

**Strong science, our future.**

# **Submission to the Budget 2018 Consultations**

**August 2017**



## Introduction & summary

The Canadian Association of University Teachers (CAUT) is the national voice for academic staff. CAUT represents more than 70,000 teachers, librarians, researchers, general staff and other academic professionals in 122 post-secondary institutions across the country.

We strongly believe the quality of life of Canadians is inextricably linked to the quality and accessibility of our post-secondary education system.

The Liberal government has laid out a vision for jobs and growth - focusing on skills development, innovation and infrastructure investment. Achieving this will require deeper action to strengthen post-secondary education and research. There have been welcome steps taken to reinvest in research granting agencies, and improve access to post-secondary education in the recent years. However, momentum must be sustained to repair and grow our knowledge infrastructure, in order to confront the challenges that Canadians face over the long-term. Our budget submission outlines five recommendations, which if implemented, will ensure a bright future for Canadians.

### Summary of recommendations

**1. Strengthen the foundation for innovation and invest in basic research.** Significant efforts are underway to innovate in order to grow our economy, create good jobs, support diversity and inclusion, and improve health and social outcomes. Basic research is underpinning all of these efforts. As a country, we must get science right. Solutions to pressing economic, environmental and social challenges require more evidence to guide decisions.

**2. Commit to climate research networks.** As the world focuses more on the need to tackle climate change, the importance of scientific innovation grows ever greater. Without strong leadership we risk significant environmental damage. This is a risk we cannot afford to take. The government needs to take steps to sustain support for leading climate research, or scientific capacity will be lost.

**3. Invest in Indigenous education.** Federally-supported education for Indigenous students is a right. Building on last year's budget, the Post-Secondary Education Support Program must be further enhanced to meet demand. Additional funding is needed to shrink the gap in educational and economic attainment that exists between Indigenous and non-Indigenous Canadians.

**4. Reap the diversity dividend.** Strengthening the Federal Contractors Program under the Employment Equity Act will help Canadian organizations and businesses diversify their workforce. This will reduce the systemic barriers to employment success for Indigenous and equity-seeking Canadians, and enhance productivity.

**5. Increase federal support for post-secondary education institutions.** Post-secondary education is a requirement in today's labour market. Demand has never been greater for post-secondary education, yet federal support for operational costs to keep up with the demand has not kept pace. As a result, tuition fees continue to rise. A stronger federal partner is needed to keep the costs of post-secondary education down for Canadian families.

## 1. Support basic research

Basic research fuels advances, discoveries, breakthroughs, insights and our understanding of the world. It leads to the facts and evidence that shape our future.

To understand the strength of our capacity for research and science, the government commendably commissioned a full review of the research ecosystem. The report of the Advisory Panel on Federal Support for Fundamental Science is a comprehensive analysis of the erosion of Canada's capacity for basic research and our declining global competitiveness. The report lays out a clear road to restore our capacity to generate the knowledge and the ideas we need to tackle the challenges we face.

Underfunding basic research limits innovation, slows job growth and hampers Canada's ability to attract and retain researchers. Stronger investments in fundamental science will lead to real advances in knowledge and contribute to a better quality of life for all. Discovery research is the cornerstone of innovation in all fields.

For a decade, the granting councils, which fund the vast majority of fundamental research undertaken in our country, have seen a steady erosion of their base budgets after adjustment for inflation, and less funding for fundamental science.

This is why CAUT applauded the increase of \$76 million for Canada's granting councils in the 2016 budget. However, a stronger federal partner is needed to repair the foundations of Canadian science, as noted by the Advisory Panel on Federal Support for Fundamental Science.

**Recommendation:** Take the advice of the Advisory Panel on Federal Support for Fundamental Science and increase the granting councils' base funding by \$1.308 billion over four years, with the majority of funds (87%) frontloaded in the first three years.

## 2. Commit to climate research networks

For the past five years, the federal government has partnered with seven national climate research networks. Yet, six of these seven projects will have their research grind to a halt at the end of 2017. The seventh project, the Canadian Sea Ice and Snow Evolution Network, has been granted permission to continue its work for an additional year - but with no additional money. The Climate Change and Atmospheric Research (CCAR) program is the main conduit for federal money allocated to fundamental atmospheric research in Canadian universities. The program generates critical knowledge on the impact of climate change on the health and safety of Canadians and the Canadian economy. These projects have taken many years to establish and their termination would be disastrous for the scientists and graduate students involved in the climate and atmospheric community at large and the decision-makers that depend on the results

to take climate action. Field research can continue to yield more and better results. The partnerships between Canadian universities and government laboratory researchers can continue to leverage breakthroughs for the common good.

**Recommendation:** While a long-term solution is needed to sustain climate change research networks, in the interim CAUT urges the government to renew and preserve the Climate Change and Atmospheric Research program with a modest investment of \$7 million a year for the next five years.

## 3. Invest in Indigenous education

Rising tuition fees are placing a disproportionate burden on Canada's Aboriginal students. The funding provided to band councils to support Aboriginal students has been inadequate and has left thousands of qualified students on waiting lists for funding to pursue post-secondary education.

CAUT believes that the federal government has a moral and legal responsibility to honour its commitment to provide access to post-secondary education for Indigenous students. The federal government must abide by its historical commitments and recognize that education is a treaty right. As such, it is necessary to back this commitment with appropriate, sustainable funding. Investing in education is not only a benefit to First Nations, Inuit and Métis communities; it is a long term, viable plan for Canada's economy, and would help pave the path to reconciliation.

The federal government's 2017 budget included an investment of \$90 million over two years for the Post-Secondary Student Support Program. This program which funds First Nations and Inuit students was a welcome additional support and a long overdue investment in Indigenous students. However, it is still approximately half of what is required to meet today's demand. Before last year's budget, the Assembly of First Nations noted that to address the existing backlog of unfunded students ready for post-secondary studies and those entering the system, an annual investment of \$106 million are needed in each of the next three years.

The comprehensive and collaborative review underway with Indigenous partners will inform all current federal programs that support Indigenous students. The increased funding support is needed now and will strengthen these programs.

**Recommendation:** Double the 2017 budget commitment to support Indigenous students' post-secondary education financial needs.

#### 4. Reap the diversity dividend

New research released this year proves there is a strong link between a diverse workforce and economic prosperity: "...if Canada wants to succeed in high-value-added sectors of the future, workplace diversity can be an important contributor to Canada's competitiveness."<sup>1</sup>

The federal government can promote greater diversity in the workforce by strengthening the Federal Contractors Program (FCP). Through a reinvigorated FCP, Canada will be better able to leverage our global advantage of a diverse and talented population. The FCP requires employers working with the federal government to tackle the systemic barriers to economic prosperity for Aboriginal and equity-seeking Canadians.

Changes to the FCP made in 2013 raised the threshold for federal contractors from \$200,000 to \$1 million. As a result, the number of employers, including universities and colleges, required to pursue employment equity has plummeted.

These changes stand in sharp contrast to the U.S. federal government program where a threshold of a \$50,000 contract is set in order for employment equity requirements to apply. In a country ten times the size of Canada, American employers with 50 employees are subject to federal employment equity, whereas only Canadian employers with 100 employees are covered. As a result of these lower thresholds, an estimated 20% of the American workforce is covered by federal employment equity.

<sup>1</sup> Momani, Bessma and Jillian Stirk. 2017. *Diversity Dividend: Canada's Global Advantage*. Centre for International Governance Innovation and the Pierre Elliot Trudeau Foundation.

**Recommendation:** The federal government significantly strengthen the FCP by reducing the threshold to ensure that more Canadian workplaces are covered, and enhancing enforcement and compliance.

#### 5. Increase post-secondary education funding

Post-secondary education is a requirement for 70% of job openings. Yet, in order to meet demand for learning and skills development, Canada's post-secondary education institutions are raising tuition rates.

Starting out with massive debt and facing a weak labour market, many graduates are struggling to fully participate in the economy. Young Canadians are falling behind because of the financial barriers they face upon graduation

CAUT recognizes that the ability of the federal government to address the underfunding of Canada's universities and colleges is hampered by how it provides cash transfers to the provinces in support of post-secondary education. Transfers for health care provide a model, as it is a separate, dedicated funding envelope, the Canada Health Transfer, governed by national standards set in the Canada Health Act. A newly established Post-Secondary Education Transfer should be governed by a Post-Secondary Education Act, modelled on the Canada Health Act. The Post-Secondary Education Act should outline clear responsibilities and expectations for the federal and provincial/territorial governments, establish pan-Canadian guidelines, enact enforcement mechanisms, and determine long-term stable funding formulae.

**Recommendation:** Federal transfers dedicated to post-secondary education be increased by \$400 million/year, and in consultation with the provinces, an escalator be established that more accurately reflects demand in the post-secondary education sector. To enhance transparency and accountability, the Canada Social Transfer should be replaced by separate stand-alone funds for social services and post-secondary education, with governing legislation.

## Conclusion

The government has laid out a vision for a stronger, more resilient and more inclusive Canada.

To realize this vision it must robustly invest in fundamental science, including climate research. It must also be a stronger partner to strengthen the post-secondary education system and ensure that Indigenous students have access to this portal to a brighter future. Lastly, it must do more to require Canadian businesses and organizations that it partners with take action to achieve employment equity.

This document is respectfully submitted on behalf of the Canadian Association of University Teachers.