



# Municipal Perspective on Social Assistance Reform 2018

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Submission to Ontario Ministry of Children, Community and Social Services

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AMO is supportive of government efforts to reduce poverty and achieve greater overall affordability for the people of Ontario. An essential building block to help achieve this is to have a modern, responsive, effective and cost-efficient social assistance system. There is an opportunity to invest in peoples' well-being by reforming social assistance into a program that focuses more on front-line worker support so clients are able to improve their quality of life and find employment. In Ontario, forty-seven Consolidated Municipal Service Managers (CMSMs) and District Social Service Administration Boards (DSSABs) are on the front lines co-funding and managing the delivery of social assistance and employment services to low-income Ontarians. This submission provides AMO's thoughts on social assistance, informed by municipal perspectives from across the province.

### **Guiding Principles for Reform:**

From a municipal perspective, relevant principles to guide the reform of social assistance in a manner that will both meet client needs and respect the taxpayer are:

- (i) Adopt a people-centred approach to get results for individuals and families, rather than meet the needs of the program or system.
- (ii) Allow local flexibility to foster innovation and achieve efficiencies, as 'one size fits all' approaches are not effective and will not achieve the desired results for people.
- (iii) Changes should not result in new unfunded mandates for municipal governments with additional cost to property tax payers.

### **Context for Reform:**

When exploring options for reform, it is important to consider changes that are appropriate and responsive within the context of both government and the people served by social assistance. Concerning government, there is a common provincial and municipal operating context of fiscal and capacity pressures. In order to achieve the best possible results for people from reform, the ministry should consider co-developing a framework with the AMO to identify and understand the scope and impact of all proposed changes against municipal and provincial capacity through the initial phase through to full reform.

Reform must also take the reality of the clients that we serve into account. Over the years, Consolidated Municipal Service Managers (CMSMs) and District Social Service Administration Boards (DSSABs) have witnessed the changing demographics and needs of people. Many clients are presenting with increasingly complex needs and some have barriers such as mental health and/or addictions. While some clients are employment ready and can be helped with short-term employment and training supports to re-enter the job market quickly, others are far distant from meaningful labour market participation.

As a result, it is leading to longer lengths of stay on social assistance and the need for more intensive case management support to get and keep them employed and/or socially connected. Ontario Works has become an employment program for some and a social support program for others that moves them along the continuum of employment and quality of life. A seamless transition to ODSP for many is more appropriate than reliance on Ontario Works.

Current employment conditions are also a relevant factor to consider. Low and middle-income people are struggling in a labour market characterized by instability, less job security and

precarious employment. This translates into more people coming on and off Ontario Works, or still relying on social assistance while working. Developments affecting the need for social assistance may be on the horizon with new disrupting technologies, artificial intelligence, robotics and automation on the rise. This changing nature of work may affect employment rates in the short or long-term and limit the transition for people to paid jobs in a tight labour market. It also speaks to the need to re-consider the suite of current provincial and municipal employment services and training programs.

### **Recommendations:**

To create a modern, responsive, effective and efficient system that serves the needs of both low-income people and the communities that they live in, AMO puts forward the following recommendations for consideration by the provincial government:

#### **1. Streamline and Reduce the Rules to Make the System Easier to Navigate and Simpler to Administer**

Streamlining and reducing eligibility conditions and rules will make the system simpler for clients to navigate and easier for CMSMs and DSSABs to administer. It would result in spending more time on front-line service, rather than administration, in a more people-centred approach focused on client outcomes. The vast number of rules, often complex, results in clients spending significant amounts of time demonstrating their eligibility. Simplifying rules will free time up for recipients. These clients can then use this time to obtain training and employment. This accompanied by a modernized and business-like approach to service delivery will yield better results. The programs needs resources and client engagement on the front-end that is trust based. Continuing efforts of Human Services Integration can help clients seamlessly interact with other income security programs such as child care and housing supports.

#### **2. Reduce Administration to Contain Costs and Shift Resources to Frontline Service**

Reducing administration has the potential to contain costs as well as shift resources to more front-line client service. This is achievable in a number of ways including addressing the myriad, complex web of rules and minimizing reporting requirements for both clients and municipal delivery agents to only those necessary to demonstrate accountability. The ministry should continue to work with CMSMs and DSSABs to modernize service delivery by leveraging new technology and creating new service delivery channels. This will achieve efficiencies in program administration.

#### **3. Strengthen Program Integrity and Accountability to Demonstrate Outcomes**

A key pillar of reform already underway includes strengthening program integrity and accountability. The development of a modern oversight regime that effectively supports the achievement of program outcomes is welcome. A focus on results rather than measuring outputs under a new framework based on a risk managed compliance approach makes sense. This will ensure strong working relationships between CMSMs, DSSABs and the ministry. Performance

measurement and benchmarking data will help to improve the overall functioning of the system. Improvements to SAMS to improve the production of good quality data is also part of the solution.

#### **4. Create Paths to Employment to Decrease Reliance on Social Assistance**

Creating better pathways to employment through benefit incentives and employment supports will help clients to re-enter the workforce with the potential to decrease reliance on social assistance. This could include, for example, increased earning exemptions. These not only enable clients to continue their employment, it also supports the economy as it increases spending as people participate in the economy as consumers of goods and services. They also pay taxes. Another incentive is moving of some aspects of assistance such as health benefits outside of the social assistance system. In doing so, low-income working adults could access these benefits for themselves and their families without becoming a social assistance recipient. Further, ways to help applicants to maintain their jobs through employment support benefits outside of social assistance could reduce the need for people to need to apply for ongoing benefits.

Often people think of Ontario Works as primarily a financial assistance program. A paradigm shift is needed that places finding employment upfront. Financial assistance is the temporary bridge to employment supports and improved quality of life. Too often, the program steers front-line workers toward the financial assistance. The myriad of complex financial eligibility rules drive focus and relationship between staff and clients away from productive employment conversations.

Reforms to social assistance, accompanied by employment services changes, will yield better employment outcomes. Transforming employment and training services could improve the cost effectiveness and efficacy of employment programs for both job seekers and employers. The goal is to find the most effective way to supply the job market with trained, skilled up resources. More integration of employment services provided by Ontario Works, the Ontario Disability Support Program, and Employment Ontario would increase effectiveness and achieve efficiencies. This will require a multi-ministry effort working with the municipal sector.

The government should consider the following options:

- Continue efforts to target more Employment Ontario services to serve clients with multiple barriers that are distant from the labour market.
- Implement the Common Assessment tool for all employment services so front-line workers can assess clients' individual strengths and challenges and help connect them to the right supports.
- Leverage municipal expertise, knowledge of local labour market conditions and engagement with employers to facilitate labour force and economic development in communities by re-examining the municipal roles in employment and training services and consider options along a continuum as follows:
  - Establish formal mechanisms for CMSMs and DSSABs to jointly plan with the Province on the range and type of employment and training service offerings in communities that

meet the needs of job seekers and employers within the context of local labour market conditions.

- Provide opportunity for interested CMSMs and DSSABS to become Employment Ontario service deliverers if they so choose. Where these interested CMSMs and DSSABS act as Employment Ontario service deliverers, the provincial and federal funding should cover 100% of the actual cost of service delivery.
- Provide opportunity for interested CMSMs and DSSABS to assume a role to direct the delivery of provincially funded employment and training services in a way that meets the needs of job seekers and employers within the context of the local labour market. This would involve an exploration of a municipal service system management role for employment and training services based on local choice. This would not cost the province or municipal governments anything and may well achieve greater efficiencies in addition to more effective service planning for communities. It could work if paid for 100% with a transfer of administrative resources from the Province (i.e. transfer of federal-provincial funds from the labour market agreements to CMSMs and DSSABS).

## **5. Support People with Mental Health and Addictions to Access Services**

Clients presenting with mental health and addictions often experience challenges accessing services and maintaining the eligibility conditions, including seeking employment. Some are very distant from meaningful labour market participation. Employment is a long-term goal, if at all. Life stabilization for individuals is a positive outcome for these individuals. The ministry should consider recognizing this reality in a reformed social assistance program and work to find ways to make seamless transitions to ODSP where appropriate.

CMSMs and DSSABS do not have a role in providing mental health and addiction treatment services. However, front-line staff are often the first point of contact for people presenting with a need for treatment and/or rehabilitation services. Many CMSMs and DSSABS have stepped in to fill the gap where provincial services are lacking. There are some CMSMs and DSSABS that operate mental health programs in an integrated partnership with community agencies and/or the LHIN. While it is appropriate that municipal governments respond by modifying services and seeking out effective partnerships, the health and treatment services that these residents need requires funding from the provincial government, as healthcare is an area of provincial jurisdiction. Supportive housing is also part of the solution. In certain cases, it could help those to maintain their employment with the right supports in place.

Without these supports in place, it makes the job harder to help social assistance recipients to stabilize their lives and get on the path to employment. Conversation about addressing mental health and addictions can determine the appropriate and adequate provincial and municipal roles. The ministry has the opportunity to consider this within the context of the government's overall plan to address mental health and addictions.

## **6. Support People with Disabilities to Live to their Full Potential**

Ontarians with disabilities deserve adequate income and employment supports to meet their complex needs and to live to their full potential. Previous reviews over the years have suggested that there are benefits of merging the municipal Ontario Works program and the provincial Ontario Disability Support Program into a single, unified program delivered by municipal government and DSSABs. We do not recommend it at this time. It would detract from being able to get more immediate results in reforming social assistance.

If under consideration, it needs cost-benefit analysis, detailed planning and a full consultation with CMSM councils and DSSAB boards before any final decisions. There would be major implications for municipal roles and responsibilities. It would also involve complex labour relations negotiations over a long time if directed by the government. Given the timing of the review in the lead up to the municipal election, local municipal councils and DSSAB boards have not had the ability to submit formal positions about whether they are able to consider this possibility or not. Consultation, careful consideration, detailed planning before any merger is contemplated is needed.

Municipal property tax payers cannot afford a transfer of the province's financial obligations for disability income support. It is not fair or appropriate. The provincial income tax base is the appropriate funding source. Even if Ontario moves to a single program with 100% provincial funding, it will be critical that the range of appropriate and sufficient supports is available to support employment programs for persons with disabilities. If we fall short in this area, the problems will be significant, beyond local capacity to manage and will not achieve the intended purpose.

One potential option to consider is an Assured Income Support program delivered for persons with disabilities as is practiced in other jurisdictions, such as the Province of Alberta. Alternately, working with the federal government to explore what a National Disability program might look like over the long-term may be another option. There is very little difference in the ODSP and CPP-Disability program design. All options should be on the table.

## **7. Pursue Broader Income Security Reforms and Infrastructure Priorities to Achieve Greater Affordability for People**

Reforming social assistance cannot happen in isolation without providing other income supports that help reduce the cost of living and maintain employment so people who are living on low incomes can get jobs and stay off social assistance or not come on in the first place. Without this broader support, the risk is people cycling on and off the system. We therefore recommend a "whole of government" approach. This will achieve a greater return on investment. As a complimentary measure to social assistance changes, the government is encouraged to look next to broader income security reform. For example, reforming affordable social housing, child care and health benefits.

Helping clients on social assistance as well as all other low income people break the cycle of poverty also needs a supportive community infrastructure that improves the quality of life for residents. The government is also encouraged to continue consideration of a broad spectrum of priorities for government expenditures and complimenting the need for changes to social assistance with other

supportive infrastructure investments that improve the quality of lives of residents. This could include, but not limited to, community transportation and transit; recreation facilities; affordable housing stock; and, meeting the accessibility needs of persons with disabilities.

#### **8. Provide Adequate Benefits to Reduce Poverty and Increase Affordability in Communities**

To effectively reduce poverty and address the overall affordability of the necessities of life, the Province should consider benefit levels that are adequate to reduce poverty and indexed to inflation annually.