

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 21 September 1999

TO/DEST. Co-ordinator
 Community Services Committee

FROM/EXP. Social Services Commissioner

SUBJECT/OBJET **PRELIMINARY COSTING OF TASK FORCE ON POVERTY
 RECOMMENDATIONS - RESPONSE TO MOTION CS 33(99)**

DEPARTMENTAL RECOMMENDATION

That the Community Services Committee receive this report for information.

PURPOSE

The purpose of this report is to provide preliminary costing information on the recommendations appearing in the Task Force on Poverty's Interim Report: People First: Creating Hope Through Change.

BACKGROUND

The People's Hearings was a process developed by a group of community organizations to provide a forum for the voices of the poor. Testimony from the hearings was captured in a report entitled People First/Les gens d'abord (October 1997) which was presented to Regional Council. Subsequently, Community Services Committee approved a motion that a Task Force on Poverty be struck, including people who have experienced living in poverty and Regional staff, to ensure the recommendations in People First became the basis for action.

Under the Task Force, elected representatives of communities of the poor came together with appointed delegates of Regional government to work together to find ways to improve the lives of people living in poverty. The Task Force was established in September 1998, chaired jointly by a community representative and a Regional representative (Social Services). The Task Force's Interim Report, People First: Creating Hope Through Change, was presented at the Community Services Committee of July 8, 1999. Committee received the report and directed Social Services to co-ordinate the preliminary costing of the report's 27 recommendations.

DISCUSSION

Overall Advocacy Strategy

It is very clear that a significant number of recommendations outlined below require an overall advocacy strategy. The most efficient approach to this issue would require expertise in intergovernmental affairs complemented by sound information and analysis. This comprehensive approach might best be placed at the corporate level e.g. the CAO's office. It is estimated that a .5 FTE would be required for the development and implementation of an overall advocacy strategy plan.

The Recommendations requiring an overall advocacy strategy include Recommendations 1, 3, 13, 16, 17, 20 and 25.

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 1</u> That the Region in partnership with community lobby the Province to increase social assistance rates for basic needs and shelter to reflect the actual costs of a nutritious diet and adequate housing and utilities.</p> <p><u>Recommendation 3</u> That the Region in partnership with the community lobby the Province to increase asset limits and earnings before claw-back for both Ontario Works (OW) and Ontario Disability Support Program (ODSP) given that the current limits act as a barrier to increasing social assistance recipients' economic self-sufficiency.</p> <p><u>Recommendation 13</u> That the Region request that municipalities convert the individual subsidy provided by the municipality for recreational programs to a Family subsidy so that unused portions of one family members' subsidy may be used by another family member.</p> <p><u>Recommendation 16</u> That Regional Council advocate for more subsidized licensed [child] care in Ottawa-Carleton.</p> <p><u>Recommendation 17</u> That Regional Council advocate more specifically for flexible licensed [child] care for evening and night time child care.</p> <p><u>Recommendation 20</u> That the Region approve in principle that parents working</p>	<p>It is estimated that a .5 FTE would be required for the development and implementation of an overall advocacy strategy. The position would require an expertise in intergovernmental affairs and a corporate "home" since effective advocacy will require intergovernmental communication through both political and administrative structures at provincial, regional and local levels of government</p> <p>This work would also require expertise in information and analysis. Some work has already begun within Health and Social Services to compare social assistance rates against a basic nutritious food basket and average rents (discounted a further 15%) and average utility rates (see Annex A).</p>

<p>night shifts have access to subsidized child care in the parent's home, and that Regional Council lobby the Province to allow in home licensed and subsidized night care for reasons other than a disability.</p> <p><u>Recommendation 25</u></p> <p>That the Region, community members and organizations lobby the Provincial government to create new funds to cover hydro and telephone basic fees, along with "basic needs" and "shelter", as part of basic monthly social assistance rates.</p>	
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Social Services

Social Services provided preliminary costing and additional comments for the following recommendations.

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 2</u></p> <p>That a pilot project be initiated by December 1999 to establish IDA's (Independent Development Accounts), exempt from asset limits, in Ottawa-Carleton to enable low-income people to save for an education for themselves or their children, a house, a business or other approved purposes, and that a sponsoring mechanism be developed to enable community donors to contribute to these accounts.</p> <p><u>Recommendation 4</u></p> <p>That the Region establish an arms length Micro Investment Fund that will require applications to provide approved business plan and will be linked with appropriate training and mentoring, and that the Region secure ongoing sources of operational funds for the fund itself and assistance in securing capital for the Investment Fund.</p>	<p>The Task Force on Employment (TFOE) completed the first phase of its work in the summer of 1999. Subsequently, a working group was established to research and develop further a number of ideas that emerged from the first phase of the TFOE's work, including IDA's and Micro Investment Funds. (These were also recommended by the Task Force on Poverty). The TFOE working group will report on preliminary costing for these items by February 2000.</p> <p>At this time the cost to Social Services is a .5 FTE to work on these items as well as a range of other TFOE items. This cost has already been incurred as part of the TFOE initiative.</p>

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 5</u> That the Region support the development of a pilot project to provide:</p> <ul style="list-style-type: none"> a) technology access points through Community Resource and Health Centres; b) training, technology, materials and technological support in these centers; c) mentorship to community residents who seek advice, counsel, and support in order to successfully participate in the economy; and d) additional programs and services to be locally defined by each community. 	<p>The idea of establishing Technology Learning Centres germinated at the Task Force on Poverty. Since then, a community Steering Group has been established to explore and develop further this idea. The Steering Committee has a number of community representatives including both the private and non-profit sectors and the Task Force on Poverty. There is no reporting/accountability relationship between the Steering Committee and the Task Force on Poverty. The Committee has hired consultants with funds received from the federal government to develop a comprehensive proposal for the establishment of Technology Learning Centres in CRHC's.</p> <p>It is anticipated that the Steering Committee for the Technology Learning Centres may approach the Region at a future date for funding for the establishment of the centres. Regional support for the project would be contingent on ensuring an appropriate role for the Region in the project, and ensuring that the project is not a duplication of services and is a good fit with Corporate and Social Services Strategic Plans.</p> <p>It is expected that the federal government will provide 50% of the cost of the project through Industry Canada, and that the project will seek matching funds of about \$100,000 from the local community, primarily the private sector.</p>

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 6</u> That the Region develop employment development and training projects for:</p> <ul style="list-style-type: none"> a) provision, collection of donations, re-conditioning and repair of washers and dryers for social assistance recipients and the working poor; and b) repair of vehicles for social assistance recipients and the working poor. 	<p>A Community Economic Development network is being established through the Social Planning Council (SPC). This group will be making recommendations on very concrete ways to support CED initiatives in the community. The Region is participating, with SPC taking the lead role. The role of the Region as well as that of other partners will also be developed as part of this process. A request for funding may come forward to Committee and Council from this group at a future date.</p>
<p><u>Recommendation 7</u> That Social Services review its policies for the provision of Essential Health and Social Supports (EHSS) to ensure an appropriate needs test and to ensure that the working poor have as complete access to the range of items under EHSS as are available to social assistance recipients, and report back to Community Services Committee.</p>	<p>The EHSS budget was increased in 1999 to respond to the changes in OW eligibility rules. Under new provincial rules, low-income people not on social assistance were made categorically ineligible for cost-shared essential health and social supports (formerly known as special assistance and supplementary aid).</p> <p>Responding to concerns emerging from both the Report on Homelessness and the Task Force on Poverty, Social Services recently reviewed the needs test used for eligibility for EHSS and made it more equitable. The Department will provide training to staff in the new policy and procedures for granting EHSS.</p> <p>It is estimated that in response to these recent changes an increase of \$200,000 - \$500,000 will be required to the EHSS fund to meet anticipated uptake of the program. This is a very low estimate based on no advertising of this benefit. The amount required could be much higher if we estimate that 10% of the population may be low-income.</p> <p>Excluded from this estimate is the cost of administering the benefit (up to 3 FTE's). There would be no provincial cost sharing of this administration. This amount would have to be added to the year 2000 budget.</p>

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 8</u> That the Region, Ottawa-Carleton District School Board and other stakeholders work as a community to find a solution to affordability of school transportation for children of low-income families.</p>	<p>School busing in the Ottawa Carleton District School Board (OCDSB) was discontinued in September 1999 for secondary school students living within 1 kilometre of an OC Transpo bus stop. Students from low income families now receive bus passes at either 100% Provincial funding or at a reduced rate. This program was implemented beginning September 1999 and appropriate forms were made available through the schools. There is no anticipated cost to the Region at this time.</p>
<p><u>Recommendation 11</u> That the Region financially support and maintain a complete resource centre in all community health and resource centres or other public institutions (e.g. libraries in rural areas) to provide access to a wide range of information on services for people living in poverty.</p>	<p>Maintaining a complete range of community resource information at all community resource and health centres (or alternate public location where CRC's are not established) would require \$20,000 x 16 sites = \$320,000 per year.</p> <p>Alternatively, the Region could opt to pilot this project at a smaller number of sites. For example, \$20,000 x 2 sites = \$40,000 per year for 3 years. The pilot project could be evaluated to determine whether or not this is an effective way of informing people about social and community services.</p>
<p><u>Recommendation 12</u> That the Region support the development of a user friendly, plain language 211 information line for central access to a wide variety of social and health information. There should be access by means of a "menu" to receive the information in a choice of different languages.</p>	<p>The Funders' Working Group, comprised of the United Way, Region of Ottawa-Carleton Health and Social Services, Ministry of Community and Social Services and the school boards, is exploring the feasibility of a 211 information line for the Ottawa-Carleton area. Community Services Committee and Regional Council will be asked to consider this item separately at a future time.</p>

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 14</u> That information on how to choose a caregiver be more widely available to parents at an accessible price and/or no cost to parent, that a one page check list on key safety concerns in choosing safe child care similar to that produced by the Infant and Toddler Safety Association be available to all parents , in the official language of their choice, and that the checklist be widely distributed to hospitals, midwives, community resource and health centres, community houses and schools.</p> <p><u>Recommendation 15</u> That Regional funding be provided to create and distribute the information to be provided to the agencies, and that agencies explore other creative funding sources to create and distribute the information, excluding outright sale of the products.</p>	<p>Recommendations 14 and 15 could be accommodated within an estimated budget of \$15,000 -\$20,000. Child Care Directorate staff would lead this project with Communications staff acting as a resource.</p>
<p><u>Recommendation 18</u> That the Region of Ottawa-Carleton provide resources (funds and staff) to prepare a project proposal to create a 24 hour child care services which would provide flexible child care arrangements for people working evenings, night or rotations, and that Social Services lead this project in collaboration with community partners.</p> <p><u>Recommendation 19</u> That the project seek creative funding arrangement from different funding sources that it be based on a combination on new child care spaces and the re-allocation of existing spaces, and that the project proposal explore the use of space vacated by school closures.</p>	<p>Social Services currently purchases extended care from one agency at a cost of \$900,000 per year. This provides 65 extended care spaces and serves 133 children monthly.</p> <p>This item would need to be included in the overall advocacy strategy for an expansion of funding.</p>

Recommendation	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 26</u> That the Region act as a co-signer/guarantor for the Security Deposit requested by hydro and telephone companies for social assistance recipients and low income earners.</p> <p><u>Recommendation 27</u> That the Region collaborate with hydro and telephone companies to ensure that appropriate special sensitivity training be given to hydro and telephone companies' employees dealing with social assistance recipients and low income earners.</p>	<p>Some work has already begun to identify Ottawa Hydro's policy with respect to security deposits. Ottawa Hydro has indicated their willingness to work with Social Services to discuss how to continuously improve their service to people with low incomes (See Annex B).</p> <p>Social Services has recently developed and is now implementing a new payment arrears and pay direct policy for rent, hydro and heating for clients at risk of homelessness.</p> <p>More discussion is required to determine whether or not it is necessary for Social Services to institute a co-signer/guarantor policy for the Security Deposit.</p>

Social Housing Office

The Social Housing Office provided preliminary costing and additional comments for the following recommendations.

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 9</u> That vacant buildings owned by the Region and other municipalities be assessed for suitability as housing in order to retain buildings and offer them for affordable housing to social housing providers.</p> <p><u>Recommendation 10</u> That surplus Regional land and land owned by other municipalities which is appropriate for residential use be retained and made available for affordable housing; and further that the land be leased to social housing providers at affordable rents. Further, that the Region should explore additional ways to maximize the feasibility of investment in affordable housing.</p>	<p>Regional Council approved (September 22/99) a demonstration project for seven available properties to be used for housing. Social Housing/Planning of the Region will take the lead role in assessing the results of the demonstration project and developing Council policy. Advocating with area municipalities would require additional resources (estimated as .7 FTE). Other costs would include deferred or foregone revenue on the sale of property.</p> <p>Social Housing Providers would take the lead role in developing proposals to use publicly-owned buildings for affordable housing. Area municipalities would take the lead role in assessing availability of their own buildings.</p>

OC Transpo provided preliminary costing and additional comments for the following recommendations.

Recommendations	Preliminary Costing and Additional Departmental Comments
<p><u>Recommendation 21</u> That the Region approve in principle that all members of the community have universal access to transit services whether their needs are fulfilled by regular or Para Transit services.</p> <p><u>Recommendation 22</u> (a) That reduced fare bus passes be made available to low income individuals and families. For the purpose of this recommendation, low income includes social assistance recipient, employment insurance recipients, people receiving disability benefits (ODSP) and the working poor. (b) That a reduced fare assistance program for social assistance recipients should have no detrimental effect on regular social assistance benefits.</p>	<p>OC Transpo will continue to offer a 20% discount to Social Services in its purchase of bus passes/tickets for distribution to eligible social assistance recipients.</p>
<p><u>Recommendation 23</u> That a formal emergency ticket program should be established at all centers serving the community to provide basic transportation to individual and families who require it. Tickets may be provided for reasons such as hospital doctor visits, job interviews or other approved reasons on an emergency basis.</p>	<p>Social Services could sell discounted tickets to CRHC's to expand their emergency ticket program. The CRHC's emergency ticket program specifically targets low-income families and individuals.</p> <p>CRHC's could be approached to see if they are interested in becoming single ticket vendors (See Recommendation 24)</p>
<p><u>Recommendation 24</u> That customers be able to purchase single tickets from any OC Transpo vendor.</p>	<p>While vendors are strongly encouraged to sell single tickets, some vendors have indicated that it is too onerous. Strips of tickets are manageable but loose ones aren't. A blanket policy might reduce overall accessibility because some key vendors have refused to sell single tickets. The commission paid to vendors is very small.. OC Transpo will continue to strongly encourage the sale of single tickets and is engaged in a search for a suitable vending machine for single tickets.</p>

PUBLIC CONSULTATION

No public consultation was required for this report.

FINANCIAL IMPLICATIONS

Overall these preliminary estimates range from \$625,000 to \$925,000 (does not include recommendations related to child care spaces or the cost of transportation-related items). In addition, a total of 4.2 FTE's would need to be included in the year 2000 budget (estimated at \$252,000, including benefits).

*Approved by
Dick Stewart*

CP/

Task Force on Poverty
Costing Research

Recommendation #1

That the Region in partnership with community lobby the Province to increase social assistance rates for basic needs and shelter to reflect the actual costs of a nutritious diet and adequate housing and utilities.

Research Summary

Multiple scenarios of various family size and composition were used to determine whether social assistance rates for basic needs and shelter reflect the actual costs of nutritious diet and adequate housing and utilities. The following is a synopsis of the research:

- **Family of Four (35 yr. old male, 34 yr. old female, male aged 13 & female aged 8):**

⇒ The total actual costs for this family (nutritious food basket, accommodation costs: rent, hydro, phone) was calculated at \$1,457.57. The Social Assistance rates given to a family of this size is \$1,214.00. Therefore, the difference between actual food and shelter for a Family of 4 versus OW rates provided is \$243.57.

- **Family of 2 (24 yr. old male, 19 yr. old pregnant female (Trimester 2))**

⇒ Total actual costs for this family is \$1,018.19. Social Assistance rates give to a family of this size \$938.00. This family is short \$80.19 between actual food and shelter versus OW rates provided.

- **Single Male (50 yr. old)**

⇒ Actual costs for a single male in this age group is \$617.79. Social Assistance will give him a total amount of \$520.00. A difference of \$97.79 is calculated between actual food and shelter and rates given by Social Assistance.

References:

The calculations used in the scenarios were based on following sources:

1. The Ontario Nutritious Food Basket priced for Ottawa-Carleton according to the guidelines prepared by the Ontario Ministry of Health (ONFB). The ONFB does not meet the needs of people who need a special medical diet as their nutritional needs are greater. A minimum Nutritional Basket includes a standardized variety of commonly used, widely available foods from the 4 food groups of Canada's Food Guide to Healthy Eating.

2. Personal Hygiene products and clothing are not included in the calculations.
3. The accommodation costs were based on average rental unit amounts for Ottawa Census Metropolitan Area (CMA). CMA is divided into zones that include: Downtown, Sandy Hill, Southwest, East end, outer West end, Ottawa City, Vanier, Gloucester, Cumberland, Rockland, Nepean, Kanata, Goulbourn, Rideau (Rental Market, CMHC, 1998).
4. The accommodation average amount has been discounted by 15% to demonstrate the lowest rental unit amount possible.
5. Utility rates used were approximate amounts developed in discussion with Housing Help.
6. Basic Monthly phone amount was used (Bell Canada).

Conclusion:

The research indicates that ***families and single persons are required to reduce the amount of money for basic needs in order to obtain affordable and accessible housing.***

The nutritious food basket cost used in all scenarios were based on minimal amounts. For instance, the minimum amount used in the family of four was calculated at \$503.00 whereby a typical family spends on average \$800 monthly.

Average rental costs were discounted by 15% in order to obtain the lowest rent possible. In doing so, individuals are required to live in areas of the city where rent is lowest. It is evident that Social Assistance recipients will not all reside in the same area therefore accessibility to accommodation in lower rental areas is not possible. As a result, recipients will secure more expensive housing by allocating those funds that would normally be used for basic needs to shelter costs.

Task Force on Poverty
Costing Research

Recommendation #26

That the Region act as a co-signer / guarantor for the Security Deposit requested by hydro and telephone companies for social assistance recipients and low income earners.

Utility Research Summary

Contact: Dan Ralph, Ottawa Hydro

Due to an increase in bad debt, many Canadian utility companies have adopted a Security Deposit approach to further prevent financial loss to their organization. Some of these utility companies include Edmonton Power, Calgary Electric, Manitoba Hydro, Winnipeg Hydro, Saskatchewan Power, New Brunswick Power, Nova Scotia Power and Ontario Hydro. Ottawa Hydro was also required to implement a Security Deposit policy as their organization experienced a significant financial loss resulting from bad debt. Based on the 1997 fiscal year, Ottawa Hydro was required to absorb a loss of \$500,000.00.

Who is required to pay a Security Deposit?

- Any individual that rents a property and has had a history of bad debt with Ottawa Hydro or another electric utility or has been disconnected due to non-payment. (It should be noted that customers who relocate within the Ottawa Hydro service territory and have yet not had to pay a Security Deposit will be requested to pay a deposit upon a move. An additional note, all customers upon receiving a request for a Security Deposit are eligible to have the Security Deposit waived based on their credit history).
- With the introduction of Bill 35 which will be in effect in October 2000, Ottawa Hydro anticipates introducing the requirement of security deposits by homeowners, as well.

What is the cost of a Security Deposit?

- The range of utility costs are from \$75.00 to \$420.00. The average security deposit for an apartment is \$150.00 and \$250.00 for an apartment with electric heating. A private home with electric heating and air conditioning can be as high as \$420.00. These rates are based on average of 3 months consumption.

What are customers reaction to this policy?

- As the policy was first administered, an education component was required for long-time customers. The level of frustration was high but has dissipated as more individuals are aware of Security Deposit practice.

How to negotiate or waive a Security Deposit if funds are not available?

- The security deposit is usually asked for up front. Negotiation follows a tiered response whereby customers are offered a series of options to waive the deposit depending on their circumstances:
 - ⇒ the security deposit can be paid for in 3 monthly installments;
 - ⇒ a relative who is also a customer of Ottawa Hydro with good credit can co-sign;
 - ⇒ consideration to waive the deposit may occur if credit history from the credit bureau indicates a credit rating of “type 2 or more”;
 - ⇒ On a case by case basis, a supervisor may waive a Security Deposit if the customer provides pre-authorized cheques or Direct Deposit for monthly payments.
 - ⇒ Some Social Services staff have provided direct payment in lieu of the deposit and then deducted the amount from the clients’ cheque.

Conclusion:

Ottawa Hydro reviews all cases and circumstances separately. Usually 90% of requests to waive security deposits are honoured. Ottawa Hydro believes in good customer service and is very interested in meeting with Regional Social Services to devise a plan that will better serve clients.