



AACTI

Alberta Association of
COLLEGES & TECHNICAL INSTITUTES

**BUILDING HUMAN
CAPITAL – THE
WAY TO SUCCESS**

A submission by the Alberta
Association of Colleges &
Technical Institutes to:

The House of Commons
Standing Committee on Finance

Pre-Budget Consultations
2011

Executive Summary

The publicly funded post-secondary institutes that form the Alberta Association of Colleges & Technical Institutes (AACTI), supported by world class faculty and staff, deliver programs to provide workers with advanced skills. These workers are the foundation for the strength and success of the Canadian economy. There was a significant shortage of workers with advanced skills prior to the recent economic downturn and that shortage is returning as the economy recovers. As has been the case with every other recession, displaced workers turned to the post-secondary system to prepare for the recovery and for future employment opportunities. And, as in the past, governments faced pressures to balance budgets and protect taxpayers from massive deficits and debt. Funding for post-secondary education programs was cut at the time when investments should have been increased.

As the economy recovers, the need for workers with advanced skills remains critical. The 2009 report by the U.S. Council on Economic Advisors entitled *Preparing the Workers of Today for the Jobs of Tomorrow* indicates that the fastest growth among occupations will be those that require a college education and the U.S. government committed billions of dollars of funding to handle the predicted influx of students during the recession. These findings are consistent with the analysis of the Canadian Federation for Independent Business which states that, in order to fill shortages in advanced skills, six college/technical institute graduates will be required for each university graduate. We need to seriously address the skills shortage.

Recommendation: That the federal government initiate and fund the development of a National Skills Strategy. The federal government should provide \$10 million in funding over a two year period to support a national dialogue on increasing post secondary participation rates. Industry must be a major stakeholder in development of the strategy.

The economic success enjoyed by Alberta can be measured by traditional economic indicators like GDP and employment as well as by knowledge creation and innovation indicators. Innovation leads to higher levels of productivity and improved standard of living through investments in research and development, human capital and machinery and equipment.

Small and medium sized businesses (SMEs) are by far the largest contributors to Canada's employment growth and regularly approach local colleges for product and process innovation, research and development. Alberta's colleges and technical institutes have a long and rich history of collaboration with industry through advisory councils, partnerships, sponsored programs and facilities, and cooperative projects. Our students make meaningful contributions to industry innovation projects and our faculty assists industry with the adoption and commercialization of new technologies. The federal government has stepped up to the plate and provided directed research funding to Canada's colleges and technical institutions. We need to ensure we maximize the opportunities those funds provide.

Recommendation: That the federal government direct funds already allocated in the 2011 budget to the college system to help it achieve its goal of driving innovation in the key sectors outlined in the budget – aerospace competitiveness, commercialization of agricultural innovations, clean technology, clean energy and energy efficiency and climate and atmospheric research.

In order to meet the demands of the knowledge based economy, Alberta's colleges, technical institutes and undergraduate universities need safe, state of the art teaching facilities. The lack of available funding over the past several years has limited the ability of post-secondary institutions to build and maintain infrastructure that meets industry standards and allows students to learn with equipment they will use when entering the workforce.

Recommendation: To support infrastructure development, the federal government provide an investment of \$500 million over five years. This investment will allow colleges and technical institutes to ensure a learning experience with equipment that meets industry standards and supports the needs of the learner and the employer.

Introduction

Since 2002, The Alberta Association of Colleges & Technical Institutes (AACTI) has been the voice for 17 publicly funded post-secondary institutes in Alberta. These colleges, technical institutes, specialized arts and culture institutions and undergraduate universities are a working example of Campus Alberta – a model for collaboration and partnership developed in Alberta and one that is drawing interest from other jurisdictions in Canada.

AACTI advocates on behalf of member institutions so that, through a shared commitment to excellence, they can provide innovative and effective programs and services to learners. We value and foster the diversity of each member institution, provide principled and accountable leadership, work collaboratively to respond to the needs of learners and the economy, ensure learners and the public receive value for taxpayer investment and support enhancement of transferability and seamless pathways for lifelong learners.

Our member institutions offer learning opportunities from certificate to degree with programs that range from the arts and social sciences to healthcare technologies, nursing, business, science and engineering technologies and trades. The AACTI reach is dramatic and supports our vision – *a place for every learner*. Onsite programs are delivered at 168 campuses or learning centres and when online programming is added we provide learning opportunities to Albertans in over 400 communities. Alberta industry knows us, trusts us and relies on our knowledge and expertise to support their efforts in innovation and research.

Through this intensive involvement in the knowledge development of Alberta's learners, our institutions enhance growth of productivity through investments in human capital, entrepreneurial capital and physical capital. We strongly believe that investment in our knowledge based economy through post-secondary education is not the exclusive jurisdiction and responsibility of provincial governments; it is profoundly and fundamentally important to the economic and social growth for all of Canada and must be supported by the federal government.

The Challenge of Meeting Workforce Demand – Building Human Capital

Canada, as predicted, is coming out of the global economic recession more quickly than other jurisdictions. As the leadership of AACTI glances forward and identifies the most pressing issues that will impact economic growth in Alberta – and in Canada – one common challenge emerges. The very real gap in the demand and supply of advanced skilled workers we experienced before the recession has returned.

Unfortunately, history has repeated itself. During the economic downturn, Canadians faced job losses and Alberta was not spared. AACTI predicted that displaced workers would seek out retraining at our post-secondary institutes, readying themselves for the future. That prediction became a reality. Albertans looking to enhance their skills flocked to the post-secondary system and try as we might, we could not meet the demand. The impact of the recession presented an opportunity to increase post-secondary participation rates. Budget restrictions did not allow that increase and, as Canadians, we failed to capitalize on an enormous opportunity. Let's not let history repeat again.

A decade from now we face the perfect storm – a developing knowledge economy demanding a more advanced skilled workforce coupled with massive retirements resulting from an aging baby boomer population. There is broad consensus that the challenge of meeting future workforce demand is complex. Changing demographics clearly show that a significant workforce gap will exist over the next decade unless we adopt a multi-faceted strategy to close it. Immigration and short term work programs like the Temporary Foreign Worker Program and the Provincial Nominee Programs are important strategies but we need to ensure we maximize the human resource pool we already have in Canada. The issue of access and success for Canada's fastest growing population – First Nations, Metis and Inuit Canadians – must be addressed. This population is dramatically under-represented in Canada's post-secondary system, followed closely by those with disabilities.

A number of different studies and reports suggest that as many as 80% of new jobs in Canada require post-secondary credentials yet participation rates in PSE programming are no where near that level. Moreover, the Canadian Federation of Independent Business reports that in order to maintain growth levels in small and medium sized enterprises in Canada companies need to hire 6 college graduates for each university graduate. So the type of education and training a worker possesses is critical. Complicating this whole issue – and this is a serious situation in Alberta – are the woefully low high school completion rates. Although the provinces are working hard to encourage successful completion of high school, we have a long way to go and once learners are qualified to access post-secondary programming we need to ensure they have a place. In addition, more and more current workers will become unemployable due to inadequate skills and education. Strategies to advance the skills of these workers are critical for Canada's economic success.

Recommendation: That the federal government initiate and fund the development of a National Skills Strategy. The federal government should provide \$10 million in funding over a two year period to support a national dialogue on increasing post secondary participation rates. Industry must be a major stakeholder in development of the strategy.

Federal Transfers to Provinces

In order to met the demands of the knowledge based economy, Alberta's colleges, technical institutes and undergraduate universities need safe, state of the art teaching facilities. The lack of available funding over the past several years has limited the ability of post-secondary institutions to build and maintain infrastructure that meets industry standards and allows students to learn with equipment they will use when entering the workforce.

The stimulus investments and the Knowledge Infrastructure Program (KIP) allowed our institute members to enhance and modernize the highest priority demands on their campuses but additional investment is needed from government if we are to ensure all of our facilities meet the standards expected by industry and keep up with rapidly changing technology. IT infrastructure has to be an area of focus for infrastructure renewal.

Our institutions provide a broad spectrum of learner opportunities ranging from the trades and technologies to health care programs, business and arts and culture. More and more these programs depend on specialized equipment and classroom settings. Up to date computer labs and AV equipment allow innovative program delivery. As enrolments increase and the provincial governments

partner with post-secondary institutions and industry to build new bricks and mortar, there are more demands for program relevant facilities and equipment. Acquisition of this specialized equipment often requires planning and appropriate lead time.

Recommendation: To support infrastructure development, the federal government provide an investment of \$500 million over five years. This investment will allow colleges and technical institutes to ensure a learning experience with equipment that meets industry standards and supports the needs of the learner and the employer.

Support for College and Technical Institute Based Research and Innovation

The members of AACTI acknowledge and commend the federal government for listening to colleges and technical institutions across the country and providing much needed funding for industry driven research and innovation. Our member institutes are developing – in fact we are leaders in creating the capacity to deliver in the research, innovation and commercialization environment.

Our institutes are nimble and industry sees us as natural partners in providing real solutions to real problems. The capacity we've built to date, along with our reach to over 400 communities in the province enable SME's to take their ideas around the globe. We are building the capacity to support effective and efficient research and innovation in health care, energy and the environment, green energy and green building construction, bioscience and in product commercialization. Most of our members are Tri-Council certified and are beginning to engage with federal agencies to access funding for research projects.

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Summary

We wish to thank the House of Commons Standing Committee on Finance for the opportunity to engage in the pre-budget consultations for Budget 2011. We recognize the ongoing efforts of the federal government to deal with budget deficits and the members of AACTI look forward to working with all levels of government on initiatives that spur economic development. We provide opportunities for motivated learners to acquire the skills necessary to support economic growth and enhance quality of life. Our vision of “a place for every learner” reflects our belief that all Canadians deserve the opportunity to positively contribute to the success of the Canadian economy.

AACTI
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