



Ontario's Social Assistance and Employment Service System Transformation Plans for Toronto

A BRIEFING FOR TORONTO CITY COUNCILLORS ON WHY
THE CITY SHOULD MAKE A BID TO MANAGE THE PLAN

Developed by Open Policy on behalf of Defend Disability

JANUARY 2022

City of Toronto

APRIL 12, 2021 MEMO TO COUNCIL

From the summary:

April 12, 2021 memo to Council

*“On February 11, 2021, the Ministry of Children, Community and Social Services (MCCSS) released **“Recovery and Renewal: Ontario's Vision for Social Assistance Transformation.”***

“Ontario's new Social Assistance Recovery and Renewal (SARR) plan and vision for social assistance builds on previous announcements and work underway to transform the employment services system across the province and provide more efficient, person-centered supports for low-income residents.”

From the summary:

April 12, 2021 memo to Council

“...these changes will take place in three phases over the next four years.

In the near-term this will result in changes to provincial and municipal roles for social assistance - both Ontario Works (OW) and Ontario Disability Support Program (ODSP).

When fully implemented, Ontario's SARR plan will shift the functional focus for municipal delivery partners from eligibility determination and the administration of benefits and employment supports to the provision of life stabilization supports and service navigation for social assistance clients.

The Province's longer term vision includes broader human services integration that extends life stabilization and service navigation for all low-income residents.

Significant risks noted in the memo

“To a large extent, therefore, the City has a firm foundation to build on and is well-positioned to work with the Province to inform and advance future system change.

However, the significant nature of change means that there are additional issues and potential risks which the City will need to monitor and address going forward.”

Significant risks noted in the memo (cont.)

“For example, while the separation of benefit eligibility determination and payment administration (provincial) from service planning (municipal) functions is expected to streamline benefit access for clients and free up time for caseworkers to focus on clients' life stabilization needs, the related technologies, processes and protocols that bridge these two distinct functions will need to be tightly linked to ensure timely and appropriate financial benefits are delivered in alignment with local service planning needs. ”

Significant risks noted in the memo (cont.)

“Additionally, the forthcoming introduction of a new Employment Service System Manager (ESSM) for Toronto, selected through a competitive process, could potentially generate service navigation or "hand off" challenges for clients if not properly managed, as a given resident may need to access three different kinds of supports – i.e. financial benefits; service planning and life stabilization; and employment assistance – from three different entities (Province, City, ESSM) at the same time.”

Recommendations from City staff to Council

*“4. City Council direct the General Manager, Toronto Employment and Social Services to engage with other divisions and Toronto Public Library, as well as community and workforce development stakeholders, as appropriate, to assess how the City can best advance its workforce development priorities and support residents in a transformed employment services system, including **whether the City should pursue the new employment service system manager role and, if so, in what configuration and report on findings and recommendations in the second quarter of 2022**”*

Pursuing the Service System Manager Role

LET'S TAKE A STEP BACK.....

Recent History

From 2013 to 2018, the province gradually took over the 20% share of allowances and benefits that municipalities paid under Ontario Works (OW).

Ontario was the last jurisdiction in the US and Canada to pay a portion of social assistance allowances and benefits

Provincial takeovers in Nova Scotia and Manitoba took place in the 1990's.



Recent History (Cont.)

Before 2018, TESS had a great deal of discretion in terms of the eligibility processes for Ontario Works (OW).

The City was also very active in referring people with sickness and disability to ODSP

With the provincial takeover, the province became more active in eligibility and in 2021, made changes to the OW legislation for the first time since 1998.



What's on the table now?

“....shift the functional focus for municipal delivery partners:

***from** eligibility determination and the administration of benefits and employment supports*

***to** the provision of life stabilization supports and service navigation for social assistance clients*

What's on the table now

“Whether the City should pursue the new employment service system manager (SSM) role and, if so, in what configuration and report on findings and recommendations in the second quarter of 2022.”

The **decision** to **pursue**....

ISSUES

1. Workforce development for the City of Toronto as it relates to OW recipients: Toronto needs to have a strong role in its own recovery. The city brings a lot to the table.
2. Loss of control: if new actors take over the SSM responsibilities e.g. private international corporations such as Maximus
3. Disruption: if Toronto ends its history of involvement in employment services
4. A City role restricted to life stabilization and service navigation is a much reduced role.

Workforce Development

Basically the **demand** side of the equation

THE DEMAND SIDE

What do employers need now and in the future?

Almost no one is successful in getting OW recipients to work

Long term trend is about 10% in employment

THE SUPPLY SIDE

Mostly hard to serve

Single, male uneducated – many NEETS

Not in education, employment or training

Numeracy, literacy, sickness, language are all barriers

Workforce Development (Cont.)

The new SSM could be Toronto, a consortium of Non-profits and/or large corporations or any combination of the above

It's a large long term contract

No one on their own holds all the cards

US giants Maximus and WFC could be private sector bidders?

What are the issues?

WHAT THE CITY COULD LOSE

Toronto needs to play a role in its own recovery

The City cares for the residents in ways that the private sector will not.

Private sector businesses 'in the running' are not Canadian owned or operated.

Constituents matter.

What the City brings to the table that others do not

Ability to manage large budget.

Capacity to convene diverse stakeholders including employers.

Relationship with province and inter-governmental mechanisms to manage issues and problem solve as required when willing partners are in power.

What the City brings to the table that others do not (cont.)

The City can play an incomparable role in building opportunities for a better life and the economic wellbeing:

- Stands for standard business arguments for doing social good
- Builds partnerships for youth employment:
 - Through PAYE and advance equitable hiring, including OW recipients,
 - Through Community Benefits Framework + xoTO Screen Industry Pathways

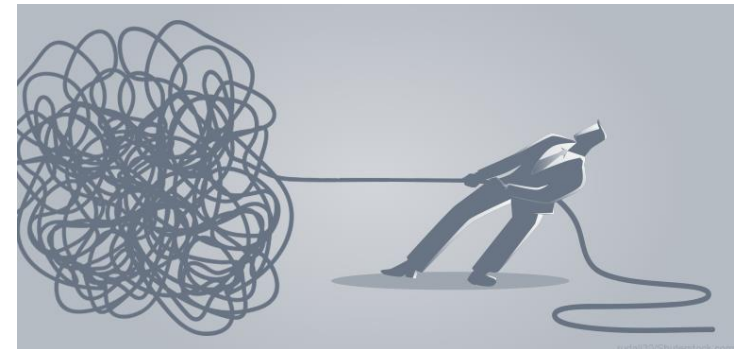
Imagine what the system could do at a systems level

Risks to the City: Loss of Control

Non-profits and the City have ‘**skin in the game**’. Large for profit corporations do not. They are in the business of making money in a field where few have real success.

If the City is not the SSM, decisions on who gets service, when and how are out of Toronto’s hands, yet the City will be on the hook to when systems fail to provide support services (e.g., shelters).

It’s a large game changing decision to stay out.



Risks to the City: Loss of Control

A private company taking over or a conglomerate of Not For Profits:

- possible lack of motivation to care for hardest to serve,
- potential inability to manage large budget and maintain public trust and confidence

Risks to the City: Loss of Control

There may be repercussions of a privatized employment service system on other social measures for those who need it the most (housing, childcare, etc.)

There may also be potentially higher rates of poverty in Toronto's neighbourhoods related to residents' lower employability and inability to connect to social supports

Disruption

If the city stays out of the SSM designation, then many staff are no longer required.

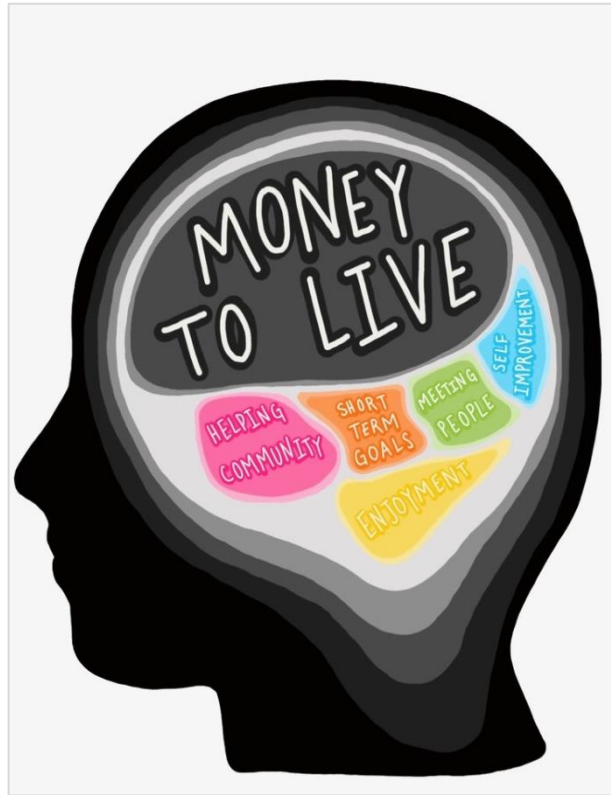
Bumping starts - successor right kick in.

If the new SSM does not work out, the City can't easily 'get back in the game'.

A 128 history could well be lost,



Restricted to life stabilization and service navigation?



OW is a destitution based system – the floor of income that you can't go below often becomes the ceiling that you can't go above.

Low Asset limits – low earning exemptions and low rates

How does one stabilize their life on \$733 a month, the current maximum for a single with \$390 of that for shelter? In a City where:

- lowest sharing rent is about \$600 –
- no \$\$ for a balanced diet,
- clothes
- personal care; or
- transportation.

Restricted to life stabilization and service navigation? (Cont.)



Services are threadbare

Shelters full

Housing waiting lists over 10 years in duration

Insufficient shelter allowances

Counseling and mental health supports in short supply

TTC under pressure

What life in the City of Toronto would be like when it is not the SSM

On the 'outside looking in' within its own boundaries.

Loss of control of levers and outcomes.

Dealing with parties with no skin in the game.

Left to stabilize lives with few resources.

Service navigator to threadbare or unavailable resources.

Large scale labour disruption.



What life in the City of Toronto would be like when it is not the SSM

How the public will react if the system is taken over by a Manager who fails (i.e. a private corporation).

The public will point to the City and Province and rightly ask why government is not leading and taking responsibility.

What life in the City of Toronto would be like when it is not the SSM

There is a recent strong emphasis concerning the City strengthening public trust and confidence.

The public needs government to play a leadership role and rather than shirk away from complexity & lead efforts to address it.

More concretely, people expect government to lead the recovery.

People also expect government to provide opportunity to the hardest to serve.

What's next?

WHAT WILL WE HEAR AND HOW SHOULD WE LISTEN?

Whisperings of results from elsewhere



Other municipalities where the private sector has become the lead in the SSM will likely show good results due to:

- Economy picking up
- Labour shortages
- Incentives to cream and show good results
- Post pandemic metrics difficult to gauge or assess

Looking at results, almost all approaches for hard to serve have had modest success at best.

What would a City-led consortium look like?

City of Toronto as convener in chief – the quarterback – leaning on its proven role in this regard. Continue to lever strong staff at TESS

Bringing leading large non-profits on board who are now sitting on the fence waiting. Many innovative programs proven across the City.

Work with employment Ontario as strategic partner

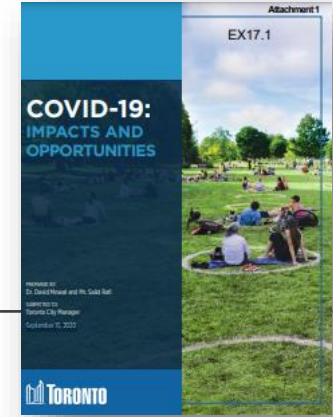
City would 'buy' leading edge private sector services as needed including training, innovative approaches - but importantly, the City would lead.

Build Back Better

The City needs to be at the table to ensure an equitable recovery for Toronto.

This is Toronto's chance to create more equitable, more meaningful employment.

Build Back Better (cont.)



“3.4 Increasing Prosperity

There is consensus that recovery and rebuild must enable renewed and more broadly shared prosperity that helps strengthen the city’s resilience and enables Torontonians to make progress in their own lives. However, the City of Toronto has limited ability to effect change in the most important aspects of a prosperity agenda, particularly in enabling greater, more equitable, more meaningful employment and significantly increased labour force participation among its residents. Therefore, the City should strive to establish a prosperity focus to measure and address Toronto’s labour force needs, especially among vulnerable populations and equity-seeking groups, and do so in partnership with the federal and provincial government.”

[*COVID-19: Impacts and Opportunities Report, September 15, 2020](#)

Strong need for ongoing evaluation

Evaluators always call for evaluation to start from the beginning, not after the fact

Evaluability the key

Contextualizing any and all early results

What do they mean in pandemic environment?

Early wins not necessarily long term successes.



Recommendation

The City of Toronto **develop a plan to lead a partnership** of non-profits and the private sector to bid for the SSM in 2022.

