

# Submission to the Pre-Budget Consultations in Advance of the 2021 Budget

## **A Path Forward: Post-Secondary Education & Research Critical for Canada's Future**

August 2020

## Summary

The Canadian Association of University Teachers is pleased to collaborate in the pre-budget consultations in advance of the 2021 Budget. In this time of unique financial, economic and social circumstances, we recommend investment in three critical areas:

- A national strategy with the provinces and territories that provides adequate and stable federal funding to support quality post-secondary education and protect jobs;
- 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 challenges, 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 thus vulnerable as they were not eligible for the wage subsidy program and were left out of the Safe Restart Agreement. As a result, revenue was lost, and expenses have risen. Some institutions have laid off staff, cut educational and research programs, and raised 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.

### **A national plan to ensure the sustainability of the post-secondary education sector to increase access to quality education & protect jobs**

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 world-class post-secondary education system drives our prosperity, underpins our democracy and develops solutions to key challenges.

The impacts of COVID-19 have put in stark relief the broken funding model for post-secondary education. 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 now rely significantly on a precarious workforce and on tuition fees from students. Fees for undergraduate domestic students rose by 40 per cent between 2006 and 2016.

With uncertain enrolment for the 2020/2021 year, the threat of reduced international student enrolment, and increased costs associated with emergency remote teaching and health and safety measures to create safe working conditions, institutions are already adjusting their budgets. Many are cutting jobs and rolling back programs. 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 & territories that provides adequate, stable federal funding to support quality post-secondary education.*

- Committing predictable, sustainable 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.
- As negotiations with the provinces and territories are pursued, interim federal funding should be available to post-secondary institutions impacted by COVID-19. This will support the continuation of quality education and protect jobs in the same way that the federal wage subsidy provided support to businesses and private education institutions.

## Supporting & expanding research & science

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. Despite increases in 2018, Canada is providing only 54 per cent of the funding level 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, and building a stable, sustainable country.

*Recommendation – Accelerate research through enhanced investments in the Tri-Councils granting programs & 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.

**Securing opportunities for Canada's youth & unemployed Canadians through increased access to higher education**

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. 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. The top-up to the Post-secondary Student Support Program also falls short in addressing the backlog of Indigenous students for this program.

A recent survey of new and returning college and university students showed that nearly a third were reconsidering their plans for school in the fall. Worried about both the experience of remote learning as well as tuition costs, students may choose to defer their plans or be forced to take on more debt to finance their education. At a time when Canada's economy needs stimulus, supporting students to obtain skills

and knowledge will serve to better not only students, but our country as a whole.

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.

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

- Current federal programs for post-secondary education and training encompass a complex mix of limited opportunities. We recommend streamlining these programs and focusing 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.