

EMPLOYMENT ONTARIO

**Employment and Training Division
Ministry of Training, Colleges and Universities**

**ONTARIO SELF-EMPLOYMENT BENEFIT (OSEB)
INFORMATION FOR SERVICE PROVIDERS**

March 18, 2010

Purpose

- Highlight key program modifications to the Ontario Self-Employment Benefit (OSEB).
- Provide an overview of the OSEB re-launch and program modification implementation plan.

Context

A preliminary OSEB program review was completed that focused on the following considerations:

- Addressing the recommendations made in the Auditor General Report 2008.
- Identifying short-term opportunities for improving OSEB program.
- Aligning OSEB with MTCU priorities and program design for program indicators and success outcomes.

The preliminary review approach:

- A small internal working group was established.
- Reviewed Auditor General 2008 OSEB recommendations, existing OSEB guidelines and related documentation.
- Regions participated in internal consultation calls.
- External consultation with Social and Enterprise Development Innovations (SEDI) and The Ontario Association of Community Futures Development Corporations (OACFDC).
- Revised guidelines were drafted by the working group.

AG OSEB Recommendations

- Standardize the criteria used to determine client suitability.
- Assess the different policies that offices follow regarding the duration of support.
- Encourage wider adoption of policies that are effective in helping clients succeed.
- Require service providers to monitor their clients more closely and consistently.
- Establish expectations for what should be documented in meetings held with participants.
- Conduct periodic risk-based contract monitoring visits that focus on the quality of services provided as well as compliance with programme requirements.
- Develop and implement a more comprehensive and informative set of outcome-based performance measures
- Analyze service provider costs on a per client basis to identify the reasons for significant discrepancies. **(Out of Scope)**

Revision of OSEB Guidelines

- The preliminary review was an initial attempt at considering short-term improvements to address risks.
- The revised guidelines incorporate:
 - Review changes to clarify and codify standards as per the AG recommendations.
 - Clarification of roles and responsibilities.
 - OSEB Qs &As and related documents.
 - Formal clarification on informal policy and elaboration on existing policy where required.

Overview of Program Modifications

- Clarification of eligibility requirements
- Standard suitability criteria
- Standard duration of support for all participants
- Revised monitoring framework and consistent monitoring practices
- A new set of program indicators and success outcomes

Modification 1 - OSEB Objective

- Revised OSEB objective to better reflect the key focus on entrepreneurial skills development.
- The revised objective is:
The Ontario Self-Employment Benefit (OSEB) program provides entrepreneurial skills development support to approved participants to help them develop and implement their business plan and become self employed. OSEB allows participants to concentrate on building a sustainable business by providing them with financial assistance while they receive business advice and support.

Modification 2 – Consideration for OSEB Approval

There are four incremental levels of assessment to determine participation in the OSEB program:

1. Applicant Eligibility – Determines if an individual meets the basic requirements for further assessment and consideration.
 2. Business Eligibility – Determines if an individual's proposed business is eligible as outlined in the Eligible Business Activities and Ineligible Business Activities sections.
 3. Suitability and Feasibility of Business Concept – Determines if an eligible individual meets the OSEB suitability criteria including if the proposed business concept is feasible.
 4. Provision of Financial Assistance – If an individual meets the eligibility and suitability requirements, financial assistance is provided in conjunction with entrepreneurial support.
- An EO assessment centre or ES service provider is responsible for completing the needs-based service determination and plan to return to work/ESP and referring participants to an OSEB Coordinator.
 - An OSEB Coordinator is responsible for determining eligibility (i.e. applicant and proposed business), assessing an individual against OSEB suitability criteria and assessing the feasibility of the proposed business concept. This is a comprehensive assessment that focuses on both the individual and the business concept.
 - The Ministry is responsible for confirming eligibility (i.e. applicant and proposed business), reviewing the suitability and business feasibility assessment completed by an OSEB Coordinator and approving program participation and financial assistance.

Modification 3 – OSEB Eligibility

Additions to the eligibility section are:

- An individual who has completed a business plan (as determined by an OSEB Coordinator) with the assistance of outside expertise (e.g. accountant or business consultant) prior to seeking support under OSEB, and who does not require assistance during the business plan development phase, is not eligible.
- An individual who begins working on his/her business prior to seeking approval from the Ministry for OSEB is not eligible for the program.
- **As well, an individual who has previously completed a self-employment program within the last 24 months or is currently enrolled in a self-employment program (i.e. provincial or other) is not eligible for OSEB.**

Modification 4 – Eligible and Ineligible Business Activities

- A co-op is no longer included under acceptable type of business structures.
- A franchise, a business based on commission and a home-based daycare are ineligible businesses.

Modification 5 – OSEB Suitability

The new standard suitability criteria are:

- requires business support as demonstrated by lack of prior related self-employment experience and training (based on client documentation, a self-assessment facilitated by an OSEB Coordinator and an OSEB Coordinator's assessment of the individual);
- does not possess a professional designation (e.g. medical doctor, lawyer, CA)
- proposes a business where there are no laws or regulations that impede the individual from starting it;
- possesses product or service knowledge and skills related to the proposed business activity (e.g. construction experience/formal training if a construction business, bookkeeping experience/training if offering such services);
- possesses the certification or qualification, if required under law or regulation, to perform the proposed business activity;
- business concept as presented is considered to be feasible and the individual is an appropriate candidate for self-employment program participation; and
- individual provides evidence of a minimum of 25% equity (cash and/or in-kind) to contribute to the business; and if the business plan indicates need for business financing/investment, it is reasonable to expect the individual will be able to access the business funds required.

Modification 7 - Duration

- Under OSEB, assistance will be provided for a standard 42 weeks for all participants.
- Participants who have a disability that will affect their ability to develop and implement a business plan in 42 weeks will be exempted from the standard 42 week duration.
- The standard duration applies to both entrepreneurial skill development and financial support (although there will be a two month transition period to allow for this change).

Modification 8 – Financial Assistance

- Basic living allowance remains at a flat rate of \$423 for all participants.
- Consistent access to incremental supports for OSEB including dependent care, disability supports and travel.
- Dependent care and travel are now allowable only for business plan development phase and rates mirror Second Career.
- Duration of income support is a standard 42 weeks for all participants with the exception of approved participants who have a disability that will affect their ability to develop and implement a business plan in 42 weeks.

Modification 9 - Accountability

The new program indicators for OSEB are:

- # of orientation sessions conducted by the coordinator and/or # of individuals to attend orientation sessions (including continuous intake)
- # of business concepts assessed by the OSEB Coordinator
- # of clients who apply for OSEB
- # of clients recommended for OSEB
- type of business to be started by the client
- The success outcomes for OSEB are:

Program participation:

- # of clients who complete business plan
- # of clients who implement business plan
- quarterly +/- variance of actual vs. projected business revenue
- # of clients who complete program
- # of clients working full-time on their business with the business being their primary source of income at program completion
- At exit, 100% of clients to be surveyed for satisfaction.

Modification 9 – Accountability cont'd

Short-term results (12 weeks after program end):

- # of clients working full-time on their business with the business being their primary source of income 12 weeks after program completion

Targets for the above program indicators and success outcomes must be negotiated on a contract by contract basis with each individual OSEB Coordinator. The OSEB indicators and success outcomes must be included in the agreement with the OSEB Coordinator.

Long-term (1 year after program end) impact indicators are:

- # of clients working full-time on their business with the business being their primary source of income 1 year after program completion
- # of jobs created (i.e. seasonal, permanent part-time and full-time)
- Amount of income generated (both net and gross) by client through self-employment in the year after subsidy end \$0 - \$15,000, \$15,000 - \$30,000, \$30,000 - \$50,000, \$50,000 - \$75,000, \$75,000 - \$100,000, \$100,000 plus

The Ministry is responsible for the collection of data to measure long-term program impact.

Modification 9 – Monitoring

Changes were made to standardize and improve monitoring practices to ensure that clients successfully participate in the OSEB program.

- Some new activities to related monitoring/reporting for the OSEB Coordinator include:
 - developing a business development and implementation support plan that includes participant responsibilities as well as business milestones and benchmarks, and signing an agreement with each participant based on this plan.
 - conducting a business performance review (at minimum at participation mid-point) and assisting each participant with revising the business plan if necessary
 - standardized monitoring and reporting requirements that include frequency and file documentation required
- Standardized monitoring and reporting requirements (e.g. frequency and file documentation required) for MTCU with the participant.

Implementation of OSEB Modifications

Modifications will be phased in as follows:

Effective April 1, 2010

- standard duration of financial support of \$423/week for 42 weeks
- new eligibility (applicant and business) and suitability criteria

Effective June 1, 2010

- OSEB Coordinator agreements amended to reflect 42 week standard duration of business support, program indicators, success outcomes and monitoring requirements

Communication Plan

March 12, 2010

- Internal bulletin for ETD staff as update on status of program.
- Bulletin from Assistant Deputy Minister's Office (ADMO) to TCU Tier 1 and 2 Stakeholders and to Regions to advise EO Network that OSEB program will re-launch and begin accepting applications for April 1st.

March 15, 2010

- Minister's Office will reply to client inquiries about OSEB program advising clients who were not approved prior to the October pause to contact their OSEB providers to discuss their application.

March 17, 2010

- Shell client letters will be shared with the Regional Offices to provide to clients.

Assessment Principles for Fair and Equitable Treatment of Clients

- **OSEB Coordinators and/or TCU Staff will perform client outreach to determine if clients are interested, available for and eligible for program.**
- **All clients who submitted an application to MTCU, or who were working with an OSEB coordinator prior to or during the pause will be contacted.**
- **OSEB Coordinators will determine client's interest and availability in OSEB program.**
- **OSEB Coordinators and TCU staff will re-assess the OSEB applications under new guidelines.**
- **All client applications will be assessed based on new eligibility and suitability criteria. Letter of support from OSEB Coordinator is required and will include details about: Client Eligibility, Business Eligibility, Client Suitability and Business Feasibility.**
- **Clients for whom MTCU has received an OSEB application will not be required to complete a new application.**
- **For new clients, a new application form and agreement are in development. Until new forms are developed, old application form and agreement can be used.**

Priority of Client Referrals

OSEB Coordinators will review applications under the following triage approach to determine priority. Clients should receive an acceptance into the program based on a first come, first served order (FCFS) principle, with priority given to those whose Reachback status is close to elapsing.

Priority 1

- Client OSEB applications that were in TCU offices will be triaged according to the date the application was received in the TCU office.
- Priority will be given to clients whose eligibility (Reachback status) is close to ending.

Priority 2

- Client OSEB applications that are being held by OSEB coordinators will be triaged according to the date the application was received by the OSEB Coordinator.
- Priority will be given to clients whose eligibility (Reachback status) is close to ending.

Priority 3

- Clients who are on waiting lists at the assessment centres.

Priority 4

- New clients



Question & Answer Session

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