



**Association of Colleges of Applied Arts
and Technology of Ontario**

**A New Charter for Ontario Colleges
of Applied Arts and Technology of Ontario**

A discussion of key roles and priorities

June 1999

A New Charter for Ontario's Colleges of Applied Arts and Technology

*"Ontario's community college system
is among the best in North America."*

*Premier Mike Harris
Auto Parts Manufacturing Association
1997 Annual General Meeting*

The Colleges of Applied Arts and Technology have contributed to economic development in Ontario for 32 years. Each year, the colleges provide accessible quality career education and training in English and French to over one million adults. Colleges prepare job-ready graduates for Ontario's labour market and deliver a proven return on public education investment.

On the eve of the new millennium, it is widely recognized that substantive legislative and regulatory change is necessary to enable colleges to continue their transformation to market-driven career education and training providers. A new charter is required.

This paper has been developed by the General Assembly of Board Chairs and Presidents of the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) to outline the necessary key elements of a new charter as the first step in initiating substantive change.

The paper will first present the rationale and support for a new charter, and then describe the changing roles of the colleges of applied arts and technology in the 21st Century. A synthesis follows of the key charter elements recommended by the General Assembly: increased board authority, flexibility and credentials. The report concludes with a call to action and list of next steps to achieve these critical changes. A summary of current regulation governing the colleges is included in the Appendix for reference.

*89% of recent college graduates obtained
employment within 6 months of graduation.*

*1998 Key Performance Indicator Data
released March 1999, ACAATO*

CALL FOR CHARTER

Develop a new Charter for colleges for the 21st Century, to take greater advantage of their potential as significant contributors to the economy, by allowing them to be more market-driven and more flexible.

*A Road Map to Prosperity
Ontario Jobs and Investment Board, March 1999*

The Ontario Jobs and Investment Board (OJIB) Report emphasizes quality education and training as the top priority for sustainable economic prosperity. *A Roadmap to Prosperity* advises the government to develop a new charter for colleges as part of Ontario's economic vision and strategies for prosperity in the new millennium.

During the Premier's Conferences across Ontario leading to the OJIB roadmap, Board Chairs, Presidents and corporate partners from all 25 colleges urged the government to provide a new learning and human resource development framework to enhance the colleges' contribution to social and economic development in this knowledge economy.

Ontario requires comprehensive and coordinated human resource development (HRD) strategies to achieve its job creation and prosperity goals for 2000-2020. The process of creating these HRD strategies begins by recognizing that in the knowledge economy the core imperative "to living, working and raising a family" is learning. Lifelong learning — education, training and re-training — is the fundamental basis for social and economic development.

*Leading Through Learning in the 21st Century:
A Human Resource Development Strategy
for Ontario Prosperity
ACAATO Presentation to Ontario Jobs
and Investment Board
December 1998*

The Ontario Jobs and Investment Board clearly recognized the success of the colleges as career education and training providers and as regional, provincial and global economic development partners. Ontario's economic prosperity, built on job creation, depends upon ready access to high-quality, timely training and re-training. Technology has revolutionized the work place; the classroom is now virtual. Knowledge is the most valuable commodity in today's global marketplace. The needs of learners and employers have changed to just-in-time training and continuous re-training.

In response to workplace needs, colleges across Ontario are transforming to market driven learning centres and becoming even more productive agents of economic growth. New legislative, regulatory and policy frameworks are urgently required for colleges to realize their potential contribution to the 200 communities currently served throughout Ontario.

THE ROLE OF THE COLLEGES IN THE 21st CENTURY

Colleges of Applied Arts and Technology were founded in 1965 as “a new level and type of education to serve those parts of the population whose needs were not being met by the existing education system. Focused mainly on career-oriented education, colleges would create a system which would be a coherent whole.....from kindergarten to the post-graduate level” (*Ontario Department of Education, Colleges of Applied Arts and Technology Basic Documents, 1967*).

Thirty-two years since their founding and 650,000 graduates later, colleges are acknowledged as quality leaders in applied learning. The range of programs offered by colleges includes postsecondary, trades, apprenticeship, contract or customized training, adult basic education, post-diploma programs, work experience programs such as Job CONNECT, as well as general interest courses.

While the career education and training mandate of the colleges remains the same, the processes and environment for achieving this mandate have changed significantly. Program delivery, student profile, technology, market, competition and funding are critical factors requiring the transformation of college roles. All 25 colleges are achieving their original mandate in different ways from each other and from their origins. All 25 have ambitious strategic directions built upon:

- New programs and services
- Accessible diverse learning options
- State-of-the-art learning technology
- Innovative alliances with business and education
- Inter-institution resource sharing.

Yet the operationalization of these strategic directions must vary according to the students, regional communities and markets being served. A large urban college in a high growth region, accessible to mass transit and multiple corporate head offices is responding to different student/client demand and service opportunities than a smaller regional college with limited markets. The definition of “community” as in “community colleges” has now expanded to include not only local geography, but a profession, skill trade, niche market or global workplace. The spectrum of career programs and services offered by Ontario's colleges is a reflection of institutional and regional diversity.

In its review of the future role of the colleges, ACAATO's Council of Governors predicted that to fulfil the promise of lifelong learning, our public education system needs to be both integrated and differentiated.

The primary mission of Ontario's colleges should be career-oriented education and training, including advanced training. To serve the diversity of college clients, individual colleges may choose to be more selective in the number and range of programs offered.

*Accepting the Challenge:
An Agenda for the Council of Governors
ACAATO, August 1993*

Times have changed since the founding of the Colleges of Applied Arts and Technology by then Education Minister William Davis. The workplaces that colleges are seeking to serve demand immediacy, virtualization and integration, qualities not found in traditional *academe*. The average age of college students is 26. Only 40% of college applicants apply directly from secondary school; 40% apply from the home or workplace; and 20% apply from other postsecondary institutions, either college or university.

Funding has also changed significantly during the past decade: per student grants have decreased from over \$5,000 to under \$3,000. Tuition has increased by 109% during this time, creating barriers to access and significant student debt. In an increasingly competitive market, colleges have worked extraordinarily well to identify new sources of revenue and to maintain productive business alliances.

In the next five years, 2000-2005, even more dramatic change will occur. Due to the double cohort of students graduating from Grades 12 and 13 simultaneously and to high urban population growth, a minimum 21% college enrolment increase is expected. There is strong reason to conclude that this projection will be higher due to:

- Increased success profile of colleges
- Increased need for fast track re-training that colleges offer
- Lower cost of college programs
- Potential for new postsecondary education models.

It is estimated that over \$2 billion in capital and operating funding will be required to serve this expanded market. (See *Investing in Ontario's Economic Development; Opportunities and Issues for Increasing Capacity in Colleges*, ACAATO, April 1999, for a detailed analysis.)

However, more than government financial resources are necessary for colleges to adequately serve market demand. Flexibility and innovation are essential to adapt to Ontario's lifelong learning needs. For the colleges to fully achieve their collective career education and training potential in differentiated environments, a new enabling charter reflecting colleges' role in the 21st Century must be developed.

KEY ELEMENTS OF A NEW CHARTER

The immediate changes required by colleges to achieve their potential necessitate new legislative, regulatory and policy frameworks that accurately reflect their priority leadership contribution to sustainable economic prosperity.

The General Assembly of ACAATO has concluded that the *Ministry of Colleges and Universities Act*, *Regulation 770*, the *Colleges Collective Bargaining Act* and some elements of the current Ministry of Education and Training policy and practice are restrictive. These narrow frameworks based on an outdated uniform view of the role of colleges limit the colleges' rapid response to just-in-time training demands and their capacity to source new revenue. From public policy, accountability and cost-effectiveness perspectives, these restrictions cannot be justified. (See Appendix for definitions and regulatory summary.)

As Schedule III Crown agencies, colleges exist as “non-profit, social or cultural operational agencies established for the direct provision of goods and services in order to implement approved government policy and programs.” Full achievement of college priorities requires, for some elements of college operations, broader interpretation or exemption from this definition and governing rules. New charter documents are requested to best capture and enable the colleges’ integrated and differentiated role.

The key elements of a new charter identified by Board Chairs and Presidents include:

- Increased authority for Boards of Governors
- Increased institutional flexibility
- Increased credentials.

A. Increased Board Authority

Increased college authority to become more locally sensitive in program delivery and human resource management is one of the priority changes identified by colleges in charter discussions. For colleges to succeed in rapidly serving diverse communities, Boards are required to “think globally but act locally.”

College Boards of Governors have proven their accountability for the public investment over the past 32 years. Several mechanisms reinforce governance accountability:

- Boards are community based
- Program advisory committees of employers ensure program quality and relevance
- Provincial program standards have been developed for 65 programs with 28 more in progress
- Province-wide Key Performance Indicators (KPI) have been introduced and in 2000/2001 will be tied to a portion of funding
- Auditing and reporting requirements are met.

The private sector continues to demonstrate its trust in colleges through the Ontario Student Opportunity Trust Fund (OSOTF), Access to Opportunities Program (ATOP) and Strategic Skills Initiatives (SSI). Colleges are recognized as the priority education sector to address youth unemployment and skills shortages in Ontario.

College Boards and the learners and communities they serve support the transfer of more authority to local governance.

Based on General Assembly discussion and the results of the Red Tape Review of the CAAT Coordinating Committee (September '98 - May '99), the appropriate areas for legislative and regulatory change are:

- Authority over program development and approval through the program advisory committee process. Current authority over program review should be maintained.
- Authority for marketing and recruitment; catchment areas should be eliminated.

- Authority to determine the portion of tuition increase to be directed to student aid. Continued tuition deregulation authority.
- Audit and reporting requirements should be consolidated, streamlined, and in some cases, transferred to Board authority. Over 14 different audit opinions are currently required by the Ministry of Education and Training, an increase of 86% since 1990.
- Authority for real property transactions (purchase, sale, lease, mortgage, conveyance or encumbrance of property) with a reporting requirement included in the Annual Report to the Minister.
- Authority for the search, hiring and review of presidents/chief executive officers.
- Authority for the terms and conditions of employment for presidents and administrative staff, including compensation arrangements, as recommended by an approved college body.
- Increased authority over collective academic and support staff bargaining. The issue of collective bargaining models is currently under review by a Joint Committee of ACAATO and the Council of Regents. While there is strong support among Boards for increased authority, there does not currently appear to be consensus on the selection of a model most likely to foster college flexibility. An interim report by the Joint Committee is anticipated by December 1999.

In light of extensiveness of Board requests over the past decade for greater authority, the roles of the Boards of Governors and Council of Regents should be re-examined based on criteria of accountability, relevance and local market need.

B. Increased Institutional Flexibility

A one-size-fits-all approach clearly does not work and accentuates the need for local action at the community level to identify real priorities and develop local solutions.

*Ontario Jobs and Investment Board:
Creating Infrastructure to Support Growth
And Competitiveness, October 1998*

Colleges of Applied Arts and Technology were established as Schedule III Crown Agencies with appropriate-for-the-time restrictive corporate relationships to the public through government. Colleges were then funded almost entirely through government grants and student tuition fees and protection of public investment was paramount.

Funding relationships have changed significantly since that time. Less than 50% of college funding comes from government. Colleges are seeking new sources of revenue to continue to provide education quality and access. Colleges therefore need more flexibility for innovative partnerships with the private sector — local solutions to address priorities.

Colleges now need flexibility to adapt to local market conditions and opportunities. Enterprise models are required.

Colleges require the opportunity (beyond the Schedule III agency status) to develop various revenue-generating enterprises to support and extend their capacity as publicly-assisted institutions to serve diverse students and communities. These types of enterprises include:

- college-college institutes
- college-university institutes
- polytechnics
- venture capital corporations
- centres of excellence
- incorporated applied research centres.

The provisions of Schedule III Crown Agency status should be broadened or, where appropriate, waived to achieve the flexibility required by the colleges and envisioned by the Ontario Jobs and Investment Board (OJIB).

C. Increased Credentials

Ontario's knowledge economy requires access to degree programs for all qualified candidates.

Over the past decade, several key postsecondary consultations have focused on the need for a seamless postsecondary system in Ontario. The Colleges of Applied Arts and Technology *Vision 2000* (1990), the Ministry of Education and Training's *No Dead Ends* (1993), and college advice to the Advisory Panel on Postsecondary Education (1996), have urged the provincial government to develop a postsecondary education vision that provides the knowledgeable and skilled workforce necessary to advance Ontario's competitiveness in the global economy. This vision supported by the Ontario Jobs and Investment Board (OJIB) requires the innovative and enthusiastic collaboration of Ontario's colleges of applied arts and technology and universities, as well as new policy and resources, to support these relationships.

College-university articulation with degree-completion is a continuing priority for Ontario's colleges. The College-University Degree Completion Accord (May 1999) is expected to bring positive results and reduce unnecessary duplication of effort, time and expense for college graduates seeking an advanced credential.

As Ontario looks to the workforce learning demands of the new millennium, it will be necessary to expand efficient advanced training and lifelong learning delivery systems. The universities do not have the resources to accept the high volumes of college graduates seeking the internationally recognized degree credential. This capacity issue will become pronounced during the 2000-2005 period.

The applied degree credential provides a partial solution to these challenges. Assigning applied degree-status to specialty programs in colleges of applied arts and technology is helping to fill the advanced training gap in several jurisdictions, such as Australia, Alberta and Michigan. For example, following a pilot project, Alberta recently confirmed its commitment to applied degrees in college programs different in structure and intent from most university degrees. Several Ontario colleges have requested applied degree status in selected programs on the basis of peer adjudicated quality standards.

An additional credential such as the internationally recognized applied degree would add to the range of learning options available for qualified students across Ontario and increase the flexibility of colleges to serve their diverse students, communities and markets. The immediate adoption of this applied degree would also partially eliminate the current barriers that disadvantage Ontario college graduates in relation to graduates from other provinces.

Many colleges are involved in various applied research activities. Colleges are recognized as being appropriate institutions for these activities. The Canadian Foundation for Innovation, Ontario's Research and Development Fund and the Change Foundation are examples of organizations that have included colleges in their funding eligibility list. The inclusion of applied research as part of the college mandate is important to qualify for funding from many research funding sources.

In the public interest, the Ministry of Education and Training, in addition to implementing the applied degree option through legislation, should expand its current policy on ministerial consents to facilitate articulated arrangements with out-of-province universities. College graduates require opportunities for degree completion through accredited out-of-province institutions. Distance education and the Internet are expanding learning opportunities for all qualified students seeking higher education.

Technological change has created a highly competitive global market. This is a reality that Ontario must embrace instead of ignore. Access to Educational opportunities has dramatically expanded. An environment of healthy competition may encourage all postsecondary institutions to make even greater strides towards meeting the needs of learners and business and industry in Ontario with high quality programming.

*Report on Ministerial Consents
College-University Relations Sub Committee
ACAATO, January 1999*

During this period of increasing demand for education and training, it is also appropriate to explore significant structural change to postsecondary program delivery. Possible alternatives that are being raised include the conversion of *some* colleges to transfer institutions for year one and two to universities offering years three and four and integration of a college and university into a regional higher education centre.

This paper is not mandated to explore these options; they are raised here only to illustrate the potential for change that exists in Ontario's postsecondary education sectors. The goal must be a seamless accessible and publicly assisted lifelong learning system for Ontario. At minimum, applied degrees and ministerial consents will provide immediate support for this prosperity vision.

CALL TO ACTION

In the interest of Ontario's social and economic growth, the General Assembly of ACAATO recommends the following Association action plan to achieve significant change through a new charter, based on the rationale and key elements outlined in this paper. Time frame for action is immediate, with government consultation to continue throughout the summer/fall of 1999.

1. Consultation

- Board Chairs and Presidents are encouraged to utilize this paper to engage Boards of Governors and the college community in discussion on a new charter.
- Board Chairs and Regents are invited to discuss both substance and process of a new charter at the Board Chairs Workshop in August. The Minister responsible for postsecondary education and training will be invited to meet with the Board Chairs.
- Time lines for feedback through Board Chairs is October 1999. Dialogue with the Ministry staff on these key elements will continue.

2. Research

- Legal and legislative expertise, both within and beyond ACAATO, will be requested to incorporate these key elements into appropriate categories of legislation, regulation and policy. Specific strategies to achieve change will be developed.
- Charters for other education sectors will be reviewed.
- Time lines for research completion is late August/early September in preparation for Board Chairs Workshop (August) and Presidents' Annual Planning Meeting (September).

3. Advocacy

- Following receipt of Board feedback, the ACAATO Executive will provide leadership in presenting a new charter for colleges to the government. The Advocacy and Communications Committee will be asked to develop an advocacy strategy for both central and grassroots activity to ensure the new charter's acceptance.

Definitions

Legislation is a collection of written principles which guide behavior in society. There are two main types of legislation: primary and secondary.

Statutes or Acts are considered primary sources. When the provincial legislature wishes to enact a law, it goes through a process of drafting legislation. This draft, which lays out what the law should say, is known as a bill. After the bill has been discussed, revised, and passed by the legislature, it officially becomes a Statute. Within the Statute, there is often a statement which allows an individual or body to become responsible for the piece of legislation. The individual or body has the power to create subordinate legislation to deal with matters arising out of the statute.

The **regulation** is one type of subordinate legislation. Regulations contain details which enable the statute to operate as the legislature intend.

Regulatory Summary

The following information is a summary of salient points from the various documents that relate to Charter discussions.

Schedule III Crown Status

Schedule III is for operational agencies that are nonprofit, social and/or cultural in nature and that:

- are funded whole or in part out of the Consolidated Revenue Fund or out of monies collected from the public by means of levies, and are subject to financial planning and reporting processes as determined by the ministry; or
- are self-funded, noncommercial organizations;
- adhere to the general management principles of the government but can demonstrate reasons whereby full compliance with all administrative directives established by the Management Board is not appropriate;
- manage their own administrative support; do not appoint staff under the Public Services Act.

Schedule III agencies must adhere to any management and administrative directives approved by the Management Board that are specifically designated as applying to such agencies. An MOU between the minister and agency head details these.

Waiver of scheduling requirements

Management Board approval must be obtained to waive the above scheduling requirements in those cases where government does not wish to exercise direct administrative or financial control over an organization to which it appoints a majority of members.

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-minister may establish, name, maintain, conduct and govern CAATs that offer programs of instruction in one or more fields of vocational, technological, general and recreational education and training or evening courses for full-time or part-time students;
 - ...minister shall be assisted in the planning, establishment and co-ordination of programs of instruction and services for such colleges.....Council Of Regents;
 - ...Board of Governor for each college, each board shall be assisted by an advisory committee for each branch of a program of instruction offered in the college;
 - BOG can enter into agreements with organizations (subject to the approval of the Minister);
 -BOG may enter into agreements with a university.....leading to degrees, certificates or diplomas awarded by the university (subject to the approval of the Minister);
 - the cost of the establishment, maintenance and conduct of a college may come from the province, federally, student fees, agreements and other sources;
 - Minister may make regulations (does not apply to universities):
 - providing for composition, powers and duties of BOGs;
 - prescribing the type, content and duration of programs offered;
 - prescribing the requirements for admission to any program of instruction, and the terms and conditions upon which students may remain in, or be discharged from a program;
 - for the granting of certificates and diploma's
 - prescribing the qualifications and conditions of service of members of the teaching staff;
 - requiring students to pay registration, tuition and laboratory fees and fixing the amount;
 - Minister may make regulations (applies to colleges and universities):
 - OSAP related regs
 - providing for the apportionment and distribution of money...by the Legislature for university, college and any other p.s educational purpose;
 - prescribing conditions governing payment of grants;
 - defining "enrolment" and "student" for the purpose of grants.....requiring that "enrolment" be subject to approval of the Minister;
 - prescribing forms and providing for their use;
 - Many items relating student loans, interest, payment etc.

Regulation 770

- role of Council Of Regents
- many items relating to the Board of Governor, appointment, quorum , terms of office, vacancy etc.: two 'shall not'- relating to leasing, selling etc of property and approving an annual budget that provides for accumulated deficit without approval of the Minister;
- at least once every three years, each BOG will require an operational review of the college;

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- BOG has the power to appoint, classify, promote, suspend, transfer, reclassify or remove, a) the president; and b) administrative, teaching, and non-teaching personnel, subject to the salary and wage rates and according to the terms and conditions established by the COR and approved by the Minister;
 - BOG may by-law delegate to the president of the college powers outlined above;
 - the process used to appoint, review or remove a college president is subject to the approval of the minister;
 - submission of an annual report to the minister- format and data determined by the minister
 - programs of instruction shall be approved by the minister except those offered under 5.5 of the Act- agreements with universities leading to a university degree, diploma or certificate;
 - the requirement for an advisory committee for each program of instruction appointed by the BOG;
 - admission requirements for applicants; subject to criteria for particular programs;
 - the categories of diplomas, certificates or other documents awarded..... subject to approval of the Minister (except programs 5.5 of the Act);
 - establishment of a college council

Colleges Collective Bargaining Act

- this act applies to all collective negotiations concerning terms and conditions of employment of employees-----In this Act "employee" means a person employed by a board of governors of a CAAT in a position or classification that is within the academic staff bargaining unit or the support staff bargaining unit set out in schedules 1&2;
- also defines "person employed in a managerial or confidential capacity";
- no collective negotiations will be carried on except in accordance with this Act
- COR has the exclusive responsibility for all negotiations on behalf of employers conducted under this Act