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Social Assistance Performance and Accountability Branch
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MEMORANDUM TO: Ontario Works Administrators
- CMSMs/DSSABs

FROM: Patti Redmond
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SUBJECT: **Ontario Works Financial Flexibility Measures**

In addition to the financial measures communicated on March 26, 2020, the ministry is providing further clarification, in relation to Ontario Works program delivery funding and financial assistance, to ensure work efforts are focused on service delivery while reducing the risk of staff exposure to COVID-19 during the provincial state of emergency that began March 17, 2020.

The state of emergency has resulted in the closure of all non-essential businesses in Ontario, resulting in a high increase in unemployment support. Coupled with efforts to contain the spread of COVID-19 by physically distancing staff, including increased demand on day-to-day administration of social assistance, special considerations were made regarding approaches on performance management and financial oversight.

To that end, the ministry is advising of the following measures:

Program Delivery Funding

Fiscal Accountability

We understand that holding delivery partners to their 2018 funding levels during the COVID-19 outbreak could be hard to do and so the ministry will allow funding increases in the 2020 contracting period, to support additional COVID-19 related expenditures. To ensure appropriate use of funding, delivery partners must track COVID-19 related expenditures separately, for reporting to the ministry by the fall of 2020.

The ministry is defining additional COVID-19 related expenditures, in relation to Ontario Works service delivery and recent policy changes to include those related to:

- Purchasing additional goods or services (non-capital in nature) to protect front-line staff;
- Providing funds to other local service providers, at risk of suspending operations and to maintain operations; and
- Dealing with an influx of clients accessing both Ontario Works and Emergency Assistance funding, as announced recently that will require extraordinary administrative needs (e.g. staff hires/overtime).

Further information will become available on administrative relief, in recognition of the impact of the COVID-19 outbreak on social assistance delivery. In the meantime, delivery partners should connect with their Program Supervisors for adjustments to their monthly PDF flow, if they are experiencing pressures due to COVID-19.

Year-To-Date Reporting

In recognition of current workload impacts on staff the ministry has already communicated an extension for submitting 2019 year-end reports. Given that the ministry is moving to a semi-annual reporting process, starting in 2020, year-to-date actuals will be due in the Fall of 2020. The exact timing of year-end reporting for 2019 and 2020 interim actuals will be communicated when normal business operations resume.

Achieving Employment Outcomes

Recognizing the current shift in performance priorities, the ministry will allow flexibility when assessing under-achievement of outcomes for the current two-year business cycle (2019 and 2020 contracting period). This will allow delivery partners to focus on service delivery priorities and potential increases in service demands.

Employment Services Transformation (EST) Transfer

With the EST communication, dated March 30, 2020, regarding the extension of the transition period (from April 1 to December 31, 2020), delivery responsibility and funding will be retained

by the nine (9) EST Ontario Works municipal delivery partners. Like non-EST municipal delivery partners, EST sites funding will be held to 2018 actuals for the 2020 contracting period, with the ability to spend above this amount to address any COVID-19 related pressures. Starting on January 1, 2021, a 22 per cent funding transfer will be applied to 2021 baselines to support the integration of employment services and committed funding transfer to Ministry of Labour, Training, and Skills Development. The exact funding transfer amount has been previously communicated to the nine impacted municipalities, which remains unchanged for 2021 contracting period.

Budget Submissions and TPON Implementation

As you know, the ministry was preparing to adopt the enterprise-wide Transfer Payment Ontario (TPON) platform to support the Ontario Works service contracting process starting in 2020. However, this work is now on pause, which will further delay finalizing 2020 contracts. The ministry had previously communicated launching TPON in June for municipalities, however in recognition of current workload impacts on staff and the unknown state of emergency period, budget submissions will not be required for 2020. Contracting and TPON implementation details will be communicated by the ministry, in coming weeks.

Subsidy Claims

Advances

Service delivery partners experiencing cashflow difficulties due to increased financial assistance expenditures as a result of COVID-19 are encouraged to contact their Program Supervisor with a request to adjust their SAMS advance.

Timing for Submissions

The ministry recognizes that service delivery partners' ability to meet the pre-established subsidy claim submission timelines may be impacted by decreased work capacity and/or increased workload due to COVID-19.

The ministry recommends that service delivery partners experiencing challenges impacting their ability to meet the established subsidy claim deadlines, contact their respective Program Supervisor. Based on an assessment, ministry staff can provide support by determining alternative scheduling; flexible deadlines can be recommended which still adhere to non-negotiable milestones (e.g. IFIS submission timing).

Requirements for Supporting Documentation

Delivery Partners must track all expenditures managed outside of SAMS and provide the appropriate supporting documentation. Expenditures managed outside of SAMS are more time-intensive to reconcile. These adjustments need to identify the following: (1) the amount; (2) the benefit/recovery related to the adjustment; and (3) the clients served.

As much as possible, expenditures should be entered into SAMS. This method is the most effective as there is no need to provide supporting documentation and it reduces administrative reconciliation requirements.

For municipalities who are still unable to meet subsidy claim deadlines even after working with ministry financial staff to determine alternative submission timelines, the ministry proposes a temporary deferral of supporting documentation with subsidy claims.

Under this interim process all service delivery partner level adjustments will be accepted. Delivery partners would still be required to exercise diligence in the application of outside of SAMS expenditures; documentation to support the expenditures must still be collected. These documents must be submitted to the ministry at an agreed upon time in the future for a FULL reconciliation.

A detailed Q&A goes with this memorandum to guide interim strategies for **Program Delivery Funding** and **Subsidy Claims**.

Thank you,

Original signed by

Patti Redmond, Jeff Bowen

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