CITY OF HAMILTON

COMMUNITY SERVICES DEPARTMENT
Employment and Income Support Division

TO: Chair and Members
    Emergency & Community Services Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: October 6, 2010

SUBJECT/REPORT NO:
2010 Ontario Works Caseload Contingency Plan (CS09021(b)) (City Wide)

SUBMITTED BY:
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SIGNATURE:

RECOMMENDATION(S)

That current temporary staffing levels, of 20 temporary FTEs, for the Ontario Works Program, be maintained and be funded from the Ontario Works Stabilization Reserve and/or Departmental Surplus until December 31, 2011.

EXECUTIVE SUMMARY

The Ontario Works (OW) caseload has increased by 27.8% from December 2008 to July 2010. The 2010 yea-to-date average OW Caseload is 13,407¹. This is the highest the OW Caseload has been since prior to July 2000.

The OW Caseload Contingency Plan was approved by Council (Reports CS09021 and CS09021(a)) and implemented in June 2009. An additional twenty temporary FTEs were hired and five existing staff was deployed from other job functions to carry caseloads and maintain service levels. These staffing changes were approved up to

¹ July 2010 OW Caseload count
December 31, 2010. Staff has implemented additional business process changes to improve response times to the increased demand.

In reviewing the current indicators:
- the average caseload ratio has not exceeded 140:1 at full complement with the addition of the temporary staff;
- there has been a decrease in the intake numbers;
- new applicants are being seen within two days of the initial call;
- the OW caseload for 2010 is 5% lower than projected; and,
- the termination rate has decreased, which indicates that clients require assistance for a longer period of time.

It is being projected that the OW caseload will experience a minimal increase over the next two years until it starts to decline in approximately 2013.

OW Case Managers must maintain regular contact with individuals/families in order to confirm on-going eligibility and to update case plans, as legislated by the Ministry of Community and Social Services (MCSS) to ultimately decrease the length of time they are on social assistance.

*Alternatives for Consideration – See Page 9*

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

Financial & Staffing:
The total cost to fund the temporary FTEs in 2011 is $1,310,932.

Legal:
There are no legal implications associated with the recommendations of Report CS09021(b).

**HISTORICAL BACKGROUND**

**OWN Caseload Statistics:**

\[\text{Due to the cap on the Ontario Works Cost of Administration (CoA), there is no provincial funding available for the additional costs.}\]
The OW caseload for December 2009 was 12,943 cases. This figure represented an increase of 24% since December 2008 when the caseload was 10,437. The caseload at the end of the second quarter of 2010 was 13,417.

An increase in the average number of individuals and families applying for OW Assistance was seen in the 3rd quarter of 2008 and the trend continued into 2009. In 2009, 1,394 households were applying for assistance monthly. This figure is 22% higher than 2007 when there was an average of 1,147 applications per month. As of July 2010, an average of 1,244 applications was taken per month.

The average number of terminations from the caseload has decreased. Appendix A attached to Report CS09021(b) shows that in 2008, 7.8% of cases exited the caseload each month. In 2009, the termination rate decreased to 6.6%; and, to-date in 2010, the average is 6.4%. Fewer terminations result in a longer length of time on assistance and a continued caseload growth.

The decrease in terminations is due, in part, to fewer participants exiting the caseload for employment. It is recognized that at the end of a recession, hiring is one of the last steps in the recovery process. Compounding this trend, terminations are proportionally lower as the caseload ratio increases. The drop in outcomes is a reflection of staff managing crisis rather than having time to spend with participants and supporting them in their search for financial sustainability.

**Unemployment Rate** for the Hamilton area is 7.8%. The highest unemployment rate occurred in September 2009 when it reached 9.1%. Comparing the trend of the OW caseload to that of the unemployment rate, there has not been the same improvement.

**Social Housing Waitlist** continues to increase. In July 2010, it was at a high of 5,337, which represented an increase of 8.2% since July 2009.

**Child Care Subsidy Waitlist** for July 2010 was 676, which represents a decrease of 48% since July 2010. Children of OW/ODSP families represent approximately 10% of the current waitlist.

**Ontario Disability Support Program (ODSP)** caseload continues to increase. As of July 2010, there are 16,403 ongoing cases in Hamilton. This figure represents an increase of 5.5% since July 2009. However, during 2009, there was a 9% decrease in the number of OW cases granted ODSP.

The OW Caseload Contingency Plan was developed in January 2009. There was a significant increase in applications and caseload ratio while the number of terminations was decreasing. A short-term Contingency Plan was implemented through redeployment of staff from within the OW program, changing business processes and
cancelling unpaid leaves of absence for employees. Given the continued increase in applications, the increase in caseloads and the decrease in terminations, it was determined that an OW Caseload Contingency Plan was required for the balance of the year.

In June 2009, Council approved the implementation of Phase 2 of the Contingency Plan, which included the addition of twenty temporary staff to maintain service levels. $790,793 (net) for 2009 and an annualized cost of $1,213,191.00 (net) was approved for this increase, which was to be funded through the year-end Departmental Surplus, and the remainder be funded from the OW Stabilization Reserve Fund. The increase in staff was approved until the end of December, 2010. In 2009, there was no charge to the reserve as departmental savings offset this cost.

In addition, the MCSS announced permanent and short-term strategies to address workload pressures such as the relaxation of OW directives and expectations for the completion of participation agreement updates. Adjustments were made to workload expectations while ensuring that employment ready applicants and participants continued to receive employment services. The number of personal contacts with participants who are deferred from participating in employment activities due to medical limitations, care-giving responsibilities or who have children who are not yet of school age was reduced. While these changes allowed case managers to carry a larger caseload, it has impacted on termination rates.

At the same time, MCSS announced that they were providing 100% provincial incentive funding for Consolidated Verification Process (CVP), Eligibility Review Officers (ERO), and Enhanced Family Support Initiative (EFSI) without having to meet the required targets. All CVP staff was redeployed in August 2009 to assist in the completion of applications.

As a result of these provincial strategies, five CVP workers have been permanently assigned to the Employment and Income Support Division (E&IS) and continue to manage a regular caseload to increase case management capacity.

Other steps taken to mitigate the impact of the caseload growth included:

- The schedule for intake appointments is reviewed daily to ensure that the lag between an initial intake call and application appointment is no greater than four days.
- An alternate scheduling system for OW applications and employment appointments was implemented to address the wait-time.
• Employment Services have been streamlined to ensure those served have resolved the personal barriers which preclude them from searching for employment opportunities.

• The number of job search workshops was increased to help meet higher demand.

• OW Program Managers meet weekly to monitor caseload activity, review program indicators and develop action plans to address customer service and workload issues.

• Staff availability was increased by limiting participation in the Voluntary Leave of Absence Program to “by exception only” and by limiting vacation approvals to a maximum of 20% of the workforce at any given time.

As outlined in the 2009 Contingency Plan, Phases 3 and 4 were to be implemented if the following indicators were met:

• caseload ratio is more than 140:1 at full complement;
• no reduction in intake numbers;
• termination rates are low; and/or,
• there is more than a four-day wait time between initial call and application appointment.

Since these indicators have not been realized in full, there is no need at this time to pursue the implementation of Phases 3 and 4.

POLICY IMPLICATIONS

There are no policy implications associated with Report CS09021(b)

RELEVANT CONSULTATION

Benefit Eligibility Division, Community Services Department provided the costs associated with redeploying staff from this division, as well as impacts on outcomes.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Caseload Forecast for 2010 - 2012
A three-year OW caseload forecast was established, based on the following data:

- The 2010 caseload forecast is based on an average 1.325% increase per month. For 2011 and 2012, it is projected that the caseload will increase by 0.33% per month or 4% for the year.

- The Province refers to a number of indicators to forecast social assistance caseload, including: past caseload numbers, expenditure trends, the unemployment rate from the Ministry of Labour forecasts, and, private sector comparators such as Canadian Banks. In early 2010, MCSS revised the caseload projections to the following:
  - 2010/2011 – 9%
  - 2011/2012 – 4%
  - 2012/2013 – 4%

- There is no consistent method used among municipalities for forecasting caseloads. It is, however, agreed that the local unemployment rate and economic conditions are the leading indicators in forecasting social assistance caseloads. Recent caseload activity, past caseload trends and local economic conditions were utilized in establishing the caseload forecast for 2010 to 2012 for the City of Hamilton (City).

- The caseload composition has remained steady, although, there is a slight increase in the proportion of singles applying for assistance in comparison to families with children.

- Economic forecasts are predicting a slow but steady improvement into 2010 and 2011. Experts say that hiring additional employees and a reduction in the unemployment rate is usually the last step in an economic recovery. The OW caseload forecast is predicated on the fact that individuals on assistance will not find employment as readily as the general population due to lack of skills and other barriers to employment.

- It is anticipated that individuals who have exhausted their Employment Insurance (EI) Benefits will eventually need to turn to the OW Program.

- Information from other urban municipalities was gathered for comparison purposes. Hamilton’s forecast is similar to other comparable municipalities.
Recent caseload activity, past caseload trends and local economic conditions lead to the conclusion that the caseload will continue to grow from 2010 to 2012 for the City.

A study was conducted and it was determined that a maximum caseload ratio of 150:1 for OW Case Managers would support basic case management activities such as the completion of applications and crisis response only. However, at such a high ratio, the reduction of personal contacts and lower level of intervention with OW participants will ultimately impact negatively on the length of time on assistance as individuals and families will not be receiving the necessary supports and resources to move towards self-sufficiency.

The present caseload average is 13,407 with a caseload ratio of 140:1 for OW Case Managers. The optimum caseload ratio is 90 to 110:1 for a regular caseload and 50:1 for intensive case management.

**ALTERNATIVES FOR CONSIDERATION**

There are no alternatives for consideration. The staffing levels must be maintained in order to provide adequate levels of service and caseload ratios.

**CORPORATE STRATEGIC PLAN**


*Skilled, Innovative & Respectful Organization*

- A culture of excellence
- More innovation, greater teamwork, better client focus
- An enabling work environment - respectful culture, well-being and safety, effective communication

*Financial Sustainability*

- Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
Intergovernmental Relationships
• Acquire greater share of Provincial and Federal grants (including those that meet specific needs)

Growing Our Economy
• An improved customer service

Social Development
• Everyone has a home they can afford that is well maintained and safe
• Residents in need have access to adequate support services
• People participate in all aspects of community life without barriers or stigma

Healthy Community
• Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services)

APPENDICES / SCHEDULES

Appendix A to Report CS09021(b): Relation between High Caseloads and Termination Rates.
## Relation Between High Caseloads and Termination Rates

### 2007
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