SUBJECT: Transition Directives Ontario Works Program (SPH05020(a))
(City Wide)

RECOMMENDATION:

(a) That Report SPH05020(a) respecting the impact of Ontario Works Transition Directives 2004-02 be received.

(b) That Item “A” respecting the Transition Directives Ontario Works Program be removed from the Social Services Committee Outstanding Business List.

Joe-Anne Priel
General Manager
Community Services Department

EXECUTIVE SUMMARY:

Council at their meeting of March 9, 2005, approved item two of the Social and Public Health Services Committee Report 05-004, concerning Ontario Works Transition Directive 2004-02, which outlined 20 changes to the policies and delivery of the Ontario Works program. It was recommended that a follow-up report be submitted in one year’s time to account for the impact of the changes.

A review was conducted through an analysis of actual expenditures for client benefits in 2005, an analysis of trends within the Ontario Works caseload and through consultation with local subject matter experts. The goal was to assess the overall impact from a financial and program perspective.
In general, there was minimal financial impact to the municipal budget as a result of the changes to the Ontario Works program. The impact of some changes was not available as the directives were not fully implemented or further details were forthcoming from the ministry.

A detailed account of the changes and impact are outlined in the Analysis/Rationale section of this report.

**BACKGROUND:**

In December 2004, the Ministry of Community and Social Services issued Transition Directive 2004-02, which outlined 20 changes to the policy and delivery of the Ontario Works Program. It was anticipated that the changes may affect the Ontario Works program delivery as follows:

- Increased program costs for Ontario Works client benefits
- Increased Ontario Works administration costs
- Procedural and workload adjustments

The changes were the first step in representing the provincial government’s plan to reform the welfare system and were developed in response to recommendations put forth by Deb Mathews, then Parliamentary Assistant to the Minister of Community and Social Services.

The Deb Mathews’ report recommendations included:

- Elimination of Barriers and disincentives to employment
- Provision of the range of tools people need to secure employment
- Simplification of program rules and administration
- Elimination of punitive rules that act as disincentives to economic independence

**ANALYSIS/RATIONALE:**

1. *Provide a drug card to people with serious health problems during periods of ineligibility for non-compliance.* In 2005, costs were minimal. The cost for 2006 is unknown as full implementation was delayed until 2006.

2. *Eliminate the requirement to consent to the placement of a lien on property as a condition of eligibility.* Forty-eight liens were successfully discharged. The negative impact of receiving social assistance has been reduced and the associated workload has been eliminated.

3. *Provide Extended Health Benefits (EHB) to recipients with significant health care costs who no longer need financial assistance.* The cost for 2006 is unknown as full implementation was delayed until 2006.
4. Provide assistance based on residence costs prior to entering a shelter for women temporarily residing in interval and transition homes. The majority of the women accessing interval or transition homes do not return to a previous address due to safety concerns. Only one case maintained community accommodations while residing in an interval or transition home in 2005.

5. Determine eligibility from the date the first stage of the application is completed. No impact as the City of Hamilton’s process was already consistent with this item.

6. Remove the definition of self-employment. No impact as further clarification is still required from the Ministry.

7. Exempt Family Law Act (FLA) awards up to $25,000 for loss of guidance, care and companionship as income and assets. Items seven through thirteen – no impact as the named sources are not often received by Ontario Works clients.

8. Exempt Workplace Safety and Insurance Board (WSIB) Non-economic Loss (NEL) awards up to $25,000 as income and assets.

9. Exempt personal loans, grants or awards for education or training costs as income and assets.

10. Exempt earnings of dependent children as assets.

11. Exempt payments received under the Ontario Disaster Relief Assistance Program (ODRAP) as income and assets.

12. Exempt insurance payments made to recipients for loss of or damage to an asset or for temporary living expenses as income and assets.

13. Exempt Registered Education Savings Plans (RESP) as assets and contributions to and payments from Registered Education Savings Plans (RESP) as income.

14. Eliminate the deemed $100 income charge for sponsored immigrants not living with their sponsor and allow payment of shelter costs, if there is a demonstrated need. There is no reported increase in cases with sponsorship default. Changes involve earlier intervention with the defaulting sponsor by the federal government and the ministry has established a Provincial Overpayment Recovery Unit. The City of Hamilton has not received any reimbursements to date. The financial impact of the removal of the deemed income charge is estimated at $55,200 ($11,040 net) per year. There have been no noted financial implications for the provision which allows the payment of shelter costs to the sponsor if there is a demonstrated need.

15. Allow the Community Start-up and Maintenance Benefit to be issued to prevent eviction and for utility arrears/reconnection fees, once in 24 months. There were decreased expenditures of $365,246 (($73,049 net) for this benefit in 2005. However, the benefit will continue to be issued for exceptional circumstances more than once in a 24 month period.

16. Allow the Winter Clothing Allowance to be issued to eligible recipients in the first month of eligibility in either November or December. Local provisions will be implemented in 2006. There is therefore no financial impact to date. A base adjustment will be made at year-end to offset issuance of the Winter Clothing Allowance as a discretionary benefit.
17. **Allow the Back to School Allowance to be issued to eligible recipients in the first month of eligibility between August and December.** There were decreased expenditures of $251,396 ($50,279 net) for this benefit in 2005. However, it should be noted that in 2005 there was a 3.8% decrease in the number of dependent children on assistance from 2004.

18. **Exempt payments from the Residential Rehabilitation Assistance Program (RRAP) and the Home and Vehicle Modification Program (HVMP) as income.** No impact as this source is not often received by Ontario Works clients.

19. **Update references and add terms consistent with the Immigration and Refugee Protection Act and Ontario Regulation 268/01 under the Ministry of Training, Colleges and University Act.** This is a housekeeping change to legislative language.

20. **Policy clarification to include energy and water conservation measures as a discretionary benefit.** These benefits are not offered by the City of Hamilton.

**ALTERNATIVES FOR CONSIDERATION:**

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

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**

A financial analysis is included under the “Analysis/Rationale” section of this report.

**Staffing**

No staffing implications.

**Legal**

No legal implications.

**POLICIES AFFECTING PROPOSAL:**

The City of Hamilton’s local Policies and Procedures for the Ontario Works program is currently under development. Ongoing analysis of the impacts of the legislative changes will continue.

It is anticipated that further changes involving simplification of the program are forthcoming from the Ministry of Community and Social Services.
RELEVANT CONSULTATION:

Community Services consulted with the Regional Office of the Ministry of Community and Social Services, as well as with Finance and Administration in Corporate Services. Employment and Income Support, Benefit Eligibility and Health and Social Support Branches were consulted in the writing of this report.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, 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
All changes to the Ontario Works Program were implemented in an effort to eliminate barriers to employment and eliminate punitive rules that act as a disincentive to economic independence.

Environmental Well-Being is enhanced. ☐ Yes ☒ No

Economic Well-Being is enhanced. ☒ Yes ☐ No
The changes support social assistance recipient’s efforts to achieve financial independence.

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