SUBJECT: Ontario Works Review - Project Plan (CMO7021) (City Wide)

RECOMMENDATION:

(a) That a review of services funded by the Ontario Works Cost of Administration and Employment Assistance Budgets, be funded from the Tax Stabilization account in an amount upwards of $100,000.

(b) That the Project Plan, attached as Appendix A to Report CM07021 for the “Review of Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets”, be received for information.

Glen Peace
City Manager

EXECUTIVE SUMMARY:

During the 2007 budget deliberations, Council requested that the Terms of Reference (Project Plan) for the review of the services funded by the Ontario Works Cost of Administration and Employment Assistance budgets, attached as Appendix “A” to Report CM07021, be brought back to the Emergency and Community Services Standing Committee for information.

BACKGROUND:

During the 2007 budget deliberations, the General Manager of the Community Services Department discussed the need to conduct a review of the services funded by way of the Ontario Works Cost of Administration and Employment Assistance budgets.
At that time, the General Manager was unclear as to the scope of the project and was directed to bring the Terms of Reference (Project Plan) back to the Emergency and Community Services Standing Committee for information.

In order to ensure a transparent process, the City Manager will act as the Project Sponsor with support from the Director of Audit Services and the Corporate Initiatives Coordinator; who will act as Co-Project Managers. The General Manager of the Community Services and the Directors of Benefit Eligibility, Employment & Income Support, and Child & Social Development will act as Subject Matter Experts.

**ANALYSIS/RATIONALE:**

A review of the services, funded by the Ontario Works Cost of Administration and Employment Assistance Budgets, is necessary in order to determine if the City of Hamilton is providing services that are beyond our scope and mandate. More specifically:

(a) Are there any services that the City of Hamilton is not providing that we should be;

(b) Are there any services that the City of Hamilton is providing that other Consolidated Municipal Service Managers (CMSMs) are not; and,

(c) Are there any services that the City of Hamilton is providing that we should not?

**ALTERNATIVES FOR CONSIDERATION:**

There are no alternatives.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial:

It is projected that a review of this magnitude will cost upwards of $100,000; therefore, a Request for Proposals will be completed. It is recommended that this review be funded through the Tax Stabilization Fund.

Staffing:

The project will be managed by using existing staff resources.

Legal:

There are no legal implications.
POLICIES AFFECTING PROPOSAL:
None.

RELEVANT CONSULTATION:
Finance & Budgets Division

CITY STRATEGIC COMMITMENT:
By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. X Yes  No

Environmental Well-Being is enhanced. Yes  X No

Economic Well-Being is enhanced.  X Yes  No

Does the option you are recommending create value across all three bottom lines? Yes  X No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? Yes  X No
PROJECT PLAN

Review of the Services Funded by the Ontario Works
Cost of Administration and Employment Assistance Budgets

June 8, 2007
Table of Contents

1. Purpose .......................................................................................................................... 3
2. Project Deliverables........................................................................................................ 3
3. Project Objectives......................................................................................................... 3 - 4
4. Project Scope .................................................................................................................. 5
   4.1 In Scope ..................................................................................................................... 6
   4.2 Out of Scope ............................................................................................................. 6
5. Timelines .......................................................................................................................... 7
6. Cost ................................................................................................................................... 7
7. Project Assumptions ........................................................................................................ 7
8. Change Control ................................................................................................................ 7
9. Roles and Responsibilities ............................................................................................... 9 - 9
1. PURPOSE

The General Manager of Community Services Department requested a review of the services funded by way of the Ontario Works Cost of Administration and Employment Assistance budgets.

The purpose of this document is to establish a common understanding between the Projects Sponsor, Project Managers and Subject Matter Experts (and ultimately the Consultant) regarding the goals of the project. The Terms of Reference provides the foundation for the project by documenting:

- Project Objectives
- Project Scope
- Roles and Responsibilities of the project participants
- Assumptions concerning the project

Some of the information contained within this document will be used in the RFP to outline the project to potential firms who may bid to conduct the Review.

2. PROJECT DELIVERABLES

In order to determine if the City of Hamilton is providing any services that are beyond our scope and mandate, the following three questions need to be answered:

a) Are there any services that the City of Hamilton is not providing that we should?

b) Are there any services that the City of Hamilton is providing that other Consolidated Municipal Service Managers (CMSMs) are not?

c) Are there any services that the City of Hamilton is providing that we should not?

3. PROJECT OBJECTIVES

The Operational Review has the following five objectives:
Project Plan
Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

- Determine if services offered by Ontario Works operate in accordance with or beyond the Ontario Works legislation and directives.

- Determine the cost, the level and the benefit of “discretionary benefits” provided within the Ontario Works legislation and Council directives.

- Determine if the Ontario Works Cost of Administration (budget) is in compliance with all Provincial legislation and directives, and determine the actual cost-sharing ratio.

- Determine how the Ontario Works Cost of Administration and Employment Assistance budgets compare to other Consolidated Municipal Service Managers (CMSMs) in relation to cost sharing, cost per case, major expenditure contributors.

- Determine if identified outcomes and performance indicators for the Ontario Works and Employment Assistance are comparable to other CMSMs.

The following series of questions could be used to add clarity to the objectives and guide the work:

- What services are mandated by the province?

- What services are provided at the direction and discretion of Council?

- Are Ontario Works benefits and the Employment Services delivered beyond the mandatory level? If so, what is the cost and are the levels and mode of service delivery appropriate for Hamilton? What would be the impact of reducing service levels?

- Is the Ontario Works Program including Employment Services delivering discretionary benefits and services that are comparable to other municipalities and of a type and level appropriate for Hamilton demographics?

- Are the Ontario Works Cost of Administration and Employment Assistance budgets funded at a level appropriate for Hamilton’s caseload taking into account factors such as demographics, labour market conditions, etc? How does Hamilton’s level of funding compare with other municipalities?
• How do the service levels for the case management and employment service components of Ontario Works compare with other municipalities?

• How do the outcomes for the Ontario Works case management and employment service components (i.e. length of time on caseload, clients finding employment, etc.) compare to other CMSMs?

• Do other Consolidated Municipal Service Managers (CMSMs) receive funding from the local tax levy beyond the 50/50 matching of the provincial budget for Ontario Works Cost of Administration and 80/20 matching of Employment Assistance?

• Do our discretionary services attract people to Hamilton?

  NB: The intent of this question is to have the consultant provide an opinion based on the work that has occurred in the review. For example, it may be possible for the consultant to express an opinion as to the likelihood of Hamilton attracting OW recipients based on neighbouring municipality service levels, or suggest that their work indicates our differential service levels, if they exist, would have only a small effect compared with our lower housing costs, specialized medical facilities, etc., OR the consultant could express an opinion on the impact of cutting these discretionary services if they are found to be more generous than our comparators. If the consultant does provide an opinion that Hamilton’s discretionary services do attract significant numbers of recipients, this might warrant a more detailed, scientific study.

4. PROJECT SCOPE

The review will include the following budget areas: (see organization charts)

Ontario Works Cost of Administration
• Overall comparators (with other Consolidated Municipal Service Managers (CMSMs))

Ontario Works Employment Assistance
• Entire budget and related programs
• Employment Resource Centers
• Employment Related benefits for participants
• LEAP
• Employable Caseloads
• Helping Hands
• Self-Employment Programs (Small Business Centre and Independent)
• Employment Placement Services / Community Placement
• Accreditation for Foreign Trained Professionals
• Getting Started Information Sessions
• Employment Supports (pre-employment programs)
• Skills to Work Program

Ontario Works Client Benefits
• Mandatory benefits
• Discretionary benefits

NOTE: The OW hostels, domiciliary hostels and Homelessness programs are funded by Ontario Works but are not included in this review as they do not provide financial or employment assistance and have been recently reviewed both provincially and internally.

4.1 In Scope

• Review of provincial guidelines to determine the required service standards and benefit levels of mandated social assistance programs
• Review Ontario Works organizational chart
• Review of Hamilton’s service standards and benefit levels in comparison to the provincial mandate
• Review of Hamilton’s service standards and benefit levels in comparison to a minimum of 3 neighbouring municipalities as well as other large urban Consolidated Municipal Service Managers (CMSMs) of similar demographics
• Review of Hamilton’s Cost of Administration and Employment Assistance budgets, Ontario Works Client Benefit budget, caseload statistics and performance measures (i.e. Ontario Municipal Benchmarking Initiative – OMBI) vs. comparison CMSMs
• Review of Hamilton’s outcome measures for Ontario Works and Employment Assistance programs
• Review of recent provincial compliance reviews of Ontario Works
• Review of recent City and Provincial audits of Ontario Works
• Review current work undertaken by the City Of Hamilton and compare against a minimum of 3 comparable municipalities of similar size and complexity
• Meet with Subject Matter Experts (individual interviews)
• Meet with Staff (individually and/or in groups)
• Meet with elected officials in an effort to understand and address their concerns (individually or in groups)
• Benchmarking review (minimum of 3 comparators)
• Present final recommendations/deliverables to Council

4.2 Out of Scope

• Detailed documentation of current business processes used by Ontario Works (process and system flows, etc.)
• Detailed documentation of current business systems used by Ontario Works (SDMT)
Review of the Services Funded by the Ontario Works Cost of
Administration and Employment Assistance Budgets

- Alternative service delivery models, revised business services or business processes
- New business information systems to replace the provincially mandated SDMT system
- Organizational structure within Ontario Works
- Employee salaries, benefits and related costs covered by City collective agreements or HR practices

NB: This phase of the review does not pertain to organizational structure.

5. TIMELINES

It is anticipated that to conduct a review of this magnitude it could take anywhere from 12 to 18 months to complete.

The RFP process would commence in July and the contract would be awarded by mid August.

6. COST

It is projected that the review will cost upwards of $100,000, therefore a Request for Proposal will be completed.

The project will be funded through the Tax Stabilization Fund.

The project will be managed internally using existing resources.

7. PROJECT ASSUMPTIONS

- Project timeline: The project will be completed in late 2007/early 2008.
- Management commitment: The project managers and consultant have the support of the Ontario Works senior management and reasonable access to information required.
- Staff Availability: Staff will be made available as required to provide expert knowledge of their subject area.
• Project Management: Project management and oversight will be provided by the Director of Audit Services and the Corporate Initiatives Coordinator. Responsibilities are outlined in Section 5.
• External Consultation: The project will be contracted to an External provider.

8. CHANGE CONTROL

Any change to the scope of the project or deliverables will be reviewed and approved by the Project Sponsor.
9. ROLES AND RESPONSIBILITIES

The following table lists the roles and responsibilities for City Staff and the External Consultant:

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td><strong>Project Sponsor</strong></td>
<td></td>
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<tr>
<td>City Manager</td>
<td>• Approve Project Plan</td>
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<td>• Present Project Plan to Emergency &amp; Community Services Standing Committee in conjunction with the General Manager, Community Services</td>
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<td></td>
<td>• Review, approve and/or deny changes to the Project Scope as they arise</td>
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<td></td>
<td>• Resolve issues as required</td>
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<tr>
<td><strong>Project Managers</strong></td>
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<tr>
<td>Director of Audit Services Corporate Initiatives Coordinator</td>
<td>Planning Phase:</td>
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<tr>
<td></td>
<td>• Develop the Project Plan (Deliverables, Objectives, Scope, Cost, Time)</td>
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<td>• Identification and mitigation of project risks</td>
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<td>• Development of an RFP document</td>
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<td>• Prepare Project Charter</td>
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<td>• Update Project Sponsor, as required</td>
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<td>Implementation Phase:</td>
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<td>• Review bids, evaluate and award Contract (in accordance with Purchasing Policies)</td>
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<td>• Prepare a Work Breakdown Structure (WSB)</td>
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<td>• Monitor project progress</td>
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<td>• Cost and schedule management</td>
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<td>• Issue resolution</td>
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<td></td>
<td>• Change Control (scope, deliverables, etc.)</td>
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<td>• Report project progress to Sponsor (and Subject Matter Experts, as appropriate)</td>
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<td></td>
<td>Close-Out Phase:</td>
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<td></td>
<td>• Terminate contract with Consultant</td>
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<td>• Prepare final payment</td>
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<td>• Prepare Final Reporting including Procurement Audit</td>
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<td>• Document lessons learned</td>
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<td></td>
<td>• Present final document to Project Sponsor and Subject Matter Experts</td>
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</tbody>
</table>
Project Plan
Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| **Subject Matter Experts**  | • Draft Terms of Reference  
                              • Confirm project resources, i.e. budget, staff resources  
                              • Review deliverables  
                              • Serve as functional experts and share knowledge when requested by Project Managers or External Consultant.  
                              • Provide access to staff members, as appropriate.  
                              • Communicate with staff on status of Review, when appropriate. |
| General Manager, Community Services |                                                                                 |
| Director, Benefit Eligibility |                                                                                 |
| Director, Employment & Income Support |                                                                                 |
| Director, Child and Social Development (LEAP) |                                                                                 |
| **Consultant**               | • Propose workplan/timeline  
                              • Conduct review based on “Scope”  
                              • Present final recommendations/deliverables to Project Sponsor et al.       |