POLYTECHNICSCANADA

Written Submission for the Pre-Budget Consultations in Advance of the 2021 Federal Budget

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Recommendation Summary

Recommendation 1
Create *Economic Recovery Hubs* hosted at Regional Development Agencies with a view to enabling small- and mid-sized businesses to enhance their productivity and innovation potential with the support of local innovation intermediaries.

Recommendation 2
Empower Canadians to rapidly retrain and upskill by providing financial support and navigation to short-cycle training programs focused on career-relevant skills.

Recommendation 3
To ensure talent pipeline continuity for frontline occupations, invest in the digital learning infrastructure required for the delivery of remote, simulated and hybrid hands-on training.

Recommendation 4
Relaunch the *Post-Secondary Institutions Strategic Investment Fund*, building in flexible project eligibility criteria to enable both new construction and green retrofits, the repurposing of existing buildings, and health & safety-related transformations required to keep campuses safe, innovative and sustainable.

Recommendation 5
Introduce a *Technology Access Grant* within the Canada Student Loan Program to address equity of access to the hardware, software and broadband internet required for post-secondary education delivered in remote and hybrid formats.

Restarting Canada's Economy

COVID-19 disrupted life in Canada and around the world very quickly, requiring governments, organizations and individuals to shift in unanticipated ways. The pandemic is not over and it is as yet uncertain what forward investments and supports will be necessary to secure Canada's long-term recovery. In the short-term, the federal government needs to make sharp, focused investments while keeping some fiscal powder dry for future uncertainties.

On this basis, Polytechnics Canada recommends immediate action be focused in areas we know to be critical:

- Efforts intended to support business recovery, fuelling economic growth and employment
- Initiatives designed to support labour market attachment or reattachment, generating prosperity for all Canadians

An important point of intersection is skills and talent.

In the following pages, we outline ideas for an unknown, but bright future. Our recommendations speak to the immediate aftermath of crisis, but each promises long-term benefits for Canadians.

As the government turns its attention to economic recovery in the post-pandemic environment, Canada's polytechnics are ready-made solutions for:

- Developing the highly skilled, workforce-ready graduates needed across sectors to support economic recovery
- Providing training and upskilling to displaced workers and rapid retraining for in-demand skills
- Assisting enterprises seeking support to realize their innovation potential and generate growth

Recommendation 1: Create Economic Recovery Hubs hosted at Regional Development Agencies with a view to enabling small- and mid-sized businesses to enhance their productivity and innovation potential with the support of local innovation intermediaries.

As companies, non-profit organizations and other enterprises consider how to re-tool, ramp-up and re-enter the marketplace, applied research at Canada's polytechnics represents a ready-made solution. Applied research helps partners solve problems and devise strategies, in so doing supporting growth, creating jobs and enabling economic resiliency. Change was already occurring at an unprecedented pace before COVID-19. The pandemic has had the effect, across sectors and across the country, of accelerating the need to adapt, whether in terms of business planning and processes, technology adoption or digital delivery.

While most federal funding for applied research flows through the Natural Sciences and Engineering Research Council of Canada, recovery is unlikely to be experienced evenly across sectors and regions. The federal approach needs to accommodate this reality, finding ways to support region-specific approaches that enable each part of the country to recover at its own pace and build on its own strengths. While this effort needs to be national in scope, it cannot be directed out of offices in Ottawa.

We recommend the government establish *Economic Recovery Hubs*, hosted out of the Regional Development Agencies (RDAs), to offer flexible, tailored supports to small- and mid-sized enterprises seeking to make immediate and long-term improvements to their business activities. The national reach and revitalized mandate of the RDAs make them an ideal delivery agent, matching local business requirements to the expertise resident at innovation intermediaries like polytechnic institutions. To accommodate regional variation, we recommend that RDAs be given a toolbox of policy instruments from which to draw, including:

- Direct funding for innovation activity, such as vouchers and reverse vouchers
- Financial incentives that support multi-partner and sector-wide collaboration
- Navigation supports and promotional activities that connect employers to local innovation intermediaries

Recovery Hubs stand to build on the Regional Relief and Recovery Fund announced in April 2020. While the initial investment was focused on immediate needs, such as rent relief and staff salaries, the Hubs concept would enable RDAs to respond to emerging opportunities to support business transformation and recovery from COVID-19.

Recommended Investment: $1.3 billion

Recommendation 2: Empower Canadians to rapidly retrain and upskill by providing financial support and navigation to short-cycle training programs focused on career-relevant skills.

Even before the pandemic, there was a need to retrain and upskill our mid-career workforce to keep up with changing skills requirements. In the post-pandemic recovery, rapid reskilling will become critical to ensuring we have the right talent in the right place at the right time.

Collectively, polytechnics offer more than 7,700 short-term continuing education and professional development courses, many on a flexible delivery schedule and, increasingly, online. Whether to refine an existing skillset or begin building toward a new credential, this type of training provides the shortest possible path back to the labour market.

To connect the displaced workforce with the just-in-time training they require, we propose the government:

- Provide a $500 tax-free training voucher to each recipient of the Canada Emergency Response Benefit
- Transform the Canada Training Benefit to ensure visibility and relevance to the mid-career workforce and their skills challenges
- Implement an online platform to connect Canadians to short-cycle training that responds to employer-identified skill needs

In undertaking this work, consider international examples:

- In response to the pandemic, Singapore provided a one-time top up to the SkillsFuture Credit
- The United States has used training vouchers as a way to upskill its workforce, spending $453 million on vouchers in 2016
- France's individual learning account includes access to an online portal where individuals can check their account balance and search for relevant courses

Recommended Investment: $4.25 billion

Recommendation 3: To ensure talent pipeline continuity for frontline occupations, invest in the digital learning infrastructure required for the delivery of remote, simulated and hybrid hands-on training.

Over the course of the pandemic, the important role of frontline workers has never been so apparent. Nurses and personal support workers, paramedics and other first responders, technology professionals, skilled tradespeople and those working in advanced manufacturing and agriculture have been the people with the skills and know-how to keep Canada healthy, safe and functioning when we needed them most.

Learners in these fields, who study in an applied training environment, have been impacted far more significantly than others. Given an expectation that in-person training will continue to be limited, we recommend an investment in tools and technologies that enable elements of applied learning to be delivered in a remote environment, including virtual and augmented reality, virtualization of labs, simulators, and by equipping labs and workspaces for remote access.

Technology-enhanced learning does more than teach hands-on skills in a threat-neutral setting. It ensures graduates are comfortable with and able to embrace emerging technologies – a critical future-ready skillset across sectors. Given the crucial need for applied and technical skills in the Canadian economy, targeted investments in digital infrastructure, learning tools and spaces on campus will minimize disruption to the frontline talent pipeline.

Recommended Investment: $130 million

Recommendation 4: Relaunch the Post-Secondary Institutions Strategic Investment Fund, building in flexible project eligibility criteria to enable both new construction and green retrofits, the repurposing of existing buildings, and health & safety-related transformations required to keep campuses safe, innovative and sustainable.

As part of government stimulus, there is an opportunity to put environmental know-how on polytechnic campuses to work to upgrade older buildings to current standards. Government infrastructure funding for post-secondary institutions has in the past focused on new buildings, where LEED certification, integrated solar panels and net zero are now common. These buildings have become teaching tools, both for students learning about green building technologies and processes, and for community partners who can see green construction in action.

There is now an opportunity to extend this knowledge to retrofits, addressing long-term health and safety requirements, but also serving another of Canada's great challenges – the energy efficiency and environmental footprint of its existing infrastructure. The revitalization of post-secondary infrastructure stands to boost economic activity while enabling institutions to rethink campuses in light of current and future needs. On polytechnic campuses, these investments also support the development of "green skills" for the generation that will be responsible for delivering on our international climate commitments.

First launched in 2016, the Post-Secondary Institutions Strategic Investment Fund delivered significant capital to institutions for innovation projects. The fund ensured that institutions were equipped with quality infrastructure for attracting and retaining global and domestic talent, boosting innovation and building a sustainable economy. Given the financial challenges institutions are likely to face over the next 24-36 months, we recommend this iteration of the program be fully funded by the federal government.

Recommended Investment: $2 billion

Recommendation 5: Introduce a Technology Access Grant within the Canada Student Loan Program to address equity of access to the hardware, software and broadband internet required for post-secondary education delivered in remote and hybrid formats.

One of the most troubling outcomes of the pandemic is the anticipated impact on today's youth and their prospects in the labour market. Statistics Canada estimates the cumulative earning losses on this year's graduating classes could be as much as $44,000, regardless of whether they graduated from high school, college or university. To minimize labour market setbacks for this cohort, government should ensure learners have every opportunity to access remote learning and to develop high-demand digital skills.

At the onset of the pandemic, Canada's post-secondary institutions transitioned programming to remote delivery. Thousands of students needed laptop loaners and support to access broadband just to finish the term. As September approaches, many students will resume or begin training entirely remotely. The increasing role of technology in education means that policies to foster an inclusive recovery must tackle the digital divide and access to technology for learners from all regions. To do so, students must be equipped with the learning technologies, computing power and broadband connection required to access and progress through post-secondary education.

While many students lack access to the basic technology needed to participate in remote learning, the challenge is exponentially more difficult for learners in applied, technology-based programs. Here, there is a need for more powerful computers running specialized software programs that, under normal circumstances, would be available on campus. To effectively deliver applied learning in a remote format, learners may also now require access to technologies like augmented or virtual reality headsets.

We recommend the federal government create a *Technology Access Grant*, administered through the Canada Student Loans Program infrastructure, to support learner access to the technology required for remote learning. This should be available to all students, regardless of whether they meet the requirements of the loan program. Doing so not only ensures students, regardless of financial ability or program, can succeed in a remote learning environment, but also boosts digital skills and provides broader access to today's online economy. This stands to mitigate weaker labour market outcomes.

Recommended Investment: $1.5 billion

About Us

At Polytechnics Canada, we are proud promoters of the polytechnic education model, which offers advanced programming across the knowledge spectrum in direct response to industry needs. Practical, hands-on learning opportunities prepare students for workplace challenges, ensuring graduates are job-ready and armed with the skills employers need across sectors. Our members have the facilities and networks needed to provide meaningful solutions to industry problems and accelerate knowledge transfer. Our mission is policy advocacy for federal action in areas that reflect the critical role members play in enhancing Canada's productivity and innovation.