To: Chair and Members
Emergency & Community Services Committee
Outstanding Business Item No. G & H and Issues Ontario Works Transition Direction

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Re: Transition Directives Ontario Works Program (SPH05041a and SPH05044a)
(City Wide)

Council Direction:

That a report be submitted to Council in one year to report on the impact of the changes (as outlined in Reports SPH0544 and SPH05041) in caseloads and costs.

Information:

Changes to Earnings Exemptions and Other Transitional Supports

Effective August 2005, the Ministry of Community and Social Services introduced mandatory changes to the Ontario Works legislation that provided Ontario Works participants with additional supports and incentives to employment. The changes represented the Ministry’s continued commitment to eliminating barriers and disincentives by ensuring people were provided with the tools they needed to secure employment.

The changes are positive for Ontario Works recipients as they encourage employment as a step to financial independence. The Ministry anticipated that these changes would have an overall positive effect of decreasing caseloads. Staff identified short-term budgetary and administrative pressures and agreed to analyze the impact of these changes and report to council in one year.

First year results indicate that the implementation of the legislative changes were positive for the Ontario Works participants resulting in an increase in participants securing employment and gaining greater financial independence. The administration supports required to manage these changes continue to be a workload pressure.

Analysis indicates that the introduction of the incentives for Ontario Works participants to work while in receipt of Ontario Works assistance has confirmed an increase in the number of participants with earnings and an increase in average net monthly earnings. The Ministry of
Community and Social Services, Social Assistance Quarterly Report, indicates that for the period of March 2005 to June 2006, the City of Hamilton experienced:

- 6.4% increase in the number of cases with earnings
- 2.5% increase in the average net monthly earnings

The overall increase in the number of earners has increased the demand on service delivery. Staff is responding to increased job starts, increased benefit requests, determining eligibility for and issuing benefits to more people entering and exiting the program and are providing ongoing supports with the goal successful employment outcomes. The amount of time spent processing the additional employment starts and earnings, as well as issuing health benefits to those exiting social assistance has increased workload.

In conclusion, despite the decrease in the number of cases, the implementation of these legislative changes continues to create workload pressure in the administration of the program.

Eligibility Criteria for Adults Living with Parents

Effective July 2005, The Ministry of Community and Social Services introduced Ontario Works Transition Directive 2005-03 and Ontario Disability Support Program (ODSP) Transition Directive 2005-01. These policy changes “eliminated the rules that discourage and/or punish supportive families” by expanding the criteria used to determine financial independence for adults living with their parents. The changes allow more adults who reside with their parents, to receive Ontario Works assistance in their own right.

Under the previous policy, adults who resided with their parents in receipt of Ontario Works or ODSP were generally considered financially dependent upon their parents. Benefits were issued to the dependent as part of their parent’s entitlement.

The Ministry anticipated that these changes would have the overall negative effect of increasing caseloads. Staff identified budgetary and administrative pressures and agreed to analyze the impact of these changes and report to council in one year.

First year results indicate that the implementation of the legislative changes were positive by encouraging people to secure employment and financial independence. The anticipated negative financial impact resulting from increased caseloads did not materialize. The activity required to manage the changes and high turnover of cases continue to be an administrative pressure.

The Ministry directed Ontario Works and ODSP to review the status of all existing financially dependent adults, and if they met the criteria, provide the opportunity for the dependent adult to apply for Ontario Works assistance in their own right.

An initial review of OW cases indicated there were 487 dependent adults who may meet the new criteria. The 487 participants were informed of the changes to legislation and the potential impact on their financial assistance. Interviews were completed between September and October of 2005. Of the 487 invited for interviews, only 181 clients attended (37%).

As 306 (63%) of the cases highlighted for review did not attend an interview, a determination of their eligibility for financial assistance in their own right remains outstanding. When these families re-apply for financial assistance or when their eligibility is reviewed through the
Consolidated Verification Process, it is estimated that at least 132 of the dependent adults will qualify and opt to receive Ontario Works Assistance in their own right.

In the 26 (14%) cases that elected to remain dependent adults, these 26 dependent adults may opt at any time to be considered financially independent and may receive financial assistance in their own right.

In the fall of 2005, the Regional ODSP office for the City of Hamilton identified 442 financially dependent adults for review. The ODSP staff did not begin reviewing eligibility for these financially dependent adults until July 2006 and are not expecting to complete the review until December 2007. It is anticipated that an additional 191 cases will qualify and elect to receive financial assistance through the Ontario Works program.

Impact on Administration of Ontario Works Due to Welfare Reform

The Ontario Works Program has approximately 800 rules and regulations that are applied before eligibility and the amount of the cheque is determined. The rules are complicated and time-consuming to administer. Many rules were designed to not support people, but rather to keep them off the social assistance caseload.

In 2004, the Ministry of Community and Social Services announced their intent to reform the current social assistance programs and provide new health, employment and childcare supports. The changes were in response to what Deb Mathews, Parliamentary Assistant to the Minister of Community and Social Services heard during her discussion with social assistance recipients, community organizations and municipalities.

Since June 2005, the Ministry of Community and Social Services has made significant changes to the way Ontario’s two social assistance programs – Ontario Works and the Ontario Disability Support Program are delivered. Although these changes have the potential of reducing the Ontario Works caseload in the long term, they have added an administrative workload burden on the operational and planning aspects of service delivery.

Analysis indicates that the removal of legislative barriers are allowing more persons to qualify for assistance, stay on assistance longer, receive increased benefits, and are instrumental in assisting clients to enter and exit the program. For the period of June 2005 to June 2006, there was a 17% increase in the number of persons applying for Ontario Works. In addition, the Ministry’s Social Assistance Quarterly Report indicates that the City of Hamilton has experienced a 3.7% decrease in overall caseload for the same period.

The City of Hamilton continues to attempt to address barriers to employment through the introduction of initiatives that better meets the needs of our participants. Examples of new initiatives include Extended Health Benefits, Job Retention, Addictions and Mental Health supports and Employable Caseloads. While the benefits achieved from increase contact is clearly demonstrated in employment outcomes and program exits, the ability to meet this requirement is based upon resources and capacity.

To date, the extent and pace of the changes to the Ontario Works program, introduction of new initiatives and implementation schedule has been impressive. (72 Regulatory changes; 15 Transitional Directives; 29 new OW Directives, 8 new employment related benefits; 9 removals of disincentives). It is understood that the Ministry will continue this pace of change for the next few years.
In 2005, Council approved 11.5 FTE positions in response to the above described Ontario Works Transitional Directives. Hamilton's Ontario Works Program is in a position to continue to effectively manage extensive legislative changes while sustaining service levels and positive employment outcomes.

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