CITY-WIDE IMPLICATIONS

To: Chair and Members
    Emergency & Community Services Committee

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Re: City of Hamilton Ontario Works 2008 Caseload Statistics (ECS08046)
    (City Wide)

Council Direction:

Staff was directed to report back to the Emergency and Community Services Committee on the impact and projections for the increase to the Ontario Works caseload in 2008.

Information:

Information Report ECS08046 is to provide Council with statistics and year-end projections for the City of Hamilton’s Ontario Works caseload, based on caseload activity up to the end of August 2008.

The chart below illustrates the intake and caseload numbers for the past three years, the 2008 budgeted forecast and the 2008 projection are based on actuals:

<table>
<thead>
<tr>
<th>City of Hamilton Ontario Works Caseload</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Forecast 2008</th>
<th>Actual 2008 Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly # of Intake Applications</td>
<td>12,017</td>
<td>13,895</td>
<td>13,767</td>
<td>13,767</td>
<td>14,496</td>
</tr>
<tr>
<td>Average Monthly Caseload Jan. to Dec.</td>
<td>10,290</td>
<td>10,127</td>
<td>9,753</td>
<td>9,868</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Intake Applications

The 2008 forecast for intake applications was based on 2007 actuals. The projected number has since been increased to 14,496, which is 729 or 5.3% more than forecast.
Caseload Size

Below, the monthly caseload fluctuations are charted for 2007 and 2008.

<table>
<thead>
<tr>
<th>Month</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>10,292</td>
<td>9,808</td>
</tr>
<tr>
<td>February</td>
<td>10,114</td>
<td>9,823</td>
</tr>
<tr>
<td>March</td>
<td>10,138</td>
<td>9,869</td>
</tr>
<tr>
<td>April</td>
<td>9,938</td>
<td>10,088</td>
</tr>
<tr>
<td>May</td>
<td>9,937</td>
<td>10,136</td>
</tr>
<tr>
<td>June</td>
<td>9,778</td>
<td>10,029</td>
</tr>
<tr>
<td>July</td>
<td>9,571</td>
<td>9,996</td>
</tr>
<tr>
<td>August</td>
<td>9,622</td>
<td>10,010</td>
</tr>
<tr>
<td>September</td>
<td>9,458</td>
<td>*10,030</td>
</tr>
<tr>
<td>October</td>
<td>9,382</td>
<td>*10,050</td>
</tr>
<tr>
<td>November</td>
<td>9,359</td>
<td>*10,070</td>
</tr>
<tr>
<td>December</td>
<td>9,441</td>
<td>*10,090</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>9,753</strong></td>
<td><strong>10,000</strong></td>
</tr>
</tbody>
</table>

*Note: *estimates

The size of the caseload is determined by the number of new cases that are eligible for assistance for each month and the number that are exiting the caseload. Past trends show that the caseload decreases from the end of the summer to year-end and then sharply increases in January of the following year.

However, 2008 does not seem to be following past trends because the caseload has steadily increased throughout 2008. By year-end, it is estimated that the average monthly caseload will be 10,000 based on a 0.5% increase per month. This is 132 more cases on average per month than forecasted.

Budget Implications

Based on the trend of a 0.5% increase per month until the end of the year, a $66,475 gross ($13,295 net) budget pressure for the Shelter Subsidy portion of the monthly cheque is forecasted.

The impact on the Basic Needs portion of the monthly cheque is different due to implementation of the Ontario Child Benefit. As of August 2008, dependant children are no longer on the Basic Needs portion of the cheque. At the time of establishing the 2008 budget, minimal information was available from the Ministry of Community and Social Services concerning cost-savings as a result of the Ontario Child Benefit. August’s Actuals reflect that there will be a savings of $3,135,825 gross ($627,165 net) by year-end taking into consideration a 0.5% per month increase in caseload size.
However, the increase in caseload size will also impact expenditures related to mandatory and discretionary benefits. For example, it is anticipated that there will be a negative variance of $893,663 gross ($178,732 net) for the Special Diet mandatory benefit. The budget pressure is in part due to increased community awareness of the benefit, but it can also be attributed to the increase in the number of cases.

**Factors Affecting Caseload**

There are a number of interconnecting factors that impact the composition and size of the Ontario Works caseload. It is anticipated that the following factors will impact the Ontario Works Caseload size for 2008-2009:

**Labour market conditions:** The caseload decreased in 2006 and 2007 in part as a result of favourable employment conditions. Competitive market conditions tended to force wage increases. Conversely, labour market predictions for the remainder of 2008 are not favourable with some predicting a steady downturn. When competition in the labour market increases, Ontario Works participants are often unable to secure the level of position they could obtain in a positive labour market. The affect of plant closures usually impacts the Ontario Works caseload a year after the closure occurs. In 2007, National Steel Car, Hamilton Steel and Robertson Building Systems all experienced layoffs that may impact the Ontario Works caseload in 2008.

**Child Care Subsidy Waitlist:** Unfortunately, a waitlist for child care subsidy was implemented in June 2008 which will delay participation in employment activities and progress to paid employment and financial independence.

**Ontario Disability Support Program (ODSP):** Since 2003, the number of cases per year granted Ontario Disability Support Program (ODSP) has increased. As of August 2008 however, there is an 11% decrease, or 82 less cases granted ODSP.

**Increase in Minimum Wage:** The increase of minimum wage from $8.00 per hour to $8.75 per hour in March 2008 may have a positive impact on the Ontario Works caseload as an increase in earnings will increase the income deduction and more participants may not be eligible for assistance.

**New Initiatives**

Hamilton’s labour market is experiencing challenges to its traditional employment sectors. The current volatility of the labour market, policy changes, and the local caseload profile influence the services needed. To address these challenges, the following new projects have been initiated:

**The Employment Services Transition Project** is reviewing the client service path and the delivery of Ontario Works Employment Services. It is anticipated that the new service delivery model will increase employment outcomes by addressing service gaps and streamlining services for participants. Over the next two-year period, Employment and Income Support Division will continue to re-engineer the employment services offered to OW participants. The resulting client-focused employment service delivery
model will provide quality service while focusing on increasing the employability of Ontario Works participants.

The **Job Retention Project** has been focusing on how the Ontario Works Program delivers job retention services to Ontario Works and ODSP participants with a focus on achieving provincial employment outcomes.

**Counselling Services Pilot** (through Catholic Family Services) will be provided for participants who are unable to retain employment. This strategy will not only increase the number of participants employed, but will also increase job retention as fewer barriers will exist that prevent participants from retaining employment.

**Employment Program Analyst** has been hired to evaluate programs and services, research and provide analysis of the local labour market information with the goal of increasing OW employment outcomes and support Workforce Development.

**The Skills for Life Pilot Program** will assist in increasing the “soft skills” necessary to secure and maintain employment. As educational requirements increase for many employment opportunities, entering the workforce with minimal education is becoming increasingly difficult.

**The Termination Project** will develop business processes related to terminating cases. It will support case managers and employment staff in consistent data capture. Clear termination processes lead to direct enhanced service delivery. For example, clear processes will ensure information on extended health benefits and other supports to employment are provided to participants.

**2009 Caseload Projections**

Preliminary estimations indicate that the caseload will continue to increase in 2009 to an average of 10,500 cases per month. This is an increase of 5% over the 2008 Actuals.

The budgetary impact will be reflected in the 2009 Employment and Income Support budget for Council’s review and approval.

**Conclusion:**

Staff will continue to monitor monthly the number of intake applications and resulting caseload size and report back any impacts that caseload fluctuations may have on the budget and service levels.

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Community Services Department