Committee Report

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<th>To:</th>
<th>Warden Halliday and Members of Grey County Council</th>
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<tr>
<td>Committee Date:</td>
<td>February 8, 2018</td>
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<tr>
<td>Subject / Report No:</td>
<td>SSR-CW-05-18</td>
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<tr>
<td>Title:</td>
<td>Income Security: A Roadmap for Change</td>
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<td>Prepared by:</td>
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<td>Lower Tier(s) Affected:</td>
<td>County wide</td>
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<td>Status:</td>
<td>Recommendation adopted by Committee as presented per Resolution CW50-18;</td>
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Recommendation


Executive Summary

The Ontario government has acknowledged a need to fundamentally reform the income security system and this includes the transformation and modernization of Social Assistance. Working groups on Income Security Reform and First Nations Income Security Reform came together in 2016 with overarching goals to invest in people, address adequacy and recognize the experience of Indigenous people. The results of their work were documented in the report Income Security: A Roadmap for Change.

The Roadmap includes 20 detailed recommendations that will steer fundamental changes to the system with specific advice to government to help guide decision making. Most notable to the delivery of Social Services in Grey County are recommendations related to:

- Achieving Income Adequacy
- Engaging the Whole Income Security System
- Transforming Social Assistance
- Helping those in Deepest Poverty

The Roadmap recommends major investments in and improvements to programs that affect the lives of low-income people in Ontario. It reflects a different approach to supports and services that puts people at the centre of the system. The complete Roadmap for Change with detailed recommendations can be read at Income Security: A Roadmap for Change
Background and Discussion

The Roadmap for Change is meant to be read in its entirety as much time and effort was made to provide cross sector recommendations and a holistic approach to change. For the purpose of this update, highlights will only include recommendations most affecting changes to social assistance over the next 10 years. Notable recommendations include:

Achieving Income Adequacy

The Roadmap recommends that government make a commitment to providing low-income people in Ontario with incomes that are adequate, by adopting a Minimum Income Standard over the next 10 years.

- Set the Minimum Income Standard initially at the Low Income Measure (LIM), currently about $22,000 for a single person with 30% more for people with disabilities. If your income is below the LIM number, it means your income is not adequate.

The recommendation means that the government would commit to making investments into both social assistance rates and other benefits, in order to bring everyone up at least to these amounts.

Engaging the Whole Income Security System

Programs need to work together across the entire income security system to help low-income people achieve economic and social inclusion.

- Introduce a portable housing benefit to assist all low-income people with the high cost of housing, whether or not they receive social assistance. This benefit would pay for a portion of the “affordability gap” between their actual rent and what an affordable rent would be relative to their income. If rent is more than 30% of income, there is an “affordability gap”. The Roadmap recommends creating a housing benefit in the next two years that would initially cover 25% of the gap and increase over the next 10 years.
- Make essential health benefits available to all low-income people, beginning with ensuring those in deepest poverty have access to the services they need.
- Move income support for children outside of social assistance so all low income families can benefit.

Transforming Social Assistance

Implement significant legislative changes to simplify rules and help people overcome barriers.

- Change the legislative framework for social assistance programs to set the foundation for a culture of trust, collaboration and problem-solving.
- Redesign the social assistance rate structure so that all adults have access to a consistent level of support that does not distinguish between basic needs and shelter, e.g. Flat rate depending on whether single or couple.
- Implement a First Nations based approach which reflects traditional values and offers a range of services ensuring physical, spiritual, mental and emotional well-being.
- Improve social assistance rules and redesign benefits to make it easier for people to pursue their employment goals and realize the benefits of working.
- Modernize income and asset rules so people can maximize the income sources available to them and save for the future.
- Maintain and strengthen Ontario Disability Support Program as a distinct program for people with disabilities and co-design an “assured income” approach.

Helping those in Deepest Poverty

The Roadmap recommends an immediate, significant increase to social assistance rates, because this is the most immediate way to make progress towards economic inclusion. The recommended increases are:

- Create a flat rate structure immediately to improve the incomes of those receiving less than the base benefit rates (see above).
- Set the OW Standard Flat Rate at $794 / month (a 10% increase) and the ODSP Standard Flat Rate at $1,209 / month (a 5% increase) starting in Fall 2017.
- Increase the OW flat rate by 7% and the ODSP flat rate by 5% in 2018.
- Increase the OW flat rate by 5% and the ODSP flat rate by 5% in 2019.

The current Social Assistance system is rule based and complex stemming from the Ontario Works and ODSP legislative framework. The report indicates that it emphasizes the “wrong priorities” and does not reflect the challenges for people with multiple barriers and little opportunity for sustainable employment.

Local Implications

Improvements as a result of the Poverty Reduction Strategy have seen increased child benefits, more health benefits available outside of Social Assistance and significant changes to assets and income exemptions. In Grey County the caseload composition has changed as a result and many of the concerns in the Roadmap are reflected in our statistics.

<table>
<thead>
<tr>
<th>Caseload Composition</th>
<th>2007</th>
<th>2017</th>
<th>Impact</th>
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<tr>
<td>Average # of months on Assistance</td>
<td>18.6</td>
<td>33.73</td>
<td>15.13</td>
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<tr>
<td>Percentage of Sole Support Parents</td>
<td>41</td>
<td>28</td>
<td>-13%</td>
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<tr>
<td>Percentage of caseload with earnings</td>
<td>17.06</td>
<td>21.05</td>
<td>4%</td>
</tr>
<tr>
<td>Ontario Works Caseload(benefit units)</td>
<td>873</td>
<td>1324</td>
<td>51.66%</td>
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Planning is occurring within the Social Services department to determine how to best serve our changing client base and support clients that are employed. Changes in legislation that may decrease administrative functions and promote a culture of “respect, collaboration, support and autonomy” would support our current vision of being a person-centered operation and allow staff more time to spend being collaborators and assist vulnerable clients with meeting longer term goals.

Legal and Legislated Requirements

Changes to the Ontario Works Act and Ontario Disability are expected by the Fall of 2018. The extent of changes is not known at this time.

Financial and Resource Implications

The financial impact is unknown at this time at the local level. In 2018 the Ontario Works program will be funded 100% provincially, therefore it is projected this would have minimal financial impact at the local level. The ministry will be procuring a third party to undertake a review of the Ontario Works Program Delivery Funding Model with completion expected by Fall 2018.

Relevant Consultation

- Internal
  - Grey County Housing if impacted by Portable Housing benefit implemented
  - Finance department regarding impacts review of Ontario Works Program Delivery Funding Model

- External
  - Poverty Task Force

Appendices and Attachments

**Income Security: A Roadmap for Change**

Presentation Slides on Income Security and Ontario’s Roadmap for Change prepared by Anna Cain, Director – Ontario Works Branch, Ministry of Community and Social Services

Respectfully submitted by,

Barb Fedy, Director of Social Services

Melissa McCulloch, Ontario Works Manager

SSR-CW-05-18 February 8, 2018
FEDERAL AND PROVINCIAL INCOME SECURITY BENEFITS PROVIDED TO ONTARIANS ($ MILLIONS)

- Employment Insurance: $5,478
- Ontario Tax Credits, primarily Trillium Tax Benefits: $2,675
- GAINS: $127
- Ontario Works and ODSP (including health benefits): $8,522
- Workplace Safety and Insurance Board Benefits: $2,252
- Ontario Children's Benefits: $1,689
- Federal Children's Benefits: $7,210
- Canada Pension Plan: $18,434
- GST Credit: $1,706
- Working Income Tax Benefit: $466
- OAS (Including GIS & Spouse's Allowance): $17,142
WHY THIS MATTERS - THE PROBLEM

- The income security system was designed for the workforce of the past, where many people had long-term, well-paying jobs.

- Today, low-paying, part-time jobs of short duration are much more common.

- Many people have long-standing barriers to work and social inclusion due to:
  - intergenerational poverty
  - history of colonialism
  - mental health and addiction issues.

- More people turn to social assistance as a “first resort” despite the limitations of these programs.
WHY THIS MATTERS - THE HUMAN TOLL

- Essential needs are increasingly out of reach for many people.
- It’s harder for people to climb out of poverty.
- More people have disabilities and are facing barriers to employment and social inclusion and higher costs of living.
- Poverty and low-income are negatively impacting people’s health and well-being.
- Systemic racism and discrimination are contributing to entrenched inequity.
THE COST OF INACTION

Poverty is expensive and costs us all.

In 2008, it was estimated that poverty costs $32 to $38 billion a year in Ontario — around $2,300 a year for every household in the province.

The cost of inaction is high.

The status quo is not free. It comes with a high price tag and worse outcomes for people living in poverty. Investing in a fair society requires moving people out of poverty as well as preventing people from falling into poverty in the first place.

Ontario has taken steps to combat poverty through the Poverty Reduction Strategy as well as efforts aimed at ending homelessness and forging a new relationship with Indigenous peoples through reconciliation.

Income security is a thread that connects all of these efforts to address poverty in Ontario.
CREATING A ROADMAP FOR CHANGE

- Ontario government tasked three Working Groups to examine the income security system and make recommendations on improvements
- A multi-year plan
- Identifies the steps needed to reach a modern, responsive and effective system
- Help those most affected by poverty
- Keep others from falling into poverty
- Improve our overall prosperity
INCOME SECURITY: FUTURE STATE

Social and Economic Inclusion

- Essential Health Needs
- Effective Safety Net
- Help Raising Children
- Employment Support
- Support for People with Disabilities
- A Safe Home
INCOME SECURITY: GUIDING PRINCIPLES

Adequacy - Rights - Reconciliation - Access to Services

Economic and Social Inclusion - Equity and Fairness - Sustainability - Respect and Dignity
THE ROADMAP TO CHANGE – RECOMMENDATIONS

- The roadmap includes 98 recommendations, which provide a priority sequence with a focus on the first three years.
- Some of the key areas for reform and notable recommendations include:

**Achieving Income Adequacy**
- The Province should publicly commit to a **Minimum Income Standard** that will be achieved over a 10-year period (by 2027–28).
- Established at PRS Low-Income Measure (LIM) (PRS LIM-50, plus an additional 30% for persons with a disability)

**Engaging the Whole Income Security System**
- Introduce a **housing benefit** to assist all low-income people with the high cost of housing.
- Create a **supplement to the Ontario Child Benefit** for the lowest income families as social assistance rate structure is redesigned.
- Make **essential health benefits** available to all low-income people, beginning with ensuring those in deepest poverty have access to the services they need.
THE ROADMAP TO CHANGE – RECOMMENDATIONS

Transforming Social Assistance

- Redesign the social assistance rate structure so that all adults have access to a consistent level of support regardless of living situation.
- Introduce an approach to serving people receiving social assistance that promotes a culture of trust, collaboration and problem-solving as a priority.
- Maintain and strengthen Ontario Disability Support Program as a distinct program for people with disabilities and co-design an “assured income” approach.

Helping Those in Deepest Poverty

- Immediately increase the income support available through social assistance as a readily available means for early progress towards adequacy.
- Over the next three years implement the following rate increases:
  
  **Ontario Works**
  - 10% (2018-19)
  - 7% (2019-20)
  - 5% (2020-21)

  **ODSP**
  - 5% (2018-19)
  - 5% (2019-20)
  - 5% (2020-21)
THE ROADMAP TO CHANGE – RECOMMENDATIONS

Indigenous and First Nations

- Take steps to ensure that social services are ultimately controlled by, determined by and specific to First Nations.
- Broaden program outcomes to encompass social inclusion.
- Simplify processes and provide tools for a more holistic, individualized approach that offers wrap-around services.
- Programs, services and supports provided through social assistance should better reflect the realities of living within First Nations communities.
THE ROADMAP TO CHANGE – SEQUENCING REFORM

- The reforms recommended in the Roadmap are designed to be phased-in over time to allow for planning and design with partners and experts and based on “lessons learned”.

- Some changes should be tested in advance, so adjustments can be made prior to broad implementation.

- Actions in the first three years are designed to target those most in need and build momentum for further change.

- Many of the reforms will require ongoing dialogue with people affected by change, front-line workers, service managers and delivery partners, advocates, Indigenous peoples and organizations, and other experts.
THE ROADMAP TO CHANGE – WHERE IT LEADS

**Outcomes for Individuals**

- People have greater control over their own lives.
- They are able to meet their essential needs.
- They find it easier to use the system and connect to the supports and services they need.
- They are empowered and equipped to better achieve personal success.
- They have improved sense of personal agency, respect and dignity.
- They have greater social and economic inclusion.
THE ROADMAP TO CHANGE – WHERE IT LEADS

Outcomes for the System

• Supports and services are modern, effective, responsive and sustainable.

• Supports and services are delivered efficiently, with improved transparency.

• Supports and services are accessible and respectful — reducing barriers that do not support people’s abilities, capacities or goals.

• The system is simpler and less confusing.

• The system is more flexible and better able to adapt to people’s diverse and changing needs.

• The system recognizes the value of early intervention.

• Front-line staff and delivery partners are empowered to make a positive difference in people’s lives.
THE ROADMAP TO CHANGE: WHAT’S NEXT?

- The Roadmap has been posted online at ontario.ca/incomesecurity
- There is a 60-day period for the public to provide feedback online
- The government will be developing a multi-year plan for income security in early 2018 that draws on the Roadmap and its recommendations
SA IMPROVEMENTS

- SA program improvements and other system changes in recent years support the guiding principles of the Roadmap, including:
  
  - Targeted rate increases for Ontario Works singles ($100 increase in BN for singles) and people with disabilities
  - Increases to asset limits under both programs (From $2500 to $10,000 for singles on Ontario Works)
  - Changes to the treatment of gifts and voluntary payments ($10,000 per year fully exempt as income, funds used to purchase primary residence, exempt vehicle or first and last month’s rent exempt as assets)
  - Exemption of child support payments and all federal child benefits
  - Individuals are no longer required to “prove” their disability twice — if they have been deemed eligible for ministry-funded adult developmental services they do not have to verify their disability to qualify for ODSP
  - Simplified and streamlined ODSP medical review process
  
  - Development of SA modernization strategy — multiple initiatives, including:
    
    - Simplified and streamlined aspects of service delivery (e.g., reloadable payment card in ODSP and piloting Ontario Works implementation with Toronto, replacing paper drug card with Ontario Health Card)
    - Electronic Document Management (Kingston ODSP prototype)
  
  - Implementation of Healthy Smiles Ontario and initiatives under the Long Term Affordable Housing Benefit (Portable Housing Benefit)
UPCOMING

- The ministry will be procuring a third party to undertake a review of the Ontario Works Program Delivery Funding Model – procurement is expected to get underway in late November 2017 with project completion by Fall 2018
  - Will include consultation with all 47 CMSMs/DSSABs

- Innovation projects – Intensive Case Management (Sault Ste. Marie and Niagara)
QUESTIONS?