

Canada Job Grant Year 2 Review

Pan-Canadian Report – Final Draft

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Executive Summary

Introduction

This report fulfills a commitment made by federal and provincial/territorial (PT) labour market ministers to review the implementation of the Canada Job Grant (CJG).¹ The CJG was implemented in 2014 and was part of Canada Job Fund (CJF) Agreements signed with participating PTs. These Agreements included a commitment to review the CJG including PTs undertaking comprehensive reviews of their programs and the development of a pan-Canadian analysis.

The objective of the review is to assess early results from Canada Job Grant implementation to determine whether, and how, the CJG is:

- a. Increasing the participation of Canadians in the labour force and helping them develop the skills necessary to find and keep meaningful and long-term employment, and
- b. Increasing employer investment in training to ensure that skills are better aligned to job opportunities, including addressing evolving labour market demands or sectors facing skills mismatches or shortages.

The review has the following purposes:

- To track the implementation of the CJG since the signing of the Agreements;
- To report back to Ministers on the implementation of the CJG in terms of service delivery, employer outreach and program uptake;
- To provide useful information for informing policy and program design, development and delivery; and
- To highlight the diversity of PT experiences in implementing the CJG in order to report back to Ministers on promising practices, challenges and program parameters requiring improvement.

The individual PT reviews took place between January 2015 and October 2015 and assessed whether the CJG program was meeting its objectives and if changes to the program parameters are necessary moving forward.

This pan-Canadian review summarizes the results of the CJG Year Two Reviews conducted in 12 jurisdictions. These 12 jurisdictions are: British Columbia (BC), Alberta (AB), Saskatchewan (SK),

¹ Given the specific labour market partnership system in Quebec and the various measures that Quebec has already established to encourage and support employer participation in workforce training, the Canada-Québec Agreement does not include the implementation of the CJG

Manitoba (MB), Ontario (ON), New Brunswick (NB), Nova Scotia (NS), Prince Edward Island (PEI), Newfoundland and Labrador (NL), Yukon (YK), Northwest Territories (NWT) and Nunavut (NU).

A private sector consultant, Goss Gilroy Inc. (GGI), was contracted by the FLMM via a competitive open bidding process to undertake the pan-Canadian Year Two Review. GGI reviewed and analyzed the PT reports using an evidence matrix to ensure quality and consistency of the analysis and synthesis. Draft versions of the report were submitted to the FLMM Performance Management Working Group (PMWG) for discussion and comment. GGI incorporated the comments into revised versions of the report.

Key Findings and Recommendations

The key findings of the pan-Canadian analysis of the PT Year Two CJG Review reports from 12 jurisdictions are presented below. Recommendations, where applicable, are presented with the key findings. These recommendations are submitted for the joint consideration of the federal and PT (FPT) governments. It is important to bear in mind that the Year Two Review covers a point in time and since many programs were in operation for less than a year at the time of data capture, programs have continued to evolve and adjustments are being routinely made in each jurisdiction to improve the program.

Key Finding 1: The CJG is generally meeting the needs of employers. While many participants in the program have benefited from the training (e.g., acquired skills, earned a credential/certificate), the achievement of expected outcomes for the program is low in terms of increasing labour market attachment and improving the employment situation of participants.

In terms of the participation of Canadians in the labour force and helping them develop skills, while just over 37,000 participants were funded to take training through the CJG, the reviews found that there is limited evidence of increased labour market attachment among participants. This was in part due to the fact that employers largely supported participants who were employed prior to the training and the short time frame permitted for follow-up with all participants to determine if changes have occurred. Also, there was little evidence that the number of hours worked or wages have increased.

In terms of whether participants developed skills and their employment situation improved, there is some evidence to suggest this has occurred (through completion of training, earning of a credential/certificate and training being relevant to their work and contributing to improving their skills). However, there were some concerns that the training received may not be transferable to other workplaces. There was little evidence that the program had an impact on the retention or maintenance of employment with the same or a different employer.

It is important to consider these participant findings in light of the fact that the CJG program had been operating for less than a year in most jurisdictions at the time of the Year Two Review. Also, among participants there was a high degree of satisfaction with the program. Thus, it is possible

that outcomes for participants such as labour market attachment and improved employment situation might yet be realized. However, the fact remains that the CJG is not benefiting unemployed individuals, nor does there seem to be a sufficient mechanism to encourage employers to apply for CJG funding for these individuals.

In terms of employer investment in training, just over 5,000 employers applied for or received funding under the CJG. The program was seen to address the needs of employers, evidenced by high degrees of satisfaction and high proportions of participating employers who indicated the program met their needs, had a positive impact on the company, funded training that helped align skills with their needs and/or that were satisfied with the extent the training met their skill requirements. Note that employer satisfaction with the application process was lower than satisfaction with other aspects of the program.

In terms of incrementality (that is, whether there was increased employer investment in training), the analysis of the PT reports found that the number of individuals being trained likely increased compared to prior to the program's introduction due to the leveraging of the CJG funding to expand employers' training budgets. However, the findings on the incrementality of the employer investment in training through the CJG are mixed. The degree of incrementality appeared to vary across jurisdictions and by the characteristics of the employers. Among the jurisdictions that reported a figure, the percentage of employers that indicated they would have invested in training without the funding ranged from 35% to 68%.

Recommendation 1: It is recommended that FPT governments consider ways to ensure that training investments supported by the CJG are incremental.

Key Finding 2: Program flexibility is critical for PTs to ensure their labour market needs are met. While the current program parameters offer some degree of flexibility which has been beneficial, some parameters (including the targets stipulated in CJF Agreements) limit PTs' ability to ensure the program more fully meets their priorities.

A common finding among the PT reports was that the flexibility, in terms of the ability to narrow the eligibility criteria presented in the CJF Agreement and how the program is delivered, is appreciated by all jurisdictions. This flexibility has allowed the PTs to partially adapt the program to each unique PT context.

Despite this available flexibility, most jurisdictions chose to closely align the design of their programs with the parameters outlined in the CJF Agreements rather than introducing additional criteria for employers, participants or training providers. One of the main drivers for this choice was to ensure the PTs were able to meet their funding targets outlined in their CJF Agreement. For those who stayed close to the parameters as provided, there was less evidence that the PT's needs were met, whereas for those jurisdictions that chose to introduce more narrow eligibility criteria and/or prioritized applications, the analysis of the reports found that PT needs were better met.

In fact, the choice to refine the program's eligibility/assessment criteria was highlighted as a promising practice in the two jurisdictions that took this approach.

Recommendation 2: It is recommended that FPT governments explore the removal of funding targets from the CJF Agreements (i.e., the percent of the allocation to be spent on the CJG) while ensuring the CJG continues to be focused on employer-driven investments in training and meeting the needs of PTs.

While the CJG is an employer-driven program, the analysis of the PT reports found that employers, and often smaller employers (who are the largest users of the program), look to PTs for assistance with HR development and identifying training needs and appropriate responses. The CJG does not fund this type of activity and in some jurisdictions has resulted in the redirection of funding and staff resources away from these comprehensive planning and development supports for employers. Some employers could use additional support to help identify their training needs and how to meet these needs.

Because many employers request support to better identify their training needs, the full nature of the demand for the program (i.e., type of employers who would benefit, nature of the training required, types of individuals who can benefit) is not well understood in most jurisdictions. Thus, having fixed annual funding targets in CJF Agreements poses a significant risk for jurisdictions in terms of their ability to meet the needs of employers, the priorities of the PT and their funding target.

One salient example of where PT needs are not being met, and a common finding across all jurisdictions, is that most Grants supported participants who were already employed. This presents a mismatch with the common PT priority of better preparing and matching unemployed residents with jobs and the stated goal and objectives of the program. Another example is that in some jurisdictions there was a lack of alignment in terms of individuals working in occupations where shortages are expected to occur or where there is a known skills gap. Also, most participants were male, between 30 and 49 years of age and already have at least some post-secondary education. There was also a low take-up of the program among participants in lower-skilled occupations and/or designated groups (such as Aboriginal individuals, persons with disabilities and recent immigrants).

A number of jurisdictions also indicated that they would be able to better meet the needs of employers if there were increased flexibility in the program parameters outlined in the CJF Agreements including funding for participant travel and support for in-house training.

Many PT reports indicated that introduction of the CJG diverted funding from other types of programming intended for those populations that are currently being under-served by the CJG.

Recommendation 3: It is recommended that FPT governments explore additional opportunities for flexibility to enable PTs to adjust the parameters of the CJG to meet their labour market needs. For example:

- PTs should be able to adjust the funding ratio or determine mechanisms to encourage desired outcomes such as encouraging employers to hire and train unemployed workers, designated groups or those with lower skill levels and/or to encourage different kinds of training.
- It is recommended that the eligible training costs covered by the CJG be broadened to allow PTs to align the program more closely to their needs and priorities. This should include allowing participant travel costs and in-house training to be eligible and/or assisting employers in identifying their training needs and designing relevant training programs.

Recommendation 4: It is recommended that FPT governments consider adjustments to the CJF Agreements to enable PTs to reallocate the funds between the CJG, Employer Sponsored Training, and Employment Services and Supports streams according to PT labour market needs.

Key Finding 3: PTs have encountered a number of administrative challenges in implementing the CJG. Some of these were driven by the short timeframe within which they had to implement the program but others are driven by challenges related to the processing of applications and capacity to meet performance measurement commitments.

The CJG in most PTs was launched after the targeted roll-out date of July 1, 2014. The delayed start-up resulted in increased pressure on PTs to meet their funding targets in their CJF Agreement in a shorter than anticipated time frame.

The abbreviated timeframe for program start-up also resulted in other challenges including limited time to create suitable organizations, systems and processes for program delivery. In fact, the review found that while application processes varied considerably across PTs, most jurisdictions encountered high administrative costs to run the program. The common challenge of the administrative burden for PTs included, but is not limited to: the ability to appropriately assess applications and vet applicants and training providers; the ability to support employers; and the capacity to conduct follow-up and data collection for the purpose of performance measurement. A few jurisdictions have had the opportunity to adjust their processes, while others have not yet made any changes (although a few indicated that they plan to make adjustments). Also, administrative burden on employers was generally seen to be high.

As a result of these high administrative costs, coupled with the fact that most PTs feel employer demand for the program is still largely unknown, most PTs expressed concern that the administrative cap, set at 15% for the first two years of implementation, will be lowered to 10%

for subsequent years. Note that this finding does not apply to the three territories since they have different administrative caps articulated in their CJG Agreements.

***Recommendation 5:* It is recommended that FPT governments re-examine the current profile of funding allocated for administration to ensure that there is the capacity necessary to deliver the CJG. At minimum, PTs should be able to spend the same proportionately on administration as current levels.**

While not directly within the scope of the Year Two Review, an analysis of the reports did reveal common findings regarding performance measurement. In some cases, these findings emerged based on the analysis conducted for the pan-Canadian review and, in other cases, issues were raised in PT reports. PT reports identified the following challenges: streamlining data requirements based on relevancy; improved articulation of program success/outcomes and associated indicators; accessing more/better information about employers' pre and post CJG investments in training; and the frequent follow-ups (with the preference identified to focus resources on a 12-month follow-up). The pan-Canadian analysis suggests the following require attention: consistent approach to measuring the number of employers and participants (e.g., unique versus number of Grants, number of applications versus number of Grants); and consistent approach to measuring participant and employer satisfaction.

***Recommendation 6:* It is recommended that the Performance Management Working Group exercise its commitment to undertake a periodic review of the CJF Performance Measurement Framework, with a view to ensuring ongoing relevance of the outcomes, indicators and associated reporting requirements.**

1.0 Introduction

This report fulfills a commitment made by federal and provincial/territorial (PT) labour market ministers to review the implementation of the Canada Job Grant (CJG). The CJG was implemented in 2014 and was part of Canada Job Fund (CJF) Agreements signed with participating PTs. These Agreements included a commitment to review the CJG. As a result, PTs conducted comprehensive reviews of their programs and the FLMM agreed to do a pan-Canadian analysis. The purpose of this report is to synthesize the findings of the jurisdictional reviews of the CJG undertaken between January 2015 and October 2015. Please refer to **Appendix A** for the Executive Summaries from each PT.

1.1 Job Fund Agreements

Since 2006, the Government of Canada (GoC) and PT governments entered into Labour Market Agreements (LMAs) to provide employment supports and training to unemployed individuals not eligible for Employment Insurance and low-skilled existing workers. In 2013, the LMAs were transformed into CJF Agreements with a greater focus on labour market demand and increasing employer involvement in training.

The GoC entered into six-year (2014-2020) bilateral CJF Agreements with all PTs. Under these agreements, Canada provides funding for PT labour market programs in order to increase the participation of Canadians in the labour force and to help Canadians develop the skills necessary to find and keep meaningful and long-term employment. The overarching objectives of CJF Agreements are to: better align training with employer demand; increase involvement and investment of employers in training decisions; and continue efforts to connect Canadians with available jobs.

Table 1: PT Job Fund Agreements and Date of Signature

PT Job Fund Agreement	Date of Signature
Canada—Alberta Job Fund Agreement	April 24, 2014
Canada—British Columbia Job Fund Agreement	March 31, 2014
Canada—Manitoba Job Fund Agreement	April 23, 2014
Canada—New Brunswick Job Fund Agreement	July 29, 2014
Canada—Newfoundland and Labrador Job Fund Agreement	July 4, 2014
Canada—Nova Scotia Job Fund Agreement	July 4, 2014
Canada—Northwest Territories Job Fund Agreement	August 6, 2014
Canada—Nunavut Job Fund Agreement	September 17, 2014
Canada—Ontario Job Fund Agreement	March 28, 2014
Canada—Prince Edward Island Job Fund Agreement	July 18, 2014
Canada—Quebec Agreement 2014-2020 for the Transfer of Funds under the Canada Job Fund	March 4, 2014
Canada—Saskatchewan Job Fund Agreement	July 29, 2014
Canada—Yukon Job Fund Agreement	August 5, 2014

1.2 Canada Job Grant

As part of the CJF Agreements, all PTs, with the exception of Quebec, agreed to implement the CJG as a central feature of the new Agreements that directly connect skills training with employers.² The CJG was a new program intended to increase employer investment and involvement in training while assisting:

- Unemployed workers seeking training to obtain a job;
- Employed, but underemployed and seeking training for a better job; and
- Employed but seeking training for a better job.

Given the specific labour market partnership system³ in Quebec and the various measures that Quebec has already established to encourage and support employer participation in workforce training, the Canada-Quebec Agreement does not include the implementation of the CJG. The Agreement renewed the investment initiated under the 2009 Canada-Quebec LMA, supporting the continued successes of Quebec's public employment and training model in ensuring that the labour forces have the necessary skills to find a job.

According to the CJF Agreements, the CJG is to ramp-up over four years with full implementation by 2017-18. In the first year of the Agreement (2014-15), PTs were required to spend an equivalent of at least 15 per cent of their CJF Agreement allocations on the CJG. In the subsequent three years of the agreement, the CJG will be phased-in by annual increments of 15% of the total CJF allocation to a minimum equivalent to 60% of the allocation in Year 4 onwards. PTs have the ability to fund the government contribution to the CJG through the CJF Agreement, Labour Market Development Agreement or the PT's own-source revenue. Thus, it is expected that funding sources will differ across jurisdictions.

1.2.1 Broad Program Parameters

The CJF Agreements outline four core principles of CJG programs:

² Two other streams within the CJF Agreements are: Employer-sponsored Training; and Employment Services and Supports.

³ The Commission des partenaires du marché du travail is a provincial consultation body that brings together representatives from business, labor, education, community and governmental organizations dedicated to improving the efficiency of the labour market. These labour market stakeholders pool their expertise and ideas in order to enhance public employment services and foster workforce skills development and recognition. For more information, visit the Commission's website (<http://www.cpmmt.gouv.qc.ca/>).

- Employer decides who obtains training and what type of training is required;
- Employer has a job available for the participant at the end of the training;
- Employer financially contributes to the training; and
- Training is provided by an eligible third-party training institution recognized by the P/T.

Eligible employers who can apply to and benefit from the Grants include individual employers and 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. Some CJF Agreements also include some Crown Corporations and Aboriginal governments as eligible employers.

Eligible beneficiaries (i.e., individuals eligible to receive training through the Grants) include individuals who are:

- Unemployed and seeking training to obtain a job;
- Employed, but underemployed and seeking training for a better job; or
- Employed, but seeking training for a better job.

Through the CJG, employers can receive a maximum of \$10,000 per person in government funding for eligible training. Employers must contribute a minimum of one-third of the direct costs of training. The CJF Agreements contain a provision that allows PTs to permit small employers (50 or fewer employees) to count in-kind wages as their one-third contribution or they can contribute as little as 15% of the training costs (in cash). Eligible training costs include tuition fees or fees charged by training providers, mandatory student fees, textbooks, software, supplies and other required materials and examination fees. Training can be delivered in any setting (e.g., classroom, workplace, or online) but it must be delivered by a third party trainer.

Within these parameters, PTs have flexibility around certain aspects of the design, administration and delivery of their CJG programs in order to best address their local labour market needs. As a result of the diversity of labour markets and priorities within and between jurisdictions, the design and implementation of CJG programs differs across PTs. Please refer to Section 4.1 for a description of the various approaches to CJG program design and implementation among jurisdictions.

1.3 Objectives and Scope of the Canada Job Grant Review

As part of their commitment to implement the CJG, all 12 participating jurisdictions agreed to complete a review of their CJG program in the second year of implementation. The review is a key component of these agreements, which state:

A review of the Canada Job Grant will be undertaken in Year 2 of the Agreement. The review will examine various aspects of implementation, including employer take-up and phase-in, and report back to members of the Forum of Labour Market Ministers by the end of the 2015 calendar year to allow time to make adjustments, if necessary.

On November 21, 2014, the Forum of Labour Market Ministers (FLMM) approved a multilateral Terms of Reference for the Year Two Review of the CJG. The Terms of Reference provided a framework to guide each of the PT reviews as well as the pan-Canadian report synthesizing the findings in a national context.

The objective of the review is to assess early results from CJG implementation to determine whether, and how, the CJG is:

- a. Increasing the participation of Canadians in the labour force and helping them develop the skills necessary to find and keep meaningful and long-term employment, and
- b. Increasing employer investment in training to ensure that skills are better aligned to job opportunities, including addressing evolving labour market demands or sectors facing skills mismatches or shortages.

The review has the following purposes:

- To track the implementation of the CJG since the signing of the Agreements;
- To report back to Ministers on the implementation of the CJG in terms of service delivery, employer outreach and program uptake;
- To provide useful information for informing policy and program design, development and delivery; and
- To highlight the diversity of provincial / territorial experiences in implementing the CJG in order to report back to Ministers on promising practices, challenges and program parameters requiring improvement.

The individual PT reviews took place between January 2015 and October 2015 and assessed whether the CJG program was meeting its objectives and if changes to the program parameters are necessary moving forward.

Key elements of the review include assessing various indicators as they relate to the design of the program, its implementation and delivery, as well as an assessment of early outcomes achieved to date. The CJG Year Two Review therefore sought to answer five questions in three issue areas:

Issue: Program Design

1. What has been the approach to the CJG? In what ways have PT programs presented challenges or suggested promising practices that could inform national program design adjustments?
2. In what ways, positive and/or negative, have the parameters for the CJG impacted program design decisions in each jurisdiction and PT's ability to address the labour market needs in their jurisdiction?

Issue: Program Implementation and Delivery

3. To what extent was the CJG program implemented as planned in each jurisdiction?
4. To what extent have participants and employers participated in the CJG program? What is known about the types of employers applying for the CJG, participants and the types of training being sought?

Issue: Achievement of Expected Outcomes

5. Based on available data, to what extent:
 - a. Have participants increased their labour market attachment?
 - b. Have participants improved their employment situation?
 - c. Has the training supported by the CJG program addressed employers' and/or each jurisdiction's labour market priorities?
 - d. Have participating employers increased their investment in training?
 - e. Are employers and participants satisfied with their experience with the program?

Since CJG reviews were undertaken shortly after the first fiscal year of program implementation (2014-15), they were not able to assess the impacts on long-term employment. However, the findings related to the achievement of outputs and outcomes will inform the baseline for the evaluation of long-term impacts in the 2018 PT evaluations.

This report is organized into six additional sections, focusing on review methodology, PT labour market contexts, findings (on design and relevance, implementation and delivery, trends in outcomes), and key findings and recommendations.

2.0 Methodology

This report summarizes the results of the CJG Year Two Reviews conducted in 12 jurisdictions. These 12 jurisdictions are: British Columbia (BC), Alberta (AB), Saskatchewan (SK), Manitoba (MB), Ontario (ON), New Brunswick (NB), Nova Scotia (NS), Prince Edward Island (PEI), Newfoundland and Labrador (NL), Yukon (YK), Northwest Territories (NWT) and Nunavut (NU). Executive summaries from the PT reports are presented in Appendix A.

2.1 Review Strategy

A private sector consultant, Goss Gilroy Inc. (GGI), was contracted by the FLMM via a competitive open bidding process to undertake the pan-Canadian Year Two Review. There were three discrete steps in the review methodology for the development of the pan-Canadian report. Each of these steps and their associated tasks are described below.

Step 1: Review and Analysis of Draft PT Reports

As a first step, GGI reviewed the drafts or final reports of each of the 12 PT reports submitted. This review included the following tasks:

- *Systematic review of PT reports and mapping against pan-Canadian review questions.* This involved a comprehensive review of each report for relevant evidence and appraisal of that evidence in terms of its ability to answer the review questions. The review included not only the findings contained in each report, but also the context within which the CJG was implemented. For example, some jurisdictions had variations in the eligibility criteria and delivery models. Thus, findings and evidence in PT reports were synthesized while noting these differing contexts, where possible.

GGI reviewed each jurisdiction's interpretations of their data rather than reviewing the primary and secondary data used to develop their reports or providing our own interpretation of the findings. Where additional information was contained within the PT reports, it was assessed regarding its relevance to the objectives of the pan-Canadian review and, if deemed to be relevant, included where appropriate.

- *Population of an evidence matrix aligned with the pan-Canadian review questions.* As the systematic review was completed, it was documented in an evidence matrix according to the question it answered. The evidence matrix was structured such that each jurisdiction formed a separate row in the table and each question formed a separate column. Additional information was included, where appropriate, to document the relevant context for the design and delivery for each CJG program in each PT or methodological issues. Evidence was entered in the matrix as summary point-form points and sometimes with exact quotes extracted and

sourced. The evidence matrix was used as the basis for the next tasks. Its purpose was not to compare across jurisdictions, but rather to organize information from each jurisdiction's report in a consistent way. The matrix does not appear in the report itself, but rather was developed and maintained as a tool for the GGI consultants.

- *Identification of examples, quotes, case studies and other items of interest to highlight promising practices and lessons learned.* Of note, individual jurisdictions are not identified in this report unless the information is publicly available. No comparison or assessment of quality across the reports is presented in this report. Thus, the methodology focuses on extracting and rolling-up/summarizing relevant information. As well, the review methodology places an emphasis on the analysis of the PTs' interpretations of the findings in order to answer the review questions.

Step 2: Validation and Challenge

Following the development of the evidence matrix and an early draft of the findings, the GGI consultants met to discuss the draft findings and the evidence matrix. The objective of this meeting was to provide a challenge function to ensure the quality and consistency of the analysis and synthesis. In particular, the consultants at this meeting reviewed the completed evidence matrix to ensure the findings in the pan-Canadian report accurately represent the evidence across all jurisdictions.

Step 3: Prepare the Pan-Canadian Report

Based on the analysis and synthesis of the PT reports from the evidence matrix, GGI developed a draft pan-Canadian report. This report was reviewed by the FLMM Performance Management Working Group (PMWG), which included representation from the GoC and all PTs. GGI incorporated the comments into a second draft report. This iterative approach of comments provided by the PMWG and changes made to the report will be followed until the report is finalized.

2.2 Strengths and Challenges

Strengths

The PT reports in all but one instance presented the results of multiple lines of evidence using a mix of qualitative and quantitative evidence which represents a best practice in program review and program evaluation research. One jurisdiction did not provide any information about the methodologies they used for their review. Among the 11 jurisdictions with information about their methodology, the methodologies included:

- Four jurisdictions conducted a literature review, two of which included a review of similar programming internationally;
- Nine jurisdictions cited document reviews, and one of these included a situational assessment;
- All jurisdictions used administrative data;
- All jurisdictions, except for one, used key informant interviews, where the reported number of interviewees ranged from 7 to 28;
- Three jurisdictions reported focus groups with employers, none had focus groups with participants. One jurisdiction conducted a focus group with service providers/delivery partners and three conducted a focus group with program management;
- Six jurisdictions used surveys of employers and six jurisdictions conducted surveys of training participants⁴;
- One jurisdiction conducted a survey of service providers/delivery partners; and
- Two jurisdictions conducted case studies.

Each PT tailored their review designs to their context and availability of data (e.g., conducted a survey where there was a sufficient number of potential respondents, consulted different types of employers and participants and others). This ensured the design of the reviews and the interpretation of the findings were sensitive to the unique circumstances of each PT.

Challenges

While this diversity enriched the results for each PT and provided a broad range of results and perspectives for the pan-Canadian review, there were a number of challenges, including:

- There was a vast range of participants in the CJG across the jurisdictions, ranging from 8 to over 6,000 employers and from 50 to nearly 14,000 participants. It was very difficult to assess how to weight the evidence from each jurisdiction to arrive at an overall finding for a single indicator or an overall review question. In the end, GGI chose to report the evidence from each jurisdiction equally.
- The use of very different methodologies and sample sizes made it challenging to arrive at an overall finding based on these indicators. Ranges and describing groupings of results had to be used for many of the findings. Also, some jurisdictions used the 2014/15 FY as the cut-off date

⁴ One jurisdiction conducted surveys of employers and participants, but the data was not available for inclusion in their review report. That jurisdiction is not represented in these figures.

for the Year Two Review whereas others included program activities up to the summer or fall of 2015.

- Language used in the reporting differed by jurisdiction and even similar terms may not have used the same definitions. For example, when presenting employment figures, it was not clear whether full-time positions, part-time positions or both were described. Similarly, when reporting the number of employers and participants, some jurisdictions reported applicants whereas others (most) reported the number of successful applicants. Also, it was not clear whether numbers presented in PT reports were unique employers and participants or simply the number of Grants.
- The indicators required to be tracked by PTs were outlined in the CJF performance measurement framework. However, the review reports submitted for the pan-Canadian review included large gaps in the information for some indicators. These gaps made it difficult to assess the impact of the CJG at a pan-Canadian level.
- Several jurisdictions noted the time period included in the scope for the review was too short to collect some follow-up information (e.g., 12 months post-participation) or to observe changes for some indicators (e.g., earnings and income, which are not typically immediate gains from training). This was more problematic for jurisdictions where program implementation, and thus, employer take-up occurred later as outcomes were less likely to be tracked and observed (such as gains in income or achievement of provincial priorities).

3.0 PT Labour Market Contexts

The CJG was implemented in PTs with very disparate labour market conditions and priority sectors. For instance, the size of the labour market in PEI is 81,500 compared to 2.4 million in Alberta. While the unemployment rate was 7.5% in Ontario and 4.3% in Saskatchewan, it was 12.9% in Nunavut during the period under study. The sector characteristics and economic priorities were also differentiated with an emphasis on small business-based in Manitoba, while larger firms and the resource sector were more prevalent in Nunavut. Other jurisdictions, such as NWT, had no targeted labour market sector because the industry base is so small. Different demographic trends, including declining populations in NB and rapidly growing populations in Nunavut and Yukon, also create large distinctions in regional opportunities and challenges. These regional features influenced program implementation. For more information about the context in each jurisdiction, please refer to the PT executive summaries, attached as Appendix A

These disparate labour market conditions illustrate the complexity of implementing a program of this size across Canadian jurisdictions and underscore the importance of flexibility in terms of design and implementation criteria.

4.0 Review Findings – Design and Relevance

4.1 Program Design Elements

Summary of Findings: Overall, jurisdictions kept the eligibility criteria for employers, participants and training providers broad. There were some exceptions to eligibility criteria and a small number of PTs introduced additional sub-criteria to more closely align Grants with their priorities.

The CJG is based on a number of key principles and criteria outlined earlier and summarized in Box 1. There are various ways in which the jurisdictions have designed their programs based on the parameters laid out in the CJF Agreements.

Employers

Eligibility criteria for employers in all jurisdictions were left broad; however, there were some differences regarding eligible employers. Very few jurisdictions developed additional eligibility criteria to prioritize applications by factors such as company size, location, sector, or whether the employer had received prior funding. In fact, only one jurisdiction made funding decisions based on these types of employer characteristics. One jurisdiction limited the amount of funding per fiscal year per employer and one jurisdiction specifically targeted small businesses (with less than 50 employees). Some jurisdictions include as eligible employers Aboriginal governments and select Crown corporations that meet specific criteria consistent with their CJF Agreements.

Box 1: CJG principles, criteria and parameters

Principles:

- Employer decides who obtains training, type of training required
- Employer has job available for the participant after training
- Employer financially contributes to the training
- Training provided by an eligible third-party training institution

Criteria for employers:

- Individual employers and organizations acting on behalf of employers within the private and not-for-profit sectors
- Crown Corporations and Aboriginal governments (based on agreement between the PT and GoC)

Criteria for participants:

- Unemployed and seeking training to obtain a job
- Employed, but underemployed and seeking training for a better job
- Employed, but seeking training for a better job

Program parameters:

- Employers can receive up to \$10,000 per person
- Employers must contribute a cash contribution of at least one-third of training costs.
- Small employers (<50 employees) can be allowed to count in-kind wages as half of their 1/3 contribution (in-kind) or can contribute as little as 15% of the training costs (in cash)
- Eligible training costs include tuition fees or fees charged by training provider, mandatory student fees, textbooks, software, supplies and other required materials and examination fees
- Training can be delivered in any setting (e.g. classroom, workplace, or online) but must be delivered by a recognized third party trainer

Participants

Eligibility criteria for participants were also left broad in seven jurisdictions. In fact, in two jurisdictions, there were no requirements for participants to reside in the PT. Some PTs did create additional targeted criteria within the broad parameters:

- All but one jurisdiction allowed for multiple training Grants to be issued to the same participant in the same year.
- Four jurisdictions did not allow business owners/directors of a company (or major shareholders) to apply for training (although one did have an exception that training would be supported if it would allow for better business management or expansion or if the company only has one employee).
- Three jurisdictions did not allow family members of business owners to apply for training.
- In one PT's case, they specify that unemployed participants cannot be replacing or displacing employees on various types of leave from the employer.
- One jurisdiction makes funding decisions for participants based on the reason for the training (e.g., whether the person is a new hire) and target group.
- One jurisdiction prioritized new hires and those being trained for a better job.

Training Providers/Training

In terms of eligibility criteria for training providers and the types of training that could be covered by the CJG, most jurisdictions kept the criteria broad. There were some differences in eligible training expenses. For example, two PTs allowed travel costs for training providers to be covered by the CJG whereas this was not eligible in other jurisdictions (or simply not mentioned in the PT report). Two jurisdictions had a number of restrictions on training eligibility, including: training must be incremental, training must lead to a credential, there is a minimum of 24 hours of training per employee, and/or training must be related to a full-time position (only a requirement in one of these jurisdictions).

Funding

In terms of the amount to be cost-shared and when the funding is provided to the employer (i.e., after the training is completed), the analysis found that one jurisdiction offered an advanced funding option to increase flexibility for some employers and two jurisdictions required that the funds contributed by the employer could not be from another federal or PT grant.

4.2 Program Relevance for PTs

Summary of Findings: Evidence was mixed in terms of the extent to which the program met the stated labour market priorities of the PTs. In general, where jurisdictions had narrowed the eligibility criteria to focus on certain types of employers or training, the program was described in PT reports as being more relevant. However, in cases where eligibility criteria were left broad, there were gaps in terms of the relevance of the program. One common finding across all jurisdictions is that most Grants supported participants who were already employed, a mismatch with the common PT priority of better preparing and matching unemployed residents with jobs or the stated goal and objectives of the program.

One of the questions explored for the review was the extent to which the CJG was relevant for PTs. How relevance was defined is one example where PT reports addressed this question differently. For example, some PT reports considered relevance in the context of sectoral priorities and assessed whether the program met those needs. Others looked at the type of participants (e.g., whether employed, under employed or unemployed) or the type of employer (e.g., size) and compared these to their PT priorities. Other PT reports did not provide a fulsome discussion of relevance.

With regard to relevance, it could be interpreted that the program can be viewed as relevant to the labour market needs of most PTs since employers have the ability to decide who gets the training and what training they receive. As well, in all jurisdictions that reported on employer satisfaction, employers were generally satisfied with the program⁵ (bearing in mind that those employers reporting on satisfaction had received funding through the CJG), suggesting that employers felt the program was meeting their needs. However, this interpretation of relevance would be best supported by an analysis of the characteristics of employers that participated (such as the economic and labour market circumstances of their sector) and whether the training opportunities that were funded addressed PT labour market needs. As noted below, few PT reports provided this analysis.

Evidence was more mixed in terms of the extent to which the program met the stated labour market priorities of the PT, as articulated in PT reports. Based on an analysis of the PT reports, in general, where jurisdictions had narrowed the eligibility criteria to focus on certain types of employers or training, the program was described as being more relevant. However, in cases where eligibility criteria were left broad, there were gaps in terms of the relevance of the program.

In terms of whether funding was allocated to employers in priority sectors, four jurisdictions indicated that funding was spent in relevant sectors (such as the municipal government sector and the manufacturing sector). Three other PT reports found that employers that received Grants

⁵ Additional information on employer satisfaction is presented below in Section 6.0.

did not necessarily work in the PT's priority sectors. The other jurisdictions' reviews did not include a statement regarding whether CJG investments were made in PT priority sectors.

Another area of priority highlighted in four PT reports was support for small businesses. In fact, most of these jurisdictions designed their CJG programs to target these types of employers through the prioritization of applications. Thus, the program can be seen to be relevant since the majority of approved applications are for small employers (see Section 5.2).

Two jurisdictions also had information on occupations where shortages are expected and, again, the occupations of participants who benefited from Grants were not well-aligned with this PT's priorities. Two jurisdictions' reviews found that the program has not helped to fill skills gaps in the labour market (without identifying the specific skill(s) or occupations) and another indicated that the program has not increased the supply of skilled labour.

Another common finding across all jurisdictions is that the majority of the funding was spent on Grants for participants who were already employed (ranging from 85% to 100% of participants, and note also that a few jurisdictions did not provide this breakdown). This is not aligned with a common PT priority of better preparing and matching unemployed residents with jobs or the stated goal and objectives of the program. Thus, this finding would suggest the CJG was not designed in such a way to be able to encourage employers to invest in training for new hires. The analysis in PT reports from three jurisdictions explicitly state that the CJG design primarily leads to investments for current employees (for reasons including that employers felt: their training investment would be lost if the participants did not choose to work for them after the training; current employees would feel that investing in training for people who do not currently work for the employer would be unfair; and employers would be legally liable for participants during training).

Two jurisdictions felt that this focus (on current employees) was relevant for their jurisdictions since employers commonly claim that there is a skills gap in some sectors. In fact, one of these jurisdictions explicitly stated in their report that the CJG in their PT was aimed at existing employees and that this met their PT priorities related to increasing labour market attachment and up-skilling.

One jurisdiction mentioned that the program did not help them meet their priority of maximizing the economic participation of all residents and did not support the engagement of underrepresented groups (such as Aboriginal people and persons with disabilities) in training.

Most jurisdictions also highlighted that most participants already had at least some post-secondary education, suggesting that the program was not accessed by employers to support those who are vulnerable or those in lower-skilled occupations (both identified as priorities in these jurisdictions).

4.3 Promising Practices, Challenges and Lessons Learned

4.3.1 Promising Practices

As mentioned, two jurisdictions refined their eligibility and/or assessment criteria to drive funding of relevant and incremental training. Both of these PT reports highlighted this refinement as a promising practice. Specifically, one jurisdiction developed a guide with weighted assessment criteria that allowed them to prioritize applications based on relevance to labour market needs and achievement of provincial priorities. The other jurisdiction added three questions to their CJG application form in order to provide greater clarity to applicants regarding what is considered to be non-incremental training and therefore not eligible for CJG funding.

While the program was found to be better aligned with the needs of PTs when eligibility/assessment criteria were refined, a few jurisdictions (particularly smaller PTs) felt that it was appropriate for them to avoid targeting specific sectors and/industry and make the CJG available to all aspects of employment activity in order to meet the needs of employers and to meet uptake targets for the program.

Another promising practice mentioned in two jurisdictions was allowing complementary programs to the CJG (e.g., wage subsidy or job incentive program) to be used simultaneously, which could better meet the needs of individual employers.

4.3.2 Challenges

A final program challenge, or perhaps an unintended outcome of the CJG raised by most jurisdictions, was diversion of funding from other types of programs/target groups and redirection of the time and attention of PT staff away from other activities. This occurred, for example, when PT staff were re-focused to administer the CJG, which reduced their capacity to provide supports to employers or other non-CJG programming that was previously available and valued by the employer and client communities. Again, because the required investment in the CJG will increase during the first four years of the CJF Agreements, there was concern about ongoing reductions to other program areas (e.g., programming to underrepresented groups to support initial labour market attachment) in order to meet the targeted CJG expenditures.

Some jurisdictions indicated that demand for the program is still unknown or unclear and therefore, there is some uncertainty as to whether the specific CJF Agreement spending targets can be achieved. An alternative approach for reviewing the existing targets was suggested in some reports.

4.3.3 Lessons Learned/Suggestions for Improvement

Eligibility Criteria

Several jurisdictions indicated that they would like to revisit the program eligibility criteria to more strategically align the program with PT labour market goals and economic development priorities and to ensure incrementality of the CJG-funded training. A few jurisdictions suggested that having the ability to adjust the funding ratio in terms of the proportion paid by the employer versus the government would allow PTs to encourage certain types of employers, participants or kinds of training to be supported. Another avenue suggested by one jurisdiction is to introduce caps or quotas related to sector, region and/or occupation to increase alignment with provincial priorities.

There was also a desire by most jurisdictions to ensure that the program parameters reflected in CJF Agreements was not overly restrictive and permitted sufficient flexibility to gear funding to the training that employers need. For example:

- Seven jurisdictions noted challenges in the program's restriction on the use of CJG funds for participant travel. This was cited as being particularly restrictive for employers and employees in Northern and/or remote communities, for employers seeking a CJG for specialized training not available within the local area or province, and projects that are recruiting employees to work locations that are away from their home community.
- Four jurisdictions reported barriers for some employers in accessing the CJG for specialized training that is either more appropriate to deliver in-house where capacity currently exists or that is not available through traditional training institutions. Small, particularly rural employers, find it difficult to meet the third party training requirement due to a lack of available training in their community.

Four jurisdictions mentioned the need to enhance the program's focus on unemployed individuals, entry-level workers, and underrepresented and vulnerable populations, particularly given the evidence demonstrating the program has not been effective in reaching these populations. One jurisdiction recommended greater recognition of employer in-kind contributions as a means to encourage employers to use the CJG for new hires as well as the importance of supporting additional ineligible training costs (e.g., child care, income support) to increase the participation of underrepresented groups.

One jurisdiction wanted to re-examine their focus of the program on small employers and clarify the eligibility of the program with respect to those who are self-employed (solo self-employed or self-employed with employees) since they felt that the needs of some employers were not being met.

Other Lessons Learned/Suggestions for Improvement

Several jurisdictional reports questioned the assumptions underlying the CJG that employers can readily identify their training needs and how to meet these needs, and that employer demands for training will drive improvements and responsiveness of the training marketplace. Reviews in these jurisdictions concluded that many employers, especially small employers and/or those without a dedicated HR function, require expertise and assistance to identify their training and other HR needs. One jurisdiction expressed concerns that active promotion of the CJG by training institutions to employers led to further confusion between “need to have and nice to have” training. While one jurisdiction engaged specific actors to promote the CJG program and to help employers understand their training needs and develop training plans, that review report was not able to confirm the extent to which this occurred. According to analyses in another jurisdiction, the CJG program is unlikely to stimulate improvement in the quality of training available in the marketplace, and therefore may not facilitate employers’ ability to find training that meets their needs.

As a result, a lesson learned and area for potential improvement identified in the jurisdiction reports was revisiting the current parameters of the program to assist employers in terms of needs assessment and planning services, as required, to help ensure that training investments are relevant and build on existing PT approaches to workforce development (thus offering a continuum of services and supports that are closely aligned with the needs of employers). This would also support assisting employers to access other PT programming, where available, if they are ineligible for the CJG or if it is not able to respond to their training needs. These types of activities are not eligible under the CJG, however, and must be covered under the administration category or absorbed by the PT as the amount of CJF funding redirected to the CJG has reduced the amount available to support this type of activity. As the program scales up, it may be challenging to continue to invest in these services as the number of participants and funding dedicated to the CJG increases.

5.0 Review Findings – Implementation and Delivery

5.1 Profile

Summary of Findings: According to a roll-up of PT reports, over 5,000 employers applied for/received Grants and over 37,000 participants were approved for training. Most participants were male, between 30 and 49 years of age and have at least some post-secondary education. There was generally low participation among individuals from designated groups (including persons with disabilities, Aboriginals and recent immigrants), with a few exceptions where participation among Aboriginals was higher. Most participants were already employed; program take-up among new hires was very low.

In terms of employer characteristics, the majority of the employers receiving Grants were small businesses (i.e., with fewer than 50 employees) and operating as private sector (for-profit) organizations. Sectors with the highest participation of employers included the professional, scientific and technical services sector and the manufacturing sector.

Most training providers in most PTs were private trainers although in a few PTs post-secondary institutions formed the majority of training providers. Most training supported by the program was for upskilling/upgrading. The nature of skills learned varied by jurisdiction with the most common reported to be specialized or technical skills.

5.1.1 Participants

The number of individuals who were approved for/received training varied significantly across jurisdictions – ranging from 50 to just under 14,000 participants. The total number of participants reported across PT reports was 37,143. Note that the timeframe for reporting participation figures was inconsistent across reports with some reporting only the 2014/15 FY while others included figures from the 2015/16 FY. As well, at least one PT report reported the number of participants based on the total number of applications received rather than the number of applications approved (although the two figures could be very close if the approval rate was high).

Demographics

As can be seen from **Table 2**, and where information was provided by jurisdictions, the majority of participants were male, and between the ages of 30 and 49 years. The overrepresentation of male participants was raised in two of the jurisdictional reports. One reported that while the issue had not been explored, it may be reflective of the type of participating industries and the individual companies' human resources profile rather than of actual gender disparity. Another jurisdiction felt that this inequity might indicate a gender bias given the male/female composition of the working population in the jurisdiction was nearly equal.

It was reported that some to all of the participants in eleven jurisdictions had post-secondary education, with the remaining jurisdiction not reporting on their participants' education level. Nine jurisdictions more specifically stated that 50% to 100% of their participants had some post-secondary education. Five of the jurisdictions specifically identified that 12% or less of their participants had less than high school education.

There was little overall representation from the following designated groups – persons with disabilities, Aboriginals and recent immigrants. One jurisdiction stated that the representation of Aboriginal people, recent immigrants and persons with disabilities was less than 10% of total training participants, with each group's representation at a level less than half of the group's representation among the jurisdiction's workforce. Five of the jurisdictions cited 5% or less of the participants self-identified as persons with disabilities, Aboriginals and/or recent immigrants.

On the other hand, in three jurisdictions, participation of persons self-identified as Aboriginals was much higher. In one jurisdiction, it was reported that 50% of participants were Inuit; another jurisdiction reported that 33% of participants were Aboriginal; and a third jurisdiction reported that 32% of their participants were Métis/First Nations. Another jurisdiction indicated that designated groups (mainly immigrants) accounted for close to 20% of total participants.

Table 2: Demographic Information

Demographic	Information Not Provided	Information Provided
Age	Two jurisdictions did not report on the age range of participants.	Five jurisdictions reported that more than half/most of their participants were between the ages of 30-49 and another reported their participants ranged in age from 25-55; two jurisdictions reported that the average age of their participants was 38.5 and 44 years, respectively.
Gender	Two jurisdictions did not report on the gender of their participants	Nine jurisdictions reported that there had been more male than female participants: <ul style="list-style-type: none"> • In three jurisdictions the split had been approximately 50%-55% male and 50%-45% female. • In five jurisdictions participation was more skewed towards male participation, 63%-87%.
Education	One jurisdiction did not report on their participants' education level.	Eleven jurisdictions reported that some to all participants had post-secondary education training – ranging from “some” post-secondary to diplomas and degrees: <ul style="list-style-type: none"> • Nine jurisdictions more specifically stated that 50%-100% of their participants had some post-secondary education. • Five of the jurisdictions specifically identified that 12% or less of their participants had less than high school education.
Designated groups	One jurisdiction did not report on the extent to which designated groups (persons with disabilities,	Eight jurisdictions indicated that overall representation from these populations was limited or none (10% or less): <ul style="list-style-type: none"> • More specifically, five of these jurisdictions

	Aboriginals, recent immigrants and visible minorities) were included in their participant population.	cited 5% or less representation, although one of these jurisdictions did have a higher representation from Aboriginal people – 33% and another had a higher representation of First Nations/Métis. <ul style="list-style-type: none"> • The remaining jurisdiction spoke only to 50% of their participants being Inuit.
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Employment Status

The CJG program is available to train both existing workers and new employees. Despite this, there was minimal uptake by employers to train new employees across the 12 jurisdictions, with three jurisdictions indicating that no new employees participated. Even in the other nine jurisdictions, the participation of new employees was cited to be low. As an example, in six jurisdictions, it was reported that new hires made up less than 1% to 14% of total participants.

It appears that participants were primarily existing employees with eight jurisdictions noting that 95% to 100% of employees were existing; the remaining jurisdictions cited approximately 10% to 20% of participants as being unemployed. The existing employees had required additional training for skills enhancement in relation to their current role and/or to take on new responsibilities/roles, and/or for advancement purposes.

In one jurisdiction, for example, although one of their priorities is to provide opportunities for the unemployed, evidence would suggest the program is more focused on employed workers and not on the unemployed who would be in receipt of job placement services. This is supported by program administrative data as well as survey data, which indicated that less than 10% of participants funded by their program were new hires. Similarly, in another jurisdiction which did engage small numbers of unemployed participants, it was reported that employers in their jurisdiction had identified that in the face of persistent skills and labour shortages, there were risks to investing in new employees who could choose to go work for another employer.

5.1.2 Employer Profile

The number of employers who accessed the CJG in each PT ranged from eight to 2,880 with half of the jurisdictions approving Grants for fewer than 50 employers. The total number of employers was 5,171, although this figure is plagued with inconsistent reporting in PT reports.

Size of Businesses

Nine jurisdictions reported that small businesses (i.e., with fewer than 50 employees) accounted for the majority of the employers receiving Grants. One jurisdiction reported that large employers accounted for the majority of the employers receiving its CJG. One jurisdiction did not report on the size of their employer applicants.

Sectors

Ten jurisdictions reported which sectors had the highest participation in the program (see **Table 3**). One jurisdiction did not quantify the degree of participation by sectors. Sectors which were

reported to have had the highest participation in the program across the nine jurisdictions included the professional, scientific and technical services sector and the manufacturing sector.

Table 3: Sectors

Sector	# of Jurisdictions
Professional, Scientific and Technical Services	9
Manufacturing	9
Construction	8
Other services	6
Agriculture, Fishing, Farming and Hunting	4
Information and Cultural Industries	2
Retail Trade	2

Type of Employer

Five jurisdictions reported that Grants were provided to both private and non-profit employers. Two of these jurisdictions reported that less than 10% of their participating employers were non-profit; one jurisdiction reported that approximately 25% were non-profit employers. One jurisdiction reported the inclusion of public employers and one jurisdiction reported the inclusion of social enterprises.

Two jurisdictions reported the inclusion of industry associations (i.e., organizations working on behalf of employers).

5.1.3 Training Interventions Profile

Type of Training Providers

Of the nine jurisdictions that identified the type of training providers accessed for their CJG programs, it was reported that employers in six jurisdictions had, by majority, accessed private trainers (59% to 90%); employers in two jurisdictions were reported to have primarily accessed post-secondary institutions (colleges and/or universities); and the remaining jurisdiction noted primary access to product vendors.

Jurisdictions varied on the extent to which, if at all, they accessed other eligible providers including unions, non-profit training providers, industry associations and sector councils.

Three jurisdictions did not identify the type of trainers accessed.

Type of Training Accessed

According to the CJF Performance Measurement Framework, there are three main types of training supported by the CJG: entry level, upskilling or upgrading and maintenance. Eight jurisdictions provided some additional details for the type of training accessed. Four jurisdictions noted that the majority of approved training was for upskilling/upgrading, ranging between 69%

and 99%. One other jurisdiction reported that the majority of employers had accessed either upskilling or maintenance training.

In terms of the types of skills learned, these can include essential skills, specialized or technical skills, management or business skills, or soft skills. Four jurisdictions reported that the majority of their approved training was specialized or technical, with one of these jurisdictions citing almost all of their training was in relation to these skills (98%). One jurisdiction reported that the majority of their applications had been for career development training⁶ (66.6%). Three of the jurisdictions reported that 20% or less of their approved training had focused on essential skills, with another jurisdiction noting that no essential skills training was undertaken.

Other specific types of training cited by one or more jurisdictions included leadership skills, occupational health and safety, project management, literacy and/or soft skills.

Training Time

One jurisdiction reported that their training time ranged between 10 and 30 hours; another reported that their training averaged more than 180 hours. There was wide distribution around the length of training for the other jurisdictions which reported – ranging from less than 10 up to and/or exceeding 180 hours. For example, in one jurisdiction, the length of training of 40% of the courses was between 30 hours to 180 hours, and the duration of training of 38% of the courses was between 10 hours and 30 hours.

The remaining jurisdictions did not report average hours of training.

5.2 PT Delivery Characteristics

Summary of Findings: Delivery models were adapted to local contexts based on population size, local and regional labour market considerations, and existing programming and infrastructure. The ability to customize their programs for their local context was highlighted as a promising practice. Most PTs established a new infrastructure (either within or outside of government) to deliver the program. Just under half of PTs leveraged an existing organizational and/or service delivery structure. Where this was the case, these PT reports highlighted this as a promising practice

Not surprisingly, outreach strategies varied by size of jurisdiction where larger PTs tended to use more formal strategies (such as media advertisements) and smaller PTs used more direct and informal strategies (such as direct email and/or phone calls). Direct consultations with employers in order to learn about their priorities in some PTs were highlighted as a promising practice and, conversely, the lack of information about employer demand was highlighted as a challenge. Similarly, application processes varied considerably across PTs. Some had online applications whereas others opted for paper applications. A few jurisdictions that experienced challenges with

⁶ Note that this is not a recognized skill type as outlined in the CJF Performance Measurement Framework, thus likely explaining why only one jurisdiction reported this skill type.

their application processes made mid-course adjustments and streamlined the process (through, for example, shorter forms, online applications). Administrative burden on employers was generally seen to be high, at least at some point of program implementation. Some PTs had dedicated staff to support employers and their applications whereas others did not.

The CJG in most PTs was launched after the targeted roll-out date of July 1, 2014. The delayed start-up resulted in increased pressure on PTs to meet their funding targets in their CJF Agreement. According to PT reports, four jurisdictions successfully expended their total budget. The short timeframe for program start-up resulted in other challenges including limited time to create suitable organizations, systems and processes. In addition, the administrative burden for PTs (including the ability to appropriately assess applications and vet applicants and training providers, as well as the ability to support employers) was highlighted as a common challenge in most PTs.

A common suggestion for improvement raised by several PTs was that the administrative cap, set in most jurisdictions at 15% for the first two years of implementation and then lowered to 10% for subsequent years, should be maintained at 15% in light of the lessons learned around program implementation and the anticipated increased program uptake in future years. Note that due to the different context in Northern jurisdictions, the three territories have a different administrative cap and thus this finding does not apply to them.

5.2.1 Delivery Characteristics

The CJG was initially set to be rolled-out by July 1, 2014. However, CJF Agreements were signed bilaterally throughout 2014; five of which were signed before July 1st and another five signed either on, or after, July. These delays impacted the timing for the design and implementation of the CJG, as seen in the differences between the signing dates and launch dates. In particular, there were significant variations in the PTs' abilities to consult, design and implement their programs. These short timeframes also explain why further program adaptations are likely to occur as the various CJG programs reach different stages of maturity.

Within the program's parameters, PTs have some flexibility around the design, administration and delivery of the CJG to best meet their local labour market needs. As a result of this flexibility and the diverse labour market needs across the country, the implementation of the program varies throughout the PTs. Delivery models were adapted to local contexts based on population size, local and regional labour market considerations, and existing programming and infrastructure.

Four jurisdictions made use of existing organizational and/or service delivery structures (some of which were via third-party service providers) and adapted roles and responsibilities to meet the implementation needs of the CJG program. Given the short timeframes for implementation, this was generally considered an effective way of overcoming some of challenges and ensuring a smooth roll-out in the first year of their agreement. Other jurisdictions chose to establish new

organizational and/or service delivery structures, either within their governments and/or via third-party service providers.

Outreach

Outreach strategies are an important element of ensuring employer uptake. For the CJG, PTs were able to adapt their strategies to their local context, and in some cases they built on previously established relationships with employers, service providers/delivery partners, and in one case, even built on an established program.

While more formal and extensive outreach strategies were observed in the larger jurisdictions (such as engaging existing networks, website content, radio and other media advertisements), more direct and informal strategies were often employed in smaller labour markets. For instance, larger jurisdictions generally implemented more broad-based outreach campaigns to raise awareness of the program among employers, while smaller jurisdictions often used more personalized networking approaches. For example, one smaller jurisdiction first identified eligible employers then made initial contact to explain the CJG opportunity; they found face-to-face follow-up a key aspect of delivery. In other cases, either internal staff or external expertise was used to manage this process and employ a variety of methods to reach employers. These included direct marketing, meeting with existing clients, and presentations to key partners (e.g., Chambers of Commerce, industry associations). Other jurisdictions relied on a more bottom-up approach whereby regional staff and service providers/delivery partners were expected to contact employers in their area.

Given time constraints, one PT chose not to engage in formal advertising of the CJG. Using information on their website, federal advertising of the program and media attention (including joint federal-provincial-territorial program announcements), they built employer awareness through industry consultations prior to the launch. Other approaches included targeted outreach with existing stakeholders and networks, including sector councils and employers who received funding under other provincially delivered programs.

Five jurisdictions indicated limitations related to their approaches to raise awareness of the program and noted more resources dedicated to this area would be required to improve uptake. One of the jurisdictions that adapted the program to their existing employment programming found they were able to build on existing relationships with employers but felt additional promotion was required to attract new participants. Another PT also found that more marketing and promotion was necessary in rural and remote areas to increase uptake outside the central region.

Most PTs were confident that the second year of the Agreement would see improved results and increased employer uptake. Lack of uptake was generally considered a result of the late start-up or limited outreach, and not a lack of interest from employers.

Application Processes

Application and reimbursement processes varied across jurisdictions. For instance, some jurisdictions created online application processes, while others opted for paper applications. While this was due in some cases to delays in building systems for electronic processing, others noted it was more fitting with their local needs.

The administrative burden on employers was at times reported to be high. Employers in five of the jurisdictions reviewed identified having issues with the complexity, length or user-friendliness of the forms (e.g., the online submission program). One possible factor driving the complexity of the forms may have been the extent of data required for program assessment through the CJF Performance Measurement Framework. The burden was especially seen to be an issue for small employers and employers applying for low-cost training. Changes to streamline the application process were introduced in three jurisdictions, which included more user-friendly forms, online application, and utilizing CJG forms for other purposes to reduce the need for duplicate information gathering/data capture. Simple and short application processes were considered to be a key aspect of effective delivery.

In terms of employer support, several PTs had dedicated staff to support employers throughout the application process, allowing for one-on-one assistance with the paperwork and to determine their training needs, among other things (employers in at least one of these jurisdictions identified this as important for successful program delivery). Two also had specific points of contacts for larger employers, making it easier to access the program for employers with participants residing in various regions. One jurisdiction noted that the strict caps on administrative funding for the following years may cause reductions in availability of support for employers.

Lastly, it should be noted that the high demand for the CJG in several jurisdictions also created administrative burdens for PT staff or service providers/delivery partners. In many cases, staff were reported to be processing a large number of applications by hand. One jurisdiction developed an electronic contribution tool to help staff calculate employers' contribution to the program, given the various funding options and machinations were creating challenges for staff. In more than one case, service providers/delivery partners were less satisfied with the roll-out than employers, although many felt it was too early to comment.

5.2.2 CJG Implemented as Planned

In signing their CJF Agreements, jurisdictions were given official roll-out dates and funding targets and were expected to monitor uptake during the first year of the program. PTs were also responsible for structuring the CJG in a way to minimize the administrative burden for employers, participants and others involved in the Agreement, where applicable (such as training providers providing documentation). While this pan-Canadian Year Two Review report explores these targets, the individual PT reports were not consistent in terms of how they reported on whether their programs were implemented as planned. For instance, while most jurisdictions reported on

service delivery, employer outreach and program uptake, some PTs were missing key information regarding implementation. More specifically, some jurisdictions did not report on the effectiveness of their outreach campaigns and others provided limited information regarding the delivery/roll-out, including applications and other administrative processes. As a result, the analyses of the jurisdictional reports indicated mixed findings in terms of the PTs' abilities to implement the CJG as planned.

Although a number of PTs were able to implement the first year of the program fairly effectively, it was not without challenges and several adjustments were made throughout the process. This, however, is not atypical of new program start-up.

In the first year of the program, four PTs reported expending their total budget, while three others saw large portions of their budget unspent and were not able to meet the funding targets set out in the CJF Agreement. One PT experienced poor results in promoting the program in year one of the program and did not deliver any Grants under the Agreement in 2014-15.

Two jurisdictions highlighted the administrative challenges associated with shifting from an individual- and client-focused program to an employer-driven program. Adjusting the technical infrastructure to capture electronic data necessary for the CJG was considered to be costly and labour intensive.

In the first year of the program, several factors influenced the PTs' abilities to implement the program as planned. In particular, the short timeframes for implementation proved to be particularly challenging for all jurisdictions. Also, at times the program data and information requirements created an administrative burden for service providers/delivery partners and employers, impacting processing times and uptake. Additionally, outreach strategies were not always well-designed to reach new employers and applicants.

Only one jurisdiction was able to meet the target launch date of July 1, 2014 as set out in the CJF Agreements. As pointed out in Section 1.1, a number of jurisdictions signed their Agreements well into the 2014-15 fiscal year. In fact, eight jurisdictions signed their Agreements after the target launch date of the CJG. In many cases, this resulted in limited time for proper program planning, including consultation and coordination with stakeholders, therefore limiting the ability of the PTs to effectively adapt their program to local conditions.

5.3 Promising Practices, Challenges and Lessons Learned

5.3.1 Promising Practices

Several promising practices were highlighted in PT reports. They included:

- *Customization for jurisdictional contexts.* As mentioned earlier, PTs were afforded some flexibility to customize the CJG implementation of the program within their jurisdiction. Delivery models were adapted to local contexts based on, for example, population size, local and regional labour market needs and sectoral considerations (e.g., adjustments to make the program more appealing to small and medium size enterprises). Further, this flexibility was considered an important factor in order for PTs to develop approaches that would dovetail with existing programming and service/technical infrastructure, particularly given the short timeframe that was available for some jurisdictions to implement the program.
- *Engagement/consultation.* PTs adopted various outreach methods to raise awareness of the program and encourage uptake among employers. This component of program implementation was especially critical for PTs with limited previous programming targeted to employers. The transition from individual client-centred programs to employer-driven programs required some jurisdictions to systematically engage the employer community on a scale that may not have been undertaken previously. Several jurisdictions highlighted the importance and effectiveness of their early consultations with various communities at the planning stages of the program. Consultations provided important information about employer priorities to guide program development as well as delivery strategies.
- *Awareness raising.* Jurisdictions also used a variety of methods to raise awareness of and promote the program to employers through, for example, traditional media, provincial websites, working through industry and sectoral organizations, face-to-face interactions (including purposeful consultations) and networking and leveraging existing contacts and networks by provincial regional delivery offices using a community outreach approach.
- *Leveraging existing resources/networks/infrastructure.* Several jurisdictions indicated that the timely and smooth implementation of the CJG was due to their ability to leverage existing resources, including administrative structures and IT systems, staff, as well as pre-existing close working relationships with employers. One jurisdiction that had a similar program pre-dating the CJG felt that this facilitated the transition and employer and trainer ability to leverage the program.
- *Streamlining of the application process.* For a few jurisdictions, the complexity of the application process initially, coupled with unexpectedly high demand or barriers experienced by certain employers (small employers) led them to introduce refinements to streamline the process. These efforts included introducing shorter and more user-friendly forms, online applications, auto or pre-populating forms, and utilizing CJG forms for other purposes to reduce the need for duplicate information gathering/data capture.

5.3.2 Challenges

An analysis of PT reports reveals a number of common challenges in the implementation of the CJG:

- *Implementation of the program within a short amount of time.* Several jurisdictions noted early growing pains during the initial months of implementation and limited time in which to create a suitable organizational and data management platform for delivering the program. This is not surprising given the need to implement a new program in a relatively short timeframe. Issues related to lack of adequate technical infrastructure to process applications resulted in a small number of jurisdictions initially processing CJG applications by hand. A few PTs mentioned that insufficient or delayed federal policy guidance (e.g., on reporting requirements which necessitated redesign of forms/systems) hampered their implementation, although it should be noted that the PMWG was put in place for the purpose of identifying outcomes and indicators.
- *Unknown employer demand.* Most PTs identified difficulty in predicting level of interest and uptake of this new program. This was due to the dramatic change in their model of service delivery from individual, participant-centered services to a more employer-centered approach, which required efforts of jurisdictions to engage and build relationships with employers.
- *Appropriate assessment of applications for training funded under the CJG* (i.e., to ensure training was incremental, strategic and of a high quality to meet the needs of the employer and broader PT objectives). One jurisdiction noted that the grey areas within the program's guidelines and eligibility criteria raised concerns that the CJG was not being spent strategically. Conversely, another jurisdiction noted that while the CJG eligibility criteria may have shifted employer behaviour, it was not always in the intended direction. This analysis suggested that some employers purchased training that was incremental under the CJG, but in some cases this meant shifting their training investment from higher impact to potentially lower impact activities in order to comply with the program eligibility criteria (e.g., in terms of whether the training is delivered in-house, when the training takes place).
- *Supporting employers in the application process.* The support of PT staff that is implementing the CJG is important to the overall accessibility of the program for employers. A number of jurisdictional reports noted the burdensome application process (overly long and complex forms), which strained the resources of several Ministries and, where applicable, third-party service providers, as staff were required to provide a high degree of assistance to employers to navigate this process and ensure a streamlined service experience for employers. Several jurisdictions specifically noted the impact of the complexity of the application process on small firms that lack of HR capacity and previous experience with public funding programs to easily engage with the program. CJG applications from small business are also more

administratively complex from a program delivery perspective due to the special provisions for small employers related to financial contributions to training (allowing small employers to provide a portion of their contribution as in-kind).

- *Confirming eligibility and due diligence.* Another area that has presented challenges for the program was the due diligence process, including the vetting of employers and training providers. One jurisdiction noted the trade-offs between level of effort and due diligence to ensure the integrity of applications from employers and the completeness and accuracy of training provider information, as well as to confirm the most appropriate price of training interventions.
- *Other administration issues.* A number of PT reports were challenged by the substantial resources required to follow-up with employers and participants, as required by the CJF Performance Measurement Framework. Also in response to the Framework, PTs are required to collect, store and track a large amount of data to deliver and assess the program.

In response to many of these challenges, at least three jurisdictions adjusted or refined program criteria during the first year of implementation of the CJG to increase clarity of the program for employers, streamline processes and address barriers to participation.

5.3.3 Lessons Learned/Suggestions for Improvement

Several jurisdictions identified a concern around the strict cap on administrative funding for the delivery of the CJG, which for most PTs is limited to 15% of a PTs total allocation in the first two years of implementation and 10% for each of the remaining years of the CJF Agreements. Note that Northern jurisdictions have a different administrative cap established in their Agreements and thus this finding does not apply to them.

With the scaling up of the program and increased proportion of the funding under the agreement being allocated to the CJG (i.e., 30% to 45% to 60% in 2017/18), the limitation on administrative funding is likely to create pressures in providing effective delivery and supporting employers who are accessing the CJG. For example, many PTs noted that the program is administratively heavy and significant support is required to help employers through the application process.

Another area that was raised in a few PT reports that is not directly within the scope of the Year Two Review was the issue of performance measurement. In particular, PT reports identified there were opportunities to improve performance measurement with respect to: streamlining data requirements; improved articulation of program success/outcomes and associated indicators; accessing more/better information about employers' pre and post CJG investments in training; and the frequent follow-ups (with the preference identified to focus resources on a 12-month follow-up).

Other suggestions for improvement mentioned by one or two jurisdictions include:

- national leadership to develop an online reporting system for the program;
- review of reporting requirements and follow-up procedures to consider burden on jurisdictions, while ensuring achievements are monitored;
- refine performance monitoring to ensure it is more closely linked with the intended results of the program and includes multiple measures (e.g., assessment of the effectiveness of service providers/delivery partners);
- re-examine the program cost-sharing ratio (directing funding to employers who require it most, adjusting based on performance-based criteria, incentivizing employers to apply for training that better meets PT needs); and
- improve awareness and accessibility through an enhanced website (landing page), user-friendly application form and more proactive communications .

6.0 Review Findings – Satisfaction and Trends in Outcomes

6.1 Satisfaction/Perceptions/ Experience of Participants and Employers

Summary of Findings: Overall, both participants and employers are satisfied with their experience with the CJG. Between 79% and 95% of participants and between 89% and 95% of employers were satisfied with their experience with the training overall. Feedback from employers regarding the application process were more modest but still generally high.

Of the eight jurisdictions that provided participant and employer data on satisfaction, the evidence suggests generally high levels of satisfaction with the CJG service delivery among both groups. Some reports noted, however, that the findings should be interpreted with caution given the early stage of implementation of the CJG.

6.1.1 Participants

Most jurisdictions that reported satisfaction levels of participants (through surveys of participants) indicated they were satisfied with the training they received and no significant service delivery challenges were reported. In terms of overall satisfaction, between 79% and 95% of participants were satisfied with their experience with the training overall.

One jurisdiction examined participant satisfaction in terms of a number of specific dimensions of the training. Again, satisfaction levels were very high with between 89% and 95% of participants being very satisfied with aspects of their training such as location, scheduling, content, and quality.

6.1.2 Employers

Among employers who were surveyed as part of the jurisdictional reviews, most also indicated satisfaction with the CJG program. A strong majority of employers (between 89% and 97%) were satisfied with the CJG program overall or generally with their decision to participate in the program. In two jurisdictions, 90% of employers indicated that the program met or exceeded their expectations and 100% of employers in two jurisdictions indicated they would apply to the CJG program again. Qualitative evidence that was gathered in one jurisdiction (through focus groups or interviews with employers) also yielded positive feedback on the program in terms of its relevance to their needs and service delivery experience.

There were mixed employer satisfaction ratings on the CJG application process across the jurisdictions. Over 80% of employers in two jurisdictions were satisfied or very satisfied with the

application process. Employers who indicated less satisfaction with the application process mentioned issues such as inconsistent information from Ministry staff on how to apply for the program or administrative burden associated with the application process (e.g., complexity, length). These concerns were echoed by program delivery officials in two of the reviews who also acknowledged that the application process, involving multiple forms, was onerous for employers. Feedback from service providers/delivery partners in one jurisdiction indicated that data entry/record keeping is onerous and many felt systems can be improved to support timely service delivery and reporting.

Several jurisdictions gathered feedback from employers on their satisfaction with various other aspects of the CJG program, including design and administration issues. For instance, two jurisdictions reported high levels of satisfaction in the following areas: time period between submitting their application and receiving acknowledgement of approval (91%-100%); the time period between submitting the final invoice and receiving payment (81%-100%); support provided by Ministry staff (95%-97%); and reporting (90%-97%). One jurisdiction reported challenges with the reporting process which employers characterized as time consuming, detailed and repetitive. Another jurisdiction indicated receiving the least positive feedback for their reimbursement processes which was seen as particularly challenging for small employers.

6.2 Increased Labour Market Attachment

Summary of Findings: There was limited evidence that participants have increased their labour market attachment, largely because employers mostly supported participants who were already employees. Also, changes in employment status and hours might not be realized within the short timeframe of the Year Two Review. The PT reports did reveal that participants gained skills (see the summary for the next outcome related to improved employment situation).

The outcomes and related indicators for the review question, "Have participants increased their labour market attachment?" were:

- Change in participant's employment status (number employed and EI status at 3 months and 12 months);
- Change in the number of hours a participant works (percent change at 3 months and 12 months); and
- Participant developed skills necessary for labour market attachment (credentials/certification earned).

Overall, there was limited evidence that the CJG increased the labour market attachment of the participants; one of the intended objectives of the program. There are several reasons for this. As reported by six jurisdictions, most employers chose to support training for participants who were already employed prior to participating in the program. As such, participation in training would

have had very little impact in changing their employment status for the better. There also was a short timeframe in which to measure changes in employment status for the small pool of participants who were unemployed at the start of participation. As indicated in earlier sections, a number of jurisdictions did not sign, and hence, implement their Agreements until later in the 2014/15 fiscal year – leaving very little time to track even three-month follow-up before the reviews were conducted. Consequently there was limited opportunity to see a change in employment status. Two jurisdictions had no information on changes in employment status.

Two jurisdictions did provide evidence supporting increased labour market attachment as measured by increased employment after program participation. This included an increase in employment three months after the program of 13 percentage points to 31 percentage points. One other jurisdiction indicated that while there was no evidence of increased labour market attachment, it was too early in the stages of the program to measure this. Another jurisdiction noted that while employment had not increased, the program may have averted lay-offs for some participants. Two jurisdictions did not provide evidence on the changes in the number or percentage employed. This evidence may suggest that more time is needed to determine if the small number of participants who were unemployed at the start of training were in fact employed at three and 12 months following participation. It may also suggest that this indicator of success is not relevant to the primary beneficiaries of the training (i.e. existing workers).

There was also very little evidence that working hours increased following participation. Six of the jurisdictions reported no change or very small changes in the hours worked and three did not provide evidence related to this indicator. One jurisdiction reported that 42% of the participants reported working more hours. There was evidence of skills acquired which will be discussed in the next section, addressing improvements in the employment situation of the participants.

6.3 Improved Employment Situation

Summary of Findings: There was mixed evidence on whether participants improved their employment situation. While training completion rates were high and participants did learn new skills (often accompanied by a credential or certificate), there was little evidence that the program had an impact on participants obtaining a better job, or on the retention or maintenance of employment with the same or a different employer.

The outcomes and related indicators for the review question, "Have participants improved their employment situation?" were:

- Participant has a better job as a result of training (percentage change in income, part-time and full-time at 3 months and 12 months, participant satisfaction or perception);
- Participant developed skills relevant for current or new employment (training completed, certification/credentials earned, participant satisfaction/perception); and

- Participant has retained or maintained employment with the same or a different employer (number of participants employed immediately after participation by pre-intervention status, participant satisfaction/perception).

Overall, the findings on achievement of an improved employment situation for the participants were mixed. Five jurisdictions reported training completion or in progress rates above 90%. Six jurisdictions provided evidence that the participants or employers reported that the program had a positive impact on the participants, mostly in terms of skills acquisition. Also, while most training in half of the jurisdictions led to a credential/certification being earned, there were some concerns that the training received may not be transferable to other workplaces.

Six jurisdictions provided some evidence related to the credentials/certifications earned. In particular, five jurisdictions provided evidence that between 59% and over 90% of the training led to credentials or certifications. This finding, however, must be balanced with the earlier discussion which stated two PTs required all training supported to be credentialed and with the fact that some training may not have been credentialed training in the first place. For example, one jurisdiction indicated that only 19% of training led to credentials/certifications. Three jurisdictions did not provide evidence on credentials/certifications earned.

In two jurisdictions, the administrative data or evidence from key informants indicated a high percentage of the training was specific to their current employer and may not be transferable to other workplaces. A large percentage of the participants (between 75% and over 90%) in six jurisdictions indicated the training improved their skills and was relevant to their work. One jurisdiction did not provide specific numbers but indicated the training expanded the participants' abilities to perform new tasks. One jurisdiction did not provide any data.

There was little evidence that the program had an impact on the retention or maintenance of employment with the same or a different employer. This is very similar to the finding on increased employment and for the same reason: most participants were employed at the beginning of the program and few participants left employment. While the six jurisdictions that provided information on the retention of participants reported very high retention rates there was little evidence to show this was a result of the program. On the other hand, two jurisdictions provided evidence that a small percentage of employees avoided lay-offs as a result of the training received, suggesting that some training may have supported retention.

Six jurisdictions provided evidence that the participants or employers reported that the program had a positive impact on the participants. This included increases in skills that would help participants take on new responsibilities or advance their careers, increased confidence, applying new knowledge in their jobs, and participants reporting their employment situation had improved overall.

6.4 Addressed Employer and PT Labour Market Priorities

Summary of Findings: Employers report that the program is meeting their needs overall, having a positive impact on their company, enabling training that helped align skills with their needs and/or being satisfied with the extent the training met their skills requirements. However, there was little evidence that the program is meeting the needs of PTs/addressing PT priorities.

The outcomes and indicators for training matches/addressed employer and/or PT needs/priorities were:

- The employers' needs have been met (employer satisfaction or perception, type of skills learned); and
- PT needs/priorities have been met/addressed as a result of employers participating in the CJG (participant's productivity has increased as a result of training, employers productivity has increased as a result of training new or existing employees, additional indicators as defined by individual PT needs/priorities).

Since details on the training profiles have been discussed previously we will not repeat those findings. This section will focus on the evidence directly related to meeting employer and PT priorities.

The findings from the PT reports provide strong evidence that the CJG met the needs of the employers. Eight of the jurisdictions provided evidence that the training met the needs of the employers. Where percentages were provided from surveys, between 78% and over 90% of the employers rated the program as meeting their needs, having a positive impact on their company, enabling training that helped align skills with their needs and/or being satisfied with the extent the training met their skills requirements. For one jurisdiction, the qualitative evidence suggested it may be too early to effectively assess the extent to which the program met the needs of employers and employees. Employers in another jurisdiction suggested that the program is generally more relevant to larger employers and those located in urban areas. Training is more readily available in urban areas, and larger employers likely have greater capacity to assist with applications and can better afford the employer contribution, particularly for high-cost training.

There was little evidence in the PT reports to indicate that the CJG had contributed to the achievement of PT priorities. Only one jurisdiction indicated high uptake in their key industry sectors and their higher uptake among small and medium business was considered a positive result. None of the other jurisdictions concluded the CJG had made a measurable contribution to the PT priorities. While two jurisdictions were somewhat agnostic about the contribution to the PT priorities, another two jurisdictions concluded the majority of the skills trained were firm-specific (not portable) or the training did not match skills required in the labour market. One jurisdiction felt that the skills were largely portable but did not clearly state this would contribute

to the PT priorities and one jurisdiction made no statement specific to achievement of PT priorities. See Section 4.2 for more details on program relevance to PTs.

6.5 Employers Increased Investments in Training

Summary of Findings: Evidence on this outcome is mixed. While most PTs reported that the number of employees trained increased compared to the previous year, not all of this additional training was incremental. In fact, most PTs reported evidence that the amount of new employer training investments was overstated or that some of the investments would have occurred in the absence of the CJG.

The indicators for increased investment of employers in skills training were:

- Increase in the number of employers investing in training (number of employers who received a CJG by type, number of employers who received a CJG by size, number of employers who received a CJG by sector, employer satisfaction/perception); and
- Employer investment in training through CJG was incremental to their regular investments in training (average employer contribution to the CJG by size, average employer contribution to the CJG by sector, average employer investment in training before participating in CJG, average number of Grants by type of employer, would employers have accessed this training if the CJG funding had not been available?)

Since details on the training, investment, funding and profiles have been discussed previously we will not repeat those findings. This section will focus on the evidence directly related to the impact on employer training and an increase in training investments incremental to their regular investments in training (i.e., represents an increase in training investments beyond what would have happened without the program). Note that the evidence in this section is limited to self-reporting by employers in the absence of baseline data on employer investments in training.

While the number of participants increased because the employers were able to use their corporate training budget to leverage⁷ the CJG funding, there were mixed findings regarding the incrementality of the employer investment in training through the CJG. Seven of the jurisdictions reported that the number of employees trained increased compared to the previous year including some employers who had not invested in training in the previous year or employers who increased the amount of their funding for training. However, not all of this additional training was incremental. Six of the jurisdictions reported evidence that the amount of new investments was overstated or that some of the investments would have occurred in the absence of the CJG. The degree of incrementality appeared to vary across jurisdictions and by characteristics of the employers but quantifying this incrementality across jurisdictions was difficult due to the different types of findings reported. One of the more consistent measures was

⁷ The CJG funds were added to the corporate training budget to create a much larger training budget.

the percentage of employers that indicated they would have invested in training without the funding. For the jurisdictions providing some evidence of these percentages, the numbers ranged from 35% to 68%.

7.0 Key Findings and Recommendations

The key findings of the pan-Canadian analysis of the PT Year Two CJG Review reports from 12 jurisdictions are presented below. Recommendations, where applicable, are presented with the key findings. These recommendations are submitted for the joint consideration of the federal and PT (FPT) governments. It is important to bear in mind that the Year Two Review covers a point in time and since many programs were in operation for less than a year at the time of data capture, programs have continued to evolve and adjustments are being routinely made in each jurisdiction to improve the program.

Key Finding 1: The CJG is generally meeting the needs of employers. While many participants in the program have benefited from the training (e.g., acquired skills, earned a credential/certificate), the achievement of expected outcomes for the program is low in terms of increasing labour market attachment and improving the employment situation of participants.

In terms of the participation of Canadians in the labour force and helping them develop skills, while just over 37,000 participants were funded to take training through the CJG, the reviews found that there is limited evidence of increased labour market attachment among participants. This was in part due to the fact that employers largely supported participants who were employed prior to the training and the short time frame permitted for follow-up with all participants to determine if changes have occurred. Also, there was little evidence that the number of hours worked or wages have increased.

In terms of whether participants developed skills and their employment situation improved, there is some evidence to suggest this has occurred (through completion of training, earning of a credential/certificate and training being relevant to their work and contributing to improving their skills). However, there were some concerns that the training received may not be transferable to other workplaces. There was little evidence that the program had an impact on the retention or maintenance of employment with the same or a different employer.

It is important to consider these participant findings in light of the fact that the CJG program had been operating for less than a year in most jurisdictions at the time of the Year Two Review. Also, among participants there was a high degree of satisfaction with the program. Thus, it is possible that outcomes for participants such as labour market attachment and improved employment situation might yet be realized. However, the fact remains that the CJG is not benefiting unemployed individuals, nor does there seem to be a sufficient mechanism to encourage employers to apply for CJG funding for these individuals.

In terms of employer investment in training, just over 5,000 employers applied for or received funding under the CJG. The program was seen to address the needs of employers, evidenced by high degrees of satisfaction and high proportions of participating employers who indicated the

program met their needs, had a positive impact on the company, funded training that helped align skills with their needs and/or that were satisfied with the extent the training met their skill requirements. Note that employer satisfaction with the application process was lower than satisfaction with other aspects of the program.

In terms of incrementality (that is, whether there was increased employer investment in training), the analysis of the PT reports found that the number of individuals being trained likely increased compared to prior to the program's introduction due to the leveraging of the CJG funding to expand employers' training budgets. However, the findings on the incrementality of the employer investment in training through the CJG are mixed. The degree of incrementality appeared to vary across jurisdictions and by the characteristics of the employers. Among the jurisdictions that reported a figure, the percentage of employers that indicated they would have invested in training without the funding ranged from 35% to 68%.

***Recommendation 1:* It is recommended that FPT governments consider ways to ensure that training investments supported by the CJG are incremental.**

Key Finding 2: Program flexibility is critical for PTs to ensure their labour market needs are met. While the current program parameters offer some degree of flexibility which has been beneficial, some parameters (including the targets stipulated in CJF Agreements) limit PTs' ability to ensure the program more fully meets their priorities.

A common finding among the PT reports was that the flexibility, in terms of the ability to narrow the eligibility criteria presented in the CJF Agreement and how the program is delivered, is appreciated by all jurisdictions. This flexibility has allowed the PTs to partially adapt the program to each unique PT context.

Despite this available flexibility, most jurisdictions chose to closely align the design of their programs with the parameters outlined in the CJF Agreements rather than introducing additional criteria for employers, participants or training providers. One of the main drivers for this choice was to ensure the PTs were able to meet their funding targets outlined in their CJF Agreement. For those who stayed close to the parameters as provided, there was less evidence that the PT's needs were met, whereas for those jurisdictions that chose to introduce more narrow eligibility criteria and/or prioritized applications, the analysis of the reports found that PT needs were better met. In fact, the choice to refine the program's eligibility/assessment criteria was highlighted as a promising practice in the two jurisdictions that took this approach.

***Recommendation 2:* It is recommended that FPT governments explore the removal of funding targets from the CJF Agreements (i.e., the percent of the allocation to be spent on the CJG) while ensuring the CJG continues to be focused on employer-driven investments in training and meeting the needs of PTs.**

While the CJG is an employer-driven program, the analysis of the PT reports found that employers, and often smaller employers (who are the largest users of the program), look to PTs for assistance with HR development and identifying training needs and appropriate responses. The CJG does not fund this type of activity and in some jurisdictions has resulted in the redirection of funding and staff resources away from these comprehensive planning and development supports for employers. Some employers could use additional support to help identify their training needs and how to meet these needs.

Because many employers request support to better identify their training needs, the full nature of the demand for the program (i.e., type of employers who would benefit, nature of the training required, types of individuals who can benefit) is not well understood in most jurisdictions. Thus, having fixed annual funding targets in CJF Agreements poses a significant risk for jurisdictions in terms of their ability to meet the needs of employers, the priorities of the PT and their funding target.

One salient example of where PT needs are not being met, and a common finding across all jurisdictions, is that most Grants supported participants who were already employed. This presents a mismatch with the common PT priority of better preparing and matching unemployed residents with jobs and the stated goal and objectives of the program. Another example is that in some jurisdictions there was a lack of alignment in terms of individuals working in occupations where shortages are expected to occur or where there is a known skills gap. Also, most participants were male, between 30 and 49 years of age and already have at least some post-secondary education. There was also a low take-up of the program among participants in lower-skilled occupations and/or designated groups (such as Aboriginal individuals, persons with disabilities and recent immigrants).

A number of jurisdictions also indicated that they would be able to better meet the needs of employers if there were increased flexibility in the program parameters outlined in the CJF Agreements including funding for participant travel and support for in-house training.

Many PT reports indicated that introduction of the CJG diverted funding from other types of programming intended for those populations that are currently being under-served by the CJG.

Recommendation 3: It is recommended that FPT governments explore additional opportunities for flexibility to enable PTs to adjust the parameters of the CJG to meet their labour market needs. For example:

- PTs should be able to adjust the funding ratio or determine mechanisms to encourage desired outcomes such as encouraging employers to hire and train unemployed workers, designated groups or those with lower skill levels and/or to encourage different kinds of training.
- It is recommended that the eligible training costs covered by the CJG be broadened to allow PTs to align the program more closely to their needs and priorities. This should include allowing participant travel costs and in-house training to be eligible and/or assisting employers in identifying their training needs and designing relevant training programs.

Recommendation 4: It is recommended that FPT governments consider adjustments to the CJF Agreements to enable PTs to reallocate the funds between the CJG, Employer Sponsored Training, and Employment Services and Supports streams according to PT labour market needs.

Key Finding 3: PTs have encountered a number of administrative challenges in implementing the CJG. Some of these were driven by the short timeframe within which they had to implement the program but others are driven by challenges related to the processing of applications and capacity to meet performance measurement commitments.

The CJG in most PTs was launched after the targeted roll-out date of July 1, 2014. The delayed start-up resulted in increased pressure on PTs to meet their funding targets in their CJF Agreement in a shorter than anticipated time frame.

The abbreviated timeframe for program start-up also resulted in other challenges including limited time to create suitable organizations, systems and processes for program delivery. In fact, the review found that while application processes varied considerably across PTs, most jurisdictions encountered high administrative costs to run the program. The common challenge of the administrative burden for PTs included, but is not limited to: the ability to appropriately assess applications and vet applicants and training providers; the ability to support employers; and the capacity to conduct follow-up and data collection for the purpose of performance measurement. A few jurisdictions have had the opportunity to adjust their processes, while others have not yet made any changes (although a few indicated that they plan to make adjustments). Also, administrative burden on employers was generally seen to be high.

As a result of these high administrative costs, coupled with the fact that most PTs feel employer demand for the program is still largely unknown, most PTs expressed concern that the administrative cap, set at 15% for the first two years of implementation, will be lowered to 10%

for subsequent years. Note that this finding does not apply to the three territories since they have different administrative caps articulated in their CJG Agreements.

***Recommendation 5:* It is recommended that FPT governments re-examine the current profile of funding allocated for administration to ensure that there is the capacity necessary to deliver the CJG. At minimum, PTs should be able to spend the same proportionately on administration as current levels.**

While not directly within the scope of the Year Two Review, an analysis of the reports did reveal common findings regarding performance measurement. In some cases, these findings emerged based on the analysis conducted for the pan-Canadian review and, in other cases, issues were raised in PT reports. PT reports identified the following challenges: streamlining data requirements based on relevancy; improved articulation of program success/outcomes and associated indicators; accessing more/better information about employers' pre and post CJG investments in training; and the frequent follow-ups (with the preference identified to focus resources on a 12-month follow-up). The pan-Canadian analysis suggests the following require attention: consistent approach to measuring the number of employers and participants (e.g., unique versus number of Grants, number of applications versus number of Grants); and consistent approach to measuring participant and employer satisfaction.

***Recommendation 6:* It is recommended that the Performance Management Working Group exercise its commitment to undertake a periodic review of the CJF Performance Measurement Framework, with a view to ensuring ongoing relevance of the outcomes, indicators and associated reporting requirements.**

Appendix A: PT Executive Summaries

British Columbia

Context

B.C.'s labour force currently consists of approximately 2.3 million people. Overall, B.C. has a skilled workforce: currently, approximately 70 per cent of the labour force in B.C. has some post-secondary education.⁸ Education will continue to be an important predictor of employment as more than three quarters of the forecasted job openings over the coming decade will require post-secondary education and training.⁹

A key priority for British Columbia is that all British Columbians have the opportunity to fully participate in the labour market and take advantage of the employment opportunities that are available. However, some British Columbians such as youth, Aboriginal persons, persons with disabilities, and immigrants face unique challenges in finding their place in the workforce. Further, although education levels consistently rose in the province's labour force along with expected credentials for job openings¹⁰, low skilled workers are at risk of being left behind.

Key Findings and Conclusions

The Year-Two Review found that a number of the key assumptions underlying the design of the program were not accurate. These assumptions include: the CJG would result in greater labour market attachment; the needs of employers would align with the needs of the labour market; employers accessing the program would increase their investments in training; and employers would know their training needs.

Key Finding #1: The CJG program requirements do not effectively support BC's labour market needs and priorities.

- The vast majority of participants are:
 - already employed: 99% of participants are already employed, indicating CJG does not produce significant changes in labour market attachment. Employers do not view the CJG as a hiring tool.
 - high wages earners, and the majority of participants did not see any wage increase as a result of participating in the training.
 - highly educated: 42% of participants had a university degree, 16% had a trade certificate or diploma and 25% had some post-secondary education.

⁸ Government of B.C. (2014). Labour Market Performance Report, Annual Data 2014

⁹ Ibid.

¹⁰ Ibid.

- Because of the employer-driven nature of the program, the Grant does not align with BC's labour market priorities: it does not serve under-represented groups (less than 4% identified as either a youth, person with a disability, aboriginal, or new immigrant; 30% women); low alignment of funding with BC's key priority sectors and jobs in demand; only 3% of funding went to BC's North, most funding went to the Lower Mainland.
- The rapid increase in the funding levels for the CJG (with no allowance to carry funds forward) and requirement to achieve allocation targets, combined with the employer-driven nature of the program, create challenges for program design and delivery as tightening criteria impacts employer interest in the program, e.g. employers not interested in using the program for new hires or specific target groups.

Key Finding #2: Employers do not invest more dollars in training than before the CJG, with the exception of some small businesses.

- Only 24% of medium and 10% of large employers indicated that the CJG enabled them to pay for new training.
- 44% of small employers indicated that the CJG enabled them to pay for new training.

Key Finding #3: Many employers, particularly small businesses, do not have a good understanding of their training needs, and therefore may not be optimizing the use of CJG funds.

- Only 30% of small employers used a training / professional development plan to identify participant training needs.
- 58% of medium firms and 67% of larger firms used a training / professional development plan to identify participant training needs.

Overview of Recommendations

Recommendation #1: Change the Canada Job Fund requirements to provide the Province more flexibility around use of the funds to meet local labour market needs:

- Allow PTs to reallocate CJF funds between program streams to better meet labour market needs and ensure the needs of all British Columbians (including the most vulnerable) are being met.
- All PTs to determine the roll-out schedule for new programs, including the amount of funds allocated and the timelines for implementation of programs.
- Increase the amount of funding that can be carried forward, as long as funding is fully expended by the end of the term of the Agreement. Allowing PTs to carry forward unspent funds ensures funding can be invested wisely and will mitigate against underspending due to changes in employer commitments.

Recommendation #2: Increase flexibility of the Canada Job Grant to allow PTs to align the program more closely to their needs and priorities by:

- Modifying the CJG criteria as required for PTs to design a program that better suits BC's labour market context, key priorities, and industry/employer needs. For example, the cost-sharing arrangement could be modified so that CJG could cover more costs of the training in a situation where employers agree to hire a new employee upon completion of the training.

- Expanding the types of employer-focused initiatives eligible for funding, e.g. to assist employers in developing training plans to address their training needs, and allowing BC to determine administration costs to meet program needs.

Alberta

Context

Alberta signed the Canada-Alberta Job Fund (CAJF) Agreement with the Government of Canada on April 24, 2014 with the stated goals of increasing the participation of Albertans in the labour force as well as helping them develop the skills necessary to obtain meaningful, long term employment. The CAJF Agreement introduced the employer-driven, Canada Job Grant (CJG) program to encourage employers to increase their investment in skills training for new and existing workers, and to help employers ensure workers' skills are better aligned with available jobs.

When the CAJF Agreement was signed with the federal government in 2014, the provincial economy was growing rapidly and the labour market was strong. The unemployment rate was very low and employers across a variety of sectors were reporting labour shortages and skills mismatches in all skill levels. Since then, the sharp reduction in the price of oil has resulted in a significant slowdown in economic activity. The negative effects of the sizable reduction in investment and job cuts in the energy sector have spread throughout the broader economy. Employment growth has steadily declined, Employment Insurance (EI) claims are up significantly, and Job Vacancies are down. Alberta's unemployment rate increased from 5.2 per cent in August of 2014 to 6 per cent in August of 2015.

Key Findings/Conclusions

Findings from Alberta indicate that training met the skills requirements of employers and employed individuals were able to receive training that employers identified as beneficial. Employers have reported that the training is incremental and would not have occurred without the grant. It is too early to tell and more data needs to be collected, but the grant might have a positive long-term impact on employers' productivity, as well as the employment situation of employees who received the training. Findings also indicate that small and medium sized employers are able to access the program sufficiently.

The CAJG, however, has not been successful in providing an incentive to employers to train unemployed people to fill available jobs. Data collected for the Alberta study demonstrates that the CJG is targeting "job-ready" individuals over those individuals who need more support and lack the qualifications and skills needed to become employed. Over the period of October 2014 to August 2015, only one per cent of the participants were unemployed prior to the training received under CAJG. Moreover, about 78 per cent of the training was directed at employees in skilled occupations (National Occupation Classification (NOC) O, A, B Skill Levels). Semi-skilled (NOC C) employees only received about 20 per cent of the training funds, and the lowest skilled (NOC D) participants only received 3 per cent of the training. Thus, while CAJG has leveraged investment in training by Alberta employers, beneficiaries, for the most part, have been existing, higher-skilled employees.

Additional findings from the Alberta Review indicate a gender imbalance in the selection of trainees by employers, with more than 63% of training investments going to male employees.

To maximize the program uptake and ensure that all industries can access the program equally, Alberta chose to keep the program eligibility parameters broad. The intent was that sectors and employers experiencing the most severe labour and skill mismatches would use the program to address these issues. It is too early to draw conclusions, but initial data does not seem to indicate a strong correlation between sectors experiencing the most severe shortages and skills mismatches and program uptake. More analysis needs to be conducted to understand how to better align the program to meet skills mismatches.

Overview of Recommendations

Based on the analysis of the Year Two Review, the following recommendations are proposed:

- 1) **Recommendation 1:** Removing CJF spending targets to allow the Program to be demand driven
- 2) **Recommendation 2:** Removing the CJF claw-back provision and allowing for flexibility in the carry-forward and reallocation of CJF funds across eligible programs so that PTs can meet their unique labour market needs
- 3) **Recommendation 3:** Allowing PTs to determine their administration requirements or at least maintaining the current 15% funding level for administration costs
- 4) **Recommendation 4:** Modify the CJG Program Parameters to allow for greater PT flexibility in ensuring the Program can meet PT's unique labour market needs.
 - a) For instance, PTs should be able to adjust funding ratios and introduce other incentives to ensure the Program can:
 - i) Increase the number unemployed workers trained under the program;
 - ii) Increase the number of lower-skilled workers trained under the program;
 - iii) Increase training going to underrepresented groups;
 - iv) Improve the gender imbalance in training;
 - b) PTs should have flexibility in determining eligible employers, including Crown Corporations, Aboriginal Governments, and organizations acting on behalf of employers.
 - c) PTs should have flexibility to wave program parameters in certain cases.
For instance, PTs should be allowed to wave the "job available at end of training" requirement so that Union Halls and Training Trust Funds can participate in the Program. These organizations can identify future skill needs and direct their members to identified training, even when a specific job vacancy has not been identified by an actual employer using the union call-out list. This could help address future labour shortages and skills mismatches, as it allows these stakeholders to be proactive in addressing future skills requirements, especially during a down-turn in the economy.
- 5) **Recommendation 5:** Modify the CJG Program Parameters to allow for greater PT flexibility in ensuring the Program can meet employers' unique needs.

This would include broadening eligible training costs to include travel costs for applicants in rural settings, in-house training for rural employers, and assistance to identify training needs for small employers.

Saskatchewan

Context

Skills and labour shortages are consistently identified as constraint to growth in Saskatchewan.

Saskatchewan's labour market continued to be strong in 2014. Population growth has continued and, over the past year, Saskatchewan recorded all-time highs in working age population, labour force and employment, including full-time employment for both men and women. Saskatchewan continues to have the lowest unemployment rate cross Canada – 4.3 per cent in April 2015 and Saskatchewan has amongst the highest employment rates across all demographic groups. However, economic and employment growth has slowed over the past year, with Saskatchewan's economy recording moderate real GDP growth of 1.4 per cent in 2014, reflecting lower crop prices and a mid-year decline in the price of oil.

Key Findings/Conclusions

The Canada-Saskatchewan Job Grant is viewed positively by employers as a tool specific to supporting skill development in their current and future workforce. Employers indicate that they are providing training that they may not have provided without the Grant and appreciate the opportunity to define their own training needs.

The Year Two Review also indicates administrative issues associated with implementing the Job Grant, including:

- Considerable time and effort required for initial and continuous employer engagement.
- Flowing funding through a large number of smaller grants (70 per cent were under \$10,000.00).
- The need to re-profile funding to meet the specific allocation amounts for Job Grant. This required reallocating investments from services and programs for under-represented groups to support initial attachment to the labour force, and to allocate funding from the previous LMA investments to employer-based grants.

While there is limited evidence to support an improved employment situation for participants employed at the time of training, there is evidence to suggest that the Grant has had success with respect to improved employment for unemployed trainees.

There is evidence that the Canada-Saskatchewan Job Grant is supporting labour market development across with a range of employers and across key sectors critical to Saskatchewan's diverse economy. The majority of approved applications were in the manufacturing (35 per cent); construction (16.3 per cent) and agriculture, forestry, fishing and hunting (9.5) sectors. As well, total Job Grant amounts varied considerably from approximately \$500.00 to approximately \$169,000 and the majority of approved employers (65 per cent) were small employers (i.e. have 1 to 50 employees), who make up 90 per cent of Saskatchewan employers.

Overview of Recommendations

Recommendation 1 Transitioning from a client- to an employer-driven model.

- Employer engagement and relationships have been key factors in the success of the program. However this focus on a new end-client and the subsequent shift in program delivery requires time for full implementation.
- Maintaining a stream-lined employer services shifts the burden of administration, including accountability and reporting requirements, to the program area. Manual processes to support the administration of employer agreements have stressed processing capacity and data integrity.

Recommendation 2 Program parameters and restrictions set barriers to meeting legitimate labour market needs

- While the Agreement outlines a number of required parameters, Saskatchewan has, in some circumstances, limited employer access to, and efficient disbursement of, the Job Grant funding. Given this, we have an opportunity to review internal policies to increase employer engagement.

Recommendation 3 Eligible training costs are limited and don't necessarily address all employer needs and expenses.

- The costs stipulated by the agreement do not account for all training-related expenses. For example, transportation and accommodation required for off-site training is not an eligible training cost. This particularly impacts rural and remote employers, as well as projects that may be recruiting potential employees to work locations.

Recommendation 4 Employment of underrepresented groups.

- As stated Saskatchewan labour market priority is to maximize the economic participation of all residents. With persistent labour as well as skills shortages, continued economic growth requires more effective engagement of underrepresented groups (First Nations/Métis, persons with disabilities, recent immigrants, and older workers). A specific Job Grant limitation is the inability to support non-skill development interventions (e.g. child care and income support) which can be barriers to employment for these groups.

Manitoba

Context

Over the past decade, Manitoba's economy has grown at a steady pace with high labour force participation rates and relatively low unemployment rates. This has resulted in labour shortages in most sectors and regions of the province. In response, Manitoba has focused on engaging individuals more distant from the labour market including Aboriginal peoples, persons with disabilities, and Employment and Income Assistance participants. The province's Strategy for Sustainable Employment and a Stronger Labour Market, is focused on increasing the labour market participation of these priority groups through relevant skills training and employer engagement.

Key Findings/Conclusions

- ***The training provided generally met employer needs, indicated by high levels of employer satisfaction.*** Employers responded very positively to the Grant and would be willing to use it again. Most employers indicated they would be willing to pay a greater proportion of training costs in the future, though some stipulated they would only do so if conditions such as higher amounts of funding available and greater flexibility in program design were met.
- ***Analysis suggests the Grant failed to meet the broader labour market needs of the province.*** No evidence was found the Grant increased the supply of skilled labour, increased participation of underrepresented groups, or developed the long term human resource capacity of employers. Over the short term, training did not increase labour market attachment, as very few participants obtained or retained jobs as a direct result of the training. The vast majority of training participants were employed before receiving training (99%).
- ***A substantial portion of training supported by the Grant was not incremental as it was legally required training that employers would have provided in the absence of the Grant.*** Some employers did purchase net new training but for many this meant their training investment was shifted from higher yield to lower yield training activities that may be "second best" in terms of increasing productivity. Cost restrictions necessitated by the Grant's design may have prevented employers from accessing certain varieties of external training that would have best met their training needs. In addition, many employers requested support that was ineligible under the Grant, for in-house training provided by internal experts.
- ***The introduction of the Grant impacted the ability of the province to carry out its existing workforce development programming.*** Significant resources from existing employer programming have been diverted to the Grant, many of which were explicitly designed to develop longer term employer training capacity. The increasing scale of the Grant over the coming years, combined with strict caps on administrative funding may cause reductions in the level of support available for participating employers and decrease the ability of some employers, such as small business, to access the Grant. As a result, little capacity may remain

for supporting more labour-intensive training projects for currently unemployed individuals and employers.

Overview of Recommendations

Based on the findings, the report provides a number of considerations for the design and implementation of the Grant moving forward:

- ***Appropriately situating the Grant within a comprehensive menu of employer training services designed to meet a full range of jobseeker and employer needs.*** The Grant was successful in meeting the needs of participating employers. Both the high level of uptake and high level of satisfaction suggest the Grant has an important role to play in helping to meet their training needs. However, the Grant's inability to increase labour market attachment and reach priority groups suggests the Grant should be understood as one service in a broader menu of labour market programming funded through the CJF.
- ***Ensuring the design parameters are informed by international evidence base and organized to meet both federal and provincial priorities.*** While the Grant as currently designed may be meeting the needs of some employers, the analysis suggests its restrictions on eligible costs may limit its effectiveness. Grant parameters should be adjusted to better serve business and jobseekers by allowing a wider range of in-kind contributions; funding needs assessment activities and curriculum development and customization; and exploring options to decrease employer liability in training jobseekers.
- ***Building in flexibility to enable testing, adapting, and scaling of employer driven models.*** Consider Grant funded pilot projects based on evidence supported approaches by building flexibility into the Grant design to enable provinces and territories to build on their existing approaches and test, adapt, and scale their most promising employer driven models.
- ***Providing appropriate levels of administrative support to support employers through the process.*** The administration funding cap should be carefully considered to prevent it from decreasing the level of support available to employers.

Ontario

Context

As a key commitment in the Canada-Ontario Job Fund Agreement (COJFA), the Canada-Ontario Job Grant (COJG) was launched on September 26, 2014.

The specific strategic priorities of the COJG beyond the guiding principles as articulated in the COJFA are to:

- Encourage employers to hire and train unemployed individuals for current job vacancies;
- Support job creation by helping employers expand their workforces;
- Increase job quality by encouraging the creation of permanent, sustainable full-time jobs; and,
- Encourage job advancement by allowing current employees to maintain their current positions or advance within their companies to positions that have greater responsibilities and/or rates of pay.

There were 2,880 employers and 13,862 trainees who participated in the program at the time of the Year Two Review.

Key Findings/Conclusions

Overall findings from the review are mixed:

- Participating employers and trainees generally expressed satisfaction with the grant. Employers believe that the program allowed them to advance their existing training schedules, offer full-time permanent positions (due to an increase in productivity), increase the number of individuals trained, and retain staff. Trainees reported a number of “soft outcomes” including increased confidence, gaining new knowledge and skills to advance their career, and satisfaction with the training they received. It should be noted however, that many of the employers and trainees who participated in the Year Two Review may not have completed their training programs at the time of the review and would not be able to assess long-term outcomes at this early stage of program implementation.
- Although one of Ontario’s strategic priorities is to provide opportunities for the unemployed, evidence from the review indicates that incumbent workers are benefiting more from the COJG than new hires. In addition, many of the trainees are highly-educated individuals who possess transferrable skills. Key program objectives aimed at increasing participation in the workforce by the unemployed and vulnerable populations are not effectively met by the program’s current design.
- Over a third of employers indicated they would have paid for the training irrespective of whether or not they had received COJG funding. This suggests that not all of the COJG expenditures can be considered to have incrementally increased the total amount of training in Ontario. Employers who would have proceeded with training on their own (without COJG

funding) indicated however, that the funding allowed them to implement training sooner than planned and to extend their training to more employees.

- Employers and service providers suggest that the program is administratively onerous. Many service providers believe they do not have adequate operating funding to deliver the program.
- Given that the existing demand for the program is attributable to the extensive outreach of the province, it is unclear if Ontario can reach its COJFA expenditure commitments. Further research is needed to determine the natural demand for the COJG program.

Overview of Recommendations

- 1) Spending targets in the COJFA should be eliminated or reduced so that expenditure levels align with demand for the program and provincial labour market priorities.
- 2) Ontario should have the flexibility to determine the government-to-employer funding ratio to incentivize different kinds of training. For example, the ratio could be adjusted to encourage more new hires or training that employers have been less willing to support financially (e.g. Essential Skills).
- 3) Ontario should be able to determine the eligible employers and the program design elements to encourage participation of specific groups of employers. For example, the program could recognize that large not-for-profits experience the same lack of funds as small not-for-profits and allow them the preferential contributions as organizations with fewer than 50 employees.
- 4) To mitigate the significant administrative burden associated with program delivery, consideration should be given to maintaining the current level of administrative funding (15% of total budget). Failure to do so will negatively impact the processing of applications, program delivery and the collection of data required to assess long-term outcomes.
- 5) Review the type and amount of administrative reporting required of service providers to ensure that only those data that are essential to program redesign, implementation and analysis are collected.

New Brunswick

Context

Historically, the New Brunswick economy has been largely built upon primary industries such as agriculture, fisheries and aquaculture, forestry, as well as mining and oil and gas. In recent years, there have been challenges associated with these traditional sectors, including closure of local industry and employers in regions of New Brunswick (e.g., Brunswick Mine closure in 2013[1]; paper mill closure in Dalhousie in 2008[2]). Additionally, traditional goods-producing sectors such as Manufacturing and Forestry face challenges associated with economic factors such as a fluctuating Canadian dollar, high energy costs and global competition. These challenges are reflected in a downward trend in employment in the goods-producing sector since 2008[3].

As the labour market in New Brunswick evolves there will continue to be challenges in developing a labour force that meets industry needs. There may be gaps in labour market supply and demand that are specific to a given region of the province, the province as a whole, and gaps in the skill-set of the available workforce.

It is important that the available workforce is equipped with the right skills for in-demand positions. In recognition of labour market challenges, the province provides a variety of training and skills development programs for individuals and employers to help build a strong and highly skilled workforce.

Key Findings/Conclusions

- Evidence supports that the Canada-New Brunswick Job Grant (CNBJG) program has been positively received by employers and is responsive to their needs to train current employees.
- The objective to increase labour market attachment, and enhance skills to meet the labour market needs is not being met.
 - The program was used by employers to train mainly employed participants
 - The majority of participants that completed the participant survey reported they were employed prior to receiving the grant
 - A small number of participants (14%) were unemployed prior to receiving the grant
 - The participants who received training all had some form of post-secondary education
- The evidence collected through this review supports the expected outcome that the CNBJG program has enhanced skills to better match participating employer's needs. However, it is less certain if the program has helped to fill skills gaps across the labour market in NB as most participants were already employed and training focused primarily on upskilling.

[1] Brunswick Mine closes Bathurst-area operations.. Retrieved online March 19, 2015 at <http://www.cbc.ca/news/canada/new-brunswick/brunswick-mine-closes-bathurst-area-operation-1.1335287>

[2] Dalhousie workers put in their last day at the mill. Retrieved online August 27, 2012 at <http://www.cbc.ca/news/canada/new-brunswick/story/2008/01/31/dalhousie-closure.html>

[3] Labour Market Bulletin, New Brunswick: December 2014. Retrieved online March 19, 2015 at <http://www.esdc.gc.ca/eng/jobs/lmi/publications/bulletins/nb/dec2014.shtml>



- The majority (68%) of grants approved to date have been used for upskilling or upgrading
- Evidence from the employer survey indicates the CNBJG incrementally increased employers' investment in training. Although key informants agreed that the program had encouraged employers to invest in training they were unsure of the incremental impact.
- Key informants expressed many inefficiencies associated with program delivery including the heavy administrative processes, the lack of guidance on program promotion and employer outreach.

Overview of Recommendations

- 1) Consideration should be given to developing PT data measurement system (possibly online) that decreases administrative burden and supports the consistent collection of data across all provinces.
- 2) The CNBJG program guidelines should be reviewed to ensure they support the delivery and the achievement of objectives such as adding participant travel and in-house training as eligible costs.

Nova Scotia

Context

The Canada-Nova Scotia Job Grant stream is being funded via provincial funds and is delivered through an existing program: the Workplace Innovation and Productivity Skills Incentive (WIPSI). The focus of the Canada-Nova Scotia Job Grant is training existing employees to be more productive in their current employment. By funding the Canada-Nova Scotia Job Grant through an existing provincial program, Nova Scotia is able to dedicate the Canada-Nova Scotia Job Fund monies to the Employer Sponsored Training and Employment Services and Supports streams of the Canada Job Fund.

Consistent with the national debate that preceded its implementation, an important sub-goal of the CNSJG has been to better align skills with job opportunities, including addressing evolving labour market demands or sectors facing skills mismatches or shortages. Examining the full range of issues associated with this linkage between labour market supply and demand and the accompanying thrust to get employers more centrally involved in leading and funding training has been an important area of consideration in this evaluation. This is particularly relevant in Nova Scotia where the province's demography is among the most challenging in the country.

Issues respecting the province's unfavourable demography, prospective skill shortages, concerns in regard to labour supply and temporary foreign workers, accessibility by under-represented groups, the desire to increase immigration, the need to innovate, the need to increase export opportunities and the impact of globalization and rapid technological change, are all factors that are impacting labour market programming and which are central to the evolving dialogue on the workforce of the future.

Key Findings/Conclusions

The results of the Canada-Nova Scotia Year Two Review indicate that:

- the financial investment of NS employers in training of their existing workforce has increased;
- employers, participants and trainers expressed satisfaction with the program;
- employers reported increased productivity that they were able to attribute to the training;
- participants indicated overall that the training they received was very useful and transferable;
- excellent data has been collected which will inform future policy and program design, development and delivery, for example, employers identified the need to streamline and simplify processes.

Unfortunately, with the ending of the Labour Market Agreement (LMA) funding cuts were made to the provisions of services to the most vulnerable Canadians needing supports to attach to the labour market. Shortfall in achieving the annual Canada-Nova Scotia Job Grant targets could result in further funding reductions.

The nature of the national Canada Job Grant program is currently highly prescriptive. Though successfully administered in the first year through an existing provincial program, the CNSJG program will be challenged in future years from both a funding and uptake perspective.

Overview of Recommendations

- Creating stronger alignment between training and overarching provincial economic development and sector priorities would ensure that investments in training would more effectively address the needs of the higher priority sectors, thereby contributing to an enhanced economic impact.
- Base the CNSJG investment targets on a demand assessment rather than a set percentage of the Canada-Nova Scotia Job Fund allocation;
- Increased flexibility to the key features of the CNSJG program, specifically the required cash contributions of employers and the flexibility to align the CNSJG programming with provincial labour market priorities and context; and
- That the Canada Job Grant be de-coupled from the Canada Job Fund and Labour Market Agreement be re-instated. The opportunity for success of both agreements is much more likely as they each would operate under their own “pure objectives.” Furthermore it is noted that the percentage-based CJG targets are unnecessary and could cause non-strategic behaviours.

Prince Edward Island

Context

Historically, the PEI economy has been largely built upon primary industries such as agriculture, fisheries and aquaculture, as well as a vibrant tourism industry. Seasonal work has also historically been a strong component of the labour market, more so than other provinces in Canada. In recent years sectors such as bioscience, aerospace and defense, information and communications technology, renewable energy and financial services have also become key opportunities for economic growth in PEI. The province continues to expand its economy through primary industries and a focus on knowledge sectors.

As the labour market in PEI evolves there will continue to be challenges in developing a labour force that meets industry needs. PEI faces a number of labour challenges including an aging population and out-migration of the younger working age population. The province has taken steps to combat demographic issues by focusing attention on growing the population. It is important that the available workforce is equipped with the right skills for in-demand positions. In recognition of labour market challenges, the Province provides a variety of training and skills development programs for individuals and employers to help build a strong and highly skilled workforce.

Key Findings/Conclusions

The CJG-PEI program was designed by Prince Edward Island following the prescribed criteria by the Government of Canada. In general, the design of the CJG-PEI program is successful in meeting the needs of employers in PEI. While, the province built in flexibilities throughout the design, employers and non-participants suggested the criteria for funding should be expanded.

The overall regional delivery approach used by the province, including a community outreach model, proved to be successful in implementing and delivering the CJG-PEI program as the overall budget was expended.

Uptake of the program was predominantly with employed participants (85%). Very few unemployed individuals (14%) received training as a result of the Canada Job Grant program.

Early survey results indicate there was a discrepancy in employer and participant views on improved employment situation of participants, thus emphasizing the need for further follow up at 12 months to see if perception has changed over time. The program had a positive impact on labour market attachment for the unemployed individuals who accessed the program.

A majority of employers indicated they would have/probably would have continued to invest in the training without the grant. Of the employers that invested in training prior to receiving the grant, a large majority indicated that their financial investment in training has increased because of the grant. Some employers who participated in the program indicated that they had not

invested in training for their employees prior to receiving the grant. To date, the province has not implemented an instrument to measure the incrementality of employer investment.

The majority of employers reported that the program helped to ensure skills are better aligned to job opportunities within their organization. However, because the majority of training was proprietary/firm training, key informants felt that the skills gaps identified by current employers have been filled but there was less certainty as to whether the training would transfer directly to other labour market situations in PEI.

In order to meet future obligations of the agreement, substantial employer investment is required. Additional tools and resources will be required to promote and increase awareness of the program.

Overview of Recommendations

- Expand flexibility in program design to encourage additional employers to invest in training for unemployed and employed individuals through the Canada Job Grant;
- Develop an approach, through increased promotional activities, to raise awareness among employers to engage more unemployed participants;
- Review of CJG reporting requirements to appropriately support and measure the achievement of intended outcomes of the program; and
- Identify and document best practices and opportunities for streamlining processes to decrease administrative burden related to program delivery.

Newfoundland and Labrador

Context

Over the period leading up to and during the implementation of the Canada-NL Job Grant, Newfoundland and Labrador experienced historic levels of economic and employment growth, driven mainly by the offshore oil and minerals export sectors. Between 1997 (the first year of oil production from Hibernia) and 2013, real Gross Domestic Product in the province expanded by an average of 3.4 per cent per year. During that period, employment grew by an average of 1.6 per cent per year, with most of the gains in full-time jobs.

In 2013, annual average employment reached 242,700 - the highest level ever recorded. As well, during that year, the annual average unemployment rate was 11.6 per cent - the lowest rate in 40 years. Strong employment demand was evident in wage gains over this period. Weekly earnings in the province in 2013 averaged \$952, second highest only to Alberta among provinces, and 4.5 per cent higher than the national figure. In 2014, the majority of new employment opportunities (as evidenced by publicly-posted job ads) were in the Northeast Avalon Region and more specifically in St. John's - the region with the highest proportion (40.7 per cent) of the provincial population.

While it is clear that the province's economy was on a positive upswing pre-2014, global oil and iron ore price declines that began in 2014 have impacted economic conditions in Newfoundland and Labrador in the later period of Canada-NL Job Grant implementation. As an example, employment levels in the province in 2014 declined compared to 2013, from 242,700 in 2013 to 238,600 in 2014. It is important to note that during this period a number of major projects were winding down their construction phases.

To respond to these labour market challenges – and opportunities – the Province has engaged in implementing a number of population growth-related initiatives that prioritize the retention of existing residents, and the attraction of individuals from the rest of Canada and around the world. Efforts have focused on attracting and retaining qualified working-age people and their families through a focus on policies that contribute to population stability and growth, and initiatives that help build a stronger and more diversified economy.

Key Findings /Conclusions

The program has supported employers to identify and respond to their own training needs and, according to employers, this has been very successful and has raised significant interest in further application to the program to support training. It is likely that the program has had some relevance in addressing skills gaps in sectors which were expected to be under pressure, facilitating retention and training of individuals already in the workplace and ensuring stability in the existing labour force.

It is more difficult to assess whether this success has contributed to meeting the labor market needs of the province, as the articulated provincial priorities are broad. Year two of the Canada-NL Job Grant program should be used to deepen marketing and promotion of the program, in particular to regions where there has been little uptake to date, to ensure maximum response from employers. Year three should see a refinement of provincial priorities and subsequently a narrowing of the criteria to align with these provincial priorities. This should ensure better matching of the employer and provincial labour market needs. However, it is important to state that in so doing, flexibility must remain within the program to respond to regional employment contexts, particularly in areas of high unemployment and few employment opportunities.

There has been good uptake by small employers, but there is more to be done to engage those off the Avalon Region and more generally employers in rural and remote areas.

Changes to the federal parameters to expand the training-related costs for employer applicants, and what constitutes an in-kind contribution under the program for employers with fewer than 51 employees, as well as inclusion of municipalities (fewer than 51 employees), may create even more interest from and uptake by employers.

Overview of Recommendations

Recommendations for consideration by the federal government for the CJG program:

1) Amend the Canada Job Grant program parameters to expand:

- the definition of “in-kind” contribution;
- the allowable training-related costs to include in-house trainers (employees/employer), participant training-related travel costs and employee wages, when circumstances indicate that exclusion of same constrains engagement in the program; and,
- the employer criteria to include small municipalities (fewer than 51 employees) to support their training related needs, which in turn should support their growth and sustainability.

There has been little uptake by employers availing of the option to train new employees. Recent changes in the economy resulting in downturn in some industries and upturn in others might create increased uptake of this option. Additional incentives also might be required to optimize uptake of this option. However, care must be taken to not diminish the value of the program by eliminating the requirement for a contribution from employers who wish to avail of this option.

Recommendation for consideration by the federal government for the CJG program:

- 1) Allow Newfoundland and Labrador increased flexibility in the cost-sharing agreements to require less contribution from employers who agree to train and hire new employees. It is recommended that employers **not** be provided 100 per cent of the training costs, as this could reduce their levels of accountability and commitment to the desired outcomes, if they do not invest in the program.

Yukon

Context

Yukon's population has grown steadily from 2004 through 2014 with successive record highs in most quarters. The June 2015 population for Yukon was 37,343, an increase of 0.2% compared to June 2014. In June 2015, 16.2% of Yukon's population was under 15 years of age, 73.0% was between 15 and 64 years, and 10.9% was 65 years of age or older. Over 77% of Yukon's total population resides in the City of Whitehorse, with its role as Yukon's primary goods and services hub. Modest population gains are expected in the near-term with the current forecast of a population gain of 1.0% in 2016. Continued weakness in the local mining sector, and the Yukon economy in general does present some downside risk to the continued population gains.

Yukon's labour market has performed well in recent years with both the size of the labour force and the numbers of persons employed reaching record highs. These gains in employment have translated into relatively low levels of unemployment in recent years with Yukon's unemployment rate amongst the lowest in Canada. For the period 2004 to 2014, Yukon's unemployment rate averaged below 6%, lower than the national average of 7% reported for the same period.

The year-to-date performance of Yukon's labour market has been impacted by a weaker economic environment. In the first nine months of 2015 employment is down 2.6% from the same period in 2014 (19,422 from 19,944). Yukon's total labour force has also declined year-to-date, down 0.6% to 20,711. Weaker employment has contributed to an increase in Yukon's unemployment rate, increasing from an average of 4.3% in 2014 to 6.4% in 2015.

Key Findings/Conclusions

All Canada-Yukon funding agreements thus far received represent individuals who are already employed with the employer/recipient. Since the inception of this agreement, Yukon has created no new jobs. As there have been no CYJG applications for new positions, Yukon is not seeing an increased labour market attachment of participants. Regarding any improved employment situation of participants, training thus far funded by CYJG has been for persons already employed, most of whom are seeking additional skills for their present position. A high number of recipients have completed a university degree and are looking for training in the area of professional, scientific and technical services.

Further, most inquiries about funding have come from the employees themselves who then take the information back to their employers. We can infer from this that there is no evidence that employers would offer such training without the CYJG contribution.

Overview of Recommendations

Recommendation 1: Given Yukon's northern position and general lack of locally accessible training providers, consideration should be given to including travel as part of eligible CYJG costs. This recommendation has the support of both employers and stakeholders who form part of our consultation committees.

Recommendation 2: Many small employers in Yukon, especially those with a workforce of between two and ten employees, struggle to fund their portion of training costs even when accounting for wages and wage replacement. Yukon recommends having the ability in some circumstances to modify employer contribution rates especially for those employers who meet priority areas.

Recommendation 3: The CYJG while currently having some degree of flexibility in terms of allowing Yukon to prioritize applications which meet our labour market needs, could also have additional flexibility to allow for the reallocation of funds between the other labour market programs which exist under the umbrella of the Canada-Yukon Job Fund. Yukon has many clients who are require multiple interventions to address their barriers to employment and whose funding now originates from the Employment Services and Supports (ESS) stream. Yukon would like to see more funding allocated into ESS as opposed to clawing these program dollars back in support of CYJG.

Northwest Territories

Context

As of December 31, 2014, Statistics Canada estimated an overall employment rate of 66.7% in the Northwest Territories. This value had decreased compared to the 2013 employment rate of 70.2%. The employment rates for Aboriginal and non-Aboriginal persons remain disproportionate to the population figures and in 2014 were 49.0% and 82.2% respectively.

Geographically, Statistics Canada only reports data for Yellowknife and combines the remainder of the NWT. Yellowknife's employment rate peaked in 2007 at 83.4%, declined to 80.1% in 2009, and then slowly increased. By 2013 it had reached 81.9%, but 2014 has seen it decline to 79.7%. The employment rate for other NWT communities has followed a similar trend and in 2012 was 60.6%. In 2013 it dropped to 59.9% and 2014 has seen a larger decline to 55.8%. These small communities in the NWT account for 68% of the available labour force.

As of December 2014, the NWT had 1757 employers. 92% of employers within the NWT have 49 or fewer employees.

Key Findings / Conclusions

One of the challenges of training programs in the north is the availability of courses offered by either accredited institutions or instructors. In the NWT there is one accredited college but no university and although distance education is becoming more popular, for some courses, hands on instruction (like the trades) is the best practice. Also, the Internet in many of the smaller communities is delivered by satellite, which is not optimal for training as the download speeds are very slow.

This makes it necessary for some employees to have to travel by air to either acquire or maintain their credentials. Because of the remote location of communities and the distances involved, travel is very expensive and the cost of regional hotels can be more expensive than southern Canada. There were some cases where the travel and hotel costs were even more costly than the training itself. It is possible that even though the cost of the training is subsidized, the travel and hotel costs may be too expensive for a small employer.

In all cases, training was provided to current employees; Job Grant funding was not utilized to train new hires. Most of the training supported would have been pursued without government assistance. For some small employers, the Job Grant supported training that would not otherwise have occurred this year.

The introduction of a new program adds to administrative activities. The cost sharing element of the Job Grant further added to administrative complexity and activities. The cost sharing element of the Job Grant also negatively impacted funding for existing employment and training programs, particularly those targeted for unemployed, and under-employed individuals who do not have a

job offer, and for individuals entering or re-entering the labour force. These impacts will increase as the Job Grant is fully phased in to reach 60% of the Job Fund.

Overview of Recommendations

The following are recommendations based on the conclusions of the NWT review for improvements to the territorial program specifically, as well as more broadly to the national program parameters.

Blending and expanding program benefits. Tailored solutions were arranged to assist some employers in meeting their particular company needs by blending program benefits. It is important to support this approach and expand this flexibility in the program design to meet the full range of labour force and employer needs, including expanding the program to support training for proprietors of small companies and to allow for attendance at professional conferences.

Travel assistance. Reasonable travel costs should be considered for eligible training costs under the Job Grant. Training opportunities are limited within the Northwest Territories. Education, Culture and Employment looked at the total costs associated with training as these secondary costs may be a deterrent for some companies. Often employers are paying as much or more in travel expenses as their portion of the Job Grant.

Impact on other programs. The NWT experience demonstrates providing an appropriate level of administrative support to ensure that employers are supported throughout the process is important for the success of the program. In addition to maintained administrative funding, flexibility to provide funding to support employer's strategic human resource planning and training can increase uptake of the Job Grant. Further, removing program expenditure targets would allow the NWT to better target the use of Job Fund programs to serve those for whom it would be most beneficial, i.e. individuals without a job offer or in low skilled jobs.

Nunavut

Context

Nunavut is territory comprised of predominantly young people living in 25 remote and rural communities located across a land mass of approximately 2 million square kilometers. The population, estimated at 36,70211 people, is the youngest in Canada and it is growing. The territory's median age is 24.7 years old and the population growth rate is well above the national average (+3.2)¹².

The government is the single biggest employer in the territory. Today, about 60% of all people employed in Nunavut work in the public sector with either the territorial or the federal government. This sector offers a wide variety of employment opportunities including administrative, environmental, technical, financial, health and social services. The remaining 40% of Nunavut's labour force is employed in the private sector (35%) or are self-employed (5%). The most recent economic data indicate that the mining and construction industries are the most rapidly expanding sectors within Nunavut's economy.

Despite promising economic growth, significant challenges remain in Nunavut's labour market: First, employment opportunities tend to be concentrated in the territorial capital of Iqaluit. In 2014, Nunavut's employment rate was 53 per cent - Iqaluit's employment rate was nearly 80 per cent, while the employment rate of the other 18 largest communities combined was just 47 per cent.¹³ Given that the population is spread across 25 communities, employment opportunities do not align with where people live. Moreover, where jobs are located, local populations may not have the adequate skills, education or training required to take advantage of these opportunities causing employers to rely on labour from outside the territory. Second, the non-Inuit population is employed at a much higher rate than the Inuit population. As of October 2015, the employment rate among the non-Inuit population was 85%. In contrast, the employment rate among the Inuit population was slightly over 45%

Key Findings/Conclusions

- 1) The CNJG has been relevant to small employers in the private sector. They have responded well to the grant; have identified their training needs and have used the funding to meet those needs. It has also been particularly relevant for the municipal government sector.
- 2) Employers have accessed the grant in Nunavut largely to provide training for individuals who are already employed. More work is needed to target the grant toward unemployed and underemployed individuals. Further to this, eligible beneficiaries, as per the Agreement, should clearly include the self-employed. Currently, it is unclear whether the self-employed (solo self-employed or self-employed with employees) are eligible for the grant.

¹¹ Statistics Canada, 2015.

¹² Statistics Canada, 2015 CANSIM.

¹³ Nunavut Bureau of Statistics, 2015.

- 3) The training cost eligibility criteria, as stipulated in the Canada Nunavut Job Fund Agreement, are not broad enough for the Northern context. While trainer travel and accommodations can be included in training provider fees, student travel and accommodations are not stipulated as eligible training costs. It is a strength of the Job Grant that trainers can be brought in to communities. However, Nunavut's experience indicates that the costs for employees to travel for training are extraordinarily high and often prohibitive.
- 4) Face-to-face meetings, along with extensive networking, to promote the grant and explain the application process directly to employers have proven successful. The personable approach of the delivery specialist to employers and the willingness to assist employers with the application, given that they may not have the human resource capacity to do so on their own, has been crucial to the grant's success here.
- 5) No pay increases were noted for trainees post training. In only a few exceptional cases were individuals moving in to a new position. The improved situation of participants was that they were better able to fulfill their responsibilities and tasks at work, as well as take on new responsibilities. In short, the training increased and improved their labour market attachment to their current positions.

Overview of Recommendations

- 1) That the self-employed (either solo self-employed and self-employed with employees) be clearly eligible and indicated as much in the Canada-Nunavut Job Fund Agreement.
- 2) That more funds be available to administer the CNJG and that more funds be available for employment services and supports under the Agreement (i.e. greater flexibility).
- 3) That given the geographical realities of the North, trainee travel costs must be included as an eligible expense and/or that upper limit of the grant should be increased (i.e. be more than \$10,000) per trainee to accommodate the additional cost of travel to either southern training centres or other training sites in the North.