

## 1. INTRODUCTION

Rapidly increasing unemployment coupled with crisis in the public finances, with a projected budgetary shortfall of between €4 and €6 billion in 2009 prompted the Government to hold a Supplementary Budget on Tuesday, 7<sup>th</sup> April 2009.

The Department of Enterprise, Trade & Employment, The Department of Education & Science and The Department of Social & Family Affairs agreed a joint approach for activation. The measures were developed on the basis that they must offer, within existing resources, a substantive response to those who are losing their jobs while being grounded in the objectives and targets set out in the National Skills Strategy.<sup>1</sup>

Following a disappointing Budget 2009 in which cuts were made to the adult education sector, the measures contained in the supplementary budget recognised lifelong learning and education is a key instrument for addressing the challenges of a recession. However, the measures fall short of what is needed, with unemployment currently at 371,271<sup>2</sup> the measures announced did not whet the increased appetite in adult learning that the recession presents. Furthermore, providers and support services are expected to provide increased service without the corresponding increase in resources.

This document presents the activation measures set out in the Supplementary Budget April 2009 along with the further changes that must be made to learn our way out of recession.

## 2. Budget 2009 – Education

The Government brought forward the 2009 Budget to Tuesday, 14 October 2009. A number of measures were brought forward some of which had a negative impact on the adult and community education sector. **Please see below:**

- The student registration charge increased from €900 to up to €1,500 in individual institutions for the academic year 2009/2010.
- Reduction in the provision of 500 places on the Back to Education Initiative – reducing the total number of places to 9,000.
- The number of places provided in Senior Traveller Training Centres was reduced by approximately 100 – there are currently 1,084 places provided.

<sup>1</sup> Supplementary Budget, April 2009, Annex F 'Supporting Those Who Lose Their Jobs'

<sup>2</sup> Live Register, March 2009 [www.cso.ie](http://www.cso.ie)

- Allowances to participants in VTOS, Youthreach and Senior Traveller Training Centres will be increased in line with the appropriate social welfare rates or FAS trainee allowances.
- The National Qualifications Authority of Ireland, HETAC and FETAC will be amalgamated. The new organisation will also take responsibility for the external quality assurance review of the universities - a function currently performed by the Irish Universities Quality Board and the Higher Education Authority. In seeking to ensure a coherent approach to qualifications and quality assurance, there will also be discussions with the National University of Ireland around the possibility of including some of the related functions of the NUI in the new organisation. An Implementation Advisory Group (IAG), comprising representatives of the NQAI, HETAC, FETAC, the HEA, the IUQB and the Irish Universities Association has been formed to advise my Department on the implementation of the amalgamation. A consultation paper has been prepared, with the assistance of the IAG, covering the functions and shape of the new organisation and key legislative considerations. A period of public consultation is planned, which is due to start shortly and will conclude in June. The target completion date for the legislative process is autumn 2010, with the new statutory organisation to be established in Winter 2010/Spring 2011.
- The Government decided in July 2008 that the payroll costs across Government organisations should be reduced by 3pc in 2009 and other restrictions should apply in order to affect cost savings in consultancy, advertising and other administrative areas. This measure includes Vocational Education Committees.

### 3. SUPPLEMENTARY BUDGET APRIL 2009

#### 3.1 BACK TO EDUCATION ALLOWANCE (BTEA)

The objective of the Back to Education Allowance scheme is to equip people on social welfare payments with qualifications that will enable them to obtain employment in the modern labour market. It is a second chance educational opportunities scheme for people on welfare payments who wish to participate in full-time education and who would not otherwise be able to do so.

BTEA participation in the 2007-08 academic year was 8,883, an increase of 9.8% on the previous academic year. The number of participants has increased again in the current

academic year. The number of people on the scheme at the end of September 2008 was 24% higher than at the end of September 2007.<sup>3</sup>

In the Supplementary Budget April 2009 it was announced that the Back to Education Allowance (BTEA) will be changed to allow earlier access to the scheme. From 1 May 2009, to qualify for the second level option, the length of time you must be getting a qualifying social welfare payment will be reduced from 6 months to 3 months. To qualify for the third level option, the length of time you must be getting a qualifying social welfare payment will be reduced from 12 months to 9 months in line with National Employment Action Plan when recommended by a Facilitator from the Department of Social and Family Affairs (DSFA). Since 2008, the qualifying period was removed for people who are awarded statutory redundancy.

### Further Information

**AONTAS welcomes the changes made to the Back to Education Allowance. However, a number of inequities remain in the eligibility criteria.**

**Not all those who lose their job receive statutory redundancy. In order to be eligible for a statutory redundancy payment, an employee must:**

- **Be aged over 16 years of age**
- **Be in employment and paying PRSI contributions, which are insurable for all social welfare benefits. Currently this is only a PRSI Class A contribution**
- **Have worked continuously for the employer for at least 2 years (104 weeks)**
- **Have been working continuously for the employer for more than 2 years if working part-time**

**For example in the period January 2009 to March 2009, 20,847<sup>4</sup> people were made redundant while the live register figures stand at 79,908<sup>5</sup>. Of the 79,908 people who became unemployed in this period only 26% are immediately eligible for the BTEA.**

**AONTAS believe that this is inherently unfair. Those eligible for statutory redundancy receive a lump sum and can immediately access BTEA while those who aren't eligible receive no lump sum and have to wait between 3 and 9 months to be made eligible for BTEA.**

**AONTAS recommends that those who lose their jobs should automatically qualify for the BTEA.**

<sup>3</sup> Parliamentary Question [40023/08] Tuesday 11<sup>th</sup> November 2008

<sup>4</sup> [http://www.redundancy.ie/statistics/redundancy/&\\_figures=national&\\_year=2009](http://www.redundancy.ie/statistics/redundancy/&_figures=national&_year=2009)

<sup>5</sup> [http://www.redundancy.ie/statistics/liveregister/&\\_figures=national&\\_year=2009](http://www.redundancy.ie/statistics/liveregister/&_figures=national&_year=2009)

### 3.2 THIRD LEVEL FUNDING

A reduction of €15.5m combined with earlier budgetary adjustments means that the Higher Education Authority's budget will be €1.319bn. The colleges will have to operate within tighter budgets and effect economies. The Revised Estimates for Public Expenditure 2009 indicate grants for current spending for all third-level colleges have been cut. Exchequer funding paid by the State in lieu of free fees for the majority of third-level colleges has also been cut.

University presidents have painted a stark picture of third level education in recent months and have advocated the reintroduction of third level fees to solve the third level funding crisis. Minister for Education, Batt O' Keefe is due to bring proposals to cabinet on the reintroduction of third level fees shortly. AONTAS is concerned that the reduced exchequer funding for third level colleges indicates that the Minister will reintroduce some form of third level fees before long.

#### Further Information

**AONTAS is fundamentally opposed to the reintroduction of third level fees. The reintroduction of third level fees will act as a disincentive to adults wishing to return to education.**

**The current Free Fees Initiative fails to recognise the inequity that exists between those availing of part time and full time study options. Flexible models which allow adults to study whilst remaining in employment are crucial. It is essential that if third level fees are reintroduced, part time learners have parity of esteem with full time learners.**

### 3.3 THIRD LEVEL PLACES

An additional 6,910 places for unemployed people in the further and higher education sectors was announced in the Supplementary Budget. The scope to further develop these initiatives and to identify other appropriate responses which the third level sector can make to support the up-skilling of unemployed people is being examined by a Higher Education Labour Market Response Group which the Minister for Education & Science, Batt O' Keefe asked the HEA to establish. The core membership of this Group includes representatives of the third level sector, Department of Education & Science, the Department of Enterprise Trade and Employment, Forfas and the Secretariat to the Expert Group on Future Skills Needs. This Group will also provide a structure for engagement with other education and training providers in order to foster collaboration and ensure the optimal return from State resources in meeting the skills needs of the workforce. The Group is expected to provide the Minister with a report on its work by the end of June.

### Summary of Activation Places to be provided in Education Sector as outlined in the Supplementary Budget

<b>Third Level Sector – Full Time</b>	<b>No of Places</b>
Full time places from September 2009	2,000
Accelerated Level 6 Certificate Programmes	280
Redundant Apprentice IoT Scheme	700
<b>Total Full Time Places</b>	<b>2,980</b>
<b>Third level Sector– Part Time</b>	
Scheme to be developed for courses at levels 6 to 8	1,500
Part time transition courses	930
<b>Total Part Time Places</b>	<b>2,430</b>
<b>Total Third Level Places</b>	<b>5,410</b>
<b>Further Education Sector</b>	
Full time additional PLC places	<b>1,500</b>
<b>Total Education Sector</b>	<b>6,910</b>

#### Third Level Sector - Full Time

##### Full time places from September 2009

In the third level sector, the Supplementary Budget provided 2,000 places for unemployed people on full time third level courses starting this autumn. Admission to full time undergraduate courses is primarily through the CAO but there are also opportunities for direct entry through individual institutions admission offices.

#### Further Information

**AONTAS is concerned that the CAO deadline for the 2009/10 academic year has already passed (1 February 2009). In addition to this, there are no measures set out that ensure the 2000 places are specifically targeted at the unemployed.**

##### Accelerated Level 6 Certificate Programmes

Following a review by the Institutes of Technology of the scope to utilise vacant capacity, to provide up-skilling for unemployed people, 280 places were made available on a direct entry basis to a range of newly developed accelerated Level 6 Certificate programmes commencing between February and April this year. Under this initiative unemployed persons were offered

the opportunity to complete the first year of a standard two year programme in an accelerated manner so that they can move to the second year of the programme in September 2009. The majority of these courses are 15 weeks duration with exams being held over 1/2 weeks. These programmes are currently running in the Institutes of Technology in Athlone, Carlow, Letterkenny and Sligo. The cost of the programmes is being met from within existing resources and there is no charge to participants.

#### Redundant Apprentice IoT Scheme

The new Redundant Apprentice IoT training scheme announced in the supplementary Budget is an initiative to provide an opportunity to redundant apprentices who cannot otherwise secure the job placements required in order to complete their normal apprenticeship programme, to acquire additional certified skills in the education sector.

The curriculum for the programme is being developed by Limerick Institute of Technology on behalf of all of the Institutes of Technology in collaboration with FAS, the HEA and FETAC. The programme will focus on developing core skills in maths, ICT and business skills in order to facilitate students progressing to other higher education programmes or to completing their apprenticeship at a later stage. Students will take six modules totalling 30 credits over an 11 week period on a full time basis and will receive an award at FETAC level 5.

The programme which will commence on a pilot basis in September 2009 will be administered by participating Institutes and will be targeted at apprentices who have been made redundant before being able to complete the on-the-job training required at phase 5 of their apprenticeship. No fees will be payable by participants. The Department of Enterprise, Trade and Employment will fund the payment of a training allowance to participants in lieu of income support.

#### **Third level Sector– Part Time**

##### Part Time Third Level Education Places

1,500 places to enable persons who are unemployed to pursue third level certificate or degree programmes on a part time basis were announced in the Supplementary Budget. The Department of Enterprise, Trade and Employment will provide funding of €4 million to support this initiative and arrangements for the operation of the programme are being developed jointly by the Department of Education & Science and the Department of Enterprise, Trade and Employment with a view to implementation from September 2009.

##### Part Time Transition Courses

Institutes of Technology are utilising spare capacity to provide over 900 places on a range of newly developed part time transition programmes. These programmes have been developed to assist unemployed people who may be some time out of the formal education system to find out more about the type of third level courses that may be suited to them and to build their confidence to return to education by developing some of the necessary skills for studying at third level. Courses are free of charge to participants. It is hoped that a significant number of participants on these courses will be encouraged to apply on a direct entry basis for a range of third level certificate and degree programmes commencing in September 2009. The programmes are being run on a part-time basis, with participants remaining available for opportunities to re-enter employment. The courses are being delivered over a period of 10 to 15 weeks with participants committed to between 6 and 10 contact hours per week. These programmes are currently running in the Institutes of Technology in Blanchardstown, Carlow, Cork, Dun Laoighaire, Galway-Mayo, Letterkenny, Sligo, Tallaght, Tralee and in DIT.

### **3.4 FURTHER EDUCATION PLACES**

#### **Post Leaving Certificate Courses**

Currently, there are 30,188 PLC places available in some 195 approved schools and centres nationwide. PLC courses are provided predominantly in the VEC sector, but some community and comprehensive schools and secondary schools also provide courses. PLC courses are full-time and generally of one year's duration. PLC courses cater for school leavers and adults who want to return to education, including those who are unemployed and those at risk of becoming unemployed.

1,500 additional PLC places were announced in the Supplementary Budget for September 2009 at a cost of €4 million. The Department of Education & Science allocates PLC places to VECs and other providers on an annual basis following an application process. The application process for the 2009/2010 academic year concluded recently. No decision has been made yet with regard to the allocation of the additional 1,500 places

### **3.5 ADDITIONAL TRAINING PLACES**

#### Training Initiatives Strategy

The additional 12,015 ten week and 1,833 twenty week training courses announced in the supplementary Budget will be funded by FÁS, the National Training and Employment Authority.

The **ten week and twenty week training courses** are typically for the development of occupation- specific skills courses with accreditation at either Levels 4, 5 and 6 on the National Framework of Qualifications or with recognised industry accreditation bodies.

The precise details of the roll-out of these additional activation places, including allocation, qualifying criteria and the types of courses covered will be finalised over the coming weeks. This is to ensure that the additional places created will be targeted to deliver the maximum positive benefit to the diverse needs of the unemployed.

#### Pilot Training Scheme for Workers on Short Time

The pilot scheme for short-term workers will provide training and income support to 277 workers considered to be in vulnerable employment. Under this pilot training programme workers who are on a three-day week and receiving social welfare payments for the days they are not working will receive 2 days training a week for a period of 52 weeks.

*Further details will be available in the coming weeks following consultation between the Department of Enterprise, Trade and Employment and the Department of Social and Family Affairs.*

#### Further Information

**In addition to the training places announced in the Supplementary Budget, Minister for Enterprise, Trade and Employment announced 51,000 additional training places on 5<sup>th</sup> February 2009 at a cost of €25,750 million.**

**The measure provoked some criticism amongst the Opposition for designating the places to FAS alone and not sharing them among all providers including Vocational Education Committees and Institutes of Technology. Furthermore, it transpired following a parliamentary question by Labour Party Spokesperson on Education, Ruairi Quinn<sup>6</sup> the cost of the 51,000 places has been reallocated from within the FÁS Training Services and Service to Business Divisions and is not the subject of a new allocation of funding from the Exchequer.**

### 3.6 WORK EXPERIENCE SCHEME

The Work Experience Scheme is being established to provide 2,000 six-month places to individuals who are unemployed and it will also include the placement of graduates. This scheme will provide work experience to individuals who are unemployed, who have just left college or have very limited experience of the workplace. The places will be created on a cost neutral basis, as the State's payment will be equivalent to social welfare Job Seeker Benefit/Allowance weekly rates.

<sup>6</sup> Parliamentary Question [15118/09] Tuesday 22<sup>nd</sup> April 2009

*Further details will be available in the coming weeks following consultation between the Department of Enterprise, Trade and Employment and the Department of Social and Family Affairs.*