SUBJECT: Ontario Disability Support Program (ODSP) Clients Participating in Ontario Works (OW) Employment Assistance (SSC06018) (City Wide)

RECOMMENDATION:

(a) That Report SSC06018 respecting Ontario Disability Support Program (ODSP) clients participating in Ontario Works (OW) Employment Assistance be received.

(b) That Council approve the hiring of four additional staff – one Program Manager, two employment Development Consultants and one Employment Services Clerk on a temporary basis from 100% provincial funding.

Joe-Anne Priel
General Manager
Community Services Department

EXECUTIVE SUMMARY:

The Ministry of Community and Social Services (MCSS) has introduced changes to the Ontario Disability Support Program (ODSP) legislation which will have a direct impact on Ontario Works (OW) as an employment supports provider. Effective April 1, 2006, Ontario Disability Support Program (ODSP) non-disabled spouses, without caregiving responsibilities have mandatory employment participation requirements in order to meet conditions of eligibility for Ontario Disability Support Program (ODSP).

The change requires Ontario Disability Support Program (ODSP) offices to refer eligible Ontario Disability Support Program (ODSP) non-disabled spouses to Ontario Works
(OW) who will provide employment supports. The changes will begin after a Joint Implementation Plan is approved in June 2006.

In addition to the change to mandatory participation requirements for Ontario Disability Support Program (ODSP) spouses, the Ministry is also making improvements to the Ontario Disability Support Program (ODSP) earnings incentives effective November 2006.

One-time 100% provincial funding of $244,000 has been made available to Ontario Works (OW) for 2006 to support capacity building. These funds will be used for start-up, administration and 2006 staffing costs. Actual costs and employment outcomes will be tracked in order to establish a budget for 2007.

It is the intention of the Ministry that ongoing funding for the program will result from savings to downloaded Ontario Disability Support Program (ODSP) client benefit costs. It is anticipated that the initiative will result in a reduction in payments due to an increase in chargeable earnings and exits from Ontario Disability Support Program (ODSP) to employment. The volume of referrals from Ontario Disability Support Program (ODSP) and employment outcomes will affect the amount of savings. No negative impact to the net levy is forecast at this time although outcomes and expenditures will be monitored closely.

BACKGROUND:

Changes to Ontario Disability Support Program (ODSP) Legislation

The Ministry is implementing regulatory changes to Ontario Disability Support Program (ODSP) with the goal of:

- Streamlining referrals to Ontario Works (OW) employment services to achieve better employment outcomes;
- Improving access to long-term and sustainable employment;
- Strengthening financial incentives to work;
- Providing the supports needed to take steps towards employment; and,
- Improving employment outcomes for non-disabled adult family members.

The most notable change, effective April 1, 2006, is that Ontario Disability Support Program (ODSP) non-disabled spouses, without care-giving responsibilities have mandatory employment participation requirements in order to meet conditions of eligibility for Ontario Disability Support Program (ODSP). Dependent adults on the Ontario Disability Support Program (ODSP) caseload will continue to participate in Ontario Works (OW) Employment Assistance on a mandatory basis. Prior to the changes, Ontario Works (OW) provided Employment Assistance to Ontario Disability Support Program (ODSP) recipients and spouses if they wished to participate on a voluntary basis. It is therefore anticipated that the number of Ontario Disability Support Program (ODSP) clients who utilize Ontario Works (OW) employment services will increase.
Earnings Incentives for Ontario Disability Support Program (ODSP) Clients

The Ministry is also making improvements to the Ontario Disability Support Program (ODSP) earnings incentives. The incentive changes parallel the recent Ontario Works (OW) program changes with the intention of decreasing employment barriers. The improvements are effective November 2006 and include:

- $100 per month work related benefit for each adult earner;
- 50% earnings exemption;
- Increase the Child Care Deductions to $600 per child per month;
- Increase the Employment Start-up Benefit to $500;
- Employment Transition benefit of $500 to recipients exiting Ontario Disability Support Program (ODSP) due to earnings;
- Extended Health Benefits when exiting Ontario Disability Support Program (ODSP) while pending employer health benefits; and,
- Removal of time limits for reinstatement to Ontario Disability Support Program (ODSP) when exiting due to employment in the event of future loss of employment.

Next Steps

The province provided a framework to guide discussions between the local Ministry of Community and Social Services (MCSS), Regional Office and Ontario Works (OW) delivery agents. The Hamilton/Niagara Ministry of Community and Social Services (MCSS) is leading the process locally and is presently finalizing a Joint Implementation Plan with local municipalities.

The province is estimating there are 1,147 spouses and dependent adults on the current Ontario Disability Support Program (ODSP) caseload in Hamilton who will be referred to Ontario Works (OW) for employment services. The plan roll-out will commence once the Joint Implementation Plan is approved in June 2006. All eligible Ontario Disability Support Program (ODSP) participants are to be referred by December 31, 2007, with 30% having been referred in 2006 and the remainder in 2007.

**ANALYSIS/RATIONALE:**

In order to determine the overall impact to the Ontario Works (OW) program, data collection will include tracking referral progression, length of time invested to place Ontario Disability Support Program (ODSP) participants, recording of income to analyse the total cost and savings associated to each participant. The information will be used to more accurately estimate increased program cost-savings to social assistance as a result of the intervention and the potential impact on the municipal budget.
ALTERNATIVES FOR CONSIDERATION:

This is a provincially mandated program. There are no alternatives available at this time.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

One-time 100% provincial funding of $244,000 has been made available for 2006 to Ontario Works (OW) to support program capacity building. These funds will be used for start-up, administration and 2006 staffing costs.

Each municipality will realize savings based on their share (20%) of Ontario Disability Support Program (ODSP) funding. The province will also share 50% of their savings (80%) with Ontario Works (OW). The province has estimated that savings for the City of Hamilton will be a combined total of $1,051,770 in 2007 and $1,260,412 in 2008. The savings will be flowed through Ontario Works (OW) Employment Assistance and must be invested in Ontario Works (OW) and/or human services such as staffing requirements and related program costs.

It is anticipated that the initiative will result in a reduction in payments due to an increase in chargeable earnings and exits from Ontario Disability Support Program (ODSP) to employment. Savings will be calculated starting with the first month of income support savings for a period of 36 consecutive months.

Note that the provincial estimates for income support savings should be viewed with caution. The actual number of referrals from Ontario Disability Support Program (ODSP) as well as the level of employability and length of time of intervention to attain paid employment for the individuals is presently unknown. In order to determine the overall impact to the Ontario Works (OW) program, data collection will include tracking referral progression, length of time invested to place Ontario Disability Support Program (ODSP) participants, recording of income to analyse the total cost and savings associated to each participant. The information will be used to more accurately estimate savings to social assistance and the impact on the municipal budget.

POLICIES AFFECTING PROPOSAL:

No City Of Hamilton policies are affected by this initiative.

RELEVANT CONSULTATION:

- The changes to the legislation were presented to the Community Services Department Management Team in April 2006.
Employment and Income Support Branch sent representation to a three day provincial presentation on Ontario Disability Support Program (ODSP) Participation in Ontario Works (OW) Employment Assistance.

An Ontario Works (OW) working group has been established to review the impact and develop business process.

Hamilton Ontario Works (OW) staff is participating in the Regional Ministry of Community and Social Services (MCSS) Joint Local Implementation Process.

Hamilton Ontario Works (OW) staff has participated in the Provincial Roundtable.

**CITY STRATEGIC COMMITMENT:**

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

**Community Well-Being is enhanced.**  ☑ Yes  ☐ No
- Streamlined access to Employment Assistance for City Of Hamilton residents.
- Access and referrals to employment training.
- Elimination of barriers to employment.
- Increased pool of potential employees for local businesses.
- Supports residents in increasing their literacy and education levels in support of lifelong learning.

**Environmental Well-Being is enhanced.**  ☐ Yes  ☑ No

**Economic Well-Being is enhanced.**  ☑ Yes  ☐ No
- Potential municipal cost savings.
- Increased employment outcomes for Ontario Disability Support Program (ODSP) recipients and their families.
- Increased financial incentives to find work and stay employed and increased spending power for Ontario Disability Support Program (ODSP) recipients and their families.
- Increased self-reliance.
- Increased housing options.
- Potential reduction of the number of people living in poverty.

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

This provincially mandated program is consistent with the triple bottom line outcome indicators.

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**  ☑ Yes  ☐ No
- Creates opportunity for advancement for existing staff.
- Allows personal growth through collaboration with community partners.