



REPORT TO: Co-Chairs and Members of
Public Health and Social Services Committee

SUBJECT: **Increased Demand for Social Assistance – Additional Staff
Required**

RECOMMENDATION

That this Committee recommends to Regional Council that Social Assistance and Employment Opportunities (SAEO) use funding from the Social Assistance Reserve Fund to hire an additional four front line full-time equivalent staff (FTE's) to support the increased demand for social assistance.

EXECUTIVE SUMMARY

- As first noted in COM 03–2009 *Impact of Current Economic Condition on Niagara Region's Community Services*, the current economic conditions have impacted Niagara Region's Community Services and additional staff are now required to continue to meet the increased need for social assistance.
- When compared to 2007, SAEO experienced an 8.2% increase in 2008 in the number of applications for assistance.
- The number of cases increased by 6% in one month, rising from 7,937 cases in December 2008 to 8,434 cases in January 2009. This represents a 12% increase over the 2008 average caseload of 7,457.
- The support offered by SAEO staff includes ensuring accurate payment of benefits and assisting individuals in obtaining available income and earnings.
- These activities have not only maintained a low average cost per case but can also generate approximately \$7.3 million in 2009 in provincial subsidies as a result of meeting service targets including employment and family support.
- The staffing costs of \$244,431 for the four full time employees would be funded through the Social Assistance Reserve Fund which holds a balance of approximately \$6 million.

FINANCIAL IMPLICATIONS

There will be no net increase to the Regional levy as a result of the additional 4 FTE's. The additional staffing cost of \$244,431 will be financed from the Social Assistance Reserve Fund in 2009.

PURPOSE

This report has been prepared to request Council approval to increase SAEO's full-time compliment by four full time front line staff. The additional staff is needed not only to respond to the increased demand for social assistance as a result of the downturn in the local economy but also to continue to ensure that social assistance recipients receive quality employment and family supports.

BACKGROUND

Niagara began to experience a higher than provincial unemployment rate in the second quarter of 2008.¹ Job loss has continued at a steady rate in the manufacturing and goods-producing sectors.² As detailed in COM 03-2009, Niagara Region began to see an increase in the number of applications for social assistance in the summer of 2008. This increase coincided with the plant closures and lay offs that occurred early in 2008.

Niagara's local economy showed signs of the economic downturn earlier than Ontario and Canada. The Canadian Economic and Fiscal Statement confirmed that the "Canadian economy entered a recession in the fourth quarter of 2008. Private sector forecasters expect the recession to last three quarters."³

Given the financial forecast regarding the further decline in the economy and the resulting increase in demand for social assistance, it is unlikely that the volume experienced in 2008 will abate in 2009.

In 2009, SAEO can generate approximately \$7.3 in provincial subsidies by meeting service delivery targets. These targets include eligibility review, family and employment supports. The 2009 targets are yet to be established; however SAEO met the 2008 targets detailed below:

Program	Target	Earned Subsidy
Increased average earnings	0.5% or \$703	
Increased % of caseload with employment	0.5% or 14%	\$6,536,605
Consolidated Verification Review	2,639 files	\$374,203
Fraud Investigation	n/a	\$116,400
Average Family Support Payments	\$261.68 in pay for 42.9% of the sole support caseload	\$125,000
Ontario Disability Support Program - Employment	355 average monthly cases with earnings	\$145,659
Total		\$7,297,867

¹ April-June 2008 Unemployment in Niagara 7.1% compared to Ontario's rate of 6.5%

² Niagara Workforce Planning Board – Change in Employment by Industry Cluster. January 2009

³ Flaherty, J. Canada's Economic Action Plan: Budget 2009. January 2009, p 14.

Furthermore, the province requires that SAEO determine eligibility for social assistance within 4.5 days from the date that an individual applies. Historically, Niagara has not only met these targets and earned the provincial subsidies but also met standards of performance set by the Ontario Municipal Benchmarking Initiative (OMBI). As noted in COM 46-2008 *Community Services Variance Analysis and Program Update for the second Quarter 2008*, the Social Assistance OMBI Panel is in the process of mapping the optimum convergence of two variables in a particular measure to track desired performance in key areas such as cost per case. Desired performance is defined as relatively low cost of services combined with a strong effectiveness result (i.e. relatively low cost per case with relatively low time on assistance). The draft results show that within the measures examined to date, Niagara SAEO is the only participating municipality to produce optimum results in each of the measures indicating the efficiency of service delivery.

REPORT

Increased Caseload

Until the summer of 2008, SAEO caseload and intake trends remained relatively consistent. Since 2005, Niagara's Ontario Works caseload has grown by 6.6%. This growth has been steady and has mirrored local economic trends. Niagara's local economy has shifted away from manufacturing toward the service sector. Since 2005, Niagara lost approximately 7,000 jobs or experienced a 23% employment decline in this sector.

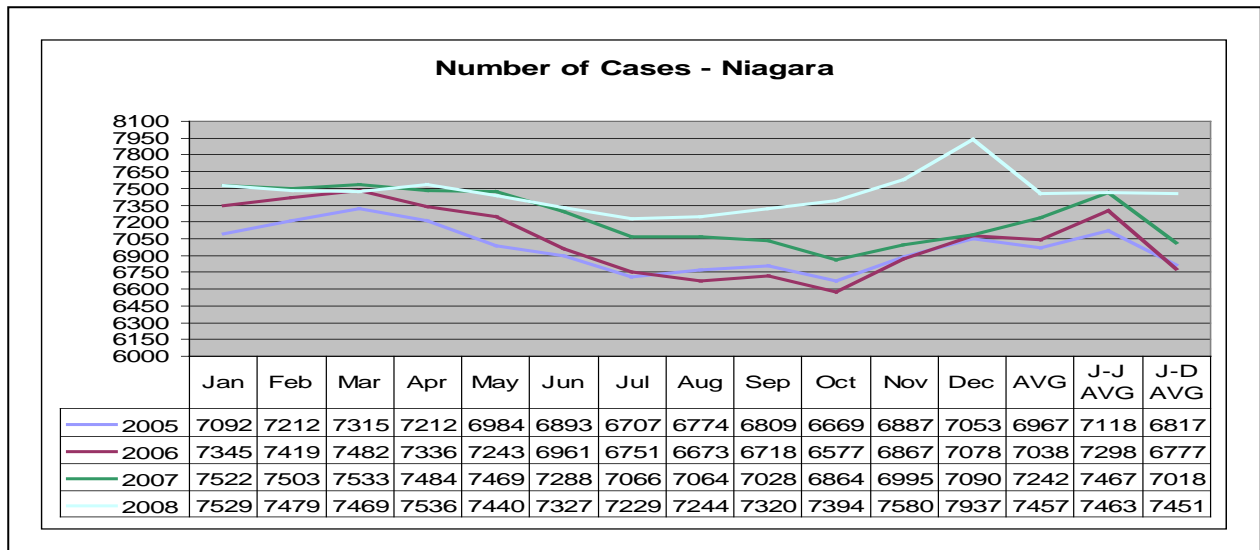
A number of plant closures and layoffs were announced in Niagara in 2008 resulting in an unemployment rate second highest in Canada.⁴ When compared to the same period in 2007, in 2008 the number of Employment Insurance (EI) claims increased by 14.5% with the largest portion of claimants being male, 45-64 years of age and never before needing Employment Insurance benefits.⁵

SAEO saw an increase in the number of applicants who had been laid off but a decrease in the number of applicants who were either waiting for or exhausted their EI benefits.⁶ Consequently, the caseload pattern began to differ from previous years showing an increase where historically there had been a decline in the number of cases as noted in the following chart.

⁴ Statistics Canada Labour Market Bulletin Dec 2008 – rate of 8.8%

⁵ SAEO labour market analysis – Action Centre report April-June 2008

⁶ SAEO Intake analysis Nov 07 to Nov 08 comparison



The trend continues to differ from historical pattern. The number of cases increased by 6% in one month, rising from 7,937 cases in December 2008 to 8,434 cases in January 2009, a 12% increase over the 2008 average caseload. Historically, SAEO has operated within the acceptable staff to caseload ratio of 120 participation agreements per case manager. As of January 2009, that ratio has increased by 25% and is now approximately 160 participation agreements per case manager.

SAEO continues to compare the local caseload against provincial trends. In 2008, the comparison revealed that Niagara has a greater portion of the OW caseload with earnings but those earnings are less than the provincial average. On average, Niagara individuals and families exit social assistance after 19 months compared to the provincial average of 20 months. Niagara also has a greater than provincial average of sole support parents in receipt of social assistance. These differences are also indicative of Niagara's labour market shifts. The Provincial Comparators are outlined in the following chart.

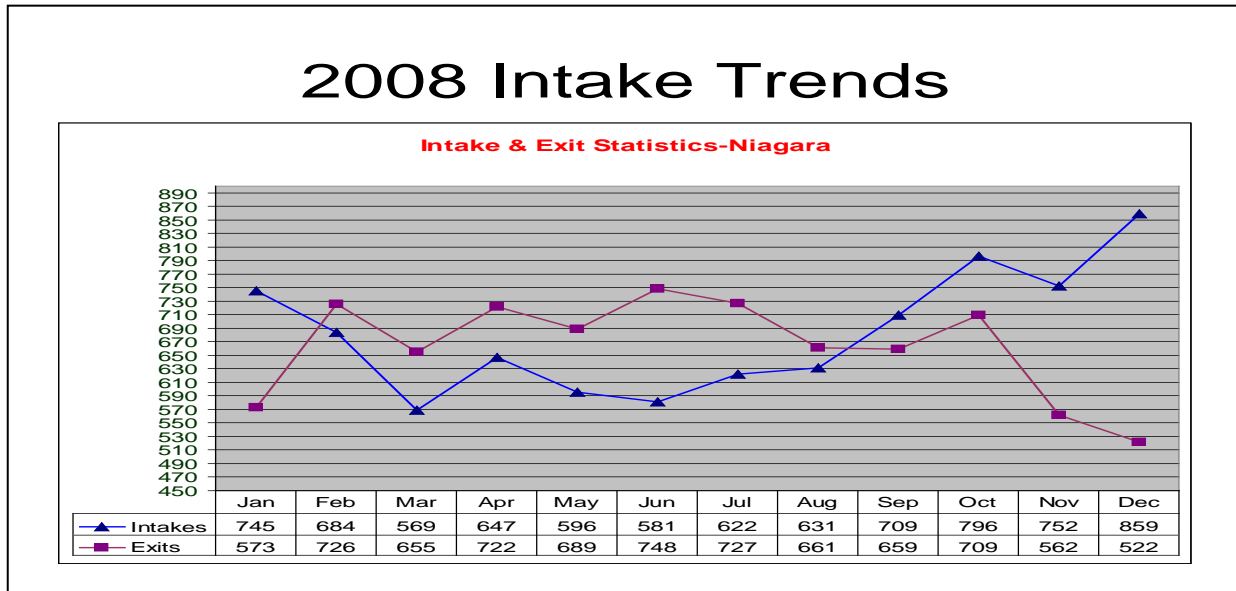
Provincial Comparators

Outcome	Province	Niagara	Variance
Cases with Earns	12.5%	14.07%	+1.57%
AVR Net Earns	\$685.24	\$657.75	-\$27.49
AVR Time on Assistance	20 mths	19 mths	- 1mth
Singles without children	54.4%	55.05%	.65%
Couple without children	2.8%	2.7%	-0.1%
Couples with Children	7.68%	6.63%	-1.05%
Sole Support	35.08%	36.08%	+1.0%

Increased Applications for Social Assistance

The caseload trends and the downturn in the local economy resulted in an increased demand for social assistance and in the summer of 2008, SAEO experienced a 12% increase in requests for benefits. When compared to 2007 data, the volume of intake appointments increased by 8.2%, averaging 683 monthly intake appointments in 2008.

The following chart shows the 2008 intake trends.



Despite the increased intake in 2008, SAEO continued to provide individuals and families with employment and family supports that has maintained the average cost per case at one of the lowest within the OMBI participating municipalities⁷. Moreover, SAEO was able to assist the same number of individuals and families to leave social assistance to employment. In 2007, a monthly average of 106 cases exited OW with earnings compared to 108 average monthly cases with earnings exiting in 2008. The number of cases leaving social assistance with employment earnings remained constant despite the increased intake and caseload.

As previously noted, the province requires that SAEO determine eligibility for social assistance within 4 days from the time that an individual makes an appointment. In order to respond to the increased volume of intake requests, SAEO implemented a number of interim changes including increasing the expected number of applications/participation agreements completed by each staff. Despite the “all hands on deck” strategy, as of mid February, applicants are waiting an average of 6.2 days before the application is completed and a decision is made regarding eligibility for social assistance.

⁷ OMBI average cost per case for Niagara is 8% lower than the median average cost per case (\$849 vs \$926)

Application of the Increased FTE's

The additional FTE's would be dedicated to providing front line supports to individuals and families in need of social assistance.

The distribution of the FTEs and related costs is as follows:

Purpose	Proposed FTEs	2009 Allocation
Increased case management support	1 Community Service Worker	55,610
Two case managers - community based focus One case manager – focus on attachment to the labour force	3 Case managers	188,821
Totals	4 FTE	\$244,431

It is anticipated that EI benefits will soon be exhausted for workers who have been in receipt of EI since they received lay off notices in the third quarter of 2008 thereby putting further pressure on SAEO. As the economic downturn continues and in order to better respond to any future caseload increases that result in a greater than 10% increase in the established Casemanager to caseload ratio, SAEO will hire temporary staff under the Delegation of Authority By-Law and inform Committee and Council through quarterly reports.

The potential \$7.3 million earned revenue will be critical in ensuring that social assistance can continue to be delivered without additional levy contributions. Increasing SAEO's FTE compliment will allow Niagara to continue to offer the high quality employment and family support services desperately needed by the individuals and families affected by the economic downturn and who have never before needed social assistance.

Submitted by:

Approved by:

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Mike Trojan
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