

**Ministry of Community  
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**MAR 25 2010**

Mr. J. Ray Chenier  
Chair  
Manitoulin-Sudbury District Social Services Administration Board  
210 Mead Boulevard  
Espanola, Ontario  
P5E 1R9

Dear Mr. Chenier:

Thank you for your letter regarding changes to Ontario Works incentive funding. I appreciate the time you have taken to share your concerns and I would like to address the issues you raise.

As you are aware, the ministry has ended Ontario Works incentive funding and reinvested the full funding from these initiatives into Ontario Works base administration funding.

This change aligns with the feedback we have received from our delivery partners about the need to simplify and streamline the administration budget. During the Provincial-Municipal Fiscal & Service Delivery Review (PMFSDR), the Service Delivery Accountability Table (SDAT) discussed incentive funding as a component part of a broader dialogue on Ontario Works administration funding. Among other recommendations, the SDAT concluded that “the range of funding arrangements for Ontario Works administration should be streamlined into a single funding arrangement.”

This change also reduces an administrative burden for our delivery partners as there is no longer a requirement to track and meet performance targets in order to receive the full funding allocation. Over the past year, the ministry has implemented workload strategies to assist our delivery partners in managing the increasing demand on the service delivery system. One of these strategies included providing our delivery partners with their full incentive funding allocation without the need to meet predetermined targets. This was a strategy put forward by our delivery partners for consideration as a means to reduce an administrative burden.

In addition, this change allows for more flexibility in how administration funding is directed to support service delivery and local program needs.

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Consistent with the ministry's regular business practice when distributing new base funding, initial distribution is based on the most recent caseload, which ensures an equitable distribution of funding across the province. Recognizing that some of our delivery partners may be negatively impacted as a result of distributing the reinvested funding by caseload, we are also investing additional funding to ensure that no delivery agents are negatively impacted by this change.

We recognize that delivery agents require time to plan for this change. Therefore, 2010 is a transitional year where the province will provide this funding at 100 per cent without the requirement for our delivery partners to cost-share. Starting January 2011, this funding will be subject to 50/50 cost-sharing as per Ontario Works legislation.

Lastly, through the PMFSDR, the province committed to work with the Association of Municipalities of Ontario and the City of Toronto to review Ontario Works administration funding and develop principles to guide future funding. In response, the Ontario Works Funding Principles Working Group was established to develop funding principles and discuss considerations for a revised funding approach to Ontario Works administration. Please note that there have been no decisions on a revised approach to funding administration based on a particular funding model.

Once again, thank you for writing.

Sincerely,



Madeleine Meilleur  
Minister