

Building back better

Investing in Canada's universities for a sustainable
COVID-19 recovery



**Universities
Canada.**

Universities Canada's Budget 2021
submission to the House of Commons
Standing Committee on Finance



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Recommendation 1

Ensure international students can continue to study in Canada by:

- Recognizing the \$21.6 billion dollar impact of international students in Canada, strengthening coordination across departments and investing in processes to safely and efficiently welcome international students to Canada;
- Offsetting international student losses with a dedicated federal transfer to universities to compensate for a decline in international student enrolment; and,
- Investing in branding, recruitment and visa processing to support recovery and diversification efforts.

Recommendation 2

Invest in access, upskilling and reskilling by:

- Creating non-taxable training vouchers for workers displaced by the economic impacts of the pandemic that can be used for immediate short-cycle PSE training;
- Implementing enhanced flexibility and funding for the Canada Training Benefit, so the program becomes a training allowance responsive to upskilling, reskilling and lifelong learning needs of Canadians;
- Providing funding for institutions to develop accessible short courses in key demand areas; and,
- Extending changes made to the Canada Student Loan Program through the end of 2021.

Recommendation 3

Invest in green, digital and accessible university infrastructure as part of the federal government's COVID-19 recovery plan.

To ensure that funds flow quickly, we recommend the federal government leverage the successful previous post-secondary infrastructure programs.

Recommendation 4

Invest in research and innovation to solve challenges that matter to Canadians, and ensure Canada's social and economic recovery by:

- Making significant investments in fundamental research to ensure a robust and diverse corps of researchers solving the challenges that matter to Canadians;
- Opening up eligibility to leadership by universities in flagship innovation programs such as the Strategic Innovation Fund, Stream 4 & 5: *R&D collaborations and networks*, as well as other future R&D initiatives with industry and community;
- Fostering strategic technology and talent development through a new fund dedicated to regional "Innovation Adoption Hubs" working at the nexus between universities and the private sector;
- Investing in a new higher education knowledge mobilization fund to leverage the ideas and intellectual property generated by universities for economic recovery and community growth; and,
- Ramping up the Lab2Market pilot nationally and providing stable, centralized funding to support its growth.





Introduction

Since early this year, Canada's universities have been essential partners in combatting the COVID-19 pandemic. They are conducting critical research to find a vaccine, supplying PPE and chemical reagents, repurposing facilities to assist front-line workers, and working with communities and businesses to address the pandemic's social and economic impacts. They moved 1.4 million learners online in 10 days and are investing to ensure that this autumn all students have access to a safe, high quality learning environment, regardless of how classes are delivered.

As Canada moves toward recovery from the impacts of the COVID-19 pandemic, Canada's universities will help accelerate the country's ability to build back better. They will ensure quality education for domestic and international students, upskill and reskill those displaced from the workforce, and will drive the research and innovation we need for our economic and social recovery. They will be regional hubs for employment and immigration, mitigating the varied impact that COVID-19 is having across the country. In line with the Sustainable Development Goals, they can also ensure a green, equitable and just recovery. Canada's universities can be a key resource to government, business and local communities. But to do this, Canada's universities must be strong.

Canada's universities recognize the excellent work all Parliamentarians and public servants have done over the past six months to respond to the pandemic, and welcome the Standing Committee on Finance's pre-budget consultations. The next federal budget is an opportunity to invest to continue that work, and to drive Canada's economic and social recovery.

Universities Canada will work with all Parliamentarians to help Canada recover. At this time, recognizing that the pandemic will continue to develop over the fall, we recommend investment in four key areas:

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- **International student retention and recruitment**
 - **Access, upskilling and reskilling measures for Canadians**
 - **Green, digital and accessible infrastructure**
 - **Research and knowledge mobilization**
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As we build back better, Canada's universities also emphasize the importance of an inclusive recovery, in keeping with our long-standing commitment to equity, diversity and inclusion, as well as reconciliation. New investments in education, infrastructure, skills and training have the potential to close the economic and equity gaps that have been exacerbated by COVID-19.





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1. Growing Canada's talent pipeline by attracting international students

International students bring new perspectives, ideas and valuable networks to Canada, both in their classrooms and local communities. After graduation, international students become highly trained individuals who contribute to their local Canadian economies, revitalizing regions of the country struggling with outmigration and population decline. They are also a crucial source of revenue for universities; international students contributed an estimated \$21.6 billion to the Canadian economy in 2018 and sustained close to 170,000 jobs for Canadians in 2016, including \$6 billion per year in tuition.

Canada's universities are preparing for the safe return of international students to campus whether online or through hybrid courses. And while many students will start their studies online, ultimately, international students are seeking a Canadian experience. Canada can differentiate itself from competitor countries by strongly signalling that international students are welcome, increasing coordination across federal departments, and investing in critical processes such as visa processing and institutional plan approval to ensure that students can come to Canada in a timely manner.

Despite efforts to welcome international students, with borders closed and global travel restrictions anticipated for the foreseeable future, the impact of the loss of international students due to COVID-19 will be significant. To ensure the stability of the postsecondary education sector, universities seek a federal back-stop to offset lost revenue.

Looking toward recovery, COVID-19 has highlighted the need for investments in recruitment and diversification. Disruptions to the international student market, including the staggered re-opening of international borders, present an opportunity for Canada to rebuild markets and to diversify its immigration and international student recruitment efforts to non-traditional sources. The International Education Strategy (IES), announced in Budget 2019, was a first step toward diversification. However, to out-pace our competitors and take advantage of a post-COVID context, expanded funding will be needed to scale up and accelerate this work. These investments will bring new students and potential immigrants to regions of Canada hard-hit by the pandemic, and will help stabilize Canadian universities while protecting against future disruptions.





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2. / Rebuilding Canada's talent through learning, upskilling and reskilling

In 2019, the government established the Future Skills Council, recognizing the need to invest in skills training in the face of technological advances, shifting business models and the transition to a low carbon economy. Investments in upskilling and reskilling will future-proof workers, ensuring that they have the skills they need in a rapidly changing economy. Expanded skills training, including investments for young Canadians to access postsecondary education, will also ensure that all Canadians can participate in our economy.

Universities are on the front lines of equipping the Canadian workforce with these necessary skills. Over the course of the pandemic, Canadian universities have implemented a massive shift in program delivery. The rapid expansion of online courses presents a unique opportunity to offer flexible programs and degrees to Canadians, particularly those who are temporarily or permanently unemployed as a result of COVID-19. Those impacted are more likely to be female, Black, Indigenous, people of colour, or Canadians with disabilities. Ensuring that these workers are able to access skills training and return to work as quickly as possible will not only help the country recovery economically but will also prevent employment-based equity gaps from growing as a result of COVID-19.

A modified approach to the Canada Training Benefit, announced in Budget 2019, could provide direct supports to individuals affected by the pandemic, and ensure the country has a strong lifelong learning system to help Canadians be more resilient to labour market transformations. Further investments to expand access to post-secondary education for young Canadians not yet in the workforce will also ensure that the next generation of Canadian talent does not fall behind in a disrupted economy. Immediate investments in skills and training opportunities will accelerate Canada's economic recovery, ensuring Canadians have the skills to match emerging economic opportunities.





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3. / Investing in green, digital and accessible infrastructure

Prior to COVID-19, infrastructure needs at universities were at critical levels, and deferred maintenance liabilities were rising at every institution. Because of COVID-19, universities are now responding to the need for digital infrastructure as classes and programs transition online. Investments in digital and physical infrastructure now will bolster the supports and resources Canadian universities can offer to communities across the country.

Investments in digital infrastructure in particular will rapidly expand access to postsecondary education, upskilling and reskilling even as the country reopens. These investments will also ensure that students can attend regardless of disability, physical distancing, work or family requirements. These will also support the government's work to create a more accessible Canada via the Accessible Canada Act, implemented in 2019.

Universities have approximately \$7 billion in shovel-ready university infrastructure projects. Of those, almost two-thirds are physical projects dedicated to green infrastructure, energy efficiency and refurbishing, meeting the government's longstanding commitment to mitigating the effects of climate change.

National Indigenous Organisations have also noted that specific investments are needed for Indigenous students in community, to ensure access to online courses, programs and wrap-around supports like mental health counsellors. Universities Canada continues to support substantial investments in Indigenous postsecondary education, to ensure that all Indigenous students can access and succeed in their studies.

As Canadians face unprecedented disruption, universities are using technology, alongside other supports and solutions, to make their courses more flexible and meet the needs of the diverse learners they serve. Investing in university infrastructure now will stimulate the economy, support students, lower carbon emissions and build campuses that can adapt to any future disruption.





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4. / Accelerating recovery through research, innovation and knowledge mobilization

Canada has a choice whether to lead or simply follow the course of global recovery. By choosing to invest in research and innovation, Canada can choose to lead, pursuing an inclusive economic recovery that advances our economic, climate and social priorities.

COVID-19 has made abundantly clear that investment in research matters: medical research will find a vaccine, social research will impact human behaviour, and economic and historical research will teach lessons from the past and chart a course for the future.

COVID-19 has also underscored that research needs to be mobilized into communities: we have relied on medical professionals, researchers, communities, industry and health networks working together to turn research into solutions. Canadian universities have partnered to develop new forms of personal protective equipment and rapid testing kits, and are currently working on vaccine development, all in partnership with local communities, businesses and health care networks.

Into the recovery, Canada needs to create stronger and more deliberate opportunities for connecting our highly qualified talent with business and community organizations to drive innovative economic recovery through investments in knowledge mobilization.

Canada can build on models like the United Kingdom's Catapult Centres, which bring together scientists, technical specialists and engineers with business to develop basic research into new products and services. These kinds of incubators create training and career opportunities for students, graduate students and researchers, and provide economic stimulus as new products and services are developed and brought to markets and communities.





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Conclusion

A full recovery from COVID-19 will require sustained effort from every sector of Canadian society. Universities are already proudly contributing to the response to the pandemic, through vaccine research, online education and skills training, and partnering with business and civil society. As cornerstone institutions, Canadian universities will be key partners in a full recovery from COVID-19, meeting the needs of diverse communities and regions across the country. With necessary investments, we can build back better, for the benefit of all Canadians.

Conclusion



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