Submission by Colleges and Institutes Canada to the House of Commons Standing Committee on Citizenship and Immigration

for the study on

Recent Reforms to the International Student Program

December 2024

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Introduction

Colleges and Institutes Canada (CICan) is the national and international voice of Canada's publicly funded colleges, institutes, cégeps, and polytechnics, with nearly 700 locations across the country. Over 95% of people in Canada, including 86% of Indigenous people, live within 50km of one of our members' many locations. Together, colleges and institutes are Canada's largest, most dynamic post-secondary network, mobilizing to bring solutions to Canada's biggest challenges.

International students enrolled at public colleges and institutes are important contributors in ensuring Canada's talent pipelines remain viable, and they make real contributions to campuses, to the workforce, and to Canadian society. For many institutions, increased international student enrolment over the years has brought much-needed financial support, helping to offset reduced provincial funding and rising operational costs driven by inflation, tuition freezes, new training demands, and the growing need for student services. However, at the same time, this increase has presented challenges for individuals, communities, and institutions, with some communities facing difficulties in absorbing and integrating large cohorts of international students.

CICan supports Immigration, Refugees, and Citizenship Canada's goals of strengthening the integrity of the International Student Program (ISP). A strong ISP brings stability and predictability for Canada's public post-secondary system and reinforces collaboration between the federal government, provinces and territories, and postsecondary institutions. However, we are concerned about the rapid implementation of these cumulative changes and the effect on current and prospective international students, communities, and Canada. Fundamentally, the way these reforms have been rolled out prevents Canada from leveraging our public colleges and institutes to do what they do best: responding to labour market needs in real time, and meeting the economic challenges of their communities, from coast to coast to coast.

Our submission makes the following recommendations to address policy challenges and protect the integrity of the post-secondary education sector:

- **Pause any further reforms:** Given the significant cumulative reforms to federal programs for international students in post-secondary studies, CICan calls on Immigration, Refugees, and Citizenship Canada (IRCC) to cease further changes as new policies are operationalized and implemented, to allow the system to stabilize.
- **Prioritize regional program alignment:** CICan recommends that IRCC must work directly with institutions and provinces and territories to develop a labour market alignment strategy for the Post-Graduation Work Permit (PGWP) that accounts for local labour needs and urgently amend the national list now and address egregious gaps such as skilled trades and EV technicians.
- **Treat identical credentials in an identical manner:** CICan recommends that IRCC must treat identical credentials, be they offered at a public college or university, in an identical manner. In practice, this means that students studying degree programs at a college should be eligible for the PGWP.
- **Protect training capacity through stable funding:** CICan recommends that the Government of Canada protect Canada's training capacity with stabilization funding to mitigate the damage of expected financial losses due to the rapid pace of policy reforms and make permanent the Budget 2023 investments in the College and Community Innovation Program to ensure that Canada's researchers can continue to deliver the research support they offer to local communities and businesses.

Rapid and cumulative changes bring uncertainty

The recent series of overlapping, hasty policy reforms to ISP, particularly as they relate to Post-Graduation Work Permits, are causing deep unintended harms to Canada's public postsecondary training capacity, and by extension, the communities they serve. **Canada has implemented more significant changes to the International Student Program in the past year than in the last decade.** These changes include the introduction of a cap for international study permits, new limitations to the Post-Graduation Work Permit program, revisions to off-campus working hours, new Letter of Acceptance verification requirements, and alterations to spousal work eligibility, among others. Compounding the confusion caused by rapid and cumulative change is the lack of written clarity offered by the government to both international students and designated learning institutions on the policy reforms. Guidance documents or website updates have been slow to be released and when received, do not offer the clarity necessary to implement and operationalize the new policies.

While we acknowledge that many of these policy changes were necessary to preserve the integrity of the immigration system, the rapid pace at which they have been introduced has not allowed institutions or students adequate time to adjust and prepare. Many were made without considering enrollment cycles, increasing the administrative burden on institutions to develop new program plans and communicate changes to both current and prospective students.

As shown in *Illustration 1*, this uncertainty has severely damaged Canada's international reputation as the lack of clarity about future changes destabilizes the sector and leads to enrollment declines far beyond those caused by the cap.

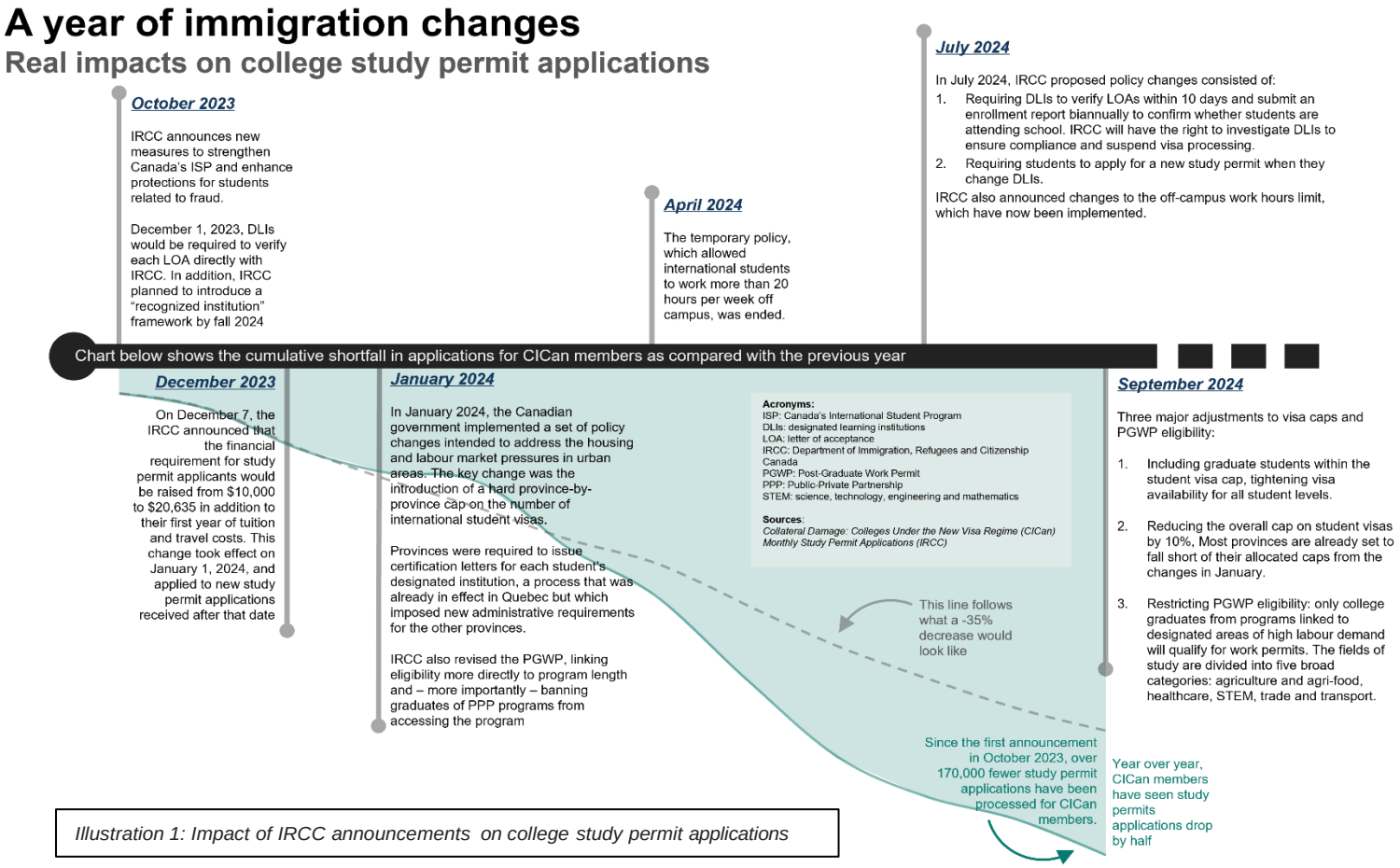

Illustration 1: Impact of IRCC announcements on college study permit applications

Institutions were already working with the cap and adjusting enrolment to meet the new targets, but the **54% decline in applications** this year far exceeds to the 35% objective set by the federal government. It is crucial that institutions and students, current and future, be allowed time to stabilize and adjust to the changes that have *already* been implemented before any further changes are introduced.

Additionally, IRCC must recognize the realities of academic recruitment and enrollment cycles by providing institutions with more notice between the time changes are announced and when they take effect. Most colleges and institutes have long-term recruitment and program plans spanning the course of several years and have not been given sufficient time to revise them before new measures are implemented.

- **Recommendation:** *Given the significant reforms to federal programs for international students in post-secondary studies, CICan calls on IRCC to cease further changes as new policies are operationalized and implemented, to allow the system to stabilize.*

Labour Market Considerations

As highlighted in the April 2022 census release on Canada's changing demographic landscape, a record **21.8% of working-age Canadians aged 55 – 64 are nearing retirement**[1]. This shift means a smaller proportion of the population is actively working, which will have significant implications for living standards in Canada. This age group now **represents more than 1 in 5 working-age individuals**, marking a historic high in Canadian census data and contributing to the labor shortages affecting critical industries nationwide. The aging of the baby boomer generation—whose youngest members are currently between 56 and 64 years old—is accelerating the overall aging of the population relative to working-aged people, which puts additional pressure on the workforce, the health care system, and old-age security programs. Aging demographics and workforce implications are particularly acute and accelerated in rural and remote regions of the country where natural development is still the primary focus of economic activity.

The role of college-educated international students in filling these gaps

A key characteristic of college and institute education has always been close collaboration with local industry to design curricula and provide talent that address business needs. Local businesses, particularly small and medium-sized enterprises, have long benefited from the economic contributions of international students to the talent pipeline. Now, these businesses — along with key industries vital to Canada's future — are under threat.

According to Statistics Canada, there is a **current labor shortage of 198,615 roles that require a college or institute credential,** a 65% increase over the past five years[2]. This shortage spans multiple programs with significant international student enrollment, especially in STEM fields that are crucial for Canada's economic growth. In the healthcare sector, for example, Statistics Canada reports that **62%**[3] of international students training in Canada are enrolled in college or institute programs, preparing for roles such as personal support

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[1]Statistics Canada. (2023, August 1). *Majority of people planning to retire would continue working longer if they could reduce their hours and stress*. The Daily - https://www150.statcan.gc.ca/n1/daily-quotidien/230801/dq230801a-eng.htm

[2]Government of Canada. (2022, November 18). *Labour shortage trends in Canada*. Statistics Canada. https://www.statcan.gc.ca/en/subjects-start/labour /labour-shortage-trends-canada

[3] Choi, Y., & Hou, F. (2023, November 22). *Characteristics of postsecondary international students who did not enrol in publicly funded postsecondary education programs*. Statistics Canada. https://www150.statcan.gc.ca/n1/pub/36-28-0001/2023011/article/00001-eng.htm

workers, nurses, and laboratory technicians- helping fill critical roles that communities rely on, and highlighting the essential role these institutions play in shaping Canada's future.

Issues with the PGWP Reforms – Forcing the National on the Local

CICan has long supported improving the labour market alignment of the PGWP. By effectively matching PGWP eligibility with the labour market requirements in different sectors, the International Student Program could be greatly strengthened, and international students would more clearly understand the opportunities available to them when they choose to study in Canada. Greater alignment would be particularly valuable for the construction sector, as the current study permit and PGWP structure does not enable international students to study, work, or apprentice in ways that would allow them to earn a Red Seal or enter a skilled trade.

However, the reforms announced by IRCC on September 18 are fundamentally misaligned with localized labour market requirements and the role colleges and institutes play in designing and delivering the programs that create the skilled graduates their communities need. Canada is a collection of regional economies – each region, let alone each province, has distinct economic needs that require different sets of specialized labour. Colleges and institutes are mandated to provide programs that address these needs, be they in large urban centres, small rural settings, or linguistic minority communities.

When IRCC structured its labour market alignment policy for the PGWP it chose to rely solely on national labour market information, sourced out of the Canadian Occupational Projection System (COPS). IRCC used COPS to identify a list of professions, designated by National Occupational Classification (NOC) codes, that are in structural shortage across the country. An analysis was then done of which fields of study, designated by Classification of Instruction (CIP) codes, were most likely to produce graduates who would enter employment in the NOC professions in shortage.

CICan has several significant concerns about all the elements of this process, as it will be undertaken for the first time ever this year and with very limited sector consultation. More critically, **it relies on a fundamentally damaging assumption: that the PGWP, and the college graduates that rely on it, should respond to national and not local labour market needs.** This core assumption, based on IRCC's view of how the PGWP should align with only the permanent residency stream and not other forms of permanen t migration like the provincial nominee program, is creating fundamentally damaging incentives for institutions.

Under the current 'Field of Study' system, IRCC requires college programs to align to certain CIP codes for graduates to qualify for a PGWP. These codes have traditionally been used by Statistics Canada as a student demographic tracking tool to monitor program trends and completion rates. It is vital to note that CIP codes identify fields of study, which are broad categories of programs and do not have an inherent link to programs themselves. The CIP codes were not designed to function as an evaluation or program compliance tool prior to IRCC's decision to use them as a foundational element of the PGWP reforms. The codes are also slow to adapt to changing pedagogical needs and do not reflect new and developing programs. As such, neither institutions nor provinces were prepared to use the system for something as critical as determining PGWP eligibility. Needless to say, international students themselves are not familiar with the CIP code or COPS system and will face increased stress trying to make decisions for their future based on this data.

CIPs do not always completely align with the program offerings, which leads to confusion around whether a program qualifies or not. One example of this is that *Accounting and Computer Science (*30.1601) is an included CIP, but *Accounting* (52.0301) is not[4]. There is no standardized way to determine what courses are

[4] Government of Canada. (2024, November 8). Work in Canada after you graduate: Who can apply. Immigration, Refugees, and Citizenship Canada. https://www.canada.ca/en/immigration-refugees-citizenship/services/study-canada/work/after-graduation/eligibility.html

needed for an accounting program to qualify as an accounting and computer science program and no established auditing method or accountability measure by which Statistics Canada can determine if an adequate amount of computer courses have been added to the accounting program. It is simply left to the institution or province's discretion.

This uncertainty for institutions has created an even more confusing landscape for international students, with the former apprehensive that these uncertain conditions also can create legal liabilities as international students make life-altering decisions based on information that can be, and has, changed at the government's whim. This also leads to significant issues around program standardization as different institutions and provinces may determine eligibility in different ways, creating confusion in national program alignment.

Colleges are built around a community-focused model that emphasizes local labour market needs, rather than national ones. **Because of a lack of localized CIP inclusion, over 70% of international students currently enrolled at colleges would no longer be eligible for the PGWP.** To give one example, international students have been crucial to the success of Fanshawe's Green Electric Vehicle Technician program, developed in partnership with the new Volkswagen EV battery plant in St. Thomas, Ontario. The program was scheduled to launch in January 2025 to train the technicians needed for the plant's 2027 opening. Despite Canada's $13.2B investment in this project, international students enrolled in the program will no longer be eligible for a PGWP after graduation, as vehicle technicians are not included in the list of eligible fields.

Box 1: Other examples of key college programs not currently eligible for PGWP access:

Engineering and Manufacturing

- Biomedical Engineering Technician (15.0401)
- Renewable Energies Technician (15.1799)
- Manufacturing Engineering Technician (15.0613)
- Aerospace Engineering Technician (15.0801)
- Quality Assurance Management (15.0702)

Construction

- Construction Project Management (52.2002)

Transportation

- Motive Power Technician Truck and Coach (47.0613)
- Green Vehicle Technician (47.0614)
- Automotive technicians (47.0604)

Health

- Dental hygiene/hygienist (51.0602)
- Dental assisting/assistant (51.0602
- Dental laboratory technology/technician (51.0603)
- Clinical research coordinator (51.0719)
- Health information/medical records technology/technician (51.0707)
- Hospital and health care facilities administration/management (51.0702)
- Medical staff services technology/technician (51.0717)

Canada needs to continue leveraging our public colleges and institutes to do what they do best –respond to labour market needs in real time to address the economic challenges of their communities. The current approach for determining which CIPs are PGWP eligible is fundamentally flawed, as it focuses solely on

national labor market targets. This creates a significant disconnect between the urgent needs of local labor markets and the valuable contributions of skilled international graduates. To resolve this, IRCC must collaborate with the provinces and territories to ensure that local labour market needs are considered and that gaps in CIP-eligible programs are promptly addressed. This includes programs in fields such as hospitality, engineering technology and manufacturing, and the automotive industry, among others.

- **Recommendation**: *CICan recommends that IRCC must work directly with institutions and provinces and territories to develop a labour market alignment strategy for the Post-Graduation Work Permit (PGWP) that accounts for local labour needs and urgently amend the national list now and address egregious gaps such as skilled trades and EV technicians.*

Impact on Minority Francophone Communities and for Quebec CEGEPs

The nature of the PGWP reforms will also have direct and significant negative impacts on francophone communities outside of Quebec, as well as creating policy tension with the province of Quebec's own stated international education objectives.

Minority francophone institutions are often linchpins of labour markets for local francophone communities, but also essential lifelines for addressing ongoing demographic declines. While this has been previously acknowledged by IRCC through programs like the Francophone Minority Community Pilot, the recent reforms to the PGWP could do lasting significant damage to these institutions and communities. For example, the Acadian Peninsula campus of Collège Communautaire du Nouveau Brunswick offers 13 programs, all of which create important access for the local community but also rely on international student enrolments to remain financially viable. Under the current reforms, **9 of the 13 programs will not be eligible for a post-graduation work permit, threatening the feasibility of the entire campus.** This is but one example of how regional campuses are under threat, as are the local labour markets which depend on these programs for their skilled labour.

In Quebec, the situation is similar, but with important nuances. In the Quebec system, cégeps receive the exact same direct revenue from an international student as they do a domestic student. As such, many institutions, in particular rural institutions, welcome interested international students to meet the enrolment numbers required to run programs in areas with demographic declines or shifting domestic interests. For example, the *transformation du bois* program at Saint-Félicien, critical to the region, depends on international students enrolled in wood technician programs. However, as the relevant CIP code was not included as an eligible PGWP programs, graduating international students will no longer be able to fill these crucial labor gaps. Moreover, recent reforms announced by the Quebec government, which followed a few weeks after IRCC's announcement, were designed to encourage international students to study in the region. In an unintentional yet damaging example of misalignment between provincial and federal officials, the two policies now risk running at counter means with each other.

Impugning College Credentials

The current reforms have created an artificial divide between the value of college and university education. At present, all university degree programs are exempt from demonstrating alignment with labour market needs to access a PGWP. College issued bachelor's degrees, which meet the same provincial approval processes and offer the same high value of education, are not exempt, and in many cases are excluded from PGWP eligibility

despite addressing critical employer needs. According to Statistics Canada, **27% of job vacancies in Ontario alone require college credentials[5], surpassing the combined total of all degree programs.**

The unfortunate message that college credentials are less valuable than university credentials has been reinforced by pejorative comments made by government officials in the media about colleges and college graduates, and has resulted in bright, talented young people choosing to study anywhere but Canada. It has also impacted domestic enrollment as Canadians hear leaders cast doubts on the value of a college education. To address this issue, it is essential that the government acknowledge the quality of edu cation provided at Canada's colleges- both by recognizing college-issued degrees as equal to university ones and by amplifying positive messaging in the media.

- **Recommendation:** *CICan recommends that IRCC must treat identical credentials, be they offered at a public college or university, in an identical manner. In practice, this means that students studying degree programs at a college should be eligible for the PGWP.*

Financial Impact Considerations

The changes to the International Student Program have had a profound impact on the post-secondary sector in Canada, with colleges bearing the brunt of these effects. **Study permit applications to CICan member institutions have dropped by 54% compared to last year** at this time, far exceeding the 35% target set by the January 2024 international student cap. According to our analysis, this loss of students could result in a tuition **revenue shortfall of nearly $3 billion dollars** ($2.88B) for the 2025/26 academic year.

The financial consequences of declining enrollment are negatively affecting the accessibility of education for students, particularly in rural, remote, Indigenous, and minority language communities. In a world of chronic underfunding, international students do not take spots from domestic students: they create them by ensuring program viability. *Illustration 2*, below, provides a snapshot of some of the ways international students ensure domestic students, and by extension local employers and communities, have access to the training necessary for economic success.

Consistent underfunding over the past 15 years has put colleges and institutes in a destabilized position. Government funding (i.e., Federal and Provincial combined) has been flat to institutions in real terms since about 2008, following 45 years of gradual disinvestment by both the federal and provincial/territorial governments. Instead, institutions main source of new funding has been via international students, particularly since 2013. These funding challenges are amplified in rural, remote, and northern communities, where preserving access for local communities is of high cost, but also high priority. **Despite representing 57% of PSE enrolments, nationally, federal funding to colleges amounts to 23-24% of total federal PSE funding**.[6]

As the reforms to the International Student Program and Post-Graduate Work Permit are implemented, **Canada's public training system is facing a financial cliff as 70% of the programming which attracted international students are no longer eligible for PGWP**. Without stabilization funding to mitigate this loss, Canadians will be left with fewer training options.

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[5] Sorensen, C. (2013, March 19). *The future of jobs in Canada* . Macleans. https://macleans.ca/work/jobs/the-future-of-jobs-in-canada/

[6] Usher, A., & Balfour, J. (2023). *The State of Postsecondary Education in Canada*, 2023. Toronto: Higher Education Strategy Associates.

3 Ways International Students Enable Training Solutions at Canada's Colleges

And how changes put these solutions at risk

International labour supply programs

- Provincial funding
- Low domestic demand
- High labour market fit

These programs are funded by provinces but often struggle with enrollment. To fill seats and ensure the continuation of these important programs, they can be redesigned to be more appealing to international students. Local industries rely heavily on programs in this category for skilled graduates to meet labour market needs.

Note: Domestic demand can be dampened by many reasons, including regional population spread.

Domestic Dividend Programs

- Insufficient government funding
- Strong domestic demand

By supplementing these programs with international student enrollment, colleges can expand the number of sections offered, thereby increasing availability for domestic students. These are known as "domestic dividend programs" because international tuition revenue directly benefits domestic students by expanding access.

Hyper local partnership programs

- No government funding
- Designed in partnership with local industries
- Insufficient domestic tuition funding

Finally, there are programs that are not government-funded but are designed in partnership with local industries to meet specific labour market needs. These programs cannot be sustained solely through domestic enrollment, and international student dollars are essential to making them viable. This supplemental revenue allows these programs to be offered at rates comparable to provincially funded programs, making them accessible to domestic students.

Illustration 2: 3 ways international students support training at colleges

Colleges are already reporting significant budget shortfalls for the upcoming fiscal year with several public announcements to date about austerity measures, including:

- Seneca Polytechnic closing a campus location under a $35M budget shortfall,
- Mohawk College facing a $50M shortfall and will be implementing layoffs across all employee groups,
- Camosun College laying off staff to offset a $5M deficit for 2025/26 year.

This immediate and severe reduction in funding is having long-term effects on key priority areas for the country. High-cost programs, such as the construction trades, nursing and many engineering programs will be at risk – further reducing program options for domestic students and starving Canadian firms of the talent they need to compete.

The impacts extend further, with cuts expected to productivity boosting college applied offices. In 2021-2022, colleges leveraged $151M in federal government investment to raise a total of **$433M in research activity to support over 8000 research projects** – resulting in 6,500 new prototypes, products, services, or processes in key challenge areas such as housing construction, advanced manufacturing, and climate-smart agriculture and food production. **80% of these projects were done in partnership to with small and medium enterprises and done with only cost-recapture in mind for the college.** Much of these leveraged funds needed to sustain this system depend upon a financially healthy college system and the infrastructure it provides. Already, institutions are scaling back their applied research efforts – a calamitous development when Canada desperately needs to improve productivity and technology adoptions in firms.

- **Recommendation**: *CICan recommends that the Government of Canada protect Canada's training capacity with stabilization funding to mitigate the damage of expected financial losses due to the rapid pace of policy reforms and make permanent the Budget 2023 investments in the College and Community Innovation Program to ensure that Canada's researchers can continue to deliver the research support they offer to local communities and businesses.*

Conclusion

Canada's colleges and institutes recognize the importance of an International Student Program that supports Canadian communities in a sustainable manner. However, considering the rapid pace of change combined with an approach that undermines the important role of local economies, CICan urges the federal government to reconsider recent policy changes affecting international students, particularly the misguided restrictions on PGWP eligibility. The decision to limit PGWP access based on national labor market targets creates a fundamental disconnect between local labor market needs and the contributions of international graduates, undermining the economic vitality of Canadian communities and industries.

In closing, CICan calls on the federal government to work with public colleges to stabilize the sector, protect the integrity of our college system, and ensure that the International Student Program continues to benefit Canada's workforce and economy. Thank you for your time and consideration, and CICan welcomes the opportunity for further discussion on these critical issues.