

**ONTARIO'S  
DIFFERENTIATION  
POLICY  
FRAMEWORK FOR  
POSTSECONDARY  
EDUCATION**



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# Contents

<b>1. Introduction</b>	5
1.1 Context for Change	5
1.2 PSE Transformation through Differentiation	6
<b>2. Ontario's Postsecondary Education System</b>	7
2.1 Vision	7
2.2 Government Priorities	7
2.2.1 <i>Social and Economic Development</i>	7
2.2.2 <i>High-Quality Educational Experience</i>	7
2.2.3 <i>Financial Sustainability and Accountability</i>	8
2.2.4 <i>Access for All Qualified Learners</i>	8
2.2.5 <i>World-Class Research and Innovation</i>	8
2.2.6 <i>Collaboration and Pathways for Students</i>	8
<b>3. Differentiation Policy Framework</b>	9
3.1 Purpose	9
3.2 Goals	9
3.3 Components of Differentiation	9
3.3.1 <i>Jobs, Innovation, and Economic Development</i>	9
3.3.2 <i>Teaching and Learning</i>	10
3.3.3 <i>Student Population</i>	10
3.3.4 <i>Research and Graduate Education</i>	11
3.3.5 <i>Program Offerings</i>	11
3.3.6 <i>Institutional Collaboration to Support Student Mobility</i>	11
3.4 Strategic Enrolment and Financial Sustainability	12
3.4.1 <i>Strategic Enrolment</i>	12
3.4.2 <i>Financial Sustainability</i>	12
3.5 Metrics	13
<b>4. Implementation</b>	17
4.1 Strategic Mandate Agreements	17
4.2 Policy, Processes, and Funding Levers	17
4.3 Accountability	17



# 1. Introduction

## 1.1 Context for Change

Over the past decade, the Government of Ontario has increased investment in postsecondary education significantly, including increasing operating grants by 80 per cent since 2002–03. These investments helped to improve access to postsecondary education, supported significant enrolment growth at universities and colleges, and drove community and economic development. The tremendous expansion of Ontario’s postsecondary education system was made possible thanks to the commitment of our postsecondary education institutions to access, and their willingness to respond to the demand.

The 2008 economic downturn and the ensuing precarious state of the global economy have made Ontario’s fiscal environment challenging. Substantial new investment by the government at levels comparable to the previous decade is not feasible. Also, as enrolment growth is expected to slow in the near future so too will operating grant funding. With institutions’ costs outpacing growth in revenues from operating grants and tuition, existing cost structures are under pressure. Measures that help to mitigate these pressures are needed in order to ensure the continued sustainability of our postsecondary education system.

We need to make changes to protect the gains of the last ten years, and to ensure that Ontario’s postsecondary education continues to enjoy a productive and promising future. With active collaboration among government, key postsecondary stakeholders, and students, there is an opportunity to address the challenges facing the system. Central to this pursuit is the need to preserve and enhance educational quality and institutional excellence within a sustainable cost structure and to ensure postsecondary education in Ontario continues to have a strong impact on communities. This will require a careful balancing act between government stewardship and institutional leadership, and a strengthening of transparency and accountability between the government, institutions, and the public.

## 1.2 PSE Transformation through Differentiation

The government has opted for differentiation as a primary policy driver for the system. The government's policy of differentiation sets the foundation for broader postsecondary system transformation by publicly articulating government expectations and aligning the mandates of Ontario's colleges and universities with government priorities.

Our overriding goals for a differentiated system are to build on and help focus the well-established strengths of institutions, enable them to operate together as complementary parts of a whole, and give students affordable access to the full continuum of vocational and academic educational opportunities that are required to prosper in our contemporary world.

Over time, the government will align its policies, processes, and funding levers with Ontario's Differentiation Policy Framework to steer the system in ways that align with provincial priorities while respecting the autonomy and supporting the strengths of our institutions.

The government's goals, combined with a collaborative approach to differentiation, will help facilitate the achievement of targeted quality outcomes and enable institutions to respond to a broader range of learners whose diverse qualifications and skills are needed to support economic prosperity and build strong communities across Ontario.

## 2. Ontario's Postsecondary Education System

### 2.1 Vision

*Ontario's colleges and universities will drive creativity, innovation, knowledge, and community engagement through teaching and research. They will put students first by providing the best possible learning experience for all qualified learners in an affordable and financially sustainable way, ensuring high quality, and globally competitive outcomes for students and Ontario's creative economy*

### 2.2 Government Priorities

#### 2.2.1 Social and Economic Development

Postsecondary education is an important driver of social and economic development. The government recognizes the valuable contributions that colleges and universities make towards job creation, enhanced productivity, and the vitality of communities and regions throughout the province.

Postsecondary education also delivers significant social and economic benefits to individuals. Graduates of postsecondary education experience have improved labour market outcomes compared to those without higher education, including higher employment rates and greater earning levels over time. This is especially significant to ensuring Ontario's social development and economic prosperity.

#### 2.2.2 High-Quality Educational Experience

The Ontario government recognizes that high-quality teaching is tied to improved student outcomes. The government sees this as a key priority and is committed to ensuring that postsecondary education in Ontario provides students with the knowledge and skills needed to succeed in their personal and career aspirations, and as engaged citizens.

### 2.2.3 Financial Sustainability and Accountability

The government is committed to working with colleges and universities on creating a financially sustainable, high-quality postsecondary education system in both the short and long term. This priority will help ensure that Ontarians have access to a full range of affordable, high-quality postsecondary education options, now and in the future.

### 2.2.4 Access for All Qualified Learners

Recognizing the value of postsecondary education to an individual and to Ontario's future, the government will continue to build on the gains it has made in increasing access to higher education for all qualified students over the past decade. This also includes an ongoing commitment to making postsecondary education accessible on the basis of ability to learn, not ability to pay.

### 2.2.5 World-Class Research and Innovation

Universities and colleges are engines of innovation that grow Ontario's knowledge economy through applied, commercialized, and pure research. The government is committed to supporting research and innovation to ensure that Ontario's postsecondary education system contributes to the economic success of the province.

### 2.2.6 Collaboration and Pathways for Students

The government is committed to supporting and improving collaboration to ensure that postsecondary education in Ontario provides a full continuum of relevant learning opportunities that can respond to the arising needs of students in their academic paths and career destinations. Innovative collaboration among institutions can provide enhanced opportunities for students, and maximize the impact of existing resources and avoid unnecessary duplication.



# 3. Differentiation Policy Framework

## 3.1 Purpose

The Differentiation Policy Framework is the foundation for the ministry’s decision making and ongoing dialogue with institutions, students, and all stakeholders going forward.

## 3.2 Goals

The Differentiation Policy Framework provides a balanced and collaborative approach to better support the government’s vision and priorities for postsecondary education, while supporting institutions in demonstrating leadership through their distinct contributions. The overarching goals for differentiation of Ontario’s postsecondary education are to:

1. Support student success and access to a high-quality Ontario postsecondary education
2. Improve the global competitiveness of Ontario’s postsecondary education system
3. Build on and help focus the well-established strengths of Ontario colleges and universities while avoiding unnecessary duplication
4. Maintain an efficient and financially sustainable postsecondary education system

## 3.3 Components of Differentiation

Ontario’s Differentiation Policy Framework consists of six key components, which are outlined in the following section.

### 3.3.1 Jobs, Innovation, and Economic Development

This component highlights institutions’ collaborative work with employers, community partners, and regions, or at a global level, to establish their role in fostering social and economic

development, serving the needs of the economy and labour market, and promoting a culture of entrepreneurship. This may include, but is not limited to, the impacts of institutions' commercialization, innovation, and applied research activity on social and economic development.

Differentiation strengthens alignment between regional development needs and defined institutional mandates. This will advance innovative partnerships and programs that serve the distinct Ontario communities to which institutions are connected, as well as broader provincial needs. This alignment will ensure that students graduate with skills that respond to local and provincial labour market needs and contribute to social development. In areas that align with institutional capacity, these partnerships may be global in scope.

### 3.3.2 Teaching and Learning

This component captures institutional strengths in program delivery methods that expand learning options for students and improve their learning experience and career preparedness. This may include, but is not limited to, experiential, entrepreneurial, work-integrated, and online learning.

Institutions will focus on areas of educational strength and specialty so that *collectively* they offer the maximum choice, flexibility, and quality experience to Ontario students. This includes institutions strengthening their innovative teaching approaches, such as technology-enabled learning and experiential learning opportunities, to provide students with a twenty-first century learning experience.

### 3.3.3 Student Population

This component recognizes the importance of improving access, retention, and success for underrepresented groups and expanding opportunities for francophones to learn in French, as articulated in the Reaching Higher Access to Opportunity Strategy.

Institutional specialization will play a key role in increasing the postsecondary education participation and success of Aboriginal students, students with disabilities, first generation students, as

well as expanding programming opportunities for francophone students. In addition, institutions will continue to offer a learning environment that supports and is enriched by a diverse profile of learners.

### 3.3.4 Research and Graduate Education

This component highlights the breadth and depth of research undertaken by Ontario universities, and articulates specific university research strengths. This profiles research activity and capacity that is strongly linked to graduate education.

Future investments in graduate education will be focused to improve research capacity and performance in universities' areas of research strength, helping to build on the world-class research already underway. In time, strategic support on a broader scale will strengthen universities' global competitiveness in the creation and dissemination of knowledge, further raising Ontario's profile as a globally recognized research hub.

### 3.3.5 Program Offerings

This component articulates the breadth of programming, enrolment, and credentials offered, along with program areas of institutional strength/specialization, including any vocationally-oriented mandates. This component also recognizes institutions that provide bilingual and/or French-language programming for students.

Encouraging institutions to focus on areas of program strength will help to define their role in the postsecondary education system and better coordinate program offerings at a system level. This will help promote quality programming that is responsive to student needs and regional demands, and avoid unnecessary duplication.

### 3.3.6 Institutional Collaboration to Support Student Mobility

This component profiles partnerships between institutions that ensure students have access to a continuum of learning opportunities in a coordinated system. This may include, but is not limited to, credit transfer pathways and collaborative or joint programs between or within sectors.

Greater collaboration between and within sectors will work to maximize recognition for prior learning and strengthen pathways so that students can better navigate learning options within a differentiated postsecondary education system.

### **3.4 Strategic Enrolment and Financial Sustainability**

In addition to the six components of differentiation, Ontario's Differentiation Policy Framework identifies two key directions that help support the differentiation process.

#### **3.4.1 Strategic Enrolment**

Discussions about future enrolment levels will be part of the differentiation process and will be informed by system-level ministry enrolment projections, demographics, and recent provincial growth planning decisions that affect capacity, including capital. Working with institutions on managing enrolment growth will help to align institutions' enrolment planning with provincial priorities. Ultimately, coordinated growth and capacity planning will enhance responsiveness to shifting trends in demand and demographics, further helping to protect the quality of postsecondary education from periods of slower growth while meeting local access needs and system-level forecasts.

#### **3.4.2 Financial Sustainability**

The ministry recognizes that underlying the differentiation process is a commitment and action towards ensuring financial sustainability at the institution and system level. Institutions will be expected to provide measures of financial health, including pension plan status and compliance with the BPS Accountability Act.

Transparent reporting standards using comparable measures of financial health and administrative efficiency will enhance institutions' ability to focus investments in areas of institutional strength. Collectively, this will drive the system towards greater productivity and will ensure postsecondary education in Ontario has a secure future.

## 3.5 Metrics

Metrics provide the evidence-base on which to have informed discussions, and it is important to strike a balance between system-wide and institution-level metrics:

- a. Institution-specific metrics identified by individual colleges and universities.** Institution-specific metrics are optional, but help identify unique strengths. These are rooted in historical data to enable measurement of progress over time, and are linked to the institutional internal planning processes.
- b. System-wide metrics identified by the ministry.** These metrics, based on current data collected or already available to the ministry, are applicable to all institutions and form the basis for measuring progress.

The following table outlines, in detail, the approach to metrics in each component (additional information on definitions and technical details for each metric can be found in the Technical Addendum).

## Differentiation Framework – Metrics

<b>Differentiation Framework – Components</b>	<b>Metrics</b>
<b>Jobs, Innovation, and Economic Development</b>	<p>As part of forming an institution’s profile and measuring progress in this component, the ministry will use the following system-wide metrics for all institutions:</p> <ul style="list-style-type: none"> <li>• Graduate employment rates</li> <li>• Employer satisfaction rates</li> <li>• Number of graduates employed full-time in a related job</li> </ul> <p>In addition, before March 31, additional system-wide metrics will be developed, in consultation with the sector focused on applied research, commercialization, entrepreneurial activity, and community impact (e.g., number of patents, number of licences, revenue from licensing, number of start-up companies and jobs created).</p> <p>Institutions are invited to provide up to 3 additional metrics that demonstrate economic and community impact.</p>
<b>Teaching and Learning</b>	<p>As part of forming an institution’s profile and measuring progress in this component, the ministry will use the following system-wide metrics for all institutions:</p> <ul style="list-style-type: none"> <li>• National Survey of Student Engagement Results (university-specific)</li> <li>• Student Satisfaction Survey Results (college-specific)</li> <li>• Graduation rates</li> <li>• Retention rates</li> <li>• Number of students enrolled in a co-op program at institution</li> <li>• Number of online course registrants, programs, and courses at institution</li> </ul> <p>Institutions are invited to provide up to 3 additional metrics that identify unique strengths in program delivery, enhanced teaching quality, and student learning outcomes.</p>
<b>Student Population</b>	<p>As part of forming an institution’s profile and measuring progress in this component, the ministry will use the following system-wide metrics for all institutions:</p> <ul style="list-style-type: none"> <li>• Number and proportion of Aboriginal, first generation, students with disabilities, and francophone students at an institution</li> <li>• Number and proportion of international students enrolled in Ontario (as reported in annual institutional enrolment reporting)</li> <li>• Proportion of an institution's enrolment that receives OSAP</li> </ul> <p>Institutions are invited to provide up to 3 additional metrics related to improving access, retention, and success for these and other groups of students.</p>

<b>Differentiation Framework – Components</b>	<b>Metrics</b>
<b>Research and Graduate Education</b>	<p>As part of forming a university’s profile and measuring progress in this component, the ministry will use the following sector-wide metrics for all universities:</p> <p><u>Research Capacity</u></p> <ul style="list-style-type: none"> <li>• Total sponsored research</li> <li>• Number of research chairs</li> <li>• Number of graduate degrees awarded</li> <li>• Number of graduate awards/scholarships</li> </ul> <p><u>Research Focus</u></p> <ul style="list-style-type: none"> <li>• Graduate degrees awarded to undergraduate degrees awarded</li> <li>• Graduate to undergraduate ratio</li> <li>• PhD degrees awarded to undergraduate degrees awarded</li> </ul> <p><u>Research Impact</u></p> <ul style="list-style-type: none"> <li>• Normalized Tri-Council funding (total and per full-time faculty)</li> <li>• Number of publications (total and per full-time faculty)</li> <li>• Number of citations (total and per full-time faculty)</li> <li>• Citation impact (normalized average citation per paper)</li> </ul> <p><u>International Competitiveness</u></p> <ul style="list-style-type: none"> <li>• Ratio of international to domestic graduates [used by Times Higher Education Rankings]</li> <li>• Aggregate of international global rankings</li> </ul> <p>Universities are invited to provide up to 3 additional metrics that demonstrate their research strengths.</p>
<b>Program Offerings</b>	<p>As part of forming an institution’s profile and measuring progress in this component, the ministry will use the following system-wide metrics for all institutions:</p> <ul style="list-style-type: none"> <li>• Concentration of enrolment at universities by program major and by credential</li> <li>• Concentration of enrolment at colleges by occupational cluster and by credential</li> <li>• Institution’s system share of enrolment by program major or by occupational cluster and by credential</li> <li>• Number of apprentices in each trade (college-specific)</li> <li>• Pass/fail rates of apprentices in each trade (college-specific)</li> <li>• Funding for apprenticeship by trade (college-specific)</li> </ul>

<b>Differentiation Framework – Components</b>	<b>Metrics</b>
<b>Institutional Collaboration to Support Student Mobility</b>	<p>As part of forming an institution's profile in this component, the ministry will use the following system-wide metrics for all institutions:</p> <ul style="list-style-type: none"> <li>• Number of college and university pathways and/or articulation agreements (college-college, college-university, university-college, university-university)</li> <li>• Number of transfer applicants and registrants</li> <li>• Number of college graduates enrolled in university programs</li> </ul> <p>Institutions are invited to provide up to 3 additional metrics that demonstrate support for greater co-ordination and pathways.</p>

<b>Differentiation Framework</b>	<b>Metrics</b>
<b>Strategic Enrolment</b>	<p>Given the forecasted enrolment growth over the next 5–10 years, the ministry has asked institutions to provide medium-term forecasts of planned enrolment through 2018–19 to illustrate the future enrolment trajectory of an institution. These will form the basis for discussing medium-term enrolment growth per institution.</p>
<b>Financial Sustainability</b>	<p>The ministry will use the financial sustainability metrics outlined in the Deputy Minister's November 2013 Memorandum as a backdrop to the Strategic Mandate Agreement discussions. Following the conclusion of SMAs, the ministry intends to engage the sector in discussions around financial sustainability with a view to finalizing the metrics.</p>



## 4. Implementation

### 4.1 Strategic Mandate Agreements

The Strategic Mandate Agreements (SMAs) are the mechanism through which colleges and universities articulate their unique mandates, strengths, and aspirations. They outline the relationship between the ministry and the institutions, and how each institution's mission and activities align with Ontario's vision for postsecondary education as articulated in this framework.

### 4.2 Policy, Processes, and Funding Levers

Ontario's differentiation and Strategic Mandate Agreement process will set the foundation for future alignment of government levers to support sustainability, a high-quality postsecondary education, and other government priorities. Over time, the ministry will align its policy, processes, and funding levers with both the framework and the SMAs to ensure coherent decision making.

### 4.3 Accountability

Reporting by colleges and universities to the ministry continues to be an integral part of the government's relationship with institutions. The ministry will work with the sector to phase in consolidated and streamlined reports.

The ministry will re-profile the Multi-Year Accountability Agreements (MYAAs) as the interim accountability reporting mechanism for Strategic Mandate Agreements. Elements in the report-back template will be reviewed to reduce duplication and reporting burden.