

May 14, 2021

## Social Assistance: Change to the Municipal Delivery Role

### ISSUE:

The provincial government, in partnership with municipal governments and District Social Service Administration Boards (DSSABs), is taking steps to implement a new vision for Social Assistance Recovery and Renewal. This will involve a significant functional realignment of the provincial and municipal delivery roles. AMO is supportive of the proposed transformation with the right conditions in place and committed to working to co-design the new social assistance program.

### BACKGROUND:

On February 11, 2021, the provincial government [released](#) a [paper](#) outlining a transformative vision for social assistance. The vision statement is:

“To create an efficient, effective and streamlined social services system that focuses on people, providing them with a range of services and supports to respond to their unique needs and address barriers to success so they can move towards employment and independence.”

To realize the new vision, this government will undertake a significant functional realignment of the provincial and municipal social assistance delivery roles. A new division of labour will see the Province assuming primary responsibility for the financial assistance administration function. Municipal governments will focus frontline caseworkers to work with people to meet their life stabilization needs and help them navigate to community and health services available to them. Employment services will be delivered by third party service system managers through the Employment Ontario network.

The Province and municipal service managers are also pursuing a broader vision of human services integration at the local level. To achieve the vision of a connected human services system providing Ontarians with the right services at the right time, the Province is developing a strategy to advance opportunities for integration across municipal human services (e.g., social assistance, housing, child care).

See the government placemat [government placemat](#) for a summary of the high-level changes and timelines. Changes to social assistance will be phased in between 2022 and 2024.

Legislative and regulatory changes are required to enable the implementation primarily by designating a new service delivery role for the Province and municipal service managers. Considering the new realignment of roles and responsibilities, a new funding formula for Ontario Works program administration will be developed. Under the legislative amendments, changes to the current 50-50 program administration cost-sharing are not proposed. The Province will continue to pay 100% for the cost of income support benefits. The Province, municipalities, and

DSSABs will co-design a new funding and accountability model as part of new social assistance program design.

As a first step, the government has introduced a legislative framework for the new vision through proposed amendments to the *Ontario Works Act*. These changes are contained in *Bill 276, Supporting Recovery and Competitiveness Act, 2021*. For the changes, see [Schedule 21](#) of the Bill. They are also summarized in the [government's placemat](#). The Bill has passed Second Debate and is currently before the Standing Committee on General Government. Hearings will occur in mid-May to consider any further amendments to the legislation. AMO provided a submission to the Committee that did not propose any further amendments. If the schedule of the Bill is passed by the legislature, then further details will be worked out in regulation.

## **ANALYSIS:**

AMO is supportive of the new vision if it does not increase municipal costs.

Transformation of social assistance is timely for economic and social recovery. The impact of COVID-19 has made it necessary to find better ways of serving people. It has opened eyes to new approaches and models. The new vision for service delivery should result in better service for residents and communities, with an aim of making them more prosperous and healthier. Creating pathways to greater independence and employment through life stabilization casework will improve quality of life outcomes for people, contribute to reducing poverty, and help achieve workforce development goals for communities.

Municipal governments are well positioned to provide integrated human services to people while the Ontario government is the appropriate primary funder for provincial income support programs. AMO is pleased with the commitment by the government to co-design social assistance transformation in ways that meet the needs of communities and protects municipal governments from increasing social assistance costs.

At the same time, AMO will continue to work with the government to consider additional measures to reduce poverty and help people afford their housing. This could be funded by reinvesting some of the realized program savings into raising benefit rates and indexing to inflation on an annual basis.

Ways should also be sought to eventually decrease and simplify the 800+ rules governing social assistance financial eligibility to make it easier for people to stabilize their lives and focus on employment, rather than meeting numerous complex requirements for eligibility.

Lastly, the government is encouraged to adopt a social determinants of health approach across government and support the non-profit community sector to provide health and social services that are essential for life stabilization, including supportive housing and, mental health and addictions services.

AMO will be involved with the government in the ongoing development of policy, regulation, and funding decisions to successfully implement the vision.

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