

**Submission to the House of Commons
Standing Committee on Finance –
Pre-budget Consultations in Advance of Budget 2019**

By:

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SUMMARY OF RECOMMENDATIONS

Recommendation 1: That the government make a new investment of \$40 million per year in research support funding for college applied research offices to ramp-up their capacity to serve as innovation hubs in their communities and regions.

Recommendation 2: That the government expand funding for Labour Market Agreements with provinces to strengthen work-integrated learning (WIL) by ensuring the full range of WIL opportunities are available to students, including effective in-school alternatives such as work-oriented labs, and by expanding eligibility to jobs for students in non-STEM disciplines and international students.

Recommendation 3: That the government invest in a second round of the Post-secondary Strategic Investment Fund, prioritising investments that will make campuses greener, more energy efficient and better suited to current and future learning needs.

Recommendation 4: That the government provide increased and sustainable funding to improve labour market outcomes of Indigenous peoples and support economic development in Indigenous communities.

Recommendation 5: That the government increase funding through Labour Market Agreements with provinces for people facing workplace disruption and displacement, in particular for Canadians from vulnerable groups, by adding to Budget 2017 and 2018 investments in reskilling and upskilling.

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Colleges Ontario represents the 24 public community colleges in Ontario. Together, they serve 200,000 full-time and over 300,000 part-time students in over 200 communities across Ontario.

Colleges offer many programs: traditional post-secondary programs (diplomas, advanced diplomas, degrees and graduate certificates) as well as apprenticeship, literacy and basic skills, collaborative programs with universities, and continuing education.

Colleges are critical for reducing income inequality and supporting an inclusive high-income advanced economy. A quarter of college applicants report household incomes of less than \$30,000, and almost half less than \$60,000. A third are first generation; a third are visible minorities; a quarter have a first language other than English or French; and 7 per cent identify as Aboriginal. As well, 17 per cent of college students reported a physical, intellectual, mental health or learning disability and 15 per cent use the college special needs/disability services office.

Our students are career-oriented: 77 per cent want career preparation; 59 per cent future options; and 50 per cent earning potential. And 87 per cent of graduates confirm their college education provided them with skills and abilities specific to their chosen career.

Indeed, in Ontario, significantly more students enter college programs each year than enter university undergraduate programs.

As a result, every Ontario industry has a more skilled workforce than does its U.S. counterpart industry.

Ontario's college advantage is greatest in export industries (manufacturing, resources, tourism) contributing to twice the US exports per capita; and electric power, infrastructure, real estate, insurance and health care.

Colleges Ontario is closely affiliated with Colleges and Institutes Canada, which is also submitting very similar recommendations to the House of Commons Standing Committee on Finance.

Colleges Ontario and Colleges and Institutes Canada look forward to a Budget which helps colleges address the emerging skills gap which is set to inhibit economic growth across Canada.

The following are the Colleges Ontario recommendations, with rationales, for the federal 2019 Budget.

Recommendation 1: That the government make a new investment of \$40 million per year in research support funding for college applied research offices to ramp-up their capacity to serve as innovation hubs in their communities and regions.

- Ontario's college graduates are critical to export industries, real estate, insurance and public priorities such as electric power, infrastructure, and health care.
- College applied research expertise has been developing rapidly. Colleges focus directly and exclusively on rapid payback projects which help Ontario businesses, especially SMEs, compete better.
- Ontario colleges assist 1,600 firms, mostly SMEs, to innovate with their \$60 million annual funding (including \$15 million from the Ontario government).
 - 21% are micro enterprises
 - 70% are SMEs, and
 - 8% are large enterprises
 - Sectors with most projects include manufacturing, information technology, professional/scientific services, utilities, and construction, with both clean technology and social innovation as emerging focuses.
- Further funding is warranted to maximize the college contribution to Ontario's advanced economy.
 - This would enable colleges build capacity, help companies leverage outcomes of applied research and development (R&D), support the development of a world-class knowledge transfer system, and provide hands-on training for the next generation of innovators and entrepreneurs.

Recommendation 2: That the government expand funding for Labour Market Agreements with provinces to strengthen work-integrated learning (WIL) by ensuring the full range of WIL opportunities are available to students, including effective in-school alternatives such as work-oriented labs, and by expanding eligibility to jobs for students in non-STEM disciplines and international students.

Employers, schools and students agree that hands-on learning opportunities are essential for a successful career start and can help colleges respond to rapid change in the labour market.

Internships, field placements, co-op and other forms of postsecondary work-integrated learning (WIL) help college students gain practical work experience, enhance their résumés, improve employability skills and determine their fit with a potential career.

Nevertheless, at a time when the number of jobs for those without completed postsecondary credentials is quickly declining, it is proving ever more difficult to match students, before they have advanced skills, with employers.

Recommendation 3: That the government invest in a second round of the Post-secondary Strategic Investment Fund, prioritising investments that will make campuses greener, more energy efficient and better suited to current and future learning needs.

Ontario colleges are very appreciative of the Post-secondary Strategic Investment Fund, which enabled construction of new facilities around the province.

Nevertheless, there remains a significant shortfall in space. Ontario colleges have approximately 84 SF/FTE student, compared to stringent guidelines which range between 106 and 129 SF/FTE, and actual space for Ontario universities, at 115 SF/FTE (not including university research facilities).

As a compelling example, Ontario colleges have a deficit of 420,000 SF in labs compared the lower college sector guidelines and about 4 million SF compared to university standards.

Recommendation 4: That the government provide increased and sustainable funding to improve labour market outcomes of Indigenous peoples and support economic development in Indigenous communities.

The indigenous population is the fastest growing demographic group in Canada, yet its post-secondary attainment rate still trails that of the general population. Indeed, the Truth and Reconciliation Commission has called upon government to reduce education and employment gaps between indigenous and non-indigenous Canadians.

Forty-nine per cent of indigenous people aged 25 to 34 in Ontario hold no post-secondary credential, compared with 30 per cent of the total population (2011 National Housing Survey).

This shortfall has a dramatic impact on employment rates. For indigenous peoples in the 25 to 34 age group, the employment rate for those with a post-secondary credential was 79 per cent versus 52 per cent among those without a credential.

To ensure more indigenous peoples can realize their potential and participate fully in the labour force, there must be greater access to post-secondary education – particularly a college education, with its focus on career-specific education and training.

Recommendation 5: That the government increase funding through Labour Market Agreements with provinces for people facing workplace disruption and displacement, in particular for Canadians from vulnerable groups, by adding to Budget 2017 and 2018 investments in reskilling and upskilling.

It is critical that more people acquire the professional and technical skills to succeed in a transformed economy.

As the economy is radically transformed, colleges must be able to continue providing retraining and upgrading programs for older workers and others who must learn new skills for new careers.

This is especially true as the government strives to ensure the economic recovery is more broadly shared throughout the country. The disruptions in the economy have been particularly profound outside the large urban centres. Many people in rural and northern communities who lost their jobs are struggling to find their way back into the workforce.

Often, their best hope is to pursue retraining and new training programs at college.

Unfortunately, it is in many of these same communities where the local college is struggling to maintain its programs, due to declining enrolment and the chronic underfunding of colleges.

The college system's pivotal role in strengthening the economy is being weakened at the exact time when people need improved access to college programs.

Whether people are looking to enter the post-secondary system for the first time or are in desperate need of retraining and upgrading, they must have improved access to the high-quality, career-specific programs at Canada's colleges.