



**Learning Networks
of Ontario**

**Budget Initiative Funding
Position Paper #1**

Ministry of Training, Colleges and Universities (MTCU)

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Member of the Learning Networks of Ontario

~ Your Gateway to Skills for Work, Learning and Life ~

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EMPLOYMENT ONTARIO

Introduction

Our workforce and productivity in Ontario is at risk. Literacy and Basic Skills (LBS) agencies are under siege and trying to deal with an impending funding shortfall. A scheduled end to funding in March 2011 will leave thousands of displaced workers and at-risk workers without upgrading and training programs, which are bridging them to employment, postsecondary and skilled trades training. It will also affect adults in Second Career during the upgrading stage of their training plan.

On March 26, 2009, the Province of Ontario announced that it would expand training and literacy programs. The 2009 Ontario budget detailed the scope of this expansion, noting that \$90 million over two years would be provided to expand literacy and basic skills training, including funding for community projects, distance learning and workplace literacy.

This investment in training and literacy programs was the first increase in funding to the overall sector in over 10 years.

This investment, referred to as Budget Initiative Funding (BIF), started to flow to organizations across Ontario in September 2009. The funding provided for an investment of \$25 million in colleges, school boards and community literacy organizations in the Employment Ontario Network to help laid-off workers and other adult learners train for highly skilled jobs. Literacy agencies used the investment to: serve over 13,000 more adults (e.g. laid-off workers, Second Career participants); increase class sizes and programs; expand online learning; and upgrade technology and learning resources.

This two-year funding is slated to come to an end on March 31, 2011.

Recommendation

That the two-year enhanced provincial investment in Literacy and Basic Skills (LBS)/ Academic Upgrading (AU) training (through Budget Initiative Funding) be converted to permanent, core funding at the current level of enhanced investment. Options for sources of continued funding include the Labour Market Partnership Agreement, which established a commitment of \$141 million over 6 years for literacy and Essential Skills.

Quick Facts

The additional investment in Literacy and Basic Skills is important.

- A. The additional investment in Literacy and Basic Skills was anticipated to help up to 13,000 people per year prepare for more highly skilled jobs, allowing for a total of 61,000 learners across Ontario to access literacy, basic skills and academic upgrading programs each year.
- B. Prior to 2009, Literacy and Basic Skills programs had not received an increase in funding for over 10 years and many of the programs across Ontario were oversubscribed.
- C. Even with the additional investment, because the economy is still struggling to recover and displaced workers are still in the midst of updating or acquiring skills, many Literacy and Basic Skills (LBS)/ Academic Upgrading (AU) programs across Ontario continue to be oversubscribed. For example, classes that are designed to accommodate 10 learners have over 20 individuals in them. Some communities have monthly wait lists, as high as 200 adults per month. In addition, many LBS/AU programs offset literacy program costs with other funding, fundraising efforts, or in-house support.
- D. Literacy and Basic Skills/ Academic Upgrading programs are scheduled to take on a completely new Ontario Adult Literacy Curriculum this fall, just as funding is winding down and staff layoffs will be put into effect.

Literacy services continue to be a need in Ontario.

Literacy and Basic Skills programs provide the foundational skills that assist people in accessing postsecondary education and training. Literacy services are still needed because

- 3.4 million Ontario adults have literacy levels at less than a high school level
- 47% of adult Canadians lack the skills necessary to function in everyday life
- 43% of Canadians with low literacy proficiency are not active in the labour market - this compares to 23% of Canadians with higher levels of literacy proficiency
- 70% of new jobs are expected to require postsecondary education and training by 2020. Literacy and Basic Skills (LBS)/Academic Upgrading (AU) programs help adults prepare to get their Ontario Secondary School Diploma or equivalent and/or access postsecondary education and training (for example, apprenticeship, university, college, and industry professionals). LBS and AU programs also prepare learners for direct entry into employment.

Literacy is a requirement for sustainable employment – if individuals cannot read, write, and calculate, they may find themselves unemployed again.

Literacy and Basic Skills/Academic Upgrading programs help adults to increase their Essential Skills to prepare for employment, further education and training, and greater productivity.

Background

Literacy and Basic Skills training plays an important role in strengthening Ontario's workforce and educational systems.

A number of key trends may impact the strength of Ontario's workforce.

Shortfall in the Availability of Workers

During the next 20 to 30 years there will be an acute labour shortage in the Canadian labour market. With the aging population, there will be a significant decline in the proportion of our population in the prime working years (15 to 64 years) by 2031. This is due to the progressively lower birth rates in Canada over the last 40 years and the impending retirement of those in the baby boom generation. It is projected that this

shortfall could range anywhere from 200,000 to 1.8 million people across Ontario. This is a labour shortage.

Changing Requirements of the Labour Market

The requirements of the labour market are also changing. With the emergence of the knowledge economy, the proportion of the labour force requiring some form of education or training beyond high school will increase dramatically. It is estimated that by 2031 Ontario will need 77% of its workforce to have post-secondary credentials (for example, apprenticeship, university, college, industry, and professional). Right now, Ontario stands at approximately 60%, with 25 to 34 year olds at just over 66%. (Source: *People Without Jobs, Jobs Without People: Ontario's Labour Market Future*, Rick Miner, February 2010)

If nothing is done to combat this, there will be a situation where large numbers of people will be unable to find work as they lack the skills required. At the same time, a large number of jobs will be unfilled as there are no skilled workers qualified to fill them.

The \$25 million provincial investment has allowed Literacy and Basic Skills agencies to expand their capacity in providing literacy and essential skills training and also to enhance the services they provide to Employment Ontario clients.

Through the expanded funding Literacy and Basic Skills agencies have

- increased their service delivery capacity through hiring new instructors, adding training hours, opening new program locations and expanding existing facilities
- enhanced the services available through Employment Ontario by creating and delivering new types of programming and by enhancing learning resources (for example: math support, occupation specific skills modules, computer literacy classes, etc.)

The increased funding can't be stopped - a number of key factors continue to drive the demand for literacy services across Ontario.

- A. In some areas in Ontario, laid-off workers from hard hit industries such as manufacturing have contributed to an unprecedented number of new clients, long waitlists and a considerable drain on the resources of Literacy and Basic Skills agencies. Even with the additional funding, some areas in Ontario are still experiencing waitlists for services (for example: In September 2009 in Southwestern Ontario, over 60% of agencies reported a waitlist even with an increased number of program seats. The system is oversubscribed, even with the additional two- year investment.
- B. Stronger linkages between Employment Ontario partners (especially employment and literacy service providers) have continued and will continue to increase the number of clients being referred from employment services to literacy agencies. These referrals greatly assist clients in increasing their employability and in finding and keeping jobs. Literacy upgrading is also proven to make apprentices more successful in their training. Explicit programs to support apprentices and to support clients with employment goals have resulted in greater EO service integration and the attainment of provincial outcomes.
- C. Literacy and Basic Skills programs are an upgrading strategy for Second Career. They form an integral part of the continuum of services for Second Career clients moving to postsecondary education, training and/or apprenticeship, and improve the completion rate for Second Career clients. Even clients with significant attachment to the workforce often require a period of adjustment in returning to a classroom environment. They need to refresh their basic literacy and numeracy skills to facilitate their success in more advanced learning and training programs. The BIF funding was well timed to support the upgrading requirements of clients who needed to access Second Career.
- D. Many workers are looking for ways to upgrade their skills in preparation for the possibility of layoffs, plant closures and other workplace changes.
- E. Greater numbers of EI clients are entering the literacy delivery system. With the BIF funding, literacy networks and programs have responded to this rising client group and can continue, through more resources, staffing and training, to develop better pathways for EI clients, ensuring better client outcomes.

- F. Ontario Works caseloads are increasing. In some communities, the Ontario Works caseload has risen 20% year over year for the past two years. Historically, Ontario Works clients have been a primary target group for Literacy and Basic Skills/Academic Upgrading programs. The demand from Ontario Works clients for literacy services is increasing and this trend will continue for at least two years.
- G. MTCU has invested in Workplace Literacy and Essential Skills projects over the past two years. These projects have resulted in increased partnerships with employers and increased learners who wish to access Literacy and Basic Skills/Academic Upgrading programs. These additional workplace learners may have no access to services if LBS/AU programs don't continue to receive increased funding, creating gaps in service and potentially negative relationships with employers.
- H. Employers are more selective in hiring and can afford to ask for higher skills and credentials. Literacy and Basic Skills programs respond to these labour market demands.

There are risks to not renewing the additional investment in the Literacy and Basic Skills programs.

The potential impacts of not renewing the additional investment in the Literacy and Basic Skills programs include

- reduced access to Literacy and Basic Skills programs in Ontario - this will have an impact on the employability of Ontarians, as well as their ability to manage their personal and health needs
- reduction of services or loss of programs - some communities will no longer be able to support the range of delivery models (1:1, small group, and classroom), resulting in gaps in service for clients.
- adverse affects on specific learner communities (e.g., Aboriginal) by funding cuts
 - with the increased funding, Aboriginal literacy programs and other more targeted literacy programs have been developed, resulting in more effective programming - these programs will be reduced or cut if additional funding does not continue

- reduced scale of delivery of services - programs will not be able to develop delivery designed to support the broader range of EO services
- loss of the gains LBS programs made in building organizational capacity over the past two years
- reduced ability of LBS programs to engage in long-term strategic planning
- increased exiting of current clients in order to bring client numbers in line with reduced capacity
- increased class sizes due to cuts in service - decreases effectiveness of programming
- reduction of staff in Literacy and Basic Skills agencies
- increased waiting lists or inability to service all learners referred to the programs from other Employment Ontario partners
- decreased delivery capacity in Literacy and Basis Skills agencies will affect the ability to implement new innovations and technology such as e-learning and adaptive technologies
 - MTCU has made considerable investment in its e-Channel Learning Initiative - with less funding and reduced capacity, LBS/AU agencies will struggle to assist clients with e-learning options
- loss of momentum of information sharing between EO agencies
- loss of networking capabilities with current and new partners e.g. Workplace Literacy and Essential Skills (WLES) projects
- less EI clients served due to reduced classes and programs - workers on EI are limited by federal guidelines to less than 17 hour per week of upgrading for their job goal (less in some communities)
- decreased service to the rising numbers of Ontario Works clients who are seeking LBS/AU programming

The continued, enhanced funding of the Literacy and Basic Skills programs will greatly increase the success of implementing the new Ontario Adult Literacy Curriculum (OALC) and the Employment Ontario Information System (EOIS).

Literacy and Basis Skills agencies will need to devote considerable resources to training and orientation for staff so that the Ontario Adult Literacy Curriculum (OALC) and the Employment Ontario Information System (EOIS) can be implemented effectively. A

decrease in funding will reduce agency capacity to respond to the changes involved in implementing the OALC and the EOIS.

The overall positive reception of the OALC could be overshadowed by the cuts in LBS/AU funding, programming, and service delivery.

Literacy is a key driver of success in the Employment Ontario system.

Literacy and Basic Skills/Academic Upgrading programs help to achieve Government of Ontario's goals of: "a more literate Ontario", a "well-educated workforce", "stronger communities", and "strengthen the economy". (Source: Government of Canada website)

Literacy is a key driver of employability and Employment Ontario will not be as successful if there is less capacity in the Literacy and Basis Skills component of the system.

Literacy and Basic Skills programs help to achieve Provincial outcomes of employing Ontarians.

Reducing services to LBS learners will ultimately cost MTCU more money when new services and models of delivery are developed and implemented to serve this client group.

Conclusions

There is a clear and direct link between literacy and employability and a skilled workforce and productivity. Literacy and Basic Skills programs are a key component in supporting Ontarians in their search to find and keep a job.

Ontarians are not just workers. They are volunteers, parents, providers, tenants, caregivers, taxpayers, potential politicians and educators. The return to baseline funding won't just hurt the employability of individuals; it will hurt our communities, our families, our volunteer sector and our health care system. The ability to read and write impacts everything we do as a society - as well as the jobs that people can secure and keep.

The additional two-year investment in training and literacy programs must continue. **Without it, the 13,000 Ontarians a year served with the BIF funding will not be able to access needed programs and services and their journey to employment will be impeded.** LBS/ AU programs cannot provide programs to 60,000+ students with funding for 47,000 students. Demand for upgrading and training remains high by those taxpayers who are trying to rejoin the workforce. LBS/ AU agencies want to help those adults prepare for the future but we need the resources to do it. Please support additional investment into the Literacy and Basic Skills budget.

LBS/ AU programs, with no news about additional funding for the April 2011-March 2012 fiscal year, will have to begin laying off staff, shutting down program sites and exiting adult learners in January 2011.



Putting the
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In
Lifelong
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QUILL Learning Network facilitates the delivery of adult literacy and learning opportunities in Grey, Bruce, Huron, Perth and Northwest Simcoe.

Literacy Programs



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These *Employment Ontario* programs are funded by the Ontario Government.