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UPDATE ON ONTARIO WORKS CASELOAD PRESSURES

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated October 30, 2009 from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report provides Council with an update on growth in the Ontario Works caseload related to the economic downturn, and outlines the measures taken by the Community and Health Services Department to mitigate the impact of this growth.

3. BACKGROUND

York Region administers the Province's Ontario Works program which provides financial assistance and employment supports to eligible residents

York Region is one of 47 Consolidated Municipal Service Managers mandated to administer the Province's Ontario Works program. Ontario Works is an income-tested program that provides financial assistance and short-term employment supports to eligible residents. The goal of Ontario Works is employment.

The Ontario Works caseload, which remained relatively stable in 2008, has increased as people have found themselves out of work as a result of the economic downturn

In 2008, York Region's Ontario Works caseload remained relatively constant, averaging 4,535 cases per month. The number of cases coming onto assistance each month (applicants granted) was generally offset by the number of cases leaving assistance (program exits). However, the caseload began to rise toward the end of 2008 with an increase of 201 cases from November to December and continued to rise at a high rate through the first quarter of 2009, with an overall quarter increase of 521 cases. Since that point, case increases have continued but at a slower pace, with monthly increases of between 0.5% and 1.5%.

4. ANALYSIS AND OPTIONS

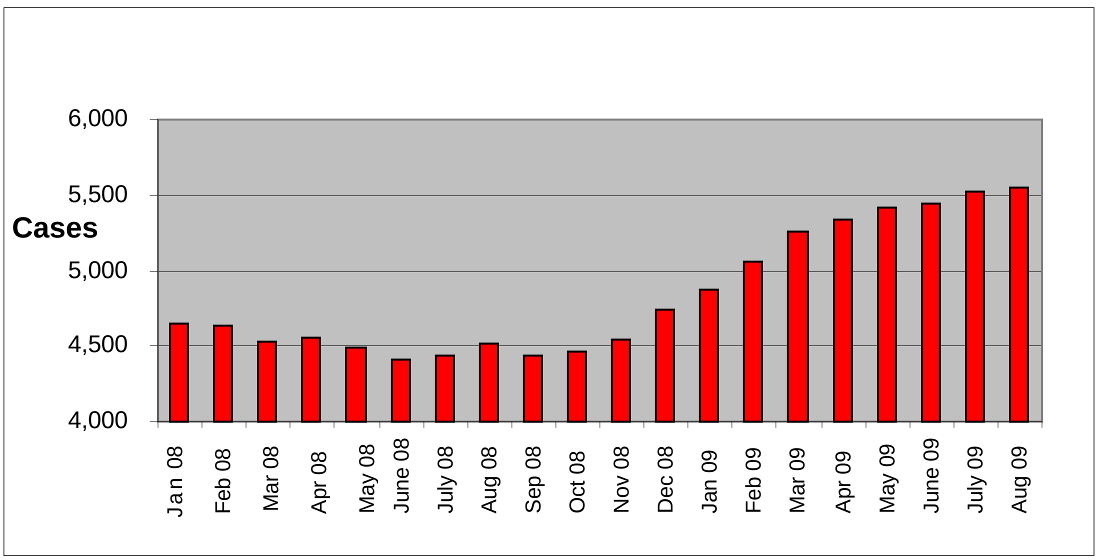
CASELOAD GROWTH, ECONOMIC PRESSURES AND MITIGATION STRATEGIES

The Ontario Works monthly caseload has continued to increase in 2009, but the growth rate is currently slower than originally forecasted

Since the beginning of 2009, York Region's Ontario Works caseload increased by 814 cases (as of the end of August, 2009), up almost 17% over December 2008. The greatest increase this year was in March where there was a 4.01% increase over the previous month. Caseload increases have continued since that point, but at a slower pace than originally projected. From April 2009 to August 2009, caseload increased at a monthly average of 1.09% compared to the first quarter of 2009 where the monthly average growth was 3.5 %.

Graph 1 shows caseload activity for the period from January 2008 to August 2009.

Graph 1
Caseload Activity January 2008 – August 2009



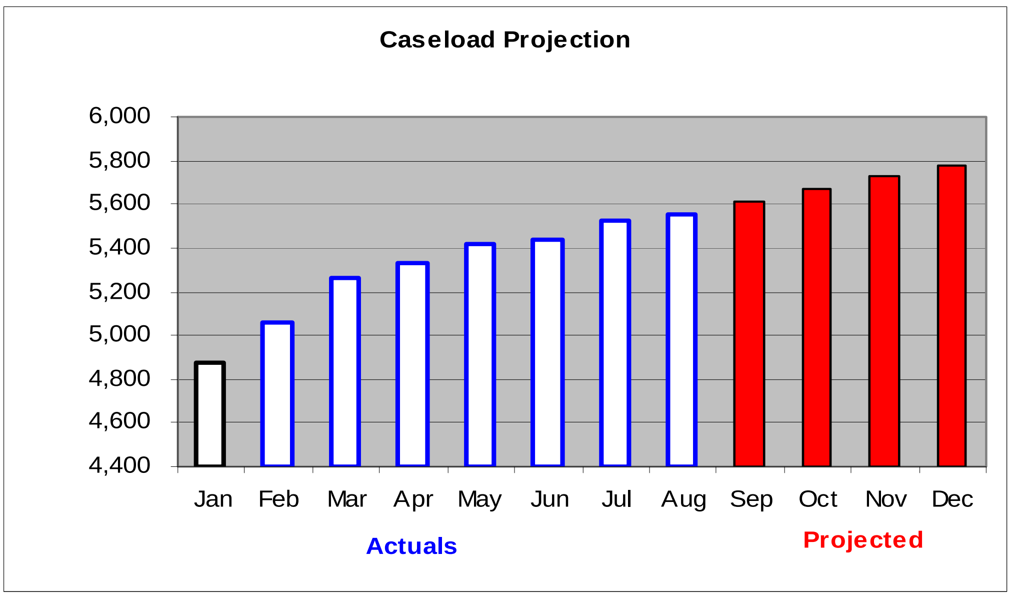
Case increases are being monitored closely and based on recent trends, the caseload is projected to reach 5,774 by year end

Based on a review of caseload growth trends in the first quarter of 2009, it was originally forecasted earlier in the year that the Ontario Works caseload may reach approximately 6,000 cases by year-end, a 26% increase over December 2008.

Based on a review of the caseload activity in recent months, it appears that a slowing trend has emerged that indicates caseload growth may not be as high as originally forecasted. It is currently projected that the Ontario Works caseload could reach 5,774 cases by year-end resulting in an average of 5,432 cases monthly when the full year is taken into account for 2009.

Graph 2 depicts caseload activity from January 2009 to August 2009 and caseload projections to year-end 2009.

Graph 2
Caseload Activity January 2009 – August 2009
Projected Caseload September – December 2009



The economic downturn is continuing to create pressure on the Ontario Works caseload in York Region

Nationally, the trend in employment has changed recently. Over the last five months combined, employment has fallen by 31,000, a much smaller decline than the 357,000 observed during the five months following October 2008. This trend appears to follow in line with the Ontario Works caseload growth which experienced a similar pattern in the same time period. Caseload growth has begun to slow after the first quarter of this year, with the result that forecasted growth is not currently as high as previously anticipated.

Despite this overall improvement in the rate of job loss, Canada's overall employment has still declined by 387,000 jobs since October 2008. The national unemployment rate was 8.7% in August 2009. The Province of Ontario's unemployment rate in August was higher than the national average at 9.4%. The result of job losses and continuing high unemployment rates means people cannot find jobs as easily as before and this has created additional use of social assistance through the Ontario Works program.

Table 1 provides an overview of provincial employment activity for the period November 2008 to August 2009. Much like the national picture, data suggests an improving employment picture, a trend that will need to be carefully monitored in light of the continued potential for volatility in the economy. Staff will continue to monitor relevant indicators over the coming months.

Table 1
Provincial Employment Activity
November 2008 – August 2009

	Nov. 08	**Dec. 08**	**Jan. 09**	**Feb. 09**	**Mar. 09**	**Apr. 09**	**May. 09**	**Jun. 09**	**Jul. 09**	**Aug. 09**
Job Starts/ Losses	-66,000	+1,800	-71,000	-35,300	-10,800	-3,000	-59,700	+1,200	+13,700	+12,200
Unemployment Rate	7.10%	7.20%	8.00%	8.70%	8.70%	8.70%	9.40%	9.60%	9.30%	9.40%

Staff are experiencing pressure to maintain customer service during peak periods of demand

As every effort is being made to maintain high levels of client service, staff are experiencing pressure in dealing with the increased volume of applications and the increased number of cases they are serving. Staff continue to monitor the provincial standard for wait times for new applicants and have been required to increase the number of available intake appointments to meet the demand.

To date, through effective management and the commitment of staff, the department has been able to deal with the increase in applications with no negative change to overall wait times. However, as resources become focused on intake, there is additional pressure on staff to meet the needs of ongoing recipients.

Rising caseloads can impact customer service and the service delivery of programs and services

As the number of applications and the overall caseload continues to increase, staff are increasingly focussed on meeting the critical basic financial needs of applicants and recipients. Time customarily dedicated to file reviews, eligibility verification and case management is diverted to the provision of food, shelter, medication and critical referrals. A focus on meeting the financial need of recipients also competes with the ability to provide vital employment assistance services, a key factor in ensuring individuals and families continue to exit the system and become independent.

York Region's caseload to case manager staff ratio was 95:1 in August 2008 and has increased to 117:1 in August 2009. This is in addition to the workload associated with the increased application volume. York Region generally targets for a caseload in the range of 90–110 cases per Social Assistance Case Coordinator (case coordinator to households) to manage the complex workload associated with new applicants and existing recipients.

As was highlighted in a previous report to Committee and Council it is generally accepted that at a ratio of 125:1 or more, there is an increased risk of non-compliance with program standards and under achievement of targets, resulting in greater potential for claw back of provincial funding, something that has not occurred to date in York Region.

As a result, the caseload to worker ratio will be monitored closely over the coming months. Should the ratio rise to 125:1, the initial approach will be to deploy temporary staff to effectively manage the volume. Should these levels continue, staff would report back to Committee and Council with further recommendations on staffing and overall caseload management.

The Ministry of Community and Social Services has approved short-term flexibility to address workload pressures due to increased service demands in effect until March 31, 2010

The Ministry has formally acknowledged that the current economic downturn has created workload pressures for Ontario Works delivery agents across the Province due to increasing service demands and has recognized that delivery agents have been responding to these pressures through internal staffing and workload adjustments. In recognition of this, the Ministry has undertaken a review of strategies aimed at alleviating workload pressures that respect legislative authority and can be implemented within a short timeframe.

The short-term strategies approved by the Ministry include:

- Extension of the timeframes for financial reviews from an annual review to 24 months with no reduction of incentive funding for these financial reviews if previously established targets are not met in the 2009/2010 fiscal year. York Region has met these targets consistently in prior years earning over $200,000 per year.
- Allowing flexibility in the way service providers update participation agreements with recipients who are on a return to work plan and flexibility with the timeframes to defer a recipient from employment activities.

These strategies which target very specific areas in service delivery are being deployed in York Region, and will have some benefit to the management of the ongoing caseload. However, they are temporary in nature and will only remain in place for the 2009/2010 fiscal year.

Community and Health Services has been and is continuing to be proactive in taking steps to mitigate the effects of a rising caseload

In addition to the provincial changes, staff have been pro-active in recent months in taking a number of steps to mitigate the effects of the rising caseload on client service and program integrity. These include the sharing of staff resources between local offices, triaging requests from new applicants and existing recipients, and making prompt and effective community referrals, while deferring non-critical work.

5. FINANCIAL IMPLICATIONS

Increased allowance and benefit costs may still result in a net increase of up to $1.49 million in 2009 which may result in the utilization of the reserve fund established for this purpose

Based on revised projections, the impact of an increase in client allowances and benefits may be less than previously anticipated due to a slowdown in caseload growth. If the caseload were to reach a projected 5,774 cases by December 31, 2009, the Region could incur an over-expenditure of up to $7.8 million gross and $1.49 million net for client allowances and benefits.

In anticipation that the caseload may continue to rise into 2010, the 2010 budget request for Community and Health Services includes funds for temporary staff resources to respond to caseload volumes, if required.

The Region has approximately $25 million in its Social Assistance reserve fund that could be used to offset the net regional over-expenditures.

6. LOCAL MUNICIPAL IMPACT

The provision of provincially mandated social assistance assists residents who find themselves in hardship due to economic changes in all areas of York Region and helps to ensure caring and safe communities for all.

7. CONCLUSION

York Region is mandated to administer the Province’s Ontario Works program which provides financial assistance and employment supports to eligible residents. The recent downturn in the economy has created increased pressure on the Ontario Works caseload, creating higher volumes of workload for staff. Staff have taken proactive steps to mitigate the effects of a rising caseload including implementing short-term strategies approved by the Province.

Recent reports suggest the economy is showing signs of improvement and this may be having an impact on the slowing rate of case growth. Economic trends will continue to be closely monitored to determine their overall impact on the Ontario Works program. Staff will also continue to closely track caseload trends and monitor workload pressures in order to minimize any potential risks to program integrity and client service.

For more information on this report, please contact David Rennie, General Manager of Social Services at Ext. 2013.

The Senior Management Group has reviewed this report.