SUBJECT: Ontario Works Cost of Administration and Employment Assistance Budget Review - Final Report (CMO7021(a)) (City Wide)

RECOMMENDATION:

(a) That the Consultant’s report entitled “City of Hamilton – Cost of Administration and Employment Assistance Budget Review”, prepared by Pauline Lewis & Associates, hereto attached as Appendix A to Report CMO7021(a) be received.

(b) That staff be directed to create a business practice to collect information on individual outcomes or benefits resulting from the receipt of a discretionary support to facilitate measuring the program’s impact and improving accountability, with respect to the Ontario Works Program, and report back to the Emergency & Community Services Committee.

(c) That Council be requested to continue to advocate the Provincial and Federal governments to appropriately fund and deliver health benefits to low income Ontarians, under the Ontario Works Program.

(d) That staff be directed to track requests for discretionary health benefits, from persons who have recently exited the Ontario Works Program, to determine:

(i) the extent to which modified eligibility criteria could serve as a preventative measure to support people on a temporary basis or in a crisis situation; thereby, avoiding an application for Ontario Works; and,

(ii) the financial savings that could be realized if the Ministry of Community and Social Services Extended Health Benefits eligibility criteria were modified.

______________________________
Jim Kay
Acting City Manager
EXECUTIVE SUMMARY:

At its meeting of June 27, 2007, Council approved Item 8 of the Emergency and Community Services Committee Report 07-009 (Report CM07021 – Ontario Works Review – Project Plan), which recommended the following:

(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 $100,000.00; and

(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.

In keeping with Council’s direction, a Request for Proposal (RFP) was developed and Pauline Lewis & Associates was awarded the contract at a cost of $40,625.00.

A staff working group consisting of Connie Wheeler, City Manager’s Office - Project Lead, Jack Brown, Benefit Eligibility Division, Gillian Hendry, Employment and Income Support Divisions and Ann Pekaruk, Audit Services has collaborated with the consultant to ensure the work carried out was consistent with the Project Plan.

Report CM07021(a) presents the key findings and recommendations, as presented in the Ontario Works Cost of Administration and Employment Assistance Budget - Final Report (attached as Appendix A to Report CM07021(a).

BACKGROUND:

As presented in the Project Plan, the intent of the review was to determine if Ontario Works is providing services:

• beyond what is mandated;
• that other Consolidated Municipal Service Managers (other jurisdictions)\(^1\) are not; and
• that it should not.

The review process included several tools:

• Interviews with members of Council and department management;
• Focus groups with front-line staff;
• Information collected from other Jurisdictions;
• Information collected from the Ministry of Community and Social Services Ontario Works (OW) Extranet; and,
• Review of program descriptions, performance reports and financial documents.

\(^1\) Consolidated Municipal Service Managers will be referred to as “other jurisdictions” from this point forward.
Questions that guided the review included:

- Are the services offered by OW operated in accordance with or beyond the OW legislation and directions?
- Are the costs and the level of discretionary benefits provided within the OW legislation and Council directives?
- Is the OW Cost of Administration budget in compliance with all provincial legislation and directives?
- How do the OW Cost of Administration and Employment Assistance budgets compare to other jurisdictions in relation to cost sharing, cost per case and major expenditure contributors?
- Are the identified outcomes and performance indicators for OW and Employment Assistance comparable to other jurisdictions?
- Are the OW services offered attracting low income people to the City of Hamilton?

**ANALYSIS/RATIONALE:**

The following will summarize the key findings, considerations, and recommendations from the report.

**Key Findings:**

- Between 2004 and 2008, the cost of administration budget has a reasonable increase of 8.5%, while the Consumer Price Index (CPI) was 11% during this period.
- During these 4 years, the cost of administering $1.00 of benefits increased from $0.24 to $0.29
- In 2008, it is unlikely the Community Services Department will receive a provincial subsidy equal to the standard 50% of this budget; the anticipated subsidy may be 47%.
- The employment assistance cost of administration has experienced similar increases, and as a result of good outcome performance, the provincial subsidy remains the standard 80%.
- The growth in the discretionary (special income) budget has stabilized with an increasing portion of this budget directed to OW/Ontario Disability Supports Program (ODSP) recipients.
- The percentage of the Hamilton population in receipt of OW is equal to the average of neighbouring jurisdictions.
- Hamilton’s percentage of population in receipt of ODSP is above the average of neighbouring jurisdictions.
- For the past 5 years, the Hamilton OW caseload has decreased faster than neighbouring jurisdictions and the provincial average.
- Low income people do not move to Hamilton as a result of the attributes of the local OW Program.
• The majority of OW applicants have little, if any, awareness of the programs and supports offered.
• Discretionary benefits cost the City less per case than the comparator jurisdictions, while offering a broader range of support.
• Provincial bureaucratic requirements prevent the OW Extended Health Benefits Program from being accessed by those it is intended to benefit.
• Hamilton’s cost of administration per case is higher than the comparator average, but is consistent with provincial policies and caseload demographics (i.e. high percentage of disabilities; one in two do not have high school education).
• Conversely, the funds caseworkers issue to support recipients to increase their employability are lower than the comparator average.
• 2008 local employment outcomes exceed the results obtained by the majority of comparator Jurisdictions (5 year caseload decline was the highest).
• Higher administrative costs represent an investment that is paying dividends by lowering annual benefit costs.
• All of the services offered by OW are in accordance with the legislation, regulations, directives and Council direction.

In Conclusion:

In conclusion, the review confirmed the following:

• the local Ontario Works Program is not offering services beyond those mandated by the Province;
• the local Ontario Works Program does not offer services that other Consolidated Municipal Service Managers (other jurisdictions) do not; and
• similarly like other Consolidated Municipal Service Managers (other jurisdictions), the local program funds services to the City’s most vulnerable residents that should be funded either through Ministry mandated Ontario Works rate increases or other levels of government (i.e. health benefits).

ALTERNATIVES FOR CONSIDERATION:

None.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

There are no financial, staffing or legal implications, as a result of this review.
POLICIES AFFECTING PROPOSAL:

None.

RELEVANT CONSULTATION:

Members of Council – all were invited to participate via individual interview.
Subject Matter Experts
Ontario Works Front-Line Staff
Comparator Municipalities – Niagara, Norfolk, Peel, Windsor

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.

Evaluate the implications of your recommendations by indicating and completing the sections below. Consider both short-term and long-term implications.

Community Well-Being is enhanced. ☒ Yes ☐ No

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
CITY OF HAMILTON
COST OF ADMINISTRATION
& EMPLOYMENT ASSISTANCE
BUDGET REVIEW PROJECT

REPORT AND RECOMMENDATIONS

August, 2008
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EXECUTIVE SUMMARY

Project Overview

In April 2008, the City of Hamilton Community Services Department began an independent operational review of the Ontario Works (OW) Cost of Administration and Employment Assistance budgets. While the review focused on the cost of administration and employment assistance budgets, both are intricately linked to caseload size and affected by client benefit costs.

The project was guided by a Project Team and its activities included: staff focus groups, interviews with key informants and municipal Councillors, a review of OW program reports, the collection of data from other Consolidated Municipal Service Managers (CMSMs) for comparison purposes, analysis of the collected information and recommendations and report development.

The review had the following expected outcomes:

1. Determine if Ontario Works is providing services beyond what is mandated.
   - Provide a recommendation and options for appropriate service levels to meet the needs of Ontario Works clients

2. Determine if Ontario Works is providing services that other CMSMs are not.
   - Recommend which, if any could be discontinued

3. Determine if Ontario Works is providing services that it should not.
   - Recommend which, if any, services should be discontinued

Background

Mandatory and discretionary income and employment support benefits are provided through both the Employment and Income Support Division and the Benefit Eligibility Division to the following three groups of residents:

- Recipients of Ontario Works,
- Recipients of the Ontario Disability Support Program, and
- Low income residents – the working poor and seniors with limited income.

Data collected by the Hamilton Roundtable on Poverty confirms that these three groups comprise those living in poverty across Hamilton and that these groups of residents typically experience the highest levels of poverty.
i) OW Cost of Administration (COA)

The cost of administration budget includes delivery of financial assistance and supports to Ontario Works recipients as well as administrative supports to the program such as staff salaries, benefits and operating costs.

Since 2003, the City has been experiencing a gradual reduction in the cost of allowances despite the annual rate increases legislated by the province. The reduction is above the local and provincial average. The prime beneficiary of savings derived from lower benefit costs at the 80/20 cost sharing ratio is the Ministry of Community and Social Services (MCSS). Despite savings on the benefit side of the equation, they have signaled they will not cost share minimal increases in the cost of administration budget.

For 2008, MCSS has indicated that it will only cost share $17,804,442 of the total costs of OW administration ($19,504,267), representing a shortfall of $1,699,825 or 9% of the overall costs. The approved amount does not reflect the true costs of local delivery of the program. In effect this indicates that the new cost sharing ratio for cost of administration is equivalent to 53% municipal; 47% provincial.

ii) Employment Assistance Budget

The OW employment assistance budget includes staff salaries, benefits and operating costs as well as client benefits, and services and programs to support employment activities (i.e. pre-employment programs, information sessions, course fees, transportation, and training). If performance outcomes are achieved, the level of provincial subsidy can be as high as 80% of total program costs. Given the local performance in 2007, the actual cost sharing was 80/20. Employment assistance costs overall have fluctuated over recent years with a projected increase in costs for 2008.

iii) Discretionary Benefit Costs

The Ontario Works Act and Regulations specify the mandatory benefits and supports to be available to eligible applicants and provides the authority to provide discretionary benefits. OW staff deliver both mandatory and discretionary benefits to OW and ODSP recipients and low income residents. The majority of the discretionary benefits budget is directed to Ontario Works and ODSP recipients. These benefits are provided through the Special Support Unit, which has systematically been increasing accountability measures over the past four (4) years.

Key Findings

i) Focus Groups and Interviews

Three staff focus groups involving 45 staff were conducted to ensure individuals both managing and delivering the program provided input into the review findings. Interviews were also conducted with ten (10) management staff and two (2) elected officials. Participants reflected that:
• Social assistance recipients and/or other low income people do not relocate to Hamilton as a result of their knowledge of the City's Ontario Works program.

• The majority of applicants have little, if any, awareness of the range of Ontario Works programs and supports in advance of their application.

• Health benefits currently funded through the Special Support program should be funded by other levels of government.

• Special supports should continue to be available to OW and ODSP recipients and low income residents.

• The provincially funded Extended Health Benefits Programs are underutilized by OW recipients after exiting the program due to program complexity.

• Budget reductions or the elimination of specific programs and services to low income residents would work against the City and increase costs.

ii) Comparator Municipalities

Comparative data was collected from a variety of public reports contained on the Ministry of Community and Social Services Extranet site and using a survey completed by the following municipalities: Brant, London, Niagara, Norfolk, Peel and Windsor. The information collected included information pertaining to:

• Caseload demographics,
• Cost of administration and employment assistance expenditures,
• Mandatory and discretionary benefit expenditures,
• Employment related purchase of service contracts, and
• Employment revenue sources.

The data collected and reviewed reflected that:

• The percentage of the Hamilton population in receipt of OW is equivalent to the average of neighboring and greater Toronto jurisdictions.

• While the majority of neighboring CMSMs experienced an average OW caseload increase of 15% over the past 5 years, Hamilton's caseload has decreased by 10%.

• Hamilton is home to disproportionately more persons living with disabilities.

• Hamilton's percentage of population in receipt of OW and ODSP is above the average.

• Less people are applying for OW assistance in the City of Hamilton than in surrounding jurisdictions.

• In 2007, the number of people leaving OW was greater than the number of people applying.
• An above average percentage of the local OW caseload has less than grade twelve education.

• The discretionary benefits aspect of the OW budget costs the City less per participant than that of the comparator jurisdictions.

• Hamilton’s employment administration costs per case are higher than the comparator CMSMs – consistent with caseload demographics.

• Conversely, the funds caseworkers issue to support recipients to increase their employability are lower than the comparator average.

• The percentage of OW recipients receiving funds to support participation in employment activities is slightly below the average of comparator jurisdictions.

• 2008 local employment outcomes exceed the results obtained by the majority of comparator CMSMs.

• Hamilton’s net municipal administration costs are higher than comparator jurisdictions.

• Hamilton’s investment is contributing to its improved employment outcomes and high rate of caseload decrease.

Analysis of Key Findings

This study was undertaken, in part, because of the belief that the local Ontario Works Program provides a richer range of programs and services than surrounding and comparatively sized CMSM’s. Known for providing a broad range of discretionary services to OW, ODSP and low income residents, it has been a long held local belief that the program attracts low income residents from other jurisdictions, resulting in higher program costs. This report serves to distinguish fact from fiction through a review of comparative data and using key indicators for true comparison.

There is no credible data supporting the belief that low-income people from other jurisdictions move to Hamilton because it offers a ‘Cadillac’ version of Ontario Works programs and services. To the contrary, the data revealed that the percentage of population in receipt of OW in Hamilton is equivalent to that in neighboring jurisdictions and further that it has experienced a 10% decline in caseload between 2003 and 2007 compared to the 15% increase experienced by the comparator CMSMs and a provincial average increase of .8%.

Further, there is no verifiable information to substantiate the claim that low-income people from other jurisdictions move to Hamilton because of their knowledge of the extensive benefits available from the Ontario Works office. Data revealed that Hamilton provides the lowest amount of discretionary benefits on a cost per case basis and the lowest employment supports on a cost per case basis of those in the comparator group.

Finally, the budgetary facts do not support the belief that Hamilton provides a richer range of special supports to low income residents resulting in higher costs to the City than those experienced by other CMSMs. While the City provides a wide range of supports to low income residents, budget data confirms that Hamilton spends significantly less per case on discretionary benefits and employment benefits than similar sized and neighboring jurisdictions, despite having an above average OW/ODSP caseload.

Analysis & Recommendations

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<tr>
<th>Is the Ontario Works Program providing services beyond what is mandated?</th>
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The local Ontario Works Program provides both mandatory and discretionary benefits to OW and ODSP recipients according to the legislative mandate of the Ontario Works Program and is not providing services beyond what is mandated. Ministry compliance reviews confirm this. Like the majority of CMSMs, the City has also elected to provide benefits to low income residents not in receipt of social assistance. These funds primarily preventative in nature, are referred to locally as special income benefits, and although issued by OW funded staff, are not part of Ontario Works delivery.

**Recommendation # 1:**

*That the Ontario Works Program continue to deliver a discretionary benefits program that provides the range of supports necessary to meet the needs of local low income residents.*

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<thead>
<tr>
<th>Is the Ontario Works Program providing services that other CMSM's are not?</th>
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</table>

The employment budget analysis revealed that the broad range of services offered to participants are reasonably low in cost relative to the depth of employment barriers experienced by the local caseload (i.e. newcomers, disabled).

Discretionary benefits are provided to low income residents by the majority of CMSMs at 100% cost to the municipality. Analysis of the Hamilton data reveals that even though the City provides more variety in the types of discretionary items subsidized and a greater degree of support to non social assistance recipients, the average one time payment of both of these categories of discretionary benefits ($151) remains considerably lower than the comparative group ($249).

Creating a business practice to collect information on individual outcomes or benefits resulting from the receipt of discretionary supports would facilitate measuring program impacts and increase program accountability.

**Recommendation # 2:**

*That the Ontario Works Program create a business practice to collect information on individual outcomes or benefits resulting from the receipt of a discretionary support to facilitate measuring the program’s impact and improving accountability.*
Is Ontario Works providing services that it should not?

The benefit items subsidized under the discretionary benefits program would not be necessary if MCSS increased Ontario Works benefits rates to provide adequate funds for basic needs and shelter and the Ministry of Health adequately funded health benefits. However, in the absence of these levels of government fulfilling their responsibilities, the municipality is left to respond to the increasing and varied needs of its most vulnerable residents.

The survey data revealed that the City of Hamilton is providing subsidy for the one-time purchase of discretionary items that other CMSMs are not, however it is doing so at a lesser cost per case than comparator CMSMs who provide subsidy for a more restricted list of services. Participants in the review agreed that budget reductions or the elimination of specific programs and services to low income residents would work against the City in a variety of ways. Most significantly, service reductions would likely result in increased Ontario Works costs, caseload and/or increased costs to other municipally funded services.

The data further revealed the inadequacies of the provincial OW Extended Health Benefits Programs and the fact that existing program guidelines restrict access to the individuals and families the program is intended to benefit.

Recommendation # 3:

That the Ontario Works Program continue to provide the broad range of items currently funded through the Discretionary Benefits budget to social assistance recipients and non social assistance recipients at the currently approved budget levels.

Recommendation # 4:

That the Ontario Works Program continue to advocate for the provincial and federal government to appropriately fund and deliver health benefits to low income Ontarians.

Recommendation # 5:

That the Ontario Works Program track requests for discretionary health benefits from persons who have recently exited Ontario Works:

- To determine the extent to which modified eligibility criteria could serve as a preventative measure to support people on a temporary basis or in a crisis situation, thereby avoiding an application for OW assistance, and
- To determine the financial savings that could be realized if the MCSS Extended Health Benefits eligibility criteria were modified.
Conclusion

This program review revealed that the programs and services provided by the City of Hamilton Ontario Works Program:

- Provide OW, ODSP and low income residents with much needed supports to enable them to continue working and maintain good health
- Contribute to lessening the negative impacts of poverty and facilitate the abilities of low income individuals and families to participate in community life
- Respond to the complex needs of a fluctuating caseload and community demographic
- Generally cost less on a case per case basis than neighboring comparator CMSMs (with the exception of OW Cost of Administration)
- Support the City’s vision and strategic objectives
- Support many City initiatives designed to tackle poverty
- Support the ability of low income persons to maintain affordable housing
- Recognize the complex interconnections between income, social status, health, employment, etc.

When compared to other jurisdictions, the facts reveal that City staff maintains an effective support program that expends tax dollars efficiently and effectively.
SECTION 1: INTRODUCTION

1.1 Background

During the past 10 years municipalities throughout Ontario have been feeling the effects of the provincial-municipal fiscal relationship, whereby costs for social and community services programs including Ontario Works (OW), the Ontario Disability Support Program (ODSP) and Children’s Services are shared. The net result of this cost sharing relationship has been that municipalities have experienced increased social services costs that have not been offset by reductions in other costs. This has increased pressures on municipalities to review and reduce controllable costs and continue to identify opportunities for further program efficiency. This budget review was commissioned to determine if the local OW Program is offering services that are beyond legislation or if it is delivering services that other Consolidated Municipal Services Managers (CMSMs) are not that would potentially attract low income residents to the City, thereby increasing local program costs.

1.2 Project Deliverables

The Project Team developed the following series of questions to guide study work:

1. Are the services offered by Ontario Works operated in accordance with or beyond the Ontario Works legislation and directions?
2. Are the costs and the level of discretionary benefits provided within the Ontario Works legislation and Council directives?
3. Is the Ontario Works Cost of Administration budget in compliance with all provincial legislation and directives?
4. How do 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 and major expenditure contributors?
5. Are the identified outcomes and performance indicators for Ontario Works and Employment Assistance comparable to other CMSMs?
The review had the following expected outcomes:

1. Determine if Ontario Works is providing services beyond what is mandated.
   - Provide a recommendation and options for appropriate service levels to meet the needs of Ontario Works clients

2. Determine if Ontario Works is providing services that other CMSMs are not.
   - Recommend which, if any, could be discontinued

3. Determine if Ontario Works is providing services that it should not.
   - Recommend which, if any, services should be discontinued

1.3 Review Exclusions

Ontario Works hostels, domiciliary hostels and homelessness programs are funded by Ontario Works but were not included in this review as they do not provide financial or employment assistance and were recently reviewed both provincially and internally. Further, in January 2008, the Department began the Ontario Works Employment Services Transition Project; a comprehensive review of its employment programming, the outcomes of which will include an implementation plan to support a revised service delivery model. Consequently, while this project did collect information on employment programs, its primary focus was on special income program supports and overall Ontario Works and employment program costs, not programmatic details.

1.4 Methodologies/Collection Tools

The primary activities of the project included: consultation with front-line staff, interviews with key informants and municipal Councillors, a review of local program information and reports, the collection of data from other Consolidated Municipal Service Managers for comparison purposes, analysis of the collected information and recommendations and report development.

Data used to support the recommendations was collected from the following sources:

- A review of current program descriptions and financial reports,
- Information collected from the statistical and program data base available through the Ministry of Community and Social Services Extranet,
- Focus groups with staff, and interviews with Department management and elected officials, and
- Information collected from selected Consolidated Municipal Service Managers (CMSMs).
1.5 Consultation Strategy Framework

**PROJECT PURPOSE**

1. Determine if Ontario Works is providing services beyond what is mandated.
2. Determine if Ontario Works is providing services that other CMSMs are not.
3. Determine if Ontario Works is providing services that it should not.

**COA and EA Stakeholders**

- Program Management
  - Elected Officials
  - Subject Matter Experts (Department Management)

- Service Delivery
  - Ontario Works Front-Line Staff

**Data Collection Methods**

- **MCSS EXTRANET**
  - Employment Outcome Information

- **DOCUMENT REVIEW**
  - City of Hamilton Financial and Data Reports

- **FOCUS GROUPS**
  - Ontario Works Delivery Staff

- **STATISTICS CANADA**
  - Comparative Demographic Information

- **KEY INFORMANT INTERVIEWS**
  - Senior Mgt. and Elected Officials

- **CMSM INFORMATION**
  - Comparative information obtained from selected jurisdictions
2.1 Current Organizational/ Delivery Structure

Delivery of the Ontario Works Program is shared between the Employment and Income Support Division and the Benefit Eligibility Division. Each Division is led by a Director and is supported by a variety of service delivery teams.

The Employment and Income Support Division is primarily responsible for processing applications for Ontario Works assistance and supporting recipients in enhancing their employability and exiting the program. The Division is comprised of a variety of income support caseworker teams and employment support and placement teams, whose staff directly provide and/or link recipients with appropriate employment supports. The Division also manages the Career Development Centre and Helping Hands.

The Benefit Eligibility Division has primary responsibility for the management and delivery of supplementary programs that support the delivery of social assistance and includes the following units: family support, eligibility review, consolidated verification program, training and special supports (mandatory and discretionary benefits).

2.2 A Snapshot of Ontario Works Clients

The income and employment support benefits, both mandatory and discretionary, provided through the Community Services Department are provided to the following three groups of residents:

ii) Recipients of Ontario Works,
iii) Recipients of the Ontario Disability Support Program, and
iii) Low income residents – the working poor and seniors with limited income.

Data collected by the Hamilton Roundtable on Poverty confirms that these three groups comprise those living in poverty across Hamilton.

The following groups experience proportionately higher levels of poverty:

<table>
<thead>
<tr>
<th>People with Disabilities</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visible minorities</td>
<td>37%</td>
</tr>
<tr>
<td>Aboriginals</td>
<td>44%</td>
</tr>
<tr>
<td>Recent Immigrants</td>
<td>52%</td>
</tr>
</tbody>
</table>
2.3 Budget Overview

The Ontario Works budget is funded through three (3) separate funding envelopes from the Ministry of Community and Social Services; cost of administration, employment assistance and client benefits. Provincially approved administrative costs receive a 50% provincial subsidy, employment services administrative costs receive an 80% subsidy, provided the delivery agent meets pre-established employment targets and all mandatory benefits provided receive an 80% provincial subsidy. Discretionary benefits provided by any Consolidated Municipal Service Manager to non OW/ODSP low-income residents and costs not approved by MCSS are funded 100% by the municipality.

While this review focuses on the cost of administration and employment assistance budgets, both are intricately linked to caseload size and affected by client benefit costs.

i) OW Cost of Administration (COA)

The cost of administration budget includes delivery of financial assistance and income supports to Ontario Works recipients as well as administrative supports to the program. Data provided by Ontario Works staff indicates that the City of Hamilton OW administration costs have been increasing, while the cost of client benefits has been decreasing (due to a declining caseload).

In August 2007, the Community Services Department tabled a report with Council reflecting that cost of administration expenditures were rising primarily due to higher salary and benefit costs (the result of collective bargaining agreements), rising accommodation and utility costs. 2007 also saw the return of intake services to local CMSM responsibility rather than a centralized Intake Screening Unit. The closure of the centralized Intake Screening Unit run by Hamilton and funded by surrounding CMSM’s actually resulted in a decrease in staffing.

In August, 2007, Hamilton Council corresponded with the Minister of Community and Social Services to request that the gross approved OW cost of administration budget in the 2007 OW Service Contract equal the City of Hamilton’s budget for the same costs. MCSS was eventually

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able to cost share the additional administrative costs for 2007 on a one-time basis. There continues to be a disparity between the municipal budget and the amount of the OW Service Contract with the province.

The term “approved” cost of administration has proven to be an increasingly contentious term between CMSMs and MCSS. Unlike the employment assistance portion of OW, cost of administration does not have a series of key performance indicators or program outcomes that must be monitored or achieved in order to receive cost approval. Further, there is no specified delivery model or list of approved administration costs that define what would be considered reasonable costs. It is widely acknowledged that the “approved” cost of administration amounts are relative to the MCSS Area Office allocations as apportioned by the MCSS Corporate office. Increasingly, these allocations appear to have minimal relationship to the widely accepted factors that impact costs, namely: demographics, caseload size, labour market, service delivery model, accommodation rates and local conditions. In previous years, the local MCSS Area office has worked to secure the funds necessary to match the OW costs of administration budget at the 50/50 cost shared rate for municipalities in its jurisdiction.

For 2008, MCSS has indicated that it will only cost share $17,804,442 of the total costs of OW administration ($19,504,267), representing a shortfall of $1,699,825 or 9% of the overall costs. Once again, the approved amount does not reflect the true costs of local delivery of the program. In effect this indicates that the new cost sharing ratio for cost of administration is equivalent to 53% municipal; 47% provincial.

The MCSS expectation is that the City find costs savings close to 9% in the present administrative budget and return the program’s administration budget back to pre-2007 levels when intake services were provided by a centralized screening unit and accommodation and salary costs were lower or alternatively that the municipality approve 100% municipal funding to offset the shortfall in provincial cost sharing. Notably, this messaging continues to be delivered at a time when the 3% increase in the OW cost of administration in 2008 more than likely compares very favorably to the increase in costs of the Ontario Public Service for 2008.

The charts that follow are extracted from the 2006 Ontario Municipal Benchmarking Initiative Study and show the total caseload per 100,000 households and the average monthly cost per social assistance case for 2005 and 2006. The total cost per case is made up of two major components; client benefit costs and administration costs. Although it is understood that costs are influenced by a number of factors including, but not limited to; caseload mix, types of benefits required, caseload size and staffing costs, notably, while possessing a higher than average caseload in 2006, Hamilton’s administration and benefit costs were very close to the median for the group of comparators in the study. This trend has continued as evidenced by more recent costs per case reported upon further in Section 3 of this report.
While the Ontario Works Program becomes increasingly complex and administrative costs increase, it is important to highlight that since 2003 the City has been experiencing a gradual reduction in the cost of allowances despite the annual rate increases legislated by the province. The reduction is also documented to be above the local and provincial average (details follow in Section 3). Benefit costs forecast for 2008 are $7,636,490 (7.5%) lower annually than in 2003. The prime beneficiary of these savings at the 80/20 cost sharing ratio is MCSS, which is saving approximately $6,109,192 annually. Despite these annual savings, the Ministry chooses not to cost share $1,699,825 of the cost of administration budget at 50/50. To do so would increase MCSS costs by $849,912 in administration while it saves $6,109,192 on the allowances side.

4 The OMBI definition of a case is used, which is different from the definition of average monthly caseload used to calculate “cost per case” in subsequent sections of this report.
ii) Employment Assistance Budget

Employment Assistance became a separate form of assistance with the introduction of the Ontario Works Act in 1997. Originally cost shared at 80/20 for approved “items” it has transformed into an outcome driven program where a provincial subsidy is applied according to outcomes achieved by a CMSM to a maximum of 80% of the gross cost of the program. The OW employment assistance budget includes staff salaries, benefits and operating costs as well as client benefits, and services and programs to support employment activities (i.e. pre-employment programs, information sessions, course fees, transportation, training).

In 2008, the employment assistance cost of administration will also experience a 3% increase in cost, similar to the increase in the OW cost of administration. If performance outcomes are achieved, the level of provincial subsidy can be as high as 80% of total program costs. In 2006, outcomes achieved resulted in a cost sharing ratio of 79/21. Given the local performance in 2007, the actual cost sharing was 80/20. The following charts provide additional insights into the current OW program fiscal reality.

### Ontario Works Program Costs (COA and Employment Assistance)

<table>
<thead>
<tr>
<th>Budget (Gross)</th>
<th>2004 Actuals</th>
<th>2005 Actuals</th>
<th>2006 Actuals</th>
<th>2007 Actuals</th>
<th>2008 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>OW Client Benefits</td>
<td>$101,162,205</td>
<td>$98,969,743</td>
<td>$96,751,324</td>
<td>$94,431,430</td>
<td>$95,416,925</td>
</tr>
<tr>
<td>Employment Supports</td>
<td>$3,030,795</td>
<td>$3,392,852</td>
<td>$4,175,897</td>
<td>$3,211,992</td>
<td>$3,211,991</td>
</tr>
<tr>
<td>OW Cost of Administration</td>
<td>$16,523,877</td>
<td>$16,620,960</td>
<td>$17,112,559</td>
<td>$18,985,415</td>
<td>$19,504,267</td>
</tr>
<tr>
<td>Employment Ass. Cost of Administration</td>
<td>$8,648,638</td>
<td>$9,395,906</td>
<td>$9,359,710</td>
<td>$9,665,370</td>
<td>$9,962,404</td>
</tr>
<tr>
<td>Discretionary Benefits</td>
<td>$2,047,584</td>
<td>$3,121,914</td>
<td>$3,444,701</td>
<td>$3,537,133</td>
<td>$3,654,000</td>
</tr>
<tr>
<td>Funerals</td>
<td>$786,464</td>
<td>$748,859</td>
<td>$719,945</td>
<td>$744,661</td>
<td>$745,000</td>
</tr>
</tbody>
</table>

In January 2008, the Employment Services Transition Project Charter was approved. The project includes development of a client focused employment service delivery model within the present budget envelope and a supporting implementation plan. As a result, a detailed analysis of the delivery of the present employment services is outside of the scope of this project, which will focus on the broad overall budget and employment outcomes for employment assistance.

iii) Discretionary Benefit Costs

The declining Ontario Works caseload has had a corresponding decrease in the total number of beneficiaries requesting mandatory benefits. However, an increase in the ODSP caseload in 2007 appears to have had a direct impact on increasing the average number of recipients receiving discretionary benefits. In 2006, the average number of OW/ODSP recipients assisted was 145 (excluding dental services) compared to 165 in 2007.

---

5 All budget amounts are actuals, except for 2008, which is a forecast representing a 2.7% decrease from the 2007 forecast.
The number of requests from non social assistance recipients for approval of assistance with discretionary benefits remained consistent with approximately 1,600 seniors and 500 working poor requiring assistance in 2007. However, a change has been documented in the type of benefits required by this group. Increases were reported primarily in the costs of funerals and burials and dental services for adults. A report to Council in January 2007 provided a detailed summary of changes in demand for benefits on an item by item basis and the accompanying budget impact.

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>2004 Actuals</th>
<th>2008 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Shared OW/ODSP Portion</td>
<td>$1,643,066</td>
<td>$2,950,749</td>
</tr>
<tr>
<td>100% Municipal Non OW/ODSP</td>
<td>$404,518</td>
<td>$586,384</td>
</tr>
<tr>
<td>Total</td>
<td>$2,047,584</td>
<td>$3,537,133</td>
</tr>
</tbody>
</table>

### Baseline Analysis

The Ontario Works Program has various program components, which receive different provincial subsidies. Due to the program's complexity, it is difficult to precisely measure the impacts of staff actions and local departmental procedures on caseload size and program costs and to differentiate these from the impacts of provincial program and policy changes. Staff actions and departmental procedures and the resulting impacts can best be examined by establishing an administration benchmark related to the overall cost of administration as a percentage of the total gross benefits administered. The chart below reflects the creation of a 2004 baseline. This allows for a review of a five year history and a comparison to the 2008 budget forecast.

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6 Includes costs of funerals and burials.

7 Percentages rounded up.
The administration baseline trend indicates that it cost $0.24 to administer $1.00 of benefits in 2004, and $0.29 to administer $1.00 of benefits in 2008. The percentage increase is presented visually in the pie charts above. Overall, there has been an 8.5% increase in the cost of administration over the past 5 years. The Consumer Price Index increased by 11% during this time (Statistics Canada). The data further indicates that the City has experienced a 20% percent increase in the cost to administer $1.00 of benefits. This is largely due to the fact that the program has had some small decreases in staffing levels during a time of decreasing caseloads and benefit costs. It has also experienced greater success in assisting Ontario Works participants to leave the system due to employment.

Section 3 of this report provides evidence that during this time the percentage of the caseload leaving to employment has increased, which is consistent with research that shows that costs increase as agencies experience success helping social assistance recipients exit to employment. At present, the local caseload ratio is above the recommended level of 90:1. It currently stands at 120:1. There is a direct link between a lower caseload size, the number of personal contacts and interventions and number of clients exiting the caseload to employment or other sources of income.

In 2008, the caseload has been increasing at a rate of .5% per month up until July, when it appears to have stabilized. In addition, the Department has already reduced the number of OW caseworkers and increased the number of employment staff by five (5) in 2008 and will increase employment staff by another five in 2009.
2.5 2004 Special Income Business Process Review

The Special Supports Unit is part of the Benefit Eligibility Division. The unit provides mandatory and discretionary benefits to Ontario Works recipients, Ontario Disability Support Program recipients and low income residents that are not social assistance recipients (the working poor and seniors with limited income). All low income applicants must complete a needs test in order to determine eligibility for specific items of assistance. Documentation from an approved health professional is required to confirm the need for requested medical items.

In 2004, the City commissioned a comprehensive study of the Special Supports Program, largely prompted by rising costs and the elimination of provincial cost sharing for discretionary benefits. The study undertook an analysis of existing benefits and processes with a view to identifying opportunities for improved service delivery, cost savings and increased accountability.

The study was completed in March 2004 and contained a series of options for consideration regarding what benefits and services should continue to be issued to which groups, opportunities to streamline the eligibility determination process and how funds are issued.

Recommendations in this report have been implemented over the past 3 years, and have contributed to a slowing of budget increases to 3% annually from the 72% increase experienced in 2004. Notably, the Department has implemented new purchasing procedures, which include sole source providers selected through a competitive bidding process to help drive costs down. As reflected by earlier data, the majority of the discretionary benefits budget is directed to Ontario Works and ODSP recipients.

2.6 Ontario Works Compliance Review

The last two compliance reviews completed by MCSS on the City’s OW services were reviewed. These reviews assessed cases from March 2005 through to December 2006. The purpose of compliance reviews is to measure the level of compliance to the Ontario Works Act, Regulations and policy directives. The reviews capture information on both financial and employment assistance, with a focus on the initial application and eligibility determination process.

These reviews identified that:

- The City of Hamilton is delivering the Ontario Works Program in accordance with the Act, Regulations and policy directives
- Local efforts were being made to move to a more generalist approach to delivery to provide greater flexibility in managing work and reducing caseload sizes
- There has been marked improvement in the frequency of participation agreement reviews
- Staff should be encouraged to complete employment fields in the SDMT database
- Confirmation that support waivers are being regularly reviewed should be documented
- There is a continued need for improvement in the documentation and issuance of employment support funds, and
- There is a need for greater discretion when issuing community start-up funds to ensure recipients meet eligibility requirements
Overall, both reviews summarized that the City was in compliance with the legislated requirements of the Ontario Works Program, while revealing minor bureaucratic inconsistencies. In both instances, City staff created and implemented a plan to rectify the issues identified in the reports.
3.1 Staff Focus Groups: Key Findings

Three staff focus groups involving 45 staff were conducted to ensure individuals both managing and delivering the program provided input into the review findings.

Focus groups began with an overview of the project objectives and the programs and services currently delivered through the special income support program. Participants provided responses to a series of eight (8) questions that had been circulated in advance of the session.

The following points highlight the key findings from the staff focus groups.

- Factors that may attract low income persons to the City of Hamilton include:
  - the affordable rental market
  - the availability of emergency housing
  - a lower cost of living than other major cities across the GTA
  - the transit system and the availability of discounted bus passes
  - the job market and availability of manufacturing and service jobs
  - the health and hospital system
  - the range of community and social service programs (i.e. newcomer supports, addiction supports)

- Social assistance recipients and/or other low income people do not relocate to Hamilton as a result of their knowledge of the City’s Ontario Works program.

- The majority of applicants have little, if any, awareness of the range of Ontario Works programs and supports in advance of their application.

- The Ontario Works Program should provide greater access to; bus passes for all recipients, subsidized child care, employment programming, dental services for adults, funds for telephone installation, funds to secure identification documents, furniture replacement and mental health programs and services.

- The Department should continue to provide the majority of special income and employment services currently provided.

- The ceilings (maximum amounts payable) for some special income supports need to be increased to reflect market cost (i.e. dentures).

- Special income supports should continue to be available to Ontario Works Program and Ontario Disability Support Program recipients, low income residents (working poor) and low income seniors.
• The Ontario Works Extended Health Benefits Program and Extended Employment Health Benefits Program are underutilized after recipients exit Ontario Works, largely because accessing these supports is complicated and requires continued association with the Ontario Works office.

3.2 Subject Matter Expert & Elected Official Interviews: Key Findings

Interviews were conducted with twelve (12) management staff in the Community and Social Services Department determined to be subject matter experts and elected officials who chose to participate. Interviews began with an overview of the project objectives and the programs and services currently delivered through the special income support program. Participants provided responses to a series of nine (9) questions that had been circulated in advance of the session.

The following points highlight the key findings from the interviews.

• Factors that may attract low income persons to the City of Hamilton include:
  – the public transit system
  – an affordable housing market and low vacancy rates
  – the broader health and hospital system
  – the manufacturing base
  – its centralized location with the GTA
  – the education system
  – the fact that Hamilton is a caring, compassionate community that has responded to identified needs by developing a wide range of community services and programs
  – its proximity to Toronto, yet lower cost of living

• The factors that attract low income persons to the city are the same factors that attract persons from other income groups.

• Social assistance recipients and/or other low income people do not relocate to Hamilton as a result of their knowledge of the City’s Ontario Works program.

• Low income persons likely grew up in the City, or locate here because of the broader social and economic attributes the City has to offer, not because of the attributes of the local Ontario Works Program.

• The majority of applicants have little, if any, awareness of the range of Ontario Works programs and supports in advance of their application.

• Most applicants/recipients become aware of the availability of programs and services from i) their caseworker, ii) community agency referrals and/or iii) network of peers.

• The special income support program would not be necessary if Ontario Works benefits rates were increased to provide adequate funds for basic needs and shelter.
• The majority of items funded through the special income support program should be funded by another level of government; provincial or federal (i.e. wide range of health/medical benefits).

• The Ontario Works Program should provide greater access to; transportation funds and drug coverage for low income residents, employment programming, dental services for adults, eye exams for adults, and child care.

• The Department should continue to provide the majority of special income and employment services currently provided.

• Special income supports should continue to be available to Ontario Works Program and Ontario Disability Support Program recipients, low income residents (working poor) and low income seniors.

• The benefits derived from access to social service programs are varied and unique to the individual circumstances of each applicant/recipient.

• The Extended Health Benefits Program and Extended Employment Health Benefits Program are underutilized after recipients exit Ontario Works, largely because accessing these supports is complicated and requires continued association with the OW office.

• Budget reductions or the elimination of specific programs and services to low income residents would work against the City in the following ways:
  – increase Ontario Works applications and program costs as a result of job loss, family breakdown and housing breakdowns
  – reduce quality of life and standard of living of many residents
  – have potentially devastating health impacts including: increased emergency room utilization and increased hospitalizations
  – increase pressure on community agencies to respond to unmet needs
  – increase the use of food banks and local emergency shelters
  – damage the City’s reputation - direction would be contrary to the Vision 2020 and the goals of the Poverty Roundtable

3.3 Comparative Data

The Project Team selected six (6) comparator Consolidated Municipal Service Managers (CMSMs) from which comparative data was sought. The comparators were selected because they were either of similar size or were neighbouring jurisdictions. These included: Brant, London, Niagara, Norfolk, Ottawa and York. Regretfully, Ottawa, York, London and Brant were unable to provide the requested data. Alternatively, Peel and Windsor were requested to participate in the study to ensure a reasonable range of comparative data.

A survey tool, which specified data elements and source was developed to capture data relevant to the project deliverables and a three week completion timeframe was established. An introductory letter outlining the purpose and parameters of the project was circulated in
advance of the data collection tool. The information collected included information pertaining to:

- caseload demographics,
- cost of administration and employment assistance expenditures,
- mandatory and discretionary benefit expenditures,
- employment related purchase of service contracts, and
- employment revenue sources.

While considerable effort was expended to ensure the completeness, consistency and accuracy of the comparator data collected, it should be understood that different CMSMs both group and report expenditures differently. Thus, the potential for error should be considered as the comparator reports are reviewed. Comparators were provided opportunities to further complete and confirm the reported data, once data from the survey submissions were compiled. Some comparators did not provide data pertaining to discretionary items provided, total expenditures, and employment purchase of service contracts thus limiting opportunities for comparison.

The following charts reflect comparisons from data available through a variety of public reports contained on the Ministry of Community and Social Services Extranet site and the data collected from CMSMs through the survey instrument.

### Population and Caseload

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Population</th>
<th>Ontario Works Caseload</th>
<th>Caseload as % of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006(^8)</td>
<td>2007(^9)</td>
<td></td>
</tr>
<tr>
<td>Brant</td>
<td>124,607</td>
<td>1,611</td>
<td>1.3%</td>
</tr>
<tr>
<td>Durham</td>
<td>561,251</td>
<td>6,260</td>
<td>1.1%</td>
</tr>
<tr>
<td>Halton</td>
<td>439,256</td>
<td>1,314</td>
<td>0.3%</td>
</tr>
<tr>
<td>London</td>
<td>352,395</td>
<td>6,781</td>
<td>2.2%</td>
</tr>
<tr>
<td>Niagara</td>
<td>427,421</td>
<td>6,781</td>
<td>1.6%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>107,812</td>
<td>965</td>
<td>0.9%</td>
</tr>
<tr>
<td>Peel</td>
<td>1,159,405</td>
<td>9,419</td>
<td>0.8%</td>
</tr>
<tr>
<td>Toronto</td>
<td>2,503,281</td>
<td>67,074</td>
<td>2.7%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>451,235</td>
<td>5,895</td>
<td>1.3%</td>
</tr>
<tr>
<td>Windsor</td>
<td>323,347</td>
<td>8,061</td>
<td>2.5%</td>
</tr>
<tr>
<td>York</td>
<td>892,712</td>
<td>4,469</td>
<td>0.5%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>1.5%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>594,200(^10)</td>
<td>9,275</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

- The percentage of the Hamilton population in receipt of Ontario Works is equivalent to the average of neighbouring and greater Toronto jurisdictions

\(^8\) 2006 Census, Statistics Canada.
\(^10\) OMBI information records City of Hamilton population as 518,181. Statistics Canada 2006 Census data has been for consistency purposes as OMBI information is not available for all of the municipalities included in this chart (some are not OMBI members).
Analysis

- The data serves as one indicator that Ontario Works recipients from other jurisdictions are not migrating to Hamilton any more than they move elsewhere.
- If Hamilton’s Ontario Works programs and services were attracting low income persons, it follows that the percentage of population in receipt of assistance would be greater than that of surrounding CMSM’s.

Five Year Caseload Fluctuation

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Caseload</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2007</td>
</tr>
<tr>
<td>Brant</td>
<td>1,502</td>
<td>1,611</td>
</tr>
<tr>
<td>Durham</td>
<td>4,873</td>
<td>6,260</td>
</tr>
<tr>
<td>Halton</td>
<td>1,243</td>
<td>1,314</td>
</tr>
<tr>
<td>London</td>
<td>6,171</td>
<td>6,781</td>
</tr>
<tr>
<td>Niagara</td>
<td>6,370</td>
<td>6,781</td>
</tr>
<tr>
<td>Norfolk</td>
<td>753</td>
<td>965</td>
</tr>
<tr>
<td>Peel</td>
<td>7,889</td>
<td>9,419</td>
</tr>
<tr>
<td>Toronto</td>
<td>68,147</td>
<td>67,074</td>
</tr>
<tr>
<td>Waterloo</td>
<td>6,693</td>
<td>5,895</td>
</tr>
<tr>
<td>Windsor</td>
<td>6,610</td>
<td>8,061</td>
</tr>
<tr>
<td>York</td>
<td>4,035</td>
<td>4,469</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamilton</td>
<td>10,295</td>
<td>9,275</td>
</tr>
</tbody>
</table>

- Caseload change between 2003 and 2007 demonstrates that Hamilton’s OW caseload has decreased significantly over the past five (5) years, contrary to increases experienced by the comparator CMSMs that participated in the survey (Norfolk, Niagara, Peel and Windsor).
- OW caseload decreases have also been experienced by other large urban centres, namely London, Toronto and Waterloo.
- The Hamilton decrease is contrary to the increases experienced by many of the neighbouring jurisdictions and far exceeds the decrease experienced by the largest jurisdiction, Toronto.

Analysis

- While the majority of neighbouring CMSMs in the chart experienced an average caseload increase of approximately 15% over the past 5 years, Hamilton’s caseload has decreased an unprecedented 10%.
- This decrease is another indicator that is contrary to the misguided belief that the local Ontario Works program is attracting social assistance recipients from other neighboring jurisdictions across the GTA.

---

### Intakes and Applications (2007 statistics)

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Average Monthly Caseload</th>
<th>Average Monthly(^{12}) OW Intakes</th>
<th>Average Monthly OW Applications</th>
<th>Average Monthly OW Exits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>7,246</td>
<td>946 (13.0%)</td>
<td>732 (10.0%)</td>
<td>Not Available</td>
</tr>
<tr>
<td>Norfolk</td>
<td>1,047</td>
<td>177 (17.0%)</td>
<td>138 (13.0%)</td>
<td>104 (10.0%)</td>
</tr>
<tr>
<td>Peel</td>
<td>10,325</td>
<td>1,325 (13.0%)</td>
<td>1,092 (10.0%)</td>
<td>862 (8.0%)</td>
</tr>
<tr>
<td>Windsor</td>
<td>8,180</td>
<td>823 (10.0%)</td>
<td>659 (8.0%)</td>
<td>660 (8.0%)</td>
</tr>
<tr>
<td>Average</td>
<td>N/A</td>
<td>N/A (13.0%)</td>
<td>N/A (9.6%)</td>
<td>N/A (8.4%)</td>
</tr>
<tr>
<td>Hamilton</td>
<td>9,753</td>
<td>1,147 (12.0%)</td>
<td>667 (7.0%)</td>
<td>738 (7.6%)</td>
</tr>
</tbody>
</table>

- The number of new requests and subsequent applications for social assistance in Hamilton is less than that of the selected comparator jurisdictions.
- The number of recipients exiting the system is lower in Hamilton than the comparators CMSMs.

### Analysis

- Once again, less people are applying for assistance in the City of Hamilton than in surrounding jurisdictions.
- In 2007, the number of people leaving the system was greater than the number of people applying.
- This data further contradicts the belief that low income persons are moving to Hamilton because of the attributes of the local Ontario Works program.

### Ontario Disability Support Program

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Population(^{16})</th>
<th>ODSP Caseload(^{17})</th>
<th>ODSP % of Population</th>
<th>ODSP Annual Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brant</td>
<td>124,607</td>
<td>3,654</td>
<td>2.9%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Durham</td>
<td>561,258</td>
<td>7,480</td>
<td>1.3%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Halton</td>
<td>439,256</td>
<td>3,658</td>
<td>0.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>London</td>
<td>352,395</td>
<td>9,432</td>
<td>2.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Niagara</td>
<td>427,421</td>
<td>10,437</td>
<td>2.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>107,812</td>
<td>1,991</td>
<td>1.8%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Peel</td>
<td>1,159,405</td>
<td>11,003</td>
<td>0.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Toronto</td>
<td>2,503,281</td>
<td>52,867</td>
<td>2.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>451,235</td>
<td>7,547</td>
<td>1.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Windsor</td>
<td>323,347</td>
<td>8,038</td>
<td>2.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td>York</td>
<td>892,712</td>
<td>7,544</td>
<td>0.8%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>1.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>594,200</td>
<td>14,468</td>
<td>2.4%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

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\(^{13}\) Data obtained from CMSMs is a 12 month average of March 2007 - March 2008 data.

\(^{14}\) Data reported by CMSMS to City of Hamilton in the Hamilton, 2008 Ontario Works Budget and Caseload Data Survey, followed by reported total expressed as a percentage of the active caseload.

\(^{15}\) Percentage of the average monthly active caseload.

\(^{16}\) 2006 Census, Statistics Canada.

• Hamilton is home to disproportionately more persons living with disabilities
• The City’s annual ODSP caseload increase is less than the average of neighbouring jurisdictions

Analysis

• Notably, the percentage increase in the local ODSP caseload when compared to the percentage of population is quite low
• Ontario Works cases that have applied for disability benefits, but have not yet been approved (ODSP pending caseload) continues to increase explaining in part why the active caseload is rising at a slower rate than comparators
• The local special income support program that primarily provides health and employment benefits to low income residents, contributes to the health, employability and well-being of residents, and thus could be slowing the rate of applications for disability benefits
• The low percentage increase in the local ODSP caseload may also be an indication of the challenges experienced supporting clients through the ODSP application process for ODSP. In Hamilton, there is a shortage of family doctors and physicians willing to complete the medical forms. In addition, many OW clients with mental health issues require support to self-identify, undergo a psychiatric assessment and follow through with the application process.

Affordability

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Female SSP Median Income ($)</th>
<th>Low Income Cut-Off ($)</th>
<th>Median Rent Cost ($)</th>
<th>Transit Ticket Cost ($)</th>
<th>Median Rent as %’age of LICO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brant</td>
<td>33,152</td>
<td>23,390</td>
<td>700</td>
<td>2.15</td>
<td>21</td>
</tr>
<tr>
<td>Durham</td>
<td>41,031</td>
<td>27,160</td>
<td>850</td>
<td>2.75</td>
<td>21</td>
</tr>
<tr>
<td>Halton</td>
<td>48,380</td>
<td>27,160</td>
<td>970</td>
<td>2.50</td>
<td>20</td>
</tr>
<tr>
<td>London</td>
<td>35,875</td>
<td>23,390</td>
<td>701</td>
<td>2.50</td>
<td>20</td>
</tr>
<tr>
<td>Niagara</td>
<td>34,944</td>
<td>23,390</td>
<td>711</td>
<td>2.50</td>
<td>20</td>
</tr>
<tr>
<td>Norfolk</td>
<td>32,200</td>
<td>23,390</td>
<td>694</td>
<td>None</td>
<td>22</td>
</tr>
<tr>
<td>Peel</td>
<td>42,060</td>
<td>27,160</td>
<td>974</td>
<td>2.75</td>
<td>23</td>
</tr>
<tr>
<td>Toronto</td>
<td>35,630</td>
<td>27,160</td>
<td>926</td>
<td>2.50</td>
<td>26</td>
</tr>
<tr>
<td>Waterloo</td>
<td>38,969</td>
<td>23,390</td>
<td>762</td>
<td>2.50</td>
<td>20</td>
</tr>
<tr>
<td>Windsor</td>
<td>39,401</td>
<td>23,390</td>
<td>695</td>
<td>2.50</td>
<td>20</td>
</tr>
<tr>
<td>York</td>
<td>39,401</td>
<td>27,160</td>
<td>957</td>
<td>3.25</td>
<td>24</td>
</tr>
<tr>
<td>Average</td>
<td>38,185</td>
<td>N/A</td>
<td>813</td>
<td>2.60</td>
<td>21</td>
</tr>
<tr>
<td>Hamilton</td>
<td>37,093</td>
<td>23,390</td>
<td>736</td>
<td>2.40</td>
<td>20</td>
</tr>
</tbody>
</table>

• The median income of a female sole support parent (SSP) with two children was chosen to represent a demographic that is a large component of the social assistance caseload with significant restrictions to employability due to the need for child care, etc.

---

19 2006 Municipal Profiles, Statistics Canada.
21 2006 Municipal Profiles, Statistics Canada (excluding utility and heat costs).
22 Ticket costs obtained from transit websites. In the case of CMSM jurisdictions with non-integrated transit systems, the amount represents the average cost.
23 Ratio represents the percentage of rent paid, if earning the average income or the LICO amount.
• The median rent as a percentage of the low income cut-off is an indicator of how affordable the average rent is (as a percentage of income), if a parent is earning the low income cut-off (LICO) amount in each community.

• Thirty percent (30%) of before tax income is the generally accepted amount used to demonstrate the affordability of shelter costs (i.e. rent, utilities, insurance).

• In Hamilton, the LICO level of $23,390 would equate to a full-time job paying $12.50 per hour for a 7.5 hour day.

• The data reflects that the average rent in Hamilton is still unaffordable for social assistance recipients or families with one earner in a minimum wage job.

• Hamilton’s shelter costs are substantially lower than Toronto, York and Peel jurisdictions, but still high in comparison to the LICO and lower social assistance rates.

• The cost of public transportation is below the average.

Analysis

• The data demonstrates that Hamilton has a low median rent cost, when calculated as a percentage of the poverty cut off amount.

• As anticipated, the City is more affordable rent-wise than Peel, Toronto and York, however equally unaffordable as Halton, Niagara, London and Waterloo.

• High shelter costs underline the importance of the availability of municipal discretionary support programs, which are invaluable in helping employable individuals to stay employed and self-reliant and unemployable persons to remain independent of institutionalized care.

• 50% of recent immigrants who live in Hamilton live below the LICO.

• 19% of persons in Hamilton versus 13.6% of Ontarians live below the LICO.

• While rental costs remain high relative to OW shelter rates, CMHC data shows that Ontario rents in general continue to decline, while energy costs increased by about 8%.

• In 2001 almost 46% of Hamilton households spent more than 30% of total income on rent - the percentage of households that spend more than 50% of income on rent has steadily increased over the past two decades.

• Hamilton’s low cost public transit provides an especially critical link to employment opportunities for low income individuals.

Employability Demographics

<table>
<thead>
<tr>
<th>CMSM</th>
<th>2007 Average Monthly OW Caseload</th>
<th>% of Caseload with &lt; Gr. 12</th>
<th>% of Caseload issued ESUB</th>
<th>Average length of time on Assistance in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>6,781</td>
<td>45.0%</td>
<td>15.0%</td>
<td>13.6</td>
</tr>
<tr>
<td>Norfolk</td>
<td>965</td>
<td>55.0%</td>
<td>9.0%</td>
<td>14.0</td>
</tr>
<tr>
<td>Peel</td>
<td>9,419</td>
<td>41.0%</td>
<td>2.0%</td>
<td>13.0</td>
</tr>
<tr>
<td>Windsor</td>
<td>8,061</td>
<td>40.0%</td>
<td>4.5%</td>
<td>14.3</td>
</tr>
<tr>
<td>Average</td>
<td>N/A</td>
<td>46.2%</td>
<td>7.6%</td>
<td>15.0</td>
</tr>
<tr>
<td>Hamilton</td>
<td>9,275</td>
<td>50.0%</td>
<td>7.5%</td>
<td>20.0</td>
</tr>
</tbody>
</table>

26 Information in first three columns from 2008 OW Planning Data, MCSS Extranet.
27 Totals reported by individual CMSMS to City of Hamilton in the Hamilton, 2008 Ontario Works Budget and Caseload Data Survey.
• Hamilton has an above average percentage of the OW caseload with less than a grade twelve education, indicating that 1 of every 2 recipients has a significant barrier to employment.

• Many clients require assistance with the ODSP application process and a strategy is currently being developed to help support OW clients to apply for disability benefits.

• The percentage of OW recipients in Hamilton receiving funds to support participation in employment activities is slightly below the average of comparator jurisdictions.

• The high number of immigrants and their general skills level is reflected in the education levels. For some immigrants, the path to employability is an extended one, beginning with English as a Second Language courses, often followed by some form of training and job search support.

• The extensive waiting list for child care subsidy also contributes to the length of time on assistance as clients are unable to access the child care required to support their entry to training and/or employment (currently 419 children).

Analysis

• The extent and severity of barriers to employment has a direct impact on the length of time individuals remain on social assistance.

• Hamilton is an important centre for receiving newcomers to Canada (3rd highest) and is a noted destination for secondary migration.

• Hamilton receives proportionately fewer skilled immigrants (17%) than other cities (54%)²⁸

• Recent immigrants and visible minorities exhibit unemployment rates above the rate for the labour force as a whole.

• The aging demographic confirms that future population growth will become totally dependent upon immigration, suggesting continued challenges with length of time on assistance for this group of clients.

• Hamilton’s population is below the Ontario average in terms of educational achievement.

• Recently, Hamilton has been working on streamlining and integrating the employment function of the program with the income support component so that approximately 70% of the caseload will be served by one caseworker. Remaining clients will receive comprehensive employment supports, including job retention services, as appropriate from employment caseworkers.

• Research states that successful 'workfare' programs are expensive, requiring high costs of administration to ensure adequate resources to meet objectives.

• In light of this, effective programs must ensure recipients have access to the supports needed to enable them to meet and offset costs associated with their participation requirements (i.e. child care, transportation assistance, payment of minor fees).

• Throughout the staff focus groups, front-line staff made numerous references to the need for more flexibility in issuing funds to offset clients’ participation expenses.

Employment Outcomes Comparison

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Brantford</th>
<th>London</th>
<th>Niagara</th>
<th>Norfolk</th>
<th>Peel</th>
<th>Windsor</th>
<th>Average</th>
<th>Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average amount of employment earnings for employed OW recipients</td>
<td>689</td>
<td>734</td>
<td>675</td>
<td>1,075</td>
<td>656</td>
<td>696</td>
<td>745</td>
<td>713</td>
</tr>
<tr>
<td>Average amount of employment earnings for OW recipients in receipt for &gt; 1 year</td>
<td>714</td>
<td>822</td>
<td>682</td>
<td>749</td>
<td>680</td>
<td>766</td>
<td>755</td>
<td>742</td>
</tr>
<tr>
<td>Average amount of employment earnings at time of exit from OW</td>
<td>1,256</td>
<td>794</td>
<td>1,082</td>
<td>1,088</td>
<td>1,089</td>
<td>1,018</td>
<td>1,934</td>
<td>956</td>
</tr>
<tr>
<td>Percentage of caseload employed</td>
<td>15%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Percentage of exits due to employment</td>
<td>21%</td>
<td>22%</td>
<td>16%</td>
<td>19%</td>
<td>17%</td>
<td>17%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Job retention rate in average months between exit and re-entry to OW</td>
<td>9</td>
<td>9.5</td>
<td>8</td>
<td>8.5</td>
<td>9</td>
<td>10</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Job retention rate in percentage of OW recipients who have exited due to employment and return to OW</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>3%</td>
<td>8%</td>
</tr>
<tr>
<td>Avg. time to employment</td>
<td>13</td>
<td>8</td>
<td>13</td>
<td>14</td>
<td>10</td>
<td>11</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

In relation to the selected comparator jurisdictions, in 2008 the local Ontario Works Program has produced:
- Below average employment earnings for OW recipients
- Above average employment earnings for recipients exiting the program
- Overall employment outcome productivity related to job retention and percentage of employment exits is above average
- The City has the highest average length of time to employment (i.e. recipients are on OW for longer periods of time before exiting to employment) but the largest percentage exiting to employment
- First quarter 2008 data reflects significant improvement in the average earnings at OW exit, percentage of exits due to employment and job retention rates

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29 Average of the outcomes reported in the table.
Analysis

- In 2008, the local employment outcomes have improved significantly over previous local outcomes and exceed the results obtained by the majority of comparator CMSMs.
- These improvements are likely due, in part, to changes being undertaken by employment programs staff to improve employment outcomes (i.e. pilot programs, new programs).
- The changes that Hamilton is currently making in the employment arena to streamline and integrate service delivery will increase the municipalities probability of sustaining and continuing to improve employment outcomes.

Ontario Works Costs of Administration and Discretionary Benefits

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Population</th>
<th>Taxable Assessment per Capita</th>
<th>% of Pop. in Receipt of OW/ODSP</th>
<th>Cost of OW Administration (Gross $)</th>
<th>OW Administration Cost Per Case</th>
<th>Discretionary Benefits (Gross $)</th>
<th>Discretionary Benefits Per Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>427,421</td>
<td>94,752</td>
<td>4.0%</td>
<td>12,214,391</td>
<td>1,686</td>
<td>1,568,192</td>
<td>216</td>
</tr>
<tr>
<td>Norfolk</td>
<td>107,812</td>
<td>78,377</td>
<td>2.7%</td>
<td>1,943,698</td>
<td>1,565</td>
<td>287,800</td>
<td>275</td>
</tr>
<tr>
<td>Peel</td>
<td>1,159,405</td>
<td>129,184</td>
<td>1.7%</td>
<td>29,734,648</td>
<td>2,880</td>
<td>3,630,703</td>
<td>352</td>
</tr>
<tr>
<td>Windsor</td>
<td>323,347</td>
<td>83,449</td>
<td>5.0%</td>
<td>12,932,787</td>
<td>1,581</td>
<td>3,558,192</td>
<td>221</td>
</tr>
<tr>
<td>Average</td>
<td>N/A</td>
<td>96,279</td>
<td>3.5%</td>
<td>N/A</td>
<td>2,021</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Hamilton</td>
<td>594,200</td>
<td>95,635</td>
<td>4.0%</td>
<td>19,504,267</td>
<td>2,103</td>
<td>3,654,000</td>
<td>151</td>
</tr>
</tbody>
</table>

- Hamilton has a below average per capita tax base in comparison to the jurisdictions used as comparators.
- Its percentage of population in receipt of ODSP and OW is above the average.
- Total administration costs per case are higher than the comparator group average, while discretionary benefit costs per case are the lowest of the comparator group and $100 below the group average.

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31 Taxable Assessment per capita relates to CMSM boundaries. Municipal per capita values were averaged to create per capita amounts based on the regional boundaries of the Niagara, Windsor and Peel CMSMs.
32 Totals reported by individual CMSMS to City of Hamilton in the Hamilton 2008 Ontario Works Budget and Caseload Data Survey.
33 Totals reported by individual CMSMS to City of Hamilton in the Hamilton 2008 Ontario Works Budget and Caseload Data Survey.
34 Totals reported by individual CMSMS to City of Hamilton in the Hamilton 2008 Ontario Works Budget and Caseload Data Survey including SAR and non SAR expenditures.
35 Case equals the combined OW/ODSP caseload as ODSP recipients are eligible for discretionary benefits.
36 Includes Special Income, 100% municipal dollar amounts, funerals, less mandatory children's dental costs and LEAP.
Analysis

• The discretionary benefits aspect of the budget costs the City less per participant than that of the comparator jurisdictions.
• While gross expenditures of discretionary benefits in Hamilton are lower on a case by case basis than that costs in other jurisdictions, Hamilton also has a wider variety of benefits that it is willing to subsidize for both social assistance recipients and non social assistance recipients.
• Lower discretionary benefits costs may also be a reflection of improved purchasing procedures that ensure the program is delivered in a cost effective manner.

Range of Programs and Services

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Cost of Admin. Costs not MCSS Approved</th>
<th>Provide Discretionary Benefits</th>
<th>Benefits to non OW/ODSP Recipients</th>
<th>Purchase Ext. Employment Services</th>
<th>Include Outcome Measures in Service Contracts</th>
<th>Employment Revenue Beyond MCSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>X</td>
<td>T</td>
<td>T</td>
<td>T</td>
<td>T</td>
<td>X</td>
</tr>
<tr>
<td>Norfolk</td>
<td>X</td>
<td>T</td>
<td>incomplete</td>
<td>incomplete</td>
<td>incomplete</td>
<td>X</td>
</tr>
<tr>
<td>Peel</td>
<td>T</td>
<td>T</td>
<td>(</td>
<td>(</td>
<td>(</td>
<td>(</td>
</tr>
<tr>
<td>Windsor</td>
<td>X</td>
<td>(</td>
<td>(</td>
<td>X</td>
<td>(</td>
<td>(</td>
</tr>
<tr>
<td>Hamilton</td>
<td>(</td>
<td>(</td>
<td>(</td>
<td>(</td>
<td>(</td>
<td>(</td>
</tr>
</tbody>
</table>

• All of the comparators that participated in the survey provide discretionary benefits to OW and ODSP recipients.
• Four of five comparator CMSM’s also provide them to non-OW/ODSP recipients, although this support is primarily limited to payment of funerals and burials.
• Most purchase employment services from outside agencies.
• Only Peel and Hamilton have costs of administration costs not approved or cost shared by MCSS – all other CMSMs compared operate within the MCSS approved budget.
• The total services purchased under contract are $1,662,049 which includes the purchase of training.

Analysis

• There appears to be an appropriate level of accountability required on the part of employment agencies, with whom the Ontario Works Program contracts, to satisfactorily perform.
• As well, resultant from the program review conducted in 2004, the Special Benefits Program has systematically been increasing accountability measures over the past 4 years.

Employment Assistance Cost of Administration
<table>
<thead>
<tr>
<th>CMSM</th>
<th>Population</th>
<th>Taxable Assessment per Capita</th>
<th>% of Pop. in receipt of OW/ODSP</th>
<th>Cost of Employment Administration (Gross $)</th>
<th>Employment Administration Cost Per Case (Gross $)</th>
<th>Cost of Employment Supports (Gross $)</th>
<th>Employment Supports Cost Per Case (Gross $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>427,421</td>
<td>94,752</td>
<td>4.0%</td>
<td>4,228,624</td>
<td>584</td>
<td>3,890,204</td>
<td>537</td>
</tr>
<tr>
<td>Norfolk</td>
<td>107,812</td>
<td>78,377</td>
<td>2.7%</td>
<td>876,000</td>
<td>907</td>
<td>422,900</td>
<td>466</td>
</tr>
<tr>
<td>Peel</td>
<td>1,159,405</td>
<td>129,184</td>
<td>1.7%</td>
<td>8,479,995</td>
<td>821</td>
<td>3,581,000</td>
<td>347</td>
</tr>
<tr>
<td>Windsor</td>
<td>323,347</td>
<td>83,449</td>
<td>5.0%</td>
<td>1,320,994</td>
<td>161</td>
<td>4,813,920</td>
<td>597</td>
</tr>
<tr>
<td>Average</td>
<td>N/A</td>
<td>96,279</td>
<td>3.5%</td>
<td>N/A</td>
<td>710</td>
<td>N/A</td>
<td>459</td>
</tr>
<tr>
<td>Hamilton</td>
<td>594,200</td>
<td>95,635</td>
<td>4.0%</td>
<td>9,987,404</td>
<td>1,076</td>
<td>3,211,991</td>
<td>346</td>
</tr>
</tbody>
</table>

- Hamilton’s employment administration costs per case are considerably higher than the comparator CMSMs.
- Conversely, the funds caseworkers issue to support recipients to increase their employability are considerably lower than the comparator average, and equal to Peel’s cost per case.

**Analysis**

- It was noted earlier, that jurisdictions with a recipient caseload of greater size and severity of employment barriers will experience greater costs supporting recipients to become employable.
- It was similarly noted that it costs money to realize good employment outcomes.
- Hamilton’s higher level of expenditures in staffing the employment programs is consistent with the need to address employability issues through the development of effective and helping relationships that support and link participants in finding and retaining employment.

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37 Taxable Assessment per capita relates to CMSM boundaries. Municipal per capita values were averaged to create per capita amounts based on the regional boundaries of the Niagara, Windsor and Peel CMSMs.
Net Municipal Administrative Costs

<table>
<thead>
<tr>
<th>CMSM</th>
<th>Net Municipal Cost Per Case ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niagara</td>
<td>960</td>
</tr>
<tr>
<td>Norfolk</td>
<td>1,281</td>
</tr>
<tr>
<td>Peel</td>
<td>1,673</td>
</tr>
<tr>
<td>Windsor</td>
<td>832</td>
</tr>
<tr>
<td>Average</td>
<td>1,216</td>
</tr>
<tr>
<td>Hamilton</td>
<td>1,335</td>
</tr>
</tbody>
</table>

- Hamilton’s net municipal administration costs are higher than the comparator jurisdictions
- The two largest urban municipalities have the highest costs in the group

Analysis

- Local costs are higher primarily as a result of higher Ontario Works and employment assistance administration costs, even through some of these are offset by other revenue sources
- While these cost are higher than average, they should be viewed as indicators of investment in the relationship between caseworker and client
- Hamilton’s high costs have produced the highest rate of caseload decrease in the GTA area, which significantly exceeds the average decline for Ontario Works province wide
- The high employment administration costs have significantly improved employment outcomes with the highest rate of exit to employment with an increasing level of earnings
- The high administrative costs could continue to be justified should there be additional improvements in employment outcomes overall, specifically the level of job retention by those Ontario Works recipients who leave assistance to full-time employment

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38 Taxable Assessment per capita relates to CMSM boundaries. Municipal per capita values were averaged to create per capita amounts based on the regional boundaries of the Niagara, Windsor and Peel CMSMs.
39 Total of the municipal portion of administration costs, using cost per case for OW Administration and Employment Assistance.
SECTION 4: RECOMMENDATIONS

4.1 Analysis of Key Findings

This study was undertaken, in part, because of the belief that the City of Hamilton, Ontario Works Program provides a richer range of programs and services than surrounding and comparatively sized CMSM’s. Known for providing a broad range of discretionary services to OW, ODSP and low income residents, it has been a long held local belief that the program attracts low income residents from other jurisdictions, resulting in higher program costs.

Determining whether in fact these beliefs are factual has important planning and policy implications. While the comparative data collected was not as broad as desired, it does serve to disentangle fact from fiction as it relates to the belief that the Hamilton Ontario Works Program provides a richer blend of programs and services than surrounding jurisdictions. The report data through a review of comparative data and using key indicators provides a true comparison. The information below is intended to dispel some misconceptions about the local Ontario Works program.

Low-income people from other jurisdictions move to Hamilton because it offers a ‘Cadillac’ version of Ontario Works programs and services.

There is no credible proof backing this assertion. The factors that attract low income persons to the City are the same factors that attract persons from all income groups, including but not limited to; the housing market, the job market, public transit, health, hospital and education services.

The Ontario Works benefits that key informants and staff felt attracted low income persons to the City, were not generally Ontario Works funded programs and services at all, but a combination of municipal and community based programs that are utilized by residents of all income levels. The data revealed that the percentage of population in receipt of OW in Hamilton is equivalent to that in neighbouring jurisdictions and further that it has experienced a 10% decline in caseload between 2003 and 2007 compared to a provincial average increase of .8% 40.

Evidence in this report indicates Hamilton’s Ontario Works attributes should more appropriately be referred to as a used, but well maintained Chevrolet or Ford.

Low-income people from other jurisdictions move to Hamilton because of their knowledge of the extensive benefits available from the Ontario Works office.

There is no verifiable information to substantiate this claim. Social assistance recipients and other low income people do not relocate to Hamilton as a result of their knowledge of the City’s Ontario Works program. The data collected in this study revealed that the vast majority of applicants to Ontario Works have little or no knowledge of what services and supports are available. In fact, over the past five (5) years, Hamilton’s Ontario Works caseload has been decreasing at a rate that far exceeds neighboring jurisdictions and the provincial average. As well, Hamilton is one of the few jurisdictions where exits from Ontario Works exceed new applications for assistance.

Further, the data reveals that Hamilton provides the lowest amount of discretionary benefits on a cost per case basis and the lowest employment supports on a cost per case basis than those in the comparator group.

Hamilton provides a richer range of special supports to low income residents resulting in higher costs to the City than those experienced by other CMSMs.

The budgetary facts do not support this statement. It is true that Hamilton makes available a broad range of supports to low income residents. Specific eligibility criteria must be met to access either a mandatory or a discretionary benefit. While the City provides a wide range of supports to low income residents, budget data confirms that Hamilton spends significantly less per case on discretionary benefits and employment benefits than similar sized and neighbouring jurisdictions, despite having an above average OW/ODSP caseload. When compared to other jurisdictions, the facts reveal that City staff maintain an effective support program that expends tax dollars efficiently and effectively.

4.2 Mandated Programs and Services

Is the Ontario Works Program providing services beyond what is mandated?

The Ontario Works Act and Regulations specify the mandatory benefits and supports to be available to eligible applicants and provides the discretionary authority to provide other benefits and supports to OW and ODSP recipients, as determined appropriate by the local Ontario Works Administrator. The local Ontario Works Program provides both mandatory and discretionary benefits to OW and ODSP recipients. In this sense, the City of Hamilton is providing benefits according to the legislative mandate of the Ontario Works Program and is not providing services beyond what is mandated. Ministry compliance reviews confirm this.

The purpose of “discretionary benefits” is to provide benefits in circumstances where an OW or ODSP recipient incurs a cost that is not considered to be included in the monthly allowance. City Council has historically recognized that the current Ontario Works allowance rates are insufficient to meet the monthly costs of daily living. Staff focus group participants reported that recipients must increasingly rely on discretionary benefits and food banks as the only means possible to meet high priority expenses including rent and transportation to work.

Locally, the Ontario Works office has also elected to provide supports to low income residents, people not in receipt of OW or ODSP. CMSMs have the local authority to approve discretionary
benefits on a case by case basis as set out in Regulation. These funds, referred to locally as special income benefits, are not part of Ontario Works delivery; just as other subsidized municipal services (i.e. recreation subsidies, transportation subsidies) are not part of Ontario Works, although they are often issued by OW funded staff. Therefore, the support services provided to low income residents who qualify should not be considered to exceed the OW mandate since the services are provided to recipients who do not qualify for OW or ODSP. These benefits are widely accepted as supports that enable the working poor and seniors, primarily living on government pensions to maintain employment, attend training, and gain access to health related supports that enable them to remain in their homes and avoid hospitalization or institutionalization. The benefits are also preventative in nature, as access to occasional support can also serve to keep applications for OW down.

Arguably, the administrative costs associated with staffing the Special Benefit Unit would not be experienced to the same degree by comparator CMSM’s who choose to provide very few supports to non social assistance recipients. In Hamilton, the costs of providing primarily one-time supports to eligible low income resident’s represents 17% of the total discretionary benefits budget. As more and more recipients exit the system to employment, the costs of supporting an employed recipient occasionally to ensure they remain able to work, is far less than the costs of a return or new application for Ontario Works.

**Recommendation:**

- That the Ontario Works Program continue to deliver a discretionary benefits program that provides the range of supports necessary to meet the needs of local low income residents.

### 4.3 Comparatively Speaking

**Is the Ontario Works Program providing services that other CMSM's are not?**

In a word, no. The City administers the funds for the delivery of supports to both OW/ODSP and low income residents through the Discretionary Benefits budget. Peel, Windsor and Niagara all reported that, like Hamilton, they too provide supports to non social assistance recipients, although admittedly to a much lesser degree than Hamilton. Where this type of discretionary support is provided it is done so at 100% cost to the municipality and is largely limited to covering the costs of funerals and burials for indigent persons or in one other instance emergency dental work.

It is however important to note, that the comparator CMSMs surveyed or their lower tier municipalities may administer and provide subsidy programs to low income residents through venues other than the Ontario Works Program. This information would not have been captured in this review as the project scope was limited to an examination of OW programs and services only and comparative data was sought from OW Program administrations only.

Despite its apparent generosity, analysis of the Hamilton data reveals that while it makes available a wider range of discretionary benefits to OW, ODSP and low income residents, it does so at a lesser total cost than what other CMSMs provide to only OW and ODSP recipients. While the survey requested CMSM’s to list the supports provided on an item by item basis and total...
costs so that a cost per case for benefits issued to the low income resident group could be calculated, comparator surveys did not provide the level of detail required to do so. Comparators that provided data grouped details pertaining to individual discretionary items paid into the broad heading of ‘other health related’ or ‘other non-health related’, such that a detailed comparison on an item by item basis was not possible.

Even though the City provides more variety in the types of discretionary items subsidized and a greater degree of support to non social assistance recipients, the average one time payment of both of these categories of discretionary benefits ($151) remains considerably lower than the comparative group ($249).

Similarly, while the comprehensive Employment Services Transition Project will provide a more detailed examination of the range of programs and services offered to support recipients to increase their employability, the budget analysis reveals that the broad range of services offered to participants are reasonably low in cost relative to the depth of employment barriers experienced by the local caseload (i.e. newcomers, disabled). If anything, arguably more funds should be directed to offset recipient costs associated with participating in employment activities and to support job retention strategies. As reflected in the analysis, modifications to the existing service delivery model to enable workers to establish more trusting working relationships with their clients, should theoretically result in costs savings (through a restructured staffing model and enhanced target achievement) that could be re-directed to participants to offset training and employment related expenses.

To date, the City has not used data collected from discretionary benefits recipients to develop a profile of those using the service the most. Further, developing benchmarks regarding income ranges, defining the desired outcomes from this program and measuring outcomes would provide insights that would be valuable in forecasting required program changes and potential future demand. Anecdotal evidence collected from Hamilton staff suggests that many of the benefits paid to low income residents support employment retention and improved health and independence for seniors. Further, anecdotal evidence suggests that the necessity of these benefits arises from the inadequate or partial funding of other social service supports that have user fees or contributory requirements such as the Assistive Devices Program and Seniors Day Programs. Creating a business practice to collect information on individual outcomes or benefits resulting from the receipt of a discretionary support would facilitate measuring the program’s impact and increase program accountability.

**Recommendation:**

- That the Ontario Works Program create a business practice to collect information on individual outcomes or benefits resulting from the receipt of a discretionary support to facilitate measuring the program’s impact and improving accountability.

### 4.4 Appropriate Services

**Is Ontario Works providing services that it should not?**
Technically, yes. Practically, no. The benefit items subsidized under the discretionary benefits program would not be necessary if MCSS increased Ontario Works benefits rates to provide adequate funds for basic needs and shelter and the Ministry of Health adequately funded health benefits. The majority of items funded through the Special Supports Unit, which are primarily health related, should be funded fully by either the provincial or federal governments. However, in the absence of these levels of government fulfilling their responsibilities, the municipality is left to respond to the increasing and varied needs of its most vulnerable residents.

The survey data revealed that the City of Hamilton is providing subsidy for the one-time purchase of discretionary items that other CMSMs are not, however it is doing so at a lesser cost per case than comparator CMSMs who provide subsidy for a more restricted list of services. The data collected through the staff focus groups and key informant interviews suggests that rather than eliminate some items from the approved list of subsidized items, additional items should be added including additional funds for transportation, adult dental, vision exams and child care. Further, cost can continue to be monitored and contained through ongoing regular reviews of business practices including eligibility criteria, frequency of availability of items and budget ceilings.

Data collected from the focus groups and management interviews suggests that the Extended Health Benefits Program and Extended Employment Health Benefits Program are underutilized after recipients exit Ontario Works, largely because accessing these supports is complicated and requires continued association with the OW office. Simplifying processes to ensure recipients exiting the program gain easy access to these health benefits, while remaining removed from the stigma of social assistance receipt could result in a reduction in discretionary benefit costs over time. Locally, efforts to direct eligible persons to access these extended benefits are underway, however the procedures for these programs are largely driven by the Ministry, thus program and policy changes must take place at that level.

At present, low income persons applying for discretionary benefits within 30 days of leaving Ontario Works may be eligible to have health expenses covered under the extended programs, which are cost shared at 80/20. However, once 30 days has passed, even if they meet all of the other eligibility criteria, the costs of their item would not cost shared and must be paid for fully by the municipality. To date, the Department has not tracked the number of applicants applying for discretionary benefits who fall just outside of the 30 day time limit for the provincially cost shared benefits.

Participants in the review agreed that budget reductions or the elimination of specific programs and services to low income residents would work against the City in a variety of ways. Most significantly, service reductions would likely result in increased Ontario Works costs, caseload and/or increased costs to other municipally funded services.

The local Ontario Works office provides both mandatory and discretionary services to three (3) separate low income groups: OW recipients, ODSP recipients and low income residents. This is common practice with the majority of CMSM’s across the province. What has already been established is that the number of items that the City subsidizes through the services it provides, specifically for non social assistance recipients, is greater than the CMSM’s who participated in the comparative survey.
The breadth of services ensures the City Ontario Works Program is sufficiently flexible to meet a wide variety of needs across a large urban community. Well documented business practices, detailing eligibility criteria, and budgetary ceilings for each item serve to enhance the accountability of the Special Supports Program expenditures. Notably, despite the fact that a broader range of needs can be met through the local program, on a case by case basis, the average costs are below that of comparator jurisdictions. The City of Hamilton has simply chosen to exercise its’ discretion in a manner different from other administrations while maintaining similar or lower costs.

Staff and elected officials participating in the review believe that the Department should continue to provide currently approved programs and services to OW, ODSP and low income residents. Costs should continue to be contained through the maintenance of effective business practices and accountability measures including limits on the frequency of benefit availability and budget ceilings, rather than ‘de-listing’ access to specific services.

**Recommendation(s):**

- That the Ontario Works Program continue to provide the broad range of items currently funded through the Discretionary Benefits budget to social assistance recipients and non social assistance recipients at the currently approved budget levels.

- That the Ontario Works Program continue to advocate for the provincial and federal government to appropriately fund and deliver health benefits to low income Ontarians.

- That the Ontario Works Program track requests for discretionary health benefits from persons who have recently exited Ontario Works:
  - To determine the extent to which modified eligibility criteria could serve as a preventative measure to support people on a temporary basis or in a crisis situation, thereby avoiding an application for OW assistance, and
  - to determine the financial savings that could be realized if the MCSS Extended Health Benefits eligibility criteria were modified.

**4.5 Conclusion**

The Provincial-Municipal Fiscal and Service Delivery Review is intended to redress funding inequities and realign the balance of service responsibilities in the current funding and delivery inter-relationship of the provincial and municipal governments. The release of the review’s report has been delayed to the end of the summer of 2008. This Ontario Works Financial Review has been timely and a more detailed understanding of costs by comparison to other jurisdictions and by income group and their relationship to outcomes may help in addressing a future realignment of the municipal-provincial funding inter-relationship.

It is understood that economic conditions and job opportunities within jurisdictions impact caseload levels and the types and costs of programs and services offered. Population demographics, geography, cultural make-up and immigration trends and patterns further affect the type and cost of program delivery, as do the availability of community supports. Front-line staff who participated in the focus groups and management staff participating in the interviews described the City as being instrumental in developing a caring and compassionate community
approach to local needs, promoting and supporting the development of meaningful and effective partnerships that work to identify and respond to community needs. The data collected through this review further supports the existence of a holistic approach to community capacity building. The principle of fulfillment of human needs is directly linked to ensuring that Hamilton is a “community that encourages opportunities for individuals, reduces inequities and ensures full participation for all in community life.”

This program review revealed that the programs and services provided by the City of Hamilton Ontario Works Program:

- Provide OW, ODSP and low income residents with much needed supports to enable them to continue working and maintain good health
- Contribute to lessening the negative impacts of poverty and facilitate the abilities of low income individuals and families to participate in community life
- Respond to the complex needs of a fluctuating caseload and community demographic
- Generally cost less on a case per case basis than neighboring comparator CMSMs (with the exception of OW Cost of Administration)
- Support the City’s vision and strategic objectives
- Support many City initiatives designed to tackle poverty
- Support the ability of low income persons to maintain affordable housing
- Recognize the complex interconnections between income, social status, health, employment, etc.

The City of Hamilton, together with community partners is making progress in reducing poverty. Council has supported a number of initiatives directed at increasing the income of individuals living in poverty including returning the municipal portion of the National Child Benefit in 2006 and 2007 to approximately 6,400 families. They have introduced an Affordable Transit Pass Pilot Project for the working poor and increased their investment in social housing. Reducing or eliminating the supports available through the Ontario Works Program would work against the achievements to date.
## SUMMARY OF STAFF FOCUS GROUPS

<table>
<thead>
<tr>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
</table>
| 1. What factors (City attributes, programs and services) attract low income persons to Hamilton? | • affordable housing - the rental housing market is more affordable than the rest of the GTA  
• may have a shorter waiting list for subsidized housing compared to surrounding municipalities  
• newcomers are given priority for low income housing – even when applying from outside of the City  
• more shelters / hostels than some other municipalities  
• lots of community resources and supports for newcomers/immigrants  
• good range of addiction services (i.e. methadone clinics)  
• transit system offers discounted bus passes for low income persons  
• job market – availability of unskilled manufacturing and service jobs  
• health and hospital system attracts people needing medical services (i.e. people with disabilities)  
• cost of living in Toronto is more expensive  
• wide range of social services agencies and programs  
• National Child Benefit funds are being redistributed into other programs and services |
| 2. Specifically, what Ontario Works programs and services may attract social assistance recipients or low income persons to relocate to Hamilton? | • we have good services but people do not know about these before they contact us  
• mandatory and discretionary medical benefits and other special supports for low income residents  
• great customer service  
• nothing stands out that we do so much better than other jurisdictions  
• credentials program  
• Hostels to Homes – assists homeless persons to secure housing and link to medical services  
• self-employment program |
| 3. What supports, if any, are not currently provided by the OW Program to social assistance recipients and low income residents that should be provided? | • bus passes for all recipients to support attaining employment goals, attending appointments, etc.  
• additional child care and funds to secure documents (i.e. birth certificate)  
• more skills training/education for immigrants/refugees  
• resume workshops provided by OW staff  
• enhanced support for youth without family support  
• "once-in-a-lifetime" item – an additional benefit whenever needed, based on assessment  
• adult dental services, including preventative care– only emergency assistance currently available  
• furniture replacement due to bug infestation (where CSUB may have been exhausted)  
• funds for phone installation or phone cards  
• adequate basic needs and shelter rates (amounts are provincially legislated)  
• income support caseworkers should be given authority to issue employment related expenses to the same ceilings as employment caseworkers  
• enhance availability of employment programs to better meet need of clients  
• more programs for people with mental health issues  
• counselling services are a necessity for our clients |
| Questions                                                                 | Answers                                                                                                                                                                                                 |
## SUMMARY OF SUBJECT MATTER EXPERT & ELECTED OFFICIAL INTERVIEWS

<table>
<thead>
<tr>
<th>Questions</th>
<th>Responses *</th>
</tr>
</thead>
</table>
| 1. What factors (City attributes, programs and services) attract low income persons to Hamilton? | - Public transportation system (8)  
- Affordable housing market and low vacancy rate – money available for rent goes further (7)  
- Broader health and hospital system – shortage of general practitioners is not as severe as in other areas (7)  
- Manufacturing base – despite its decline, the City has historically attracted persons seeking work in the manufacturing sector and/or entry level work (7)  
- Wide range of community services and programs (i.e. excellent community based services for newcomers, HBHC services available in multiple languages, mental health supports) (6)  
- Hamilton is a regional hub – centralized location provides easy access to other communities across the GTA, regional site for Hamilton is a regional site for specialized services for children (i.e. Chedoke McMaster) (5)  
- Education system - Schools, Colleges and Universities (5)  
- Hamilton is a caring, compassionate community committed to developing an integrated and comprehensive approach to responding to communities needs (5)  
- Cost of living is lower compared to other GTA communities (4)  
- Proximity to Toronto, yet not as large and thus easier to navigate services and physical space (4)  
- Generally, these would be the attributes commonly found in urban centres (3)  
- Same attributes that attract low income residents attract residents from all income groups (i.e. public transit for commuters, health system) (3)  
- An abundance of residential community facilities and half way houses infrastructure - more second level housing than most communities (3)  
- Concentration of comprehensive range of services in core area (2)  
- Jobs Prosperity Table and the Poverty Roundtable attract attention and increase visibility of Hamilton’s strong commitment and unique approach to addressing local challenges (2)  
- More provincially and federally funded training programs than smaller communities (2)  
- Correctional institutions attract inmates families (1) |
| 2. Specifically, what Ontario Works programs and services may attract social assistance recipients or low income persons to relocate to Hamilton? | - None – people move to Hamilton because of the broader social and economic attributes noted earlier, not because of Ontario Works programs and services (10)  
- The range of programs and ceilings for items issued is in the middle range compared to many other municipal delivery agents (5)  
- OW programs and services are not advertised, so applicants have very little awareness of what is available when they apply (3)  
- It is an ongoing myth that social assistance recipients are sufficiently aware of program benefits that they ‘shop around’ from community to community (2) |
<table>
<thead>
<tr>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
</table>
| 3. What supports, if any, are not currently provided by the OW Program to| • Appropriate OW rates would negate the need for a broad based special income support program with associated administrative costs (8)  
• Enhanced access to transportation funds for all low income residents (pilot project is a temporary solution) (4)  
• More employment programs, specifically job retention services (purchase of service with community based programs) (4)  
• City offers a comprehensive range of services (3)  
• Require improved access to dental services for adults (2)  
• Costs of eye exams for low income (2)  
• Improve drug coverage for low income (2)  
• Greater flexibility of OW caseworkers to issue employment related expenses for specific items, specifically transportation (i.e. equivalent authority and ceilings as employment caseworkers) (2)  
• More OW formal and informal child care (2)  
• Extend hours employment programs are offered to include evenings and weekends (1)  
• Greater flexibility to issue food vouchers (1)  
• Pay Trillium deductible (1)  
• Cover ambulance fees for low income (1)  
• Need to provide more services for seniors (1)  
• Should have sufficient flexibility in the program to address any circumstance (1) |
| social assistance recipients and low income residents that should be provided? |                                                                                                                                                                                                            |
| 4. What supports, if any, are currently provided by the OW Program to    | • None (7)  
• Not a question of what shouldn’t be funded or provided…but what level of government should fund the services and what level of government should deliver (i.e. health/medical related items should be funded by the Ministry of Health) (6)  
• Need a new framework outlining what programs should be delivered and by which level of government (6)  
• Fuel and hydro arrears – continuing ad hoc delivery of supplementary programs masks the inadequacy of basic OW rates (2)  
• Day Programs for seniors – provincial responsibility (2)  
• Orthotics (1)  
• OW should focus solely on income support and link clients to community based employment supports (1)                                                                                                                                                                                                 |
| social assistance recipients and low income residents that should not be provided? |                                                                                                                                                                                                            |
### Questions

#### 5. What changes would you make to the Special Income Programs if any?

- Examine alternative service delivery models (i.e. decentralize delivery to community based partners, more seamless access through health partners) (2)
- Streamline the application process – complex array of shared responsibility between caseworker, client/applicant and special income unit (1)
- Rationalize and streamline delivery of dental services (1)
- More proactive programming focused on prevention (i.e. fund preventative dental vs. emergency dental) (1)
- Survey consumers to determine areas of need (1)
- Enhance program links with the objectives of the Poverty Roundtable (1)
- Application should request annual income vs. monthly income (1)
- Additional administrative support (i.e. Team Lead to provide operational support) (1)
- Income support should be provided by caseworkers vs. case aides to ensure holistic approach to case management (1)

#### 6. Which resident groups should be eligible to receive Program Supports (i.e. OW, ODSP, Low Income Seniors, others)?

- All existing groups including: OW, ODSP, the working poor, low income seniors (6)
- Include low income students, WSIB recipients (2)
- OW and ODSP only (2)
- Exclude delivery to low income seniors – should be responsibility of another level of government (2)

#### 7. What are the most important benefits recipients derive from social services?

- Benefits derived are varied and unique to the individual circumstances and identified need (6)
- Employment supports to assist in reducing / eliminating employment barriers (5)
- Quality of life – increased participation in community life (4)
- Ability to meet basic needs, to stabilize then begin to concentrate on training and employment (4)
- Health benefits (2)
- Access to other income sources (1)
- Life lessons (1)
- Heat and hydro (1)
- Transportation (1)
- CSUB (1)
- Stable housing (1)
- Special diets – as a rate subsidy (1)
### Questions

8. Overall, how aware are new applicants of the full range of available OW program supports (i.e. employment programs, Extended Health Benefits, Extended Employment Health Benefits, special income supports)?

- Low awareness levels (i.e. continued reference to Student Welfare, which hasn't existed in over a decade) (9)
- Most applicants become aware of services as a result of good case management practices – caseworkers identify need to address challenges and link applicants with appropriate supports (6)
- Level of awareness is often tied to referral source; self referral vs. agency referral (community agencies are well informed and inform and advocate on behalf of applicants/clients) (5)
- Ongoing efforts to inform and educate staff regarding programs and services, however information overload affects how much is retained and shared with clients (5)
- Some receive information on available services from network of peers (3)
- Services are not widely advertised, poor marketing (3)
- Slow uptake of Extended Health Benefit and Extended Employment Health Benefits for working poor (eligibility process is too complex) (3)
- Clients actively linked with community agencies are more aware (2)

9. What impacts would budget reductions or the elimination of specific programs or benefits have on recipients and low income residents?

- Higher OW program costs (resulting from job loss, housing breakdowns, heightening of barriers to employment) (7)
- Reduced quality of life and standard of living, loss of hope (5)
- Damage to the City's reputation – direction would be contrary to the vision and goals of the Poverty Roundtable and other community initiatives supported by the City (5)
- Potentially devastating health impacts including: increased emergency room utilization, increased hospital admissions (4)
- Increased pressure on community agencies to respond to needs (4)
- A decrease to services would work against us in a variety of ways (2)
- Increased lobbying and advocacy from community groups for reinstatement of funds/services (2)
- Increased use of Food Banks and shelters (2)
- Catalyst to enter into discussions with community partners to examine a new service delivery model that would be more cost effective (1)
- People would migrate to other communities where services they need exist (1)

(*) represents the number of times an interviewee responded in this manner
CITY OF HAMILTON
COMMUNITY SERVICES DEPARTMENT

COST OF ADMINISTRATION AND
EMPLOYMENT ASSISTANCE BUDGET
REVIEW PROJECT

October, 2008

REPORT PRESENTATION

ADW CONSULTING and PAULINE LEWIS & ASSOCIATES Inc.
REVIEW PROCESS

• Interviews with Elected Officials and Department Management
• Focus groups with front-line staff
• Information collected from:
  - Other OW Departments (survey data from Niagara, Windsor, Peel, and Norfolk)
  - MCSS OW Extranet
  - Local program descriptions, performance reports and financial documents
## ONTARIO WORKS COST SHARING

<table>
<thead>
<tr>
<th>Program Component</th>
<th>Municipal</th>
<th>Provincial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assistance (actual)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Employment Supports (outcome based)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Ontario Works Cost of Administration (approved)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Employment Assistance Cost of Administration (outcome based)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Discretionary Benefits - Income Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) OW/ODSP recipients – 83%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>ii) Non social assistance recipients -17%</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>
KEY FINDINGS

• For the past 5 years, the Hamilton OW caseload decline was the highest in the GTA

• Between 2004 2008 the OW cost of administration (COA) budget increased 8.5% while the CPI was 11% during this period

• During these 4 years, the cost of administering $1.00 of benefits increased from $0.24 to $0.29

• Annual savings from a decreasing caseload = $6,109,192 – provincial; $1,699,825 - municipal
KEY FINDINGS

- Despite annual savings from reduced caseloads, the 2008 COA subsidy may be reduced to 47%
- The employment assistance cost of administration budget has increased moderately
- The provincial subsidy will continue at 80% due to above avg. employment outcome performance
- The discretionary income (special income) budget has stabilized with the majority of funds directed to OW/ODSP recipients
KEY FINDINGS

• The %’age of the Hamilton population in receipt of OW is equal to the avg. of the GTA
• Hamilton’s %’age of population in receipt of ODSP is above the avg. of the GTA
• Hamilton has less monthly applications for OW than comparator jurisdictions
• More people left the local OW Program in 2007 than entered
KEY FINDINGS

• Low income people do not move to Hamilton as a result of the attributes of the local OW Program

• Initially, OW applicants have little, if any, awareness of the programs and supports offered

• Discretionary benefits cost the City less/case than the comparator jurisdictions, while offering a broader range of support

• Lower costs largely attributed to improved purchasing procedures and program accountability measures
KEY FINDINGS

- Provincial bureaucratic requirements prevent the OW Extended Health Benefits Program from being accessed by those it is intended to benefit.
- Hamilton’s cost of administration per case is high, but is consistent with provincial policies and caseload demographics (i.e. high %’age of disabilities, low education levels).
KEY FINDINGS

• Funds caseworkers issue to support recipients to increase their employability are lower than the comparator average

• 2008 local employment outcomes exceed the results obtained by most other jurisdictions

• All of the services offered by OW are in accordance with the legislation, Regulation, Directives and Council direction
IN CONCLUSION

• Higher administrative costs represent an investment that is paying dividends by lowering annual benefit costs

• The local OW Program:
  - is not offering services beyond those mandated
  - does not offer services that others do not

• Like other jurisdictions, the City provides funds to its most vulnerable residents to access services that should be funded either through provincial OW rate increases or other levels of government (i.e. health benefits)
RECOMENDATIONS

1. Continue to deliver the items currently funded through the discretionary benefits program.
2. Create business practices to collect information on outcomes or benefits resulting from the discretionary benefits program.
3. Continue to advocate for appropriate funding by appropriate levels of government.
4. Track requests for discretionary health benefits from persons who have recently exited OW.