



REPORT TO: Co-Chairs and Members of
Public Health and Social Services Committee

SUBJECT: Highlights of Social Assistance Rule Changes in Support of
Prosperity

RECOMMENDATION

That this Committee recommends to Regional Council that this report be:

1. Received for information; and
2. Forwarded for information to the Minister of Community and Social Services and the Minister of Children of Youth Services.

EXECUTIVE SUMMARY

- In Niagara, approximately 14% of Niagara residents live below the Low Income Cut Off (LICO).¹
- The Provincial budget introduced several investments aimed at helping Ontario's families and children in need. One of these investments was the introduction of the Ontario Child Benefit (OCB), for eligible low income families with children under 18 years of age which resulted in cost savings for Niagara Region.
- As reported in COM 52-2008 and in keeping with Council's objective of *A Responsive Region*, Council supported action to reinvest savings as a result of the implementation of OCB in the amount of \$900,000 for 2008 and \$1.5 million afterwards towards increasing prosperity for families living in poverty in Niagara and to develop strategies that respond to the recommendations made in the report "A Legacy of Poverty? Addressing Cycles of Poverty and the Impact on Child Health in Niagara."²

¹ "A Legacy of Poverty? Addressing Cycles of Poverty and the Impact on Child Health in Niagara Region", June 2007 P5.

² http://www.growingstronger.ca/english/report/report_mobile.asp

- In December 2008, the Province released its poverty reduction report entitled “Breaking the Cycle.” This report outlines the Province’s strategies and measures to reduce the number of children living in poverty in Ontario by 25% over the next 5 years.
- Regulation amendments have been made to Ontario Works (OW) and Ontario Disability Support Program (ODSP), a key component of Ontario’s poverty reduction plan includes a review of social assistance with the goal of removing barriers, increasing opportunities and improving its alignment with other key program areas and initiatives.

FINANCIAL IMPLICATIONS

There are no financial implications directly associated with this report.

PURPOSE

This report has been prepared to provide information to Committee and Council regarding revisions to the OW legislation and the implications towards increasing prosperity for individuals and families.

BACKGROUND

Poverty reduction is a commitment made by all tiers of government, federal, provincial and municipal. Since the release of the Legacy of Poverty? Addressing Cycles of Poverty and the Impact on Child Health in Niagara Region” report, Niagara has demonstrated strong leadership in its work to develop appropriate and meaningful ways to increase prosperity for families living in Niagara. As reported in COM 53-2008, Niagara has created a Niagara Prosperity Initiatives Advisory Committee consisting of community stakeholders to oversee the investment of social assistance savings and the implementation of the seven prosperity strategies linked to the four recommendations in the report: decrease poverty through advocacy; ensure appropriate and flexible supports which address the broader determinants of health for adults living in poverty; mitigate the negative effects of low income on children and youth through programs and services; and monitor progress.

As reported in COM 15-2009 Niagara’s SAEO caseload trends and the downturn in the local economy resulted in an increased demand for social assistance. The 2009 SAEO caseload reflects a 15.65% increase on average over 2008. Niagara, through its delivery of the OW program continues to provide individuals and families with a range of employment supports to assist them towards employment and self sustainability. This continuity of service delivery represents a responsive region and confirms Niagara’s progressive measures to implement prosperity strategies at the neighborhood level.

The Provincial Cabinet Committee on Poverty Reduction chaired by Deb Matthews, released its comprehensive poverty reduction plan in December 2008. In this report, the provincial government resolved to break the cycle of poverty with signature investments in education and a focused strategy on creating opportunities, assisting people to reach their potential and building a stronger economy. The plan recognizes systemic policy issues and the need for more seamless integration of programs. The framework and strategies of the plan are designed to mitigate the factors contributing to poverty and seeks to identify solutions.

Highlights of the Ontario Poverty Reduction Plan with Notable Impact to the Delivery of the Ontario Works Program include:

1. Increase to the Ontario Child Benefit;
2. A review of social assistance with a person centered approach with the goal of removing barriers and increasing opportunities with a particular focus on employment and a focus on evidence based social policy development; and
3. The evaluation of social policy interventions.

Ontario's poverty reduction plan acknowledges that OW is a program that provides financial assistance to support low income families; however, its complex rules have often contributed to challenges individuals and families experience in their efforts to transition to independence. Recent revisions to the OW directives represent a progressive response to these challenges and highlight the government's commitment to poverty reduction.

REPORT

The 2009 Ontario Budget announcement reflected an increase to the OCB amount from \$500 to \$1,100 per child annually effective July 2008, two years ahead of the original timeline. As a result of this increase, social assistance rates and the Transition Child Benefit (TCB) are being adjusted. Social Assistance rates are changing to allow for further consolidation of children's benefits into OCB. This is intended to support individuals moving to employment since they can continue to receive OCB when the exit social assistance.

In Niagara, a strong foundation of programs and supports that are seamless and responsive to the needs and potential of low income individuals and families is critical to address the problem of poverty. Recent revisions to OW legislation have been predicated on this principle and improve the opportunity for individuals and families to transition from financial supports to opportunities attained through employment and/or education.

New changes to social assistance legislation represent a positive step towards supporting recipients to pursue educational and employment opportunities. One of these changes is to fully exempt the earnings of persons attending full time post-secondary school as income and assets for the purposes of determining eligibility for social assistance, subject to certain conditions. The exemption will apply to income earned both during the school

year and up to 16 weeks prior to the study period. To benefit from these changes, OW recipients must be taking at least 60% of a full course load. This change allows students to save their earnings to pay for post-secondary education without affecting their eligibility for social assistance. An educated and skilled workforce is essential for prosperity and economic advantage. Niagara's investment of \$50,000 for the Bursary Program for youth living in low income households further supports this provincial change initiative.

Child Care is essential for parents to participate in educational and employment related activities and is a key component for influencing capacity for both the children and their parents towards prosperity. The Ontario Works Up Front Child Care Benefit is available to pay in advance for child care costs when recipients begin or change jobs or work related activities. As a result of the poverty reduction plan and the review of social assistance this benefit has been extended to recipients who require it in order to maintain their current job or work related activity. This change will also benefit young parents participating in the Learning, Earning and Parenting (LEAP) program under OW.

Extending the time period for OW and ODSP applicants and recipients to request an internal appeal of the decision affecting their social assistance from 10 days to 30 days was implemented on May 1, 2009. This change aligns with the poverty reduction plan and the government's commitment to a client centered approach which empowers individuals and families.

Summary of Changes

Directive	Revisions	Effective Date of Change
Directive 7.4 Employment and Participation Benefits	Extends eligibility for the Up-Front Child Care Benefit who requires this support to maintain their participation in employment or employment related activities.	March 1, 2009
Directive 5.1 Income & Exemptions	The employment earnings of those attending fulltime post-secondary will be exempt as income and assets for the purposes of determining eligibility subject to certain conditions.	May 1, 2009
Directive 10.1 Notice and Internal Review Process	Extending the time period for OW and ODSP applicants and recipients to request an internal review from 10 days to 30 days	May 1, 2009

Niagara's commitment toward increasing prosperity complements the provincial government's comprehensive poverty reduction strategy and its advocacy with the federal government with its focus on creating opportunity and building a stronger economy that provides families with the tools they need to build better lives and reach their potential.

Niagara has built a strong foundation of service delivery based on a client centered approach. Its local business practices and application of legislation have been further reinforced with the recent OW legislation revisions that serve to empower individuals and families and create opportunity for successful transition from social assistance towards prosperity.

Submitted by:

Approved by:

Brian Hutchings
Commissioner, Community Services

Mike Trojan
Chief Administrative Officer

This report was prepared by Marisa McShannon, Manager and reviewed by Sarah Pennisi, Director, Social Assistance and Employment Opportunities..