

2

KEY POLICY DIRECTIONS FOR THE PROVINCIAL POVERTY REDUCTION STRATEGY

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, May 28, 2008, from the Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council endorse the ten key policy directions as set out in section 4.2 of this report, to support regional participation in the development of the provincial poverty reduction strategy.
2. The Region, as represented by the Commissioner of Community and Health Services or her designate, participate in the provincial consultations to develop the provincial poverty reduction strategy.
3. The Regional Chair formally request the Cabinet Committee on Poverty Reduction organize expert and roundtable discussions with municipalities, including the Region, as part of the provincial consultations.
4. The Commissioner of Community and Health Services report back on the outcomes of the Region's participation in the provincial consultation process.
5. The Regional Clerk circulate this report to York Region MPPs, local municipalities, the Human Services Planning Coalition, the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association.

2. PURPOSE

This report provides Council with information on the initiative by the Province of Ontario to develop a poverty reduction strategy by the end of 2008. The Province is expected to consult broadly with communities and municipalities in developing the strategy.

This report also seeks Council endorsement of ten key policy directions that would strategically position the Region to better address the needs of the approximately 112,500 York Region residents who face economic hardship. These policy directions reflect key areas where provincial policy and funding changes are needed in order for municipalities to be in a better position to reduce poverty in their communities and lower the chances of more residents slipping into poverty.

3. BACKGROUND

The Province has struck a high-level Cabinet Committee to develop a focused poverty reduction strategy by the end of 2008

In the November 29, 2007 Ontario Speech from the Throne, the Province committed to develop a long term strategy for reducing child and family poverty in Ontario through a new Cabinet Committee on Poverty Reduction led by the Minister of Child and Youth Services, the Honourable Deb Matthews. The Committee is expected to report with a strategy by the end of 2008 with firm targets and indicators to track progress over time. The focus will be on expanding opportunities for those living in poverty, as well as on how best to align the current system of supports.

The Cabinet Committee on Poverty Reduction launched a public engagement strategy on May 2, 2008 to gain input from people living on low income, community groups, service providers, business and faith groups, and civic leaders on issues and solutions. *Attachment 1* provides more details on the consultation process. At this point, there are no timetables set for the consultation process.

Defining poverty will be the first challenge

There is no official definition of poverty in Canada. However, many advocates and researchers have used measures developed by the federal government, such as the Low Income Cut-Off, as *de facto* poverty lines in estimating the number of people living in poverty in Ontario.

There is considerable debate over whether income levels alone are sufficient as a definition. Poverty is generally seen as a condition where people are living in *persistent* low income and who face significant challenges in changing their circumstances over time.

A poverty reduction strategy will probably need multiple indicators to capture the range of factors impacting on poverty and to evaluate which interventions are most effective.

A York Region perspective is important so the needs of low income residents living in growing and largely affluent communities are considered

Poverty reduction strategies are not new. Other provinces and countries have adopted this approach and there is considerable research on best practices.

Although York Region is one of the more affluent communities in Ontario, according to the 2006 Census about 1 in 8, or 112,500, residents face (or are at risk of facing) economic hardship due to low income (based on before-tax Low Income Cut-Offs). This

represents an increase of 55% from the 2001 Census. For many a loss of a job, a sickness or health issue, a family breakdown, or another major crisis or life event can trigger a spiral into longer term poverty if supports are not available. About 29% of the residents living in low income households are children less than 18 years of age. We know from earlier analysis of low income trends in York Region that lone parents, people living alone, the long term unemployed and recent immigrants are also particularly vulnerable.

The poverty reduction strategy provides York Region with an opportunity to proactively address poverty related issues. Recent research reports have profiled the need for strategic investments in the 905 areas to avoid the escalation of poverty now seen in the older suburban areas of the City of Toronto. York Region also has a number of community groups advocating on poverty related issues. Developing a coordinated community poverty reduction strategy is a key objective of the recently updated *York Region Community Plan to Address Homelessness*.

4. ANALYSIS

4.1 Role of the Community and Health Services Department in Poverty Reduction

York Region, like all municipalities, is on the front-lines of addressing poverty through the programs and services it provides to low income and vulnerable residents. Municipalities also fund a significant portion of poverty reduction programs across the province and are first to identify emerging needs and issues.

Municipalities have also participated in community-based poverty reduction initiatives, including the City of Toronto, Hamilton, Ottawa, Peterborough, and Kingston, Lambton County, Peel, Niagara, and Waterloo Regions.

The Community and Health Services Department provides a range of provincially mandated and Council approved municipal programs that:

- Mitigate the worst effects of poverty for people who have no other avenues of support (poverty alleviation).
- Develop pathways out of poverty to employment or self-sufficiency (poverty reduction).
- Support households from falling into longer-term poverty in the first place (poverty prevention).
- Promote social inclusion by providing low income residents with access to supportive health and community services.

A more comprehensive list is provided in *Attachment 2*.

The Province has taken positive steps to address poverty but issues persist

The Province has already made several important investments through the 2007 and 2008 provincial budgets as a foundation for a poverty reduction strategy. However, critical gaps persist.

The Community and Health Services Department has identified where policy and funding changes are needed as part of a provincial poverty reduction strategy to improve outcomes for our clients, as well as enhance our capacity as Service Managers to address poverty more strategically in York Region.

4.2 Ten key policy directions for a provincial poverty reduction strategy

A successful poverty reduction strategy will require a coordinated approach between all levels of government. This needs to include direct involvement of municipalities, both through the Association of Municipalities of Ontario as well as other municipal bodies with expertise on poverty related issues.

A key consideration will be to build on the expected outcomes of the Provincial Municipal Fiscal and Service Delivery Review to strengthen local service delivery and planning while reducing the costs of income redistribution programs on the municipal property tax base.

In addition, the provincial strategy will need to take a multi-pronged approach. The following highlights ten policy directions which from a York Region perspective are critical components.

1. Municipalities need long term stable and flexible funding to address affordable housing and homelessness issues

Recent research has shown that affordable and supportive housing has positive health and education outcomes for children and contributes to vibrant and economically strong communities. The lack of affordable housing has been linked to higher costs in emergency and institutional response services, including paramedic and police services, hospital and shelter expenses, criminal justice costs, and rehabilitation services.

Regional Council has received a number of reports on the critical shortage of affordable housing in York Region and the implications this has on labour force attraction and homelessness. One of the key barriers is the lack of long term funding from both the provincial and federal governments, as well as challenging and fragmented program silos that are administratively complex to deliver.

As part of a poverty reduction strategy, the Province and municipalities will need to advocate strongly for a national housing framework and federal funding to support

increasing housing supply and affordability. The Province must also move forward on its commitment to a long term housing strategy, including more flexible and stable provincial funding that supports locally driven housing plans.

Housing policy also touches on other issues that a comprehensive approach to poverty reduction will need to address. These include the adequacy of shelter allowances for social assistance recipients, as well as improving housing affordability for the working poor. Social housing program rules are also poorly integrated with other income support programs, which can create disincentives for lower income residents to improve their circumstances. There is also a lack of support services to help vulnerable populations to live independently – social housing communities are particularly impacted when these supports are lacking for residents who have special needs.

Affordable housing that responds to local needs is a foundation for poverty reduction in York Region. Mixed income and stable housing communities offer all residents opportunities to engage more fully in the regional economy and participate in community life.

2. York Region needs long term and increased growth funding to meet community need for child care and family services

Access to child care and other children's services are another key component of a poverty reduction strategy. Universal and publicly funded child care programs support the developmental skills and school readiness of children of all socio-economic circumstances, as well as providing parents the support they need to seek and keep employment or participate in training or skills upgrading for where good jobs are available.

York Region faces distinctive challenges. According to the 2006 Census, at 14.3%, York Region had the highest growth for children aged birth to 14 years in Ontario. However, the gap between community need for child care, particularly fee assistance and services for children with special needs, and available provincial funding is widening. This is a key factor in growing waitlists for services.

While provincial support for child care expansion, particularly under the Best Start plan, has been important for York Region, a move to long term and population-based funding is needed. A first step will be to provide an immediate increase to base budgets for York Region programs to address funding disparities between GTA/905 regions and the rest of Ontario.

3. More integrated policy and supports are needed to help families transition to employment or post-secondary education as a route out of poverty

There is no integrated approach to reducing poverty at the provincial level. Social programs often work in isolation from each other and create barriers for people working to improve their economic circumstances.

One of the key issues raised is the “welfare wall”. Families living in poverty currently face the loss of critical supports and social benefits as they try to exit social assistance. This is particularly the case for families who also receive rent-geared-to-income housing, child care fee assistance, and student loans.

The Province needs to work with municipalities to better integrate social policy so families living in poverty are not penalized when they try to improve their lives through re-entering the labour market or when their children pursue post-secondary education or training.

A key first step will be for the Province to review and modify program rules, including reducing the multiple claw-backs of benefits, to better support major life transitions.

A second step would be to increase Ontario Works child care and employment supports so families are better able to find work. Funding for these supports are currently capped.

4. Improve supports for the working poor so they can sustain themselves in lower wage employment

In York Region, we know from analysis of 2001 Census information that over half of the low income working age population are employed, most full time. Low income work is also one of the stepping stones for many Ontario Works clients to exit social assistance. However, making ends meet on the wages they earn can be a struggle and they are often one crisis away from poverty if unable to access emergency supports.

Providing support for low income workers is therefore a critical element for poverty reduction. It helps people who are new to, or re-entering the labour market, to succeed when they find employment. It also gives people, who are likely to remain in lower paid work, the additional resources they need to sustain themselves and their families and stay employed.

The Province has taken important steps in this direction over the last two years, including the development of the Ontario Child Benefit, the Extended Employment Health Benefit, incremental increases to the minimum wage, and the promise of a dental plan for low income families.

The Province should continue in this direction through better vision and drug coverage for the working poor. An area overlooked yet also requiring attention is the lack of funding to provide longer term employment sustainability supports to clients that exit Ontario Works. Employability strategies and supports are effective in preventing recidivism and helping clients establish themselves in the labour market.

The Province should also consider developing a social fund to address one-time emergency needs for families. This would be a key preventative approach to poverty reduction, allowing families to weather unexpected financial set-backs that could jeopardize employment or homes. One design would see this type of program delivered through Ontario Works but as a separate program and fully funded by the Province.

5. Improve supports for Community and Health Services Department clients with multiple barriers so they can participate more fully in the community, find and keep housing, and build longer term capacity to gain employment

For some low income residents receiving Ontario Works, the transition to employment is complicated by significant social and personal barriers. If not addressed through sustained and intensive supports, this leads to social isolation and long term unemployment.

An effective approach is providing social work services to higher need clients, including singles and families, to help negotiate program silos in accessing supports and to build capacity toward employment. Right now, municipal Service Managers are not funded by the province sufficiently to sustain these supports.

This underfunding is also being experienced by community-based supports in York Region, such as community mental health and addictions services, that are critical to improve client outcomes. Increased funding for these sectors in high growth areas like York Region, including related services for supportive housing, is required as part of a comprehensive approach to reducing poverty.

In the longer term, improving access to the Ontario Disability Support Program needs to also be addressed. The current Ontario Disability Support Program applications process can be complex and challenging for many Ontario Works clients who face disability related barriers but cannot access the appropriate supports for their needs.

6. Improve the income security system

A poverty reduction strategy needs to be linked to a broader reform in Ontario's income security system. Recent reports have shown that current approaches, particularly through the federal Employment Insurance system, are failing to provide the right supports when needed. Ontario Works has experienced pressures to fill the gaps when people are unemployed and exhaust their own resources. This places municipalities at financial risk to fund and provide income supports that are more appropriately addressed through federal and provincial programs.

There have been positive steps taken recently by both the provincial and federal governments to overhaul the income security system, particularly through the Ontario Child Benefit and the federal Working Income Tax Benefit. It is critical that the poverty reduction strategy build on these.

The Province should continue advocating for federal changes to Employment Insurance to increase access as well as enhancements to the Working Income Tax Benefit so more Ontario workers can benefit. Developing a provincial working income supplement, potentially based on the Working Income Tax Benefit as an integrated benefit, is also an option to improve support to the working poor and those transitioning from social assistance to employment. The Province should also address the inadequacy of current Ontario Works and Ontario Disability Support Program allowances for meeting the real costs of shelter and basic needs in Ontario communities.

A longer term approach is to re-design provincial and federal income support programs. The key elements for a new system should include better temporary income supports for the short-term unemployed, longer-term transitional programs for the harder to re-employ or people who need skills upgrading to find new jobs, and a basic pension type of income program for those who have no reasonable chance to join the labour force.

7. Improve access to training and skills development for people who are under-represented in the labour market, including people on social assistance

The federal and provincial governments recently signed a new Canada-Ontario Labour Market Agreement, which will invest \$1.2 billion over six years to help workers who are not eligible for Employment Insurance training benefits to improve their skills, including groups who are under-represented in the labour market (e.g. Aboriginal peoples, immigrants, persons with disabilities, youth, older workers, women, new or re-entrants into the labour market). These funds will flow through Employment Ontario.

The Labour Market Agreement is another foundation of a poverty reduction strategy. Training and skills development build the "human capital" required by low income or low skilled workers to improve their labour market outcomes.

It will be important that this funding, and the programs it supports, can be accessed by social assistance recipients, who often require more intensive training and skills upgrading than can be offered through Ontario Works programs. The Province will need to work with York Region, including our Ontario Works program, to develop local labour market planning so York Region residents can get the services they need quickly and easily within their communities.

8. The Province funds local strategies that have proven successful in reducing the cycle of poverty

Local strategies that meet community needs, connect people to supports and services, and enhance local networks and awareness of poverty issues are the building blocks for a successful provincial poverty reduction strategy.

In York Region, several local strategies have proven effective in allocating provincial and federal funding to improve outcomes for lower income populations (e.g. single parents, newcomers, the homeless or at risk of homelessness populations, and children and youth). These include the Community Development Investment Fund (CDIF), Family Strengthening Programs, the Community Plan to Address Homelessness, and the Inclusivity Action Plan.

However, the sustainability of these local strategies are jeopardized by the lack of long term funding from both the provincial and federal levels. We are also seeing pressures to fund services that are federal and provincial responsibilities through these local strategies, as well as high transportation costs for those accessing services. The Province should look toward funding local models of service delivery, such as proposed under the Local Immigration Partnership, as a key policy tool for reducing poverty in Ontario.

9. Poverty reduction strategies need to include the senior population and should target programs and services that help to maintain their health, well being, safety and independence

A long term poverty reduction strategy will need to plan for an increasingly aging population. Although relatively younger than many other areas in Ontario, York Region's seniors have been the fastest growing portion of our population since 2001. We also know that some seniors, particularly single elderly women, are at high risk of poverty.

Key approaches to reducing seniors' poverty should be towards improving health benefits (e.g. affordable and accessible dental care), 100% provincial subsidies for assistive devices, and funding to address the long wait-times for affordable and supportive housing.

10. Enhanced funding is required to improve the reach of classic, universal public health interventions

The universal public health interventions of clean water, safe food, control of infectious diseases, healthy mothers and babies, and family planning have resulted in dramatic achievements in health and life expectancy over the past century. Enhanced funding is required to improve the reach of these interventions to our vulnerable populations.

The Province must also assist in developing measures of health inequity and setting measureable targets for health improvements.

4.3 Next Steps

Work through the Association of Municipalities of Ontario and provincial engagement strategy to raise York Region priorities

With Council endorsement of the directions highlighted in section 4.2 of this report, the Region is well positioned to engage the Province through the Association of Municipalities of Ontario and other vehicles to provide York Region specific perspectives into the development of the provincial poverty reduction strategy.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. The full costs of implementing a poverty reduction strategy, including for municipalities, will depend on the final measures and initiatives developed. Some early initiatives, such as the funding for social housing repair and renewal, have resulted in almost \$2.7 million in one-time funding for York Region.

The results of the Provincial Municipal Fiscal and Service Delivery Review will be important to clarify the fiscal policy framework for municipal social and health services, including those which could be linked to a poverty reduction strategy. Municipalities will need to stress that a provincial strategy must be consistent with the long standing municipal position that income redistribution programs should be funded from the provincial or federal income tax base.

6. LOCAL MUNICIPAL IMPACT

Implementing the key policy directions suggested in this report can in the long run reduce municipal, community and health costs and boost labour force participation rates.

Many communities across Ontario including the City of Toronto, Hamilton, Ottawa, Peterborough, and Kingston, Lambton County, and Peel, Niagara, and Waterloo Regions have developed or are in the process of developing local poverty reduction strategies. Local municipalities can play an important role in these initiatives as convenors of community roundtables or as part of advocacy initiatives. Local municipalities also promote the social inclusion of people living in poverty through recreation, library, and cultural services they provide to all residents.

7. CONCLUSION

Through its Cabinet Committee on Poverty Reduction, the Province has undertaken a major initiative to better understand the root causes of poverty in Ontario's communities and develop a long-term outcomes focused strategy by the end of 2008.

Municipalities will need to be engaged given the front-line programs and services they provide to residents facing economic hardship. To support the participation of the Region in this process, the Community and Health Services Department has developed strategic policy directions for Council endorsement highlighting where the provincial poverty reduction strategy should focus to improve outcomes for our clients and enhance our capacity as a Service Manager to respond to poverty related issues.

For more information on this report, please contact Cordelia Abankwa-Harris, Director, Policy and Program Support Services, at Extension 2150.

(The attachments referred to in this clause are attached to this report.)