

REGION OF OTTAWA CARLETON  
 RÉGION D'OTTAWA CARLETON

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REPORT  
RAPPORT

Our File/N/Réf.  
 Your File/V/Réf.

DATE 21 September 1998

TO/DEST. Coordinator  
 Community Services Committee

FROM/EXP. Commissioner  
 Social Services Department

SUBJECT/OBJET **REINVESTING IN CHILDREN AND FAMILIES - AN  
 OVERALL PLAN FOR REINVESTMENT OF THE NCBS**

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### DEPARTMENTAL RECOMMENDATION

**That Community Services Committee recommend Council approve the following overall plan, developed in accordance with stated Provincial requirements, for the reinvestment of \$2m (annualized) resulting from the introduction of the federal National Child Benefit Supplement (NCBS) in 1998-99.**

### PURPOSE

The purpose of this report is to provide a framework for an overall plan for the reinvestment of municipal savings resulting from the introduction of the federal National Child Benefit Supplement (NCBS).

### BACKGROUND

Beginning in July 1998, the NCBS replaces a portion of social assistance benefits for families with children, resulting in savings at the provincial and municipal levels . A memorandum dated June 17, 1998 sent to all municipal heads of administration by the Ministry of Community and Social Services informs municipalities that the provincial and federal governments require reinvestment in a manner consistent with NCBS objectives (See Annex A). An accountability process is being developed which will include municipalities to ensure that, without exception, provincial and municipal dollars stay in the envelope and are re-invested.

The Department estimates there will be a range of \$2m - \$2.4m to reinvest in the first year. The overall plan in this report assumes the lower estimate of \$2m. Allocations can be adjusted if necessary within the overall plan if actual savings fall within the upper range of the estimates.

Further federal investments in the NCBS will be made in June 1999 and June 2000. Thus, there will be up to \$4m - \$5m to reinvest by June 2000.

### NCB REINVESTMENT OBJECTIVES

The NCB reinvestment objectives are:

1. to prevent and reduce the depth of child poverty; and
2. to promote attachment to the workforce - resulting in fewer families having to rely on social assistance - by ensuring that families will always be better off working.

### DEPARTMENT'S OVERALL PLAN FOR REINVESTMENT

The overall plan sets out a broad strategic direction and plan for allocating \$2m in the first year. The Department has two possible strategies:

#### Strategy One

Provide in-pocket funds directly to parents in the form of a supplementary benefit to parents with children eg. A Nutritional Benefit Supplement. If the municipal savings from the NCBS were returned to parents, the yearly and monthly amounts would be as follows:

#### Nutritional Supplement

<b>Number of Children</b>	<b>Yearly \$</b>	<b>Monthly \$</b>
1 child	121	10
2 children	202	17
3 children	268	22
4 children	334	28

#### Rationale:

Food security (not having enough money to purchase adequate amount of food) has been identified as an issue for low-income families by the People's First Hearings on Poverty. Of 85 people who told their stories at the hearings, 31 said they have problems putting food on the table for themselves and their children. This was the most commonly cited material need (among housing (21 people), hydro and telephone (6), household needs and contingencies (12), personal hygiene and clothing (15) and bus fare (11)). Home visitors from the Health Department's Healthy Babies , Healthy Children program offering early intervention to high risk families have also identified food security as an important issue for the families with whom they work.

Returning funding to parents in the form of a nutritional supplement would reduce child poverty by helping to ensure parents have sufficient funds to adequately nourish their children. Lastly, this strategy would be administratively simplest to implement.

### Strategy Two

Invest in child care and employment supports to help clients find and maintain employment, and build community capacity by investing in a range of community programs to strengthen families and ensure that children's health and developmental needs are met.

#### Cost-shared Programs:

In May 1998, the Province approved an expansion of Ontario Works Child Care, with an allocation to the Region of Ottawa-Carleton of \$1,025,000. To take up this funding, the Region would need to provide a 20% share equalling \$205,000. The Province also announced the new Learning, Earning and Parenting (LEAP) Program which will provide child care subsidies and other supports to help single parents on social assistance finish high school. This program would also be cost-shared on an 80-20 basis with the Region.

The Department recommends that up to 20% of the available funding (\$400,000) be allocated to cost-share these provincial programs. It is suggested this portion of the funding be allocated according to the following plan:

#### Total Annualized Cost (Net Dollars):

Ontario Works Child Care Expansion 1998	\$205,000
LEAP	<u>\$200,000</u>
	\$405,000

#### Rationale:

By reinvesting a total of \$405,000 in these two areas, the Region will be able to purchase or provide more than \$2m of services and supports for the Department's clients. These services and supports meet the objectives of the NCB by assisting low-income families to make the transition from social assistance to work and to maintain employment.

By limiting the amount allocated to cost-shared programs set by the Province, the overall plan ensures that sufficient funding is available to direct to specific local needs, identified locally.

#### Local Needs:

The Department recommends investing \$400,000 in building community capacity and the balance of the funds, \$1.2m, in providing clients with employment supports.

#### Rationale:

In 1995, funding to community agencies in Ottawa-Carleton was reduced for 1996 by \$1m. This has resulted in a diminished capacity to serve families at the same time that agencies have reported experiencing higher demands to provide support to families. The Department recommends allocating \$400,000 to restore community capacity in a range of programs and services permitting a better response to pressing community needs.. The Department would bring back a report identifying priorities and a process for allocating funds within this envelope.

The Department recommends that funding of \$1.2m be allocated to employment development and employment support activities. Recently the Department has assumed full responsibility for sole support parents under the Ontario Works (OW) programs. Taken together with the needs of clients already on our caseload, there is insufficient OW funds available for employment supports, as well as a lack of municipal discretion allowable in targeting the OW funds to local needs. Adequate discretionary funds for employment supports and employment development are required to help our clients become competitive. The recently released interim report of the Monitoring Ontario Works Action Research Project, a community based project, made it clear that what the 75 clients who participated in the project want is a job and support toward finding a job. Since poor children have poor parents, reinvesting in supports to move people to employment will reduce child poverty in the long term.

#### RECOMMENDED STRATEGY

While seeing merit in both strategies, as outlined above, the Department believes that Strategy Two would be more effective in meeting NCB objectives. This strategy offers a targeted approach, aggregating funds in areas of family support, prevention and early intervention programs as well as child care and supports to employment. The Department is committed to strengthening families and moving them toward employment and to building its community capacity to help families in need. Strategy Two is recommended because it moves beyond a passive approach to one which promotes clients' self-sufficiency in the long term.

#### PUBLIC CONSULTATION

The Department drew on the People's Hearings report, the Monitoring Ontario Works Action Research Project, and feedback from the Health Department in formulating this report. Further consultation will be required to develop priorities and a process for reinvestment in community capacity.

#### FINANCIAL IMPACT

The recommended plan involves the reinvestment of existing funds.

*Approved by  
Dick Stewart*

CP

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**June 17, 1998**

**MEMORANDUM TO:       Municipal Heads of Administration**  
  
**RE:                       National Child Benefit**

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**I am writing to you concerning the implementation of the National Child Benefit (NCB) and the opportunities this initiative creates for municipal investment in children.**

**As you may know, the NCB has been designed by Federal/Provincial/Territorial Ministers responsible for Social Services as an important step toward alleviating child poverty and helping families move off social assistance into work.**

**The federal government will be increasing benefits for low-income families with children by \$850 million beginning in July of this year. This will enable the federal government to assume more responsibility for providing basic income support for children in low income families. The federal government has also committed to increasing this amount by a further \$850 million over the next two years.**

**In Ontario and most other provinces and territories, the increased federal benefit will be counted as income for social assistance recipients. For families on social assistance, there should be no change in overall income support. Provinces and territories have undertaken to reinvest these newly-available funds in programs which prevent and reduce the depth of child poverty and/or to help families on social assistance make the transition to work. Provinces and territories have also committed to transparent public reporting on how they have reinvested the NCB money.**

**The Government of Ontario recently announced in the 1998 Budget that it would be reinvest \$100 million this year into a new Ontario Child Care Supplement for Working Families. In addition to the NCB reinvestment, Ontario will add an additional \$40 million to this program, bringing the total to \$140 million this year. The Supplement will provide financial support to up to 350,000 working families with young children.**

Other provinces and territories have made a range of reinvestment decisions, including expanding child care for low-income families; extending health benefits for low-income working families; creating children's nutrition programs; and implementing early intervention programs for high risk families.

In Ontario, social assistance continues to be a partnership between municipalities and the provincial government. As a result of our shared responsibility in this area, a portion of the NCB reinvestment will accrue to municipalities. We anticipate that this year (1998-99) municipalities will have \$22 million available to reinvest in children's programs as a result of the NCB. This amount is estimated to grow to \$30 million in subsequent years at the current level of federal investment, and will increase as the NCB is expanded in future years. As these estimates are confirmed, we will be providing you with further information on a municipality-by-municipality basis.

The federal government is providing funding for this initiative, and the province and municipalities share the obligation and the opportunity to reinvest these funds in programs and services to support children in low-income families. The reinvestment requirements are:

- 1) all amounts which become available because of the NCB must be invested in programs, benefits, and/or services which meet the NCB reinvestment objectives and for no other purpose.

The NCB reinvestment objectives are:

To help prevent and reduce the depth of child poverty; and

To promote attachment to the workforce -resulting in fewer families having to rely on social assistance - by ensuring that families will always be better off by working

- 2) all reinvestment must be accounted for in the "NCB Accountability and Performance Report" - a public report forming part of an open and comprehensive federal provincial territorial accounting on the NCB

We would particularly encourage you to consider using your portion of the NCB reinvestment in either or both of the following areas (both of which fully meet NCB objectives):

increased spending on additional child care support for families on social assistance to assist in the transition from welfare to work. This could include increasing the number of child care subsidies, expanding the number of spaces available to Ontario Works participants, or establishing child-parent resource centres in your municipalities;

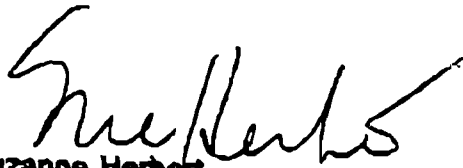
investments to support the Healthy Babies, Healthy Children program, which screens all new born children, identifies those at high risk, and ensures they receive home visits. We look forward to discussing with municipalities and public health units the enhancement to this program announced in this year's budget and how NCB reinvestment can contribute to a common approach.

Over the next few months, we will be seeking confirmation of your reinvestment priorities, and will be undertaking discussions to develop an appropriate municipal reporting protocol.

Ministry staff would be pleased to answer any questions that you may have concerning your NCB reinvestment requirements. Should you require further information, please call Barry Whalen at (416) 325-5324.

The government believes that the success of the first phase of the NCB will be critical to future decisions on the next phases of this initiative. I am looking forward to hearing about your reinvestment plans for this year, and to working with you in future phases of the NCB.

Yours truly,



Suzanne Herbert  
Deputy Minister

CC: Commissioners of Social Services