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ONTARIO WORKS PARTICIPATION FOR ONTARIO DISABILITY SUPPORT PROGRAM NON-DISABLED CLIENTS

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, May 26, 2006, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair write to the Minister of Community and Social Services requesting that the Province work with Regional staff on an ongoing review of the Ministry's funding model which supports the delivery of Ontario Works employment services to Ontario Disability Support Program (ODSP) non-disabled clients in York Region.
2. The Province ensure that if any funding shortfalls occur under the established funding model they be addressed provincially through amended or alternate funding mechanisms.

2. PURPOSE

The purpose of this report is to provide Council with information about mandated province-wide changes to the Ontario Disability Support Program (ODSP). Included in these changes are increased requirements for ODSP spouses and dependent adults (who do not have a disability or caregiving responsibilities) to participate in Ontario Works (OW) employment activities, with funding support generated through a savings based model.

The report also seeks approval for communicating to the province the need for them to conduct an ongoing review of the funding model and address any funding shortfalls.

3. BACKGROUND

In early 2006, the Province announced plans to enhance the promotion of long-term, sustainable employment for ODSP recipients, spouses and dependent adults.

The provincial plan includes:

- Improved access to Ontario Works for ODSP clients, with a focus on non-disabled spouses and dependants.

- Improved employment incentives for disabled and non-disabled ODSP clients.
- A funding model for ODSP clients that access Ontario Works employment supports based on allowance and benefit savings.

The plan which is mandated by the Province will be implemented gradually in two phases, beginning April 1, 2006 and November 1, 2006.

3.1 Improved Access to Ontario Works for ODSP Non-Disabled Clients

The Province introduced changes requiring ODSP spouses (who do not have a disability or caregiving responsibilities) to participate in Ontario Works employment services and enhanced the referral process for non-disabled dependants who have always had participation requirements but tended to come to Ontario Works in low numbers. The regulatory changes require ODSP offices to identify participants and make referrals to Ontario Works.

ODSP clients who are exempted from participation include:

- Spouses and/or dependent adults required to provide caregiving.
- Spouses and/or dependent adults with a disability.
- Persons with pre school-aged children.

It should be noted that ODSP disabled recipients and their spouses have always been able to participate in Ontario Works employment services on a voluntary basis.

3.2 Improved Employment Incentives for ODSP Clients

Effective November 1, 2006, the Province is introducing enhanced employment incentives for ODSP clients. These incentives will be available to all ODSP recipients including non-disabled spouses and dependent adults who participate in Ontario Works (with the exception of disability specific benefits). The employment incentives introduced comprise of:

- A 50% earnings exemption to earned income.
- The continuance of health-related benefits (e.g., drug benefits, dental, etc.) to recipients when they exit ODSP for employment.
- A new employment benefit of \$500 for recipients who leave ODSP for employment.
- An increase to the employment start-up benefit from \$253 to \$500 to assist with initial back to work expenses.
- An increase to the maximum informal child care deduction from \$390 to \$600 per month.
- A \$100 monthly work-related benefit for each working adult.
- An increase in the deduction for disability work-related expenses from \$140 to \$300 per month.

4. ANALYSIS AND OPTIONS

Over the past few months, staff have been working closely with local ODSP and Central East Ministry of Community and Social Services staff to develop *Joint Implementation Plans* that support strong referral processes, clear transfer schedules and sound post-transfer employment planning for participants. As part of the planning process, priority was given to promote a customer-focussed, seamless process for ODSP non-disabled clients required to participate in Ontario Works.

4.1 Referral Process

As part of the Plan, ODSP offices identify participants for referral to Ontario Works. This includes a screening process to ensure that clients meet the employment readiness criteria for referral. Prior to transfer, clients are provided written information about participation in Ontario Works employment activities and meet face-to-face with ODSP staff to learn about their participation requirements and the referral process to Ontario Works. In all cases, it continues to be the responsibility of ODSP (the Province) to provide monthly financial assistance and determine ongoing eligibility. This function does not transfer to Ontario Works.

4.2 Post-Transfer Employment Planning

Following referral to Ontario Works, ODSP recipients will receive a letter introducing their worker and providing information about their participation in Ontario Works. Participants are then asked to attend an interactive group orientation where they can ask questions and learn about Ontario Works employment services. Following the orientation, participants will meet with an Ontario Works staff member to begin to develop a return to work plan as part of the overall employment planning process.

4.3 Transfer Schedules

Approximately 450 cases from the existing ODSP caseload will be screened by ODSP staff for potential referral to Ontario Works in York Region. Approximately 30% of the cases deemed appropriate will be referred on a monthly basis from June 1, 2006 to December 31, 2006, the balance (about 70%) occurring in stages by December 31, 2007. The Ontario Works employment caseload is expected to increase incrementally as referrals are received.

4.4 Funding Based on Provincial Savings

While the province has stated that Ontario Works delivery agents have always been expected to serve some ODSP cases as part of Ontario Works employment funding, new funding for this enhanced service delivery is based on provincially tracked allowance and benefit savings associated with a presumed reduction of ODSP program costs as a result of clients getting and keeping a job. Savings are expected to occur due to increased chargeable earnings for ODSP clients who become employed through Ontario Works, reducing the level of ODSP allowances paid.

Under the model, the Province is planning to share 50% of program savings (i.e., 50% of the Province's 80% share of ODSP allowance and benefit costs) to support the ongoing Ontario Works costs of this initiative. The Region will also receive an additional 20% of any savings, as municipalities currently fund 20% of the cost of ODSP allowances and benefits.

It is difficult at this time to predict the level of funding that will result from this savings-based initiative. Detailed information on the demographics of this client group is unavailable from ODSP and at present, we are unable to determine their degree of job readiness. Also, without the experience of working directly with these individuals, it is unclear exactly what level of support will be required to move these clients to employment. The Social Assistance Division plans to closely track the degree of effort and costs as the program rolls out and communicate any concerns or issues to the local ministry office.

5. FINANCIAL IMPLICATIONS

In 2006, the Province will provide \$113,000 in one-time 100% provincial funding to support capacity building for the start-up of this initiative. This funding will be used toward program and operating costs, including a short-term staffing assignment (this will not be a full-time employee but a current staff member or members assigned to manage initial referrals with casual staff backfill) as well as supports to the clients (program, travel costs, etc.) to support implementation and allow for an initial evaluation of costs and any funding coming forth from the program via savings. If there is identified need for ongoing staff, this will be considered as part of the 2007 Budget submission.

The ongoing cost to deliver Ontario Works employment services to ODSP non-disabled clients is designed to be funded from the ODSP allowance and benefit savings generated by this initiative. However, until York Region has had more experience working with this client group, it is unknown whether the funding model will prove to be cost-neutral. Community Services and Housing staff will closely track funding through ongoing monitoring of program delivery costs. It is recommended that communication be directed to the province on the need for them to participate in an ongoing funding review to ensure that savings generated through this initiative adequately cover the cost of delivering these services.

6. LOCAL MUNICIPAL IMPACT

There is no direct impact on local municipalities, however all municipalities benefit from initiatives that actively engage ODSP recipients in employment services that increase employability and support long-term financial independence. Helping families with disabilities become independent fosters a stronger economy and stronger communities.

7. CONCLUSION

In 2006, the Ministry is implementing a series of mandated initiatives to improve access to employment and strengthen incentives to work for all ODSP recipients, including non-disabled spouses and dependent adults. The goal of these regulatory changes is to increase earnings and attachment to the labour force for ODSP disabled clients and all members of their families. These changes promote enhanced access to employment services through Ontario Works for non-disabled spouses and dependent adults and improved employment incentives.

Staff are working closely with the Central East Region ODSP Office to develop joint plans and protocols to ensure a successful transition of ODSP non-disabled clients to Ontario Works employment services. Staff will also closely track funding as it pertains to this initiative.

It is therefore recommended that communication be made to the Minister of Community and Social Services requesting that the province monitor the funding model associated with the initiative and address, if required, any funding shortfalls.

The Senior Management Group has reviewed this report.