



Discussion Paper 2: Approaches for Reform

Background: Review of Social Assistance in Ontario

In the 2008 Poverty Reduction Strategy the Ontario government committed to reviewing social assistance, with a focus on removing barriers and increasing opportunities for people to work.

In December 2010, the Minister of Community and Social Services announced the appointment of two Commissioners from outside the government to lead a review of Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

On June 9, 2011 the Commission for the Review of Social Assistance in Ontario released its first report, *Discussion Paper: Issues and Ideas*. Over the summer the Commission encouraged people across Ontario to come together in groups to engage in a discussion on the pressing issues facing social assistance. The Commission received more than 700 submissions in response.

The Guelph & Wellington Task Force for Poverty Elimination, along with a number of community partners, gathered feedback from our community by hosting a community conversation and an online survey in August 2011. The information collected was submitted to the Commission on September 1, 2011. The submission is available on the Poverty Task Force website, www.gwpoverty.ca.

On February 2, 2012 the Commission released its second report, *Discussion Paper 2: Approaches for Reform*, which discusses different approaches to improving some of the key areas of the social assistance system. The paper is organized by five outcomes for the review, plus a chapter on issues that are specific to First Nations. The five areas are:

1. Reasonable Expectations and Necessary Supports to Employment
2. Appropriate Benefit Structure
3. Easier to Understand
4. Viable over the Long Term
5. An Integrated Ontario Position on Income Security

The following pages provide a summary of each area.

The Commission is seeking further input and advice from stakeholders and communities by March 16, 2012 to help frame recommendations to the government.

Final recommendations to the government are expected to be presented by the Commission in June 2012.

Employment Supports, Education & Training

Summary

The Commission's report notes that employment is one of the best ways to help people move out of poverty and acknowledges that current employment services and supports are failing to meet the needs of those who are unable to easily enter the workforce.

This section of the report covers the main features of effective employment services and supports and provides options for improving access to employment services and supports.

Features of Effective Services & Supports

- Assessment tools to identify barriers to employment
- Training courses that teach skills for the local labour market
- Employment services and supports that recognize the barriers to employment facing people with disabilities
- Higher benefit structure for people with disabilities that are not able to work
- Engagement strategies and incentives to encourage and support employers to hire more social assistance recipients
- Integrated pre- and post-employment supports tailored to individual needs
- Early intervention and appropriate supports to people with mental illnesses
- Integrated access (a one-stop entry point) to housing, child care, and other services

Options

The Commission's report presents the following approaches aimed at improving coordination and integration of employment services and related supports.

- Strengthen collaboration among those currently responsible for delivering employment services with no changes to the roles and responsibilities of municipalities, First Nations, or the Province.
- Allow municipalities and First Nations to deliver all employment services for people receiving social assistance, whether OW or ODSP.
- Have all employment services delivered by Employment Ontario (EO). In this case, social assistance administrators could retain responsibility for overall case management, including referrals to EO.

Appropriate Benefit Structure

Summary: Appropriate Benefit Structure

The Commission's report recognizes that the benefit structure needs to take into account the cost of living, fairness between low-income workers and people receiving social assistance, and incentives to take on employment.

Options

The Commission's report presents the following options for addressing the trade-offs between the objectives of adequacy, fairness, and incentives to work:

1. Provide extended health benefits to all low-income Ontarians, regardless of whether they are working or receiving social assistance.
2. Establish a rate structure that changes over the period in which an individual receives social assistance (i.e. a basic rate for the first 18-24 months and a higher rate for those in need of longer-term income support).
3. Provide an earned income supplement to enhance the incomes of low-income workers and provide an incentive for those not working to enter the workforce.
4. Provide a housing benefit for all low-income Ontarians, regardless of whether they are working or receiving social assistance.

Summary: Designing Benefits for People with Disabilities

The Commissioner's report notes that they have not been able to find a stated reason for why ODSP benefits are more adequate than OW benefits. The assumption is that people with disabilities are unlikely to work and therefore require more adequate benefits. The Commission suggests that the desire of ODSP recipients to work is underestimated.

Options

The Commission's report presents the following options to improve the design of benefits for people with disabilities:

1. Provide a new supplementary disability benefit, outside the social assistance system, for all low-income people with disabilities. As a person's employment earnings increased, this benefit would be phased out.
2. Provide a basic income for people with severe disabilities who are unlikely to generate significant earnings over their lifetimes.

Summary: Dealing with the Complexity of Benefits

The Commissioner's report recognizes that the benefit structure has become very complicated, is difficult to administer, is inconsistently applied, and is not transparent to recipients.

Options

The Commission's report presents the following options to deal with the complexity of benefits:

1. Combine basic needs component and shelter allowance into a standard rate for all adults
2. Eliminate the "dependent adult" category for all adults not enrolled in post-secondary education
3. Merge some special benefits into the standard rate

Easier to Understand

Summary: Complexity, Compliance and Risk Management

The Commission's report notes that both caseworkers and people receiving social assistance have difficulties navigating the maze of benefits, eligibility criteria, rules, and exceptions. This complexity is due in part to the program design. The current "surveillance approach" is meant to ensure that the program is accountable to taxpayers.

Options

The Commission's report suggests that an audit-based system may be a better way to approach risk-management. This system could include the following:

- Replacing the current comprehensive verification requirements, applied to all recipients, with a more targeted, audit-based process.
- Continue to require people receiving social assistance to report monthly on whether their income, childcare, or housing costs have changed, but only require documentation (i.e. pay stubs or receipts) if there is an audit.
- Develop a new risk identification tool to be used along with the audit-based system to better target people for eligibility reviews.

Summary: Treatment of Assets

The Commission's report notes asset rules were consistently identified as a major obstacle for people trying to make the transition to work and become more financially resilient.

Current asset rules require individuals to use all financial resources available to them before turning to social assistance. The Commission recognizes that this reduces an individual's ability to leave the system permanently. In addition, the current treatment of assets limits people's ability to save for the future.

The report notes that there is no rationale to explain why asset limits should be higher for ODSP than OW.

Options

The Commission's report suggests the following options to revise asset rules:

1. Increase OW asset limits to equal those of ODSP
2. Increase asset limits for an initial period of time when an individual first enters the program

Make changes to the rules that will help improve an individual's longer-term financial security (i.e. increase limits on RRSPs)

Viable Over the Long Term

Options

The Commission's report presents the following approaches to improve integration and delivery and to make the system sustainable.

1. Continue with the current model of separate delivery of OW and ODSP income support, while integrating employment services and supports for everyone receiving social assistance.
2. Provide employment services and income support through a one-stop delivery model that would integrate OW and ODSP at the local level.
3. Have municipalities deliver human services components of social assistance, including case management and employment services, while the province delivers administrative services, such as issuing social assistance cheques.

An Integrated Position on Income Security

Summary

The Commission's report acknowledges that a number of policies and program designs beyond the social assistance program create challenges for income security in Ontario and Canada. The following are examples:

- May immigrants are forced to turn to social assistance due to language barriers, lack of Canadian experience, and not having their credentials recognized
- Many Ontarians are forced to turn to social assistance because they have limited access to Employment Insurance
- The availability of prescription drugs, dental and vision benefits to low-income earners are limited
- The minimum wage is inadequate
- There is a lack of affordable housing to support people in need