

Submission to the
House of Commons
Standing Committee on Finance

Government's Response to the
COVID-19 Pandemic

May 2020



The impacts of COVID-19 on Canada's people, businesses and economy have been extraordinary. While emergency aid measures have propped up personal finances and enabled business survival, new investments must focus on creating the economic conditions to rebuild and grow.

Over the past months, the important role of frontline workers has never been so apparent. Nurses and personal support workers, paramedics and other first responders, technology professionals and skilled tradespeople, manufacturers and farmers – these are the people with the skills and know-how to keep Canada healthy, safe and functioning at a time when Canada needed them most. The thing they have in common: a polytechnic education.

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, including budding entrepreneurs who will rebuild our small business community
- Assisting companies, non-profit organizations and other enterprises to maximize their innovation potential and maintain employment

Our recommendations focus on those areas where timely, precise investments can ensure this capacity yields maximum return for a made-in-Canada recovery. We recommend the government:

1. Invest in Canada's post-secondary infrastructure to ensure training can occur in an environment that responds to physical distancing and other safety protocols, while also supporting "green" retrofits
2. Support the digital adaptation of learning and training in Canada, enabling learners who will face challenges to in-person instruction and ensuring applied learning can be delivered in a broad range of new ways
3. Empower Canadians to retrain and upskill at this critical juncture by offering all Canadian Emergency Response Benefit recipients a one-time boost to the Canada Training Benefit
4. Enable the business- and innovation-enhancing services available at Canada's polytechnics, ensuring they are positioned to support Canada's small- and medium-sized enterprises
5. Support the expanded participation of industry and non-profit partners in polytechnic applied research, ensuring all enterprises in Canada have the support they need to survive and thrive

Talent & Workforce Solutions

In periods of economic disruption, the role of post-secondary education is amplified. New graduates often delay entering the labour market and choose to extend their time in school. Meanwhile, the mid-career workforce is often forced to pivot, enhancing demand for retraining and upskilling opportunities. Canada's polytechnics are essential providers of career-focused education and training to learners across this spectrum. Today, Canada's 13 polytechnics deliver industry-aligned education and training to more than 370,000 learners annually, including nearly 40,000 apprentices and more than 85,000 international students.

Polytechnics offer a critical pipeline of highly skilled talent across all economic sectors. A successful economic recovery is more likely if polytechnic institutions are operating at full capacity to effectively deliver the talent critical to Canada and its employers. At its core, polytechnic education is applied, hands-on and technical. It is also centred around employer-engagement – bringing professionals into the classroom as instructors, engaging students on industry-driven applied research projects and exposing learners to their future professional environments through work-integrated learning.

However, applied and hands-on learning does not always translate to an online learning environment. It is predicated on lab work, simulation and practice. Ensuring that institutions are equipped to adapt to new physical distancing requirements, while also delivering applied education in alternative, digital and blended formats will be a significant challenge, and one we believe could be mitigated with targeted federal investments.

Successful economic recovery will further require that those at mid-career who are facing displacement have the means to upgrade their skills and rapidly re-enter the labour market. Polytechnics have considerable capacity to deliver on this requirement, with decades of experience offering continuing education, corporate training and personal interest courses to learners at all ages and stages of life. To support workforce transition, the federal government should consider using existing mechanisms to boost access to this training.

Prolonged detachment from the labour market can have long-term career consequences. Ensuring that young Canadians are equipped with in-demand skills that allow for smooth transitions into the labour market and that mid-career workers can pivot seamlessly to areas of new and emerging demand will be essential to achieving a robust economic recovery. Polytechnics are here to help.

Recommendations: Talent & Workforce

1. Ensure institutions are healthy and safe places to learn

Surveys of current and prospective students indicate a strong desire to return to training, though dampened by concerns associated with health and safety. In the case of polytechnics, where programs are largely applied and hands-on, this means reconfiguring classrooms, purchasing personal protective equipment (much of which was donated to regional health authorities in the early days of the pandemic) and establishing appropriate processes and infrastructure to support physical distancing. For example, enhancing digital tools in the classroom stands to make it easier for an instructor to teach a hands-on concept or provide feedback to a learner while respecting physical distancing requirements.

However, health and safety considerations on campus are much broader. 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 funding has long 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 into 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.

Government Investment: \$250 million

2. Scale up support for blended learning tools and spaces

Over the past decade, polytechnics have invested in advanced technology, including simulators, virtual and augmented reality, and gamification as ways to engage students in the learning process. The federal government has also made investments in alternative training delivery through small pilot programs (e.g. Flexibility and Innovation in Apprenticeship Technical Training) and cost-shared programs with union training centres (e.g. Union Training and Innovation Program), though with very narrow eligibility criteria. In the post-pandemic context, demand for this type of training is expected to grow, particularly in occupations in the skilled trades and long-term care. Polytechnics are already starting to see growing interest in their healthcare programs.

The demand for a combination of online and hands-on learning speaks to the necessity for further federal investments at a time when the financial capacity of both provincial governments and institutions are stretched. 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 delivered in new and innovative ways, the federal government should make a targeted one-time investment in blended learning tools and spaces on campus.

Government Investment: \$130 million

3. Offer all Canadian Emergency Response Benefit recipients a one-time boost to the Canada Training Benefit to support retraining/upskilling

Even before the pandemic, the need to retrain and upskill our mid-career workforce was evident. In the post-pandemic recovery, it will be critical to re-deploy unemployed or underemployed Canadians to where they are needed most. Collectively, polytechnics offer nearly 8,000 short-course retraining programs, many on a flexible delivery schedule and, increasingly, online. For example, during the COVID-19 pandemic, one polytechnic offered elements of its online corporate training free of charge, resulting in more than 4,600 registrations within 48 hours. This reflects an appetite for upskilling that is outweighed only by the lack of financial capacity to access it.

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. Aligned with the Canada Training Benefit concept announced in Budget 2019, we recommend providing a one-time boost in the benefit to all CERB recipients without the 50 per cent contribution requirement. Offering immediate access to a training credit of this nature stands to set Canadians on a path to lifelong learning – something that is increasingly critical as new skill requirements emerge in a recovering economic environment.

Government Investment: Up to \$4 billion (8 million Canadians x \$500)

Business Innovation

Applied research refers to an exceptionally broad range of supports delivered in response to industry demand. Polytechnic institutions across Canada mobilize state-of-the-art facilities, equipment and expertise to deliver solutions for partners across industrial and social sectors, often with the help of student talent. As a result, institutions have a flexible and agile applied research infrastructure that adapts to the unique requirements of a partner and their project. In most cases, intellectual property is retained by the business partner, creating an environment that amplifies the incentive for creative engagement and supports ongoing collaboration.

Whereas over the past weeks government has been focused on providing life rafts, applied research is about fixing the ship. Economic recovery stands to be faster, stronger and more sustainable if it is able to draw on the business innovation expertise resident at Canada's polytechnics. As companies, non-profit organizations and other enterprises consider how to re-tool, ramp-up and re-enter the marketplace, polytechnic R&D activity is ideally suited to help them adjust to new physical distancing requirements, adopt new technology, establish online platforms, streamline operations and boost productivity.

Our recommendations reflect a need to both maintain applied research capacity and respond to the immediate and short-term needs of polytechnic business partners.

Recommendations: Business Innovation

4. Support business renewal via polytechnic applied research

Marketing, navigation, project development and the engagement of polytechnic experts requires operational support at a time when institutions are facing major financial burdens across their operations. While institutions have the know-how needed to move quickly to engage and respond to industry partners, project funding alone does not capture the complexities of working with industry partners and supporting broader economic development. An institution's ability to respond to demand at speed requires an investment in the capacity of applied research offices.

Most institutions currently fund the infrastructure associated with the applied research office, including salaries for those meeting with prospective partners, writing proposals, identifying student and faculty expertise, completing reports, monitoring diversity and inclusion, and sharing project impacts more widely. At a time when institutions are facing budgetary shortfalls, support is fundamental to ensuring these offices are open for business. In an environment where industry-driven applied research is mission-critical, institutions need additional receptor capacity to respond efficiently and at the speed business partners expect. Polytechnics Canada members suggest they could increase their capacity to serve applied research partners by 30-50 per cent with better support. Without it, applied research capacity will suffer as institutions focus resources elsewhere.

Government Investment: \$80 million over two years for the entirety of the college sector

5. Enable the participation of a broader group industry partners

Current programmatic restrictions and requirements under the College and Community Innovation Program mean that Canada's most vulnerable businesses, non-profit entities and entrepreneurs face barriers to accessing federal support. For example, health and

social innovation projects – some of the most urgent in the current circumstances – remain ineligible for support through the current suite of polytechnic and college applied research grants. There are also limits on the number of times a partner can access support, even when projects address very different needs. As small- and mid-sized enterprises struggle to regain their footing, these are barriers that must be removed.

Further, we see opportunities to temporarily waive the cash contributions required of business partners engaged in post-pandemic innovation and planning. The average size and maturity of a typical applied research partner means they are disproportionately likely to be experiencing financial constraints in the next two years. In fact, Polytechnics Canada members report that 30-40 per cent of their applied research partners are going to suffer financial losses that would have otherwise been invested in R&D activities, with the brunt of the impact felt by Fall 2020. To ensure those who most need applied innovation support are able to benefit from it, focus instead on in-kind contributions. This should be accompanied by adjustments to grant amounts to ensure activities are not jeopardized or undercut by funding shortfalls. This approach stands to open the doors of polytechnic and college applied research facilities to better serve economic interests during reset and recovery.

Government Investment: \$85 million over two years

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.

