

For Information Only

Social Assistance Review Summary

Presented To: Community Services Committee

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Recommendation

For information only.

Background

Social Assistance Review

The 2008 Ontario Poverty Reduction Strategy is a long-term poverty reduction plan that focuses on giving children and their families the support they need to achieve their full potential. One of the recommendations in the report was to review social assistance.

In 2010, the Ontario Government appointed a Commission for the Review of Social Assistance in Ontario to lead a comprehensive review of social assistance and make recommendations to improve the system. The report was completed in 2012 and includes 108 recommendations as part of its long-term vision for transforming the social assistance system. Extensive community consultations were organized throughout the process and information was collected from organizations and individuals in various ways.

The Throne Speech for the new government of Premier Kathleen Wynne indicates a commitment to follow the recommendations of the Commission. There have been no implementation plans brought forward at this time. The full report can be found at: www.socialassistancereview.ca

Highlights:

Two significant highlights within the report are:

- Ontario Works and the Ontario Disability Support Program (ODSP) should be replaced by one program with a focus on ability and not on disability.
- The new program should be managed and delivered by municipalities and First Nations because they have the necessary on-the-ground understanding of their communities.

Broad Recommendation Categories

The Commissioner's recommendations in the final report were listed in the following categories:

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- Enabling Employment
- Building a Better Benefit Structure
- Strengthening Accountability
- Acting on Income Security
- First Nations and Social Assistance
- Implementing Change and Early Priorities
- The Cost of Poverty and Return on Investment

Within each of the broad categories, themes were identified by the Commission and are highlighted as follows:

Enabling Employment

- Provide more effective services and supports to help all recipients achieve more sustainable employment
- Introduce a more collaborative approach to employment planning for recipients
- Draw on the experience of social assistance recipients
- Strengthen employment services and promote the hiring of recipients
- Improve access to services and supports for all recipients

Building a Better Benefit Structure

- Establish a new standard rate and two other supplements of a simplified rate structure, as initial steps, toward a fully transformed system
- Develop a rate methodology and transparent benchmarks for the standard rate
- Make progress toward providing social assistance recipients with at least the BMA level of income (based on the standard rate, existing tax credits provided outside social assistance, and maximum employment income that can be earned without triggering a reduction in social assistance benefits)
- Establish a modified standard rate for recipients who share accommodation
- Define the other building blocks and fully transform the system by moving them outside social assistance as new benefits
- Simplify special benefits
- Consider a housing benefit
- Make the definition of spouse consistent with the Income Tax Act
- Harmonize the rules on gifts
- Harmonize the rules on self-employment income
- Improve the rules on child support
- Simplify asset rules and help recipients become more financially resilient
- Address interactions between social assistance and other provincial programs

Strengthening Accountability

- Ensure that the social assistance system is accountable
- Ensure an effective and efficient approach to compliance

Acting on Income Security

- Recommend that the Provincial government engage the Federal government in enhancing children's benefits, initiate a review of rising income inequality, review policy concerns
- Recommend that the Province undertake a broad review of existing benefits and tax transfers with a view to improving their ability to provide secure incomes to low-income Ontarians

First Nations and Social Assistance

- Tripartite (First Nations/federal/provincial) discussions would be required to explore the potential for a greater role for First Nations in designing and managing the social assistance system in their communities

Implementing Change and Early Priorities

- Move forward on employment with people with disabilities
- Move forward on better services and supports
- Move forward on simplifying benefits
- Move forward on a rate methodology
- Move forward on changing asset rules
- Move forward on accountability

- Move forward on income security
- Address the financial implications of early implementation priorities
- Address the long-term costs of transformation

The Costs of Poverty and Return on Investment

- Recommend that the Province develop return on investment that can be used in measuring the benefits of changes in social assistance in order to allow comparison of those returns with the costs of policy action
- It is recommended that the Province broaden the mandate of the Poverty Reduction Results Table to include monitoring the implementation of social assistance reform across ministries

Overall, if the 108 recommendations brought forward become implemented with the new system the following would result:

System Changes

- Disability benefits, children's benefits and extended health benefits would be removed from social assistance and be made available entirely outside the system for all low-income individuals and families.
- The report calls on the Province to engage the federal government to help initiate a review of rising income inequality and the inability of the tax-transfer system to address it. Consideration should be given to the consolidation of federal and provincial benefits and tax transfers and it should address the problem of high marginal effective tax rates that undermine financial incentive to work.

Income Support

- At least half of the rules and directives in the existing system would be eliminated to achieve a simpler and more transparent system.
- There would be no changes to the mechanisms in place to prevent and address misuse of the system.
- The approximate 30 special benefits in the current system would be streamlined into a new rate structure.
- There would be a standard rate for all adults based on a rational methodology with three objectives: adequacy of rates to cover healthy food, secure housing and other basic necessities; fairness between social assistance recipients and low-income people who are working; and financial incentive to work.
- On top of the standard rate, there would be a disability supplement provided to people with disabilities and uniform supplements provided to families with children and sole-support parents.
- There would be access to the same extended health benefits (prescription drug, dental and other health benefits) for all social assistance recipients.
- Asset rules would be simplified and harmonized and better reflect the broader policy goals of supporting people to save and become more financially resilient.

Employment

- Recipients would develop a "Pathway to Employment Plan" identifying their employment goals, activities and needed services and supports.
- Municipal management would leverage connections with local employers and facilitate access to other human services, such as childcare and housing, which are already delivered by municipalities and often needed by social assistance recipients.
- Municipalities would be full partners with the Province in managing and planning employment services in their communities.
- The level of employment services and supports provided would be proportional to the level of need. People with multiple barriers would receive more intensive supports than they do today.
- There would be a strong focus on meeting employers' needs and marketing the skills of social assistance recipients to them. Employers would be involved in the design of employment services and the Province would support employer-driven initiatives to promote the hiring of social assistance recipients.

The Commission is recommending that the Province appoint a Provincial Commissioner for Social Assistance at the associate deputy minister level. The Provincial Commissioner would work with municipalities, First Nations and other stakeholders to establish performance measures, track progress and publish an annual report card on social assistance in Ontario.

City of Greater Sudbury staff will continue to provide reports to the Community Services Committee as additional information detailing the impact of the recommendations on municipalities becomes available.