Making Ontario a place where

everyone has the same opportunities ...

Submission to the Cabinet Committee on Poverty Reduction and Social Inclusion

Recommendations for the 2014 – 2018 Provincial

Poverty Reduction Strategy

Prepared by the Ottawa Poverty Reduction Network

in consultation with our community.

October 2013.

“I want Ontario to be a place where everyone has the same opportunities and I want people to have the support they need. That’s what equity means. It means we have to create the conditions that will allow everybody to have that level playing field. Where it’s not level, we need to raise the floor up a bit.” - Premier Kathleen Wynne

The Ottawa Poverty Reduction Network is presenting these recommendations to the Cabinet Poverty Reduction and Social Inclusion Committee on behalf of the Ottawa community.

The OPRN brings together community groups, agencies and individuals along with liaison representatives from various government departments to respond to poverty issues. The positions that we take are developed in collaboration with our partners and the community. While our main focus is provincial and municipal government activities, we also follow, in a limited way, federal government measures as they relate to poverty. In particular, for almost six years we have coordinated the community’s response to provincial poverty reduction efforts such as the current Poverty Reduction Strategy and the Social Assistance Review (SAR). We have responded to both municipal and provincial budget and policy initiatives that affect the low income community

With our community partners, we organized a forum in May of this year to examine the SAR Commission’s final report. The input gathered there has helped form these recommendations. In September and October, in collaboration with the Community Developers Network, we organized three forums on the development of the 2014-2018 Poverty Reduction Strategy. These were held in the east and west end of the city and in a rural community.

Although we attended the consultation organized by the Ministry of Children and Youth Services in August, we do not think that it was representative of the community or that the input gathered there was concrete enough to direct the development of a government initiative as significant as the Poverty Reduction Strategy. We are aware that there is a requirement to consult the community in this process and feel that the government-sponsored effort does not satisfy that requirement. Little notice was given to the community – a week’s notice in the summer is far from sufficient. In addition, after some prodding, the Ministry informed us that in order to have their bus fare and/or child care expenses reimbursed, low income people would have to submit a form to Toronto and then wait up to thirty days to receive their money back. For many people, this made attending that consultation an impossibility. Some people have questioned whether a Ministry that thinks that people living in poverty can wait a month without the money they would have paid out could possibly have the understanding of the realities and effects of poverty that are necessary to develop meaningful poverty reduction measures.

The committee of cabinet that oversees the Poverty Reduction Strategy is called the Cabinet Committee on Poverty Reduction and Social Inclusion. The consultations being held around the province are not inclusive and so we committed to the community that we would give them an opportunity to be heard. We would like to thank everyone who came to the forums or gave their input by phone or email.

Instead of using the questions prepared by the Ministry, we felt it would be more useful to develop concrete recommendations that would be measurable and tied to a timeframe. This will make it possible for both the community and the government to do short and long term planning as well as forming the basis for evaluation of the Strategy and its impact. Similarly, in order to have the Strategy reach the widest possible spectrum of low income Ontarians while at the same time being focussed enough to have the maximum impact, we are proposing recommendations that serve both demographic divisions and service categories. Our recommendations are divided into six topics: Target Populations, Administration, Income, Housing, Health, and Training/Education/Employment.

We are very mindful of the loss of purchasing power that has been experienced within the low-income community over the past twenty years. According to the Bank of Canada, a person would need $143.47 in 2013 to purchase a basket of goods that cost $100 in 1994. It is not only inflation that has eaten away at the spending power of low income Ontarians in the last twenty years. In 1995, devastating cuts were made to services and a 21.6% cut was made to some types of social assistance. These amounts have not only never been restored but, in fact, social assistance rates in some categories are at a *lower* dollar amount than they were in 1994.

*A single person on welfare in 1994 received $663 for basic needs and shelter and would need $951.23 to have the same purchasing power in 2013. That same individual would receive $626 now.*

*The Personal Needs Allowance (PNA) paid to people in shelters and other institutions was $112 in 1994 and the equivalent purchasing power would take $160.69 this year but the Allowance is $136.*

*A single mother with one child would receive $1,041 in assistance today, a far cry from the $1,262.50 she would have received in 1994 and an even more distant amount when compared to the $1,772.61 she would need to purchase the same goods now as her predecessor did in 1994.*

These examples demonstrate that it is imperative that the incomes of people on social assistance be increased so that recipients can put a roof over their heads and food on the table. Only then can they begin to participate fully in society. The cuts that were made to the community services that provide supports to the low income community have also never been fully restored so that the means to deal with life on a low income on the margins of society have themselves been crippled.

**NOTES**:

1. When we use the term ‘*disability*’, it is intended as an inclusive term that covers both mental and physical health.

2. When we use the term ‘*rural*’, it is intended to include areas of the province that, while they may be within the boundaries of a larger municipality, are rural in character. For example, the majority of the territory of the city of Ottawa is rural and the ability of residents in these areas to meet their needs is affected by the low population density, limited transportation options and distance to services and programs. For low income residents, particularly seniors and youth, these difficulties are multiplied by their lack of financial resources. In land-use terminology, these areas are referred to as ‘rural marginal’.

3. We have staged the timing of our recommendations over the five-year period of the Poverty Reduction Strategy for two reasons.

a) It will take some time for the government, in collaboration with its municipal partners and the community, to plan the programs and services envisioned in these recommendations. It is important that the necessary time and resources be devoted to the development and implementation of the various components to ensure their success. By focussing on specific items within set timeframes, the likelihood of success is increased.

b) There will be resources required, both financial and human, to implement the recommendations. While we believe that the costs of maintaining people in poverty are higher than providing them with the supports to improve their situation, there will be some upfront costs which will have to be found in the interim. We are giving the government some time to free up those initial dollars to invest in developing the human part of the province’s infrastructure – its people.

**Target Populations**

Should the PRS target specific demographic groups such as seniors, immigrants, single people, children, people with disabilities, rural residents, women, etc? (The 2009 – 2013 Strategy targeted children.) If yes, which group or groups should be targeted and how?

We believe that the Strategy should operate on two tracks and should contain measures aimed at both demographic groups and specific issues. It is important to reach as much of the low income population with remedial measures as possible. The relief of the poverty and suffering of one group should not be, explicitly or implicitly, placed above another. That being said, it is vital that the Poverty Reduction Strategy have some focus and direction. Otherwise, it would be impossible to plan appropriately or to dedicate enough resources to anyone to make a significant difference. Giving every low income person in Ontario $50 would relieve their poverty for a (very) short time but not have an ongoing effect. By directing resources towards particular groups or issues, it will be possible to eradicate the base of poverty and achieve long-term results. As people’s situations change for the better, the resources they were accessing will become available to be distributed through increased supports for others. This means that even those not directly targeted by the Strategy should see their lives improved.

When developing our recommendations, we were cognizant that different low income people experience poverty in very different ways and it is often not sufficient to look at just their demographic characteristics. For example, a senior living in a rural community without a vehicle may have the same income as a senior living in the city but the availability of public transportation means the city senior is better able to access services and programs. In addition, because the critical mass required to deliver a program is more easily achieved in the city, there will be a greater variety of services available in the city at, potentially, a lower cost.

It is also a fact that people can be members of more than one demographic group at any given time and that they may move between groups. A senior with a disability living in a rural community may be a widow raising her grandchild on a low income. The family income might improve if they move into a subsidized housing unit and receive coverage for medical expenses or the grandchild gets a part-time job.

As everyone is aware, children who live in poverty do not live there alone. The majority of them do not pay rent or buy groceries on their own. For this reason, we are recommending that ‘families’ rather than ‘children’ should be a target population.

**Recommendation 1**:

The Strategy should contain specific measures that will reduce the poverty rate, each year, of one of five specific groups by 5% per year over the five-year life of the Strategy.

New and improved programs and benefits would be developed that focus on each group during that one year period and which, once instituted, would be maintained. The groups would be people with disabilities (2014); rural residents (2015); low income singles (2016); seniors (2017) and families (2018). This means that, for example, initiatives that specifically support the rural population and permanently reduce the poverty rate in rural Ontario by 5% would be implemented in 2015 and would remain in effect indefinitely.

Picking target groups does not imply that one is more deserving of support than another. Instead it allows for a focus during the initial year on getting services and supports in place for that demographic. It allows governments, agencies and the community the opportunity to plan and coordinate their work which will lead to better results.

Because we already have a lot of research and information about the needs of people with disabilities and how to improve their situation, they would be the first group so that time is not lost getting this off the ground.

The depth and type of poverty experienced in rural communities is different from that in urban settings. It is increased by lack of access to services as a result of distances, spread-out populations and lack of transportation options.

Singles are often not eligible for community or government programs and services and have higher per capita costs for accommodation and food.

The numbers of seniors will increase dramatically in the coming years and it is important to have programs and services in place when that happens. With the coming changes to federal income programs for seniors, it will fall to the province to have supports available for low income seniors.

While children are deeply affected by poverty, poor children live in households that are living in poverty so any solutions have to deal with the whole family. The initial five-year plan focussed on children but did not eliminate child or family poverty.

**Administration**

How can the administration of provincial and municipal support programs, including income, training, benefits, etc., be redesigned to benefit people and be more responsive to their needs?

**Recommendation 1**:

While maintaining the delivery of current programs (OW, ODSP, Employment Ontario, etc.) as separate entities, integrate the administration of all income-related, personal support and training programs at the municipal level (2015).

Provide all staff with ongoing training so that they have a grounding in the other programs including eligibility criteria and how they operate.

By bringing all programs under one roof, you reduce running around for clients and allow the programs to work better together. The funds currently spent at the provincial level to operate these programs would be transferred to the municipality.

Through equalization grants, ensure that smaller municipalities are able to appropriately deliver the programs so that service levels and standards are equitable across Ontario (Ontario Municipal Partnership Fund).

Community programs that are now funded through the province and/or the municipality, e.g. ESL/FLS programs, would still be independent but would deal with only the municipal level. The provincial money now spent on administration and staff would be transferred to the municipality. If this generates savings, they will be invested into increased income supports.

A body needs to be set up to ensure the system is operating fairly for clients and the municipalities. We believe that this oversight function should be housed at OMSSA with representation from diverse groups including rural residents, people living with disabilities, large and small municipalities and the province.

**Recommendation 2**:

Effective July 1st, 2014, all decisions made regarding any benefit or allowance, whether mandatory or discretionary, should be made appealable including through both internal review and external processes. This would improve transparency and accountability.

**Income**

Where can changes be made that will have the most impact and support the largest number of Ontarians living in poverty?

**Recommendation 1**:

Increase the minimum wage by $1.00 per hour PLUS inflation every year for five years on July 1st of each year. This would bring the minimum wage to a living wage without creating difficulties for employers.

When wages are higher, there is reduced turnover of employees leading to lower training costs and employees have lower rates of illness and absenteeism, both of which reduce employer’s costs. Higher wages mean that people in the community have more money to spend in local businesses.

In order to ease the change, a tax credit should be created for small, locally-owned businesses (2015).

**Recommendation 2**:

Increase the Ontario Child Benefit by inflation PLUS $20 per month on July 1st each year for five years.

Continue eligibility for the OCB past 18 if the young person is in full-time school.

Raise the income level at which the OCB begins to be reduced from $20,000 to $30,000 plus $500 for each child in the family in 2014 and increase it by inflation annually.

**Recommendation 3**:

Increase the earnings exemption in 2014 and 2015 for all social assistance recipients by $25 per month for each dependent in the family. ‘Dependent’ includes spouse/partner and child(ren) plus any other person in the benefit unit.

Currently, the exemption is $200 per month regardless of family size and the earner retains 50% of every dollar after that. A person with a net income of $1000 would have an exemption of $200 and retain $400 for a total of $600 monthly plus their assistance cheque if they were a single person or were supporting a family of five.

Under our recommendation, the single person would still have the same $600 but the person with four dependents would have the base exemption of $200 plus an additional $100 ($25 x 4) in 2014 for a total of $700 and this would be raised in 2015 by another $25 per dependent giving them a total of $800.

**Recommendation 4**:

Redefine “earned income” to include income replacement programs such as WSIB, EI, LTD and CPP and use the net rather than the gross income to calculate deductions from Social Assistance (2015)

**Recommendation 5**:

Restructure social assistance rates so that the cheque has three basic components: shelter, nutrition and basic needs (July 2014). Shelter would include rent or mortgage, heat, electricity, water, home maintenance & repairs and the repair & replacement of furniture & appliances. Nutrition would cover basic food and household supplies and include allowances for items such as medically-prescribed diets and pregnancy diets. Basic needs would cover clothing, communication, transportation, recreation and education. Target amounts for each part of the cheque would be determined in 2014 and a schedule for implementation developed with inflation added annually on July 1st.

The rent or mortgage amount would be based on 80% of the CMHC average rent for a unit of an appropriate size for the benefit unit in their particular community. The basic food amount would be set by the Nutritious Food Basket determined by the local Health Unit in each community based on the family size. The basic needs amount would be determined based on a basket of goods established in consultation with the OPRN and other anti-poverty groups. The implementation schedule would be set up so that the increases will be phased in over five years.

**Recommendation 6**:

Develop a handbook specific to each municipality detailing all low-income federal, provincial and municipal support programs, whether financial or in-kind, in that community that would be available to low income individuals and community agencies both in print and electronically. This would need to be regularly updated.

Provide regular training on community resources and government programs to all front-line staff in government offices.

Offer regular information sessions on government programs and resources to front-line staff in community agencies and organizations.

**Recommendation 7**:

While these measures will improve the incomes of low income Ontarians, care needs to be taken to ensure that the increases are not taxed back through increases in rent, child care fees, taxes and other government charges. Through ‘bracket creep’, it is possible for an individual to see an increase in gross income actually result in less net income because other increases in expenses are tied to gross rather than net income.

**Health**

What, besides increasing their incomes, would improve the health of low-income Ontarians and increase their quality of life?

**Recommendation 1**:

Cap the co-pay on the Ontario Drug Benefit (ODB) program at $10 per month (2014) so that people with multiple prescriptions can still afford to purchase their medications and also eat.

Extend ODB eligibility to the working poor (2016).

Remove the co-pay on the Trillium Drug Program (2015).

**Recommendation 2**:

Provide medically-required supplemental nutrition requirements through the Special Diet Allowance (SDA) to all social assistance recipients and all low-income seniors according to the pre-2009 formulary and the subsequent additions to the formulary with eligibility based on a doctor’s prescription (2014).

Extend the SDA to all low-income residents (2017).

If there are concerns about the legitimacy of a request, require a second opinion.

**Recommendation 3**:

Provide preventative and restorative dental care to all low-income children (2014); all social assistance recipients (2015); all working poor (2016); and all low-income seniors (2017).

**Recommendation 4**:

Develop a vision care program for the working poor and children (2015) and extend it to all low income Ontarians (2018).

**Recommendation 5**:

Develop a program to provide medical necessities such as assistive devices, hospital beds, at-home medical equipment and basic at-home medical supplies such as diabetic supplies, bath aids, ostomy supplies, incontinence supplies, etc. to the working poor (2016) and to all low income Ontarians (2018).

**Recommendation 6**:

Restore all items cut from EHSS in recent budgets as well as cuts made to discretionary health benefits (2014). Restore OHIP physiotherapy coverage for seniors to pre-2010 levels (2015).

**Housing**

What measures, other than increasing their incomes, would improve the housing situation of low-income Ontarians?

Housing programs should start from the position that residents are better left in their own community wherever possible. This applies particularly to seniors but also to other residents. What this requires is a coordinated and holistic response between housing providers and the other services and supports that a person needs, both in the development of the housing and on an ongoing basis, to provide a seamless continuum of care.

**Recommendation 1**:

Create an infrastructure program that invests in housing and creates jobs.

Provide $180M per year for five years to construct 1500 units of social housing across Ontario with 33% of the units for housing with supports; 33% for accessible units; and 25% to rural/rural marginal communities.

If this is matched by the federal and municipal levels, 4500 units of housing will be created. The important thing is to build the provincial portion regardless of what other governments do. This will generate economic activity across the province and provide savings as people’s personal situations improve and they rely less on other supports (medical, counselling, emergency services, etc.).

Provide $20M per year for five years to repair and retrofit existing housing units with 60% going to social housing and 40% to private housing, both owner-occupied and rental.

**Recommendation 2**:

Set the rent in all social housing at 30% of net household income regardless of source of income effective July 2015 for tenants not receiving social assistance and July 2017 for those receiving assistance.

**Recommendation 3**:

Restructure housing with supports so that the supports are tied to the person, not the housing (2015).

Transfer responsibility and funding for all medically-necessary supports and services to the Ministry of Health and Long-Term Care (2016).

**Training/Education/Employment**

How can the government support people to obtain and maintain employment? How can the government encourage and support businesses to hire, train and accommodate low-income residents and people with disabilities for long-term employment that provides a decent livelihood?

**Recommendation 1**:

Provide incentives to employers through forgivable loans, grants or tax relief to hire and/or train and/or accommodate low-income Ontarians living with a disability and social assistance recipients for permanent positions (2015).

A loan would be forgiven in three stages after an individual had been employed for a period of time – 50% after one year and 25% at the end of the second and third year. It would not be necessary for the individual to be employed at the same employer for the whole three years. If the individual is unable to maintain employment for the three years due to medical or other valid reasons but had reasonably been expected at the outset to be able to do so, the employer would not be penalized but would have the loan(s) forgiven.

**Recommendation 2**:

Introduce a voluntary participation agreement for all social assistance recipients that provides tangible supports such as childcare, income supplements, training expenses, clothes, disability-related expenses, transportation, etc., for training, school, volunteer work, job entry & employment maintenance (2014).

People would receive the same benefits whether they were involved in paid or volunteer work. In both cases, expenses and hours worked would be taken into account.

Included would be the continuation of non-monetary benefits such as health, vision and dental care for one year after the participant is no longer receiving the basic needs and shelter allowance when these benefits are not available through the employer (2015). In special circumstances, it would be possible to extend benefits for longer than one year.

**Recommendation 3**:

Through the Ontario Student Assistance Program (OSAP), provide financial or in-kind supports to cover living expenses, childcare, transportation, tuition, books and related expenses for students from families living below the Low Income Cut-Offs (LICO) in the form of 50% grants and 50% forgivable loans for the first four years of post-secondary study (Sept 2014).

As family income increases, the forgivable loan portion would decrease on a sliding scale and become a repayable loan. Grants and forgivable loans for the second to fourth year of study would be dependent on the successful completion of the previous year. For students who have a disability or other extenuating circumstances, the time period could be extended to allow for reduced course loads as required to complete the equivalent of four years of study.

To encourage students from low income families to enter professional programs, forgivable loans should be available for 50% of their living expenses, childcare, transportation, tuition, books and related expenses. Grants and repayable loans should each be available for 25% of those costs.

**Recommendation 4**:

Child care allowances should be provided to all low income parents who are involved in training programs, attending school or employed (2017).

It is important to remember that many unpoverty measures have a side effect of saving governments money but it is vital to recognize that the goal of this exercise is to improve people’s lives by lifting them out of poverty and ensuring that they never return there. Poverty is not a nice place to visit, no matter how briefly, and you definitely wouldn’t want to live there. We can ensure that fellow Ontarians stop having that experience. An investment of time, humanity and resources by the government and the people of Ontario can make that happen. We are paying for poverty now in so many ways – it’s time to turn that around.