



COLLEGES ONTARIO | COLLÈGES ONTARIO

# A Highly Skilled Workforce:

Strengthening Ontario's Economic Advantage



January 2008

## A Highly Skilled Workforce: Strengthening Ontario's Economic Advantage

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*“We’re up against 1.1 billion Indians and 1.3 billion Chinese. We’re only 13 million Ontarians.”*

*“If we’re going to succeed, we need to be at our best. So I need everybody. I mean every child growing up strong and healthy, and highly skilled and well educated, so that we can compete and win and continue to enjoy this high standard of living.”*

*- Premier Dalton McGuinty,  
Focus Ontario, Dec 25, 2007*

## I. Executive summary

In today’s hyper-competitive global economy, a highly skilled workforce is critical for Ontario to achieve its goals of economic strength and prosperity for all.

Labour and skills shortages are rapidly becoming a reality in Ontario. At the same time, many Ontarians are low-skilled, underemployed, unemployed and live in poverty.

To meet these challenges, it is essential that greater numbers of people have access to higher education. As the government acknowledged in December’s economic statement, more than 90 per cent of the net new jobs created from 1997 to 2006 went to people with postsecondary education.

Ontario colleges can ensure greater numbers of young people entering the workforce have the skills and knowledge needed to make a meaningful contribution. Indeed, colleges are accessible to people from all socioeconomic levels, and have successfully helped many people struggling with addictions and other challenges to turn their lives around.

Ontario colleges also deliver the training and upgrading programs that help people who have lost their jobs in the changing economy.

Colleges deliver education and training to people in under-represented groups, such as Aboriginal peoples, and with proper support can reach even greater numbers of people.

Colleges have already delivered new programs and services under the Reaching Higher plan, and are positioned to do even more. For the Ontario government to meet its goals to reduce poverty and promote a stronger economy, the province must produce greater numbers of college graduates.

The goals are achievable. In fact, with about \$500 million in new funding from Ottawa in 2008-09 for postsecondary education and labour market programs, the province is well positioned to make the necessary investments into college education and training.

This year, Ontario’s colleges require:

- A \$120 million increase in core operating funding
- A \$40 million increase in funding for labour market programs and services
- A new investment of \$6 million for applied R&D and innovation
- An additional investment of \$90 million for the renewal and maintenance of facilities and instructional equipment.

## II. Introduction

This comprises the 2008-09 pre-budget submission of Ontario's 24 publicly funded Colleges of Applied Arts and Technology to the Ontario government.

Ontario's publicly funded colleges provide career-focused education and labour market training programs to people from "all walks of life" all across the province – the colleges are an integral part of the province's economic growth and prosperity and the viability of local communities.

Colleges were encouraged to see the throne speech commitments to a better educated and a more highly skilled and prosperous Ontario with opportunity for all. Colleges share this vision and can assist the government to ensure that the vision becomes reality and Ontario indeed is a province where there is opportunity for all.

Colleges are also pleased to see that the government's recent economic statement recognizes that a diversified economy and a highly skilled workforce are key to Ontario's continued growth.

As noted in the economic statement, higher education and training are now a necessity for people to succeed in today's workplace, with more than 90 per cent of net new jobs created from 1997 to 2006 going to people with postsecondary education.

The lack of education and skills training represents missed opportunities for individuals as well as the economy. If adults aged 25 to 64 with a high school or less level of education had the same employment rate as those with college credentials, 289,000 more Ontarians would have jobs.

The strength of our colleges is crucial to Ontario's strategy to promote economic growth. It is also key to the province's strategy to address poverty and at the same time tackle another major challenge: the skills shortage.

## III. Ontario's priorities and challenges

### **Labour markets**

*"Labour force growth and increased productivity are two key drivers of economic growth. Ontario faces challenges with respect to both of these drivers."*

(Ontario's Looming Labour Shortage Challenges,  
the Conference Board of Canada, September 2007)

Ontario's population, and consequently its labour force, is aging rapidly – the province faces many challenges related to a falling birth rate, an aging population and a large baby boom cohort about to retire.

Even with strong immigration levels, as the baby boom generation retires and is replaced in the labour force by the smaller and less experienced baby bust cohort, Ontario will face a critical shortage of skilled workers in key economic sectors – health care, construction, manufacturing, natural resources, mining, financial services and transportation.

Furthermore, as workplaces rapidly adopt new technologies and new ways of doing business so that they can effectively compete in the global economy, there is an increasing mismatch between the skill sets of many workers and the skills needs of the economy.

As the government acknowledged in the economic statement, Ontario's economy faces many external challenges such as high oil prices, the strong Canadian dollar, an increasingly competitive

## Ontario's colleges are accessible

*Colleges have campuses in more than 100 communities and offer more than 600 career-focused education and training programs through flexible learning environments that include traditional classrooms, laboratories, shops, distance education, web-based learning and workplace-based training.*

*Fifty-eight per cent of first-year postsecondary students in Ontario attend college, compared with just over 40 per cent entering university.*

*Ontario colleges serve 500,000 learners annually and produce 60,000 graduates each year.*

*Colleges serve a diverse population of learners. In 2007, first year college students had the following characteristics:*

*Aboriginal – 5%*

*Immigrant – 16%*

*First Generation – 25%*

*Visible Minority – 13%*

*Disabled – 6%*

## Ontario's skills shortage

Even with strong immigration levels, Ontario will face a critical shortage of skilled workers in key economic sectors – health care, construction, manufacturing, natural resources, mining, financial services and transportation.

The Conference Board of Canada predicts Ontario faces a shortage of more than 360,000 skilled employees by 2025.

## Filling the labour demands

More than 90 per cent of net new jobs created from 1997 to 2006 went to people with postsecondary education.

If adults aged 25 to 64 with a high school or less level of education had the same employment rate as those with college credentials, 289,000 more Ontarians would have jobs.

global economy, and softening demand in the U.S. The manufacturing, forestry, agriculture and tourism sectors have been hit hardest by these challenges, with many workers in these sectors facing layoffs.

Colleges welcomed the announcement in the economic statement that the government will provide an additional \$40 million this year through the Rapid Re-employment and Training Service to assist workers and communities to adjust to these current competitive challenges.

That Ontario will face labour and skills shortages over the long-term is well-known. A recent Conference Board of Canada report (September 2007) suggests that by 2025, Ontario could face a shortfall of 364,000 workers. By 2030, that number could escalate to more than half a million workers.

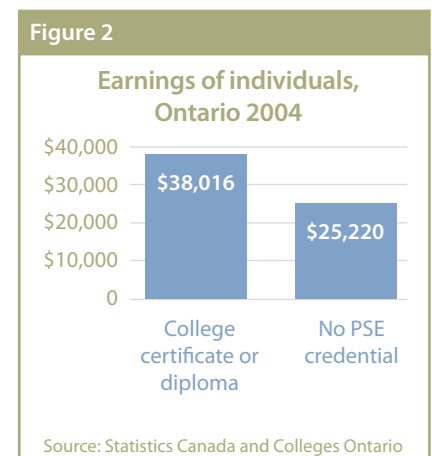
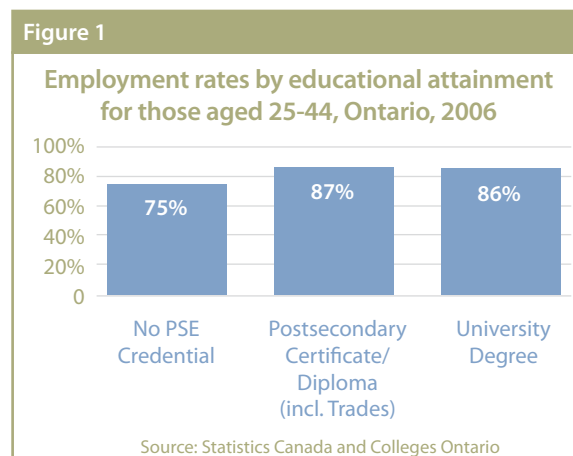
But Ontario also faces a more immediate skills challenge that is already beginning to threaten its productivity and prosperity. For example, a report of Ontario's Workforce Shortage Coalition (September 2007) indicates that:

- 50,000 workers will be needed to replace retirees in Ontario's construction industry and the province will require more than 35,000 additional workers to meet construction demand from 2007 to 2015
- 9,000 additional people will be required to replace retirees in technical positions in the electricity sector in the next three years and 17,000 in the next eight years.

## Poverty

At the same time that the economy is experiencing labour and skills shortages, there are many people in Ontario who are low skilled, underemployed, unemployed and living in poverty, including displaced workers, disabled individuals, recent immigrants, aboriginals, lone parents and youth.

As Figures 1 and 2 demonstrate, the lack of marketable skills is a key barrier to employment and a root cause of poverty. Adults (aged 25-44) who do not have postsecondary credentials have significantly lower employment rates than those with postsecondary credentials. People without postsecondary education earn about \$25,000 a year, about one-third less than individuals with a college credential.



*"It does not make sense to continue experiencing labour and skills shortages while at the same time allowing high levels of poverty to persist."*

(National Council on Welfare, September 2006)

The persistence of poverty in Ontario is troubling - almost 1.8 million people live in poverty and almost 320,000 people are served by food banks each month (Campaign 2000, July 2007; Ontario Hunger Report, November 2007). The problem is particularly acute in the City of Toronto and among lone-parent families (United Way of Greater Toronto, November 2007). The costs of poverty are felt at both the societal level and by individuals and families who experience poverty:

*“The high cost of this situation is not just one we can attach to the labour market and to our economy in terms of foregone productivity of millions of workers. It also represents an enormous current and future economic cost to our social services, health care and justice systems, as well as an untold human cost in terms of unnecessary physical and psychological stress and pain to so many living in poverty.”*

(National Council on Welfare, September 2006)

## **IV. Colleges’ role**

### **Economic and social imperatives**

While improvements to the “social safety net” can help lift low-income individuals and families out of poverty, increasing their education and skill levels will assist them to secure stable, well-paying jobs – it can also set Ontario on the path to restoring productivity and economic growth by helping to resolve labour and skills shortages.

Ontario’s publicly funded colleges have a well-established record of providing high-quality, career-oriented postsecondary education and training to assist individuals in finding and keeping employment, to meet the needs of employers and the changing work environment, and to support the economic and social development of their communities.

Colleges also represent a significant public investment in learning infrastructure with a dynamic system of advisory committees with links to multiple sectors, including business and industry.

With this expertise in working with individuals and employers in local communities, colleges can effectively partner with the government to address Ontario’s labour market challenges and poverty through enhanced college education and training programs.

For example, colleges can assist the government with a “Second Career” strategy under the Rapid Re-employment and Training Service by providing training and other employment supports to help Ontarians who have suffered job loss build new skills and find new employment.

Colleges have the unique capacity to provide individuals with training that facilitates both links to long term employment and/or further credentialed education.

College programs can be expanded and more specifically targeted to assist those living in poverty, low-skilled individuals and displaced workers to participate more effectively in the labour market, and at the same time enhance Ontario’s productivity and economic growth by meeting the skills requirements of the economy.

### **Public policy imperatives**

To address labour market challenges and to restore economic growth, the Ontario government needs to establish a broad policy framework and strategy to ensure that the higher education and training sector is well-positioned to provide Ontarians with the skills and education they need to succeed in today’s economy.

## **A better life**

*A self-described “awkward kid with few friends and an undiagnosed learning disability,” Lyndsey Townsend spent her teenage years in group homes and foster care due to family troubles. As an adult, Lyndsey knew she wanted a better life.*

*“I was sick of relying on the social system for financial support,” she says.*

*When she found a pamphlet describing a George Brown College program that trains people to design, control and maintain residential heating, ventilation and air conditioning systems, she applied immediately.*

*“I cannot begin to explain to you the feeling I had when my name was called at graduation,” she says. “I am a changed woman who is living her life as an accomplished beginning tradeswoman. I have been given that chance.”*

## Helping manufacturing

*Sheridan's Centre for Advanced Manufacturing and Design Technologies, supported by more than 20 regional partners, the City of Brampton and the Ontario Government, helps manufacturers simulate real-world production challenges and identify timely, cost-effective solutions, such as best practices for lean manufacturing and the use of automated manufacturing systems.*

Elements of the framework have to include:

- Clear targets for increasing our college educational attainment rate and commitments to address the looming skills shortages
- Continuing commitment to the principles of access, quality and accountability
- Advancement of Ontario's learner-centered education and training system by expanding/building pathways between secondary schools and colleges, within the postsecondary sector and between labour market programs and postsecondary institutions
- Utilization of the college sector infrastructure to deliver the reformed labour market programs and services.

## V. Reaching Higher

### College sector achievements

After many years of under-funding, the government's Reaching Higher Plan enabled colleges to make positive advances in improving access, quality and accountability.

Building on a solid foundation of having provided education and training programs for almost 40 years, the funding in the early years of Reaching Higher enabled colleges to implement new access and outreach initiatives; improve student services; expand learner supports; invest in learning facilities and resources; and renew and establish new programs.

The evidence of improvements in the first two years of Reaching Higher is clear.

Between April 2004 and March 2006, colleges launched 200 new programs in response to employer and community demands for graduates to meet shifting labour market needs and to better serve under-served populations. Examples of some of these new programs and services were shared previously with the government through the Colleges 2006 Results Report (December 2006).

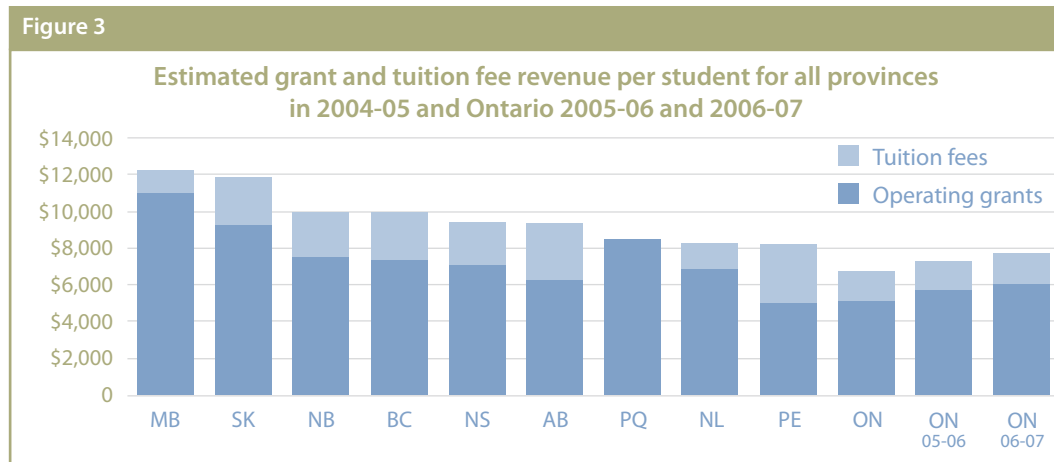
There was also a consistent improvement in the graduation rates and satisfaction ratings from students, graduates and employers during the first two years of Reaching Higher, as demonstrated by Key Performance Indicators (Table 1).

Table 1

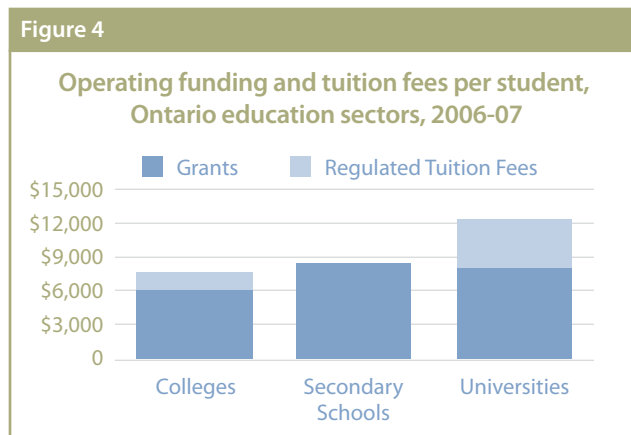
Key Performance Indicator	Reporting Year	
	2006	2004
Graduation rate	60.1%	57.4%
Graduate employment rate	89.3%	87.7%
Graduate satisfaction rate	81.6%	79.7%
Employer satisfaction rate	92.1%	92.0%
Student satisfaction rate	77.8%	75.1%

## Continued underfunding

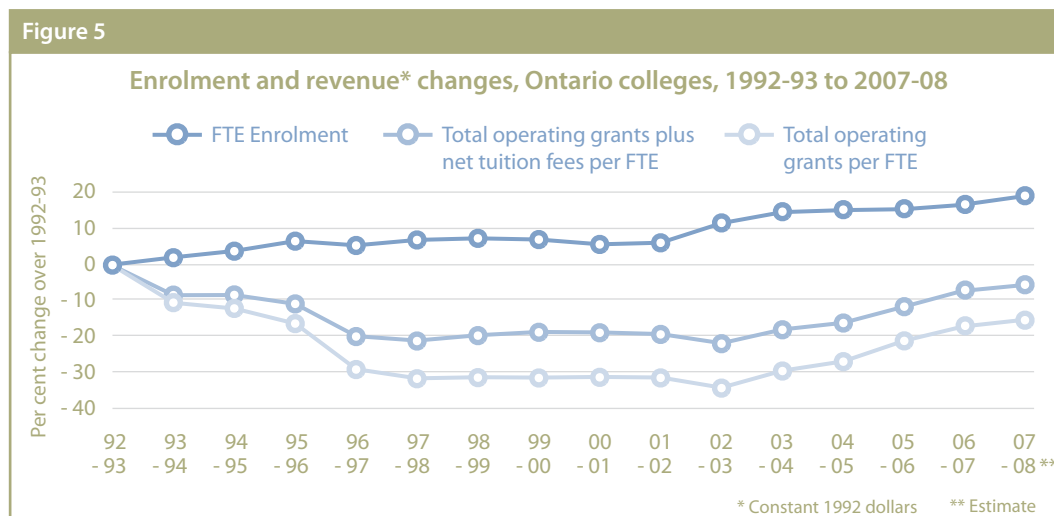
However, despite the new investments provided by Reaching Higher, Ontario colleges continue to operate with less per student revenue from operating grants and tuition fees than colleges in other provinces (Figure 3).



College revenues from operating grants and tuition fees on a per student basis also continue to lag those for Ontario secondary schools and universities (Figure 4).



Real operating funding per FTE for colleges in 2007-08 remained about 16 per cent lower than in 1992-93. In contrast, college enrolment levels were almost 20 per cent higher (Figure 5).



## Overcoming illiteracy

*In the late 1990s, Richard Aub, an unemployed father of four boys, was reading to one of his sons one night when the son said, "Daddy, that's not what the words say."*

*Confronted with the reality that he couldn't read, Richard turned to Cambrian College for help, and enrolled in the Literacy and Basic Skills Program. He went on to the Pre-Technology Program, followed by the Aviation Maintenance Program, relying on the college's food bank, emergency loans and counselling to help support him.*

*Today, Richard is an apprentice aircraft maintenance engineer. He also volunteers for the Boys' and Girls' Club of Canada and leads literacy groups for children.*



## Colleges are accountable

*As publicly funded institutions, Ontario's 24 colleges of applied arts and technology have a wide array of accountability and quality assurance measures demonstrating their commitment to quality and fiscal responsibility in every facet of their operations.*

*These measures include submitting annual and multi-year business plans to the Ministry of Training, Colleges and Universities and posting college budgets and Key Performance Indicators on college websites. The Ontario College Quality Assurance Service reviews and validates all proposals for new or revised programs and co-ordinates a system of regular audits of colleges' quality assurance measures – a system recently described as a North American model.*

## VI. Effectiveness and efficiency of colleges

Given the environment of relative underfunding in which they have operated for the last several years, colleges have had to find new and more effective and efficient ways of providing their programs and services and doing business.

While enrolment increased by 17 per cent between 1992-93 and 2006-07, the number full-time staff employed at colleges declined 10 per cent – the number of full-time academic staff fell 20 per cent. Colleges have not only had to increase their productivity, but also find innovative approaches to delivering programs and services to students.

Ontario's college system was the first public sector system in Ontario to launch an energy secretariat in 2006 to oversee energy conservation for the entire sector. The secretariat's role is to develop action plans and manage projects to support energy efficiency in colleges.

The 2006 report of the Auditor General of Ontario reviewed purchasing practices at four colleges and concluded that the policies in place at the colleges were ensuring that goods and services were being acquired economically.

The report also acknowledged that all four colleges were participating in purchasing consortia in order to reduce the costs of goods and services that they acquired.

## VII. Financial challenges at Ontario colleges

### Overview

Even with the gains in college funding under Reaching Higher, and the cost saving and efficiency measures that have been put in place, funding for colleges is not sufficient to enable them to sustain and build upon the program and service improvements made during the early years of Reaching Higher.

About one-fifth of the total Reaching Higher investments have actually been allocated to college operating grants, with college operating grants increasing by \$286 million between 2004-05 and 2007-08. In 2005-06, the province provided a \$118 million increase.

In contrast, the government has notionally allocated only a small increase for college operating grants for 2008-09 – \$7.5 million.

Several colleges are experiencing severe fiscal pressures and will face difficult choices around rationalizing programs and services for their students and their local communities in order to balance their budgets – or risk running deficits.

Without enhanced investments for operating and capital grants, colleges will certainly be unable to maintain, let alone expand, their education and training programs to help alleviate the labour market and social justice pressures facing Ontario today.

Without direct support from the province to build their capacity and to expand their activities, colleges will be unable to contribute to the economy through applied R&D and innovation.

### Operating costs

Like many segments of the broader public sector, colleges continue to face many unavoidable cost pressures resulting from the rising costs for goods and services; utilities, maintenance and taxes; and salaries, wages and benefits.

In keeping with other sectors of the economy, compensation costs - including salaries, wages and benefits – are the largest expense item for colleges.

Given the collective agreement environment in which colleges operate, the impact of future compensation costs on college budgets can be projected with relative accuracy – in 2008-09 compensation costs are expected to well exceed \$1.6 billion.

Furthermore, the potential extension of collective bargaining rights to part-time faculty and staff at colleges is expected to place significant additional pressure on college budgets.

First-year enrolment at Ontario’s 24 colleges has increased six per cent this year, with more than 94,000 people enrolling in first-year programs. As a result of the recent surge in enrolment, many colleges are facing significant additional financial pressures.

The amount that colleges spend for non-salary items continues to rise. For some of these items, the increases far exceed the recent annual increases in Ontario’s CPI. Spending on building maintenance in 2006-07 was 18 per cent higher than in 2005-06, expenses for water increased by 7.4 per cent and the costs of instructional supplies rose by eight per cent.

### Funding shortfall

Table 2 shows projected increases in system-wide costs for 2008-09 (e.g., for compensation; goods and services, utilities, maintenance and taxes; other items). There are also significant local costs that vary by institution.

The table also includes a projection of the operating grant and tuition fee revenue increases that will help offset the cost increases.

Table 2 Anticipated increases in costs and revenues for Ontario colleges in 2008-09	
Projected increases in system-wide costs	\$117,000,000
Increases in operating grants and tuition fee revenues	\$40,000,000
Funding gap	\$77,000,000

Expected increases in system-wide costs are projected to be almost triple the increase in system-wide revenues – resulting in a minimum system-wide shortfall of \$77 million.

### Capital

#### Facilities

In addition to operating funding constraints, colleges are facing a serious infrastructure deficit. It has been estimated that colleges require a \$700 million capital infusion to bring college facilities up to standards (Educational Consulting Services Corp., February 2007).

Once the backlog of renewal projects has been addressed, additional funding would be required to keep colleges in optimum condition. It has been estimated that colleges would require about \$80 million annually for 10 years, based on the replacement value of the college system’s building inventory, and the industry standard of a required investment of 1.5 per cent of that value (Educational Consulting Services Corp., February 2007).

### Commitments

*“We remain committed to working toward the national average in per-capita funding for postsecondary education.”*

*- Premier Dalton McGuinty, Oct. 4 letter to Colleges Ontario*

### Less space at Ontario colleges

*“The Ontario college median is 120 square feet per student compared to the American college median of 197 square feet per student. Ontario universities provide about 180 square feet per student.”*

*- Education Consulting Services, February 2007*

## Providing opportunities

*Less than five years ago, Asha Blucher left his home on the small island of St. Vincent after suffering beatings for being openly gay. He came to Toronto, hoping to start a new life.*

*However, the 24 year old soon discovered there weren't many career choices available for people trained outside of Canada.*

*Barely scraping by year after year, Asha eventually discovered the Seneca Centre for Outreach Education (SCOrE) program. He is now studying to be a social worker and plans to dedicate his life to helping other struggling youth.*

*"I wouldn't be where I'm at today if it wasn't for the SCOrE program," says Asha. "This program has given me the opportunity to reach for the stars."*

Although the 2007 Ontario Budget provided additional funding for college facilities renewal and capital projects, the investments fall well short of the estimated need identified above. Furthermore, the provincial investment also represents one-time funding whereas the need for capital investment is ongoing.

### Instructional equipment

Using state-of-the-art instructional equipment to teach students is critically important if colleges are to maintain the currency and relevance of their programs.

Without equipment that meets industry standards, the effectiveness of college programs in supplying employers with graduates who can "hit the ground running" and providing graduates with the skills that they need to succeed in the workplace, is seriously undermined.

A recent report on the state of capital funding in Ontario provides concrete examples of the antiquated equipment at some colleges – the example below illustrates the perspective of students and employers on the importance of teaching equipment:

*"...students were appalled to learn that the college's machine shop equipment was even older than the "old" equipment they used in high school and local hospitals expected the college's nursing labs be equipped with the hospital's latest electronic charting systems so that student nurses could be properly trained in advance of clinical placement."*

(Educational Consulting Services Corp., February 2007)

With the elimination of the College Equipment and Renewal Fund and the Apprenticeship Enhancement Fund, colleges have little or no capacity to invest in upgrading their instructional equipment.

### Campus security

Although colleges have a number of safety and security measures in place, in the wake of the Virginia Tech tragedy there is broad consensus among the institutions that more can be done to improve safety and security on college campuses.

Consequently, on July 13, 2007, Colleges Ontario sent a submission to the Minister of Training, Colleges and Universities requesting that the government invest \$40 million in one-time funding to enable colleges to make immediate improvements to their safety and security systems and processes, including enhancements to equipment, training, staffing.

A response from the government to this submission is still outstanding.

## VIII. What colleges require to meet the challenges

### Overview

To ensure that colleges can continue to contribute to Ontario's productivity and prosperity, colleges need adequate operating and capital funding.

Improved funding for colleges would enable them to:

- Meet their mandate to provide appropriate, career-focused education and training that is aligned with the needs of today's workers and employers
- To partner with the government to address Ontario's labour market challenges and poverty through expanded programs and services that better serve the needs of underserved populations, displaced workers, low-skilled individuals, and employers.

An overview of the colleges' investment proposal for capital and operating funding for 2008-09 is provided in Table 3.

Core operating grants	\$120M
Labour market programs and services	\$40M
Applied R&D and innovation	\$6M
Capital	\$90M
Total	\$256M

With its shares of the new federal funding for postsecondary education (about \$310 million) and labour market programs (more than \$190 million) together expected to amount to about \$500 million, the province is well-positioned to meet the colleges' funding request for new operating and capital investments.

The province must ensure that the federal investment is used for its intended purposes – to strengthen postsecondary education and labour market training. The federal funding would go a long way towards addressing the funding requirements of colleges without the province having to invest much new money of its own.

### Core operating grants

Colleges require a \$120 million increase in their operating grants to sustain and improve access and the quality of college education and training, and to meet cost pressures such as compensation and other ongoing costs such as utilities, maintenance, taxes, supplies and equipment (Table 4).

<b>Area of investment: Core operating grants</b>	<b>\$120M</b>
Operating grants	\$105M
Clinical education	\$3M
Enrolment/outreach initiatives	
• CIITE	\$5M
• Underserved populations	\$4M
• Marketing campaign	\$3M

A study conducted by PricewaterhouseCoopers of clinical education in college health sciences programs, demonstrates the existence of a revenue shortfall of \$8.3 million. The \$3 million investment provided in last year's budget was not sufficient to completely eliminate the deficit.

Funding would also be used to expand college enrolment and outreach initiatives:

- Reaching out to underserved populations to improve the skills and knowledge of those in poverty/low income jobs and to enable them to secure sustainable employment by providing specialized advising and career exploration services to individuals from a variety of groups (see Appendix 1 for more details).

## Investing in colleges produces results

*"When we improve the quality of public education, when we provide our young people in particular with the skills they need to succeed – we get the best workers, who land the best jobs, who in turn build the strongest economy, which funds everything we want to do together."*

*- Speech from the Throne,  
November 2007*

## New federal funding

*Ontario will receive more than \$300 million in new federal funding for postsecondary education in 2008, and more than \$190 million in new funding for labour market training.*

*Ontario must ensure that the new federal funding is used for its intended purposes - to strengthen postsecondary education and labour market training.*

## Contributing to R&D and innovation

*Cambrian's Northern Centre for Advanced Technology, with Electric Vehicle Controllers Ltd and funding from the Canadian Space Agency, developed CanaDrill, a dry core drilling process for use in space, followed by contracts to develop a drill capable of penetrating the lunar or Martian surface to a depth of 15 metres, to demonstrate the feasibility of producing oxygen and water from lunar soil, and to develop mining technology to provide large quantities of lunar soil samples to four other experiments. The partners are also assessing the feasibility of commercializing their dry drilling technology on earth for hydrogeological drilling.*

- Colleges Integrating Immigrants to Employment (CIITE) to continue pilots and programs that facilitate the labour market integration of internationally trained immigrants (see Appendix 1).
- A marketing campaign to sustain the momentum of the colleges' 2007 direct marketing campaign, to encourage more students to go to college. Early results have been very positive, suggesting that this is a worthwhile approach to reach out to students who don't pursue postsecondary education after high school.

## Labour market programs and services

Ontario will receive more than \$190 million in federal funding for a new labour market strategy.

The province must ensure that the new money is directed at labour market training that strengthens the skills of Ontarians as intended, and identify a clear leadership role for publicly funded colleges in providing such training.

As noted above, publicly funded colleges already have the mandate to provide a comprehensive program of career-oriented education and training. They also represent a significant public investment in learning infrastructure.

An investment of \$40 million for college labour market programs would enable colleges to make significant progress in delivering the following targeted programs (see Appendix 2):

- Skills Training for Employability would consist of a range of programs and services that would be designed to provide training for those who live in poverty and have low-income jobs to find meaningful, long-term employment.
- Apprenticeship Expansion would be undertaken to meet ongoing demand by students and employers for high quality, flexible programming. The additional investment is necessary to support government's goals around the expansion of apprenticeship.
- Transition Support programs would stimulate and support the colleges' role in delivering Employment Ontario programs and services.

Table 5

Area of Investment:	
<b>Enhancing the skills of the new labour force</b>	<b>\$40M</b>
• Skills training for employability	\$20M
• Apprenticeship expansion	\$10M
• Transition support	\$10M

## Applied R&D and innovation

An investment of \$6 million is being requested for applied R&D and innovation in 2008-09. With the proposed funding of \$50 million over five years, colleges plan to increase the number of small- and medium-sized enterprises (SMEs) currently conducting R&D by almost a half. Colleges can:

- Solve immediate problems and meet specific goals, through applied, market driven R&D and commercialization
- Build on well-established college partnerships with their communities, traditional roles in skills training and knowledge transfer, and responsiveness to employer-identified market needs and challenges
- Strengthen SME access to Ontario's innovation system through their links with Regional Innovation Networks, with regional and private organizations and local universities.

In addition, many more SMEs would be encouraged to improve workplace innovation.

## Capital

As noted in Table 6, the college system is in critical need of capital funding for the renewal and maintenance of facilities and instructional equipment such as computers, and equipment that is used in labs, shops and studios.

Area of Investment: Capital	\$90M
• Renewal and maintenance of facilities	\$50M
• College equipment renewal fund	\$20M
• Apprenticeship enhancement fund	\$20M

The province should reinstate specific grants for apprenticeship and instructional equipment for other college programs – the College Equipment Renewal Fund and the Apprenticeship Enhancement Fund – so that there is an annual equipment fund that can be relied upon by colleges, enabling them to help deliver on the government's apprenticeship and economic agendas.

## IX. Results for the sector for 2011-12

Ontario colleges are leaders in accountability and results measurement. Each of Ontario's publicly funded colleges has implemented strategic planning and results measurements processes to ensure continuous improvement and accountability to the broader community.

Table 7 describes the results that colleges will achieve with adequate operating and capital funding from the government. The achievement of the targets will require both operating and capital investments to enable colleges to expand capacity.

Colleges anticipate improvements in access to college programs, particularly for underserved populations, as shown by both enrolment increases and a higher retention rate.

Colleges also expect improvements in the quality of their programs and services as demonstrated by a higher graduate employment rate and increased employer, graduate and student satisfaction.

## A new start

*"Lead, follow, or get out of the way," is a phrase that characterizes the spirit and determination of Karren MacKenzie, a Northern College alumnus.*

*A graduate from the Social Service Worker and Drug and Alcohol program, Karren faced many hurdles in returning to school, including a 35-year battle with alcoholism. Her two-year recovery culminated with her enrolling in the Northern College Academic Upgrading Program.*

*Karren recalls the assistance she received at Northern during the many times she felt like giving up.*

*"What helped me through were my professors," she says. "I can still remember Northern College professor Bruce Parcey saying that each person is a unique individual."*

*Karren graduated from a dual diploma program with honours in May of 2006 at the age of 49.*

## Balance of power is shifting

“... technical and managerial skills in both China and India are becoming more important than cheap assembly labor. China will stay dominant in mass manufacturing ... India is a rising power in software, design, services, and precision industry...”

... the balance of power in many technologies will likely move from West to East. An obvious reason is that China and India graduate a combined half a million engineers and scientists a year, vs. 60,000 in the U.S.”

- Business Week, August 22, 2005 on-line edition as quoted by Education Consulting Services in February 2007

Table 7

College system goals for 2011-12		
	2006-07**	2011-12
First year students*	94,389	118,000
Immigrants	15,102	20,500
First generation students	23,880	32,000
Special needs students	5,663	8,000
Aboriginal students	5,097	7,000
New apprentices	30,000	37,000
Number of graduates	59,100	73,000
Graduation rate (%)	63.3	67.0
Graduate employment rate(%)	90.1	91.0
Employer satisfaction (%)	92.6	93.5
Graduate satisfaction (%)	82.0	85.0
Student satisfaction (%)	77.4	80.0

\* Figures for population subgroups are not mutually exclusive.

\*\* Intake data are estimated. KPI reporting year (graduate data represent graduates of the previous academic year).

Note: Achievement of targets dependent upon adequate operating and capital funding.

## X. Conclusion

Ontario's economic competitiveness and prosperity is increasingly being challenged by new and emerging economic and political powers such as India and China.

Ontario's ability to meet those challenges and to take advantage of the market opportunities that such emerging economies present will require concerted efforts by government and industry.

For Ontario to succeed in this global environment, it is essential for the province to ensure that greater numbers of people have the skill sets that are required to meet the needs of today's economy.

Ontario's 24 publicly funded colleges advance opportunity and prosperity through the education and skills training that they provide to people from "all walks of life", all across the province.

Over the past year, the colleges have worked with the government on approaches to advance Ontario's postsecondary education and skills training agendas and look forward to continuing to work with the government to promote a strong Ontario where everyone has the opportunity to fulfill their potential.

## Appendices

### Appendix 1: Enrolment and out-reach initiatives

#### Reaching out to underserved populations

##### *Objective*

Improve the skills and knowledge levels of those in poverty/low income jobs and enable them to secure sustainable employment.

##### *Outcomes*

Colleges would provide specialized advising and career exploration services to individuals from a wide range of groups: first generation, internationally trained immigrants, special needs, unemployed and the marginally employed.

The advising and career exploration services will work with individuals to:

- Explore career options and decision-making related to an analysis of the labour market including job prospects, earning potential
- Assisting with credential recognition and access to further training
- Examine personal, professional, financial obstacles
- Provide advice on pursuing further training and higher education opportunities
- Identify the required training and/or education to accomplish career objectives

This proactive outreach strategy would provide approximately 50 advisor positions and build upon the CIITE initiative.

#### Colleges Integrating Immigrants to Employment (CIITE)

##### *Objective*

Contribute to the effective integration of internationally trained immigrants into the Ontario labour market to ensure that the Ontario economy fully utilizes their skills and knowledge.

##### *Outcomes*

- Faster pathways for internationally trained immigrants to job-readiness through more effective advisory support and the development of individual training and education plans.
- Improved credential recognition process by accelerating the process and avoiding duplication for clients.
- Support for a faster transition to employment through effective assessment of the skills and knowledge of individuals.
- Improved rates of employment through bridging and mentorships.
- Improved college services through more culturally sensitive college environments.



## Appendix 2: Enhancing the skills of the new labour force

### Skills training for employability

#### Objective

To help low income individuals and those with labour market barriers connect to meaningful, sustainable employment.

#### Outcomes

- Approximately 2,000 unemployed and marginally employed would be engaged in training programs geared towards long-term employment
- Plans would be developed in partnership with industry based on local, regional and/or sectoral priorities to ensure jobs for those completing program
- Individual programs could include job skills training, work experience, academic upgrading, employment preparation
- Outreach, needs and prior learning assessment, information, counseling
- Programs would normally be equivalent to 2 semesters

### Apprenticeship expansion

#### Objective

To support the expansion of apprenticeship and to meet ongoing demand by students and employers for high quality, flexible programming.

#### Outcomes

- Increase apprenticeship starts by about 2,000 (7%) in 2008-09 to address skills shortages facing Ontario
- Expanded apprenticeship programs in a variety of delivery modes, including the co-op diploma model
- Support colleges in serving an increasingly diverse population of apprentices
- Support colleges to respond rapidly to training needs for new occupations

### Transition support

#### Objective

To stimulate and support the colleges' role in delivering Employment Ontario's programs and services.

#### Outcomes

Colleges can evolve to be key community hubs for delivery of programs and services:

- Assessment, training/educational planning, learner support services
- Development of high quality programs/services to address local/regional skills gaps
- Community partnerships to support Employment Ontario priorities
- Outreach to individuals to bring more people into the labour market
- Redesign programs and delivery strategies to meet the needs of those unemployed, underemployed or facing transition in employment



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