

Budget 2005:
*The Case for Community-based Youth Employment
Services*

Pre-Budget Submission to the Ontario Ministry of Finance

Submitted by:
The Ontario Association of Youth Employment Centres

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The Ontario Association of Youth Employment Centres (OAYEC)

OAYEC is a network over 70 youth employment centres who deliver many Ontario government funded employment programs including Job Connect, a project that assists over 97,000 youth gain the skills and work experience necessary to find and maintain successful employment with over 27,000 employers.

OAYEC supports and advocates for a sustainable youth employment network in Ontario. We fulfill the functions of Knowledge Transfer, Government Relations, Professional Development and Strategic Communications. OAYEC is the 'GO TO' organization for youth employment centres, policy makers, and the media in Ontario.

Ontario's Youth Employment Sector

The Ministry of Finance has indicated that they are looking for "*opportunities to work with the federal government to reduce and/or eliminate duplication*" in the 2005 annual budget. Should the Ontario government enter into a partnership with the federal government, either in the form of a Labour Market Development Agreement (LMDA) or through other arrangements, OAYEC wishes to bring forward our community perspectives on this potential partnership.

OAYEC's 75 non-profit, community-based employment agencies deliver employment and training programs as a result of a variety of funding sources currently. However, the funding that has proven the most successful, year after year, is the Ministry of Training, Colleges and Universities' Job Connect Program.

OAYEC believes that the multi-year, global budgeting model has been one of the greatest contributors to Job Connect's success. Also, its continuous improvement framework allows *local decision-making to address local needs*, maintaining financial and program accountability while continuing to ensure improved efficiency and effectiveness.

The case for maintained and enhanced funding for the Job Connect program is clear. Job Connect supports a strong education system, contributes to doubling the province's apprentices, is integral to a strong economy and is becoming even more efficient and effective.

In short, Job Connect and *Ontario's youth employment sector contribute significantly to improving Ontario's economic performance.*

- Last year the Job Connect program helped over 38,000 people end their dependence on the Ontario Works program.
- Ontario's youth employment sector provides better-trained, better-qualified young people for Ontario's small and medium-sized enterprises. The Job Connect program alone nurtures relationships with 7000 small and medium sized businesses.
- Investment in youth employment programming decreases demands for social services such as policing and hospital services significantly by giving young people productive and healthy ways to spend their time.
- Successful early career development is correlated with long-term career development.

Ontario's youth employment sector shifts young people from social dependence to self-sufficiency and helps young people escape lives of poverty and un(der)employment. 83% of Job Connect participants return to school or retain their jobs for at least 3 months after completing the program. Over 70% retain their jobs for more than one year.

2005 Budget

OAYEC acknowledges the Ontario government's efforts to balance our budgets and find savings that will help responsibly manage our province's finances and improve the health and education of our people. As such, OAYEC has provided answers to the three questions posed by the Ministry of Finance to contribute our ideas, on behalf of our network of 75 member organizations, for the 2005 budget.

1. *How should the federal government partner with Ontario to ensure this province remains the engine of economic growth in Canada?*

Invest in Job Connect

If the province is to incorporate former Human Resources and Skills Development Canada (HRSDC) employment services in the event of an LMDA, it should expand Job Connect by:

- Increasing the Job Connect budget significantly
- Committing to Job Connect's global budgeting funding model
- Committing to Job Connect's evaluation framework

Commit to a model that supports local decision making

Before considering co-location of employment and training services:

- Understand that one model does not suit all communities
- Co-location does not save money in all locations, infrastructure costs may be much greater if co-location is forced upon some communities

Maintaining Job Connect means greater service for at-risk youth

Before considering shifting to other employment program options:

- Understand that Job Connect supports a focus on serving at-risk youth
- If, under a new partnership with the federal government, a shift in focus is made away from at-risk youth (towards older or higher skilled youth) the social service costs to policing, health, justice, etc. will be much greater as the most marginalized youth fall through even larger cracks in the system.

2. *What other government measures could be implemented to constrain spending and modernize government?*

Commit to Job Connect's Continuous Improvement Evaluation framework

- The Job Connect System (JCS) provides up-to-the-minute data on the effectiveness and efficiency of the program as it is delivered in over 80 communities across Ontario.
- Job Connect's outcomes measurement builds in efficiency and enhances a client-focused approach simultaneously.
- By using a continuous improvement model, the program achieves relevancy at the community level year by year and has the ability to change as the economy and/or labour market trends morph over time.

Commit to Job Connect's multi-year, global budgeting model

- Job Connect supports the locally identified needs of each community by providing multi-year funding administered through global budgeting that allows each delivery agency to spend their funds as the community requires.
- Multi-year, long-term funding allows the delivery agency to become a respected and in-demand community service increasing efficiency and serving more and more youth every year.
- Multi-year funding allows delivery agencies to keep clients in-care as long as their needs demand rather than allowing them to flip back and forth between numerous social services, increasing the burden on the system.

3. *Where there is a desire for spending increases, what monies should be reallocated from other areas to fund these increases?*

In the case of a Labour Market Development Agreement, federal funds earmarked for labour market development should be transferred (fully-devolved) to the province and administered under the expansion of the existing (Job Connect) program.

CONCLUSION

When presenting these ideas and arguments in the context of budgetary restraint, the value of other social services funded and delivered by the province come to mind. These are essential social services that are an integral part of a healthy and prosperous province. The presumption that budgetary restraint is the only option at this point unfairly puts any group advocating for investment in social services in a 'zero sum game' of having to take from other valuable programs if it is to achieve any gains for its own.

However, there may be mechanisms to alleviate much of the budgetary restraint without over-burdening the taxpaying public. Closing loopholes, and adjusting financial and non-financial policies may have beneficial effects and create a more positive 'win-win' scenario for social spending and saving. As well, opportunities for increased, and properly administered funding may arise in the event of a labour market development agreement with the federal government.

Throughout this paper we have argued for the maintenance or enhancement of the Job Connect program. This means:

- **Stable annual funding of \$109 million or more**
- **Continued commitment to youth employment counselling and job placement supports**
- **Employment subsidy funding to engage employers in the hiring of at-risk youth**
- **Continued commitment to a complete network of third party service deliverers, including community-based non-profit organizations.**

Respectfully Submitted,

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Ontario Association of Youth Employment Centres*