SUBJECT: Implementation of Phase 2 of Ontario Works Caseload Contingency Plan (CS09021(a)) (City Wide)

RECOMMENDATION:

That Report CS09021(a), respecting the Implementation of Phase 2 of the Ontario Works Caseload Contingency Plan, be received.

Joe-Anne Priel
General Manager,
Community Services Department

EXECUTIVE SUMMARY:

This report is a follow-up to Report CS09021, Ontario Works (OW) Caseload Contingency Plan, which described the situation where the number of OW applicants is increasing and the number of cases exiting the program is decreasing. A proposed Contingency Plan was provided that outlined a number of indicators and a phased action plan to maintain service levels for the OW Program.

The average monthly caseload for the first four months of 2009 was 11,448 cases per month. The OW caseload for April 2009 was 11,948 cases. The caseload has increased by a total of 12.6% since December 2008. When establishing the 2009 budget, 10,500 average monthly cases (increase of 4.4%) was forecast for the year.

A caseload Contingency Plan was developed at the end of January 2009. The situation at that time was considered Phase 1 of the Plan. There was a significant increase in
applications and caseload size; while the number of terminations was decreasing. It was too early to tell whether the increase was a "blip" or a trend. Therefore, a short-term Contingency Plan was implemented, which included the redeployment of staff from within the program, changes in business processes and the cancellation of unpaid leaves of absence for employees. Given the steady increase in applications, the rise in the caseload and the decrease in terminations, it can now be determined that the increase is a trend and that the situation has entered Phase 2 of the Contingency Plan.

The proposed action plan for Phase 2 included the steps outlined in Phase 1 plus the addition of 19 temporary staff comprised of eight OW Case Worker II’s, seven OW Case Aides, one Special Supports Senior Worker, one OW Staff Trainer and two Receptionists to maintain service levels. Since development of the Plan, it is proposed that one temporary Program Manager and one OW Homeless Case Manager be added to the complement and that the number of additional receptionists be reduced by one for a total of 20 additional staff. The total additional staffing costs for this phase of the contingency plan would be $709,793 (net). The annualized cost is $1,213,191(net). The expenditures are cost-shareable items under OW Cost of Administration, but are above the cap as established by The Ministry of Community and Social Services (MCSS). Therefore, these expenditures would not receive provincial subsidy.

MCSS has not provided a mitigation plan in response to increased OW caseloads throughout the province. When negotiating the 2009 OW Service Contract, the Hamilton/Niagara Regional Office stated that there will be no increase to funding for OW Cost of Administration, despite the greater demand on services. Funding continues to be capped at 2007 rates. At its meeting of April 1, 2009, Council approved Item 11(b) of the Committee of the Whole Report 09-011, which directed and authorized the Mayor to correspond with the Minister of Community and Social Services to request that the gross approved amount for Ontario Works Cost of Administration, in the 2009 Ontario Works Service Contract, be equal to the City of Hamilton’s budget for the same costs. There has been no response to the Mayor’s correspondence from the Ministry.

There is no cap on client benefit costs as it is a mandatory program and cost shared 80/20 with the province. Up to April 2009, there is a 7.9% variance in actual costs vs. budget and a forecasted pressure or $6,824,370 (gross) $1,364,874 (net) by year-end. This is based on an average cost per case of $682 per month for Basic Needs, Shelter Subsidy and Temporary Care, which comprises the monthly OW payments.

Staff will continue to monitor the situation and investigate alternate solutions to maintain acceptable service levels during this period of OW caseload growth. Municipalities have requested greater flexibility from the MCSS in the administration of the program in order to meet intake and case management demands.

A number of options are being explored within OW Employment Services to meet increased demand during this economic downturn when there is greater competition for fewer job opportunities. Employment Services have challenges similar to case management including increased referrals and demand for services. Report CS09021(a), OW Employment Services Transition provides a detailed plan concerning the impact of the economic downturn and the increased need for employment services.
BACKGROUND:

2009 OW Caseload Statistics:

The OW caseload has increased by 12.6% since December 2008. The total OW caseload for April was 11,948 cases.

There has been an increase in the number of individuals and families applying for OW Assistance. The average number of people per month applying for assistance for the first four months of 2009 is 1,506. This is a 20% increase from 2008, when there were 1,213 applications per month and 24% higher than 2007 when there were 1,147 applications on average per month.

Additionally, the average number of terminations from the caseload has decreased. The average termination rate for the first four months of 2009 is 712 cases per month. The average monthly number of terminated cases in 2008 was 786 per month and in 2007, 831 per month. Fewer participants are leaving the caseload for employment and other reasons.

In April, the wait-time for an application appointment from the first point of contact was a minimum of four and a maximum five business days. This is an improvement from January, when applicants waited up to 13 days and February up to eight days for their applications to be completed. As of May 12, 2009, the OW Intake Unit is booking application appointments up to six business days into the future. The provincial standard is within four business days.

Factors that impacted the increase include local plant closures and lay-offs, applicants awaiting Employment Insurance Benefits and greater competition for fewer jobs especially for participants facing barriers such as health or language issues.

Labour Market Predictions:

Labour Market Predictions for 2009 and into 2010 continue to be unfavourable. When competition in the labour market increases, OW participants are often unable to secure the level of position they could obtain in a positive labour market.

Increase in applications for Employment Insurance (EI) Benefits:

Local Employment Offices are reporting a significant increase in the number of applications for EI and the OW offices are finding an increase in applicants who are awaiting their first EI payment. Laid-off workers who are awaiting EI benefits or whose EI benefits have expired, may need to apply for financial assistance, leading to changes in the caseload profile. As a result, it is anticipated that the OW caseload will continue to increase well into 2010.
Child Care Subsidy Waitlist:

A waitlist for child care subsidy was implemented in June 2008, which is delaying participation in employment activities and progress to paid employment and financial independence for families with young children. As of April 29, 2009, 1102 children were on the waitlist for child care fee subsidies. Of that total, 343 children are from families in receipt of OW or Ontario Disability Support Program (ODSP) Benefits.

Ontario Disability Support Program (ODSP):

In 2008, there was an 8% decrease, or 80 less cases granted ODSP than in 2007. It is difficult for OW participants to apply for ODSP due to a shortage of physicians and other health professionals who are able to complete the necessary medical documentation. On a positive note, the number of transfers from OW to ODSP has increased during 2009.

Adjusted Caseload Forecast:

When establishing the 2009 budget, 10,500 average monthly cases (increase of 4.4%) was forecast. The following chart illustrates the trend of 3.2% increase per month for the balance of 2009, which is 19.3 % higher than budgeted.
The present caseload ratio is 153:1 for OW Case Managers. The optimum caseload ratio is 90 to 110:1 for a regular caseload and 50:1 for intensive case management.

### ANALYSIS/RATIONALE:

**OW Caseload Contingency Plan:**

In order to mitigate the impact on client service and case management workload, indicators were developed with associated plans of action:

- Number of calls for applications and applications booked;
- Proportion of applications screened out;
- Length of time between initial call and application appointment date;
- No show rate/applicants seen;
- Grant rate;
- Caseload ratio for Case Managers;
- Termination rate; and,
- Proportion of caseload referred to Employment Services.

### Update on Action Plan:

- A plan to offer overtime pay to OW Case Workers was developed, but not implemented. It was determined that overtime would not be offered until the wait time for application exceeded eight days. Also, the Service Delivery Model Technology (SDMT), the OW technology is not available after office hours. A request was made to the MCSS to extend the hours of SDMT availability so that office hours for the OW Program may be extended if necessary.
• Intake procedures were revised to include pre-screening for identified cases to reduce the number of in-person application appointments. This procedure resulted in a minor reduction in applications.

• The number of “no-shows” was effectively reduced with reminder calls and alternate scheduling arrangements.

• The number of grants to ODSP was increased through the provision of additional supports by OW to applicants and through changes within the ODSP Program such as additional staff at their Disability Adjudication Unit.

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

• Staff was redeployed on a temporary basis from other job functions to assist in the completion of applications.

• Staff attendance at training, meetings and workshops was limited so they could focus on core functions.

• Periodic postings were held for OW Case Workers, Case Aides and support staff to create a pool of potential candidates to facilitate rapid hiring. Eight temporary OW Case Workers (as part of Phase 2) commenced training April 27, 2009. They will be assigned caseloads at the end of their training period in mid-July 2009. Competitions are underway for OW Case Aides and support staff to fill vacancies and create a pool of potential candidates to facilitate rapid hiring.

Phase 2 commencing May 2009:

• Caseload ratio is more than 145:1 at full complement. There is a direct correlation between caseload size and the length of time that an individual stays on social assistance. Case management is most effective when the worker is able to meet with the participant on a regular basis and make referrals to appropriate community resources with follow-up. The number of overdue updates is increasing as case managers must focus their time on the completion of applications for assistance.

• There is a six-day wait time between initial call and application appointment.

• The Special Supports Unit is unable to manage the number and complexity of applications for discretionary benefits due to the downturn in the economy. There was a 22% increase in applications between January – April 2009 for OW and ODSP recipients, seniors and low-income residents.

• The Emergency Hostel team has experienced an increase in the number of individuals accessing Hostels and supported housing, who require case
management supports once released. The increase from January – March 2008 compared to January – March 2009 is as follows:

- 23.5% increase in number of applications completed in the emergency shelters; and,
- 28.3% increase in the number of applications completed for Residential Care Facilities subsidy.

- There is greater traffic in the local OW offices as a result of the increased caseload. Currently there is one sole receptionist at the 1550 Upper James Office. An additional receptionist is required at this site. Clients served at reception January – May 2008 was 6,544 compared to 9,044 served from January – May 2009. This represents a 38.2% increase. The increase also impacts other receptionist responsibilities such as the receipt and distribution of incoming mail and sorting of outgoing client correspondence.

- An additional OW Trainer is required to train new employees. It takes a minimum of three-months to train an OW Case Worker given the complexity of the position.

**Proposed Action Plan:**

Previous action items from Phase 1 plus increase complement by 20 as follows:

- Eight (8) OW Case Workers plus one (1) Homeless Case Manager. Increase total number of Case Managers to 89;
- Seven (7) Case-Aides (one per team). One team is piloting a Case Aide position that provides administrative assistance to Case Managers. Case-Aides require considerably less training than Case Workers;
- One (1) Senior Caseworker for Special Supports Team;
- One (1) OW Trainer;
- One (1) receptionist;
- One (1) Program Manager;
- All new staff will be hired on a temporary basis up to December 31, 2010; and,
- In the event of a decrease in Ontario Works caseload numbers, staffing will be reduced accordingly.

It is possible to accommodate the additional 20 employees at the three OW Offices. Each of the offices would then house the maximum number of staff possible.

Work station and computer costs for the additional staff will be covered through the 2009 operational budget.

Phase 3 and Phase 4 of the OW Caseload Contingency Plan propose the addition of 20 more case management staff – 10 at each phase. It would then be necessary to obtain additional office space and considerable costs would be incurred for capital, lease and
other operational expenses as well as employee related expenses. It is therefore recommended that alternatives be further explored for Phase 3 and 4 such as workload and service level adjustments and the redeployment of staff from other functions.

**ALTERNATIVES FOR CONSIDERATION:**

Redeploy staff from specialty units i.e. Consolidated Verification Process (CVP), Family Support Unit (FSU) and Eligibility Review Unit (ERU) and Employment Services.

**Potential Impact:**

Failure to attain Ministry mandated targets in CVP, FSU, ERU and Employment Outcomes would result in a loss of revenue to the City of Hamilton.

The Ministry revenue currently funds 15 FTE positions 100% in CVP, FSU and ERU. Redeployment of Employment FTE positions would jeopardize outcome funding as targets would not be achieved and the caseload would increase at an even greater rate because fewer participants would be prepared for and leave the caseload for employment. Length of time on assistance would increase which would negatively impact the OW Client Costs budget.

Customer service levels will be compromised across all affected units. Staff are not recommending this alternative.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial & Staffing Implications:

All of the expenditures in the following chart are cost-shareable items under the OW Cost of Administration, but these costs are above the cap as established by the MCSS:
<table>
<thead>
<tr>
<th>Phase</th>
<th>Potential Implementation Date</th>
<th>Expenditure</th>
<th>Annualized (Net)</th>
<th>Pro-rated in 2009 (Net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>February 2009</td>
<td>Paid overtime</td>
<td>No paid overtime</td>
<td>No paid overtime</td>
</tr>
<tr>
<td>Two</td>
<td>May 2009</td>
<td>8 OW Caseworkers</td>
<td>472,570</td>
<td>315,046</td>
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<tr>
<td></td>
<td></td>
<td>1 Homeless Case Manager</td>
<td>59,071</td>
<td>39,380</td>
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<td></td>
<td></td>
<td>1 Program Manager</td>
<td>121,831</td>
<td>81,220</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 OW Trainer</td>
<td>80,607</td>
<td>53,738</td>
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<tr>
<td></td>
<td>June 2009</td>
<td>1 Senior Case Worker</td>
<td>77,181</td>
<td>45,022</td>
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<td></td>
<td>June 2009</td>
<td>1 OW Receptionist</td>
<td>47,500</td>
<td>27,708</td>
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<td></td>
<td>August 2009</td>
<td>7 Case-Aides</td>
<td>354,431</td>
<td>147,679</td>
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<td></td>
<td>Workstations/computers</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
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<tr>
<td></td>
<td>Lease/renovation costs</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,213,191</td>
<td>709,793</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Impact – OW Client Benefits:**

Up to April 2009, there is a 7.9% variance in actual costs vs. budget and a forecasted pressure or $6,824,370 (gross) $1,364,874 (net). This is based on an average cost per case of $682 per month for Basic Needs, Shelter Subsidy and Temporary Care, which comprises the monthly OW payments.

Expenditures for mandatory benefits such as Special Diet and Community Start-Up Benefit were reviewed for the first quarter of 2009. The issuance of mandatory benefits has not increased at the same rate as the OW monthly payments (Basic Needs, Shelter and Temporary Care) with any pressures being forecast at this point in time. The issuance of Full Time Employment Benefit has decreased as fewer participants are leaving the caseload for employment.

There has been an increase in the number of discretionary items approved for both OW and ODSP clients. The notable increases have been in the area of discretionary items such as appliance repairs, child benefits (cribs/car seats) and prosthetic appliances.

Additional staffing and Ontario Works client benefit costs would first be off-set from year-end Departmental surplus and the remainder would be funded from the Ontario Works Stabilization Reserve Fund. The balance for the Fund is presently $3,856,125.

**Legal Implications:**

There are no legal implications associated with the recommendations of Report CS09021(a).
POLICIES AFFECTING PROPOSAL:

The OW Program is delivered and funded by authority of the Ontario Works Act and its Directives.

RELEVANT CONSULTATION:

- Corporate Services Department, Finance and Administration Section;
- Community Services Department, Benefit Eligibility Division;
- Community Services Department, Social Development and Early Childhood Services Division; and,
- Community Services Department, Housing 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. ☑ Yes ☐ No
Shelter, care and satisfying employment are accessible to all Hamiltonians.

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☐ Yes ☑ No

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

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