



MANAGEMENT REPORT

Date: October 8, 2024
To: Social Services Sub-committee
From: Alex Burgess, Manager of Ontario Works
Kim McElroy, Director of Social Services
Report Number: SOC24-012
Attachments: None

Title: Ontario Works 2025 Provincial Allocation

Objective: To provide Council with an update regarding the 2025 Provincial funding allocation for the Ontario Works division.

Background: The Ontario Works Division has two primary funding sources: Provincial funding (the Ministry of Children, Community and Social Services (MCCSS)) and municipal partner supports via taxation. Since January 2018, MCCSS has funded one hundred percent (100%) of social assistance payments. MCCSS provides program delivery funding (PDF) in two separate envelopes:

- **50/50 PDF – Social Services Administration**
 - o This stream of funding supports Ontario Works intake, case management, eligibility review and enhanced verification. This funding also supports 50% of the administrative costs to manage the program, with the municipalities cost-sharing the remainder.
- **100% PDF – Ontario Works Employment Assistance**
 - o This stream of funding is allocated 100% to support the delivery of employment services by the Division (not cost-shared by the municipalities).

In addition to the 100% PDF envelope tied to 2018 level, it further sustained an effective 22% reduction due to the Employment Services Transformation, outlined in the 2024 budget package. As a result of these impacts, the partner municipalities contributed \$317,200 of municipal funding in 2024. This allowed the Ontario Works Division to maintain staffing and support levels while caseloads continued to increase. As of August 2024, the caseload has increased to 775 benefit units. In January 2023, the caseload sat at 674. This 14% caseload increase has put added pressure on the

Ontario Works staff, reducing the amount of time they are able to spend with each client as they try and support them in their journey toward self-sufficiency.

Analysis: In a memo received in September 2024, MCCSS has acknowledged that due to a steady rise in caseloads across the Province, they are no longer holding delivery partners to 2018 expenditure levels. The Ministry will now use monthly average caseloads and caseload projections to adjust 2025 allocations. As a result the City of Stratford will receive an additional \$290,000 across the PDF envelope. Funding has increased in the 50/50 PDF by \$208,600 to a total of \$1,256,900 and has increased in the 100% PDF \$81,400 to a total of \$281,800 (guaranteed, not dependent on municipal contribution). The 50/50 portion of this funding requires that the municipality match the MCCSS contribution to receive the funding.

As noted earlier in the report, caseloads have steadily risen since the COVID-19 pandemic which has resulted in higher caseworker to client ratios, meaning caseworkers are spending less time with their clients due to the increased volume of paperwork, benefit requests, Ontario Works applications and clients requiring action plan updates.

Caseworkers are expected to meet with their entire caseload every 3-6 months to update the Ontario Works action plan. Clients with more complex needs require more frequent updates and is becoming more difficult for caseworkers to achieve as the caseload continues to grow. The result is a level of service delivery that is not in line with the vision of the Ontario Works program locally nor provincially.

Currently, a single client on Ontario Works receives a maximum of \$733 while a couple with two children receives a maximum of \$1,250. As the program is administratively burdensome and requires caseworker approval for the issuance of all benefits, contact between client and caseworker is more frequent due to the volume of requests that are coming in from the growing caseload.

Further to this, the local office continues to see a significant volume of Ontario Works applications. As of August 2024, the local office has averaged 77 applications per month and is intervening in all of the applications that are received, even those that are automatically processed by the centralized Intake and Benefit Administration Unit (IBAU) due to errors, undeclared information, or the application requiring local office intervention before the file is granted.

For these reasons, the Ontario Works Division will be including an expansion of an additional Ontario Works caseworker on a permanent basis during the 2025 budget cycle. The Province has recognized the need for additional support due to increasing caseloads and has increased funding for the program for the first time in 7 years.

The expansion initiative identifies that a new caseworker position will cost approximately \$107,000. With the Province now committed to funding half of this position, the City of Stratford would provide \$21,730 via taxation to increase the

responsiveness and availability of Ontario Works caseworkers to meet the needs of the most vulnerable citizens in our community. The remaining costs would be shared between the Province of Ontario, Perth County, and the Town of St Marys.

To maximize service delivery and provincial funding, the Ontario Works Division is proposing the additional caseworker for 2025 and beyond.

Financial Implications:

Financial impact to current year operating budget:

There is no impact on the 2024 budget as the funding allocation impacts 2025 and onwards.

Financial impact on future year operating budget:

As a result of the funding held at 2018 levels, the municipal contribution toward the Social Services administrative costs has exceeded the 50 percent requirement. This increase to the funding allocation will return the cost sharing between the Province and municipalities back to the 50/50 level. Further, the proposed impact on the City of Stratford tax levy for the Ontario Works Department at existing service levels reduces \$60,947 (9.75%). Should Council approve the expansion initiative, the proposed impact to the City of Stratford tax levy results in an adjusted 6.28% compared to 2024.

Alignment with Strategic Priorities:

Build Housing Stability

This report aligns with this priority as caseworkers often support clients experiencing housing instability and homelessness. By enhancing the caseworker complement, this will allow the team to spend more time with their most vulnerable clients, supporting them with many different aspects of their life and ensuring they are accessing all available benefits, that they are being seen in a timely manner and that they have the support they need on their path toward self-sufficiency. By ensuring caseworkers have more manageable caseloads, they are better able to support their clients who are experiencing housing instability.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Staff Recommendation: THAT the report titled, "Ontario Works 2025 Provincial Allocation" (SOC24-012), be received for information.

Prepared by:

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Recommended by:

Kim McElroy, Director of Social Services

Joan Thomson, Chief Administrative Officer