

## **Ontario Works – Cost of Administration Version 7/21/2005**

### **Proposed framework for Ontario Works Administration Budget Negotiations**

**Overview:** The following framework would provide a sound and equitable basis for the negotiation and settlement of Ontario Works Administrative budgets. This approach recognizes the fact that this activity is co-funded by the Ministry of Community and Social Services and the CMSM / DSSABs. It recognizes the variations in the controllability of the costs which make up the administrative components of the program. It also recognizes the vastly different delivery environments while still moving toward a more equitable distribution of limited resources. Importantly, it holds the Ministry accountable for the impact of system complexity on Ontario Works administration costs.

#### **Uncontrollable costs**

These cost are essentially imposed bills and thus totally beyond the control of the CMSM / DSSAB. With regards to imposed legislation, costs would be allowed for 50% cost sharing if the CMSM / DSSAB could show that the costs impact was consistent with the imposed provincial legislation. These costs would be subject to 50% provincial funding without negotiation or caps.

Typical uncontrollable costs:

Go-Net charges

Required SDMT hardware

Pay Equity settlements

Any increases in administrative complexity commenced after the base year

Impact of provincial legislation (i.e. Ontario Disability Act etc.)

### **Marginally Controllable costs**

These costs are directly related to the imposed SDMT and OW delivery regime. As such, the CMSM / DSSAB has only a limited ability to control costs. Accordingly, these costs would be subject to 50% provincial funding arrived at through negotiation. Costs would be allowed for 50% cost sharing if the CMSM / DSSAB could show that the amounts paid were consistent with costs in that local environment.

Typical marginally controllable costs:

Accommodation

Telecommunications

Local Systems Support

Employment Resource Centres

One time costs related to restructuring (upsizing or downsizing)

### **Controllable Costs**

These costs are generally related to participant volumes. Cost can be controlled by ensuring staff numbers relate to participant numbers. These costs would be subject to 50% provincial funding arrived at through a negotiation which takes into consideration participant volumes. Costs would be allowed for 50% cost sharing if the CMSM / DSSAB could show that the staffing/costs were consistent with participant volumes.

Depending on the case type and level of service there would be set participant to staff ratios as follows:

There would be a set participant to staff ratio for the income support only functions.

There would be a set participant to staff ratio for the employment support functions.

There would be a set participant to staff ratio for the FSW functions.

There would be a set participant ratio to staff for the ERO functions.

There would be a set participant to staff ratio for the to staff CVP functions.

There would be a set participant to staff ratio for an integrated Addictions Services Initiative functions.

There would be a cost per participant which would be negotiated between a high and low range. The variance would be driven by:

- geography requiring minimum staff levels
- the existence of high need caseloads.

Typical controllable costs would include:

Salaries  
Benefits  
Travel  
Office supplies  
Equipment

## **Corporate Support Costs**

Assigned corporate costs excluding the uncontrollable costs and the marginally controllable costs would be set at a fixed percentage of the total administrative budget.

## **Training Costs:**

These would be set at a predetermined # of hours for existing staff.

There would be a different and greater predetermined # of hours for new staff.

Any, in year, provincial initiatives would have a 100% provincially funded training component.

## **Annual Increases**

Annually, the dollar amounts for the participant costs would be increased to reflect a combination of the average collective agreement increases and CPI changes.

## **Appeal Mechanism**

A third party appeal body needs to be created to settle differences not resolved through the framework negotiations. This body would be appointed jointly by AMO and the Ministry. The membership of the appeals body would include persons not employed by either the provincial or municipal sector.

## **Resolution**

Whereas the existing system for funding the administration of Ontario Works is wholly inadequate

Whereas the proposed system of the arbitrary unilateral setting of costs per case by the province is unacceptable

Whereas there is no incentive in the existing system for the Ministry to reduce administrative complexity

Whereas a negotiation process with the Ministry is the preferred method of arriving at a fair allocation of costs

Therefore be it resolved that this Board put forward as its position that a system of negotiation as set out in the attached document be the basis for any new cost sharing agreement on Ontario Works Administration