

Submission to Finance Canada's Pre-Budget 2021 Consultation

Future Proofing: Federal Leadership for Post- Secondary Education & Research

February 2021

Summary

The Canadian Association of University Teachers is pleased to participate in the pre-budget consultations in advance of the 2021 Budget. In this time of unique circumstances, we recommend investment in the following four critical areas:

- A national strategy with the provinces and territories that provides adequate, stable federal funding to support quality post-secondary education and protect jobs;
- Supporting Francophone and bilingual post-secondary education institutions to ensure the vitality of Canada's Francophone minority communities;
- Accelerating research through enhanced investments in the Tri-Councils' granting programs and increasing graduate student scholarships; and,
- Securing opportunities for Canada's youth and unemployed Canadians through increased access to higher education through a free tuition model for low- and middle-class Canadians who attend a public university or college.

Introduction

The Canadian Association of University Teachers (CAUT) is the national voice of academic staff. CAUT represents more than 72,000 teachers, librarians, researchers, general staff and other academic professionals in 125 Canadian post-secondary institutions including universities, colleges and polytechnics.

A strong and vital post-secondary education sector is an essential foundation for social cohesion, innovation, science and economic success in Canada. It creates the knowledge needed to meet national and international challenges, trains the talent necessary to make Canada a competitive leader, and contributes to social mobility, decent work, reduced inequality, and a robust culture and democracy.

The COVID-19 pandemic has drastically changed our nation in the span of months, leaving not only governments, but many Canadians, working to find ways to navigate through the pandemic and recover from its financial and social impacts. As a country, at this moment we are facing a public health crisis, an

economic crisis, and struggling to address significant social inequities, particularly those driven by racism and colonialism. The recommendations outlined in this submission highlight how the post-secondary education sector can respond and assist with these crises and build a better, stronger, and more equitable Canada after the pandemic.

COVID-19 has demonstrated the importance of our research and science community in providing advice and solutions towards navigating through this crisis. Post-secondary education institutions, through the jobs they provide and the knowledge they generate, alleviate the impacts of the current economic crisis, reduce inequalities, and increase social cohesion.

The impact of the pandemic has amplified many of the pre-existing problems in the post-secondary sector, including the weaknesses in the funding model with its over-reliance on student fees and dependence on precarious workers. Post-secondary institutions were not eligible for the wage subsidy program and were left out of the Safe Restart Agreement. Some institutions have had no choice but to lay off staff, cut educational and research programs, and raise the cost of tuition, just when students and families can least afford it.

Budget 2021 will be the blueprint for Canada's post-pandemic future. It must set out a path forward to carry Canadians through this crisis and build the foundation for a better and more just society and economy. It must build on our strengths and address the weaknesses revealed through this crisis. Strategic investments in universities and colleges must be made now to ensure a safe re-opening, a strong recovery and a more resilient future.

Develop a national plan for post-secondary education

In cities and communities across the country, universities and colleges are job-creating institutions, cultural centres, and regional economic drivers. They employ local people, contribute to community well-being, bring in students that support local businesses, and attract research and innovation. Whether in smaller municipalities, or in larger urban centres, universities and colleges are significant employers that create and train people for family-supporting jobs. Nationally,

Canada's post-secondary education system drives our prosperity and global competitiveness, underpins our democracy, and develops solutions to existing and future challenges.

The impacts of COVID-19 have put in stark relief the broken funding model for post-secondary education. Public spending on post-secondary education in Canada has not kept pace with enrolment over the past several decades. In 1990, just over 80 per cent of university operating funding came from public funding. As of 2018, that figure had plummeted to about 47 per cent. With years of declining government funding in real terms, institutions are adjusting their budgets by cutting jobs, increasing student tuition fees, and reducing programs.

The last federal top-up to the transfer to the provinces for post-secondary education was in 2008. Canadians need a stronger federal partner for post-secondary education and research if we are to meet the challenges in building back better from the pandemic, including reskilling workers, reducing barriers to educational attainment for marginalized groups, and ensuring young people are not burdened by education debt before entering the workforce. The sector is suffering under years of chronic underfunding all despite the fact that post-secondary education has become an essential part of Canada's economic growth. The Department of Finance's Advisory Council on Economic Growth calculated in 2017 that the additional funding required for adult reskilling through post-secondary education over the next decade is \$3 billion. Investment is necessary to ensure that quality education remains accessible to students and to provide fair and sustainable employment opportunities in communities across our country.

Recommendation: Develop a national strategy with the provinces and territories that provides adequate, stable federal funding to support quality post-secondary education.

- A minimum of \$3 billion in direct federal funding through a dedicated education transfer to provinces and territories will ensure universities and colleges can make education more affordable for all, increase access for those who need it, and address issues of precarious work.

- To ensure that provinces are active partners in supporting the post-secondary education sector, this federal funding must include accountability mechanisms to ensure that these funds are spent by the provinces as designated.
- Establish a federal post-secondary education secretariat or branch within the federal government to facilitate intergovernmental collaboration and coordinate initiatives such as research and science, student assistance, data and innovation.

Invest in French-language post-secondary education institutions

This government recognizes our linguistic duality is essential to Canada's success and has committed to support policies and programs to “enhance the vitality of official-language minority communities, protect their institutions, and support and increase bilingualism across the country.”

Last year this government committed \$63 million over 5 years to support the Université de l'Ontario français to help meet the needs of 620,000 Francophones in Ontario, particularly those in the Central-Southwestern region. As well, through the *Action Plan for Official Languages 2018-2023*, the government is investing \$5 million over 5 years in five post-secondary institutions to expand their health-specific training programs to cover regions where it is difficult to access French-language programs.

The government needs to go further by committing additional funding in Budget 2021 to support existing Francophone and bilingual institutions that are at risk due to chronic underfunding and recent events.

Recommendation: Dedicate \$200 million over 5 years to directly support Francophone and bilingual post-secondary education institutions to ensure the vitality of Canada's Francophone minority communities and safeguard Canada's linguistic duality.

Making headlines are the financial troubles of both Laurentian University in northern Ontario and the Campus Saint-Jean at the University of Alberta. Reductions in public funding are chief among the

issues facing all universities and colleges, however those serving minority communities are particularly at risk, due to higher per student costs.

Their educational missions are intertwined with a commitment to retain a connection with the historic Francophone communities in the region and the preservation and interpretation of archival and cultural material in the communities. They provide an opportunity for Canadians to pursue higher education entirely in French and train a bilingual workforce.

This fund should provide operating funding needed to secure programs, staff and the long-term future of these institutions.

Support and expand research & science infrastructure

The COVID-19 pandemic has highlighted the importance of research as we look to scientists and researchers for the information and tools necessary to guide us through this pandemic. This public health crisis has also emphasized that, as a country and a global partner, we need research infrastructure—including physical and human resources—ready at any given moment to respond to challenges and crises that arise. We simply cannot develop solutions to our country's challenges without having highly trained and well-supported researchers alongside laboratories, equipment, tools, and a working knowledge base.

Throughout the pandemic, financial support and flexibility from the Tri-Council funding agencies have assisted many research teams to pay their staff and extend the timelines of their research. Despite this assistance, there have been unavoidable setbacks. The intense focus on emergency remote teaching and learning, the physical closure of labs, and the public health measures that limited physical contact have led to a sharp decline in research activities. A survey of CAUT members demonstrated that 19 per cent have been unable to do any research at all, and another 45 per cent had to reduce their research activities after public health measures were put in place. This hiatus in research work will have significant downstream impacts on the innovation and knowledge that supports Canada's economy, health research, and social supports.

Restarting research activities across the country will take a concerted and planned effort. Without continued investment, Canada risks falling even further behind in its competitiveness internationally. Canadians need new knowledge and new ideas to improve our quality of life and to help us meet the critical challenges we face. The final report from the Advisory Panel on Federal Support for Fundamental Science, released in 2017, provides the blueprint to ensure Canada is a world leader in research. The report recommended increasing base funding for Canada's research granting Tri-Councils (the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council) from \$3.5 billion to \$4.8 billion over four years. This investment would raise funding to a level that is equal to those of other G7 countries which would ensure long-term viability and competitiveness.

Despite increases in 2018, there remains a shortfall of approximately 40 per cent to reach the levels recommended by the Advisory Panel on Federal Support for Fundamental Science to stay competitive on the international stage. Additionally, support for early career researchers still falls significantly short, at only 22 per cent of the levels recommended by the same committee.

Support for basic research will be essential to rebuilding our social infrastructure, growing our economy, and ensuring that Canada trains and retains global research talent. With this support, Canada's world-class researchers will help to solve emerging problems, such as mitigating the impacts of climate change.

Recommendation: Accelerate research through enhanced investments in the Tri-Councils granting programs and increase graduate student scholarships.

- Annual increases to the Tri-Councils granting programs are needed until Canada reaches funding that falls proportionally in line with other G7 countries. This funding will increase the sustainability of Canada's innovation and research capacity and ensure that Canadians are not left behind in an adapting world—both socially and economically.

- Increasing scholarships for graduate students to the recommended levels in the Fundamental Science Review is necessary to support early career researchers and offer much needed balance to the diversity of our research workforce where currently women and racialized researchers are underrepresented due to limited options for early career researchers.

Improve student financial assistance

The pandemic and other macroeconomic conditions have displaced many workers. In these times of high unemployment, more Canadians than ever could benefit from training and retraining. Unfortunately, the impact of COVID-19 has imposed significant financial barriers on current and would-be students. The escalating costs of tuition and the rapidly changing world of work are putting post-secondary education out of reach for some and contributing to unsustainable levels of debt for others. Although the federal government has expanded student loans and grants, the grants remain lower than the average undergraduate tuition fees which are on the rise.

Historically, when federal student loan and grant programs have been increased, tuition has also risen, making the impact on Canadians trying to access higher education negligible. A new system that removes the barrier of direct costs for Canadians to access education is needed. Access to higher education will provide opportunities to young Canadians and workers, and act as an equalizer across the country—increasing social mobility, growing and supporting the middle class, and reducing inequities.

Federally, the enhancements to the Student Loans and Grants program since its introduction in 2009-10 have had some impact in reducing need for loans. Yet the federal government still disburses \$2 in loans for each \$1 in grants, while upwards of \$150 million in loans is written off each year. A more equitable disbursement, particularly with a focus on low-income and middle-income families, would be to move to a 50:50 grants and loans model.

A national plan to strengthen higher education should include support for targeted free tuition programs. Many marginalized communities have been excluded from higher education as a result of cost. Removing

tuition fees for Canadian families will diversify the student populations, provide opportunities for Canadians struggling in the current economic climate, reduce education and income disparities, and create a more just society. To this, the top-up to the Post-secondary Student Support Program that helps fund First Nations and Inuit education was capped at an annual 2 per cent growth in 2016, even as inflation and population growth exceeded these benchmarks. As a result, the program is falling short in addressing the backlog of Indigenous students for this program.

Recommendation: Secure opportunities for Canada's youth and unemployed Canadians by moving to a free tuition model for low- and middle-class Canadians at public universities and colleges.

- Current federal programs for post-secondary education and training encompass a complex mix of limited opportunities. Streamlining these programs should focus government spending on eliminating direct costs for students, as opposed to measures that increase student debt. This would include repurposing the Canada Training Benefit to ensure that Canadians looking to build their skills and knowledge have meaningful access to opportunities and redirecting the \$900 million in unused federal funding from the failed Canada Student Service Grant program to direct student support.
- Improve education funding options for students and families and reduce generational debt by moving towards a 50:50 grants and loans model.
- Reducing generational economic inequities by permanently eliminating interest on federal student loan debt.
- Eliminating the gap in post-secondary attainment between Indigenous students and non-Indigenous students by increasing funding for Indigenous post-secondary education by a minimum of \$650 million annually.