

Submission

by the Canadian Union of Public Employees (CUPE)

to the

Commission for the Review of Social Assistance in Ontario

CUPE Research

July 2011

Introduction

The Canadian Union of Public Employees (CUPE) is Canada's largest union with approximately 600,000 members. In the province of Ontario, CUPE represents 200,000 plus working women and men, including 30,000 social services workers. Approximately 5,000 of our members provide a range of municipal social services including social assistance and employment related services and supports under the Ontario Works (OW) program.

CUPE has a long and proud history of being a successful and progressive social advocate in matters of social policy development. We are uniquely positioned to comment and provide recommendations on the state of social assistance in Ontario for the following reasons: 1) we represent workers that provide Ontario Works (OW) services and supports; 2) we represent workers that provide additional supports to Ontario Works recipients, and; 3) we represent members at numerous community employment services agencies.

CUPE is pleased to have the opportunity to outline our concerns, positions and recommendations related to the restructuring of social assistance in Ontario. However, we are concerned that the overriding goal of the social assistance review is to achieve cost savings at the expense of the thousands of Ontarians who rely on social assistance to survive.

Social assistance expenditures for the Ontario Works program are projected to achieve 7.2% annual growth in 2011/12; but by 2013/14, annual expenditure growth is projected to be 0.0% (see Office of the Auditor General of Ontario, 2011: Figure 7, p. 32). Since the key driver of social assistance costs is the number of eligible recipients, we have to wonder if the overriding goal of the review is to enforce more strict eligibility criteria while at the same time reducing social assistance benefits. Our concerns are not without merit.

On March 25 2010, the McGuinty government introduced the *Public Sector Compensation Restraint to Protect Public Services Act, 2010* as part of its deficit reduction strategy. The *Act* freezes compensation for all non-bargaining employees in the Ontario Public Service and the Broader Public Sector until March 31 2012. Trade unions are exempted from the *Act.* Government has sought to achieve voluntary compensation freezes from bargaining agents; however this tactic has largely failed. The province has also been firm in its position that it will not fund any compensation increases negotiated between employers and unions during the two-year freeze period; any compensation increases would have to be funded from existing base budgets.

In keeping with its desire to reduce and eventually eliminate the deficit the McGuinty liberals announced in its 2011-12 provincial budget to reduce the size of the OPS by 1,500 positions between April 2012 and March 2014. This reduction is in addition to the elimination of 3,400 OPS positions previously announced. Balancing the budget and eliminating the deficit on the backs of workers who provide vital public services and on the people who rely on those services, such as social assistance, is a short sighted solution. Spending cuts and fiscal austerity do not translate into economic growth, just the opposite. In order to grow the economy the McGuinty government ought to be reinvesting in social services, including training and education programs for the unemployed and those in receipt of social assistance.

What follows is a discussion of some of the main issues confronting the social assistance review and CUPE's recommendations.

Impact of the Recent Economic Downturn

The number of people collecting social assistance in Ontario increased 11.0% during the period 2009-10 due in large part to the onslaught of the recession and the resultant loss of thousands of good jobs in the manufacturing and auto industries. Last year, more than half a million Ontarians were unemployed (Statistics Canada, June 27 2011: 5).

According to the 2011 Ontario provincial budget, the province had a net loss of 257,000 jobs during the recession. However, the budget notes that by February 2011 in excess of 233,000 new jobs had been created which makes up for 91% of the jobs lost during the recession. What the budget doesn't acknowledge is that the majority of new jobs are part-time. Labour force data provided by Statistics Canada prompted Campaign 2000 to conclude that "sixty percent of new jobs created in Ontario during the first nine (9) months of 2010 were part time" (Campaign 2000: 2). Precarious part-time employment is marked by low-wages with few if any employment benefits including pensions. Many of the people holding these jobs comprise what is commonly known as the working poor.

Looking to the future, economic forecasters predict continued high rates of unemployment for the province of Ontario. In fact, the province's jobless rate is expected to surpass the national rate for the next two years. According to recent forecasts, Ontario's annual jobless rate will be 8.1% for 2011 and 7.8% for 2012, which is higher than the projected national unemployment rate for the same time periods (7.6% for 2011 and 7.3% for 2012).

In addition to higher unemployment rates, the cost of living in Ontario continues to rise. Consumer prices increased 4.0% for the 12 month period ending May 2011. In April 2011, the consumer price index increased 3.6%. Escalating gasoline prices fuelled much of the rise in the cost of living. At the same time, groceries are becoming more expensive to buy as food purchased from stores increased 5.4% (Statistics Canada, June 29, 2011). The loss of thousands of good paying, full time jobs, the rise of precarious part time employment and continued high rates of unemployment will continue to exert tremendous pressures on the province's social assistance system.

The Depth of Poverty in Ontario

Even before the recent recession, Ontario had the distinction of being the child poverty capital of Canada (CCSD, 2009). Using the capital city Toronto as an example, the data sources reveal that 20.6% of families have incomes below the Low Income Cut-Off (LICO)¹. What this means is that roughly 1 in 5 families in Toronto "devote a larger share of income to the necessities of food, shelter and clothing than would the average family" (FCM, 2010: 9).

Statistics Canada's Low Income Measure (LIM) is another estimate of poverty in Canada. It is defined as 50% of median adjusted family income and is more commonly used in international comparisons of poverty. If we use the LIM after tax measurement as an indicator of poverty we see that Ontario's child poverty rate in 2008 was 15.2% which equates to 412,000 children under the age of 18 living in poverty (Campaign 2000:2).

Poverty in Ontario's racialized communities is more deeply entrenched with approximately onethird living below the poverty line. Approximately 30% of all children in Ontario come from racialized communities and yet they comprise more than half (51%) of all children living in poverty (Campaign 2000, 2010).

¹ The LICO is a commonly used measure established by Statistics Canada that is used to report on poverty.

There is little doubt the recent recession will push these statistics higher as more and more children and their families fall into destitution. Racialized communities have been particularly hard hit by the economic downturn. During the recession new immigrants to Canada were losing their jobs at a rate three times that of Canadian born workers. A Statistics Canada report prepared for the Globe and Mail revealed that "employment among Canadian-born workers fell 1.6 per cent … compared with a 5.7 per cent decline among immigrants who have been in the country for five years or less … Immigrants who have lived here for at least a decade fared slightly better: their level of unemployment dropped 3 per cent, still nearly double the rate of people born in Canada" (The Globe and Mail, July 24, 2009).

A Broken Employment Insurance (EI) System

The economic downturn hit families and communities hard, especially in Ontario where "more than 160,000 people joined the ranks of the unemployed in only eight short months" (Statistics Canada 2008, cited in SPNO, 2009). As a result, social assistance rolls swelled as thousands of unemployed Ontarians were either denied or exhausted their Employment Insurance (EI) benefits². For example, the Regional Municipality of Halton "experienced a *30% increase* in Ontario Works caseloads during the period of January through May 2009" (SPNO, 2009: 8; emphasis added).

When the unemployed run out of EI benefits they turn to the social assistance system to survive. Changes to the EI program over time mean that fewer unemployed Canadians actually qualify to receive benefits while benefit levels have been reduced. These changes have resulted in an increasing number of unemployed Ontarians applying for social assistance.

In 1990, the majority of jobless Canadians (87%) were entitled to EI benefits. However, successive cuts to the EI system have drastically reduced coverage. Approximately 40% of unemployed men and 32% of unemployed women now qualify to receive EI benefits. In Ontario in 2009, approximately 38% of the unemployed were deemed eligible to receive EI benefits (Campaign 2000). At the same time, benefit levels have also been cut from 75% of earnings down to approximately 55%.

The maximum weekly EI payment is equivalent to 55% of regular earnings up to \$448 per week, before taxes. However, the *average* weekly benefit is much less than that. The most recent data for Ontario from 2009 indicates that the average weekly benefit for men was \$387 and for women the benefit amount was even less at \$324 per week. On average, those who do manage to qualify receive benefits for just 32 weeks. While others receive only 14 weeks of benefits entitlement.

A tightening job market and an increase in part-time and other precarious forms of employment also mean that more and more Ontarians have transitioned from the EI system to social assistance. Many laid-off temporary and part-time workers do not have enough hours of work to qualify for EI. In addition, approximately 30% of Canadian EI recipients are unable to find work before their EI benefits run out (CLC, Spring 2011: 10).

² The federal government does not report data on the numbers of Canadians who exhaust their EI benefits.

Recommendations:

• Eliminate the Assignment of Benefits Process for applicants/recipients pending the receipt of El Benefits, and instead issue 1 full month's assistance with no obligation for repayment.

According to the Canadian Labour Congress (CLC) the federal government must:

- Provide regular benefits on the basis of 360 hours of work, no matter where workers live and work in Canada.
- Raise benefits immediately to 60% of earnings calculated on a worker's best 12 weeks.
- Increase the period for which benefits can be collected to a maximum of 50 weeks.
- Invest part of the EI surplus on better training and labour adjustment programs.
- Expand support and funding for work-sharing arrangements under EI to reduce layoffs, and build links between work-sharing and training programs.

Social Assistance: Ontario Works (OW) and Ontario Disability Support Program (ODSP)

Social assistance programs should be provincially funded and municipally delivered. Municipal governments have an important role to play in delivering social assistance for the simple reason that they know and understand local needs. Local governments find it unfeasible to fund OW benefit costs from the property tax base. OW benefit costs fluctuate in times of economic upheaval. The province can protect municipal expenditures from this uncertainty by fully recovering costs from the provincial tax base (Provincial-Municipal Fiscal and Service Delivery Review, 2008).

The full costs of Ontario Works (OW) benefits will be uploaded to the province by 2018³. There will be a phased-in reduction of the 20% municipal cost-share over time:

2010	2011	2012	2013	2014	2015	2016	2017	2018
3%	6%	14%	29%	43%	57%	71%	86%	100%
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Source: Sault Ste. Marie DSSAB, 2011.

The uploading of OW benefit costs to the province must be accelerated. We also assert that in any cost-share arrangements, the province must annually update its own portion of the cost-share to cover actual costs instead of passing on expenses to municipal governments. For example, the cost-share for OW benefits is sometimes skewed such that municipalities pay more than the required 20% under the cost-share arrangement.

The Mike Harris Tories cut welfare rates by 22.6% in 1995, and rates were frozen for nine (9) years. Beginning in 2003, the McGuinty Liberals began to implement a series of successive increases totaling 13.7%, which includes the 1.0% increase announced in the 2011 provincial budget for social assistance. However, even with those funding increases many individuals and families struggle to put healthy food on the table and acquire the basic necessities of life.

³ Currently, the province pays 81.2% of the cost of OW benefits and municipalities pay 18.8%. The cost of administering OW will continue to be cost-shared between the province and municipalities on a 50/50 basis.

Although funding has been increasing for the basic needs and shelter components of social assistance, there have been no funding increases to social assistance mandatory benefits, such as community start-up and the special diet allowance. And there have been no funding increases for discretionary benefits; for example, in the City of Ottawa, funding for orthotics has been frozen for ten years.

Currently, approximately 857 thousand Ontarians, including hundreds of thousands of children and people with disabilities are in receipt of social assistance (OW) and disability supports (ODSP). A single adult in receipt of social assistance receives \$592 per month or a maximum of \$7,104 per year; whereas a single adult in receipt of ODSP receives \$1,053 per month or \$12,636 per year. In terms of constant dollars, data for the period 1989-2007 reveal that welfare incomes in Ontario have declined considerably over time:

	Dollar Amount	Percent Change
Single Employable	-\$2,273	-24.0%
Person with a Disability	-\$1,255	-9.2%
Lone Parent, One Child	-\$2,158	-11.6%
Couple, Two Children	-\$3,326	-13.6%

Source: National Council on Welfare, Winter 2008.

For example, a couple with two children in receipt of welfare in Ontario received \$3,326 fewer dollars in 2007 compared to 1989, which represents a drop in income of 13.6%. Single employable individuals experienced the steepest percentage decline in welfare incomes for the period at -24.0%.

The 2011 Ontario provincial budget provides for a 1.0% increase to both OW and the ODSP, increases which are less than Ontario's rate of inflation. Even with this latest increase, social assistance incomes remain dangerously low. It does not provide enough income to allow people to eat and pay the rent. Statistics compiled by the Ontario Association of Food Banks (OAFB) reveals that in 2010 the province's food banks provided food to 402,056 individuals across the province; that's a 7.4% increase over 2009, and a *28.0% increase* over 2008. Each month, Ontario's food banks provide food to 150,000 children (OAFB, 2010). Many social assistance recipients cannot afford healthy food options, which have numerous negative health consequences, including depression, heart disease, and diabetes.

In addition, Ontario's welfare system has over 800 rules and regulations that by law must be administered and traps people in a cycle of poverty and despair.

- Accelerate the uploading of OW benefit costs to the province.
- The province must annually update its own portion of any cost-shares to cover actual costs instead of passing on expenses to municipal governments.
- Establish an affordable provincial health/dental plan for low-income earners.
- Immediately index the OW and ODSP to inflation.
- Increase benefit levels to reflect the actual costs of living for rent, nutritional food, utilities, telephone and transportation (Access Committee of the OSDP Action Coalition, 2008).
- Raise the OW and ODSP shelter allowances and tie them to average rents in different communities (Access Committee of the OSDP Action Coalition, 2008: 19), taking into

consideration the rising costs of hydro, gasoline, and property insurance, all of which is captured by the shelter component.

- Immediately revise the 100% employment earnings deduction during the first 3 months of receiving Ontario Works, and implement either a flat rate exemption of \$500 or immediately apply the 50% employment earnings exemption.
- Initiate an immediate review of the 800 rules and regulations that govern social assistance eligibility and benefit levels with a view to "simplifying the process and ending redundant and unnecessary administrative work" (Deb Matthews, 2004: 25 cited in CCSD 2009: 15).
- Simplify the ODSP application process and provide applicants with help to apply (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).
- Provide sufficient numbers of staff and give them appropriate training to ensure service is delivered in a manner which respects the dignity of all ODSP applicants and recipients (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).
- Make information available in accessible formats on all rights and benefits available to applicants and recipients (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).

Social Housing

In the 1980s and '90s, the federal and provincial governments began to cut funding and download responsibility for affordable social housing to local governments. By the mid 1980s, the federal government implemented funding cuts for new affordable housing; by 1993, almost all federal funding had been cut. Then in 1996 the federal government announced its intention to download the majority of its housing programs to the provinces and territories. The Ontario government cancelled virtually all funding for new affordable housing in 1995. Three years later in 1998, the province commenced the downloading of affordable housing to municipalities.

According to the Wellesley Institute, Ontario has "the worst housing investment record among the provinces. At \$64 per capita, Ontario invests half the provincial average, and less than one-third of the amount invested by nation-leading Saskatchewan. Ontario downloaded housing programs and spending to municipalities and requires them to make a bigger contribution than any other province. Even with modest increases in recent years, provincial housing spending is still the lowest in two decades" (2010: 83)

New social housing units are desperately needed in Ontario, and indeed across the country. The federal government continues to shirk its responsibility to provide affordable social housing to the thousands of families who continue to struggle with unaffordable and substandard housing. In 1988, 22,000 new social housing units were built in Canada. But by 2002 the number of new social housing units had dwindled to a meager 1,500 for *all* of Canada (CCSD, Feb. 5, 2010). The supply of new social housing is obviously not keeping up with the demand and the result is long wait lists.

Hundreds of thousands of poor people in Ontario, whether they work or receive social assistance, spend more than half their income on housing. Over a ten year period spanning 1991 to 2001, the number of Ontario households living in unaffordable, substandard, or overcrowded conditions increased from 433,000 to 600,000 households or about 1.7 million women, men and children (Maxwell, 2009: 19).

There are 152,000 households in Ontario waiting for social housing, an 8.0% increase from 2010 and an 18.0% increase since 2009 (ONPHA, 2011). More than 60,000 people are waiting

for subsidized housing in Toronto, and another 10,000 plus households in Ottawa. And the wait for social housing can be long. Wait lists in Toronto for social housing can be as long as 140 months; in Ottawa it can take up to 100 months to find social housing (FCM, 2010: 40, Chart 33).

Of course, any discussion about the need for adequate and affordable social housing must take into consideration the social problem that is homelessness. The statistics are alarming and embarrassing for a province as rich as Ontario. In Toronto, 10,000 people are homeless on any given night, including those people living in shelters; the corresponding numbers for Ottawa are 1,000-2,000 homeless people each and every night (CCSD, Feb. 5, 2010).

Recommendations:

- The provincial and federal government should provide sufficient levels of funding such that local governments are able to: increase the affordable housing supply, deliver emergency and supportive housing services, and implement an action plan to prevent and end homelessness.
- Press the federal government to create and fund a National Affordable Housing Program with targets and timelines (Campaign 2000, 2010).
- Invest to bring aging social housing stock up to standard (Campaign 2000, 2010).
- Provide a monthly Housing Benefit to low income tenants to reduce high rent costs (Campaign 2000, 2010).
- Strengthen tenant protection legislation (Campaign 2000, 2010).

Asset Limits

Asset limits and clawbacks serve to keep poor people poor and perpetuate the cycle of poverty in families. Asset limits guarantee more hardship for social assistance recipients, not less, and that hampers Ontario's economic recovery efforts. Currently, to become eligible for social assistance in Ontario one has to drain all savings and RRSPs.

For every dollar earned by people on social assistance and disability supports, 50 cents is deducted from their government cheques, and their rent increases if they live in subsidized housing. If two single people in receipt of social assistance rent an apartment together, the government will reduce the shelter component of both their cheques. A single mother on social assistance will have her benefits cut if she obtains a student loan to pursue post-secondary education.

- Conduct a comprehensive review of asset regulations to create a more consistent and fair approach to assets and income (Access Committee of the OSDP Action Coalition, 2008).
- Harmonize and increase asset levels for OW and ODSP (25 in 5 Network for Poverty Reduction, February 2009).
- Raise asset limits for a single ODSP recipient to \$10,000 and \$500 for each additional member of the benefit unit.
- Exempt a further \$5,000 per adult in Tax-Free Savings Accounts and RRSPs as Alberta has done.
- In the longer term, consider a blanket exemption in registered instruments of \$60,000 like Quebec.

- In the short term, delay all asset tests for the first 6 months of assistance, like Newfoundland and Labrador.
- Provide a flat-rate earnings exemption for each member of the benefit unit of \$500 per month commencing the month of application. The \$500 exemption would replace the current rule whereby earnings are deducted dollar for dollar for the first three months of receiving OW and by 50% of earnings in month four.
- Exempt RRSPs as assets (Access Committee of the OSDP Action Coalition, 2008).
- Exempt scholarships and bursaries as income.
- Eliminate income rules, including treatment of loans as income, deductions from rates where family/friends assist with groceries and dinners.
- Eliminate rules that punish sensible money management, such as sharing accommodations, choosing room and board accommodations, and living with family.
- Allow dependent adults and dependent children attending post-secondary institutions in receipt of OSAP to stay at home without penalty to parents' eligibility (Access Committee of the OSDP Action Coalition, 2008).
- Allow recipients to continue receiving OW/ODSP income support while attending postsecondary education instead of taking out OSAP loans, and remove restrictions on singles accessing post-secondary education (25 in 5 Network for Poverty Reduction, February 2009).

Child Care and Early Learning

Child Care and Early Learning must be considered an important component of the government's overall poverty reduction strategy. The March 25, 2010 provincial budget provided \$63.5 million in new annual child care funding to replace discontinued federal monies. The funding will be used to sustain approximately 8,500 child care spaces in the province. But much more needs to be done to support parents who either work and/or are enrolled in retraining and skills development programs.

Research reveals a lack of regulated child care spaces in Ontario: a mere 13.6% of children under the age of 12 have access to a regulated child care space. In 2010, there were approximately 16,000 children in Toronto on wait lists for subsidized care. Parent fees can cost up to \$50 per day (Campaign 2000: 5). Unfortunately, in some Ontario municipalities, the ability to access affordable, quality, municipally delivered child care has or will become a lot more challenging.

In 2010, the City of Windsor, citing funding pressures, decided to close all of its municipal child care centres consisting of seven city-operated centres plus two satellite offices. Now, faced with a \$774 million deficit, the City of Toronto is considering, among other measures, making significant cuts to its child care programs. Options for consideration include the divestiture of 57 municipal child care centres to the private sector, the elimination of over 2,000 parent fee subsidies, and the removal of quality inspections.

Local governments have a responsibility to provide and maintain the delivery of public not-forprofit child care. More than any other level of government, municipalities are in many ways closest to the communities they serve which enables them to be more responsive to community needs, such as the critical need for child care.

Insufficient funding coupled with the introduction of 4- and 5-year old full day kindergarten and declining enrollments is taking a toll on licensed child care in rural, northern and remote areas of the province. The Ontario Municipal Social Services Association (OMSSA) reports that over 200

licensed child care centres could close, which would impact more than 8,100 children and over 600 staff.

In its 2011 spring budget the McGuinty government allocated \$51 million over three years to stabilize child care centres in the wake of the implementation of 4 and 5 year old full day kindergarten. The budget also allocates \$300 million to the expansion of full day kindergarten in 2011-12. At the same time, the government signaled its intention to introduce legislation that would allow school boards to contract with third-party providers to provide before and after school programming. This shift in policy conflicts with the vision of early learning and care put forward by Dr. Charles Pascal, the premier's special adviser on early learning. In his 2009 report, *With Our Best Future in Mind: Implementing Early Learning in Ontario*, Dr. Pascal recommended that only school boards provide before and after school programming.

In keeping with its shift in policy direction, the government has introduced *Regulation 221/11, Extended Day and Third Party Programs*. The Regulation stipulates that school boards are not required to directly operate extended programming, including before and after school programs. Instead, such programs may be directly provided by third party operators, including for-profit operators. In addition, there may be wait lists for some programs, depending on the capacity of programs to enroll students. CUPE's experience is that for-profit operators' primary concern is to ensure increased profits oftentimes at the expense of quality care.

Recommendations:

- Implement *all of the recommendations* of the report of the Special Advisor on Early Learning (Campaign 2000, 2010).
- Build a minimum of 7,500 new affordable child care spaces (25 in 5 Network for Poverty Reduction, February 2009).
- Increase wage & benefit levels for child care workers (Campaign 2000, 2010).
- Provide funding to allow child care centers to offer flexible hours of care, particularly for parents who work shift work.
- Press the federal government to establish and fund a national system of early education and child care services (Campaign 2000, 2010).

Workload

A recent meeting of CUPE members delivering OW programs and supports found that a majority of members have caseloads in excess of 150; some have caseloads in excess of 200. Our members are concerned about the quality of services they provide a vulnerable client population given such high caseloads. They are concerned that high caseload levels are working against the people they serve. There are now wait lists to see clients. High paperwork expectations and other workload requirements have resulted in many of our members saying their work has become deskilled and impersonal; some don't even know many of their clients. As one worker put it, "clients are numbers now."

High caseload levels are a health and safety concern for our members. Unrealistic caseload expectations may lead to worker burnout, compassion fatigue and stress-related leave, all of which have negative impacts on service quality.

Recommendations:

- The province must provide adequate funding and other resources to address the problem of high worker caseloads. As OMSSA states, "an overburdened caseworker is an ineffective caseworker", which results in clients receiving poorer quality service (OMSSA, 2009).
- Fund set caseworker-client ratios similar to the funding of set teacher-student ratios in the education system, and the child care system funds set caregiver child ratios (OMSSA, 2009).
- Adequately fund the social assistance system in order to support caseload ratios bargained by employers and unions.
- Discretionary funding available to service managers for clients must remain as the entire costs of OW are uploaded to the province (OMSSA, 2009).

Unionization

"A successful poverty reduction strategy needs to address the inadequacies in the paid labour market" and this means providing "increasing access to unionization" (25 in 5 Network for Poverty Reduction, Feb. 2009: 16). Research shows that unionized work environments provide better wages, benefits, pensions and working conditions that help families, children and communities thrive in the good and bad times.

Prior to 1995 in Ontario, the majority of workers at a workplace were required to sign union cards if they wanted to join a union. But the legislation changed in 1995 and required workers to sign union cards *and* hold a secret ballot vote. The requirement to participate in a secret ballot makes it more difficult for workplaces to unionize as there may be fear of and/or threats of intimidation from those who do not want a unionized work environment.

Recommendation:

• Re-establish card-based certification *only* for all workers in Ontario (25 in 5 Network for Poverty Reduction, February 2009).

Ontario Child Benefit (OCB)

Implemented in 2008, the OCB is eligible to low income families, whether working or on social assistance; the current maximum annual benefit is \$1,100 per child or \$92 per month per child. But, for those on social assistance, benefits will be reduced because a portion of their benefits will be clawed back (Maxwell, 2009: 15).

By 2011, children whose parents receive social assistance will get a benefit of \$50 per month per child and not the full \$92 per month per child because OW and ODSP rates will decrease as the OCB increases⁴. In effect, the OCB clawback replaces the clawback of the National Child Benefit Supplement (NCBS). The McGuinty government halted the practice of clawing back the NCBS from social assistance benefits in July 2008.

- Increase the maximum OCB to \$1,500 per year (\$125/month) per child.
- Stop reducing the basic needs benefits of those social assistance recipients who receive the OCB.

⁴ The previous Winter Clothing and Back-to-School allowances have been rolled into the Ontario Child Benefit.

Special Diet Allowance (SDA)

The 2010-11 provincial budget cut the Special Diet Allowance, a program that provided up to \$250 per month in additional funds for social assistance recipients whose health required particular nutritional needs as determined by a physician. This resulted in a 30% income reduction for individuals in receipt of social assistance who also received the special diet allowance. It was the largest cut to social assistance since welfare rates were slashed in 1995 under Mike Harris.

The government's intention was to replace the Special Diet Allowance with a new *Nutritional Supplement Program*⁵ to be administered by the Ministry of Health and Long Term Care. The government cited escalating costs as the primary reasons for ending the Special Diet Program. The new Nutritional Supplement Program would have been more restrictive than the Special Diet Program meaning that fewer people would have been eligible for support.

Since that time, the government has decided to revise the Special Diet Allowance, instead of adopting the Nutritional Supplement Program. The revised SDA came into effect April 1, 2011. In addition, the SDA will form part of the government's review of social assistance. Changes to the SDA will mean that not everyone who currently receives the allowance will continue to be eligible for the benefit. People who now receive the SDA will need to reapply for the revised SDA. Payments under the current SDA will cease July 31, 2011.

In the interim, the ministry has decided to implement all of the recommendations of the Special Diet Expert Review Committee with respect to the dollar amounts attached to specific dietary requirements. The Review Committee's final report was submitted to the ministry in April 2008. The Review Committee has also recommended government de-list several health conditions that were previously covered by the SDA including:

- Congestive heart failure
- Food allergy eggs
- Food allergy soy
- Metabolic bone disease
- Ostomies⁶
- Microcytic anemia (vitamin B12 and folic acid deficiency)
- Macrocytic anemia (iron deficiency anemia)

Other changes to the revised SDA include the requirement that recipients consent to the release of relevant medical information to support their application, which will likely raise issues related to privacy.

⁵ In 2010, the Ontario Human Rights Tribunal ruled "the government was discriminating against (individuals) based on a medical condition or disability, which is a violation of the Human Rights Code" (Toronto Star, February 26, 2010). The Tribunal ordered the government to provide more monies to people using the Special Diet Program. Only months later the province decided to scrap the SDA altogether and replace it with a new Nutritional Supplement Program. However, the government has since decided to comply with the Tribunal's ruling as of April 1, 2011.

⁶ The United Ostomy Associations of America defines ostomy as "the surgically created opening in the body for the discharge of body wastes." Examples include colostomy and ileostomy.

Recommendations:

- Comply with the ruling of the Human Rights Tribunal and reinstate the \$250 per month cut from the Special Diet Program.
- Reinstate SDA coverage for the medical conditions listed above.
- Adopt eligibility standards that will not unreasonably deny individuals access to SDA benefits.
- Implement guidelines that will respect the privacy rights of individuals pertaining to personal medical history and information.

Minimum Wage

In 1995, Ontario's general minimum wage was frozen at \$6.85 an hour for nine years. The 2011 spring budget keeps the minimum wage at \$10.25 per hour in 2011. The 25 in 5 Network for Poverty Reduction has called on the Ontario government to poverty-proof the minimum wage for full-time workers. "This means raising the minimum wage to a level at which a single adult working full-time, full-year would earn enough income to rise above the poverty line" (December 2009: 7). We would also recommend the minimum wage be indexed to inflation. The budget announcement also provides for the appointment of a committee to provide advice on the minimum wage.

Recommendations:

- Immediately increase the minimum wage to \$11.00 per hour.
- Poverty-proof the minimum wage to free the working poor from a life of poverty.
- Index the minimum wage to annual inflation rates.
- Consult with organized labour on ways to improve the minimum wage.

Pay Equity

Wage discrimination on the basis of gender persists in Ontario's social services sector. Ongoing wage discrimination points to the need for all levels of government to properly fund pay equity according to the principle of equal pay for work of equal value. Pay equity expert Mary Cornish says for decades governments have been neglecting their responsibility to close the wage gap in earnings between women and men: "millions of dollars are owed in public sector pay equity adjustments", and "government funding for enforcement of the law has been cut in half since the early 1990s" (Cornish, March 2008).

In 2008, men earned on average \$903 per week as compared to the \$661 per week earned by women (HRSDC). Gender-based wage discrimination is one of the leading causes of poverty amongst women and children, and must be taken into consideration as an important component of the province's poverty reduction strategy.

- The provincial government must fully fund all outstanding pay equity adjustments (Cornish, 2008).
- The provincial government must provide funding so that pay equity adjustments can be maintained (Cornish, 2008).
- The provincial government must restore funding to the Pay Equity Commission and the Pay Equity Tribunal (Cornish, 2008).

Education and Training

CUPE recommends that the social assistance review examine training and education opportunities for people receiving social assistance and ODSP. "The lack of effective training and education supports ... leaves people unable to retool for new employment opportunities" (25 in 5 Network for Poverty Reduction, December 2009: 9). A review of training and education opportunities for OW and ODSP recipients is both a poverty reduction and economic stimulus measure.

The social assistance system must be restructured in such a way that meets recipients' basic needs including nutritious food, clothing and shelter. It is difficult, if impossible, for one to focus on education and training when one is consumed with the daily struggle to pay the rent and put food on the table.

Recommendations:

- Explicitly include in the review of Social Assistance a commitment to ensuring high quality and effective education, training and employment support programs for recipients of OW and ODSP (25 in 5 Network for Poverty Reduction, February 2009).
- In the interim, extend eligibility for all provincially funded and/or delivered employment support and training programs to recipients of Social Assistance (25 in 5 Network for Poverty Reduction, February 2009).
- Ensure that every annual plan required under the Canada-Ontario Labour Market Agreement explicitly include the provision of high quality and effective education, training and employment supports to people receiving OW and ODSP (25 in 5 Network for Poverty Reduction, February 2009).
- Implement an asset-based employment skills assessment tool so that OW and ODSP workers are able to work with clients strengths with respect to employment prospects.
- Provide training to all workers so they can more readily identify clients' transferable employment skills and abilities.
- Provide training to all workers so they can more readily identify the soft skills that clients may need to improve to re-enter the workforce.
- Conduct a full review of the current Non-Compliance and Quit/Fire Policy under Ontario Legislation. The policy's punitive nature can create financial hardship for clients and contribute to low self-esteem and morale.
- Provide supports to parents and families to encourage youth to obtain an Ontario Secondary School diploma.

Technology

In April 2010, the *Social Services Modernization Project* was launched to replace the *Service Delivery Management Tool*, otherwise known as SDMT. The SDMT is the computerized system that applies the 800 rules and regulations to determine social assistance eligibility and benefit levels. In the words of the ISAC review of the 2004 Matthews report: "It is clear that the SDMT was developed to frustrate rather than support a caseworker system based on client support and advocacy. Computer systems that are inflexible, e.g., the purported computer "glitch" that for months prevented the government from processing the 3% increase to social assistance rates, should be replaced" (ODSP Action Coalition Access Committee, 2008: 26).

Unlike SDMT, the new software will allow online applications for social housing, child care, ODSP, and OW. The problem is that the software, not a person, will determine initial eligibility for services. Will the design of the new software easily allow people with disabilities access to

the system? What about people with low literacy skills? The online applications also reduce the ability to immediately refer people who are ineligible for OW and ODSP to community-based programs that may be able to provide supports.

Front-line workers and their unions must be consulted in the design and implementation of the new computer technology to replace SDMT, known as the Social Services Modernization Project. Accenture (formerly Andersen Consulting) was hired by the province to design and implement the SDMT computer system but workers were never consulted during the process. The results have proved disastrous: workers report increased stress and frustration, increased caseloads, a loss of skills, limited control over their work, and a depersonalized workplace with little interaction with clients (Hennessy & Sawchuk, 2003). As of 2004, Accenture was paid \$284 million for its work on the Social Services Modernization Project (Conrath and MacMillan, 2004).

- New technology is welcomed since SDMT has never been effective; however front-line workers and their unions must be consulted in the design and implementation of the new technology.
- The new technology must be safe for workers given the increase in WSIB claims related to repetitive strain injury for OW workers.
- The new technology must be compatible with voice-activated software that should be available to workers and clients with disabilities.
- The intent of the software must be to *assist with determining eligibility* allowing the worker more time to get to know each client so as to discuss appropriate opportunities for employment and training, and appropriate referral to community agencies and supports.
- The system generated letters should use plain language for clients to understand.

CUPE's Recommendations

Employment Insurance

• Eliminate the Assignment of Benefits Process for applicants/recipients pending the receipt of El Benefits, and instead issue one (1) full month's assistance with no obligation for repayment.

According to the Canadian Labour Congress (CLC) the federal government must:

- Provide regular benefits on the basis of 360 hours of work, no matter where workers live and work in Canada.
- Raise benefits immediately to 60% of earnings calculated on a worker's best 12 weeks.
- Increase the period for which benefits can be collected to a maximum of 50 weeks.
- Invest part of the EI surplus on better training and labour adjustment programs.
- Expand support and funding for work-sharing arrangements under EI to reduce layoffs, and build links between work-sharing and training programs.

Social Assistance: Ontario Works and the Ontario Disability Support Program

- Accelerate the uploading of OW benefit costs to the province.
- The province must annually update its own portion of any cost-shares to cover actual costs instead of passing on expenses to municipal governments.
- Establish an affordable provincial health/dental plan for low-income earners.
- Immediately index the OW and ODSP to inflation.
- Increase benefit levels to reflect the actual costs of living for rent, nutritional food, utilities, telephone and transportation (Access Committee of the OSDP Action Coalition, 2008).
- Raise the OW and ODSP shelter allowances and tie them to average rents in different communities (Access Committee of the OSDP Action Coalition, 2008: 19), taking into consideration the rising costs of hydro, gasoline, and property insurance, all of which is captured by the shelter component.
- Immediately revise the 100% employment earnings deduction during the first 3 months of receiving Ontario Works, and implement either a flat rate exemption of \$500 or immediately apply the 50% employment earnings exemption.
- Initiate an immediate review of the 800 rules and regulations that govern social assistance eligibility and benefit levels with a view to "simplifying the process and ending redundant and unnecessary administrative work" (Deb Matthews, 2004: 25 cited in CCSD 2009: 15).
- Simplify the ODSP application process and provide applicants with help to apply (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).
- Provide sufficient numbers of staff and give them appropriate training to ensure service is delivered in a manner which respects the dignity of all ODSP applicants and recipients (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).
- Make information available in accessible formats on all rights and benefits available to applicants and recipients (25 in 5 Network for Poverty Reduction, Dec. 2009: 10).

Social Housing

- The provincial and federal government should provide sufficient levels of funding such that local governments are able to: increase the affordable housing supply, deliver emergency and supportive housing services, and implement an action plan to prevent and end homelessness.
- Press the federal government to create and fund a National Affordable Housing Program with targets and timelines (Campaign 2000, 2010).
- Invest to bring aging social housing stock up to standard (Campaign 2000, 2010).
- Provide a monthly Housing Benefit to low income tenants to reduce high rent costs (Campaign 2000, 2010).
- Strengthen tenant protection legislation (Campaign 2000, 2010).

Asset Limits

- Conduct a comprehensive review of asset regulations to create a more consistent and fair approach to assets and income (Access Committee of the OSDP Action Coalition, 2008).
- Harmonize and increase asset levels for OW and ODSP (25 in 5 Network for Poverty Reduction, February 2009).
- Raise asset limits for a single ODSP recipient to \$10,000 and \$500 for each additional member of the benefit unit.
- Exempt a further \$5,000 per adult in Tax-Free Savings Accounts and RRSPs as Alberta has done.
- In the longer term, consider a blanket exemption in registered instruments of \$60,000 like Quebec.
- In the short term, delay all asset tests for the first 6 months of assistance, like Newfoundland and Labrador.
- Provide a flat-rate earnings exemption for each member of the benefit unit of \$500 per month commencing the month of application. The \$500 exemption would replace the current rule whereby earnings are deducted dollar for dollar for the first three months of receiving OW and by 50% of earnings in month four.
- Exempt RRSPs as assets (Access Committee of the OSDP Action Coalition, 2008).
- Exempt scholarships and bursaries as income.
- Eliminate income rules, including treatment of loans as income, deductions from rates where family/friends assist with groceries and dinners.
- Eliminate rules that punish sensible money management, such as sharing accommodations, choosing room and board accommodations, and living with family.
- Allow dependent adults and dependent children attending post-secondary institutions in receipt of OSAP to stay at home without penalty to parents' eligibility (Access Committee of the OSDP Action Coalition, 2008).
- Allow recipients to continue receiving OW/ODSP income support while attending postsecondary education instead of taking out OSAP loans, and remove restrictions on singles accessing post-secondary education (25 in 5 Network for Poverty Reduction, February 2009).

Child Care and Early Learning

• Implement *all of the recommendations* of the report of the Special Advisor on Early Learning (Campaign 2000, 2010).

- Build a minimum of 7,500 new affordable child care spaces (25 in 5 Network for Poverty Reduction, February 2009).
- Increase wage & benefit levels for child care workers (Campaign 2000, 2010).
- Provide funding to allow child care centers to offer flexible hours of care, particularly for parents who work shift work.
- Press the federal government to establish and fund a national system of early education and child care services (Campaign 2000, 2010).

Workload

- The province must provide adequate funding and other resources to address the problem of high worker caseloads. As OMSSA states, "an overburdened caseworker is an ineffective caseworker", which results in clients receiving poorer quality service (OMSSA, 2009).
- Fund set caseworker-client ratios similar to the funding of set teacher-student ratios in the education system, and the child care system funds set caregiver child ratios (OMSSA, 2009).
- Adequately fund the social assistance system in order to support caseload ratios bargained by employers and unions.
- Discretionary funding available to service managers for clients must remain as the entire costs of OW are uploaded to the province (OMSSA, 2009).

Unionization

• Re-establish card-based certification *only* for all workers in Ontario (25 in 5 Network for Poverty Reduction, February 2009).

Ontario Child Benefit (OCB)

- Increase the maximum OCB to \$1,500 per year (\$125/month) per child.
- Stop reducing the basic needs benefits of those social assistance recipients who receive the OCB.

Special Diet Allowance (SDA)

- Comply with the ruling of the Human Rights Tribunal and reinstate the \$250 per month cut from the Special Diet Program.
- Reinstate SDA coverage for de-listed medical conditions.
- Adopt eligibility standards that will not unreasonably deny individuals access to SDA benefits.
- Implement guidelines that will respect the privacy rights of individuals pertaining to personal medical history and information.

Minimum Wage

- Immediately increase the minimum wage to \$11 per hour.
- Poverty-proof the minimum wage to free the working poor from a life of poverty.
- Index the minimum wage to annual inflation rates.
- Consult with organized labour on ways to improve the minimum wage.

Pay Equity

- The provincial government must fully fund all outstanding pay equity adjustments (Cornish, 2008).
- The provincial government must provide funding so that pay equity adjustments can be maintained (Cornish, 2008).
- The provincial government must restore funding to the Pay Equity Commission and the Pay Equity Tribunal (Cornish, 2008).

Education and Training

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