



National Association of Career Colleges

A National Voice since 1896

STUDENT GRANTS AND WORKFORCE READINESS

Submission to the Standing Committee on Finance's
pre-budget consultations in advance of the 2026
federal budget

By: National Association of Career Colleges

Recommendation 1

Restore fairness and student choice to the Canada Student Grant for Full-Time Students by applying the same rules to career colleges as public institutions. Budget 2025 eliminated Canada Student Grants for Full-Time Students attending regulated career colleges.

Recommendation 2

Expand the student loan forgiveness framework for programs identified as crucial to workforce needs in urban and rural communities. Targeted loan forgiveness and long-term stability in the student aid system could be financed by reintroducing student loan interest for study programs.

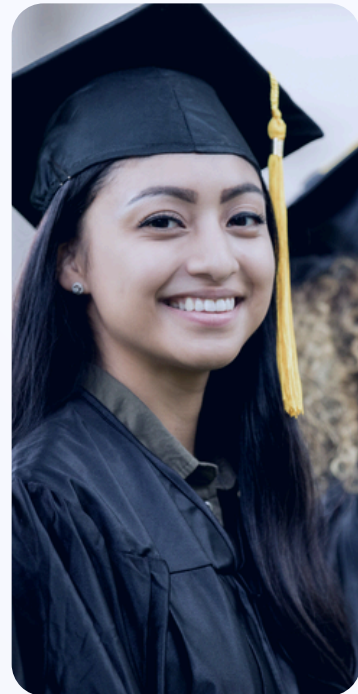
Recommendation 3

Establish a working group to identify workforce development needs in Canada that assist the targeting of student loan forgiveness, access to the Canada Student Grant for Full-Time Students and other labour force needs. This group should consist of industry partners, various levels of government, the National Association of Career Colleges, and regulated career colleges.

Background

Canada is facing significant economic pressure, including rising living costs, labour shortages, and growing demands in healthcare, childcare, housing, infrastructure, and economic growth. Addressing these challenges requires a skilled, adaptable workforce that can enter the labour market quickly.

The National Association of Career Colleges (NACC) is concerned that changes announced in Budget 2025 will undermine these objectives by greatly restricting access to the Canada Student Grant for Full-Time Students (CSGFTS) for those attending regulated career colleges. The policy creates a two-tiered education system that limits student choice and disproportionately affects learners based on location and educational needs. While the government later announced its intent to introduce exemptions for programs such as paramedicine, practical nursing, early childhood education, and dental hygiene through its consultation process, restrictions on other programs risk limiting access to training, delaying workforce entry, and worsening labour shortages.



NACC urges the Government of Canada to restore fairness and work collaboratively with the career college sector to ensure student financial assistance supports accountability and access to high-quality, job-ready training aligned with labour market needs regardless of institution type. Career college students often require greater flexibility and faster training because their work and family responsibilities are not well aligned with the public system. The CSGFTS is used by regulated career college students enrolled in programs that require advanced competencies, enabling them to improve their economic prospects and, in turn, contribute greater tax revenue. The recent policy change eliminates this option for this unique cohort and may result in students choosing to study less advanced programs, potentially resulting in lower earning potential; or choosing not to study at all if they do not have access to public colleges (e.g., family responsibilities, rural/remote, etc.).

Career Colleges Deliver Employment-Focused Outcomes for Non-Traditional Learners

Based on polling of career college graduates conducted by Nanos Research:

71% of employed graduates work in positions related to their field of study, an additional 10% work in somewhat related fields.

30% of graduates secure employment before graduation, and 62% are employed within three months.

34% are hired by the organization where they completed a practicum or internship.

Graduates reported costs and financial constraints as the chief concern regarding post-secondary programs.

Source: Nanos (2025). *NACC 2025 Career College Graduate Survey Results*.

This underscores the importance of connecting motivated learners with reliable funding options to ensure labour market demand is met.

Career college students are not the same demographic as those who attend public institutions, for example:

70%

are Female

57%

are over the age of 30

52%

are first-generation immigrants

40%

have dependents

50%

attended another post-secondary institution

Source: Survey of member institutions

Restricting the CSGFTS for these demographics may hamper their ability to upskill or reskill to improve their economic prospects, however loan forgiveness is an opportunity to help them while meeting labour market demands.

Career colleges often offer greater flexibility and accelerated timelines to meet the needs of their students. They do so while maintaining a high quality of education, as evidenced by graduates' ease of finding employment in their field of study and their ability to achieve third-party credentials for regulated professions.^[1]

According to the 2023–2024 Canada Student Financial Assistance Annual Report, 20% of post-secondary students who relied on student aid attended regulated career colleges.^[2]

This underscores the scale of impact and the importance of maintaining equitable access to financial support. Heavily restricting the CSGFTS at career colleges risks harming the atypical students who benefit most from innovative educational opportunities offered by regulated career colleges. On the other hand, loan forgiveness for in-demand fields would help lower barriers to economic improvement for this group, even for programs that do not meet the full-time student grant thresholds.



[1] Nanos (2025). [NACC 2025 Career College Graduate Survey Results](#).

[2] ESDC (2025). [Annual report 2023-2024: Canada Student Financial Assistance Program](#), p.17



Unanimous HUMA Committee Report

The Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) unanimously called on the Government of Canada to reconsider its policy decision restricting Canada Student Grants based on institution type and to better align federal eligibility with provincial and territorial decisions.^[3]

This unanimous report tabled in Parliament on March 11, 2026, reflects a growing recognition that the current policy risks unintended consequences for access to skills training at a time when Canadians can least afford it. This policy shifts the burden of financing education from government to students where labour market gaps exist. This decision has ultimately forced future workforce contributors to reconsider options for training and employment, leaving our country at a disadvantage. In many cases, students may opt to delay their training, or worse, not enroll at all. It also signals an opportunity for the Government to revisit the policy in a constructive, evidence-based manner.

[3]HUMA Committee (2026). [Seventh Report – Distribution of Federal Student Grants.](#)

Canada Needs Skills Fast – Career Colleges Offer Innovative Programs to Meet Canada’s Economic and Healthcare Needs

Canada is under real pressure. Governments are working to deliver on priorities such as healthcare, childcare, housing, and infrastructure while managing fiscal constraints. At the same time, employers across sectors continue to face persistent and, in many cases, worsening labour shortages. This creates a clear imperative: Canada needs more skilled workers, and it needs them quickly.

The proposed CSGFTS changes will exacerbate workforce shortages across Canada. According to Nanos Research, nearly half of all Career College students in Canada (42.8%) are enrolled in programs to deliver and support the healthcare needs of Canadians.

Recently announced exemptions do not go far enough to address the needs of many other professions in our healthcare sector. The changes to the CSGFTS will increase direct costs to regulated career college students studying to become massage therapists, physiotherapy assistants, dental assistants, and Health Information Management Support Workers in many provinces; likely resulting in fewer future workers. Targeted loan forgiveness would encourage uptake of not only these programs affected by the changes to the CGFTS but also encourage more students to study Personal Support Work who are unaffected by these changes. Reversing recent changes to the CGFTS or exempting these key programs in addition to targeted loan forgiveness would provide support Canada’s aging population and enhance preventive care.

To meet its economic priorities to accelerate housing construction and deliver on major infrastructure projects, the federal government must ensure financial supports reflect the full range of in-demand trades, not just those prioritized in the Spring Economic Update 2026. While many skilled trades already fall under the Red Seal program, Canada’s labour needs extend beyond these designations. Broadening access to the Canada Student Grant or providing loan forgiveness to students training in other essential, non-Red Seal construction and support roles (e.g. framers, concrete labourers, scaffolders, land survey technicians and HVAC technicians) would help remove financial barriers and ensure the talent is in place to build more homes and deliver major projects at the scale and speed required. Focusing funding only on Red Seal trades overlooks a significant portion of the workforce needed to deliver housing and infrastructure at scale.



In addition to the healthcare and construction sectors, Canada's career colleges offer programs to quickly train Canada's workforce in other areas aligned with federal government priorities, including:

Childcare (early childhood educators and early childhood assistants), which can help address critical shortages of care providers across the country, to better support the Canada-Wide Early Learning and Child Care System.^[4]

Cybersecurity and information technology, which can support the Government's AI and Defence strategies.

Community services and public safety roles (mental health, addictions, settlement, and employment services workers) to help address the toxic drug crises and support the Government's pledge to get smart on crime.

Career colleges play a critical role by providing accelerated, practical, job-ready training that allows learners to enter or re-enter the workforce quickly and at a pace determined by the learner while balancing full-time work or family obligations. They complement public colleges and universities by increasing capacity and offering flexible programming responsive to labour market demand. In some rural and remote areas of our country, career colleges are the only option for learners seeking to upskill or retrain for a new job without having to leave their home to study.

Restricting access to student financial assistance for learners in these programs risks slowing the very workforce pipeline Canada depends on, while targeted loan forgiveness is an opportunity to encourage students to choose in-demand careers.

[4] One study estimates Canada needs 32,000 additional educators to meet the minimum goals. See, [Canada's Children Need a Professional Early Childhood Education Workforce](#).

A Constructive Path Forward

NACC recognizes the importance of accountability in student financial assistance and supports the government's goal of restricting access to Canada Student Grants to programs that align with labour market needs. However, these restrictions should be limited across the board to all institution types, whether private or public. Grants must follow students, not institution types. All students deserve to choose an institution based on their individual needs.

There is an opportunity to strengthen oversight and ensure program integrity without limiting access to high-quality training, including:

- 1 Enhanced outcome measurement and reporting
- 2 Targeted eligibility criteria for all students, tied to labour market demand
- 3 Strengthened compliance mechanisms within existing regulatory frameworks
- 4 Continued collaboration with provinces, which already regulate career colleges

If fiscal measures are required, student loan interest could be reintroduced for programs not well aligned with labour market priorities to offset targeted loan forgiveness and avoid reducing grant availability.

Conclusion

Canada's economic and social priorities depend on a skilled workforce that can be trained and deployed quickly. Career colleges are already delivering this need, providing job-ready graduates in sectors critical to our country's success. Restricting access to student grants for these learners may generate limited fiscal savings in the short term, but it risks creating broader economic costs through reduced training participation and slower workforce entry.

Canada needs flexibility, multiple pathways, and affordability in skills development. Student financial assistance should support these objectives, not limit them.

NACC stands ready to work with the Government of Canada to ensure that policies support both accountability and access, and that Canada's workforce remains strong, responsive, and ready to meet the challenges ahead.

Thank you for your consideration.



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