**OPRN positions in response to the Options paper “Approaches for Reform” from the Social Assistance Review Commission.**

Credits: Some of the concepts in this position paper are based on the following specific reports as well as a plethora of other documents and reports read and absorbed by the authors of this position paper over the past 30+ years. Were we to name and list all of that material, this report would be many pages longer. Suffice it to say that had even a third of the recommendations made to government over that time been implemented, this paper might not be necessary. These three reports can be found at the websites indicated and we have included their key points below for easy reference. We are also cognizant of the recommendations of the Drummond Commission on the Reform of Ontario’s Public Services which was released in mid-February and includes recommendations on social services, employment & training, health and education.

**Ontario Association of Food Bank’s 2008 report “The Cost of Poverty”.**

http://www.oafb.ca/assets/pdfs/CostofPoverty.pdf

[Important editorial note: Don Drummond, of the recently-released Drummond Report which recommends spending constraints in the areas of social services, health and education, was a “Project Advisor and Reviewer” on this report so he cannot help but be aware of the consequences to both the province and the people of Ontario of failing to provide properly for our poorest residents. He is also aware of the potential gains to be made by approaching social services, health and education expenditures as an investment rather than a drain on the province’s coffers.

In addition to his more recent activities, he was a key strategist at the federal Finance Department in the 1990’s and coordinated the planning the planning of the federal budgets. This would presumably include the cap on CAP in the early 1990’s which reduced the amounts provided to Ontario for social services, health, education and some smaller programs. It would also include the death of CAP in 1996 and its replacement with the Canada Health and Social Transfer. CAP was the Canada Assistance Plan and it established national standards for the programs that fell under it. Its abolition allowed, among other things, the introduction of workfare in Ontario under Mike Harris. The cap on CAP and the death of CAP were both done not as social policy measures but as part of restraint measures in federal budgets.}

Pp 4 – 5 Key Facts

**Poverty disproportionately affects certain populations, and has a complex mix of institutional and individual causes.**

• **Poverty hits Ontarians with disabilities, Ontario’s children, Aboriginal Ontarians, single parents, and new Canadians the hardest.** By all measures, the rates of poverty for Ontarians with disabilities, Ontario’s children, Aboriginal Ontarians, single parents and new Canadians are much greater than the provincial average. For example, in 2001, 35.8 per cent of new Canadians lived below the low-income cut-off (LICO), compared to the Canadian average of 15.6 per cent.

• **Poverty has a complex mix of institutional and individual causes.** Poverty has no single cause. It results from a mix of institutional impediments including our system of social assistance, skills and credential recognition, and cultural barriers as well as individual gaps such as lower skills, education or literacy.

• **There is a relationship between poverty and poor health outcomes, lower productivity, lower educational attainment, and children’s future income.** Analysis of microdata from the National Population Health Survey found that 73 per cent of Canadians with the highest incomes reported their health as excellent, while only 47 per cent of Canadians with the lowest incomes rated their health as high.

**Poverty has a price tag for all Ontarians.**

• **Poverty has a significant cost for governments.** The federal and Ontario government are losing at least $10.4 billion to $13.1 billion a year due to poverty, a loss equal to between 10.8 to 16.6 per cent of the provincial budget.

• **Poverty has a cost for every household in Ontario.** In real terms, poverty costs every household in the province from $2,299 to $2,895 every year.

• **Poverty has a very significant total economic cost in Ontario.** When both private and public (or social) costs are combined, the total cost of poverty in Ontario is equal to 5.5 to 6.6 per cent of Ontario’s Gross Domestic Product (GDP).

**The cost of poverty is reflected in remedial, intergenerational, and opportunity costs.**

• **The remedial costs of poverty related to health care and crime are substantial.** In Ontario, poverty-induced costs related to health care have an annual public cost of $2.9 billion. The national added cost to health care budgets is much greater, at $7.6 billion per year. The poverty-induced costs related to crime in Ontario have a relatively small annual public cost of $0.25 to $0.6 billion, split between federal and provincial governments.

• **The annual cost of child or intergenerational poverty is very high.** If child poverty were eliminated, the extra income tax revenues nationally would be between $3.1 billion and $3.8 billion, while for Ontario, the additional (federal and provincial) taxes would amount to $1.3 billion to $1.6 billion. The total economic cost (private and social) of child poverty Ontario is $4.6 to 5.9 billion annually.

• **Opportunity costs or lost productivity due to poverty has a great economic cost.** Federal and provincial governments across Canada lose between $8.6 billion and $13 billion in income tax revenue to poverty every year; in the case of Ontario, Ottawa and Queen’s Park lose a combined $4 billion to $6.1 billion.

**Reducing poverty with targeted policies and investments over the life course generates an economic return. This return is equal to a proportion of the assessed cost of poverty.**

• **Targeted early intervention initiatives focusing on low-income populations have a high rate of return.** An analysis of the Pathways to Education project, an early intervention initiative in Regent Park, demonstrated a present value of the social benefit of the program at $50,000 per student.

• **An investment in child care has a significant return for low-income populations.**

Many studies have shown a very high rate of return for investments in targeted child care for low-income populations, ranging from $4 to $16 for every dollar invested.

• **A reduction in poverty through increased skills and productivity amongst adults would generate a high rate of return.** If 25 per cent of adults moved from the first to second income quintile, this would generate a total social benefit of at least $1 to $1.5 billion in Ontario.

• **The recognition of current credentials alone as a poverty reduction intervention would result in a significant economic return.** In 2001, the Conference Board of Canada estimated that eliminating the “learning recognition gap” would give Canadians a total of $4.1 billion to $5.9 billion annually. This learning recognition gap primarily affects new Canadians.

**National Council of Welfare’s 2011 report “The Dollars and Sense of Solving Poverty”**

English: http://www.cnb-ncw.gc.ca/l.3bd.2t.1ilshtml@-eng.jsp?lid=433&fid=2

French: http://www.cnb-ncw.gc.ca/l.3bd.2t.1ilshtml@-eng.jsp?lid=433&fid=3

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**taking action: council recommendations**

The body of ***The Dollars and Sense of Solving Poverty*** provides many examples of a diverse range of research and thought that stresses the urgency of solving poverty because it costs Canadians far too much. Most importantly, it reflects a range of research and thought that contributes enormously to an understanding of the potential for solving poverty and creating greater economic and social wellbeing.

The patterns revealed in this report, along with the Council’s own deliberations and the conversations we have had with people from many walks of life, clearly show that it makes economic sense to solve poverty. Canada can do this, for the benefit of all Canadians, by:

Adopting a Canada-wide Strategy for Solving Poverty

The Council is encouraged by the progress already made in Canada with the growing number of government poverty reduction strategies being adopted and implemented. We urge continued efforts to build and improve with experience.

We also applaud the engagement of communities and organizations in similar, multi-stakeholder efforts across the country.

We remain confident that the four cornerstones set out in our 2006 *Solving Poverty* report are the foundation of an effective strategy—a vision, targets and timelines; a coordinated plan of action and budget; an accountability structure; and a set of agreed poverty indicators. Such a strategy must be linked to overall economic and social goals.

Establishing a Sustained Investment Plan

The Council urges that such strategies to solve poverty, especially in the development of government action plans and budgets, take an investment approach to poverty that builds human capacity, removes barriers, creates opportunities and demonstrates the potential for positive, lasting returns in the short, medium and long term.

An investment plan focuses on achieving good returns and benefits over time, in contrast to spending, where the focus is primarily on immediate costs. Too often, the spending is done in silo fashion where savings to one program can add costs to other programs, or to Canadians directly.

An investment plan is more holistic and forward thinking, using a fuller cost-benefit analysis to be more effective.

To maximize benefits, assure sustainability and develop growth potential, it considers the interrelationships among policy and program areas and the socio-economic realities of Canadians throughout their lives—from their health, education and family life to employment and civic participation.

Developing a Consistent Design Framework

An effective investment plan obviously requires up front funding and the range of studies in this report shows that investments in preventing and reducing poverty do pay off. But getting the best return and greatest benefit is also a matter of design. In some cases, it may even be more about the design than the money.

Understanding interrelationships is critical, so that policies, programs and partners can work together to maximize results. Having a consistent design framework is especially important in Canada, where there are several layers of government, a richly diverse population, and many active, engaged organizations.

Whether we are looking at income or any other area—child rearing and elder care; literacy, education and training; physical and mental wellbeing; housing; employment; issues for new Canadians; and remedies for discriminatory barriers often faced by people with the fewest resources—design is critical to success. Some of the principles or guidelines that are most important to the design of an investment plan to solve poverty include:

**Fairness and reasonable reward for work effort**. Employment needs to pay. But for people with low wage, precarious jobs or those on social assistance, it does not. Other forms of meaningful work need to be recognized as well, including the essential work of caring for dependents. Lone parents of young children and people with disabilities or low levels of literacy or education are among those who may be unable to meet all their needs through employment but they want paid work and should be supported and rewarded in that effort.

**Support for autonomy and initiative**. Low-income earners and people on social assistance should be supported in their efforts to improve their future circumstances, whether that means getting more education or skills upgrading, being able to save and hold on to their assets, accessing credit or sharing rent and other ways of pooling resources. Program rules and interactions too often limit autonomy and initiative, and some create harm by stigmatizing. Supporting the positive provides greater return on investment.

**Portability, security and stability**. Child benefits, working income tax benefits and public pensions are examples of good portability and stability. They are widely available, and while based on income, do not change significantly when income sources change, for example if you change employers, or lose a job or have a spell on social assistance. Universal health care and the extended prescription drug and dental plans available to low-income residents in some provinces are examples of portability and stability in service areas. Some provinces are moving in this direction for training and employment services as well. These kinds of measures help counter the welfare trap in particular.

**Coordination and Simplicity**. Income support for seniors is stacked so that CPP/QPP, OAS, GIS and provincial/territorial supplements all combine in a coordinated way to make a very big difference in reducing the extent and depth of poverty. This coordination also reduces administration costs and makes it easier and simpler for people to access what they are eligible for. Children’s income–related benefits are quite well coordinated too. Links across service areas and between services and income need improvement and social assistance is in desperate need of design overhaul on many counts. In general, the more directly and simply initial problems can be resolved or even prevented, the lower the cost and the greater the benefit. That prevents problems from expanding and frees up resources for the smaller number of people who do have complex, multiple needs.

**Accountability and Communication**. Governments especially, but the private sector too, need to provide better information on both the cost and benefit sides of the balance sheet. Canadians will be much more inclined to support initiatives that show we are getting good value for our money.

Fostering an Open Forum for Conversation and Action

Solving poverty involves many partners and therefore needs an ongoing, open, inclusive pan-Canadian forum for sharing ideas, questions, research, evidence, progress reports, and lived experience. The NCW hopes *The Dollars and Sense* report stimulates and advances conversations that are already established. We also hope that new conversations, ideas and partnerships will be created.

We invite readers to visit the full bibliography for this report on our website at www.ncw-cnb.gc.ca. We would also be pleased to receive e-mails with your comments, ideas and especially your stories of how a policy or program has provided a benefit that meant preventing or escaping poverty at dollarsandsense@ncw-cnb.gc.ca.

**While the engagement of many partners in informed conversation is essential, the National Council of Welfare reiterates its belief that the leadership, championship and political will of federal, provincial, territorial and municipal governments is paramount to solving poverty—it is the role of responsible governments to provide social infrastructure in the public interest.**

**The Council believes that Canadians from all walks of life will get behind the action needed to invest in a better future for everyone. Canadians value fairness. We all want our country to continue to prosper and we can see that poverty reduction strategies are starting to make a difference. Added to that confidence, *Dollars and Sense* shows that not only is solving poverty affordable, it is highly cost-effective and central to achieving national social and economic goals.**

**The Standing Senate Committee on Social Affairs, Science and Technology’s Subcommittee on Cities 2009 report “In From the Margins: A Call to Action on Poverty, Housing and Homelessness”**

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

There are 74 recommendations in total which are summarized on pp 275 – 283 of the report.

Key Recommendations {as cited by Senator Art Eggleton in a webinar presentation on the report in February 2012}

Underlying all of the recommendations is the simple premise: that the goal of all social policy in Canada should be to lift people out of poverty. This means ensuring that, regardless of the reasons for their need, people receive an income that would keep them above the poverty line.

The federal government should develop and implement a **basic income guarantee** at or above the poverty line for people with severe disabilities.

•**Employment Insurance:** a new program to insure against income losses due to long-term employment interruption, covering those that are not presently covered under the EI Act, including self-employed, part-time workers, those who have been unemployed for an extended period, recent immigrants, and the underemployed.

As a critical step to eradicating child poverty, we propose increasing the **National Child Benefit** to $5,000 by 2012.

•The **Working Income Tax Benefit,** which supplements earnings for those with very low incomes, is another tax measure that holds promise by “making work pay” . Recommended increasing this benefit so that no recipient would fall below the poverty line.

•Must do a better job of integrating our approach to housing and homelessness. It is time for the federal and provincial governments to develop a **national housing and homelessness strategy**.

•To ensure that children arrive at school ready to learn, we propose a nation-wide, **federal-provincial initiative on early childhood learning**. This would go a long way to leveling the playing field for poor children.

Introduction

The question will arise of how to pay for the recommendations that we are making in response to the Options paper from the SA Review Commission. We believe that if the money now being paid out by the province in other programs such as health, education and lost productivity alone would not only fund a decent and humane income support program but there would be money left over to invest in other provincial priorities. The Ontario Association of Food Banks study has amply demonstrated this. In addition, the province would be giving its most vulnerable residents the chance to be participating members of society able to live with dignity and respect. The benefits of positive and adequate supports to both the individual and the rest of Ontario will contribute to our economic, social and human progress and development. The current government has stated its commitment to protect health and education program spending. The best way to do that is to reduce poverty and thereby stop the expenditures before they occur in health and education.

We have chosen not to comment on the sections dealing with programs and services for First Nations people since we believe they are best equipped to determine what would meet their needs in direct consultation with government. The only caveat we would put on that is that, as Ontario residents, they are entitled to receive health, education and social services of a level and quality equal to those provided to every other Ontario resident. “Equal level and quality” does not, however, mean that they must necessarily be the same. When another level of government does not meet its obligations to First Nations people, it is incumbent on the provincial government to step in and ensure services are provided. The bill can be settled later on a government-to-government basis.

Throughout the Options paper, there are references to the unexplained rationalization for the differences between benefits paid to OW clients versus those paid to ODSP clients. Several suggestions are made as reasons for the anomalies but the elephant in the room is named nowhere. There is a perception that people with disabilities are in need of supports through no fault of their own and therefore are the deserving poor while other recipients of assistance are there because of some choice they made or their behaviour and so are not deserving of the same level of support. The elephant’s companion is the concept that the second group - the so-called undeserving poor - have to be forced to do things which would be to their benefit, i.e. that they need an ‘incentive’ to work because they have inherent character flaws, such as laziness, that have to be overcome. Since elephants are not native to Ontario, perhaps it is time to discard these out-of-date notions and treat all Ontarians with respect and dignity.

If we wanted to cross the ocean, we would not refloat the Titanic, patch up the hole and slap a new coat of paint on her. Instead, we would find or build a ship that would reflect what we now know about icebergs, double hulls & oceans and incorporate the latest technology. The current income support programs offered in Ontario are beyond a patch here and a lick of polish there. The system needs to be redesigned from the ground up so that it meets the needs of our neighbours and our province. It needs to be easy to understand and administer with resources focussed on people and those things that will allow everyone to lead a normal life with dignity regardless of their socio-economic situation, their family status, their level of ability and their age along with the other categories that are forbidden grounds of discrimination in our human rights codes.

Chapter 0

Before we get to the issues contained in the Options paper, we would like to make two recommendations on which all of the other comments in this position paper are predicated.

First, an entirely new system of social assistance is needed. We have to establish new legislation rather than trying to build into a faulty frame.

Second, that legislation must include a statement of purpose with the goals and principles on which the new system is based. This should be included in the main body of the legislation, not in a preamble where it doesn’t have force of law. It should include recognition of the international covenants, conventions and treaties that have a bearing in this area starting with the International Bill of Human Rights which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

It cannot be namby-pamby but needs to be a firm statement of principles and purpose of the legislation. It needs to state that all income support and employment-oriented programs should be regarded as an investment in Ontario’s residents and its economic and social progress.

Chapter 1: Reasonable expectations and necessary supports to employment.

A. Assessment, Case Management and Integration of Services and Supports

Employment and training programs should be delivered to all Ontarians through a single window. The individual’s source of income and/or their disabilities should not be a barrier to their participation in appropriate programs. This would be of benefit to anyone seeking training programs since, with increased numbers of people eligible for programs, it becomes possible to offer more flexibility and a broader range to everyone. If, for instance, a welding course requires a minimum enrolment of 30 students and each of EI, Second Career and Social Assistance have 11 eligible people, none of them can operate it alone but, together, have the critical mass. If each has 11 potential students every month, then the course can be offered each month rather than every three months by three different providers. This means reduced wait times for students to begin a program (and earlier graduation) and a more efficient use of teachers and classroom space among other benefits. A client should be able, with the support of their case manager, to pick from a menu of different services and supports offered by different providers and programs to create the optimum training and employment supports package for that person’s circumstances and goals.

The one-window should be at Employment Ontario and those offices should be operated by the Municipal Service Managers and adequately resourced to meet their clients’ needs in a timely manner. The direction of each office should be locally controlled with the participation of local employers and job-seekers through stakeholders’ groups or advisory councils so that it is responsive to local conditions and the local labour market. For example, Ottawa and other Eastern Ontario communities should be offering second language training in English and French since some level of bilingualism is required for many jobs in the area. In Northern Ontario, where resource-based industries are more common, the training might have a different focus. In all instances, the client should be the focus and the driver of service provision.

Every person accessing employment and training supports as well as every employer participating in employee placement should have a case manager who would help them navigate through the processes. This person should be the same individual for as long as possible so that anyone coming in the door of an Employment Ontario office has consistent support of someone who will ensure that the programs and services are being delivered appropriately and as promised and who will act as an advocate within the system should that be necessary.

There is no point in offering people assessment tools if they are not followed by the provision of the funds, services and supports to enable the person to follow through. This is one of the most frustrating experiences that clients cite with the services available. For example, some individuals have been sent to resume writing courses multiple times when what they actually need is a six-month course to upgrade their skills to meet the requirements of jobs that are currently available. Women are being sent to short training courses as Personal Support Workers but are unable to find employment because a) there is no demand and b) the employers who are hiring prefer people who have taken a college course and will work for the same salary as the short-course grads.

Ottawa ran a very successful Opportunity Planning pilot project in the early 1990’s. The workers had reduced caseloads and enhanced training as well as resources to purchase services such as counselling, child care and some types of training as determined through consultation with their clients. The result was that their clients spent less time on assistance than a control group and stayed off assistance for a significantly longer time demonstrating that an investment approach is more successful than a less client-centred, client-driven model.

Training and employment programs need to be viewed as an investment against future taxpaying. Any person on social assistance should be eligible for services to prepare them for whatever level of employment they are able to undertake whether that is full time or part time and regardless of whether it removes them entirely from social assistance. People who are not able to participate in regular employment for whatever reason but are able to do volunteer work should be supported to do so, including things like transportation, clothing, grooming, equipment and other supports. Volunteers contribute hugely to the Ontario economy and to their communities and, for some, it is an important way to participate as they are able and contributes to their continued health. Volunteer work should be recognized as a part of the spectrum of work possibilities in the same way as paid work.

Employers have an important role to play in the development and delivery of training programs but also are vital to the success of clients as they move into the labour market. They should be offered supports to welcome people into the workplace which should include information sessions so they are familiar with and sensitive to the issues some clients face in taking up employment; job retention workers who would provide supports to the employee including mediating any workplace issues for a period of six months with the possibility of two six-month extensions; supports, both financial and in-kind, to provide accommodations to employees as necessary and the services of a support person at the Employment Ontario office to provide advice and supports for a period of up to one year.

In addition, the province should facilitate the establishment of an employee benefit plan that would be available first, on a pilot basis, to employers who are working with Employment Ontario to provide jobs. By pooling the employees of many small employers, it would be possible to offer benefits at a better cost to a wider range of low-income workers across the province. For the first two years of employment, the province would pay the premiums of any person making the transition from social assistance to full or part time employment. In order to be eligible, the employer would have to offer the benefit plan to all employees in their organization. Once the program has been up and running for two years and had the kinks worked out, it should be offered to all small and medium sized employers across the province.

In order to ensure that appropriate programs are in place and that they are being used appropriately by clients, trainers, providers of employment programs & supports and employers, there need to be performance measures in place that would look at outcomes at all levels, including but not limited to successful long term attachment to the labour force. Other factors to be measured would include both qualitative and quantitative aspects and the recognition that not every program or service will work out for every client or other player.

The Working Income Tax Benefit should be more reflective of low-income salaries. The ceiling on earnings needs to be raised to at least $30,000 and the amount paid needs to be increased. Ontario’s Poverty Reduction Strategy recommended that the federal government deal with this. While this is a good goal, it hasn’t been successful to date. In the meantime, Ontario needs to establish its own benefit which would be paid out through the Ontario Trillium Benefit so that the money comes in throughout the year. This would top-up the incomes of low-wage earners so that they have enough income from all sources to survive on.

B. People with Disabilities and Employment/Training Services and Supports

For many people with disabilities, full time work is not a possibility and even those who can work full time may not ever be able to cover the costs of their necessary disability-related expenses out of their wages. The Options paper does not seem to recognize their situation. For some, it may be that they have episodic illnesses and are able to work sometimes but cannot maintain full time permanent employment. Some have frequent medical and other appointments or may be hospitalized from time to time. Still others may depend on expensive medications, equipment and personal supports to carry out their activities which can potentially cost more than any salary they would receive. There are also folks who will never be able to take up employment and should not be pressured or made to feel they are letting the side down when it is not realistic to expect them to leave ODSP.

Everyone’s situation is different and people need to be met where they’re at with reasonable expectations and supports offered that are flexible and adaptable. In some cases, people are able to work 2 or 3 days a week or for periods that are interrupted by periods when they can’t work. Others may need flexible hours to accommodate their appointments. They should be supported to find employment situations that are willing to accommodate their availability. This may mean providing subsidies or other supports to the employer so they are able to welcome folks into their workplace in a way that does not disadvantage the employer.

Financial supports for medical needs, including medication, equipment and personal supports should be provided as part of the basic income support program which we will discuss later under the Chapter on rates.

There should be dedicated teams at Employment Ontario offices with specialized training in providing supports to the disabled community but they should be in the same location as other EO staff. This will mean that disabled clients will have access to the same resources as others but receive an enhanced service. It will also reduce the potential stigma of going to a separate location which would soon be labelled.

One of the best supports that could be provided to clients would be a sensitization campaign that would be delivered across the province about the situation of people who are on social assistance. This should be delivered in elementary schools and to all segments of society including potential employers, trainers and workplaces to break down and remove the stereotypes about folks in need of support from society. Because he isn’t heavy, he’s everybody’s brother. This is particularly important for individuals with mental illnesses who are often met with less understanding than those whose disabilities are of a physical nature.

C. Strong Connections with Employers

For both the employer and the employee, it’s important that, just as with any other employment situation, the ‘match’ be a good fit. It is damaging to both parties to invest time and resources setting up and training for a job that is not going to be sustainable in the long term. Neither the employer nor employee should be pushed into such a relationship. The first support offered to employers should be access to a case manager who would provide them with advice and be able to offer them appropriate supports from a menu that would be tailored to the specific situation. The same employer may need different supports for different employees, at different times in someone’s work involvement or for differing lengths of time.

Employment Ontario should be offering services and supports to employers as they develop job opportunities and provide jobs to people. Again, there should be specialized staff that would work with employers out of the EO offices. Among the services offered should be a place they could post job opportunities and employers could meet with potential employees and possibly their support people.

D. Access to Employment Services and Supports

Municipalities should be the delivery agent for all employment services regardless of the person’s source of income and the upper levels of government should continue to provide the funding. This would create a system that could provide a better coordinated service to everyone and also allow people to maintain the same support system as they move between different life situations. Currently, if you are on EI and move to OW/ODSP, on OW/ODSP and go to school or on OW/ODSP and get a job, you will probably have to start all over again with different supporters and very different program availability. A single provider would be able to cover you seamlessly and respond to local conditions much better. It’s not necessary for the client to see the feet of the duck and what means it is using to paddle; they only need to know they are getting across the pond efficiently. The focus should be on the client, not the systems.

Chapter 2: Appropriate benefit structure

Our first question about a new structure is does it have an amending process so that rates are always relevant and appropriate. The new system we are suggesting would be automatically reviewed every fall with rate changes being made for the following April 1st and based on existing shelter and nutrition measures. An amending formula for the other items could be based on increases to the cost of living for Ontario.

A. Balancing Adequacy, Fairness and Incentives to Work

a) Interactions

We believe that everyone in Ontario should have an income adequate for their needs regardless of their source(s) of income and that all low income residents should get access to benefits and programs. We can solve the issue of the three objectives by giving the same supports to all low income people regardless of the source of income. We would phase it out as income rises with the phase-out points based on family size, i.e. single person would get phased out at a lower income than a family of three.

We do not agree with the concept of a “reference wage”. Income and supports available should be based on need, not what someone else can make in the labour market. We also disagree with the concept of a “Marginal Effective Tax Rate” since it is built on the assumption that people on assistance work only for a financial incentive.

There is an important error at the bottom of P. 21 of the Commission’s paper. It says “... if the amount of earned income retained increased from 50 percent to 75 percent ...”. Earned income retained is always 100%. The change is to the SA eligibility which is reduced since it is a top-up of other available resources. This is a common mistake and leads to clients believing that social assistance is ‘taking’ the money they have worked for when, in fact, they no longer require the full SA amount because they have other resources.

b) Establishing a Rate Methodology

We suggest that the province move to regionally-established rates based on:

1) Public Health’s Nutritious Food Basket for the community;

2) CMHC’s October rent amounts;

3) Transportation;

4) Allocation for clothing, non-food grocery items, personal needs (e.g. hygiene items), basic telephone and possibly basic internet;

5) Disability expenses based on the client’s situation;

6) Community participation allowance which would include recreation

Rates would be established in October each year to take effect the following April 1st which will give government time to make appropriate arrangements.

We would move dental, special diet, vision care, prescription medication and diabetic & other medical supplies to the Ministry of Health and provide them to all low income residents.

Since we disagree with the premise that rates should be set to give people an incentive to work, we are not responding to the part about reference wages and how the rates should relate to employment income or some other measure. We believe that the majority of the population does not need an incentive to work or to participate in training or education opportunities. In fact, when such participation was voluntary, most programs were oversubscribed and had lengthy waiting lists. For many people, it is the barriers created by the current system that stop them from such activities. In addition, it is important to remember that not everyone has the capacity to earn enough to support themselves and their families. There are also not jobs for everyone that wants one. How do you justify giving someone an income that is insufficient to meet their needs because another individual has had the good fortune to be able to find employment?

c) Addressing the Trade-Offs

i) Extended Health Benefits for all low income Ontarians

Extending health benefits to all low income Ontarians should not be presented as a way to make work pay but rather an investment in Ontario residents that will keep them healthier. The benefit to the province is the money saved by reducing the costs to the health budget that are the result of people not being able to afford necessary medications, dental work and glasses. In addition, employers and the province will reap the rewards of fewer sick days which are a huge cost to the economy. These benefits should be available without age restrictions so that our low income seniors will be also be eligible.

Included in the extension of health benefits should be the removal of the co-pay on prescriptions for all Ontario residents. One’s need for medication is usually not under the individual’s control and so people should not have to choose between buying food to stay healthy or buying medications to stay healthy. With a co-pay of $2 per prescription, a person with 15 medications will be paying $30 per month for the co-pay and a person with 25 medications pays $50. Since the food budgets of many low income people are based on what is left after the rent, utilities and other fixed expenses are paid, that food budget is where things like a co-pay have to be found.

ii) Vary the rate structure over time

Since we believe that the rates should be reflective of the cost of living in the community, there is no place for rates that are variable based on the length of time someone is in need. In some instances, such as a person who has suddenly lost a good-paying job and has fixed costs like a mortgage that were very affordable while they were working, there may be higher need than someone who has been living in subsidized housing and whose costs will adapt to their changing income level.

d) Universal Income-Tested Benefits

i) Earned Income Supplement

We should develop an Ontario Working Income Benefit (OWIB) which would be paid through the Ontario Trillium Benefit with the flexibility to be adjusted on a quarterly basis to reflect changes in income. It should be in addition to the existing federal WITB which is not a sufficient amount and has an earnings ceiling that is too low.

ii) Housing benefit

*“Housing is the central hub of everyday living. It is a multi-dimensional concept that encompasses the characteristics of the house (physical structure and design); home (social and psychological features); and neighbourhood (physical and social characteristics, and local services).”*

Moloughney (nd) as cited in Wellesley Institute. Precarious Housing in Canada (2010)

http://www.wellesleyinstitute.com/news/new-report-precarious-housing-in-canada-2010/

We believe that safe, affordable and appropriate housing is absolutely essential to the ability of any individual, whether adult or child, to be able to function on a daily basis. Without a home, it is difficult to maintain employment, go to school, eat properly, interact with others and have the sense of security that allows you to participate in society.

The best housing benefit would be twofold and include the construction of housing that is affordable for the first quintile on the income spectrum as well as the re-introduction of rent controls on both “new” buildings and when a new tenant moves in to a unit. (“New” is in quotes because it applies to any building that was built after 1991. So if you moved in the day your child was born in 1991, you’ll be celebrating her 21st birthday this year – an interesting concept of newness.) The first quintile covers the people whose income is in the lowest 20% of the population.

With social assistance rates being set to reflect the cost of housing in a particular community as we are recommending, the issue will not be as severe as it is currently. However, it will be important to ensure that all shelter costs and not just the rent are taken into account in any examination of ‘housing’ costs.

A housing supplement is a short-term solution while the construction of affordable housing is the long-term answer to high housing costs. The supplement does not change the cost of the housing but may in fact result in artificially-high rents being propped up. There is little incentive for a landlord to maintain or reduce the rent if there is a guarantee that a supplement will cover any shortfall the tenant has.

B. Designing Benefits for People with Disabilities

With the implementation of a system that is reflective of and responsive to the costs of feeding, housing and clothing a client and their family with recognition of the other costs of living and a menu approach to items that are either specialized or irregular, we believe that people with disabilities can have their needs met under the same program as other low income Ontarians. This approach will be less complex and therefore less costly and time-consuming to administer and will free up staff time to provide all clients but particularly those with disabilities with the supports that they need. The more that you have standardized, the more ability you have to look at the non-standard.

Disability-related expenses should be approved on an individual basis but determined based on an established standard and its related cost. For example, if item ‘X’ costs $200 but the client wants to upgrade to a $400 model, they would get $200 towards the cost. If there is a case to be made for providing the $400 model, it would require an application supported by a recommendation from a professional such as a doctor or physiotherapist with an appealable decision to be made by someone with the training to assess the need, i.e. not the worker.

The Medical Expense Tax Credit only applies to expenses above a certain percentage of your income (3%?) so you have to actually have income, only refunds a percentage of the cost (15-17%) and is used to reduce taxes payable. The Medical Expense Supplement will refund you just over $1,000 but you have to have earned income of over $3,000 to claim it. Because these two benefits are targeted towards people with employment income, they do not always meet the needs of low income people. In addition, the expenses have to be paid out first and then recovered through the filing of your income tax return the following year.

Reference is made to the need to provide an income supplement to recognize the lower earning potential of people with disabilities and that one reason for the lower potential is barriers such as not having skills and training, facing workplace discrimination and the absence of workplace accommodation. The horse and the cart are in the wrong order here – these are societal flaws and we should be working to change social perceptions to remove them so that people with disabilities have the same opportunities as everyone else to get appropriate training and education; we do not judge people based on their ‘abilities’ and workplaces are welcoming and accommodating places for everyone. These barriers are human-created and can be dismantled by us through education of employers, service providers and society in general. In the meantime, we have to ensure that help is provided to overcome the barriers on an individual basis but the end goal here should be to develop a level playing field.

C. Dealing with Complexity of Benefits

With our simplified system of locally determined rates and additional benefits available based on individual needs, much of the complexity will be removed. Benefits that are now discretionary and therefore not available to all should be added to the menu of items generally available with criteria for receiving them.

In order to make the system understandable by the average person, it is essential that all rules and regulations are made available in a plain-language version. Clients are now required to sign a responsibilities form saying that they agree they are responsible for following all the rules when it is not possible to get access to all the provincial and local rules. The information that is available could not be described as user friendly. At the very least, all rules, regulations, policies and anything else that affects a client should be available on the internet and in a printed form at the local offices. An improvement would be to also provide it to community agencies, legal clinics & other advocates and other places where clients could access it in their communities.

The category of ‘dependent adult’ should include students in secondary school who are over the age of 18 as well as post-secondary students.

The Special Diet Allowance should be moved into the Ministry of Health and available as a prescription item to all low income Ontarians including seniors. The Ministry of Health should re-examine the list of items and diseases covered and expand it to cover all conditions and/or treatments that are nutrition-based.

Chapter 3: Easier to Understand

Simple rules, plain language, and available, appropriate supports for clients would make the workers’ jobs much better. Most staff went into this field because they want to be part of the ‘helping professions’ and that’s what they’re trained for. Instead they find themselves enforcing arcane rules they don’t agree with or understand and spend a lot of their time policing clients’ activities and pushing them into programs and services that they know are not a good fit while not being able to support them to do the things that would allow clients to progress.

A. Complexity, Compliance and Risk Management

a) Complexity

Interesting that no reference is made here to assuring that anybody assesses and verifies that the system is complying with the rules and the client is receiving what they are due. Community workers and legal clinic staff will often find areas where a client is not receiving various benefits or the calculation of benefits is incorrect and the client is receiving less than the appropriate amount. In some cases, this is due to worker error but it is often because a client does not know that an item can be covered or a benefit is available to them. It can also be because they describe their situation without using the words that would trigger the worker or the computer system to generate the benefit payment. It may also be that a client is embarrassed to ask a stranger for certain items, e.g. ostomy supplies, and so does not receive the benefit.

With a simpler system and clear rules, it will be much easier for both the client and the system to avoid errors as well as to find and correct them quickly when they occur.

b) Compliance and Risk Management

Compliance being a two-way street, the new system needs to be open and transparent so that its requirements are readily available to and understandable by staff, clients and advocates. Clients now must sign, at regular intervals, a “Rights and Responsibilities” form that says, among other things, that they will follow the rules. The workers cannot supply clients with a copy of the rules since even they don’t have such a thing but rely on the computer system to generate the questions they have to ask the client and to do the calculations of benefits.

Administrative errors are mistakes made by either the worker or the computer system and clients are responsible to repay them whether or not they were aware of them. Client who receives $100 too much due to administrative error for two years will have an overpayment of $2,400. Not only will their income fall by the $100 but deductions will be made from their cheque to recover it. This is unfair unless they could reasonably be expected to know something was wrong with the amount they were receiving. If, for example, a mum with one child who should have been receiving $950 is getting monthly cheques of $9,500, she could be expected to know that was not correct. Even though the error in that case was administrative, it should be recoverable.

The current system of verification processes is built on the assumption that there is a lot of cheating going on and that clients have to be under constant surveillance lest they receive an extra fifty cents. Study after study has demonstrated that the fraud rate by recipients is very low, i.e. in the area of 2 to 4%, and is less than the rate or dollar amount of fraud in other government systems such as income tax and business subsidies. It is important to remember that, when welfare fraud amounts are cited, they include the frauds perpetrated by people who are not on assistance, i.e. the landlord who has fictitious tenants and is receiving cheques on their behalf and the person who steals a cheque out of a mailbox and cashes it.

It is necessary to have some kind of consequence for wilful breaking of the rules but it is also necessary to take into account an individual’s capacity to repay an overpayment. We need also to examine the effect of penalties on other members of the benefit unit, particularly children. If a parent is cut off assistance or has their assistance reduced, how do they feed and shelter their children? There are both societal and practical questions here. Do we want to break up a family and what is the cost of providing for those children through a CAS intervention?

We would support a targeted audit-based approach which would have both a random selection made from across the caseload and respond to certain triggers that indicate there may be other money coming into the home. Those triggers could include a rent amount that was almost as much as the entire cheque, information that the worker comes across that indicates there may be extra people living in the home or a waitress who didn’t report any tip income. In such a system, the client must be presumed innocent until proven guilty and therefore any penalty would only be imposed when an investigation was completed.

In the past, some clients were only required to report their earnings on a periodic basis and their income was averaged over that period. Returning to that system would greatly reduce administrative costs and free up staff for more positive activities. It also means that if you had one good month and some slow months, you would be able to balance them out. It would also remove the problem of three-pay months which can make a client ineligible twice a year.

B. Treatment of Assets

There should be a single scale for all recipients based on an initial larger amount for the first person plus an amount added for each additional person in the family. Automatic exemptions should be in place for the family home, one vehicle and basic furnishings. RSP’s and other savings instruments should be exempt as long as they are not accessed while the individual is on assistance unless they have prior approval from their worker. If the client makes unapproved withdrawals, that would be treated as income and deducted dollar-for-dollar. Separate regulations may be necessary for the First Nations and that should be part of discussions with them.

Client should be allowed to accumulate money for specific purposes such as medical or disability expenses; purchase of a home; education; etc. with three conditions. They must have approval in advance; the funds would have to be held in a separate account and, if spent on anything other than the original purpose, they would be treated as income and deducted dollar-for-dollar.

We do not agree with asset limits that vary over time or blanket asset levels since they are arbitrary and do not allow for individual circumstances to be taken into account. Another issue is that clients who are forced to divest assets at a particular point in time may not be able to realize their full value.

Chapter 4: Viable over the Long Term

All Ontario income support programs including OW, ODSP, the Guaranteed Annual Income System (GAINS), Temporary Care Assistance, Assistance for Children with Severe Disabilities, foster care allowances and the Ontario Child Benefit should be merged and delivered at the local level. This would greatly simplify administration and make things easier for the client since they would only have to deal with one worker and the programs would be co-ordinated. This would also simplify things when a client’s situation changes and they move from one program to another or when they are receiving income from different programs.

Intake processes should be in person whenever possible. The information you are asked to provide is often quite sensitive and people may not feel comfortable disclosing it to someone they can’t see. Plus it’s hard to develop a trust relationship with a computer. Often there are signs to the worker to ask questions based on body language and other non-verbal communication that would be missed without the face-to-face meeting.

There should be a basic file established that would follow you to income support and employment programs. It would include “tombstone data”, i.e. things that usually remain the same such as name, date of birth, address, birth certificate, marriage/divorce info, custody arrangements, health card number and so on for each member of the family, and very basic information about the programs you are connected to. Each program would then have a separate file with the information relative to that area.

Payments, whether by cheque, direct deposit, pay direct or voucher, should be issued locally. If the money doesn’t come or is the wrong amount, how do you deal with that if it is coming from a computer in Toronto? If your worker has done the calculations and pressed the button to create a payment, that’s where you should go if there is a problem.

Benefits should be funded by the province with the proviso that a municipality could provide additional or enhanced programs if they wish to. The administration costs should be shared 80/20 between the province and the municipality so that the local government has some incentive to control costs.

Employment programs should be consolidated and delivered through Employment Ontario offices which would be co-located with income support offices and have local advisory panels to ensure the programs offered are relevant and responsive to local conditions. Federal contributions to employment programs should flow through the province to the local offices.

This Social Assistance Review arises from the province’s Poverty Reduction Strategy and its outcomes should contribute to the reduction of poverty in every corner of the province. In order to support that goal on a local basis, each municipality should be required to have a local Poverty Reduction Plan that is developed in collaboration with stakeholders including recipients, community social service organizations and agencies, business, labour, the Board of Health and the social service department. It would have to include measurable, time-specific outcomes that would be reported on to Council and the province annually. The plan should be developed for approval by the local council no later than six months after each municipal election and reviewed/updated two years later. The province should go through a similar consultative process to review and update the provincial Strategy every two years.

Other Programs

Receiving income support for a child under the TCA and the oversight of child safety are not and should not be connected. This implies that the grandparent who has stepped in to care for a child won’t provide a safe environment. Any situation where a child’s safety is in question falls under the mandate of the CAS to investigate regardless of the source of the funds which support that child. The TCA should however be made a non-temporary program that provides for a child when they are in the care of an adult who does not have a legal obligation to support that child for whatever length of time the situation continues. Grandparents should not be spending their savings to care for a child who would otherwise enter the foster care system. The amount should be equal to the allowances paid to support foster children and delivered through the local administration.

Chapter 5: An Integrated Ontario Position on Income Security

There is an area of income support which is not mentioned here which greatly impacts social assistance costs. Parents who are not meeting the post-separation/divorce needs of their children are, in many cases, having their children supported through social assistance at considerable cost to the system. Changes need to be made to the family court process so that child support is determined quickly, i.e. no more than six months after separation, and back-paid to the date of separation. When payments fall in arrears, in order to avoid the necessity for the family to go on assistance, the province should cover an amount equal to the SA entitlement and then recover it from the non-paying parent. This alone would remove a significant number of single-parent families from social assistance.

The Ontario Child Benefit should be moved out of the Canada Revenue Agency and included in the Ontario Trillium Benefit program. When it was originally established, there was no set-up in place to deliver Ontario tax credits and benefits so it made sense to add it to the federal process rather than establishing a new administration. Bringing it back to Ontario would allow it to be more flexible and subject to Ontario rules and controls. A benefit for the government would be that people receiving it would see it clearly as an Ontario benefit instead of an amount rolled into a federal cheque. It would also simplify any disagreements between the recipient and the government since the appeal from a CRA decision is to the Federal Court of Appeal which is not easily accomplished without the help of a lawyer.

Benefits such as prescription drugs, dental and vision care plus other medical-related expenses such as the Special Diet Allowance should be moved to the Ministry of Health and made available to all low income Ontarians regardless of age or source of income.

The minimum wage should be increased so that it is becomes a living wage and is adequate to support an individual.

The administration of reimbursements of social assistance funds paid out while a client is waiting for funds such as EI and CPP Disability should be coordinated between the two levels of government in a way that does not involve the client. With current technology, it is possible for both levels of government to be aware of payments being made by the other. The granting process should include a check-in to see if some of the funds should go to reimburse social assistance paid out.

Everyone living in any form of social housing should be paying 30% of their income from all sources as a housing charge minus the cost of utilities. This would mean that SA recipients would not see their housing costs jump as a result of employment earnings and could predict what effect earnings would have on their rent.

Two programs which are not mentioned here have the potential to greatly affect people’s income. If an individual begins to draw their CPP payments between age 60 and 65, they will receive reduced payments for the rest of their lives. Since CPP is deducted dollar-for-dollar from their social assistance, they are no better off financially in the short term but are significantly penalized in the long term. Since SA is supposed to be an income of last resort to be paid after all other possible sources of income have been accessed, it has been ‘suggested’ to clients sometimes that they should make an early application. Application for CPP should not be a requirement until the client has reached the age when the full pension is payable.

The other issue on the horizon is the potential change of the qualifying age for OAS from 65. While we do not have anything other than speculation at this time about how this will play out, it has the potential to strand people on social assistance when they reach 65. We would like to see all age restrictions removed from social assistance so that it is available to meet people’s need regardless of age. At the very least, the Commission’s recommendations should acknowledge the potential effect of any changes to the OAS age of eligibility.

Chapter 6: First Nations and social assistance

We have chosen not to comment on the sections dealing with programs and services for First Nations people since we believe they are best equipped to determine what would meet their needs in direct consultation with government.

The only caveat we would put on that is that, as Ontario residents, they are entitled to receive health, education and social services of a level and quality equal to those provided to every other Ontario resident. “Equal level and quality” does not, however, mean that they must necessarily be the same.

When another level of government does not meet its obligations to First Nations people, it is incumbent on the provincial government to step in and ensure services are provided. The bill can be settled later on a government-to-government basis.

Chapter 7: How to provide ongoing input

Once this Review process is over and the new and improved income security program is in place and benefitting all Ontarians, the government should continue to involve residents in ongoing adjustments, modifications and improvements to the system in order to ensure it remains relevant and responsive. The new legislation should contain a process that the government would use for ongoing consultations with stakeholders. This cannot be the end.