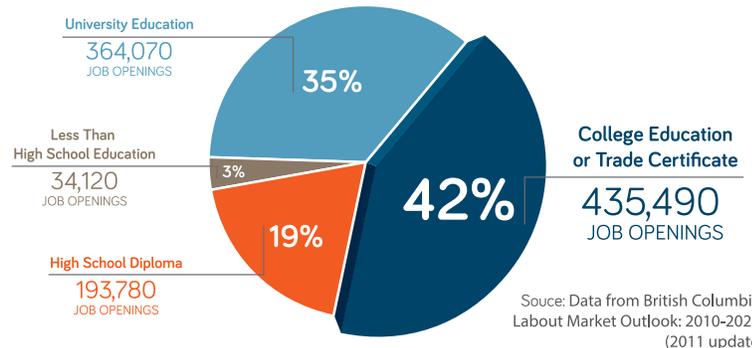


# Working To Close The Skills Gap & Power BC's Economy

## The Situation

- 1,000,000 job openings are forecast by 2020; the largest percentage of job openings, 42 per cent, will require college education.
- Between 2016 and 2020 demand for college educated workers in BC will outpace supply.
- The BC Jobs Plan highlights the urgency to plan and invest now for a skilled and educated workforce.
- BC's 11 public colleges have a pivotal role to play.
- A highly skilled and educated workforce is a great competitive advantage for British Columbia.
- In order to meet the skills shortage, it's imperative that the college system has a place at the table with government, industry and labour to help address the challenges ahead.
- With the right education and training plan in place, BC will be more competitive globally and able to seize opportunities for trade through initiatives like the Asia Pacific and Northern Gateway projects.

The Largest Percentage of Projected Job Openings will Require College Education



## The Skills Gap

The BC Labour Market Outlook predicts that between 2016 and 2020 the demand for workers in BC will outpace supply. This difference between supply and demand is called the Skills Gap. Our aging population, combined with the increasingly higher levels of knowledge and skills needed to be competitive in the global economy, are driving the demand for more job-ready college graduates.

Already 1 in 3 employers say they cannot find the skilled workers they need to fill jobs. We must plan and invest now to ensure that BC has graduates with the right skills and education to close the Skills Gap.

The Conference Board of Canada estimates that the Skills Gap has cost the Ontario economy up to \$24.3 billion in foregone GDP and \$3.7 billion in provincial tax revenue. BC's economy is one-third the size of Ontario's - potentially that's \$1.25 billion in lost tax revenue, more than BC's current deficit.

## Opportunities for BC's Colleges

BC's colleges, in partnership with industry, power regional economic activity and provide students with relevant training and education close to home allowing them to capitalize on the jobs and careers most in demand.

The challenges and opportunities facing the province call for a multi-year investment plan for the BC college system to produce the skilled workers required for BC's economy.

Read on to see where our colleges can make a significant impact.



# #1 Ensure A Skilled And Educated Workforce For British Columbia

College graduates will be essential to BC's economic growth and prosperity.

- BC's labour market forecasts suggest that by 2020 the need for workers with advanced education will exceed the capacity of the BC system by over 11,000 college and university graduates annually<sup>1</sup>
- Currently, BC's colleges produce over 14,000 graduates annually with credentials awarded in baccalaureate degrees, diplomas and certificates.
- Our college graduates – nurses, business managers, tradespeople, paraprofessionals, healthcare technicians, and other highly trained and educated students – are job-ready, career-oriented and equipped with the essential skills to take on the challenges of the new economy.

## INVESTMENT BY GOVERNMENT IS REQUIRED TO:

Produce 2,000 more college graduates per year in areas immediately required by the BC economy.

- With this investment, BC's colleges will produce an additional 2,000 graduates annually by 2020, an increase of 14 per cent.
- These additional graduates will ensure a supply of critically needed skilled and educated workers to help solve skills shortages in key employment areas including: business and management, health, engineering, applied sciences, social services, technology and skilled trades.
- This investment is based on a realistic and scalable growth strategy reflective of the government's current financial position and mandate to achieve a balanced budget. This investment is strategically targeted to generate the skilled and educated workforce required for BC's economic prosperity. A more aggressive investment would allow for more capacity in the college system and more graduates over a faster timeline.

**ASK:** \$6.5 M in additional funding for 2014/15, increasing to \$47.5 M in 2019/20.

# #2 Build Strong And Vibrant Communities In BC

BC's colleges create positive economic benefits for communities by providing access to quality and affordable education close-to-home that generates huge benefits to each region.

- Through better access initiatives our colleges can serve more students closer to where they live and provide education and training that is most relevant to regional needs.
- There are campuses and learning centres in over 60 locations throughout BC.
- More locations mean more students can keep costs down by studying closer to home.
- Research shows graduates are more likely to work where they've studied.
- The fiscal and social well being of local communities is positively impacted.
- More investment to improve rural infrastructure and access and increase Internet connectivity will help to deliver online and technology assisted courses and drive innovation.

## INVESTMENT BY GOVERNMENT IS REQUIRED TO:

- Upgrade aging facilities and services to better serve communities and improve access and affordability for students.
- Support infrastructure, Internet connectivity and on-line learning.
- Increase access for immigrants, Aboriginal learners and other under-represented groups.
- Stimulate innovation and commercial growth for industry and SME.

**ASK:** \$7.0 M in 2014/15 increasing to \$12.0 M in 2019/20.

# #3 Enhance BC's Competitive Advantage in Knowledge and Skills

Skilled and educated workers are the 21st century's most critical resource.

- Our colleges offer individualized attention, flexible programming and relevant training to transition British Columbians into the workforce quickly.
- Investing in education, training and applied research and innovation will improve BC's competitive advantage.
- BC's colleges provide transformational learning and help students develop the skills they need to get on the right career path, find a job or acquire knowledge to enhance their life and career.
- Approximately 90 per cent of college graduates successfully transition to the labour force within 6 months of graduation.
- BC's colleges are responsive to the ever-changing workforce landscape.
- College students obtain specific skills and knowledge as well as the ability to think critically, act socially and adapt to new challenges.
- Additionally, BC's colleges teach literacy and essential skills to help people evolve with their jobs, be more productive and adapt to workplace change.
- More annual investment in equipment renewal and essential skills will help drive BC's competitive advantage.

## INVESTMENT BY GOVERNMENT IS REQUIRED TO:

- Upgrade teaching and training equipment.
- Introduce essential skills strategy to improve student success and increase worker productivity.

**ASK:** \$10.0 M annually in equipment renewal & a \$3.0 M essential skills pilot to help drive BC's competitive advantage.

<sup>1</sup> This estimate is derived from BC Labour Market Forecasts compared to current number of graduates produced annually in BC.

# Investment in BC's Colleges Provides An Excellent Return

## BC'S COLLEGES ARE THE MOST ACCESSIBLE AND AFFORDABLE POST-SECONDARY EDUCATION PATHWAY FOR ALL BRITISH COLUMBIANS.

- Tuition cost at a BC college vs. a BC university: 35 – 45% less.
- Return on every \$1 of taxpayer support: \$3.80.
- Combined annual contribution of BC's public colleges and their graduates: \$7.7 billion.
- College graduates are reducing the skills gap and providing an educated and skilled workforce.
- Continued investment in BC's colleges will result in a better standard of living, reduce social costs, ensure labour market demands are met and create vibrant and sustainable communities throughout BC.

## BC's Colleges Multi-Year Investment Summary

The following multi-year investment summary is based on a realistic and scalable growth strategy that would generate an additional 2,000 graduates and provide the necessary services to support the education and training necessary to increase BC's economic prosperity.

Multi-Year Investment Summary	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	(M)	(M)	(M)	(M)	(M)	(M)
Skilled & Educated Workforce	\$6.5 M	\$15.4 M	\$24.4 M	\$33.3 M	\$40.4 M	\$47.5 M
Strong & Vibrant Communities	\$7.0 M	\$9.0 M	\$9.0 M	\$12.0 M	\$12.0 M	\$12.0 M
Competitive Advantage	\$13.0 M	\$10.0 M				
<b>Total</b>	<b>\$26.5 M</b>	<b>\$34.4 M</b>	<b>\$43.4 M</b>	<b>\$55.3 M</b>	<b>\$62.4 M</b>	<b>\$69.5 M</b>

### Opportunity #1:

Ensure A Skilled & Educated Workforce For British Columbia By Producing 2,000+ Graduates Annually

Base (13/14)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>2013/14 Budget:</b> \$383.0 M						
New Funds over 2013/14 Base	\$6.5 M	\$15.4 M	\$24.4 M	\$33.3 M	\$40.4 M	\$47.5 M
<b>Total Budget</b>	<b>\$389.5 M</b>	<b>\$398.4 M</b>	<b>\$407.4 M</b>	<b>\$416.3 M</b>	<b>\$423.4 M</b>	<b>\$430.5 M</b>
% Increase over base	1.7%	4.0%	6.4%	8.7%	10.5%	12.4%
<b>Grads in 2011/12:</b> 14,140						
Additional Grads over 2011/12	275	650	1,025	1,400	1,700	2,000
<b>Total</b>	<b>14,415</b>	<b>14,790</b>	<b>15,165</b>	<b>15,540</b>	<b>15,840</b>	<b>16,140</b>
% Increase over base	1.9%	4.6%	7.2%	9.9%	12.0%	14.1%
Additional FTE's Produced <sup>1</sup>	907.5	2,145	3,382.5	4,620	5,610	6,600

### Opportunity #2:

Help Build Strong & Vibrant Communities In BC By Enhancing Capacity And Improving Retention

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Infrastructure and internet connectivity plus online and technology assisted courses	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M
Matching Program for Innovation	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M	\$3.0 M
<b>Sub Total<sup>2</sup></b>	<b>\$6.0 M</b>	<b>\$6.0 M</b>	<b>\$6.0 M</b>	<b>\$6.0 M</b>	<b>\$6.0 M</b>	<b>\$6.0 M</b>
Access to regional campuses	\$1.0 M	\$3.0 M	\$3.0 M	\$6.0 M	\$6.0 M	\$6.0 M
<b>Total</b>	<b>\$7.0 M</b>	<b>\$9.0 M</b>	<b>\$9.0 M</b>	<b>\$12.0 M</b>	<b>\$12.0 M</b>	<b>\$12.0 M</b>

### Opportunity #3:

Enhance BC's Competitive Advantage in Knowledge & Skills By Investing In Equipment Renewal & Essential Skills

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Equipment Renewal for Teaching & Training	\$10.0 M					
Essential Skills	\$3.0 M					
<b>Total</b>	<b>\$13.0 M</b>	<b>\$10.0 M</b>				

<sup>1</sup> Colleges in BC are funded by Full Time Equivalent (FTE) students and on average there are 3.3 FTE students per graduate. The New Funds over 2013/14 Base for each year are calculated as follows: # of new graduates x 3.3 FTE students per graduate x the average FTE funding rate of \$7,200. FTE funding rates may need to be adjusted by program area if growth is predominately in higher cost programs.

<sup>2</sup> Investment in these 2 areas could be provided through one-time allocations into appropriate funds that would sustain the respective programs (for example: the Leading Edge Endowment Fund).