



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 SYSTEM

DEFEND DISABILITY: TORONTO GROUP

UPDATED SPRING 2023

Overview

1.	Review of memos to Council on April 12, 2021 and April 11, 2023
2.	Pursuing the Service System Manager Role: a brief history
3.	What are the issues: what the City could lose?
4.	What's next: what will we hear and how should we listen?

What's new? Staff Report

April 11, 2023

EC3.5 - Employment Services Transformation: Recommendations on the City's Role:

Report from the General Manager, Toronto Employment and Social Services

Recommendations

The General Manager, Toronto Employment and Social Services recommends that:

1. City Council direct the General Manager, Toronto Employment and Social Services to not pursue the role of Employment Service System Manager for the Toronto Service Area, on behalf of the City, and to undertake the following actions to ensure the employment needs of social assistance clients and the best interests of the City are met:

What's new? Staff Report

April 11, 2023

1a. Continue to advocate with the Ministries of Children, Community and Social Services and Labour, Immigration, Training and Skills Development for an Employment Services Transformation implementation plan for the Toronto Service Area that maintains an appropriate level of employment services funding for Toronto Employment and Social Services.

1b. Establish a collaborative partnership with the vendor selected by the Ministry of Labour, Immigration, Training and Skills Development to serve as the Employment Service System Manager for the Toronto Service Area.

1c. report back to Council following the selection of the Employment Service System Manager for the Toronto Service Area with an update on the system transition timeline and partnership activities underway between the City and the System Manager.

What's new? Staff Report

April 11, 2023

2. City Council direct the General Manager, Toronto Employment and Social Services, in collaboration with the General Manager, Social Development, Finance and Administration the General Manager, Economic Development and Culture, and the Chief Librarian, Toronto Public Library to report back to Council on opportunities for the City to best leverage its workforce development priorities and investments across several programs and Divisions to enhance employment outcomes for all residents, with a focus on low-income residents and social assistance clients.

What's new? Staff Report

April 11, 2023

The reasons the staff report provides to abandon their role has nothing to do with policy or the needs of our community. Rather, it has everything to do with the familiar issues of cost and risk:

"Social assistance recipients, the target beneficiaries of Employment Services Transformation, also benefit from myriad City programs outside of social assistance. Key City priorities such as the Poverty Reduction Strategy, Newcomer Strategy, Reconciliation Action Plan, and Plan to Confront Anti-Black Racism (see Attachment 1, Section D) are focused on addressing the social, financial and employment barriers of low-income Toronto residents, many of whom are Social Assistance recipients.

It is vital that the City continue to focus on and fund these critical priorities. The risk that the City may need to make additional investments to address the assessed challenges of the Integrated Employment Service delivery model as the Employment Service System Manager, serving all residents in the Toronto delivery area, creates a concurrent risk of having to potentially divert funding from these existing priorities "

What's changed in two years?

Almost all municipalities have appointed an ESSM

Toronto and First Nations will be last to do so

The City of Toronto's finances have notably deteriorated

Therefore the risks and lack of resources noted in the April 11, 2023 staff report are real.

In many ways, the City is being made an **'offer that it must refuse'** within the parameters of Provincial programs, assumptions and funding.

Many will agree that the City recommendation is correct within the parameters but will reject the parameters.

Issues and Solutions

OUR RECOMMENDATIONS

Problem: The City of Toronto faces significant challenges if it is not a service system manager for people living in poverty

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.

People living in poverty left to stabilize lives with few resources.

Service navigator to threadbare or unavailable resources.

Possible large scale labour disruption if TESS downsized.

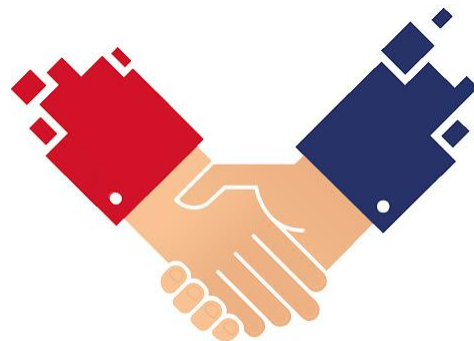
How will the public will react if the system is taken over by a Manager that fails (i.e. a private corporation)?

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



Recommendation

The City of Toronto **develop a plan to lead a partnership** of non-profits and the private sector to bid for the ESSM in 2023.



City of Toronto

APRIL 12, 2021 FIRST MEMO TO COUNCIL

Staff Memo to Council

- An April 12, 2021 memo from City staff to Council outlined the Province's goals for social assistance and employment services transformation, potential implications for the City.
- *Ontario's new Social Assistance Recovery and Renewal (SARR) plan builds on previous announcements, employment services system transformation is hoped to provide more efficient, person-centered supports for low-income residents.*
- *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.*
- *Given the City's work on providing supports and services to people living in poverty, staff indicated that the City was in a good position to inform the Province's work and advance systems change, there are risks to the City that also need to be addressed.*
- *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.*

Ontario's Social Assistance and Employment Service System Transformation Plans:
<https://www.toronto.ca/legdocs/mmis/2021/ec/bgrd/backgroundfile-165743.pdf>

Staff recommendations to Council

#1

“1. City Council approve .. five principles ... to inform Toronto's engagement with the Province of Ontario on the process of co-design and implementation of Ontario's Social Assistance Recovery and Renewal plan, including the end vision of an integrated human services delivery system that includes social assistance, children's services, and housing:

- a. Prioritize client well-being and progression;*
- b. Commitment to engagement and collaboration;*
- c. Recognition of Toronto's unique size, diversity, and complexity;*
- d. Adequate and sustainable funding to drive best outcomes; and*
- e. Promoting local economic and social inclusion.”*

Staff Recommendations to Council

#2 & #3

“2. City Council direct the General Manager, Toronto Employment and Social Services to report in the second quarter of 2022 on the co-design and implementation of Phase 1 of Ontario's Social Assistance Recovery and Renewal plan, including:

- updates on the impact of the centralization of Ontario Works financial assistance application administration on related roles and functions at the City of Toronto's Application and Support Centre, and*
- Toronto Employment and Social Services, budget implications for the City of Toronto, and progress on the Provincial plan for human services integration.”*

“3. City Council, recognizing that a modern approach to social assistance should not only improve service delivery but also

- address the ability of social assistance clients to meet their basic needs,*
- request the Province of Ontario to address the adequacy and Ontario's Social Assistance and Employment Service System Transformation Plans (Page 3 of 16)*
- structure of social assistance by implementing a new and modernized rate structure that uses an evidence-based approach to annual social assistance rate increases.”*

Staff Recommendations to Council

#4

*“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.....

An Historical perspective

In 1889, a recommendation was made in an address to Toronto charities that the City of Toronto hire a ‘relieving officer’ to assist people living in poverty to join the mainstream of community life.

“The need of a more regular and skilled administration is felt in the department of health and in that of engineering: the time can hardly be far distant when it will be felt in regard to the relief of destitution...”

Four years later, the first officer was hired (1893) and now **130 years later**, the City is contemplating getting out of the business.

https://books.google.ca/books?id=vJgpAAAAYAAJ&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=true

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*

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 ESSM responsibilities e.g. private international corporations such as WFC
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 EESSM could be the City of Toronto, a consortium of Non-profits along with large corporations or a combination of the above. Unlikely that non-profits could be the EESSM

It's a large long term contract

No one on their own holds all the cards

World giants like FedCap & 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

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 ESSM, 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 private company along with a group 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

Disruption

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

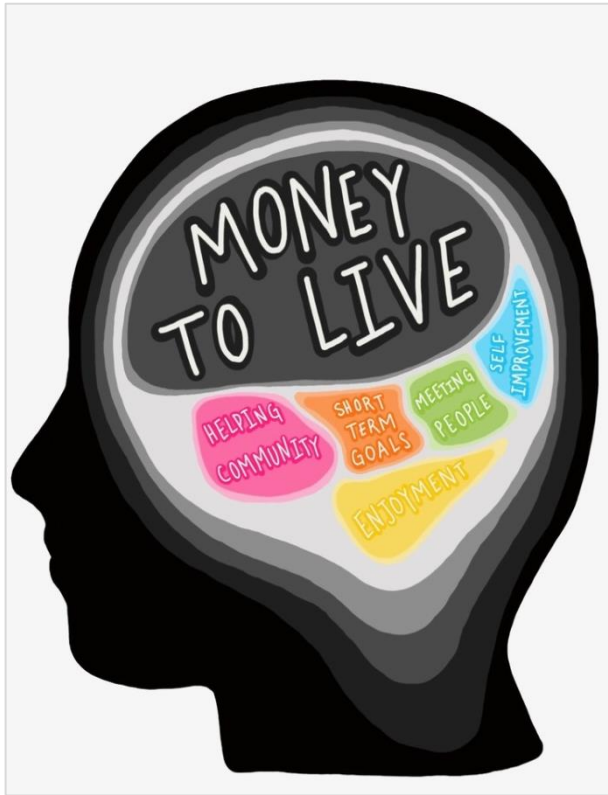
Bumping starts - successor right kick in.

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

A 130 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 ESSM?

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'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 ESSM 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.

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.



Thank you

QUESTIONS?

Deputation to City Council on Staff Recommendation against application to be Toronto ESSM:

EC3.5 - Employment Services Transformation: Recommendations on the City's Role

In 1889, a recommendation was made in an address¹ to Toronto charities that the City of Toronto hire a 'relieving officer' to assist people living in poverty to join the mainstream of community life.

"The need of a more regular and skilled administration is felt in the department of health and in that of engineering: the time can hardly be far distant when it will be felt in regard to the relief of destitution..."

Four years later in 1893, the first relief officer was hired and now - 130 years later - the City is sadly contemplating getting out of the business.

No one in living or generational memory knows what it would be like for the City of Toronto to be out of the business of employment services for City residents.

This is important.

The reasons that the staff report provide to abandon that role have nothing to do with history, policy, or the needs of our community. Rather, they have everything to do with the familiar ever-present issues of cost and risk:

"It is vital that the City continue to focus on and fund these critical priorities. The risk that the City may need to make additional investments to address the assessed challenges of the Integrated Employment Service delivery model as the Employment Service System Manager, serving all residents in the Toronto delivery area, creates a concurrent risk of having to potentially divert funding from these existing priorities "

I teach policy to OW recipients referred by TESS 4 times a year and have done so for the past 12 years.

I held such a class earlier this month.

The reality is that aside from one woman who lives in RGI housing in TCHC, the others are modern hunter-gatherers mostly hungry and living lives of quiet desolation often paying \$600+ a month to rent shared space while having almost nothing left for even the most threadbare existence.

1

https://books.google.ca/books?id=vJgpAAAAyAAJ&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=true

Each Ontario Works 'intake' appears to be further from employment. They are distrustful and prone to disproven conspiracy theories. They dislike the world and often hate themselves and others in their position.

The lives they live are a set of careful lies as their only conceivable way to survive is to squirrel away money, hide relationships and live contradictory lives of proclaimed destitution - as the appearance of anything different from that - courts ineligibility.

The road to readiness for employment for these folks is not initially through a workforce development approach.

They need to stop needing to 'display destitution' and to learn that some parts of our public institutions can be trusted.

They need to eat regularly and stop living a life of constant wariness and fear of reprisals.

They need to have a phone and a modest data plan. They are rapidly deskilling in an environment that assumes that we all know how to go online.

Many are shockingly unconnected.

Workforce development is an important goal for people living in forced destitution but it cannot work if people remain in destitution.

What they need is neither traditional social work nor concentrated trauma reduction.

They need more money and they need basic support – and to unclog their mental arteries of the stigma that stuffs every aspect of their daily being.

There must be a way to bridge this gap between isolation and our mainstream - but if we do not do it, these folks are not going to and cannot be job-ready - if the present ecosystem remains in place.

Toronto continues to need a strong role in its own recovery.

The good news is that the City brings a lot to the table.

If new actors take over the ESSM responsibilities - for example - private or public international corporations – they have no skin in the game – the City does.

Disruption is all we will face for years if Toronto ends its history of involvement in employment services.

And a City role restricted to life stabilization and service navigation is a much-reduced role - let alone being a thankless task.

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

Private sector businesses 'in the running' are neither Canadian owned nor operated.

Constituents matter.

Closing

But if the City does make a bid under the present rules, it looks like they would not be able to win it.

There is nothing wrong with Workforce Development but it can not work to the exclusion of everything else.

If you are living on \$133 a month after paying rent (\$733 -\$600), neither workforce development nor life stabilization have any hope of working.

Therefore, a new ESSM that is not City-run will drive the wedge between ODSP and OW even deeper.

We understand that the City cannot afford to lose the \$38M that is on the table for the City to lose.

Therefore, the real issue is the 'box' - the 'straitjacket' – into which the City is being placed.

These parameters must be rejected and a new 'game' be put in place.

City staff did not get this wrong.

Playing by the rules now in place, the City must not bid.

But if the rules could be different; if they were fair and just - a bid is entirely appropriate.

We need to look at the long game and do what is right and make a bid and try to change the rules in the medium to long term, not get out of the business and be forever regretful of a flawed decision.

Js/April 23/23