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ONTARIO WORKS PROGRAM RETURN TO WORK EMPLOYMENT SERVICES

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, August 27, 2004, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information by Committee and Council.

2. PURPOSE

The purpose of this report is to inform Committee and Council on the range of employment services provided to participants in the York Region Ontario Works program to enable them to return to work.

The report also provides information pertaining to conditional program funding, participant employment outcomes, and the resulting cost avoidance benefits to the Region based on effective service provision.

3. BACKGROUND

The Ontario Works program provides employment supports and temporary financial supports to people in financial need and is based on the principle that people should ultimately be financially better off working than on social assistance. Participants of the Ontario Works program are required to engage in one or more employment assistance activities as a condition of eligibility for financial assistance.

Additionally, provincial funding for such activities depends on achieving certain targets. Funding is basically on a “pay for activity” basis.

3.1 Integrated Case Management

Effective return to work service provision in York Region is premised on integrated case management for participants that includes employment planning and supports, family support services and provision of childcare and financial eligibility reviews. The delivery of these services to participants is based on a collaborative model that utilizes resources located both internally and in the community. Staff and participants work together with these internal and external partners in a diverse and rapidly growing Region to create opportunities that move clients toward independence.

3.2 Employment Service Range and Current Funding Approaches

In order to effectively move clients towards independence, a comprehensive range of employment supports and services are utilized. These services are based on a variety of interventions that are broken into distinct levels of service. The services and levels are outlined fully in the Analysis and Options section of this report.

Employment services are currently funded under a specific Ontario Works employment envelope negotiated with the Province through the Ministry of Community and Social Services. Employment services are funded 80:20 between the Province and the municipality, utilizing an activity based model. In order to meet provincial requirements, service delivery agents have been expected to adhere to provincially defined targets in regard to activity.

3.3 New Employment Funding Direction

The Province has recently indicated that it will be moving away from the prescriptive activity based model noted above, to a more flexible outcome based model of funding. The Province has stated that the purpose of this change is to enable service delivery agents to achieve increased flexibility in regard to responsive service development to meet local needs. For 2004, the Province has only committed to introducing some preliminary outcome based measure changes that will be incorporated within the existing framework.

In anticipation of more substantial future changes, the Province has committed to consultations with municipal service delivery agents in order to establish effective and responsive future outcome measures and program flexibility. It is too early in the process to effectively assess impacts, however, York Region will be an active participant in this process and monitor the results closely.

4. ANALYSIS AND OPTIONS

4.1 Employment Assistance Activities

In 2003 there were over 4,900 participants on average at any given point engaged in employment assistance activities.

Ontario Works employment assistance activities are designed to:

- Assist participants who are job ready to find paid employment.
- Assist participants who are not job-ready to obtain employability skills.

Through a broad and varied range of employment assistance activities, participant needs are addressed in an individualized return to work plan. This plan is based on a participant's skills, experience and circumstances and takes into account local labour market opportunities and trends. Financial supports are also available to the participant for expenses related to employment or volunteer opportunities (e.g. travel, work boots, child care).

Employment assistance activities include:

- Volunteer community participation activities that allow people to contribute to the community while increasing their skills and overall employability.
- Job search support services.
- Literacy assessment, screening and testing.
- Basic education and job-specific training.
- Employment placement, including placements that provide incentives for employers to hire.
- Self-employment supports.
- Substance abuse recovery programs and services.
- Learning, Earning and Parenting (LEAP) supports specifically designed for young parents.

Employment assistance services are grouped into three service levels based on the degree of intervention required:

Table 1
Levels of Service Intervention

Service Level	Description
Level 1 - Basic	Participants who have just come on to assistance and are in the process of developing a return to work plan, or those demonstrating an existing skill set and an identifiable employment goal, will be directed toward Level 1 services. These services provide opportunities for participants to engage in self directed and supported job search activities.
Level 2 – Intermediate	Level 2 services are for clients who require targeted skill upgrades (basic education and training, job-oriented life skills training), short-term voluntary placements in non-profit community agencies, or direct job development assistance leading to employment placement in paid work.
Level 3 – Intensive	Participants in this level constitute both individuals who require more intensive intervention due to a lack of current work experience or Canadian work experience, unclear employment goals and the need for more intensive work experience, or those whose goals involve more intensive planning and staff support in areas such as self employment. A full range of services are offered at this level include the Learning, Earning and Parenting (LEAP) program for young parents, the Employment Placements with Incentives program, as well as the more intensive volunteer community placements and self-employment activities noted above.

4.2 Employment Assistance Funding

An employment assistance funding formula supports the provision of the range of services noted above. The full range of employment services are combined into a single budget-planning envelope by the Province provided to each delivery agent to cover costs associated with employment staffing, program costs, and participant supports (such as travel, daycare, work related tools, etc.). The current gross funding for the York Region Ontario Works envelope is approximately \$3.25M of which the Province provides approximately \$2.6M (80%) and York Region provides approximately \$650,000 (20%).

Funding for employment assistance has been based on the level of employment service activity provided to participants which in turn is based on unit costs per level negotiated through an annual provincial/municipal service contract process.

Recognizing that many participants receive more than one type of service, funding is based on the highest level of service provided during the funding period. The provincial funding framework for service levels has incorporated very prescriptive approaches to service (such as 30% of participants required to be active in community volunteer placement and a 60% cap on participants enrolled in Level 1 activity). This approach has often hampered service provision as it restricts the ability to respond to what the client needs as opposed to what the Province defines them needing. As noted earlier in the report, however, the Province has indicated it is moving in the direction of a more flexible approach premised on outcome based funding in the future. Further information and consultation on this approach is pending from the Province.

Services included in each level for funding purposes, the current unit prices received by York Region, and a breakdown of York Region client participation rates by level are outlined in Table 2 below:

Table 2
Summary of Employment Assistance Services,
Service Level Funding and Client Participation Rates

Service Level *	Assistance Services	Client Participation
Level 1 - Basic (\$250.00)	• Independent Job Search • Structured Job Search	60%
Level 2 - Intermediate (\$1,250.00)	• Community placements of less than 30 hours/ month • Basic education • Literacy training and ongoing assessment • Job-specific skills training • Employment placement without incentives	35%
Level 3 –	• Extended community placements of 30 or more hours/ month • Employment placement with incentives	5%

Service Level *	Assistance Services	Client Participation
Intensive (\$3,500.00)	• Self-employment development • Learning, Earning and Parenting (LEAP) program	

* Funding rates are prorated over a 12-month period

4.3 Managing Increasing Participant Barriers to Employment

Due to the combination of a strong economy and a general reduction and stabilization in the number of persons on assistance over the last several years, those remaining on assistance often face more complex or multi-faceted barriers to employment (e.g. physical/mental health issues, language barriers, literacy, addiction issues, limited education, limited or non-recent work experience, transportation limitations etc.) As a result, a greater proportion of the caseload now requires more intensive case management and support to address these challenges. Research suggests that a mix of support services and labour market strategies is the key to meeting the needs of the hard to employ. York Region employs a comprehensive mix of services.

In 2004, York Region staff participated in the Ontario Works Advanced Case Management and Development Program provincial training program, with an emphasis on developing best practices and strategies for working with those facing increased employment barriers. The province has worked closely with service delivery agents to provide training, and has committed, as noted earlier in this report, to active consultation with municipalities to enhance service flexibility and results through a less prescriptive model. York Region's Ontario Works program welcomes this approach and looks forward to meaningful involvement in this process as a means to better serving multi-barriered participants.

4.4 Community Partnerships

York Region recognizes the value of partnerships in the effective delivery of employment services and is actively involved in the development and maintenance of community contacts. Strong linkages with other levels of government (including Human Resources and Skills Development Canada and the Ministry of Community and Social Services), employers and employment service providers in the community, (both non-profit and for-profit), have been developed to bring together the partners needed to ensure an integrated approach to serving participants.

4.5 Innovative Approaches to Labour Market Opportunities

The York Region Ontario Works program is committed to ongoing innovation in all facets of service delivery, including training to work projects targeting sector specific employers. Recently developed training to work opportunities include programs in the hospitality, drywall, and call centre industries. These industries have been provided with employees with solid entry-level skills through the combined efforts of Ontario Works staff and our community partners.

In addition to the successful training programs noted above, a project is currently underway working with a community partner, funded under the Community Services and Housing's Community Development Initiative Fund (CDIF) to identify further sector specific opportunities in York Region. As a result of this recent initiative, a pilot project is already underway involving Ontario Works participants in a project focused on the construction trades. The ongoing innovation and success of these approaches will enable clients to access jobs that provide good wages and opportunities for advancement.

4.6 Relationship to Vision 2026

York Region's Ontario Works employment programs and supports meet the Vision 2026 objectives of engaging communities and contributing to a vibrant economy.

5. FINANCIAL IMPLICATIONS

The effective delivery of employment services in York Region enabled 934 participants to exit the Ontario Works program for employment in 2003. It is anticipated that approximately the same number will exit to employment in 2004. An analysis of Regional (net) social assistance savings resulting from exits to employment (based on a calculation of six-months of savings), demonstrates the cost avoidance associated with effective return to work services.

Table 3
Cost Avoidance – Exits to Employment*

Participants exiting to employment	Average monthly assistance (net)*	x 6- months
934	\$152.81	\$856,347.24

* Based on 2003 figures utilizing Regional net cost per case.

This cost avoidance analysis is seen as particularly effective from a cost benefit analysis when the \$856,347 in savings is compared to York Region's \$650,000 (20%) contribution to the employment services envelope in 2003.

In addition to the savings attributed to participants leaving for employment, the provision of effective and timely employment services enables participants to exit social assistance more quickly promoting further cost avoidance. A comparative analysis of service providers based on the percent of caseload on assistance for over 12 months indicates York Region is performing well, with a lower percentage of participants remaining on assistance for over 12-months than three of the four GTA comparators.

Table 4
Percentage of Caseload on Assistance for over 12- Months*

Service Delivery Agent	% on Caseload more than 12-months (2003)
York	38%
A	48%
B	44%
C	33%
D	48%

* Based on 2003 Provincial Ontario Works statistics

As well as assisting people with exiting assistance, the provision of effective employment services and supports enables participants still in receipt of assistance to maintain, access, or increase earnings. The accessing of earnings not only reduces current assistance levels, but forms an important step in allowing participants to build on current employment activity to the point they can exit assistance. It is estimated that approximately 15-20% of York Region's caseload has earnings at any given point. The average monthly earnings in 2003 according to ministry data was \$561.39 per earner.

In summary, the effective delivery of employment services is an important component in achieving cost avoidance through the promotion of jobs and earnings and reducing time on assistance.

6. LOCAL MUNICIPAL IMPACT

There is no direct impact on local municipalities. However, all municipalities benefit from social assistance savings and the ability of social assistance recipients to return to the workforce.

7. CONCLUSION

York Region's Ontario Works employment programs and services provide participants with a full range of effective supports that are tailored to meet their individual needs and promote success. The effective service delivery approach, built on community partnerships, enables individuals on assistance to pursue their return to work goals and move on from assistance to financial independence, while achieving savings for the Region through cost avoidance.

York Region's Ontario Works program remains committed to working in partnership with the community, employers and other levels of government to continuously improve employment services for people in need and assist them in increasing their success and independence.

The Senior Management Group has reviewed this report.