

**Ontario University Presidents and the Harris Government
with Scene Summaries from the first four acts of The Double Cohort Drama**

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The full title of my talk is "Ontario University Presidents and the Harris Government – with Scene Summaries from the First Four Acts of the Double Cohort Drama."

My objective is to provide you with a flavour of the *dynamics of the relationship* between the presidents and the provincial government, particularly where universities try to act more or less in concert. To do this, I will follow a major file – planning for the double cohort – rather than try to deal with all issues – such as research funding – on which universities seek support from the provincial government. The double cohort file illustrates the dilemmas facing presidents of publicly funded universities, including the two perennial questions: 1) how publicly to press their case and 2) whether to act in concert.

Before getting to the scene summaries, I will take 12 minutes to provide a context.

The title implies two contesting sides: 17 university presidents on one and the Harris government on the other. The contest has historical roots. Battle lines were nicely drawn in 1835 when the Methodists, Catholics and reformers in the colonial legislature opposed the President of the University of King's College, Lord Bishop Strachan, in his attempts to secure a privileged place for his institution.

One hundred and sixty years later another group of legislators were elected on a reform ticket labeled the "Common Sense Revolution." The players had changed but the contest continued. It was conducted mostly out of the public limelight, often within the framework of collaborative planning, and reached a climax in Act 3 of the Double Cohort Drama.

Let's review the dramatis personae. One side has the greater academic distinction: the 17 presidents possess 49 degrees, about evenly distributed among the sciences, arts and the professions. There are two women and 15 men, the tallest of whom is, by convention, the President of the University of Toronto (U of T). Most are experienced academic administrators, several having served at the presidential level for a decade or more. Their median pay in 2000, as recorded in the government's annual exposé, was \$223,000. None have admitted to running for provincial or federal office, although one has served with distinction in the Senate of Canada.

The other side, the elected government, consists of the Premier and 24 ministers. They have accumulated fewer degrees but more electoral victories than the presidents. Of the current Cabinet, 15 have undergraduate or professional degrees (two from U of T). Of these, four have law degrees, one has an MA and another has an MBA. In April 2001, the Premier's pay was \$144,062 and ministers' pay was \$114,334.

I cite academic credentials and compensation, not because they are explicitly referenced by either side, but because they serve as modern-day proxies for the apprehension of status and privilege. The rhetoric of the Common Sense Revolution contains echoes of the resentment of established interests that fueled the 1837 rebellion.

In the earlier contest between the academically distinguished leaders of King's College and the politically attuned reformers in the legislature, the latter prevailed with the 1848 Act to remove the college's privileges and create the University of Toronto. Subsequent

governments maintained their interest. The U of T president in 1890 was Sir Daniel Wilson and one of his diary entries illustrates a lack of enthusiasm for government involvement:

“This everlasting tinkering with University matters by the Legislature is most distracting and mischievous and, for myself, on whom the burden falls, it involves much anxiety as well as labour.”

The modern U of T president shares this burden with 16 colleagues, recognizing that the province's largest university has 16% of undergraduate, 24% of master's and 43% of second-stage doctorate enrolment.

Since the 1960s, Ontario universities have been encouraged by governments to collaborate to serve provincial needs. In 1966, the challenge to presidents was delivered at York University in a carefully crafted speech by William Davis, the Minister for University Affairs.

“... [P]rovided that universities can meet the responsibilities of our times we should undoubtedly be better off if they were allowed to operate with ... autonomy. On the other hand, if they cannot or will not accept those responsibilities, and if, for example, large numbers of able students must be turned away because the university is not prepared to accept them, or if, as another example, some of the less glamorous disciplines are ignored despite pressing demands for graduates in those areas, or if costly duplication of effort is evident, I cannot imagine that any society will want to stand idly by. For there will inevitably be a demand ... that government move in and take over.”¹

Here we see the concern, shared by Ontario governments since colonial days, that universities might be inclined to place institutional academic objectives above accessibility and cost effectiveness.

Universities responded to Mr. Davis's challenge by making the Council of Ontario Universities into one of the most active university associations in the world. To my knowledge, university presidents in Ontario devote more time to the collective enterprise than their counterparts in any other Canadian province or American state. And this is replicated in most of the 29 affiliate groups where various vice-presidents, deans, registrars and finance officers meet regularly to deal with collective management issues.

The Robarts and Davis governments were followed by the Peterson government that adopted a similar approach to universities. The Rae government was more interventionist in its regulations, first on equity matters, and then in cost control where it included universities in its “Social Contract” plan to limit the deficit.

In June 1995, the Harris government was sworn in and moved swiftly to implement the promises in the Common Sense Revolution, which included a 15% reduction in grants to

¹ William G. Davis, “The Government of Ontario and the Universities of the Province,” *Governments and the University* (Toronto, Macmillan, 1966), p. 34.

universities. Although one does not usually think of governments from the right side of the political spectrum as revolutionary, the election slogan proved apt. The Harris government has been revolutionary in the sense of being explicitly skeptical of elites, established institutions and unionized groups.

While all governments like to be recognized for doing things, revolutionaries want to be recognized for *changing* things – particularly institutional things. The Harris government has taken pride in its willingness to challenge established interests.

The Throne Speech initiating its *second* term in office contains this remarkable passage:

“Those elected in 1995 to deliver major change and re-elected in 1999 to continue the revolution do not view themselves as ‘government.’ They believe that they are the people who *came to fix the government*, and that the job is only just beginning.”

The sense that universities are part of a broader public sector that needs fixing is reinforced by occasional commentators in business and the media who believe that universities have not been responsive to the cost-reducing forces that have led to substantial restructuring in the Canadian private sector. Oft-used phrases in the 1990s lexicon of restructuring include market-sensitive, customer-driven, performance-based and technology-enabled.

Thus, there have been two desiderata in the dialogue between the Harris government and university presidents: money (advanced by one side) and structural reform (advanced, not always explicitly, by the other). And an intermediary in the dialogue was removed when the government wound up the Ontario Council on University Affairs (OCUA), the “buffer body” put in place in the 1960s, of which our Massey colleague, Prof. Steve Dupré, has the distinction of being both the first and the last Chair.

To get a sense of how much the university funding environment has deteriorated since Dupré first chaired OCUA, let me refer back to the Davis speech I quoted from earlier. The Minister wondered whether Ontario's 1966-67 staff-student ratio of 1:12.6 could not be closer to the 1:16 in California or the 1:17 in Michigan. Presidents in the late 1990s could only dream of a government that would ask them if they would like to move from Ontario's current 1:26 ratio to California's 1:22 or Michigan's 1:18. Needless to say, Ontario ministers no longer refer to interjurisdictional comparisons when they meet with presidents.

In the run-up to the May 1998 Budget, the Chair of COU had T-shirts stenciled for presentation to the new Education Minister and Finance Minister. The stencil was a map illustrating changes in university funding over the previous two years. All continental U.S. states showed greens of substantial increases; many Canadian provinces bore the white of little change – but Ontario was bright red, with the largest reduction of any jurisdiction on the continent. Although there were no recorded sightings of the ministers wearing their T-shirts, the 1998 budget did increase spending on universities through a Fair Funding Grant and an Access to Opportunities Program.

The government has been active in its structural reform initiatives. Under the banner of *expanding choice*, it has introduced legislation to allow creation of private universities,

provide colleges with powers to grant applied degrees, and create the University of Ontario Institute of Technology. To promote greater *university-college collaboration*, it has created the College-University Consortium Council, allocated special SuperBuild capital to college-university projects, and provided special funding for collaborative nursing programs. Under the banner of *student accessibility*, it has introduced matching programs for student assistance and tuition set-asides, has limited tuition increases for most programs and has moved the operating grant to a more enrolment-driven formula. Under the *accountability* banner, it has introduced performance indicators to be published on universities' web sites and tied about 1.5% of funding to these measures.

University presidents have had views on each of these initiatives and the government was made aware of them. In each case a judgment had to be made on how strongly and publicly to press these views, and whether to do so on an institutional basis and/or collectively through COU.

I understand that university presidents are generously provided with advice on these matters from their campuses. I imagine that ministers get advice from their backbenches and political advisors about how to fix universities. Not being party to these discussions, let me speculate on what the two sides hear.

Ministers are likely advised that the academic enterprise is economically wasteful, producing PhDs that drive taxis, and that the only way to influence an unaccountable ivory tower is to offer conditional funding and brusque financial incentives. Presidents are likely advised that government policy is economically myopic, failing to retain and attract the talent needed to drive the knowledge economy, and that the only way to influence an inaccessible Kafka's castle is through robust criticism and political mobilization.

We should also note the asymmetry in the event of serious confrontation. If it comes to financial incentives, the government is the condition-setter; if it comes to political engagement, the ministers are the well-resourced professionals. As we now move to the Double Cohort Drama, we see the extent to which both sides have been inclined to follow their hawkish advisors.

Act 1 begins September 28, 1998. Scene 1 opens in the dining room at 93 Highland Avenue. The presidents are hosting, at the residence of the Chair of COU, a supper meeting with the Cabinet Secretary and most of the deputy ministers to discuss government and university priorities. Each deputy minister is to set out the key agenda items in their respective ministry. This provides an ideal setting for the Deputy Minister of Education. She describes compellingly – for the benefit of her colleagues as well as the presidents – the double cohort challenge. She asserts that, unlike the attempt a decade earlier, the initiative to eliminate Grade 13 will be successful, and that, five years hence, in September 2003, there will be almost double the normal number of applicants to Ontario's universities. At the same time, the echo of the baby boom will reverse the previous decade of post-boomer decline in the 18- to 24-year-old population.

Scene 2 takes place at the Press Theatre at Queen's Park six months later. Most university presidents are in attendance, and there is a good turnout of television, radio and print

reporters. On the dais is the COU Chair, the former Deputy Minister of Finance who is now a partner in the consulting firm of PricewaterhouseCoopers, and a principal in the Angus Reid polling firm. They present the results of the COU-commissioned studies on enrolment projections and public opinion. They note that the next decade should be viewed as the third wave of the modern expansion of the system, the first being the return of World War II veterans and the second being the baby boom expansion of the 1960s.

The March 31 press conference is widely covered. The public, especially parents with children in Grade 9, are becoming increasingly aware of the double cohort issue.

Act 2 contains many scenes of intensive, if somewhat wary, joint planning. Scene 1 takes place in the office of the Minister of Education where, in a meeting with the COU leadership, he agrees to the creation of a joint Working Group on University Capacity, co-chaired by the President of COU and the Deputy Minister or Assistant Deputy Minister (ADM) of Postsecondary Education, and including five university presidents and representatives of the ministries of Education and Finance.

There are four meetings in the spring of 1999, usually preceded by a teleconference discussion with all presidents. The Working Group produces an agreed-upon projection of enrolment and a calculation of the minimum capital investment that would be required to accommodate the enrolment bulge.

Act 2 ends on a high note. The May 1999 Budget commits \$742 million (later increased to \$1,028 million) in SuperBuild capital for postsecondary institutions. This is essentially the amount specified by the Working Group. The collaborative approach is paying off. Presidents are hopeful that Act 3 would see the triumphant announcement of a "multi-year plan" for increased operating funds to hire the new professors and redress some of the student-faculty increase of the last decade. They have told the government that the autumn of 1999 was the practical deadline for committing these long-term funds so that efficient planning could proceed in the universities.

But that would have lacked drama and the gods of theatre expect more from a third act.

They are to have their wish. Between acts, the Ministry of Training, Colleges and Universities has been hived off from the Ministry of Education, and a new minister and deputy minister appointed. There has been a late spring election with little discussion of higher education. The 6% first-year enrolment increase in September 1999 is significantly higher than the Working Group's projection. Presidents feel they need money quickly to deal with this year's students as well as the September 2000 class, which early application volume suggests will also be larger than projected.

Act 3 opens in October 1999. The scene is the COU boardroom on 180 Dundas Street. Both government and university members are becoming frustrated. The government side is unable to develop proposals for increases in operating funds and has suggested that there must surely be further internal economies that could be found. To demonstrate the contrary, COU staff present papers on cost trends, the productivity record, performance measurement in universities, merit systems in faculty compensation and the corridor

funding system. Nothing seems able to convince the government side that, in order to prepare for the expansion in an orderly manner, universities need a multi-year financial framework.

When the Minister lets it be known that she will not be in a position to commit the government to any announcement of funding intentions before the May Budget, the presidents seek meetings with the Premier and the Minister of Finance.

Scene 2 takes place in the Press Theatre in the legislature. Almost all presidents are present. There has been considerable discussion in the previous weeks on the advisability of calling this press conference. The presidents had been unable to arrange meetings with the Finance Minister or the Premier and are anxious to be heard. They believe they have a responsibility to let the public know about the state of planning for the double cohort and the options available, but they also know that the government can easily interpret their comments as a threat to limit enrolment.

At the press conference, the statements by the COU Chair and Past Chair are measured. One of the persistent questioners is John Ibbitson of the *Globe and Mail*. The scene closes with the presidents cautiously optimistic.

The press coverage was extensive and generally constructive. However, Ibbitson's prominent column the next day leads with:

“The presidents of Ontario's seven largest universities are blackmailing Mike Harris. They don't call it blackmail of course but blackmail it is. And Mike Harris will pay.”

Act 3 would, indeed, have its dramatic climax.

Scene 3 opens in the Minister's Board Room on November 16. The presidents are here to present their consensus position on a package that would respond to the issues they had been discussing in the Working Group. They propose that, as part of the traditional fall transfer announcement, the government should announce an intention to provide a multi-year funding plan in the spring budget and should provide a down payment in November with four components: 1) a corridor increase, 2) a Quality Learning Fund, 3) a Research Performance Fund, and 4) a fund to encourage faculty excellence. It amounts to an increase of 8% in the ministry grant. The Minister listens politely but does agree to recommend the proposal to Cabinet.

Scene 4 is right out of Macbeth. It is 9 p.m. on a stormy December night in a dingy, stone-walled room in the basement of the Pink Palace. The Minister has agreed to step out of a late-evening session of the legislature to meet with a COU delegation to receive a statement from the presidents. The Past Chair reads:

“[Minister], we know that you understand the importance of having the transfer payment announcement made before mid-January.

... quality is the fundamental issue at stake here ... Accountability and responsibility demand both that there be sufficient spaces and that the learning experience of each student is a good one, worthy of Ontario.

... For these reasons, the very significant majority of our universities believe that, absent a decision on public funding that will enable them to increase their admissions intake while ensuring quality, they will not be able to increase their enrolment targets.

As part of the admissions and enrolment planning process, each of Ontario's universities will be making decisions beginning next month about the number of students to admit for fall 2000 and projected overall enrolment levels for the coming year. We will ensure that as those decisions are made by appropriate bodies at the institutional level, they will be forwarded to you.”

Scene 5 takes place the next day in a well-appointed corporate boardroom on the 44th floor of BCE Place, where COU's Committee of Board Chairs is meeting. The COU President is asked to report on discussions with the government. The board chairs, many of whom feel reasonably close to the Premier, cannot fathom why government would not respond to the presidents' urgent requests for what had traditionally been a November announcement. Conscious of their fiduciary responsibilities, many insist on a clearer financial framework before approving the borrowing for the university portions of the SuperBuild projects. The board chairs decide to seek a meeting with the Premier, and ask that a letter be drafted for review. The letter is signed by the Committee Chair on December 21 and includes the following lines:

“Our immediate concern is this: our universities require assurance on increased operational funding for additional students by mid-January, 2000 so that Boards, Senates and related governing bodies can make decisions on any increased enrolments for September 2000 and do our best to arrange for staffing and facilities to accommodate additional students ... Boards of Governors are concerned that they will not be capable of exercising their fiduciary responsibilities in considering the complex financial implications associated with capital expansion projects without an understanding of the environment for operating funds.”

The Premier responds on Christmas Eve with a letter saying, *inter alia*,

“...Since you suggest that some universities are prepared to pass up [capital expansion] opportunities, please let us know which institutions these are. This will allow us to redistribute SuperBuild postsecondary funds among the colleges and universities willing to take advantage of this historic program.”

Relations between the two sides do not improve in the following months. Neither the Premier nor the Finance Minister agrees to meet with university representatives. There is no transfer announcement in January and none in February. It finally comes in mid March.

Scene 6 occurs in a stuffy six-person meeting room in the Ottawa Westin Hotel, containing eight perspiring university presidents as well as the COU President. It is March 14, 2000 and all presidents have been invited to a teleconference briefing by the ADM, Postsecondary Education, on the press release that his Minister will be issuing in one hour. The nine men in the Westin room happen to be in Ottawa for the semi-annual meeting of the Board of Directors of the Association of Universities and Colleges of Canada and have excused themselves to participate in the call. The presidents are horrified with what they hear: there will be no mention of multi-year funding and no acknowledgment of the previous year's dramatic increase in enrolment. The press release will instead announce that no funding will be provided for inflation, that tuition increases will be capped at 2% annually for the next five years, and that two new conditional funding elements will be introduced – 1% of the operating grant will be allocated on the basis of an ordinal ranking on three performance measures, and another 1% will be allocated on the basis of the increase that each institution makes in next year's first-year enrolments.

The lead in COU's press release is: "Ontario university presidents disappointed by today's funding announcement." This was the understatement of the semester.

The final scene of Act 3 takes place on June 22 at the Wyndham Bristol Place Hotel. All presidents are gathered to review the approach to dealing with the Harris government. The dark mood of the winter has been somewhat lightened by positive initiatives in the May 2000 Budget. While not addressing the general operating grant, universities received a substantial portion of the one-time "year end money." There is now more capital for SuperBuild, more for facilities renewal and a \$500 million addition to the Ontario Innovation Trust. Perhaps the most significant breakthrough was the \$30 million annual commitment to a Research Performance Fund, one of the requests COU had made in the November transfer proposal, and for which U of T's President and Vice-President Research and International Relations deserve huge credit for generating the requisite Cabinet support.

Around the hotel conference table, the presidents agree that efforts of the previous nine months to increase the operating grant have been starkly unsuccessful. The question is why. Is it because presidents have been working too closely with the government on planning? Or is it because universities have been pressing too firmly for the need for timely commitments to adequate funding through press conferences and the letters to the Premier?

The presidents have reviewed a 64-slide PowerPoint presentation from the COU President that sets out the pros and cons of various relationships with the government – from full confrontation to full partnership. After a half-day of thoughtful debate, the presidents settle on a place in the middle, which they call "productive working relationship" and agree to review this course after one year. They also agree to a concerted plan, called "Access to Excellence," for personal meetings with each of the 70 people judged most influential in the operating grant decision, including all ministers and backbench MPPs.

Act 4 brings us to the present. The Deputy Minister of Training, Colleges and Universities has been promoted to Finance and is succeeded by the former Deputy Minister of

Community and Social Services. COU's Access to Excellence meetings appear to be well received by most of the MPPs visited. The universities co-operate closely with the government-appointed Task Force on Investing in Students, which later concludes that the expansion cannot be financed from internal economies. The Working Group recommences its planning in earnest.

This act has many scenes in which all 17 presidents participate in intense discussion on positions to take to the Working Group on funding priorities, on a new funding system for enrolment, and on institutional enrolment plans that sum to the projected province-wide enrolment growth.

The co-Chairs deliver the Working Group's report to the Minister on February 21. It includes the enrolment that each university could accommodate if the government were able to provide a multi-year framework with full funding for all enrolments above the current corridor maxima – that is, for the current “unfunded BIUs” and for the growth to come.

The penultimate scene in Act 4 occurs on March 23, 2001 in the office of the recently appointed Minister of Finance where the Minister is meeting a COU delegation. The purpose of the meeting is for both sides to try, within the strictures of budget secrecy, to ascertain the minimum budget commitment that would enable the presidents to concur with – or at least not contradict – the government if it were to declare that its announced measures would provide the wherewithal to address the double cohort. By the end of the meeting, a deal is implicit: if the Finance Minister were to provide for full, multi-year funding for the projected growth, the universities could ensure that this growth would be met, and would attest so publicly.

The final scene in Act 4 takes place in the budget lock-up in the Macdonald Block at Queen's Park on May 9, 2001. The budget papers promise \$293 million for postsecondary growth over the next three years. But the wording is more obscure than the presidents had hoped and is silent on the issues of unfunded BIUs and inflation. In one corner of the room, staff of the Ontario Hospitals' Association are drafting a press release declaring the budget announcements to be totally inadequate, several hundred million short of requirements. One representative says to the COU President: “You must be happy. How did universities get the multi-year commitment that we have been seeking for so long?” At another table, the Ontario Confederation of University Faculty Associations is drafting a press release headlined: “Government's plan doesn't meet projected student demand.”

In another corner of the room, the university presidents in attendance interrogate the ADM of Postsecondary Education about exactly what the budget language means. They have to decide, before reporters question them when they emerge from the lock-up, whether the terms of the implicit understanding with the Finance Minister were sufficiently met to declare their confidence that Ontario universities would be able to provide the projected spaces. Their decision, later ratified at a teleconference of all presidents, is broadly positive and also refers to the need to keep working on a multi-year agenda to address the universities' remaining priorities.

The fifth and final act has begun. No one knows how it will end, but there must be some kind of resolution by September 2003. The dénouement promises to be interesting because the environment has become more complicated since the May 2001 Budget. Enrolments for 2001 and 2002 are higher than projected; there has been no commitment to address the costs of inflation or the unfunded BIUs; and the government is facing tightened fiscal straits.

But I will stop here. I have run out of time and, in any case, the last act of the Double Cohort Drama will be played with a post-Harris government.