



Employment Services Transformation in Toronto

Economic and Community Development Committee

April 25, 2023



Introduction

May 2021 – Council Direction for Toronto Employment and Social Services to report with recommendations on the role the City should play as the Province implements changes to the way in which social assistance recipients in Toronto are supported in moving to employment

Factors



- Multiple Systems
- Highly Invested and diverse Stakeholders
- Varying levels of understanding of current systems and changes being made
- Integrated Employment Services model will have different impacts across Service Areas

Comprehensive Analysis



- 100+ stakeholders engaged
- Discussions with the Province
- Assessment of current systems
- Assessment of Provincial Model within Toronto context
- Multiple risks identified – clients, service providers, City regardless of selected Employment Service System Manager

Introduction

May 2021 – Council Direction for Toronto Employment and Social Services to report with recommendations on the role the City should play as the Province implements changes to the way in which social assistance recipients in Toronto are supported in moving to employment

Summary



- Appropriately focused employment training and skills development programs will no longer be available
- Risks cannot be mitigated from within the system – even by the City
- The City can be a more effective contributor and change advocate outside the employment service system, including advocating to maintain its role in managing a network of appropriately focused training and skill development programs

Toronto - Ontario Works Caseload

107,300
Cases served
2022

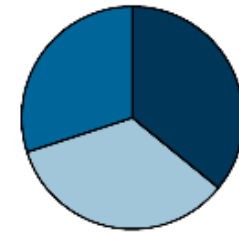
175,718
Individuals served
2022

50.7 months
time on assistance
average for 2022

52% of cases
2+ years length of stay on assistance
(year to date as of Nov 2022)

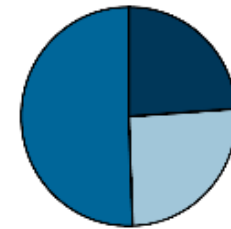
Demographic characteristics represent the characteristics of the primary applicant. Percentages may not add up to 100 percent because of non-response on some variables

Educational Attainment (applicant only)



- 36% graduated high school
- 34% some / completed post secondary
- 30% did not graduate high school / no education

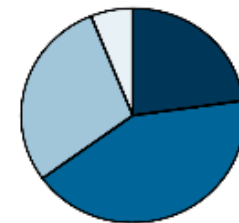
Reported Barriers to Employment*



- 28% poor health
- 30% lack of Canadian work experience
- 59% lack of education or skills

*represents data from Jan. 1 - Aug.1 2021

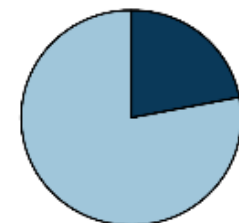
Age (applicant only)



- 23% ages 16-29
- 42% ages 30-45
- 29% ages 46-60
- 6% ages 60+

Over 78,000
ODSP recipients
residing in
Toronto

Immigration Status*



- 22% refugee claimant
- 78% other, includes: citizens and permanent residents

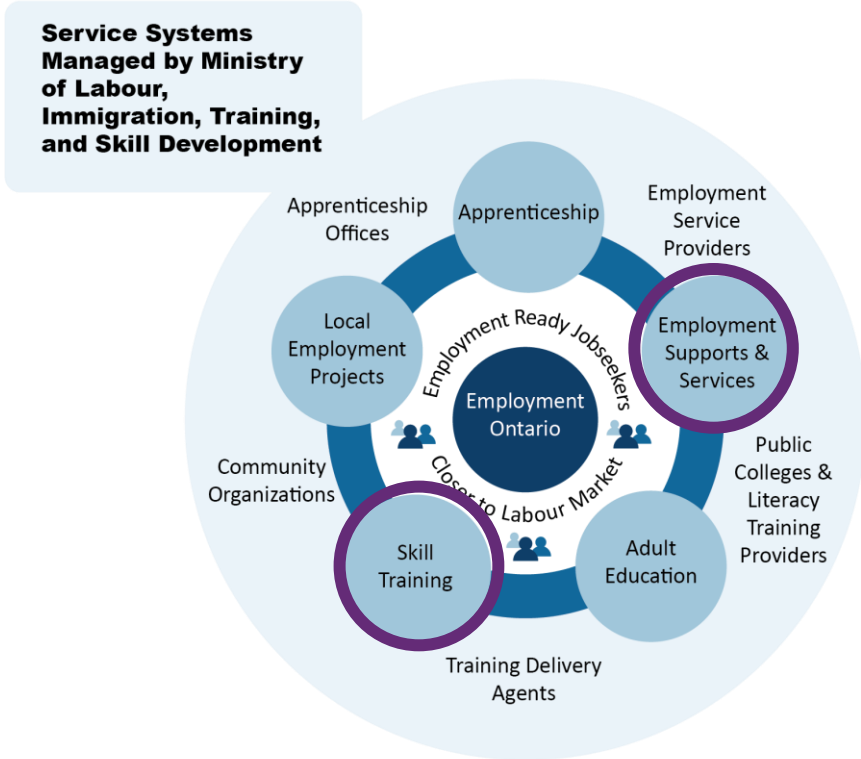
*represents data to the end of Feb 2023

Current Employment Services and Supports Delivered by TESS

- In addition to providing financial assistance, benefits and vital case management support to clients, through contracted services, TESS provides a range of pre-employment, training and skills development programs to Ontario Works clients, specifically designed for those further from the labour market:
 - focussed on supporting clients who face multiple barriers to employment
 - can include life skills and necessary wrap around supports in the training experience
- TESS holds multi-year contracts with 240 community organizations to delivery this suite of programming
- 2023 projected investment for employment related benefits and programs - **\$54.2M** (100% provincial funding):
 - Employment Training/Skills Development Programs: **\$24.8M**
 - Employment Related Financial Benefits: **\$29.4M**
- Less than 10% of OW clients in Toronto are appropriate for referral to Employment Ontario

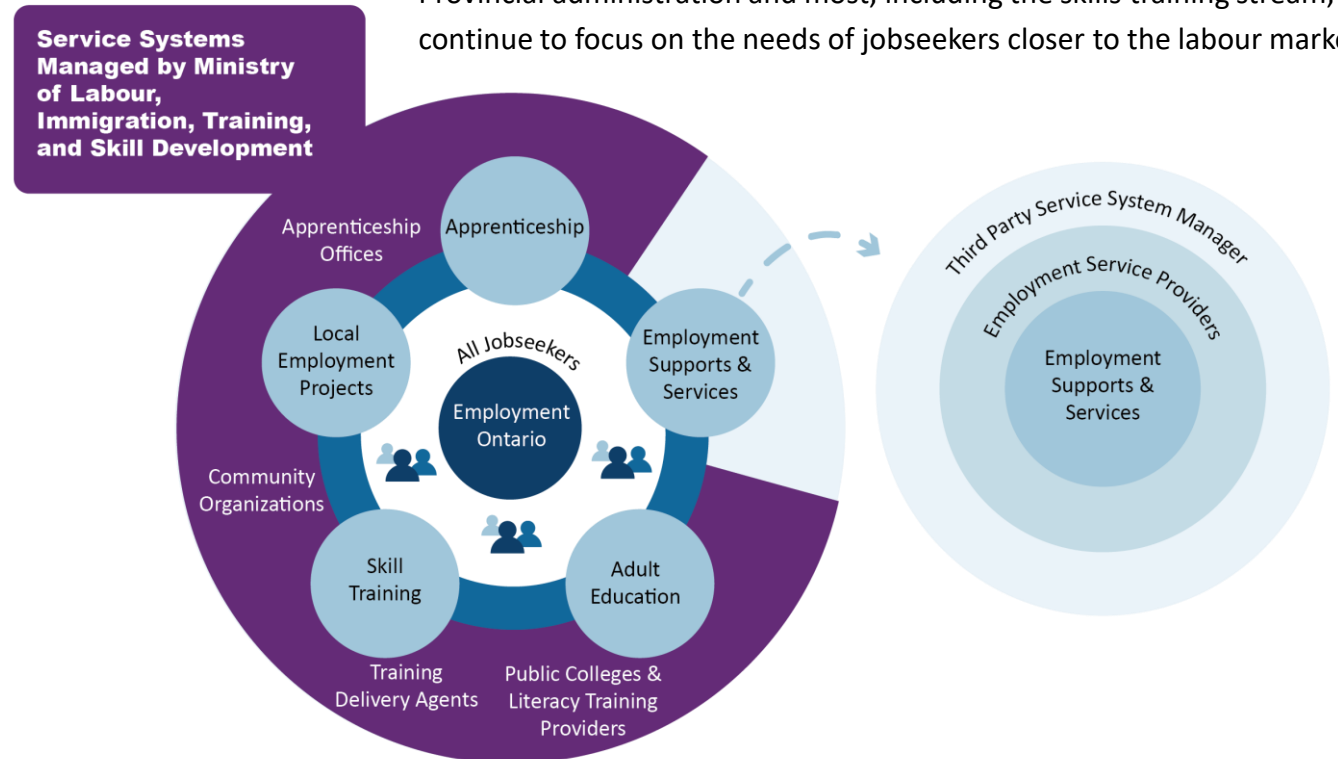
Changes to Employment Ontario Delivery Structure

Current



Post-EST

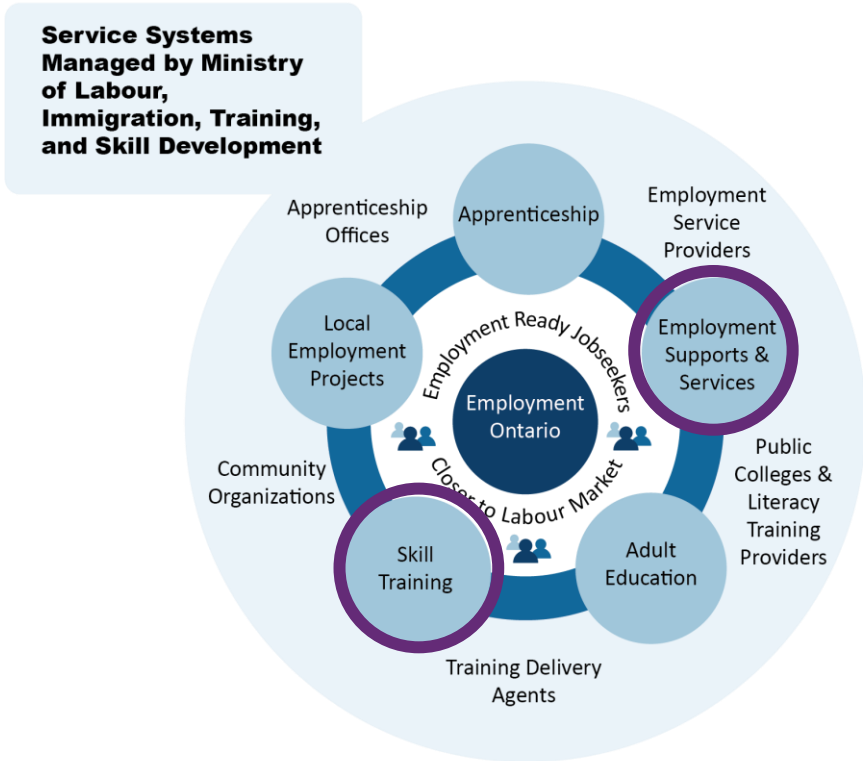
Transformation is focused on the Employment Supports and Services stream of EO programming. The other 4 streams of EO Programs remain under Provincial administration and most, including the skills training stream, continue to focus on the needs of jobseekers closer to the labour market.



EO Skill Training programs remain focused on individuals closer to the labour market

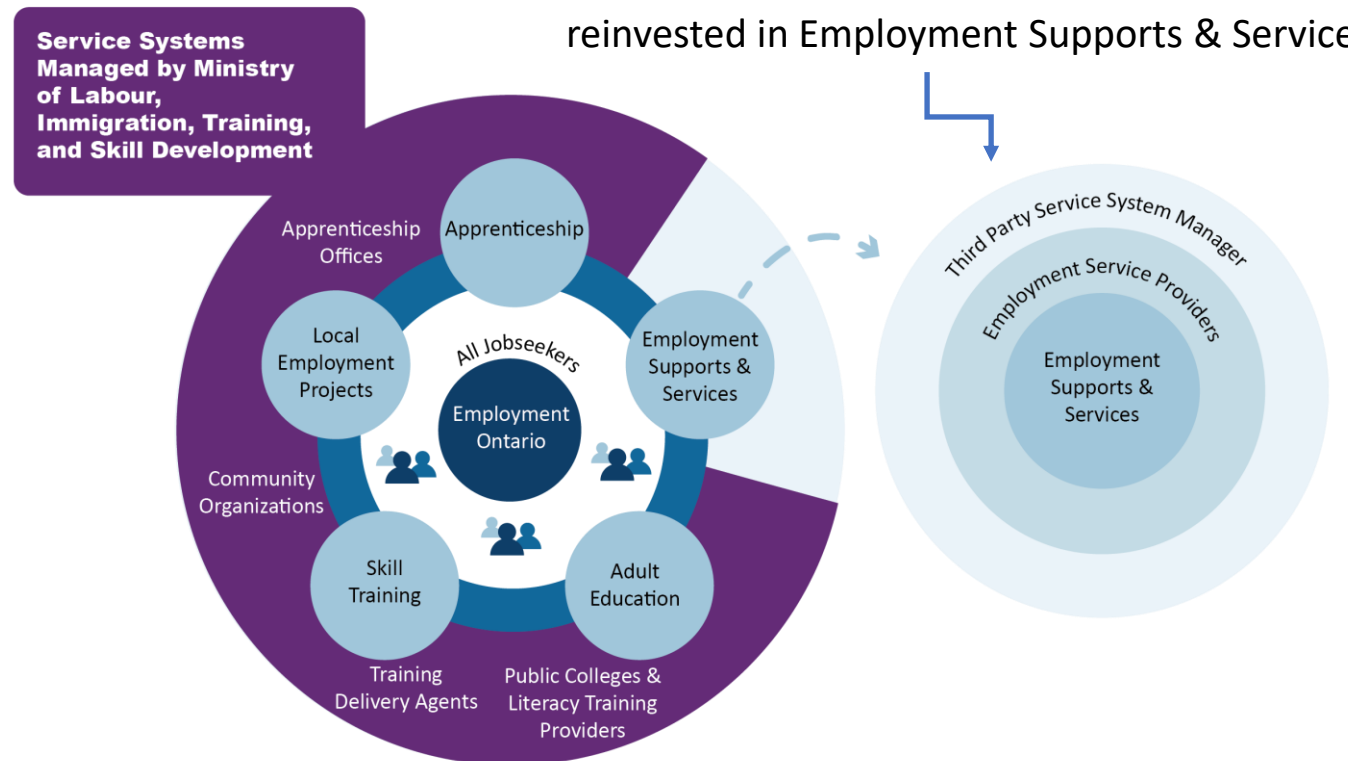
Changes to Employment Ontario Delivery Structure

Current



No new investment

Post-EST



EO Skill Training programs remain focused on individuals closer to the labour market

Will lead to a gap in appropriately focused programming for TESS clients

Key Considerations - Toronto



Access to Appropriately Focused Training Programs

- Termination of current programming will create a gap in vital programming that cannot be bridged by Provincial programming



Employment Outcomes for Social Assistance Recipients

- Will be negatively impacted without the continuation of appropriately focused training programs that address the needs of individuals facing multiple barriers



Significant New Investment

- To carry out the management of the Employment Services System for all residents, the City would need to invest in the development of the necessary infrastructure to support a network of providers serving all residents



Challenges Meeting Provincially Set Outcomes

- Employment is the only eligible outcome under the Provincially set performance management framework - 20% of the ESSM budget is outcomes based
- Without additional Provincial funding to address identified limitations, the ESSM may be required to make additional investments to ensure success

Staff Recommendations

The General Manager, Toronto Employment and Social Services recommends that:

1. City Council direct the General Manager, Toronto Employment and Social Services to **not pursue the role of Employment Service System Manager for the Toronto Service Area**, on behalf of the City, and to undertake the following actions to ensure the employment needs of social assistance clients and the best interests of the City are met:
 - a. Continue to **advocate** with the Ministries of Children, Community and Social Services and Labour, Immigration, Training and Skills Development for an Employment Services Transformation implementation plan for the **Toronto Service Area that maintains an appropriate level of employment services funding** for Toronto Employment and Social Services.
 - b. Establish a **collaborative partnership with the vendor selected** by the Ministry of Labour, Immigration, Training and Skills Development to serve as the Employment Service System Manager for the Toronto Service Area.
 - c. **Report back to Council following the selection of the Employment Service System Manager** for the Toronto Service Area with an update on the system **transition timeline and partnership activities** underway between the City and the System Manager.
2. City Council direct the General Manager, Toronto Employment and Social Services, **in collaboration** with the General Manager, Social Development, Finance and Administration the General Manager, Economic Development and Culture, and the Chief Librarian, Toronto Public Library to **report back to Council on opportunities for the City to best leverage its workforce development priorities** and investments across several programs and Divisions to enhance employment outcomes for all residents, with a focus on low-income residents and social assistance clients.

Rationale for Staff Recommendations

This recommended approach:

- Allows the City to advocate and influence changes by leveraging our expertise, partnerships and existing investments in order to ensure the needs of clients continue to be met
- Enables the City to work closely with the selected ESSM on the design of the system in order to ensure true integration of services and case management leading to enhanced outcomes
- Mitigates, to the fullest extent possible, the assessed financial risks to the City

The City remains committed to ensuring that the needs of social assistance clients continue to be met via access to programs, supports and services either directly delivered by the City and/or in partnership with the ESSM