SUBMISSION TO THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

IN ADVANCE OF THE 2022 PRE-BUDGET CONSULTATIONS

Submission by: Colleges Ontario
January 2022

Introduction

Ontario's economic recovery hinges on the strength of its workforce. With accelerating automation revolutionizing the economy, employers face an urgent demand for a larger pool of qualified people.

This is a growing challenge as the skills shortage escalates. In the skilled trades, it's estimated Ontario faces a shortage of 100,000 skilled people by the end of the decade.

The escalating shortage is already crippling the economy. As economic analyst Philip Cross wrote in the National Post on Dec. 9, Canada's labour productivity in the third quarter of 2021 was 5.4 per cent lower from a year earlier as employers were forced to hire less qualified people.

Ontario's colleges are pivotal to producing a more highly qualified workforce, in everything from health care and business to technology and the skilled trades. To strengthen the workforce, colleges seek the following investments.

Skills training

In addition to most of Ontario's in-class portion of apprenticeship training, colleges deliver a range of career-specific diploma and degree programs for priority sectors such as technology, engineering and the skilled trades. The 2022 budget should ensure college programs are prominent in the budget measures to expand skills training.

Health care

Colleges greatly appreciate the 2021 investments to expand post-secondary opportunities for nurses and PSWs. To ensure students continue to have access to quality programs, the budget must fulfil the government's 2021 commitments to invest in increased supports. The budget should commit $7.2 million for increased lab space and $2.75 million to expand clinical education opportunities.

Innovation

Canada continues to significantly lag in real-world research to enhance productivity. The problem is particularly acute for most small and medium-sized businesses that don't have the resources to conduct their own research. To promote innovation and job growth, the 2022 budget should establish a $20-million innovation and entrepreneurship fund at colleges.

The 2022 budget should also include policy changes to allow colleges to respond more quickly to the evolving workforce.

For example, the budget can further streamline the approval process for college transactions that require approval under section 28 of the Financial Administration Act. In cases where colleges have in-year and accumulated surpluses, the exemption limits for low-risk projects should increase to seven per cent from three per cent for operating agreements and to 15 per cent from five per cent for capital agreements.

Similarly, the budget should ensure colleges have the necessary resources to strengthen the quality of their programs. The 2022 budget should commit to a tuition policy that is specific to colleges, rather than imposing limits on colleges based on university tuition levels. The college-specific policy would ensure college education remains affordable while providing enhanced resources to strengthen programs.

Finally, the budget should finalize the proposals to expand the degree programs at colleges. Employers continue to strongly endorse enriching the availability of career-focused degrees. This would include the creation of three-year degree programs at colleges and the creation of master's programs to provide university and college graduates with specialized training for high-demand careers.