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Responding to the Challenges: Performance-Based Government Operating and Capital Support

**Taking Public Universities Seriously**

Commentary

Lorna R Marsden, PhD  
President & Vice-Chancellor  
York University  
Toronto

The session is based upon three papers and a commentary and all are most interesting discussions concerning the situation faced by post-secondary education and on the concept of performance-based funding. They add richness to the debate and show three major contributions. However, as I will conclude here, they are off on the wrong track in the current climate in Ontario.

The first contribution is to explore the various conceptual issues in dealing with performance concepts: the problems of definition, of measurement and of comparison. Professor Lang's paper deals extensively with these issues and is based upon many years of experience as well as study in the field. His conclusion that performance-based funding is not a satisfactory way of proceeding is rather widely supported but he makes the case with considerable evidence. Professor Janice Gross Stein's paper also touches on some of these issues of definition, application and the unsatisfactory nature of performance-based funding.

The second contribution of the papers is to show the strength of analogy. Michael Dector most usefully described the extent to which the health sector had succeeded in drawing both public attention and government funding by the use of measurements in the health sector. His advice to the universities – to find ways of measurement that are clearly and popularly understood – was well taken.

Professors Iacobucci and Green, drawing upon corporate law and corporate experience in the private sector, raise some interesting and provocative questions which are useful to consider in relation to all sectors. They place quality at the centre of the discussion. That is, they and indeed the other presenters talk about performance-based funding as if it had to do with assessing quality rather than simply the meeting of other objectives. This is, I believe, a mistake. The current key performance indicators used by the Government of Ontario with respect to post-secondary education deal with graduation rates, employment at six months from graduation and two years from graduation and such issues as default rates on OSAP loans. It would be difficult to argue that any of these has to do with the quality of education. So, it is rather a leap to assume that quality would be a part of the thinking in designing performance-based funding. It is far more likely to be performance in a more straightforward and minimalist way. As several of the speakers pointed out, no one can tell us what high quality is in a post-secondary education or in research. Quality is a complex, subtle concept although all of us in post-secondary education are sure that we understand it, at least as it applies to our own fields of expert knowledge. We are equally clear that no one in government is likely to understand it at all.

This brings me to the third contribution. This is the extent to which all the speakers and the papers point distinctions between audit – and especially value for money audits – and performance based funding. They also distinguish between the measurement of individuals and of institutions, and between research and teaching. There is a considerable discussion of the “market place” or “market forces” in post-secondary education, although one must say that all of the speakers were focussed on universities rather than the colleges of arts and technology in the province. Since we know that the provincial auditor will be given the power to audit post-secondary institutions we can anticipate that value for money audit will arrive in the ivory tower very soon. We know that this experience will be a frustrating one. As the speakers pointed out, universities are long-term propositions and the annual audit cycle will not be at all useful for any assessment of quality even if we knew what that was to be.

Rich though the discussion was, it avoided two major issues in my opinion. The first is to assume that performance-based funding would be directed to each institution. Why should this be the case? While from the view point of the university, we do not have a “system” but rather a sector in post-secondary education, from the viewpoint of government it is certainly conceived of as a “system”. The interest of government is far more likely to be in achieving system performance.

The Government of Ontario faces some serious and highly significant challenges in their obligations to the citizens with respect to post-secondary education. They have

geographic problems in that they must serve citizens spread throughout a huge distance; they face demographic problems in that the age distribution, the composition of the population is greatly changed in the past decade and will continue to change in the foreseeable future; and they face historic conditions in that universities were built many years ago in certain towns and cities which may or may not be appropriate for the current conditions. Those universities acquired the rights to programs and funding and it will be difficult to change those.

The fact is that the current Government does not have a fully articulated policy concerning universities, college or post-secondary education. But it does have a set of problems which must be resolved. These problems include the following urgent matters: opportunity must be provided to all qualified citizens including the new groups of arrivals, the minority populations and the excluded groups. This is urgent because if post-secondary education does not capture and include these populations who are entering the labour market in large numbers, the gap between the rich and the poor will also be a gap between visible minorities and others, between the physically or learning challenged and others, and social pressures and unrest will follow.

Another major policy challenge facing the government has to do with economic growth of the type described by the Roger Martin group. Government wants the economy to grow and develop in certain areas which require a highly qualified labour force. Therefore, they must develop policies to ensure that such a labour force exists in Ontario and measure its existence in order to attract investment and growth.

A third urgent matter is the geographic shift in population from the north, east and even west to the Greater Toronto area. All the population data from the Government of Ontario shows this major shift occurring in the next short while. This will result in a problem of too little population to fill the universities outside the GTA and huge pressure on the GTA institutions.

All these problems become so much more challenging in light of the provincial deficit and the need to manage the government's financial commitments.

Performance-based funding, in my opinion, is far more likely to be focussed on these problems. They are more likely to want to know how effectively universities are recruiting, retaining and graduating minorities and newcomers than how quality should be measured. They will want to know if we are preparing students for the labour requirements of the new economy in Ontario and if our graduates are getting those new jobs. They will have to find ways of luring GTA students to the existing universities in the north, east and west in order to justify the overhead accumulated during the Superbuild programs and to keep those universities in a healthy state. Equally, they will have to expand the GTA institutions to keep up with the demand for spaces in the GTA which will become more competitive as the demand for university degrees expands.

From the viewpoint of government, performance-based funding is far less likely to be about any type of quality than it is to be about serving the needs of government to meet their obligations to the citizens.