function without the net tax revenues of postsecondary graduates." (Canada Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, 2002 Edition.)

## Universities support local and regional development.

Even the smallest of Ontario's universities has a multimillion-dollar impact on the region where it makes its home. In addition to

employment and spending, part of this impact is achieved through university research, which often supports regional development priorities and acts as a magnet for attracting industry and investors to the area.

## Universities strengthen Ontario's health care system.

Ontario schools of medicine, nursing and other health science disciplines are expanding to ensure that Ontario's health care system has the right mix and number of professionals to meet the needs of the population and provide better access to health care across the province, including rural, northern and under-served communities.

## Universities are Canada's primary public resource for research and innovation.

Canada depends more on its universities as a source of innovation than any other industrialized nation. Most of the major technological advances since the mid-20th century – including those in the biotechnology, telecommunications and manufacturing sectors – have their origins in university research.

## Universities are major contributors to economic growth and job creation in the province.

Universities sustain more than 375,000 Ontario jobs and stimulate over \$10 billion in economic activity annually. With higher taxable and disposable income to reinvest in the economy, university graduates generate almost 170,000 more jobs than Ontarians with lower levels of educational attainment. The university sector as a whole provides more employment per dollar than any other sector, including health/social services and business/computer services.

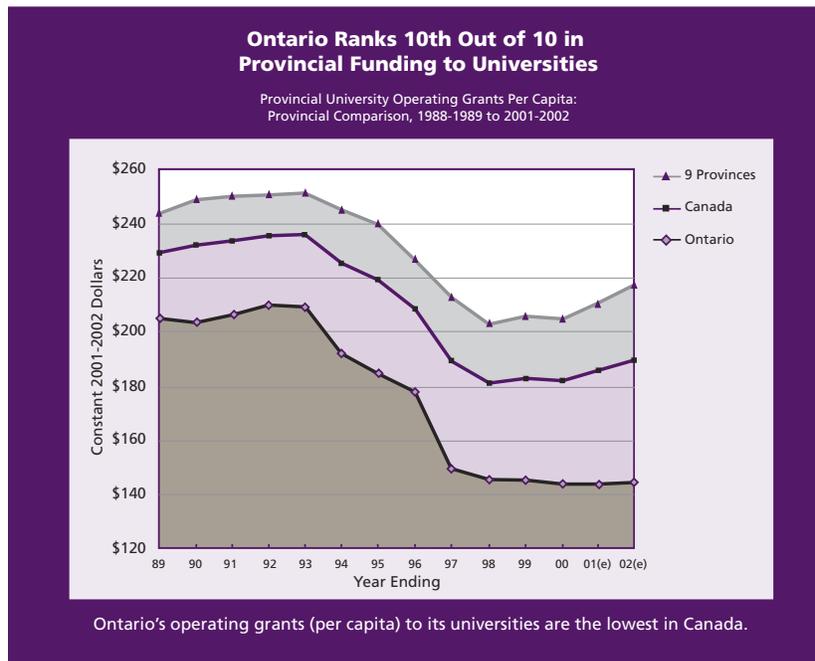
*Every year, Ontario universities and their graduates contribute \$1 billion more (in 1998 dollars) to provincial revenues than Ontario invests in university operating grants and student assistance.*

# *Under-investment in university operating grants is limiting the province's productivity.*

## University Operating Grants: A Long-Term History of Under-investment

The university operating grant is an enrolment-based funding mechanism that meets public policy objectives by ensuring equity, accountability and simplicity in the allocation of public monies across the sector. The annual grant from the province helps Ontario universities finance their base operating costs and provides the core income stability that is essential for the ongoing delivery of high-quality education.

Despite significant reinvestment by the province in the university sector in recent years, **provincial operating grants shrank from 74.1% to 50.3% of university operating revenue between 1991 and 2002 – making Ontario's investment in its universities the lowest of any province in Canada.**



In 1996 alone, Ontario reduced basic operating grants by 15%, the highest level of university disinvestment in North America. During the same time period, 48 out of 50 American states increased appropriations for higher education by an average of 11.5%. In 1997, James J. Duderstadt, president emeritus of the University of Michigan, questioned the wisdom of Ontario's choice by noting that in the U.S. "even conservative state governments committed to reducing tax burdens have protected investment in higher education." Today, productivity levels are 10% higher in U.S. peer states than in Ontario.

While operating grants to Ontario universities grew between 2000 and 2003, the increase has primarily been due to allocations made under targeted programs such as the Fair Funding Grant,<sup>1</sup> the Accessibility Fund,<sup>2</sup> the Teacher Education Expansion grant and the Access to Opportunities Program (ATOP).<sup>3</sup> A new Performance Fund, created in 2000, also accounts for a portion of the increase. This fund makes provision for supplemental grants to universities on the basis of performance indicators, such as graduate employment rates.

**The fiscal reality for Ontario universities is that the per-student operating grant has fallen by 25% (in constant dollars) over the last 10 years.** As operating grants have declined, base operating costs and student enrolments have increased significantly.

### The Impact of Shrinking Operating Grants on Quality and Productivity

The targeted funding initiatives of recent years have contributed to university productivity in some areas, but they have not compensated for the effects of a decade of base funding shortfalls on the total institutional fabric.

Indeed, many of the enrolment-driven funding programs of the past half-decade have diverted scarce university resources away from other spending priorities. SuperBuild, for example, has supported a much-needed boom in new facilities' construction to provide spaces for the double cohort, but the cost of equipping, staffing and maintaining these new buildings limits the dollars available for investment elsewhere. Many academic programs remain seriously under-resourced. Faculty and staff complements, though growing, are still too low relative to student numbers; and basic facilities' maintenance is over \$1.4 billion in arrears.

Over the past decade, Ontario universities have taken major steps to cut costs while striving to preserve quality by reducing personnel and introducing administrative efficiencies locally and system-wide. Their resourcefulness and fiduciary responsibility in this regard were lauded by the government-appointed Investing in Students Task Force in its comprehensive analysis of the sector in 2001. Ontario universities have become leaner institutions, but not without cost to students. Students feel the impact of this austerity in every dimension of their learning experience, from the breadth of their program choices to the physical condition of their campus; from the state of their labs and libraries to the availability of the critical support services that aid in student retention and success.

To fulfil their public mandates, universities have had to rely more heavily on non-public sources of income. The boards and staff of Ontario's universities have worked hard to increase their non-government revenues, and donations from private giving and private partnership have doubled since the beginning of the 1990s. Private investors, however, rarely if ever direct their support toward base operating expenditures. Thus, despite these added revenues, most universities are still introducing cost-cutting measures on top of those implemented during the cutbacks and retrenchment of the 1990s to meet their basic spending commitments.

<sup>1</sup> The Fair Funding Grant was established in spring 1998 as a permanent mechanism for ensuring that the basic revenue (grants plus tuition fees) for students in comparable programs is the same for all universities in Ontario. Eleven universities and the Ontario College of Art & Design share in the grant.

<sup>2</sup> The multi-year Accessibility Fund was established in 2001 to provide full funding for every newly enrolled student through to 2003-2004. The fund was augmented in 2002 and 2003 based on upwardly revised enrolment projections.

<sup>3</sup> ATOP was a multi-year grant implemented in 1998-1999 to double postsecondary student intake in high-demand computer science and engineering programs by 2004-2005.

*“Our review of Ontario’s investment in education shows that we under-invest relative to our peer group and that this under investment is more pronounced as we move through the educational system.... If Ontarians do not break out of this pattern and continue to be out invested by our peer group, we run the risk of falling further and further behind – to the point where we cannot catch up and be competitive.”*

– Ontario Task Force on Competitiveness, Productivity and Economic Progress

#### **Funding Policies on Hold in 2004**

In 2003, the Ontario government established a four-year Quality Assurance Fund to provide the postsecondary sector with urgently needed monies for investment in faculty hiring, new learning resources, equipment upgrades and student services. The universities’ allocation was \$75 million for 2003-2004, and was earmarked to rise annually to reach \$200 million by 2006-2007. However, the Quality Assurance Fund was not increased in the 2004 Budget, pending the completion of the government’s newly commissioned review of higher education in Ontario that is expected to lead to the formulation of a sustainable funding framework for the province’s postsecondary sector. The review, to be conducted by former Ontario Premier Bob Rae, is scheduled to submit its report by early 2005.

In the interim, universities will receive funding for enrolment growth and compensation for a substantial portion of the revenue shortfalls arising from the government’s implementation of a two-year tuition freeze. The lack of certainty as to how these monies will be incorporated into a longer-term funding framework, however, severely limits the universities’ ability to plan effectively for the future.

It is only through adequate, stable operating revenues that universities can increase their productivity year over year. Ontario universities are confident that the findings of the Rae review will show conclusively that **a meaningful increase to provincial funding is Ontario’s best strategy for enhancing the productivity of its university sector in support of provincial prosperity goals.**

*Investments that enhance university productivity increase the productivity gains for Ontario.*

## Investment Priorities for the Next Phase of Enrolment Growth

**I**nvestments in university productivity are investments in the productivity of Ontario. They fund a future in which an ever-higher percentage of citizens will have the advanced knowledge and skills to generate more prosperity for the province.

To secure these gains, Ontario needs to foster the productivity of its universities through long-range investment planning. The productivity of universities is measured by the extent to which they add value to human capital and increase society's capacity for innovation.

Productivity enhancements can be achieved through an investment strategy that:

- Ensures that an Ontario university education matches or exceeds peer jurisdictions in quality.
- Doubles Ontario's master's and PhD production rates.
- Increases the return on investment in university research.
- Encourages students to invest in higher education.

*“Productivity is the only element that can improve in the short-run and grow indefinitely. This can be achieved if our attitudes towards competitiveness, our investments, our motivations to work and hire, and our market and institutional structures rally together to lead to the innovation and upgrading that will raise our productivity to peer group levels and eliminate the prosperity gap.”*

– Ontario Task Force on Competitiveness, Productivity and Economic Progress

## MATCHING OR EXCEEDING PEER JURISDICTIONS IN QUALITY

A high-quality university education prepares students to contribute their full capabilities to our economy and society. While quality is undoubtedly costly, it also produces lasting value by creating a more productive, innovative workforce. Under-investment in learning quality represents a missed opportunity to increase Ontario's wealth.

Internationally recognized benchmarks of quality in higher education include top-calibre professors, skilled support staff, up-to-date classrooms, labs and libraries, and a comprehensive range of program choices. Strong student services and a safe, functional campus are also seen as crucial factors in fostering students' academic success. Public opinion surveys show that an overwhelming majority of Ontarians consider these components to be the bedrock of a quality learning experience.

The infrastructure that supports learning quality is in constant need of renewal. Sufficient, stable operating grants enable individual universities to upgrade incrementally as budgets permit, on a schedule dictated by their academic priorities. When there is insufficient funding for ongoing renewal, however, the infrastructure deteriorates with shocking speed; and costs that were once containable become exponentially higher.

Sound public policy dictates that Ontario should not allow the quality infrastructure of its universities to deteriorate again. Over the long run, it is not only more fruitful but also more cost-efficient to fund the universities at a level that sustains quality year over year.

- *In the absence of operating grant increases, universities looked to the multi-year Quality Assurance Fund (established in 2003) as a source of urgently needed dollars for reinvestment in faculty hiring, new learning resources, equipment upgrades and student services. The 2004 Budget did not provide for an increase in this fund, as anticipated in the previous year's budget announcement, nor was the operating grant increased. Universities are awaiting the outcome of the government-commissioned postsecondary education review, which is charged with the task of recommending a sustainable funding framework for the province's postsecondary sector. It is expected that the proposed framework will include a reliable funding mechanism for maintaining learning quality at Ontario universities.*

### **Priority: Faculty Recruitment**

The foundation of learning quality is the presence of top-calibre faculty in balanced ratio to student numbers. Faculty-student interaction tops the list of international benchmarks for quality in education, outranking every other factor.

Between 1992 and 2002, while student enrolment climbed by 14%, the number of faculty at Ontario universities declined by 9%. Ontario's student-faculty ratio became the highest (that is, most negatively disproportionate) in Canada, rising from 19-1 to 24-1 during the decade. Measured against peer jurisdictions in the U.S. in the late 1990s, Ontario's student-faculty ratio was found to be 36% higher than the group average of 170 peer institutions. High student-faculty ratios translate into a diminished learning experience, with professors teaching larger classes and having less time to spend with individual students.

Hiring additional faculty represents a long-term financial commitment for universities and can only be undertaken in a stable funding environment. Recent provincial funding top-ups have given the universities the margin of confidence to begin modest recruitment programs. However, attracting and retaining top-calibre professors is

extremely challenging at a time when universities throughout North America are also renewing their faculty complements. Ontario faces strong competition from other jurisdictions that offer better financial incentives, better working conditions and superior research infrastructure.

- ▶ *Bringing Ontario's ratio down to the U.S. reference group average would require the addition of approximately 5,000 faculty positions, paid for through an increase in the annual provincial operating grant of approximately \$525 million. Operating grant increases should be allocated in a manner that corrects the grant inequity associated with the "unfunded students" in many Ontario universities.*

### **Priority: Renewal of Aging Campus Facilities**

Universities are hard pressed to maintain the safety, cleanliness and functionality of their campuses. According to the most recent triennial, province-wide inventory of campus physical facilities (which was undertaken in November 2001 and whose summary report was published in January 2003), the average university building is 33 years old and in need of major repairs. Many buildings need to be modernized, since most were constructed before the age of information technology and were not configured to support an IT infrastructure. Most laboratories are outmoded and some are obsolete. Space demands are growing along with student numbers, while higher usage of campus facilities is increasing the overall wear and tear on the universities' physical plant.

The 2003 condition audit of university facilities found that the estimated current replacement value of the sector's capital stock is \$10.6 billion and the estimated deferred maintenance is \$1.1 billion (\$1.4 billion when adaptation and renewal renovations are included). Currently, the provincial government is providing \$27 million per year, which represents 17% of funds required for basic "status quo" maintenance and just 12% of funds required for appropriate modernization.

- ▶ *Well over \$200 million per year of additional investment is the minimal requirement simply to prevent further deterioration. Good progress could be made if the existing Facilities Renewal Fund were increased from \$27 million annually, as soon as fiscally possible.*

## DOUBLING GRADUATE PRODUCTION RATES

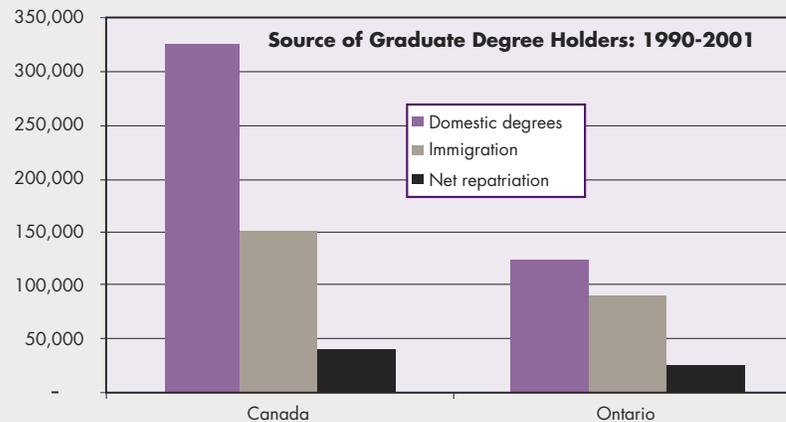
Canada-wide, labour market demand for graduates with master's and doctoral degrees is growing as all sectors of the economy strive to increase their innovation, competitiveness and prosperity. Between 1990 and 2002, employment of advanced degree holders increased by 65% – four times faster than the overall rate of growth in the Canadian labour market.

Canadian universities in the aggregate, and Ontario's in particular, are not keeping up with this demand. Since 1990, the Canadian economy has employed many more graduate degree holders than Canada's universities are producing – approximately 200,000 more. The shortfall between market demand for advanced degrees and domestic supply is especially acute in Ontario.

### WORKERS WITH ADVANCED DEGREES

Disparity Between Market Demand and  
Domestic Supply Acute in Ontario

No. of Advanced Degree  
Holders Employed



Source: AUCC. **Note:** Net repatriation is a derived number equal to the difference between employment and the sum of domestic degrees and immigrants with advanced degrees.

Since 1990, the Canadian economy has employed many more graduate degree holders than Canada's universities are producing – approximately 200,000 more. The shortfall between market demand for employees with advanced degrees and domestic supply is particularly acute in Ontario.

The Ontario Task Force on Competitiveness, Productivity and Economic Progress has pointed to under-investment in university education, **particularly at the graduate level**, as a leading contributor to the 10% productivity gap between Ontario and peer states in the U.S. Studies by the Task Force and its research arm, the Institute for Competitiveness & Prosperity, have also determined that fully **21% of Ontario's urban prosperity gap** – the shortfall in GDP per capita in urban areas – is **overwhelmingly attributable to lower levels of graduate degree production**.

### Growth Projections

Ontario students are available and willing to redress this imbalance. Ontario's undergraduate population – already Canada's largest – is growing fast, and research shows that a higher-than-historical proportion of these students are motivated to pursue graduate education.

To respond competitively to market needs, the COU Task Force on Future Requirements for Graduate Education in Ontario estimates that master's and doctoral enrolments at Ontario universities should double (at the minimum) by 2013. (For the full report and recommendations of the COU Task Force, see *Advancing Ontario's Future Through Advanced Degrees* at [www.cou.on.ca](http://www.cou.on.ca).)

	Master's Intakes	PhD Intakes	Total Graduate Enrolments
2002-2003:	11,200	2,300	34,410
2013-2014:	22,000	4,700	64,632

This projection aligns with Canada's federal innovation strategy, which calls for a 5% yearly increase in graduate admissions at Canadian universities throughout the decade. Because Ontario has traditionally contributed more than its population share of graduate degrees, an increase in the range projected by the COU Task Force will be needed to sustain the national growth targets.

Even with such a dramatic increase in enrolments, however, Ontario will still trail the U.S. in the production of the advanced degrees that are wanted and needed in today's knowledge economy. Ontario's projected enrolments for 2013-2014 are still substantially below, or just at par with, U.S. graduate production rates *in 1997*. Given the likelihood that U.S. production rates will continue to rise during the next 10 years, even a 100% increase in Ontario's production falls short of what is needed to eliminate the gap.

- *Thus far, the only limitation on meeting the market demand for advanced education has been the capacity of Ontario universities to accommodate more graduate students. Now, a growing number of universities are in a better position to expand their graduate enrolments. COU calls on the provincial government to establish the 10-year goal of doubling graduate enrolments, move immediately to full funding for graduate enrolments, and begin developing a detailed plan for increasing graduate enrolments in the next five years. It is further recommended that the province work with governments and universities Canada-wide to develop a joint framework for increasing graduate enrolments to meet Ontario and national requirements.*

## INCREASING THE RETURN ON INVESTMENT IN UNIVERSITY RESEARCH

Canada depends more on universities as a source of research and innovation than any other G7 country. Universities performed 29.5% of Canada's R&D in 2000, as compared to 13.9% in the U.S. Upwards of 40% of Canada's university-based research is performed in Ontario.

The differentiation of research missions across Ontario's universities, based on their institutional strengths and regional ties, creates a highly diversified base for provincial innovation. Ontario universities are conducting some of the most competitive research in the world in fields such as medicine and health care, biotechnology, automotive technology, computing and telecommunications technology, environment, energy management, agriculture and entertainment media. Ontario university research:

- Attracts investment dollars to the province.
- Stimulates regional economies and generates economic growth and job creation province-wide.
- Creates new products and processes.
- Improves quality of life and health for Ontarians.
- Contributes to social development and creative endeavours.
- Contributes to the training of graduate and undergraduate students, developing new generations of first-rate knowledge workers, scholars, researchers and innovators.

In recent years, the provincial government has demonstrated an increasing awareness of the economic importance of university-based research. Initiatives such as the Ontario Research and Development Challenge Fund, the Ontario Innovation Trust, the Research Performance Fund and the Premier's Research Excellence Awards have infused more than \$800 million into Ontario university research activities since 1998. Since 1997, the federal government has also substantially increased its research funding and introduced several new funding programs, including the Canada Foundation for Innovation, the Canada Research Chairs program, the Canada Graduate Scholarships Program and the Indirect Costs program.

To build on the successes generated by these excellent initiatives, COU recommends that the province:

- *Work with Ontario universities to develop a strategy for provincial university research that identifies objectives and articulates a funding framework for achieving them. The Ontario Council on University Research (OCUR) has published a position paper on the essential elements of such a strategy (available at [www.cou.on.ca](http://www.cou.on.ca)).*
- *Reinforce investments within a long-term funding framework. Ontario's share of federal research funding has been consistently low over the past decade, never exceeding 38%. This share is below Ontario's share of the national GDP, which has hovered around the 42% mark in recent years. An effective research strategy will increase the universities' share of federal research funds to a level where they match or exceed the provincial share of GDP, and ensure that Ontario can maximize federal investments in research infrastructure.*

*Ed. Note:* Under the series title *A Sampling of Success Stories*, COU has released three publications (2002, 2003, 2004) that highlight federally and provincially supported research at Ontario universities. The publications are available at [www.cou.on.ca](http://www.cou.on.ca).

## ENCOURAGING STUDENTS TO INVEST IN HIGHER EDUCATION

Robust student assistance programs are key to helping Ontarians make the personal and ultimately social decision to invest in a university education. Progressive assistance programs equalize opportunity across all income sectors by ensuring that no qualified student is denied access to the program of his or her choice for financial reasons.

### The University Applicant Pool Is Broadening

Demand for university access is growing among students at all income levels. A study by Acumen Research Group Inc., profiling changes in the financial status of Ontario university applicants from 1994 to 2001, shows that the number of applicants from the lower end of the family income scale (less than \$30,000) has been increasing. A recent Statistics Canada study also shows that the gap in postsecondary participation levels between students from low- and high-income families has narrowed over the past decade.

The broadening of the applicant pool means that, in future, more Ontarians from all economic backgrounds will be enjoying better employment opportunities and higher incomes. The trend may be due in part to the effectiveness of student assistance programs such as the Ontario Student Opportunity Trust Fund (OSOTF), the Tuition Set-Aside, Aiming for the Top scholarships, the Ontario Work-Study Program and the Millennium Scholarships.

### Student Financial Assistance Programs Need Refocusing

Overall, however, Ontario policy on student financial assistance since the mid-1990s has leaned toward greater emphasis on loans, stricter eligibility requirements that create a more onerous burden for middle-income families, and much greater reliance on university-based programs funded through private donations and investment income. Ontario universities continue the practice established in 1997-1998 of setting aside 30% of revenues from tuition fee increases for student financial assistance. Between 1990-1991 and 2002-2003, university expenditures on scholarships and bursaries increased by 657% – from \$58.6 million to \$385 million. During the same period, these expenditures as a percentage of total operating expenses increased from 2.4% to 9.9%, respectively.

Recent years have also seen increased pressure on universities to provide Ontario Student Assistance Plan (OSAP) services that were previously the responsibility of government.

Some of these changes have resulted in improved services to students. OSOTF, for example, gave a huge boost to university fundraising efforts in support of student assistance by providing matching public dollars for every dollar raised in private contributions. The 2003 Budget committed \$400 million to introduce a second phase of OSOTF that is expected to assist some 400,000 college and university students over the next decade. The 2004 Budget announced several improvements to OSAP, including a \$20.9-million enhancement to the program in 2004-2005 and increased access to student loans through eligibility reforms that better harmonize the Ontario and Canada student assistance programs.

But the policy shift has also added to the system's complexity and the debt load borne by students. To ensure that repayment debts do not become a deterrent to prospective students, to the detriment of future provincial prosperity, Ontario's refocused student assistance strategy should:

- *Provide students with access to unsubsidized government-sponsored loans.*
- *Provide interest relief on loans on a graduated basis rather than the current all-or-nothing approach, so that individuals who are unable to make full payments could make partial payments to cover the interest costs.*
- *Ensure that all interest costs on all student loans are tax-deductible, regardless of the source of the loan.*

## CONCLUSION

In the winter of 2004, the Premier of Ontario invited public debate on the values and principles that should guide provincial spending decisions over the next four years. Based on its election mandate, the government put five major priorities before the people of Ontario and asked them to determine, collectively, how they could best be achieved within a fiscally sound framework. These priorities encompassed student achievement, health, economic growth and innovation, quality of life at the community level, and citizen engagement in democratic processes.

Ontario universities are central to the achievement of all five priorities, endorsed by the people of this province as reflecting their common core values. The achievement of each and every one will be fuelled by, even fundamentally dependent on, the excellence of our universities. Nowhere but in our universities do we have such consolidated resources – of knowledge, skills, technology, vision and will – for developing our human capital and advancing the public good.

Ontario's young people, attuned as they are to the future, clearly recognize this. The percentage of our youth population with university aspirations is growing at a rate that far exceeds historical norms. But it is not only the young who place a premium on university education. The enrolment surge that is now underway at Ontario universities encompasses citizens of all ages, all income strata, all cultural backgrounds, all fields and professions. Ontario universities are Ontario in microcosm.

Ontario citizens have asked the government to “use their money wisely” and “make the right choices for their children and their grandchildren” in spending and policy development (*Citizen's Dialogue on the Ontario Budget Strategy 2004-2008*).

Ontario's future is being written today on the campuses of its universities. If we are truly committed to building a stronger economy and a stronger society, then our investment choices are clear. A strong Ontario needs strong universities.

### OPPOSITE

*Ontario universities joined the Budget Town Hall 2004 debate on provincial spending priorities with a public awareness initiative (via newspaper and radio advertising) whose theme was “A Strong Ontario Needs Strong Universities.” An abridged version of the print ad is reproduced opposite.*

*The full-text version as published in the Globe and Mail, as well as the radio spots, are available for downloading at [www.cou.on.ca](http://www.cou.on.ca).*

# #1 IN AMBITION. #10 IN UNIVERSITY FUNDING. ONTARIO, IT'S TIME TO LOOK AT THE NUMBERS.

The people of Ontario have been asked to take part in an important dialogue about ways our province can ensure its continued strength, growth, and quality of life. As a result, ambitious goals are being proposed.

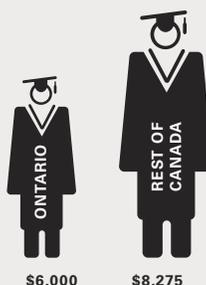
The universities of Ontario are adding our voice with an essential message: Ontario needs strong universities to achieve its goals. **But since our per student funding is the lowest of all Canadian provinces, and 40% lower than at public universities in the United States, Ontario is unlikely to meet those goals.**

The government has proposed five priorities. Why are strong universities crucial to helping Ontario meet them?

**Priority #1: Better student achievement.** The future of Ontario is in its classrooms right now, and Ontario's universities are at every blackboard and lesson — teaching the teachers, shaping curriculums, and developing new learning processes. The success of young Ontarians is tied to improving their educational achievement, and to providing them with the best opportunities to learn.

**Priority #2: Healthier Ontarians in a healthier Ontario.** Less waiting time for care. Better family access to primary care. A more active population. Our response? Ontario's universities send countless professionals into its health care institutions each year. Alongside government and health care professionals, we tackle health care challenges. And we conduct leading-edge research into everything from genetics to fitness. A healthy Ontario can't have anemic universities.

**Priority #3: Better workers for better jobs in an innovative economy.** Ontario's universities fuel the science and technology that grow into new industries, the business practices that boost



Ontario's operating grants per student to its universities are the lowest in Canada, and have declined by 25% per student over the last 10 years.

productivity, and the workforce that's ready for the knowledge economy. And right now, that workforce has 10% fewer workers with university degrees than the United States. Investing in Ontario universities is a direct investment in our economic growth.

**Priority #4: Safe and vital communities that offer Ontarians a higher quality of life.** We're teaching Ontario's future planners, environmental experts and engineers — to name but a few. Our research leads to safer water and safer streets, cleaner energy and cleaner skies, and better planning for communities. And we share ideas and innovations that help make this great province great for us all.

**Priority #5: More active citizens contributing to a stronger democracy.** The ideas that thrive in Ontario's universities inspire the minds that go on to strengthen its communities, institutions and democracy. A strong Ontario needs informed citizens who can engage in their communities and in the processes that make Ontario better. Strengthen our universities, and we strengthen citizenship.

**A**mbitious goals, absolutely. They'll make for challenging years ahead. But so will this: during this decade, Ontario university enrolments are projected to rise by up to 40%. And in four years, Ontario's double cohort students will make an unprecedented demand for graduate education — for precisely the kind of expertise our knowledge economy will need to compete and prosper. These students deserve the same chance as those who came before them to realize their dreams.

**Ontario cannot continue with the lowest university funding in Canada.** Too much is at stake — for our students, our communities, and the very future of our province. Ontario must invest for tomorrow. Ontario must invest in its universities.

## A STRONG ONTARIO NEEDS STRONG UNIVERSITIES.

Brock University • Carleton University • University of Guelph • Lakehead University • Laurentian University • McMaster University  
Nipissing University • University of Ottawa • University of Ontario Institute of Technology • Queen's University • Ryerson University  
University of Toronto • Trent University • University of Waterloo • University of Western Ontario • Wilfrid Laurier University  
University of Windsor • York University    **Associates:** Ontario College of Art & Design • Royal Military College

# COUNCIL

the work of

## ACTIVITY HIGHLIGHTS

JULY 1, 2002 to JUNE 30, 2004

**T**he Council of Ontario Universities (COU) represents the collective interests of Ontario's universities, plus the Ontario College of Art & Design and the Royal Military College of Canada. Through COU, member and associate-member institutions work to improve the quality and accessibility of higher education in Ontario and to strengthen understanding within the sector, related interest groups, the provincial government and the public.

COU achieves its goals through *advocacy* (advancing the cause of higher education both publicly and with the provincial government); *self-management* (providing common services, promoting best practices, undertaking quality appraisals and occasionally dealing with issues of resource allocation among member institutions); and providing *advice to government* (often through jointly staffed committees).

These roles are mutually reinforcing, and all three rely on a common base of excellent data and analysis, as the many and diverse activities of Council serve to illustrate.

# Public Policy Initiatives

## **Task Force to Define, Develop Financing Strategies for University Quality**

In 2003, COU established the Quality and Financing Task Force to define university quality and develop recommendations on how to effectively enhance and finance it. Chaired by McMaster University President Peter George, the Task Force has been reviewing the experience in Ontario and other jurisdictions, specifically examining the following issues:

- the measures currently being undertaken in Ontario universities to improve quality;
- how quality can be enhanced using existing resources;
- the indicators that will demonstrate improvements in quality;
- the benchmarks on quality to be reached by the system and the additional resources required to meet those benchmarks;
- the appropriate contribution required from all partners (universities, governments, students and donors) to achieve this target; and
- the most effective student assistance program to enable students to make the appropriate contribution while ensuring that they are not denied access for financial reasons.

The Task Force's deliberations, which will continue into the summer of 2004, will help to shape COU's recommendations on the optimum funding and student financing system for consideration in the government's postsecondary education review that was announced in the 2004 Budget.

## **Working Group on Ontarians with Disabilities Act Develops Guidelines**

The Ontarians with Disabilities Act, 2001 requires that the province, municipalities and the broader public sector make their buildings, programs and services more accessible to persons with disabilities. They must prepare annual plans that address the "identification, removal and prevention of barriers to persons with disabilities in the organization's by-laws, if any, and in its policies, programs, practices and services."

Ontario universities, through the COU Working Group on Ontarians with Disabilities Act, assessed the new law's implications and developed *Guidelines for the University Sector*, a series of steps that a university may undertake in developing an accessibility plan. According to the guidelines, which were produced in October 2002 and posted on COU's web site ([www.cou.on.ca](http://www.cou.on.ca)), universities would not be required to identify nor remove all barriers at the same time, and each institution would have the flexibility to set its own priorities. These provisos are important, given that the government provided no new funding to implement the act.

Ontario universities, however, were already well advanced in ensuring that persons with disabilities had access to educational opportunities. By September 30, 2003, all universities had submitted their mandated accessibility plans and posted them on their respective web sites.

## **Guide to Privacy of Personal Information Legislation Produced for Universities**

The federal Personal Information Protection and Electronic Documents Act (PIPEDA) deals with how organizations collect, use and disclose personal information in the course of conducting commercial activities. Prior to January 1, 2004 – when PIPEDA became the ruling law in all provinces without similar legislation, which currently includes Ontario – COU, in conjunction with the Association of Universities and Colleges of Canada, engaged the legal firm Hicks Morley to assess if the new legislation would apply to universities and, if so, the scope of its application. A general guide about the application and scope of PIPEDA was produced by Hicks Morley for universities to use in informing their stakeholders about the pertinent issues related to the legislation. COU circulated the guide to all members in September 2003 so that they could tailor it to suit their particular circumstances.

# New Directions

## **Task Force on Student Interuniversity Athletics Established**

The Task Force on Student Interuniversity Athletics was established in 2002 to examine common sports issues including awards for student athletes among Ontario University Athletics (OUA) institutions. Reporting to the Ontario Commission on Interuniversity Athletics and chaired by Dr. William Leggett, Principal of Queen's University, the Task Force considered factors that affect the competitive strengths of OUA teams and reviewed best practices in other jurisdictions. After developing a statement of principles governing student involvement in interuniversity athletics, the Task Force consulted a wide group of stakeholders, including university athletic directors, student athletes and interested external parties, and found a strong consensus for its statement. Its report was presented to Council in May 2003.

## **OPAS Acquires \$1.2 Million in Funding for New e-Learning Project**

As part of its commitment to improving the quality and quantity of online learning resources in Ontario, the Office for Partnerships for Advanced Skills (OPAS) and its project team – two private-sector and four postsecondary institutional partners – acquired funding in early 2003 to support the development of the Collaborative Content Creation Lab. The project examined the structural barriers (such as limited time, skills and tools) that college and university faculty face in creating e-learning content; as a result, it produced a practical, network-enabled e-learning content authoring system in tune with their needs. Dimensions of the project included software development, creation of an online course on collaboration and evaluation of several pilot projects.

The OPAS-led project, which officially began the previous December, had been approved in 2002 by CANARIE, a not-for-profit corporation that provides funds for advanced Internet application projects. Of the total project funding of \$1.2 million, CANARIE's e-Learning program provided half. The project concluded in March 2004 with the creation of software that

facilitates collaborative development of online learning content by faculty in different locations.

## **Curriculum Integrating Gender and Health Underway**

In 2002, the Ontario Women's Health Council (WHC) funded the Gender in Medical Education project, an initiative to develop a collaborative, web-enabled medical curriculum that integrates gender and health.

Phase I of the project, the needs assessment and plan development, was completed by the Undergraduate Education and Gender Issues committees of the Council of Ontario Faculties of Medicine. The *Phase I Final Report, Gender in Medical Education: A Collaborative Curriculum Project* is posted on the web site of COU's Office of Health Sciences ([www.cou.on.ca/health/welcome.html](http://www.cou.on.ca/health/welcome.html)). The WHC approved an additional \$629,000 for Phases II and III of the project, which saw the development and implementation of a gender and health curriculum over a two-year period (Phase II). Phase III, the evaluation stage, began in July 2003 and is scheduled for completion in summer 2005. All Ontario medical schools will have access to this integrated curriculum.

## **Health-Related Projects Receive Over \$2.4 Million in Ministry Funding; Government Establishes \$10-Million Nursing Faculty Fund**

► In April 2003, COU was awarded one-time funding totalling over \$1.1 million by the Ontario Ministry of Health and Long-Term Care in support of three key health areas:

**ESTABLISHING A NEW IMG CLEARINGHOUSE:** Following the government's 2002 announcement on new international medical graduate (IMG) initiatives to address physician shortages in the province, COU received approximately \$540,000 to establish the new Ontario IMG Clearinghouse. Two existing programs – the Ontario IMG Program and the Assessment Program for IMGs – were amalgamated under the new Clearinghouse, whose mandate is to provide access to professional practice in Ontario for IMGs who meet provincial qualifying standards. To

carry out these initiatives, COU's Office of Health Sciences continues to work closely with university medical schools, physician organizations and health services providers.

The program changed its name to IMG – ONTARIO in June 2004 and relocated its office to 700 Bay Street, Suite 200, Box 332, Toronto, Ontario M5G 1Z6. The web address ([www.oimgc.utoronto.ca](http://www.oimgc.utoronto.ca)) remains the same.

**SUPPORTING FAMILY MEDICINE PROJECTS:** The Council of Ontario Faculties of Medicine received approximately \$460,000 to support a number of one-time projects undertaken to define the underlying issues related to family medicine and to improve recruitment and retention. The projects included a study of medical career choices; the development of recruitment tools and promotional materials; initiating retreats between family medicine departments and academic faculty to better integrate family medicine into the undergraduate curriculum; and an international literature review.

**SHORING UP REHABILITATION SCIENCES CLINICAL EDUCATION:** The Ontario Council of University Programs in Rehabilitation Sciences received over \$110,000 in funding support for projects addressing concerns about the current and future state of rehabilitation sciences clinical education in Ontario. The projects included information and data collection, identifying solutions and strategies, and evaluation of strategies.

► In 2003 and 2004, the Council of Ontario University Programs in Nursing (COUPN) received more than \$1.3 million over two instalments as part of a multi-year, \$2-million Ministry funding commitment:

**NURSING EDUCATION AND CLINICAL EDUCATION PROJECTS:** The 2004 funds (approximately \$900,000) will be directed to establishing projects that promote innovation in nursing education to prepare practitioners for the changing health care system, and increasing access to clinical education for nursing students and continuing education for working nurses and primary care nurse practitioners.

These projects will focus on summer externship programs; development of clinical placement databases; evaluation of the COUPN Primary Health Care Nurse Practitioner (PHCNP) education program; development of PHCNP continuing education; and flexible scheduling of educational opportunities.

► In the 2004 Budget, the government announced a new, \$10-million funding commitment to increase Ontario's complement of nursing faculty with advanced degree qualifications:

**NURSING FACULTY FUND:** This four-year initiative will increase the number of postgraduate-level nurses needed to fill key faculty positions in schools of nursing at colleges and universities. The investment will fund spaces for a 30% enrolment increase in master's and PhD nursing programs and provide for tuition reimbursement.

# Studies, Surveys and Special Publications

## **Index Tracks Rising Inflation Rates in University Sector**

The results of COU's recent update to the *Ontario Universities Non-Salary Price Index*, which tracks the effect of inflation (excluding salaries) in the Ontario university system, shows that inflation within the sector rose from 4.3% in 1999-2000 to 6.0% in 2000-2001. The increase was largely due to rising costs for utilities and library materials. The index, revised for the first time since 1993, was incorporated into COU's *Resource Document* and is available online at [www.cou.on.ca](http://www.cou.on.ca).

## **Inventory of Universities' Physical Facilities Shows Aging Buildings, Space Shortages**

In January 2003, the Standing Committee on Space Standards and Reporting completed its triennial report, *Inventory of Physical Facilities of Ontario Universities 2001-02*. The report provides data by institution on 20 categories of actual and generated space (based on COU space standards) as of November 1, 2001.

The findings show that the average age of university buildings in 2001 was 33 years. It is generally recognized that major building components need to be renewed at 30 years.

The report also notes that, while full-time equivalent enrolment had increased by 11% since the 1998-1999 report, the inventory of physical space had increased by only 2.5%. These two factors contributed to the decline of the total Actual Inventory/Generated Space ratio from 86.0% in 1998-1999 to 78.2% in 2001-2002. This ratio, however, is expected to improve as the universities' SuperBuild-funded facilities are completed and occupied.

The report can be found online at [www.cou.on.ca](http://www.cou.on.ca).

## **Two New Volumes of University Research Success Stories Published**

The Ontario Council on University Research (OCUR), in association with COU, published two more volumes in its *Success Stories* series highlighting government-supported research at Ontario universities. The most recent editions show case federally funded research (2003) and research that is being conducted with joint investment by the federal and provin-

cial governments (2004). The first volume, published in 2002, focuses on provincially funded research.

The publications offer capsule highlights of innovative research that is underway across the disciplines at Ontario universities thanks to such provincial programs as the Ontario Innovation Trust, the Ontario Research and Development Challenge Fund, the Premier's Research Excellence Awards, and the Ontario Centres of Excellence; and such federal programs and funding agencies as the Canada Foundation for Innovation, the Canada Research Chairs (CRC) program, the Networks of Centres of Excellence, the Natural Sciences and Engineering Research Council, the Canadian Institutes of Health Research, and the Social Sciences and Humanities Research Council.

The case profiles clearly demonstrate that Canada is well rewarded for its generous support of Ontario university research, which is advancing knowledge and producing beneficial outcomes in science, technology, medicine and health, the environment, the social sciences, the arts and the humanities.

Published under the banner title *A Sampling of Success Stories*, the series is available online at [www.cou.on.ca](http://www.cou.on.ca).

## **Survey Finds No Significant Differences Between Graduates of Old and New Secondary School Curriculum**

For the second consecutive year, COU and its member institutions participated in the University Applicant Survey (UAS) to acquire insight into the behaviours and attitudes of applicants to first-year undergraduate study at Ontario universities. The primary purpose of the survey was to understand the factors that influence an applicant's choice of institution, so that universities can better meet the information and service needs of incoming students.

Originally planned as a biennial survey when it was introduced in 2002, the UAS was conducted again in 2003 to capture information on the unique traits of double cohort students. Results showed that there were no significant differences between old and new curriculum students regarding academic characteristics, university perceptions, Internet and web usage, and demographics.

Advice on the content and administration of the 2003 survey was provided by a steering committee made up of representatives from a number of Ontario universities and Acumen Research Group. The latter organization conducted both surveys.

Highlights of the 2003 survey results are posted at [www.cou.on.ca](http://www.cou.on.ca).

### **Study Clarifies How Ontarians Measure “Quality” in University Education**

In February 2003, EKOS Research Associates published a report on the second phase of COU-commissioned research on public perceptions of quality in Ontario universities. The study builds on earlier findings from COU’s participation in EKOS’s *Rethinking Government* study (undertaken in late summer 2001) that established a number of benchmarks for measuring public perceptions of quality.

The 2003 study examines Ontarians’ views on what constitutes quality in university education from several perspectives, including the linkages between quality and other issues such as enrolments, funding and access. Findings are summarized under four categories: Broad Perceptions, Perceptions of Quality, Meeting the Enrolment Challenge and Funding.

The study’s overall findings provide strong support for COU’s quality agenda. According to most Ontarians, ensuring the availability of sufficient classroom space is not enough to meet the enrolment challenge. A high-quality university system must be maintained and, in the view of the vast majority, increased public funding will be required to do so.

Telephone interviews with a random sample of 1,307 Ontario residents who are age 16 and older provided the data. The report, *Public Perceptions on Quality*, can be found at [www.cou.on.ca](http://www.cou.on.ca).

### **Futures Task Force Suggests Five Goals as Key to Improving University Education in Ontario**

The Task Force on the Future of the Publicly Assisted Universities in the Ontario Postsecondary System was established to develop the position of Ontario’s universities within the postsecondary system. Following discussions over several meetings, the Futures Task Force produced a report on goals for the university system

in Ontario and associated building blocks. Following approval by Council, the report was converted into a brochure, entitled *University Education in Ontario – Shared Goals & Building Blocks*, and was widely distributed in September 2003.

The brochure suggests five goals that are likely to be shared by the people of Ontario, their government and the province’s publicly funded universities for a strong university system. It also identifies the building blocks and resource-related commitments that would enable Ontario universities to achieve these goals: improving student financial assistance; hiring adequate numbers of first-rate faculty and staff; sustaining support for research; funding the expansion of graduate programs; and expanding and modernizing physical facilities.

The brochure can be found online at [www.cou.on.ca](http://www.cou.on.ca).

### **Fifth, Sixth Surveys Show Ontario University Graduates Enjoy High Employment Rates**

For the fifth and sixth consecutive years, the results of the Ontario University Graduate Survey show that university graduates do exceptionally well at getting jobs. The annual survey, conducted by the Ontario Universities’ Application Centre (OUAC) on behalf of COU under a contract with the Ministry of Training, Colleges and Universities, tracks the employment rate and yearly earnings of Ontario university baccalaureate graduates six months and two years after earning their degree.

The 2002-2003 survey of the Class of 2000 found that:

- Their overall employment rate was 96.1% two years after graduation, and 95.9% six months out.
- Their average annual salary was, respectively, \$42,774 and \$37,191, two years and six months after graduation.

The 2003-2004 survey of the Class of 2001 found that:

- Their overall employment rate was 95.8% two years after graduation, and 93.6% six months out.
- Their average annual salary was, respectively, \$43,296 and \$37,789, two years and six months after graduation.

The survey results closely match Statistics Canada findings, which consistently report that university graduates enjoy the highest employment rates and average personal incomes of graduates from all postsecondary education sectors.

Individual universities posted detailed information on their web sites regarding the placement rates achieved by their own graduates. Highlights of both surveys can be found on COU's web site ([www.cou.on.ca](http://www.cou.on.ca)).

### **Report Calls on Ontario to Double Graduate Enrolments Within 10 Years**

In November 2003, the COU Task Force on Future Requirements for Graduate Education in Ontario released a report, *Advancing Ontario's Future Through Advanced Degrees*, examining the delivery of master's and doctoral programs in today's high-demand market. The Task Force, chaired by University of Western Ontario President Paul Davenport, was established to develop a projection of the probable demand for graduate education over the next decade.

Canada's labour market demand for graduates with master's and doctoral degrees far exceeds the Canadian supply, and this demand continues to grow as all jurisdictions strive to increase their innovation, competitiveness and prosperity. To meet this demand, the Ontario university sector must virtually double its graduate enrolment capacity within 10 years.

The report, available at [www.cou.on.ca](http://www.cou.on.ca), offers a preliminary analysis of the costs associated with such a dramatic increase in the production of advanced degrees. These costs include full funding for some 30,000 additional students, new operating and capital funds to hire professors and build/equip the necessary instructional facilities, and a doubling (at least) of the number of graduate scholarships currently available. The report calls on government to establish the 10-year goal of doubling graduate enrolments at Ontario universities, recommending that it move immediately to ensure full funding for graduate enrolments and begin developing a detailed plan for increasing graduate enrolments in the next five years. (For more discussion see also: "Doubling Graduate Production Rates," page 26.)

### **COU Report Details Infrastructure Requirements of Ontario Universities**

In February 2004, the Ontario government released a discussion paper, *Building a Better Tomorrow*, on the need to improve Ontario's aging public infrastructure and to find more sustainable approaches to financing infrastructural renewal. In response, COU submitted a report, *Ontario Universities' Infrastructure Requirements*, which stresses the increasing importance of higher education to a jurisdiction's prosperity in today's knowledge economy.

The report details the deferred maintenance backlog for the current infrastructure, identifies future infrastructure requirements and presents some financing options. It concludes by emphasizing the key role that strong Ontario universities can play in helping the Ontario government meet the five priorities identified in its Budget Town Hall 2004 consultation process as reflecting Ontarians' common core values and thus providing the value structure for guiding public spending decisions (see page 31). The report can be found online at [www.cou.on.ca](http://www.cou.on.ca).

### **OCIA Athletics Survey Completed in 2004**

By June 2004, the Ontario Commission on Interuniversity Athletics (OCIA) had completed its survey assessing student eligibility for participating in varsity athletics and receiving awards. A summary report based on data from the completed questionnaires was produced, and all survey forms were scrutinized to confirm compliance.

All 17 universities with athletics departments and the Royal Military College participated in the exercise. Typically, some five or six universities are involved annually. However, because an athletics survey had not been conducted for several years, OCIA members agreed to include all institutions in this review. Survey materials were mailed to athletic directors and all completed forms were returned by the deadline of April 30, 2004.

# Noteworthy Events and Activities

## **OPAS Hosts Fourth, Fifth Summer Institute on Learning Technologies**

From August 13 to 15, 2002, the Office for Partnerships for Advanced Skills (OPAS) and its industry partners presented the fourth-annual Summer Institute on Learning Technologies at IBM's new Software Lab in Markham, Ontario. The keynote speaker was Don Tapscott, internationally known speaker and consultant on business strategy and organizational transformation, and the author of several books on the application of technology in business.

The fifth-annual Summer Institute was held in Toronto at the National Film Board of Canada from August 12 to 15, 2003, with Dr. Tony Bates as the keynote speaker. As the University of British Columbia's Director of Distance Education and Technology, Continuing Studies, Dr. Bates is responsible for managing 5,500 student enrolments a year and for the development and delivery of 100 distance education courses.

Both Institutes focused on emerging technologies and new initiatives in the field of technology-enabled learning. Participants from business, government and universities had the opportunity to exchange best practices and identify methods for ongoing sharing, to explore the future of learning technology applications on higher education, and to help shape new joint initiatives.

## **Attendance at Ontario Universities' Fair Continues to Soar**

Every September since 1996, the Standing Committee on Secondary School Liaison, under the auspices of the Ontario Universities Registrars' Association, has hosted the three-day Ontario Universities' Fair as part of the University Information Program.

The sixth (2002) and seventh (2003) fairs drew record-setting attendances of 65,000 and 60,000 respectively. The turnout in 2002 was especially high as double cohort students and their parents swelled the ranks of attendees seeking information and practical tips on education planning. All Ontario universities as well as the Ontario College of Art & Design and the Royal Military College of Canada (and, in 2003, the newly established

University of Ontario Institute of Technology) were represented at the no-charge fairs, held at the Metro Toronto Convention Centre. Admissions, student services, academic and student representatives were on hand at every university booth to answer visitors' questions. Each institution also handed out large volumes of take-away materials in addition to presenting information sessions on their programs, admission requirements and campus life.

## **COU Among Exhibitors at Festival Staged for Queen's Visit to Toronto**

On October 9, 2002, COU participated in the Festival of Ontario, a provincially sponsored showcase of Ontario's diverse sectors organized in honour of the Queen's Golden Jubilee tour of Canada. Some 100 organizations took part in the event, held at Exhibition Place in Toronto, through displays, demonstrations and performances. The COU display focused on growing university enrolments in Ontario and campus expansion projects underway around the province under the SuperBuild program. More than 6,000 guests and exhibitors were on hand to welcome Her Majesty the Queen and His Royal Highness, the Duke of Edinburgh to the festival.

## **Annual David C. Smith Award Presented in 2002, 2003**

The annual David C. Smith Award celebrates the distinguished contributions of the late Dr. Smith to scholarship and policy in higher education. Following the presentation of the award by Dr. Smith's widow (Rev. Mary Smith), each year's recipient is invited to deliver a lecture related to the theme of the award.

The second-annual David C. Smith Award for Significant Contribution to Scholarship and Policy on Higher Education in Canada was presented in 2002 to J. Robert S. Prichard, President and CEO of the Torstar Media Group, former President of the University of Toronto and former Chair of COU. Following the presentation, Mr. Prichard delivered a lecture on the changing policy landscape of postsecondary education.

In 2003, the third David C. Smith Award was presented to Dr. James Downey, immediate Past President of the University of

Waterloo and also former Chair of COU. Dr. Downey's lecture, *Schools Are Us*, is posted at [www.cou.on.ca](http://www.cou.on.ca).

Senior government officials, special guests and members of Council attended both presentations. The inaugural award winner was Dr. David Cameron, Chair of the Department of Political Science at Dalhousie University.

### **OPAS Establishes Awards for Excellence in Teaching with Technology**

In 2002, as part of its ongoing commitment to promoting the use of learning technologies and assisting faculty in gaining competence in teaching with technology, the Office for Partnerships for Advanced Skills (OPAS) created two Awards for Excellence in Teaching with Technology to recognize faculty at Ontario universities who have demonstrated outstanding achievement in using technology to enhance their teaching. The University Award (sponsored by CGI Group Inc.) recognizes a program, course or module designed for university students. The Workplace Award (sponsored by IBM) recognizes an educational product designed specifically for people in the workforce. Each award is valued at \$7,500.

The 2002 recipient of the University Award was Dr. William Ralph of Brock University for his undergraduate course, *Journey Through Calculus*. The Workplace Award was bestowed on Dr. John Burton of the University of Guelph, in partnership with the Office of Open Learning and the Equine Research Centre, for the centre's *Equine Science Certificate Program*.

Recipients in 2003 were Dr. Gordon Wallace, Assistant Professor, Department of Family Medicine, University of Ottawa, for the program *1st and 2nd Year Medical Studies* (University Award); and Dr. Thomas Funk, Director of the MBA program in Agriculture, Department of Agricultural Economics and Business, University of Guelph, for his program *Principles of Relationship Selling* (Workplace Award).

### **MPPs and Researchers Meet to "Bridge the Gap"**

On October 31, 2002, the Ministry of Enterprise, Opportunity and Innovation (now the Ministry of Economic Development and Trade) and the Ontario Council on University Research

(OCUR) hosted a breakfast seminar for MPPs. It was the first in a series of breakfast seminars designed to "bridge the gap" between policy makers and the research community by raising awareness of science and innovation at Ontario universities and the contribution of this activity to provincial prosperity.

Featured guest speaker Deryn Fogg, Associate Professor, Department of Chemistry, University of Ottawa, gave a presentation on her work in the burgeoning field of catalytic chemistry that highlighted the practical applications of basic research. Dr. Fogg also drew upon her personal experience as the recipient of numerous awards and grants (including the Premier's Research Excellence Award, the John C. Polanyi Prize, and funding from both the Ontario Innovation Trust and the Canada Foundation for Innovation) to talk about the positive impact of government support on the university research enterprise.

On June 19, 2003, the second "bridging the gap" seminar featured Kim Vincente, Professor in the Department of Mechanical and Industrial Engineering at the University of Toronto, cross-appointee to the Institute of Biomaterials and Biomedical Engineering and the Department of Computer Science, and Founding Director of the university's Cognitive Engineering Laboratory. Dr. Vincente gave a presentation entitled *The Human Factor: Revolutionizing the Way People Live with Technology*, based on his 2003 award-winning book of the same name.

Both seminars were attended by members of the government caucus, university representatives, interested media and invited guests.

### **CEO of TD Bank Financial Group, Governor of Bank of Canada Receive OPAS Visionary Award**

On November 25, 2002, Charles Baillie, Chair and CEO of TD Bank Financial Group, was presented with the 2002 OPAS Visionary Award at an event held at Queen's University. Mr. Baillie's address, *From Vision to Reality – Our Country, Your Future*, was broadcast via satellite and live webcast to an audience of 3,000 at 22 campuses across Ontario, B.C. and Alberta.

The 2003 recipient of the award was Dr. David A. Dodge, Governor of the Bank of Canada. In his November 17 presentation address, Dr. Dodge discussed his views on the need for greater

economic globalization and the importance of private-public sector collaboration, citing the positive contributions of the Office for Partnerships for Advanced Skills (OPAS) in promoting partnerships between industry and universities. The event, held at Carleton University and hosted by the Eric Sprott School of Business, was broadcast live to 30 universities in nine provinces across Canada.

The annual Visionary Seminar is an OPAS initiative to help Ontario universities to strengthen relationships with local business leaders and showcase their capabilities in addressing the human and intellectual capital needs of Canadian companies. The 2002 and 2003 seminars, both supported by Bell Canada, were the sixth and seventh in the series to date.

Past Visionary Award winners are Mike Lazaridis, President and co-CEO of Research In Motion (RIM); John Cleghorn, then-Chair and CEO of Royal Bank of Canada; John Sheridan, then-President of Bell Ontario; Jean Monty, then-Vice-Chair and CEO of Nortel; and Ted Rogers, CEO of Rogers Communications.

### **Second Dialogue Between COU Health Sciences Affiliates and Government**

On November 29, 2002, representatives of the faculties of nursing, medicine, rehabilitation sciences and pharmacy met for the second consecutive year with senior officials from the ministries of Health and Long-Term Care; Finance; and Training, Colleges and Universities. Building on the 2001 dialogue, the 2002 forum provided an invaluable opportunity for COU's health sciences affiliates and the Ontario ministries to outline their top priorities for a provincial health human resources planning body.

### **COU Hosts Reception for Members of Government Caucus in 2002, 2003**

On December 2, 2002, COU hosted its second-annual reception for members of the Conservative government caucus. Then-Council Chair Mordechai Rozanski and COU President Ian Clark welcomed close to 70 government and university representatives to the event, which featured a display highlighting research and innovation at Ontario universities. The Ontario

Universities' Application Centre (OUAC), which had recently expanded its online capabilities to include a web application system for Ontario secondary school students, gave a demonstration of the online application process – a time-saving option that enabled OUAC to effectively process an unprecedented volume of applications for the fall 2003/double cohort admission cycle.

Members of the new Liberal government caucus were the guests at the third-annual reception on December 2, 2003. Among the attendees welcomed by Council Chair Richard Van Loon and COU President Ian Clark were Mary Anne Chambers, the recently appointed Minister of Training, Colleges and Universities. Display and take-away materials focused on three themes: the need to double graduate enrolments in Ontario, the breadth of university research activity across the province, and higher education in the context of economic competitiveness.

### **Second Round of SuperBuild Proposals Underway in 2002**

On December 17, 2002, the provincial government followed up on its 2002 Budget commitment by announcing that the second round of SuperBuild would create at least 13,000 additional student spaces at postsecondary institutions around the province. The budget had noted the government's intention to seek "the most cost-effective and creative financing proposals to increase the number of student spaces in areas where they are needed." The first round of SuperBuild, launched in February 2000, represented the largest capital investment in Ontario's postsecondary sector in over 30 years, allocating \$891 million to help colleges and universities construct new academic buildings and upgrade teaching facilities to accommodate surging enrolments.

Postsecondary institutions were invited to submit proposals to the Ministry of Training, Colleges and Universities by January 27, 2003. The Ministry received 23 proposals from universities, requesting a combined total of 30,990 spaces and \$316 million in capital support. (These numbers do not include four joint college-university proposals.) On March 27, 2003, the government announced that it would provide funding for some 21,000 new student places at Ontario colleges and universities,

bringing the total number of spaces created under the Super-Build program to 135,000.

### **2003, 2004 OPAS Business Leaders' Forums Feature Ontario Finance Ministers Ecker, Sorbara**

Janet Ecker, then-Minister of Finance, was the featured speaker at the January 24, 2003 Business Leaders' Forum hosted by the Office for Partnerships for Advanced Skills (OPAS). Following an introduction by Carol Stephenson, then-CEO of Lucent Technologies of Canada and new Chair of the OPAS Board of Directors, Minister Ecker presented her address, *Ontario's Role in the Knowledge Economy*. Discussing the state of the Ontario economy and the outlook for the future, Minister Ecker stressed the need for further investment in every level of education to ensure an ongoing supply of highly skilled, qualified workers, as well as for maintaining a financial climate that encourages businesses to invest and expand in Ontario, thereby creating more job opportunities.

Greg Sorbara, Ontario's new Minister of Finance, was the guest speaker at the June 4, 2004 forum. Delivering an address entitled *Education, Knowledge and the Next Generation of Economic Growth in Ontario*, Minister Sorbara affirmed the role of universities in creating and sustaining economic vitality, noting that "it's not just a coincidence that the jurisdictions that have the strongest postsecondary infrastructure also have the best economy." Carol Stephenson, OPAS Board Chair and new Dean of the University of Western Ontario's Richard Ivey School of Business, moderated the informative question-and-answer period that followed. More than 170 guests were in attendance. OPAS also announced a new partnership agreement with the Ontario Chamber of Commerce, which will allow members of the organizations to work together more effectively.

Held at the Toronto Board of Trade, both forums were attended by invited guests from the university community, industry and government.

### **Second-Annual CUCC Forum Scheduled in 2003**

The College-University Consortium Council (CUCC) hosted its second-annual CUCC Forum in Toronto on March 24, 2003.

Bringing together representatives from the university, college and government communities as well as other interested parties, the forum considered future developments regarding credit transfer in Ontario and beyond, and joint college-university learning opportunities.

Featured speakers included Dr. David Livingstone, Head of the Centre for the Study of Education and Work, Ontario Institute for Studies in Education, University of Toronto; Jessica Hill, then-Assistant Deputy Minister of Postsecondary Education, Ministry of Training, Colleges and Universities; and Dr. Donald Baker, Director of Postsecondary Education, Quality Assessment Board.

Following the forum, CUCC co-Chairs Bonnie Patterson, President of Trent University, and Dr. Douglas Auld, President of Loyalist College, hosted a dinner for college and university presidents.

### **New Member of Council: University of Ontario Institute of Technology**

At its meeting on April 25, 2003, Council approved the motion to admit the University of Ontario Institute of Technology (UOIT) as a full member effective July 1, 2003. In becoming COU's 18th member university, UOIT also gained membership in 32 affiliate organizations, which represent wide-ranging university functions common to all institutions and which meet on a regular basis.

### **Federal Research Funding Agencies Represented at 2003, 2004 OCUR Meetings**

On May 15, 2003, the Ontario Council on University Research (OCUR) held its annual meeting in Ottawa to consult with heads of the major federal research funding agencies. Guests were Dr. Marc Renaud, President, Social Sciences and Humanities Research Council; Dr. David Strangway, President, Canada Foundation for Innovation; Dr. Alan Bernstein, President, Canadian Institutes of Health Research; and Mr. Andrei Sulzenko, Senior Assistant Deputy Minister, Policy, Industry Canada. Discussions focused on the need to enhance federal support of university

research, the priorities of each funding council, and the role of Industry Canada in leading the innovation agenda.

Government officials joined with federal granting agency heads in attending OCUR's next annual meeting, again in Ottawa, on April 1, 2004. Government guests were Jean-Claude Villard, then-Deputy Minister, Industry Canada; Tim Stupich, Manager, Science Policy, Industry Canada; and Dr. Tim McTieran, Assistant Deputy Minister, Ontario Ministry of Economic Development and Trade. The federal research funding agencies were represented by Janet Halliwell, Executive Vice-President, Social Sciences and Humanities Research Council; Carmen Charette, Interim President, Canada Foundation for Innovation; and Dr. Mark Bisby, Vice-President, Research, Canadian Institutes of Health Research. Discussions centred on Canada's innovation agenda and plans to enhance research support; the role of the newly appointed Science Advisor to the Prime Minister, Dr. Arthur Carty; and the investment priorities of the funding agencies.

### **Council Hosts International Delegations**

**SEPTEMBER 4, 2003:** COU hosted a working luncheon for a delegation of 16 German university presidents and rectors and three representatives of the New York-based organizing group, the German Academic Exchange Service. Discussions included issues related to federal and provincial legislation, best practices and centralized applications processing.

**OCTOBER 15, 2003:** COU hosted a delegation of approximately 20 senior Chinese university officials. Discussions included research, graduate education and quality issues at Ontario universities, as well as government relations.

**APRIL 8, 2004:** Representatives of COU, the University of Toronto and York University met with six members of the Shanghai Higher Education Delegation, organized by the Shanghai Association of Higher Education. Discussions included regulation and policy, administration and management, undergradu-

ate and graduate program evaluation, international programs, and key issues such as quality in the context of financing and tuition freezes.

**MAY 13, 2004:** Five senior members of the Latvian Rectors' Council met with representatives of COU to discuss such topics as regulation and policy, quality and financing, graduate education and program evaluation.

### **New Minister Meets with Representatives of Council, OPAS**

On November 12, 2003, Executive Heads of Ontario universities welcomed the opportunity for their first group meeting with the new Minister of Training, Colleges and Universities, Mary Anne Chambers. Executive Heads acquainted Minister Chambers with the many implications of growing student numbers, including such issues as tuition offset funding and the universities' capacity to provide access and quality.

On December 8 of the same year, Minister Chambers attended the meeting of the Board of Directors of the Office for Partnerships for Advanced Skills (OPAS). The Minister provided a brief outline of some of her priorities, which included greater ability to transfer credits among postsecondary institutions, greater collaboration, and improved use of the skills of new immigrants. A discussion of tuition levels, private-sector support and accessibility followed the Minister's remarks.

### **Educational Conference on "End of Life" Care**

On November 6 and 7, 2003, the Associated Medical Services (AMS) and the Council of Ontario Faculties of Medicine (COFM) presented the fifth-annual AMS-COFM Conference, entitled *Bringing Back the Humanity: Teaching How to Care: Spotlight on Excellence in End of Life Care Education*. The 2003 conference, held in Toronto, focused on the current state of education in "end of life" care in the undergraduate, postgraduate, continuing education and faculty development settings.

### **Conference Focuses on Investing in and Transforming Communities**

Ontario universities, represented by COU and the Office for Partnerships for Advanced Skills (OPAS), aligned with the Ontario Competitive City Regions (OCCR) Partnership and the Canadian Urban Institute in organizing *Investing in Learning Communities: Collaborating to Compete in the Knowledge Economy*, a conference highlighting the vital role of universities in sustaining economic viability.

The federal/provincial OCCR group is a partnership of Human Resources Development Canada, Industry Canada, Ontario's Ministry of Economic Development and Trade, and Ontario universities.

Held in Toronto on November 25, 2003, the conference, chaired by David Johnston, President of the University of Waterloo, brought together leaders from the postsecondary community, the private sector and local governments to identify new strategies for transforming communities in the areas of research, innovation and the development of human capital. While most attendees were from Ontario, other regions of Canada as well as the United States were also represented.

The keynote speaker was Roger L. Martin, Dean of the Joseph L. Rotman School of Management, University of Toronto, and Chair of the Ontario Task Force on Competitiveness, Productivity and Economic Progress, whose recent report, *Investing for Prosperity*, offers a trenchant analysis of the reasons behind the 10% prosperity gap between Ontario and peer states in the U.S. (see page 17).

Several current and former university leaders were also featured, including Dr. John Evans, Chair of Torstar, Chair of the Toronto Research Alliance and Chair of MARS Discovery District (formerly with the University of Toronto and McMaster University); Bonnie Patterson, President of Trent University; Carol Stephenson, Dean of the Richard Ivey School of Business at the University of Western Ontario; and Dr. Mary Walshok, Associate Vice-Chancellor of Extended Studies and Public Programs at the University of California in San Diego.

### **Queen's University Hosts Conference on Higher Education**

Queen's University was host to a two-day conference in February 2004 on the theme of *Higher Education in Canada*. Organized by the university's John Deutsch Institute for the Study of Economic Policy and co-sponsored by COU, the conference examined such topics as key issues in higher education in the U.S. and Canada; the role of colleges and universities and returns on postsecondary education; higher education and regional innovation; the role of government in financing postsecondary education; the demographics of student demand and participation of different income groups; tuition fees and student assistance; and enhancing quality. Conference participants included COU Executive Heads, university faculty, government officials, and representatives of organizations such as the Association of Universities and Colleges of Canada and the Ontario Undergraduate Student Alliance.

McMaster University President Peter George, Chair of the COU Quality and Financing Task Force, delivered an address entitled *Financing Quality in Ontario Universities – Speech to the Higher Education in Canada Conference*. Dr. George's address (available on the COU web site at [www.cou.on.ca](http://www.cou.on.ca)) summarized the deliberations of the Task Force regarding the challenges that universities face in securing an appropriate level of funding to sustain and enhance quality.

# Organizational Efficiencies

## **Application Centre's 30 Years of Service Commemorated**

The year 2002 marked the 30th anniversary of service by the Ontario Universities' Application Centre (OUAC) to the Ontario university community. During the past three decades, OUAC has processed over 8.2 million applications for more than 3.1 million applicants from around the world. To commemorate this achievement, COU President Ian Clark presented a framed poster, displaying the coat of arms of all universities served by the Centre, to members of the OUAC Advisory Board at its November 28th meeting. Dr. Clark congratulated the Centre on its outstanding success in providing efficient, cost-effective, state-of-the-art centralized processing services.

## **COU Task Force on Double Cohort Releases Paper**

The COU Double Cohort Logistics Task Force, chaired by Dr. Gilles Patry, Rector of the University of Ottawa, was established in fall 2002 to raise the universities' awareness of the challenges they would face in dealing with the arrival of the double cohort and to ascertain their level of preparedness. Built on earlier reviews commissioned by the Ministry of Training, Colleges and Universities as well as those conducted by COU affiliates, the Task Force's endeavours helped the universities ready themselves as far as possible for the coming surge in first-year enrolments.

The Task Force's paper, *Final Report of the Double Cohort Logistics Task Force*, found a high level of institutional preparedness for the substantial increase in admissions projected for 2003-2004, the arrival year of the first graduating class of double cohort students. The report noted, however, that there would be significant continuing pressures to refurbish physical facilities and recruit additional faculty in a very competitive market as the double cohort students moved through their undergraduate years and progressed to graduate school.

The report is available at [www.cou.on.ca](http://www.cou.on.ca).

## **Ontario Universities' Application Centre (OUAC) Processes Record Numbers of Applications as Double Cohort Arrives**

**ADMISSION YEAR 2003:** The deadline for Ontario secondary school students to submit applications through OUAC for guaranteed consideration for the first round of university admissions was January 15, 2003. By the time of the deadline date, a total of 101,668 students had applied. This represented a 46.7% increase compared to the corresponding cycle in 2002, and 69.9% as compared to 2001. By the end of the 2003 admission cycle, just under 103,000 students had submitted an application to one or more Ontario universities.

Each student had the option of applying to up to 19 Ontario universities, with three program selections per university, for a possible total of 57 choices. The students who met the January deadline filed the remarkable total of 515,983 applications.

The surge in applicant numbers was largely driven by the double cohort (students from the old and new secondary school curriculum who graduate simultaneously). The double cohort years began in 2002 with the arrival of large numbers of students from the old curriculum who fast-tracked through their program to avoid the anticipated crush in fall 2003, the first of several years in which students from the old and new curriculum would be graduating together. The double cohort years will carry on into this decade, with their peak effect continuing through 2004-2005.

Eighty-four percent of 2003 applicants used OUAC's advanced online application system to meet the January 15 deadline. The online system was created for Ontario secondary school students to ensure that the large increase in applications and data generated by the double cohort could be processed within the same time frame as in previous cycles. Virtually all of Ontario's 900 secondary schools registered with OUAC to permit their students to apply online for the 2003-2004 academic year.

OUAC's success in meeting the double cohort challenge was attributed to staff efficiency and an extensively upgraded computer infrastructure. The online application system for the secondary school division worked so well that, despite the

increased activity, the Centre required fewer additional staff than in previous years and the universities received the bulk of their application data much earlier. Moreover, during the peak weeks of the application cycle, the Centre's help desk was open until 11 p.m. most nights as well as weekends, staffed by trained technical personnel who assisted several thousand anxious applicants.

**ADMISSION YEAR 2004:** The deadline for Ontario secondary school students to submit applications through OUAC for guaranteed consideration for the first round of university admissions was January 14, 2004. By the end of the deadline date, a total of 71,222 students had applied. Of that number, all but 2,214 applied online. By early June 2004, the number of Ontario secondary school students who had applied for fall 2004 admission to a university in the province had grown to 72,390, filing some 361,000 different (university and program) application choices.

Also as of early June 2004, the number of non-secondary school applicants seeking admission to an Ontario university had grown to approximately 39,000 – an increase of about 24% over the 2003 cycle. An upsurge in the number of applicants who “stopped out” between high school and university to avoid the double cohort crush in 2003 accounted for part of the growth in this applicant group, which also includes mature students, transfer students from colleges and universities, and applicants from outside Ontario.

### **Government Investments Help Ontario Universities Accommodate 70,000 Double Cohort Students in Fall 2003**

On May 2, 2003, Executive Heads of Ontario universities joined Dianne Cunningham, then-Minister of Training, Colleges and Universities, to confirm their readiness to accommodate 70,000 Ontario secondary school graduates at universities in the province in September 2003.

Some 103,000 Ontario secondary school students applied for admission to an Ontario university in fall 2003, an increase of approximately 46% over 2002. Despite the higher numbers, the

historical proportion of applicants to registrants (approximately 68%) was maintained.

The announcement represented the successful completion of a multi-staged planning process to provide all qualified students with the opportunity to pursue a university education. Enrolment Target Agreements between each university and the government outlined the specific number of additional students that each institution was committed to enrolling.

The government's SuperBuild Program (launched in February 2000) enabled universities to expand their teaching space to make room for the double cohort, while the new Quality Assurance Fund (established in 2003) provided urgently needed dollars to invest in faculty hiring, new learning resources, equipment upgrades and student services.

### **EDI (Electronic Data Interchange) Transcript Requests Flowing Through OUAC**

For several years, the Ontario Universities' Application Centre (OUAC) has electronically routed academic transcripts to and from universities throughout the province.

In 2003, OUAC began a partnership with the Ontario College Application Services to develop a system whereby college and university transcripts could be exchanged between the educational partners. The system went into production in mid-November 2003. Through the effective collaboration of colleges and universities, applicants are now able to request both college and university transcripts on the same application.

The highly efficient, cost-effective and secure process expedites the circulation of academic data throughout the Ontario postsecondary sector and, at the same time, reduces the fraud that is often associated with hard-copy documentation. Applicants to universities or colleges include their previous institution's reference numbers on their application forms and authorize the Centre to collect and distribute transcripts for them electronically. The EDI standard ensures that both “sender” and “receiver” transcript data is decipherable by the various computer systems and platforms operating throughout these institutions.

OUAC has also established the infrastructure to support the exchange of transcripts from postsecondary institutions in British Columbia to Ontario universities for future growth opportunities.

### **Ontario Universities' Application Centre (OUAC) Continues to Expand Online Capabilities, Services**

**APPLICATION DIVISIONS NOW ONLINE:** Applicants to any undergraduate or professional program at an Ontario university may now apply online, thanks to OUAC's completion of a multi-year initiative to web-enable all of its undergraduate and professional processing divisions. The last of these divisions, rehabilitation sciences, came on board in early 2004. Online applications offer considerable administrative benefits in terms of economy and efficiency, requiring fewer staff for processing and significantly reducing the print costs associated with paper application forms. In one division alone, OUAC has trimmed its print runs from 225,000 forms in 2003 to 110,000 in 2004, with a further 50% reduction expected in 2005.

As of May 2004, the percentage of students seeking fall 2004 admission who have chosen to apply online ranges from 93.3% to 99.8% in the professional divisions (law, teacher education, rehabilitation sciences and medical school). To encourage use of the online system, all professional divisions except law have implemented a user fee for prospective students who submit a paper application. In the undergraduate divisions, 96.7% of secondary school students, 91% of non-secondary domestic applicants and 92.8% of non-secondary international applicants chose the online application option.

**ONLINE AMENDMENTS TO APPLICATIONS:** Also in 2004, a new electronic system for amending applications was introduced for the teacher education division and the undergraduate non-secondary division. The widely used "Review and Change" system expedites and streamlines the process of modifying an application, both for OUAC and for the prospective student.

**ONLINE SYSTEMS UNDER DEVELOPMENT:** OUAC is developing a new online system that will allow applicants to accept or decline an **offer of admission** via the web. The new system is expected to be implemented for all undergraduate and teacher education programs in time for the 2005 admission cycle. Once this system is in place and integrated into OUAC's existing web services, applicants will be able to complete all their key pre-admission activities online: applying, amending their application, and responding to an offer of admission.

OUAC is also collaborating with a number of Ontario universities to develop online application systems for their **graduate programs**. The University of Waterloo graduate site is already online, and both the University of Windsor and the University of Guelph graduate sites will be operational by summer 2004. Agreements have also been signed with the University of Ottawa and with Brock University. Several other universities have also expressed interest in these new systems. The online applications are customized to interface with the individual university's web site, where applicants view the graduate application information area and are then seamlessly transferred to the OUAC system once they are ready to apply.

In addition, several universities have expressed interest in online application processing for their **part-time and internal applicants**.

# INFORMATION

financial

JULY 1, 2002 to JUNE 30, 2004

**T**he condensed summaries of COU's Financial Position and its Income and Expenses for the years ended June 30, 2004 and 2003 are derived from the audited financial statements of COU Holding Association Inc. for the year ending June 30, 2004. They provide summary information on COU's assets, liabilities and fund balances, and its income and expenses relating to COU's general operating activities, self-supporting activities and other activities funded through restricted contributions.

COU Holding Association Inc. is the corporation responsible for the financial and business operations of COU. The directors of the corporation are the COU chair, vice-chair, president, secretary/treasurer and two members of the senior management group.

**COU HOLDING ASSOCIATION INC.**

(Incorporated without share capital under the Corporations Act)

**CONDENSED SUMMARY OF FINANCIAL POSITION**

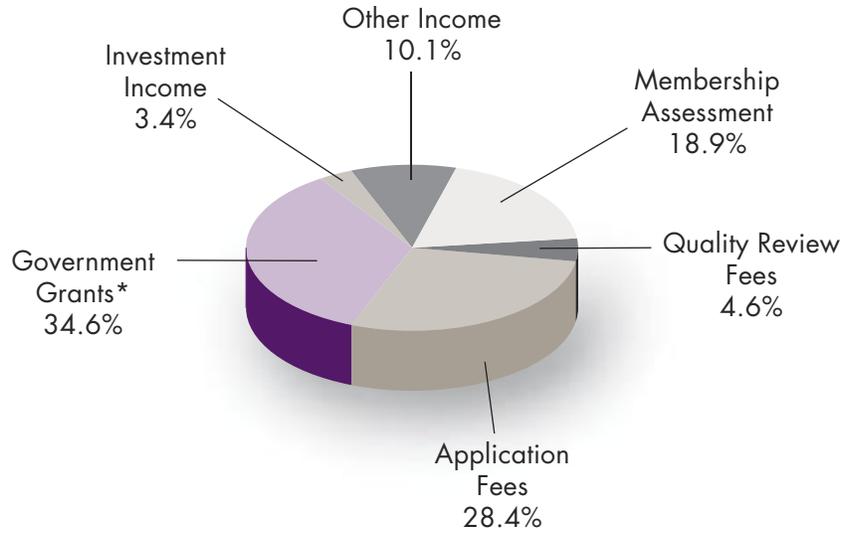
As at June 30,	2004	2003
<b>ASSETS</b>		
Current assets	\$15,759,223	\$14,212,819
Capital assets	1,759,231	1,421,031
Investments held for endowment	7,625,000	6,000,000
<b>Total assets</b>	<b>\$25,143,454</b>	<b>\$21,633,850</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Current liabilities	4,450,539	6,776,295
Capital lease obligations, non-current portion		55,334
<b>Total liabilities</b>	<b>4,450,539</b>	<b>6,831,629</b>
Fund balances		
Invested in capital assets	1,759,231	786,376
Endowment	7,625,000	6,000,000
Externally restricted funds	5,181,190	2,546,608
Internally restricted funds	5,109,631	4,529,802
Unrestricted – general operations	1,017,863	939,435
<b>Total fund balances</b>	<b>20,692,915</b>	<b>14,802,221</b>
<b>Total liabilities and fund balances</b>	<b>\$25,143,454</b>	<b>\$21,633,850</b>

## CONDENSED SUMMARY OF INCOME AND EXPENSES

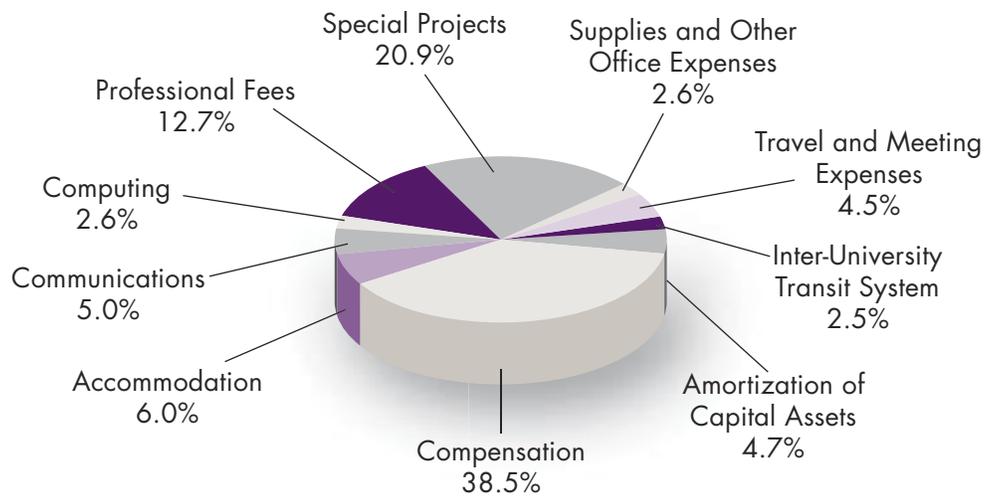
Year ended June 30,				2004	2003	2004	2003
	General Operations	Self-Supporting Activities	Externally Restricted Funds*	Total		Percent	
<b>INCOME</b>							
Membership assessment	\$3,416,148	\$546,397	\$158,250	\$4,120,795	\$3,981,454	18.9	22.3
Quality Review fees		1,010,382		1,010,382	941,155	4.6	5.3
Application fees		6,091,155	118,338	6,209,493	6,180,836	28.4	34.5
Government grants*		8,798	7,536,373	7,545,171	4,262,646	34.6	23.8
Investment income	363,641	9,712	365,670	739,023	603,881	3.4	3.4
Other income		1,596,063	614,952	2,211,015	1,912,994	10.1	10.7
<b>Total Income</b>	<b>3,779,789</b>	<b>9,262,507</b>	<b>8,793,583</b>	<b>21,835,879</b>	<b>17,882,966</b>	<b>100.0</b>	<b>100.0</b>
<b>EXPENSES</b>							
Compensation	2,858,250	3,115,511	798,210	6,771,971	6,460,701	38.5	40.9
Accommodation	321,069	501,806	236,737	1,059,612	797,968	6.0	5.1
Communications	122,519	728,743	34,078	885,340	1,405,837	5.0	8.9
Computing	65,597	349,676	32,075	447,348	342,399	2.6	2.2
Professional fees	45,868	331,224	1,847,394	2,224,486	1,878,366	12.7	11.9
Special projects	338,937	750,279	2,589,750	3,678,966	2,468,752	20.9	15.6
Supplies and other office expenses	164,867	133,045	152,624	450,536	450,592	2.6	2.9
Travel and meeting expenses	158,238	362,916	261,840	782,994	656,542	4.5	4.2
Inter-University Transit System	445,228			445,228	413,150	2.5	2.6
Amortization of capital assets	121,800	701,904		823,704	902,068	4.7	5.7
Internal cost recoveries	(1,014,174)	832,445	181,729				
<b>Total Expenses</b>	<b>3,628,199</b>	<b>7,807,549</b>	<b>6,134,437</b>	<b>17,570,185</b>	<b>15,776,375</b>	<b>100.0</b>	<b>100.0</b>
<b>EXCESS OF INCOME OVER EXPENSES FOR THE YEAR</b>	<b>\$151,590</b>	<b>\$1,454,958</b>	<b>\$2,659,146</b>	<b>\$4,265,694</b>	<b>\$2,106,591</b>		

*\* Government grants and other externally restricted contributions are used exclusively to fund projects and activities designated by sponsors; they are not used to finance the operations of the Council of Ontario Universities.*

## INCOME



## EXPENSES



# Cou Secretariat

## **Administration**

This unit facilitates the conduct of Council business and the work of the COU Secretariat with respect to Council and is responsible for the general administration of the Secretariat. Daily delivery of items such as interuniversity mail, library materials and teaching equipment is provided by the Inter-University Transit System (IUTS), a cost-effective mechanism for routing some 250,000 library items and over \$400,000 worth of mail between and among Ontario universities each year.

## **Finance and Corporate Planning**

This unit is responsible for the financial accounting, reporting, budget development and financial planning aspects of COU and its affiliated organizations, including treasury, funds management and investment. Finance and Corporate Planning also has responsibility for COU's computer information technology activities.

## **Office for Partnerships for Advanced Skills (OPAS)**

The Office provides a central point of access to universities and a vehicle for fostering ongoing university-industry partnership. It promotes strong employment skills through lifelong learning, and the effective transfer of knowledge between university innovation and enterprise. The OPAS Board is composed of senior representatives of Ontario universities, leading executives from industry, and representatives of both the federal and provincial governments. ([www.opas-partnerships.com](http://www.opas-partnerships.com))

## **Office of Health Sciences**

The Office of Health Sciences interacts closely with Ontario university health science programs in medicine, nursing and rehabilitation sciences, and those institutions with an interest in seniors' health care. It also supports and provides policy advice to COU affiliates that represent various branches of the academic health sciences community, and plays an important role in helping this community to respond to changes in provincial health care policy.

### **Ontario Council on Graduate Studies**

The Ontario Council on Graduate Studies (OCGS) strives to ensure quality graduate education and research across Ontario. To achieve this, OCGS conducts quality reviews of graduate (master's and PhD) programs that have been proposed for implementation in Ontario's universities. It also performs quality reviews of existing programs on a seven-year cycle.

### **Ontario Universities' Application Centre (OUAC)**

The award-winning Ontario Universities' Application Centre, a division of COU, provides centralized processing of applications to the province's undergraduate, medical, law, teacher education and rehabilitation sciences programs, as well as to the Ontario College of Art & Design and selected graduate programs. The Centre provides efficient service to applicants and reduces duplicate effort and cost on the part of universities. It is also responsible for administering various university and applicant surveys, and overseeing the production of statistical reports used for government and institutional planning. ([www.ouac.on.ca](http://www.ouac.on.ca))

### **Public Affairs**

Public Affairs provides timely information on university-related issues to the university community, government, stakeholder groups and the general public. The department develops and executes strategic plans in communications and public affairs; produces all regular publications (newsletters, brochures and reports), special publications and communiqués; liaises with the media; co-ordinates special events; and provides support for advocacy and government-relations initiatives on behalf of Ontario universities.

### **Research, Analysis and Policy**

Information gathering and policy research are among COU's most important services to the university sector. The Research, Analysis and Policy (RAP) division gathers, analyzes and publishes statistics on an array of topics including enrolment, faculty, finances, physical facilities, health sciences and university applications. These findings are published in a variety of reports and policy papers available to government, the university community and the general public; they are also used to support advocacy initiatives. RAP also supports the activities of a number of COU affiliates and relies on these affiliates for advice in a host of policy areas.

# Composition of Council

JULY 1, 2002 to JUNE 30, 2004

DR. MORDECHAI ROZANSKI  
PRESIDENT,

University of Guelph

Chair: July 1, 2001 to June 30, 2003

DR. RICHARD VAN LOON  
PRESIDENT,

Carleton University

Chair: July 1, 2003 to June 30, 2005

DR. IAN CLARK  
PRESIDENT

MS. SUE WEST  
Secretary to Council

## STANDING COMMITTEES

Executive Committee

Committee on Employment and Educational Equity

Committee on Government and Community Relations

Committee on Nominations

Committee on Policy and Planning

Committee on Relationships with Other Postsecondary Institutions

Committee on Space Standards and Reporting

Committee on the Status of Women in Ontario Universities

Ontario Commission on Interuniversity Athletics

*In addition to standing committees, a number of special groups, boards, commissions and affiliates contribute greatly to the work of COU.*

## SPECIAL AND LIMITED-DURATION GROUPS AND COMMITTEES

Advisory Panel on Locally Developed Courses

Double Cohort Logistics Task Force

Joint Task Force of CSAO/OAPPA (Council of Senior Administrative Officers and Ontario Association of Physical Plant Administrators)

Learning Technology Network

MTCU-COU Steering Committee on the Ontario University Graduate Employment Survey

OCAV Ad-Hoc Group on Secondary School Curriculum Review

Ontarians with Disabilities Act (ODA) Task Force (*formerly the Working Group on Ontarians with Disabilities Act*)

Ontario Universities' Application Centre Advisory Board

Ontario Universities' Application Centre Budget Committee

Ontario Universities' Application Centre Data Integrity Committee

Quality and Financing Task Force

Rehabilitation Sciences Clinical Education Joint Working Group

Steering Committee on Acumen's University Applicant Survey (UAS)

Task Force on Access for Students with Disabilities

Task Force on Future Requirements for Graduate Education in Ontario

Task Force on Learning Technologies

Task Force on Privacy Issues (*formerly the Working Group on Ontario Privacy Legislation*)

Task Force on Secondary School Reform

Task Force on Student Interuniversity Athletics

Task Force on the Future of the Publicly Assisted Universities in the Ontario Postsecondary System (*known as the Futures Task Force*)

Working Group on University Capacity (joint with the Government of Ontario)

Working Group on University Research (joint with the Government of Ontario)

## AFFILIATES

Association of Auxiliary Services Administrators  
Association of Computing Services Directors (ACSD)  
Association of Ontario University Human Resources Professionals  
(AOUHRP)  
College-University Consortium Council (CUCC)  
Committee of Deans and Directors of Ontario Schools of Social Work  
Committee of Deans of Ontario Faculties of Law  
Council of Chairs of Ontario Universities (CCOU)  
Council of Deans of Arts and Science of Ontario Universities (CDAS)  
Council of Environmental Health and Safety Officers - Universities of  
Ontario (CEHSO-UO)  
Council of Finance Officers - Universities of Ontario (COFO-UO)  
Council of Ontario Deans of Engineering (CODE)  
Council of Ontario Faculties of Medicine (COFM)  
Council of Ontario University Programs in Nursing (COUPN)  
Council of Senior Administrative Officers - Universities of Ontario  
(CSAO-UO)  
Council on University Planning and Analysis (CUPA)  
Office for Partnerships for Advanced Skills (OPAS)  
Ontario Association of College and University Security Administrators  
(OACUSA)  
Ontario Association of Deans of Education (OADE)  
Ontario Association of Physical Plant Administrators (OAPPA)  
Ontario Committee on Student Affairs (OCSA)  
Ontario Council for University Lifelong Learning (OCULL)  
Ontario Council of Academic Vice-Presidents (OCAV)  
Ontario Council of Library Schools  
Ontario Council of University Libraries (OCUL)  
Ontario Council of University Programs in Rehabilitation Sciences  
(OCUPRS)  
Ontario Council on Graduate Studies (OCGS)  
Ontario Council on University Research (OCUR)  
Ontario Interdisciplinary Council for Aging and Health (OICAH)  
Ontario Universities' Council on Admissions (OUCA)  
Ontario Universities Public Affairs Council (OUPAC)  
Ontario University Purchasing Management Association (OUPMA)  
Ontario University Registrars' Association (OURA)

## COU SECRETARIAT

Administration SUE WEST, Secretary to Council  
Finance and Corporate Planning CHRIS TORRES, Director  
Office for Partnerships for Advanced Skills DR. NORM SHULMAN,  
Executive Director & CEO  
Office of Health Sciences MARY-KAY WHITTAKER, Director  
Ontario Council on Graduate Studies DR. DAVID LEYTON-BROWN,  
Executive Director  
Ontario Universities' Application Centre GEORGE GRANGER\*,  
Executive Director  
Public Affairs ARNICE CADIEUX, Executive Director  
Research, Analysis and Policy JAMIE MACKAY, Vice-President,  
Policy and Analysis

(\*Prior to March 2003, GREGORY MARCOTTE held the position.)

*The Council and secretariat staff  
would like to thank everyone  
who served on these and other  
committees during the period of  
July 1, 2002 to June 30, 2004.  
Their work makes it possible for  
COU to achieve its objectives.*

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Tel: (416) 979-2165 ext. 236  
Fax: (416) 979-8635  
[www.cou.on.ca](http://www.cou.on.ca)

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