

**Beyond
the
Budget**

2012

A review of best practices, performance data and literature related to budget considerations for the City and County of Peterborough

**Social
Services
Division**

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Introduction

This report was initiated in response to the Joint Services Steering Committee's request for additional information related to the staffing levels required to meet statutory requirements and information about discretionary benefits funeral rates. Both requests have been incorporated within this document in addition to contextual information related to caseloads, administrative costs, benefits, division challenges and recommendations. The recommendations have been developed in keeping with the principles of human services integration and the division's key strategic directions.

The Ontario Works caseload has increased by 27% or 780 cases between 2007 and 2010. Over the same time period one employment counsellor and a temporary supervisor were added to the existing social assistance staff complement which is now 101.676 full time equivalents. The increasing service demand has been managed by allocating internal resources but there have been impacts on the quality of service, legislative compliance and quality control. For the past few years, the provincial government has provided some relief to the increasing service demands by temporarily relaxing some legislative requirements. In addition the province is uploading social assistance benefits and employment costs as well as redesigning the administration funding subsidy, providing relief to the municipal bottom line. All Ontario Works administrative costs are now equally cost shared with the province and there is an additional \$3,290,000 of gross funding that has 50% provincial cost share available.

The continued increase in service demand combined with reducing municipal costs, because of upload, and a beneficial change in the administrative funding formula, provides a unique opportunity to review our communities' needs, service data and best practices. A focus on human services integration also supports streamlined, efficient and effective service. This report is centered on social assistance, specifically the Ontario Works program, because this is the area where new provincial subsidy is available. This report assesses the need for social assistance services in the community, our ability to deliver on the legislative requirements of the programs and some options to address identified gaps.

The province is also reviewing the social assistance programs with an even greater focus on employment strategies, streamlined processes and a new accountability framework. Continued strategic review of our internal programs will support the division to achieve both provincial and municipal priorities. Given the potential for upcoming change, some of the recommendations are temporary in nature pending the results of provincial and internal reviews.

Based on the assessment of the division the following staffing and benefit changes are recommended:

- 1. Temporary supervisor to be converted to permanent** to maintain an appropriate span of control within the division.
- 2. Temporary Case Manager (Floater):** One additional staff person to provide OW case management and employment supports to ensure Ontario Works delivery occurs within legislated time frames and performance outcomes.
- 3. Temporary Youth Case Manager:** One additional staff to deal with increasing caseload in the age range between 16 and 24 with a focus on improved educational and employment outcomes.
- 4. Permanent County Outreach Case Manager:** One additional staff due to increased OW caseload in the County over the last three years to provide outreach visits in clients homes or at other suitable public locations. The additional staff will also pilot the concept of a "generic case manager" who delivers OW, employment counselling and children services case management functions for the clients.
- 5. Permanent Employment Counsellor:** Additional staff support to ensure access to timely employment counselling and reviews of participation agreements within legislative time lines.

If all staffing recommendations are approved the gross costs will be \$261,350 with 50% paid by the province and the balance drawn from prior years unspent incentive funding. There is enough money available to fund these positions for 3 years. The recommendation will have no impact of the tax levy in 2012. There will remain \$3,028,650 of unused gross OW administrative funding, of which 50% is available from the province.

In addition to the staffing changes, to continue to meet the existing discretionary benefits policy demands for the forecasted caseload an **increase in discretionary benefits** by \$491,685 (cost shared \$407,115 provincially, \$75,140 City and \$9,430 County) is needed. Caseloads have increased dramatically over the last few years and the discretionary benefits budget has not kept pace with caseload growth. An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years. The funeral rate increase may cost the County up to \$8,653 and the City up to \$36,891 with the balance being paid by the province.

How many people are on assistance?

In March 2011, 11,493 people in the City and County of Peterborough needed social assistance to meet their basic needs – one of every 11 residents is relying on social assistance for food and shelter. Poverty impacts certain groups more than others. Children, aboriginal residents, people with disabilities and new Canadians are impacted more than other residents¹. The following table illustrates the social assistance requirements in the City and County of Peterborough.

Social Assistance Caseload² in Peterborough March 2011

(Source: Social Assistance Quarterly March 2011 Ontario Works Branch MCSS)

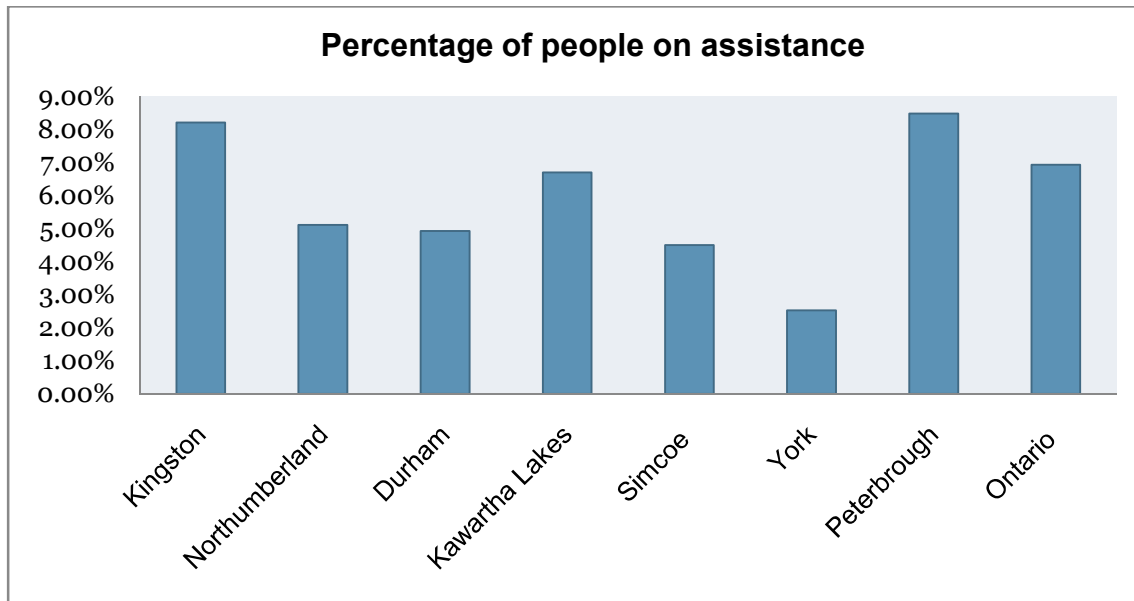
	Ontario Disability Support Program		Ontario Works		Total	
	Cases	Individuals	Cases	Individuals	Cases	Individuals
Total	3942	5364	3597	6130	7,539	11,493

Peterborough has a higher percentage of people on assistance than other municipalities in this region. For the purposes of this comparison, the total number of beneficiaries on ODSP and OW in December 2010 is compared to the 2006 census population³. The following chart shows that 8.5% of the residents of Peterborough rely on social assistance compared to an average 6.9% across the province.

1 Laurie, Nathan "The Cost of Poverty" November 2008. Ontario Association of Food Banks

2 There are two main sources of caseload data with slightly different levels of detail and definition of caseload. In Ontario Works Branch reports a case refers to a single individual or a family unit on social assistance (e.g., a family on social assistance is counted as one case.) and details can be broken down to include individuals on assistance but cannot be broken down by city or county. The local definition of caseload includes the number of cases that received a payment in a given month and can be broken down by city and county but cannot provide detailed information at the individual level,

3 Given the differential growth in population across the province over the last five years, using the 2006 population may skew the results slightly. Peterborough has a lower growth rate than other areas of the province and therefore the percentage of residents relying on social assistance may be slightly overstated for Peterborough.



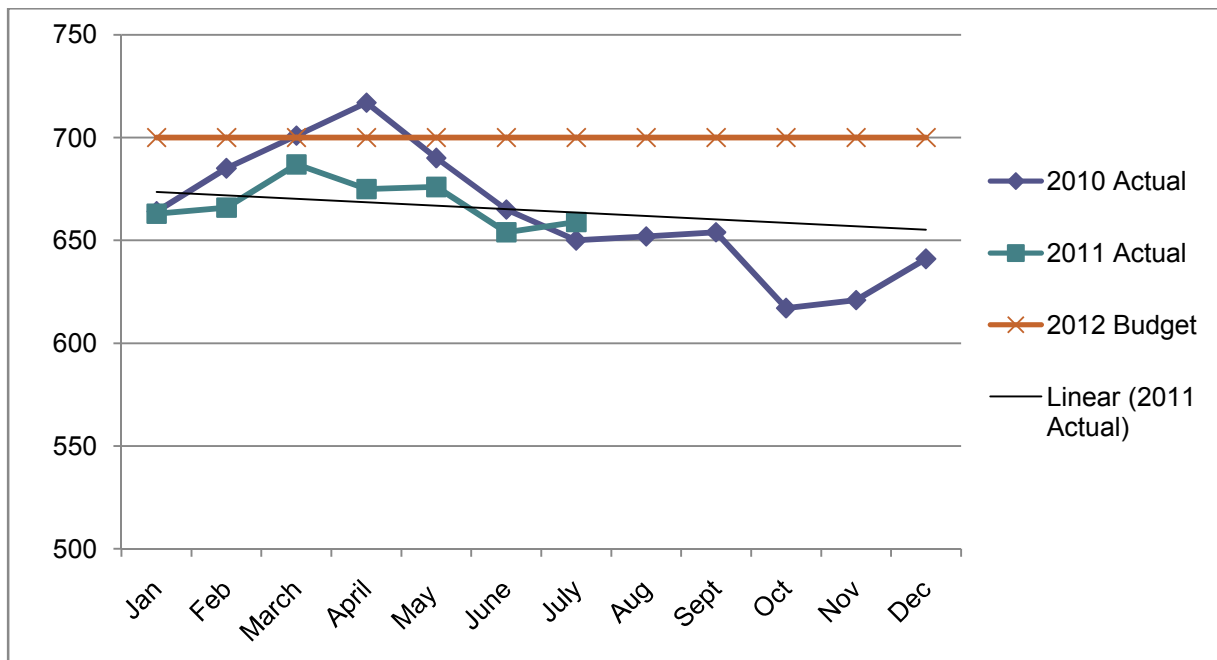
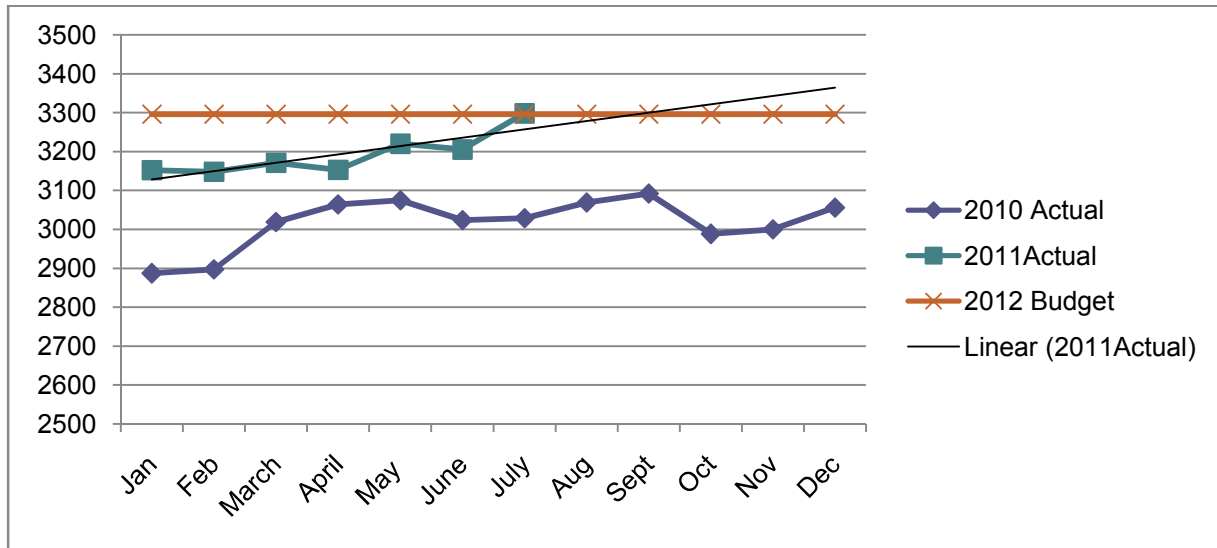
Higher caseloads require increased resources to provide client service and manage legislative requirements. By placing the right resources at the right time, the goal of the division to reduce the need for social assistance can be achieved.

The Ontario Works caseloads in both the City and the County have not grown as much as anticipated in 2011. Though the unemployment rate remains at around 11% the economy is recovering and the caseload is not continuing to grow at the same rate as estimated. The Policy, Research and Analysis Branch of MCSS states that this recession was unique, because it combined a both financial crisis and an economic down turn at the same time and on a global scale. Policy levels have stimulated the economy resulting in a steeper recovery but manufacturing jobs have been replaced with service sector employment⁴. The recovery has occurred faster than anticipated and therefore caseloads did not increase as much as anticipated this year.

Current trends indicate that caseloads growth may flatten for 2012. The draft 2012 budget forecasts a zero percent caseload growth which though reasonable, will pose some risk for the municipality. In the City a 1% caseload increase costs just over

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Branch MCSS, November 25, 2010

\$260,000 (gross) per year or \$44,700 municipally. The following charts illustrate the City actual caseload for 2010 and 2011 compared to the proposed 2012 budget forecast.



In the county a 1% caseload increase costs just under \$56,000 (gross) per year or \$9,600 municipally.

Caseload size and the percentage of the population are some of indicators of poverty in the community but they do not tell the whole story. There are many people in Peterborough who live on low incomes but not on social assistance. These people are often struggling to meet their basic needs and are only one pay cheque or an unexpected expense away from being eligible for social assistance. Peterborough has historically had a high percentage of households below the low income cut off (LICO). Based on the last census 12.8% of households were below the LICO (before tax) compared to a provincial average of 9.5%.

Housing is another good indicator of need in the community. The social housing wait list has remained consistent at just over 1500 households waiting for social housing at any given time, over the last 5 years. People are on this wait list because over half of the renters in Peterborough are spending more than 50% of their income on shelter.

The after effects of the recession can also be seen by the increase in demand for financial counselling services at Community Counselling and Resource Centre. This service has increased by 13% over the previous year and served 841 people last year.






Living on Ontario Works

People living on Ontario Works benefits receive a monthly cheque dependant on their family size, shelter costs and monthly income. Many people living on Ontario Works have a job but are not making enough money to make ends meet. In 2010, 521 people per month on OW had jobs (over 15% of the caseload) and on average they earned \$735/ month⁵. Fifty percent of this earned income is deducted from their social assistance entitlement.

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Maximum Ontario Works Monthly Rates eff Dec 2010

Family Unit

	Single Adult	\$592
	Sole Parent, 1 Child (under 6)	\$922
	Sole Parent, 2 Children (1 under 6)	\$971
	Couple No children	\$1021
	Couple, (1 Child under 6)	\$1070

Source: 2010 MCSS Employment Outcomes Data Report Measure 1A

Discretionary Benefits

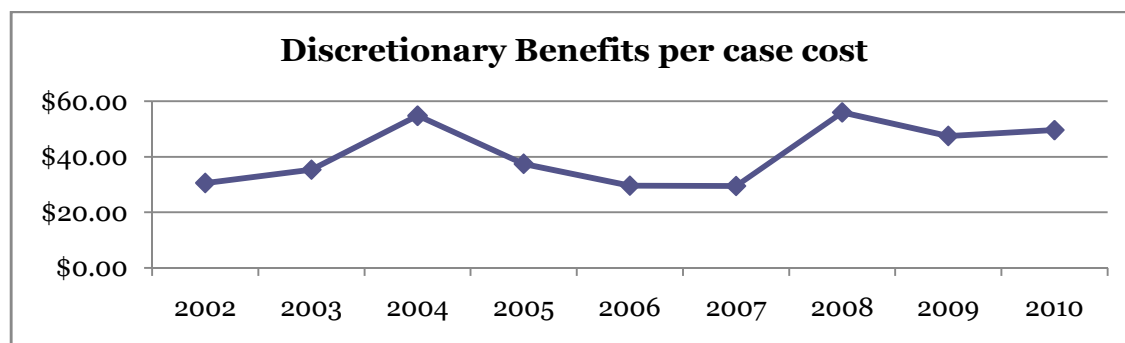
Beyond the mandatory benefits on social assistance, Peterborough residents may be entitled to discretionary benefits. This benefits policy is established locally within the restrictions of provincial regulations and directives. Discretionary benefits includes services such as dental and vision care for adults, dentures, funeral, some transportation cost and hearing aids.

Historically, discretionary benefits have been cost shared 80% provincially and 20% municipally. This benefit is part of the social assistance costs being uploaded to the province and will be a 100% provincial payment by 2018. Appendix A provides an outline of the anticipated changes in provincial/ municipal cost share over the next 7 years. Currently the municipal council has a key role in shaping the discretionary benefit policy. As these costs are uploaded to the province, there is a risk that the province will want the program to be consistent and there may be less flexibility to address local needs as there will be no municipal cost sharing.

In 2012 an increase is requested in the discretionary benefits budget to meet the existing financial demand given the current policy. The gross cost of the requested increase is \$491,685 and the province will cost share discretionary benefits, contributing \$407,115 with the City and County contributing \$75,140 and \$9,430 respectively. An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years. The funeral rate increase may cost the County up to \$8,653 and the City up to \$36,891 with the balance being paid by the province.

The following chart illustrates the cost per case for discretionary benefits over the last 8 years. Costs were high in 2004 due to the flood and costs rose in 2008 due to a Council approved service enhancement.

Figure 7 – Discretionary Benefits Per Case Cost



The Cost of Getting a Job

Employment helps to lift people out of poverty. The Social Service Division focus is on supporting people to find and keep stable employment. Despite the recent recession, over the last 5 years 9,197 people on OW have found jobs. In addition, the earnings deducted from social assistance payments average over \$191,000 per month.

Year	2003	2004	2005	2006	2007	2008	2009	2010
Number of jobs	1175	1517	1604	1658	2077	2063	1617	1782

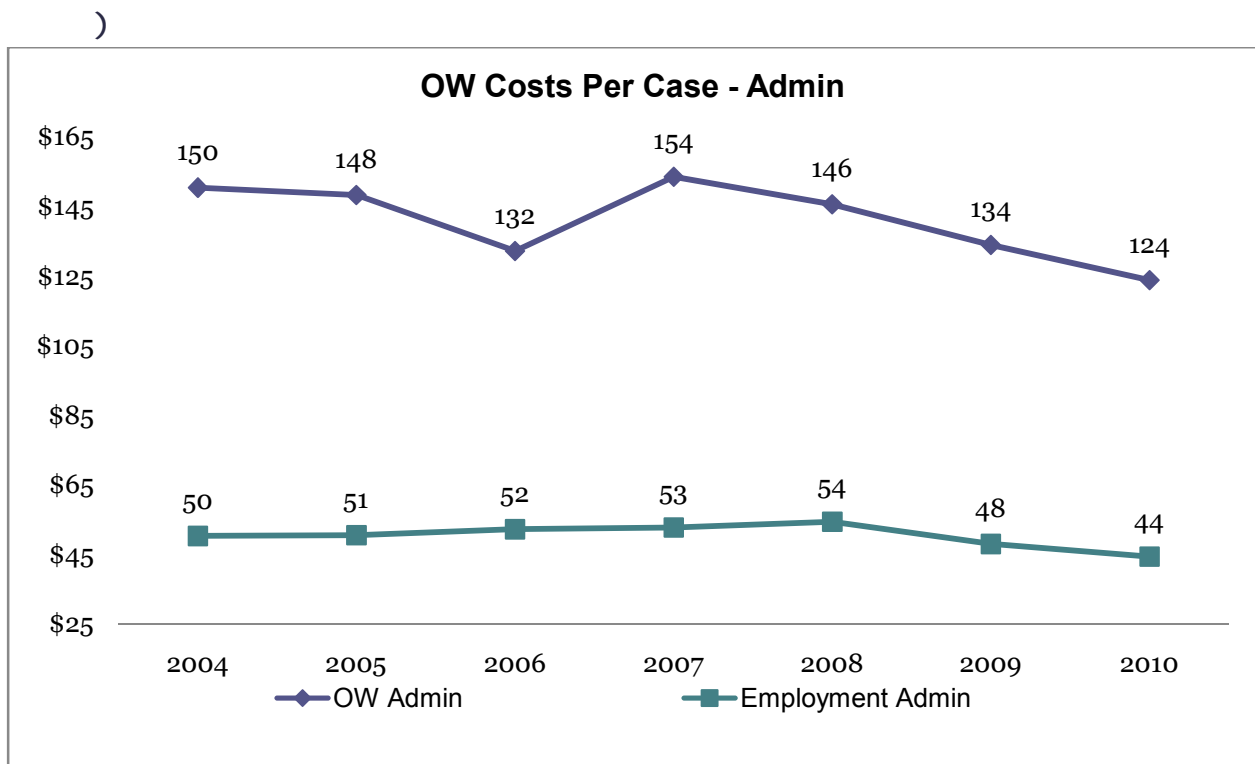
There is a cost associated with helping people find jobs. OW supports people to find jobs with individual employment counselling, skills based training, and financial benefits such as bus passes, clothes for interviews and some certification and licensing fees. On average in 2010, it cost only \$992 in additional financial benefits and \$1,100 in staff supports per job secured. These costs increased significantly since 2008 when the recession began. There are fewer jobs available and more competition. More training, supports and time are required to help a person secure employment and less people are successful in securing employment. For comparison, in 2008 it cost \$585 in additional financial benefits and \$931 in people supports per job secured.

The cost of getting a job should be compared to the total cost of a case on social assistance. In 2010 the cost of administration and benefits per case was \$926 per month. Most importantly, a job helps alleviate the cost of poverty borne by families in receipt of social assistance, but it also reduces the demand on social assistance benefits reducing the costs borne by all tax payers.

The Cost of Ontario Works

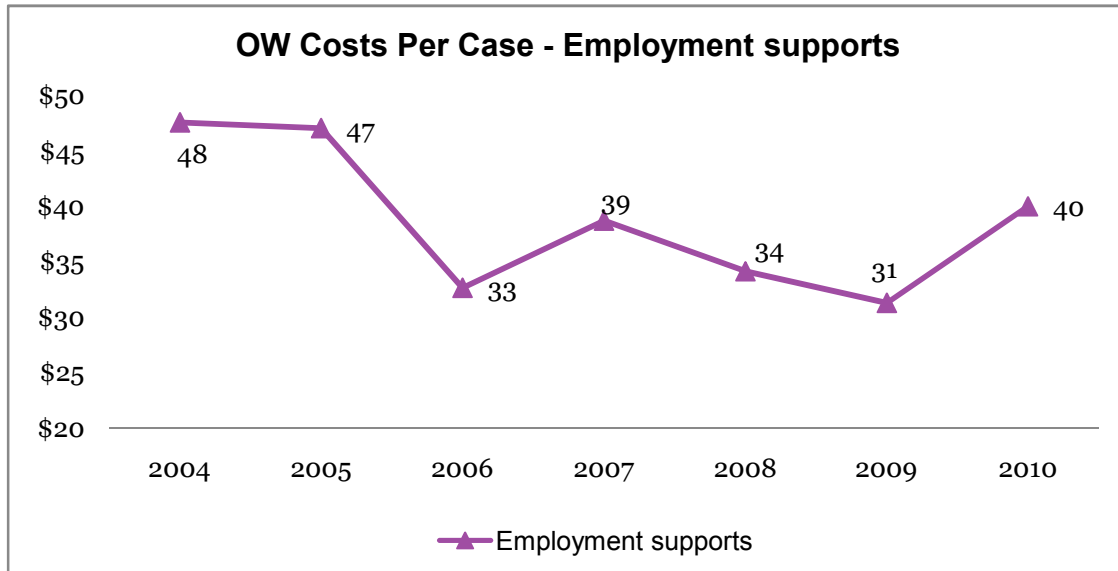
The costs of Ontario Works benefits are regulated by the province and are being gradually uploaded to the province. The current provincial commitments are to fully upload the cost of social assistance benefits by 2018. The municipalities continue to share in the costs for administration and employment supports and therefore the focus for the analysis of Ontario Works costs rests in areas where the municipality can make a difference and will be impacted by change.

The cost per case of administration for the Ontario Works program has declined steadily since 2003 with the exception of a dramatic dip in 2006 following the closure of the Intake Screening Unit. The employment administration costs per case have remained relatively stable because the total funding envelope from the province has remained essentially the same for 7 years. The recent increase in caseload has resulted in a slight decline in the employment cost of administration on a case by case basis.



The costs for employment supports include items such as bus passes, interview clothes and books, deposits for training programs, employment assessments, and minor certifications. The variation on cost per case funding in this area is largely dependent on additional provincial funding. When additional funding is available it is directed to the employment supports whenever possible rather than to administration. In 2004 and 2005 additional 100% funding was available as well as in 2007 and 2010.

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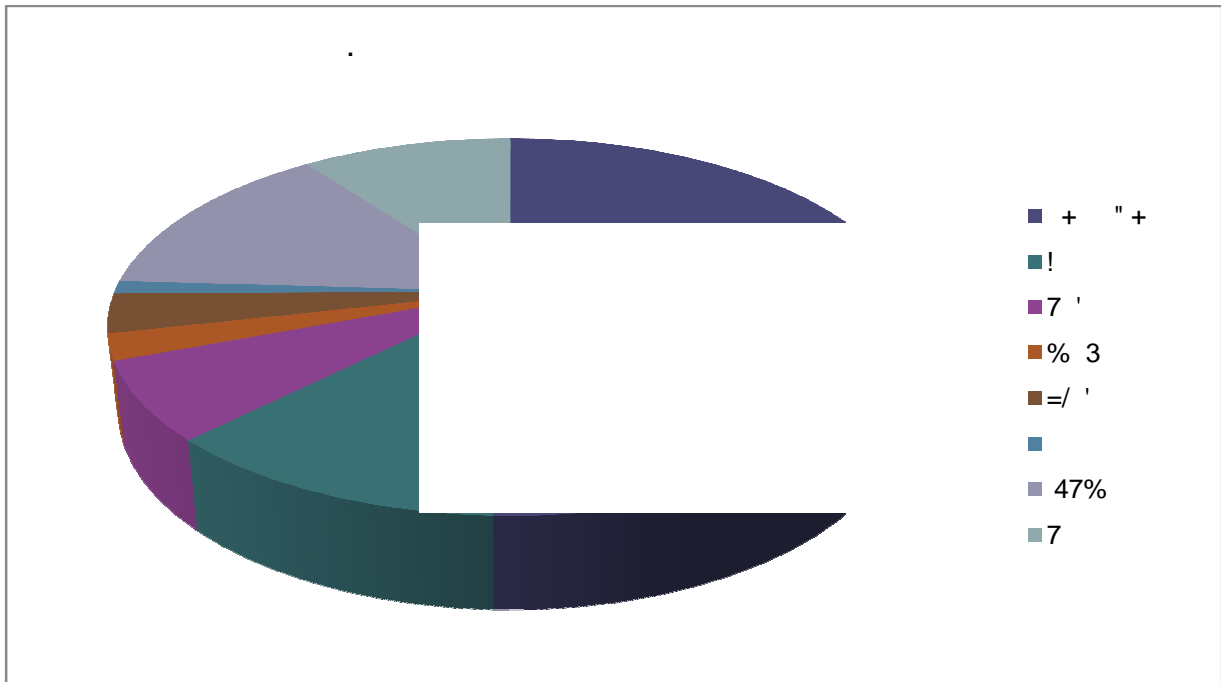
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