

POST-SECONDARY TRANSFERS

ACCC SUBMISSION TO THE STANDING SENATE COMMITTEE ON SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY



Brief prepared by: Association of Canadian Community Colleges
200 - 1223 Michael Street North
Ottawa, Ontario K1J 7T2
Tel.: 613-746-2222 Fax.: 613-746-6721
Web: www.accc.ca

Date: May 2010



Association of Canadian Community Colleges
200 - 1223 Michael Street North
Ottawa, Ontario K1J 7T2
Tel.: 613-746-2222 Fax.: 613-746-6721
www.accc.ca

The Association of Canadian Community Colleges

The Association of Canadian Community Colleges (ACCC) welcomes the opportunity to provide input to the Standing Senate Committee on Social Affairs, Science and Technology as it examines and reports on the accessibility of post-secondary education in Canada.

ACCC is the national and international voice of Canada's 150 colleges, institutes, university colleges, cégeps, polytechnics, and universities with a college mandate¹. With campuses in over 1,000 communities, 1.5 million learners, and 60,000 educators, these institutions draw students equally from all socio-economic quarters, and supply graduates with the advanced skills essential to Canada's economic growth and productivity.

Colleges are the advanced skills educators of choice, Aligned with the needs of employers, and operating on the leading edge of advanced skills identification, economic trends and market shifts, colleges solicit continuous business and industry input into curriculum development through Program Advisory Committees. Colleges encourage business formation and sustainability by growing the local talent pool, by re-skilling displaced employees, by offering customized education, and by providing applied research and development support to local business. They are key to immigrant credentialing and integration, and the access of the disadvantaged to post-secondary education.

ACCC wishes to underline the need for transparency and accountability for federal transfers for post-secondary education and increased investment to meet the demand for advanced skills. Canada's future depends on all Canadians having the opportunity to acquire or update their advanced skills.

Canada's Crisis in Advanced Skills

The key to Canada's economic and social development lies in the knowledge and skill base of human capital. Notwithstanding the economic downturn, we continue to suffer from an acute shortage of advanced skills. While the crisis is tempered in the short-term, it will hit the Canadian economy with a vengeance and will constrain the anticipated recovery. Slower economic growth, lost opportunity, and compromised productivity are the consequences.

The Canadian Federation of Independent Business (CFIB) recently reported that on a ratio of six to one, college graduates are required over university graduates to fill shortages in advanced skills.

The Employers' Coalition for Advanced Skills, embracing business associations concerned with the short supply of human capital to support their industries, has similarly raised the spectre of the anticipated economic recovery stumbling because of Canada's short supply of human capital, and the critical shortage of people with employment-ready advanced skills.

¹ This document will hereinafter refer to colleges, institutes, university colleges, polytechnics and cégeps as colleges.

A Dedicated and Expanded Post-Secondary Education Transfer

In 1992-1993, through the Established Programs Financing (EPF), Canada committed \$2.8 billion to post-secondary education. Replaced by the Canada Health Social Transfer (CHST) in 1995, post-secondary transfers were reduced to \$2.3 billion in 1996. More than ten years later in 2007, through the restructured Canada Social Transfer (CST), the post-secondary education nominal allocation was marginally increased to \$2.4 billion. Effective 2008-2009, the Government of Canada recognized the portending advanced skills shortage by increasing the nominal allocation for post-secondary education by \$800 million annually.

The Government has indicated that the transparency of the transfers through the CST is increased through the identification of a notional allocation of federal support to its priority areas of post-secondary education, support for children, and social programs.

In reality, the blend of post-secondary transfers into the CST has led to a lack of transparency and accountability back to Canada's Parliament. It is not possible to determine to what extent these funds will find their way to their intended purpose. The people of Canada expect more accountability for the spending of their money. They want clear objectives and measurable outcomes.

The federal government must act now to ensure that its investments in the capacity of post-secondary educational systems do indeed target the advanced skills gaps facing our nation.

CST cash transfer levels are set to increase by three percent annually up to 2013-2014. This escalator in no way reflects the funding needed to address the deepening of the advanced skills crisis.

Colleges are under extreme pressure to meet demand. Current capacity falls short of requirements. Before the recession, long wait lists of qualified college applicants impeded thousands from acquiring the advanced skills needed to secure employment. Wait lists are even longer now as the newly unemployed flock to colleges to re-skill. Applications in 2009 increased dramatically with some colleges reporting a surge of over 22 percent. Many other institutions announced increases in the 15-20 percent range. Applications for the fall 2010 have also increased. The limited capacity of colleges remains an unfortunate reality.

The impact of the economic downturn and the limits of the Employment Insurance eligibility are placing additional burdens on both the post-secondary and social components of the transfer. With their benefits expiring, many unemployed cannot complete their post-secondary programs and are falling onto the social assistance rolls which could lead to a resultant decline in funding for post-secondary education. The result is a lose-lose situation for these individuals and others sitting on waitlists across the country.

Existing college capacity must be secured and new capacity developed. The system is characterized by long wait lists as the unemployed flock to colleges for retraining, aging infrastructure, deferred maintenance, antiquated teaching equipment, space shortages and an impending shortage of faculty. College capacity is essential to ensure the advanced skills for Canada's economic and social future.

Access for Disadvantaged Learners

A significant proportion of the adult population does not have a high school diploma. In small towns and rural areas for instance, high school dropout rates for youth are twice those in metropolitan areas. According to the International Adult Literacy and Life Skills Survey (IALSS), more than 4 in 10 adults aged 16 to 65 have literacy skills below the international standard considered necessary to cope in a modern society and economy. This is disproportionately the case for low income families. There is a pressing need to address the literacy challenge.

Colleges embrace under-represented groups and reach out to those who may not otherwise have access to a post-secondary education.

“Canada was built with the railway. It was the railway that connected Canadians and communities, and it allowed for the transportation of goods. Colleges are now the new railway for the new age of Canada because we connect Canadians in their home towns in the communities where they live. Instead of transporting the raw resources, as the railway did years ago, our transportation now is about knowledge and creating new opportunities for Canadians in the communities where they live.”(Pat Lang, President of Confederation College on behalf of ACCC, March 25, 2010 appearance before the Senate Standing Committee on Social Affairs, Science and Technology)

Although various levels of governments offer programs which are intended to provide access to literacy, adult basic education and skill preparation, the funding tends to be project or individual learner based and there are inequities with respect to access, eligibility and benefits. The confusing complexity and prevalence of many different types of financial assistance mechanisms for post-secondary education add additional barriers for disadvantaged Canadians. For example, the new need-based Canada Study Grants for post-secondary students will enable more low-income people to participate. While a positive step, the funding of \$250.00/month is inadequate to cover basic living costs for housing, child care, medical prescriptions, transportation and food and there is a disconnect with other possible support mechanisms.

Enhanced supports are necessary to enable individuals from non-traditional groups to access and complete post-secondary education to ensure that all Canadians are able to contribute to, and benefit from, the growth and stability of our country.

Opportunities for Federal Engagement

In ACCC's brief and appearance before the Committee on March 25, 2010 on the topic of post-secondary education in rural, remote and northern communities the following recommendations were made:

- Establish a college infrastructure and equipment fund adequate to secure the supply of advanced skills requirements of the economy. Over the period 2010-2014 invest \$500 million annually on a cost-shared basis with provinces and territories;
- Increase funding for the Indian and Northern Affairs Canada Post-Secondary Support Program to reflect the increasing number of Status Indians and Inuit learners requiring financial support to enter post-secondary education;
- Direct 5% of federal investment in discovery research to applied research, product development and commercialization carried out by colleges and their private sector partners.

With respect to the Committee's examination of the current federal/provincial transfer mechanism for post-secondary education on May 5, 2010 we recommend that the Government:

- Establish a dedicated Post-Secondary Education Transfer Fund to ensure that the federal transfer payments earmarked for post-secondary education are used as intended.
- Engage with the provinces and territories to ensure the transfer payments for post-secondary education are allocated such that colleges receive a proportionate share to meet the advanced skills needs of industry.
- Examine all federal programs with the goal of eliminating fragmentation, short term funding and inequities for learners.