



City of
Peterborough

TO: Members of the Joint Services Steering Committee

FROM: Ken Doherty, Director of Community Services

MEETING DATE: April 11, 2012

**SUBJECT: Report CSSSJSSC12-003A
Service Delivery Options Due to Loss of Provincial Funding for
Stand Alone Employment Resource Centres**

PURPOSE

A report to set out three service delivery options in response to the Ministry of Training Colleges and Universities (MTCU) decision to end funding to the Peterborough Employment Resource Centre.

RECOMMENDATION

That the Joint Services Steering Committee endorse the recommendation outlined in Report CSSSJSSC12-003A dated April 11, 2012, of the Director of Community Services, as follows:

That the Joint Service Steering Committee provide direction on how employment services should be delivered after July 31, 2012 when 100% provincial funding ends for the Peterborough Employment Resource Centre.

BUDGET AND FINANCIAL IMPLICATIONS

The full impact to the gross Social Services Division budget in 2012 will depend on the service option selected.

The expenses associated with all 3 options are eligible for cost share between the City/County of Peterborough and MCSS based on a 50 percent subsidy within the OW administration allocation and cap.

BACKGROUND

MCTU announces employment contracts to end

As described in Report C555J55C12-003 submitted to the March 8 2012 J55C, the Ministry of Training, Colleges and Universities (MTCU) informed the City on January 30, 2012 contracts with employment resource centers such as the Peterborough Employment Resource Centre (PERC) would be terminated as of July 31, 2012, and that services provided by PERC could be shifted to existing full suite service providers. For Peterborough, the alternate service providers are Employment Planning and Counseling, Northern Lights Vocational Services, and Fleming College)

Closure leaves some service gaps

Social Services staff believe that MCTU should not have used the “one-size-fits-all” approach to Employment Ontario (EO) network planning with respect to stand alone employment resource centers and should have considered the relative strength of the employment and training network in the Peterborough area, the effectiveness of the Social Services Division as an EO service provider to meet targets and bring together area employment and training partners, and current local service protocols.

Report C555J55C12-003 noted that provisions of the Ontario Works Act require the Social Services Division to ensure Ontario Works (OW) participants have access to employment resource centre services. MCSS has since confirmed that OW delivery agents have flexibility to directly deliver, develop service agreements, tender or purchase services for specific employment assistance activities, based on caseload characteristics and local conditions. These expenses are eligible for cost 50 percent subsidy on administrative expenses up to the approved Ministry cap and 82.8/17.2 percent share on direct client benefits.

The existing full suite OW providers are all capable organizations with some capacity to absorb additional clients; however, they will not receive dedicated funding allocations to provide resource centre services. MTCU has advised that these delivery agents will not receive any increase in funding as a result of the decision to close stand-alone centres. Local EO service providers are still adjusting to new network requirements, funding model and service delivery technology.

So in effect, the Province has pulled the plug on the City’s 100% funded employment resource centre and is now expecting the City to absorb an approximate 40% share of

any cost incurred by the City to continue to provide mandated employment service that cannot be absorbed by the existing full suite OW providers.

PERC currently has the highest number of annual visitors in the local EO network serving 11,395 individuals through 28,087 client visits in 2011. The location and physical space at 178 Charlotte has been ideal for OW and EO clients alike to obtain access to needed services and supports in a way that promotes for good integration of OW clients in a community service and allows other individuals to be diverted from Social Assistance through the provision of timely and effective employment services.

In discussions with the full suite service providers, they have advised that they do not have the resources or downtown location to take on the additional anticipated case load at this time.

PERC stats for 2011

Tables 1 and 2 below provide some additional statistical detail regarding PERC use in 2011.

Table 1- PERC Activities Summary 2011

Number of New Clients Registered	3,331
Number of Clients Served	11,395
Number of Client Visits	28,087
Number of Clients Referred to Community Agencies	4,476
Survey % Clients Reporting Happy with Service	96

table 2- PERC Visitor Information 2011

Data Collected from New Registrations in PERC for 2011

Top 10 Required Services	%
Job search listings	69.93
Help to develop a resume	58.92
Computer access	53.21
Internet access	46.59
Photocopying services	41.76
Fax	31.31
Cover letter	30.69
Use of telephone	26.67
Newspapers	20.21
Community services information	19.14
Income Source	%
	Age Group
	%

Social assistance	47.37	Under 16/ not reported	1.01
Other/ not indicated	23.06	16-18	7.37
No income	19.63	19-24	31.34
Employment Insurance	8.57	25-29	16.90
Workers Compensation	0.88	30-44	24.27
Severance pay	0.49	45+	19.11
Education/Highest Level Completed	%	Employment Status	%
Apprenticeship	4.48	Employed	21.86
Elementary/ Not reported	6.61	No- less than 1 year	47.57
University	9.12	No- More than 1 year	30.57
College	24.76		
High school	55.03		
* data recorded for 3,331 new registrations			

3 OPTIONS FOR CONSIDERATION

Option 1 - PERC closes by June 30, 2012

The costs to the City and County of Peterborough associated with this option include the layoff of 6.0 FTE Employment Support Workers and a 0.5 FTE Supervisor, rent and other obligations beyond June 30, 2012. These costs have been estimated at an additional gross amount of \$79,416 until December 31, 2012 and an annualized amount of \$116,240 effective in 2013. The municipal portions of these costs in 2012 are \$4,395 for the City and \$965 for the County.

If JJSC's direction is to discontinue all resource centre services delivery, wind-down plans would lead to the closure of PERC by June 30, 2012.

This option would require planning with community partners to refer current PERC users to Resource and Information services provided by the three local Employment Ontario Service agencies to support independent, unassisted job search and career planning.

This Option would also see the termination of PERC outreach. The three EO Service providers are expected to provide County Outreach through their EO contracts and satellite locations in Lakefield, Havelock and Millbrook are available to EO clients. Ontario Works clients would be eligible to access services through EO though given the current service targets and numbers of clients currently accessing these services there may not be sufficient capacity within the other three providers to meet all of the need. If Option 1 is selected and no staff are retained to specifically provide this function there will be delays in OW clients receiving these employment services.

Attached to this report as Appendix A is a letter from the Director of Community Services, addressed to the Assistant Deputy Minister of MTCU, outlining concerns with respect to a possible reduction in local employment services as directed at the last Joint Services meeting.

Option 2 - PERC services are scaled back serving Ontario Works (OW) participants only beyond June 30, 2012

The costs to the City and County of Peterborough associated with this option would include the layoff of 3.5 FTE Employment Support Workers and a 0.5 FTE Supervisor, rent and other obligations beyond June 30, 2012. These costs have been estimated at an additional gross amount of \$166,868 until December 31, 2012 and an annualized amount of \$287,540 effective in 2013. The municipal portions of these costs in 2013 are \$117,891 for the City and \$25,879 for the County.

This option would entail closing the existing Charlotte Street resource centre to the general public, and continuing to offer OW specific employment planning, and information resource and referral services. It allows for the provision of some County of Peterborough outreach services using approximately .5 FTE for that purpose. PERC and Community Social Plan staff would continue to meet with County stakeholders and EO service providers to develop acceptable options for outreach services and to ensure there is no duplication of services. The .5 FTE would target areas where Ontario Works clients were requiring additional supports that are not able to be provided by EO.

To support social assistance clients and maintain employer engagement through the resource centre, an existing 1.0 FTE OW Employment Counsellor would be redeployed to provide case planning, employer job matching and hiring initiatives (e.g. employment placement, hiring fairs, vacancy advertisement, and screening).

Option 3 PERC services are scaled back beyond June 30, 2012 but continue to be available to the general public at the current location, in partnership with local EO full suite agencies providing additional in-kind staffing support.

The costs to the City and County of Peterborough would include the layoff of 3.5 FTE Employment Support Workers and a 0.5 FTE Supervisor, rent and other obligations beyond July 31, 2012 similar to Option 2. These costs would not exceed those noted in Option 2 and could be reduced depending on the partnership arrangements. The municipal portions in 2013 are \$117,891 for the City and \$25,879 for the County.

This is Social Service staff's preferred option as it would allow for the continued use of the location for all citizens of the City and County of Peterborough whether on Ontario Works or otherwise, and it would build on the existing degree of collaboration between Ontario Works Employment services and EO Service providers.

This option would also require the redeployment of one Employment Counsellor to provide case planning and employer job matching and hiring initiative. Letters of understanding between the Social Services Division, EO service providers and other

organizations for up to 2.0 FTE centre staff would also be required. These resources would be allocated as an in-kind support to the centre in order to continue similar services in a help centre model for the general public.

This cooperative staffing and management model would promote service integration and ensure visitors are connected with a wider range of appropriate services, based on their situation regardless of income source. The costs associated with this option would not exceed those noted in Option 2 and could be reduced depending on the partnership arrangements. EO providers have all indicated a willingness to consider such a partnership arrangement.

Appendix B attached to this report contains additional financial details for all 3 options.

A service strategy to assist the general public regardless of income source would be developed with EO service providers and others (e.g. connection with literacy, basic education, and newcomer services).

Option 3 would enable the Social Services Division to continue its important work with local employers, support business expansion and retention activities and utilize the existing space to provide customer service while EO transition continues and directions from the Drummond Report and Social Assistance Commission review become clear. In the past, PERC and the Ontario Works Employment Placement program have worked seamlessly to assist local employers with recruitment needs through vacancy advertising, screening of resumes, job matching and post employment supports and have been successful in helping Ontario Works clients off assistance and other individuals in avoiding the need for assistance.

Appendix B attached to this report contains additional financial details for all 3 options.

Attached to this report as Appendix C is a summary highlighting some of the past initiatives Social Services staff planned and coordinated.

Other Municipalities' Plans

On February 13, 2012 the Ontario Municipal Social Services Association hosted a teleconference of Consolidated Municipal Service Managers (CMSM) holding some form of EO service agreement. The City of Peterborough is one of approximately 16 delivery agents identified through this teleconference. A number of these municipalities host employment resources centres that are co-located OW and EO sites similar to PERC. These municipal sites are planning various strategies to adjust to the loss of MTCU funding including continuing modified services, reducing scale, and seeking alternate partnerships and funding sources such as MCSS and increased local contributions. At the time of this report, no CMSM was planning the closure of former EO funded sites.

Wind-Down Costs

Provisions for the wind-down of PERC include the requirement to have an approved plan for disposition of any assets purchased with MTCU funds that exceeded \$1,000 dollars at the time of purchase. Based on a preliminary inventory, there are no individual assets that exceed this limit. Most of the existing furniture, work stations, and office equipment were repurposed and reused when PERC relocated from 185 King St. to its current Charlotte St. location. It is expected that these assets would remain with the Social Services Division. Local EO service providers have recently relocated refurbished or redesigned their existing locations so there is little need for these assets within the existing network. Cost of notice to staff will depend on the option selected. The Social Services Division will have to absorb some of the overhead expenses associated with the resource centre space, while resource centre assets will remain with the City. If the decision is made to close the PERC current transition plans would see an end of services by June 30, 2012. The Division would still be required to provide individual employment case planning for OW participants, and may need to negotiate with local services providers for access to services and required follow up reporting.

Since 2007, MTCU has been working towards integrating and streamlining EO services to improve accessibility and cost effectiveness. Recent provincial direction including the Drummond review, and the ongoing work of the Commission for the Review of Social Assistance in Ontario have pointed to the need for improved integration between the Employment Services Programs and Social Assistance. There is the potential for significant change in the way in which Peterborough area residents receive employment and training services in the coming years. Given the level of uncertainty and potential for change, it is recommended that consideration be given to a 2 year commitment for the delivery of a scaled down Employment Resource Centre, contingent on a favourable year one review by Councils.

SUMMARY

Over the past 12 years, the Social Services Division has successfully operated the PERC serving unemployed or underemployed area residents. MTCU has decided not to continue funding stand-alone employment resource centres, giving the City six months notice of its intention to wind-down the existing agreement by July 31, 2012.

This decision will impact the Social Services Division budget; the extent to which will be dependent on City and County Councils' direction. The Director of Community Services in accordance with his delegated authority has entered into a 4 month contract April 1, to July 31, 2012 with MTCU in order to access provincial dollars to wind-down and transition current services.

The Social Services staff recommendation is to develop an agreement with local full suite EO service providers and other partners to continue to offer resource centre services collocated at the Social Services Division office. It is also recommended that

consideration be given to a 2 year commitment, contingent on a favourable year one review by Councils. The costs of this preferred option are eligible for 50 percent subsidy from MCSS. The anticipated additional costs to the City in 2012 could be accommodated by accessing the Social Services reserve funds with any extension of PERC services beyond December 31, 2012 considered as part of the 2013 budget preparation.

If JSSC direction is to discontinue resource centre service delivery by the Social Services Division, wind-down plans would lead to the closure of PERC by July 31, 2012.

Submitted by,

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Attachments:

Appendix A – Letter to MTCU
Appendix B – Detailed Costing
Appendix C – Summary of Previous Activities