

**Ministry of Training,  
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**Ministère de la Formation  
et des Collèges et Universités**

Ministre

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Ontario

December 9, 2013

Ms. Fern Dominelli  
Director Social Services  
Manitoulin/Sudbury District Social Services Administration Board  
210 Mead Boulevard  
Espanola ON P5E 1R9

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Dear Ms. Dominelli,

Since I last wrote to you in June 2013, there have been updates to Ontario's efforts to renew its Labour Market Agreement with the federal government. In July 2013, the Council of the Federation met, and premiers from all provinces and territories across Canada were unanimous in their concern with the proposed Canada Job Grant.

In September, I discussed our approach to these negotiations with municipal leaders at a standing meeting with the Association of Municipalities of Ontario. I also met with the Forum of Labour Market Ministers, an organization of ministers from other provinces and territories who have responsibility for training and employment.

Based on our shared views, all of Canada's provinces and territories released a report, "Building Skills Together," which outlines our success delivering the literacy and foundational skills programs that are critical to helping people facing barriers find work. We have achieved these successes through the shared funding between the federal and provincial government under the current Labour Market Agreement and it is our hope that this funding continues.

A copy of this report is included with this letter. It is also available online at <http://www.tcu.gov.on.ca/eng/labourmarket/BuildSkills.html>. I encourage you to share the report with members of your organization and others.

On November 8, 2013, my provincial-territorial counterparts and I met with Jason Kenney, Canada's Minister of Employment and Social Development. Ensuring that all of Ontario's job seekers have the opportunity to participate in the labour force remains a priority for me and Premier Wynne. This is why I made it very clear to Minister Kenney that any renegotiation of a Labour Market Agreement must preserve and broaden our ability to deliver a wide range of employment and training programs, particularly those that link training to labour market demand. We need our training programs to continue to meet the unique needs of our province's regions, businesses and people, including segments of the population that face complex barriers to employment - youth, newcomers, Aboriginal people, long-term unemployed and people with disabilities.

Throughout the meeting, my counterparts and I remained steadfast in agreement that we cannot support any program that is funded on the backs of our most vulnerable workers, such as the current Canada Job Grant proposal. Simply put, this grant will place the Employment Ontario network and the province's successful employment services and training programs at risk.

Canada's premiers reaffirmed this message when they met for the Council of the Federation on November 15 in Toronto and discussed these important negotiations. Every premier agreed that provinces and territories cannot move forward with the Canada Job Grant as proposed. They have asked provincial-territorial ministers to develop an alternative proposal to present to Minister Kenney.

This work is moving very quickly. This alternate proposal is going to be based on the feedback we have received from stakeholders, including our service delivery partners.

In the past few months, employer groups have told me that the proposed Canada Job Grant may prove impractical for small- and medium-sized businesses. They do not have the same resources as larger businesses to manage the cost and red tape that would accompany this federal initiative.

Organizations that are part of the Employment Ontario network have also written me to say that stable and predictable funding is essential to ensure that both job-ready as well as vulnerable workers receive the training and supports they need to succeed in the 21<sup>st</sup> century global economy.

Minister Kenney has said that the federal government is open to exploring changes to their proposal to better meet the needs of provincial and territorial labour markets. Ontario is committed to working with the federal government to come to an agreement that works for jobseekers and employers. However, there remains a real risk that our successful programs could be impacted by federal government policy.

Please talk to your colleagues, clients, and members and let them know what is at stake.

If you have not already done so, I also urge you to write to your federal Member of Parliament and your Member of Provincial Parliament to tell them the federal government's proposals would impact you and your clients. Your input can help us negotiate a workable agreement for Ontario.

Included with this letter is a fact sheet on Ontario Employment and Training Programs to show how we allocate funding and how programs could be affected by the federal government's proposal. You can also share your thoughts on these proposed changes at with us directly [jobtraining@ontario.ca](mailto:jobtraining@ontario.ca).

Sincerely,



Brad Duguid  
Minister

## ONTARIO EMPLOYMENT AND TRAINING PROGRAMS AND FEDERAL-PROVINCIAL FUNDING ARRANGEMENTS

Ontario delivers employment and training programs designed to address the diverse labour market needs of the province.

This includes programs delivered through Employment Ontario such as Second Career, Literacy and Basic Skills, and the Employment Service that help unemployed workers upgrade their skills and find jobs.

It also includes specialized services funded by various Ontario ministries for vulnerable workers such as immigrants, Aboriginal peoples, social assistance recipients, persons with disabilities, and others who need additional support.

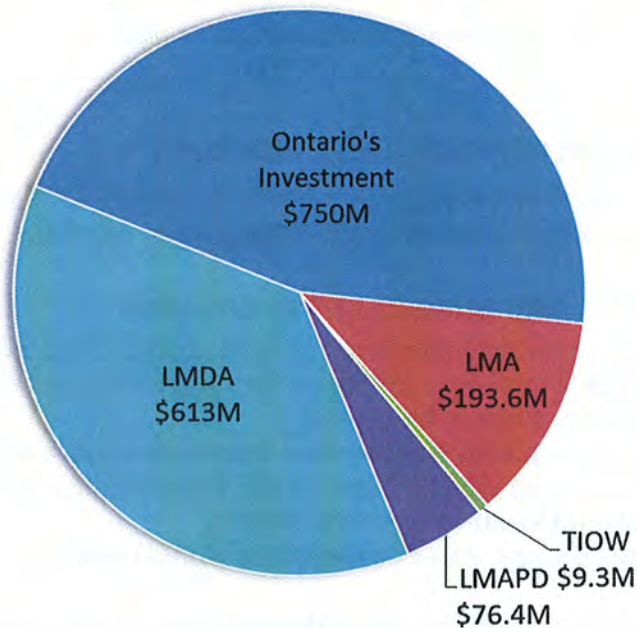
Some of these programs are currently paid for, in whole or in part, through the following federal funding agreements:

- Labour Market Agreement (LMA) for clients not eligible for Employment Insurance;
- Labour Market Development Agreement (LMDA) primarily for clients eligible for Employment Insurance;
- Labour Market Agreement for Persons with Disabilities (LMAPD); and
- Targeted Initiative for Older Workers (TIOW).

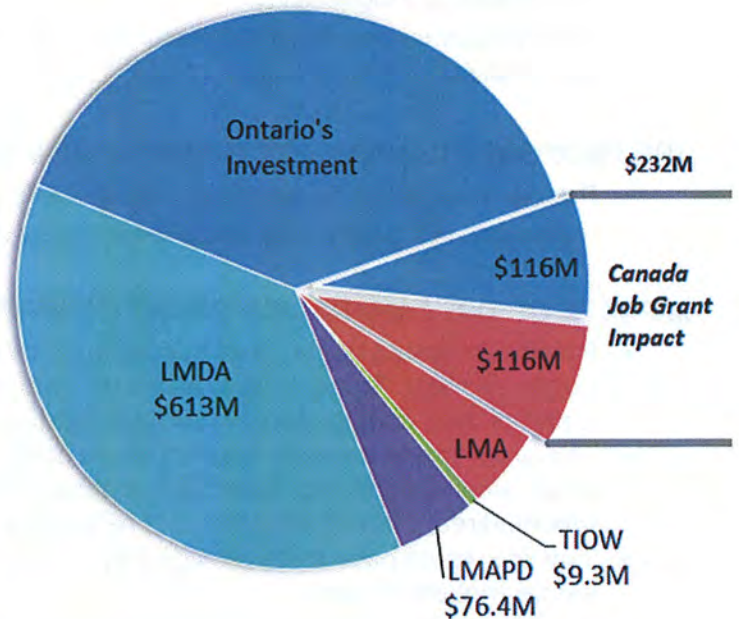
*The LMA, LMAPD, and TIOW are set to expire on March 31, 2014.*

**Based on statements in the 2013 Federal Budget, a Canada Job Grant would largely replace the LMA and cut \$232M annually from existing programs.**

**Current Source of Funding for Ontario  
Labour Market Programs, 2012-13**



**Potential Impact of Proposed  
Canada Job Grant**





**If LMA funds are redirected to the Canada Job Grant, the following programs are most at risk of seeing cuts:**

- 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

**THE 2013 FEDERAL BUDGET ALSO ANNOUNCED PLANS TO RESHAPE THE LMAPD AND LMDA – OTHER PROGRAMS AT RISK:**

**Labour Market Agreement for Persons with Disabilities (LMAPD) supports:**

- Employment and Income Supports through the Ontario Disability Support Program
- Addiction supports that help prepare individuals for employment through Ontario Works
- Community Participation Supports
- Community mental health programming
- Accessibility supports for postsecondary education students with disabilities

**Labour Market Development Agreement (LMDA) provides funding primarily for clients who are eligible for Employment Insurance:**

- Employment Services offered through Employment Ontario, such as free personalized help to find work, advice on further training and education, and incentives for employers to hire and train clients
- Second Career
- Apprenticeship Programming
- Other programs, including Job Creation Partnerships, Self-Employment Benefit, and Labour Market Partnerships

**THE PROPOSED CANADA JOB GRANT WOULD NOT HELP UNEMPLOYED WORKERS**

- People *must* either be working or would have to find an employer to be eligible for support through a Canada Job Grant. This would leave many unemployed Ontarians without access to training.

**IMPACTS OF THE CANADA JOB GRANT ON WORKERS AND BUSINESSES IN ONTARIO**

- Employers would be required to contribute cash to cost-match the Grant (in-kind contributions would not be eligible). Some small businesses would be able to claim a portion of their trainee wage costs as a part of their contribution. No other in-kind contributions would be eligible.
- The grant would primarily support direct costs of training. Only Employment Insurance-eligible clients could receive additional financial supports. This would not provide the daycare, transportation or other indirect training supports that help many vulnerable workers access training.
- Training would have to be provided by community colleges, career colleges, or a union training centre (not employers).
- Ontario would not be able to use the funding to design programs that address its own labour market needs.