

Ministry of Training, Colleges and Universities

Funding Model, Cost Proposal and Data Information Session

Addendum 2

On Tender 11855 for Call for Proposal
(CFP) for Service System Managers,
Employment Services Transformation

The background is a solid blue color with several overlapping, semi-transparent, light blue geometric shapes that create a layered, abstract effect. The shapes are primarily curved and angular, resembling stylized architectural elements or overlapping pages.

WELCOME

Today's Agenda

Time	Section
5 min	Introduction
20 min	Overview of Funding Model – Phase I – Planning
15 min	Live Chat Questions
20 min	Overview of Funding Model – Phase II – Transition
15 min	Live Chat Questions
20 min	Overview of Funding Model – Phase III – Integrated Employment Services Delivery
15 min	Live Chat Questions
20 min	Outline structure of Cost Proposal
15 min	Live Chat Questions
30 min	BREAK
30 min	Data Information
15 min	Live Chat Questions
15 min	Next Steps and Closing

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Phase I: Planning Period Funding

Planning Period Funding Overview

- The Planning Period occurs between January 1 and March 31, 2020.
- The purpose of the Planning Period Funding is to allow SSMs to establish their operations within the defined Catchment Area.
- Planning Period Funding is one-time only during the prototype phase (i.e., there will not be Planning Period funding in subsequent fiscal years), with planning funds being paid to the SSMs on the first of each month in equal monthly payments (i.e. total amount divided by three and paid out in 1/3 increments).
- During the Planning Period, SSMs will not be responsible for managing agreements for Service Providers delivering any EO or ODSP-ES services within the Catchment Area.
- Applicants must carry out the specific activities required to establish SSM operations. This may differ depending on the successful Applicant's existing infrastructure and activities, but may include:
 - Activities to establish the infrastructure necessary to exercise the appropriate oversight over the Service Provider network within the defined Catchment Area;
 - Building SSM capacity and developing knowledge of the local service delivery network; and
 - Establishing operations including, but not limited to: leasing space, establishing a presence in the community (e.g. marketing, building stakeholder relationships), hiring of key staff and developing a web presence.

Planning Period Funding Overview (cont'd)

- These costs are expected to be within the maximum Planning Period Funding for each Catchment Area.
- The maximum funds associated with the Planning Period funding for the Catchment Areas are linked to a pre-determined percentage of the EO allocation for the specific prototype community. These pre-determined percentages are based on the density of the respective catchment areas and general economy of scale principles tied to community size (urban, rural mix, rural). See table below.

Catchment Area	Planning Period Funding Maximum Dollar Value
Peel	281,000
Hamilton-Niagara Peninsula	552,000
Muskoka-Kawarthas	234,000

LIVE CHAT QUESTIONS

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Phase II: Transition Period Funding

Transition Period Funding Overview

- The Transition Period occurs between April 1 and September 30, 2020.
- The Transition Period Funding is for transition costs including, but not limited to, costs associated with acquiring a physical presence in the community, development of a web presence, staffing, and also to support SSM operations during the six-month Transition Period.
- Specific costs may vary based on the existing infrastructure and activities of the successful Applicant.
- During the Transition Period, the responsibility for managing EO and ODSP employment services Service Provider agreements will be transferred to the SSMs.
 - However, SSMs will not be able to make changes to the Service Provider network during this period (including funding and targets).
- The Transition Period Funding does not include the funds that will be provided by the ministry to the SSM to be flowed to Service Providers to support service delivery during the six-month transition.
- Responsibility for employment support services for Ontario Works will not be transferred to SSMs until October 1, 2020 (after the Transition Period ends).

Transition Period Funding Overview Continued

- These costs are expected to be within the maximum Transition Period Funding for each Catchment Area.
- Transition Period Funding is one-time only during prototype phase (i.e., there will not be Transition Period funding in subsequent fiscal years); with transition funds being paid to the SSMs on the first of each month in equal monthly payments (i.e. total amount divided by six and paid out in 1/6 increments).
- Transition Period Funding is for Operational costs only; there will be no Performance-based funding during the Transition Period.
- The maximum funds associated with the Transition Period funding for the Catchment Areas are linked to a pre-determined percentage of the EO allocation for the specific prototype community. These pre-determined percentages are based on the density of the respective catchment areas and general economy of scale principles tied to community size (urban, rural mix, rural).

Catchment Area	Transition Period Funding Maximum (\$) Dollar Value
Peel	1,124,000
Hamilton-Niagara Peninsula	2,208,000
Muskoka-Kawarthas	938,000

Transition Period Funding and Outcome Payments

- The Transition Period Funding and Outcome payments have been developed to support SSMs achieving two outcomes prior to August 1, 2020:
 1. Transition Period Plan
 2. Building a Comprehensive Web Presence
- Applicants must complete both deliverables (before the dates below) to receive the payment.
- The ministry will provide Transition Period Funding and Outcome payments on the understanding that achieving these outcomes on an expedited basis will result in increased costs to the SSM.
- Prior to the release of the funding, the ministry will determine if the outcomes have been achieved. The Transition Period Plans will be reviewed by the ministry based on the original actions and activities outlined in the Transition Plan submitted by applicants as part of the CFP (Section 4.1.1.1) to ensure the transition to Integrated ES Delivery maintains continuity of services and supports service delivery changes which ensure the best outcomes for clients.
- Should the SSM achieve the two outcomes:
 1. By June 1, 2020, the ministry will provide a maximum of \$125,000 of funding.
 2. By July 1, 2020, the ministry will provide a maximum of \$100,000 of funding.
 3. By August 1, 2020, the ministry will provide a maximum of \$50,000 of funding.
- Transition Period Funding and Outcome payments are one-time funding that is in addition to the Transition Period Funding described on the previous slide.

Outcome 1: Transition Period Plan

- The Transition Period Plan must provide details about the specific actions and activities to be undertaken and demonstrate the rationale, means and timeline for establishing the third-party Service Provider network.
- The Transition Period Plan should align with the CFP requirements and must be approved by the ministry as part of the ministry's business planning process. The plan for delivery partnership will be incorporated into ongoing business planning.
- The Transition Plan will be approved by the ministry to ensure it aligns with the SSM's approach submitted as part of the CFP including sound Methodology, demonstration of service quality and meets the objectives of ensuring the best outcome for clients.

Client Intake and Outcomes Approach

- The Client intake and outcomes approach will outline the key activities the SSMs will undertake to transform service delivery provision in a manner that supports of a client-centric, outcomes-based approach.
- The plan will be evidence-based and informed through consultation with Service Providers and key stakeholders.
- Specific examples of what should be included in the SSM's approach are outlined on page 59 of the CFP.
 - Examples include: approach engaging community partners, detailing research and analysis, and outlining the how the SSM will transform or customize service delivery and programming.

Outcome 1: Transition Period Plan Continued

Network Transition Approach

- The Network Transition approach will outline any and all changes to the service delivery footprint or Service Provider Network within the Catchment Areas.
- This approach must be evidence-based and informed analysis and consultation with local Service Providers and key stakeholders.
- The approach will recognize the importance of local delivery and partners in service delivery and will support the vision for local, collaborative, community-based service provision by ensuring a diverse local network of Service Providers to achieve outcomes for a wide range of clients.
- Specific examples of what should be included in the SSM's approach are outlined on pages 59 and 60 of the CFP.
 - Examples include: approach engaging with EO and ODSP employment supports Service Providers, approach to employing a transparent and evidence-based process to assess the effectiveness of the current network, and outlining considerations for specialized service delivery.

Outcome 2: Comprehensive Web Presence for the Catchment Area

- The SSM will be responsible for developing a plan for the ministry's approval that will establish a web presence that reflects the following principles:
 - User-friendly, community-focused and compliant with the Accessibility for Ontarians with Disabilities Act, 2005 and regulations.
 - Maintain accurate and current content.
 - Promote direct service delivery.
 - Provide key resources and information to clients including job seekers, employers and service delivery partners.
 - Collect site usage analytics to gather insights for continuously improving online information and service delivery.

LIVE CHAT QUESTIONS

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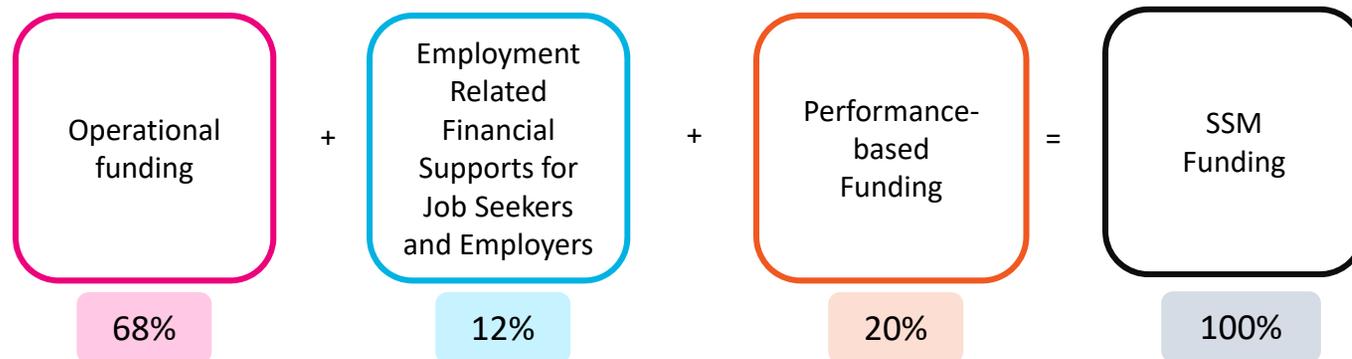
Phase 3: Integrated Employment Services Delivery Funding Model (begins October 1, 2020)

Presentation Overview

- Provide an overview of the Integrated Employment Services Delivery Funding Model
 - Integrated within the presentation will be ministry responses to common questions submitted by applicants, based on the following themes:
 - What are the ongoing envelopes of funding that a Service System Manager (SSM) will receive to support operations and service delivery?
 - What can Operational Funding be used for?
 - Clarification around residual performance outcome payments
 - How were Performance-based funding allocations were calculated?
 - What is the criteria for determining Client Streams?
- Provide responses to additional questions submitted by applicants
 - Questions not addressed in the presentation will be addressed by the Ministry and responses will be provided via an addendum posted on the Ontario Tenders Portal.

Integrated Employment Services Delivery Funding Model Overview

- The funding model comes into effect on October 1, 2020.
- The funding model has three funding components, which represent all the types of funding a Service System Manager (SSM) can access for delivering on their functions:



- The overall funding allocation has been designed to balance stability and flexibility for SSMs. In establishing the allocations for each funding component, the ministry considered current system costs and best practice in other jurisdictions with performance-based funding.
 - **Operational funding:** will cover day-to-day operations costs (i.e. administration, utilities, other operational costs for service delivery).
 - **Employment-Related Financial Supports for Job Seekers and Employers:** provided to individuals and employers to remove barriers to participation in employment and training activities (i.e. transportation, accommodation supports).
 - **Performance-based funding:** tied to the achievement of individual client employment outcomes only, at four intervals (1, 3, 6, 12 months).

Client Segmentation Overview

Client segmentation is a key input to the Integrated Employment Services Delivery Funding Model.

- The ministry's Client Segmentation model assesses each client's relative disadvantage in the labour market, assigning a stream based on the client's unique characteristics:
 - Stream A: Low risk of long-term unemployment*
 - Stream B: Medium risk of long-term unemployment*
 - Stream C: High risk of long-term unemployment*
- Information collected through the Common Assessment tool related to client education, employment history and other factors related to labour market attachment, will be used to segment Assisted Services clients into: Stream A, Stream B, or Stream C for employment services according to estimated service intensity need.
- The client segmentation model has been used to inform estimated operational funding and expected client service numbers by prototype area, and to inform performance-based funding payments for the achievement of client employment outcomes.

*The ministry's client segmentation model predicts a client's risk of unemployment three months following employment service intervention. Over time, the ministry will evolve the segmentation model to predict unemployment 6 months (27 weeks) following intervention, in line with the definition of long-term unemployment.

Overview of Operational Funding

Operational Funding will support financial stability for SSMs, covering direct delivery or subcontracted delivery of the components of the project including supporting administration, utilities and other operational costs for service delivery.

- Initial Operational Funding allocations have been determined by the ministry and account for approximately 68% of the total estimated funding envelope.
- Operational Funding allocations for each subsequent year of the transfer payment agreement will be determined through the ministry's business planning process.
- Annual Operational Funding will be paid monthly and the ministry will adjust payments based on expenditures to date and full year forecasted expenditures.
 - To avoid instances of over-payments where underspending has been forecasted.

Overview of Operational Funding

The table below sets out the planned annual Operational Funding allocations by Client Stream:

Catchment Area	Client Stream	Annual Operational Funding (\$)
Peel	A	1,834,000
	B	4,307,000
	C	25,208,000
Hamilton-Niagara Peninsula	A	1,190,000
	B	5,194,000
	C	37,759,000
Muskoka-Kawarthas	A	415,000
	B	1,830,000
	C	11,886,000

Overview of Operational Funding

Operational Funding, for the delivery of the components of the Project, are inclusive of:

- Staff and management salaries directly associated with the delivery of the Project
- Hiring and training of staff (including professional development)
- Marketing (signage, print/paper/web ads, outreach, etc.)
- Facilities (rent)
- Facilities (mortgage payments, but only the interest portion of a mortgage payment is allowed as an operating cost)
- Amortization expenses for assets used directly in Project delivery
- Accounting services and auditor's fees
- Other direct operating expenditures related to delivery of the Project

Operational Funding does not include:

- Hiring bonus
- Termination or severance costs
- Capital asset purchases

Overview of Employment-Related Financial Supports for Job Seekers and Employers

Employment-Related Financial Supports (“flow through funding”) are supports provided to clients or employers to remove barriers to the client’s employment goals.

- Service System Managers will be responsible for the administration and delivery of employment-related financial supports.
- Employment-Related Financial Supports account for approximately 12% of the total estimated funding envelope. The allocation for this envelope is fixed.
- The Service System Manager may use additional funding from its overall funding allocation (i.e., from Operational Funding allocation and Performance-based Funding allocation) for Employment-Related Financial Supports.
- Any unused funding from the Employment-Related Financial Supports envelope (and from within the dedicated minimum amount to support ODSP recipients who have disabilities) will be returned to the ministry.
- Annual Employment-Related Financial Supports for Job Seekers and Employers will be paid monthly following the submission to the ministry of documentation outlining expenses. The ministry will undertake a regular review of these expenses.
- The ministry has established a minimum amount from within the Annual Employment-Related Financial Supports envelope that can only be used to support ODSP recipients who have disabilities (funding beyond this amount can also be used to support this target clientele).
 - This minimum amount is based on approximately \$2000 per projected ODSP client with a disability within each prototype area.

Overview of Employment-Related Financial Supports for Job Seekers and Employers

The table below sets out the planned annual Employment-Related Financial Supports for Job Seekers and Employers budget allocations:

Catchment Area	Total Annual Employment-Related Financial Supports for Job Seekers and Employers (\$)	Minimum Annual Employment-Related Financial Supports for Job Seekers and Employers: Dedicated for ODSP Clients with Disabilities (\$)
Peel	5,532,000	538,000
Hamilton-Niagara Peninsula	7,790,000	948,000
Muskoka-Kawarthas	2,494,000	442,000

Through the business planning process, the ministry may negotiate adjusting the proportion of flow-through funds to support eligible ODSP clients with a disability based on changes in client volumes and client needs.