

# Commission for the Review of Social Assistance in Ontario

## **Terms of Reference**

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## 1. Background and Context – The Need for Review

Ontario's Poverty Reduction Strategy (PRS) announced that the government would review social assistance with the goal of "removing barriers and increasing opportunity – with a particular focus on people trying to move into employment". The Strategy stated that the review would seek to better align social assistance with other key programs and initiatives, better communicate program rules, and ensure that programs as a collective work to increase opportunity.

More recently, the 2010 Ontario Budget noted that "the review is an integral part of the government's longer-term vision for a transformation of social assistance that would increase people's opportunities for work and guarantee security for those who cannot work. The government would also make social assistance programs easier to understand, more transparent, and sustainable in the long term, so that the system can continue to support the most vulnerable Ontarians".

Ontario's social assistance system is composed of two programs that provide income and employment supports to people in financial need: Ontario Works and the Ontario Disability Support Program (ODSP). Together these two programs serve approximately 830,000 Ontarians each month. In 2009-10, total provincial expenditures were over \$6.6 billion.

The principal objective of Ontario Works is to help people in financial need to overcome barriers to employment as quickly as possible in order to find a job. The principal objective of ODSP is to help people with disabilities live as independently as possible in their communities, and to reduce or eliminate disability-related barriers to employment.

Ontario Works and ODSP were implemented in 1998. Now, 12 years later, a number of internal and external factors are driving the need for a forward-looking review to determine how the social assistance system should evolve to respond to new challenges and continue to serve the needs of Ontarians over the coming years. Some key factors include:

- Rising caseloads and expenditures;
- Changing caseload demographics leading to more diverse training and employment needs of clients;
- Changing labour market/employment opportunities for clients and continued interest in reducing barriers to employment within and outside the social assistance system, for example through the introduction of the **Accessibility for Ontarians with Disabilities Act**;
- The introduction of the Ontario Child Benefit, which has changed the role of social assistance in providing supports to families with children;
- The changing role of municipalities in social assistance as a result of the upload of the municipal share of Ontario Works and ODSP costs;

- A developing understanding of the complex ways in which the numerous programs accessed by vulnerable Ontarians can interact with each other, sometimes leading to unintended barriers and disincentives;
- Increased interest in issues of entitlement more generally and the appropriate role of social assistance in the context of poverty reduction;
- Changes in supports provided by the federal government, such as the introduction of the Working Income Tax Benefit which has increased support to low-income workers and reforms to Employment Insurance which have reduced coverage; and,
- Changes in the way municipalities are providing supports, for example through innovative approaches to service delivery integration.

## **2. Vision**

Ontario's social assistance review is guided by a vision of a 21st century income security system that enables all Ontarians to live with dignity, participate in their communities, and contribute to a prospering economy.

The review will recommend ways to improve work-related outcomes, while providing appropriate income supports and access to opportunities that will enable participation in and attachment to the labour market, and guarantee security for those who cannot work.

It will examine and determine the effectiveness of social assistance and how it impacts, and is impacted by, other parts of the overall income security system in Canada.

The review will also define Ontario's position vis-à-vis the federal government's responsibility as it relates to income security for Ontarians.

## **3. Purpose of the Review**

The Commission for the Review of Social Assistance in Ontario (the Commission) has been established to develop specific recommendations and a concrete action plan for reforming the social assistance system to improve client outcomes.

The Commission has been established by Order in Council for a period of 22 months.

The purpose of these Terms of Reference are to:

- Set out the mandate and deliverables of the Commission;
- Establish the accountability relationships between the Ministry of Community and Social Services (the ministry) and the Commission through its Co-Chairs;

- Clarify the roles and responsibilities of the Commission; and,
- Set out expectations for the functioning of the Commission as an arms length body of government with respect to its operation, administration and reporting arrangements with the ministry.

These Terms of Reference do not affect, modify or limit the powers of the Commission as set out in the Order in Council or interfere with the responsibilities of any of its parties as established by law. In case of conflict between these Terms of Reference and any statute or regulation, the statute or regulation prevails.

#### **4. Legal Authority**

The Commission and the Commissioners derive their authority through the following model:

- The Commission was established by Order in Council to examine and determine the effectiveness of social assistance, and how it impacts, and is impacted by, other parts of the overall income security system in Canada; and to provide advice for reforming the social assistance system to improve client outcomes. Orders in Council also appoint two Commissioners, as Co-Chairs, and set out rates of remuneration for the Commissioners.

#### **5. Mandate, Scope and Outcomes**

##### Mandate

- The Commission has been established to develop specific recommendations and a concrete action plan for reforming the social assistance system to improve client outcomes.

A reformed social assistance system should:

- Be acknowledged as one part of a larger income security system that encompasses municipal, provincial and federal programs
- Recognize that municipal, provincial and federal governments, along with individuals, have mutual responsibilities for improving the outcomes of low-income Ontarians
- Be simple to understand and access, and provide basic income support for people in need in a fair and equitable fashion
- Interact effectively with other municipal, provincial and federal programs outside of social assistance, including education, training, housing, child care and health benefits, to support employment
- Respect the autonomy, responsibility and dignity of clients, and recognize that they are best placed to decide how to spend their money to meet their needs
- Be financially sustainable and accountable to taxpayers

- Be less resource intensive to administer
- Meet its intended purpose as a system of last resort

### Scope

The review will focus on social assistance and how it impacts, and is impacted by, other parts of the income security system. Social assistance will not be examined in isolation. The review will examine social assistance along with other federal, provincial and municipal income security programs to gain a better understanding of how programs across all governments can better promote positive client outcomes, including:

- The relationship between social assistance and other federal, provincial and municipal programs with a focus on opportunities to reduce Marginal Effective Tax Rates (METRS);
- The effectiveness of active interventions on client's employment outcomes and the achievement of financial independence, including how social assistance interacts with Employment Ontario programs; and
- Reasonable expectations and supports for persons with disabilities, including treatment or participation requirements, taking into account the government's ongoing work on the **Accessibility for Ontarians with Disabilities Act** to remove barriers by 2025

The review will also make recommendations that recognize the roles and responsibilities the federal government should be undertaking.

Building on the approach of the successful Ontario Child Benefit, the review will consider other areas in which income benefits may be paid to all low-income Ontarians outside of the social assistance system.

### Outcomes

The review will make recommendations that will enable government to:

- Establish an appropriate benefit structure that reduces barriers and supports people's transition into, and attachment within, the labour market
- Place reasonable expectations on, and provide supports for, people who rely on social assistance with respect to active engagement in the labour market and participation in treatment and rehabilitation
- Simplify income and asset rules to improve equity and make it easier to understand and administer social assistance
- Ensure the long-term viability of the social assistance system
- Define Ontario's position vis-à-vis the federal and municipal governments as it relates to income security for Ontarians

The action plan should map each recommendation to one or more outcomes. In addition, the action plan should include performance measures for each of the outcomes. Where appropriate, these performance measures should align with performance measures in the PRS.

The Social Assistance Review Advisory Council (SARAC) recommended a number of strategies for social assistance reform. In developing recommendations related to these strategies, the review will undertake research and a comprehensive analysis of the following:

- Best practices in other jurisdictions;
- Ways to improve the sustainability of the system;
- Methodologies for determining:
  - The benefit structure and level of rates
  - Asset limits and exemptions
- The most appropriate means and approaches for providing special purpose benefits such as the Special Diet Allowance to best address individual needs
- The most effective ways of supporting families with children who have severe disabilities; and,
- Appropriate supports and services to connect people who cannot work to their communities.

## **6. Commission Accountability**

The Commission will be composed of two Commissioners, each as Co-Chair, to lead the review. The Commissioners will report to the Minister of Community and Social Services.

The Minister will be accountable to the Legislative Assembly and Cabinet for the Commission's fulfillment of its mandate and its compliance with government administrative and operational policies and broad policy directions. For these purposes, the Minister will respond to the Legislative Assembly on the affairs of the Commission.

The Deputy Minister will be accountable to the Minister for the performance of the ministry in providing administrative and organizational support to the Commission.

The Commissioners will be supported by a secretariat of 10 professional and administrative staff. The secretariat will be headed by a Secretary who will be responsible for supporting the Commissioners in meeting their responsibilities, and will report to the Commissioners on policy and research issues. The Secretary will manage the Commission's operations and staff, in consultation with the Commissioners. The Secretary will report to the Deputy Minister on human resource and administrative support issues.

## **7. Conflict of Interest**

The Commissioners shall not engage in any activity that may conflict or potentially conflict with their activities and responsibilities as a Commissioner. The Commissioners shall not use information relevant to the Commission initiative for any purpose not related directly to their role as a Commissioner.

## **8. Roles and Responsibilities**

The Commissioners, as Co-Chairs, will be expected to:

- gather information on existing programs;
- undertake research and analysis of existing literature, as well as initiatives and developments within municipalities, the Ontario government, the federal government and other countries such as the creation of new or restructured programs, changes to eligibility requirements or entitlements, new service delivery approaches and any other important developments;
- engage a variety of stakeholders in an interactive process, including people with lived experience, advocacy groups, labour organizations, and business;
- hold separate and substantive discussions with First Nations to ensure reforms that reflect their needs and priorities;
- prepare an engagement paper to facilitate engagement, with key background, context and considerations for public discussion;
- prepare background papers as appropriate;
- analyze alternative approaches and their implications;
- analyze the costs and benefits of any recommendations; and,
- prepare a final report including specific recommendations and a concrete action plan for implementing those recommendations to be submitted to the Minister of Community and Social Services.

## **9. Reporting Requirements**

It is expected that over the course of their work, the Commission will regularly engage with the Minister and the Minister's staff in order to provide updates on the status and progress of their work.

The Commission is responsible for responding to ministry requests for information in a timely way, including information regarding:

- Issues and events that may concern the Minister in the exercise of the Minister's responsibilities; and
- Public communications including the media responses, news releases, communication plans and contentious issues.

## Final Report

The Commissioners, as Co-Chairs, are expected to submit a final report to the Minister by June 30, 2012. The final report must include:

- Overview of work undertaken by the Commission (research, consultations);
- Key findings/conclusions; and,
- Detailed and summarized recommendations for changes to social assistance in Ontario as well as recommendations that will recognize the importance of federal and municipal government actions to reduce poverty.

### **10. Communications**

The Commission will provide the ministry with an opportunity to review materials prepared for public release in advance, including the engagement paper. Materials prepared for public release will be provided in English and French, and will meet accessibility requirements.

### **11. Staffing and Appointments**

The Commission may engage experts and second staff from the Broader Public Sector or the Ontario Public Service. The Commission is required to engage all resources in compliance with applicable government directive, policies and/or procedures.

### **12. Amendments**

These Terms of Reference may be amended by the Minister of Community and Social Services, who will provide written notification of any amendments to the Co-Chairs.