



**OMSSA Response to  
The Commission for the Review of Social  
Assistance in Ontario  
Discussion Paper 2: Approaches for Reform**

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## Introduction

Ontario Municipal Social Services Association (OMSSA) is the association of the 47 Consolidated Municipal Services Managers (CMSMs) and District Social Services Administration Boards (DSSABs) across Ontario. CMSMs and DSSABs have a mandate to be the local Service System Managers for a range of human services, including social housing, homelessness prevention, social assistance, employment services and early learning and child care. As the closest level of government to our communities, we see on a daily basis the impacts of poverty as they are experienced by the people we serve. And we share the Commission's concern that a fundamental requirement to reducing poverty is the need to remove barriers and increase opportunities for people to work. People who are unemployed – or underemployed, as is the case for many people in our communities – know their lives would be better if they could find safe work that pays a living wage.

The issues of poverty and employment are of critical importance to our members. CMSMs and DSSABs represent local governments who are themselves funders of key parts of the employment system. Local governments have a vested interest in ensuring that the broader system meets the needs of our communities, to help all job-seekers. At the community level, we rely on effective employment supports to build and improve our local workforces, and meet our economic development goals.

We welcome the iterative and consultative approach being taken by the Commission as you work through the difficult issues addressed in Discussion Paper 2, and are encouraged to see the general direction is consistent with the input OMSSA members have provided in earlier discussions.

We also are encouraged that many of our positions, and those raised in your discussion document, are consistent with the general directions espoused by the recent report by the Commission on the Reform of Ontario's Public Services (Drummond review). In particular, we are gratified to see the general acceptance of the need for a greater emphasis on integration, streamlining and a more client-centred approach to social assistance and employment services.

The following comments focus on the key issues and themes raised in Discussion Paper 2, although they do not necessarily respond to the direction questions posed by the Commission. We have focused on those issues which are seen by OMSSA members as being most closely aligned with our expertise and mandate, in particular those concerning service integration and implementation.

Many of our positions have been developed in consultation with the Association of Municipalities of Ontario (AMO), with whom we share a common vision of the importance of local flexibility and decision-making.

Our communities are each distinct in their geographic, demographic and economic make-up, and each has strengths and weaknesses that make their circumstances unique. The many faces of poverty and unemployment have much in common across the Province, but each community has its own distinct features that affect the experience of poverty, and the solutions that will be most effective.

Irrespective of size, all CMSMs and DSSABs have a mandate to strengthen our communities and assist all people within their geographic boundaries, unlike Provincial ministries whose mandate generally extends only to the users of those programs for which they are accountable. Our members have a significant store of expertise in working with funders and programs of all different types, and in finding solutions that suit -the individual needs and priorities of our communities.

We are also experienced in developing strategies for further integration at the local level. Frequently, we have brought together multiple players representing programs and services funded by separate ministries and various levels of government, to identify shared priorities and objectives, and to break down the silos that are often in place. That expertise will be of significant help in the task that lies ahead to reform our labour market programs.

As we emphasized in our initial response to the Commission, no one-size-fits-all approach will work, and all potential reforms will need to be developed in partnership between the Province and the municipal sector. To that end, for the most part our positions in this paper focus on general values and design principles.

As a next step, many of these issues will require much more consultation, exploration and analysis to identify potential alternatives, impacts and costs. We recommend that any transitions to a reformed system would then need to be carefully planned and implemented using locally-developed plans. OMSSA looks forward to continuing to participate as your work and thinking evolves beyond this stage.

## **Comments and Observations on Key Issues of Concern for OMSSA Members**

### **1. Local Delivery is the Best Approach for Improving Delivery of Employment Services**

OMSSA is strongly supportive of the Commission's overall call for an overhaul of the social assistance and employment system, and that a complete transformation is needed to enable us to actually achieve better outcomes.

Ontarians need and deserve an active labour market program that:

- assumes people, regardless of the reason for unemployment, want to work;
- assumes those who are underemployed can move to better paying jobs;
- provides equitable access to supports for all job-seekers; and,
- is able to provide the help job seekers truly need.

At the same time, OMSSA members are accountable for ensuring that the massive public investment being made on social assistance and employment is spent carefully and wisely, to get the best outcomes for individuals and our communities. We agree that our shared investment should be spent differently and more strategically, to get more value for the money that is being spent and possibly result in actual savings.

In OMSSA's view, while this overhaul is definitely needed, there are significant risks that must be managed, to ensure that the most vulnerable job-seekers are not harmed in the process.

Currently, there are many individual programs which together should comprise a coherent system. Some of those component parts have been considered within this review, but there are additional parts which also should be seen as part of a larger employment system, for example the services provided to Newcomers which may fall outside of both Ontario Works (OW) and Employment Ontario (EO). Additionally, CMSMs and DSSABs frequently provide services and supports to others within the community who ask for help, but are not OW, EO or Ontario Disability Support Program (ODSP) clients.

Our fundamental concern is that the Employment Ontario employment service, and who qualifies for those services, does not fully correspond with the much less tightly defined Ontario Works service. Some – although certainly not all – Ontario Works clients need supports that go beyond the Employment Ontario supports. For those individuals, who are less likely to have had stable, long-term employment in their pasts, and who face multiple barriers, the broader employment system needs to include a wide range of supports and services beyond conventional employment services, ranging from emergency food programs, and transportation, to connections to mental health and addiction supports.

At the community level, although EO, OW and ODSP provide employment services, many of the separate services they provide are complementary rather than duplicative. In any reorganization, it will be critical to ensure that not only the existing needs continue to be met, but also the needs of others within the community who are not on either OW or ODSP, and who currently receive assistance from CMSMs and DSSABs.

OMSSA's concerns are twofold. The first and most critical concern, which is informed by the local experience in many communities since EO was implemented, is that a more strict or limited interpretation of employment supports along the lines of the current Employment Ontario model, would hamper the ability of job-seekers who have more distance from the labour market to obtain the broader range of supports they need. As a second concern, the employment supports that are offered by Employment Ontario are not currently responsive to the needs of all job-seekers, especially those who are not immediately job-ready.

Therefore, OMSSA agrees with the general approach that employment supports must be reorganized and streamlined into one program. Further, we suggest the full range of employment supports, including the pre-employment and stabilization supports critical to the most vulnerable job-seekers are equally available to all who need help, irrespective of their income source. Policies including the definition of eligibility criteria and accountability mechanisms should be consistent for all clients, and program planning would be managed at the local level to reflect the labour market needs and priorities for all system users, including both job-seekers and employers. Local planning would also benefit from the existing relationships that are in place at the community level concerning economic development and workforce development.

Although further work is needed before the future delivery model of the program is ultimately determined, OMSSA members strongly urge that the principles and benefits of local delivery be

recognized and respected, and the municipal sector, including CMSMs and DSSABs participate in the development of the future delivery approach.

In addition to the policy rationale for consolidating three similar employment supports programs into one, we believe savings would be expected to accrue from the obvious administrative efficiencies associated with reduced overhead and a single technology. At least as important, there would also likely be savings achieved through the provision of better coordinated and responsive services, which would help to reduce the costs associated with delays, poor service coordination, and the resultant weaker outcomes.

The nature and extent of employment supports needed by individuals will depend on their own attachment and or distance to the labour market, and their personal circumstances. But all job-seekers should be able to expect the same response from a publicly-funded system: that their needs will be treated respectfully and equitably, no matter what their income source. The local system would be responsible for ensuring that it can either meet those needs directly, or that it will provide the appropriate referrals to other service providers in the community.

Under the current Employment Ontario service delivery model, five CMSMs and two DSSABs are already designated as service providers. Through this designation, these service managers have been able to develop fully-integrated employment support programs that provide seamless access to employment supports for all job-seekers within their communities. As well as providing easy access for job-seekers, these programs also provide a single consistent voice that can work with the rest of the community, and respond to the needs of local employers. These successful CMSM and DSSAB-led models could be used as a starting point for determining the future structure for a single employment program, as well as informing approaches to connect job-seekers to additional supports including child care and housing.

A triaged approach to reception would help to identify the level and nature of the employment supports an individual is likely to need, to help them become self-sufficient. The development of consistent assessment tools, a challenge that many CMSMs and DSSABs have been working towards for years, would help to identify those needs more quickly. All job-seekers would develop an asset-based employment plan which would help the individual focus on realistic employment goals to achieve self-sufficiency, rather than on the shortest route to employment. In OMSSA's view, the "shortest route to employment" policy is based on a short-sighted outcome of caseload reductions in the short-term, but frequently results in the longer-term outcome of perpetuating poverty for the individual unnecessarily, not to mention a revolving door of return to dependence upon the social assistance system.

As outlined in OMSSA's original response to the Commission, the triaged approach to intake would reflect that in general, Ontario Works clients can be divided broadly into three categories. The first includes those who require few supports and usually transition off OW within 12 months. There may be a contingent within this group who have some earnings, but not enough to enable self-sufficiency. With some help, for example job-specific training, financial supports along the lines of the Employment Start Up Maintenance Benefit, an employment placement or employer incentives this group will be able to become fully independent.

The second tier is more likely to have difficulty with a permanent transition to gainful employment. In general, this population is likely to have a wide range of employment barriers, and ensuring that their needs are understood and appropriate supports provided is a critical prerequisite to successful employment. In many cases, the path to self-sufficiency for this group may require a significant amount of time and the provision of pre-employment supports which are needed before employment can become a viable step. The employment service plan for many individuals within this group will often involve referrals to a wide range of community supports.

There is a third tier comprising those individuals whose prospects of earning liveable income from employment are limited by disability or other circumstances, and who would continue to receive a pension style or guaranteed annual income. This group should be supported to achieve their desire and interests in working to their ability, including the goals of volunteer or part-time work.

Beyond this starting point, it must be recognized that different communities across the Province have widely varying labour market circumstances and resources to draw upon, and the needs and profiles of job-seekers can also vary dramatically. For this reason, a one-size-fits-all approach is unlikely to be successful, and any future integrated model needs to respect the need for local flexibility to plan and deliver these services most effectively.

## **2. Local Service Experience Plus Key Provincial Supports Promotes Coordination and Integration.**

As both the Commission and the Drummond reviews have noted, a major barrier to effective integration within and beyond human services (including social assistance, child care and housing) continues to exist at both the provincial and federal levels, where separate ministry policies, technologies and funding envelopes preclude greater integration. Recent moves to a new technology platform for Ontario Works will be a benefit, but will not go far enough.

People who are in need of help, whether they are out of work, out of money, or need to be connected to housing, child care and other supports, are often in crisis and need to be helped quickly, compassionately, and comprehensively. It is not helpful to tell people who are in urgent need of help that they have come to the wrong office, or to only have answers for some of their questions.

For this reason, CMSMs and DSSABs, who are the front line for providing social services for those in crisis within their communities, have for several years been exploring, implementing and fine-tuning a range of strategies to provide more seamless services to their citizens. Because of their role as Service System managers for a range of human services, many CMSMs and DSSABs have been able to move to a more integrated approach. This may have involved moving to simplify their business practices or restructure their organizations, to enable their staff to respond holistically to the needs of requiring assistance rather than simply providing them with a specific range of services or supports that reside within one program.



OMSSA, through its Human Services Integration work, has supported and nurtured this process across the province, and there are many examples of how flexibility at the local level within the human services basket of programs has resulted in innovative solutions to deliver wraparound services more efficiently, improved service quality, and outcomes that exceed those defined in targets established by the Province.

The Province could assist the process towards better integration among programs, by mandating a requirement for increased integration at a local level in all provincial programs and supporting a process of more standardized service planning. Currently, CMSMs and DSSABs are left to attempt to improve integration on their own, and their degree of success depends on local relationships, personalities and community cultures. This results in wide discrepancies and inconsistencies across the Province.

In its ongoing work, OMSSA's Information and Privacy Issues Task Force has identified that in the current system, information sharing is often difficult or impossible due to privacy issues, and the information that can be maintained on a client for a given program varies widely, resulting in less effective case planning for individuals. Additionally, challenges arise when new programs are introduced without thought to how they might conflict with or have an impact on another program. However, in an integrated system that starts from the perspective of being client-centred and responsive to the individual client's needs – rather than fitting clients into an existing system – it is OMSSA's view that the privacy issues (for example among social assistance and housing or child care) and other conflicts could be resolved.

Human services integration takes place on a continuum, and there are many opportunities for significantly more cooperation, coordination, and collaboration at the policy, service planning, funding, and service delivery levels. OMSSA members welcome the opportunity to participate in more inter-ministerial collaboration to develop the next steps towards greater integration.

### **3. A Move to a Simplified Audit-Based Eligibility Determination Approach Achieves Efficiency and Cost-Effectiveness While Ensuring Individual Accountability.**

As the Commission has noted, the current Ontario Works program places an overwhelmingly heavy emphasis on preventing fraud and treating applicants with suspicion. Despite the program's stated mandate to help people to self-sufficiency, the program's regulatory framework continues to be punitive, oppressive and mistrustful. OMSSA noted in its original submission that the ongoing stigma experienced by social assistance recipients directly reflects this underlying philosophy which is implicitly expressed throughout the Ontario Works Act, its regulations and directives.

We agree with the Commission's suggestion – also supported by the Drummond review – that the legislation, with its surveillance-based approach, be completely replaced by a simpler, audit-based approach, offering a better balance between ensuring individual accountability and the provision of constructive support. Technology could be made to work better to determine initial eligibility.

As noted in Discussion Document 2, file audits are already a key component of Ontario Works through the Enhanced Verification Process (EVP) (formerly the Consolidated Verification Process), wherein individual files are identified through a process of risk analysis using various data sources such as Equifax, Employment Insurance (EI) data, Canada Revenue Agency (CRA) data etc., for periodic in-depth review and verification. CMSMs and DSSABs are highly experienced in identifying those files that merit greater scrutiny, and certainly accept that this type of process forms the cornerstone of ensuring accountability for the system's integrity. A dynamic approach to file verification with continued use of tools like Equifax as used by EVP would need to continue to be a fundamental component of an audit-based system going forward.

Again, it must be stressed that in our society, both individual transactions (e.g. purchases of properties and businesses) and entire financial systems (e.g. the tax system) that are exponentially larger than the sums involved in Ontario Works, accept a more honour-based and technologically streamlined approach, supported by safeguards, to carrying out their business. It is time that unemployed and underemployed people were treated in a manner that assumes they, along with the rest of the general public, are capable of being honest and responsible.

It is well understood that our society has a legitimate expectation that social assistance funds are only being provided to those who are truly in need, and that the system provides safeguards to ensure that this is the case. OMSSA's point is that it should be possible to provide those safeguards and assurance, without devoting substantial resources to activities that appear to provide this assurance, but in reality are known to be superfluous.

#### **4. Provide Universal Benefits to Help Low Income People Become Independent While Encouraging Productivity Potential.**

OMSSA members agree there is a clear philosophical appeal for the concept of providing universal benefits to all low-income people. The challenge posed by the "welfare wall", whereby social assistance recipients cannot afford to take on entry-level jobs that provide no benefits, and lose the benefits tied to being on social assistance, is well documented. Conceptually, the predictable availability of critical benefits that would be tied to income level rather than the source of that income could provide social assistance recipients with the confidence to accept employment without benefits as a first step to self-sufficiency.

The incremental cost of providing benefits to subsidize housing and drug costs needs to be analyzed from a cost-benefit perspective. However, we consider it likely that such benefits would result in reduced caseloads as some earners would lose their eligibility for social assistance immediately, and would act as a prevention strategy for others, diverting some additional numbers of potential applicants from even applying for social assistance. As a longer-term advantage, the availability of such predictable supports would likely strengthen the resilience of the numbers of low-income working poor, who currently need to devote significant physical and emotional resources to day-to-day survival. Certainly, CMSMs and DSSABs currently spend considerable time addressing the crisis situations of non-social assistance recipients facing the risk of coming onto assistance unless some intervention is made. The provision of some form of universal benefits could help reduce these situations.



Universal benefits also have an appeal from a “fairness” perspective, in that currently some social assistance recipients who also have earnings, have access to benefits and supports that are not available to those who work but have never been on social assistance.

Lastly, universal benefits could be easily administered and would have reduced stigma associated with them as compared to applying for social assistance.

However, the concept of universal benefits, despite the appeal, also poses significant challenges which need further consideration. OMSSA members support exploring the concept and its associated issues, and welcome participating in the development of detailed modelling to explore and identify the potential eligibility criteria and impacts of such benefits.

OMSSA agrees with the Commission that a fundamental challenge will be the determination of eligibility criteria. However, the different costs and incomes across the Province make the selection of a single poverty measure a profoundly challenging task. Much further analysis is needed on the costs and potential implementation issues.

Some poverty indicators are set so low, for example the Low Income Cut-Off (LICO), that in some communities, very few people would even qualify for such benefits. Eligibility would need to balance the need to set the threshold low enough that the benefits will actually be received by the targeted populations, while not so high that the program costs are unaffordable. Because of the variety of circumstances across the Province, a one-size-fits-all approach will have very inconsistent outcomes.

Using the LICO could result in inconsistent results across the Province. For example, some transit subsidy programs set up by various communities are undersubscribed because the LICO is too low and very few people are below it. Conversely, in parts of the North, a significant percentage of the overall population in some small communities are under the LICO.

Detailed modelling would be required to understand the potential impacts for individuals and program costs and caseloads, considering the broader population of unemployed and low-income people, and including a comprehensive analysis of all income security and other financial systems at the municipal, provincial and federal levels. An overriding concern, whichever model is chosen, is that the overall objective remains the need to simplify and streamline the benefits framework.

Without knowing more, it is premature to comment on the details. However, OMSSA will continue to participate in discussions going forward, in particular in consultation with AMO, to further analyse these issues, including the impact on costs, cost-sharing arrangements and transfer of risks between orders of government.

## **5. Employ An Assets-Based Approach that Provides More Effective and Accessible Employment Supports for People with Disabilities.**

OMSSA believes there is no rational basis for providing a separate employment support program that distinguishes between people with disabilities who are unemployed, versus other job-seekers. In our members’ view, all job-seekers, irrespective of their income source or

employment circumstances, should be able to access and be provided with the same range of quality supports and connections to the workforce.

A program that approaches all job-seekers from the same positive and constructive starting point, identifying an individual's abilities rather than barriers, is both ethically and practically preferable to one that makes pre-determined judgements about what an individual is likely capable of achieving.

OMSSA members that have provided employment supports to people with disabilities have reported good success in achieving positive employment outcomes, often using an assets-based strategy (i.e. what can someone do or offer, what are their abilities), rather than a deficit-based approach (focusing on "impairment" or an assessment of barriers).

As discussed above, the replacement of the punitive aspects of the Ontario Works Act, including its "participation requirements," with a more positive emphasis on engagement and employment activities, would provide opportunities for people with disabilities to participate in their community at a level that suits their abilities and employment goals. The alternatives for encouraging people with disabilities to participate in such activities would need to be explored and discussed further with the appropriate groups who have knowledge of the issues, risks and implications of such a policy decision.

## **6. Employ a Responsive Rate Structure Built Around People's Needs.**

Reiterating OMSSA's position from our original submission to the Commission in 2011, we believe the current rate structure needs to be completely redesigned, adopting a simplified, three-tiered approach. Both Ontario Works and ODSP benefits would be captured in this new rate structure.

Our proposed rate structure is philosophically consistent with the three-levelled approach proposed earlier in this paper, to triage for employment assistance at intake. The proposed structure recognizes that although all people who get to the point of applying for social assistance are in crisis, the duration of their need for financial support varies along broadly predictable patterns. A more nuanced approach to the provision of financial assistance would recognize and provide a tailored response to these patterns.

As previously recommended, at the lowest level, some people need only a short-term level of assistance to help them through a temporary financial crisis due to unemployment. Helping people get back to work, without requiring them to first deplete all their assets, should be the first priority of this level of support. Employment supports for this group could more closely resemble those currently provided by Employment Ontario, with its emphasis on people with a recent attachment to the workforce.

A second tier of the rate structure would provide a benefit to those whose path back to the workforce will take longer, and require more support and intervention. For this group, a broader definition of employment supports, including stabilization and other longer-term supports, could

be required to help address issues that are precluding the individual's success in the workforce. For people with disabilities, additional benefits would be available to provide for additional costs related to the disability.

A key consideration for this tier is the issue of asset levels tied to eligibility. In particular, any discussion on asset levels needs to take into account the philosophical, ethical and practical implications of insisting that poor people exhaust all of their assets and savings before receiving help from their community – a course of action that often ensures they will never be able to climb out of poverty again, and makes it more difficult to even exit the social assistance system; this approach may even be a significant contributing factor to intergenerational reliance on the social assistance system.

A third tier of the rate structure would be developed for those individuals whose prospects of earning liveable income from employment are limited by disability or other circumstances, who would be provided with a pension style or guaranteed annual income.

Obviously, the development of a simplified benefit structure and its associated rate levels is a significant policy discussion that needs to involve a wide range of participants and expertise, requiring a collaborative effort among provincial, municipal and service manager representatives.

## **7. Northern/Rural/First Nations**

All communities are unique, due to their individual combinations of demographics, economic factors, geography and other defining characteristics. In keeping with this, OMSSA members from rural and northern communities face challenges and circumstances that have an impact on the delivery of employment supports, and their ability to help people become self-sufficient.

Demographic information shows that in some communities in the North, poverty is more frequent and more concentrated; there are very small communities where half of the population lives under the Low Income Cut Off or close to it. People are more likely to suffer poor health and higher mortality rates, in part because many do not have access to a doctor. Lower education levels pose an additional challenge.

Certainly, a lack of transportation to services or jobs is an employment barrier in many communities across the Province, including in large urban areas in the South. But in rural communities and the North, the combination of remote communities, lack of transportation, and fewer available services, resources and opportunities makes service delivery even more challenging.

CMSMs and DSSABs representing northern and rural communities will be able to work with the Province going forward, to help identify the specific implementation and service delivery issues that would need to be considered and addressed, in order to meet those communities' needs.

We also need a collaborative, integrated approach to working with First Nations communities to understand the challenges faced by First Nations individuals when they're transitioning from reserves to urban communities. We need and want to work collaboratively with First Nations' communities and off-reserve Aboriginal organizations, to ensure all in our communities are well served.

## **Conclusion**

Ultimately, OMSSA urges Ontario to move forward with this opportunity to transform our social assistance system, to truly provide opportunities and remove barriers, enabling people to become self-sufficient. We believe this investment in developing our local workforces is a critical priority to ensure Ontario's future economic prosperity.

However, any proposed system reforms need to respect the differences among communities across the Province, and the varying profiles of unemployment and poverty within each of those communities.

OMSSA members look forward to working together with the Commission and the Province to develop options for a future system. Following that step, with our mandate and experience as local Service System Managers for Human Services we will then be able to work at the local level to ensure that locally-developed and sanctioned plans can be designed and implemented, to address the specific needs and realities of each of our communities.