



Hamilton

**CITY OF HAMILTON**

**COMMUNITY AND EMERGENCY SERVICES DEPARTMENT**  
*Employment and Income Support Division*

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> July 10, 2013	
<b>SUBJECT/REPORT NO:</b> Ontario Works Caseload Contingency Plan and Participant Ratio to Case Manager (CS09021(d)) (City Wide)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community and Emergency Services Department	<b>PREPARED BY:</b> Kerry Lubrick (905)546-2424 Ext. 4855 Nella Roque (905)546-2424 Ext. 1536 Debbie Bago (905)546-2424 Ext. 7359 Sandra Kelly (905)546-2424 Ext. 4500
<b>SIGNATURE:</b> 	

**RECOMMENDATION**

- (a) That the current temporary staffing level of 30 Full Time Employees hired for Phases 2 and 3 of the Ontario Works Caseload Contingency Plan, approved by Council on November 30, 2011, be maintained until April 2015;
- (b) That the continuation of Phases 2 and 3 of the Ontario Works Plan for the period of January 1, 2013 to April 30, 2015 at an estimated cost of \$5,735,800 gross/\$2,867,900 net (based upon the current 2013 budgeted amounts) be funded 50% through the Ontario Works Stabilization Reserve #110044 and 50% through the Ontario Works Cost of Administration funding from the Ministry of Community and Social Services.

**EXECUTIVE SUMMARY**

Between 2009 and 2012, 30 additional staff were hired to address the increase in the Ontario Works caseload. The additional staff have been funded from the Ontario Works

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Stabilization Reserve (#110044) and/or Departmental/Corporate Surplus as approved in Reports CS09021(a), (b) and (c). Over the period 2009 to 2012 approximately \$1,321,943 has been absorbed through departmental/corporate surpluses, thereby maintaining the financial balance of the Ontario Works Stabilization Reserve. The recommendation identifies the Ontario Works Stabilization Reserve as the funding source, as the City is currently forecasting a 2013 year-end tax supported operating variance of \$-1.485M, inclusive of OW staffing phase-in pressures.

As of May 2013, the caseload was 12,950 with a caseload to case manager ratio of 118:1. It is projected that the caseload will continue to decrease and will return to pre-recessional rates of approximately 10,000 by 2016-17. The intent of the approved contingency plans was to reduce staffing levels when the caseload decreased below 13,000 and/or the average caseload to case manager ratio was 130:1.

Although Reports CS09021(a), (b) and (c) discussed caseload to case manager ratios, this method of analysis does not accurately reflect the workload of case managers. A caseload is a mix of different types of "benefit units" (i.e. single individuals, couples with no children, couples with children and/or sole support parents.) The workload, complexity and interventions required vary greatly depending on the composition of the benefit unit. Therefore a better measure of the workload of case managers is the participant to case manager ratio. As of May 2013, the participant to case manager ratio is 127:1.

Added to the high participant to case manager ratio is the increasing complexity of many Ontario Works recipients. When staffing levels are inadequate, there is an inability to provide the required intensive case management supports to participants resulting in longer times on social assistance. Currently, the average time on assistance is 27.6 months. If this time were reduced by one month, it would mean a savings of \$8,935,500 Gross/\$1,268,841 Net (average monthly benefits of \$690 by the average monthly caseload of 12,950).

In order to meet the demands of managing the workload and in an attempt to reduce the time on assistance, it is recommended that current staffing levels be maintained until April 2015. Over this period, outcomes for participants will be monitored to determine if a reduced participant to case manager ratio improves employment outcomes, reduces time on assistance and therefore reduces costs. The estimated cost to maintain current staffing levels from January 1, 2013 to April 30, 2015 is \$5,735,800 gross/\$2,867,900 net based on the current 2013 budget amounts. Costs are covered 50% from the Ontario Works Stabilization Reserve (#110044) and 50% from the OW Cost of Administration funding from the Ministry of Community and Social Services (MCSS).

***Alternatives for Consideration – Not Applicable***

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** It is estimated that the annual cost in maintaining current staffing levels from January 1, 2013 to April 30, 2015 will be \$5,735,800 gross/\$2,867,900 net based on the current 2013 budget amounts. Costs are covered 50% from the Ontario Works Stabilization Reserve (#110044) and 50% from the OW Cost of Administration funding from the Ministry of Community and Social Services (MCSS).

The 2013 beginning balance of the OW Stabilization Reserve (#110044) is \$3,205,091. It is projected that there will be a balance of \$1,916,265 in the reserve going into 2014 based on the current commitments.

Providing that the caseload decreases as projected the OW Stabilization Reserve can cover the cost of the additional staff until April 2015 leaving a balance of \$34,862. Staff are currently working on a report to recommend future contributions to sustain the OW Stabilization Reserve.

If it appears that the participant to case manager ratio has improved employment results and reduced length of time on social assistance, the funding for the staffing levels will be considered during the development of the 2015 Operational Budget.

**Staffing:** 30 FTE will be retained until April 2015.

**Legal:** There are no legal implications associated with the recommendations of Report CS09021(d).

**HISTORICAL BACKGROUND**

On February 4, 2009, Report CS09021 - Ontario Works Caseload Contingency Plan was approved by Council. The report outlined a plan to hire additional staff to maintain an acceptable caseload to case manager ratio as the caseload continued to increase due to the economic downturn. The report also recommended that staffing levels be reduced as the caseload decreased.

In June 2009, Report CS09021(a) was approved to increase the operating budget by 20 full time staff. On November 23, 2011, Report CS09021(c) was approved to increase by another 10 full time staff. Of these 30 staff, 20 were case managers and the remaining 10 were a combination of support staff, a manager, supervisors and housing workers. Staffing levels were to be reduced when the average caseload to staff ratio reached 130:1.

As of May 2013, the average caseload to case manager ratio was 118:1. However, this method of analysis does not accurately reflect the workload of case managers. The composition of the case or benefit unit should be taken into consideration. A benefit unit may consist of a single individual, a couple with no children, a couple with children or sole support parents. The workload, complexity and interventions required vary greatly depending on the composition of the benefit unit. When a parent or couple has adult children in the family unit, the workload expands compared to cases with no children or cases with children under the age of 18. The preferred method to measure the workload is participant to case manager ratio.

An optimal participant to case manager ratio is 110:1. This ratio allows case managers to work more intensively with participants who experience multiple barriers. In May 2013, the average participant to case manager ratio was 127:1. If the FTEs were reduced by the 20 case managers hired as a result of the contingency planning, the caseload to case manager ratio would be 147:1 and the participant to case manager ratio would be 159:1.

#### **POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

There are no policy implications associated with the recommendations of Report CS0921(d).

#### **RELEVANT CONSULTATION**

The Corporate Services Department, Finance & Administration and Special Projects Division reviewed the report to confirm that the financial numbers provided were accurate.

#### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

Although the caseload has decreased from September 2012, the following trends are concerning:

- Average length of time to find employment is increasing;
- The percentage of cases that exit to employment and return to OW is increasing;
- The percentage of the caseload with earnings is below the levels experienced prior to 2009;
- Individuals are remaining on assistance longer:
  - 48% of the caseload has been on assistance less than 1 year

- 22% has been on assistance between 1 and 2 years
- **29% has been on greater than 2 years**

The following have contributed to the trends outlined above:

- After a recession, the social assistance caseload generally experiences a slower recovery in the economic upturn. This is attributed to the competition for the limited number of jobs and the increase in persons applying to OW as they exhaust their employment insurance;
- Improvements in the economy have led to opportunities for the most employable Ontario Works participants. The remaining caseload includes a large number of participants with multiple barriers who require intensive case management and multiple supports;
- Increase in precarious employment;
- Limited access to critical community services, such as Rehabilitation and Detox Services and mental health supports; and,
- Lack of employment programs for individuals with multiple barriers.

Extended periods of poverty may create unstable living arrangements, as well as lead to social exclusion, anxiety and fears that need to be addressed before job search discussions can take place. Case managers require unique strategies to motivate change, but these strategies can only be sustained with smaller caseloads.

### **Intensive Case Management and Outcomes**

There have been many documented examples that intensive case management contributes to better outcomes including finding and maintaining stable housing, employment and moving towards self-sufficiency. Hostel to Homes/Transitions to Homes is an example of how intensive support decreased the length of time in hostels. Approximately 1 in 4 was moved from hostels to stable housing and there was an improvement in the employment outcomes for this very multi-barriered clientele.

The City of London currently has two specialized case management teams where case managers carry caseloads about half the size of regular caseloads and provide intensive support. Participants in the specialized caseload have barriers to employment such as addictions, mental health issues, criminal records, low literacy and learning disabilities, limited or no work history, and receiving OW for more than nine months. The employment outcomes of these teams compared to the total caseload demonstrate the effectiveness of specialized intensive case management as the exits to employment almost doubled.

The Addiction Services Initiative in Ontario Works has produced positive outcomes in 2012 which include 37% of the participants finding employment compared to 10% of the participants in general caseloads (employment may not have been sufficient to exit Ontario Works.) The average length of time on assistance in May 2013 was lower at

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22.6 months compared to 27.6 months for the general caseload. The findings from the evaluation of the ASI program will be presented at a later time.

If the time on assistance was reduced by one month per case, it would mean a savings of \$8,935,500 gross/\$1,268,841 net (average monthly benefits of \$690 by the average monthly caseload of 12,950). The use of intensive case management within the Addiction Services Initiative has reduced the average months on assistance by five months compared to the general population. Approximate savings due to the reduction of time on assistance was approximately \$621,000 gross/\$88,182. Conservatively, it is reasonable to hypothesize that the use of intensive case management with the general caseload should reduce the average time on assistance by at least one month.

**ALTERNATIVES FOR CONSIDERATION**

None

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

**Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

**Strategic Objective**

1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

2.3 Enhance customer service satisfaction.

**APPENDICES / SCHEDULES**

N/A