SUBJECT: Changes to Ontario Works Eligibility Criteria for Adults Living With Parents Ontario Works Transition Directive 2005-03 (SPH05044) (City Wide)

COMMENDATION:

(a) That the changes to the policy and delivery of the Ontario Works Program as outlined in Ontario Works Transition Directive 2005-03 and ODSP Transition Directive 2005-01 be received for information.

(b) That an additional 6.5 FTE Ontario Works staff be hired effective November 1, 2005 at an annualized cost of $445,000 gross ($223,000 net).

(c) That a report be submitted to Council in one year to report on the impact of the changes in caseload and costs.

(d) That Council correspond with the Minister of Municipal Affairs and Housing and request the additional 2005 in year costs for these mandated services in accordance with the Memorandum of Understanding between the Province and Ontario’s Municipalities.

(e) That a copy of this report also be forwarded to Association of Municipalities of Ontario (AMO).

Joe-Anne Priel, General Manager
Public Health and Community Services
EXECUTIVE SUMMARY:

On June 24, 2005, the Ministry of Community and Social Services issued Ontario Works Transition Directive 2005-03 (effective July 1, 2005) which changed the policies and eligibility criteria for adults who reside with their parents. Concurrently, the Ontario Disability Support Program (ODSP) implemented similar policy changes with ODSP Transition Directive 2005-01.

Under the previous policy, adults who resided with their parents who receive OW or ODSP were considered financially dependent upon their parents unless certain criteria were met. Benefits were issued to financially dependent adults as part of their parents’ OW or ODSP entitlement.

The regulation amendments expand the criteria which determine financial independence. More adults who reside with their parents will now be considered financially independent and will be entitled to receive Ontario Works assistance in their own right.

The changes have financial implications for the Ontario Works program as follows:

- 611 existing Ontario Works cases must be reviewed and/or an application completed.
- Up to 442 ODSP dependent adults will be referred to the Ontario Works program by March 2006.
- As a result, of both the OW and ODSP regulation changes, it is projected that the Ontario Works caseload will increase by 800 cases.
- It is estimated that Ontario Works client benefit costs will increase by $4,198,716 gross ($839,743.20 net) on an annual basis.
- It is also projected that other benefits such as Community Start-up costs will increase as a result of the changes.

BACKGROUND:

In December 2004, the Ministry of Community and Social Services issued the Deb Mathews Report with recommendations to improve Ontario’s welfare system.

On June 24, 2005, Ontario Works Transition Directive 2005-03 and ODSP Transition Directive 2005-01 were issued. The directives support the recommendation to “eliminate rules that discourage and/or punish supportive families” by eliminating the dependent adult category and treat all adults as independent.

The Ministry has directed that all identified financially dependent adults be scheduled for a review of their status and if they meet the criteria, be given the option to apply for Ontario Works assistance in their own right. A total of 611 Ontario Works cases are being reviewed to determine if they meet expanding criteria. Examples may include having lived away from the parental home for over two years, completion of a post-
secondary program, five years have passed since secondary school or being a parent. It is anticipated that all reviews and applications for Ontario Works clients will be completed by October 31, 2005.

The Regional ODSP office for the City of Hamilton has identified 442 financially dependent adults receiving benefits as part of their parents’ ODSP entitlement. If the dependent adult meets the new criteria for financial independence, they will be offered the option to apply for Ontario Works assistance. Although the ODSP office is mandated to complete their review by March 2006 and forwarded in a regulated manner, requests for application for Ontario Works assistance are already being placed by ODSP dependent adults.

ANALYSIS OF ALTERNATIVES:


This is not consistent with the principles put forward in the Memorandum of Understanding (MOU) that was established between the Province and Ontario's Municipalities (AMO) on August 23, 2004. This MOU promotes the principle of prior consultation between the Province of Ontario and AMO whenever the provincial government proposes statutory or regulatory changes that have a significant impact on municipal budgets. However the MOU further states the province is not legally bound to this principle.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

As a result of the expanded eligibility criteria both program and administrative costs will increase. Ontario Works program costs will be offset by savings in the cost-sharing of ODSP Benefit Costs because the municipality cost shares ODSP benefits 80/20.

FINANCIAL IMPLICATIONS

The total estimated annual increase to Ontario Works program costs are $4,198,716 gross ($839,743.20 net) and is calculated as follows:

- Costs for existing Ontario Works cases will increase by $2,634,036 gross ($526,807 net) annually. This reflects the difference in benefits for a single person versus a family member.

- Costs for the addition of ODSP dependent adults to the Ontario Works caseload will create an increase of $2,842,944 gross ($568,588 net) annually.

- Since some ODSP dependent adults will be removed from their ODSP parents profile, there will be a decrease cost to the City of Hamilton in ODSP Client
Benefits estimated at $1,278,264 gross ($255,652.80 net) annually after the transfer is complete.

STAFFING IMPLICATIONS

The Ontario Works caseload is expected to increase by 800 cases. A minimum of 6.5 staff are required to manage the increased workload which will result in a caseload ratio of 118:1. If the additional case managers are not hired, the caseload ratio will increase to 133:1 which is significantly above the recommended standard for case to worker ratio of 90-110:1.

The total increase to staffing costs for the additional 6.5 FTE staff is $445,000 gross ($223,000 net) annually and will be reflected in the 2006 budget. The staffing costs for November/December 2005 ($74,000 gross/$37,083 net) will be funded within the existing Ontario Works Cost of Administration 2005 budget.

POLICIES AFFECTING PROPOSAL:

The City of Hamilton's local Policies and Procedures for the Ontario Works program is currently under development and will be adjusted accordingly.

CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:

Public Health and Community Services consulted with the Regional Office of the Ministry of Community and Social Services. A referral and communication strategy between the Ontario Works and ODSP program is under development.

CITY STRATEGIC COMMITMENT:

Although Transition Directive 2005-03 is a provincial initiative, the directive and recommendations are aligned with the City of Hamilton's strategic commitment to be “a great city in which to live” and “supporting people in need with care”. The policy changes are an improvement to the Ontario Works program by treating people fairly and supporting recipients’ efforts to achieve financial independence.

The recommendations put forth are also consistent with the City’s commitment to “spend wisely and invest strategically”.