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**CANADA-ALBERTA AGREEMENT
ON
LABOUR MARKET DEVELOPMENT**



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RECITALS - ALBERTA

December 6, 1996

BETWEEN

THE GOVERNMENT OF CANADA (herein referred to as "Canada"), as represented by the Minister of Human Resources Development and the Canada Employment Insurance Commission

AND

THE GOVERNMENT OF ALBERTA (herein referred to as "Alberta"), as represented by the Minister of Advanced Education and Career Development

Recitals

Whereas Canada and Alberta give the highest priority to the integration of the unemployed into the workforce and are committed to providing high quality, effective and efficient labour market development programs and services to the people of Alberta;

Whereas Canada and Alberta agree on the importance of measuring, monitoring, assessing and evaluating the success of their labour market development programs and services in helping the unemployed of Alberta to prepare for, find and keep a job;

Whereas Canada and Alberta agree that predictability and transparency of funding is critical to the success of a long term labour market development agreement;

Whereas Canada and Alberta recognize that each government has certain responsibilities in the area of labour market development and seek to clarify roles and responsibilities in ways that improve the quality and accountability of government services to the public;

Whereas nothing in this Agreement shall abrogate or derogate from existing Aboriginal and Treaty rights of the Aboriginal Peoples of Canada;

Whereas Canada and Alberta recognize youth employment as a priority and are committed to coordinate their youth initiatives;

Whereas Canada and Alberta recognize the value to Canadians of coordinating local, provincial, and national labour market and labour exchange information;



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Whereas Canada acknowledges that labour market training is an area of provincial responsibility;

Whereas Canada and Alberta agree that they should reduce unnecessary overlap and duplication in their labour market development programs and services;

Whereas Alberta intends to provide a coherent and comprehensive array of labour market programs and services, including programs that are eligible for support from Canada under Part II of the Employment Insurance Act;

Whereas recent experimentation in the cooperative delivery of federal and provincial labour force development programs and services have shown the benefits of establishing new labour market arrangements in Alberta;

Whereas both parties recognize the possibility of achieving significant economies and quality improvements through cooperation in the future development, management and funding of systems infrastructure that meets the objectives of provincial and national labour market programs;

Whereas, in recognition of the above, Canada's Minister of Human Resources Development presented to all provinces and territories on May 30, 1996, a proposal on labour market development;

Whereas Alberta desires to enter into an agreement with Canada with respect to the May 30, 1996 proposal on labour market development;

Whereas with respect to Alberta's desire to expand its role in the design and the delivery of labour market development programs in Alberta, Canada (acting through the Canada Employment Insurance Commission), and with the approval of Canada's Minister of Human Resources Development, is authorized under section 63 of the Employment Insurance Act to enter into an agreement with Alberta to provide for the payment of contributions towards:

- a. the costs of benefits and measures (programs) provided by Alberta that are similar to employment benefits and support measures under Part II of that Act and consistent with the purpose and guidelines of Part II of that Act; and
- b. the administration costs that Alberta incurs in providing those benefits and measures.

Whereas the benefits and measures (programs) provided by Alberta described in the reference document **1997/98 Plan for Provincial Programs and Services under the Canada-Alberta Labour Market Development Agreement** are similar to employment benefits and support measures under Part II of the Employment Insurance Act, and consistent with the purpose and guidelines of Part II of that Act;



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Whereas Canada's Minister of Human Resources Development has approved the entering into of an agreement with Alberta to make contributions toward the costs of providing those benefits and measures and the associated administration costs;

Whereas with respect to the desire of Alberta to carry out on behalf of the Canada Employment Insurance Commission certain functions of the National Employment Service, the Commission may, under section 31(3) of the Department of Human Resources Development Act, authorize any person or body to exercise functions of the Commission;

Whereas with respect to the other areas of cooperation between Canada and Alberta covered by this Agreement, Canada's Minister of Human Resources Development is authorized to enter into this Agreement under section 20 of Canada's Department of Human Resources Development Act;

Whereas Alberta's Minister of Advanced Education and Career Development is authorized to enter into this Agreement on behalf of Alberta under Section 10 (2) of the Government Organization Act;

NOW, THEREFORE, the parties hereto mutually agree as follows:



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INTERPRETATION

1.1 The terms "employment benefit" and "support measure" are terms used in the Employment Insurance Act in reference to specific types of employment programs established by the Commission under sections 59 and 60(4), respectively, of the Employment Insurance Act. The terms "benefit" and "measure" are used in section 63 of the Act in reference to the funding by Canada of similar provincial programs.

1.2 In this Agreement, unless the context requires otherwise,

1. provincial benefits and measures may be referred to as provincial programs";
2. active EI claimant means an individual for whom an employment insurance benefit period is established under the Employment Insurance Act;
3. administration costs means the costs of administration incurred by Alberta in providing the provincial benefits and measures;
4. Annual Annex means the Annual Annex referred to in section 16;
5. Commission means the Canada Employment Insurance Commission;
6. costs of provincial benefits and measures means the costs of financial assistance or other payments provided by Alberta under provincial benefits and measures to persons and organizations that are eligible for assistance under those benefits and measures. For greater certainty, it is understood that insofar as the meaning of costs of "provincial benefits" (as opposed to the costs of "provincial measures") is concerned, those costs are limited to:
 - a. the costs of financial assistance provided under the benefits by Alberta directly to insured participants, and
 - b. the costs of financial assistance or other payments provided by Alberta under the benefits to persons or organizations as reimbursement for costs incurred by them, or as payment for services rendered by them, in relation to the provision of assistance to insured participants.
7. In the case of Canada's financial contributions towards the costs of provincial measures, it is understood that access to the types of assistance provided under Canada's support measures is not restricted to insured participants. Therefore, the costs of similar provincial measures that are eligible for reimbursement under this Agreement, are not so limited either.
8. insured participant means an unemployed person who, when requesting assistance under a provincial benefit or measure:
 - a. is an active EI claimant; or



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- b. had a benefit period that ended within the previous 36 months; or
 - c. had a benefit period established for him/her within the previous 60 months, and
 - i. was paid parental or maternity benefits under the Employment Insurance Act or the former Unemployment Insurance Act,
 - ii. subsequently withdrew from the labour force to care for one or more of their new-born children or one or more children placed with them for the purpose of adoption, and
 - iii. is seeking to re-enter the labour force;
9. fiscal year means the period commencing on April 1 in one calendar year and ending on March 31 in the next calendar year;
10. AECD means the provincial department of Alberta Advanced Education and Career Development;
11. HRDC means Canada's Department of Human Resources Development;
12. Transition Committee means the committee established under section 20;
13. Designated officials means the officials designated under section 21;
14. Joint Evaluation Committee means the committee established under section 8.2;
15. NES clients means persons and organizations to whom the National Employment Service provides its services, namely: workers, whether insured or not or whether they are claiming employment insurance benefits or not, employers, workers' organizations and interested public and private organizations providing employment assistance services to workers;
16. provincial benefit means a labour market development program, designed to enable insured participants to obtain employment that is:
 - a. developed by Alberta in accordance with the reference document **1997/98 Plan for Provincial Programs and Services under the Canada-Alberta Labour Market Development Agreement**;
 - b. described in the annual plan referred to in section 3.2 of this Agreement; and,
 - c. provided by Alberta under section 3.1;
17. provincial measure means a labour market development program to support:
 - a. organizations that provide employment assistance services to unemployed persons;
 - b. employers, employee or employer associations, community groups and communities in developing and implementing strategies for dealing with labour force adjustments and meeting human resource requirements; or
 - c. research and innovative projects to identify better ways of helping persons prepare for, return to or keep employment and be productive participants in the labour force;



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18. that is developed by Alberta in accordance with the plan set out in the reference document **1997-98 Plan for Provincial Programs and Services under the Canada-Alberta Labour Market Agreement**; described in the annual plan referred to in section 3.2; and, provided by Alberta under section 3.1;
19. Transition Period means the period between the date of the signing of this Agreement and the later of:
 - a. the date referred to in section 3.1 of this Agreement on which Alberta begins implementation of the provincial benefits and measures, or
 - b. the date on which the transfer of HRDC employees to Alberta referred to in section 12 of this Agreement is completed;

20. Initial period means, for the purposes of the human resource transfers to Alberta, three fiscal years from the date of employment with AECD.



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PURPOSE AND SCOPE OF AGREEMENT

2.1 The purpose of this Agreement is to implement within the scope of Part II of the Employment Insurance Act, new Canada-Alberta arrangements in the area of labour market development that will enable Alberta to assume an expanded role in the design and delivery of labour market development programs and services in Alberta.

2.2 Canada will retain responsibility for the delivery of insurance benefits under Part I of the Employment Insurance Act and for the national aspects of labour market development such as responding to national emergencies, activities in support of interprovincial labour mobility, the promotion and support of national sectoral councils, the operation of the national labour market information and national labour exchange systems, and innovative projects designed to test new approaches to improving the functioning of the labour market in Canada.

2.3 Alberta agrees to cooperate through a partnership approach with Canada in conducting proposed activities and initiatives in the area of research and innovation projects related to this Agreement.



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PROVINCIAL BENEFITS AND MEASURES

3.1 Beginning April 1, 1997, or other such date as agreed to by designated officials, Alberta's department of Advanced Education and Career Development will provide in Alberta the provincial benefits and measures described in the reference document **1997/98 Plan for Provincial Programs and Services under the Canada-Alberta Labour Market Development Agreement**.

3.2 Alberta agrees to provide to Canada annually, three months before the beginning of each fiscal year, a plan which describes:

- a. the labour market issues which Alberta intends to address during the next three year period;
- b. the array of provincial benefits and measures to be offered to eligible clients; and
- c. the projected costs of each provincial benefit and measure.

3.3 Alberta will make ongoing modifications to the design of provincial benefits and measures to ensure responsiveness to client need, labour market conditions, and evaluation findings. Such modifications will be set out in the plan provided to Canada annually.

3.4 Where any question arises as to whether a change to a provincial benefit or measure affects its consistency in relation to the guidelines and purpose of the EI Act Part II, or its similarity to the benefits and measures established by the Commission, it shall be referred to the designated officials for a determination.

3.5 Alberta shall not require any minimum period of residency in Alberta on the part of an individual as a condition of access by that individual to assistance under a provincial benefit or measure supported by Canada under this Agreement.

3.6 Alberta will give priority to insured participants on an active Employment Insurance claim within the client group eligible for provincial benefits and measures provided under this Agreement.

3.7 To facilitate the coordination of the provision of assistance to active EI claimants by Alberta under its provincial benefits, with the payment by Canada of insurance benefits to those claimants by virtue of section 25 of Part I of the Employment Insurance Act, the Commission, pursuant to subsection 31(3) of Canada's Department of Human Resources Development Act, hereby authorizes the Minister of Advanced Education and Career Development to exercise, the Commission's power to designate authorities in Alberta who may, for the purposes of section 25 of Canada's Employment Insurance Act, refer active EI claimants to:

- a. courses or programs of instruction or training which the claimant is attending at his or her own expense; or



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- b. any other employment activity for which assistance has been provided for the claimant under prescribed employment benefits or benefits covered by this Agreement which are similar to the prescribed employment benefits

3.8 Alberta shall give 30 days advance notice to Canada of its intention to designate a referral authority for the purposes of section 25 of Canada's Employment Insurance Act in order that Canada may make necessary administrative arrangements with the referral authority to ensure timely and proper payment of insurance benefits to the referred active EI claimants under section 25 of the Act.

3.9 Authorities designated by Alberta may include staff of the department of Advanced Education and Career Development, other departments of the government of Alberta, as well as third parties in Alberta.



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SERVICE TO CLIENTS

5.1 The parties agree that in the administration of the provincial programs, and in carrying out the functions of the National Employment Service, Alberta will be guided by the following principles on service to clients:

- a. provide convenient access to federal and provincial programs and services;
- b. provide courteous, empathetic and timely service;
- c. provide flexible and innovative approaches to labour market and community needs;
- d. optimize individual potential and human dignity; and
- e. achieve measurable results within a well-defined framework of accountability.

5.2 In areas of significant demand, Alberta agrees to provide access to assistance under its provincial programs, and in relation to its National Employment Service functions, in both official languages. In determining the areas of Alberta where there would be considered to be significant demand, Alberta agrees to use as a guideline, the criteria for determining what constitutes "significant demand" for communications with, and services from, an office of a federal institution as set out in the **Official Languages Regulations** made pursuant to Canada's **Official Languages Act**. For purposes of this Agreement, areas of significant demand will be determined in consultation with representatives of the minority language community in each locality.

5.3 In the provision of service, Canada and Alberta will ensure that Canada/Alberta Service Centres are accessible to persons with disabilities.

5.4 Canada and Alberta agree to establish mechanisms for dealing with representations or enquiries made by members of Parliament or members of the Legislative Assembly on behalf of constituents who have sought their assistance in resolving a problem or obtaining information in relation to the constituent's dealings with a Canada/Alberta Service Centre, to ensure that the reply to the inquiry or representations is directed to the appropriate party and that the confidentiality and privacy requirements of Canada's Employment Insurance Act and Alberta's Freedom of Information and Protection of Privacy Act, are respected



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DELIVERY ARRANGEMENTS

6.1 The delivery of the provincial programs and certain functions of the National Employment Service, will be administered by Alberta through its' department of Advanced Education and Career Development, at delivery sites identified to the public as Canada/Alberta Service Centres.

6.2 In order to provide effective and efficient services, the parties agree that the various programs and services under their respective jurisdictions which are designed to assist various clients should, to the extent possible, be provided at common locations.

6.3 To give effect to the foregoing, the parties agree to establish co-located facilities or Alternate Service Delivery arrangements as appropriate, at the locations listed in Annex 2 to this Agreement entitled "Delivery Arrangements".

6.4 The arrangements between the parties with respect to the operation of points of access/delivery are set out in Annex 2 of this Agreement.



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EXPECTED RESULTS OF PROVINCIAL BENEFITS AND MEASURES

7.1 Canada and Alberta agree to use the following criteria as the primary indicators for measuring the results of the provincial benefits and measures:

- i. the number of active EI claimants that access provincial benefits and measures;
- ii. returns to employment of EI clients, with an emphasis on active EI claimants; and
- iii. savings to the EI Account.

7.2 Canada and Alberta agree to jointly establish in advance of each fiscal year during the period of the Agreement mutually agreed results targets for the coming fiscal year using the results indicators referred to in section 7.1.

7.3 Canada and Alberta agree that for fiscal year 1997/98, the results targets shall be those set out in Annex 3 to this Agreement entitled "Results Targets for Fiscal Year 1997/98". The results targets for each subsequent fiscal year will be set out in the Annual Annex for that fiscal year.

7.4 Canada and Alberta agree to establish mechanisms to jointly set the annual targets for each fiscal year following fiscal year 1997/98, and to jointly review and assess the achievement of the results. In setting targets for each of those fiscal years, the parties will take into consideration local, regional and provincial economic and labour market circumstances, the results achieved in the previous year, the amount of funding available for the provincial benefits and measures for the coming year and improvements in the design and delivery of the benefits and measures.

7.5 The measurement of the primary indicators will be based on a methodology established by Canada in order that Canada can establish the national results levels for reporting to Parliament.



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EVALUATION

8.1 Canada and Alberta recognize the benefits to premium payers, clients, and taxpayers, and the requirements of the Employment Insurance Act for evaluating the results of the provincial programs supported under this Agreement. Accordingly, they agree that immediately after the commencement of the implementation, they will jointly develop and carry out a two-phased evaluation process (formative and summative) that adheres to recognized evaluation practices, for short, medium and long-term measurement of results. The first phase (formative) will be conducted in the first year of implementation of the provincial programs supported under this Agreement, followed by the second phase (summative) in the third year of implementation. Subsequent evaluations will be conducted regularly, on a three to five year basis. Such evaluations will determine the impacts and effects of the provincial programs, including: their impacts and effects on sustainability of employment; change in dependency on income transfers (employment insurance and social assistance); impact on communities, and, change in tax revenues from earned income.

8.2 Canada and Alberta agree that designated officials will establish a joint federal/provincial evaluation committee, called the Joint Evaluation Committee, to support and oversee the evaluations of the provincial programs. The joint committee will prepare and sign off the evaluation framework, carry out evaluations according to the plan laid out in the framework document, approve third party evaluation contracts, and evaluation reports.

8.3 Canada and Alberta agree that the Joint Evaluation Committee will jointly approve the design and operation of research and innovations projects initiated in Alberta.

INFORMATION AND DATA SHARING

For the purposes of implementing this Agreement, Canada and Alberta agree to exchange information in accordance with the arrangements specified in Annex 4 to this Agreement entitled "Information and Data Sharing Arrangements".

MONITORING AND ASSESSMENT

Section 3 of the Employment Insurance Act requires the Commission to monitor and assess the effectiveness of the benefits and assistance provided under the Act, including assistance provided under the arrangements put in place in the context of this Agreement, and to submit a report on its assessment to the Minister of Human Resources Development at least annually from 1997 to 2001. The first report is due no later than December 31, 1997 and it must subsequently be laid before Parliament. Canada will use the information provided by Alberta under section 9 Information and Data Sharing.



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EI PROGRAM INTEGRITY

As Canada may be providing insurance benefits under Part I of the Employment Insurance Act to active EI claimants while they are participating in provincial programs under Part II of the EI Act, Canada and Alberta agree to cooperate with each other in developing measures for detecting and controlling abuse, and in determining how and by whom these measures should be carried out.

HUMAN RESOURCES

12.1 Alberta agrees to make an offer of employment to those employees of Canada who are affected by Alberta's decision to:

- a. expand its role in the design and delivery of labour market programs through the implementation of the provincial benefits and measures; and
- b. assume responsibility for certain functions of the National Employment Service.

12.2 Alberta undertakes that its offer will meet the requirements of a Reasonable Job Offer (Type 2) within the meaning of Part VII of Canada's Work Force Adjustment Directive (WFAD) dated July 16, 1996, which is attached as Annex 5 to this Agreement. Transferring federal employees will be employees of AECD. Given federal resource transfers, the extent to which positions are unencumbered, and associated workload requirements, Alberta agrees that the Business Plan of AECD will not require staff reductions in the delivery of provincial programs and services as well as certain functions of the National Employment Service, for the initial period of the Agreement;

12.3 Initial details of Alberta's offer of employment have been set out in an [Employee Transfer Proposal \(ETP\)](#), Annex 6A. The proposal has been prepared in accordance with the Employee Transfer Proposal Guidelines which are attached as Annex 6B to this Agreement.

12.4 The details of Annex 6A will be embodied in an [Employee Transfer Agreement \(ETA\)](#) to be entered into by the parties by January 15, 1997. It is understood that supplementary agreements may also be required under other federal legislation such as the Public Service Superannuation Act.

12.5 The amount of Canada's contributions referred to in [section 13.7](#) of this Agreement towards Alberta's administration costs is contingent on an offer of employment being made to those employees affected by this Agreement, and on the type of offer meeting the requirements of a reasonable job offer within the meaning of Part VII of Canada's WFAD.

12.6 Canada agrees that every vacant position within Canada's affected employee group at such time as may be agreed upon by the parties in the Employee Transfer Agreement will be included in the calculation of the number of affected employees to whom Alberta will be considered to have made an offer of employment and who will be considered to have accepted the offer.



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FINANCIAL ARRANGEMENTS

13.1 Canada and Alberta agree that, subject to the financial limitation set out in section 78 of the Employment Insurance Act, the financial arrangements between them shall be as set out in the sections below.

Contribution towards Costs of Provincial Benefits and Measures

13.2 In each of fiscal years 1997/98 to 1999/2000, Canada (through the Commission) agrees to make a maximum contribution to Alberta towards the costs of provincial benefits and measures incurred by it in those years of an amount to be determined in accordance with the allocation methodology described in the letter of June 26, 1996 from Canada's Deputy Minister of Human Resources Development to Alberta's Deputy Minister(s) of Alberta Advanced Education and Career Development and attached as Annex 7 to this Agreement.

13.3 The currently projected maximum amount of Canada's contribution towards the costs of Alberta's provincial benefits and measures for each of those fiscal years is as follows:

fiscal year 1997/98: \$97,517,000
fiscal year 1998/99: \$107,532,000
fiscal year 1999/2000: \$112,145,000

Alberta recognizes, however, that given the nature of the allocation methodology, the actual amount of the maximum contribution payable in each fiscal year cannot be ascertained until shortly after January of the immediately preceding fiscal year. Further, the maximum contribution payable would change should the allocation methodology change as a result of a consensus between provinces/territories and Canada. It is noted that to assist Alberta in its planning and the preparation of its Business Plan, HRDC will undertake to provide in December of each year, a preliminary estimate of Canada's maximum contribution for the subsequent year.

13.4 In order to maintain continuity of client service, Alberta agrees that Canada should continue to make program decisions until the provincial benefits and measures are ready to be implemented as per the reference document **Direct Purchase Training Withdrawal Strategy - Alberta**, signed by both parties. Commitments approved by Canada through carryover of outstanding agreements from 1996/97 to fiscal year 1997/98, will reduce the maximum contribution payable to Alberta. Carryover will be reported by Canada to Alberta, and will be used to reduce the maximum contribution payable by Canada in fiscal year 1997/98.

13.5 For each fiscal year after the fiscal year 1999/2000 during the period of the Agreement, Canada's contribution towards the costs of the provincial benefits and measures will be mutually reviewed



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annually between the parties. In conducting the annual reviews, Canada undertakes to provide Alberta with projected three year allocations on a rolling basis. The agreed amount of Canada's contribution towards the costs of the provincial benefits and measures for each such fiscal year will then be specified in the Annual Annex for that fiscal year. In conducting the annual reviews, Canada undertakes to provide Alberta with projected three year allocations on a rolling basis as a forecast based on current trends, but which are subject to change.

13.6 Should Alberta not be in a position to commence the delivery of its similar programs and services under this Agreement on April 1, 1997, Canada agrees to continue to offer its employment benefits and measures. Alberta recognizes that the maximum contribution payable to Alberta in that year will be reduced accordingly by the value of the financial commitments made by Canada.

Contribution towards Administration Costs

13.7 In addition to the contribution towards the costs of the provincial benefits and measures, Canada (through the Commission) agrees to make a maximum contribution to Alberta in each fiscal year during the period of the Agreement towards the administration costs incurred by Alberta in that fiscal year. Subject to 13.9, the maximum amount will be the amount determined in accordance with section 13.8.

13.8 Canada agrees to transfer to Alberta an amount determined in accordance with the methodology as outlined in the letter of September 25, 1996, from Canada's Deputy Minister of Human Resources Development to Alberta's Deputy Minister of Advanced Education and Career Development, attached as Annex 8 to this Agreement. The actual amount of the maximum contribution for administration costs will be dependent upon the employee transfer arrangements referred to in [section 12](#) of this Agreement.

13.9 Notwithstanding section 13.7, it is understood that the maximum amount of the contribution towards the administration costs of Alberta will be increased depending upon the actual financial resources available to Canada after the termination of various property leases which will occur as a result of reduced accommodation requirements for Canada flowing from the transfer of HRDC employees to Alberta under the employee transfer arrangements referred to in [section 12](#). Departmental officials will be responsible for determining and recommending to the parties the amount of any such increase.



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PAYMENT PROCEDURES

14.1 Beginning April 1, 1997, or on such later date as agreed by designated officials on which Alberta begins implementation of its provincial benefits and measures, Canada will make advance payments of its annual contribution towards the costs of the provincial benefits and measures. The advances will be made on a monthly basis and will be based upon a forecast of monthly cash flow requirements furnished by Alberta. Alberta agrees to update the forecast on a quarterly basis.

14.2 Subject to section 14.3, payment of Canada's annual contribution towards the administration costs incurred by Alberta will be made in twelve equal monthly installments based upon an agreed estimate of the administration costs to be incurred by Alberta during the fiscal year, the maximum of which is determined to be \$8,914,000, excluding leases.

14.3 If by April 1, 1997, the parties have not finalized and signed the Employee Transfer Agreement referred to in [Section 12](#), no payment on account of Canada's contribution toward Alberta's administration costs will be made until such Agreement has been finalized and signed. Payment will then be made in equal monthly installments beginning in the month in which the Agreement is signed, or at such date as may be agreed to by the parties.

TRANSFER OF ASSETS

15.1 Canada and Alberta will establish an inventory of assets that will be transferred to Alberta and specified in Annex 9 to this Agreement entitled "Inventory of Assets". The assets to be transferred to Alberta will be related to the extent of labour market development responsibilities assumed by Alberta and the number of Canada's employees being transferred to Alberta.

15.2 The timetable for the transfer of the assets will be established by the [Transition Committee](#) referred to in section 20



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ANNUAL ANNEX

16.1 Prior to the beginning of the second and each subsequent fiscal year during the period of this Agreement, Canada and Alberta agree to set out in an Annual Annex to this Agreement the following:

- a. the agreed annual targets for the coming fiscal year for the results-based criteria or indicators referred to in [section 7](#);
- b. the rolling three year projection referred to in section 13.4 of Canada's annual allocations for contributions toward the costs of the provincial benefits and measures; and
- c. the actual amount of Canada's contribution toward the costs of the provincial benefits and measures in the coming year, as determined pursuant to [section 13](#).

16.2 Designated officials are authorized to sign the Annual Annex.

FINANCIAL ACCOUNTABILITY

17.1 For fiscal year 1997/98 and for each fiscal year thereafter during the period of this Agreement, Alberta shall submit to Canada a report containing:

- a. an audited financial statement prepared in accordance with generally accepted accounting principles and practices and in a form prescribed by Canada, and certified by the Auditor General of Alberta, setting out the amount of costs that Alberta has actually incurred in that fiscal year in respect of each provincial benefit and measure. The audit shall be conducted based upon audit criteria including the degree of materiality established in a letter of engagement agreed to by both parties in consultation with the Auditor General of Alberta and the Auditor General of Canada, and
- b. a statement from the Auditor General of Alberta certifying that all payments received from Canada in the fiscal year on account of Canada's contribution to its administration costs were paid in respect of administration costs actually incurred in that fiscal year.

17.2 The report shall be submitted no later than three months after the end of the fiscal year to which it relates.

OVERPAYMENT/LAPSING FUNDS

18.1 In the event that payments made to Alberta under this Agreement exceed the amounts to which Alberta is entitled, the amount of such excess is a debt owing to Canada and shall be repaid to Canada forthwith.

18.2 Any unutilized funds in a given fiscal year will lapse.



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PUBLIC INFORMATION

19.1 Alberta agrees to give public recognition of Canada's role in providing financial assistance under this Agreement to support the provincial benefits and measures.

19.2 Canada and Alberta agree to jointly prepare public information material and jointly organize and participate in any public announcement relating to the signing of this Agreement and of any Annexes provided for in this Agreement that are to be signed in the future.

19.3 Alberta agrees to the prominent display of the Canadian flag and other forms of federal identification. The contribution of the federal government to employment programming funded in whole or in part by Part II, of the Employment Insurance Act, will be recognized by means of information intended for the public published by Alberta including:

- a. pamphlets, brochures or applications for assistance for the use of Employment Insurance clients in connection with a provincial benefit or measure;
- b. reports of departments and agencies of Alberta;
- c. evaluation reports; and
- d. letterhead, signage, advertising.

19.4 Alberta agrees that offices of Alberta where provincial benefits and measures or services to NES clients are delivered will have appropriate signage indicating that the programs and services provided at the offices are funded in whole or in part by the Government of Canada;

19.5 Alberta agrees that where automated information kiosks supplied by Canada providing labour market information to the public are installed on premises operated by Alberta, the premises will have appropriate signage identifying that the kiosks are supplied by Canada.

19.6 Alberta agrees to ensure that cheques or deposit statements for EI clients receiving assistance under its provincial benefits either directly from Alberta or through an organization receiving funding from Alberta, will include the Government of Canada logo.

19.7 The parties agree to consult regarding, and give each other reasonable advance notice of, any major public relations initiatives to inform Canadians of activities being undertaken in the context of this Agreement.



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TRANSITION COMMITTEE

During the Transition Period, Canada and Alberta agree to form a Transition Committee. The Committee will perform a review of delivery arrangements within the context of [Annex 2](#), and establish an implementation plan for the Agreement which includes the transfer of financial, human, and material resources.

DESIGNATED OFFICIALS

21.1 Canada and Alberta agree to designate the Regional Executive Head of Human Resources Development Canada, and the Deputy Minister of Alberta Advanced Education and Career Development to perform any ongoing functions required to fulfill the terms and conditions of the Agreement.

21.2 Designated officials, or his/her delegate shall meet as required to complete the Annual Annex, determine the authorities required by third party delivery agents, review the annual evaluation plan and its results, and resolve issues that emerge from the Agreement.

PERIOD OF AGREEMENT

This Agreement shall be effective from the day of signing and, subject to section 23, will remain in force for an indefinite period.



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TERMINATION

23.1 This Agreement cannot be unilaterally terminated during the first three fiscal years during the period of this Agreement. Canada and Alberta agree to review the Agreement after the first three fiscal years to assess if mutually desirable results are being achieved and to determine if they should continue their labour market development arrangements under this Agreement. After completion of that review, either party can terminate the Agreement by giving one fiscal year's written notice of intention to terminate to the other party.

23.2 In the event of termination of this Agreement, Canada and Alberta agree that they will work together to ensure that services to clients will not be unduly affected or interrupted by the termination.

23.3 In the event that either party wishes to terminate this Agreement by providing the required notice in writing:

- a. any and all costs attributable to the termination shall be shared in a reasonable manner between the two parties; and
- b. both parties shall take reasonable steps to reduce the costs attributable to the termination.

23.4 In the event that either party wishes to terminate this Agreement by providing less than the required notice:

- a. any and all costs of the non-terminating party reasonably attributable to the early termination shall be the responsibility of the terminating party; and
- b. the non-terminating party shall take reasonable steps to reduce the costs attributable to the early termination.

23.5 Canada affirms its continuing responsibility for insured participants should this Agreement be terminated.

AMENDMENT

24.1 This Agreement may be amended at any time by the mutual consent of the parties. To be valid, any amendment shall be in writing and signed, in the case of Canada, by Canada's Minister of Human Resources Development and the Commission, and in the case of Alberta, by the Minister of Alberta Advanced Education and Career Development.

24.2 Notwithstanding section 24.1, an amendment to any Annex to this Agreement, may be made by the written agreement of designated officials of the parties.



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EQUALITY OF TREATMENT

During the term of this Agreement, if a province or territory other than Alberta negotiates a Labour Market Development Agreement with Canada, based on Canada's May 30, 1996 proposal, and any provision of that agreement is more favourable to that province or territory than what was negotiated with Alberta, upon request by Alberta, Canada agrees to amend the Agreement in order to afford similar treatment to Alberta.

GENERAL

26.1 No member of the House of Commons, or member of the Legislative Assembly of Alberta shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

26.2 This Agreement, including Annexes 1 to 10, the Reference documents and, the Annual Annexes, comprise the entire agreement entered into by the parties with respect to the subject matter hereof.

This Agreement has been signed on behalf of Canada by the Minister of Human Resources Development and the Canada Employment Insurance Commission this __6th____ day of December 1996.

Witness Minister of Human Resources Development

Witness Chairperson, Canada Employment Insurance Commission

This Agreement has been signed on behalf of Alberta by the Minister of Advanced Education and Career Development, and the Minister of Federal and Intergovernmental Affairs, this __6th____ day of December, 1996.

Witness Minister of Advanced Education and Career Development

Witness Minister of Federal and Intergovernmental Affairs



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ANNEX 1 - NATIONAL EMPLOYMENT SERVICE FUNCTIONS

1. Purpose

The purpose of this Annex is to set out which party will discharge National Employment Service Functions in Alberta, within the context of the EI legislation and the May 30, 1996 proposal to provinces and territories.

2. Service Needs Determination

It is jointly agreed that Alberta will provide Service Needs Determination services. This includes the identification of an individual's need for employment services and temporary income support, and referral to services as appropriate.

3. Employment Counselling

It is jointly agreed that Alberta will provide Employment Counselling. This includes in-depth interviews and consultations which result in the identification of barriers to continuing employment, and the development of remedial plans of action.

4. Labour Exchange Services

It is jointly agreed that Alberta will provide Labour Exchange Services that gather and disseminate job vacancy information with a view to:

- A. assisting workers to obtain employment; and
- B. assisting employers to obtain workers.

Alberta will undertake these responsibilities in a fashion methodologically consistent with the operation of the National Labour Exchange System whereby:

- A. job order taking and the dissemination of job order information are done in both official languages;
- B. quality of service standards are applied;
- C. linkages are maintained through the National Labour Exchange so that Canadians have full access to Alberta work opportunities, and Alberta employers have full access to Canadians seeking work;
- D. there is no discrimination within the meaning of the Canadian Human Rights Act, or because of political affiliation;



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- E. kiosks and the HRDC intranet are maintained with up-to-date information;
- F. the International Labour Organization convention on labour exchange are applied; and
- G. Canada's contributions are recognized.

5. Labour Market Information

Canada and Alberta agree to the joint preparation of a strategy that sets out how each party will collaborate in the gathering, production and dissemination of local and provincial labour market information. The strategy will be designed to:

- A. assist workers to prepare for, obtain, and retain employment;
- B. assist employers to obtain, upgrade and retain workers;
- C. inform the delivery of provincial benefits and measures; and
- D. inform Canada's continuing delivery of Part 1 Employment Insurance Income Benefits, Labour programming including fair wages and Employment Equity, and the authorization of foreign workers.

The joint strategy will be done in a fashion consistent with the National Labour Market Information System whereby:

- A. labour market information is available in both official languages;
- B. the COPS framework and methodology, currently defined and supported in partnership with provinces, continues;
- C. linkages are maintained through the national Labour Market Information System and CanWorkNet so that Canadians have access to Alberta labour market information from elsewhere in Canada;
- D. kiosks and the HRDC intranet continue to receive up to date information;
- E. NLMIS methodological consistency and operational standards are applied to ensure data quality;
- F. partnerships are encouraged; and
- G. the contribution of both parties and other partners are recognized.

Labour market information encompasses national, provincial and local components, and is structured to include the following elements:

- A. occupational profiles and forecasts;
- B. community profiles;
- C. human resource profiles;
- D. industrial \ sectoral profiles;
- E. wage and salary data and conditions of employment;
- F. vacancy and employment opportunities;



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- G. labour market reviews and trends;
- H. occupational demand (high opportunity) lists;
- I. potential employer lists;
- J. major project updates;
- K. learner information about training providers;
- L. work search tools; and
- M. Newsflashes.

Canada and Alberta will clarify their respective roles and responsibilities, how partnerships can be encouraged, and ensure complementary such that there is no unnecessary overlap and duplication.



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ANNEX 2 - DELIVERY ARRANGEMENTS

1.0 General Description

The Government of Alberta will operate a network of Canada/Alberta Service Centres which will provide access to provincial labour market programming. Each office will provide access to the functions of the National Employment Service identified in [Annex 1](#), as well as access to the provincial programs and services offered by Alberta under Part II. Wherever possible, measures which are designed to assist the unemployed are offered at common locations.

2.0 Alternate Delivery Arrangements

- A. In communities where both Canada and Alberta maintain infrastructure and staff, access to provincial and federal labour market programs and services (arrangements may be made to include non-labour market programs where appropriate outside of, but "in concert" with this Agreement), will be provided through a common front-end. The latter is to include reception, screening, needs determination and information functions delivered by federal and provincial staff operating under common job descriptions. Supervision of the common front-end will be supplied by Alberta to minimize overlap and duplication. Other co-located delivery services beyond this Agreement will be subject to the management discretion of the responsible jurisdiction. The following locations are considered subject to this provision:
 - i. Edmonton
 - ii. Calgary
 - iii. Lethbridge
 - iv. Red Deer
 - v. Grande Prairie
- B. In communities where Alberta maintains physical infrastructure and staff, and where Canada finds it ineffective to do so as a result of this Agreement, the parties agree to establish on a site by site basis, arrangements that will allow client access to federal and provincial labour market programs and services through a single point of access. This will normally involve the provision of directional information, pamphlets, application assistance, and/or technology access (where appropriate) at a cost identified in a fee schedule (still to be completed), or, the co-location of remaining federal staff who will discharge client access functions to remaining federal programs. Arrangements for the provision of non-labour market programming may be established at the discretion of the parties outside of this Agreement. Locations which are subject to this provision are:
 - i. Ft. McMurray
 - ii. Lloydminster/Vermillion/Wainwright/St. Paul/Bonnyville^[1]
 - iii. Edson/Hinton^[2]
 - iv. Camrose



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- v. Medicine Hat
 - vi. Peace River
 - vii. Pincher Creek
 - viii. Athabasca
 - ix. Slave Lake
 - x. Rocky Mountain House
- C. In communities where neither Canada nor Alberta maintain physical infrastructure or staff, the parties agree to contract, in so far as is possible, with the same community-based service delivery provider for the provision of their respective programs and services. Locations subject to this provision include:
- i. Barrhead
 - ii. Brooks
 - iii. Canmore
 - iv. Drayton Valley
 - v. Drumheller
 - vi. Jasper
 - vii. Blairmore
 - viii. Stettler
 - ix. Westlock
 - x. Wetaskiwin

3.0 Systems

The parties agree to develop a framework for cooperation in this area.

1 Service rationalization will result in fewer offices, accompanied by arrangements to provide different forms of service access.

2 Service rationalization could result in fewer offices, accompanied by arrangements to provide different forms of service access.



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ANNEX 3 - ANNUAL RESULTS TARGETS FOR FISCAL YEAR 1997 - 1998

1.0 Purpose

The EI Act and the proposal to provinces and territories regarding labour market arrangements are explicit on required results and the need for results verification in terms of monitoring, assessment, and evaluation. Through this Annex, Canada and Alberta set out these mutually agreed to results targets.

2.0 Results Measurements

A. Expected Primary Indicator Results

The focus here is a rapid return to work for active EI claimants leading to short term savings to the EI Account.

1. Priority EI Claimant Access

At least 65% of clients who participate in Alberta benefits and measures will be active claimants.

2. EI Clients Returned to Work

At least 14,481 insured participants returned to employment or self -employment, after being referred to Alberta programs and services. While the count includes those returning to work during their benefit entitlement period, and those returning to work after their benefit entitlement period, priority will be given to active claimants.

3. Savings to the EI Account

At least \$99.8 million in short term savings, being the difference between the individual's entitlement to regular benefits and the actual pay out of regular Part 1 benefits to that individual (unpaid entitlements).

B. Measures to Track Costs

The focus is on tracking current unit costs as an early indication of cost-effectiveness.

Unit costs of insured participants, employed or self-employed (Part 1 and Part 2), by type of intervention, and, by client type (active EI claimant or not).



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The definitions and methodology to measure the primary indicator results, and the measures to track costs, will be established by Canada. It is recognized however that this being the first year, the primary indicator results targets are "soft". Emphasis will be on establishing the systems and client information exchange linkages such that data integrity is achieved, results measured, and the information required for Canada's annual report to Parliament is available on a timely basis. Reporting by Alberta will be at least quarterly; Annex 4 identifies the agreed to information and data sharing requirements. The Alberta primary results targets, and the results achieved will be public information.

C. Medium and Longer Term Qualitative Evaluation Measures

The focus here is on determining whether the primary indicator results, and cost tracking measures are sustained, along with broader medium and longer term impacts.

1. sustained employment or self employment as a result of Alberta's benefits and measures
2. reduction in dependency on EI and government assistance
3. savings to social assistance and the EI Account
4. increased tax revenues from earned income
5. others as may be agreed to by the Joint Evaluation Committee.

During 1997\98 Canada and Alberta also agree to work cooperatively to establish a methodology for setting local results targets that are consistent with the achievement of the Alberta results totals. These local results targets may be made public if both parties agree.

The Joint Evaluation Committee, as agreed to in section 8 of the Canada- Alberta Agreement on Labour Market Development, will jointly establish the evaluation framework that links the short term Primary Indicator Results and Cost Tracking Measures, within the broader set of medium and longer term evaluation Qualitative Measures.

3.0 1998\99 Annual Results Annex

Canada and Alberta agree to initiate discussions to establish the 1998\99 Annual Results Annex no later than January, 1998.



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ANNEX 4 - INFORMATION AND DATA SHARING ARRANGEMENTS

1.0 Purpose

The purpose of this Annex to the Canada-Alberta Agreement on Labour Market Development is to provide for the exchange of information between the parties for the effective implementation of the Agreement, given that:

- A. Alberta needs information from Canada on active EI claimants and other EI clients for the purpose of establishing their eligibility for assistance under Alberta's benefits and measures; and
- B. Canada also needs information from Alberta on active EI claimants and other EI clients who are receiving assistance under benefits and measures provided by Alberta ("provincial benefits and measures") for purposes of verifying their eligibility for, or entitlement to, insurance benefits under Part I of the Employment Insurance Act and for the monitoring, assessment and evaluation of the effectiveness of the assistance which the Commission is required to do under section 3 of the Act, and, for evaluating the results of provincial benefits and measures supported under the agreement, as required under section 57 of the Act.

2.0 Authority to Disclose Information

2.1 With respect to the information needed by Alberta from Canada to establish the eligibility of EI claimants and other EI clients for the purpose of establishing their eligibility for assistance under Alberta's provincial benefits and measures, Canada's Minister of Human Resources Development has considered it advisable under section 127 of the Employment Insurance Act, and section 8(2)(f) of the Privacy Act to make the information described in this annex available to Alberta for that purpose and, accordingly, Canada confirms that it is authorized under these sections to provide such information to Alberta.

2.2 Similarly, Alberta confirms that it is authorized to disclose to Canada the information described in this Annex that is required by Canada pursuant to sections 38(1)(d) and (e) of the Freedom of Information and Protection of Privacy Act.

3.0 Information to be Exchanged

3.1 Canada will provide Alberta the following information from each individual's client file to determine the eligibility of the individual for assistance under Alberta's provincial benefits and measures. Such information will assist Alberta in determining service level, nature of financial assistance, and the strategic selection of clients.

- name



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- social insurance number
- address
- date of birth
- benefit period commencement
- date of renewal application
- claim type
- claim status
- weekly benefit rate
- number of insured weeks
- claim terminated
- entitlement weeks
- number of weeks paid
- other personal information as mutually agreed upon between the parties that is needed to determine client eligibility, level of service or benefit, or for the design and evaluation of the programs or services provided under provincial benefits and measures

3.2 Alberta will provide Canada the following information from the file of each participant in Alberta's provincial benefits to ensure that the participant who is an active EI claimant continue to receive the EI insurance benefits to which they are entitled:

- name
- social insurance number
- address
- date of birth
- name of program in which individual is involved
- start and end dates of program
- withdrawal from or termination date of program
- other personal information as mutually agreed upon between the parties, that is needed for the purposes outlined in this clause

3.3 Alberta will provide to Canada upon request, all or any of the following information, on a per-client basis, for use by Canada in monitoring, assessing and evaluating the effectiveness of the assistance provided under the Agreement, in order to meet Canada's legislative requirement under section 3 of the Employment Insurance Act and for evaluating the results of the provincial benefits and measures supported under the Agreement, as required under section 57 of the Act:

- name
- social insurance number
- address
- date of birth
- gender (where available as self-identified information)



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- family type
- marital status
- number of dependents
- disability status (where available as self-identified information)
- visible minority (where available as self-identified information)
- aboriginal group (where available as self-identified information)
- assessment regarding employability
- name of program in which individual is involved
- length of program
- cost of program
- educational attainment
- type of employment obtained
- date of return to work
- length of employment
- earnings
- change in dependency upon government support
- other personal information as mutually agreed upon between the parties that is needed for the purposes outlined in this clause

This information will be updated by Alberta as required by Canada.

4.0 Mechanism

4.1 Information covered by this Annex should be provided by each party in a mutually agreed format and manner. In this regard, Canada and Alberta agree to review various options to facilitate the sharing of information between them including:

- A. access by Alberta to systems administered by HRDC
- B. development of connectivity protocols allowing the systems of both parties to communicate with each other
- C. sharing of common software and functionality

4.2 The parties agree that whatever option is chosen, access to information covered by this Annex will be:

- A. limited to only those employees, agents or contractors who require access for the purposes listed in clauses 3 or 6(a); and (b) only used for the purposes listed in clauses 3 or 6(a).

4.3 Canada and Alberta recognize the importance of reliable and timely information and agree to pursue their work towards shared or inter-connected information systems.



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5.0 Costs

Costs incurred by a party in the context of this Annex will be the responsibility of that party.

6.0 Confidentiality and Use

6.1 Each party undertakes to fully maintain, respect and protect the confidentiality of the information received under this Annex, and not to use it or disclose it to anyone for any purpose without the written consent of the person providing the information, other than:

- A. for those purposes specifically mentioned in Clause 3,
- B. for a consistent purpose, as defined in section 39 of the Freedom of Information and Protection of Privacy Act (Alberta) or section 7(a) of the Privacy Act, and in accordance with Alberta and Canada's guidelines and policies;
- C. for a purpose authorized or required by law, including those disclosures authorized under section 38 of the Freedom of Information and Protection of Privacy Act (Alberta), section 127 of the Employment Insurance Act, and section 8 of the Privacy Act.

6.2 The parties acknowledge that, where client consent to use or disclose personal information is a requirement for eligibility for a provincial benefit or measure, written client authorization rather than voluntary consent will be obtained and clients will be notified of the purpose of the use or disclosure.

7.0 Information Management

7.1 The information exchanged under this Annex shall be collected, administered, maintained, destroyed or disposed of in accordance with:

- A. in the case of Canada, the Privacy Act, the Government of Canada Security Policy and supporting operating directives and guidelines, covering the administrative, technical and physical safeguarding of the personal information; or,
- B. in the case of Alberta, the Freedom of Information and Protection of Privacy Act and Regulation; the Records Management Regulation under the Government Organization Act; and any related data security and retention of records directives, policies and guidelines covering the administrative, technical and physical safeguarding of the personal information.

7.2 The information management arrangements in clause 7.1 above will ensure the confidentiality, integrity personal information covered under this Annex and will safeguard the personal information against accidental or unauthorized access, disclosure, use, modification and deletion.

7.3 Each party will promptly notify the other party of an unauthorized disclosure or use and will furnish the other party with full details of the unauthorized disclosure or use.



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7.4 In the event of an occurrence described in clause 7.3 above, the party responsible for the security of the information will promptly take all reasonable steps to prevent a recurrence of the event.

8.0 Accuracy

8.1 Each party will use its best efforts to ensure the completeness and accuracy of the information provided to the other under this Annex. However, it is understood and agreed that they cannot guarantee its accuracy and will, therefore, not be held responsible for any damage resulting from the transmission or use of any information that is inaccurate or incomplete.

8.2 Each party agrees to review any requests from individuals for correction of their personal information that may be in the custody or under the control of that party, in accordance with section 35 of the Freedom of Information and Protection of Privacy Act or section 12(2) of the Privacy Act.

9.0 Roles of Federal and Provincial Commissioners

If an issue arises as to whether the provisions of the Privacy Act or the Freedom of Information and Protection of Privacy Act apply to certain personal information covered in this Annex, the matter will be referred to the Offices of the Privacy Commissioner (Canada) and the Information and Privacy Commissioner (Alberta) for resolution.

10.0 Ensuring Data Protection

10.1 The parties agree that they are each responsible for the actions of their own employees, agents and contractors with respect to the collection, disclosure, use, retention, and disposal of personal information in their custody or under their control, whether or not the person is or was acting within the scope of his or her employment, agency or contract.

10.2 Provided that any disclosure or failure to disclose personal information is done in good faith and reasonable care has been taken to comply with applicable federal or provincial legislation, the parties shall not assume liability whatsoever with respect to the misuse of any personal information provided to each other under this Annex.

10.3 The parties will, separately or jointly, on a periodic basis, conduct an audit of the practices and procedures employed in the information management process under this Annex to ensure compliance with the provisions of the Privacy Act and Part 2 of the Freedom of Information and Protection of Privacy Act.

10.4 The results of such audits will be reported to the Privacy Commissioner (Canada) and the Information and Privacy Commissioner (Alberta).



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11.0 Employment Insurance Integrity

11.1 The parties agree to develop audit and verification procedures for detecting and controlling abuse under provincial benefits and measures.

11.2 Any personal information exchanged for the purposes of audit and verification in clause 11.1 shall be the subject of a separate agreement between the parties.

12.0 General

This Annex can be modified with the written consent of designated officials of each party.

**ANNEX 5 - WORK FORCE ADJUSTMENT DIRECTIVE
(DOCUMENT NOT AVAILABLE)**



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ANNEX 6A - EMPLOYEE TRANSFER PROPOSAL - ALBERTA

1.0 Pension Plan Arrangements

Canada and Alberta agree that transferring federal employees will have the option of leaving accumulated pension contributions with the federal superannuation plan, or to transfer contributions to Alberta plans under the terms of a special "Pension Plan Agreement".

2.0 Offers of Employment

Alberta agrees to make reasonable and irrevocable job-offers to all affected federal employees actively engaged in delivery of functions, benefits and measures described in this agreement.

3.0 Probationary Period

There will be no probationary period for employees of the Government of Canada transferring to Alberta under this agreement, provided that individuals have served a probationary period with the Government of Canada.

4.0 Compensation

Federal employees transferring to Alberta under the terms of this agreement will be offered comparable employment. Federal employees will be compensated in accordance with prevailing provincial classification and compensation plans.

However, for the initial period of this agreement, federal employees will continue to receive compensation equivalent to that received in their substantive positions as federal public servants.

5.0 Recognition of Prior Service

Alberta will recognize all periods of prior continuous service to which a federal employee would have been entitled for purposes of benefits plans and leave.

6.0 Earned but Unused Vacation Leave Entitlements

Canada agrees to pay-out any earned but unused vacation leave entitlements, in excess of an affected employee's annual entitlement, prior to transfer to Alberta.

Prior service with the Government of Canada will be recognized for purposes of determining vacation leave entitlements.



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7.0 Sick Leave Credits

Alberta will recognize prior federal service for purposes of determining sick leave entitlements. Prior service with the Government of Canada will be recognized towards the qualifying period for Alberta's long-term disability insurance plan.

Federal employees will be eligible for full benefits in accordance with Alberta's sick leave provisions, based according to their years of service.

8.0 Equivalent Qualifications

Alberta recognizes the qualifications of affected federal employees to be equivalent to the requirements of the positions which they are assuming.

9.0 Benefit Plans

Alberta agrees to provide coverage under existing employee dental, health and life insurance plans. Evidence of insurability will not be required from affected federal employees.

Continuous service with the Government of Canada will be recognized towards the qualifying period for Alberta's dental plan.

10.0 Consultation with Alberta Third Parties

It is recognized by Canada that the provisions of this proposal will require consultation with Alberta's benefit plan insurers, central agencies, and officials of the Alberta Union of Provincial Employees (AUPE).

ANNEX 6B - EMPLOYEE TRANSFER PROPOSAL GUIDELINES

(DOCUMENT NOT AVAILABLE)



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ANNEX 7 - LETTER OF JUNE 26, 1996 FROM CANADA'S DEPUTY MINISTER OF HUMAN RESOURCES DEVELOPMENT

Title:	Letter of June 26,1996 From Canada's Deputy Minister of Human Resources Development
Purpose:	Letter re: EI Part II Funds
Author:	Jean-Jacques Noreau
Last Updated and Status:	June 26, 1996



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Human Resources
Development Canada

Développement des
ressources humaines Canada

Deputy Minister

Sous-ministre

Ottawa, Canada
K1A 0J9

MAY 26 1996

Mrs. Lynne Duncan
Deputy Minister of Advanced Education
and Career Development
Commerce Place, 7th Floor
10155 - 102nd Street
Edmonton, Alberta
T5J 4L5

Dear Mrs. *Lynne* Duncan:

As a follow-up to Minister Young's May 30, 1996 labour market proposal to all provinces and territories, I am writing to provide further information on the current and projected amount of funding which could be made available in your province under new labour market arrangements.

Enclosed is an illustrative summary of the funding available in your province for active labour market measures relating to Part II of the Employment Insurance (EI) legislation, as well as information on the funding available for all provinces and territories. The attached material also indicates for each province and territory the maximum amounts that could be provincially managed under new arrangements. This information applies to EI-related funding only. As indicated in earlier talks with you, CRF-funded programs will be discussed at a later date.

We are also providing you an explanation of how the funds are allocated among provinces and territories. The federal proposal released May 30, 1996 stated that the allocation of funding will be equitable, transparent and based on a standardized set of objective labour market variables. While the

.../2

Canada



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Reinvestment of Reform Savings and Transitional Jobs Fund are allocated based on new formulae designed to support adjustment to the new EI system, the allocation of Employment Insurance funds (formerly Developmental Uses) will continue to be based on the existing formula that has been in place over the past several years. In recognition that some provinces may prefer a different allocation methodology for distribution of the \$1.15 B in EI funds, the Government of Canada would be pleased to consider any alternative allocation methodology that provinces and territories may want to design jointly.

In our upcoming discussions with you, some elements will be key. As mentioned in the labour market proposal, one priority is the development of a jointly acceptable, results-based framework supporting the provision of active labour market measures. This will help ensure client access, jobs and savings.

Another key element will be the future employment of Human Resources Development (HRDC) staff. If a provincial or territorial government accepts greater responsibility for employment measures, we want to ensure that HRDC staff associated with these functions will have the opportunity to transfer. We will be guided in this respect by Human Resources Development Canada's human resources principles (copy attached) which are based on the Government of Canada's Alternative Service Delivery Initiatives as described in our Workforce Adjustment Directive.

I hope this information is useful and will help support a full consideration of Mr. Young's proposal. We look forward to working with you to put in place new labour market arrangements.

Yours sincerely,


Jean-Jacques Noreau

Att.



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Projected Distribution of EI-Related Funding* Under New Labour
Market Arrangements 1995-96 to 1999-00 (\$000s)

ALBERTA

	1995-96	1996-97	1997-98	1998-99	1999-2000
<i>Maximum funds for provincially managed programs **</i>					
UIDU / Part II (Base)	86,695	81,857	80,454	80,591	80,714
Re-investment	0	7,858	17,063	26,941	31,431
Total - Max. prov. mgd. progr.	86,695	89,715	97,517	107,532	112,145
<i>Income support under active measures</i>					
Part I (Benefit Entitlements)	36,821	36,821	36,821	36,821	36,821
<i>Pan-Canadian responsibilities</i>					
Ongoing	7,782	10,997	10,997	10,997	8,074
Transitional	0	792	1,942	1,375	0
Total - Pan-Cdn resp.	7,782	11,789	12,939	12,372	8,074
Grand Total	131,298	138,325	147,277	156,725	157,040
Updated: 20-Jun-96					

	2000-01	2001-02
<i>Maximum funds for provincially managed programs **</i>		
Part II (Base)	80,825	80,925
Re-investment	35,921	35,921



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Total - Max. prov. mgd. progr.	116,746	116,846
<i>Income support under active measures</i>		
Part I (Benefit Entitlements)	36,821	36,821
<i>Pan-Canadian responsibilities</i>		
Ongoing	8,074	8,074
Transitional	0	0
Total - Pan-Cdn resp.	8,074	8,074
Grand Total	161,641	161,741
Updated: 11-Nov-96		

* - Additional funds for administrative purposes for provinces that take up programs and aspects of the National Employment Service will be discussed separately.

** - Maximum funds under new Labour Market Arrangements where provinces / territories fully take up May 30 labour market proposal.



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ANNEX 8 - LETTER OF SEPTEMBER 25, 1996 FROM CANADA'S DEPUTY MINISTER OF HUMAN RESOURCES DEVELOPMENT

Title:	September 25, 1996 - Cappe Administrative Resources Letter to the Provinces
Purpose:	To provide information on the administrative resources available to the provinces and territories re: the May 30 proposal
Author:	Mel Cappe
Last Updated and Status:	September 25, 1996



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Human Resources
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Développement des
ressources humaines Canada

Deputy Minister

Scous-ministre

Ottawa, Canada
K1A 0J8

25 SEP. 1996

Ms. Lynne Duncan
Deputy Minister of Advanced Education
and Career Development
Commerce Place, 7th Floor
10155 - 102nd Street
Edmonton, Alberta
T5J 4L5

Dear Ms. Duncan:

I am writing to you about the Government of Canada proposal for new arrangements on labour market programs. As you know, Minister Young wants to make rapid progress towards new labour market arrangements with all provinces and territories and recently wrote his provincial and territorial colleagues to underline his commitment. For your information, I have attached Minister Young's letter to Minister Ady.

You will remember that on June 26 my predecessor provided provincial and territorial Deputy Ministers with information on program funding for the May 30 proposal. I would now like to give you information on the administrative resources available to provinces and territories who take on the employment benefits and measures provided for in the May 30 proposal.

In determining the available resources, we have been guided by the principle that **all administrative resources that HRDC would have to deliver the programs in Alberta over the duration of the agreement will be made available to you.** Adhering to this principle allows us to provide "reasonable administrative costs for program delivery to EI clients", as stated in the May 30 proposal. To ensure that the Government of Alberta has an adequate planning horizon, the administrative resources will remain stable for the duration of the agreement.

As you will note in the attached explanatory note and table, we have projected that 204 FTEs (Full Time Equivalents) and \$8,914,000 administrative resources per year would be available once a final agreement is reached and if the Government of Alberta takes on all responsibilities offered in the May 30 proposal. The Government of Canada will, in addition, provide funds for accommodation.

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There are undoubtedly matters concerning administrative resources that you or your officials will want to discuss. Mr. Russ Brown, Regional Executive Head for Alberta, and the chief negotiator for the Government of Canada in Alberta, is available to address any questions you may have and provide additional information you require. The Government of Canada will be guided by a spirit of openness and transparency in discussions about administrative resources.

On a closely related matter, there are many human resource issues related to the transfer of HRDC employees and the details will be a matter of careful examination in our negotiations with provinces and territories. This is a critically important issue. An acceptable understanding is essential to the success of the negotiations. In this matter HRDC will be guided by the federal Alternative Delivery Framework of the Workforce Adjustment Directive. The level of administrative resources transferred will be directly linked to the transfer of affected federal employees (i.e., the employees associated with the FTEs in the attached table). Given the experience and expertise of HRDC employees in delivering active employment programs, I do not expect this to be an issue. Again, I would ask that you or your officials speak to Mr. Russ Brown on the human resource issues.

I have attached a table showing a projection of FTEs and administrative resources available for all provinces and territories, for your information. The principle on which FTEs and administrative resources are determined is the same across the country: each province and territory would have available the resources HRDC has to deliver the programs in the province or territory, over the duration of the agreement.

I am pleased with the progress to date on the labour market issues in Alberta. I think we should aim at an agreement as soon as possible, which could allow the Government of Alberta to begin delivery of programs in the 1997-98 fiscal year, if this is consistent with your province's priorities.

I want to close by reiterating Minister Young's commitment to rapid progress and adding that HRDC's officials will do everything possible to support the negotiations.

Mel Cappe
Deputy Minister
Human Resources Development

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ADMINISTRATIVE RESOURCES

In addition to FTEs (full-time equivalents), funds for administrative resources and accommodation, portable assets, such as furniture and personal computers associated with the transferred FTEs will be made available to provinces.

Factors affecting the projection of FTEs and administrative resources available to provinces include:

- Within the framework of the National Employment Service, the Government of Canada will retain the responsibility and the resources required to manage pan-Canadian activities such as the free and timely flow of information on employment opportunities across the country; support for inter-provincial worker mobility; and national sectoral development. The Government of Canada has offered to provinces NES functions and resources that are required to support the delivery of active labour market measures to EI clients.
 - All currently budgeted HRDC administrative resources, including those available to provinces and territories for the delivery of responsibilities laid out in the May 30 proposal, are fixed at the 1997-98 level. There will be no increases due to such factors as inflation.
 - The FTE and dollar figures reflect a take-up of all responsibilities offered in the May 30 proposal. In the event that your province assumes partial responsibilities, FTEs and administrative resources will be adjusted accordingly.
 - Given the need for both Governments to demonstrate that labour market agreements promote efficient programming and reduce any overlap and duplication, no incremental funds, e.g., start-up funds related to new agreements, are available for provinces.
 - Compensation for accommodation will be based on projected, actual costs for a given site. Funds for accommodation will only be transferred to a provincial government after a current lease commitment has expired.
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PROJECTION OF EI-RELATED ADMINISTRATIVE RESOURCES UNDER NEW LABOUR MARKET ARRANGEMENTS 1997-98 ONWARDS

	NBd	NS	NB	PEI	Que	Ont	Man	Sask	Alta	NWT	BC	Yuk	TOTAL
<i>Full-Time Equivalents</i>	177	196	170	49	1,084	1,007	118	114	204	24	470	7	3,620
Operating Funds (\$000s)	7,080	8,195	7,240	2,115	46,269	44,612	4,759	4,681	7,712	1,534	17,292	329	151,818
Employee Benefits (\$000s)	1,115	1,254	1,142	338	7,286	6,721	735	717	1,202	224	2,819	52	23,605
TOTAL FUNDS AVAILABLE	6,195	6,449	6,382	2,453	53,555	51,333	5,494	5,398	8,914	1,758	20,111	381	175,423
Accommodation (\$000s) (see Note 4 below)	643	969	743	214	4,406	6,071	562	708	739	155	2,248	64	17,542

(Accommodation costs see page included in the "Total Funds Available" above. Actual amounts to be transferred will be determined at a later date.)

- Notes:**
1. A Full-Time Equivalent (FTE) is the unit of measurement for personnel resources and refers to the employment of one person for one year or the equivalent thereof. FTEs consist of regular time personnel, continuing and non-continuing, full-time, part-time, seasonal, term and/or casual employees. As per the May 30th proposal from Minister Young, the above FTE numbers include resources in support of EI Part II delivery and National Employment Services. In addition, FTEs also include a share of local and regional corporate management, and associated national headquarters support.
 2. Operating funds include salary and non-salary resources in support of FTEs. The value of portable assets (i.e. furniture and personal computers) is excluded from these figures. Associated portable assets would be transferred with each FTE.
 3. Employee Benefits include the federal government's costs of supporting: the Public Service Superannuation Plan, CPP/QPP employer payments, EI employer payments; death benefits; health and dental insurance. The total cost of Employee Benefits represents 17% of salary costs.
 4. Accommodation funds reflect an estimated average cost per FTE based on HRDC lease costs per province/territory in accordance with the downsizing plan. The actual funds to be made available to a province/territory are linked to the phase-out of existing lease agreements and will be made available at that time.

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ANNEX 9 - INVENTORY OF ASSETS (TO BE PREPARED – NOT AVAILABLE)

ANNEX 10: MAY 1996 OFFER TO THE PROVINCES / TERRITORIES (REFER TO SEPARATE TITLED DOCUMENT)