



CITY OF HAMILTON

**COMMUNITY SERVICES DEPARTMENT
Employment and Income Support Division**

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: March 19, 2012	
SUBJECT/REPORT NO: City of Hamilton's Submission to the Commission for the Review of Social Assistance in Ontario (CS11081(a)) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Kerry Lubrick Ext. 4855
SIGNATURE:	

RECOMMENDATION

- (a) That Report CS11081(a) be received;
- (b) That the City of Hamilton Submission to the Commission for the Review of Social Assistance in Ontario – Approaches for Reform, attached as Appendix A to Report CS11081(a) be endorsed;
- (c) That the Hamilton Roundtable for Poverty Reduction Submission to the Commission for Review of Social Assistance in Ontario – Approaches for Reform, attached as Appendix B to Report CS11081(a) be endorsed; and,
- (d) That the Mayor correspond with the Premier of Ontario, the Minister of Community and Social Services and the Commissioners of the Social Assistance Review; with copies to all local Members of Provincial Parliament, requesting:
 - (i) The immediate establishment of an Ontario Social Assistance Rates Board to set evidence-based annual social assistance rates that will meet basic living costs, including the cost of nutritious food, and allow individuals and families to live with dignity; and,

- (ii) Introduce a \$100 monthly mandatory Healthy Food Supplement for those receiving social assistance in the 2012 Provincial Budget.

EXECUTIVE SUMMARY

On March 16, 2012, the Community Services Department provided a response to the Social Assistance Review Commission's "Discussion Paper 2: Approaches for Reform" document, as well as other suggestions to improve the system. This submission which is attached as Appendix A to Report CS11081(a) was based on:

- comments obtained from a focus group held with staff and management of Ontario Works, Housing Services, Social Development and Early Childhood Services, and Public Health with respect to their experience in delivering social assistance and to answer the key questions in the discussion paper;
- prior feedback from local internal and external stakeholders;
- submission to the Commission for the Review of Social Assistance dated September 1, 2011 (Report CS11081); and,
- previous motions supported by the City Council.

The highlights of the staff submission include:

- While it is agreed that employment is key to helping individuals out of poverty, a basic standard of living along with access to transportation, housing, and quality childcare must be provided in conjunction with an appropriate continuum of employment and training services. There are many individuals on Ontario Works who face significant barriers to employment and will only be successful with intensive case management supports, and specialized services.
- Over the past many years, Hamilton City Council has advocated for an increase to social assistance rates and the establishment of a Social Assistance Rates Board. Staff have reiterated this position as well as: suggesting the addition of work related and nutritional benefits for those on Ontario Works; the inclusion of a provincial, standardized extended health benefit for all low income individuals and families; and the adoption of living wage policies.
- In relation to "making the system easier to understand", amendments to the benefit structure were recommended as well as a reduction to the kind and level of information required to determine eligibility. As well, staff suggested that the asset limit for Ontario Works participants be changed to mirror the amount for those on the Ontario Disability Supports Program.
- In terms of the long-term viability of the system, there is support for further integration of employment, social assistance, housing and childcare at the local level

which would streamline service delivery. However, municipalities cannot be expected to absorb any costs associated with changes to the delivery system.

Over the next few months, the Commission will be developing recommendations for “a sustainable social assistance system for the future”. The final report is to be presented in June 2012.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: There are no financial implications to Report CS11081(a).

Staffing: There are no staffing implications to Report CS11081(a).

Legal: There are no legal implications to Report CS11081(a).

HISTORICAL BACKGROUND (Chronology of events)

As part of the Provincial Poverty Reduction Strategy, the Ontario government committed to reviewing social assistance, with a focus on removing barriers and increasing opportunities for people to work. It subsequently appointed the Social Assistance Review Advisory Council to provide advice on a proposed scope for the review. On November 30, 2010, the government announced the appointment of Frances Lankin and Munir A. Sheikh to lead the Commission for the Review of Social Assistance in Ontario. Since then, the Commission has been carrying out a comprehensive review, and providing specific recommendations and a concrete action plan for reforming the social assistance system. Their final report is due to the Provincial government in June 2012. Their review will lead to recommendations which will enable the government to:

- *Establish an appropriate benefit structure that reduces barriers and supports people’s transition into, and attachment within, the labour market*
- *Place reasonable expectations on, and provide supports for, people who rely on social assistance with respect to active engagement in the labour market and participation in treatment and rehabilitation*
- *Simplify income and asset rules to improve equity and make it easier to understand and administer social assistance*
- *Ensure the long-term viability of the social assistance system*

- *Define Ontario's position vis-à-vis the federal and municipal governments as it relates to income security for Ontarians.*¹

The Commission released the first Discussion Paper "Issues and Ideas" in June 2011. Following the release of the discussion paper, the Commissioners participated in 11 community conversations. They visited the City of Hamilton on July 4, 2011 and met with a variety of key community stakeholders and attended the discussion forum arranged by the Hamilton Roundtable for Poverty Reduction. The Community Services Department submitted a submission on September 1, 2011 (CS11081). The Commission received over 700 written submissions. Since that time, the Commission continued to engage other discussions and conduct further research.

On February 3, 2012, the Commission released a discussion paper entitled "Approaches for Reform"². The purpose of this release was to provide an opportunity for communities to review the Commission's work to date. Comments were due back to the Commission by March 16, 2012. Given the limited time for review and feedback, staff were unable to conduct a robust consultation with Councillors or the community. However, staff have heard concerns from the Hamilton Roundtable for Poverty Reduction and other advocacy groups across the City that while the Commission has "come to the view that we need to transform the social assistance system; and that small fixes will not be enough", that without addressing the issue of benefit rates, any change will not be bold enough.

We are aware that the Ontario Municipal Social Services Association (OMSSA) and the Association of Municipalities of Ontario (AMO) are currently preparing responses on behalf of their members. They have worked collaboratively with municipalities to present issues and a strong vision for system improvements to the Commission.

The Approaches for Reform paper focuses on six major themes:

- 1) Reasonable expectations and necessary supports to employment
- 2) Appropriate benefit structure
- 3) Easier to understand
- 4) Viable over the long term
- 5) An integrated Ontario position on income security
- 6) First Nations and social assistance

¹ <http://socialassistancereview.ca/about-the-review>

² <http://www.socialassistancereview.ca/commission-publications>

POLICY IMPLICATIONS

There are no policy implications to Report CS11081(a).

RELEVANT CONSULTATION

Staff and Management Focus Group (Housing Services, Social Development and Early Childhood Services, Benefit Eligibility and Public Health)

Town Hall Round Table Findings; June 2011

Community Services: Housing Services, Social Development and Early Childhood Services, and Benefit Eligibility Divisions

Hamilton Roundtable for Poverty Reduction

ANALYSIS / RATIONALE FOR RECOMMENDATION

Hamilton's City Council has been supportive in advocating on behalf of local constituents with Provincial and Federal Governments when requested to do so either by staff or community representatives. The following are some of the reports, with respect to poverty, which have been presented to Council and that were considered in preparing the response to the Commission for the Review of Social Assistance in Ontario:

June 28, 2006:	Transportation Cost Provisions for Social Assistance Recipients (SSC06011)
June 27, 2007:	Social Development Strategy Update (ECS07040)
October 24, 2007:	Nutritious Food Basket (BOH07056)
June 25, 2008:	Ontario Child Benefit (ECS08031) The Federation of Canadian Municipalities National Action Plan on Housing and Homelessness, and the City's Housing Needs and Homelessness Locally ((ECS08032)
September 24, 2008:	Update on the Homelessness Partnership Initiative (ECS08041)
October 29, 2008	Nutritious Food Basket (BOH08029)

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April 1, 2009	Ontario Works Caseload Contingency Plan (CS09021)
April 29, 2009:	Social Determinants of Health Position Statement (BOH09008)
June 24, 2009	Implementation of Phase 2 of Ontario Works Caseload Contingency Plan (CS09021(a))
July 9, 2009:	Social Determinants of Health: Feasibility of Comprehensive Study of Health Costs of Poverty (BOH09023)
September 30, 2009:	Nutritious Food Basket (BOH09024)
October 29, 2009:	Child Care Fee Subsidy Program Caseload Management (ECS08050) City of Hamilton Ontario Works 2008 Caseload Statistics (ECS08046) Lynn Aquin, on behalf of the Campaign for Adequate Welfare, requesting support from Council respecting the continuing Clawback to OW and ODSP
November 25, 2009:	Implementation Strategy for the Blueprint for Emergency Shelter Services (CS090115 (a)) Emergency Food System Strategic Directions (CS09072)
December 2, 2009:	Ontario Long Term Affordable Housing Strategy (CS09075)
December 10, 2009:	Ontario Works Temporary Care Allowance (ECS08023(a))
February 24, 2010:	Hamilton & District Injured Workers' Group - Social Services Matters (CS10012) Ontario Municipal Social Services Association - Pre Budget Submission to the Province of Ontario (CS10021)
April 28, 2010:	Adequacy of Ontario Works Assistance Rates and Economic Impact of the Ontario Child Benefit (CS10049) Ensuring Safe, Healthy and Adequate Food for those in Need (CS10045)
September 29, 2010:	Nutritious Food Basket (BOH10024) Living Wage (CS10092)
October 13, 2010	2010 Ontario Works Caseload Contingency Plan (CS09021(b))

Addictions Services Initiative (CS10086)

July 4, 2011: Dr. Atif Kubursi, McMaster University, and Craig Foye, Hamilton Community Legal Clinic, respecting critical need for evidence-based provincial social assistance rates and previously-proposed legislation to create the Ontario Social Assistance Rates Board

September 28, 2011: Nutritious Food Basket (BOH11027)
City of Hamilton's Submission to the Commission for the Review of Social Assistance in Ontario (CS11081)

November 30, 2011: 2011-12 Ontario Works Caseload Contingency Plan (CS09021(c))

December 12, 2011 Living Wage (CS10092(a))

In addition to reports submitted to City Council, the following research papers were referenced:

"The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario"³

"Poverty in Making us Sick: A comprehensive Survey of Income and Health in Canada"⁴

"In from the Margins: A Call to Action on Poverty, Housing and Homelessness"⁵

"What stops us from working?"⁶

ALTERNATIVES FOR CONSIDERATION

Council could decide not to approve the staff recommendation. The implication of doing so would be a missed opportunity to advocate and influence the Reform of Social Assistance in Ontario.

³ <http://www.oafb.ca/assets/pdfs/CostofPoverty.pdf>

⁴ <http://wellesleyinstitute.com/files/povertyismakingussick.pdf>

⁵ <http://www.parl.gc.ca/Content/SEN/Committee/402/citi/rep/rep02dec09-e.pdf>

⁶ http://www.camh.net/Public_policy/Public_policy_papers/ODSP%20Report%20final.pdf

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative & Respectful Organization

- ◆ A skilled, adaptive and diverse workforce, i.e. more flexible staff
- ◆ More innovation, greater teamwork, better client focus
- ◆ Opportunity for employee input in management decision making
- ◆ Council and SMT are recognized for their leadership and integrity

Financial Sustainability

- ◆ Financially Sustainable City by 2020
- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- ◆ Sustainable Tri-parti Government Agreement

Intergovernmental Relationships

- ◆ Influence federal and provincial policy development to benefit Hamilton
- ◆ Acquire greater share of Provincial and Federal grants (including those that meet specific needs)
- ◆ Maintain effective relationships with other public agencies

Growing Our Economy

- ◆ A skilled and creative labour pool that supports new employers
- ◆ An improved customer service

Social Development

- ◆ Everyone has a home they can afford that is well maintained and safe
- ◆ Hamilton residents are optimally employed earning a living wage
- ◆ Residents in need have access to adequate support services
- ◆ People participate in all aspects of community life without barriers or stigma

Healthy Community

- ◆ An engaged Citizenry
- ◆ Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services)

APPENDICES / SCHEDULES

Appendix A to Report CS11081(a) – City of Hamilton Submission to the Commission for the Review of Social Assistance in Ontario – Approaches for Reform

Appendix B to Report CS11081(a) – The Hamilton Roundtable for Poverty Reduction Submission to the Commission for Review of Social Assistance in Ontario – Approaches for Reform

City of Hamilton
Community Services Department

Submission to the Commission for the Review of Social Assistance in Ontario

Discussion Paper 2: Approaches for Reform

Submitted to: Commission for the Review of Social Assistance in Ontario
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socialassistancereview@ontario.ca.
Fax: (416) 212-0413

March 16, 2012

Introduction and Summary

The City of Hamilton's Community Services Department is making this submission in response to the questions posed in the second discussion paper on different approaches to improve the social assistance system in Ontario.

Due to the limited time to respond to this discussion paper, the responses are limited to:

- comments obtained from a focus group held in February with staff and management of Ontario Works, Housing Services, Social Development and Early Childhood Services, and Public Health with respect to our experience in delivering social assistance and to answer the key questions in the discussion paper;
- prior feedback from local internal and external stakeholders;
- submission to the Commission for the Review of Social Assistance dated September 1, 2011; and,
- Previous motions supported by the City of Hamilton Council.

In reviewing the Approaches for Reform, we support a number of the ideas that have been presented. We continue to support and recommend one administrator role for the delivery of human services. However, we must strongly reiterate that the City of Hamilton is unable to assume additional costs or funding with the reform of social assistance. In order to deliver high quality services and to invest properly in our human capital, there must be a clear and transparent funding structure, responsibilities and set outcomes and performance indicators which take into consideration local demographics. In the City of Hamilton's initial submission, along with a majority of all of the written submissions made to the Commission, we stated that social assistance rates are too low. We continue to advocate for reforms to social assistance including increasing rates determined by a Social Assistance Rates Board which could determine the appropriate rates based on evidence. We welcome the opportunity to assist in setting these outcome measures and being a partner in the delivery of Human Services.

The following are our high level responses:

Reasonable expectations and necessary support to Employment:

- In order to achieve outcomes, a basic standard of living along with access to transportation, telephone and housing (child care, as applicable) must be provided to people seeking employment
- Implementation of a provincial common employment assessment tool to assess a person's attributes and employability considerations to help set goals, assess strengths, address barriers and determine skills and abilities
- Continuum of employment supports; including specialized services for youth, newcomers, disabled and aboriginals
- Intensive case management directed to people with multi-barriers
- Same level of access to employment services for people with disabilities
- Full implementation of Accessibility for Ontarians with Disabilities Act (AODA) is expected by 2025. Given that this implementation of Accessibility for Ontarians with Disabilities Act (AODA) has not yet occurred, employment activities for disabled

individuals must take into consideration the level of AODA engagement and social inclusion from employers.

- Improved provincial-municipal collaboration with the municipality assuming the service manager role for employment services to ensure that there is a one-door approach to employment services whether you receive social assistance or not

Appropriate benefit structure:

- \$100 Nutritional Benefit to be introduced pending outcome of the full review of the benefit structure
- Implement a Social Assistance Rates Board to determine the appropriate rates for social assistance
- A Provincial standardized extended health program is recommended for all low income individuals and families which includes dental, vision care, prescriptions, diabetic and surgical supplies and assistive devices
- Provide a local Housing Allowance
- Incentives to work are critical
- Income security program be created for the severely disabled
- Adding a work related benefit may provide an increased incentive to work
- Eliminate the dependent adult category and the co-residency determination
- Promote a living wage to ensure fairness to those working

Making the system easier to understand:

- Change benefit structure
- Limit amount of information required to determine eligibility
- Implement a common asset limit for the social assistance program which mirrors that amount with ODSP
- Allow for facilitation and coaching roles verse gate keeping roles which currently monitors eligibility against numerous complex rules

Long term viability of the system:

- Person-centered customer service approach to delivery with the administrator role for OW/ODSP residing with the municipality
- Integrate all human services including employment, social assistance (OW/ODSP), housing and childcare at a local level
- Implement a common technology platform for the delivery of Human Services
- Remove Temporary Care and Assistance for Children with Severe Disabilities from the current social assistance system and place with the Ministry of Children and Youth Services

We look forward to the Commission's final paper on Social Assistance Reform. Please do not hesitate to contact me directly if you require clarification on any issues or ideas.

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Chapter 1: Reasonable Expectations and Necessary Supports to Employment

<p>How can employment services be made more effective?</p> <p>What should the Commission recommend to encourage greater consistency in effective employment services and supports for social assistance recipients, while still allowing for local flexibility and innovation?</p> <p>Should standard assessment tools be used to identify people’s needs and match them to appropriate services and supports?</p> <p>What should be considered appropriate employment-related activity participation requirements for people with disabilities? Should participation requirements for people with disabilities be different from those for other people receiving social assistance?</p> <p>Should a tool be developed to assess the work capacity of people with disabilities? If so, how should the tool be developed and how should it be used?</p> <p>What kinds of engagement strategies and incentives would be most effective in</p>	<p>The Social Assistance Commission provided a number of ideas in the discussion paper. Many of them are supported by the staff of the City of Hamilton:</p> <ul style="list-style-type: none"> • The importance of pre-employment training and learning in preparing people receiving social assistance for employment • The current employment services funding approach, which is based partly on outcomes related to employment earnings and exits from social assistance, should be broadened to include performance measures related to completing pre-employment activities and addressing barriers to employment • Pre-employment supports and training currently available through Ontario Works, Ontario Disability Support Program, and other programs in the province should equip people with skills for which there is a demand in the local labour market • Post-employment supports can be effective in helping some people retain employment, particularly people with disabilities or multiple barriers and newcomers who lack familiarity with the Canadian work environment • Post-employment supports should provide continued access to employment service providers for a period of time after starting a job including social supports, such as housing or childcare, which are critical to long-term employment retention • Access to post-employment services available from some provincial funding programs needs to be consistent • Assessment tools can be particularly important in identifying people who may be facing multiple barriers to employment and requiring more intensive supports to stabilize their lives, or address mental health, addictions, or other issues before preparing for employment • Providing comprehensive case management to social assistance recipients with multiple barriers has shown promising results • Currently, ODSP does not focus primarily on helping people to prepare for and find employment, but many people receiving ODSP who said that they wanted to work, and could work if barriers were removed and appropriate supports were provided • ODSP job seekers need the same range of services and supports as people without disabilities (skills upgrading, training, housing, childcare, etc.), as well as specific supports related to disability, such as accessible transportation and greater availability of attendant services • The various programs intended to support employment for people with
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<p>encouraging and supporting employers to hire more social assistance recipients?</p> <p>Which approach would be most effective in improving the delivery of employment services?</p>	<p>disabilities be better integrated</p> <ul style="list-style-type: none"> • There is more work to do, however, to overcome the stigma of mental illness in recruitment and hiring and to learn how to accommodate people with mental health issues and episodic disabilities in the workplace • There is no single strategy for supporting employers to hire people receiving social assistance. Rather, a toolkit or menu of approaches is needed • Establishing a common portal where employers could post job opportunities, segmenting employment service providers by industry sector, expanding funding models that reward employment services based on job retention rather than the number of placements, and developing standards of practice for employment service providers • For municipalities and not-for-profit employment service providers who are working successfully with employers in their communities to match people receiving social assistance with jobs, developing good working relationships with local employers and having a good understanding of the local labour market have been critical elements in their success <p>It is recognized that there are four key components that must be addressed with expectations and supports to employment: assessment, supports, delivery and outcomes.</p> <p><u>Assessment:</u> Employability is a dynamic concept. It is agreed that a common assessment process is supportive when assessing a person’s attributes and employability considerations in order to help set goals, assess strengths, address any barriers, and determine skills and abilities. The person must be involved in the choices for areas of development. Standard assessment tools can be helpful to establish baseline resources, and then tailor the need to the individual’s situation/concerns; however standard tools may not address the diverse employment barriers. Work capacity assessments will also be required for persons with disabilities or for persons with long term unattachment from the labour market in order to understand accommodation requirements (e.g. assistive devices, scheduling, capacity for duties, etc.). This process is similar to the return to work assessment completed by employers and Workplace Safety and Insurance Boards. It helps with understanding the abilities and restrictions to accommodate a successful return to work. Care must be given to create ‘real’ expectations - to adjust thinking around employment. Life skills and motivation should be an important element of the assessment.</p> <p>The caution is that this <u>cannot</u> be achieved until substantial progress has been made with social inclusion and the implementation of the Accessibility for Ontarians with Disabilities Act (AODA). Currently, there continues to be systemic barriers in the labour market which will impact on</p>
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the successful outcomes. In addition, participation requirements should only be considered once an assessment is completed and must be specific to the abilities for all people in receipt of OW and ODSP. It is necessary to view this document as an individualized case management/coaching tool which demonstrates progression and movement through the employment continuum.

Supports:

A basic standard of living is NECESSARY along with access to transportation, telephone and housing (child care, as applicable) in participating in an employment plan or daily living. Employment supports and case management must be client centered, as there is no one-size fits all approach. There is a necessity to consider specific demographics and develop employment supports geared to such target groups. It is recognized that Youth, newcomers to Canada, disabled and aboriginal require specialized services. Employment Councillors/Coaches require training on the effects of disability and learn how to specify limitations pertaining to employment options. In Hamilton, the Hostels to Homes Program, Learning, Earning and Parenting, Enhanced Employment Services Program, direct one-to-one employment counselling and Addiction Services Initiative are examples of where intensive case management coupled with the necessary additional benefits and supports has proven to be successful.

It is also necessary to ensure that there is a strong mental health and addictions system to support individuals that require additional services. At present, these areas are under-resourced and under-funded which adds to the challenges to provide the required supports and treatment to individuals who require such services. The City of Hamilton, under the leadership of Public Health, is starting a review of this area.

In Hamilton, approximately 20% of the caseload receives assistance for less than 12 months but over 30% that remain on the caseload for more than 24 months. There is currently 10% of the caseload with earnings. It would be safe to say that approximately 35% of our OW caseload requires intensive case management, 35% requires moderate case management with 30% minimal interventions.

Contracting training programs and education appropriate for the local labour market is a requirement and should be enhanced with pre-employment workshops, volunteer work, and short term jobs as steps to improve employability is a requirement. The current system with the funding criteria from the Canada-Ontario Labour Market Development Agreement is confusing for the unemployed. Approval for training support must be more seamless with no-wrong door (e.g. if a person does not qualify for Second Careers, is there funding from another source). One centralized and accessible database that aligns

Federal/Provincial/Municipal Employment Agencies would assist all people and providers. The City of Hamilton, together with Workforce Planning Hamilton, through special funding from the province, created an integrated workforce development system. A network (WINHamilton.ca) was implemented and it offers information on services that assist job seekers and the community to discover local employment, training, and upgrading programs.

Employers are critical in the employment planning as they can provide short term employment contracts for those with appropriate education. Incentives and recognition could be provided to socially conscious employers (e.g. have Chamber of Commerce give award to company, then advertise award in local newspapers to support their business). Ultimately there needs to be living wage jobs to employ people. Employment must meet skills and abilities of people receiving social assistance.

There continues to be limited access to affordable housing and child care. Without providing adequate income to sustain a basic standard of living, affordable and safe housing, access to child care and living wage jobs, it is feared that significant improvement in outcomes for people and the system as a whole will not be achieved.

Delivery:

Improved provincial-municipal/First Nations collaboration with the potential of the municipalities assuming the role of Service Manager for Employment Services is essential. Municipalities are engaged with their communities and are in a position to coordinate services. Currently, there are a variety of supports available depending on the community and the social assistance delivery agent. Individuals have different income and employment needs; therefore, a generic employment service model is not recommended. Employment Ontario full suite services are relatively new and there has been no evaluation to confirm effectiveness. The employment and training system must be robust and adequately resourced for referrals to education, classroom training, volunteer opportunities, mentorships and on-the-job training as a transition to work. People do need choice in the employment services system.

The City of Hamilton, along with the Workforce Planning Hamilton Board, is the co-chair of the Skills Development Flagship. This is a collaborative approach with over 20 employment and training related agencies that participate. The goal of the Skills Development Flagship is to assist individuals who have been marginalized from the labour market gain access to opportunities for meaningful employment by ensuring that the knowledge and skills of workers' match the needs of Hamilton's economy. The work plan of this collaborative approach is to develop service standards and to improve referral protocols to ensure the same level of

service is available by each provider, ultimately, no-wrong door approach.

One “electronic” client file is required in order to coordinate, simplify and reduce administration. This concept eases the process for people and assists in monitoring the milestones and outcomes. For example, if resume preparation workshop has been provided by one employment service provider there may not be a need to complete another resume workshop if they visit another employment service provider. There needs to be continuity in the progression of the employment plan. Information Sharing and Protection of Personal Information will be essential in the creation of potential shared technology platforms.

In Hamilton, Economic Development plays an important part in linking job developers to employers with new employment opportunities. This collaboration can be a one-stop-shop for employers with coordinated job development. There is also the opportunity to develop specific training based on employer needs. An association of employers and unions can also be engaged to attract jobs and create career opportunities.

Outcomes:

Performance indicators and measurable outcomes must be linked to finding work along with “pre” & “post” employment. A tracking mechanism will need to be created in order to measure progressive outcomes. It is also essential to connect outcomes with local economy and demographics.

Recognizing that there are different levels of participation for persons with disabilities (e.g. Life Skills, education, volunteering, and outreach to community), there may need to be measures by hours/week intensity of activity, qualitative markers.

Chapter 2: Appropriate Benefit Structure

<p>Which adequacy and wage benchmarks should be used to set rates? Are there other measures that should be considered?</p> <p>In a methodology for setting rates, what proportions would balance adequacy, fairness and incentives?</p> <p>Should health benefits be provided to all eligible low-income Ontarians? If so, how should the cost be covered?</p> <p>Should Ontario use a two-rate approach, based on how long someone requires social assistance? If so, should there be exemptions from starting at the lower short-term rate?</p> <p>Would an earned income supplement be a good mechanism to increase the incentive to work? If so, how should it be designed?</p> <p>Would a housing benefit improve fairness and the incentive to work? If so, how should it be designed?</p> <p>How should income supplements for low-income people with disabilities be designed and delivered? Should such supplements be provided outside the social assistance system?</p> <p>Should there be a separate basic income program for people with severe disabilities</p>	<p>It is agreed that the current benefit structure does <u>not</u> reflect the current cost of living. There is a need to have an evidence based mechanism for setting the annual social assistance rates that meets the basic cost of nutritious food, secure and safe housing and ability to share fully in community life. There is also a requirement to eliminate the inequities between those working with low incomes and those on social assistance. Income disparity continues to be a significant challenge for the City of Hamilton and its residents. While the poverty rate for Hamilton has declined from 19.8% in 1999 to 18.1% in 2005, 89,676 people were still living below the Low Income Cut-off (LICO)¹. In addition, as of January 2012, approximately 11% of the total population of the City of Hamilton is receiving social assistance (OW and ODSP).</p> <p>It has been proven that there is a significant relationship between poverty and poor health, lower productivity, lower educational attainment, and children’s future income. The Hamilton Spectator’s series on Code Red clearly exposed disparities in health and life outcomes between lower income neighbourhoods. There are also studies which show that the poorest have double the rate of diabetes and heart disease.</p> <p>Increasing incomes would not only increase employment outcomes, it would improve health status of individuals and future generations and also have a positive impact on the economic situation in most communities (Econometric Research Limited, Dr. Atif Kubursi). Poor people return more financially to the economy than affluent people.</p> <p>Benefit Adequacy: A new rate structure for Ontario Works, Ontario Disability Support Program and low income must also be less complex and more transparent. The needs test currently used reinforces poverty dependency as people must deplete assets to qualify or are unable to leave the social assistance system due to lack of supports. The welfare wall can only be improved by providing income benefits to all low income whether income is from social assistance or not. The main question is the differences in need which is determined by either:</p> <ol style="list-style-type: none"> 1. Budget approach relative to income comparisons and providing the “minimum” requirement for survival; or, 2. Determining need based on income distribution based on equity in the community.
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¹ Mayo, S., & Fraser, M. (2009). *Incomes and poverty in Hamilton*. Hamilton, ON: Social Planning and Research Council of Hamilton

<p>who are unlikely to generate significant earnings?</p> <p>How should the current rate structure be changed to reduce complexity?</p> <p>Should some special benefits be rolled into a standard rate? If so, which ones?</p> <p>Should the special dietary needs for all low-income people, including those receiving social assistance, be addressed through the Ministry of Health and Long-Term Care?</p> <p>How should the different rates for different family types be established?</p>	<p>It is important to assess income against varying health conditions, access to safe and affordable housing, and freedom of choice in job selection. In addition, there is the need to look at which circumstances to adjust to; income level, family size or rural/urban. Telephone and transportation should be incorporated in the standard rate.</p> <p>The implementation of a Social Assistance Rate Board is recommended. It is also critical that whichever method is selected to determine rates, it must be annually indexed. The Province already committed to using the Low Income Measure as an indicator of poverty therefore it was confusing that other measures were now being explored. There is a sense of urgency to increase OW benefits immediately; therefore, it is recommended that a \$100 Nutritional Supplement be implemented while the review of assistance rates continues.</p> <p>The idea of having one social assistance rate for both OW and ODSP would assist in equalizing the income; however, care must be given to ensure that no one is worse off. This change would eliminate some administrative concerns and allow for consistent treatment.</p> <p>Consideration should also be given for a local housing allowance which is determined based on vacancy rates and the average cost of housing in the community. This benefit should be directed to low income individuals or families.</p> <p>A provincial standardized extended health program is recommend for all which would include dental, vision care, prescriptions, diabetic and surgical supplies and assistive devices. Administrating this system through the local delivery agent for social assistance is ineffective and confusing and beyond expertise. The infrastructure is already established through the Ministry of Health and Long Term Care. Funding for this program should be 100% Provincial. Poverty has affects on health leading to chronic conditions, diabetes, heart disease, anxiety, etc. Even if the current benefit structure was improved immediately, there are existing health conditions that must be managed.</p> <p>The City of Hamilton did initially recommend creating income security for those with severe disabilities. However, in order to implement this change, there must be clear criteria on who would qualify (e.g. people on ODSP with no medical review). We suggest that funding for those with severe disabilities be considered with the Federal Tax system. It is also critically important that the financial needs of caregivers be taken into consideration.</p>
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² Canadian Centre for Policy Alternatives. (2008). *A living wage for Toronto*. Ottawa, ON: Author

Complexity of Benefits:

Support is given to have one rate and not requiring justifying shelter amounts; however, there will still be the need to look at residential requirements to avoid duplication of benefits (e.g. hospital, emergency shelter, institutions, etc.).

It is strongly recommended that the “dependent adult” category be eliminated. This is another area of confusion in the system by determining who is financially dependent or independent.

In addition, the rules regarding co-residency could be revised to mirror the Canada Revenue Agency approach. There is a lot of time invested to determine co-habitation and whether a person is to be considered a single or as a couple. Each agency defines spousal status differently and there should be one clear definition for all programs.

Fairness of the system between social assistance recipients and low income wage earnings:

By increasing social assistance benefits and implementing a housing benefit along with an extended health benefit for low income there should be fairness in the system. There is the necessity of ensuring a “living wage”. A living wage is “envisioned as a wage that allows employees not just to survive (in minimal physiological terms) but to have a decent quality of life, to raise children to be healthy and successful citizens, to enjoy recreation, culture, and entertainment, and to participate fully in social life”². The proposed Living Wage rate of \$14.95 per hour (including benefits) was identified for Hamilton. This rate is based on two family sizes; one that consists of two parents and two children (10 and 4 years of age) and one that consists of a lone parent and one child (4 years of age). In order to support the outcome of a living wage, one of the goals of the City of Hamilton’s Economic Development Strategy (2010) is “to improve Hamilton’s quality of life and prosperity by attracting and supporting employers who provide employment conditions that promote quality of life”.

Controlling benefits as an incentive to work:

Incentives to work are critical. One idea would be to add a work related benefit (similar to ODSP) for all social assistance recipients. In addition, continue a work related benefit on a sliding scale with increased incentives where individuals are newly employed for up to 12 months; then the federal Working Income Tax Benefit amount should be increased based on family size as well as income. There is the ability to use the current infrastructure (Income Tax) to generate a supplement as a work incentive by reducing income taxes. A model which mirrors the application of Transitional Child Benefits. If an individual is not receiving the WITB, a work related benefit is applied until the WITB is payable.

Chapter 3: Making the System Easier to Understand

Should the social assistance system move from a surveillance approach toward an audit-based system of verification and monitoring?

What penalties would be required and feasible in an audit-based system?

What is the right level of risk tolerance, in either the current system or an audit-based system?

Should asset limits be changed? If so, how?

The City of Hamilton supports a number of ideas/comments identified in the Discussion Paper Part 2 including:

- Both caseworkers and people receiving social assistance comment on the difficulty of navigating the maze of benefits, eligibility criteria, rules, and exceptions
- Change to specific rules, such as those related to earnings exemptions, treatment of other income (including child support), the benefit unit, and assets should be considered
- The social assistance system must be accountable to taxpayers
- The measures in place to ensure compliance and reduce misuse involve intensive, time-consuming verification processes, applied to all clients and at all steps of the eligibility process
- The current “surveillance approach” has led many people to comment that the culture of social assistance seems to mistrust clients

It is critical that as the social assistance system is reformed, we must move from a gate keeping role to facilitation/coaching role. There is a need to simplify legislation to ensure less of a surveillance approach while being equally accountable to the taxpayers to ensure that the risk to the system is minimized. It is recognized that fraud does exist in the system; however, it is also necessary to point out that it is only prevalent in approximately less than 3% of the caseload.

Complexity:

As previously stated, the current income test does reinforce poverty as people must deplete assets to qualify. It is also very confusing to a person on which assets are exempt and which are not. In addition, there is a difference between assets allowed with OW compared to ODSP. It is recommended that there be a common limit for the social assistance program which could mirror that amount with ODSP. If rates are equal, this asset difference may be resolved. However, there are also other situations such as different types of RRSP, pain and suffering awards, inheritance, principle residence, etc. that may be exempt. Another key activity would be to limit the information required to make decisions on eligibility. The amount of information that needs to be provided may not be required if the system is simplified.

Compliance and Risk Management:

It is necessary that there is accountability to taxpayers with the delivery of social assistance. The public needs to be assured that there is a system in place to monitor integrity and also to have a system to deal with

fraudulent claims. Upfront verification needs to occur, however, constant re-verification is not productive in helping the most vulnerable to move forward. With changes to the benefit structure and asset limits, it would be assumed that some of the verification methods would no longer be necessary. Items like resident verification would be removed as there would be a set amount of assistance. It is a necessity to look at protecting privacy and collecting the “minimum” to support eligibility. There is already a structure in place with information sharing agreements to confirm some eligibility criteria.

If the system moved to an Audit based system, there needs to be decisions on administration of this function (municipal, provincial or federal systems) and determination if it is all files or a percentage based on criteria for audit. There is the concern that audits could be harsher than verification requirements as overpayments could be very large if audited annually. People would need to be educated on the receipts required in the event of an audit. There have been different tools implemented over the years including Consolidated Verification Process (CVP) and now the new Enhanced Verification Process (EVP). Statistics are available on how effective this tool/process has been in the monitoring of eligibility. Challenges have been experienced in obtaining the required documentation to support previous issuance of social assistance. It also has shown that some cases were owed increased assistance due to failure to report changes.

Chapter 4: Viable for the Long Term

What are the strengths and weaknesses of these three approaches to the delivery of Ontario Works and ODSP? Are there other approaches that should be considered?

Should full responsibility for Temporary Care Allowance or Assistance for Children with Severe Disabilities be transferred to the Ministry of Children and Youth Services?

Municipalities are the logical choice for Human Service delivery; however, funding must remain with the province and not rely on the property tax base. We support the approach of both OW/ODSP being delivered locally but would further recommend integration of employment, social assistance (OW/ODSP), housing and childcare. This would frame human services as a one door delivery model and provide opportunities for improved service delivery, creative solutions and planning. Municipalities have developed the capacity and built on collaboration to deliver human services that matches the needs of their communities. Examples in Hamilton would be the Human Service Planning Framework, Best Start Network, the Affordable Housing Flagship, the Skills Development Flagship, Housing and Homelessness Planning Group and the Emergency Shelter System.

It is also recognized that there is a need to expand on the work from the Local Service Realignment. The objectives outlined:

- greater accountability to the taxpayer;
- protecting priority services and maintaining critical standards;
- streamlined service delivery;
- capitalizing on local expertise and innovation with greater autonomy for local government; and,
- reducing duplication and waste between levels of government.

Benefits to the central delivery include:

- Centralized resources which will allow the system to be more efficient and effective;
- Increased customer service;
- One tier service delivery;
- Reduced stigma for ODSP;
- Infrastructure to deliver ODSP is in place with the municipality;
- Able to be considerate of local economy/demographics and have the data to support outcomes;
- Allow for focus on the person, not system;
- More time to work with the person; and,
- Person only has to tell their story once and provide information once.

There are also elements of risk attached that would need to be considered in planning and implementation:

- Work load evaluation; as with additional cases there will be a need to re-evaluate caseload distribution. We have heard clearly from the people we serve that connection with a case manager is

- necessary;
- Legislation;
- More cross training for staff to deal with ODSP and OW cases and needs;
- Benefits cannot be totally conditional on participation in employment activities;
- Complexity of separated rates;
- Unions and staffing;
- Office space; and,
- If the province assumed role of issuing cheques, there would be the need to ensure that there was not further complexity or delays in issuing payments.

The current system poses some challenges in two key areas:

- Protection of Privacy: there are Memorandums of Understanding on information sharing which prohibit sharing of information with different human service programs.
- Technology: currently, there are four separate data collection platforms for human services. In addition, many municipalities have created other systems to support assistance provided to non-social assistance recipients. In order to be effective and to reduce administration, one client file is recommended. There is currently the opportunity with the implementation with the new social assistance technology (SSSMP).

Children's services such as Temporary Care and Assistance for Children with Severe Disabilities should be removed from the current social assistance system and place with the Ministry of Children and Youth Services. Both of these areas require specialized case management and controls.

Chapter 5: An Integrated Ontario Position on Income Security

<p>Are there major and problematic program interactions that we have not mentioned here?</p> <p>What position should the Commission recommend that Ontario consider taking on specific intergovernmental issues, including First Nations issues, related to income security?</p>	<p>Ontario can take a leadership role reforming Human Services. All Ministries and levels of government must be part of the reform with understanding that the focus is on person service and poverty reduction.</p> <p>The following are other areas for consideration:</p> <ul style="list-style-type: none"> • Childcare – Universal Child Care Benefits, before & after school care • Integrated technology and information sharing and one centralized information agency/delivery agent – if person applies for human services, personal information for any provincial application is available • Transitional housing not subsidized • Improvements in the supports to employment provided through Citizenship and Immigration Canada • Connect the interim Federal Health Program with the Provincial Extended Health System • Federal government modernizing • Improved literacy and essential skills framework; gone is the “media” jobs • Review discretionary benefits, integrating them with mandatory • More responsive Employment Insurance (EI) policy so that immediate need is addressed and applicants to EI would not have to seek Ontario Works • Improved tax credits to support needs of the low income working individuals and those with disabilities • A universal income testing in the delivery of human services; potential to use for social assistance, child care, housing, and health benefits • Review of federal funding as it relates to human services • Understanding the requirements of persons deemed disabled through the Canada Pension Disability Program • Revisions to the Federal Labour Market Agreement • Assist farmers with money to hire locally – provide incentives
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Chapter 6: First Nations and Social Assistance

How well do the various approaches set out in the previous chapters align with First Nations' desire for greater control and flexibility with respect to social assistance reform? What other approaches should be considered to meet the needs of First Nations?

What position should the Commission recommend that Ontario take with the federal government on issues related to First Nations and social assistance?

Similar to the recommendations in Chapter 5, it is necessary to have local delivery of all human services. This system would also apply to First Nations sites. As the needs of each community vary, it is also necessary to consider the needs of the First Nations Communities.

It is also beneficial to identify First Nations people living off the reserve to provide the correct referrals and benefits. The current technology does not support collection of this information. This step would be required as we start the outcomes discussion.

- Build a system that moves forward and aligns the three governments – Federal/Provincial/First Nations
- Allows First Nations autonomy to deliver ODSP, CAS, etc
- Commission should recommend that Ontario take a partnership position with First Nations to address their concerns with Human Services
- Communication between the Provincial and Federal government, but independent delivery

Hamilton Roundtable for Poverty Reduction

**MAKING
HAMILTON
the best place
to raise a child.**

Response to the Commission for the Review of Social Assistance in Ontario: Approaches for Reform

March 16, 2012

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Discussion Paper 2: Approaches for Reform By Commission for the Review of Social Assistance in Ontario

Introduction

The Hamilton Roundtable was founded in 2005 to tackle the City's unacceptable levels of poverty. Our members come from across Hamilton and include leaders from the business and non-profit sectors, from government, education and faith communities as well as individuals who experience daily poverty. Our goal is to reduce and eliminate poverty and realize the aspiration of making Hamilton the Best Place to Raise a Child. We work locally, provincially and nationally on policy and systems-level change to achieve long-term solutions to poverty. Given that many of the people in our community living in poverty receive their core income through Ontario Works (OW) and the Ontario Disability Supports Program (ODSP), the reform of these programs with an eye to poverty reduction and elimination is a central concern to us and a key priority to the community.

The members of the Hamilton Roundtable for Poverty Reduction read the Commission's second discussion paper, *Approaches for Reform*, with much anticipation. Social assistance is a very significant issue of public policy for our community. In Hamilton, 59,133 individuals receive benefits through Ontario Works or Ontario Disability Support, which is about 12% of our City's population. The current system of social assistance in Ontario has been a failure. Too many individuals are falling through cracks and this is having a profoundly negative impact on the health of individuals, families and communities.

If we are to reduce poverty in Ontario and in our community, social assistance must be boldly improved. As such, we embrace the Commissioners' call to make significant changes to social assistance, and are willing to continue to work with the Commission on changes that will reduce poverty. A chance to rethink our social assistance system, like that presented by this Commission, comes around once in a generation, and must be seized. The stakes are simply too high to do otherwise.

We welcome the Commission's invitation to comment on *Approaches to Reform*. Some of its questions and suggestions provide optimism that a better way of making social assistance works for people and for government can be found. At the same time, many stakeholders at the Roundtable were profoundly disappointed that its contents seemed far removed from the feedback received during community consultations. In terms of the consultation held by the Commission in Hamilton July 4th, 2011 and of the Roundtable's own initial submission to the Commission, the *Approaches* paper seems to have missed the point. Other stakeholders were anticipating receiving more specific

recommendations regarding benefits for discussion than were provided in the *Approaches* paper.

*Hamiltonians were deeply concerned that poverty reduction as a guiding value seems to be absent when approaching social assistance reform in Ontario. While the Commission finds its origins in the provincial poverty reduction strategy of December 2008, *Breaking the Cycle*, there is no clear indication how the approaches set out by the Commissioners would reduce or even put a dent in poverty. The words “poverty reduction” appear three times in the paper, “reducing poverty” but once. The Commission’s first discussion paper, *What we heard*, made clear that reducing poverty by increasing adequacy was a persistent theme across the province, and it certainly was front and centre when the Commissioners visited our community, and when the Hamilton Roundtable submitted its brief to the Commission. All three parties in the legislature, through their support for Bill 152, *The Poverty Reduction Act*, signalled that Poverty Reduction was a purpose and goal of government in this province. **In preparing its final report, we strongly urge that the Commission give far greater attention to poverty reduction, especially as the Approaches paper itself notes that it is a stated goal of the Ontario government.***

The one path to poverty reduction set out in the paper involves improving access to training and labour market placement services. There is a mix of positives and negatives that we will address in our discussion of chapter one, below. We support the Commission’s insistence on finding ways of doing training and work placement that are more efficient and effective, and which properly reward and respect the efforts and achievements of people receiving social assistance. Yet, while training and placement better will help specific people on social assistance, they are not a poverty-reduction panacea. We would note that even C.D. Howe Institute social policy scholar John Richards, who supported benefit cuts and the stringent work requirements in the 1990s, now argues that “welfare-to-work” programming has reached its limit as a means of addressing poverty, and that more complex and expensive responses are needed in the face of the complex barriers facing current recipients. Indeed, speaking of programming for people in the “persons with disabilities” category, he argues that a “prosperous society should be prepared to spend generously.”¹

We understand that reforms to social assistance alone are probably not the only way to achieve greater poverty reduction. Strengthened housing, childcare, anti-violence, mental health and addictions programs could shrink the need for social assistance, as would living wages and better labour standards. The *Approaches* paper rightly raise these issues, and in our view should say more about them, since they provide the context that either enables or prevents the Commissioner’s proposed changes from achieving their intended effects.

¹ See John Richards, “Reducing Lone Parent Poverty: A Canadian Success Story,” *C.D. Howe Institute Commentary*, no. 305, June 2010, p. 8. http://www.cdhowe.org/pdf/commentary_305.pdf

However, as this is a Commission on social assistance reform, the question of adequacy needs a much greater role. The Commission must be aware that individuals and families living on social assistance in Ontario live in the deepest poverty in our society. To side-step the question of adequate rates, without providing a credible poverty reduction alternative, is to ignore the many voices that spoke up for adequacy in the Commission's public hearings. This also ensures that the Commissioners' claims for making significant changes ring hollow for the stakeholders from many different walks of life that make up the Hamilton Roundtable for Poverty Reduction.

For these reasons and others discussed in Chapter 2, the Commission should re-consider the recommendation to create an evidence-based, Social Assistance Rates Board that determines minimum rates based on the costs of living in Ontario's communities.

In what follows, we discuss the *Approaches* paper, relating the content of the paper to what was heard in the public consultations (including in our brief to the Commission), and answering relevant questions raised by the paper. There are some good things in the discussion paper that we highlight below, as well as our points of disagreement and disappointment. If this Commission is to deliver the major change that its Commissioners wish to see, it is clear that the final report must more closely respond to the hopes raised in the earlier *What We Heard* discussion paper, and indeed from the more than 200 Hamiltonians gathered at your July 4th consultation. The Roundtable remains a willing partner for the Commission in finding ways of renewing social assistance with the goal of poverty reduction.

Chapter 1: Reasonable Expectations and Necessary Supports to Employment

Employment as a key element of social assistance reform has been a clear, guiding theme of the Commission's work, reflecting its mandate. In Hamilton, we know that the worlds of social assistance and of employment overlap greatly: at any time, there are social assistance recipients who receive some labour market income, as well as significant numbers of people in paid work who previously received Ontario Works or Ontario Disability Support, not to mention many recipients of social assistance who have recently held paid work. To emphasize employment is not new: naming the basic social assistance system *Ontario Works* in the 1997 reform signalled the same idea, as did the title of the Social Assistance Review Committee's 1988 *Transitions* report. Reforms that consistently support the employment efforts of social assistance recipients so as to increase the rate of success in securing and maintaining sustaining employment would clearly be welcome.

What the Commissioners Heard

The Commission's *What We Heard* document underlined the substantial barriers that social assistance recipients felt they faced in finding and retaining work, ranging from negative attitudes about disability and racialized discrimination, through to the physical and emotional effects of being on social assistance, through to the lack of more direct supports around childcare, transportation and training.

The Commission also heard many concerns about the administration of employment services and supports, in terms of being too "one-size-fits-all" or having Participation Agreements serve as an administrative hurdle rather than the starting point for a real employment plan. The lack of real opportunities and options to support efforts at securing employment was also raised in *What we Heard*. Finally, there was emphasis both on improving the integration of different training programs, as well as finding ways of better linking with the needs of employers

In the Hamilton Roundtable's brief to the review, we noted that:

While getting off social assistance by finding a job is a presumed goal of the system, social assistance recipients who take this path often find their efforts go unrewarded, or indeed may leave them worse off. The main culprit here is the system itself: people get caught up in the tangle of rules and off-setting benefits deductions. Moreover, the system seems to lack the types of training, work experience and work placement capabilities to link people to sustainable and sustaining employment. But employers also have a role, both in opening opportunities, and in paying living wages.

Our Response to the Commission

We would refer the Commissioners to the submissions of our colleagues from the Income Security Advocacy Centre, who have some particular expertise in this domain. We nevertheless wish to share our general approval of what is proposed.

On the positive side, we appreciate the Discussion paper's recognition that employment supports should be better organized and available to all persons in receipt of provincial social assistance. These supports must respond to the diversity of needs expressed by persons in receipt of social assistance, recognizing the variety of barriers that people face.

As reviews of best practices in the field make clear, including the one referenced in the *Approaches* paper, getting this right involves an investment to develop the expertise and institutions that create positive outcomes.² **We look forward to more concrete reform proposals that enable the adoption and adaptation of best practices in training and placement**, recognizing that they involve important changes both to the organization of existing supports, and to the culture in which they are delivered. While we are sceptical that such training will have much aggregate impact on poverty reduction, we cannot stress how important getting training and placement right are for individuals seeking to leave the social assistance system and to develop their capacities.

Our concerns focus on the question of participation agreements and vocational assessments for persons with disabilities. As it stands, participation agreements are often seen as simply a punitive tool for limiting eligibility to social assistance benefits. They should instead be a collaborative and cooperative effort between the delivery agent and the recipient with full rights to appeal in the event of problems or disagreements. The aspect of mutuality in these agreements is lost when completing an agreement is tied to eligibility, as this adds a significant unequal power relationship to the equation. As such **participation agreements should not be tied to eligibility, particularly for persons with disabilities, especially due to the complex and changing nature of disabilities over time.**

As for vocational assessments, we add caution in light of the problems with the current use of these assessments in the United Kingdom, especially in terms of the Disability Adjudication Unit. We might expect similar problems here, which would cause enormous stresses for recipients, and likely further health problems.

For similar reasons, we do not agree with the creation of two separate programs for persons with severe as opposed to non-severe disabilities. This testing would not work well in determining whether persons with disabilities can work at all or

² Dean Herd, *What next in welfare reform? A Preliminary Review of Promising Programs and Practices*. Toronto: Department of Social Services, April 2006.
http://www.toronto.ca/socialservices/pdf/reports/action_plan_welfare_reform.pdf

not. Some persons with severe disabilities may be able to work a small amount; while others who are deemed to have non-severe disabilities may have trouble working at all during bad days. This would make them unemployable for many jobs. As such, this would create further complexities in an already overly complex system. A more proactive solution would be to develop a comprehensive set of self-employment supports, particularly for persons with disabilities. The development of appropriate forms of social economy and social enterprise to enable the full participation of persons with disabilities is another possibility deserving the Commissioners' attention.

Finally, reforms around employment expectations for persons with disabilities should be delayed until necessary accommodations are widely available in the employment sector.

Chapter 2: Appropriate Benefits Structure

Background

It was surprising and deeply disappointing for the Hamilton Roundtable for Poverty Reduction that the Chapter in the Commission's Approaches Paper concerning an appropriate benefit structure minimized the critical need for adequate benefit rates among recipients (and in the larger community). The Government of Ontario has a clear responsibility to provide adequate levels of benefits to those individuals and families who rely on provincial social assistance programs.

The paper makes a good suggestion in stating the need for an adequacy measure, namely, "what level of income is necessary to obtain the basics, such as safe, clean housing, a nutritious diet, clothing and transportation?" The development and tracking of such a measure is a task that the Roundtable suggested be entrusted to an independent Social Assistance Rates Board. We ask the Commissioners to recommend such a board in their final report, since the mention of the adequacy measure in this chapter is ambiguous, and it is not clear whether this is a serious endeavour, or more of a theoretical notion for the paper's subsequent discussion of trade-offs. **In sum, our disappointment with the discussion of adequacy would be much reduced if the Commissioners gave some institutional ballast to the adequacy measure by recommending the creation of an evidence-based Social Assistance Rates Board.**

After the promising start in discussing adequacy, the Discussion Paper minimizes the issue by repeatedly asserting that "adequacy of benefits" must be balanced against two other "key objectives":

- Fairness as between people who are receiving social assistance and low-income people who are working but not receiving social assistance;
- Work incentives.³

This approach is problematic since the Government of Ontario, through the Government of Canada, has ratified the United Nations International Covenant on Economic, Social & Cultural Rights ("the Covenant"). Article 11 of the Covenant reads in part:

The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will

³ See "Discussion Paper 2: Approaches for Reform" by the Commission for the Review of Social Assistance in Ontario, at page 18

take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.⁴

Thus the Government of Ontario has an overarching international legal obligation to ensure rates that reflect an adequate standard of living for all recipients of provincial social assistance benefits. This legal obligation is independent of other social policy considerations, such as those put forward by the Commission in its discussion paper. That being said, those policy considerations can readily be addressed as will be discussed later in this section.

But we reiterate that the Commission for the Review of Social Assistance in Ontario looks prepared to make recommendations that ignore the Province's International Human Rights obligations, and appear set to recommend a process for setting Social Assistance Rates that will likely breach our international human rights obligations.

There are also extremely compelling practical reasons for ensuring that the issue of adequacy is addressed directly and as soon as possible. Hamiltonians and Ontarians continue to witness alarming rates of poverty. This has led to no less than an emergency situation with regard to the depth of poverty in our communities. As the Commission's discussion papers acknowledge, many individuals and families in receipt of provincial social assistance cannot meet their most basic needs.

Indeed some families are so far from meeting their basic needs that they are repeatedly evicted due to an inability to pay their rent. Families are repeatedly uprooted and children are repeatedly forced to change schools. Many single unattached individuals who have their own apartment when they begin receiving Ontario Works assistance actually receive a level of assistance that ensures that they will lose their housing within a few months of being on assistance, unless they are fortunate enough to receive a housing subsidy.

This depth of poverty among `welfare` recipients is not surprising, given that "welfare" rates were cut by about 22% overnight in 1995 leaving many individuals and families unable to subsist. Since that time the consumer price index ("CPI") has risen about 35%, while "welfare" rates have increased less than 15%. Currently, it would take about a 63% increase in basic rates to restore 1993 levels.⁵ Even these startling numbers tend to underestimate the depth of real poverty faced by those on social assistance since cost increases in the major

⁴ See the International Covenant on Economic, Social & Cultural Rights, Article 11, at <http://www2.ohchr.org/english/law/cescr.htm>

⁵ see "Less on their Plate: Canada's Poorest People Facing a Frightful Food Crisis", by John Stapleton, 1 September 2011, <http://www.policyalternatives.ca/publications/monitor/less-their-plate>

expense categories for recipients (housing, utilities, and food) have consistently outpaced the CPI.

While it is hard to measure the number of economic evictions in our communities since the Landlord & Tenant Board of Ontario does not release helpful statistics in this regard, one can readily find evidence that social assistance recipients are unable to afford food. Seventy five per cent of those accessing a food bank in Hamilton are in receipt of provincial social assistance benefits reflecting the inadequacy of rates and the failure of the Government of Ontario to provide even a subsistence level of income for its most vulnerable residents.⁶

What the Commissioners Heard

These sorts of concerns were transmitted to the Commissioners from stakeholders across the province. The Commissions' *What We Heard* document reported the following:

- *“The current social assistance rates are one of the greatest challenges to human services in the province”*
- Rates should reflect regional variations;
- Rates should cover additional necessities such as telephone and transportation;
- The Province should employ a Rates Board (see the former Bill 235) to set rates;
- Rates should be updated annually using the CPI;
- People should be able to keep more of their earnings;
- Market wages should be higher than SA rates;
- Drug coverage, dental care, and vision care should be available to all low-income Ontarians;
- People should receive a Guaranteed Annual Income;

In our own submission to the Commission, we noted:

Of all the themes, the one on income and benefits was the most unanimous: the current social assistance rates are inadequate, and some form of independent Social Assistance Rates Board is required to make rate-setting based on evidence rather than raw politics. Other recurring points were the need to revisit claw backs on earned income so that people are not penalized for working even as they remain below the poverty line. Related to this need to raise rates is the need to ensure living wages so that people are not “paid to be poor” in the labour market. Finally, goods like housing, drug benefits and transportation are

⁶ See “Hamilton Hunger Count 2011” by Hamilton FoodShare at:
<http://www.hamiltonfoodshare.org/downloads/Hunger%20Count%20Report%202011.pdf>

fundamental to full participation in society, and so need to be adequately provided for all.

The Discussion Paper clearly addresses some of these issues, but often minimizes the concerns of stakeholders regarding adequacy and misses some of the issues entirely.

Our Response to the Commission

Addressing the Employment Sector without trading Away Adequacy

The Discussion Paper addresses the issue of adequacy by suggesting that it must be weighed against wages in the labour market and benefit withdrawal rates. While we strongly suggest that issues of 'adequacy' are related to fundamental human rights and to the practical issue of subsistence for individuals and families in receipt of provincial social assistance, we do not mean to suggest that the Commission should not also suggest strategies for addressing inadequate wages in the labour market and unreasonable (in some cases impracticably) high benefit withdrawal rates. However, we should not condemn individuals and families to inadequate levels of assistance in order to ensure that some of them will accept very low-paying jobs, while others who are not able to work, or to find work, are left to struggle to subsist on inadequate rates.

"Fairness" and Work Incentives

Fairness to taxpayers is an ongoing theme of the discussion paper, however it should be noted that perhaps the issue of fairness should be addressed with regard to the need for employers to pay living wages in our communities, rather than pitting low income workers against persons in receipt of public assistance.

In discussing whether the provincial minimum wage might be an appropriate reference wage, the Discussion Paper observes "minimum wage is a political construct without a clear methodology for arriving at the figure", but strangely does not make the same observation about provincial social assistance rates which similarly lack any clear methodology, or evidence-based approach. Indeed, the need to develop a measure of adequacy separate from the actual rates drives this point home.

It should be noted that many individuals and families who are in receipt of provincial social assistance will also be working, but not earning enough income to make them ineligible for benefits. Currently about 9% of the Ontario Works caseload in Hamilton has some employment income.⁷

⁷ Electronic communication from Kerry Lubrick, Director, Employment and Income Supports, City of Hamilton, dated 22 February 2012.

The Discussion Paper indicates that “the literature suggests that more people are attracted to work as the financial rewards for working increase”. One would not be surprised at such a correlation, but unfortunately the discussion paper does not go on to note that some of the research in this area points to a very modest disincentive correlation.⁸

The Commission’s thinking about incentives seems to misunderstand the complex barriers faced by people on social assistance. Even economists with great faith in market mechanisms believe that “increasing fiscal incentives to enter the labour market and restricting access to transfer income are unlikely to achieve much.”⁹ The emphasis on incentives is tied to the idea of a “welfare wall,” where people are assumed to stay on social assistance as they are better off than in low-wage work. A more accurate representation is that of the “employment cliff,” where efforts in the labour market involve clawing one’s way towards security given fierce competition for scarce jobs, limited supports for dealing with barriers, complex rules around benefit clawbacks, and the uncertainty and instability of many entry-level jobs. Ignoring adequacy may theoretically keep the welfare wall low, but only serves to raise the employment cliff by physically and mentally running down those on social assistance.

Ameliorating Low Wage Work and Encouraging Workforce Participation

One of the biggest differences between individuals and families in receipt of provincial social assistance, and those in low-paying jobs that are not receiving assistance, is the issue of health benefits. This is also one of the most critical

⁸ With regard to the Mincome project in Manitoba, a social policy experiment from 1974-1979 whereby participants were provided with a guaranteed annual income, Derek Hum and Wayne Simpson write:

On the whole, the research results were encouraging to those who favour a GAI. The reduction in work effort was modest: about one percent for men, three percent for wives, and five percent for unmarried women.

See “A Guaranteed Annual Income? From Mincome to the Millenium” by Derek Hum and Wayne Simpson, *Policy Options*, January-February 2011, at p. 80

For a discussion of the difference between the Mincome experiment in Canada and some similar experiments in the US which found a more pronounced disincentive correlation (and of some of the methodological problems in the US approach), see:

“Working Paper No. 348: Income Guarantees and the Equity-Efficiency Tradeoff” by Steven Pressman, July 2005, *Luxembourg Income Study Working Paper Series*, at pp. 165-166.

More generally, there are questions in the literature whether the emphasis on work incentives for lone parent mothers in fact hides the much greater importance of violence and the lack of consistent support from the fathers of their children, in affecting labour market participation. See Paul Kershaw, Jane Pulkingham and Sylvia Fuller, “Expanding the Subject: Violence, Care, and (In) Active Male Citizenship,” *Social Politics*, vol. 15, no. 2, 182-206.

⁹ John Richards, “Reducing Lone Parent Poverty,” p. 8.

barriers to leaving social assistance for employment. **We strongly support that the Government of Ontario provide “extended health benefits, such as prescription drug, dental, and vision care, on a universal, income-tested basis to all low-income Ontarians, regardless of whether they are working or receiving social assistance”.** This, in and of itself, would address the most critical issue of “fairness as between people who are receiving social assistance and low-income people who are working but not receiving social assistance.” It is also a strategy that is almost universally supported. Even the Commission on the Reform of Ontario’s Public Services, with its very austere approach to public provision, felt there was a compelling case to extending the Ontario Drug Benefit and other specific benefits on this basis.

We are also in support of a much more robust earned income supplement, as well as a housing benefit to help all low income Ontarians pay for their housing.

We are interested in the discussion of a rate structure that increases after an initial period to cover additional costs. We are especially interested because the discussion suggests that we at least pay individuals and families an amount to cover “food, clothing and footwear, shelter, personal needs, household supplies, and transportation” in the initial period which is more than is provided now for many family compositions (to this list we would at least add the expense of maintaining a telephone). A lot of discussion is required to determine how such a system would work, but we are encouraged by the discussion of evidence-based benefits.

We also believe that person in receipt of provincial social assistance benefits should be able to retain 100% of their earnings until they reach the LICO poverty level, while disabled persons should be able to retain their earnings to some higher income amount that recognizes the additional expenses incurred by persons with disabilities.

Disability Benefits

Persons living with disabilities normally require a higher level of assistance in order to meet their basic needs. Therefore, we strongly support rates that reflect those additional expenses along with targeted benefits that address particular expenses (such as the special diet benefit, mandatory special necessities, etc.).

The Roundtable has formally supported the former Bill 235 “An Act to establish the Ontario Social Assistance Rates Board” which recommended that the Basic Needs Allowance analysis include:

Additional expenses that may be incurred by persons with disabilities in order for them to participate fully in society, including

expenses relating to education, over the counter medical goods,
entertainment and clothing ...¹⁰

We continue to believe that persons with disabilities should receive an increased level of benefits. We are sceptical of recommendations to increase the number of disability programs such as the suggestion of a disability supplement and a “basic income plan for people with severe disabilities,” although we are prepared to engage in discussion around a more concrete proposal that delivered disability benefits without some of the rules and barriers found in the existing ODSP program.

We are particularly concerned at the effects of more disability program eligibility determinations: the Hamilton Community Legal Clinic reports that currently the Ministry of Community & Social Services’ Disability Adjudication Unit regularly issues untenable denials of eligibility, of which some are appealed to the Social Benefits Tribunal, resulting in a very high overturn rate, and where the Ministry faces no adverse costs for having delayed the finding of eligibility. If an entirely new multiplicity of disability determinations were now required of this ministry we would expect to see analogous problems with adjudication and assessment, mirroring the experience of the United Kingdom where a high number of work capacity assessments are overturned on appeal.¹¹

The reality of these disability determinations which are adjudicated in a very conservative manner, is that disabled people regularly wait long periods of time before receiving benefits to which they are entitled, or do not receive those benefits at all if they fail to appeal an adverse eligibility determination.

The Complexity of Benefits

We believe that provincial social assistance rates should be set according to an evidence-based analysis of the cost of housing, a nutritional food basket, utilities, transportation, and other basic necessities, in communities of various sizes across Ontario. We believe that this analysis should be undertaken by an arms-length independent body of experts that provides a public report of their findings to ensure transparency of the process. The Roundtable has previously formally endorsed the former Bill 235 “An Act to

¹⁰ See subsection 7(2)(a)(vii) of Bill 235, “An Act to Establish the Ontario Social Assistance Rates Board”, Private Member’s Bill, Mr. Ted McMeekin (Ancaster, Dundas, Flamborough, Aldershot) (as he then was), 1st reading: June 4, 2007 (unfortunately the legislature was prorogued the following day in anticipation of an election)

http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=1681&isCurrent=false&ParlSessionID=

¹¹ See “Up to 500,000 wrongly denied incapacity benefit, figures show”, by Allegra Stratton, The Guardian, 3 January 2011:

<http://www.guardian.co.uk/politics/2011/jan/03/incapacity-benefit-compass-survey-dwp>

establish the Ontario Social Assistance Rates Board” and we continue to support the establishment of such a Board.¹²

We do support the merging of the shelter allowance and the basic needs allowance for the purpose of simplifying eligibility and compliance monitoring, and to provide more flexibility to recipients, as well as some guarantee that they will receive timely shelter benefits whether they have been able to provide a landlord letter or not. We also support the elimination of the category of dependant adult for analogous reasons.

We do not agree that the special diet program be replaced by a different program delivered by the Ministry of Health & Long Term Care. The provincial government originally suggested this change in response to a finding by the Human Rights Tribunal of Ontario that it had discriminated against disabled persons with regard to the program.¹³ The human rights applications (of which the previously mentioned is the lead case) arose out a policy decision by the ministry a number of years ago to change the program resulting in drastically reduced special diet allowance benefits and the termination of special diet benefits for certain conditions. Many persons in Ontario currently rely on these benefits to purchase healthy food and the results could be disastrous for public health if those benefits were taken away.

¹² See Bill 235, “An Act to Establish the Ontario Social Assistance Rates Board”, Private Member’s Bill, Mr. Ted McMeekin (Ancaster, Dundas, Flamborough, Aldershot) (as he then was), 1st reading: June 4, 2007 (unfortunately the legislature was prorogued the following day in anticipation of an election) http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=1681&isCurrent=false&ParlSessionID=

¹³ See [D.A.] v. Ontario (Community and Social Services), 2010 HRTO 1377, 2010 HRTO 1377 (CanLII), File Nos. HR-1656-08 to HR-1692-08 (Wright) <http://www.canlii.org/en/on/onhrt/doc/2010/2010hrto1377/2010hrto1377.html>

Chapter 3: Easier To Understand

Background

Recipients and administrators have recognized that the current rules are complex and that the number of rules needs to be reduced. The rules are confusing for recipients and complex for administrators to deliver.

Generally speaking, the current system is too complex to navigate. Simplifying some rules will assist but will not ensure the entire system's ease of understanding or navigation from a recipients' perspective.

All rules, not just selected ones, would need to be re-visited and written to clarify eligibility determination. Simplification of rules should be supported by evidence that clearly aligns with the objectives of the program and the Province's goals of reducing and eliminating poverty.

What the Commissioners Heard

The Commission's *What We Heard* discussion paper reported very similar themes to those above. It stressed the need for a less prescriptive system that was nimble and flexible, that builds helping partnerships between case workers and recipients, and that relies on trust rather than suspicion.

The Roundtable's own submission took up similar themes, arguing that, "the number and complexity of rules need to be reduced. Perhaps as importantly, the spirit in which they are applied needs to be supportive, rather than punitive."

We note that the *Approaches* paper promises to return to a number of rules and process issues highlighted in the earlier *What we heard* discussion paper, presumably around such issues as computer-generated letters, spousal support, spouse-in-the-house rules, living with parents rules, and simplifying the application procedure to ODSP and OW. We believe this is crucial, as this chapter of *Approaches* paper largely considers complexity from the perspective of administering the system, with much less attention to clarifying the system from the viewpoint of a social assistance recipient.

There appears to be some potential for improvement in the options presented in Chapter 3, specifically around income reporting, treatment of assets, raising asset limits to equal those of ODSP, and reducing the number of specific exemptions.

The paper notes a number of discussion questions in the area of simplifying income and asset rules that improve equity, make it easier to understand and administer social assistance.

Our Response to the Commission

Should the social assistance system move from a surveillance approach toward an audit-based system of verification and monitoring?

Replacing the current surveillance approach with an audit system where a recipient continues to report monthly but retains their documentation for audit purposes, may have a positive immediate effect but a long term negative result. On the face of it, this option would change the current culture of control and treat people with trust and dignity. It would not stigmatize all recipients as budding fraudsters. However, adopting the audit model requires an effective risk management system.

The concern lies with the audit approach, which fits uncomfortably with a system where the rules are the issue. They are intrusive to recipients, they deduct and track every penny received. Under the audit approach, these rules would not change. Initially, this approach may lessen the burden to a recipient but may result in higher penalties later. Retaining receipts for any length of time is problematic and could lead to invalid overpayments or being investigated for fraud although reporting was accurate.

In addition, there is a real danger that the risk management system would flag some of the most vulnerable recipients in the system, for instance those with high housing insecurity who frequently changes addresses. This group is least likely to be able to provide full documentation for an audit, despite having engaged in no fraudulent activity.

Timelines for these audits would need to be identified, so those exiting to self sufficiency know how long to retain their documentation. This will be a challenge given instability in living conditions that recipients experience. In addition, since people move through the system frequently, there may be difficulty in contacting the recipient once they have exited the program. There is concern that overpayments may be calculated in the absence of information.

If an audit approach is delivered through a federal tax system, there needs to be supports in place to assist those who have not filed for income tax in some time.

What is the right level of risk tolerance, in either the current system or an audit-based system?

Considerations of “risk tolerance” should always be weighed against the recipients’ needs regarding a system that is very responsive, easy to understand, and preserves ample appeal rights.

As it stands, the rules in the system are too risk averse in two ways. Most obviously, in tolerating too little risk of fraud, they create an unnecessarily heavy and bureaucratic system. These rules in turn make it more risky than necessary for recipients to engage in a wide range of normal social activities without fear of infringing them, be they related to employment or education, accepting gifts or socializing with friends.

Should asset levels be changed? If so how?

We agree with the option to increase Ontario Works asset limits to equal those of ODSP. The case for raising these limits has recently been made by the Commission on the Reform of Ontario's Public Services, adding its voice to many others on this point.

This type of approach would facilitate someone becoming more financially resilient when trying to make the transition to work, or trying to deal with unforeseen emergencies.

Increasing asset limits for an initial period of time when an individual first enters the program only assists those that move quickly on to another source of income or employment. It does not assist those with longer spells on social assistance, whose capacity to set plans and achieve goals is also affected by access to assets.

We are strongly in support of allowing persons to retain their Registered Retirement Savings Plans as an exempt asset up to \$250,000 so that recipients can retain some retirement savings. It makes no sense to ask recipients to deplete all of their retirement savings before receiving benefits as this will result in enormous hardship for individuals once they leave the system. If those individuals are close to retirement age, the difficulties will be compounded.

Chapter 4: Viability over the Long Term

In terms of viability over time, the Discussion Paper focuses almost entirely on how Ontario Works, the Ontario Disability Support Program, and Employment Ontario services should be delivered. In the process, it ignores much of the input from received from stakeholders. The Discussion Paper suggests three approaches ranging from keeping OW and ODSP separate but integrating employment services, to delivering all programs locally, to an approach whereby human services components such as case management and employment services are delivered locally while administrative services such as the issuance of cheques, is delivered at the Provincial level. The Discussion Paper also queries how Temporary Care Assistance and Assistance for Children with Severe Disabilities (ACSD) should be delivered.

The Hamilton Roundtable for Poverty Reduction does not have an opinion on these options. It is impossible to come to an informed opinion on these and many of the other options in the discussion paper given the one month afforded for these submissions.

It is not entirely clear how these three options would address the viability of social assistance over the long term. Strangely, the Drummond report, released about a week after the Discussion Paper, also recommends that consideration be given to combining the programs at the municipal level in order to exploit service delivery efficiencies.¹⁴

What the Commission Heard

In focusing solely on the question of service delivery the Commission has missed many of the views of stakeholders such as:

- Concerns around the relationship between health and well-being and social and economic equality;
- The need for social inclusion among recipients; and
- Concerns around the least intrusive level of intervention.

¹⁴ Recommendation 8-5 of the Drummond Report reads:

The Commission for the Review of Social Assistance in Ontario should examine system design options that deliver a more efficient and higher-quality service to social assistance recipients. This examination should consider combining Ontario Works and the Ontario Disability Support Program, and having the combined program delivered at the local level. It should also address the further integration of employment services available through Employment Ontario.

Final Report of the Commission on the Reform of Ontario's Public Services, by Don Drummond, February 2012

In our own brief to the Commission, we stressed “the need to be bold in proposing changes, including ones that go beyond social assistance strictly understood to include looking at a guaranteed annual income.”

Explore the Possibilities

In looking at social assistance reform, there is a tendency to see the system solely as a drain on public resources, rather than a program with a complex series of economic contributions. The program has a series of effects in terms of local economic activity, reduced costs in other public programs such as health, and in producing a better trained labour force. Part of the long-term viability of the system is related to how effectively it performs these roles. Given what we know about the costs of poverty, **we recommend that the Commission’s final report fully assess the net impact of reforming social assistance with a stronger emphasis on poverty reduction.**

We know that increased social assistance rates will result in improved health outcomes for those on social assistance.¹⁵ In addition, we can also say that educational outcomes will improve for children who are no longer forced to change schools repeatedly due to the poverty of their family.

We can also say that social assistance has many positive economic benefits for communities and for the Province of Ontario, which is not surprising since benefits are consumed almost 100% locally¹⁶. The Ontario Association of Foodbanks has estimated that the economic cost of poverty in Ontario “is equal to 5.5 to 6.6 percent of Ontario’s Gross Domestic Product”.¹⁷ Renowned economist, Dr. Atif Kubursi has estimated that even when one considers only provincial social assistance to adults in the City of Hamilton the impacts are quite substantial across the province¹⁸, including generating \$439.3 million in value added in the provincial economy and maintaining 5441 jobs in Ontario as a result

¹⁵ A quick review of the submissions already received by the commission indicates that you have already received ample evidence of this fact. Indeed the improved health outcomes and expenses may be quite stark as is suggested by a recent analysis of the previous mentioned Mincome project (supra note 5). See: <http://nipawinoasis.com/documents/37.3.forget.pdf>

¹⁶ See “The Economic Impact of Social Assistance in Hamilton” by Dr. Atif Kubursi, Econometric Research Limited, April 2011

¹⁷ See “The Cost of Poverty: An Analysis of the Economic Cost of Poverty in Ontario” by Nathan Laurie, Ontario Association of Foodbanks, 2008, at p. 4.

¹⁸ supra. note 16. Dr. Kubursi’s estimates of the economic impact of adult provincial social assistance payments in Hamilton include:

- Generating \$ 439.3 million in value added in the provincial economy of which \$ 296.2 million are made locally
- Maintaining 5,441 jobs in Ontario; 3,383 locally
- Generating \$ 144.6 million in provincial and federal taxes; \$ 6 million in local taxes
- Increasing salaries and wages by \$ 260 million; \$ 162.7 million locally
-

of that money circulating in the economy. Dr. Kubursi's study focuses on the impact of benefits in Hamilton, the impact of provincial expenditures would be even more startling.

Although some may protest that increases social assistance payments will have an adverse effect on the economy, the research does not bear this out.¹⁹

A corollary to this argument is that the higher taxes that **may** be required to provide adequate benefits will adversely impact the economy, but in fact countries with relatively high rates of taxation, that incidentally also provide some of the most generous social programs, also outperform our country and most other lower-taxed countries with regard to economic performance.²⁰ There is evidence, from the United States and elsewhere that increases in taxes, when used to expand the quantity and quality of public services, can promote economic development and employment growth²¹.

We would therefore urge the Commission to explore the possibilities of a more robust social assistance program in Ontario, one that provides an adequate level of assistance to recipients. The benefits to health, education and equality are obvious, but we may also see substantial benefits to our economy. This should be explored in the Commission's final report, but also highlights the need for or inter-ministerial coordination in looking at the costs of poverty and of inadequate SA rates, bringing together the Ministries of Health, Justice, Education, Children and Youth, and the Attorney General.

¹⁹ See "Working Paper No. 348: Income Guarantees and the Equity-Efficiency Tradeoff" by Steven Pressman, July 2005, Luxembourg Income Study Working Paper Series

²⁰ See "The Social Benefits and Economic Costs of Taxation: A Comparison of High and Low-Tax Countries" by Neil Brooks and Thaddeus Hwong, Canadian Centre for Policy Alternatives, December 2006.

²¹ See "Rethinking Growth Strategies: How State and Local Taxes and Services Affect Economic Development" Robert G. Lynch, Economic Policy Institute, 2004.

Chapter 5: An Integrated Ontario Position on Income Security

What the Commissioners Heard

In its first Discussion paper, the Commissioners reported concerns they received about the difficulties of being on social assistance while awaiting EI and CPP-disability determinations, about the gross inadequacies of EI as a form of income security given the nature of work, and about gaps in training.

We commend the Commission on identifying the need for better integration of financial assistance programs, yet the discussion cannot be effective without boldly and emphatically stating the need for adequate, evidence-based social assistance rates. Any discussion that does not assume this as its primary goal will fail in its efforts for poverty reduction.

Our response to the *Approaches* paper

Although we support the need for better employment supports such as, credentials recognition for newcomers or employment training that reflects market reality, we feel that the focus on employment as a defining financial security measure for individuals is unrealistic. With the rise of precarious and part-time employment, adequate evidence-based supports are essential.

Extended health care benefits for all, including low income earners is a good start towards addressing income inequity in Canada. Our concern is that the discussion of fairness through out the *Approaches to Reform* document may divert attention from reform and pit low income earners against those on social assistance. Broad systemic change is needed that reflects the reality that a thriving populace is the only way to ensure a healthy economy overall.

Access to affordable housing is an ongoing concern for the Hamilton Roundtable for Poverty Reduction. We support social housing initiatives but have varying concerns with them. Currently, wait times for housing average 5 to 7 years in Hamilton. Lack of resources and flexibility available to municipalities to deliver housing programs, as well as, lack of federal funding, underscores the need for adequate housing benefits. This provides an opportunity for increased dignity and autonomy for those on assistance. Adequate levels would allow those who require short term assistance to continue living where they are. Housing benefits delivered directly to recipients helps avoid the stigma surrounding affordable housing projects, as well as, providing mixed income opportunities for neighbourhoods, increasing the potential for children in families receiving assistance to succeed long term.

The EI program has, in Hamilton as elsewhere across Southern Ontario, shown to be a significant factor in rising OW caseloads. Currently, barely 1 in 5 is eligible for EI although all who are employed pay into this system. Discussion is

needed around an EI program that better reflects the realities of precarious employment and prolonged job search periods.²² Subsequently, it can be surmised that precarious employment and increasing workloads due to decades of downsizing are also possible contributors to rising ODSP caseloads. Any discussion of social assistance reform that does not include revised labour regulation is unrealistic and will not provide adequate long term solutions to poverty in this province.

All of these individual policy discussions (EI, housing, extended health) point to the big picture: if the point is poverty reduction, it calls for a range of mutually supportive interventions within social assistance and beyond it. The Approaches paper raises issues of the state of the labour market, of the impacts of inequality, of the necessity for the full accommodation of disability, but then leaves them to the side. In one way, this makes sense as the Commission's mandate is specific to social assistance. However, if it is not bolder in at least addressing these, it hampers its own analysis: how can the focus on employment deliver if labour markets do not change? How can we discuss the long-term sustainability of the program without a full accounting of the costs of having a large group of citizens living below subsistence levels?

²² We note, for instance, that Statistics Canada's new job vacancy index shows 3.5 unemployed people to every job vacancy in Ontario, in the three months ending September 2011. See the Table, "Number of unemployed, number of vacancies, and unemployment-to-job vacancies, by province and territory," <http://www.statcan.gc.ca/daily-quotidien/120124/t120124b4-eng.htm>.

Conclusion

The Hamilton Roundtable appreciates the opportunity to participate in the Social Assistance Review. We share the Commissioners' desire to make significant changes and improvements to social assistance. Opportunities to review such significant public policies arise maybe once a generation. It Ontario is serious about poverty reduction, such opportunities much be seized. There are some things in the report that may be bold on the administrative front, but in terms of substantially improving social assistance for recipients, that boldness is in short supply. We urge the Commissioners to return to *What They Heard* as they prepare their final report.

We have made a number of specific suggestions and advanced a variety of arguments in response to the *Approaches* paper. In terms of the big picture, of making bold changes to social assistance with the goal of reducing poverty, we place particular emphasis on the following three recommendations:

1. Social assistance reform must address questions of adequacy. In terms of moving forward from the *Approaches* paper, this could be done by giving institutional form to the adequacy measure by creating a *Social Assistance Rates Board* to make an evidence-based assessment of adequacy.
2. Social assistance is not just an expense; it is also an investment in the health and prosperity of our communities. In considering the long-term viability of social assistance, a fuller accounting of its complex contributions to social and economic well-being is required.
3. The ideas for improving training and employment supports go in the right direction, but to really drive poverty reduction, they need to be placed alongside more attention to supports for scaling the *employment cliff*, such as better wages and labour standards, accommodations for disability, and improved childcare and transportation.

The members of the Hamilton Roundtable were very disappointed in the *Approaches* paper, less for what was in it, than for what was not in it: a bold reform to social assistance that would reduce poverty. But we remain committed to working with the Commissioners towards solutions that would deliver such change.