



March 6, 2013

Mr. David Carter-Whitney  
Assistant Deputy Minister  
Ministry of Community and Social Services  
80 Grosvenor Street  
Hepburn Block, 6th Floor  
Toronto, ON M7A 1E9

Dear Mr. Carter-Whitney

**Re: AMO/OMSSA Municipal Response to the Social Assistance Review Commission Report**

This letter is in response to your letter to AMO in December 2012 requesting municipal sector input regarding the recommendations of the Social Assistance Review Commission in their 'Brighter Prospects' report. It follows the productive initial conversations between AMO and the Ontario Municipal Social Services Association (OMSSA) with yourself and other ministry staff concerning the potential opportunities and directions for social assistance transformation for Ontario. We appreciate the early engagement and understand that your new minister and the government will need some time to assess the best way forward for this initiative, particularly in light of the government's commitment in the Throne Speech to follow the Commissioners' recommendations to help the unemployed find jobs and to act on early opportunities to change the rules concerning employment earnings for social assistance recipients.

In his letter to Minister Milloy in January 2013, AMO's President Russ Powers spoke to the shared provincial-municipal interest in transforming social assistance in Ontario and the common goal of improving outcomes for low-income Ontarians and persons with disabilities in our communities. To move forward, AMO and OMSSA, alongside the City of Toronto, are continuing to work closely together to examine the recommendations and

anticipate potential impacts to the current municipal service system manager structure and to municipalities.

In order to succeed, social assistance transformation requires a strong, collaborative provincial-municipal partnership to achieve transformation that provides real change and positive outcomes that reflect the government's objectives for transforming the system and benefiting those in receipt of assistance. Our common interest is to: design, plan and see the delivery of an efficient and effective service; simplify and consolidate arrangements where appropriate; and focus strongly on results. At the same time, recognizing this is done in a common operating context of fiscal and capacity pressures, we need to get the who, what, how, where and when right. Getting it right is paramount.

Within this context, we have considered the questions posed to us in your letter concerning the 'Brighter Prospects' report. The attached document provides our preliminary staff response and a starting point for our future discussions and policy considerations. At this point, we offer some initial ideas on critical considerations going forward and identify placeholders for further discussion concerning the specific recommendations, rather than definitive answers to all the questions posed. As you can appreciate, given the range and complexity of the recommendations it is difficult to look at any one recommendation in isolation of other potential changes. Additionally, from the municipal vantage point, these considerations occur in a period of already significant policy, funding and program delivery changes under way at the local level, most notably in the areas of housing and homelessness and child care. These changes must also be taken into consideration within the context of social assistance transformation.

We look forward to engaging in a deliberative policy process with provincial ministry counterparts, both within MCSS and other relevant ministries, to further examine these questions in depth. In particular, there is a need to align the efforts to transform social assistance with the review of the role of Employment Ontario undertaken by the Ministry of Training, Colleges and Universities. We would like assurances that these parallel processes are not operating independently of each other. Together we can conduct a thorough and robust analysis of options and approaches, and seek to validate the assumptions underlying the recommendations through modeling and testing. We feel a necessary first step is to convene a meeting with your ministry and your inter-ministerial colleagues to map out a structure and process for a collaborative and productive policy and program development strategy that is itself well planned and adequately resourced.

Our collaborative work needs to lead to outcomes and an implementation plan that ensures that there is a true and workable accountability framework and one that reflects the diversity of Ontario. Drawing on the work AMO and OMSSA have respectively done on the important issues addressed by the Social Assistance Commission in its report, as well as key parts of the Drummond report that focused on employment services and social assistance, we look forward to partnering with you to carefully consider the recommendations made by these Commissions, as well as related ideas from AMO,

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municipal governments and their executive staff, District Social Service Administration Boards (DSSAB's) and OMSSA. Our respective organizations will bring municipal representatives and perspectives to the table, as well as solicit broader municipal input from across the province. This includes representative from AMO and OMSSA as organizations, in their own right, in each of the working groups.

Some areas suggested for immediate study through provincial-municipal working groups include:

- Modernizing and integrating the planning, management and delivery of employment services;
- Simplifying and harmonizing rules and benefits;
- Strengthening accountability and new approaches to compliance;
- The role of technology; and,
- Our changing economic environment and labour market.

Through this process, municipal CAOs and service managers can provide their expertise including ideas for pilots, evaluations, and technology improvements in order to accelerate potential social assistance transformation within the structural and fiscal context of municipal governments. We have before us a unique opportunity to further real change as partners in this important area.

We look forward to hearing from you.

Yours Truly,



Pat Vanin  
Executive Director  
Association of Municipalities of Ontario



Kira Heineck  
Executive Director  
Ontario Municipal Social Services Association

cc: Russ Powers, President, Association of Municipalities of Ontario  
David Landers, President, Ontario Municipal Social Services Association  
Brenda Patterson, Deputy City Manager, City of Toronto  
Marguerite Rappolt, Deputy Minister, Ministry of Community and Social Services  
Bill Forward, Deputy Minister, Municipal Affairs and Housing

Attachment: Initial Response to the 'Brighter Prospects' Report

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## Initial Response to the 'Brighter Prospects' Report

### 1. Which recommendations do municipalities view as having the greatest impact?

This question may be best approached by considering which of the recommendations, or combination of recommendations together, will have the greatest impact to transform social assistance into a more modernized, effective system for Ontarians? What contribution can the province and municipalities each make to maximize outcomes?

- Overall, the Commission's recommendations that focus on effective local employment planning and enhanced local integration, employer engagement, customized services, streamlined benefits, greater income adequacy and simplified rules all offer the promise of positive impacts.
- Given the breath and complexity of the full package of recommendations, we need to understand how they will work together. We do not advise isolating specific recommendations at this point but rather consider them as a package.
- There are, however, a number of areas of specific interest to municipalities that will require more in-depth examination in working group processes.
  - If implemented, the Commissioners' proposal to replace Ontario Works (OW) and Ontario Disability and Support Program (ODSP) with one integrated program that provides individualize support to all social assistance recipients and which locally managed, delivered and designed is a major change.
  - Employment support programs will play a role as a significant enabler for social assistance transformation. Given the significant role municipalities have in local integrated systems planning and economic and labour market development, a process that includes municipalities as partners at the table to determine arrangements that make sense across the province will be key.
  - Addressing the complexity of the range of recommendations, such as changes to rules and benefit structures and bundling benefits into block funds will have a significant impact on clients we serve. Additionally, the Commissioners include examining other policies such as RGI rent scales, while we could comment on the benefits and challenges of each these existing policies and provide recommendations; we feel it is imprudent to do so in isolation. A comprehensive approach that looks at aligning subsidies and policies to address and eliminate contradictions followed up with up analysis and measurement to examine the impacts of changes across policy and programs is the best way forward.

- The approach to implementing the Commission's recommendations, and the degree to which a true partnership between municipalities and the province is established, will have a very significant bearing on the degree to which impacts, implications and risks are perceived and addressed.

**2. Which recommendations raise the strongest concerns? What are the specific concerns and what alternate steps could be taken to address these concerns?**

Rather than look at this from the perspective of municipal concern, there is an opportunity to approach this by seeking to articulate a common provincial-municipal vision of what success will look like, not just for those needing help, but also for those planning, designing, managing and delivering services, and then determine how to achieve it.

- There appears to be a common provincial-municipal interest underlying a transformed social assistance system, including employment services, which involves: designing, planning and ensuring the delivery of efficient, effective and responsive services although the actual delivery may not necessarily reside with municipal governments; simplifying and consolidating arrangements where appropriate; and, focusing strongly on results.
- A framework is needed to identify and understand the scope and impact of all changes against municipal capacity through the initial phase to full transformation. Moving from rules-based system to one that tailors support for individuals necessitates that we have to look at what this might mean and options for structures and governance/accountability. The circumstances for employment, the capacity to deliver and the ability for service users to access programs may be quite different across Ontario, as would the implications or costs and measuring success be different.
- Change should come with no surprises to whoever delivers the program - it is important that there should be no unintended consequences or if there is, then mitigation is built in at the beginning. Municipal governments have worked too hard to remove social assistance costs from the property tax base - programs and costs they had little control over but nevertheless were held to account in their communities, often filling gaps in need.
- We would caution that the savings estimated in the Commission's report should not be assumed in the short or mid-term. Initially new investment may be required to transform the system into a truly employment-focused system as well as savings and reallocations. This needs to be examined as input to any final decision-making at the province.

**3. How do municipalities view the idea of a single program delivered through the existing municipal network? What components of the recommendations could be acted upon quickly? Are there specific areas of concern that should be further studied? Are there alternate views as to how a single program (a**

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**recommended by the Commission) could best be delivered, including delineation of functional roles?**

This is a recommendation that will require intense and thoughtful dialogue. A diverse range of opinions can be expected from the municipal sector as to the benefits and risks. Given the recent programmatic changes to discretionary benefits and consolidation of housing programs, municipal elected officials have started questioning being in the OW business. Taking on more service function may be more problematic now as the province responds to its economic woes through program changes that create voids. Municipal governments should not be left in a position to have to fill in the gaps no matter how they are created. We must remember that any new design of the system should be for a long time, so how will municipal interests be assured and protected.

Some initial considerations are as follows:

- A modernized, one-stop employment and income support system delivered locally has the potential to simplify and improve services for job seekers and employers, provide direct access to employment support for persons with disabilities, more effectively connect with other services and programs and integrate with local human service planning, workforce development and economic development. Keeping income and employment support service delivery within the community allows for better connections and synergies between housing and child care for example. But we also know that these other human services are challenged with funding and capacity. How would a new employment and income support system function if these other services are not strong? Integrating service delivery locally has the potential to reduce duplication, gain efficiencies and better result in employment outcomes for persons with disabilities is a solid aspirational goal, but the functionality requires a solid foundation.
  - The realization of positive outcomes will be dependent in part on the extent to which the programs are integrated, streamlined and supported by modernized technology, in part by the readiness and capacities of those delivering the service and, the ability to integrate services. At the provincial level, support for joint planning and agreements, improved assessment, information sharing, risk-based verification, and modernized technology will be important. At the local level, IT ability and readiness to take on an expanded role and delivery capacities will need to be assessed.
  - Given the variation in CMSM / DSSAB capacities and opportunities, an in-depth examination is required to understand the impacts for both service delivery and funding obligations long before a decision is taken. This means going through a business case and service model options that looks at current and future scenarios – growth and decline in clients. If the new system is successful, then over time there should be fewer clients and what will that do to a business model?
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- Moving to an integrated program will require not only a careful policy examination as touched on above, but will also require a delicate balance of interests and issues from the province and at the municipal/DSSAB level and those of non-municipal advocate groups across the human services spectrum. If Ontario moves to a single program, it will be critical that the range of appropriate and sufficient supports for people with disabilities is available to support employment plans. If we fall short in this area, the problems will be significant and outside of the capacity to be managed locally.

**4. What early opportunities do municipalities see in the report that might have the greatest impact on improving employment outcomes for clients?**

Many initiatives are less encumbered by legislation and therefore more easily implementable. For example:

- Employer engagement initiatives
- Enhanced promotion of non-standard forms of work (e.g. Self-employment, social enterprise)
- Employment Ontario Service designation

It is recommended that the merits of each of the above measures are carefully considered through a working group process, and caution is taken not to assume agreement nor that a 'one size fits all approach' will work best. For example, increased Employment Ontario municipal designation is one possible option to further consider as recommended by the Commissioners, however this may be feasible in some areas of the province more than others and if so, the designation must be a matter of local choice.

Municipalities agree that a better system of providing employment supports and services is required. Understanding that both MCSS and MTCU have begun discussions and contemplation on how to best move forward in this area, we again encourage an opportunity to understand what the government has heard to date and that we will be invited to explore together what an integrated and coordinated system may make sense considering Ontario's diverse communities. As a starting point, it is important that whichever delivery option is landed upon, there is a need for improved formal linkages with Employment Ontario providers as well as more input into MTCU funding plans at the local level.

**5. Do municipalities support the idea of creating block funds for benefits? How should they be structured (or implemented) to be most effective? What other approaches do municipalities support?**

It is not possible to answer this question at this time, in the absence of an outline or business case for a specific block fund structure.

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However, as a concept block funding has some interest among service managers and seen as a tool to respond to the people we serve in the communities we live. Specifically, that service managers unrestricted by a “one size fits all” approach to funding and service requirements can respond to individual needs within local circumstances and capacity.

More research and careful planning is required to determine the most effective way of structuring any such block fund. Clear goals and expected outcomes developed jointly with municipal service managers will ensure that appropriate flexibility results and that the differences in local environments are reflected.

It is important to state at this point, that a block funding approach be guided and adhere to the PMFSDR commitments and it must avoid any potential for any exposure and risks including costs to municipalities resulting as an example, from capped funding or eliminated or reduced programs. To reiterate, any funding approach by the province will be at the compulsion of any future governments to change.

## **6. What do municipalities see as critical when considering recommendations related to program integrity and accountability?**

Ensuring both local flexibility and accountability is vital to the success of social assistance transformation. Accountability has to be about outcomes, not inputs and outputs of any particular activity and related to those needing these services in the communities in which they live.

- There is a need to provide sufficient threshold of flexibility to design, plan, manage and deliver the services that meet the needs of the community within the context of the local labour market. Yet the Province has much more influence and control over the local labour market than any municipal government can so this accountability is a two-way street.
  - Standards need to reflect local capacity and be flexible and responsive to changing circumstances including demands on human resources. Can this be achieved through local business plans and related service contracts with the province?
  - Outcomes may not achieve the same return on investment, particularly in light of some of the other foundational supports (e.g. housing, child care, transit). An accountability framework has to be designed to accommodate this.
  - A corresponding cross-ministerial engagement and strong partnerships between ministries and across their respective jurisdictions is part of the accountability framework as well and has to be reflected somehow in any service provider accountability.
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Municipalities well understand and agree with the need for efficiencies and fiscal accountability. Yet at the same time, property taxes are not and must not be the funding mechanism for human services. It will be critical as transformation is designed that implications and no risk adheres to municipal governments. And that at the end of the day, there is a transparent sustainable and responsible program planning and delivery model.

**7. Are there any recommendations municipalities would generally advice against and why?**

It is early to say at this point. There are much complex trade-offs and possibly difficult choices that municipal governments and or the Province will need to face. We are prepared to have careful deliberations in the pursuit of the Commission's recommendations).