



Pre-budget Consultations –
2017 Federal Budget

**Canada's Colleges and Institutes –
Skills and Innovation for Inclusive and
Broad-based Growth in Canada**



Colleges and Institutes Canada
Collèges et instituts Canada

Introduction

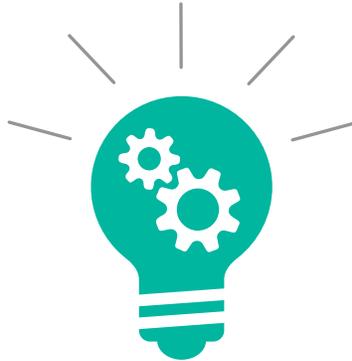
Canada's colleges, institutes, cégeps and polytechnics play a pivotal role in ensuring that Canada is "innovation ready," providing students with the knowledge, advanced skills and work experience needed to maximize employment and entrepreneurship opportunities. They reach over 3,000 communities in urban, rural and remote areas from coast to coast to coast, serving young people, adults requiring skills upgrading, Indigenous peoples, post-secondary graduates seeking specialized skills and work-integrated learning, newcomers to Canada and many more. These institutions serve 1.5 million learners with an extended reach that directly impacts the lives of one in eight Canadians. In 2014/15 alone, those who attended colleges and institutes generated \$130.3 billion in added income through their higher earnings and increased productivity of their employers¹.

Colleges and institutes occupy a significant niche in Canada's innovation eco-system that is ripe for expansion. Now is the time to build on the remarkable strengths and achievements of these institutions to accelerate inclusive, broad-based growth and diminish economic and social disparities.

Colleges and Institutes Canada (CICan) offers **eight recommendations** to support the government in strengthening economic growth and enhancing quality of life for Canadians. These fall under two areas:

- A. Partnered innovation for business and industry success and community well-being;**
- B. Enhanced employability to ensure all Canadians have the skills to participate fully in the economy.**

¹Demonstrating the Value of Canada's Colleges and Institutes, Emsi, Fall 2016



A. Partnered Innovation for Social and Economic Growth

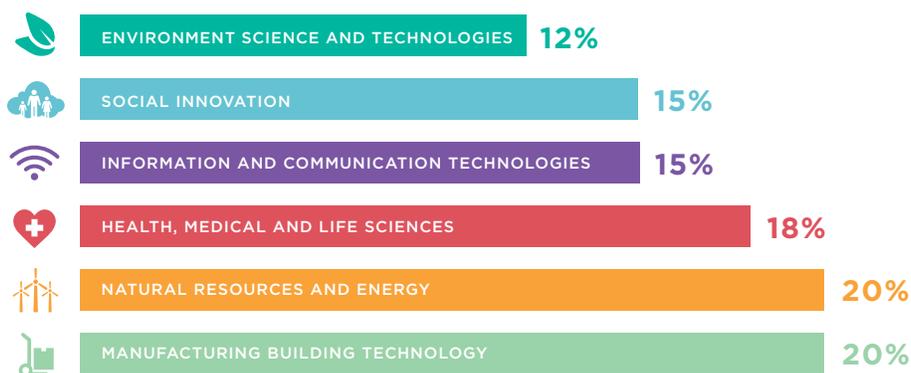
A hallmark of colleges and institutes is their strong partnerships with employers in all sectors to ensure that education is relevant and responsive to the labour market. Over the past decade, these close connections have provided the foundation for highly productive applied research partnerships that respond to the distinct R&D needs of SMEs, entrepreneurs, regional industries, the public sector and NGOs, including those in rural and remote communities.

College and institute applied research supports partner-driven innovation. Businesses and organizations turn to the expertise, facilities and talent available within colleges and institutes to solve problems, develop products, implement new technology and improve services and processes.

Colleges and institutes are supporting more than 760 research centres and laboratories, including 30 Technology Access Centres. However, funding limitations and program constraints are restricting faculty involvement and forcing colleges and institutes to turn away a growing number of prospective partners, including in areas of emerging opportunity in healthcare, social innovation, climate change and reconciliation with indigenous peoples.

- **Colleges and institutes produce more than 42% of post-secondary graduates but access just 2.4% of federal funding for higher education research.**
- **Only 5% of faculty are involved in research.**

CAPACITY: RESEARCH CENTRES AND LABS BY SECTOR (763)



Scaling up their capacity to collaborate within local clusters and regional networks, including with universities, will support commercialization and dramatically increase the number of SMEs and community partners engaged in innovation activities, generating social and economic growth throughout the country.

Colleges and institutes are vital to SME innovation:

- 86% of their 6,000 research partners are SMEs;
- SMEs in Canada represent 99.7% of firms, have 90.3% of employees and are the largest source of employment growth;
- Federal funding allocated to colleges and institutes is matched dollar-for-dollar by the private sector.

CICan's response to federal government consultations on the Innovation Agenda will map out how federal support can maximize the contribution of colleges and institutes by:

- unleashing the untapped potential of college and institute faculty, students and facilities;
- scaling up support for colleges and institutes with proven capacity including by creating more Technology Access Centres;
- stabilizing the college and institute research enterprise with core funding for research management activities such as business development and student and faculty engagement;
- equipping colleges and institutes to respond "at the speed of business" to the R&D and commercialization needs of all partners, including universities, through programs that enable multi-disciplinary, cross-sectoral applied research;
- increasing the role of colleges and institutes in activities supported by regional economic development agencies including R&D services for SMEs and cluster development; and

- making increased use of the expertise, facilities, training and other supports that colleges and institutes can offer local entrepreneurs, including students.

Recommendation 1

Ramp up federal investments in college and institute applied research over five years from \$75 million to \$300 million per year as part of the Innovation Agenda action plan. This would include a re-design of programs available to colleges and institutes to offer a comprehensive, multi-disciplinary approach that continues to build applied research capacity and research infrastructure, while enabling the research enterprise at colleges and institutes to be more responsive to the "speed of business", regional economic development needs and opportunities in social and health innovation.



B. Skills for Employment to Grow the Middle Class

Colleges and institutes play a vital role in ensuring Canadians from all walks of life are “employment ready” with skills to build meaningful careers. Targeted measures to maximize the contributions of all Canadians include:

- increasing access to post-secondary education and skills development for Indigenous peoples;
- supporting essential skills development to meet employers’ needs and improve employability;
- increasing career-building opportunities for youth through work-integrated learning and mobility opportunities in Canada and abroad; and
- sustaining and increasing efforts to improve supply side labour market information.

B.1 POST-SECONDARY EDUCATION AND SKILLS DEVELOPMENT FOR INDIGENOUS PEOPLES

As the main access point to post-secondary education and skills development for Indigenous peoples, colleges and institutes play an important role in fostering reconciliation.

Access to financial assistance continues to be a key barrier to Indigenous peoples' participation in post-secondary education. Insufficient funding through the Post-Secondary Student Support Program (PSSSP) limits opportunities for First Nations and Inuit students to pursue post-secondary programs. The government's commitment to increase K-12 funding is essential and must be complemented with increased post-secondary student funding.

As the federal government moves to implement the Calls to Action of the Truth and Reconciliation Commission, colleges and institutes are well placed to contribute. Across the country, they have established positive relationships with Indigenous communities, affirmed their commitment to Indigenous education and are introducing reconciliation programs and services despite budget constraints. Targeted funding to increase reconciliation programming at post-secondary institutions would strengthen these efforts and contribute to Indigenous student success. CICan's Indigenous Education Protocol highlights the types of reconciliation programming needed, including the integration of Indigenous knowledge into curriculum; inter-cultural training to increase understanding between Indigenous and non-Indigenous peoples; and support services and counselling by Elders on campuses.

The Northern Adult Basic Education Program (NABE) implemented by the three territorial colleges has proven results in providing innovative community-based

programming that supports the development of literacy and numeracy skills leading to increased economic development. We should therefore build on the success of NABE to fund the Pan-Territorial Framework for Innovation which continues skills development leading directly to employment.

Recommendation 2

Increase post-secondary education opportunities and student success for indigenous communities by:

- increasing access to non-repayable student financial assistance for First Nations, Inuit and Métis students seeking post-secondary education, including increased allocations to the Post-Secondary Student Support Program (PSSSP) administered by Indigenous and Northern Affairs Canada;
- investing \$26M to support reconciliation programming at post-secondary institutions.

Recommendation 3

Build on the success of the Northern Adult Basic Education program delivered by the three territorial colleges, to provide innovative adult basic education that supports the economic development of Indigenous and northern communities, and expand this program model to colleges and institutes serving other northern, rural and remote communities across Canada.

B.2 ESSENTIAL SKILLS DEVELOPMENT

One in five working-age adults lack basic literacy and numeracy skills, and one in seven do not have sufficient qualifications for their current job.² Business and industry groups such as the Canadian Chamber of Commerce and the Canadian Federation of Independent Business confirm that employers see a need to improve the essential skills of their employees. This is particularly important in vulnerable communities and for newcomers to Canada. As a foundational measure to boost economic growth, the federal government should address this high demand for essential skills training, including literacy, numeracy, critical thinking, digital technology, teamwork and continuous

learning. As leaders in essential skills development, colleges and institutes can contribute significantly to addressing these skills challenges, in partnership with employers.

Recommendation 4

Invest in funding for essential skills training partnerships between colleges and institutes and employers, to improve the skills and competencies of working-age Canadians.

B.3 WORK-INTEGRATED LEARNING

Colleges and institutes have a strong track record in training people for employability. They offer students a diverse range of Work-Integrated Learning (WIL) opportunities that are an integral part of most programs, allowing them to gain experience in real-world environments. However, for many employers, particularly SMEs, the cost of offering a WIL opportunity to a student or graduate is prohibitive.

When experiential learning is offered to recent graduates in the form of internships, it facilitates their transition to full-time work. Internship subsidies help employers cover the costs of workplace specific training and give employees the chance to enhance the soft skills that prepare them for a successful career.

Internships and capstone projects designed around applied research help employers address specific innovation opportunities with the support of faculty expertise and facilities of the institution. Students and graduates gain not only employment experience but a chance to hone the innovation skills they will need throughout their careers. To better promote labour mobility across Canada, internship programs should also provide opportunities for students to work in another province or territory.

Recommendation 5

Introduce financial incentives to help employers, particularly SMEs, reduce and offset the costs of hiring co-op students and interns by allowing them to recoup a portion of the students' wages.

Recommendation 6

Support an applied research internship program that includes in-Canada mobility opportunities for young Canadians.

²If at First You Don't Succeed – Toward an Adult Education and Training Strategy for Canada. IRPP Study, September 2015. Pg. 19.

B.4 INTERNATIONAL MOBILITY FOR GLOBALLY CONNECTED AND COMPETITIVE YOUTH

Currently, only 1% of Canadian college and institute students go abroad as part of their program of studies. International academic mobility programs enable students to develop a global outlook, become global citizens and contribute to Canada's economic success. A more integrated approach to international mobility is required to ensure young Canadians have the skills to compete in the global marketplace.

The June 2016 collaboration agreement between CIGan and our Mexican partner, ANUIES, establishing a framework for collaboration on applied research in higher education, recognizes the importance of international mobility to grow skilled, innovative, globally connected citizens.

Recommendation 7

Fund an international academic and applied research mobility program for college and institute students to grow a skilled, innovative, globally connected and competitive workforce.

B.5 IMPROVED LABOUR MARKET INFORMATION

Lack of timely, reliable, supply and demand labour market information (LMI) negatively impacts Canada's economic growth. Business, industry and post-secondary institutions all agree that this cross-cutting measure is a priority. As the LMI Council begins its work, there is a critical need to address the gaps in supply-side data, in particular for colleges and institutes. The federal government must improve data collected on public colleges and institutes to capture data for all students and graduates from upgrading, diploma, certificate, bachelor, post-graduate and apprenticeship programs. There is also a need to collect data on college and institute tuition rates and faculty and staff, to standardize data points across post-secondary education.

Recommendation 8

Improve Statistics Canada data collection on all public colleges and institutes to ensure availability of enrolment and graduation data for the full range of education programs, as well as data on tuition rates and faculty and staff at colleges and institutes.

Conclusion

Colleges and institutes are playing an increasingly important role in Canada's innovation eco-system with remarkable potential to serve as even more powerful engines of inclusive regional and community growth.

CICan looks forward to working with the federal government and member institutions to realize this potential through strengthened support for applied

research, entrepreneurship, work-integrated learning, essential skills training, Indigenous education, and improved labour market information. Together, we can build a better, more prosperous, more equitable Canada.