



COLLEGES | COLLÈGES
ONTARIO | ONTARIO

ACAATO ARCHIVE DOCUMENT

2006 Environmental Scan

Chapter 6: Public Policy

PUBLIC POLICY

Section Six

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SECTION TEN: PUBLIC POLICY

1.0 HIGHLIGHTS

Ontario's Priorities

- The Ontario Government will continue to spotlight education policy in 2006 as one of its leading priorities for strengthening Ontario's economy by developing a skilled workforce. The postsecondary investment, totaling a cumulative \$6.2 billion over five years, is reported as the largest multi-year investment in postsecondary education and training in 40 years. The priority areas and strategies are outlined in *Reaching Higher: the McGuinty Plan for Postsecondary Education*, released following the Rae Review report on the province's postsecondary education system.
- Apprenticeship and training programs remain a key area of investment, and there will be a focus on improving the education assessment process for integrating new immigrants into the workforce.
- The government has already introduced legislation to keep students in school until age 18, and is expected to introduce a new secondary school diploma for those who plan to pursue skills and training programs. This may present opportunities for collaboration between the secondary and postsecondary sectors.
- The Labor Market Development Agreement (LMDA) with the federal government, signed in December 2005, will give the province responsibility for the development and administration of programs for EI-eligible individuals. At the same time, Ontario has signed a Labour Market Partnership Agreement (LMPA), giving the province access to more than \$1.36 billion over six years to develop and implement programs to increase labour force participation of EI-ineligible individuals who are currently employed, underemployed and unemployed. Both of these agreements will increase Ontario's investments in skills development.
- The government is expected to establish the Higher Education Quality Council in 2006. The publicly appointed agency will oversee the government's postsecondary sector quality agenda by developing and recommending targets, methods, timeframes, and performance measures; conducting research; encouraging collaboration between institutions, and issuing reports. The amount of importance placed on the council's work will determine the scope of the impact it will have on the future direction of postsecondary education.
- The creation of a new Ministry of Research and Innovation and the premier's decision to assume the position of minister highlights an aggressive strategy to bolster Ontario's science and technology contributions as well as its research, innovation and commercialization capacity. The new ministry has already consolidated existing programs and established further initiatives, such as the

Ontario Commercialization Program, to build and coordinate capacity. The 2005 Budget provided for the establishment of a provincial research council in follow up to a recommendation that a body be created to advise government on research priorities, coordinate initiatives and liaise with federal funding agencies. It is expected that details on the membership and the role of the council will be announced in 2006.

National Priorities

The 2006 elections have resulted in a federal minority Conservative Government. The Party's election platform includes strategies to support postsecondary education, apprenticeships for the trades, and research and development, and immigration. In these key areas the Conservatives have promised to:

- Invest \$100 million per year to improve financial support for students, including enhancing the Canada Student Loans program and work with the provinces to increase the family income threshold for access to student loans;
- Establish a federal tax credit of up to \$500 per year for textbooks and provide a tax exemption for the first \$10,000 of scholarship or bursary income;
- Work with the provinces to remove postsecondary funding from the Canada Social Transfer and create a separate process that will establish dedicated funding for postsecondary education and training;
- Offer grants of \$1000 to help new apprentices with costs of tools, boots and other work accessories; and introduce an Apprenticeship Job Creation Tax Credit for businesses that establish apprenticeship positions;
- Provide an additional \$500 million over the next five years to national grants councils to support university-based research, including indirect research costs;
- Work with research stakeholders in all fields and sectors to explore expanding on the success of the existing research and development tax credit; and
- Create a national agency for assessment and recognition of international credentials and experience; and work with provinces and professional associations to establish effective processes for properly trained individuals to quickly qualify for work¹.

¹ Conservative Party of Canada (2006). Platform.

2.0 THE ONTARIO SCENE

2.1 Year Three of a Liberal Provincial Government

2.1.1 Provincial Budget for 2005²

The Reaching Higher Plan for Post-Secondary Education

The significant investments in postsecondary education represent a major government strategy to strengthen the economy by developing a skilled workforce. The May 2005 Budget included a commitment of a cumulative \$6.2 billion over five years, the largest multi-year investment in postsecondary education and training in 40 years. The publication, *Reaching Higher: the McGuinty Plan for Postsecondary Education*, provides details of the plan and is based on many of the recommendations in the Rae Review report on the province's postsecondary education system, *Ontario: A Leader in Learning*.³

Details of the postsecondary investments are included in the chart following the bulleted list. Announcements include the following:

- Significant enhancements to student financial assistance programs, including increases in the availability and/or dollar value of scholarships, grants and loans;
- An increase in the operating grants to colleges and universities to \$447 million in 2005/06;
- A new tuition framework for implantation in September 2006, when the tuition freeze ends.
- Increase in the number of new apprenticeship students and provide New Canadians with better access to labour market services;
- Support for pilot programs to help New Canadians access college education and jobs.
- Introduction of academic upgrading and training options for those who quit high school;
- Provision of scholarships and employer bonuses for early leavers who enter apprenticeship;
- Tax credits for employers offering apprenticeship positions;
- Bridge training program expansions to help internationally educated Canadians integrate more rapidly into Ontario's workforce;

² Ontario Ministry of Finance. (2005). 2005 Budget.

³ Ontario Ministry of Training Colleges & Universities (2005.) Postsecondary Review. Final Report.

- Public infrastructure funding of more than \$30 billion over a five-year period, including funding for colleges, universities, primary and secondary schools, hospitals, roads, public transit and water and sewage treatment;
- Creation of the Research Council of Ontario and regional commercialization networks, or incubators, to support research partnerships, promote projects and seek commercialization opportunities
- A consolidated Ontario Research Fund to increase incentives for scientific research and development projects, especially in key sectors such as automotive, agriculture, manufacturing, biotechnology, information and communications, environmental technology and nanotechnology, and cancer research
- Support for new power supply projects to increase Ontario's energy supply and promote energy conservation
- Investments in highway expansion, public transportation and improve border infrastructure to facilitate Canada-US trade and travel
- Low-cost infrastructure loans for municipalities
- Investments in early learning initiatives such as the Best Start program to achieve smaller class sizes and establish 25,000 new child care and early learning opportunities for lower- to middle-income families
- \$250 million investment in 2005/06 for specific literacy and numeracy programs and to improve high school graduation rates;
- Investment in health-care reforms focused on improving access to community-based services and to physicians; decreasing wait times; and implementing comprehensive needs-based approach to service provision. Announcements include increasing the number of Family Health teams to provide around-the-clock service; increased funding for hospitals, and the creation of Local Health Integration Networks (LHINs).
- Creation of more than 15,000 affordable housing units available for people with mental illness and those who are victims of violence.

Reaching Higher Plan

Initiative	Details
<p>Increase access to financial assistance</p> <p>Provide tuition grants in cooperation with federal Millennium Scholarship Program</p>	<p>\$192M in 2005/06 for student financial assistance; \$358M by 2009/10</p> <ul style="list-style-type: none"> • 135,000 students to receive new low-income tuition grants and enhanced assistance • provincial low income tuition grants for 16,000 first- year students • Scholarships for high school leavers entering apprenticeship programs
<p>7,000 new apprenticeship spaces by 2007/08</p>	<p>An additional \$11.7 million by 2006/07 to increase in the number of new apprenticeship students to reach target of 26,000 in 2007/08</p> <p>\$17.5 million to improve access to labour market for New Canadians and prospective apprentices, as part of One-stop Training and Employment System;</p>
<p>Improved access by underrepresented groups</p>	<p>\$10M in 05/06, rising to \$55M by 2009/10, to improve access & success rates for underrepresented groups, e.g. francophones, aboriginals, people with disabilities, first in family to attend college or university</p>
<p>Increase operating grants to enable enrolment growth, increased faculty-student contact, increase graduate education, invest in research</p>	<p>Raise college and university operating grants to \$447 Million 2005/06, rising to \$1.2 B in 2009/10, including:</p> <ul style="list-style-type: none"> • Up to \$20 M for northern and rural colleges and universities by 2007/08 • Increase enrolment to 50,000 postsecondary students; • \$4 million over the next two years to pilot new programs to help new Canadians access college education and jobs; • \$220M annually by 2009/10 to reach graduate enrolment target of 14,000; • \$25M for university faculty research & graduate education; • \$95 M by 2008 to expand first year medical education by 15%
<p>Improve pathways and increase collaboration between colleges and universities</p>	<p>Legislation for establishment of Quality Council on Higher Education passed third reading in Fall 2005.</p>
<p>Establish multi-year agreements with institutions to set enrolment & performance targets</p>	<p>Bilateral multi-year agreements to be established in 2006.</p>

2.1.2 Other Policy Announcements

- In the Speech from the Throne in October 2005⁴, the provincial government highlighted two major education initiatives: the plan to make school attendance mandatory until age 18 and the plan to introduce an alternative secondary school diploma with emphasis on skills for trades. The Learning to Age Eighteen legislation was introduced in December 2005.
- In December, the government released its second progress report⁵ restating its priorities for investments and targets for each priority area: education, health care and communities. The relevant targets for the postsecondary sector are to increase participation rates for education and skills training to increase the percentage of internationally educated individuals becoming qualified to work in Ontario. The report identifies some of the *Reaching Higher* investments as strategies. The education target is to reduce the number of students who leave high school without a diploma.
- Health reforms include the implementation of Local Health Integration Networks, which will have responsibility for health human resources planning and funding decisions when fully operational. College health sciences and human services programs play a key role in the supply of health human resources and it is expected that the changes will have an impact on enrolment planning and the availability of clinical education spaces

2.2 Ontario Government Policy Directions

The Government's policy directions reflect several themes that may affect colleges over the next year, including:

- Further reforms and modifications to postsecondary education and skills training systems in Ontario, including the establishment of the Higher Education Quality Council;
- Ontario's newly signed The Labour Market Development and Labour Market Partnership agreements resulting in significant investments in workplace skills and career development programs over the next few years;
- Expansion of primary care reform in health care as well as the implementation of the LHIN model; and
- The new research, innovation and commercialization strategy to stimulate the province's Science and Technology and Research contributions.

Some key directions are discussed below in further detail.

⁴Bartleman, Hon. J.K. (2005). Speech from the Throne. Premier of Ontario website.

⁵ Ontario Government (2005). Progress Report 2005.

Higher Education Quality Council

The responsibilities of the Higher Education Quality Council as outlined in legislation are to:

- develop and recommend quality targets, methods, and timeframes;
- recommend performance measures for evaluation of the postsecondary education sector and issue public reports;
- conduct research on the postsecondary sector, including the design and development of other postsecondary education models; and
- encourage collaboration between post secondary education institutions.

The quality framework and performance indicators that the Council establishes will have a long-term impact on colleges and other postsecondary institutions.

Canada-Ontario Labour Market Agreements

The federal-provincial Labour Market Development Agreement (LMDA) gives Ontario access to \$525M annually as of Jan 1, 2007, to develop and administer employment insurance (EI) programs that help Ontarians gain the skills, work experience and support to find and retain jobs. As well, the federal and provincial governments committed to establishing by March 2006 provisions for the transfer of the relevant federal employees to the Ministry of Training Colleges and Universities. The agreement:

- establishes a joint commitment to create an “integrated labour market system” and reduce unnecessary duplication of services;
- establishes a joint Canada-Ontario LMDA management committee;
- includes provisions for service continuity during the implementation period;
- sets out requirements for annual plans and reports;
- provides for the development of a joint evaluation framework

While Ontario was the last province to sign an LMDA with the federal government, it was one of the first provinces to sign a Labour Market Partnership Agreement (LMPA) to develop programs and services for non EI-eligible individuals. The LMPA gives the province access to more than \$1.36 billion over the next six years to develop programs in six priority areas:

- Expansion and enhancement of apprenticeships
- Labour market integration of recent immigrants
- Literacy and essential skills
- Workplace skills development
- Assistance for Aboriginal Canadians
- Assistance for those facing labour market barriers, such as older workers, displaced workers, and persons with disabilities.

The LMDA and LMPA will enable further provincial investments in skills development programs and will likely result in opportunities for colleges to provide services and programs for the target groups.

Research and Innovation

The establishment of a new Ministry of Innovation and Research, with the premier assuming the role of minister, emphasizes a strategic priority of building capacity in Science and Technology, research, innovation and commercialization. The consolidation of several research funds under a new Ontario Research Fund will allow the ministry to allocate funding to priority sectors including: automotive, agriculture, advanced manufacturing technologies, biotechnology, information and communications, alternative energy/ fuel cells, environmental technologies, and nanotechnology. The fund supports efforts to connect youth to researchers and recruit and develop world-renown talent.

The proposed Research Council of Ontario is intended to align and coordinate research and focus on strategic priorities to increase productivity. The details of the council's role and responsibilities are expected in 2006. The government is also establishing a commercialization framework that will include 11 regional networks and support a multi-stakeholder approach. The networks are focused on life sciences but are expected to develop into other areas of interest based on local strengths and opportunities.

2.3 Ontario Expenditure Patterns

Operating Expenditure Projections

Ontario's projected expenditure on education and training for the 2005-06 fiscal year is \$16.5 billion, representing 20 per cent of total expenses. Education and training expenses comprise the second largest category of government expenses, exceeded only by health, which has estimated expenses of \$33.3 billion, representing 40 per cent of the total. Institutions are the largest expenditure category under Health and Long-Term Care. Within the education and training category, Training, Colleges and Universities are expected to spend \$4.9 billion, while Education accounts for \$11.6 billion of the \$16.5 billion total expenses. Reaching Higher postsecondary investments are expected to total \$683 million in 2005/06 and more than \$1 billion in 2006/07.

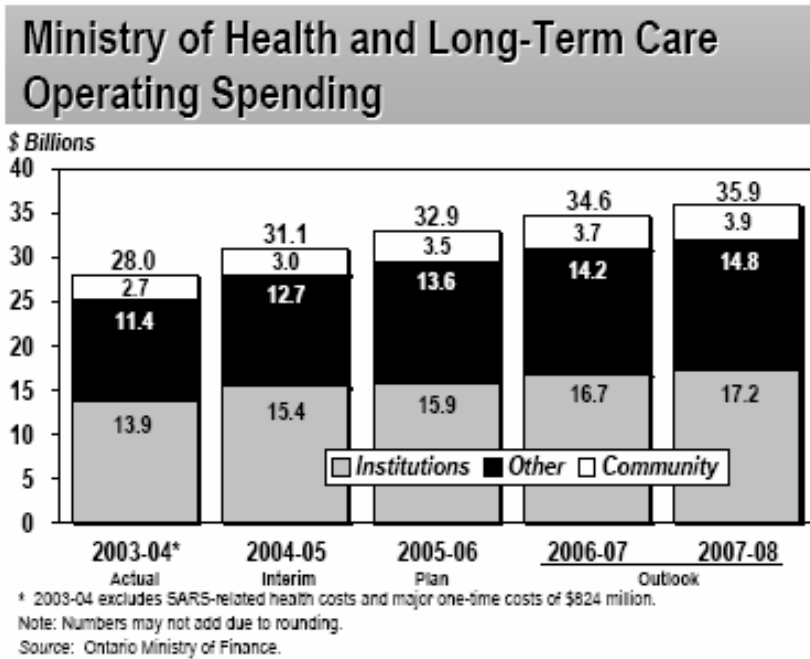
Table 1

Reaching Higher: New Ongoing Operating Investments*							
(\$ Millions)							
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Cumulative Total
Student Financial Assistance	150	192	241	282	314	358	1,537
Operating Grants to Colleges and Universities	50	447	732	932	958	1,156	4,275
Training and Apprenticeship and Other Initiatives	-	44	62	86	87	87	366
Total New Investment	200	683	1,035	1,300	1,359	1,601	6,178

* Increase over 2004-05 base funding, which is the 2004-05 Interim excluding \$200 million in expenditures provided for the Ontario Student Opportunities Trust Fund, endowments for graduate fellowships and faculty research chairs, and college stabilization.
Source: Ontario Ministry of Finance.

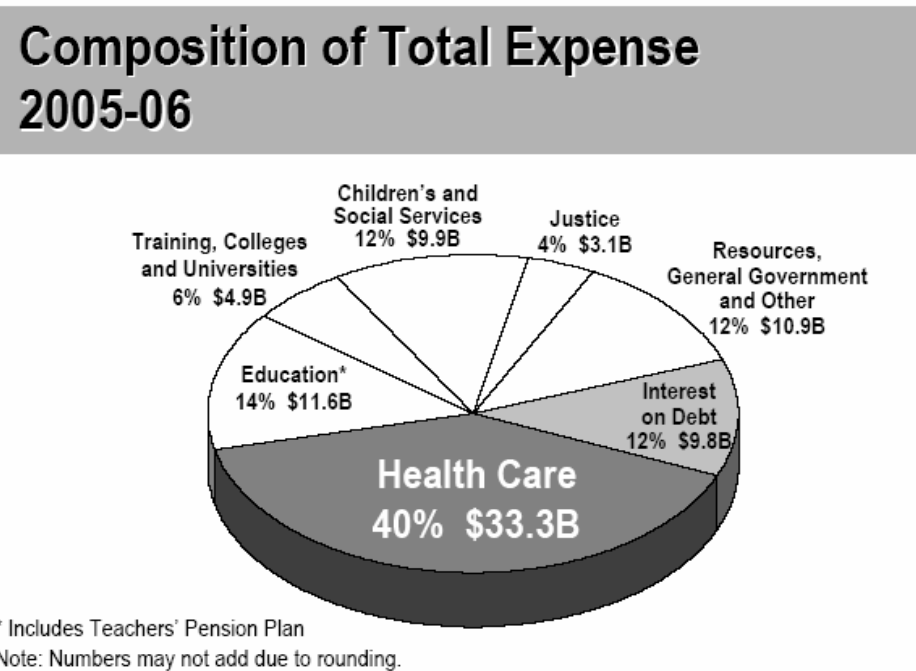
Source: 2005 Ontario Budget. Paper A, p. 15. <http://www.fin.gov.on.ca/english/budget/bud05/pdf/papera.pdf>

Figure 1



2005 Ontario Budget. Paper A. p. 18. <http://www.fin.gov.on.ca/english/budget/bud05/pdf/papera.pdf>

Figure 2



Source: 2005 Ontario Budget: paper A: Appendix 1, p.82. <http://www.fin.gov.on.ca/english/budget/bud05/pdf/aappe1.pdf>

3.0 WEBSITES OF INTEREST

Organization/Item	Web Address
Ontario Government's October 2005 Throne Speech	http://www.premier.gov.on.ca/english/Library/ThroneSpeech112003_ts.asp
Ontario Ministry of Finance	http://www.gov.on.ca/fin/
Canada's Innovation Strategy	http://www.innovationstrategy.gc.ca/
Conference Board of Canada	http://www.conferenceboard.ca
Conservative Party of Canada	http://www.conservative.ca/
Rae Postsecondary Review	http://www.acaato.on.ca/home/postsecondary.html
Ontario Colleges of Applied Arts and Technology Act, 2002	http://www.e-laws.gov.on.ca/DBLaws/Source/Statutes/English/2002/S02008_e-SchedF.htm