

ELMSD Bulletin on Budget Measures

December 9, 2009

The Ministry of Housing and Social Development has implemented measures to manage pressures on the Labour Market Development Agreement (LMDA) budget to maintain services for clients eligible for Skills Development training. On November 27, 2009, all service providers that receive funding through the LMDA implemented a tuition cap of \$4000 per person for the Skills Development Employment Benefit and introduced tighter criteria to applicants. A cap on apprentice tuition of \$500 per apprentice level came into effect on November 30, 2009. The cap was based on the average tuition funding for the Skills Development program and the average tuition costs for apprentice training.

These caps are province wide. In the interior (Region 4) and the Fraser (Region 3 West) regions, Skills Development Employment Benefits community coordinators have fully committed their budgets. We are working closely with these service providers to achieve a resolution that will ensure that these community coordinators can accept new applicants for the remainder of the fiscal year.

The Ministry of Housing and Social Development is instituting the tuition cap for the Skills Development program as a temporary measure in order to ensure the long term sustainability of the program as the number of Employment Insurance beneficiaries in British Columbia fluctuates. The cap will ensure that clients are treated fairly across the province, clients contribute to their education, the most effective training is chosen for the client, and the Skills Development Employment Benefit remains a viable option for the greatest number of eligible British Columbians in both the short and long term. This tuition cap will be in force until further notice.

The Skills Development Employment Benefit is available to British Columbians eligible for Employment Insurance Part II benefits. Consequently, increases in the number of applicants for the benefits are linked to increases in the overall number of British Columbians accessing Employment Insurance benefits. Since the start of the economic downturn in the fall of 2008, the number of Employment Insurance beneficiaries in the province has more than doubled to 99,400. Although the majority of growth in Employment Insurance beneficiaries to date occurred in the last quarter of the 2008/09 fiscal year, the unemployment is expected to continue to rise into 2010 before declining in 2011. As the unemployment rate grows, it is expected that the number of Employment Insurance beneficiaries will continue to rise over the next four to six months.