

## **Colleges Ontario recommendations to restart the Canadian economy, as it recovers from the COVID-19 pandemic.**

1. To reskill and upskill Canadians for post-COVID jobs, double the annual provincial allocations for the Workforce Development Agreements and Labour Market Development Agreements to enable investment into employment ready college programs (from micro-credentials to essential skills, pre-apprenticeship and apprenticeship) for five years.
2. Boost Canada's technical/trades training capacity with investments to increase online access to college programs to support virtual learning and work during recovery:
  - a. \$1.4 billion to upgrade colleges' digital infrastructure, technology and cybersecurity systems; integrate simulation and virtual/augmented reality in hands-on technical/trades courses; and provide digital support services for student success;
  - b. \$50 million to develop 1,000 shared online resources for technical/trades programs for a collaborative platform.
3. Empower SMEs to restart the economy by:
  - a. Investing \$45 million annually for five years for rapid-response and entry-level grants for SMEs and community partners to improve or develop new products or services, support technology adoption and green innovation;
  - b. Investing \$40 million annually for five years for college applied research offices to engage SMEs and non-profits in their communities' recovery efforts.
4. Invest in "shovel-worthy" projects to generate immediate job creation and long-term productivity such as:
  - a. Industry-approved instructional equipment for work-integrated learning, including for college-trained apprentices, in college hands-on workshops to meet evolving workplace requirements in a post-COVID economy;
  - b. State-of-the-art production equipment for research centres to support local SMEs to rapidly innovate, given post-COVID requirements from their customers;
  - c. Deferred maintenance projects to lower carbon emissions;
  - d. New research facilities to help SMEs pivot towards new opportunities in the post-COVID economy;
  - e. Expansion of post-secondary skilled trades programs – necessary for the expected construction boom;
  - f. industry-focused program expansion in other high-demand careers – from digital manufacturing and health care to agri-food security to indigenous services.
5. Meet labour force needs across the country by investing \$75 million over three years to maintain Canada's competitive position as an international study destination and facilitating student transitions to the labour market and citizenship.

6. These federal investments should not require matching since most colleges are operating at very substantial losses, the Ontario government has a debt-to-GDP ratio approaching its highest-ever level, and private-sector SMEs and donors are incurring serious and uncertain financial pressures.

Colleges Ontario represents the 24 Ontario publicly funded colleges of applied arts and technology. Together, they provide employment-ready analytic skills and hands-on training for 500,000 students each year.

College graduates will power Canada's exit from the crisis and enable it to pivot towards an innovative, internationally-competitive post-COVID economy.

College recommendations to kick start the economy reflect twin imperatives.

1. The need, especially by SMEs, to recover and to pivot successfully to a post-COVID digitizing world in which protectionism has become a serious concern.
2. The importance of ensuring that all Canadians participate fully in the recovery, especially those from under-represented groups, with disabilities, or without the post-secondary credentials needed for a fulfilling career.

"Succeeding in a changing economy also requires a more adaptive and resilient Canadian workforce. Canada must be more creative with its education systems to fill today's skills gaps while anticipating the needs of tomorrow<sup>1</sup>".

Ontario colleges fully endorse two other papers which have been submitted on behalf of our broader national sector.

- The Colleges and Institutes Canada Budget 2021 submission "Canada's Colleges and Institutes: Restart, Recover, Build Back Better" and its eight recommendations.
- College Applied Research Taskforce's Budget 2021. The Taskforce is comprised of nine national and provincial applied research stakeholders.

Colleges Ontario also wishes to endorse two recommendations from the Canadian Chamber of Commerce for the government to:

- Provide dedicated funding for the reskilling and upskilling of Canadians in a green economy.
- Enhance apprenticeship investments to promote skilled trades in renewable and cleantech industries.

This Colleges Ontario submission offers complementary recommendations to the above noted submissions.

### **How colleges help local communities recover and prosper:**

Colleges provide creative solutions and create programming to ensure the talent pipeline to meet workforce demands. College graduates are employed in every sector of the economy and are central to prospects for economic recovery in a post-COVID world.

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<sup>1</sup> Canada 360 Economic Summit "Towards a National Economic Strategy" (January 2020).

College graduates are especially important for

- Competitiveness: A larger share of young Canadians than Americans have degrees, and three times as many have college diplomas or trades certificates. Every Canadian industry employs a significantly higher-skilled workforce than its counterpart U.S. industry.
- Export industries (manufacturing, resources, tourism) rely on the specialized skills of Canadian college graduates, contributing to exports per capita at twice the U.S. level.
- Infrastructure enhancement/green economy. Ontario colleges train 85 percent of apprentices. Their skilled graduates are critical for the construction industry, are the highly-qualified operators in electric power generation and transmission, transit, etc.
- SME job creation: Many SME owners and employees, especially outside the largest cities, have college credentials.
- SME innovation: Most college applied research projects help SMEs improve their business prospects through new or improved products and services.
- Health care transformation: Half of health care employees are college-trained.

Colleges fully share the federal government's goal to expand employment opportunities for individuals from under-represented groups:

- In Canada, 86 percent of those aged 25-34 with a post-secondary credential are employed, but only 58 percent of those without post-secondary credentials are employed.

Ontario colleges, like those across Canada, are exceptional in providing access and inclusivity:

- 35 percent of applicants (compared to 32 percent of the population) come from communities under 100,000.
- A majority of college students are adults – who do not come directly from high school – and fifteen percent are immigrants.
- 95 percent of Canadians live within 50 kilometres of a community college.
- Young Ontario adults from lower income families, reporting as Aboriginal, or reporting mental health, seeing, hearing or physical activities disabilities 'often' or 'always' are as likely to have completed a college diploma or trades certificate as other young Ontarians.

### **Critical investments in colleges to strengthen the post-COVID recovery:**

Support reskilling and upskilling to get Canadians back to work and address employers' skills and labour shortages:

"Labour shortages in Canada are affecting all industries and every region. Our 450 chamber members across the country are at the frontline and know their regions best. We need solutions developed by communities for communities." – The Honourable Perrin Beatty, P.C., O.C., President and Chief Executive Officer

Two in five Canadian-born adults have only level two or lower literacy and numeracy.

Many experience difficulties in their careers. Moreover, adults from under-represented groups are even more likely to have literacy and numeracy levels below what is generally required for effective participation in the workforce.

Canadian governments are far behind New Zealand, the Netherlands and the Nordic countries in providing retraining to older workers without educational credentials.

#### Boost Canada's technical/trades training capacity by strengthening online delivery for college programs

The pandemic has fast-tracked the digital shift for learning and work. Experts expect online delivery is here to stay, making this investment relevant to both short-term needs and the transformative changes that will maintain Canada's global leadership in technical and professional skills training.

To effectively address the training needs of Canadians and employer skills shortages, the college system must be equipped with the digital infrastructure to support anytime/anywhere learning through secure log-ins, and high-quality, interactive synchronous and asynchronous participation by learners, faculty and staff.

This includes self-serve digital services; device-agnostic connectivity; support for learners with varying degrees of digital literacy and new digital requirements for education and training programs.

Colleges must also integrate hands-on requirements through online simulation and virtual/augmented reality in technical/trades courses.

Canada's most vulnerable need more financial supports to access college programs, and the training tools and connectivity to enable their transition into or return to employment. Almost 60 percent of those in rural areas (e.g. Indigenous and rural Canadians) lack adequate access to highspeed internet<sup>2</sup>.

#### Empower SMEs to restart the economy

Canadian SMEs often lack the capacity, equipment and networks needed to undertake vigorous R&D.

Colleges, mandated to contribute to economic development in their communities, develop innovative solutions to thousands of real-world challenges faced by their business and community partners each year.

To respond to the pandemic's fallout, college applied research centres must boost their regional and sectoral presence to contribute fully to building stronger supply chains for essential goods and services. Mobilizing concrete solutions with their SME partners will help communities weather the pandemic, restore jobs and revitalize regional economies.

Many businesses are turning to colleges for support to reopen safely, adapt their operations and develop products and services responsive to the new reality.

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<sup>2</sup> <https://crtc.gc.ca/eng/internet/internet.htm>

To meet this demand and build future capabilities, college applied research centres need flexible, nimble access to grant mechanisms, and funding increases to assist partners coping with revenue losses, lay-offs of key personnel, and a changed and uncertain business environment that threatens their survival.

The recommendation to invest \$45 million annually for five years to develop new product and services and \$40 million annually for five years for college applied research offices to engage SME with only a requirement for in-kind contributions aligns with that of the College Applied Research Taskforce, comprised of nine national and provincial applied research stakeholders.

Accelerate spending on public infrastructure projects that boost long-run Canadian productivity and align with social or environmental objectives<sup>3</sup>.

College infrastructure is one of the best investments the federal government can make to meet the tough standards advocated by the C.D. Howe Institute and others (boosting long-run productivity and aligning with social/environmental objectives):

- College infrastructure investments provide construction jobs now – like any other infrastructure investment
- Skilled college graduates result in more future jobs – leading to an overwhelmingly better (and regionally-distributed) long-run return on investment than for any other sector.
- Colleges are ideal for training adults who are not working because they lack post-secondary credentials and/or have disabilities and/or are members of under-represented groups. Once trained with employment-ready skills enabling them to get jobs.
- These new college-trained job holders increase government net revenues.

Recovering Canada's competitive advantage in educating International students

Colleges in large urban centres and smaller and rural communities have welcomed more international students, recognizing their potential to fill local skills shortages. College international enrolment accounted for 43 percent of all post-secondary study permit holders in 2017.

In 2018, international students contributed \$21.6 billion to Canada's GDP, supporting 170,000 jobs.

The government's response to the pandemic has recognized the importance of international students to Canada's domestic and foreign policy goals.

To meet its recovery priorities, the government should build on previous investments in Canada's International Education Strategy by scaling up and diversifying recruitment in key markets and facilitating transitions to permanent residency and citizenship to meet immigration targets.

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<sup>3</sup> C.D. Howe. Crisis Working Group Report: Business Continuity and Trade Communiqué #8: Accelerate Infrastructure Projects and Adapt Restructuring Processes. June 17, 2020. P. 2.

## Summary

The investments being endorsed and recommended by Colleges Ontario to reboot the economy will enable Ontario colleges' 500,000 students to 'hit the ground running' as they enter (or re-enter) re-designed workplaces in local communities across the province. It will also ensure that colleges can maintain their stellar record in educating students from under-represented groups, including Indigenous students, recent immigrants, those from lower income families as well as those who have disabilities.

To enable colleges to deliver a world class education and respond to the needs of employers and future workforce thereby supporting the economy's revitalization, colleges will need support from the government.

Their knowledge infrastructure and human capital are in place and ready to offer solutions for student and industry needs. There are simultaneous benefits when industry partners with a college, especially in a recovery period, as there is both an innovation and productivity output as well as an enhancement to student talent. Colleges provide creative solutions and create programming in order to have the talent pipeline to meet workforce demands.