



# **In-Class Enhancement Fund Guidelines**

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## 1. Context

Ontario's skilled trades system is vital to the health and growth of the economy, offering careers that can lead to secure jobs and a good quality of life. Creating more supportive pathways into the skilled trades and attracting new apprentices is critical to preparing Ontario for the future of work.

Through Ontario Budget 2020, the Ministry of Labour, Immigration, Training and Skills Development ("the ministry") announced Ontario's Skilled Trades Strategy, which is designed to modernize the skilled trades and apprenticeship system and help enable the province's economic recovery through three key pillars:

- Breaking the stigma associated with skilled trades careers and attracting more youth;
- Simplifying the system; and
- Encouraging employer participation.

Apprenticeship includes on-the-job and in-class training for people who want to work in a skilled trade. Nearly 85 to 90% of apprenticeship training takes place on-the-job, under the direction of a qualified person. The remaining 10 to 15% is completed through in-class training that instructs the theory of practice to support practical on-the-job training. The classroom component of an apprenticeship program usually consists of two to four levels of formal instruction, depending on the trade, with one level completed every 12-18 months.

### 1.1. Objectives

The In-Class Enhancement Fund (IEF) is designed to support the following objectives:

- Providing Training Delivery Agents (TDAs) with the resources they need to deliver quality apprenticeship in-class training;
- Providing timely access to apprenticeship in-class training;
- Providing accessible and flexible modes of training to apprentices; and
- Improving progression and completion through the apprenticeship training program by apprentices.

In the event of any conflict or inconsistency between the IEF Guideline and any terms or conditions in the IEF Transfer Payment Agreement (TPA), the IEF TPA shall prevail.

### 1.2. Overview of the In-Class Enhancement Fund

IEF provides funding for the purchase of classroom training from ministry approved Training Delivery Agents (TDAs).

In Ontario, apprenticeship in-class training is delivered by TDAs that have been approved by the ministry.<sup>1</sup> For information on the TDA approval process please see the [Apprenticeship Training Delivery Agent Approval Process Guideline](#) on the ministry's Employment Ontario Partners' Gateway website.

TDAs offer in-class training in several forms, including full-time/block-release (5 days/week for 6-12 weeks), part-time/day-release (1 day per week or 1-2 evenings/week) or alternate delivery modes (e.g., evenings and weekends, distance education, etc.) (see definitions for details on in-class training delivery modes).

Typically, apprentices alternate in-class training with on-the-job training. However, the Accelerated In-Class Training Initiative allows apprentices who are laid off or job-threatened to attend and complete two levels of formal classroom instruction back-to-back, without returning to work in between classes. Under this initiative apprentices can progress in their apprenticeship program while employers are less likely to experience skills shortages when the economy recovers.

### **1.3. TDA responsibilities include:**

- Delivering in-class training to apprentices according to industry standards, as defined in training curriculum approved by Skilled Trades Ontario;
- Assessing the acquisition of skills and knowledge of apprentices;
- Ensuring that instructors hold appropriate qualifications;
- Providing appropriate facilities, equipment, instructors and resources to deliver training to apprentices;
- Ensuring in-class training is accessible to all apprentices including persons with special needs;
- Ensuring training is accessible to all apprentices in a fair and timely manner without prejudice to membership in any union or employer associations;
- Participating in the ministry's program evaluation processes;
- Recognizing and accepting classroom training delivered by another ministry-approved TDA for the same trade and level;
- Recognizing and accepting training that has been ministry-approved through prior learning assessment recognition or an exemption test;
- Participating in the ministry's records monitoring, evaluation and inspection activities; and
- Providing five days of mandatory exam preparation to apprentices (applicable to TDAs that offer full-time, final level classes in 13 specific trades).

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<sup>1</sup> A TDA's status will lapse if it does not deliver a class in five years. The count begins after the first day of the last class delivered.

TDA's should refer to their Apprenticeship IEF Transfer Payment Agreement for a full list of responsibilities.

## 1.4. Eligibility

To be eligible to qualify for financial support under IEF, an organization must be a ministry approved Training Delivery Agent (TDA) as defined in the [Apprenticeship Training Delivery Agent Approval Process Guideline](#).

Once approved, TDA's are permitted to deliver training in the trade program at the location/campus in any level and delivery mode. Approval is not a guarantee that the ministry will purchase seats.

The one exception to in-person training is if a TDA wants to deliver classes for which participants can achieve all learning outcomes online without having to go to a classroom, in which case the TDA will need to seek ministry approval for e-learning.

A TDA is not eligible to receive funding under IEF for the delivery of a trade program if their approval has lapsed. A TDA's approval has lapsed if it has not delivered a class in the trade program within five years of the approval. The count begins after the first day of the last class delivered.

A non-funded TDA is not eligible to receive funding under IEF (operating or administrative).

## 2. Program Components

IEF is supported by a cost-sharing funding model between the province and the federal government through Canada-Ontario Labour Market Transfer Agreements (LMTAs), including the Labour Market Development Agreement (LMDA) and the Workforce Development Agreement (WDA).

IEF includes:

- Operating funding (i.e., per-diem rates);
- Administrative funding; and the
- French Language In-Class Enhancement Supplement Fund.

### 2.1. Operating Funding (i.e., per diem rates)

Through the IEF, the ministry provides a per diem amount to TDA's to assist with the cost of providing in-class training. The per diem is intended to cover direct operating costs of delivering a course (e.g., instructor, property and equipment rentals, etc.,).

Retroactive to April 1, 2022, the ministry portion of the per diem rate has increased from:

- \$65.61 to \$79 for most trades; and

- \$136.39 to \$162 for nine trades with significantly higher training costs including: Powerline Technician, Hoisting Engineer Mobile Crane Operator 1 and 2, Hoisting Engineer Tower Crane Operator, Heavy Equipment Operator Dozer, Heavy Equipment Operator Excavator, Heavy Equipment Operator Tractor Loader Backhoe, Concrete Pump Operator, and Agricultural Equipment Technician.

In addition to the ministry portion of the per diem rate, TDAs may receive a \$10 per day classroom fee directly from the apprentices that attend their class.

Through the IEF, the ministry pays the per diem and the classroom fee for standalone Exam Preparation and OYAP classes that are included in a TDA's in-class training seat plan.<sup>2</sup>

## 2.2. Administrative Funding

Through the IEF, TDA's also receive financial support to cover administrative expenses. The amount received represents 5% of the TDA's total budget for apprenticeship training courses (Full-Time and Part-Time), subject to a cap of \$200,000. This amount is separate from the per diem rate. Non-funded TDAs do not receive payment from the ministry for the delivery of in-class training. Therefore, they are not eligible to receive financial support for administrative expenses.

Administrative funding covers costs related to the general administration of apprenticeship in-class training. Eligible costs include:

- Salary and benefits (including both full-time and part-time staff);
- Office space (including lease/rental of additional office space);
- Related overhead (including utilities) and maintenance of office space;
- Office supplies (including stationery, receipts and postage);
- Phone/Fax (including regular and long-distance calls);
- Computer equipment lease and maintenance including monthly leasing and maintenance costs of computers and related equipment such as monitors and printers.
- Audit (including the audit of expenditures and an auditor's report); and
- Accounting costs.

Ineligible administrative expenses include those that are already funded through other sources such as Federal or other Provincial funds (i.e., Apprenticeship Capital Grant).

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<sup>2</sup> The ministry pays the per diem and the classroom room fee for level 1 in-class training that is delivered under the Pre-Apprenticeship Training program, however the classes are not included on the in-class training seat plan and are not funded by the IEF.

## 3. Business Cycle

There are three (3) phases to the annual in-class training seat plan business cycle:

- a. Planning Phase;
- b. Negotiating and Approval Phase; and
- c. Monitoring Phase.

### 3.1. Planning Phase

Each year TDA liaisons within the ministry's local offices are designated to develop an in-class training service agreement between the regional office and the TDA.

To begin the process, the ministry reviews the TDA's historical seat utilization data from the past three years to compare the year-over-year percentage variance (original agreement value – year end expenditures or mid-year forecast of year end expenditures). This information is used to assess the overall trend of the TDAs seat utilization..

IEF is based on a demand-driven budget approach. This means that seat planning budgets are reflective of the program funding required for the coming fiscal year, regardless of whether each budget is higher or lower than the previous year. Regional staff must consider the following factors when assessing the suitability of TDA seat plans, including:

- Demand for a class
- The TDA's capacity to meet demand/provide in-class training (i.e., instructors, classroom space, etc.);
- Completion rate in the trade (i.e., does it meets average rate of apprenticeship program completions where applicable);
- The proposed training supports a compulsory trade;
- The proposed training supports the local labour market (i.e., need is present locally; supports major infrastructure projects; etc.); and
- The proposed training promotes learning in new and emerging technology.

To further support the negotiations, ministry staff may also look at the following:

- TDA past performance data and measures;
- The number of apprentices that are eligible to attend in-class training and have indicated a preference to take a class by TDA;
- [Labour market demand](#) and the anticipated number of new apprenticeship registrations for the trade;
- Trade programs that have lapsed or are about to lapse;
- Historical Apprenticeship Capital Grant funding and expectation around future funding requests;

- Historical and current demand for in-class training that is delivered as part of OYAP, where applicable;
- Specific issues/risks that may impact TDA discussions; and
- The development of a draft notional plan that is based on the previous year's in-class training seat plan, including updates to reflect demand for in-class training in the coming fiscal year.

Outcomes of a demand-driven budget approach include:

- Addressing in-class training demand and providing TDAs with increased budget certainty;
- Addressing labour market needs by ensuring training plans are based on demand;
- Promoting accountability and value for money in contracting; and
- Making consistent and transparent decisions regarding program funding.

### **3.2. Negotiating and Approval Phase**

Following the launch of regional in-class training seat planning, the ministry meets with each approved TDA to negotiate a one-year IEF agreement, which is effective from April 1 to March 31 of the following year. This agreement sets out a budget for a specific number of seats per class (part-time or full-time), per level of curriculum, by trade. Multiple meetings may be required depending on the number of TDA program approvals the TDA has and its capacity to train. At the meeting(s), the ministry and TDA representatives:

- Negotiate and finalize the in-class training seat plan based on anticipated demand;
- Discuss expectations and any new ministry initiatives for the upcoming year;
- Review and discuss previous fiscal year's performance outcomes;
- Review and discuss other programs associated with IEF, including the Apprenticeship Capital Grant, OYAP and Pre-Apprenticeship Training Program; and
- Review, discuss and confirm in-class training programs that have lapsed more than 5 years and programs that are about to lapse.

Once the draft notional in-class training seat plan has been negotiated and the ministry and TDA agree on the proposed classes, changes or additions to the seat plan are entered into the Employment Ontario Information System – Apprenticeship (EOIS-APPR). The proposed seat plans are then rolled up to confirm if they are within the provincial budget and submitted for ministry approval.

### **3.3. Business Planning and Agreement Creation**

TDAs are required to complete and submit a business plan, including performance commitments, in Service Provider (SP) Connect. If any of the information submitted by



the TDA is incorrect the ministry can reject the business plan, sending it back to the TDA for correction. Once rectified and resubmitted the business plan is provided to the delegated signing authority for approval.

Once approved, a transfer payment agreement is generated using SP Connect and is released to the TDA for signing.

- Agreements under \$5,000,000 can be electronically signed by both the TDA and ministry (Regional Director) in SP Connect.
- Agreements equal to or greater than \$5,000,000 or with a 25% variance from the previous TPA need to be paper signed by both the TDA and the Minister.
- For newly appointed TDAs, the first IEF agreement that is negotiated between the ministry and the TDA must be paper signed by the TDA and the Minister.

### **3.4. Monitoring Phase**

The ministry actively monitors the in-class training seat plan throughout the fiscal year for seat utilization, potential for new additional classes based on labour market demand and ministry data, activation or cancellation of tentative classes and adherence to the agreement.

Monitoring includes, but is not limited to:

- Activity and financial reporting;
- On-site compliance and evaluation visits;
- Discussions via telephone; and
- Correspondence by mail or email.

#### **Requesting Changes to the Seat Plan**

Throughout the fiscal year, A TDA may submit a request to the ministry to revise their in-class training seat plan. Examples include:

- An increase or decrease to planned or maximum seats;
- A change in the start or end date of a class; and
- A change in the class status (i.e., from tentative to active).

The TDA should work with their regional contact to complete and submit the appropriate documentation that is required for change requests.

#### **Agreement Amendments**

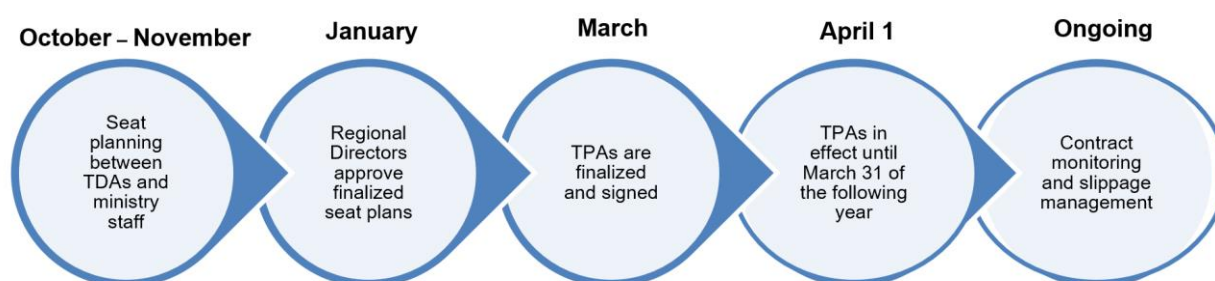
An agreement amendment may be required where a TDA experiences growth in demand for a class during the fiscal year and the TDA has demonstrated to the ministry that it cannot manage the cost of the additional class(es) through unspent funds from within their existing budget.

Amended agreements that are equal to or greater than \$5,000,000 or with a 25% variance from a previous transfer payment agreement must be signed by both the TDA and the Minister of Labour, Immigration, Training and Skills Development.

### Final Reconciliations

Agreement amounts are reconciled against ministry data and final payment is released to TDAs.

## Figure 1. In-Class Enhancement Fund Business Cycle



## 4. Performance Measures

### 4.1. Performance Commitments

TDAs must provide their proposed in-class training seat plan performance commitments for the fiscal year in SP Connect. Performance commitments include:

- Total Number of Maximum Seats;
- Total Number of Planned Seats;
- Up to a Total Number of Apprenticeship Training Courses (F/T); and
- Up to a Total Number of Apprenticeship Training Courses (P/T).

### 4.2 Performance Indicators

There are seven indicators that are used to monitor the performance of TDAs in providing in-class training.

The seven performance indicators were developed to:

- Improve the quality of in-class training, leading to improved completion rates;
- Integrate performance review as a standard practice into the in-class training planning cycle, to identify areas for improvement, and hold TDAs accountable for their results;
- Create an opportunity to provide feedback to TDAs on their overall performance; and
- Document TDAs' performance in a consistent manner.

During the business planning process, the ministry's local office presents the TDA with a report card outlining the TDA's performance in each of the indicators compared to the provincial average for information purposes. The seven in-class training performance indicators are defined as follows:

**(1) Pass Rate:** The pass rate is the percentage of apprentices who passed their trade school level in the fiscal year.

$$\frac{\text{\# of passes}}{\text{\# of apprentices attending in-class training}}$$

**(2) Effectiveness of Exam Prep Classes:** The percentage of Exam Prep (EP) clients attempting the Certificate of Qualification (C of Q) exam within 90 days of completion of Exam Prep classes.

$$\frac{\text{\# of EP clients attempting the C of Q within 90 days}}{\text{\# of EP clients}}$$

**(3)** The percent of Exam Prep clients passing the Certificate of Qualification exam within 90 days of completion of Exam Prep classes.

$$\frac{\text{\# of EP clients who passed the C of Q within 90 days}}{\text{\# of EP clients attempting the C of Q within 90 days}}$$

**(4) Funding Utilization:** The percentage of funding contracted at the beginning of the fiscal year that was utilized.

$$\frac{\text{administrative + MLITSD \$ + FLICESF}}{\text{original contract amount}}$$

**(5) Seat Utilization:** The percentage of maximum seats that were used.

$$\frac{\text{\# of seats used}}{\text{maximum \# of seats}}$$

**(6)** The percentage of planned seats paid out as guaranteed (empty) of all guarantee-to-max classes in a fiscal year. (Relevant to college TDAs only).

$$\frac{\text{\# of guaranteed seats}}{\text{\# of planned seats}}$$

**(7) Ceased Seats:** The percentage of actual seats that are ceased in a fiscal year.

$$\frac{\text{\# of ceased seats}}{\text{\# of actual seats}}$$

## 5. Definitions

**Accelerated In-Class Training:** This initiative allows apprentices who are laid off or job-threatened to attend and complete two levels of formal classroom instruction back-to-back, without returning to work in between classes. Typically, apprentices alternate in-class training with on-the-job training. This initiative is funded through the IEF.

**Actual Seats:** The number of seats utilized by apprentices when official attendance is taken for submission to the ministry (also referred to as validated seats). After starting, classes are validated within 5 business days for full-time classes and within 21 business days for part-time classes.

**Apprenticeship Training Course:** A course of training or study for a trade that the ministry approves the TDA to deliver using the most current curriculum standards.

**Block Class:** Refers to full-time (Monday to Friday) at six hours or more of in-class training a day. Each block class must complete all learning outcomes of one level of approved curriculum. There are typically 2 to 4 blocks of 6-12 weeks in duration for an apprenticeship program.

**Classroom Fee:** Refers to the total classroom fees paid per apprentice for a class (e.g., \$10 per 6-hour day of in-class training; 40 days of class would cost the apprentice a total of \$400 for the entire duration of the class).

**College TDA:** A public college in Ontario that has received ministry approval to deliver apprenticeship in-class training in a trade.

**Day Release Class:** Participants attend in-class training part-time for at least one full day per weekday and complete all reportable subjects of one level.

**Distance Learning:** Part-time in-class training where participants can achieve at least 50 per cent of content of a class part-time online and/or correspondence.

**Demand-Driven Budget Approach:** In-class seat planning is conducted by reviewing the financial supports required to respond to apprentice, employer and labour market need, in the context of identified priorities for the skilled trades and apprenticeship system. Budgets are reflective of the program funding required for the upcoming fiscal year, regardless of whether each budget is higher or lower than the previous year.

**EOIS-APPR:** The electronic system known as the Employment Ontario Information System-Apprenticeship to which the TDA subscriber has system access to track apprenticeship client course participation and results.

**EOIS-SP Connect:** The Employment Ontario Information System-Service Provider Connect application, which provides service providers with online access to their agreement details to view the most up-to-date site target and financial information, including agreements, allocations and payment schedules and report submission.

**Exam Preparation Course:** Provides supports for up to 30 hours of dedicated class time to prepare apprentices to succeed in their trade certification. TDAs delivering final-level block classes in 13 identified trades are required to extend their classes by five days to include Exam Preparation classes.

**Evening/ Weekend Class:** Part-time in-class training that only takes place at night during weekdays or daytime on weekends. These classes must complete all learning outcomes of one level.

**In-Class Enhancement Fund Seat Plan:** Provides the total number of maximum and planned seats as well as the total number of Full-time and Part-time Training Courses to be delivered by the TDA each year.

**Modified Apprenticeship Program (MAP):** Combine more than one full-time block class in order to accommodate specific training needs of major employers mainly in the automotive sector.

**Maximum Seats:** This is the maximum number of participants that can be scheduled to a given class, as described in the in-class training seat plan.

**Draft Notional Seat Plan:** A copy of the previous year's in-class training seat plan, except dates and levels have been updated to meet anticipated demand for in-class training in the coming fiscal year. The draft notional plan includes actual class enrollment data. It is valuable when assessing historical demand for the trade; the maximum and planned seats may either decrease or increase depending on the anticipated demand in the next fiscal year. The draft notional plan is a tool used by ministry staff during the planning phase of the in-class training business cycle and may inform in-class training agreement negotiations with TDAs.

**Non-college TDA:** An organization that is not a public college that has received ministry approval to deliver apprenticeship in-class training in a trade (e.g., Indigenous organization; a union; non-profit agency; career college; district school board; etc.).

**Non-Funded TDA:** A ministry approved TDA that does not receive funding from the ministry for the delivery of apprenticeship in-class training.

**Number of seats enrolled:** This is the number of clients attending the first day of class. The class is not yet locked meaning the ministry is not yet paying for the seats.

**Planned Seats:** Ideally, the lowest number of participants that would be scheduled to a class.

**Reportable Subject:** Part-time training that is delivered in the format of reportable subject at a TDA's training centre and/or combined with distance learning. Learning outcomes achieved through distance learning are not over 50 per cent of all learning outcomes of the class.

**Seat Plan:** Includes information such as the number of seats per class (part-time or full-time), per level of curriculum, by trade that the TDA is expected to deliver per their In-Class Enhancement Fund Transfer Payment Agreement.

**Training Delivery Agent (TDA):** A training institution that has been approved by the ministry such as a college, or employer/union training centre and that offers (funded or unfunded) classroom training for a trade under the IEF.