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TO:	CHAIR AND MEMBERS COMMUNITY & PROTECTIVE SERVICES COMMITTEE MEETING ON JANUARY 21, 2013
FROM:	LYNNE LIVINGSTONE ACTING ONTARIO WORKS ADMINISTRATOR
SUBJECT:	ONTARIO WORKS EMPLOYMENT INNOVATIONS

RECOMMENDATION

That, on the recommendation of the Acting Ontario Works Administrator the following actions **BE TAKEN** to initiate two pilot Ontario Works employment initiatives authorized by the Ministry of Social and Community Services:

- a) That Civic Administration **BE AUTHORIZED** to contribute the estimated cost of the two pilot Ontario Works employment initiatives in the amount of \$650,000 to the Consolidated Verification Reserve Fund; and
- b) That Civic Administration **BE AUTHORIZED** to draw down from the Consolidated Verification Reserve Fund to fund the municipal share of the two pilot employment initiative expenditures.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Ontario Works Employment Assistance Framework 2013 – 2018, (CSC March 5, 2012)

BACKGROUND

The purpose of this report is to provide information about two upcoming pilot initiatives to support the movement of long term Ontario Works participants to employment. The Ministry of Community and Social Services (MCSS) has approved London to pilot flexibility in Ontario Works policy which provides an opportunity for the City to work more creatively with employers and with Ontario Works participants. These pilot initiatives will address broader workforce and economic development needs along with supporting the longer term outcome of breaking a cycle of persistent poverty.

In March 2012, Council approved the Employment Assistance Framework for 2013 to 2018. This Framework is designed to respond to a shifting labour market, the region's slow and uncertain economic and employment recovery, the needs of individuals served by Ontario Works, and social assistance transformation. Based on the findings of our consultation process and the analysis of our caseload data, we identified the need to provide additional incentives to employers in order to ensure successful employment outcomes for individuals on our caseload who require specialized attention. These individuals include people who have been receiving assistance for more than one year and who often have multiple barriers to employment. People with barriers are facing increasing difficulty finding employment due to competition from laid-off workers with strong technical skills and established work histories.

It is within this context that we submitted a Business Case to the Ministry of Community and Social Services to pilot two innovative employment support initiatives targeting long term Ontario Works participants with significant barriers to employment. The strengthening of our partnerships with employers will enhance employment outcomes for these Ontario Works recipients. This will result in

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anticipated savings to the Ontario Works program through increased employment income and increased exits to employment. In addition, investing to help people gain employment will have longer term positive impacts in breaking the cycle of poverty. The Province has approved these two pilot employment support initiatives utilizing available funding within the annual Ontario Works Cost of Administration planning allocation. Policy flexibility is conditional on a pilot evaluation being completed, with the results to be shared with MCSS. The results of these pilots may be used by the City and by the Province to support the development of a more responsive and effective employment service delivery program within social assistance.

The two pilot initiatives submitted are detailed below:

Innovation to Support Employment Placement – a pilot based on increasing the flexibility of Employment Placement with Incentives (EPI) as outlined in the current Ontario Works Directives. With a budget of \$1 million, the key features of this pilot include:

- The creation of a more flexible and robust job development and training strategy to support employers to hire, train and retain 100 Ontario Works participants.
- We will work in partnership with LEDC, the Chamber of Commerce and other employer organizations to support employer attraction and retention. Supports for employers will include hiring, additional financial and training supports for employing Ontario Works participants.
- We will work with a range of employers, particularly small and medium-sized businesses that may not have robust human resources and training as part of their business.
- The enhanced Employment Placement with Incentives benefit will be delivered in partnership with the City's contracted employment service providers.
- The enhanced Employment Placement with Incentives benefit is designed to provide financial and training supports for employers with the goal of expanding the number of employers who are willing to hire individuals who may have some barriers.
- A formal evaluation will be conducted and the results shared with the Province.

Wraparound Individualized Supports - a pilot to provide customized wraparound supports for 50 individuals with significant employment barriers with a target of 40% (20 individuals) gaining and maintaining employment. The \$300,000 budget provides the opportunity to provide intensive interventions which will incorporate the theories and strategies of the Bridges Out of Poverty and the Circles work that has been done in North American communities, including Lambton County, to create pathways to sustainable employment. Our program will be delivered through a partnership approach that includes a community organization providing the wraparound services, Ontario Works staff providing case management support, other community supports identified as being needed by the participant, and all of the resource components of London's Ontario Works Employment Assistance Framework. The pilot service will start with an Intensive Life Skills and Motivational Assessment followed by more in depth services provided through Wraparound Individualized Supports.

These two pilot initiatives will expand our partnerships with employers and will open up opportunities to explore flexible and creative workforce and economic development approaches while supporting long term Ontario Works participants to employment.

FINANCIAL IMPACT

The total cost of the two Ontario Works pilot employment support initiatives is estimated to be approximately \$1.3 Million. The total cost of the pilot initiatives is approved for cost sharing with the Province at 50% within the annual Ontario Works Cost of Administration funding envelope. The net municipal cost of the pilot initiatives is \$650,000.

One time funding is available to support the total municipal cost of these Ministry approved pilots utilizing funding earned in previous years that is no longer subject to review and repayment to the

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Ministry. An allowance had been made in previous years for subsidy that was contingent upon final review by the Ministry which is now outside the statute of limitations making the funds now available for use.

Civic Administration is recommending that this funding be placed into a reserve fund to support the municipal cost sharing over the course of the employment pilots which is expected to roll out over several years. Therefore, we are requesting that these one-time funds in the amount of \$650,000 be contributed to the Consolidated Verification Reserve fund to support the municipal share of the two pilot employment initiatives.


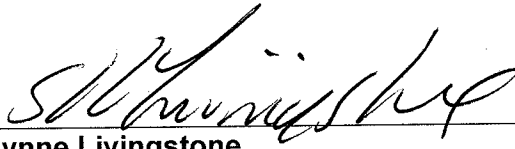
CONCLUSION

These two pilot initiatives are part of developing a strong economy. They provide the City with the opportunity to support long term Ontario Works participants to employment, address broader workforce and economic development needs, and support the longer term outcome of breaking a cycle of persistent poverty.

We will report back to the Committee with the results and impact of the pilots.

Acknowledgments

Anna Lisa Barbon, Manager, Financial and Business Services

SUBMITTED BY:	RECOMMENDED BY:
	
<p>Elisabeth K. White Manager Employment and Strategic Initiatives Housing and Social Services</p>	<p>Lynne Livingstone Acting Administrator Ontario Works</p>

cc: Anna Lisa Barbon, Manager, Financial and Business Services
 Elaine Sauve, Ministry of Community and Social Services