

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

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DATE 26 April 2000

TO/DEST. Coordinator
 Social Services Committee

FROM/EXP. Commissioner
 Social Services

SUBJECT/OBJET **REVISED ONTARIO WORKS EMPLOYMENT ASSISTANCE
 FUNDING MODEL AND ONTARIO WORKS SERVICE PLAN**

DEPARTMENTAL RECOMMENDATION

That Community Services Committee and Council approve the projections for active participation and the budget estimates for employment assistance for the Ontario Works Service Plan 2000-2002 to be submitted for approval to the Provincial Area Office.

PURPOSE

The purpose of this report is to provide information on the revised Ontario Works Employment Assistance Funding Model and the corresponding Ottawa-Carleton Service Plan for the years 2000-2002. The Service Plan sets out projections for active participation in each of three levels of employment assistance as well as budget estimates.

BACKGROUND

In February 2000 the Province of Ontario released the revised Ontario Works Employment Assistance Funding Model. Ottawa-Carleton has developed a Service Plan proposal for 2000-2002 which sets out projections for active participation in each of three levels of employment assistance as well as budget estimates.

The Service Plan must be approved by the Provincial local area office and a service contract signed by June 30, 2000. The revised funding formula and approved Service Plan will be implemented as of October 1, 2000.

This report presents highlights from the detailed Service Plan. The detailed Service Plan will be publicly available once it has been approved by the Provincial area office. At that time, copies will be made available to interested Regional Councillors on request.

DISCUSSION

Levels of Service

The new funding model groups employment assistance services within one of three levels of service: Basic, Intermediate or Advanced. Each level of service attracts a different maximum unit price per participant/year.

Exhibit 1. Employment Services and Funding Formula by Service Levels

Service Level	Employment Service	Maximum Unit Price per participant year)
Level 1 Basic	<ul style="list-style-type: none"> • Independent job search e.g. employment related information and referral services; group information sessions on available supports and the labour market) • Structured job search services (includes 2 or more services) e.g. attendance for employment referral; workshop attendance; job clubs and job finding clubs, scheduled attendance at resource centres) 	\$250
Level 2 Intermediate	<ul style="list-style-type: none"> • Community participation placements of less than 30 hours per month • Basic education or training • Job-oriented life skills training • Job-specific skills training • Employment placement (without employer incentives) • Employment development initiatives 	\$1000
Level 3 Advanced	<ul style="list-style-type: none"> • Community participation placement of 30 or more hours per month • Self-employment development • Employment placement (with employer incentives) • 	\$2500-\$3500*

*the maximum unit price for Level 3 Advanced to be negotiated based on the number of participants placed in employment placements with incentives.

Parameters for Service Levels

Participants may be involved in activities across the service levels. For funding purposes, each participant will be counted only once per month. Participants will be counted at the highest level of service received in that month. A portion (one-twelfth) of the unit price will flow monthly. Thus, funding is based on the monthly average number of participants at different levels of service over the course of a year i.e. “participant/years”. (Note: a participant/year is the same concept as “FTE” in human resource planning).

The province has limited funding at the basic service level to 40% of the average monthly caseload with participation requirements and a further percentage of average monthly caseload with earnings (i.e. on STEP) up to a maximum of 60% of the average monthly number of participants with requirements.

Increased Flexibility in Response to Changing Caseload

Previously funding was provided by specific activity e.g. community participation placement, training, employment placement. Under the new model, various activities are grouped within service levels. This allows for “averaging” of costs and permits increased flexibility. For example, now services can be tailored to ensure the shortest route to employment based on individual needs. This change is especially important given the changing composition of the caseload, for example, an increasing proportion of families on the caseload, and the transfer of sole support parents in from the former Family Benefits (FBA) program to Ontario Works.

The Service Plan provides Ontario Works participants with optimal opportunities for enhancing job readiness and finding their shortest route to employment. Some OW participants may benefit from participating in a community placement in order to gain work experience. Some participants are job-ready and can go to work with minimal assistance. Some participants require training or skills development before they can access available jobs. Case Coordinators develop individual service plans and participation agreements with each participant to ensure the appropriate mix of services. The Region of Ottawa-Carleton is committed to ensuring that participants have choices and options that match their needs.

Participation Projections

Service will be provided to 100% of the active caseload. The active caseload consists of all OW participants with a mandatory requirement to participate as well as an additional 10% of those who, because of specific circumstances, do not have a mandatory requirement to participate but who may voluntarily participate e.g. a person on the Ontario Disability Support Program, or a sole support parent with children under five years of age.

Social Services based projections for participation on a range of available caseload data such as length of time on assistance, education levels, and number of sole support parents with children under age five. In addition, labour market trends were considered.

The projections for participation for 2000-2002 by service level appear in Exhibit 2. The decrease as per Exhibit 2 in the average monthly participation for the years 2001-2002 is a result of a projected continued decline in the caseload.

Exhibit 2: Average Monthly Participants (Projected)

Percentage of Caseload by Service Level	Average Monthly 2000	Average Monthly 2001	Average Monthly 2002
Basic (60%)	13,800	12,900	12,000
Intermediate (33.9%)	7,800	7,250	6,700
Advanced (6.1%)	1,400	1,350	1,300
Total (100%)	23,000	21,500	20,000

Community Participation Placements

Community Participation Placements (CP) of under 30 hours a month are a Level 2 Intermediate activity. It is projected that 10.9% of active participants will participate in CP's of under 30 hours in 2000 (an average monthly participation of 2,500). This will rise to 11.5% by 2002 (average monthly participation of 2,300). CP's are of two types: matched or self-initiated. It is estimated that 20% of CP's under 30 hours will be matched (Case Coordinators refer participant to the CP team for registration and matching to appropriate community placement opportunities in a range of non-profit organizations). It is estimated that 80% will be self-initiated (identification and documentation of volunteer community service activities arranged by OW participants themselves).

Community Participation Placements of over 30 hours a month are a Level 3 Advanced activity. It is projected that 4.3% of active participants will participate in CP's of over 30 hours in 2000 (an average monthly participation of 1,000). This will rise to 4.5% by 2002 (average monthly participation of 900).

It is estimated that 20% of CP's over 30 hours will be self-initiated placements and 80% will be matched placements.

Community Placement Targets:

A further expectation of municipalities delivering Ontario Works is that Community Participation Placement targets be met. These targets are set out by the Province for each fiscal year from 1st April to 31st March. They consist of expectations for actual number of people who will participate in CP in that year rather than the average monthly participation used in the funding model.

These targets are considered a high priority politically which supercede focusing only on the need to attract adequate funding by meeting monthly participation projections.

For Ottawa-Carleton, the targets for total annual accomplishment are as follows:

April 1 st , 2000 - March 31 st , 2001	5,200 (22.5% of OW participants)
April 1 st , 2001 - March 31 st , 2001	6,500 (30% of OW participants)

It is the intention of Social Services to move toward accomplishment of these targets. At the same time, Social Services is committed to respecting client choice and helping client's choose the most appropriate route to employment.

BUDGET ESTIMATES

Budget estimates are based on projected average monthly participation and the unit price for each level of service. Further 2000 Budget details appear in Annex A. A financial impact statement appears below.

Exhibit 3. Ontario Works Employment Assistance 2000 Budget

Service Level	2000 (annualized) \$	2001 \$	2002 \$
Basic	3,450,000	3,225,000	3,000,000
Intermediate	7,800,000	7,250,000	6,700,000
Advanced	3,500,000	3,375,000	3,250,000
Total	14,750,000	13,850,000	12,950,000

Exhibit 4. Expenditures for Employment Assistance 2000 Budget

Expenditures	2000 (annualized) \$	2001 \$	2002 \$
Employment Related Expenses (incl training)	4,130,000	3,410,000	2,570,000
Administration (ERC's, Community Placement, CFED)	4,500,000	4,500,000	4,500,000
Bus Passes	2,500,000	2,500,000	2,500,000
Agency Fees and Incentives	3,620,000	3,440,000	3,400,000
Total	14,750,000	13,850,000	12,970,000

Expenditures will be monitored and estimates adjusted annually in response to changing or emerging needs.

CONSULTATION

The public consultation process is not applicable.

FINANCIAL STATEMENT

The budget for Employment Assistance is cost-shared with the province 80/20. The Service Plan commitment will potentially exceed available funds in the 2000 Budget by a maximum net amount of \$221,000 for the three month period of October 1, 2000 to December 31, 2000. This amount is expected to be less because of the continuing transition period to full implementation of the new funding model. Any excess net spending will be offset by savings which are now being generated in OW financial assistance payments due to declining caseloads. The impact on 2001 will be addressed the 2001 Budget process. The decrease as per Exhibit 3 in the budget estimate for the years 2001-2002 is a result of a projected continued decline in the caseload.

DICK STEWART

CP/

ANNEX A

Ontario Works Employment Assistance 2000 Budget

Projected OW participants		23,000				21,500				20,000	
Proposed Funding Formula	Maximum Unit Price/yr	2000 - 3 months			Annualized	2001			2002		
		Participants	%	3mo. Funding		Participants	%	Funding	Participants	%	Funding
		(monthly ave)				(monthly ave)				(monthly ave)	
SUBSIDY LEVEL											
<u>Basic</u>	\$ 250	9,200	40.0%	575,000	2,300,000	8,600	40.0%	2,150,000	8,000	40.0%	2,000,000
Basic-with earnings from employment	\$ 250	4,600	20.0%	287,500	1,150,000	4,300	20.0%	1,075,000	4,000	20.0%	1,000,000
<u>Intermediate</u>											
Community Participation <30 hrs	\$ 1,000	2,500	10.9%	625,000	2,500,000	2,400	11.2%	2,400,000	2,300	11.5%	2,300,000
Skills Training & Education	\$ 1,000	4,500	19.6%	1,125,000	4,500,000	4,250	19.8%	4,250,000	3,800	19.0%	3,800,000
Employment Placement (w/o incentives)	\$ 1,000	300	1.3%	75,000	300,000	200	0.9%	200,000	200	1.0%	200,000
Employment Development Initiative	\$ 1,000	500	2.2%	125,000	500,000	400	1.9%	400,000	400	2.0%	400,000
		7,800	33.9%	1,950,000	7,800,000	7,250	33.7%	7,250,000	6,700	33.5%	6,700,000
<u>Intensive</u>											
Community Participation >30 hrs	\$ 2,500	1,000	4.3%	625,000	2,500,000	950	4.4%	2,375,000	900	4.5%	2,250,000
Employment Placement (with incentives)	\$ 2,500	200	0.9%	125,000	500,000	200	0.9%	500,000	200	1.0%	500,000
Self Employment	\$ 2,500	200	0.9%	125,000	500,000	200	0.9%	500,000	200	1.0%	500,000
		1,400	6.1%	875,000	3,500,000	1,350	6.3%	3,375,000	1,300	6.5%	3,250,000
TOTAL		23,000	100.0%	\$ 3,687,500	\$ 14,750,000	21,500	100.0%	\$ 13,850,000	20,000	100.0%	\$ 12,950,000