

A SUMMARY of

Implementing the Canada Job Grant

A cross-country round-up

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**Warning:**

**The Canada Job Fund is evolving. Official information is scant. This document contains information that was accurate as of January 21, 2015.**

**GLOSSARY**

**CJF** - Canada Job Fund

**CJG** - Canadian Job Grant

**ESS** - Employment Services and Supports

**LMA** - Labour Market Agreement

**LMDA** - Labour Market Development Agreement

## INTRODUCTION

The Canada Job Fund, a six-year federal-provincial-territorial agreement, has replaced the Labour Market Agreements as of April 1, 2014. This summary gives details about the processes being developed and implemented across the country to launch the Canada Job Grant. Provinces and territories are responsible for delivering the Canada Job Grant and are at different stages of doing so.

This paper is intended to achieve three objectives:

1. Compare and contrast the ways in which provinces and territories are implementing the Canada Job Grant
2. Provide an overview by Canada Job Grant element and by province and territory on implementation processes
3. Offer a commentary on the differences, similarities, and areas for concern.

The level of detail for each province and territory ranges from a one-page website to hundreds of pages of detailed administrative procedures. The province of Quebec is not included in this review. Quebec's programs were determined to be in line with the principles of the Canada Job Fund and so the agreement signed with Quebec continues the provisions under the former Labour Market Agreement.

At the time of writing this report, no publicly available agreements could be found for North West Territories, Nunavut, Saskatchewan, or Yukon.

As more information is made available weekly, caution must be taken when reading this document as it is based on the information publically available as of December 15, 2014.

## KEY HIGHLIGHTS

All provinces and territories, except Quebec, began implementation of the Canada Job Grant with a start date of July 1, 2014. The implementation processes vary among the provinces and territories. Most jurisdictions have followed the Canada Job Fund Agreement (of which the Canada Job Grant is one component) where it provides direction, though.

- *Eligible recipients* have been restricted to employers located or based in the province/territory in many cases.
- The list of *Eligible trainees* has been given more precision in many jurisdictions with reference to citizenship, eligibility to work in Canada, and the exclusion of temporary foreign workers.
- *Eligible delivery methods* have been enhanced in a few cases with the inclusion of distance and blended learning, and learning that takes place in a training facility.
- A few additions have been made to the list of *eligible costs* (fees and materials).
- All jurisdictions have some requirement that the *training lead to a job* (new or better) as outlined in the agreement.

The Canada Job Grant is based on encouraging employers to take the lead on training. Some provincial and territorial implementation plans might however be seen as intrusive by both employers and their employees. Employers will also need to consider the consequences of receiving government funds.

- Application processes range from simple to onerous. Employers submit application forms ranging from 2 to 14 pages depending on the jurisdictions. In three jurisdictions, quotes for the cost of training are requested.
- The *payment process* in four of five jurisdictions requires the employer to pay the trainer and be reimbursed by the government with most requiring some form of holdback on the final payment until completion of training.
- Only three provinces indicate they have *supports to assist employers* with identifying training needs and developing an application.
- Ontario has the most complex and onerous application, monitoring and reporting requirements.

Reporting requirements may be onerous to provide and possibly seen as intrusive. Employers will also need to consider the consequences of receiving government funds.

- The Canada Job Fund agreement requires *basic reporting* on numbers, pre- and post-outcomes, and satisfaction. Most jurisdictions have added requirements including trainee personal information, activity reports, provisions for maintaining financial

records and in the case of Ontario, a site visit, review of financial activities, and individual training plans.

- Employers must attest, in most cases, that the training will *not displace existing training* or spending on training.
- They are also required to sign an agreement with the province/territory.

The participation of *small business* was an important aspect of the negotiations around the Canada Job Grant with provisions made to ease the cash contribution required to participate.

- Four jurisdictions appear to make no mention of special provision for small businesses.

Applying for a Job Grant has consequences for the individual. The amount of personal information required is, in some cases, extensive and may be seen as intrusive. The requested information is not required by the Canada Job Fund agreement.

The Canada Job Fund agreement is silent regarding types of training, duration, the number of grants per employer, and the number of grants per employee.

- Most provinces and territories have stipulated the *duration of training* as taking place within one year.
- Eight jurisdictions do not specify the *type of training* permitted or allow whatever training the employer determines.
- In most cases, there is no limit on the *number of grants an employer* can receive, although there could be in the future. Where limits exist, they are at \$250,000 to \$300,000 per year per employer.
- How provinces and territories deal with the question of the *number of individual grants* is interesting. Most limit it to one per trainee, although Saskatchewan sets it at one per year. Only Manitoba limits the grant to one per individual.

*Third party trainers*, as determined by the province/territory, are required by the Canada Job Fund. Many jurisdictions have specified eligible trainers, typically post-secondary institutions, private trainers, and labour trainers.

- NWT and PEI leave the decision of the training provider up to the employer.
- In some jurisdiction, private vendors, sector councils, and industry associates are eligible.
- For the most part, non-profit organizations such as literacy groups or employability agencies, are not eligible trainers.

- Although a *credential* is not a requirement of the agreement rather it is a performance indicator, six jurisdictions require a credential or certification and two more will use the credential earned as a performance measure.

As the saying goes, “the devil is in the details.” The implementation of the Canada Job Grant will have twelve variations, giving the grant a different look and feel throughout the country.

# IMPLEMENTING THE CANADA JOB GRANT

## 1. Purpose

The Canada Job Fund agreement states, “The Canada Job Grant provides financial assistance to employers on a cost-shared basis to support the training of Canadians for available jobs.”

For the most part, the provinces and territories follow the national purpose of the Canada Job Grant in their public documents. All provinces and territories stress the involvement of the employer. That involvement ranges from providing financial support to the employer, encouraging employer involvement to placing total decision making in the hands of the employer.

Most provinces and territories link the purpose of the Canada Job Grant to available jobs. New Brunswick, North West Territories, Nunavut, and Ontario focus on employers and their employees while the others speak about available jobs.

## 2. Who Can Apply?

The Canada Job Fund agreements have two categories of eligible recipients:

- 1) *individual employers* in the private and not-for-profit sectors
- 2) *organizations acting on behalf of employers* (e.g. employer consortia, union halls, industry associations and training coordinators) in the private and not-for-profit sectors.

All provinces and territories have the same basic eligible recipients. Nunavut however limits eligibility to employers with less than 50 employees.

Several provinces and territories require the business be based in or have employees in that jurisdiction (AB, BC, NL, NU, PEI, SK).

## 3. Small Business Provisions

The Canada Job Fund agreement provides for a different level of financial commitment for small businesses. For large organizations, the employer contribution must always be in cash. For smaller organizations, the contribution may be made as follows:

- 50 employees or fewer
  - contribute a minimum of 15 per cent of the Eligible Training Costs for any individual’s Job Grant, **or**

- make up to 50 per cent of their required contribution in wages or wage replacement if their total contribution for a Grant (including the wages or wage replacement) is at least 1/3 of the Eligible training costs

No mention is made of special small business provisions in AB, BC, NB, or PEI.

Ontario includes an interesting provision. Should the in-kind contribution of an employer result in not having enough cash to pay the training provider, the government will contribute to making up the shortfall either through the grant itself or through an additional contribution.

#### **4. Who Can Be Trained?**

According to the Canada Job Fund agreements, the following people are the eligible trainees:

- Unemployed individuals who need training to obtain a job
- Under-employed individuals who need training for a better job
- Individuals who are employed but who need training for a better job

In addition, several agreements (AB, MB, NB, NL, ON, PEI) specify additional requirements for trainees as:

- Canadian citizens
- Permanent residents
- Protected persons within the meaning of the *Immigration and Refugee Protection Act* (Canada) entitled to work in Canada

#### **5. Who Can Provide Training?**

The Canada Job Fund agreements provide a simple statement of who can provide training, “a third party trainer as determined by the province/territory.”

Newfoundland and Labrador is the only province that uses only the Canada Job Fund agreement definition of trainer. It refers to a ‘third party provincial recognized training provider.’ NWT and PEI have not specified any training provider save for whomever the employer identifies.

While other jurisdictions may indicate that the employer decides on the provider, they also list types of acceptable providers. Most common providers are post-secondary Institutions (universities, community colleges), private trainers (private vocation institutions, career colleges, private business, product vendors), and labour training (union, trade union training centres, union halls).

## **6. Delivery Methods**

The Canada Job Fund agreement suggests three methods of delivery – classroom, workplace and online.

All provinces and territories include these three methods except for NWT, and PEI which do not specify a delivery method. Some provinces and territories include additional delivery methods: distance (AB), blended (AB, ON), training facility (BC, MB, SK, YK), combination (NU), and other (NU).

## **7. Types of Training**

The Canada Job Fund agreement does not specify the types of training eligible for the Canada Job Grant.

Alberta, NWT, Nunavut, PEI, and Saskatchewan follow the federal lead by not defining the types of training.

Some provinces and territories have explicitly excluded certain types of training: apprenticeship (AB, ON), training for personal interest (BC), any programs currently available without cost including Adult Basic Education (BC), training that is part of regular business operations (NB), training to maintain a worker's existing professional designation (SK).

## **8. Duration of Training**

The Canada Job Fund agreement does not specify the duration of training eligible for the Canada Job Grant.

The majority of provinces and territories specify that the training must be completed within 12 months (AB, BC, NB, NL, ON, SK, YK). Manitoba, NWT, Nunavut, and PEI do not have limits. Alberta and Saskatchewan also state that training must be a minimum of 25 hours.

## **9. Eligible Costs**

The Canada Job Fund agreement outlines four types of eligible costs for the Canada Job Grant:

1. Tuition fees or fees charged by a training provider
2. Mandatory student fees
3. Textbooks, software and other required materials
4. Examination fees

## **10. Post Training Outcomes**

The Canada Job Fund Agreement indicates that the training funded under the Canada Job Grant should lead to available jobs for Canadians.

Most provinces and territories stipulate that the employer must have a job for the trainee, whether they are existing employees or potential employees. BC requires that there be a “guaranteed” job while New Brunswick requires a letter to that effect.

## **11. Credentials**

In the Canada Job Fund agreement, a credential or certification earned is not a requirement but is mentioned as a performance indicator.

Alberta requires that training must result in some sort of credential, defined as record of completion, certificate, grade, or industry recognized credential. Saskatchewan has a similar provision. In BC, New Brunswick, Nunavut, and Ontario, the employer must state the credential to be earned on the application form. In Nova Scotia and Yukon, the credential earned is part of the reporting elements or performance indicator.

## **12. Number of Grants per Employer**

The Canada Job Fund agreement does not limit the number of grants per employer.

There are no limits on the number of grants in BC, Manitoba, New Brunswick, Newfoundland and Labrador, Ontario, PEI or Yukon. Alberta placed a cap of \$300,000 per year per employer while Saskatchewan placed a limit of \$250,000. Most have added a proviso that there could be caps or limits imposed in the future.

## **13. Number of Grants per Participant**

The Canada Job Fund agreement does not limit the number of grants per individual.

There is some variation in how each jurisdiction addressed the number of grants. Alberta, Nunavut, and Yukon limit the grant to one per trainee, while Saskatchewan sets it at one per trainee per year. Newfoundland and Labrador limits it to one grant per employee. BC allows for one grant in a single application. Manitoba allows for one grant per individual. New Brunswick does not mention a limit on the number of grants.

## **14. Reporting Requirements**

The Canada Job Fund agreement outlines some reporting elements. These are:

- Number of employers by size and sector
- Number of participants employed after participation by pre-intervention status – immediately after and 12 months following intervention
- Income and hours worked per week pre- and post-participation by pre-intervention status – immediately after and 12 months following intervention
- Client satisfaction
- Employer satisfaction

Alberta, BC, Newfoundland and Labrador, Nova Scotia, Ontario, Saskatchewan and Yukon have all outlined various reporting requirements. Of these, Alberta, Ontario, and Yukon are quite extensive. Those jurisdictions require employers to complete forms with details including trainee personal information, training outcomes, income, credentials, and satisfaction.

Ontario employers will receive at least one site visit and review of their financial activities.

## **15. Information Collected on Individual Trainees**

According to the Canada Job Fund agreement, provinces and territories are to collect information on the number of clients, their pre-intervention status, and demographic characteristics.

The information collected by the provinces and territories is far more extensive (such as Social Insurance Number, Date of birth, Gender, Employment status, Highest level of education, etc. ).

## **16. Payment Process**

Five jurisdictions outline a payment process; the employer pays the training provider and is reimbursed by the government.

Alberta reimburses one-third of the costs once the grant is approved and detailed information is provided about the participants, and the final one-third at the end of training. Receipts are required.

Ontario will provide 85 per cent of the grant upon receipt of the signed training agreement, valid certificate of insurance, training provider agreement, proof of payment by employer to training provider. Yukon divides its payments into 90 per cent upon signing of agreement and 10 per cent upon completion of activity report.

In BC, employers are reimbursed once training starts, with the caveat that the payments are conditional on the employer meeting all the obligations in the grant agreement. There does not appear to be a holdback in these cases.

## **17. What Happens If Trainee Does Not Complete Training?**

The Canada Job Fund agreement is silent on the question of what happens if the participant does not complete the training.

Alberta provides for the employer to still be reimbursed but must submit the reasons for the non-completion. Other jurisdictions indicate that the employer will not be eligible for reimbursement in the case of non-completion and required to repay any funds already provided.

## **18. Supports to Assist Employers**

Three provinces provide for support to employers to access the Job Grant, or are in the process of doing so: BC, Manitoba and Ontario.

## **19. Application Requirements – (A) Applicant Information (i.e. Employers)**

Application forms were found for seven jurisdictions. Manitoba and Saskatchewan request employers contact government offices directly in order to apply.

The forms range from 2 pages (Yukon) to 14 pages (NFL). The most common corporate information required includes:

- Business number – provincial/territorial and/or CRA (AB, NB, ON, PEI, YK)
- Number of Employees (AB, BC, NB, NU, ON, PEI)
- Sector (AB, BC, NB, NU, ON, YK) – BC also asks if there is a connection to the Liquefied Natural Gas Sector

## **20. Application Requirements – (B) Training Program Information**

Employers must submit information about the training program and provider with their application. Based on the seven available application forms, information required includes Provider name and type, Title and description of training program, Training location, Training purpose, Total training hours, Expected certificates/qualifications/credentials, Delivery method, Type of skills learned/expected results, Costs of the training program, etc.

Ontario, PEI and Yukon require quotes for the cost of training. In the case of Ontario, if the training request is greater than \$25,000, employers must include information on three training institutions that offer the training being requested.

## **21. Application Requirements – (C) Training Participant Information**

At the time of application, BC, NU, PEI, and Yukon require the trainee to provide their name and, except for BC, sign an application form. Other personal information such as Social Insurance Number is also collected at this point.

Jurisdictions gather information in the application on the current and anticipated employment status of the trainees – their current position, hourly wage, expected employment outcome. Yukon requests information about the trainees' current and/or resulting position using the NOC.

## **22. How to Apply**

In seven cases, provinces and territories have made the employer application available online. In the case of Manitoba, NB, NWT, and Saskatchewan, employers are requested to contact the appropriate government office directly.

In Ontario, employers who have fewer than 25 trainees will submit their forms to their local Employment Service Provider and those with 25 trainees or more will submit directly to the responsibility ministry.

*In addition to this summary, two available annexes provide the consolidated information on the above elements. Annex A organizes information on the Canada Job Grant according to these elements while Annex B organizes the information by province and territory.*