

Ministry of Labour, Training and Skills Development

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# **Skills Development Fund**

## **Round 2 Application Guideline**

**September 2021**

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**The Ministry of Labour, Training and Skills Development (MLTSD) is allocating \$83.3M in 2021-22 through the Skills Development Fund (SDF) to support projects that will enable market-driven solutions and unlock the economic potential of skilled trades and broader workforce development initiatives to facilitate economic recovery.**

## **1. Context**

As with most other jurisdictions of the world, Ontario is experiencing a period of economic and social uncertainty. In March 2020, COVID-19 was declared a pandemic by the World Health Organization (WHO), and the Government of Ontario enacted a Declaration of Emergency. The outbreak of COVID-19 is presenting Ontario's workforce and economy with unprecedented challenges.

### **1.1 Workforce Development Challenges**

Prior to the outbreak of the COVID-19 pandemic, Ontario was facing tight labour market conditions, with the unemployment rate at multi-year lows and employers reporting recruitment challenges, particularly related to finding workers with specific desired skills and experiences. Recently, there were approximately 250,000 unfilled jobs in Ontario.

More people now than ever in Ontario's history will require employment and training services because of the scale of the pandemic's disruption across several industries and the disproportionate impact for some key sectors. For instance, workers in the hospitality industry (e.g. accommodation and food services) have experienced major job losses while employers in other sectors have reported difficulty in securing the skilled talent to fill job vacancies in areas of technology, manufacturing, and the skilled trades.

There are structural inequalities and economic barriers that prevent people from having the opportunity to participate fully in the labour market. For example, the data shows that youth, women, Indigenous people, racialized individuals, people with disabilities, and lower wage earners are among the groups disproportionately impacted by job losses during the lockdown period.<sup>1</sup> There are disproportionate labour market impacts on local and regional economies that are driven by unique local conditions.

The growing digital knowledge and skills gap also jeopardizes the continuity of supply chains and operations.

The need to innovate has become more apparent as Apprenticeship Training Delivery Agents (TDAs) and workforce development training providers cope with the implications of providing in-class training, while adhering to health and safety measures. Online and/or virtual training is a relatively new concept for many trades and providers could benefit from an investment in innovative approaches to in-class delivery.

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<sup>1</sup> Wholesale and retail and accommodation and food services sectors have a higher concentration of workers that have not completed postsecondary education, a larger proportion of female workers (54.4% and 47.4% respectively) and lower median hourly wages (\$17.00 and \$15.00) compared to other sectors. These sectors also typically employ youth and visible minorities. Young workers and women are more likely to have been laid off permanently.

## 1.2 Opportunities to Address Challenges through the SDF

The way we work has been changing, and the pandemic has accelerated those changes. Where work is done, how it is conducted, and the need to adapt to changes in society and technology. Work is a foundational value of society and must be protected and rewarded to build better communities. Therefore, the government remains committed to enabling forward-looking, collaborative, and responsive solutions to bridge the gap between the knowledge that people have and the skills that employers need to build a talented, resilient, and vibrant workforce.

## 2. What Is the Skills Development Fund?

The SDF will enable market-driven solutions and unlock the economic potential of skilled trades and broader workforce development initiatives to facilitate economic recovery. Priority projects include those aimed at relieving pandemic-induced labour and financial impacts on businesses and priority sectors, supporting the quickest path to employment opportunities, supporting efforts to create innovative training ideas and solutions, and improving the capacity of communities to respond to labour market shocks.

### 2.1 Objectives of the Program

The main objectives of the SDF are to:

- **Ensure a resilient workforce by supporting access into the labour market, and/or retention and capacity-building for employers.** This includes attracting investment and job creation through the development and maintenance of a stable labour force, particularly one that keeps pace with changes in technology and the way that work is done. Solutions can also redress pandemic-induced labour and financial impacts on businesses, reduce the administrative burden of human resourcing and worker retention.
- **Empower workers and job seekers who face higher barriers of entry, and enhance pathways into meaningful and gainful employment,** including youth (high school and early postsecondary graduates), women, Indigenous peoples, racialized individuals, persons with disabilities or mental health challenges, and members of at-risk communities. Tailored supports, workplace accommodations, or specialized training are fundamental components of protecting workers' social and physical wellbeing. This includes specialized training for people with learning disabilities, mental health challenges and other disorders.
- **Encourage partnerships across the economy and support innovative ideas and training solutions** to improve the capacity of communities to respond to shocks to labour market conditions in in-demand, emerging and essential sectors. Partnerships quicken market-led recovery, growth, and prosperity to enhance the talent development pipeline.

### 3. Program Parameters

In order to qualify for the SDF, projects must support market-driven solutions that meet each of the following requirements:

1. One or more main objectives (see section 2.1).
2. One or more target sectors or occupations (see section 3.2).
3. One or more client groups (see section 3.3).
4. One or more focus areas (see section 3.4).
5. Applicants who intend to deliver apprenticeship in-class training must be, or must partner with, a ministry-approved Training Delivery Agent (TDA).

Organizations can submit more than one application; however, the project activities must be substantively different<sup>2</sup>. Organizations may partner together on multiple projects.

#### 3.1 Eligible Applicants

- a. The following organizations are eligible to apply to the SDF as primary applicants:
  - Employers with a presence in Ontario other than those listed in 3.1 (b).
  - Apprenticeship training delivery agents (TDAs) other than those listed in 3.1 (b).
  - Non-profit organizations with a physical presence in Ontario, including Indigenous Band offices and Indigenous Skills and Employment Training (ISETs) agreement holders.
  - Professional / industry / employer / sector associations.
  - Trade unions / union-affiliated organizations.
  - Municipalities, District Social Services Administration Boards (DSSABs), Consolidated Municipal Service Managers (CMSMs), Hospitals.

In cases where an application is submitted by a consortium of partners, the lead organization for the consortium is the **primary applicant** and the primary contact for MLTSD on all matters related to the submitted application, including being the responsible party under a Transfer Payment Agreement.

If the application is selected for funding, the primary applicant will be accountable to MLTSD for managing and executing the development and delivery of the project, including resource management and satisfaction of performance and financial obligations established by MLTSD in the Transfer Payment Agreement.

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<sup>2</sup> Substantive differences could include different projects, client groups, focus areas, etc. Organizations that submit more than one application may want to consider ranking their proposals by preference for funding.

- b. The following organizations are only eligible to apply to the SDF either as a co-applicant with one of the organizations above or as a non-lead organization in a consortium of partners:
- Publicly assisted colleges, universities, or Indigenous Institutes in Ontario; and
  - Private career colleges registered under the *Private Career Colleges Act, 2005*.

### 3.2 Target Sectors or Occupations

Target sectors and occupations include, but are not limited to the following:

- Skilled trades, other high-skilled, technical occupations, and other occupations in high demand (e.g., heavy-duty equipment mechanics, technology-related jobs, etc.).
- Sectors experiencing labour market challenges, including those impacted by the COVID-19 pandemic (e.g., those experiencing high layoffs), sectors with unmet demand and talent gaps, as well as other priority sectors such as:
  - Manufacturing and advanced manufacturing.
  - In-demand health care occupations.

### 3.3 Client Groups

All project proposals must support one or more client groups within the parameters outlined in the table below.

Client Groups	Interpretation
<p>Projects may support client types such as:</p> <ul style="list-style-type: none"> <li>• Employers, apprentice sponsors.</li> <li>• Registered apprentices <u>in skilled trades prescribed in Ontario</u>.</li> <li>• Job seekers, workers at risk of job displacement, including individuals with a 900 series SIN (denotes temporary authority to work in Canada) and an open work permit awaiting their official documents for permanent residency.*</li> <li>• Those that are disproportionately impacted by COVID-19, including women, youth**, people with disabilities***, Indigenous peoples, racialized groups, immigrants.</li> </ul>	<p>For the purpose of the SDF, those that are disproportionately impacted by the COVID-19 pandemic are defined as:</p> <ul style="list-style-type: none"> <li>• <b>Women:</b> individuals who self-identify with the female gender. This includes women in skilled trades where they are traditionally underrepresented such as construction, motive power and industrial trade sectors.</li> <li>• <b>Youth:</b> individuals who are between the ages of 15 and 29 at the start of a Project.</li> <li>• <b>People with Disabilities:</b> individuals who self-identify as a person with a disability, including those requiring specialized mental health support, or with a disability as defined in Section</li> </ul>

Client Groups	Interpretation
<p>* Includes protected persons, international students who graduated from a designated learning institution and have been granted a work permit under the Post-Graduation Work Permit Program, and those in Canada on a temporary work permit who have been granted Permanent Resident status. <b>Proof of status is required.</b> International students and temporary foreign workers with a 900 series SIN are not eligible.</p> <p>** Youth, excluding full-time students and summer student programs.</p> <p>*** Projects that identify supporting people with disabilities are required to have a minimum of 15% participation of people with disabilities; exceptions may be granted with strong rationale. <b>This 15% standard is only for applications that are not designed to primarily support people with disabilities, as outlined below in relation to the priority funding pool for people with disabilities.</b></p> <p>Participants must reside in Ontario.<sup>3</sup></p>	<p>10 (1) of the Ontario Human Rights Code.<sup>4</sup></p> <ul style="list-style-type: none"> <li>• <b>Indigenous Peoples:</b> individuals who self-identify as belonging to one of three distinct groups in Canada: First Nations, Inuit or Métis.</li> <li>• <b>Racialized Groups:</b> often used to stand in for “visible minorities,” this more fluid term acknowledges that race is a social construction that can change over time and place. It can be applied to people who have racial meanings attributed to them as a group in ways that negatively impact their social, political, and economic life.</li> <li>• <b>Immigrants:</b> refers to individuals who are, or who have ever been, a landed immigrant or permanent resident. Such individuals have been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this group.</li> </ul>

<sup>3</sup> Apprentices who reside outside of Ontario but who work and are registered as an apprentice in Ontario may be supported.

<sup>4</sup> Section 10 (1) of the **Ontario Human Rights Code** defines “disability” as follows:

- any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device;
- a condition of mental impairment or a developmental disability;
- a learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language;
- a mental disorder; or,
- an injury or disability for which benefits were claimed or received under the insurance plan established under the **Workplace Safety and Insurance Act, 1997**.

As part of Round 2 of the SDF, the ministry has also created an **additional funding pool** for workforce development and apprenticeship projects that specifically focus on people with disabilities.

### **3.3.1 Priority Funding Pool for Projects that Serve People with Disabilities**

The ministry has dedicated a priority funding pool for projects **designed to primarily support people with disabilities**.

To improve participation and integration of people with disabilities into the workforce, applicants who submit project applications designed to primarily support people with disabilities as outlined here, are strongly encouraged to develop partnerships with other community or social service agencies serving people with disabilities.

Projects would be required to ensure that individuals who self-identify as a person with a disability as defined in section 10 (1) of the Ontario Human Rights Code<sup>Error! Bookmark not defined.</sup> or defined as an individual who self-identifies as a person requiring mental health supports, **make up at least 65% or more of project participants**.

The ministry encourages applications under this priority funding pool to support people with disabilities through initiatives that do not duplicate programs funded by other sources, including provincial or federal funds (e.g. The Enabling Accessibility Fund). Applications could support innovative system enabling or capacity building initiatives or could target specific and diverse groups of people with disabilities.

The ministry has dedicated the pool of funding for a broad range of projects designed to support diverse groups of people with disabilities. However, special consideration will be given to project proposals that support postsecondary and high school graduates with disabilities or that develop specialized employment services and supports for those clients experiencing mental health challenges as described below.

#### **Postsecondary and High School Graduates with Disabilities**

A percentage of SDF funds will be allocated to project proposals that support upcoming and recent postsecondary and high school graduates with disabilities transitioning to the labour market. Transition supports can include paid work placement opportunities, wrap-around supports, accommodations, assistive technology devices, or other supports that would reduce the barriers new graduates with disabilities face when entering the labour market.<sup>5</sup>

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<sup>5</sup> SDF-funded transition supports should not replace an employer's obligations to provide the necessary accommodations as required under the Ontario Human Rights Code, as well as an employer's obligations to accommodate people with a disability under the **Accessibility for Ontarians with Disabilities Act (AODA)**.



Primary applicants are encouraged to partner with postsecondary institutions to co-develop innovative projects that focus on supporting postsecondary graduates with disabilities. Priority will be given to those proposals that create direct, measurable, and sustainable employment outcomes or experiential learning opportunities.

### **Specialized Employment Services and Supports Related to Mental Health**

A percentage of SDF funds will also be allocated to project proposals that demonstrate how organizations will work in partnership with specialized service providers to ensure mental health supports and services key to supporting a vibrant Ontario workforce.

Successful projects will ensure that clients get access to the services they need including, but not limited to, building skills for the post-pandemic world such as resilience, stress tolerance and flexibility.

Building capacity for employment service providers to help clients with mental health challenges to access specialized employment services and supports is key to clients getting a job – and employers keeping employees.

In this focus area, the ministry will evaluate projects that will achieve two or more of the following goals:

- Build specialized employment supports to ensure employment readiness for clients experiencing mental health challenges.
- Design a continuum of wrap-around employment services and supports for clients experiencing mental health challenges.
- Co-design and implement specialized referral mechanisms and step-by-step processes to ensure that service providers and employers enable the specialized services that employment service clients need, and that employers need to keep employees.
- Ensure client-focused mental health support services specific to getting and keeping a job.

### **3.4 SDF Focus Areas**

Although the SDF will support a broad range of projects, submitted applications will be required to demonstrate how funding will support one or more of the following focus areas<sup>6</sup>:

- **Ensure a resilient workforce by supporting access into the labour market, and/or retention and capacity-building for employers.** This includes attracting investment and job creation through the development and maintenance of a

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<sup>6</sup> Projects must consist of activities that are finite in length and are new or substantially augment the applicant's normal operations.

stable labour force, particularly one that keeps pace with changes in technology and the way that work is done. Solutions can also redress pandemic-induced labour and financial impacts on businesses, reduce the administrative burden of human resourcing and worker retention.

- Improve the development, strengthening or quality of skills training's systems, capacity, and delivery, including the provision of complimentary employment supports.
- Test a job pathway solution to channel jobseekers and workers at risk of layoff or displacement from occupations in hardest hit sectors by the pandemic, into occupations in high-growth sectors or sectors facing labour shortages.
- Increase access to Ontario's apprenticeship system by encouraging greater employer participation and improving supports for apprentices on-the-job, and in-class through the provision of wrap-around supports, up-to-date training equipment and increased capacity. Enhance the apprentice experience either on-the-job or in-class to increase apprentice registrations, progression, and completions.
- **Empower workers and job seekers who face higher barriers of entry, and enhance pathways into meaningful and gainful employment**, including youth (high school and early postsecondary graduates), women, Indigenous Peoples, racialized individuals, persons with disabilities or mental health challenges, and members of at-risk communities. Tailored supports, workplace accommodations, or specialized training are fundamental components of protecting workers' social and physical wellbeing. This includes specialized training for people with learning disabilities, mental health challenges and other disorders.
  - Support job seekers, displaced workers, or those at risk of displacement with immediate access to employment, training supports, job placements/work experience, wrap-around mental health supports to increase client resilience and adaptability with the right essential, technical and employability skills.
  - Incent place-based solutions that better support the labour market needs of communities and people that have been significantly impacted or are at risk of disproportionate impact because of the pandemic.
- **Encourage partnerships across the economy** and support innovative ideas and training solutions to improve the capacity of communities to respond to shocks to labour market conditions in in-demand, emerging and essential sectors. Partnerships quicken market-led recovery, growth, and prosperity to enhance the talent development pipeline.
  - Bring together workforce development partners to align education, training, and skills development needs with the needs of the local labour market and employers.

### 3.5 Eligible Activities

Funding provided under the SDF could support, but is not limited to, the following activities:

### **Skilled Trades and Apprenticeship**

- In-class training support for apprentices, including accessibility accommodations, tutoring, exam preparation supports, mentorship programs, mental health support, and wraparound supports that promote apprentice progression.<sup>7</sup>
- On-the-job supports for journeypersons to help them provide the training apprentices need to successfully progress through their training and become certified journeypersons (e.g., train-the-trainer, career development initiatives, mental health support, mentorship programs).
- Wrap-around support for apprentices while training on-the-job (e.g. inclusive hiring and respectful workplace practices for hiring from traditionally under-represented groups, including applicant screening, recruitment and retention strategies; mentorship; end-of-training supports).
- Research, development and piloting of new and innovative approaches to delivering classes that are on the 2021-22 apprenticeship in-class training seat plan (e.g., e-learning delivery<sup>8</sup>, online assessment, virtual simulation, or other alternative methods to block release etc.).
- Purchase of equipment or supplies that support resilient skills building or enhance in-class training.<sup>9</sup>
  - TDAs must be approved by MLTSD to deliver apprenticeship in-class training in the trade(s) associated with the project in 2021-22.

### **Workforce Development:**

- Removing barriers in education and skills training opportunities, improving employer access and leadership in recruiting, and developing talent, or retaining and retraining the existing workforce.
- Researching, developing, and delivering new and innovative approaches to skills training (occupational, short-term, essential, literacy and soft skills, etc.).
- Providing tools, equipment and wrap-around support to job seekers, learners and workers (e.g., employability services, job placement, on-the-job mentorship, mental health supports and delivery, etc.).
- Developing virtual employment and training services.

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<sup>7</sup> Funding may not be used to enhance in-class per diem rates or be used to fund additional classes not approved under the TDA's In-Class Enhancement Fund transfer payment agreement.

<sup>8</sup> Ministry approval is needed to deliver apprenticeship in-class training 100% online after March 31, 2022. For information about how to obtain ministry approval please see the [TDA Approval Guideline](#) and [Application Form](#) on the ministry's [Employment Ontario Partners' Gateway](#) website.

<sup>9</sup> Please note that major capital renovations, additions or new builds are not eligible for funding at this time.

- Building capacity of training providers and supporting organizations.
- Engaging and developing collaborations with employers and other key workforce development partners.

**The SDF is not intended to duplicate funding for expenses or activities funded by other sources. This includes provincial or federal funds and/or charging project participants fees to participate in, or benefit from project activities approved and funded by the SDF.** However, SDF can be used to supplement funding for additional costs of the project not covered by other public sources, and the applicant would need to clearly indicate which costs would be covered, including the proposed innovative incremental/enhanced activities.

The SDF is intended to be responsive and nimble with a focus on quickly identifying and processing innovative market-driven projects that will address the identified focus areas and deliver outcomes within the project timeframes.

Before applying, applicants are encouraged to consider whether their projects are better suited to existing Employment Ontario programs or if they could be funded by other provincial or federal programs.

All project activities may be considered for funding for 12 months. MLTSD may request financial and audit reports to be submitted before and after the time noted above.

### **3.6 Eligible Expenses**

Applications must include a budget which clearly itemizes expenses planned for the aforementioned activities (see section 3.5). A list of possible eligible expenses, subject to MLTSD's review and approval, is included below:

- **Operating costs:**
  - Staffing: Salary of staff members who conduct training, planned consulting or sub-contracting services used to directly deliver the project.
  - Professional development for management and administrative staff involved in the project - amount to cover basic training needs as per organization's existing policies and employment related requirements.
  - Marketing: marketing and promotion of program or distribution.
  - Direct materials and consumables used in the delivery of project by participants (supplies and equipment, parts, safety equipment for participants, cleaning supplies, etc.). These are generally physical items which have a useful expected life of less than one year, or do not meet a materiality threshold for individual tracking.
  - Maintenance and support of equipment directly used to deliver the project.

- Materials and office supplies (e.g., pens, pencils, paper, envelopes, cleaning supplies, subscriptions).
- Mentorship and Mental Health: mentorship and mental health services to support clients with on-the-job training, employment, or apprenticeship training.
- Operational printing contracted externally (business cards, letterhead, ad hoc unanticipated print jobs, minor updates and/or printing of organizational or program brochures, etc.).
- Other non-participant-based costs (e.g. water where public water is not safe for drinking, staff and volunteer recognition).
- A pro-rated portion of lease of real estate or the appropriate percentage of utilities associated with the direct delivery of training. If the property is financed, a pro-rated portion of financing/interest costs only may be considered as operating costs and not capital repayment.
- Audits: Projects over a threshold (see section 4.3) will require an audit by an external auditor. Only differential audit fees attributed to the project requirements can be attributed to operating costs.
- Employability services and supports:
  - Overall skills upgrading, which promotes a resilient worker, such as: leadership, teamwork, communication, community engagement.
  - Job search, matching, placement, etc. services and support, including job retention and career advancement.

- **Administrative costs:**

Administrative costs are limited to a maximum of 15% of the operating costs.

Administrative costs are indirect expenditures necessary for operating an organization but not directly associated with the delivery of the Project.

Administrative costs should be attributed to the project on a basis that is proportional with the respective size of the organization and the size and/or effort of the project:

- For example, pro-rated portions of:
  - Salaries/benefits of the Executive Director, IT, and/or financial staff that work for the entire organization but may spend a portion of their time dedicated to administrative functions that support the project.
- Legal/accounting fees:
  - Legal and accounting fees.
  - Bank fees, postage and courier fees; basic telephone fees and monthly internet fees.

- Contracting (if not contracted specifically to support the project), bookkeeping, janitorial services, Information Technology (IT) used indirectly in project delivery, equipment maintenance services, security, translator, training fees, consultant fees, printing contracts fees.
  - Indirect/support equipment repair and maintenance (includes photocopy meter charges).
  - IT maintenance.
  - Lease or finance/interest costs attributed to administrative functions.
- **Capital costs:**
  - New training equipment to reflect latest industry standards, including digital platforms.
  - Equipment required to facilitate training for participants, students and apprentices with disabilities, where the equipment has an expected useful life of more than one year.
  - Vehicle and Mobile Unit purchases and/or modifications are allowed when it meets the following requirements:
    - Vehicle or mobile unit is directly related to delivery of services to project clients (e.g., mobile apprenticeship training units that are used for hands-on apprenticeship training and will improve the efficiency of apprenticeship training overall).
    - The recipient would need to provide to the ministry at least three quotes for procurement of the vehicle or mobile unit, or three quotes for modification where the service is purchased. Purchase or modification can only occur upon review of the quotes and subsequent authorization from the ministry. Evidence of quotations and the expected purchase cost must be provided with the application.
    - Mobile unit owners must purchase relevant vehicle insurance that includes coverage of the modifications. Documentation must be provided to confirm this coverage.
      - Relevant vehicle insurance should include all perils coverage as per statutory requirements in Ontario, including Ontario Automobile Policy (OAP1) Owner's Policy Sections 3 and 4, auto liability for a limit not less than \$2,000,000 (two million) per occurrence including Accident Benefits and where applicable Section 7, Loss or Damage Coverage.
    - The ministry will not fund modification of existing mobile units within 5 years of a government (federal or provincial) funded modification, unless the need is verified and rationale provided, with proper documentation e.g. installation of new equipment that has only

come out in the last few years. Details and rationale must be provided as part of the application.

- New vehicle or mobile unit purchase may not be eligible if project is not sustainable beyond the project period.
- Plan for disposition of the asset.

- **Employer/Participant/Apprentice and Trainer costs:**

- Pre-screening candidates (i.e. readiness and/or employability assessment).
- Health and safety-related equipment and other trade-specific Personal Protective Equipment (PPE).
- Apprentice in-class wrap-around supports.<sup>10</sup>
- Apprentice on-the-job training expenses (i.e. career development initiatives, mental health support, mentorship programs)
- Train-the-trainer resources to support journeypersons who train or wish to train apprentices.
- Development of training materials/resources.
- Disability-related services and accommodation supports.
- Training tuition fees and expenses, including licensing fees for participant access to pre-existing online training websites.
- Other wrap-around supports for training or job placement participants, e.g. tuition or other training provider fees, and other materials required to complete skills training (e.g. training clothing, tools, equipment, disability supports), temporary relocation and/or temporary housing expenses of the worker or job seeker to access the learning centre/training facility.
- Training or job placement wage subsidies: costs of up to 50% of wages paid, up to a maximum of \$5,000 per training participant or job placement. Wage subsidies may not be used as replacement for, or to supplement tuition fees.

- **Travel costs:**

- Travel or commuting expenses of the worker or job seeker to access the learning center or place of employment.<sup>11</sup>
- Staff and volunteer transportation (bus fare, taxi and parking required for delivery of project activities but not part of travel claims; does NOT include monthly parking fees or bus pass). For persons with disabilities who require mobility support, this can also include coverage of site-to-site job travel, for both participants and staff support persons.

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<sup>10</sup>May not be used as an in-class training per-diem enhancement.

<sup>11</sup> Apprentices attending in-class training can apply to the Apprentice Development Benefit for support with travel expenses. Therefore, travel expenses to the training center is ineligible under SDF. See section 5.3 for additional travel directives.

### 3.7 Ineligible Expenses

- TDAs may not request funds for expenses that are already covered in their Apprenticeship In-Class Enhancement Fund Transfer Payment Agreement.
- Activities that are already funded through other sources of funding such as Federal or other Provincial funds.
- Regular or ordinary costs related to other activities carried out by the organization.
- Insurance.
- Costs related to the development of the SDF application.
- Executive or senior management salaries who do not directly contribute to project delivery.
- Out-of-province travel costs for project staff or participants or expenditures associated with activities or operations performed outside of Ontario.
- Annual membership fees to associations.
- Costs for any materials, tools, techniques, approaches, developments or salaries used in training, work placements or other project components that have already been reimbursed by government funding to the applicant under any other Transfer Payment Agreement.
- Reimbursement for airfare purchased with personal frequent flyer points programs.
- Fines and penalties.
- Interest charges on debts related to financing the Project.
- Losses on other projects or contracts.
- Any costs, including taxes and input tax credits, for which the recipient has received, will receive or is eligible to receive a rebate, credit or refund.
- Annual general meetings, budget deficits, membership fees, fundraising activities, tournaments, conferences, committee and political meetings, receptions, parties, festivals or religious activities.
- Contingency or unexplained miscellaneous costs.
- Harmonized Sales Tax (HST) for tax exempted organizations.



## 4. Application and Reporting Requirements

### 4.1 Application

Round 2 of the SDF will use an open and continuous application process beginning September 29, 2021 to March 2022.

Applicants must register with Transfer Payment Ontario (TPON) to access the SDF Round 2 application form. TPON is the Province of Ontario's online application system for grant funding. It is important for applicants to understand the steps for registering with TPON prior to application submission.

- Information on registering and accessing TPON is available at: <https://www.ontario.ca/page/get-funding-ontario-government>
- TPON website: <https://www.app.grants.gov.on.ca/tpon>
- Applicants with technical questions about TPON can contact the TPON Customer Service Line at (416) 325-6691 or 1-855-216-3090, Monday to Friday from 8:30 a.m. to 5:00 p.m. Eastern Standard Time, or by email at [TPONCC@ontario.ca](mailto:TPONCC@ontario.ca).

The amount of funding available in the 2021-22 fiscal year (ending March 31, 2022) to support the launch of Round 2 of the SDF is \$83.3M.

MLTSD, at its sole discretion, will conduct ongoing evaluation of applications as they are received.

MLTSD is not bound to enter into a Transfer Payment Agreement with any applicant. Applications will be assessed using the evaluation criteria set out in section 4.2. The ministry reserves the right to recommend any, all or no applications for selection, whether or not the application(s) meet the evaluation criteria and retains full and absolute discretion to select any application for funding. If an application is selected for funding, funding will be distributed through Transfer Payment Agreements signed between the Province and the selected applicants.

MLTSD, at its discretion, may host virtual information sessions with interested applicants during the application period to address questions or provide clarification/updates.

For questions regarding the SDF program, submission process, or any other inquiries please contact [SkillsDevelopmentFund@ontario.ca](mailto:SkillsDevelopmentFund@ontario.ca)

### 4.2 Evaluation Criteria

MLTSD staff will review submitted applications and evaluate eligible applications against the program criteria. Notwithstanding the eligibility criteria set out, MLTSD will have sole authority to decide which projects are funded.

Applications will be evaluated against the following criteria:

<b>Criteria</b>	<b>Weighting</b>	<b>Interpretation</b>
Demonstrated Innovation	12%	<p>The application clearly indicates how the workforce development or apprenticeship project is innovative. If applying for the priority funding pool described in section 3.3.1 , the application clearly indicates how the project will support people in either of these specified groups in an innovative way that does not duplicate programs funded by other sources.</p> <p>Projects providing mental health supports must provide a minimum of two (2) goals listed in section 3.3.1.</p>
Priority/Focus Area(s)	20%	<p>The application clearly indicates how it is aligned with at least one of the focus areas of the SDF.</p> <p>The application clearly defines outcomes of the project, including how it meets Key Performance Indicators (KPI) (see section 4.3: Performance Management, below), value for money and impacts, including benefits to the project target group.</p>
Project Need	25%	<p>The application clearly defines the skilled trade or workforce development issue that it is seeking to address through the project (e.g., sector, region and/or client group impacted by the issue are identified); and includes compelling rationale with adequate evidence to support the need for the intervention being proposed.</p> <p>The application clearly describes how the activities of the project will lead to the intended changes and desired outcomes.</p> <p>The application includes a commitment to reporting on the required KPIs (see section 4.3) and clearly identifies additional KPIs that will be used to evaluate the effectiveness of the project (see section 4.4). The application includes the</p>

		proponent’s plan for the collection, analysis and reporting of the data, and projections.
Organizational Capacity	13%	<p>The application demonstrates how well the organization’s strengths and experience (as well as any partners), are suited to design, implement, deliver and monitor the proposed project and expenditures, while meeting program integrity and accountability requirements.</p> <p>Applications that include a sustainability plan to phase out or secure alternative sources of funding for the project after the SDF funding period ends will be prioritized.</p>
Project Delivery Plan	20%	The application provides a detailed delivery plan that includes a feasible timeline for all key activities, identifies who is responsible for tasks, and clearly articulates risks and reasonable mitigation strategies.
Budget	10%	<p>The application includes reasonable costs and provides a clear and detailed breakdown of all expenditures, including funding from other sources, if applicable.</p> <p>The application demonstrates effective use of resources to achieve project objectives within the established timeframe.</p> <p>The application demonstrates the attribution methodology of administrative costs and administrative costs do not exceed 15% of operating costs.</p>

**4.3 Performance Management**

Selected applicants will be required to report on and set targets for ministry KPIs.

As applicable to the project, selected applicants must report on:

- Total number of individuals who participated in the funded project, including the number (%) of participants who self-identified as being disproportionately

impacted by COVID-19, including women, youth, persons with disabilities, racialized groups, Indigenous peoples, etc.

- The number (%) of participants who self-identified as people with disabilities.
  - If an application identifies supporting people with disabilities, **a minimum of 15% of project participants are required to be people with disabilities** (exceptions granted with strong rationale).
  - For applications submitted under the priority funding pool for projects that serve people with disabilities, **at least 65% or more of project participants** are required to be people with disabilities (which may include post-graduates with disabilities and/or people in need of mental health supports).
- The number (%) of participants who self-identify as people with disabilities who are also postsecondary graduates with a disability.
- The number (%) of participants who self-identify as people who may require specialized wrap-around and mental health supports to increase their resilience and capacity to participate in workforce development or apprenticeship programming, find and keep jobs.
- Number of projected organizational partners actively engaged in the project (if applicable).
- Number of projected employers/industry associations involved in project (if applicable).
- Number of projected education and training providers involved in the project (if applicable).

In addition, applicants must also identify which of the following KPIs they will report on to evaluate the effectiveness of their project as part of the application process. The application must clearly identify the applicant's performance targets, plan for the collection, analysis and reporting of the data.

### **Apprenticeship**

- Number of registered apprentices that participated in or benefited from the funded project.
- Number of new apprenticeship registrations as a result of the funded project.
- Number (%) of registered apprentices who participated in the funded project and progressed to the next in-class training level of their apprenticeship program.
- Number (%) of registered apprentices who participated in the funded project and completed their program and obtained a Certificate of Qualification/Certificate of Apprenticeship.
- Number of journeypersons trained to support apprentices as a result of the funded project.

## **Workforce Development**

- Number (%) of individuals that participated in (and completed) experiential learning opportunities.
- Number (%) of individuals that participated in (and completed) skills training.
- Number (%) of participants who expressed increased industry and local labour market employability skills as a result of training.
- Number (%) of incumbent workers who participated in (and completed) upskilling or reskilling opportunities.
- Number (%) of participants who achieved employment.

The applicant may add project-specific indicators and targets, in addition to the above-required ministry-provided metrics. The ministry may outline additional indicators and targets at its discretion.

Selected applicants will be provided templates for this report. The timeline for reporting will be detailed in the Transfer Payment Agreement.

### **4.4 Monitoring & Reporting Requirements**

Selected applicants will enter into a Transfer Payment Agreement with the Province and will be expected to meet the following reporting requirements<sup>12</sup> through the life cycle of the Agreement.

#### **1. Activity Reports**

Selected applicants must provide activity reports to MLTSD on the progress achieved and expenditures incurred in comparison to the objectives, project timeline and budget indicated in the Transfer Payment Agreement. It is expected that applicants, where feasible, will provide status updates on project-specified and ministry-specified program evaluation metrics. Selected applicants will be provided templates for these reports and instructions on the frequency in which they are to be completed and returned to their local ministry office.

#### **2. Final Report**

Selected applicants must submit a final report outlining the achievement or progress towards fulfilling the objectives as articulated in the Transfer Payment Agreement.

#### **3. Third-Party Evaluation**

MLTSD may engage or require the project to engage a third party to evaluate funded projects during or after their implementation. Selected applicants shall agree to full co-operation with the third-party evaluation at the time of signing a Transfer Payment Agreement with the Province.

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<sup>12</sup> The Province may change reporting requirements at its discretion.

## **4. Financial Reports**

Financial monitoring verifies that funds are spent as intended in the Transfer Payment Agreement, and that bookkeeping systems and accounting practices are in place to manage and control ministry funds. Project expenditures will be monitored throughout the duration of the Transfer Payment Agreement via ministry Estimate of Expenditure Reports (EERs) and Statement of Revenue and Expenditure Reports (SRERs). Selected applicants will be provided templates for these reports and instructions on the frequency they are to be completed and returned to their local ministry office. Unspent funding must be explained and following the expiry date of the project, must be returned to the ministry. Funds that remain unspent or unaccounted for will be pursued by the ministry for collection.

## **5. Auditor's Report**

To ensure that funding awarded is used judiciously, selected applicants who receive funding of \$150,000 or more from MLTSD will be required to engage the services of a third-party auditor to assess the financial statements of the project and submit a report to MLTSD. The report is typically due to MLTSD sixty (60) calendar days after the completion of project activities, as outlined in the Transfer Payment Agreement. Applicants will include the cost of this audit in their budget application.

Selected applicants are contractually obligated to communicate their progress through the reports noted above. Failure to do so may result in funds being held-back or recovered.

The service activity and financial data requirements support the ministry in monitoring progress on key activities. The ministry will maintain open dialogue with recipients throughout the funding period to provide ongoing feedback in order to support continuous improvement and a flexible design plan.

Project monitoring, depending on the degree of associated risk, may include:

- Verification of documents and other forms prior to processing.
- Direct contact with the selected applicant and/or participants/beneficiaries, other stakeholders, and partners.
- On-site/virtual visits to assess progress and achievement of activity milestones.
- On-site/virtual visits to verify expenditures and compliance to Agreement terms.
- Utilizing program/project data for informed decision-making.
- Additional reports as specified from time to time.

## **4.5 Intellectual Property**

All materials created using funding from the SDF must abide by Creative Common's [Attribution 4.0 International License/ \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/). Under the Transfer Payment Agreement, intellectual property remains with its creator, but others are free to copy, redistribute, transform, and/or build upon the material for any purpose, even commercially.

However, MLTSD will consider projects that should be exempt from this requirement if the selected applicants can provide a clear and compelling rationale.

## 4.6 Confidentiality

Please note MLTSD is subject to the *Freedom of Information and Protection of Privacy Act* (the “Act”). The Act provides every person with a right of access to information in the custody or under the control of MLTSD, subject to a limited set of exemptions. Section 17 of the Act provides a limited exemption for third party information that reveals a trade secret or scientific, commercial, technical, financial or labour relations information supplied in confidence where disclosure of the information could reasonably be expected to result in certain harms.

Any trade secret or any scientific, technical, commercial, financial, or labour relations information submitted to MLTSD in confidence should be clearly marked. MLTSD will provide notice before granting access to a record that might contain information referred to in Section 17 of the Act so that the affected party may make representations to MLTSD concerning disclosure. Should MLTSD decide not to disclose certain records, the requester has the right to appeal that decision to the office of the Information and Privacy Commissioner, who will ultimately decide on the disclosure of the record.

Applicants are advised that the names and addresses of transfer payment recipients, the amount awarded, and the purpose for which the transfer payment is awarded is information MLTSD makes available to the public.

## 5. Funding Allocation

Funding is discretionary and will be provided for the duration of the Transfer Payment Agreement term.

**There are no maximum or minimum funding amounts. However, the fund is intended to have a significant impact, so MLTSD will first consider applications with a project budget greater than \$150,000 and may choose to fund all or a portion of the applicant’s request.**

Although not required, applicants are strongly encouraged to seek additional funding sources to support their application.

MLTSD reserves the right to adjust the amount of funding the selected applicant will receive, which may differ from the budget submitted.

### 5.1 Funding Allocation, Distribution & Conditions

Selected applicants will receive funding following the execution of a Transfer Payment Agreement with the Province and satisfaction of any conditions for funding contained in the Transfer Payment Agreement.

The Transfer Payment Agreement formalizes the understanding between the Province of Ontario and the approved applicant regarding the SDF project and ensures accountability for the use of public funds. Recipients are responsible for managing and executing their projects in accordance with their Transfer Payment Agreement with the Province. By entering into this Agreement, selected applicants will be required to meet all legal responsibilities contained in the Transfer Payment Agreement, including maintaining all necessary insurance, in order to receive any funding.

The Transfer Payment Agreement will set out the terms and conditions governing the payment of the fund, and will include the following:

- Applicants responsibilities.
- Project budget.
- Project management requirements.
- Monitoring and reporting requirements.
- Accountability requirements, audits and financial reporting obligations.
- Milestones and performance measures.
- Mode and schedule of payments.
- Process for contract termination; and
- Other performance and accountability provisions identified by the Province and agreed upon with the selected applicant.

Selected applicants will be expected to:

- Be accountable to the Province for all funds and project components under the Transfer Payment Agreement.
- Manage their project plan to meet financial and accountability reporting requirements and deliverables, in accordance with the Transfer Payment Agreement.
- Engage and manage relationships with any third-party service providers (if applicable).
- Coordinate project partners and all activities.
- Be responsible for performance measurement of the project, including ensuring data quality, establishing targets and aggregating information collected from recipients.
- Maintain records pertaining to the project to support ministry-funded evaluation of the program.
- Submit regular reporting that will be used by MLTSD to assess the progress of implementation, as well as compliance with relevant directives and requirements under the Transfer Payment Agreement.



- Put in effect and maintain for the duration of their funded project, all necessary insurance for the initiative, including Commercial General Liability Insurance to an inclusive limit of not less than two million dollars (\$2,000,000) per occurrence. If the proposed project is approved for funding, applicants must provide MLTSD with a copy of their Certificate of Insurance as a condition of funding. Coverage under two million dollars (\$2,000,000) may be considered based on prior approval by Ontario.
- Coordinate and provide to the ministry an independent audit of the project if required, including program revenues and expenditures.
- If requested before the Transfer Payment Agreement is finalized, provide a copy of their latest financial statements (including audited financial statements if available) and those of significant partners who contribute at least 50% of the proportion of the project cost that is not covered by MLTSD's grant.
- Prior to signing a Transfer Payment Agreement, MLTSD at its discretion may undertake additional due diligence review of the applicant.

## 5.2 Budget

Applicants are required to submit a detailed budget with their application. The budget must include all costs directly related to delivering the project, including any proposed cash and in-kind contributions being contributed to the project by the applicant and/or their partners, where applicable.

The project budget must clearly identify where applicable:

- All costs directly related to delivering the project, within market value.
  - Any supplies delivered by non-arms length parties must be valued at their established arms length equivalent market value.
- All costs including in-kind contributions (e.g. donated space, time donated by instructors, etc.).
- Funding received from partnerships and/or collaborations; and
- Other funding sources, including federal and provincial government funding.

**Applicants should not take any action, or incur any costs related to their project that is predicated on receiving funding from MLTSD until an application is approved and all parties have entered into a Transfer Payment Agreement satisfactory to MLTSD, in their sole view.** The Government of Ontario is not responsible for paying any cost incurred by an applicant should the application not be approved or if an applicant fails to enter into a Transfer Payment Agreement satisfactory to MLTSD, in its sole and absolute discretion.

If selected, applicants can expect that funding will be allocated in installments according to a negotiated payment schedule. Disbursement of funds will be dependent on the selected applicant meeting all program and reporting requirements under the transfer

payment agreement. MLTSD may withhold up to 15% of the funding amount until project completion.

### **5.3 Procurement, Travel & Hospitality Requirements**

For applicants that are considered Broader Public Sector organizations as designated under the [Broader Public Sector Accountability Act, 2010](#), two directives regarding procurement practices and expenses are in effect: the [Broader Public Sector Procurement Directive](#) and the [Broader Public Sector Expenses Directive](#)

- For applicants that have an internal policy in place with respect to claiming mileage, this is what would govern participant travel expenses.
- For applicants who do not fall into either of these categories, the following guidance released by the [Canada Revenue Agency](#) can be used to inform the rate per km that an applicant can pay for participant travel expenses.

Some applicants may be subjected to the **Public Sector Salary Disclosure Act, 1996** which will require the disclosure of names, positions, salaries and taxable benefits of employees who were paid a salary of \$100,000 or more.

- Applicants receiving \$1 million in funding or more are subject to this legislation.
- Applicants receiving between \$120,000 and \$1 million are subject to this legislation if the funding they receive is 10 per cent or more of their gross revenues.
- Applicants receiving less than \$120,000 are not required to disclose, unless they are one of the types explicitly covered by the act.

Please review [the background and frequently asked questions on public sector salary disclosure](#) for more information.

September 2021