

## Ontario Works 2009 Budget Document

### Section I. Existing Services and Service Levels:

Ontario Works (OW) provides financial, employment and homelessness assistance to eligible applicants and recipients in compliance with Provincial legislation and policy requirements. Services reflect the Ministry of Community and Social Services (MCSS) vision for social assistance; to provide a simplified, streamlined social assistance system that treats our most vulnerable Ontarians with fairness and dignity, and provides effective, integrated employment supports to help them prepare for, find and keep jobs.

The following describes the core services of the OW division:

#### *Social Assistance*

Basic financial assistance includes income assistance provided for the purposes of basic needs, shelter, and items such as transportation and special diet allowances; benefits as prescribed in the regulations (e.g. prescription drugs) and emergency assistance provided to alleviate crises.

#### *Employment Program*

OW provides a full range of employment assistance to clients unable to or unsuccessful at securing and maintaining employment. Most OW clients are required to participate in an employment activity and have access to a varied range of in-house and contracted services. These programs and services provide an opportunity to enhance employability and the prospect of securing and retaining work while moving clients along the continuum to employment.

OW recognizes that today's labour market is rapidly changing. To assist clients in preparing for changing demands and the increased entry level skill set, programs and services are tailored to the needs of participants and the local labour market. A wide range of programs and services is delivered using a variety of strategies to meet the abilities and learning styles of clients, and includes pre-employment supports, housing and health supports, community placements, job search assistance, skill enhancement and employment placement and retention. While the goal of employment is attainable for many, a successful outcome for others may not be employment but the opportunity to engage in and contribute to their community or transfer to the Provincial Ontario Disability Support Program.

#### *Caseload Management*

OW promotes a case management approach that focuses both on financial assistance and employment assistance. Caseworkers have been delegated with responsibility for the determination of initial entitlement, the monitoring of ongoing eligibility (including the Consolidated Verification Process), and the negotiation, support and monitoring of employment Participation Agreements.

The Consolidated Verification Process (CVP) is a regular financial eligibility review and is completed with clients a minimum of every twelve months and more frequently if identified risk

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factors are triggered. CVP is an effective control with respect to managing caseload size by ensuring cases remain eligible for financial assistance and the correct entitlement is being issued.

Mandatory Participation Agreements are conducted regularly with all employable recipients of OW to ensure effective employment case planning is in place. Participation Agreements and resulting employment assistance referrals are tailored to address the needs, skills, experience and circumstances of individual clients. In addition, the participation of persons with multiple employment barriers is promoted through the availability of several targeted employment assistance services.

As well, participants with variable monthly income are required to report financial changes to their Caseworker each month to support timely case management and ongoing eligibility determination. To encourage continuous improvement and ensure accountability, numerous internal audits are conducted annually by OW staff. In addition, Peel is subject to an annual provincial audit to monitor compliance with OW legislation and policy. These audits produce detailed findings, recommendations and action plans which facilitate continuous improvement and program development. In addition staff works with the community on issues of strategic importance (e.g. Newcomer Strategy, Fair Share Peel etc.)

### *Homelessness Program*

All Regional Departments are working collaboratively to eliminate homelessness and the conditions of poverty that cause homelessness. Additionally, successes come from working with community partners to focus on services and programs that help individuals gain the skills, abilities and resources needed to be independent and participate fully in the community. Peel's strategy offers a continuum of supports, moving beyond crisis response into preventative actions.

Peel's citizen-focused model acknowledges that individuals and families need to feel empowered by programs intended to assist them. Interventions that support individuals, families, youth and children in emergency situations are a co-ordinated and integrated response to the complex challenges of vulnerable households. A comprehensive approach to homelessness ensures the provision of basic needs, protection, referral, and the alleviation of trauma associated with the situation for those in emergency hostels, outreach and homeless prevention programs. Throughout, residents can access support services such as employment, health care, education, social services, early learning and intervention for children in shelters; transitional programs and transitional housing.

### *Community Agency Grants*

The Human Services department administers the Region's Community Agency Grants. Previously known as Regional grants, this funding has been available to many non-profit social service agencies and agricultural organizations throughout Peel since 1974. One Year Renewable Program funding and Multi-Year Operating funding is available to non-profit, charitable organizations in Peel that provide social programs and services. Community Programs Funding demonstrates Regional Council's commitment to working with and building the capacity of agencies and community organizations that provide beneficial programs and services to the community.

**Section II. Resources to Deliver 2008 Services:**

<b>Current \$'000</b>	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2008 Projection</b>	<b>2008 Variance Under/(Over)</b>
Total Expenditures	\$147,671	\$155,317	\$153,959	\$1,358
Total Revenue	\$93,299	\$97,408	\$97,940	\$532
Net Cost	\$54,372	\$57,909	\$56,019	\$1,890
FTE	364.5	395.5	395.5	NIL

***2008 Budget:***

For 2008, the OW gross operating budget was approved at \$155.3 million with net operating budget of \$57.9 million. The approved staff complement level is 395.5 FTE.

***2008 Projection:***

The division is expected to end 2008 with \$1.9 million surplus. OW will incur lower net social assistance and employment benefit costs due to the social assistance caseload being lower than projected. The division's revised projection is 9,975 monthly average caseload for 2008 compared to the budget of 10,200 per month (2.2 per cent decrease). The caseload is expected to increase by 214 cases or 2.2 per cent from 2007 actual to 2008 actual. The primary factors behind the 2007 to 2008 caseload increase are Peel's population increase and the decline in the economic environment. As well, the division received one time fiscal increase in Provincial subsidy for 2008.

## Outputs/Outcomes:

Output/Outcome Measure	2008 Target	2008 Projection	Variance Commentary
Monthly Average Social Assistance Caseload	10,200	9,950	Captures the number of monthly average social assistance clients. 2008 projection is based largely on population increases.
Number of months on social assistance	12.9	13.0	The length of time clients require social assistance has increased due to the economic environment.
Monthly Social Assistance Benefit Cost per Case (Social Assistance Component Only)	\$765.66	\$761.23	Benefits are defined as mandatory & discretionary social assistance. In 2008, there will be a 2 per cent increase in Provincial mandatory benefit rates.
Monthly Social Assistance Administration Cost per Case (Social Assistance Component Only)	\$242.93	\$243.66	The division has minimized the effects on administration costs for 2008. The 2008 monthly administration cost per case will remain relatively static from the 2007 projection.
Lifetime Social Assistance Cost per Case (Social Assistance Component Only)	\$13,010.81	\$13,063.57	The lifetime social assistance cost per case will rise due to the mandatory benefit rate increase.
% of Social Assistance Caseload that have earnings	7.5%	6.5%	Influenced by increase in minimum wage and economic environment.
Number of Newcomers (in Canada less than 10 Years) as % of the Caseload	24%	24.2%	Expect to remain stable.
Social Assistance Caseload Turnover Rate	8%	7.2%	Declines reflected in singles and couples with no dependants cases.
% of Internal Review decisions (appeals) upheld	82%	82%	Stable.
Regionally Operated Emergency Hostels Occupancy Rate (Operational Capacity)	85%	90%	Impact of Mavis closure increased density of singles at Peel Family Shelter.
Average length of stay in Emergency Shelters (days)	7.23	8.5	Family length of stay is offsetting shorter stay of singles.

### Section III. Performance Measurement/Benchmarking:

The Region of Peel is one of 15 municipalities currently participating in the Ontario Municipal CAO's Benchmarking Initiative (OMBI). Shown in the following table are 2007 OMBI data for social assistance and hostels. Detailed information is available in [Appendix VI](#).

The social assistance data suggest that investment in administration (staffing, training, business process & policy improvement, supports) and client benefits (client programming, supports) results in:

- Lower caseload and beneficiary ratios to population
- Fewer months on assistance (program savings)

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Measure Name	Peel	OMBI Median
<b>Social Assistance:</b>		
Average Time on Social Assistance (Months)	12.89	15.30
Monthly Social Assistance Caseload per 100,000 Household	2,623.6	4,124.2
Number of Social Assistance Beneficiaries per 100,000 Population	1,562.7	3,184.9
Monthly Social Assistance Caseload per Full Time Equivalent (FTE)	31	32
Monthly Social Assistance Administration Cost per Case	\$261.90	\$236.71
Monthly Social Assistance Benefit Cost per Case	\$779.75	\$683.09
Monthly Social Assistance Cost per Case	\$1,041.65	\$926.23
Social Assistance Response Time to Client Eligibility (Days)	7.9	7.3

The hostel data show a positive relationship between investments in programming (higher proactive programming costs) and a reduced length of stay.

Measure Name	Peel	OMBI Median
<b>Hostels:</b>		
Average Length of Stay per Admission to Emergency Shelters (Days)	7.4	9.6
Average Length of Stay per Admission to Emergency Shelters – Singles (Days)	5.7	9.6
Average Length of Stay per Admission to Emergency Shelters – Families (Days)	24.8	19.3
Average Nightly Number of Emergency Shelter Beds Available per 100,000 Population (Beds)	26.3	33.7
Average Nightly Number of Municipally Operated Emergency Shelter Beds Available (Occupancy %)	96.3%	0%
Average Nightly Number of Contracted Emergency Shelter Beds Available (Occupancy %)	3.7%	100%
Gross Hostel Cost per Emergency Shelter Bed Night	\$86.93	\$50.78
Net Expenditure for Hostels per Emergency Shelter Bed Night	\$45.23	\$13.91
Average Nightly Bed Occupancy Rate of Emergency Shelters	68.1%	76%

The chart below provides the average lifetime costs for OMBI social assistance and homelessness shelter clients and Peel savings. The lifetime cost savings per case for social assistance clients (Peel vs. OMBI median) is \$744. Due to the current subsidy funding split, the Province receives 80 per cent cost savings benefit.

Peel pays \$156 more, for an average hostel stay. The province funds approximately 33 per cent of the higher cost, with Peel funding the remaining 67 per cent. Higher costs are the result of higher investments in programming designed to assist hostel residents in securing and maintaining supported or independent living upon leaving.

Lifetime Costs	Peel	OMBI Median	(Savings) / Higher Cost		
			Total	Province's Allocation	Peel's Allocation
Lifetime Social Assistance Cost per Case (Benefit & Administration)	\$13,427	\$14,171	\$744	\$149	\$595
Gross Hostel Cost per Average Stay	\$643	\$487	(\$156)	(\$51)	(\$105)

**Section IV. 2009 Base Pressures:**

*Annualizations:*

Per Council resolution 2008-1024, the Regional funds for Homemaking under the Homemaking & Nurses Services Act have been reallocated to other Human Services program priorities for 2009. The 2009 net budget decrease of \$0.2 million.

*Cost of Living Increase/Inflation:*

2009 total expenditures are expected to increase by \$2.86 million or 1.8 per cent of gross cost due to cost of living, primarily driven by increases in staffing costs. To reduce the overall cost of living increase, the division has implemented a staff cost gapping process as part of the budget process, representing \$0.75 million budget reduction. Details are available in [Appendix I](#).

**Section V. Cost Mitigation Through Efficiencies and Recoveries:**

*Efficiencies and Recoveries:*

*Consolidated Verification Process (CVP):*

As noted in Section 1, sound caseload management is supported by the provincial Consolidated Verification Process (CVP) process. This entails regular review of eligibility and entitlement of active Ontario Works cases, using risk factors, third party financial information and an extensive business process to identify cases most likely to be found ineligible and/or to incur an overpayment.

Cases found ineligible as a result of the CVP review are terminated and those incurring overpayments are identified, with monthly recoveries made towards repayment. In order to achieve efficiency in this key area, a Peel-specific algorithm was developed and introduced in 2005, replacing the provincial tool. Since that time, Peel's outcomes have significantly out performed the provincial average. In 2007:

- Peel's termination rate averaged 29 per cent of all cases reviewed versus the provincial average of 14 per cent
- Cases terminated, using CVP, totaled 1,869 of 6,337 reviewed.
- The increased effectiveness of the Peel tool (vs. the expected outcomes had we used the provincial tool) resulted in 900 additional terminated cases and corresponding social assistance savings of \$8.5 million gross (900 cases at \$735 average cost per case at 12.9 months average length of time on assistance)
- Peel maximized the available provincial incentive funding of \$498,976 for achieving and exceeding provincial targets

*Child Care Expenditure Transfer to Social Assistance:*

In recent years, approximately 57 per cent of the Region of Peel's social assistance caseload has been comprised of families, many with young children. The prevalence of families with young children on social assistance has increased the need for the Region to seek innovative solutions to cater to their unique needs. One of the supports offered to families with young children on social assistance is the Ontario Works subsidized child care program. Currently, a number of families on social assistance

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receive subsidized child care through the Region's Children's Services division which contributes to the high costs associated with child care services.

The cost sharing for child care programs for social assistance recipients should be funded 80 per cent by the Province and 20 per cent by the Region. However, the Region faces a funding shortfall in subsidized child care programming because the funding for these programs exceeds the legislated ratio (due to capped subsidy from the Province). As a result, the Region is required to pay more than 20 per cent of the child care costs. Due to the continuous increase of the social assistance caseload, in 2006 the Region funded 52 per cent and the Province funded 48 per cent of the costs associated with child care programs for families on assistance.

In 2007, the Region developed a joint project group consisting of staff from Ontario Works, Children's Services, and Finance to develop strategies to meet the needs of social assistance recipients who require subsidized child care programs. The group created a business proposal to maximize child care costs incurred by the Children's Services division on behalf of social assistance recipients and to access funding that was previously not available to the Region.

The Region's business case called for the Province to accept child care costs incurred by the Region on behalf of social assistance clients with employment income as legitimate social assistance costs. The social assistance program does not currently have its subsidy level capped. Therefore, any costs that are deemed to be social assistance costs are eligible for 80 per cent funding. In 2008, the Ministry of Community and Social Services accepted the Region's proposal and agreed to reimburse the Region, retroactive to August 2005.

The following chart illustrates the retroactive and in-year 2008 funding the Region will receive from August 2005 to 2008. The amounts shown in the chart are unbudgeted subsidy and represent in-year surplus which was approved to be transferred to Best Start Reserve, to assist in stabilizing future child care service levels. As well, the ongoing additional annualized subsidy for Children's Services is estimated to be \$0.4 million.

Year	Subsidy Amount
2005 – Actual	\$147,000
2006 – Actual	\$414,000
2007 – Actual	\$410,000
2008 – Estimated	\$429,000
<b>Total</b>	<b>\$1,400,000</b>

### Section VI. Challenges and Emerging Trends:

#### *Social Assistance Caseload:*

In July 2008, staff submitted a Council report outlining recent trends related to the social assistance caseload. The relevant sections are replicated below. *Peel's caseload forecast, comparator statistics and some commentaries have been updated since the Council report to reflect up to date information.*

i) OW Caseload Experience in Peel:

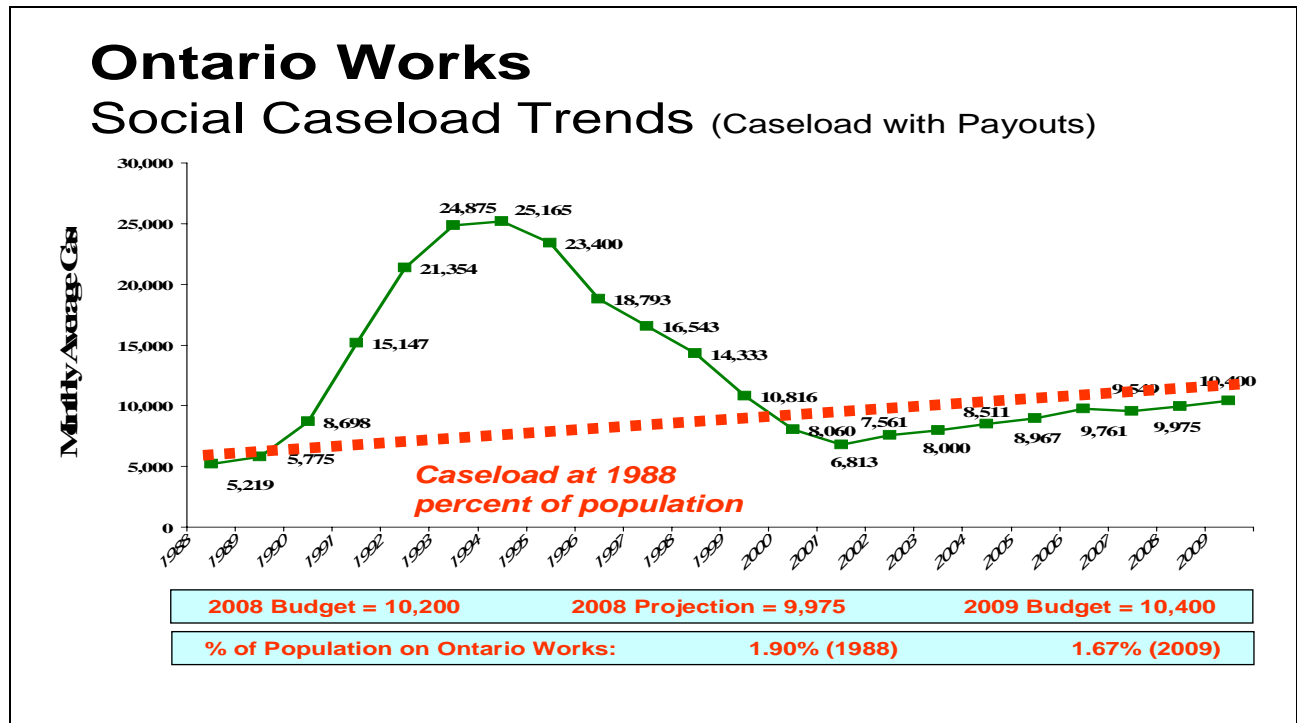
Since 1988, Peel’s caseload has fluctuated from a monthly average of 5,219 in 1988 to its highest at 25,165 in 1994, to 6,813 in 2001. From 2001 to 2006, Peel’s caseload increased, from 6,813 to a 2008 year-to-date monthly average of 9,752. This represents an increase of 2,939 cases or 43 per cent over a period of six and a half years.

However, within this period there was a major downward caseload adjustment that occurred as a result of an Ontario Disability Support Program (ODSP) approval process change. This change, which resulted from Region of Peel negotiation, had the effect of lowering the overall caseload by approximately 900 cases in 2006. It offset the normal annual caseload increase due to population and economic factors and resulted in an overall OW caseload decrease of 212 per month from 2006 to 2007.

At the end of August 2008, Peel had 9,974 cases. August 2008 year to date, Peel is averaged 9,841 cases per month. Peel is expected to end the year with an average of 9,950 cases monthly. This represents an increase of 189 or 1.9 per cent from the 2007 actual. For 2009, staff is forecasting 10,400 as the budgeted caseload level. Some positive factors will likely influence the caseload size, such as the increase in minimum wage and the implementation of the Ontario Child Benefit. However, population growth and the downturn in the economic environment will also be influencing factors.

It is worthwhile to note that twenty years ago, the percentage of the population on social assistance in 1988 was 1.9 per cent. If Peel had maintained at this level, the monthly caseload would have been 11,626 in 2009.

The following chart illustrates Peel’s monthly average caseload trend from 1988 to 2009.



*Social Assistance Caseload with “Positive Entitlement”*

ii) Caseload Experience in Greater Toronto Area (GTA) and Ontario:

From June 2007 to June 2008, Peel experienced a 5.61 per cent increase in caseload vs. the Greater Toronto Area (GTA) average of a 0.60 per cent decrease. During the same period, Ontario averaged a 0.15 per cent increase. Peel's caseload increase is attributed to both the normal increase of the caseload due to population growth and economic factors. Peel's caseload increase of 5.6 per cent compared to the GTA average of 0.6 per cent decrease indicates that Peel's caseload growth due to population and economic factors is outpacing large GTA municipalities such as Toronto and York. It is also worth noting that Peel's historical pattern of caseload decrease during the warmer months did not occur in spring/summer 2008.

The figures in the chart below depict a snapshot caseload level for one month and are not representative of an annualized monthly average.

<i>Municipalities</i>	<i>Social Assistance "Active" Caseload</i>			
	<i>June, 07</i>	<i>June, 08</i>	<i>Inc / (Dec)</i>	<i>% Change</i>
<i>Peel</i>	9,234	9,752	518	5.61%
<i>Toronto</i>	67,260	66,336	(924)	(1.37%)
<i>York</i>	4,456	4,358	(98)	(2.20%)
<i>Durham</i>	6,343	6,812	469	7.39%
<i>Halton</i>	1,328	1,406	78	5.87%
<i>Total Including Peel</i>	88,621	88,664	43	0.05%
<i>Total Excluding Peel</i>	79,387	78,912	(475)	(0.60%)
<i>Total Ontario</i>	197,604	197,899	295	0.15%

Sourced from Provincial "CMSM's Social Assistance Quarterly – June, 2008"

iii) Economic Factors Affecting Caseload:

The OW caseload is understandably sensitive to changes in the economic cycle. When there is strong economic growth, generally the caseload declines. When the economy slows down, it is anticipated that OW caseload will increase. Also, there is usually a lag time between significant changes in the economy and changes in the OW caseload. Recently, the Ontario economy has experienced a downturn as a result of a weak U.S. economy, a high Canadian dollar, strong global competition from emerging economies and high oil prices.

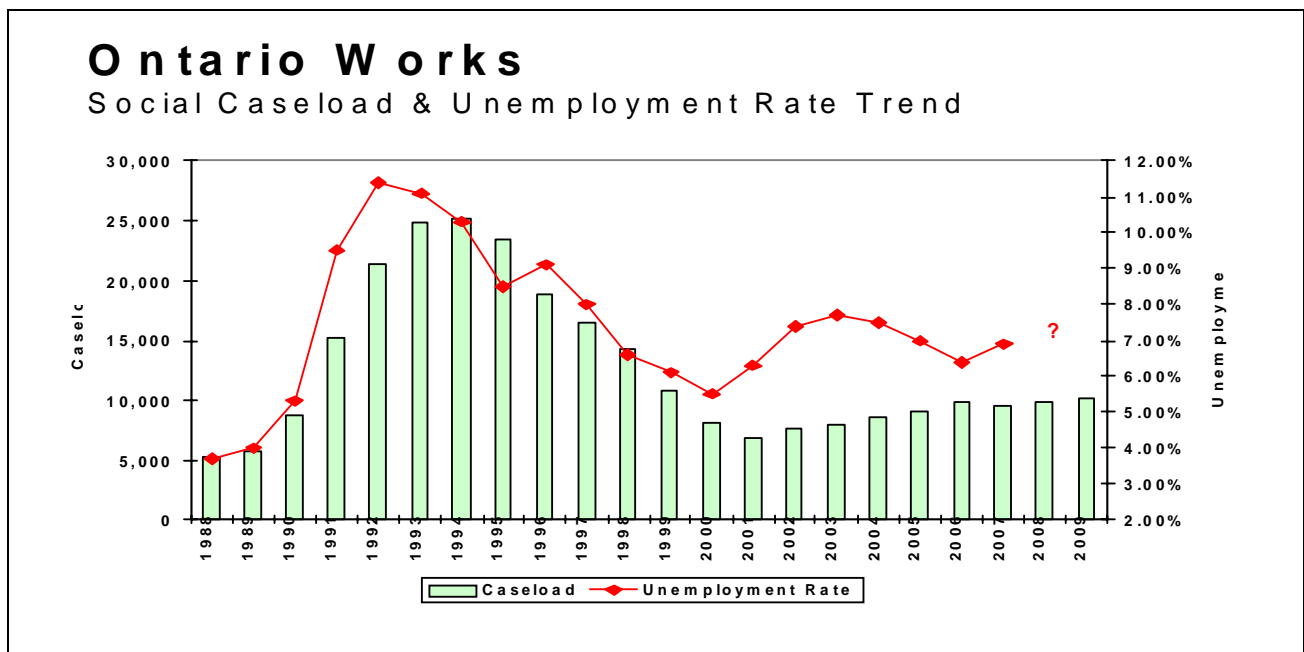
Peel's economy has been affected by these larger macro-economic developments. A sizeable portion of Peel's economy, like Ontario's, is dependent on the manufacturing sector. In 2007, the manufacturing sector employed 19 per cent of Peel's employed labour force. This sector has witnessed significant and sustained declines in employment levels over the last number of years. Other significant sectors of the Peel economy include trade (18.7 per cent), transportation and warehousing (8 per cent), and construction (6 per cent).

Here are some indications that Peel is currently experiencing slow economic growth:

- Unemployment rate - Peel's unemployment rate increased from 5.6 per cent in January-March 2008 to 7 per cent in April- June 2008, and up to 7.4 per cent in July- September. This compares to 6 per cent for Canada and 6.4 per cent for Ontario for the third quarter of 2008.

- Job losses – Conditions in Peel’s labour market continued to deteriorate during the third quarter of June to September 2008 with continued declines in the manufacturing, construction and service sectors. These changes are likely to continue throughout the remainder of 2008 and into 2009. Notwithstanding the expected negative impact of the broader economic downturn on Peel’s economy (including employment), the highly diversified nature of the local economy should facilitate new opportunities in some sectors and therefore help to cushion the overall impact of any further loss of employment in Peel.
- Housing starts - The first half of 2008 was marked by a total decline in housing starts of 13.9 per cent.
- Housing sales - Peel’s housing resale market retreated during the first half of 2008. The number of residential resale housing units sold was down by 12 per cent.
- Building permits - The total value of building permits issued was down 43 per cent relative to the first nine months of 2007. Both the residential (-58.7 per cent) and non-residential (-10.8 per cent) permits contributed to the decline.

The following graph illustrates the correlating factor between the unemployment rate and the social assistance caseload.



The unemployment rate in the future is difficult to forecast given uncertainties with the US economy, high Canadian dollar, and the price of gas and oil. Part of the social assistance caseload can be attributed to the high number of Employment Insurance (EI) claimants in Peel. To better bridge the gaps regarding EI eligibility, the federal government and the province of Ontario signed a Labour Market Agreement (LMA) investing \$1.2 billion in Ontario over the next six years. This funding is aimed specifically at improving the skills of unemployed Ontarians who are not eligible for training programs under the current Employment Insurance program as well as generally increasing the size of the labour market.

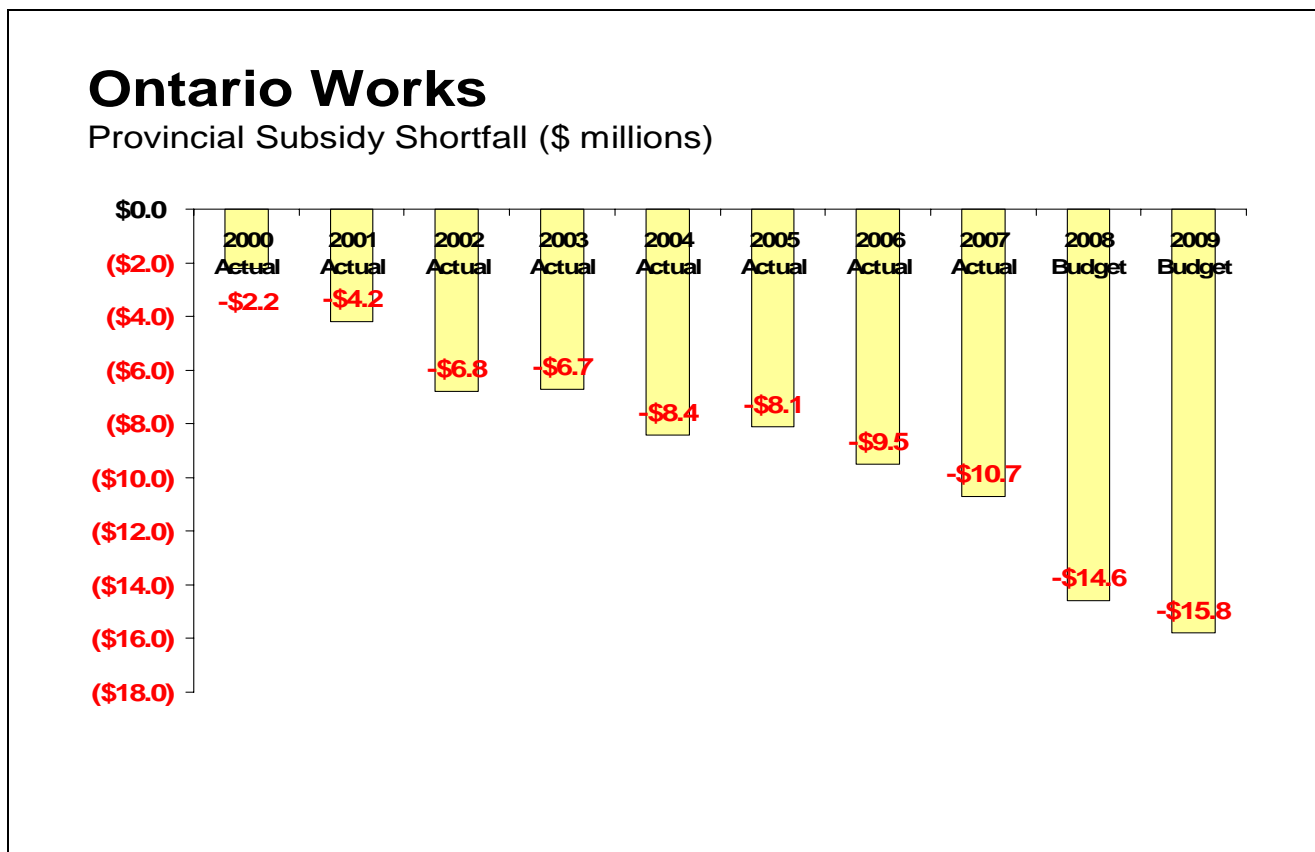
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For Peel and its partners, the LMA provides opportunities to assist unemployed workers and groups vulnerable to poverty (i.e. recent immigrants, persons with disabilities, visible minorities, and youth) in improving their employment outcomes. Such opportunities include:

- Enhancing existing Ontario labour market adjustment programs (e.g. apprenticeship and literacy programs);
- Collaborative local initiatives to improve access to employment for groups vulnerable to low income;
- Expansion of initiatives of the Toronto Region Immigrant Employment Council (TRIEC) and others to better integrate newcomers into the work force (e.g. mentorship);
- Funding for new initiatives to assist employers to better recognize and maximize the skills and experience of newcomers;
- Funding for new job placement models for youth, including new apprenticeship opportunities;
- Expansion of innovative and outcome-focused programs such as Families First and Open the Door to Better Futures programs developed in Peel; and
- Programming aimed at long-term Ontario Works clients.

### *Subsidy Inequity Status:*

Provincial subsidy funding shortfalls for mandated programs continue to be a critical issue for OW. The cost of providing service continues to increase due to inflationary and other pressures. However, the provincial subsidies continue to lag behind as illustrated below. For 2009, the subsidy shortfall is expected to increase by \$1.2 million from 2008 budget.



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The following table illustrates the 2009 subsidy shortfall by individual programs.

<i>Program Name</i>	<i>Legislated Cost Share</i>	<i>What Subsidy Should Be (\$'000)</i>	<i>Actual Subsidy (\$'000)</i>	<i>Actual Cost Share</i>	<i>Subsidy Shortfall (\$'000)</i>
<i>Social Assistance</i>	80 / 20	\$74,043	\$74,043	80 / 20	NIL
<i>Caseload Management</i>	50 / 50	\$15,091	\$7,277	25 / 75	\$7,814
<i>Employment</i>	80 / 20	\$8,257	\$6,275	60 / 40	\$1,982
<i>Homelessness</i>	80 / 20	\$10,350	\$4,298	33 / 67	\$6,052
<b><i>Total</i></b>	<b>73 / 27</b>	<b>\$107,741</b>	<b>\$91,893</b>	<b>64 / 36</b>	<b>\$15,848</b>

Recently announced social assistance uploading will have no impact on subsidy in 2009 as the phase out occurs between 2010 and 2018.

### Section VII. 2009 Program Pressures – Current:

The high level explanation of the 2009 budget pressures is stated below and consists of growth, service demand and subsidy changes. The total 2009 net budget program pressures are estimated at \$0.99 million. Details can be found in [Appendix I](#).

#### *Service Demand:*

Peel's net social assistance benefit costs are expected to decrease by \$0.1 million for 2009 due to the combined effects of the following:

1. The social assistance monthly average caseload for 2009 is projected to be 10,400 per month, representing an increase of 425 (4.3 per cent) cases per month from the 2008 projected actual of 9,975. The 2009 caseload budget represents an increase of 200 (2 per cent) from the 2008 budget of 10,200. This increase in caseload projection will increase the net social assistance cost by \$0.4 million.
2. As has been the pattern in recent years, the Ministry of Community and Social Services (MCSS) announced a rate increase to OW and ODSP benefits of two per cent that will be cost shared starting in 2009, and which will result in an increase in net cost by \$0.4 million.
3. In July 2008, the provincial government implemented a 100 per cent provincially funded, non-taxable Ontario Child Benefit (OCB) for all low income families with children under 18 years of age in Ontario. This has resulted in the restructuring of social assistance, impacting both the OW and ODSP programs, whereby basic social assistance benefit costs for children, as well as lump sum annual back-to-school and winter clothing allowances, will be included in the monthly OCB payments and fully paid by the province. As a result of this social assistance restructuring, the social assistance expenditure costs for Peel is expected to decline by approximately \$0.9 million.

### ***Subsidy and Fee Changes:***

Peel's 2008 approved Ontario Works budget anticipated a 2 per cent Provincial base subsidy increase for Ontario Works administration and employment programs. These expected increases did not occur in 2008. Rather, the base provincial subsidy has been capped at 2007 levels. For 2009, Peel is prudently expecting the administration and employment program subsidy levels to be capped at the 2007 level. To mitigate the impact of subsidy decrease, the division is also pursuing a new subsidy stream from the Ministry of Training, Colleges and University to fund Peel's employment program. The combined effects will result in \$0.26 million increase in net budget.

### ***Other – New Initiatives:***

For 2009, Ontario Works is requesting the following new program initiatives, with total net budget costs of \$0.85 million.

#### *1. Shelter Service System Redesign:*

In May 2008, Council approved a staff report that identified the need to redesign the current shelter service system. The report recommended changes to the current emergency shelter system to maximize and improve usage of existing and new program space. This will increase the effectiveness of programming and supports with a goal of reducing future demands on the shelter system (i.e. recidivism) and improving the outcome of an individual's experience in the emergency shelter system. The addition of transitional housing units for single men and women will be a first step in the expansion to the emergency shelter program for singles in recent years and will complement existing regional efforts which created transitional housing units for families (Angela's Place) and at risk youth (Peel Youth Village).

In addition, program expansion, i.e. health programming and early child development programming at our new facility as well as existing sites, will improve supports to homeless children and their families. This program will be phased in during the second half of 2009 and is estimated to cost \$300,000.

#### *2. Bus Pass Distribution to Social Assistance Clients:*

In 2008, Ontario Works implemented a six month pilot project from February to July inclusive, where monthly bus passes were distributed to social assistance clients residing in Brampton. The program assists the clients to gain employment, increase access to services and supports, promote independence, and reduce isolation and marginalization by allowing them the means to engage in the community.

The pilot results reflect an increase of 47 per cent in participants declaring earnings, and an increase of 153 per cent in participants reporting increased engagement in employment preparation activities. Based on this positive outcome showing a measurable return on investment, Ontario Works is requesting an expansion of this program from the current 100 participants in the Brampton pilot to 200 participants in 2009 (Brampton and Mississauga). The bus pass expansion is estimated to cost \$0.2 million.

### 3. *Community Agency Funding Needs:*

The community agency funding program is requesting a total net budget increase of \$350,000 as described below:

#### *Volunteer Centre Collaboration:*

A review of volunteerism in Peel was conducted by the United Way of Peel and completed in April 2007. The final report supported the development of a centralized organization providing concentrated support for volunteers and volunteerism in Peel.

The vision for Peel Volunteer Centre outlines a commitment to:

- The promotion of volunteerism
- Proactive connecting strategies between individual volunteers and groups of volunteers and meaningful volunteer opportunities
- Strengthening the capacity of the voluntary sector to engage and support volunteers
- Partnerships to support, engage and recognize volunteers and to strengthen the contributions of volunteers to making the communities of Mississauga, Brampton and Caledon better places to live

The total cost of this program for 2009 estimated at \$448,000 will be cost shared with the area municipalities and the United Way. Peel's estimated share for this program will be approximately \$100,000 for 2009.

#### *Peel Learning Institute:*

The Region of Peel non-profit human services sector continues to experience a high level of executive agency staff turnover. There are frequently several executive staff vacancies with a smaller number of interested and suitable candidates to lead the agencies. The Peel Learning Institute (PLI) Steering Committee was formed to guide the development of PLI and to support the three year funding received from Trillium Foundation for the development of a business plan which was completed in July 2008. The Social Planning Council of Peel is the lead agency. PLI will provide and facilitate learning opportunities for the non profit human services sector through programs, services, resources and events that are local, formal and encourage community engagement and build leadership skills. Peel Region funded the pilot program in early 2008 which was successful and well received by human service sector leaders in the community. The 2009 budget request is \$100,000.

#### *Community Agency Funding Base Increase:*

Peel community agencies continue to experience the demand for increased services and the need to expand the type of services offered in order to meet the growing and shifting needs of the community. Currently community agencies in Peel are short funded, especially in administration funding. The division is requesting \$150,000 base budget increase for 2009.

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In summary, the recommended 2009 OW operating budget reflects a tax supported net operating budget of \$60.8 million, as summarized below.

OW Programs	2008 Net Budget (\$'000)	2009 Net Budget Increase (\$'000)				2009 Net Budget (\$'000)
		2009 Base Pressures	2009 Program Pressures	Total	%	
Social Assistance	\$19,402	NIL	(\$308)	(\$308)	-1.6%	\$19,094
Caseload Management	\$21,976	\$1,679	\$247	\$1,926	8.8%	\$23,902
Employment	\$3,677	(\$254)	\$395	\$141	3.8%	\$3,818
Homelessness	\$10,785	\$620	\$300	\$920	8.5%	\$11,705
Community Agency Funding	\$2,069	(\$140)	\$350	\$210	10.1%	\$2,279
<b>Total</b>	<b>\$57,909</b>	<b>\$1,905</b>	<b>\$984</b>	<b>\$2,889</b>	<b>5.0%</b>	<b>\$60,798</b>

### Section VIII. 2009 Program Pressures – Capital:

The following table lists the new capital plan for 2009 as well as the carry forward capital balance from 2008 that includes the total capital budget available. Details are found in [Appendix II](#).

Carry Forward from 2008 \$'000	2009 New Capital \$'000	2009 # of Planned and New Projects	Total Capital Available \$'000	2010 - 2018 Forecast \$'000	2010 - 2018 # of New Projects
\$3,133	NIL	NIL	\$3,133	\$4,947	2

There is no 2009 shelter capital maintenance capital budget due to carryover amounts from previous years.

**Section IX. 2009 Summary:**

<b>Budget Summary \$'000s</b>	<b>2008 Budget</b>	<b>2008 Projection</b>	<b>2009 Proposed</b>	<b>2010 Forecast</b>	<b>2011 Forecast</b>
Current Budget – Total Expenditures	\$155,317	\$153,959	\$156,043	\$167,157	\$178,662
Current Budget – Total Revenue	\$97,408	\$97,940	\$95,245	\$101,234	\$107,501
Current Budget – Net Cost	\$57,909	\$56,019	\$60,798	\$65,923	\$71,161
TBD	395.5	395.5	395.5	401.5	406.5
Capital Carry Forward from prior year			\$3,133	NIL	\$100
New Capital			NIL	\$250	\$250
Total Capital Available			\$3,133	\$250	\$350
Forecasted Capital Spending			\$3,133	\$150	\$240

***Future Outlook:***

2010 and 2011 Current Budget:

The operating budgets for 2010 and 2011 will correlate to social assistance caseload increases. The province has recently announced a plan to upload the benefit portion of the social assistance costs from 2010-2018 as part of the broader Provincial Municipal Fiscal and Service Delivery Review (PMFSDR). Based on the current caseload volume, approximately \$20 million of social assistance benefit costs will be uploaded by the end of 2018. To correlate to the phased upload schedule, the net Regional budget has been reduced by \$0.6 million and \$1.2 million for 2010 and 2011 respectively.

The social assistance administration component will still be cost shared with the Province. The division’s caseload to caseworker ratio is 100:1. Therefore, there will be a need to increase caseload management and support staff each year to maintain this ratio. As previously communicated, the provincial subsidy for administration is capped. Therefore any non social assistance program expenditures increases will be 100% Regionally funded.

As the result, the net operating budget is expected to increase by approximately eight to nine percent each year.

2009 - 2018 Capital Plan:

To support the capital maintenance plan for the three regionally operated hostels, the capital plan for 2009 - 2018 is \$2.25 million. As well, there is a “marker” plan to purchase or build a new shelter in 2016, funded from development charges, based upon prudent expectation that growth needs will outpace the ability to create better alternatives. The new shelter is budgeted with \$2.7 million, as a place marker only, as this is the estimated amount of development charges that will be collected by the end of 2016. A new shelter will cost more than \$2.7 million. Consequently, other funding sources will need to be found.

## Ontario Works – 2009 Budget Document

### *Service Level Contract for 2009:*

#### Resources:

The 2009 OW gross operating budget totals \$156.0 million, with a net budget of \$60.8 million. The proposed staff complement level is 395.5 FTE.

For 2009, there are is no capital project planned.

#### Outputs/Outcomes:

<b>Output/Outcome Measure</b>	<b>2008 Projection</b>	<b>2009 Target</b>	<b>Variance Commentary</b>
Monthly Average Social Assistance Caseload	9,950	10,400	Caseload will increase due to population and economic factors
Number of months on social assistance	13.0	13.0	Expected to maintain for 2009
Monthly Social Assistance Benefit Cost per Case (Social Assistance Component Only)	\$761.23	\$746.28	Increase in cost per case due to 2% benefit rate increase offset by cost decrease due to introduction of Ontario Child Benefit
Monthly Social Assistance Administration Cost per Case (Social Assistance Component Only)	\$243.66	\$260.80	The gross cost of administration is increasing by 6% to 7% driven primarily by staff salaries
Lifetime Social Assistance Cost per Case (Social Assistance Component Only)	\$13,063.57	\$13,092.04	Slight increase expected for 2009 due to higher administration cost per case offset by reduction in benefit cost per case
% of Social Assistance Caseload that have earnings	6.5%	6.5%	Expected to maintain current level, influenced by a 2009 increase to minimum wage and the economy
Number of Newcomers (Less than 10 Years) as % of the Caseload	24%	24%	Expected to maintain for 2009
Social Assistance Caseload Turnover Rate	7.2%	7.2%	Supported by strong financial controls and employment programming
% of Internal Review decisions (appeals) upheld	82%	82%	Ongoing positive results reflect sound case decision making
Regionally Operated Emergency Hostels Occupancy Rate (Operational Capacity)	90%	90%	Expected to maintain for 2009
Average length of stay in Emergency Shelters (days)	8.5	8.5	Shelter service system redesign will support continued positive outcome

### **Section X. Pressures not included in 2009 Budget:**

The Social Assistance Stabilization Reserve (R1261) was created during the latter part of the 1990's from annual operating surpluses that resulted from declining social assistance caseloads. The intent of the stabilization reserve was to financially protect the Region from unexpected future increases in the social assistance caseload due to economic downturns.

## Ontario Works – 2009 Budget Document

At its highest level in 2003, the stabilization reserve had a balance of \$33.4 million. Over the past years, the stabilization reserve has been used to fund emergency shelter purchases, a child care centre purchase and to reduce the Regional net tax levy. By the end of 2008, the balance will be approximately \$13.2 million, notwithstanding further withdrawals to reduce the overall Regional net tax levy.

With the reserve going down and the caseload going up, the Region of Peel is at increased risk. For instance, if the current caseload was to double to 19,600 from the current level of 9,800 due to economic downturns (in 1994, the average caseload peaked at 25,165 cases per month), the 2008 year end Reserve balance of \$13.2 million will cover approximately 8 to 9 months of the Regional share (20 per cent) of the OW social assistance costs. Comparatively, for every monthly average caseload increase of 100, the Regional share of social assistance costs will increase by \$0.2 million per annum. This does not include the additional costs associated with administering a caseload twice the current size. At a very high level, it is estimated that doubling of the current caseload level will cost the Region from \$20 to \$25 million annually in caseload administration costs. The current Provincial caseload administration subsidy is capped. If the Province does not increase the administration subsidy level, the Region's increase in administration costs will have to be tax funded.

The 2009 Ontario Works budget does not include any contribution to the Social Assistance Stabilization Reserve (R1261).

### Appendices:

Appendix I	2009 Current Pressures
Appendix II	2009 Capital Overview
Appendix III	Existing Capital Project List
Appendix IV	2009 New Capital Detail
Appendix V	Ten Year Capital Plan
Appendix VI	Performance Measures/Benchmarks
Appendix VII	Staffing Information
Appendix VIII	User Fees – N/A

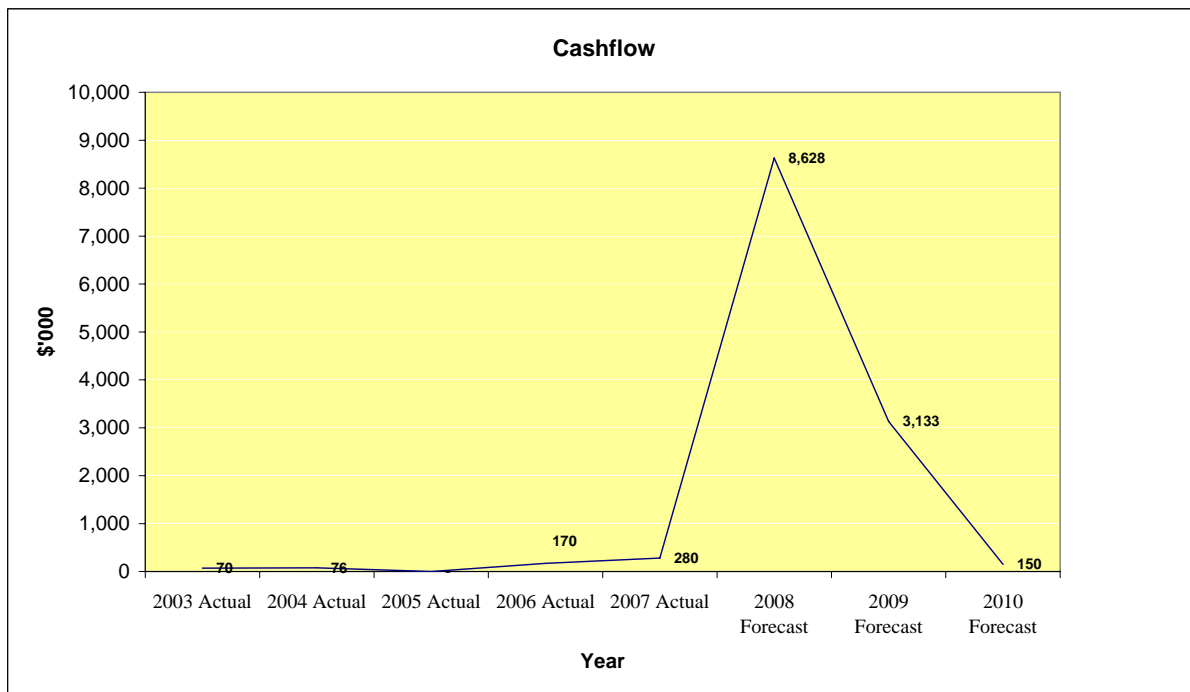
**APPENDIX I  
ONTARIO WORKS  
2009 CURRENT PRESSURES (\$'000)**

	Ontario Works		
	Total Expenditures	Total Revenue	Net Cost
<b>2008 Revised Cost of Services</b>	155,317	97,408	57,909
<b>Annualizations - Section IV</b>			
1 Reallocation of Regional funds for Homemaking under the Homemaking & Nurses Services Act (HSNA) to fund Human Services program priorities as per Council resolution 2008-1024	(1,000)	(800)	(200)
<i>Sub Total</i>	<b>(1,000)</b>	<b>(800)</b>	<b>(200)</b>
<b>Cost of Living Increase/Inflation - Section IV</b>			
1 Cost of living adjustment for base budget, primarily driven by base staff salaries and benefits and external program management contracts	2,670	(185)	2,855
2 Budget has been reduced to reflect divisional salary gapping	(750)	-	(750)
<i>Sub Total</i>	<b>1,920</b>	<b>(185)</b>	<b>2,105</b>
<b>Efficiencies - Section V</b>			
<b>Recoveries - Section V</b>			
<b>2009 Base Changes</b>	<b>920</b>	<b>(985)</b>	<b>1,905</b>
<b>Growth - Section VII</b>			
<b>Service Demand - Section VII</b>			
1 Increase in social assistance costs due to anticipated caseload increase (2009 budget 10,400 vs. 2008 budget 10,200)	1,968	1,574	394
2 Increase in social assistance cost due to increase in monthly benefit rates by 2%	2,018	1,614	404
3 Expected decrease in mandatory benefit cost due to introduction of Ontario Child Tax Benefit and uploading of children's portion of basic needs, back to school and winter clothing allowances)	(5,030)	(4,110)	(920)
<i>Sub Total</i>	<b>(1,044)</b>	<b>(922)</b>	<b>(122)</b>
<b>Subsidy and Fee Changes - Section VII</b>			
1 Reduction in expected provincial subsidy level. Anticipated 2% increase that is within 2008 budget did not materialize therefore 2009 budget reflects 2008 capped subsidy level. As well division will be seeking new subsidy stream from the Ministry of Training , Colleges and University for 2009	-	(256)	256
<i>Sub Total</i>	-	<b>(256)</b>	<b>256</b>
<b>Other - New Initiatives Section VII</b>			
1 Shelter Service System Redesign (Growth of Current Program)	300	-	300
2 Bus Pass (Growth of Current Program)	200	-	200
3 Increase in demand for Community Agency Funding (Growth of Current Program)	350	-	350
<i>Sub Total</i>	<b>850</b>	-	<b>850</b>
<b>2009 Pressures</b>	<b>(194)</b>	<b>(1,178)</b>	<b>984</b>
<b>Total 2009 Pressures</b>	<b>726</b>	<b>(2,163)</b>	<b>2,889</b>
<b>2009 Recommended Cost of Service</b>	<b>156,043</b>	<b>95,245</b>	<b>60,798</b>

**APPENDIX II  
ONTARIO WORKS  
2009 CAPITAL OVERVIEW**

Existing Capital Program (\$'000)							
Year of Projects	Carry-forward from 2007	2008 Budget	Total Approved Capital	In-Year Adjustments as at July 31, 2008	2008 Projected Spending (Includes Closed Projects)	2008 Carry-forward to 2009	# of Projects Carry-forward to 2009
2005	34		34		34	0	0
2006	303		303		303	0	0
2007	903		903		251	652	3
2008		7,083	7,083	3,438	8,040	2,481	5
<b>Total</b>	<b>1,240</b>	<b>7,083</b>	<b>8,323</b>	<b>3,438</b>	<b>8,628</b>	<b>3,133</b>	<b>8</b>

2009 - 2018 Capital Plan (\$'000)						
Carry-forward from 2008	2009 Budget	2009 # of Planned and New Projects	Total Capital Available	2009 Total of Projects	#	2010 - 2018 Forecast
3,133	0	0	3,133	8		4,947



**Commentary on Cash Flow Variance:**

In 2009, Ontario Works will have \$3,133,000 in approved capital on existing projects. Staff anticipate that all will be spent in 2009.

**APPENDIX III  
ONTARIO WORKS  
EXISTING CAPITAL PROJECT LIST**

As of July 31, 2008

<b>Project</b>	<b>Description</b>	<b>Gross Revised Budget</b>	<b>Gross Project Actuals</b>	<b>Gross Carry-Forward</b>	<b>Net Revised Budget</b>	<b>Net Project Actuals</b>	<b>Net Carry-Forward</b>	<b>Net % Spent</b>
050100	Shelter Cap Rep/Replc 04-1280	156,509	122,868	33,641	156,509	122,868	33,641	79%
060100	Shelter Cap Rep&Replc 05-1496	549,285	262,591	286,694	549,285	262,591	286,694	48%
070100	Shelter Capital Repair & Repla	348,356	120	348,236	348,356	120	348,236	0%
070120	Ontario Works Datamart Phase 2	220,000	-	220,000	220,000	-	220,000	0%
070130	Immigratn Web Pos.2007-571 CIO	400,917	159,685	241,232	-	(161,049)	161,049	0%
080100	Shelter Capital Repair & Repla	258,000	-	258,000	258,000	-	258,000	0%
080160	New Shelter/Transitional Housi	9,500,000	365,820	9,134,180	7,700,000	365,820	7,334,180	5%
080170	Emergency Generator- Peel Fami	325,000	-	325,000	325,000	-	325,000	0%
080175	"Case Flo" Emp Tracking Tool	300,000	-	300,000	300,000	-	300,000	0%
080190	Citizenship & Imm Canada	138,000	39,893	98,107	-	(6,044)	6,044	0%
<b>Total</b>		<b>12,196,067</b>	<b>950,977</b>	<b>11,245,091</b>	<b>9,857,150</b>	<b>584,306</b>	<b>9,272,845</b>	<b>5.93</b>

**2009 Financing Sources and Funding Status (\$'000)**

2009 Funding Status:  
 Approved or Pending  
 (A/P)



Project #

Project Name

Ward

2009			
<i>Total</i>	<i>Funding</i>		
<u>Expense</u>	<u>External</u>	<u>Internal</u>	<u>DCA</u>

<i>Totals for Budget Year:</i>
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**APPENDIX V**  
**ONTARIO WORKS**  
**TEN YEAR CAPITAL PLAN**

**Ten Year Combined Capital Program (\$'000)**

<u>Sub Type</u>	<u>Description</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Yrs 6-10</u>	<u>Gross</u>
<b>Ontario Works</b>								
Ontario Works								
<b>10-0100</b>	<b>SHELTER CAPITAL REPAIR &amp; REPLACEMENT</b> SHELTERS CAPITAL REPAIR AND REPLACEMENT FOR: 3190 MAVIS ROAD, 15 WILKINSON AND 2500 CAWTHRA.	<b>0</b>	250	250	250	250	1,250	<b>2,250</b>
<b>16-0150</b>	<b>NEW SHELTER</b> CONSTRUCTION OF NEW SHELTER FOR ONTARIO WORKS TO BE FUNDED BY DC FINANCING	<b>0</b>	0	0	0	0	2,697	<b>2,697</b>
<b>10 Year Totals For:</b>	<b>ONTARIO WORKS</b>	<b>0</b>	250	250	250	250	3,947	<b>4,947</b>
<b>Totals for 10 Year Capital Plan:</b>		<b>0</b>	250	250	250	250	3,947	<b>4,947</b>

APPENDIX VI  
ONTARIO WORKS  
PERFORMANCE MEASURES/BENCHMARKS

OMBI & MPMP Benchmark Data For Budget Review			
<b>Social Assistance</b>			
	4th Quartile	Low performer or high costs	
	2nd or 3rd Quartile	Average performer or average cost	
	1st Quartile	High performer or low cost	
	2007	2006	2005
<b>1</b>	<b>Service Level Measure: Monthly Social Assistance Case Load per 100,000 Households</b>		
Peel Result	2,623.6	2,741.0	2,533.1
OMBI Median	4,124.2	4,118.6	4,097.1
Ranking	4/14	4/14	4/14
Peel Y/Y % Change	-4.28%	8.21%	
<b>2</b>	<b>Service Level Measure: Monthly Social Assistance Case Load per FTE</b>		
Peel Result	31.0	33.2	31.5
OMBI Median	32.0	35.1	35.4
Ranking	6/14	5/14	5/14
Peel Y/Y % Change	-6.66%	5.32%	
<b>3</b>	<b>Efficiency Measure: Monthly Total Social Assistance Cost per Case</b>		
Peel Result	1,041.66	1,006.09	979.76
OMBI Median	926.23	898.72	888.02
Ranking	14/14	14/14	14/14
Peel Y/Y % Change	3.54%	2.69%	
<b>4</b>	<b>Community Impact Measure: Average Time on Social Assistance (Months)</b>		
Peel Result	12.89	12.71	12.92
OMBI Median	15.30	16.35	17.35
Ranking	3/14	3/14	3/14
Peel Y/Y % Change	1.42%	-1.63%	
<b>5</b>	<b>Service Level Measure: Number of Social Assistance Beneficiaries per 100,000 Population</b>		
Peel Result	1,562.7	1,665.7	1,591.6
OMBI Median	3,184.90	3,231.90	3,337.10
Ranking	3/14	3/14	3/14
Peel Y/Y % Change	-6.18%	4.66%	
<b>Your Comments -</b>			
<b>What is the data telling you?</b>			
Peel's strategic investment in employment related supports for clients, and particularly for newcomers who often require specialized supports and English language training, ensures maximum case turnover and mitigates caseload growth resulting from uncontrollable factors such as population growth, policy changes and economic/labour market shifts. Investments in adequate staffing (administration) to monitor client eligibility and entitlement continues to have positive impact on overall caseload.			
<b>Action Plan:</b>			
To optimize financial accountability staff is undertaking a detailed review of discretionary benefits issued to clients. This will involve identification of best practices utilized in other municipalities and thorough assessment of the needs of Peel clients.			
<b>Additional Comments -</b>			

**PERFORMANCE MEASURES/BENCHMARKS**

OMBI & MPMP Benchmark Data For Budget Review			
<i>Hostels</i>			
	4th Quartile	Low performer or high costs	
	2nd or 3rd Quartile	Average performer or average cost	
	1st Quartile	High performer or low cost	
	2007	2006	2005
<b>1</b>	<b><i>Service Level Measure: Average Nightly Number of Emergency Shelter Beds Available per 100,000 Population</i></b>		
Peel Result	<b>26.3</b>	<b>27.1</b>	<b>24.3</b>
OMBI Median	33.7	33.7	33.6
Ranking	10/13	9/13	10/13
Peel Y/Y % Change	-2.88%	11.40%	
<b>2</b>	<b><i>Efficiency Measure: Gross Hostels Cost per Emergency Shelter Bed Night</i></b>		
Peel Result	<b>86.93</b>	<b>75.46</b>	<b>87.46</b>
OMBI Median	50.78	51.00	51.97
Ranking	12/13	11/13	13/13
Peel Y/Y % Change	15.20%	-13.72%	
<b>Your Comments -</b>			
What is the data telling you? Increased program costs to support enhanced case management to meet emerging needs as well as resources to support quality assurance and performance management. Increasing labour costs related to settlement of collective bargaining also impacted program costs coupled with a decrease in length of stay and reduction in occupancy.			
<b>Action Plan:</b> Continued efforts to identify efficiency measures through quality assurance activities such as process management reviews, client feedback mechanisms and improvements to data collection. Additional efforts are underway to identify contracted services that may be more cost effectively delivered under regional contract (ie. business equipment)			
<b>Additional Comments -</b>			

**APPENDIX VII  
ONTARIO WORKS  
STAFFING INFORMATION**

<b>Program</b>	<b>2008 Complement</b>	<b>Change Request for 2009</b>	<b>2009 Council Approved</b>
Ontario Works Division	296.5	-	296.5
Ontario Works Share of Human Services Administration & Integrated Business Support Staff Allocation	99.0	-	99.0
<b>Total</b>	<b>395.5</b>	<b>-</b>	<b>395.5</b>

**Change Request for 2009 Commentary**