# INVESTING IN A STRONGER WORKFORCE

*The Ontario colleges' submission for the 2014 budget*

DECEMBER 2013

# Table of Contents

## INTRODUCTION

There is little debate about the biggest challenge facing Ontario today. It is unemployment, particularly the unacceptably high unemployment rate for Ontario's young people. The 2014 Ontario Budget must focus on comprehensive measures to produce a more highly skilled workforce to promote economic prosperity and allow greater numbers of people to find meaningful work.

Naturally, a key part of that strategy will be to stimulate economic growth. The government needs to continue working with employers and others to create good-paying new jobs and new opportunities throughout the province.

But that is only part of the solution. The unemployment problem in Ontario today is different from the difficulties of the past, due to the many ways that technology and innovations are transforming the workplace.

The problem isn't solely about the availability of jobs. There is, at the same time, a shortage of people with the competencies and the advanced skills to fill the jobs that are created.

Even in this difficult economy, many good-paying positions remain unfilled because employers can't find qualified people. That problem – the skills mismatch – is expected to get worse as the demands for more highly skilled people continue to grow.

There has been debate about the nature and extent of the skills mismatch in Ontario, and how to best address it. It is often noted that much of the information about the skills gap is anecdotal and that more work needs to be done to quantify and identify the challenges.

There certainly is value in pursuing more research and better information. However, that cannot be an excuse to delay. The problems in Ontario today are critical and require urgent action. The skills mismatch is real and it must be addressed.

In a report this year, called The Cost of Ontario's Skills Gap, the Conference Board of Canada reported on interviews with more than 1,500 Ontario employers, representing more than 760,000 employees. The report said skills gaps are affecting major sectors of the economy and the mismatches threaten to get worse.

The economic costs are significant. The Conference Board estimates the skills mismatch costs the province as much as $24.3 billion a year in foregone GDP, along with $3.7 billion in provincial tax revenues.

There is also the human cost. Far too many young people are stalled in their lives because they are unemployed or underemployed. They aren't utilizing their capabilities and are becoming disillusioned. They want to make a real contribution and they should have that opportunity.

The province needs greater numbers of college graduates. However, as the colleges struggle to manage in a challenging fiscal environment, it will be very difficult to produce more graduates.

The province's most vulnerable citizens are particularly at risk. Without proper support and a good education, people with physical or emotional barriers, weak academic backgrounds or other challenges will be left behind in the new economy.

Ontario must help more people achieve success. As Premier Kathleen Wynne said in an Oct. 16 column in the Toronto Star, "If we really want to help young people find jobs, we have to provide practical tools that will help them navigate the realities of today's workforce."

The 2014 Ontario Budget must advance a comprehensive jobs strategy. Economic growth and measures to create new jobs must be accompanied by a robust strategy to produce a world-leading workforce.

Ontario's 24 public colleges will be pivotal to the success of that strategy.

## EMPHASIZING APPLIED LEARNING

The province is justifiably proud of its achievements in higher education. The post-secondary attainment rate in Ontario is among the highest in the OECD, and many college and university graduates have achieved internationally recognized successes.

That said, there is still much to do. Even with its successes, Ontario still has far too many young people with an education that goes no further than high school. And while the province produces many post-secondary graduates, many of those graduates are not making successful transitions into the workplace.

As increasing numbers of people retire from the labour market, the province's approach must change.

Immigration is often identified as a key source of future labour force growth. However, immigration levels to Ontario have sharply declined. During the last decade, immigration to Ontario peaked at just over 140,000 in 2005 and had fallen to just 99,000 in 2012. Ontario's share of immigrants to Canada has also declined, from almost 54 per cent in 2005 to 38 per cent in 2012.

Ontario must strengthen the education and training provided to the existing population of the province. Education must be realigned – at all levels – to place a much greater emphasis on career-focused learning and training.

Part of this effort must focus on encouraging more students to pursue college education, including combinations of both university and college programs.

College graduates are critical to the private-sector recovery that will be essential to economic growth and growing provincial revenues. Because colleges work with local businesses and industries to develop their programs, colleges ensure that employers have access to employees with the specific applied skills required by local workplaces.

For example, some new college programs that have been developed since 2010-11 include mobile application development, medical robotics and automation, digital cinematography, and diagnostic medical sonography.

Furthermore, Ontario's public colleges play an essential role in producing much-needed graduates for the skilled trades.

The province needs more people who are trained to work in the skilled trades. Indeed, the Conference Board report confirmed that 41 per cent of Ontario employers will be looking to hire tradespersons to address the skills mismatch.

While there has been a significant government effort to increase the number of apprentices in recent years, the numbers have lagged coming out of the recent recession. Tradespersons constitute a lower share of the skilled workforce in Ontario than in any other province.

Ontario's colleges can help the province produce more apprentices. The public colleges already deliver 87 per cent of the in-school portion of apprenticeship training and are prepared to play a greater role in helping more people enrol in apprenticeship training.

The colleges also offer pre-apprenticeship programs that improve access to training for groups that are traditionally underrepresented in higher learning. This includes access to literacy and numeracy programs that help more people in underrepresented groups enter apprenticeship training.

Similarly, colleges play an essential role in supporting students who would otherwise not succeed in post-secondary education because of a range of barriers and challenges.

These students may have weak academic preparation or have learning, physical or other disabilities. Or they could be from other underrepresented groups that typically have low levels of post-secondary attainment. They often face multiple risks to completing their credentials.

Ontario's colleges help many of them achieve success. A report by Deloitte concluded that college programs and services for students at risk increase graduation rates by an estimated 35 percentage points, thus providing more skilled graduates to support an expanding economy. This results in higher incomes for these individuals, and a high rate of return to government as higher income taxes and lower social assistance costs more than offset the investments made in these students.

As well, colleges educate and train more than 20,000 international students. These students make a strong contribution to the Ontario economy while they are studying here.

A study conducted for the Department of Foreign Affairs, Trade and Development Canada estimated that long-term international students in Ontario (staying for at least six months) spend $2.9 billion annually while they are here. Many international students choose to stay in Ontario after they complete their studies and thus continue to make a strong contribution to the economy and the labour market.

## PROVINCIAL FUNDING PRESSURES

Unfortunately, the demand for greater numbers of college graduates and access to college programs comes at a time when colleges are struggling to simply maintain programs and services.

Ontario's colleges face a very difficult environment in 2014-15.

While the 2012 Ontario Budget allocated funds for enrolment growth, it also included a number of restraint measures that have seriously hurt college education. Colleges faced cuts through measures such as the establishment of the International Student Recovery fee, additional Policy Levers, and the elimination of the Small, Northern and Rural Grant for seven colleges.

In addition, the government discontinued the Enrolment Bridging Grant (EBG) that helped bridge the gap between funding provided by the College Funding Framework that is based on past enrolment growth and more recent enrolment growth.

While the universities were also subject to some of the same fiscal constraints, the colleges were allocated a disproportionately larger share of the total cuts for the post-secondary sector. As well, colleges are facing slower revenue growth due to the new multi-year tuition framework. The public colleges will need to continue undertaking critical reviews of the range of programs and services that they provide with a view to reducing costs. While colleges will always put as much focus as possible on administrative savings and productivity improvements, the reality is that expenditure pressures will force colleges to make changes that will negatively impact the student learning experience.

For example, the report by Deloitte found that the annual cost of providing services to at-risk students is already at least $100 million greater than the funding specifically allocated for this purpose by the province. Increasingly, colleges will be challenged to maintain the level of services provided to students at risk.

More broadly, it will be extremely difficult for colleges to produce the quality and quantity of graduates that are needed to respond to the skills gap.

*"We need to work with our partners in education and in the private sector to ensure that businesses are able to find workers with the specific skills and education they require."*

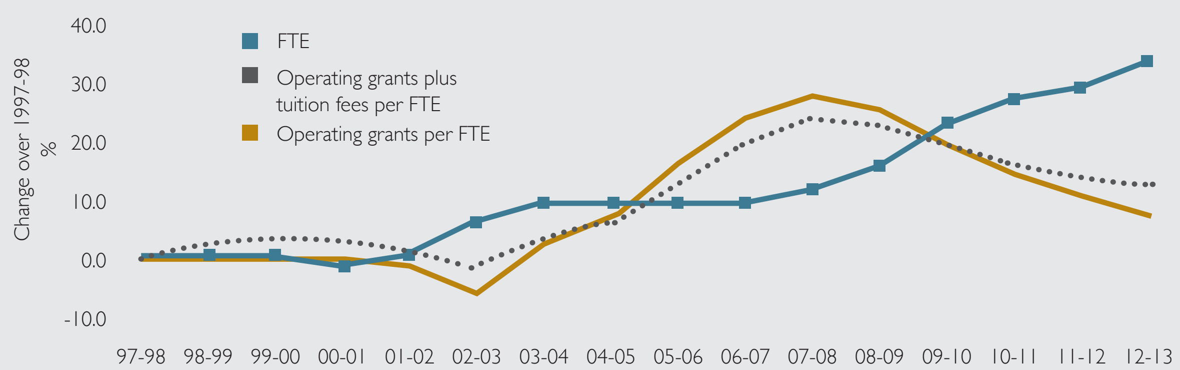
**Hon. Brad Duguid**
**Minister of Training, Colleges and Universities**

Hamilton Spectator, June 21, 2013

Figure 1 below shows the increasing fiscal pressure on colleges. Real operating grants on a per-student basis peaked in 2007-08 but they have since fallen.

In 2012-13, real operating grants were almost $840 less per student – or 15 per cent lower – than five years earlier.

**FIGURE 1. ENROLMENT AND REVENUE CHANGES, 1997-98 TO 2012-13**
(INDEXED TO 1997-98)

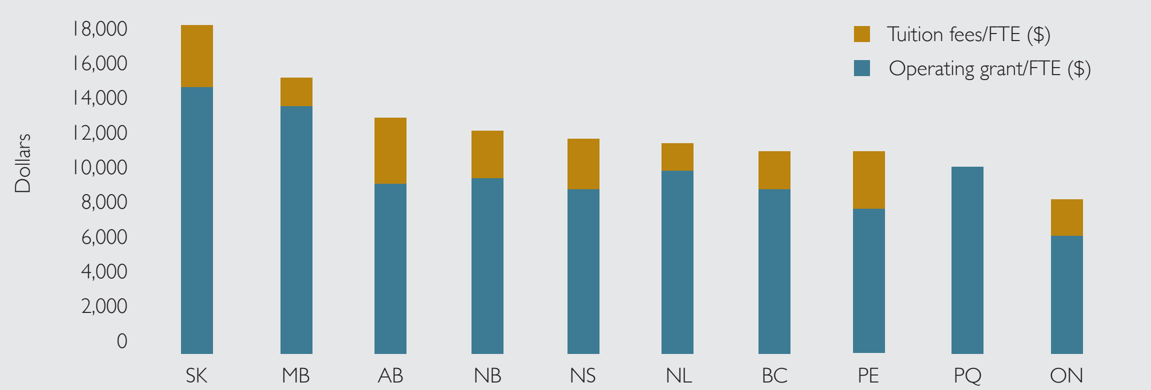



Sources: Ontario Ministry of Training, Colleges and Universities, Ontario Ministry of Finance, Statistics Canada and Colleges Ontario.

Notes: Revenue figures are in constant 2002 dollars. Figures exclude the tuition set-aside, collaborative and second-entry nursing, and clinical education funding for collaborative nursing. Regulated tuition fees.

While increases in tuition fee revenues have helped to offset some of this decline, the combined revenues from net tuition fees and operating grants are still $590 lower (eight per cent lower) than they were in 2007-08.

**FIGURE 2. ESTIMATED GRANT AND TUITION FEE REVENUE PER COLLEGE STUDENT**
ALL PROVINCES, 2011-12

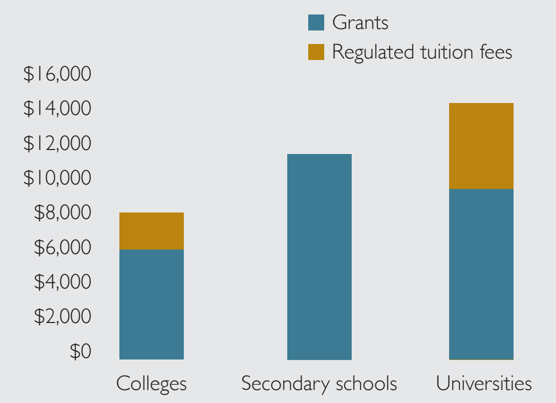



Sources: Colleges Ontario, Ontario Ministry of Training Colleges and Universities, relevant provincial ministries.

Notes: Ontario figures exclude the tuition set-aside and collaborative and second-entry nursing and clinical education funding for collaborative nursing. Operating grants and enrolments are for provincially funded activity and exclude apprenticeships. Enrolment and funding data for Quebec are for full-time students.

When operating grants and tuition fees are considered together, the per-student revenue for college education in Ontario is significantly lower than in other provinces (see Figure 2).

**FIGURE 3. OPERATING FUNDING AND REGULATED TUITION FEES PER STUDENT**
ONTARIO EDUCATION SECTORS, 2012-13




Note: Figures for colleges exclude tuition set-aside and collaborative and second-entry nursing, and clinical education funding for collaborative nursing.

Sources: Ministry of Training, Colleges and Universities and Ontario Public School Boards Association.

Ontario colleges are also the least expensive of the three education sectors for government and for students (see Figure 3). Colleges also operate with less space per student than universities and are increasingly using their facilities year-round to ensure that buildings are used effectively.

Despite budgetary challenges, colleges have been serving more students and continue to achieve strong outcomes.

As seen in the provincially gathered Key Performance Indicators for 2012 (Table 1), the employer satisfaction rate is particularly high – signalling that the education and skills training that colleges provide are successfully meeting employer needs. Colleges have also enhanced programs and services for students and added a number of new programs to meet student demand and employer needs.

**TABLE 1. 2012 KEY PERFORMANCE INDICATORS**

| | |
|---|---|
| Graduate employment rate | 83.6% |
| Employer satisfaction rate | 93.4% |
| Graduate satisfaction rate | 80.0% |

## CONTINUING TO FIND EFFICIENCIES

It must also be recognized that Ontario's colleges continue to be prudent fiscal managers and excellent stewards of public dollars.

Colleges have employed a number of collaborative approaches to find administrative efficiencies and improve productivity. The college sector's provincewide approach to collective bargaining allowed colleges to negotiate an agreement with faculty that provided no across-the-board salary increase for a two-year period. That agreement ends in August 2014.

The sector's single defined benefit pension plan – the CAAT Pension Plan – has been better than most plans in dealing with the recent challenges facing defined benefits plans.

A key reason for its success has to do with the way that risks are allocated under the plan. The plan is jointly sponsored by colleges (employers) and plan members. Under this structure, the risks and costs of providing pensions are shared equally between the colleges and the members.

The structure ensures that all stakeholders appreciate the costs and risks of delivering pensions, which in turn helps them align their interests towards a common goal. Under traditional defined benefit and defined contribution structures, the interests of employees and employers are rarely aligned.

Other collaborative approaches that have resulted in administrative efficiencies and productivity improvements include a centralized student application service and shared support services for libraries and resource centres.

Colleges also recently completed a study to look for new opportunities for shared services to achieve additional cost savings and eliminate duplication. Results of this study informed the development of proposals to the government's new Productivity and Innovation Fund.

Colleges participate in collaborative purchasing through partnerships with other colleges and with other partners in their local communities.

All 24 colleges also participate in the Ontario Education Collaborative Marketplace (OECM). Beyond sharing administrative costs, colleges share academic programs and services. As well, colleges collaborate in online education through OntarioLearn, a consortium in which all 24 colleges participate. Other cost savings and efficiency measures include energy-efficiency projects and energy-savings initiatives at colleges.

Ontario's colleges continue to advocate for reforms that will help the province achieve further productivity savings.

The colleges' 2012 submission, Empowering Ontario: Transforming Higher Education in the 21st Century, and the sector's recent submission to government on college differentiation identified policy reforms that will help achieve savings for the province. These policy measures included the sharing of online course development, greater credit recognition when students transfer from college to university, changes to allow colleges to offer three-year degree programs, the expansion of four-year college degree programs, and the expansion of the 2+2 model for students pursuing a combination of college and university education.

## INVESTING IN COLLEGES

There is an urgent need to improve access to college education and to produce more college graduates. The 2014 Ontario Budget is an opportunity to promote public college education and training while maintaining the government's overall fiscal goals.

Certainly, implementing reforms in higher education can help support this goal. It is also possible to meet the province's fiscal targets and strengthen college education by ensuring that college funding becomes a higher priority within the post-secondary funding envelope.

A key priority must be to improve operating funding to colleges. As seen in Table 2, systemwide costs (for post-secondary-funded activities) for compensation and other expenses for college operations are expected to be $131 million higher in 2014-15. While anticipated increases in tuition fee revenues will help offset some of the cost increases, the province's new tuition framework will generate less revenue than the previous framework.

The college system faces a net cost pressure of $109 million in 2014-15. These figures do not account for costs related to enrolment pressures and the hiring of additional staff. There are also significant local costs that vary by college.

Based on its analyses, the Ministry of Training, Colleges and Universities believes that the accumulated surplus of the college system indicates the system is in a solid financial position.

At the end of March 2013, the accumulated surplus for the college system as a whole (defined here as the unrestricted and internally restricted net assets) stood at $226 million. However, that $226 million represents only six per cent of total system revenues.

As well, when the four colleges with the largest accumulated surpluses are removed from this figure, the remainder of the system actually has a deficit of $48 million. While colleges are financially stable and well managed, the sector faces another round of cost-cutting in order to maintain balanced budgets.

**TABLE 2. ANTICIPATED INCREASES IN COLLEGE SYSTEM COSTS AND REVENUES IN 2014-15**

| | |
|---|---|
| Projected increases in systemwide costs | $131 M |
| Projected increases in tuition revenue | $22 M |
| Funding gap | $109 M |

Costs are pro-rated to reflect only the portion that can be attributed to post-secondary enrolments.

Does not account for enrolment growth and hiring of additional staff.

To help more students — particularly those from underrepresented groups — get access to college education and ultimately achieve long-term career success, and to ensure that the private sector has ready access to a workforce to address the skills gap, it is recommended the province complement investments in operating funding with capital improvements and in targeted programs to better support students. The college sector's investment proposals, which will be described in greater detail, are outlined in Table 3.

**TABLE 3. COLLEGE SECTOR FUNDING NEEDS FOR 2014-15**

| AREAS OF INVESTMENT | |
|---|---|
| OPERATING FUNDING | |
| Existing or committed investments | |
| - Enhancement related to enrolment growth | $26 M |
| New requests | |
| - Core operating funding (net of committed enrolment growth enhancement) | $83 M |
| - Enhancement for apprenticeship funding | $10 M |
| - Student success fund | $25 M |
| - Graduate transition to the workplace fund | $10 M |
| CAPITAL FUNDING | |
| - Instructional equipment | $30 M |
| - Infrastructure renewal (net of existing investment of $8.7 M) | $61 M |

## OPERATING FUNDING: EXISTING OR COMMITTED INVESTMENTS

### Enhancement related to enrolment growth

The 2013 Ontario Budget notionally allocated an increase of $26 million under the College Funding Framework for enrolment growth in 2014-15. This amount reflects the reduction in the per student funding value resulting from the implementation of the Policy Levers announced in the 2012 Ontario Budget.

The most current information from the Ontario College Application Service suggests that college enrolments have continued to increase. In this submission, it is assumed that system growth in 2014-15 will be two per cent.

The colleges are calling for the government to provide, at minimum, the additional $26 million that it has committed for enrolment growth and for the province to fully fund any future growth.

## OPERATING FUNDING: NEW REQUESTS

### Core operating funding

As shown in Table 2, the colleges require additional resources of $109 million in 2014-15 to maintain their current levels of operations and to preserve quality. Like other organizations in both the public and private sectors, salaries and benefits are by far the largest expense item for colleges.

The college sector is proposing that core operating funding for the colleges be increased by $83 million in 2014-15. This amount assumes that, in addition, the government will provide the $26 million that was previously committed to support enrolment growth.

### Tuition fee policy

Changes to the tuition fee policy can assist the province to address its fiscal challenges and provide some of the required revenue to address college needs.

In past years, the colleges have requested that the enrolment cap on basic post-secondary high-demand programs be raised from the current level of 15 per cent of the total enrolment in basic post-secondary programs. It has also been proposed that colleges be given the flexibility to use a portion of tuition set-aside funds for institutional priorities, such as supports for students at risk.

These proposals should continue to be considered by government, as they would not require additional spending by the province. The proposals would provide greater flexibility to the colleges to manage operating budgets.

### Enhancement for apprenticeship funding

As noted above, there continues to be a need to broaden access to apprenticeship training, improve retention in apprenticeship programs, and preserve the quality of training provided.

Colleges deliver 87 per cent of the in-school apprenticeship training. However, provincial funding for this training has been frozen since 2008-09. As the ministry controls many of the factors that limit the colleges' abilities to find savings, colleges are increasingly challenged to deliver many apprenticeship programs without subsidizing the costs from their other program areas.

Apprenticeship funding needs to be adjusted upwards to reflect the cost pressures faced by colleges over the last six years. The funding will help improve completion rates, expand access for underrepresented groups and maintain quality.

In addition, the demand for pre-apprenticeship programs considerably exceeds the available resources to support the program. Such programs are critically important to ensure that disadvantaged groups have the foundation skills they need to enter into apprenticeship programs.

To support apprenticeship and pre-apprenticeship programs, a funding increase of $10 million is being requested.

### Student success fund

Given the current demographic trends, students who are traditionally less likely to participate in post-secondary education must not only be provided with access to post-secondary education, but they must also be supported to achieve success once they have enrolled. As was previously noted, Deloitte estimated that colleges are investing substantial funds from their base budgets to provide programs and services to help such students complete their studies.

Some colleges also provide bridging programs to help disadvantaged youth get into post-secondary education. For example, Seneca College offers a one-year certificate program for young people who have completed high school but lack a plan for a future career or knowledge about post-secondary opportunities. The program is also suitable for youth who are a few credits short of a high school diploma and are motivated but unable to enrol in post-secondary education as they do not meet the minimum criteria to apply through the regular college application process.

Ontario needs to build on such initiatives. To ensure that colleges have funding that is specifically dedicated to the costs of providing academic and student service supports for students at risk, a new special purpose grant – the Student Success Fund – is being proposed.

The goal of the fund would be to improve graduation rates and the employment outcomes of students at risk.

The colleges are requesting that the government provide an investment of $25 million for the new Student Success Fund, to offset about a quarter of the current investment from college base operating budgets.

### Graduate transition to the workplace

In addition to providing students with supports that facilitate their entry to college and ensure their success while they are completing their education, colleges also provide services to help graduating students find employment. Those services range from assistance with resumés and cover letters to job search strategies, interview simulations, and techniques to help them at networking events.

Given the relatively high levels of unemployment among young people, there is likely to be more pressure placed on such services.

The colleges are proposing that a new special purpose grant – the Graduate Transition to the Workplace Grant – be established to supplement the investments currently made by colleges, and to expand the range of employment programs and services available to graduating students. It is recommended the province provide $10 million annually to fund the new grant.

## CAPITAL FUNDING

### Instructional equipment

Using instructional equipment that meets industry standards to teach students is critical if colleges are to maintain the currency and relevance of their programs in relation to workplace needs.

The 2013 Budget provided $20 million for instructional equipment through the College Equipment Renewal Fund (CERF) and the Apprenticeship Enhancement Fund (AEF). At a time when the skills mismatch is one of the critical factors in industry competitiveness and economic renewal, that level of investment is insufficient.

The recent Conference Board of Canada report on the skills mismatch states:

*"… in 2012, Ontario industry investments in machinery and equipment averaged $5,267 per full-time employee equivalent…By contrast, Ontario colleges managed to invest only $69.28 per full-time student equivalent—merely 1.3 per cent of the spending by Ontario industry. Ontario college students do not have enough access to the equipment and technology that constitute key elements of industry-relevant experiential learning."*

Industry has reacted to this finding with considerable concern. Ontario's Workforce Shortage Coalition, a coalition of more than 20 groups that represents more than 100,000 employers and millions of employees, has called for a budget initiative to augment the investments provided through CERF and AEF.

The coalition has recommended a $50-million, five-year fund to co-invest (a one-to-one investment, cash or in-kind) with industry in start-up funding for new or substantially modernized post-secondary skills training programs that industry judges as critical to its competitive position and key to attracting investment and retaining jobs.

The colleges recommend that, at minimum, the current $20 million investment in CERF and AEF be maintained by the government. In addition, colleges are proposing that the government take advantage of the offer from industry to provide matching funding and increase its own investment.

It is being proposed that the government provide an annual investment totalling $30 million for instructional equipment. The request is comprised of maintaining the existing funding ($20 million) and an annualization of the coalition's recommendation ($50 million over five years).

The government must provide an ongoing investment for this purpose. Instructional equipment needs to be refreshed on a continual basis, and an ad hoc approach to funding undermines the ability of institutions to plan for the cyclical renewal of equipment.

### Infrastructure renewal

For colleges to successfully meet their mandates and deliver relevant programs and services, college facilities need to be maintained and renewed on a continual basis. Space also needs to be repurposed from time to time so that it is aligned with the space requirements of new programs.

The Ministry of Training, Colleges and Universities' Facilities Renewal Program (FRP) provides $8.7 million annually to address the ongoing need for the maintenance, repair, renovation and modernization of existing college facilities. As shown below, this amount is clearly insufficient.

According to a recent study undertaken by the college sector with support from the ministry, the college system occupies and manages a physical space of inventory of approximately 26 million square feet, with an estimated current replacement value (CRV) of about $8 billion (the $8 billion replacement value is an estimate derived from an average cost per square foot of about $325).

According to industry standards, the annual investment required for infrastructure renewal is from 1.5 per cent to 2.5 per cent of CRV. Using the lower end of the range (1.5 per cent) implies that colleges require an annual investment well in excess of $100 million for infrastructure renewal.

The 2010 report of the auditor general observed that the deferred maintenance backlog at colleges is in the $568 million to $745 million range, with more than $70 million worth of capital repairs falling in the critical category.

Given the province's current fiscal situation, the college sector understands that the government is not likely in a position to provide the level of funding required to address the deferred maintenance backlog, nor to be able to provide the level of annual investment required for infrastructure renewal.

Therefore, as an interim measure, the colleges are proposing that the government provide funding to address the critical capital repairs as identified by the auditor general.

Assuming that for 2014-15 the FRP is maintained at $8.7 million, the net funding request to address critical repairs and for some infrastructure renewal is $61 million.

Once the ministry's project to gather data on the stock and physical condition of Ontario's publicly funded college facilities is completed, the data can be used to support capital renewal recommendations for decision-makers.

## NEW CAPITAL PROJECTS

With funding support from the ministry, Colleges Ontario has completed a study of the space requirements in the college system. The study was conducted by Education Consulting Services (ECS).

The study points to an overall 18 per cent shortfall of space in Ontario's colleges – or 4.7 million square feet – measured against college minimum standards. The shortfall in college space is particularly acute in the classroom and learner support spaces that contribute to student success and retention.

Therefore, it will be essential for the government to budget for capital improvements at colleges.

Currently, the Ministry of Training, Colleges and Universities is expecting to use all of its 10-year capital budget (beyond already allocated projects) exclusively on new satellite campuses. The teaching and learning environment is severely constrained in many colleges and this eight-year freeze on new capital funding would perpetuate these unacceptable conditions for our students.

A significant investment would be required to address the space shortfall – $1.5 billion, based upon the college minimum guidelines. Colleges recognize that in the current financial climate, it is not practical to plan for more than a very modest beginning to the funding required to close the space gap.

Colleges are proposing that, in the event that either the Ontario government or the federal government budgets for an infrastructure program in 2014-15, an investment of $250 million over three years in college capital take the highest priority, to reflect the role of college graduates in advancing Ontario's economic recovery.

Colleges also recommend that the Ministry of Infrastructure and the Ministry of Training, Colleges and Universities work with the sector to develop a long-term capital planning process to close the capital gap that is constraining the ability of colleges to address the skills mismatch.

Further, colleges recommend that the threshold for Infrastructure Ontario's involvement in college capital projects be raised to $100 million, the threshold in place for universities.

## DELIVERING RESULTS FOR STUDENTS

With the funding improvements proposed in this submission, Ontario's public colleges can meet new targets to prepare greater numbers of people for the new economy. Some of the results that can be achieved are described in Table 4. Achievement of these targets is dependent upon the colleges receiving adequate operating and capital funding.

**TABLE 4. SECTOR GOALS FOR 2017-18**

| | 2012-13 | 2017-18 |
|---|---|---|
| Post-secondary enrolment | 196,900 | 215,000 |
| Immigrants | 31,500 | 36,000 |
| Students with special needs | 25,000 | 29,000 |
| Aboriginal students | 6,500 | 7,500 |
| Number of graduates* | 82,600 | 91,000 |
| Graduation rate | 64.8% | 70% |
| Graduate employment rate | 83.6% | 90% |

Sources: OCAS (FTEs across the three semesters for total full-time, funded post-secondary and international student enrolment). Other population subgroup data are estimates based on the average per cent representation of each subgroup in the recent College Applicant Surveys (immigrants and aboriginal students) and the KPI Student Satisfaction Survey (students with special needs). Figures for population subgroups are not mutually exclusive.

* KPI data are based on the 2012-13 reporting year (i.e., data represent graduates of the previous academic year).

## CONCLUSION

Students, parents and the general public are looking to the provincial government to strengthen the economy by developing a world-class workforce. The budget must help more people successfully enter the labour market and find good-paying jobs.

There is growing recognition that Ontario's colleges are central to that effort. First-year enrolment at the public colleges is at an all-time high, and the number of university graduates enrolled in college programs has grown more than 40 per cent over five years.

There is also growing recognition that higher education must be more closely aligned with the needs of the new economy. At the same time that Ontario continues to produce good citizens, it must also ensure its post-secondary system produces graduates with the education and skills they need to support their career ambitions.

Higher education in Ontario must be transformed. The 2014 Ontario Budget provides government with one of its best opportunities to embrace transformation and announce measures to strengthen higher learning and training throughout the province.

The government must invest in the long-term success of Ontario's students.

ALGONQUIN COLLEGE

COLLÈGE BORÉAL

CAMBRIAN COLLEGE

CANADORE COLLEGE

CENTENNIAL COLLEGE

CONESTOGA COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

CONFEDERATION COLLEGE

DURHAM COLLEGE

FANSHAWE COLLEGE

FLEMING COLLEGE

GEORGE BROWN COLLEGE

GEORGIAN COLLEGE

HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

LA CITÉ COLLÉGIALE

LAMBTON COLLEGE

LOYALIST COLLEGE

MOHAWK COLLEGE

NIAGARA COLLEGE

NORTHERN COLLEGE

ST. CLAIR COLLEGE

ST. LAWRENCE COLLEGE

SAULT COLLEGE

SENECA COLLEGE

SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING


COLLEGES ONTARIO | COLLÈGES ONTARIO

20 BAY STREET, SUITE 1600

TORONTO, ON M5J 2N8

WWW.COLLEGESONTARIO.ORG