

Learning Networks of Ontario

Position Paper #2

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**The Impact on Adult Students
Due to the ending of Budget Initiative Funding**

**Ministry of Ministry Training, Colleges and
Universities (MTCU)**

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Introduction

It is now more important than ever for Literacy and Basic Skills (LBS) programs to continue to receive additional funding. Prior to 2009, core funding from the Ministry of Training, Colleges and Universities (MTCU) for Ontario's LBS programs remained static. As a result, programs experienced serious program capacity issues such as growing waiting lists, reductions in hours of service, and insufficient staff to fully support all adult learners. The additional \$90 million (\$45 million a year) that adult literacy programs in Ontario received through the Business Initiative Funding allowed literacy programs to strategically increase staff and open new locations in order to respond to community needs.

Now that the Business Investment Funding has run its two year course, and with no additional funding announced for literacy, Ontario's literacy programs are determining cuts in services that must be made in order to stay within budget. **This will impact Ontario's workforce and productivity by leaving thousands of displaced workers and at-risk workers without upgrading and training programs.**

The next few years could be very challenging though, not only for literacy providers, but also for their clients – current and potential. Without sustained additional funding that acknowledges the lack of incremental increases in the literacy budget over the past ten years as well as the increase in demand resulting from the recession, adult literacy providers will have to close down programs and services and exit adult learners.

In June of 2010, the Learning Networks of Ontario prepared and submitted a position paper (see attached) to MTCU about the impending discontinuation of Budget Initiative Funding. It recommended:

“That the two year enhanced provincial investment in Literacy and Basic Skills(LBS)/Academic Upgrading (AU) training provided through Budget Initiative Funding be converted to permanent, core funding at the current level of enhanced investment.”

This position paper is a follow-up to the June document.

Background

On March 26, 2009, the Province of Ontario announced that it would expand training and literacy programs. The 2009 Ontario budget detailed the scope of this expansion, noting that \$90 million over two years would be provided to expand literacy and basic skills training, including funding for community projects, distance learning and workplace literacy.

This investment in training and literacy programs was the first across the board increase in core program funding to this sector in over ten years.

This investment, referred to as Budget Initiative Funding (BIF), started to flow to organizations across Ontario in September 2009. The funding provided for an investment of \$25 million in colleges, school boards and community literacy organizations in the Employment Ontario Network to help laid-off workers and other adult learners train for highly skilled jobs. Literacy agencies used the investment to serve over 13,000 more adults, increase class sizes and programs, expand online learning and upgrade technology and learning resources.

This two year funding is slated to come to an end on March 31, 2011.

Impact of Loss of Budget Initiative Funding

Based on the annual, local Literacy Service Plans produced by each regional literacy network in Ontario, it is forecasted that demand for literacy and essential skills training services will continue to be very strong and that, based on the loss of Budget Initiative Funding, the service delivery system will not be able to meet this demand in 2011-2012 and subsequent years.

The loss of the Budget Initiative Funding will result in system wide capacity reductions and overall activity levels will decrease.

The infusion of the Budget Initiative Funding into the LBS/ AU sectors for 2009-2010 and 2010-2011, resulted in programs being able to respond to community needs by serving an increased number of learners, providing additional classes, increasing hours of available programming and providing new programming. We know that across the province, more than 13,000 adults accessed Literacy Services through the increased funding.

This increased capacity will be seriously curtailed with the discontinuation of the funding. We would not only see the number of learners served reduced, there would be an additional loss of instructional hours. This reduction in hours will occur as agencies attempt to meet the outcomes for the allotted funding, while considering rising expenses and costs associated with program delivery.

Some specific impacts of the loss of Budget Initiative Funding include:

- A. The majority of LBS/ AU organizations noted that they will have to stop providing programs or services without continued Budget Initiative Funding. Some programs will have fewer resources available and the quality of services offered to clients will have to be reduced.
- B. Programs foresee cuts in programming, staffing and hours plus increased waitlists and capacity issues if the additional funding is not continued.
- C. Many programs have indicated that they are at capacity at mid-year for 2010-2011 and many have waitlists or are redirecting learners to programming at different times of day or locations to deal with waitlists. The reduction in funding will exacerbate this issue and waitlists for service will balloon.
- D. The extent of this impact on system capacity is broad. For example: there will be 23.4% less learners served in London/Middlesex, 38.5% less in Brant County, 16.2% less in Haldimand-Norfolk, 6.5% less in Oxford County, 25.6% less in Elgin County, 43.2% less in

the Waterloo region and there will be a loss of 1,189 learner seats and 3.4 full time and 11 part time staff positions in Hamilton.

- E. Even with the additional funding for 2009-2010 and 2010-2011, most agencies report that they subsidize program delivery costs using other sources of funding. More capacity is required in the system.
- F. Programs also foresee challenges in implementing the Ontario Adult Literacy Curriculum (OALC) and the new Employment Ontario Information System without the continuance of additional funding.

System capacity will be affected on many levels by the loss of Budget Initiative Funding.

The demand for increased literacy and essential skills training services continues to be strong. There are waiting lists in many regions.

The demand for LBS/ AU programs continues to be strong. The increasing demand for service is based on a number of factors, including:

- A. The profile of those learners accessing LBS/ AU programs has changed since the recession. The changing client profile means programs need to be better equipped to meet the demands of those clients accessing their services. The profile changes noted are learners who are
 - Second Career clients – with or without post-secondary eligibility, requiring timely upgrading and preparation
 - tech-savvy students coming out of secondary school programs with low literacy skills and few compulsory credits
 - laid-off workers

- people seeking trades
- Employment Insurance clients
- individuals in need of counseling services
- individuals in need of computer classes

B. As the client base changes, learners are demanding or needing more services, not less. Funding directly impacts the delivery of services. Fewer instructors mean fewer learners can be served at the level of quality needed to meet the demands of the workforce.

C. Literacy agencies are working hard to build stronger linkages with Employment Ontario partners. These linkages will lead to more referrals of clients from employment services and apprenticeship programs to literacy and Essential Skills programs. As a result, clients will have the opportunity to increase both their employability and their ability to find and keep jobs.

D. Many more workers are exploring options to voluntarily upgrade their skills in preparation for plant closures, layoffs and other workplace changes.

E. The bulk of the learners in the LBS/AU programs are 19 to 24 and 25 to 44 years of age. These age groups are the future of Ontario's workforce.

The continued demand for literacy and essential skills training services coupled with the system wide capacity reductions will result in the service delivery system not being able to meet the needs of the community.

Literacy is a Cornerstone of a Healthy, Vibrant and Competitive Ontario

Economist Craig Alexander, who spoke at the Ontario Literacy Coalition conference in October 2010, stated that literacy levels, when looking strictly at an economic review, haven't improved since the 1993 Adult Literacy Survey. He, however, stated that if the English as a

Second Language statistics were removed from the economic studies, there was, in fact, improvement on skill levels, even with flatlined funding in LBS.

Alexander shared that when speaking with business, the case is made that investing in literacy results in production increases. We know that a **1% increase in literacy increases production by 2.5%, raises the output per capita by 1.5% and a 1% increase in literacy could boost national income by \$32 billion annually**. Alexander also stated that understanding that literacy levels impact all aspects of society, including health, social well being, and the economy, makes the case for sustainable funding in literacy.

Alexander stated that raising literacy scores to adequate levels (ALLS 3) could create a payoff of \$80 to \$100 billion annually.

The Literacy and Basic Skills services in Ontario are essential to the sustainability of our province's economy by delivering skills training for those at risk of losing employment, those unemployed and those seeking to retrain.

Those with lower literacy skills are more likely to be

- less healthy than those with higher literacy skills
- unemployed for 6 or more months
- on social assistance (2.5 times more) than those with higher literacy skills

Up to 50% of adults with lower levels of literacy live in low income households, compared to 8% of those with high level literacy skills

Literacy is more than about the ability to read, write and do math. It is also about the ability to think, to problem solve, to communicate, to continually learn and to use technology. With a fully literate population, Ontario will be able to meet its labour demands

The goal of Employment Ontario is to have the most educated people and highly skilled workforce in North America in order to build the province's competitive advantage. Literacy is the foundation on which such a workforce will rest.

Literacy is a smart investment.

Conclusions

Literacy is a foundational skill program. Without strong literacy skills, many adults will not be able to achieve success in their goal of getting a job, getting a better job, or keeping their existing job. There is a clear and direct link between literacy and employability and a skilled workforce and productivity. But it is also important to recognize that adult learners across the province are not just potential workers. They are volunteers, parents, homeowners, tenants, caregivers, taxpayers and so much more. Stronger literacy and essential skills allow individuals to participate more fully in society.

Now, more than ever, there is a need for continued, additional funding in the Literacy and Basic Skills (LBS)/ Academic Upgrading (AU) programs. Without a timely response to this request for Budget Initiative Funding to be converted to permanent, core funding, potential clients will not be able to be served, client intakes will stop in January 2011 in order to wind down services to meet reduced capacity, contracts for new staff will not be renewed – eliminating the infusion of new talent into the field and new programs and services will be wound down, leases on new locations will expire and new instructors will move on in search of a more stable career.

Withdrawal of the additional field support funding would bring support for many agencies back to 1997 levels. The need for these services and the positive results they produce have been demonstrated – increased literacy funding pays off – let's not lose the momentum.

The **Learning Networks of Ontario** includes all regional literacy networks covering communities (urban and rural) across the province.

Southwestern Ontario members:

- Adult Basic Education Association of Hamilton
- Literacy Link Niagara
- Literacy Link South Central
- Peel Halton Dufferin Adult Learning Network
- Project READ Literacy Network Waterloo-Wellington
- QUILL Learning Network
- Tri-County Literacy Network

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The Learning Networks of Ontario are experts in service coordination and capacity building.