



December 16, 2013

Dear EO Service Provider,

Your organization received an email from the Ministry of Training, Colleges and Universities titled “Building Skills Together” regarding Ontario’s continuing negotiations with the federal government on labour market funding agreements. I am writing to provide you with additional information about the operational impacts that may occur if the Labour Market Agreement (LMA) expires on March 31, 2014 without the parties entering into a new agreement that supports Ontario’s existing programs.

Many of Ontario’s employment and training programs are partially funded by the federal government through various federal-provincial agreements. Funding from the LMA plays a significant role in supporting the following programs:

- Employment Benefits for Persons with Disabilities through the Ontario Disability Support Program;
- Employment Assistance and Employment & Participation Benefits through Ontario Works
- Apprenticeship Training;
- Second Career;
- Employment Services offered through Employment Ontario, such as free personalized counselling to find work, advice on further training and education, and incentives for employers to hire and train workers;
- Literacy and Basic Skills;
- Programs for immigrants, including Bridge Training and Language Training;
- Summer job programming for youth.

Any changes to funding or program eligibility in these agreements could significantly affect the delivery of Employment Ontario (EO) services across the province. While no decisions have been made, this could mean that any current or future agreements between your organization and the Ministry of Training Colleges and Universities to provide employment and training programs could be impacted or even terminated.

As you are aware, the federal government is proposing the creation of the Canada Job Grant (CJG) funded through a 60 per cent carve-out from the LMA, which would equal roughly \$116 million in Ontario at maturity. In addition, the Province would be obligated to provide matching funding. Removing 60 per cent of LMA funding from programs and services that serve clients not eligible for Employment Insurance will no doubt have a serious effect on Ontario’s labour market economy.

As Minister Duguid wrote to you on December 6, 2013, Ontario's people and economy are diverse, and together, in cooperation with our service providers, we strive to deliver training programs that meet the unique needs of our province's regions, employers and jobseekers – including youth, recent immigrants, Aboriginal people, long-term unemployed and people with disabilities. We work hard to develop and maintain a suite of programs that achieve results, including programs that help those furthest from the labour market with access to opportunities in education, apprenticeships and the skilled trades.

The ministry agrees that employers should play a stronger role in supporting training. Employers are a key partner in ensuring that their own employees reach a successful labour market outcome. That said, the EO suite of employment and training programs cannot focus solely on clients who have employers willing to sponsor their training. Employment Ontario supports, services and programs need to also concentrate on vulnerable clients requiring assistance in accessing the labour market.

I hope this letter helps to clarify the potential operational impacts of the federal government's proposed changes to the LMA and the challenge they present to our ability to meet the diverse needs of our most vulnerable clients. Our economy is stronger when everyone has the opportunity to find work and contribute to the province's growth.

While I cannot predict the timing and nature of program impacts, I will keep you informed as negotiations proceed.

Sincerely,



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Employment and Training Division

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