

CITY OF HAMILTON

COMMUNITY SERVICES DEPARTMENT
Employment & Income Support

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: May 14, 2012	
SUBJECT/REPORT NO: Transformation of Employment Ontario (CS10022(a)) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Sandra Kelly (905)546-2424 Ext. 4500 Kerry Lubrick (905)546-2424 Ext. 4855
SIGNATURE:	

RECOMMENDATION

- (a) That report CS10022(a) respecting Transformation of Employment Ontario be received;
- (b) That the Community Service Department, Employment and Income Support Division complement be reduced by three Full Time positions with the ending of the Provincial Ontario Employment Assistance Services Agreement, July 31, 2012; and,
- (c) That the Employment Resource Centres located within the Ontario Works offices at 1550 Upper James Street and 2255 Barton Street East be closed effective July 31, 2012.

EXECUTIVE SUMMARY

The Ministry of Training, Colleges and Universities (MTCU) has provided notice that they will no longer provide funding for Employment Resource Centres (attached as Appendix A to Report CS10022(a)). Based on a six month notice period, funding will terminate effective July 31, 2012.

Currently, the Community Services Department operates three resources centres at the following locations:

- 1) Career Development Centre, 181 Main Street West
- 2) Ontario Works office, 1550 Upper James Street
- 3) Ontario Work office, 2255 Barton Street East.

The resource centre located at the Career Development Centre is the only centre operated by the City of Hamilton which is funded by MTCU. The other two centres are cost shared with the Ministry of Community and Social Services (MCSS).

MTCU provided an annual budget of \$197,177 for the resource centre located at the Career Development Centre (CDC) which covered the cost of:

- one employment services clerk (\$64,559);
- office supplies/program costs (\$6,110);
- a portion of the rent at the CDC, 181 Main Street West 3rd floor (\$69,590);
- contractual services for computer maintenance/leased equipment/software (\$15,200)¹; and,
- security (\$35,540).

In order to offset the loss of funding from MTCU, staff are recommending that the resource centres located within the Ontario Works (OW) Offices at 1550 Upper James Street and 2255 Barton Street East be closed. These two centres are funded under the Employment Assistance budget which is cost shared at 17.2% municipal / 82.8% provincial. These centres provide limited resource services and are within close proximity to full service provincial Employment Ontario sites. The funding saved by closing these resource centres would be used to cover the shortfall in funding for the Career Development Centre.

The resource centre located in the Career Development Centre at 181 Main Street West is a critical part of the integrated employment services provided to people receiving assistance from OW and Ontario Disability Support Program (ODSP). Therefore, staff are recommending that the services continue to be offered from this site.

Alternatives for Consideration – see page 7

¹ \$6,178 in program costs were not entered into the budget in error.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

The annual budget impact from the loss of the funding from the Ontario Employment Assistance Services Agreement is \$197,177 gross/net which equates to \$82,157 for the year.

One Full Time Equivalent (FTE) position is funded 100% from this agreement and would be eliminated. After eliminating this FTE, the remaining budget shortfall for operating the Career Development Centre is \$126,440 (\$52,683 for the balance of 2012). These funds cover:

- office supplies/program costs (\$6,110);
- a portion of the rent at the CDC, 181 Main Street West 3rd floor (\$69,590);
- contractual services for computer maintenance/leased equipment/software (\$15,200); and,
- security (\$35,540) which are still required in order to maintain the resource centre.

However, these program costs will now be charged to the OW Employment Assistance budget which is cost shared with the Ministry of Community Services therefore really only leaving a pressure of \$21,748.

By closing the ERCs located at 1550 Upper James Street and 2255 Barton Street East, there will be an annual savings of \$139,600 gross/ \$24,011 net (\$58,167 gross/\$10,005 net for the balance of 2012).

The net savings of \$24,011 from closing the ERCs at 1550 Upper James Street and 2255 Barton Street East will cover the net pressure of \$21,748.

Staffing:

The current staffing complement at the CDC is four FTEs, one of which is 100% funded from the Ontario Employment Assistance Services Agreement. The 100% funded FTE will be eliminated from the complement as of July 31, 2012, leaving the CDC with three FTEs to support the centre. These staff are responsible for reception at the CDC. By utilizing other clerical staff at the CDC for coverage, service levels for the Resource Centre can be maintained with the remaining staff,

It is further recommended that the division complement be reduced by two FTE, with the closing of the Upper James and Barton Street Resource Centres, as there is no longer a need for the Employment Services Clerks who operate these centres.

In total, the Employment and Income Support Division complement would be reduced by 3 FTE.

The elimination of these positions will cause bumping and potential layoffs. Discussions with Labour Relations have taken place and staff have been informed of the potential reduction and job loss.

Legal:

There are no legal implications related to report CS10022(a).

HISTORICAL BACKGROUND

The City of Hamilton receives funding for the Employment Resource Centre (ERC)² located within the Career Development Centre (CDC) based on an Ontario Employment Assistance Services agreement with the Ministry of Training, Colleges and Universities (MTCU)³. This agreement has been in place for more than nine years.

There are seven ERCs in the City of Hamilton that receive funding under this type of agreement:

- City of Hamilton Career Development Centre (CDC) (181 Main St. W. 3rd floor)
- Hamilton Public Libraries (Barton, Dundas, Red Hill, Sherwood, Terryberry)
- L'Association Canadienne-Francaise de l'Ontario

The CDC offers a multitude of resources to assist Hamilton residents with finding employment such as free access to telephone, faxes, stamps, photocopiers, newspapers, reference library and the internet. The CDC is also the main location of the Department's Employment Services program that provides supports to OW and ODSP participants, including job matching and referrals to employers, in-house pre-employment programs, one-to-one employment counselling and space for job fairs⁴.

Following the signing of the Labour Market Training Agreement in 2006, MTCU began a five-year project aimed at transforming how Ontarians receive employment and training services through Employment Ontario (EO) funding. In August 2010, MTCU implemented the new Employment Service Network model which is seen as a single point-of-entry that is intended to be more customer-centric, responsive, and flexible to community needs and avoid duplication⁵.

² Employment Resource Centre (ERC): This term refers to a self service resource site (actual or virtual) where individuals have access to labour market information, workshops, library information on employment and other employment resource materials and tools needed for job search (e.g. computers, fax machines and photocopiers.)

³ Previously known as Human Resources and Skills Development Canada

⁴ Career Development Centre (HCS03016(a))

⁵ Transformation of Employment Ontario (CS10022)

There are currently seven Employment Ontario agencies in Hamilton, delivering full suite services out of nine sites:

Downtown

Employment Hamilton, 67 Victoria Avenue South
Wesley 151 Queen Street North
YMCA 23 Main Street East
College Boreal, 2 King Street West (French Language Services)
Goodwill, 225 King William Street

Mountain

Goodwill, 1050 Upper Gage Avenue
Mohawk College, 135 Fennell Avenue West
vpi Inc., 1051 Upper James Street, Suite 102

East

Mohawk College Starrt Institute, 481 Barton Street, Stoney Creek

In addition, PATH, 31 King Street East, provides specialized employment services for persons with disabilities.

On January 30, 2012, notice was received from MTCU that the Ontario Employment Assistance Services agreement will not be renewed (attached as Appendix A to Report CS10022(a)). MTCU has made the decision to no longer support the Resource Centres that are not part of their Employment Ontario agencies. The current agreement is in effect until March 31, 2012. However, MTCU is providing six months notice, extending funding to July 31 2012. This agreement, in the amount of \$197,177 annually, is for the operation of the ERC located at the CDC, 181 Main St West. This funding covered the operational costs of one employment services clerk, office supplies/program costs, a portion of the rent at the Career Development Centre, contractual services for computer maintenance/leased equipment/software and security. The ERC is an integral part of the employment service delivery at the CDC and is used by not only OW and ODSP participants, but any resident of the City of Hamilton.

POLICY IMPLICATIONS

There are no policy implications associated with Report CS10022(a).

RELEVANT CONSULTATION

The Corporate Services, Finance & Administration Division was consulted and confirmed that the budgetary numbers put forward are correct.

The Ministry of Training, Colleges and Universities was consulted regarding the termination of the Provincial Ontario Employment Assistance Services Agreement, July 31, 2012. They confirmed the termination date.

Human Resources, Labour Relations has been consulted to review the staffing implications with respect to bumping and potential lay offs.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Employment Service was highlighted in the 2012 Provincial Budget. It speaks to further streamlining in employment services by expanding Employment Ontario as a "one-stop-shop," and potentially bringing social assistance employment programs under the umbrella of Employment Ontario. In addition, co-ordinating and streamlining of employment services is an area of consideration in the Social Assistance Review. The report from that Commission is expected in June.

The ERC located at the CDC is a critical part of the OW Employment Services. Similar to the rationale used by MTCU, the CDC offers a full range of employment services in one location. In 2011, there were 16,364 visits to the computers located at the CDC, 6,355 visits to the computers at the 1550 Upper James site and 6,468 visits to 2255 Barton Street East.

Due to the loss of funding and also to avoid duplication of services, staff looked at alternative delivery by mapping of the Community Services Employment Resources Centres in relation to EO sites.

There are 2 EO Service Providers located near the OW office located at 1550 Upper James Street:

- vpi, 1051 Upper James is within 2 km
- Mohawk College, 135 Fennell Avenue West is within 5.5 km

Mohawk College, 481 Barton Street, Stoney Creek is located within 5 km of the Ontario Works office at 2255 Barton Street East.

With the closure of the employment resource centres, participants may require bus tickets to get to an Employment Ontario site that offers computers for job search activities.

ALTERNATIVES FOR CONSIDERATION

Option 1

Continue to operate all three Employment Resource Centres located at 1550 Upper James Street, 2255 Barton Street East and the Career Development Centre at 181 Main Street West.

Financial:

The annual budget increase would be \$63,220 net.

Staffing:

The Ontario Employment Assistance Services Agreement funding paid for 1 FTE, which will be eliminated from the complement as of July 31, 2012.

Option 2

Close all the Employment Resource Centres (181 Main Street West, 1550 Upper James Street and 2255 Barton Street East) and reduce the Community Service Department, Employment and Income Support Division complement by 4 Full Time positions.

Financial:

By closing all three ERCs there would be an annual net savings of \$49,847 (\$20,770 for the balance of 2012). This includes covering the shortfall of \$106,020 gross for remaining costs (security and a portion of rent) at the Career Development Centre which were covered by the 100% MTCU funding.

Staffing:

There would be a reduction of 4 FTE positions with the closing of all three of the ERC's.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Social Development

- ◆ Hamilton residents are optimally employed earning a living wage
- ◆ Residents in need have access to adequate support services

APPENDICES / SCHEDULES

Appendix A to Report CS10022(a) – Correspondence dated January 30, 2012 from MTCU to the City of Hamilton

Appendix B to Report CS10022(a) – Correspondence dated January 30, 2012 from MTCU to EO Partners



January 30, 2012

Ms. Kerry Lubrick
Director, Employment and Income Support Division
City of Hamilton
71 Main Street West
Hamilton ON L8P 4Y5

Dear Ms. Lubrick,

I am writing to update you on the status of the following Ontario Employment Assistance Services (OEAS) agreement with the Ministry of Training, Colleges and Universities (Ministry):

- Agreement 13854 for Hamilton

In September 2010, you were invited to continue delivering services to clients from April 1, 2011 to March 31, 2012 under a new OEAS agreement while the Ministry engaged in further study on program design for the Employment Ontario network.

When the Ministry implemented the new Employment Service (ES) delivery model in August 2010, a transition period of 18 months was set to ensure service providers within the new network were given enough time to develop full capacity to deliver all services. The Ministry continued to fund service providers delivering limited services, while the foundational network matured. After careful analysis and consideration, the Ministry has decided to no longer fund Employment Resource Centres and Practice Firms.

The Ministry regrets to inform you that your organization will not be offered an agreement to deliver ES upon the expiry of your organization's current OEAS agreement on March 31, 2012. In order to provide your organization with six months' notice, the Ministry is offering your organization a four-month agreement, to deliver OEAS to begin on April 1, 2012 and end on July 31, 2012.

A Ministry staff person will contact you to answer any questions, and to discuss next steps to ensure continuity of service and smooth transfer of services/customers within the remaining duration of your agreement.

Please note that this letter indicates the status of your organization for Western Region only. If your organization has an OEAS agreement in other regions, you will receive a letter from the Regional Director of that region to advise you of the status of that agreement.

We thank you for your contributions in the employment and training area and for your cooperation during this process. We wish you every success in the future.

Sincerely,

A handwritten signature in black ink that reads "Sherree Mahood".

Sherree Mahood
Director, Western Region

Ministry of Training,
Colleges and Universities

Mowat Block
Queen's Park
Toronto ON M7A 1L2

Ministère de la Formation
et des Collèges et Universités

Édifice Mowat
Queen's Park
Toronto ON M7A 1L2



January 30, 2012

Dear EO Partner,

I am writing to update you about the ongoing transformation of the Employment Ontario network.

Over the last 18 months, we have been working together to change the way employment services are delivered across our province. The new Employment Service network has been a great benefit to Ontarians – improving accessibility to a variety of employment and training programs and services.

Decisions regarding the transformation of the Employment Ontario network continue today, as we move toward our goal of strengthening employment and training programs. As the next step in full implementation of one-stop service, the ministry will no longer support Employment Resource Centres and Practice Firms through the Ontario Employment Assistance Services program, as the same or similar services are now available through the Employment Service network. Affected providers are receiving notification today.

The objective behind these changes is in keeping with our goal of focusing the delivery of employment services through providers offering the full range of services in one location. The ministry will work with Employment Resource Centre and Practice Firm providers to ensure that affected clients continue to receive the employment services they need and are referred to an existing Employment Service provider. Clients will also be able to find updates and search for employment service providers close to them on the ministry's public website at <http://www.edu.gov.on.ca/eng/tcu/search.html>.

It is important to note that the ministry will continue to support providers that deliver specialized services, such as those for Persons with Disabilities. Additional policy and program development considerations are required to determine the best way to support job seekers with disabilities.

I want to thank you again for your continued commitment as we work to build a stronger support network to help develop the well-trained and highly skilled workforce Ontario needs to remain competitive in today's economy.

Sincerely,

Original signed by

Laurie LeBlanc
Assistant Deputy Minister
Employment and Training Division