

Intelligence MEMOS



From: Paul Jenkins
To: Postsecondary Education Sector
Date: February 16, 2021
Re: **LAURENTIAN UNIVERSITY — GOVERNANCE IS A GOOD PART OF THE ANSWER**

Ontario universities are facing myriad challenges. Shifting societal demands, rapidly changing industries in response to technological disruptions, increasing budget pressures, and, of course, [COVID-19](#). All this – and more – conspire to create an uncertain, yet exciting, environment.

The most recent expression of these challenges is the unprecedented [CCAA filing by Laurentian University](#). Let's look at this through a governance lens.

In Ontario, universities operate under provincial jurisdiction defined within each institution's act. In those documents, roles and responsibilities are spelled out – but importantly, lines of accountability as well.

Equally important, universities are set up with a degree of independence, or autonomy. This is because the role of government is to set societal goals – in this case our goals for postsecondary education looking well into the future – for the delegated authority to then carry out day to day.

A current reality of those day-to-day demands is certainly the need to recognize that this is a time when university funding models are under intense scrutiny and constraint. This should not translate into an immediate rejection of the university business model. In fact, this funding pressure underscores, first and foremost, the importance of good governance and stewardship of our universities – both to ensure a positive return on the use of increasingly scarce taxpayer dollars and to meet the growing funding needs through other revenue sources, including philanthropy.

Ultimately, universities are accountable to government through their governance structure. But to function efficiently and effectively, and to attract the dedicated volunteers with the skill mix we need, university senates and boards must be able to exercise the full scope of their delegated authority. We're talking about responsibility for the well-being of students, setting operating and capital budgets aligned with strategic priorities, academic excellence, human resource and other university policies, risk management, performance assessment, security, and so much more.

On the budgeting side, [outcomes-based funding frameworks](#) must be sufficiently flexible so as to unleash the strategic, innovative thinking needed if we are to serve students in a manner they deserve. One size does not fit all. But this also means that boards and senates must themselves be responsive to the demands and policies of the day by being strategic in their deliberations and actions, and by being clearly focused on their respective roles and accountabilities.

Another core role of good governance and leadership in today's uncertain world is having universities that can respond rapidly to changing circumstances and disruptive market forces. Responses to changing policies on executive compensation, tuition levels, and student fees, along with an accelerated pace of change across all labour markets and types of job opportunities require boards and senates to be nimble and creative in carrying out their fiduciary duties.

To stay vibrant requires leadership that can provide the collaborative and innovative thinking appropriate to each institution's comparative advantage.

Thus, before concluding in response to Laurentian's situation that we need [more legislative oversight](#) of our universities, or that the university [model](#) is fundamentally broken, we need to ensure governance structures are functioning as they should.

Good governance is not easy, but good governance and good outcomes go hand in hand.

Paul Jenkins is past Chair of the Board of Governors of Western University, former Senior Deputy Governor of the Bank of Canada and C. D. Howe Institute Senior Fellow.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.