

March 7, 2017

Dear Employment Ontario Service Provider:

I am writing to update you on the status of transfer payment agreements for 2017-18. The ministry is committed to having agreements finalized in time for the upcoming fiscal year and is taking steps to address this delay.

The Auditor General of Ontario's [2016 report](#) made recommendations that would help ensure that each dollar Ontario invests is targeted at achieving program goals, to help as many people as possible get the right support and find employment. The ministry is taking action by implementing those recommendations to ensure programs are assessed based on prior achievement of service plans. We will also be working with the sector this year to make changes to the performance measurement framework with an enhanced focus on outcomes.

While overall funding to Employment Ontario Employment Service remains the same, we are ensuring a consistent approach to funding allocations in the business planning process. As a result, adjustments to individual service providers who have been operating below or above their service planning levels have been made. This will ensure the funding is allocated to serve the greatest number of clients.

Literacy and Basic Skills (LBS) providers will be allocated the same level of funding as they received in 2016-17. Some LBS providers may have adjustments to their learner targets, to better align with their capacity and funding levels. These changes reflect feedback we have received from the sector. We have developed a new formula that creates realistic and achievable targets for service providers. The targets will be applied to all service providers; however, only 36 will have their targets adjusted under the new framework.

In order to align program expenditures with actual client demand, we are allocating 2017/18 Youth Job Connection funding based on your 2016/17 actual expenditures. This means that the providers who serve more clients will receive funding matched to local program demand.

We are making improvements to the way that we fund service providers for COJG. The ministry developed a COJG allocation framework for 2017/2018 that is based on program demand by region and community. The COJG allocation framework ensures equitable access to funding for employers and that funding is distributed in accordance with employer demand. These improvements keep community investment stable and provide funding to high-performing sites.

Overall, the goal of these improvements is to enhance value-for-money, improve the quality of client service, and achieve greater fairness in allocations among service providers. In this way, we are applying existing approaches consistently across

Ontario, while incorporating local intelligence (such as community need) to adjust program activity.

Staff in your local office will work with you to ensure business continuity, and ensure that clients will continue to have access to the services they need.

Thank you for your continued patience as we have worked on having agreements in place for the next fiscal year.

Sincerely,
(original signed by)

Regional Directors
Employment and Training Division
Ministry of Advanced Education & Skills Development