



**Manitoba Organization of Faculty Associations  
Fédération des Associations des Professeurs  
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**MOFA Submission on the Post-Secondary Accountability Framework and  
Performance Based Funding  
Wednesday, 22 June 2022**

MOFA has prepared this public document in response to the provincial government's consultation on performance-based funding. It is our hope that the provincial government will reconsider this policy direction, which could cause long-term damage to Manitoba's universities.

The Manitoba Organization of Faculty Associations (MOFA) is comprised of members of faculty associations from Brandon University, Université de Saint-Boniface, University of Manitoba, and the University of Winnipeg representing over 1,600 individual academic staff.

MOFA is a proud member of the Canadian Association of University Teachers. We are based on both Treaty 1 and Treaty 2 territories, and the homeland of the Métis Nation.

MOFA strongly believes that we need a post-secondary education system that:

1. Will be provided with adequate public funding, with clear multi-year funding commitments that will allow our institutions to best serve Manitobans.
2. Will be affordable and accessible to all, with the long-term objective of reducing the use of student loans and private finance to pay for our education.
3. Will be of high quality and will continue to provide our graduates with the flexible critical thinking skills that will continue to shape our society.

4. Will exist free of political interference, with institutions being allowed to make decisions about how to serve the public.
5. Will lower barriers to participation for Indigenous people and members of other equity-seeking groups, and will provide supports to ensure that all students can succeed in post-secondary education.

MOFA is strongly opposed to measures proposed by the provincial government through performance-based funding (PBF) that will only dilute the quality of education offered at Manitoba's universities while also attacking their autonomy. Furthermore, the provincial government has yet to present any evidence that moving to a PBF model would improve the outcomes of Manitoba's universities. Instead, the provincial government has chosen to follow a model implemented in Ontario and Alberta and a number of American states. These models have been introduced under the guise of improving "efficiencies" in the post-secondary system.

The results of this work, examined in greater detail below, find that the performance of performance-based funding in higher education wanting<sup>1</sup>. A large body of research on the impact of performance-based funding, especially at American universities and colleges, shows that performance-based funding fails to achieve the stated policy goals, either having no or minimal effect on student retention and graduation<sup>2</sup>. Moreover, that same body of work shows that performance-based funding for universities comes with large and often unintended costs that are difficult to resolve, including unfairly restricting access to post-secondary education to marginalized students; gaming of the system by administrators to artificially improve performance metrics; pitting different institutions against each other in competition for limited and often shrinking resources; and adding an extra level of bureaucracy to gather the performance data needed for the performance metrics that do not improve outcomes.

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<sup>1</sup>Ortagus JC, Kelchen R, Rosinger K, Voorhees N. 2020. Performance-based funding in American higher education: A systematic synthesis of the intended and unintended consequences. *Educational Evaluation and Policy Analysis* 42(4): p.0162373720953128.

<sup>2</sup>Ortagus JC, Kelchen R, Rosinger K, Voorhees N. 2020. Performance-based funding in American higher education: A systematic synthesis of the intended and unintended consequences. *Educational Evaluation and Policy Analysis* 42(4): p.0162373720953128.

The review of the impact of performance based metrics below examines what they would mean for Manitoba's public universities.

### **Performance-based funding reduces access for marginalized students**

Perhaps the greatest flaw with performance-based metrics is that they disadvantage already marginalized students, such as students from ethnic or racial minorities and from students from low-income backgrounds. This model fundamentally undermines the core mission of our universities, including improving equity and access to higher education. Tying funding to graduation rates creates incentives for administrators to make admission criteria more selective to favour students with a higher probability of graduating on time. This results in what is known as “creaming”. That is, restricting admission to those students who have the very best prospects for success based upon entry criteria such as grade-point average or standardized test scores on entrance exams<sup>3</sup>. Abundant evidence shows that ‘creaming’ disproportionately harms historically marginalized students including those from low-income backgrounds and/or minority groups<sup>4</sup>. Interestingly, the first evidence of ‘creaming’ was found in Tennessee and Florida, early adopters of performance-based funding<sup>5</sup>.

### **Failure is not an option: performance-based funding erodes educational quality**

Improving graduation rates of poorly performing students is a resource-intensive exercise. It requires close monitoring of the academic progress of each student, and the provision of extra resources such as counselling, one-on-one tutoring, and direct funding to students so they don't need part-time work to support themselves. Where

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<sup>3</sup> Umbricht MR, Fernandez F, Ortagus JC. 2017. An examination of the (un) intended consequences of performance funding in higher education. *Educational Policy* 31: 643-673.

<sup>4</sup> Pascarella ET, Terenzini PT. 2005. *How College Affects Students: A Third Decade of Research*. Volume 2. Jossey-Bass, An Imprint of Wiley. 10475 Crosspoint Blvd, Indianapolis, IN 46256; Dougherty KJ, Jones SM, Lahr H, Natow RS, Pheatt L, Reddy V. 2016. *Performance Funding for Higher Education*. Baltimore, MD: Johns Hopkins University Press; Kelchen R, Stedrak LJ. 2016. Does performance-based funding affect colleges' financial priorities? *Journal of Education Finance* 41: 302–321; Umbricht MR, Fernandez F, Ortagus JC. 2017. An examination of the (un)intended consequences of performance funding in higher education. *Educational Policy* 31: 643–673.

<sup>5</sup> Banta TW, Rudolph LB, Van Duyke J, Fisher HS. 1996. Performance funding comes of age in Tennessee. *The Journal of Higher Education* 67: 23-45; Colbeck CL. 2002. State policies to improve undergraduate teaching: Administrator and faculty responses. *The Journal of Higher Education* 73: 3-25; Dougherty KJ, Reddy V (eds). 2013. *Performance funding for higher education: What are the mechanisms. What are the impacts?* ASHE Higher Education Report Vol. 39, No. 2. Hoboken, NJ: John Wiley.

performance-based metrics are imposed without the provision of funding to cover such costs, the American experience with performance-based metrics suggests that colleges and universities take a different approach: lower academic standards, something not routinely included in the performance funding metrics.

### **Performance-based funding exaggerates inequalities among universities**

A large body of research on the experience of performance-based funding in American state systems shows that over time such metrics increase the disparity in funding among institutions.

In Manitoba there are clear disparities among the four public universities, with the smaller universities having less financial flexibility than the one large university, the University of Manitoba. With a lower fiscal capacity at the outset, performance-based funding clearly has the potential to do great harm to the three smaller universities. The PBF model will only undercut the capacity of these institutions to meet their mission, forcing them to be less inclusive rather than more.

### **Performance based funding does more harm than good**

Researchers<sup>6</sup> note that the preponderance of evidence shows that performance-funding policies fail to improve postsecondary outcomes, which raises the obvious question: why bother? If there are no benefits and large costs, a straightforward cost-benefit analysis suggests one should not proceed. But governments across the world, including a majority of American states, have introduced performance-based funding schemes. Why?

Performance-based funding is associated with Conservative / Republican governments: in the United States, the introduction of PBF at the state level was associated with Republican-dominated legislatures as well as New Public Management schemes<sup>7</sup>. In Canada it was and is associated with Conservative

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<sup>6</sup> Hillman NW, Hicklin Fryar A, Crespín-Trujillo V. 2018. Evaluating the impact of performance funding in Ohio and Tennessee. *American Educational Research Journal* 55: 144-170; Ortago et al. 2020. *op cit*.

<sup>7</sup> Dougherty KJ, Natow, R. 2015. *The politics of performance funding*. Baltimore, MD: Johns Hopkins University Press, pp. 64-66; Li AY. 2017. Covet thy neighbor or “reverse policy diffusion? State adoption of performance funding 2.0. *Research in Higher Education*, 58: 746-771; McLendon MK, Hearn JC, Deaton R. 2006. Called to account: Analyzing the origins and spread of state performance-accountability policies for higher education. *Educational Evaluation and Policy Analysis* 28: 1–24.

governments, also embracing a neo-liberal agenda<sup>8</sup>. It was pioneered in Ontario by the Conservative government of Premier Mike Harris while he was implementing the 'Common Sense Revolution' framed upon reducing government expenditures and lowering taxes. In short, performance-based funding was a tool to reduce higher education funding<sup>9</sup>.

In many cases the real intent is not to enhance student outcomes, but rather to use performance-based funding as **a tool to defund post-secondary education**. In many cases, performance-based funding is used to withdraw public funding from public education and shift the burden to students by raising tuition fees<sup>10</sup>.

Australia, where another Conservative government implemented PBF, has cut hundreds of courses and majors at their universities in fields as wide ranging as science, information technology, mechanical engineering, gender studies, music, theatre, mathematics, religious studies and economics. At Macquarie University in Australia 31 degrees or combined degrees in the faculty of science and engineering were on the chopping block, along with 30 out of the current 56 offered majors in the faculty of arts.

## **Manitoba**

There is every reason to think that Manitoba's experience with PBF will have the same inequitable consequences that it has had in Tennessee, Australia and elsewhere. As the Manitoba government interferes directly with university budgets and tuition levels, as well as emphasizing labour market alignment over quality education (see Horizon Manitoba and the aptly named Government of Manitoba's Skills, Talent and Knowledge Strategy document) we can expect similar consequences here.

Changes to the Advanced Education Administration Act (Bill 33) allows the Minister of Advanced Education, Skills and Immigration the authority to set guidelines for tuition charged by universities. Performance-based funding means the provincial

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<sup>8</sup> Dougherty KJ, Natow R. 2019. Analysing neoliberalism in theory and practice: The case of performance-based funding for higher education. Centre for Global Higher Education Working Paper No. 44 (March 2019).

<sup>9</sup> Jones GA. 2004. Ontario higher education reform, 1995–2003: From modest modifications to policy reform. Canadian Journal of Higher Education/Revue Canadienne d'Enseignement Supérieure 34: 39–54.

<sup>10</sup>CAUT Bulletin: The rise of performance-based funding; April 20, 2020: <https://www.caut.ca/bulletin/2020/04/rise-performance-based-funding>

government can use the provincial grant to cut programs not deemed to be contributing to the labour market as they define them, while reducing the provincial grants to Manitoba's universities.

Manitoba universities follow and contribute to the standards established by the national and international university community and professional certifying organizations so that their students can enter graduate programs and qualify for jobs around the world. Manitoba universities already train the vast majority of the province's professionals in health sciences, agriculture, engineering, science, social work, social sciences, humanities business and education. MOFA implores the government to publicly identify what exactly our universities are failing to do.

Bill 33 represents a further attempt by the PC government to interfere in the internal governance and academic programming of our universities. What are they trying to fix, based on what information or expertise? The effect of Bill 33 is a politicization of academic programming at university and allows the minister to pick and choose which programs are politically acceptable. This intrusion of government into the internal affairs of the university undermines the very concept of university, as the courts have ruled, and the essential principle of both academic freedom and university autonomy.

In conclusion, the introduction of a PBF framework for Manitoba will only worsen outcomes for Manitoba's students and our universities. The introduction of a PBF system will:

1. Will reduce access to students from historically and currently marginalized groups, specifically Indigenous students in Manitoba.
2. A focus on graduation rates and timelines will incentivize institutions to enroll fewer students who may require additional assistance and time to complete their degrees.
3. Will reduce educational expectations to ensure students can meet them more easily, thus diluting the quality of the educational experience.
4. Will further erode academic freedom and institutional autonomy, as additional bureaucracy will hinder our universities from focusing on our core mission.

The provincial government has failed to present a compelling case for the introduction of a PBF system in Manitoba and has also neglected to identify where the post-secondary education system has fallen short. In the absence of this data, it is the opinion of MOFA that such a scheme would only be introduced with the long-term objective of further reducing government funding for post-secondary education.

In response to consultations on this issue, MOFA calls on the provincial government to do the following:

1. Immediately suspend the implementation of a PBF model in Manitoba, and recognize the detrimental effects of such a policy.
2. Publicly identify where the government feels the current system is falling short, and instead work to fund initiatives such as student counseling, academic advising and reducing barriers for marginalized students to access education.
3. Take steps to reduce the cuts that have resulted from reductions to the provincial grant to our universities. If we recognize that post-secondary education has a positive effect on our society and economy, then we must allocate sufficient funding to allow our universities to achieve our core objectives. Further cuts will only worsen the outcomes of our universities.
4. In addition to abandoning the PBF model, the provincial government should consult in good faith with faculty on improving the learning and working conditions for students and faculty.

MOFA thanks the provincial government for the opportunity to provide feedback on this crucial issue that will provide a direction for our universities, faculty, and students. We encourage the government to engage in sober second thoughts and to reconsider these proposed policies, which could have a disastrous effect on our universities and indeed, the future of our province. MOFA also wishes to thank MOFA and UMFA past president, Robert Chernomas, for their contributions and research on this issue.

On behalf of the MOFA Executive Council,

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