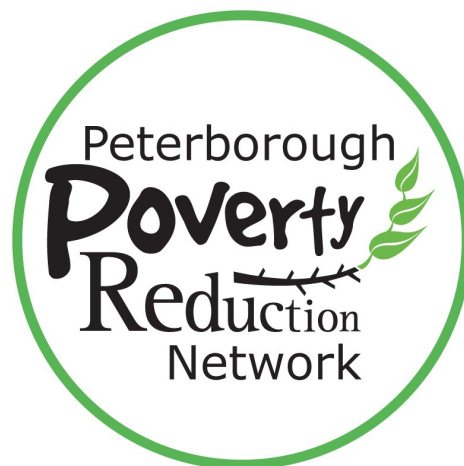


Response to “Brighter Prospects: Transforming Social Assistance in Ontario”

May 9, 2013

**Prepared by the Income Security Work Group of the
Peterborough Poverty Reduction Network**



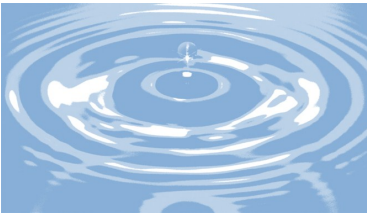
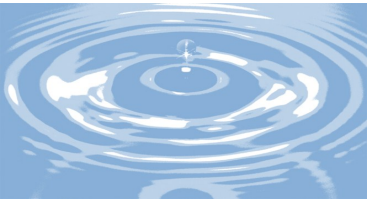


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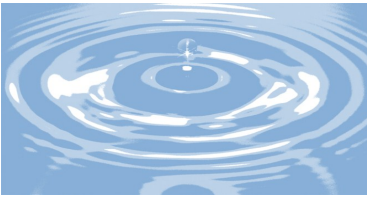
I. Poverty in Peterborough

Poverty in Peterborough City and County has been a concern to members of the community for many years, leading to poverty alleviation and reduction initiatives. The Peterborough Poverty Reduction Network (PPRN) is a community-based collaboration that has worked to bring together local poverty reduction efforts through various initiatives since December 2006. Six work groups, made up of people with lived experience, community volunteers as well as representatives of a broad cross-section of community agencies, address a variety of poverty-reduction themes, including:

- housing,
- food security,
- basic needs,
- employment and training,
 - social inclusion,
 - income security.



*"Too many people live in poverty in Peterborough
and it's time for that to change!"*



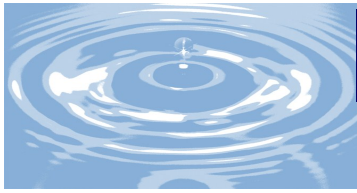
II. Social Assistance Review

For decades anti-poverty advocates have asked the government to increase social assistance rates to enhance social and economic inclusion and to promote fair and respectful treatment of recipients. In the 2008 Poverty Reduction Strategy, the Ontario Government committed to reviewing social assistance, with a focus on removing barriers and increasing opportunities for people to work. It subsequently appointed the Social Assistance Review Advisory Council to provide advice on the scope for the review. The Commission for the Review of Social Assistance was then established in November, 2010 to make recommendations for reform by June 30, 2012.

Unfortunately, the government imposed three significant restrictions on the Commissioners who were assigned to carry out the review, and this ultimately impeded their work.

- First, their recommendations could not require additional funding from government.
- Second, their recommendations had to target reduction of ODSP caseloads in order to achieve program savings.
- Finally, their recommendations had to be centred on the notion that employment is “the” pathway out of poverty.

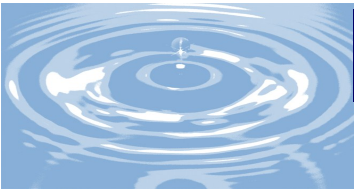
In the 2008 Poverty Reduction Strategy, the Ontario Government committed to reviewing social assistance, with a focus on removing barriers and increasing opportunities for people to work.



III. Income Security Work Group of PPRN

The Income Security Work Group of PPRN has been involved in the social assistance review process from the outset. To date, PPRN and its community partners:

- held a community meeting in June 2011 to gather input on areas for reform;
- successfully lobbied to have Peterborough selected by the Commission for an on-site visit in July 2011;
- held a second community consultation meeting in February 2012;
- made comprehensive written submissions in response to the Commissions first and second Discussion Papers;
- co-organized a public meeting on March 27, 2013 to inform the community about the Commission's recommendations in the Social Assistance Review "Brighter Prospects" Report (hereafter referred to as the SAR Report) and to obtain feedback regarding the expected impact should the recommendations be implemented by government.



In its response to the Commission's "Discussion Paper 2: Approaches for Reform" the Income Security Work Group of PPRN sets out six basic requirements which together form the standard by which PPRN will assess each of the Commission's recommendations.

Here is PPRN's standard:

1. *No change that is not endorsed by people with lived experience through their spokespersons with the ODSP Action Coalition, the Income Security Advocacy Centre and Poverty Free Ontario;*
2. *No change that does not result in immediate poverty reduction;*
3. *No change if any person currently receiving OW or ODSP will receive less income or fewer supports as a result;*
4. *No change if there is increased mandatory participation in work-related activities;*
5. *OW must be transformed now to a client-centred, equity-based program of support and entitlement;*
6. *ODSP must be preserved and improved now so that it better meets the needs of those who rely on it.*

IV. Does the Final SAR Report Meet PPRN's Standard?

The final SAR report recommends radical changes to social assistance. While *some* of the individual recommendations are positive, *many* do not meet *any* of PPRN's 6 requirements. The following twelve recommendations of the Social Assistance Review Commission are of particular concern to PPRN, with PPRN's comments noted in italics.

1. Income and benefits, such as the special diet allowance and the \$100 work-related benefit for people on ODSP, would be eliminated in order to fund a \$100/month increase to the OW single rate.

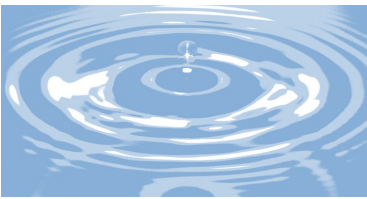
In essence, the Commission recommends taking money and income from poor, sick people and giving it to poorer, healthier people.

2. There would be no immediate steps taken to comprehensively address the inadequacy of benefit levels.

The Commission heard a consistent message across the province – that rates are inadequate and need to be increased immediately.

3. OW and ODSP would be merged and replaced with one program delivered by municipalities and First Nations.

This recommendation was not made by recipients or their advocates, nor does it have the support of recipients or their advocates. It was advanced by municipalities including Peterborough, without endorsement from the broader community. When OW and ODSP programs were introduced in 1998, ODSP was kept separate in recognition that people with disabilities have longer term needs and face many barriers. These barriers include disability, as well as pervasive social attitudes and institutional barriers.



Does the Final SAR Report Meet PPRN's Standard?, Cont'd

4. Thirty special benefits and 240 rates and combination of rates would be replaced with a new rate structure based on simple building blocks, starting with a standard rate for all adults. Initially, the rate would be \$706 per month (equal to the current OW rate for a single adult plus \$100) and would include separate additional amounts for recipients with disabilities and families with children. The Commission calls for disability, child and health benefits to eventually be removed from social assistance and that they become available to all low-income Ontarians.

The assumption underlying the Report is that simpler is better. However, if a simpler benefits structure results in less income or fewer benefits, then it is not better. Furthermore, a simpler benefit structure would be less flexible and less responsive to individual needs particularly the needs of people with disabilities.

5. The Special Diet Allowance, which is available to both ODSP and OW recipients whose doctors prescribe a diet to treat specific health conditions, would be eliminated. The Report clearly states that the savings should be used to fund the \$100 increase to the basic rate for single adults.

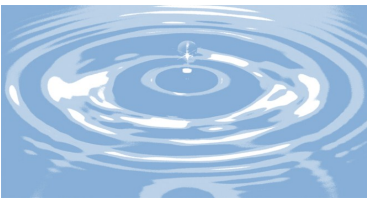
See comment at 1. above.

6. The \$100 work- related benefit for those currently receiving ODSP would be eliminated.

See comment at 1. above.

7. People living in shared accommodations would receive a lower benefit rate to just 86% of the standard rate.

This would have a devastating impact on people, who are currently forced to share with others because they do not have sufficient income to live on their own. This represents a \$99 monthly reduction in benefits for single OW and ODSP recipients currently receiving the maximum shelter allowance, and a \$52 reduction for a couple on ODSP.



Does the Final SAR Report Meet PPRN's Standard?, Cont'd

8. No new benefits would be provided to those on assistance that would not also be provided to all low-income Ontarians.

As the province is unlikely to fund new income assistance programs/benefits for all low income people in Ontario, this means that there would be no improvement for the poorest individuals and families (those on assistance) in the foreseeable future.

9. Earnings over \$200 would be clawed back at a rate of 57%, rather than the current rate of 50%.

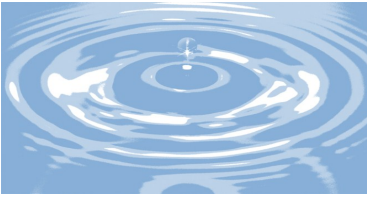
For people on ODSP, this combined with the elimination of the \$100 work-related benefit would mean less income except for those with earnings of exactly \$200.

10. Employment and other benefits would be provided by municipalities who would receive block funding from the province.

This would result in a loss of mandatory benefits and appeal rights.

11. All recipients including those with disabilities would be required to participate in a Pathway to Employment Plan, and risk loss of income for failure to comply with the Plan. These are described as collaborative agreements, between the individual and the service provider.

The Report accepts the premise that employment is “the” pathway out of poverty. However, developing and then effectively utilizing a comprehensive tool that adequately assesses “employability” would be costly and require significant investment. Return on the investment (in the form of reduced caseload costs when people leave the system for paid employment) is by no means certain.



Does the Final SAR Report Meet PPRN's Standard?, Cont'd

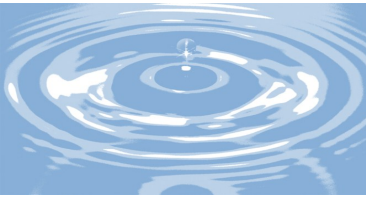
There are currently six jobless workers to fill every job vacancy (StatsCanada report, March 2013) and there has been a proliferation of precarious work in Ontario in recent years (McMaster University report, February 2013).

If this recommendation is implemented people will no doubt agree to Plans in order to keep their income support. People, particularly those with disabilities, will be unable to fulfill the requirements of their Plans with disastrous consequences.

It is inappropriate to require an Employment Plan for all people with disabilities. This fails to recognize the diversity and range of severity of disabilities /medical conditions and the need to accommodate this reality. For some people, their disability/medical condition means paid employment is not possible, potentially harmful and/or so stressful as to induce worsening of their condition, relapse or hospitalization. The SAR report fails to make a recommendation addressing income security for people who cannot work.

12. ODSP caseloads and costs are unsustainable and must be reduced through targeted reductions.

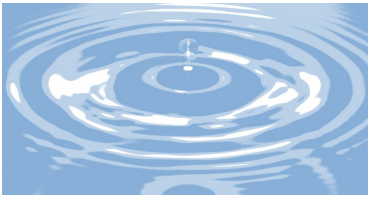
Setting targets to reduce ODSP caseloads and program costs, and achieving those targets, does not mean that the system has been improved. It does not mean poverty levels have been reduced. All it means is that the cost of the program has been reduced. What the report fails to consider is the fact that ODSP recipients are, because of their medical conditions, substantially restricted in their ability to function in the workplace. In order to qualify for ODSP a person must demonstrate this fact, based on independent medical evidence. Over the past 20 years fewer people have been able to access other income streams such as workers compensation benefits, Employment Insurance sick benefits, Canada Pension disability benefits, or private insurance disability benefits. Furthermore, public funding for vocational upgrading and training has dwindled with Ontario now having highest university tuition costs in the country. This means that people must now rely on OW and ODSP for income support where in the past they would have received income from other sources.



V. Position of the Income Security Work Group of PPRN

Overall, the Commission's findings and recommendations are more about austerity and program savings than poverty reduction. If all of the recommendations in the Report are implemented, people on ODSP will be significantly worse off than they are today. For this reason, we strongly encourage the government to implement only those recommendations that meet PPRN's six requirements, starting with the following:

1. Increase the basic rates for people on OW and ODSP by \$100 per month;
2. Permit earnings of \$200 before earnings are clawed back at a rate of 50%, not 57% as proposed;
3. Increase the asset levels for individuals and families on OW to ODSP levels;
4. Change the definition of "spouse" to align with the Canada Revenue Agency (one year of cohabitation);
5. Begin work on setting a Basic Measure of Adequacy so that future social assistance rates reflect the actual cost of shelter, food, and basic necessities including transportation and internet access.



Appendix A

Income Security Work Group of PPRN

Comments from the Peterborough Community in Response to “Brighter Prospects: Transforming Social Assistance in Ontario”

March 27, 2013

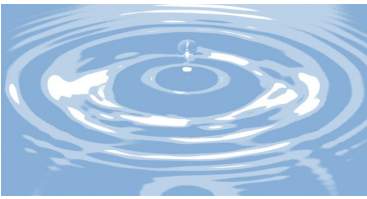
Note: Approximately seventy (70) people from the community attended a meeting on March 27, 2013 at the Peterborough Public Library. Jennefer Laidley (Income Security Advocacy Centre) made a Power Point Presentation that outlined the recommendations in the “Brighter Prospects” report. Attendees then broke into discussion groups. Group discussions were lively and far-ranging. Attendees did not limit their comments to the questions/issues assigned to their group. Accordingly, this proceedings report organizes *all* the comments/feedback received from the groups into four areas:

- I. Ontario Works – Benefit Structure, Rate and Rule Changes;
- II. Ontario Disability - Benefit Structure, Rate and Rule Changes;
- III. Merging Ontario Works and Ontario Disability;
- IV. Ontario Disability – Employment.



I. OW – Benefit Structure, Rate and Rule Changes

- Basic Measure of Adequacy (BMA) – this is the first thing that needs to be done. Only after this is done and the rates are improved should there be other changes. This means that the government has to put more money into the system and make benefits adequate.
- A simple building block structure may not be better than the current system. Simple does not always mean better, particularly if it means less income and fewer supports. Benefits need to be flexible to meet the complex needs that people face.
- Overall impression of the report is that OW recipients are considered the “deserving poor” and ODSP the “undeserving poor”. The report recommends taking income and benefits from people on ODSP and redistributing it to those on OW. Even though OW rates are so much lower than ODSP rates it is not fair to take money from people on ODSP to fund increases for those on OW.
- An increase of \$100 to the OW rate for singles is good, but it would not make the OW benefit rate anywhere near adequate to cover the basic costs of shelter, food, transportation and other basic necessities.
- If the rates were increased to a BMA and included enough for a healthy diet, then the special diet allowance could be limited to just a few health conditions.
- The Special Diet allowance should not be eliminated. This is a benefit for both OW and ODSP.
- The flat rate for children, regardless of the age of the children, is unrealistic. It costs significantly more to provide basic necessities for a teenager than it does a young child.
- The reduced rate for those who share accommodation would have horrible consequences. People are forced to share now because it is not possible to live on the single OW rates, and almost impossible on the single ODSP rate. There should be no reduction in rates for any reason until the rates are increased to a Basic Measure of Adequacy.

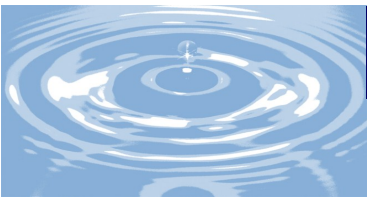


OW – Benefit Structure, Rate and Rule Changes, Cont'd

- The proposed definition of “spouse” is a positive change, and long overdue.
- The Ontario Child Benefit is part of the government’s poverty reduction plan. The OCB should never be deducted from OW or ODSP, and increases to the OCB should not be deducted.
- A \$200/month earning exemption would be a positive change, but even \$200 is too low. The % clawback should remain at 50% (not 57%).
- Treating child support like earned income is a positive change. This should also apply to EI, WSIB, CPP and private disability payments.
- The Commission recommends that people on assistance receive no new benefits unless all low income people receive them. This is not fair as the incomes of those on assistance are much less than incomes of the working poor. It also means that it is very unlikely that people on social assistance will ever have their benefits improved because the cost of doing so will be prohibitive.
- There has already been a big cut to discretionary and housing benefits. These covered subsidized bus passes, important health benefits, baby supplies, deposits and emergency housing costs. How can this government say that is going to reduce poverty when it goes and cuts benefits?
- There are not enough jobs for all the people now looking for jobs. (Stats Canada says 1 job for every 6 job seekers). If people on ODSP get special help and accommodations, and if employers get extra money for hiring a disabled worker, they will end up taking jobs from people on OW. This means that people on OW will have to stay on benefits longer and live in poverty longer.

“An increase of \$100 to the OW rate for singles is good, but it would not make the OW benefit rate anywhere near adequate to cover the basic costs of shelter, food, transportation and other basic necessities.”

- quote from community meeting March 27, 2013



II. ODSP – Benefit Structure, Rate and Rule Changes

- The SAR report recommendations are, overall, bad for people on ODSP. If implemented there will be loss of income and benefits.
- Any reduction in benefits or services and supports will increase stress on individuals and families and the community agencies that serve them.
- The most vulnerable people in our society, people with disabilities, are being targeted as a way to save money.
- Without coming out and saying it, the report suggests that ODSP rates are generous and people on ODSP are lazy. The report stigmatizes people with disabilities.
- Regardless of who delivers OW and ODSP, they should be kept separate with separate rates and benefits. ODSP recipients need to have staff trained to deal with people with disabilities.
- The ODSP system is not broken. Do not dismantle it.
- The timing of any changes has to be considered carefully. The first thing that should happen is that the rates should be increased to a Basic Measure of Adequacy. See comments below as to what should be included.
- A simple benefit structure will not have the flexibility to address the complex needs of people with disabilities. Simple is not better if it means less income and fewer benefits.
- The Basic Measure of Adequacy has to include things like the cost of transportation and internet access. Rates should increase each year based on increases to the cost of living.
- Transportation is a big issue for people with disabilities and particularly important for those living in rural areas where there is no public transit or special transportation for disabled people.

“Without coming out and saying it, the report suggests that ODSP rates are generous and people on ODSP are lazy. The report stigmatizes people with disabilities. “

-quote from Community Meeting, March 27, 2013

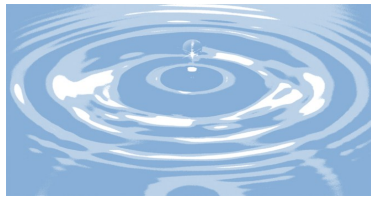


ODSP – Benefit Structure, Rate and Rule Changes, Cont'd

- There is real concern about the loss of discretionary benefits at the municipal level, and the fact that people on OW and ODSP cannot afford the cost of a bus pass. Poor people are not responsible for the provincial deficit, and it should not be reduced on the backs of the poor.
- The special diet allowance was changed a few years ago and people lost money. “This affected my health and it scares me if they are going to take more away from me”. This allowance is absolutely necessary for many disabled people, and for some people on OW.
- If the rates were brought up to a Basic Measure of Adequacy and included enough money for people to afford healthy food, then there would be less need for a special diet allowance. Also, people would be healthier and there would be long term cost savings.
- The recommendation to have a reduced “shared accommodation” rate is very concerning. It seems to be premised on the idea that people get enough money now to live on their own. But the rate amounts aren’t enough now to live alone and that is why people end up in shared accommodation. Often people are desperate and have no choice but to share with someone they do not like or someone who is dangerous. Landlords won’t care about a reduced assistance rate, they will just charge the same rent they have been charging all along.
- How will people who live in rooming houses be affected by the shared accommodation recommendation?
- The proposed reduced rate for those in shared accommodation only makes sense if the rates are increased to a BMA first.
- The report doesn’t recognize that it costs much more to feed, cloth, and house an older child than it does a younger child. Further, a child with a disability requires more support and money to keep them in the home.

“A simple benefit structure will not have the flexibility to address the complex needs of people with disabilities. Simple is not better if it means less income and fewer benefits.”

- quote from community meeting, March 27, 2013



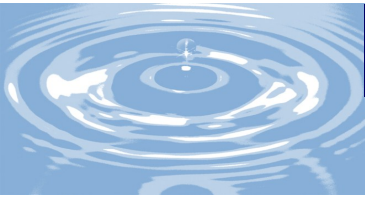
“No changes should be made that will increase the burden on the families of people with disabilities, or the agencies that serve them.

They are already pushed to their limits.”

- quote from community meeting, March 27, 2013

ODSP – Benefit Structure, Rate and Rule Changes, Cont’d

- In one case, a parent with a 21 year old disabled child who was no longer able to go to school, had to give up her job in order to stay home and look after her adult child.
- A disabled parent will spend more than a non-disabled parent on things like transportation, childcare etc.
- People with children need to be treated differently than others with regards to employment requirements and costs.
- It is wrong to eliminate the \$100 work benefit. The benefit is necessary because it costs a person with disabilities more to work. For example, there are increased transportation costs, food costs, and costs for special items that make it possible for the person to do their job.
- People on ODSP should be permitted to earn up to the low income threshold (poverty line) before income is clawed back. The \$200 earnings exemption that is proposed is too low, and if it is clawed back it should not be at a rate greater than 50%.
- The Commission recommends that people on assistance receive no new benefits unless all low income people receive them. This recommendation is particularly hard on people with disabilities as these are the people who most need a flexible, individual-based benefits program.
- No changes should be made that will increase the burden on the families of people with disabilities, or the agencies that serve them. They are already pushed to their limits.
- People expressed concern about the elimination of the CSUMB benefits and cuts to discretionary benefits.



III. Merging OW and ODSP

- Participants with lived experience are against merging OW and ODSP
- “There is a big difference between people with disabilities (ODSP) and people who have fallen on hard times (OW).”
- “I think that this merger will hurt people with disabilities. The current system works for people and the merger shouldn’t happen. I worry that after the merger there will be less respect and empathy for those with disabilities”.
- It seems like the merger favours improvements to OW and creates a disadvantage to those on ODSP
- There were concerns for those on ODSP and the Canadian Pension Plan (CPP-D). “There should be an exemption, because the allowance of CPP-D is in contradiction with the new proposed changes”
- A negative for people on ODSP will be the loss of services, loss of benefits and being forced to look for work at risk of losing income support. This will be very stressful for people with disabilities.
- There were concerns about the impact on people with disabilities. Municipalities are not set up to handle the needs of people with disabilities. Who will assess disability and needs? What training will they have?
- The ODSP system is not broken. Do not dismantle it.
- OW and ODSP need to be kept separate, with separate rates, benefits, supports, services.
- The rationale for the merger is to facilitate the imposition of mandatory employment activities on people with disabilities.

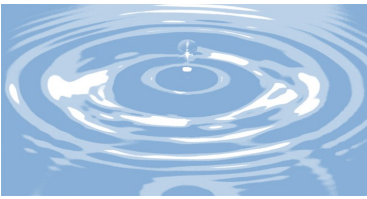


Merging OW and ODSP, Cont'd

- Some people say that there will be administrative savings if there is only one office. However, there is no evidence of this and there may actually be significant costs. It would be a travesty if this cost money that could be used to improve benefit levels.
- It is one thing to merge the programs, but it is another issue altogether as to who should deliver the program. In Calgary it is a one-tier system that is provincially run.
- A potential positive of an integrated system is that people can visit one office, in one physical location and this will reduce the back and forth run around.
- Income supports and employment supports should be separated. Perhaps the best approach would be for the income program to be delivered by the province and the employment supports to be delivered by the municipalities.
- A merger will create inequities across the province if the services are run and provided at the municipal level. Different areas will have different standards and attitudes.
- How will services and benefits be transferred if someone moves from one city to another? Municipalities won't be able to co-ordinate.
- The province is down-loading a lot of things on to municipalities. This means that there will a patch work of programs and services across the province.

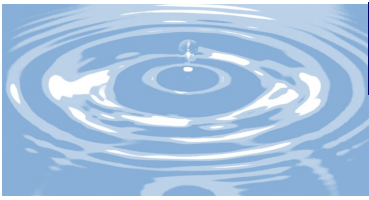
"I think that this merger will hurt people with disabilities. The current system works for people and the merger shouldn't happen. I worry that after the merger there will be less respect and empathy for those with disabilities".

- quote from community meeting, March 27, 2013



IV. ODSP – Employment

- The Commission wants to get people off of ODSP. It sets targets for reductions. This is more about saving the government money than it is about poverty reduction.
- People are worried that there will be quotas to get people off benefits, and that people failing to do mandatory employment activities will be used as the excuse to cut them off income support.
- People should not be punished for being disabled. The recommendations will create a lot of stress for people and make their situations worse. They are unrealistic and demanding.
- People with disabilities already have a huge amount of stress in their lives (dealing with poverty, health issues etc.). This will just create a lot more stress for people. People will be forced into unsafe work or end up in the “wrong” job and be worse off.
- The recommendations will create an underclass of employment. There is concern that this is “workfare”.
- Income supports should not be tied to employment supports. Any employment activity should be voluntary.
- How can a person really “agree” to an employment plan if they are afraid of losing their income if they don’t agree?
- Many people on ODSP will agree with anything someone in authority says to them. One participant said that her sister would “agree to anything a worker said, without knowing what she was agreeing to.
- People will say that they want to work but that does not mean that they can work or that they understand their own limitations. Many people would end up agreeing to an employment plan that was beyond their ability.

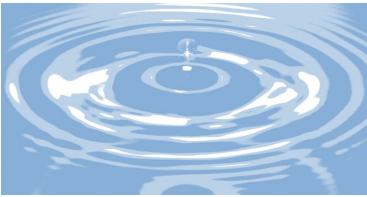


“These recommendations feed into the “us and them” mentality between people who work and those who don’t.”

-quote from community meeting, March 27, 2013

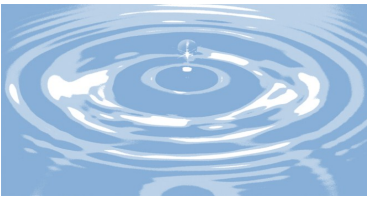
ODSP – Employment, Cont’d

- The Report says that employment is the pathway out of poverty. This is not true for many people and this is why we need a social safety net.
- People want to work. They want to work because this will mean better incomes. They also want to work because they feel the stigma of being unemployed in a society that judges a person’s worth by their employment.
- “These recommendations feed into the “us and them” mentality between people who work and those who don’t.”
- People will say that they want to work but that does not mean that they can work or that they understand their own limitations. Many people would end up agreeing to an employment plan that was beyond their ability.
- People on ODSP have been found to be “substantially restricted in their function in the workplace” because of their health. Those on ODSP should not be required to enter a pathway to employment. Doing so will set them up for failure.
- Concern was expressed around how people will be identified as being “employable”.
- The cyclical nature of some illnesses makes staying employed very challenging. Work could actually exacerbate the health condition and adversely affect the person’s overall health and well-being.
- Some people on CPP disability get an ODSP top up. How can these people (with “severe” disabilities) be expected to work?



ODSP – Employment, Cont'd

- These recommendations are not helpful. The emphasis should not be on the person with the disability, but on the labour market and the community.
- There are problems with employers and work places. Employers need to make their work places and jobs accessible to people with disabilities. Often times employers won't hire because potential liability and insurance reasons.
- Some additional comments from participants: where a disabled person cannot benefit from employment supports, supports should be made available to that person's spouse; there should be emphasis on volunteer work and other ways to participate in the community; there should be emphasis on the trades; we work in a fast-paced society so if you can't work fast you are not wanted; there will have to be financial incentives for employers, and this will cost the government money; people will need higher benefits to pay for clothes, food, transportation and special supports while they look for work; there should be supports for social entrepreneurship (starting a business to make positive social change); there will be a need for on-going one-on-one support and job coaching and this will likely cost more than amount of monthly assistance;
- "We need to assess all the things that people can bring to their community, not just employment."
- The Report should focus on "pathways to social inclusion" rather than pathways to employment.
- One person spoke about not being hired on past the probation period because the employer was worried about liability and insurance costs.
- The province is down-loading a lot of things on to municipalities. This means that there will a patch-work of programs and services across the province.
- People on ODSP need to be able to participate in their community and contribute to their community. They should get supports/services so that they can access programs and services, and possibly non-competitive work.



ODSP – Employment, Cont'd

- An assessment tool that would determine if someone could work or not, could really only effectively be used by someone who knows the person well, and has been supporting them for a long time.
- Other effective assessments (specific psychological testing) will be very costly.
- The administrative costs of implementing a comprehensive program will be very high.
- Income support workers do not have the necessary skills to provide employment supports.
- We are all on a continuum of functional to dysfunctional and we should focus on getting people in the right placement in order to give people confidence.
- Most people on ODSP are not capable of competitive employment in the current job market. They would need one on one support and a lot of accommodation.
- OW employment supports are not very good. When people find jobs they often are just temporary, and the person goes back onto assistance.
- Peterborough has a very high unemployment rate and even non-disabled people find it hard to find employment. Many people are underemployed and in precarious jobs. Adding more people (people with disabilities) will clog up the job market system even more.
- There are not enough jobs for all the people now looking for jobs. The Commission's recommendations will set people with disabilities up for failure.

"We need to assess all the things that people can bring to their community, not just employment."

- quote from community meeting March 27, 2013