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Changing Definitions and Off-loading Responsibility in Alberta's Post-Secondary System

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Abstract

The introduction of a performance-based funding mechanism by Alberta's provincial government alters the public definition of "educational quality" and fully shifts the responsibility for declining educational quality from the provincial government onto institutions. This article outlines the process by which the provincial government has compelled institutions to accept this redefinition and transfer despite the substantial loss of institutional autonomy it entails. The implications of this change are explored and possible reasons are suggested.

Introduction

The introduction of performance indicators (PIs) in Alberta's performance-based funding mechanism has changed the definition of education quality and fully shifted the responsibility for providing a high-quality post-secondary education onto institutions. This ignores the pivotal role government funding plays in maintaining educational quality. One result of this process is a significant loss of institutional autonomy. A second result has been the imposition of a market model on education that shifts responsibility for education from government to individuals.

Background

Alberta's public service has recently undergone a massive downsizing as the provincial

government has eliminated its deficit through reductions in public spending. The decline in government funding to the post-secondary education (PSE) system totaled 21% between 1994 and 1997 (AECD, 1994). When coupled with spiraling enrollments and stagnant provincial funding, Alberta's 21 public colleges, universities and technical institutes have seen per-student, constant-dollar funding fall from \$6165 in 1980/81 to \$3267 in 1996/97--a reduction of 47% in 17 years. Funding and enrollment projections through 2005 suggests this pattern will hold (AAE, 1992; Treasury, 1997).

This trend in post-secondary funding has occurred worldwide and concurrently with the contraction of the welfare state. This suggests a return to the classically liberal approach to government where liberty is defined as "freedom from restraint" in contrast to the reform liberal definition of liberty as the "freedom to act" (Gibbins and Youngman, 1996). This shift has been caused (or, alternately, legitimized) by large government deficits and debts.

Debt and deficit; revenue and expenses

Upon election in 1993, Alberta's government faced a substantial deficit and growing debt--the legacy a decade of upheaval in oil and gas prices--and set about attempting to reduce government expenditures. Government rhetoric about spiraling public-sector costs as the prime cause of both the debt and deficit, according to Kevin Taft, is largely inaccurate: overall government spending had been declining since 1986.

"...(former premier Don) Getty's government had kept this decline fairly quiet, still wanting Albertans to believe they were getting 'the best' from their province, an expectation strongly engendered during the Lougheed years. As a result, the public was still under the misconception that Alberta spent far more than other provinces."

The public belief that programs were still rich, reinforced by a strong public opposition to tax increases left open a whole new strategy for (current) Premier (Ralph) Klein's incoming government. He and his ministers strongly reinforced the mistaken perception that spending was out of control and argued vigorously to cut expenditures (Taft, 1997, p. 12). Between 1986 and 1992, Getty's cuts saw government spending fall by 15% (adjusted for inflation) and, by fiscal 1991/92, Alberta spent \$4593 per capita on public services as compared to the Canadian average of \$4758 (McMillian and Warrack, 1995). Yet, in June 1994, Klein told the Edmonton Journal, "When our government took over a year and a half ago, we saw uncontrolled spending" (Taft, 1997, p. 25).

Cooper and Neu (1995) suggest that the real reason that expenditures had outstripped revenues during the Getty years was that the government was not only feeling the effects of the low resource prices, but also the effects of granting the oil-and-gas lobby tax breaks as oil prices fell. This means that the government received lower royalties because of lower prices and also absorbed a portion of the oil-and-gas companies' losses (due to these same lower prices) by accepting a lesser percentage of the sale price in royalties.

McMillian and Warrack (1995) note that the government had three way to compensate for its deficit: (a) reducing public expenditures, (b) increasing revenues or (c) a combination of reducing expenses and increasing revenue. The decision to concentrate on the expense side of the government balance sheet (to preserve the Alberta Advantage of low taxes) was a conscious decision (as opposed to being the necessity Klein often portrays it as) and reflects the political difficulty of selling tax increases to Albertans used to low taxes.

The Alberta Advantage: Rhetoric or Reality?

The Alberta Advantage is premised on "a powerful combination of low taxes, fiscally responsible government, abundant natural resources and a well-educated workforce" (Klein,

1996). The Klein government's belief that low taxes stimulate business and consumer spending explains why it has focused solely on reducing expenditures to balance the budget rather than also attempting to increase revenues by raising taxes.

The dogmatic belief that low taxes attract investment in Alberta by companies runs contrary to conventional approaches to estimating the profitability of locating businesses in a region (Drugge, 1995). The corporate sector estimates profitability based upon the possibility of high-volume sales combined with access to low-cost, high-quality inputs and inexpensive transportation. Further, evidence gathered over the past 15 years clearly demonstrates that a low-tax approach to economic development (the basis of the Alberta Advantage) has not been successful in Alberta.

McMillian and Warrack (1995) note that Alberta's taxes were lower than any other province prior to Klein's election (approximately 75% of the Canadian average) and had been kept this low by the presence of natural resources revenues for the past decades. (In 1993/94, Alberta received approximately 40.3 per cent of its revenue from individual and corporate taxes while the Canadian average was 61.3 per cent. The difference was largely made up of the taxes assessed on the extraction of natural resources.) If low taxes do stimulate economic growth in Alberta, there should be evidence in Alberta's growth through the 1980s.

Between 1981 and 1993, Alberta's average annual growth in retail sales was 0.3 per cent, substantially lower than that of higher-tax British Columbia (1.3 per cent) and lower than the Canadian average of 0.7 per cent (Drugge, 1995). Average annual real business investment in Alberta during this period (investment in plants, machinery and equipment) was -3.0 per cent, while in British Columbia it was 1.4 per cent and the Canadian average was 2.9 per cent. The average annual real growth rate in Alberta from 1981 to 1993 was 0.6 per cent. British Columbia had a 2.9 per cent growth rate and the Canadian average was 2.5 per cent.

What this analysis demonstrates is that Alberta's low-tax strategy has been unsuccessful in stimulating growth. This is because Alberta's economy is largely tied to the natural resources market and a low-tax strategy lacks the power to successfully counter the fluctuations in the resource market. The Alberta Advantage does not work in Alberta.

In 1990/91, Alberta personal and corporate taxes equaled \$2885 per capita (McMillian and Warrack, 1995). The Canadian average was \$3681. Additionally, Alberta has a tax capacity approximately 33 per cent greater than the Canadian average, meaning having taxes comparable to the rest of Canada would have actually netted the government \$4331. Given that low taxes have little ability to stimulate growth in a resource-dominated economy, raising them towards the Canadian average in conjunction with reductions in public spending provides a balanced solution to the revenue problem without unduly burdening taxpayers. This solution has been successfully implemented in the neighboring province of Saskatchewan.

Further, by adjusting both revenues and expenditures, Alberta could have maintained its investment in human capital that business owners rank as vastly more important in business success than low taxes. The assault on Alberta's investment in

"human capital negatively affects precisely those features such as quality of labour and management noted as the key resources of economic success in the small business surveys cited above. These expenditure reductions must therefore raise serious questions about the underlying logic of the government's policies." (Drugge, 1995, p. 189).

The importance of resource revenue in Alberta's budget further suggests that spending on

public programs wasn't the source of the deficit but that low tax revenues were. And attempting to control the deficit solely by cutting public-sector spending in order to avoid tax increases makes no sense. That the government did not take note of the economic lessons of the Getty years (because of its fixation on the politically saleable Alberta Advantage) and drastically down-sized the public sector at the expense of the province's economic future, suggests either incompetence or priorities other than ensuring the economic success of every Albertan through access to public services like post-secondary education.

Per-student funding and the changing role of government

Returning to the earlier discussion of the effect of ideological change on the degree of responsibility assumed by society for providing a post-secondary education system, the disaggregation of responsibility for the reform liberalist "freedom to act" can be seen in the government's human resource strategy, *People and Prosperity*:

Continuous learning and the updating of skills is a shared responsibility. The primary onus is on individual Albertans, but strategies are needed to help them access learning opportunities and obtain the skills and knowledge they need to be successful. Student assistance ensures that financial barriers do not act as a deterrent to Albertans pursuing adult learning. Alberta's schools, universities, colleges and technical institutes play a key role in our human-resource strategy. Schools are responsible for providing education programs that develop individual potential and prepare young Albertans for daily living, the world of work and lifelong learning. Adult learning institutions have a responsibility to provide high-quality, accessible learning opportunities to people who are preparing for careers and to those who wish to update their skills. Employers, employee groups and unions have a responsibility to facilitate learning opportunities in the workplace (Government of Alberta, 1997a, p. 10).

Notably absent is the government's share of responsibility for continuous learning and the updating of skills. Implicitly, this excerpt suggests that the government is responsible for providing student assistance to ensure accessibility, however, student assistance is increasingly in the form of loans (which are now administered by banks) thus accessibility is being bought by Albertans at the cost of assuming large personal debts. It could also be argued that the government is implicitly agreeing to fund schools and adult-learning institutions. But, as noted above, per-student government grants have been in a period of long-term and significant decline.

Educational quality and the implications of funding reductions While defining quality is difficult, Harvey and Green (1993) outline five broad approaches to the concept:

1. The classical view of quality as transformation sees it in terms of change from one state to another (i.e. a high-quality PSE would transform a student into a different person).
2. The exceptional perspective sees quality as something special and is closely associated with the idea of excellence attainable by very few;
3. Quality as perfection equates quality with a consistent or flawless outcome;
4. The fitness for purpose approach defines quality as meeting the needs of the customer or end-user; and
5. Quality as value for money emphasizes quality as the return on investment.

The traditional view of quality (i.e. the transformative ability of education) is most

consistent with Canadian higher education. The purpose higher education has been to develop students' knowledge, skills, and attitudes and the process (involving introspection, synthesis and integration) has varied according to the experience, aptitude and motivation of the students. This differs from market-based concepts of quality in that something is being done to the consumer as opposed to something being done for the consumer. By changing the consumer (and, presumably, the consumer's references) during the process, higher education violates the assumption of pre-existent purpose necessitated by the rationality inherent in market models of decision-making (Harvey and Green, 1993; Stone, 1988; March, 1976; March and Olsen, 1976).

With the classical definition of quality in mind, there are three preconditions for a high-quality post-secondary education system:

- a) PSE must be accessible for students such that levels of tuition and net debt at graduation do not deter students from pursuing education and training according to their aptitude.
- b). Public colleges, universities and technical institutions must be able to attract and retain high-quality teachers and researchers.
- c) Institutions must be able to provide adequate infrastructure, including an appropriate physical plant and modern equipment and information resources for students.

Declining per-student funding has impaired the ability of Alberta's PSE system to provide a high-quality education.

Accessibility

In constant 1995 dollars, tuition and fees at The University of Calgary (one of Alberta's three research-focused universities) will have increased from \$1326 in 1989 to \$3837 in 1999 (UCSU, 1996). This 189% increase is mirrored at the Universities of Alberta and Lethbridge. College and technical-institute students have seen similar changes. For example, annual tuition at Grant MacEwan Community College rose 174% between 1989 and 1997, jumping from just over \$500 to nearly \$1700 while Red Deer College students will have seen tuition jump by 227% between 1989 and 1998.

Net student debt at graduation is also increasing with average student debt at graduation (of those students with loans) rising from \$6076 in 1987 to \$11,604 in 1995 (AAE, 1990; UCSU, 1996). University-student debt in 1996 averaged \$15,518 while college students averaged \$9172 and technical-institute students averaged \$8752 (AECD, 1997e).

Statistics Canada data on university tuition and participation rates suggests that costs associated with post-secondary education have risen faster than the resources available to students (Little, 1997). From 1989 to 1994, the percentage of an average family's income that an average tuition assessment comprised rose from 3.1% to 4.9%. Nationally, between 1984 and 1995, tuition increased (in real dollars) by 75% while Canada Student Loan allotments increased by only 55%. The declining rates of employment of 20- to 24-year-olds (73% 1989, 65% in 1994) and stagnant wage levels mean that students may be leery of assuming long-term debt that they will be unable to manage upon graduation. For example, in 1993/94, 23% of students owing money of loans defaulted (Calgary Herald, 1994).

Many students groups suggest that high levels of tuition and debt are barriers to accessibility (ACTISEC, 1997). Their contention may have some statistical support in a recent Statistics Canada report that notes a decline in overall enrollment levels after 1993. While the percentage of 19- to 24-year-olds enrolled has continued to increase, this increase has slowed significantly (Little, 1997). A survey of high -school graduates in Alberta noted

that 38% of graduates not planning on pursuing a post-secondary education were making that choice for financial reasons while 64% of respondents agreed that post-secondary education was getting too expensive (Krahn and Lowe, 1997).

High-Quality Teachers and Researchers

Alberta's colleges, universities and technical institutes will need to replace approximately 40% of their faculty over the next 10 years due to an uneven age distribution (AAS:UA, 1995). Low salaries as compared to other provinces and industries combined with poor working conditions will make this a challenging task.

In a 1985/86 ranking of 18 Canadian universities, mean salaries at the Universities of Alberta and Calgary placed second and fourth, respectively. By 1995/96, the U of A had slipped to 16th place while the U of C occupied 17th (Robb, 1997). Corrected for inflation, salaries at the U of A have actually declined slightly in the same time-frame (AAS:UA, 1996). The wage gap between positions in Alberta and positions in British Columbia and Ontario means that, assuming current conditions hold, faculty in Alberta earn nearly \$200,000 less over the course of their life-time (CAUT, 1996). While wages for faculty across the country have stagnated or declined, Alberta's decline has been relatively more rapid. This has been exacerbated by declining infrastructure (see below).

College and technical-institute faculty face a similar wage-gap with their counterparts in Ontario and British Columbia earning 20-25% more at each step of the salary grid (personal communication, Evelyn Wieland, 25 June 1997; personal communication, David Piasta, 4 June 1997). Colleges and technical-institutes also face substantial competition from other industries for the professionals who are potential faculty. Instructors at the Northern Alberta Institute of Technology can expect to make \$40,000 per year but can command salaries of up to \$80,000 in high-demand industries (Avery, 1997). This wage disparity resulted in, for example, the loss of the entire faculty complement in the province's only Crane and Hoist program to industry during the summer of 1997 (personal communication, Terry Sway, 13 September 1997).

Faculty throughout Alberta are also facing increasing workloads because of rising teacher-to-student ratios. At the University of Alberta, the teacher-to-student ratio increased by 20% between 1991 and 1995 (AAS:UA, 1996). At the Southern Alberta Institute of Technology, the ratio jumped by 88% between 1992 and 1995 (SAIT, 1996).

In addition to generating greater workloads, rising faculty-to-student ratios decreases the quality of education provided. Research in Canadian universities suggests that classroom technique is the key determinant of educational outcomes (Gilbert, 1995). This ignores that classroom technique is largely determined by class size: for example, it is easier to encourage discussion and interaction in a class of 30 than in a class of 100. Besides forcing changes to less effective instructional techniques, increasing class sizes alters evaluation from written exams (that test students' ability to apply their knowledge and skills to novel problems) to multiple-choice tests (that emphasize the ability to associate concepts and commit information to short-term memory).

Infrastructure

In 1993, the Ministry of Advanced Education and Career Development estimated the deferred infrastructure investment on its \$4 billion capital stock to be approximately \$400 million (AECD, 1993). Deferred investment in infrastructure encompasses every aspect of institutional infrastructure from building maintenance and replacement to renewing library and equipment stocks. This issue (despite a recent \$105 million injection into the system by the government over three years) remains significant and impacts student learning and faculty recruitment (AECD, 1997a).

Performance-Based Funding in Alberta's PSE System

As part of the provincial government's 1994 White Paper on PSE, the government committed the Ministry to develop a reporting framework that assessed the outcomes of PSE in an effort to improve the accountability of the system for the funding it received. This was tied to a commitment to develop a performance-based funding mechanism designed to "reward performance and productivity in publicly supported post- secondary education" (AECD, 1994, p. 15). By late 1996, the goals for the funding mechanism had become "to reward performance and promote excellence" (AECD, 1996, p. 3)

While a substantial number of measures of accountability existed within the system prior to 1994, they largely focused on inputs and process (AECD, 1995). Specific criticisms of then-existing measures of accountability included:

- a) a lack of systematic use;
- b) inadequate information provision to prospective students about educational outcomes;
- c) not providing basic information, such as cost information, at the program level; and
- d) inconsistent inter-institutional data definitions impeding comparisons.

Institutional consultations developed a series of 76 of Performance Indicators (PIs) to meet the requirements of the accountability framework. Nine of these indicators are considered Key Performance Indicators (KPIs) and are utilized in a performance-based funding mechanism (four indicators apply only to universities' research mandate) that allots each institution an additional 1-2.5% of its operating grant based on its KPI scores (AECD, 1996).

Alberta performance-based funding mechanism

Alberta's performance-based funding mechanism (PBFM) takes institutional performance on each of a series of performance indicators and compares it to benchmarks. Points are awarded to an institution for its performance on each indicator, the overall institutional score is tallied and additional funding is awarded based on an institution's ranking against all other institutions' scores.

Using the enrollment indicator as an example, urban institutions that saw enrollment fall by more than -2% received zero points. Enrollment changes between -2% and 0% received 20 points. Enrollment increases between 0% and 4% received 25 points and enrollment increases greater than 4% garnered a full 30 points. Each institutions' score on the enrollment indicator would be added to its scores on the other indicators to create an overall assessment of performance that would then be compared against the scores of other institutions.

The nine indicators used fell into four categories: responsiveness, accessibility, affordability and (for universities only) research excellence (AECD, 1997b). What follows is a brief explanation of each group of indicators.

Responsiveness

The responsiveness of the system to changing economic, social and cultural needs is measured by two indicators: the employment rates of graduates and

graduates' satisfaction with their program.

Accessibility

The indicator measuring accessibility focuses on institutions' ability to maintain and improve the enrollment levels. This indicator is a near-perfect (.95) predictor of overall KPI performance thus generates immense pressure for institutions to further increase enrollment.

Affordability

The two indicators measuring affordability examine the ability of institutions to minimize administrative costs and generate revenue from sources other than tuition from credit programs and government grants. No measure of affordability to learners is made.

Research excellence

Four indicators measure the performance of Alberta's three research-focused universities. Institutions' national peer-group ranking per full-time faculty member in terms of council monetary awards, citations per research publication, and community and industrial funding are measured, as well as sponsored revenues as a percentage of government operating grants.

Quality in Alberta's PSE System

Alberta's performance-based funding mechanism, with its mandate to "encourage and reward excellence", both redefines the public's notion of high-quality education and shifts the full responsibility for providing it on to individual institutions (AECD, 1996, p. 1).

Redefining Quality

Performance indicators draw on an industrial metaphor of production and focus on input-out analysis (Emberley, 1996). This approach assumes that (1) inputs (e.g. iron, wood, etc.) are uniform and passive and (2) outputs (e.g. beams, tables, etc.) are standardized therefore making it possible to find a best (i.e. maximally effective and efficient) way to transform inputs into outputs by comparing different approaches in a purely statistical manner.

If the inputs and outputs are variable then a common metric by which to measure is necessary for PIs to make valid comparisons between processes. For example, the appropriateness of sports cars and sedans for various purposes-- with inputs (i.e. design) and outputs (i.e. performance) that vary substantially-- can be compared based on common metrics like fuel efficiency (km/l) and speed-time measures (kmh).

Education provides neither uniform inputs and outputs nor common metrics. Students and instructors (i.e. inputs) are neither passive nor uniform. Graduates (i.e. outputs) are similarly unique in the degree to which students' knowledge, skills and attitudes can be developed and for what ends. The process (involving introspection, synthesis and integration) is similarly variable according to students' experiences, aptitudes and motivation and resistant to universal performance metrics (although it may be possible to specify measures appropriate to narrow subfields along the lines of professional designation exams). Attempting to make valid assessments of performance based solely on statistical calculation will yield a less than optimal judgment.

In an attempt to get around the conceptual and operational difficulties posed by outcomes-based performance indicators, Alberta's government has focused on the more easily quantifiable economic outcomes and ignored education's social and cultural

outcomes. This vast omission is dismissed with "the social and cultural outcomes, while important, have not been clearly articulated" (AECD, 1996, p. 6). Given the importance of the social and cultural outcomes of education, it is unlikely that the government would fail to articulate them without reason. One explanation for this omission is that intractable problems associated with developing quantitative PIs for social and cultural outcomes. Another explanation is that, from the perspective of the market model, education is solely an economic good thus measurement should focus on this aspect. By using quantitative measures of quality, KPIs shift the definition of quality from that of transformative to quality as value for money and as fitness for purpose.

The two outcomes of PSE in Alberta that are measured are the employment rate of graduates and the satisfaction of graduates with their program. The satisfaction of graduates with their program suggests a fitness for purpose orientation to quality: is the customer satisfied? Measuring employment rates is yet another measure that reflects the fitness for purpose approach to quality: if one goal of (most) students is to be employed (Barnetson, 1997), the employment rates of graduates are simply a proxy measure for customer satisfaction.

It is the very idea of performance-based funding that suggests a value for money approach to quality. According to the government, "a performance-based funding approach means Albertans are getting maximum returns on their investment in post-secondary education" (AECD, 1997c, p. 7).

By emphasizing customer satisfaction and the economic success of graduates, the government has subtly redefined the concept of quality such that it excludes traditional indicators of quality. The declines in accessibility, quality of faculty, and infrastructure that are the direct result of the long-term reduction in per-student funding from the provincial government are completely ignored by KPIs and the government can thus neatly side-step criticism (based on these grounds) that the quality of post-secondary education has declined.

Further, by selecting measures such as satisfaction and the employment rates of graduates as indicators of quality--indicators that institutions historically have done well by--the government creates data that justifies its substantial reduction to post-secondary funding. The high score of almost every institution on every indicator seems to support the government's contention that the post-secondary system is as good (if not better) than it was before the 21% reduction to its funding between 1994 and 1997.

During the press conference announcing the performance awards, Minister for Advanced Education and Career Development Clint Dunford explained, "We believe that striving towards the goals will promote continuous improvement at individual institutions and throughout the system. Based on our results, thus far, excellent progress is being made" (AECD, 1997d, p. 2). That the lack of baseline data makes the contention of progress impossible to prove or disprove simply gets ignored in light of high levels of institutional performance. Also glossed over is that the level of institutional performance was guaranteed by government selection and pretesting: the government sets the levels of performance that are labeled as indicative of "excellence."

Off-loading Responsibility for Quality Education

By measuring each institution's performance on KPIs, the government subtly shifts the full responsibility for the provision of high-quality education onto the institution itself. Institutions are measured on their ability to turn out employable, satisfied graduates in increasing numbers. The nature of the measurement attributes the responsibility for an institution's performance to the institution when, in reality, the ability of an institution to improve its performance is largely constrained by environmental factors. Continually shrinking per-student government funding, declining granting council budgets and limited

alternative revenue streams for institutions creates circumstances that impair institutions' ability to provide accessible programs staffed by high-quality teachers and researchers and supported by adequate infrastructure.

Again, the government neatly sidesteps criticism. Not only are institutions generally doing exceptional jobs according to the KPI performance evaluations, but those institutions that "require" improvement are assigned responsibility for it. According to the government brief on the KPI system, "There are areas for improvement and institutions will be expected to focus on those in the future" (AECD, 1997c, p. 7).

Loss of Institutional Autonomy

Government control of the post-secondary purse-strings is substantial and has both created a desperate need within institutions for additional funding (by reducing annual operating grants by approximately \$250 million between 1994 and 1997) and proffered a partial remedy (though the \$15-million performance-funding envelope). In order for institutions to receive the remedy, however, they must accept both the government's redefinition of quality (an unprecedented infringement on institutional autonomy that shifts considerable indirect control over program objectives and delivery methods from institutions to the government) and the transfer of responsibility for declining educational quality from the government (that created the initial decline in quality through long-term budget cuts) to the institution.

By initially acquiescing to the government's performance-based funding mechanism, institutions have surrendered a substantial amount of their autonomy in exchange for the return of less than 5% of the funding the government removed from the system between 1994 and 1997. Government is now free to change both the level of institutional performance it considers acceptable on any current indicators and introduce additional KPIs from the 67 other PIs it is collecting data on. This could include the introduction of an indicator stipulating mandatory completion rates (a KPI that was dropped from the performance-envelope calculation only weeks before the final tallying of institutional scores) that would pressure institutions to graduate students regardless of performance and infringe upon academic autonomy. Pressure has already been applied to faculty in Red Deer College's University transfer program who were told by their Board of Governors in the spring of 1997 to increase their completion rates (rates that were already equivalent to those of both of the province's major universities) or risk program closure (personal communication, Jim Scott, 1 June 1997)

This transfer of power has gone virtually unnoticed in both the media and institutions. For example, no concern has been raised regarding the overwhelming importance of the enrollment indicator on overall institutional KPI performance (as outlined above) despite the substantial pressure it exerts on institutions to increase enrollment without additional per-student funding increases to their base grant. The educational consequences of this (e.g. larger classes, fewer assignments and less instructor-student contact) are substantial and negative, however, ironically, this is considered an indicator of quality by the performance-funding mechanism.

Redefinition of purpose in education

The changes in how educational quality is defined and who is responsible for ensuring it created by KPIs suggests that there is a general redefinition of educational purpose occurring. The liberal-arts tradition that has driven post-secondary education is incompatible with government changes in health care, social services and other areas where citizens are being reframed as customers. The increase in government control over educational content and method of delivery facilitated by KPIs reduces the barriers the

government faces in imposing a market model on the PSE system.

If students are thought of as consumers of education, the important concept of entitlement is removed from the debate (personal communication, Raj Pannu, 12 September 1997). A consequence of this change is the elimination of the government's responsibility for providing education: education is a commodity (to be purchased by the individual) rather than a right (to be provided by society).

Cast as an economic good, education then has value only in economic terms. The most apparent economic outcome of increasing levels of education is increasingly favorable employment outcomes thus education is valued solely in terms of its return on investment and becomes indistinguishable from one of its outcomes: job training. As an economic good, there is no value placed on social or cultural outcomes; indeed, there isn't even a framework in which to discuss them as anything more than trivial byproducts of a fundamentally economic process.

If education is framed as job training (which emphasizes the accrued personal benefits of higher salaries and levels of employment and downplays the societal benefits of higher quality of life), responsibility for obtaining education (and overcoming the barriers to obtaining it) shifts onto the individual. This disaggregation of responsibility (when carried out across all sectors of government) creates an environment whereby competition between individuals replaces cooperation as the basis of society (Kohn, 1992). This approach ignores that cooperation is the fundamental assumption of society and that competition disproportionately favors those with greater personal resources. This same group is further and differentially benefited by the tax reductions made possible by lower government expenditures on education and other public services (McQuaig, 1996).

Conclusions

The quality of education (i.e. its transformative ability) provided by Alberta's post-secondary system is declining as a result of long-term declines in per-student government funding. The government's KPI-based funding mechanism changes the definition of education quality which obfuscates public discussion and thereby deflects criticism. At the same time, this mechanism off-loads the responsibility for providing a high-quality post-secondary education to institutions and ignores the instrumental role of government funding.

Institutions have been compelled to accept this change by the financial power of the government--the same power that created the initial decline in educational quality--and as a result have surrendered substantial institutional autonomy. The loss of institutional autonomy facilitates the imposition of a market model into the education sector. The market model sees education in terms of its economic outcomes thus redefining education as job training. This shifts responsibility for education from government to the individual thereby engendering competition between differentially advantaged consumers. At the same time, it trivializes debate about the social and cultural outcomes of education because the market model cannot accommodate serious discussion of non-quantifiable outcomes.

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