

SUMMARY OF THE FINAL REPORT ON COLLEGE GROWTH

SUMMARY OF THE FINAL REPORT ON COLLEGE GROWTH

TABLE OF CONTENTS

| | <u>Page</u> |
|---------------------------------|-------------|
| List of Tables | 1 |
| Introduction | 2 |
| Executive Summary | 4 |
| The Issue of Growth | 22 |
| Capital and Operating Funds | 23 |
| CAAT Mandate | 23 |
| Admission Policies | 24 |
| Programming | 24 |
| Cost Effective Use of Resources | 25 |
| Growth Related Funding | 26 |

LIST OF TABLES

| <u>Table</u> | <u>Title</u> | <u>Page</u> |
|--------------|---|-------------|
| I | System-Wide Full-Time Post-Secondary Enrolment by Division | 5 |
| II | Historical Participation Rates | 5 |
| III | Enrolment Projections | 6 |
| IV | College and College Area Portions of Ontario and Total College New Entrants | 11 |
| V | Program Approvals | 12 |
| VI | The Age of New Entrants to the CAAT System | 13 |
| VII | The Education Background of New Entrants to the CAAT System | 14 |
| VIII | Sex Distribution of New Entrants to the CAAT System | 15 |
| IX | College Placement Statistics by Program Duration | 16 |
| X | College Placement Statistics for "Large" vs "Small" Colleges | 16 |
| XI | Unit Cost and Revenue Comparisons | 17 |

LIST OF GRAPHS

| | | |
|----|--|----|
| I | Applicants to Registration Comparison Full-Time Post-Secondary | 7 |
| II | Projected Revenue and Unit Cost Changes | 20 |

INTRODUCTION

In June, 1981, the Minister of Colleges and Universities requested that the Chairman of the Ontario Council of Regents for Colleges of Applied Arts and Technology establish a participative task force with a view to resolving the complex and important issue of CAAT growth. It was specified that the task force was to be chaired by the Chairman of the Council of Regents, and was to have further representation from the Colleges and Ministry.

The general mandate of the task force was to provide a policy governing CAAT growth, with regard to the system as a whole, and to individual colleges. It was suggested that some of the issues to be addressed in this regard were:

- the philosophy of the CAAT system, as conveyed by the Basic Documents, legislation, Ministry policy directives;
- growth patterns established to date for each college and for the various kinds of colleges such as urban or northern;
- demographic projections and their impacts;
- the facilities situation and the capital outlook;
- college size and its implications for the learning process;
- the degree to which communities are currently served by their community college;
- trends in CAAT programming and clientele;
- the effect of possible structural changes in secondary education.

The task force was constituted as follows:

N. E. Williams, Chairman
 R. Benson
 F. G. Hahn
 H. W. Jackson
 J. L. Richards

R. A. Stoll
 G. Wragg
 B. E. Curtis
 D. M. Schatz
 J. A. Turner

The task force first met on June 15, 1981.

Given the importance of the growth issue to the future of the CAATs, it was the opinion of the task force that within the stringent constraints of available time, each college should be given the

maximum opportunity to have input to the policy-making process. The majority of CAATs took the opportunity to express their growth concerns. The major themes and issues raised in the CAAT responses were summarized and on October 30, 1981 the task force forwarded a draft report to the CAATs for further input. This input was to be received by November 16. The resultant comments were taken into consideration in the preparation of the final version of the report.

Further, it should be noted that two college presidents were task force members, and that the Committee of Presidents and the Council of Regents were given progress reports of the task force's deliberations.

Following is a summary of the Minister's Task Force on College Growth in the Ontario CAATs.

EXECUTIVE SUMMARY

Growth-related concerns with regard to post-secondary education in Ontario have focussed on two major factors:

- a perceived decrease in the client pool;
- a decrease in constant dollar support for the post-secondary system.

The overall findings of the task force with respect to these two factors as they relate to the Ontario Colleges of Applied Arts and Technology (CAATs) are that:

- concern over a decrease in the client pool is unwarranted, and, indeed, is contrary to reality;
- concern over lessening real support for the college system from government sources is well-founded.

These findings present an apparent contradiction for the colleges as they attempt to fulfill their mandate. While the demand for CAATs' services is increasing, and will continue to increase during the 1980's, the resources being made available to support these services are decreasing to such a degree that some valid and necessary services can no longer be provided.

Table I indicates the growth in system-wide full-time post-secondary enrolment by division for 1976 fall through 1980 fall. The impressive growth in the technology and business divisions during this period seems generally consistent with the expressed concerns of both the government and the labour market about shortages of qualified manpower in these areas, and with the concerns of students who wish to be immediately employable in positions related to their education.

TABLE I

SYSTEM-WIDE FULL-TIME POST-SECONDARY ENROLMENT
BY DIVISION

| Division | 1976F | 1977F | 1978F | 1979F | 1980F | % Change |
|--------------|--------|--------|--------|--------|--------|----------|
| Technology | 14,583 | 15,594 | 16,676 | 17,907 | 19,558 | + 34% |
| Business | 17,436 | 19,284 | 21,205 | 24,771 | 27,686 | + 59% |
| Applied Arts | 16,480 | 17,134 | 17,384 | 18,217 | 19,091 | + 16% |
| Health | 9,770 | 8,593 | 8,425 | 8,776 | 9,081 | - 7% |

The negative growth in the health division is in large part a reflection of the perceived adequate/surplus supply of nurses during the period in question and the introduction by the province of enrolment quotas.

It is interesting to note that a recent poll carried out by the Toronto Star, and referenced in the September 21, 1981 edition of that paper clearly indicated that the public perceives the CAAT programs as relevant:

"Fifty-three percent of the residents polled say a community college diploma is a necessity for getting a job. Only twenty-nine percent say a university education is necessary."

Table II shows the historical participation rates for the colleges during the period 1975-76 to 1980-81.

TABLE II

HISTORICAL PARTICIPATION RATES
(FTEs/ 1000 Population)

| ACTIVITY/AGE GROUPINGS | 1976 | 1977 | 1978 | 1979 | 1980 |
|------------------------|------|------|------|------|------|
| FTEPS under 20 | 79.7 | 82.5 | 86.9 | 92.5 | 99.2 |
| FTEPS 20-24 | 36.2 | 36.5 | 37.1 | 39.7 | 42.4 |
| FTEPS 25 and over | 4.9 | 4.8 | 4.7 | 4.9 | 5.4 |
| Tuition Short 20-24 | 5.6 | 6.0 | 5.8 | 7.0 | 8.0 |
| Part-Time 20-34 | 4.8 | 5.2 | 5.4 | 5.7 | 5.9 |
| Federal 20-34 | 9.2 | 8.4 | 8.4 | 8.2 | 8.4 |

The historical participation rates provided the basis for the task force to derive the college enrolment/activity projections contained in Table III below.

TABLE III

ENROLMENT PROJECTIONS
(in 000's of FTE's)

| ACTIVITY TYPE | 1980 | 1981 | 1986 |
|---------------|-------|-------|-------|
| FTEPS | 75.5 | 77.5 | 82.5 |
| Tuition Short | 6.5 | 6.8 | 8.4 |
| Part-Time | 12.5 | 13.5 | 14.5 |
| Federal | 19.1 | 19.2 | 19.8 |
| TOTAL | 114.5 | 118.0 | 129.4 |

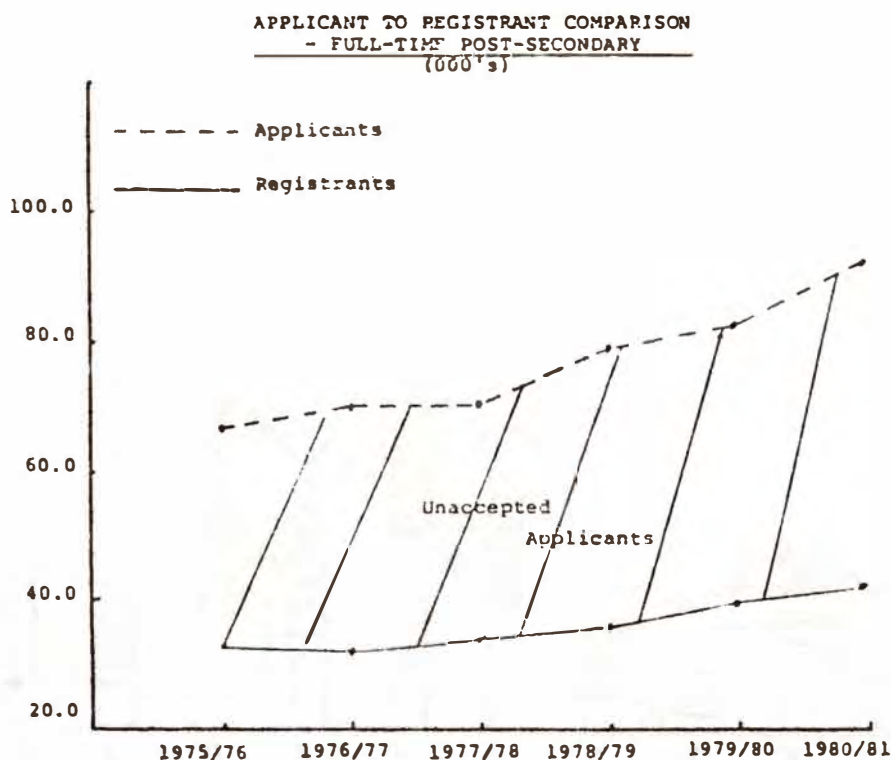
Note: General Interest
Excluded

However the task force is convinced that demographic projections alone are not a valid method of projecting college enrolment. The demographic models generally do not take into account the potential impact on growth of a surplus of qualified applicants, a situation which currently exists in the CAAT system. Graph I displays the unique applications to the college system during the period 1975-76 to 1980-81, and compares them to the number of new entrants. It is immediately obvious that the difference between those who apply and those who register is large; in 1980, only 45% of the applicants were accepted and were attending a college on November 1, when audited.

Of course, it must be recognized that the unaccepted applicants include those who really did not want to attend college, those who were not qualified and those who applied only to specific over-subscribed programs with no intention of attending college except in these programs. However, it seems reasonable to assume that a

substantial portion of the 50,000 not accepted in 1980-81 indeed were qualified students who wanted to attend a non-quota program with excellent career opportunities. It is interesting to note that if only one in five of these unaccepted applicants is a qualified applicant to a program with good career possibilities, the college post-secondary operation would have to be 20-25 percent larger to accommodate them.

GRAPH I



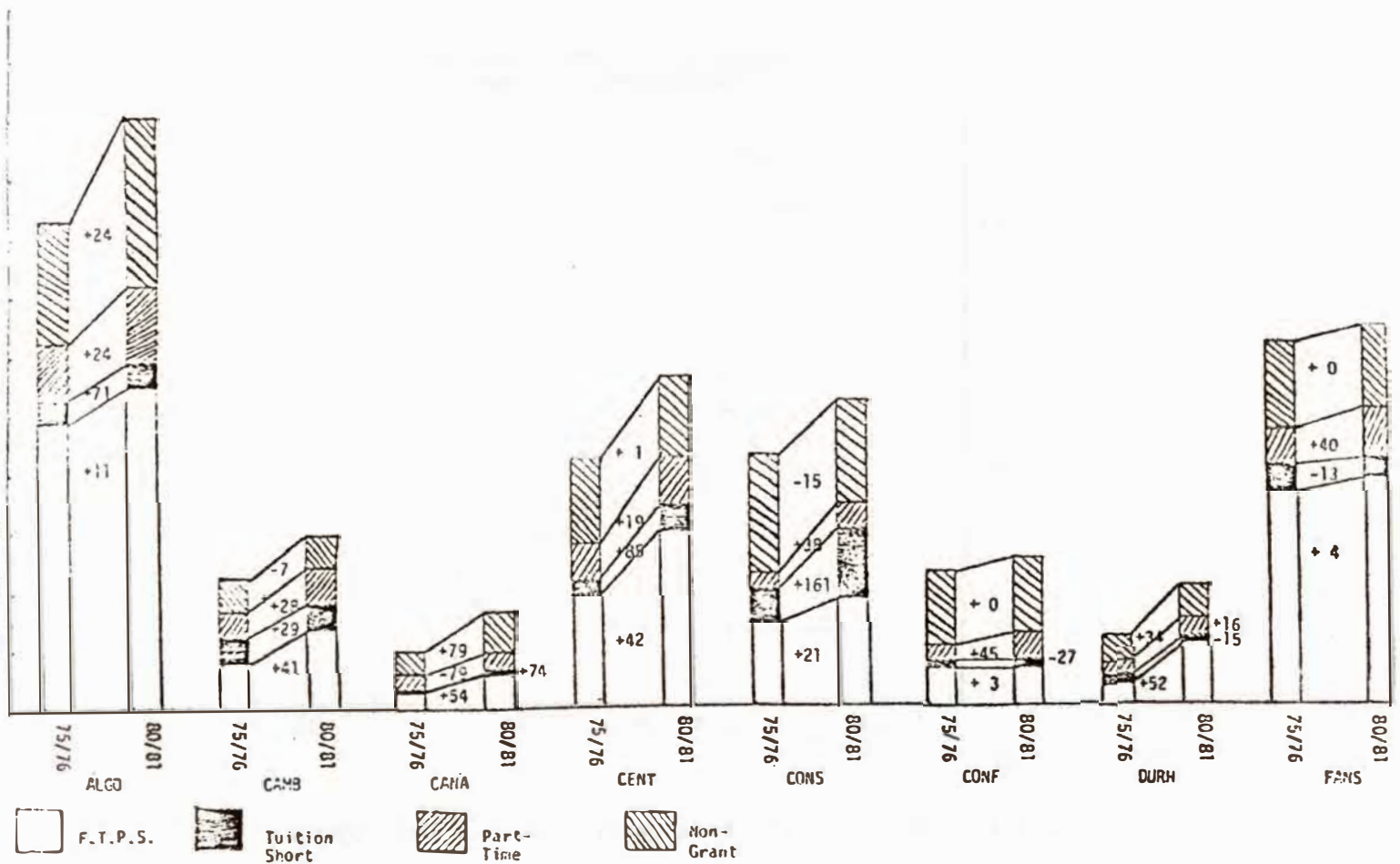
In relation to this, the task force suggests that demographic projection models may be of some possible use in the CAATs, only in program areas where virtually all qualified applicants are accepted; most applicants come directly from secondary school; the program has on-going relevance to the labour market, and program quality is maintained.

Even here, it must be noted that the use of the model in growth situations identifies only the potential for growth. Actual growth is dependent on resources availability.

To consolidate and clarify college growth information, the task force provided the following bar charts illustrating the nature of the college profiles over the past five years.

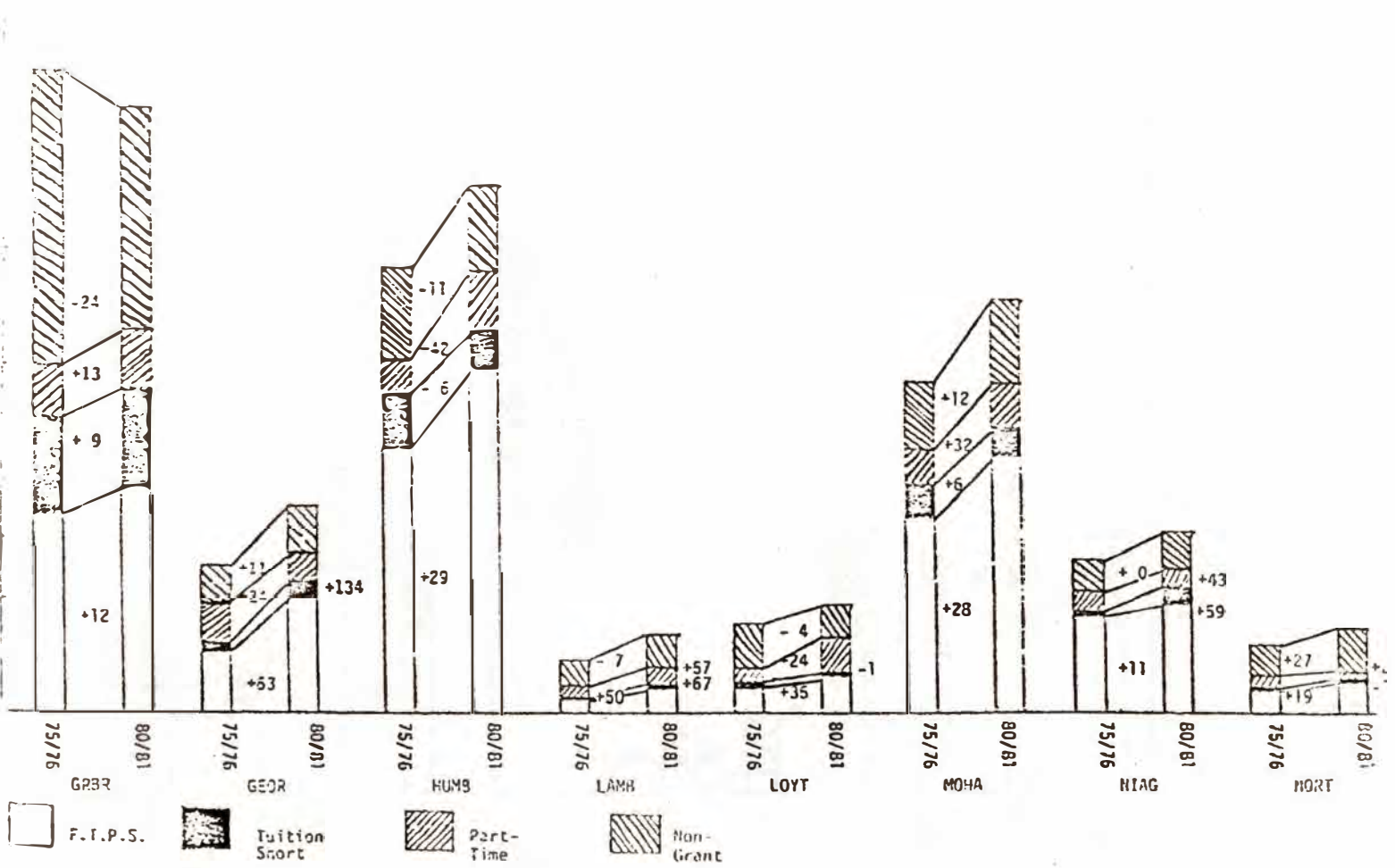
(000,000's)

1975/76 TO 1980/81 COLLEGE BY COLLEGE COMPARISON IN SCH'S.



), '00's)

1975/76 TO 1980/81 COLLEGE BY COLLEGE COMPARISON IN SCH'S



{000,000's}

1975/76 TO 1980/81 COLLEGE BY COLLEGE COMPARISON IN SCH'S

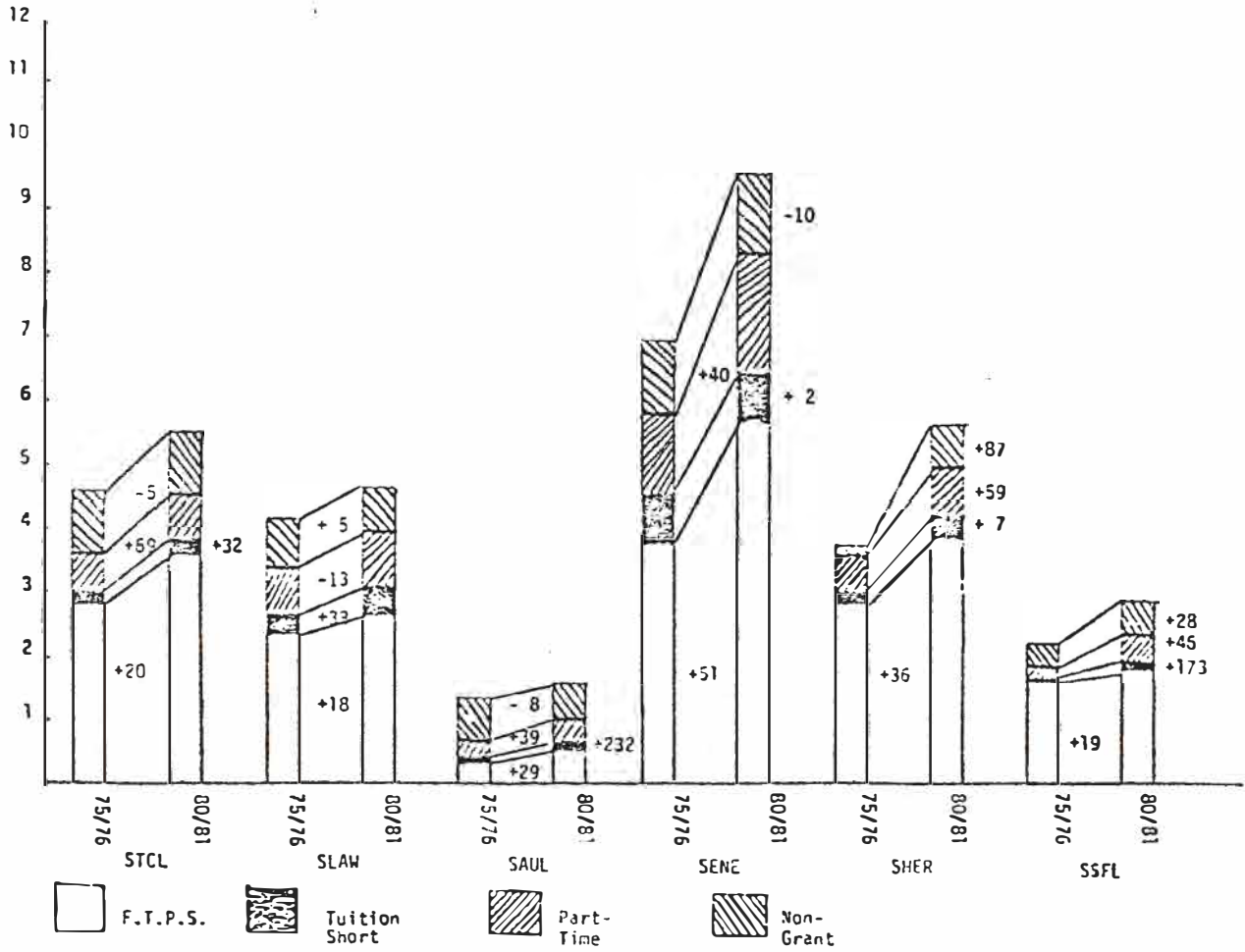


Table IV, entitled, "College and College Area Portions of Ontario and Total College New Entrants" is helpful in determining an accurate overall characterization of historical growth in the CAAT system. On the Table, "College Draw" shows the new entrants to each college as a percentage of the new entrants to all twenty-two CAATs. "Area Contribution" refers to the number of students from each college catchment area who entered any of the twenty-two CAATs, as a percentage of the total students who entered CAATs. In both instances, the new entrants to which reference is made are limited to Ontario new entrants, and in both instances the figures are for the fall terms of 1976 and 1980. For example, the Table shows that in 1980 Humber College's catchment area contributed 4.68% of all Ontario students who entered any of the CAATs, while Humber drew 9.16% of such students. Therefore, in 1980, Humber provided more service to Ontario students, than the service within CAATs used by Ontario students from Humber's area.

TABLE IV

COLLEGE AND COLLEGE AREA PORTIONS OF ONTARIO AND TOTAL COLLEGE NEW ENTRANTS

| COLLEGE | ONTARIO | | | | TOTAL | | | |
|----------------------|--------------|-------|-------------------|------|--------------|------|-------------------|------|
| | COLLEGE DRAW | | AREA CONTRIBUTION | | COLLEGE DRAW | | AREA CONTRIBUTION | |
| | 1976 | 1980 | 1976 | 1980 | 1976 | 1980 | 1976 | 1980 |
| Algonquin | 8.80 | 8.24 | 8.97 | 8.93 | 10.32 | 8.94 | 7.27 | 8.15 |
| Cambrian | 3.01 | 3.44 | 3.54 | 3.76 | 2.69 | 3.40 | 2.87 | 3.43 |
| Canadore | 2.01 | 2.05 | 1.83 | 1.88 | 1.83 | 2.06 | 1.48 | 1.72 |
| Centennial | 5.28 | 5.80 | 5.00 | 5.27 | 5.53 | 6.28 | 4.05 | 4.81 |
| Conestoga | 3.53 | 3.41 | 5.06 | 5.84 | 3.37 | 3.22 | 4.10 | 5.33 |
| Confederation | 2.12 | 2.21 | 2.31 | 2.38 | 2.17 | 2.30 | 1.87 | 2.17 |
| Durham | 2.42 | 2.47 | 3.68 | 3.53 | 2.21 | 2.34 | 2.98 | 3.22 |
| Panshawe | 8.93 | 7.02 | 6.40 | 5.92 | 8.65 | 6.74 | 5.19 | 5.41 |
| George Brown | 3.54 | 4.81 | 4.21 | 5.28 | 5.28 | 5.03 | 3.41 | 4.82 |
| Georgian | 2.51 | 2.99 | 5.05 | 4.91 | 2.31 | 2.90 | 4.09 | 4.48 |
| Humber | 10.29 | 9.16 | 4.89 | 4.68 | 10.30 | 9.28 | 3.96 | 4.27 |
| Lambton | 1.22 | 1.63 | 1.58 | 1.73 | 1.43 | 1.58 | 1.28 | 1.58 |
| Loyalist | 2.32 | 2.05 | 3.08 | 2.56 | 2.15 | 2.05 | 2.49 | 2.33 |
| Mohawk | 7.56 | 6.47 | 7.86 | 6.78 | 6.61 | 6.54 | 6.36 | 6.18 |
| Niagara | 4.09 | 4.00 | 5.19 | 4.52 | 4.20 | 4.00 | 4.21 | 4.13 |
| Northern | 1.30 | 1.41 | 2.35 | 2.38 | 1.32 | 1.50 | 1.90 | 2.17 |
| St. Clair | 5.75 | 5.25 | 6.56 | 6.05 | 5.11 | 5.04 | 5.32 | 5.52 |
| St. Lawrence | 4.27 | 4.10 | 4.32 | 4.18 | 4.00 | 4.34 | 3.50 | 3.81 |
| Sault | 2.29 | 2.15 | 1.94 | 1.96 | 1.99 | 2.04 | 1.58 | 1.79 |
| Seneca | 7.65 | 10.02 | 6.72 | 7.71 | 8.05 | 9.50 | 5.44 | 7.04 |
| Sheridan | 7.67 | 7.67 | 7.05 | 7.05 | 7.11 | 7.44 | 5.71 | 6.44 |
| Sir Sandford Fleming | 3.43 | 3.66 | 2.39 | 2.68 | 3.37 | 3.50 | 1.93 | 2.44 |

In reviewing Table IV, above, it should be noted that:

- the college draw of total students is interesting in that if it is larger or smaller than the corresponding figures for Ontario students, it indicates that the college is serving proportionately more or less foreign and out of province students than is average for the system;
- the area contribution in all cases is for Ontario students only and, therefore, will not total 100% for the "Total" columns;
- in general, colleges around the periphery of the province would be expected to have a larger than average number of out of province/out of country students.

The on-going introduction of new programs to meet new needs/demands at the CAATs is seen by the number and type of new programs which are approved. These are shown in Table V, which was compiled from information contained in the Annual Reports of the Council of Regents.

TABLE V

PROGRAM APPROVALS

| DIVISION | 1975-76 | 1976-77 | 1977-78 | 1978-79 | 1979-80 |
|--------------|---------|---------|---------|---------|---------|
| Technology | 11 | 11 | 10 | 10 | 14 |
| Business | 10 | 10 | 5 | 6 | 13 |
| Applied Arts | 18 | 8 | 9 | 6 | 4 |
| Health | 51 | 18 | 15 | 12 | 19 |

It should be noted here that growth in enrolment by program type would not be reflected in this table, because much of the growth would be accommodated in expanded section size or additional sections of programs established/approved prior to 1975. The large numbers of Health programs are interesting as reflections of the responsive nature of the colleges. Included are many

part-time, bilingual, and new specialized post-graduate nursing programs responding to specific provincial and local needs.

Another important aspect of the growth issue relates to some of the historical trends in student characteristics. These trends are shown in Tables VI, VII and VIII below.

Table VI presents information on the age of new entrants to the CAATs over the last five years.

TABLE VI

THE AGE OF NEW ENTRANTS TO
THE CAAT SYSTEM

| AGE | Percentage by Year (Fall Term Data) | | | | |
|----------|-------------------------------------|---------|---------|---------|---------|
| | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 |
| 17 | 8.3 | 9.2 | 8.1 | 8.3 | 8.2 |
| 18 | 28.8 | 29.4 | 29.5 | 30.1 | 30.7 |
| 19 | 26.1 | 26.3 | 27.3 | 26.9 | 26.4 |
| 20 | 12.0 | 12.0 | 12.2 | 11.5 | 11.7 |
| 21 | 6.4 | 6.2 | 6.0 | 5.8 | 5.9 |
| 22 | 4.0 | 3.9 | 3.8 | 3.8 | 3.4 |
| 23 | 2.8 | 2.7 | 2.6 | 2.6 | 2.5 |
| 24 | 1.9 | 2.0 | 1.7 | 1.8 | 1.7 |
| 25 | 1.4 | 1.5 | 1.3 | 1.3 | 1.4 |
| 26 to 30 | 3.9 | 3.7 | 3.7 | 3.9 | 3.7 |
| Over 30 | 3.9 | 3.8 | 3.5 | 3.8 | 4.1 |

1. Students Under age 17 not included

OCIS Student System

The data is noteworthy for its consistency.

Table VII provides a summary of the educational background of the new entrants to the CAAT system over the last five years.

TABLE VII

THE EDUCATIONAL BACKGROUND OF NEW
ENTRANTS TO THE CAAT SYSTEM

| Year | Less than SSGD | SSGD or Partial SSHGD | SSHGD or University | Other |
|------|-------------------|-----------------------------|------------------------|-------|
| 1976 | 5.4 | 62.2 | 24.2 | 8.4 |
| 1977 | 5.1 | 60.6 | 25.9 | 8.4 |
| 1978 | 3.9 | 60.0 | 27.8 | 8.3 |
| 1979 | 4.2 | 60.2 | 26.4 | 9.3 |
| 1980 | 4.6 | 61.4 | 25.1 | 8.9 |

1. "University" refers to CAAT entrants who attended or graduated from university.
2. "Other" refers to CAAT entrants from/with professional certification, other post-secondary, retraining, apprenticeship, college programs and other sources not covered above.

As with the age information, the educational background data is noteworthy for its consistency.

Table VIII presents by division the information on the sex of the new entrants over the last five years. The overall increases in participation are approximately equal for males (29.1%) and females (30.0%). There is some indication of the increased participation by women as their share of the new entrants to all divisions except Health increased during the period. This information, combined with the decreased portion of female health science students, would tend to support the increased participation of men and women in non-traditional programs. However, the health sciences statistics reflect the quota reductions in nursing and the introduction of certain programs which traditionally attract more males.

TABLE VIII

SEX DISTRIBUTION OF NEW ENTRANTS
TO THE CAAT SYSTEM

| | Share in 1976 | Share in 1980 | Change 1976 to 1980 |
|------------------------|------------------|------------------|------------------------|
| 1. <u>Technology</u> | | | |
| Males | 89.7 | 88.9 | 33.7 |
| Females | 10.3 | 11.1 | 45.9 |
| 2. <u>Business</u> | | | |
| Males | 38.3 | 35.2 | 39.4 |
| Females | 61.7 | 64.8 | 59.4 |
| 3. <u>Applied Arts</u> | | | |
| Males | 35.4 | 32.7 | 6.3 |
| Females | 64.6 | 67.3 | 19.8 |
| 4. <u>Health</u> | | | |
| Males | 8.9 | 11.6 | 32.7 |
| Females | 91.1 | 88.4 | (10.5) |
| <u>TOTAL</u> | | | |
| Males | 45.1 | 44.9 | 29.1 |
| Females | 54.9 | 55.1 | 30.0 |

As well, the participation of foreign students in CAAT programs was of interest to the task force on college growth largely because of the admissions policy as it relates to foreign students. The body of policy relating to residency priorities in admitting students to CAATs clearly indicates; first priority is to be given to residents of Ontario; next priority is to be given to residents of other parts of Canada; next, consideration is to be given to residents of foreign countries within the British Commonwealth; last priority is given to residents of foreign countries not within the Commonwealth.

Although the number of visa students in the CAAT system is small (2%), the task force suggests that such information may support perceptions that:

- programs or at least sections of programs may be being offered which are no longer relevant to Ontario's needs;
- the college mandate is being distorted.

Information on college placement statistics produced from OCIS for the last five years are shown in Tables IX and X.

TABLE IX

COLLEGE PLACEMENT STATISTICS (i) BY PROGRAM DURATION
FOR "LARGE" VS "SMALL" COLLEGES

| Year | Three-Year | | Two-Year | | One-Year | |
|---------|------------|-------|----------|-------|----------|-------|
| | Small | Large | Small | Large | Small | Large |
| 1975/76 | 89 | 85 | 83 | 84 | 82 | 93 |
| 1976/77 | 87 | 85 | 82 | 81 | 77 | 92 |
| 1977/78 | 88 | 88 | 83 | 86 | 74 | 90 |
| 1978/79 | 90 | 91 | 87 | 91 | 84 | 92 |
| 1979/80 | 93 | 96 | 89 | 94 | 86 | 95 |

Here the task force noted the indication of a possible statistical advantage of the large colleges. However, this statistical edge could reflect, among other things, the real or perceived nature of the program, the reluctance of certain individuals to leave smaller centres, the additional time associated with job placement when a move is involved, differences in program offerings. A definitive explanation, if attainable, would require a major study in itself.

TABLE X

COLLEGE PLACEMENT STATISTICS
FOR "LARGE" VS "SMALL" COLLEGES

| Year | Graduates Working 3 | |
|---------|---------------------|-------|
| | Small | Large |
| 1975/76 | 84 | 85 |
| 1976/77 | 82 | 83 |
| 1977/78 | 82 | 87 |
| 1978/79 | 87 | 91 |
| 1979/80 | 89 | 95 |

1. Figures shown are of contacted graduates available for work.

The task force on college growth is convinced that demand for CAAT programs will ensure the potential for real college growth at least until 1985. However, the task force emphasizes that the government's stated commitment to balance the provincial budget may impact the colleges in such a manner as to make the common predictions of decline in enrolment a reality, in spite of ongoing potential for growth in areas which would contribute to Ontario's goals and economy.

While the college system has grown because it has acquired more resources and has used college resources more cost-effectively, TABLE XI indicates that total college expenditures have increased more rapidly than revenues over the last three years.

TABLE XI

UNIT COST AND REVENUE COMPARISONS

| | Operating Support | | | | Salary Costs | | Expenditures | |
|---------|-------------------|-------|-------------|-------|--------------|-------|--------------|-------|
| | Grant Only | | Grant + Fee | | Yearly | Cum. | Yearly | Cum. |
| | Yearly | Cum. | Yearly | Cum. | | | | |
| 1975/76 | Base | 100.0 | Base | 100.0 | Base | 100.0 | Base | 100.0 |
| 1975/77 | 15.2 | 115.2 | 14.3 | 114.3 | 8.5 | 108.5 | 12.1 | 112.1 |
| 1977/78 | 9.3 | 125.9 | 11.6 | 127.6 | 5.9 | 114.9 | 9.5 | 122.8 |
| 1978/79 | 5.2 | 132.4 | 5.6 | 134.9 | 6.5 | 122.4 | 8.1 | 132.7 |
| 1979/80 | 7.7 | 142.6 | 8.9 | 146.8 | 7.5 | 131.5 | 11.9 | 148.4 |
| 1980/81 | 8.9 | 155.3 | 9.3 | 160.4 | 9.9 | 144.6 | 11.7* | 165.8 |

* Estimates for 1980/81

Other sources of college revenue, apart from operating grants and tuition fees, are minimal. Accordingly, the colleges could have spent at a greater rate than they were being funded, only by reducing their working balances.

The task force points out that working balances are desirable and necessary since:

- apart from short-term borrowing to reconcile their expenditures with their cash flows, colleges must meet their financial obligations without going into debt;
- from the central agency perspective, the retention of a working balance is a major efficiency incentive for the colleges.

The task force maintains that the college working balance should average at least 5% of the annual operating grants, over any two to three year period. Such working balances are seen as necessary in consideration of such factors as those noted above and:

- the requirement for the colleges to maintain the physical plant and instructional equipment which are subject to unforeseen breakdowns as well as planned maintenance requirements;
- the necessity of making major planned acquisitions which are not accommodated by the government's capital budget, which has been constant for the past three years at an amount insufficient to adequately maintain the physical facilities currently in the system.

The working balance for the college system currently stands at approximately 5% of the annual operating grants. In 1980-81, this working balance was reduced by 20%, and is budgeted to decrease by a greater amount in 1981-82. It is estimated that, by the end of fiscal year 1982, the working balance level for the CAAT system may well have fallen below 3% of the annual operating grants.

This situation is one which the task force finds alarming for two reasons:

- as their working balances are depleted, the colleges' ability to meet the types of contingencies outlined above is reduced and finally disappears;
- since the working balance often is being reduced to pay for college expenditures such as salaries, which are of a recurring nature, the long-term impact will be compounded one, if revenues continue not to keep up with expenditures and working balances are totally depleted.

If the status quo is carried forward, the task force believes that colleges can expect the restrictions on government controlled operating grants to continue. These current and anticipated future restrictions are seen to stem from such factors as:

- the government's commitment to a balanced budget;
- a perception held by the government that there is potential for

increased efficiencies in the college system. This perception has been reinforced by the fact that colleges have continued to grow in recent years in spite of apparently restrictive government funding;

- the inherent appeal of other social service agencies with which colleges compete for funds.

In consideration of such factors, the task force assumed, under the status quo scenario, that college operating grants will increase by 7 to 9 per cent per year over the next few years. However, the total college revenues will not increase at this rate because of the influence of other factors such as the decreased earning power of diminishing working balances.

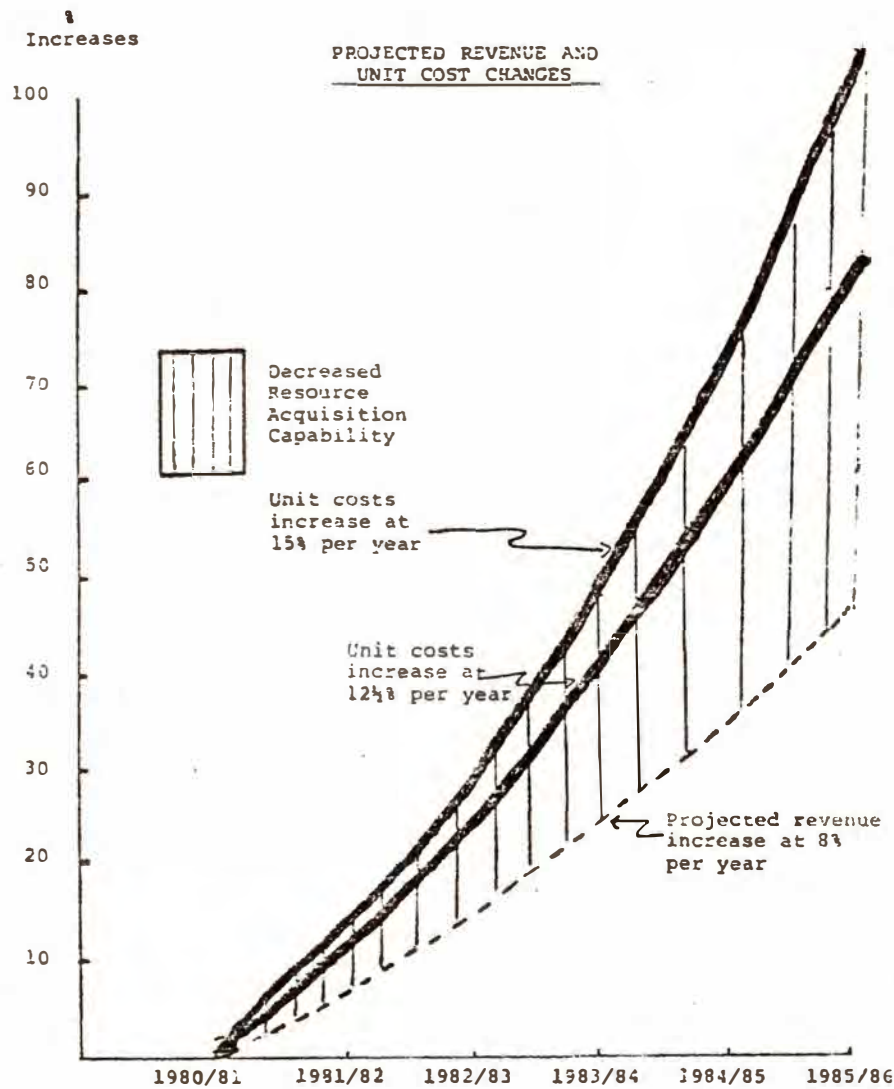
Overall, the task force believes it is reasonable to assume that the college system's revenues will increase approximately 8% per year for the next four to five years.

Some college costs historically have increased more rapidly than either college salary levels or the cost of living. However, these other costs represent only 20% of total costs. Given the likely increases in the costs of energy and instructional supplies, the required maintenance of aging college facilities, the need to update and acquire technologically current equipment, and the rapidly increasing travel costs, it seemed reasonable to the task force to generalize the anticipated increase of 12½% to 15% in salary costs, to relate to all college costs.

Having projected the anticipated changes in college revenues and college costs, it is possible to project the ability of the CAATs to purchase resources over the next few years. The basis of this projection is illustrated in Graph II. In the period 1975-76 to 1980-81, revenues, and total operating expenditures, increased more rapidly than the increase in unit cost of resources. For the first time, in 1980-81, the percentage increase in college costs, particularly salaries, exceeded the percentage increase in revenue to the college system. Only through a reduction of working balances could the college system support a small increase in system resources in 1980-81. As illustrated in Graph II the historical trend in this regard will change sharply in 1982-83, with unit costs projected to

increase by 12½ to 15% ... the solid lines ..., but revenues projected to increase by only 8% ... the dotted line.

GRAPH II



In 1980-81, for the first time, the college system had a revenue increase, by 0.6%, as can be seen in Table XI. This fact resulted in layoffs and/or working balance reductions at most, if not all of the colleges. If this differential between costs and revenues continues and/or increases, the trend towards layoffs and depletion of working balances will continue.

Given the projected costs and revenues, the college system's ability to purchase resources will diminish steadily and sharply over the next five years.

Since the Colleges of Applied Arts and Technology opened in the late

1960's, they have made impressive contributions to the economy and overall well-being of the Province of Ontario through timely, relevant, high quality programs addressing the contemporary demands of students and the labour market. However, the task force would emphasize that there has never been a time when the programs offered by the colleges were more important to the provincial economy than at present. A brief look at the economic prospects facing Canada in general, and the manufacturing Province of Ontario in particular, serves to illustrate the importance of the colleges as we move through the 1980's.

In a recent federal government publication, "Are we ready for change? - Canada's Labour Markets in the 1980's", it is observed, "slower labour force growth will place a premium on the redeployment of human resources to help take advantage of emerging opportunities". "Redeployment of human resources", of course, means the acquisition or upgrading of skills and knowledge, whether by prospective entrants to the work force, or by work force members who are seeking advancement or whose skills have become obsolete.

The Colleges of Applied Arts and Technology are uniquely suited to playing a major role in the process of redeploying human resources. Situated in over 90 major centres across the province and offering programs in over 500 other locations, the colleges are ideally situated to facilitate initial training or re-training in an economical and effective manner. Currently the colleges have over 100,000 full-time students in a variety of programs ranging in length from one year to three years. Additionally, each year there are over 600,000 registrations by part-time learners in CAAT courses.

On October 1, 1981, unemployment figures indicated that 8.1% of the Canadian labour force were unemployed. In November, over 23,000 people were laid off in Ontario alone, and the future national and international picture is no more encouraging. The Toronto Globe and Mail on November 30, 1981, reported that Statistics Canada had determined that the GNP was declining at an annual rate of 4%. Traditionally, in periods of recession, college demand has grown dramatically as workers have the time to seek additional training to reduce the future possibility of layoff. As most of the workers released are in semi-skilled jobs, and have little formal education, the college system is the only province-wide educational structure

in a position to provide effective training or upgrading.

In Canada, problems created by the combination of high unemployment, high inflation and high interest rates are exacerbated by stiff international competition; for example, the competition from Japan in such areas as cameras, videotapes, stereos, televisions, cars, and most recently computers. If Ontario is to compete effectively in such an environment, it must strive continuously to improve the number and quality of people, skilled in new and rapidly changing technologies. The college system has demonstrated its ability to respond in a timely fashion to the changing demands of students and the labour market.

If current conditions prevail as projected by the Conference Board of Canada (December 1, 1981), September, 1982 will be a time of unprecedented demand for college entrance. If funding on the other hand, not only does not allow for college growth, but also fails to keep up with the inflation rate in fiscal 1982-1982, a major and negative impact will be felt in the college system.

It was with the above context in mind that the task force formulated its recommendations which, if implemented, will enable the CAATs to function more effectively in their changed and changing circumstances. The major task force recommendations are outlined below with a brief introductory rationale. It should be noted the full findings and recommendations of the task force are presented in Chapter VI of the report.

A. THE ISSUE OF GROWTH

The task force found that the growth "problem" in the colleges is primarily one of suitable funding rather than client demand. Furthermore, as is detailed in the report, the college unit costs as well as revenues are almost entirely controlled by the provincial government. In this way, the colleges may be seen as direct instruments of government policy. The colleges can only provide services commensurate with their funding.

IT IS RECOMMENDED THAT THE GOVERNMENT'S ALLOCATION TO THE CAAT SYSTEM BE COMMENSURATE WITH THE LEVEL OF SERVICE DESIRED/REQUIRED BY THE GOVERNMENT.

B. CAPITAL AND OPERATING FUNDS

Colleges recently have not been funded at a level which reflects the increase in the cost of their resources. The inevitable result is a limitation of the service they can provide. To minimize such restrictions on service, additional revenue sources and revenue-related policy changes should be considered.

If college funding continues at or below the level necessary to maintain the status quo:

IT IS RECOMMENDED THAT THE FEE CEILING ON PART-TIME ACTIVITY BE ELIMINATED.

IT IS RECOMMENDED THAT THERE BE A MORATORIUM ON THE EXPANSION OF PHYSICAL PLANT, FOR THE PURPOSE OF GROWTH.

IT IS RECOMMENDED THAT WHATEVER PROVINCIAL CAPITAL FUNDS ARE AVAILABLE BE COMMITTED ON A PRIORITY BASIS TO THE ACQUISITION, MAINTENANCE AND UPGRADING OF EQUIPMENT.

C. CAAT MANDATE

The original broad mandate and objectives established for the CAAT system are still appropriate, and major changes by the government in the form of legislation or regulation are not required. However, colleges indicated a desire/need for clarification, as to the application of the mandate in an on-going situation of seriously limited resources.

IT IS RECOMMENDED THAT THE EXISTING COLLEGE SYSTEM MANDATE BE REVIEWED, AND A POLICY STATEMENT BE JOINTLY PREPARED BY THE COUNCIL OF REGENTS AND THE MINISTRY IN CONSULTATION WITH THE COLLEGES, CLARIFYING THE ROLES AND RESPONSIBILITIES OF THE COLLEGES AND THEIR BOARD OF GOVERNORS VIS A VIS THE EXISTING CAAT SYSTEM MANDATE IN THEIR CHANGED AND CHANGING CIRCUMSTANCES.

IT IS RECOMMENDED THAT A BLUEPRINT FOR COLLEGES IN THE 1980's BE PREPARED AS A BENCHMARK PHILOSOPHY AGAINST WHICH COLLEGE-RELATED POLICIES CAN BE EVALUATED.

D. ADMISSION POLICIES

The relevant regulation and existing body of central agency policies concerning student admissions do not take into account an on-going and generalized situation of having to choose among a surplus of qualified applicants.

IT IS RECOMMENDED THAT THE COUNCIL OF REGENTS AND THE MINISTRY IN CONSULTATION WITH THE COLLEGES PREPARE A COMPREHENSIVE AND UPDATED ADMISSIONS POLICY, WHICH CLEARLY TAKES INTO ACCOUNT SELECTIVITY APPROPRIATE TO A SHORTAGE OF RESOURCES AND SURPLUS DEMAND FOR SERVICE.

A further finding related to admission policies was that the participation pattern of student visa students in the CAATs might be used to call into question the colleges' fulfilment of their mandate.

IT IS RECOMMEND THAT THE ADMISSION PRIORITIES RELATED TO PLACE OF RESIDENCE BE RE-STATED STRONGLY AND CLEARLY IN THE REVISED ADMISSIONS POLICY.

IT IS RECOMMENDED THAT FOREIGN STUDENTS BE EXCLUDED FROM THE ACTIVITY BASIS USED TO APPORTION PROVINCIAL OPERATING GRANTS AMONG THE COLLEGES.

E. PROGRAMMING

The timeliness, relevance to the labour market, and quality of program offerings are of paramount importance to the growth of the colleges to meeting provincial goals. Mode of program delivery is a major factor in the efficiency and effectiveness of programming.

IT IS RECOMMENDED THAT THE COUNCIL OF REGENTS REVIEW THE EXISTING PROGRAM APPROVAL MECHANISM TO INCORPORATE A REVIEW OF REGIONAL AND PROVINCIAL RESOURCES AS THEY AFFECT THE INITIATION OF NEW PROGRAMS AND TERMINATION OF EXISTING PROGRAMS.

IT IS RECOMMENDED THAT THE COUNCIL OF REGENTS TAKE A MORE ACTIVE AND LEADING ROLE IN DETERMINING THE LOCATION OF NEW PROGRAMS.

IT IS RECOMMENDED THAT REPRESENTATIVES OF THE MINISTRY, COUNCIL OF REGENTS AND COLLEGES DRAW UP PROGRAM RATIONALIZATION GUIDELINES TAKING INTO ACCOUNT THE POSSIBILITY OF FUTURE LIMITED RESOURCES.

IT IS RECOMMENDED THAT THE COUNCIL OF REGENTS INITIATE A PERIODIC REVIEW OF EXISTING PROGRAMS, BY DIVISION TO ENSURE ON-GOING RELEVANCE OF CONTENT AND COST-EFFECTIVENESS OF PROGRAM DELIVERY.

IT IS RECOMMENDED THAT MINISTRY FUNDS BE ALLOCATED TO THE SYSTEM-WIDE ON-GOING STUDY OF MORE COST-EFFECTIVE UTILIZATION OF COLLEGE RESOURCES FOR TRAINING/EDUCATION.

IT IS RECOMMENDED THAT THE INITIATIVES TAKEN BY THE MINISTRY IN ESTABLISHING COMPETENCY BENCHMARKS DURING 1981-1982 BE CONTINUED AND STRENGTHENED, AND THAT MAJOR EFFORTS IN PROGRAM EVALUATION BE BASED UPON SUCH BENCHMARKS.

IT IS RECOMMENDED THAT THE CENTRAL AGENCIES IMPLEMENT PROCEDURES TO ENSURE THE EFFECTIVE INTER-MINISTERIAL CO-ORDINATION FOR THE COST-EFFECTIVE DELIVERY OF PROVINCIALY SUPPORTED TRAINING/ EDUCATIONAL SERVICES.

F. COST EFFECTIVE USE OF RESOURCES

The current policies do little to encourage inter-college sharing of resources and expertise.

IT IS RECOMMENDED THAT THERE BE INCENTIVES TO ENCOURAGE INTER-COLLEGE CO-OPERATION IN AREAS SUCH AS

- CURRICULUM DEVELOPMENT/REVIEW
- ADMINISTRATIVE SUPPORT SYSTEMS
- RESEARCH INTO MODES OF EDUCATIONAL DELIVERY
- PLANNING

G. GROWTH-RELATED FUNDING

The activity-driven funding distribution methodology fully funds incremental activity change. The task force believes that unless the operating support approximates college unit cost increase, colleges which at least maintain their activity level, should receive an operating grant increase which is not completely influenced by their relative share of system activity.

IT IS RECOMMENDED THAT THE "MINIMUM GUARANTEE" FOR COLLEGES BE RELATED TO THE MOST RECENT KNOWN INCREASES IN THE COST OF COLLEGE RESOURCES, RATHER THAN TO THE PROVINCIAL OPERATING GRANT INCREASE.

IT IS RECOMMENDED THAT THE FUNDING DISTRIBUTION METHODOLOGY BE PHASED IN ACCORDING TO THE ABOVE CRITERIA, IRRESPECTIVE OF THE TIME REQUIRED TO DO SO.

IT IS RECOMMENDED THAT WEIGHTING FACTORS AND OTHER FEATURES OF THE FUNDING DISTRIBUTION METHODOLOGY BE REVISED TO REFLECT THE RELATIVE PRIORITY OF PROGRAMS.

Since the Colleges of Applied Arts and Technology first opened, theirs has been a success story unparalleled in the area of education/training. They have provided timely, relevant, high quality program offerings which have represented a substantial contribution to the economy and overall well-being of the Province of Ontario. Their contribution can be even greater as the province moves through the 1980's.

However, faced in the future with insufficient revenue and no positive intervention or firm guidance concerning appropriate, necessary and substantive changes in college services/operations, the colleges could gradually slide from excellence in hands-on occupationally-specific training to mediocrity. The task force strongly urges that measures be taken, beginning with careful consideration of the task force's recommendations, to prevent the occurrence of such an unacceptable eventuality.