

**MAJOR
CAPACITY
EXPANSION
POLICY
FRAMEWORK**



December 2013

Ministry of Training, Colleges and Universities

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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 knowledge economy.

Context

Between 2002–03 and 2012–13, the postsecondary education system in Ontario expanded substantially, with full-time enrolment growing by over 160,000, more than in any decade in the province's history. Ontario has been supporting enrolment growth across the college and university sectors through increases in operating grants, enhancements to student financial aid, and capital investments.

Ontario's postsecondary institutions have been committed partners in their efforts to accommodate these unprecedented levels of enrolment growth, and have thus contributed to expanding opportunities for students to pursue higher education in many communities across Ontario.

At 65 per cent, Ontario's level of postsecondary attainment (college, university, and apprenticeship) in 2012 was higher than that of any country in the Organisation for Economic Co-operation and Development (OECD). The Ontario government has set a postsecondary education attainment target of 70 per cent to ensure that the province continues to benefit from the competitive advantage of its highly skilled and educated workforce in the global economy.

In this context, it is essential to ensure that in future, the right spaces are created in the right places for Ontario's students. This can be done by targeting areas in which population growth is strong but local postsecondary education capacity is limited.

Population growth in Ontario has recently been – and is expected to continue to be – concentrated in a number of large urban areas. Some of the regions and communities where strong

long-term demand growth is anticipated are not currently served by local campuses. In those areas, gaps have recently begun to appear between enrolment demand growth and the capacity to accommodate continued enrolment growth. If left unaddressed, those gaps are likely to widen over time.

Projections are subject to uncertainty, and caution should always be used when considering long-term forecasts. Based on the ministry's latest assessment of demographics and long-term postsecondary education participation patterns, enrolment demand growth will moderate in the near term, but is expected to return to more rapid growth after 2020, with the potential for substantial enrolment increases over the longer term. Consistent with recent trends, long-term demand is expected to be greatest for degree-level programs.

It is anticipated that the focus of most major capacity expansions in the future will be at the undergraduate degree level. Students in rapidly growing communities have access to substantial local college facilities more than they do to local university campuses. In addition, although graduate enrolment has risen significantly in recent years, it is much lower than enrolment at the undergraduate level, and tends to be concentrated in fewer institutions.

The timing of this anticipated growth in demand provides an important opportunity. The province will have time to plan for and address postsecondary education capacity needs in areas of Ontario where communities are growing and where students need better and more affordable access to postsecondary education opportunities closer to home.

Government Priorities

The Major Capacity Expansion Policy Framework set out in this document seeks to achieve the following objectives:

- Ensuring that future large-scale capacity expansion supports long-term postsecondary education priorities, including institutional differentiation
- Managing enrolment growth strategically, in line with provincial growth planning priorities, to address regional capacity gaps in underserved areas
- Putting in place a transparent, evidence-based decision-making and implementation process

- Addressing affordability and sustainability for students, institutions, and the province by maximizing the cost-effectiveness of targeted investments
- Creating local community and regional economic benefits, leading to job creation and greater economic diversity.

Components of the Policy Framework

The components of the Major Capacity Expansion policy framework include:

- 1) a description of the kinds of initiatives that will be within the scope of the new approval and selection process;
- 2) the selection process and the criteria that will be used in evaluating proposals for approval after a call for proposals is made; and,
- 3) details on implementation and compliance.

Initial Review

Any institution considering an initiative that involves an expansion of capacity should contact the ministry in writing, using the checklist provided in Appendix A. The ministry will review initiatives proposed by institutions on a case-by-case basis to determine whether the planned expansion is subject to the new selection and approval process outlined below. The ministry will provide a response to the institution's request in writing, clearly indicating whether a proposed project or initiative will be subject to the new Major Capacity Expansion selection and approval process. Initiatives subject to the new process are not to proceed unless approved by the provincial government following a formal call for proposals.

Scope

This policy framework addresses a significant provincial interest in the need for provincial management of future large-scale expansions in postsecondary education capacity. Effective management and planning is also needed to help avoid potential conflicts that can arise between and among institutions with respect to the location of new facilities and campuses.

The new approval and selection process is primarily focused on initiatives that are designed to accommodate significant long-term increases in the number of domestic, full-time postsecondary education students. Such large-scale initiatives could include expansions at existing locations or might involve the establishment of new campuses. Initiatives could be partnerships, including university-college collaborations that would also enhance students' educational experience and student pathways.

Recognizing that a wide range and variety of potential expansion opportunities exist in Ontario's diverse and complex postsecondary education system, the ministry has avoided setting rigid parameters to define major capacity expansion. However, initiatives characterized by the following scale-related features are most likely to be subject to the new approval and selection process:

- accommodates enrolment growth of more than 1,000 full-time students in the short term, with the potential to accommodate longer-term growth of 5,000 to 10,000 over the next twenty years (i.e., long-term enrolment comparable to enrolment at substantial existing college or university campuses)
- adds new facilities (either owned or secured through long-term lease) larger than 70,000 square feet (roughly 6,500 square metres), designated primarily for academic purposes
- offers a broad range of programs, with substantial new or expanded ancillary services (or, shows clear potential for future growth in program offerings and ancillary services)
- significantly improves local student access to postsecondary education in the short term (and has the potential to do so in the longer term), particularly in geographic locations that may be experiencing or are expected to develop capacity gaps

When reviewing a planned expansion, the ministry will also take into consideration whether the initiative:

- competes with other capacity expansion initiatives in a particular geographic area or would have an impact on existing or already-planned postsecondary education facilities;
- in the case of proposed new campuses, is outside the "local area" of the institution's existing campuses, or is in a new community for the institution in terms of substantial permanent academic facilities. For the purpose of this policy, the local

area of a campus is defined as the area within the median commuter shed for Census Metropolitan Areas in Ontario, as specified by Statistics Canada (about 10 km).

Institutions making expansion proposals will be required to provide evidence of prior consultation with and support from other institutions that could be affected by the proposal, confirmation of their own Board of Governors' support for the proposal, and confirmation of significant support from the local municipality or region.

Selection and Approval

Decisions about future large-scale postsecondary education capacity expansion projects will be made on the basis of a formal, transparent competitive process that will begin with a call for proposals directed to institutions. Consideration will be given to proposals for large-scale expansion of existing campuses (main or satellite campuses) and/or for the creation of new campuses.

Calls for proposals will be directed to publicly assisted postsecondary education institutions in Ontario. Eligibility to submit a proposal will, in general, be extended to all institutions; however, the government may decide to limit eligibility as appropriate, depending on current circumstances and evolving provincial priorities.

Municipalities interested in being considered as host locations for future major capacity expansion should work in collaboration with institutions that would be prepared to submit a proposal.

Priority will be given to proposals in regions that have been experiencing sustained population and postsecondary education demand growth, and that are underserved in terms of postsecondary education opportunities.

The timing of future calls for proposals, the number of projects selected for support, and the level and timing of funding will be determined by the provincial government and will reflect a range of considerations, including the fiscal environment.

When evaluating proposals, the ministry will consider a set of criteria in the following categories, consistent with its priorities for future capacity expansion (as outlined on page 6):

- Strategic management of long-term enrolment growth and accessibility
- Differentiation, sustainability, and accountability
- Economic impact
- Quality, innovation, and competitiveness (including institutional partnership options)
- Affordability for students and the province (including substantial support from host communities)

Over time, as circumstances change and priorities evolve, the ministry may articulate additional requirements for the competitive process. For details of general evaluation criteria, refer to Appendix C. Additional templates may be provided when a call for proposals is announced.

Once the proposals have been evaluated, the ministry will make recommendations to Cabinet for funding support for the selected proposals. When one or more proposals have been selected and approved for funding, bilateral agreements will be put in place between the institution(s) selected and the ministry.

Policy Implementation and Compliance

This policy framework will be effective immediately. Institutions are encouraged to submit their expansion plans for initial review as soon as possible.

If an initiative is determined to be outside the scope of this new approval and selection process, it will still be subject to other relevant ministry approval processes, including, but not limited to, program approval and capital funding processes. It will also have to be consistent with the terms of the Strategic Mandate Agreement established between the institution and the ministry.

Failure to comply with the requirements set out in this policy framework will affect provincial funding. Specifically, new or expanded enrolment at the location of the expansion will not be recognized for funding through the college or university operating grants, and the institution will not be eligible for provincial capital funding at the location. Failure to comply could also affect future capital decisions by the provincial government with respect to other locations.

Appendix A

Contact Information and Checklist for Institutions Considering Capacity Expansion

Institutions considering capacity expansion should direct a letter describing the project or initiative, along with a completed checklist (see below), to:

MCEsubmissions@ontario.ca

The following checklist will help the ministry determine whether the planned expansion will be subject to the new approval and selection process under the Major Capacity Expansion policy framework.¹

Please complete the checklist (copy and scan the completed form or create an e-file based on the template) and include it as an attachment to your communication to the ministry outlining your institution's planned capacity expansion project.

Please provide additional information as needed in the Comments section of the checklist.

1. A planned expansion that is deemed subject to the new selection and approval process is not to proceed unless approved by the province following a formal call for proposals. A planned expansion that is deemed outside the scope of the Major Capacity Expansion approval and selection process will still be subject to other relevant ministry approval processes, including, but not limited to, program approval and capital funding processes.

Checklist for Institutions Considering Capacity Expansion

Checklist Items	Yes	No	Comments
Size			
How many full-time students would this initiative accommodate, based on current plans?			
Is there potential for substantial longer-term enrolment growth? If yes, please provide a high-level estimate of potential enrolment.	<input type="checkbox"/>	<input type="checkbox"/>	
How much space (in sq. ft.) will be designated for academic purposes in the proposed facility (or expansion)? Would new facilities be owned or secured through long-term lease?			
What is the credential mix of programs associated with this proposed expansion?			
What programs would be made available?			
Consultation			
Have you consulted with other institutions that could be affected by this proposal?	<input type="checkbox"/>	<input type="checkbox"/>	
• Which institution(s) have you consulted? Are they supportive?			
Has your institution engaged its Board of Governors with respect to this proposal? Is the board supportive?	<input type="checkbox"/>	<input type="checkbox"/>	
Is your proposal supported by the local municipality/region in which it would be located?	<input type="checkbox"/>	<input type="checkbox"/>	
• Will third-party resources (municipalities, region, other) be available to support this initiative? What is the level of support expected?			
Location/Services			
Where would the new capacity be located? (municipality, region)			
• Is this a new location/community for your institution?	<input type="checkbox"/>	<input type="checkbox"/>	
If proposing expansion at a new location, is the location more than 10 km from existing campus(es)?	<input type="checkbox"/>	<input type="checkbox"/>	
Does the planned expansion include ancillary and student services?	<input type="checkbox"/>	<input type="checkbox"/>	
• Please provide a list of services to be offered			

Notes

- This list is designed to provide information needed to determine whether a proposal will be deemed subject to the Major Capacity Expansion policy approval and selection process.
- Decisions will be made on a case-by-case basis. If additional information is needed, a representative of the Ministry of Training, Colleges and Universities will contact the institution. Please provide complete contact information, including name, position title, email address, and phone numbers.

Appendix B

An Outline of the Review and Approval Process for Planned Capacity Expansion Proposals

Chart 1 below outlines the steps in the assessment process that will be used to determine whether a planned capacity expansion will be deemed subject to the approval and selection process under the Major Capacity Expansion policy framework.

Chart 2 outlines the steps in the process of selecting initiatives for funding under the Major Capacity Expansion policy framework.

Chart 1: Initial Review – Is the Planned Expansion Subject to the Major Capacity Expansion Selection and Approval Process?

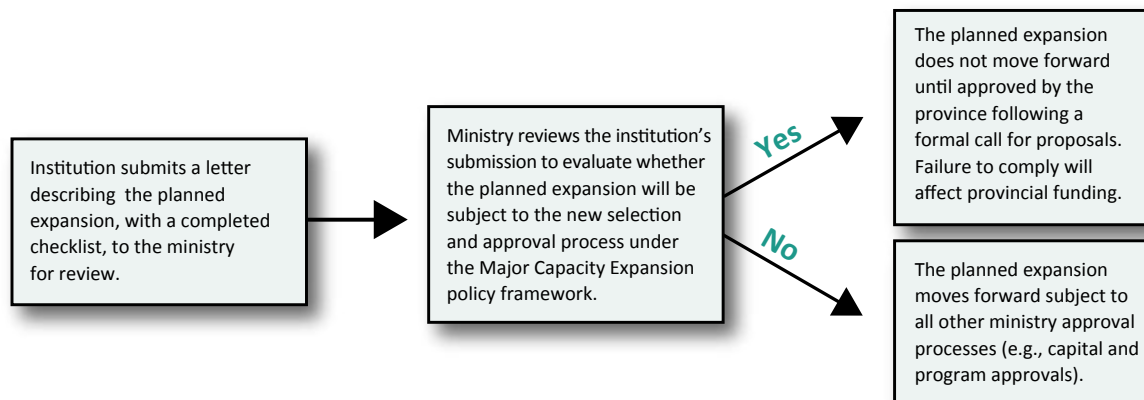
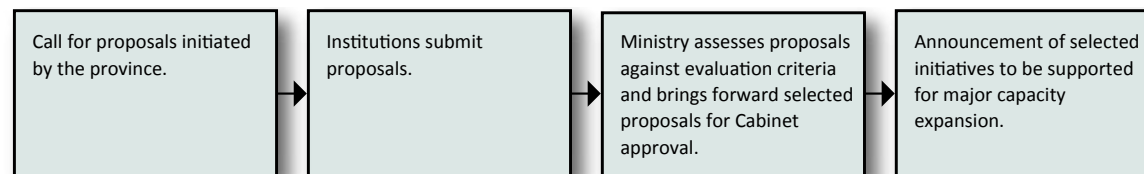


Chart 2: Selection/Approval Process for a Major Capacity Expansion Following a Call for Proposals.



Appendix C

General Evaluation Criteria for Major Capacity Expansion

Category	Evaluation Criteria
Strategic management of long-term enrolment growth and accessibility	<ul style="list-style-type: none"> • Significant expansion of local postsecondary education opportunities for students in underserved areas with growing demand, based on long-term demographic trends • Alignment with provincial priorities, including Growth Plan priorities and economic development initiatives • Clear potential to add substantial new capacity and support future enrolment growth in the postsecondary education sector
Differentiation, sustainability, and accountability	<ul style="list-style-type: none"> • Alignment with the institution’s Strategic Mandate Agreement and goals and priorities of the Differentiation Policy Framework • Impact on nearby institutions • Effective and sustainable governance model, including consideration of the impact of distance from the expansion location for administration and academic experience • Focus on undergraduate programs • Range of programs offered locally and avoidance of unwarranted duplication of existing programming
Economic impact	<ul style="list-style-type: none"> • Demonstrated Value for Money, including AFP options, where appropriate, and limits on provincial contributions • Tangible regional economic benefits, combined with potential for province-wide benefit, based on labour force skills and economic growth • Demonstrated local economic benefits, and linkages with local industries
Quality, innovation, and competitiveness	<ul style="list-style-type: none"> • Innovative service delivery • Institutional partnership options, including university-college collaboration • Postsecondary education quality and student experience (including ancillary and student services)
Affordability for students and the province	<ul style="list-style-type: none"> • Evidence of substantial support from host community, including financial contributions and land ownership • Economies of scale • Linkages with local transportation for commuting students • Potential for leveraging private sector resources • Evidence of consideration of alternatives to expansion proposal, based on existing capacity and potential partnerships • Proven financial health of institution, with asset management plan in place • Demonstrated labour market demand

Note: These are the general criteria that will be used to guide the selection and approval of proposals submitted in response to a ministry call for proposals.