

**Submission to the House of Commons Standing Committee on Finance
Pre-Budget Consultations for the 2016 Federal Budget**



Atlantic Provinces Community
College Consortium

Consortium des collèges
communautaires des
provinces de l'Atlantique

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The Atlantic Provinces Community College Consortium (APCCC) represents six publicly funded colleges in the four Atlantic Provinces. Member colleges include the Nova Scotia Community College; the College of the North Atlantic; the New Brunswick Community College; Holland College; Collège communautaire du Nouveau-Brunswick; and Collège Acadie Î.-P.-É.

APCCC colleges have approximately 50 campus locations throughout Atlantic Canada. These campuses serve as vital community hubs fostering economic and social development and providing access to education and skill upgrading.

This submission by the APCCC addresses the following three themes: infrastructure and communities, productivity and research, and jobs.

1. Infrastructure and Communities

Canada's colleges and institutes contribute to the economic prosperity of communities by providing skills training that ensures work-ready Canadians. Colleges continue to have significant needs in the area of infrastructure renewal. Many colleges are at, or near capacity, with waitlists for high demand programs. The 2009 federal Knowledge Infrastructure Program (KIP) addressed some of these challenges, but significant needs continue to exist. Infrastructure investment represents a significant opportunity for government. Investment would improve capacity while modernizing the infrastructure and creating the ability to provide state of the art and fit for purpose programming. Infrastructure investment would provide an economic impact in our communities. In addition, we believe such investments fit well with Canada's environmental objectives as these projects will improve energy efficiency and reduce the environmental footprint of aging infrastructure.

Equipment infrastructure is also a vital part of college programming. Many colleges and institutes are forced to use outdated equipment for training rather than state-of-the-art technology. Employers require graduates to be trained for the jobs of today and equipment upgrades are critical to ensure that training programs produce employable graduates and support industry in achieving higher productivity. An equipment infrastructure program would assist with this need. In addition, partnerships with industry to provide state-of-the art equipment should be encouraged.

Recommendations:

1. Invest in college infrastructure.
2. Establish a College Equipment Fund to ensure institutions have current and relevant instructional equipment to meet the demands of the modern workplace.
3. Create a tax credit for companies donating equipment to colleges to support training.

2. Productivity & Research

Improved productivity is necessary for Canada to remain competitive in the global marketplace and is also a key solution to the demographic and labour market challenges that Atlantic Canada is facing given our aging and shrinking workforce. Businesses need to develop and test new products, adopt innovative processes and adapt technologies to gain competitive advantages. In particular, our small and medium sized enterprises (SMEs) need targeted applied research and rapid technology transfer support to make their products, processes and services more competitive. However, SMEs typically lack the expertise and resources needed to improve their competitiveness.

Colleges are particularly well positioned to assist SMEs become more competitive. Supplying SMEs with qualified and highly skilled graduates assists businesses through the infusion of new ideas and information on the latest technology. In addition, applied research programs in Atlantic colleges are leading to commercialization opportunities. Many of our research programs focus on small projects with quick completions and are geared at working with SMEs on business solutions. Businesses benefit, productivity is improved, and the students are exposed to the entrepreneurial opportunities associated with their knowledge and skills.

Technology and knowledge transfer are key contributions that colleges make to improve the competitiveness and productivity of SMEs. Yet colleges receive a relatively small share of federal tri-Agency granting council research assistance. Existing funding levels are not meeting the growing demand from industry and community partners for applied research services. New investments can leverage further innovation capacity, yielding economic and social benefits for Canadians.

Recommendations:

4. Increase CCI program funding by \$17 million annually to:

- support short-term projects which address company-specific problems;
- establish additional Technology Access Centres; and,
- establish a dedicated envelope for applied research awards for students in college diploma, degree and post-graduate programs.

5. Make the new SSHRC Community and College Social Innovation Fund (CCSIF) pilot program permanent and increase funding by \$5M annually.

6. Create a pilot College/Institute Health Innovation Research Fund.

3. Jobs

Atlantic Canada has great opportunity while also facing labour market challenges. In its Major Projects Inventory 2015, the Atlantic Provinces Economic Council (APEC) reports that there are 408 major projects in various stage of development in Atlantic Canada with a record value of \$129 Billion. Current year spending on those projects was \$13.3 Billion. These projects bring tremendous opportunity to the region.

Despite these opportunities, overall employment in Atlantic Canada continues to be much weaker than the national average. This points to the need to improve the skills of the workforce and to more closely align the training and educational programming with the employment opportunities that exist.

Labour Market Information

One of the greatest challenges that colleges face is making program offering and capacity decisions. Getting the balance correct is critical as a misalignment of available labour talent with labour demand has consequences for employers, students, communities, and our economy. Colleges employ many tools in making these decisions including community and industry consultation, as well as analysis of labour market information.

The quality of labour market information in Canada is lacking. Canada needs a deliberate and coordinated approach to labour market information (LMI) to target education and training investments more effectively, facilitate labour market transitions, support labour mobility and meet specific sector needs.

Recommendation:

7. Through the recently announced LMI Council, provide funding for the consolidation, promotion and publication of supply and demand side data to provide current, consistent data at the national, provincial and municipal levels on the talent pool available and the skills needs of employers in key economic sectors.

Canada Jobs Grant

Colleges in Atlantic Canada have concerns with the Canada Jobs Grant. While we welcome programs that encourage employers to invest in training, we believe the program should be examined and modified to reflect regional concerns. The region is dominated by small-sized employers who have been reluctant or unable to invest in skill upgrading resulting in less than desirable program uptake. In addition, we believe more focus and funding should be devoted to skill upgrading opportunities for those groups that are under-represented in the workforce and those unemployed.

Recommendation:

8. Examine opportunities for regional adjustments to the Canada Jobs Grant Program.

Apprenticeship

Canada needs to do a better job of developing a culture that places value on trade professions and dispelling the myths that a university education is the best path to success. Canada needs to foster parity of esteem for apprenticeship and trades programs with other post-secondary education pathways.

Canada must do more to encourage employers to hire and register apprentices and also improve apprenticeship completion rates. Colleges note that individuals that participate in a pre-apprentice program are more likely to attach to an employer and complete an apprenticeship program. Completion times are also improved in such a setting.

Recommendations:

9. Provide support to colleges to expand pre-apprentice programs.

10. Examine opportunities to financially encourage employers to take on apprentices and to progress apprentices through to completion.

Demographic Challenges

Atlantic Canada faces demographic challenges associated with low birth rates, out-migration of workers, and an aging population. Atlantic Canada's population is declining and it is aging. In its report card, *The Aging Workforce in Atlantic Canada*, APEC reports substantial changes in the composition of Atlantic Canada's workforce. In the 50-plus age cohort, there are now 65,000 more people employed than in 2008, while the 15-49 age cohort saw employment falling by 52,000 in the same period. That trend will pose significant challenges to employers over the next 10 to 15 years as the older cohort begin to retire.

In order to meet future labour market needs, action will be required in a number of areas such as improving the employability of youth and increasing education and training opportunities for the most vulnerable.

Youth

Targeted measures are needed to improve the employability of youth. Youth continue to experience high unemployment. College programs are a critical component to address this issue. College programs will provide youth with the job-ready skills that employers demand. In addition, college programs provide work integrated learning experiences that are important in

linking young people to employers. Efforts are needed to encourage more youth to consider college programming and incentives are needed to support employers that provide work integrated learning experiences for youth. Many of Atlantic Canada's small employers do not have the financial capacity to hire and train co-op students. New incentive programs to encourage employers to offer more work-integrated-learning experiences for students and recent graduates would enable Canadian businesses to offer co-op and internship opportunities they might not otherwise afford.

Talented, skilled and global-thinking graduates are the most critical element of a successful national economy. Knowing that today's students are tomorrow's leaders, colleges and institutes are committed to producing graduates that are leaders of positive change. The shift towards a global knowledge economy intensifies the need to give college students access to scholarships which will contribute to building their job skills, broadening their experience, and helping them become global citizens. Work and study opportunities within Canada and abroad are valuable in developing our youth.

Recommendations:

11. Introduce financial incentives to help employers offset the costs of hiring co-op students and interns, by allowing them to recoup a portion of the students' wages.
12. Renew the Student Mobility and Work Exposure Program to expose college and institute students to work placement opportunities in other regions of Canada.
13. Fund a national level academic mobility program to enable Canadian college students to pursue international learning opportunities.

Under represented and vulnerable groups

To address skills gaps, Canada must enhance the educational and labour market outcomes of Aboriginal peoples, disadvantaged youth and people with disabilities.

The Truth and Reconciliation Commission report emphasized education as one of the strongest ways to foster greater understanding between Aboriginal and non-Aboriginal peoples. Improving the outcomes of K-12 education in First Nations schools and increasing access to post-secondary education for First Nations and Inuit peoples are both key priorities for federal education investments.

Colleges are the main providers of high school equivalency and adult upgrading for Aboriginal learners, including as training providers through the Aboriginal Skills and Employment Training Strategy.

Distance learning delivery could play a more important role in bridging the gap between secondary and post-secondary education, especially for learners in need of upgraded English or math skills, or prerequisites for post-secondary programs. Distance learning and technologies can also provide opportunities for people with disabilities and for people that have hardships in attending the programs they desire to take.

Recommendations:

14. Increase support for the Post-secondary Student Support Program.
15. Create a needs-based bursary program (targeted for aboriginal people; disadvantaged youth; and people with disabilities) that allows for matching funds from private sector contributions.
16. Increase access to non-repayable student financial assistance for Indigenous students.
17. Renew the Aboriginal Skills and Employment Training Strategy (ASETS) beyond March 2016.
18. Create a pilot project to explore innovative distance learning options for upgrading and skills development in rural and remote communities.