

**CANADIAN COLLEGES AND INSTITUTES'
FEDERAL BUDGET PRIORITIES**

**ACCC SUBMISSION TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
PRE-BUDGET CONSULTATIONS 2004**

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Summary of Recommendations:

The Association of Canadian Community Colleges recommends:

1. Ensuring Access to Post-Secondary Education:

- G the separation of post-secondary education funding from the Canada Social Transfer, and the **creation of a Post-Secondary Education Transfer**, restoring funding to 1992/1993 levels, adjusting for inflation and demographic growth. To protect this investment, the federal government should seek an agreement with the provinces and territories ensuring that existing PSE funding is not decreased.
- G the transformation of the Canada Student Loans Program into a **new Learner Support System** guided by the principles of universality, responsibility, portability, simplicity, rationality and flexibility. The new Learner Support System should also include an expansion to Canada's low-income grant program, providing low-income students access to post-secondary education through grants for the duration of their studies.
- G **increase funding** for the Indian and Northern Affairs Canada (INAC) Post Secondary Student Support Program, as well as **update and modify INAC Post-Secondary Education (PSE) policies and programs** to provide increased access to post-secondary education for First Nations peoples.
- G **the implementation of a College Infrastructure Enhancement Fund** similar to the federal/ provincial/municipal infrastructure program. This Fund would help colleges address the backlog of deferred maintenance, provide base operational funding for ongoing maintenance, and provide funding for equipment acquisition.

2. Strengthening the Innovative Capacity of Communities:

- G **targeted funding for colleges and institutes** to support their research and development activities with federal granting council programs, in particular additional funding to **expand** the Science and Engineering Research Council's **College and Community Innovation Pilot Program**, providing additional funding of \$3.6 million to extend the original 6 projects by 2 years (\$ 600,000 per project) as well as new funding for 100 community economic development initiatives for 5 years, with progressive support ranging from \$10 million in the first year to \$30 million in year 5, for a total of \$120 million over the duration of these initiatives. Funding for the NSERC College and Community Innovation Program, including the original Pilot Program, would reach \$127.2 million.
- G funding for a **Program for College/Institute Chairs** which would contribute to the renewal of faculty by providing the leadership to ensure that instructional processes are on the leading edge in meeting the needs of industry, and ensuring that faculty keep at the forefront of research and development. Support for this Program is estimated at a total of \$ 375 million over 5 years (\$ 250,000/year for 300 Chairs)

Introduction

The Association of Canadian Community Colleges (ACCC) welcomes the opportunity to respond to the House of Commons Standing Committee on Pre-Budget Consultation's invitation to present its views on the measures the government should be taking to ensure economic growth and job creation, investment in all members of Canadian society and, enhancing the desirability of living in rural and remote parts of Canada.

Representing 150 publicly-funded community colleges, institutes of technology, cégeps and university colleges, ACCC is the national and international voice of Canada's colleges and institutes. Colleges are the largest suppliers of advanced adult training and education with 2.5 million full and part-time students with campuses in over 900 communities in all regions of Canada. **The mandates of Canada's colleges and institutes all share a common purpose - to improve the economic and social well-being of their communities.**

They represent the primary national network mandated to support government, industry and labour in the design and implementation of a national human resources strategy that provides Canadians, both employed and unemployed, with the tools required to become life-long learners.

The federal government's long-term commitment to develop the knowledge, skills and capacity of Canadians across the country, from those in major urban centres to the most rural and remote areas is key to sustained socio-economic progress. By reaching the populations of over 3,000 communities across Canada, colleges and institutes are uniquely positioned to respond to the federal government's vision to make Canada one of the most innovative and skilled countries in the world. These institutions are providing flexible and adaptable community learning resources and are involved in community networks of employers, civic groups and local/regional governments. They are often the catalysts for industry-education interaction, addressing the relationship between a skilled employable workforce and healthy community and local economic development.

As such, the Association's submission to the Standing Committee on Finance provides a series of recommendations which we firmly believe will contribute significantly to achieving the federal government's vision of making Canada one of the most innovative and skilled countries in the world.

1. Ensuring Access to Post-Secondary Education

Accessible and high quality post-secondary education is vital to Canada's economic, social and cultural development. Our knowledge-based society places a high value on post-secondary education and skills development as a key component of economic growth and wealth creation, contributing to Canada's high standard of living and quality of life as well as the health and well-being of its cities and communities. Post-secondary education very much underlies the three themes articulated by the Prime Minister: strengthening the social foundations of Canadian life, building a 21st century economy, and ensuring a place of influence and pride for Canada in the world.

Post-secondary education must be a priority at both the national and the provincial/territorial levels. Students recognize the value of a post-secondary education and in increasing numbers want access to it in order to develop the knowledge, skills and understanding they can then use both at work and in their daily lives. No Canadians should be denied the opportunity to benefit from a post-secondary education because they cannot afford to attend, because there are no spaces available, or because there are inadequate supports in place to help them complete their studies.

"Knowledge is the road both to economic progress and individual opportunity, and education is the bridge to take us there."

Ralph Goodale, Minister of Finance
2004 Budget Speech

As community-based institutions with campuses in over 900 communities, colleges and technical institutes are ideally suited to respond to the needs of these students. The leadership that these institutions have displayed in increasing access, effectiveness and efficiency through the application of prior learning assessment and recognition principles and practice have given colleges a strong foundation for supporting an individual's learning needs. Some colleges have extensive experience working with disadvantaged individuals and long established connections to groups such as agencies servicing immigrants, friendship centres, etc. There is also extensive experience in working with displaced workers such as those in the cod fishery and most recently in the forestry sector.

The economic and social conditions of today's society have also resulted in a range of issues affecting accessibility to education: obstacles faced by needy students both before and during studies, an aging student population with a different set of financial and family obligations, new immigrants lacking the skills to integrate the job market, the needs of graduates coping with a combination of high debt and the challenges facing many families struggling to save for their children's education. Student debt and the alarmingly high cost for an individual to attain a post-secondary education is contributing to a significant socio-economic schism between the privileged and underprivileged in Canada.

"To ensure that the benefits of a growing economy are shared fairly, we must be a nation that provides its citizens with the opportunity to improve their skills over the full course of their lives."

Ralph Goodale, Minister of Finance
2004 Budget Speech

The Canada Student Loans Program, which was developed in the 1960s, reflected the economic and social conditions of the time. Since then, both the economy and the profile of the typical learner have changed dramatically and despite adaptations and alterations to the program, the evidence suggests that it is time to completely reconsider the system. Learners are no longer the 19 year-old high school graduates of the 1960s, with ample summer savings and family support. In addition, the confusing complexity and prevalence of many different types of financial assistance mechanisms for post-secondary learning add to the inaccessibility of funding for many current and potential learners.

The time has come for businesses, financial institutions, industry, labour, public and private educational institutions, the federal and provincial governments and individual students to work together in building a system that will truly meet the needs of Canadians over the next couple of decades.

Significant reductions in the financing of post-secondary education and the eclipsing of investment in infrastructure maintenance and renewal have had a drastic impact on the capacity of colleges and institutes to provide quality education and training to their current students. Decreased government funding has led to a burgeoning backlog of deferred maintenance and outdated equipment. Colleges and institutes are now faced with aging and deteriorating facilities, outdated ventilation systems, reductions in student spaces and an inability to meet the increasing demands of technology and new learning methods.

"We must invest in helping workers to continuously enhance their skills to keep pace with constantly evolving workplace requirements. To that end, the Government will develop a new Workplace Skills Strategy, including steps to enhance apprenticeship systems, and to boost literacy and other essential job skills."

Speech from the Throne
October 2004

Federal/provincial/territorial governments, industry, business and educational institutions all recognize that increased investment in post-secondary education will be necessary if Canadians are to be competitive in a global knowledge-based economy. Without additional funding for physical infrastructure and technical equipment, our colleges and institutes will not be able to accommodate the anticipated increase in enrolment over the next decade and risk closing their facilities, with the resultant impact affecting program capacity and accessibility to Canadian learners. Investment and support is therefore critical if Canada's college and institute capacity is to avoid further erosion.

There is an urgent need for significant investment in post-secondary education for First Nations peoples. With a population growth rate five times that of the Canadian population, and 30 % of the registered Indian population under the age of 15, the First Nations population could contribute greatly to addressing the growing skills shortages. Indian and Northern Affairs has not kept its

policies or programs current, and estimates indicate that there is a backlog of 10,000 students who were unable to access funding to pursue a post-secondary education.

We believe that there is an opportunity to further elevate the role that colleges and institutes play in developing human potential, to capitalize on the expertise of the system as a whole and assist the government in meeting its targeted strategic objectives.

Ensuring Access to Post-Secondary Education:

The Association of Canadian Community Colleges recommends:

- G** the separation of post-secondary education funding from the Canada Social Transfer, and the **creation of a Post-Secondary Education Transfer**, restoring funding to 1992/1993 levels, adjusting for inflation and demographic growth. To protect this investment, the federal government should seek an agreement with the provinces and territories ensuring that existing PSE funding is not decreased.
- G** the transformation of the Canada Student Loans Program into a **new Learner Support System** guided by the principles of universality, responsibility, portability, simplicity, rationality and flexibility. The new Learner Support System should also include an expansion to Canada's low-income grant program, providing low-income students access to post-secondary education through grants for the duration of their studies.
- G** **increase funding** for the Indian and Northern Affairs Canada (INAC) Post Secondary Student Support Program, as well as **update and modify INAC Post-Secondary Education (PSE) policies and programs** to provide increased access to post-secondary education for First Nations peoples.
- G** **the implementation of a College Infrastructure Enhancement Fund** similar to the federal/ provincial/municipal infrastructure program. This Fund would help colleges address the backlog of deferred maintenance, provide base operational funding for ongoing maintenance, and provide funding for equipment acquisition.

2. Strengthening the Innovative Capacity of Communities

Canada has a national network of over 150 colleges, institutes, cégeps and university-colleges in over 900 communities in all regions of Canada. By directly impacting on economic growth in their surrounding communities, colleges and institutes are powerful economic engines that help regions achieve and sustain economies that are vital to their future prosperity. Colleges and institutes are poised to play an even more significant role in Canada's competitive agenda.

"Canada's colleges are emerging as important players in the country's innovation system."

Lucienne Robillard, Minister of Industry and Minister responsible for the
Economic Development Agency of Canada for the Regions of Quebec
February 2004 NSERC Press Release

Many colleges and institutes offer state-of-the-art market technologies and the latest in scientific laboratories for research. With the value of college and institute applied research and development estimated at \$200 million annually, students and faculty benefit from exposure to new ideas and methodologies, bringing this knowledge to the workplace and the classroom, respectively.

The Science and Engineering Research Council (SERC) (formerly Natural Science and Engineering Research Council) recognized the potential of this vast college and institute network, in the creation and design of the College and Community Innovation Pilot Program. The program's objective is to increase the capacity of colleges to support innovation at the community and/or regional level. The program design and funding are intended to stimulate new partnerships and increased entrepreneurship and to assist the colleges to take risks and be nimble in developing new ways of working with local businesses and industries to spur innovation and economic growth.

ACCC appreciates the recognition by SERC of the college and institute potential but wishes to draw attention to the financial limitations of the total funding of \$3,600,000 over 3 years, enabling only 6 community economic development initiatives. Many other excellent initiatives were proposed, but cannot be funded - a travesty for the country. A substantial expansion of this initiative would contribute significantly to the socio-economic development of communities across the country - many of which are only served by a college or institute.

"The most important element of innovation is value. We feel the impact of innovation through the creation and enhancement of social and economic value. Ultimately, the impact of innovation is the increased health and wealth of a country's citizens and institutions."

The Conference Board of Canada
Performance and Potential 2004-05 : How Can Canada Prosper in Tomorrow's
World?

The current Canada Research Chairs Program stands at the centre of a national strategy to make Canada one of the world's top five countries for research and development. This Program was announced in 2000, when the Government of Canada allocated \$900 million to establish 2,000 research professorships, Canada Research Chairs, in universities across the country. While the contribution of the Chairs Program to enhancing Canada's competitiveness in the global, knowledge-based economy, improving Canadians' health, and enriching our social and cultural life is expected to be significant, the research capacity of Canada's colleges and institutes should also be recognized. A Program for College/Institute Chairs would also contribute to meeting goals complementary to those of the Canada Research Chairs Program, including:

- the renewal of faculty by providing the leadership to ensure that instructional processes are on the leading edge in meeting the needs of industry, and ensuring that faculty keep at the forefront of research and development;
- the strengthening of research excellence in Canada and increasing Canada's research capacity by attracting and retaining the best researchers;
- improving the training of highly qualified personnel through research;
- improving colleges' and institutes' capacity to generate and apply new knowledge;
- promote the best possible use of research resources through strategic institutional planning, and through collaboration among institutions and with industry.

The College and Institute sector is ready to be a major partner in Canada's innovation strategy through its comprehensive support for the country's small- and medium-sized enterprises and community economic development.

Strengthening the Innovative Capacity of Communities:

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Conclusion

The Association of Canadian Community Colleges is pleased to have this opportunity to present our perspectives to the Standing Committee on Finance. ACCC reiterates its commitment to work with the government in developing policies and programs that will contribute to the economic success and prosperity of Canada.