

Fall 2020 Budget Submission

to the
Ontario Minister of Finance

Hon. Rod Phillips

October 16, 2020

Community Legal Services of Ottawa on behalf of the
Campaign Against Cuts to Social Assistance

Campaign Against Cuts to Social Assistance (CACSA)

The Campaign Against Cuts to Social Assistance (CACSA) is a cross-sector and non-partisan campaign in Ottawa that endeavours to raise awareness on social assistance changes, and advocates for an improved social assistance system for low income and vulnerable populations.

Community Legal Services of Ottawa (CLSO)

Community Legal Services of Ottawa (CLSO) is a not-for-profit community legal clinic governed by an independent, community-based Board of Directors. CLSO provides legal services to low-income and vulnerable individuals in the City of Ottawa in 3 areas of law, income security, housing law for tenants and immigration and refugee law.

Overview

In Ontario's 2020 Fall Budget significant financial investments must be made in the province's social assistance system. Those living in poverty are more susceptible to transmission of COVID-19, and, particularly for those living with disabilities, are more likely to suffer worse health consequences upon contracting this disease. For Ontario to adequately weather and emerge from the pandemic as strong as possible, and to ensure equitable outcomes for all Ontarians, significantly improved anti-poverty measures must be put in place.

The federal government has shown through its emergency financial supports during the COVID-19 pandemic that not only is \$2,000/month the minimum financial floor for an individual to cover their essential needs, but that upfront investment in individuals and households is key to our post-COVID-19 economic recovery. Yet, current social assistance recipients in Ontario receive far below the \$2,000 floor.

According to Statistics Canada's updated 2018 Market Basket Measure (Canada's new official poverty line), a single person in Ottawa with less than \$23,616 annual income is deemed to live in poverty.^{1 2} By contrast, a single person can only receive a *maximum of \$8,796 annually* from Ontario Works (OW), or a *maximum of \$14,028 annually* from the Ontario Disability Support Program (ODSP).³

Estimates of the costs of poverty in our province are upwards of \$33 billion each year. Inaction on poverty reduction leads to greater "downstream" costs in our health care, justice and emergency housing systems. Strong investments in the social determinants of health, on the other hand, are smart, "upstream" economic investments that will save the

¹ Djidel, S., Gustajtis, B., Heisz, A., Lam, K., Marchand, I., & McDermott, S. (2020, February 24). *Market Basket Measure 2018-base: report on the second comprehensive review of the Market Basket Measure*. Statistics Canada. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2020002-eng.htm>

² "The MBM establishes poverty thresholds based on the cost of a basket of food, clothing, shelter, transportation and other necessities. Families with disposable income less than the applicable thresholds, given family size and region of residence, are deemed to be in poverty." Djidel, S. et al (2020). <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2020002-eng.htm>

³ Income Security Advocacy Centre. (2018, September 10). *OW and ODSP Rates and the OCB 2018 / Les taux d'OT, du POSPH et de la POE 2018*. <http://incomesecurity.org/public-education/ow-and-odsp-rates-and-the-ocb-2018-les-taux-dot-du-posph-et-de-la-poe-2018/>

government money in the long term by preventing more expensive “downstream” costs, as well as increase economic productivity and, thereby, government revenues. Income security is a critical social determinant of health.

Reducing poverty and adequately weathering the COVID-19 pandemic will require significant investments not only in our provincial income security programs, namely OW and ODSP, but also in emergency benefits for social assistance recipients so they can stay safe and healthy for the length of the COVID-19 pandemic.

Recommendations

Based on CACSA’s understanding of the needs of social assistance recipients living on a low-income in Ottawa, and in the context of the ongoing COVID-19 pandemic, we wish to make the following recommendations for the 2020 Fall Budget:

- **Recommendation #1: Renewed and greater investments in emergency income security benefits for social assistance recipients. Re-instate a COVID-19 emergency benefit for social assistance recipients and increase its amount to \$500 per month. This benefit must be automatically disbursed for the length of the COVID-19 pandemic.**
 - **Recommendation #2: Raise overall Ontario Works and Ontario Disability Support Program benefit rates to match the real cost of living in the location where the recipient resides. Benefit rates must increase annually proportionally to rates of inflation.**
 - **Recommendation #3: Increase the amount of the housing allowance for social assistance recipients to match local market rent.**
 - **Recommendation #4: Do not claw back federal emergency income benefits or Employment Insurance from social assistance recipients.**
 - **Recommendation #5: Increase the employment income threshold before clawbacks for social assistance recipients to \$800 per month.**
 - **Recommendation #6: Maintain the Ontario Disability Support Program disability definition.**
1. **Significantly Greater Investments are Needed in Social Assistance Emergency Benefits to Protect Low-Income Individuals and Families, and Persons with Disabilities from COVID-19**

The COVID-19 pandemic has created additional costs for those living on a low income and for those living with disabilities, and has exacerbated the existing social and economic hardship they face from living in deep poverty. In recognition of the extra expenses that the COVID-19 pandemic engendered, OW and ODSP made available an extra \$100 for individuals and \$200 for families between May and July 2020. The onus was on social

assistance recipients to contact their workers and justify why they needed this money to claim this benefit. This benefit's accessibility, duration and amount were grossly inadequate. Social assistance recipients were also not universally made aware of this benefit by OW and ODSP, an inequity further compounded by the benefit not being retroactive.

Anecdotal evidence emerged that even for those aware of the benefit, they were unable to reach their caseworkers to claim it. Moreover, the benefit ended prematurely after 3 months in July, while Ontario in October is in the throes of the second wave of the pandemic. Furthermore, \$100 does not even partially cover the real extra costs engendered by the pandemic, especially for those already living in deep poverty and at a time when their safety and health is critical to protecting them from COVID-19.⁴

Extra costs brought by the pandemic include:

- Delivery costs of essentials for self-isolation purposes;
- Personal protective equipment;
- Extra cleaning supplies;
- Safe transportation costs (when public transit is not an option for those who are immune-compromised or self-isolating);
- Higher costs for essentials to compensate for the inability to bargain shop;
- Higher online prices for essentials; and,
- Expenses due to the absence of support and emergency services that were disrupted by the pandemic (for example, food security programs⁵, respite care⁶ or subsidized or volunteer services that were disrupted, such as personal support workers and therapy⁷)⁸

⁴ Doan, P. (2020, April 6). *Canada's Emergency Relief Leaves out those on Social Assistance*. Kitchener Today. <https://www.kitchenertoday.com/local-news/canadas-emergency-relief-leaves-out-those-on-social-assistance-2230704>

Kitching, H. (2020, July 21). *Man who Missed out on COVID-19 Benefit Warns Others to Claim Money Before it's Too Late*. CBC. <https://www.cbc.ca/news/canada/kitchener-waterloo/social-assistance-covid-19-odsp-ontario-works-1.5656020>

⁵ ODSP Action Coalition [@ODSPAction]. (2020, May 22). *ODSP Action Coalition sent the below letter to PM Trudeau et al earlier this week. We're asking for the emerg*. [Tweet; link to letter]. Twitter. <https://twitter.com/ODSPAction/status/1263954762204155904>

⁶ Watson, Jim. [@JimWatsonOttawa]. *Today I wrote to Prime Minister Trudeau to offer my support for Bill C-17 to provide additional funding for persons*. [Tweet; link to letter]. Twitter. <https://twitter.com/JimWatsonOttawa/status/1283153224506236935>

⁷ Trudeau, J. (2020, June 5). *Prime Minister Announces Support for Canadians with Disabilities to address challenges from COVID-19*. <https://pm.gc.ca/en/news/news-releases/2020/06/05/prime-minister-announces-supports-canadians-disabilities-address>

⁸ Alini, E. (2020, June 13). *COVID-19 disability benefit, even if approved, would 'miss all kinds of people'*. Global News. <https://globalnews.ca/news/7039419/covid-19-disability-benefit-even-if-approved-would-miss-all-kinds-of-people/>

Pettinicchio D. & Maroto M. (2020, July 13). *Canadians with Disabilities, Chronic Health Conditions Feel Left Behind by Pandemic*. Welland Tribune. <https://www.wellandtribune.ca/ts/opinion/contributors/2020/07/13/canadians-with-disabilities-chronic-health-conditions-feel-left-behind-by-pandemic.html>

Include Me Social Movement. (2020). *Poverty and Disability During the COVID-19 Pandemic - An Addendum to COVID-19 and Disability: Recommendations to the Canadian Government from Disability Civil Society Organizations in Canada* <https://www.include-me.ca/covid-19/poverty-and-disability-during-covid-19-pandemic-addendum-covid-19-and-disability>

While the pandemic worsens in Ontario, and social assistance recipients are left even further behind, urgent action to provide them with the real support they need to be safe and healthy is needed in the form of a universal, automatic and significantly increased emergency benefit of \$500 per month that remains in place for the length of the pandemic.

- **Recommendation #1: Renewed and greater investments in emergency income security benefits for social assistance recipients.** Re-instate a COVID-19 emergency benefit for social assistance recipients and increase its amount to \$500 per month. This benefit must be automatically disbursed for the length of the existing COVID-19 pandemic.

2. Raise the Overall OW and ODSP Benefit Rates

The ODSP and OW are supposed to provide a safety net for those who are unable to support themselves for reasons of disability or other vulnerabilities, yet rates of assistance provide a level of income which is vastly under the poverty line.

The maintenance of a healthy diet and safe and decent housing are essential to health. These two essential human needs are even more critical for an individual or household to avoid catching or transmitting, and to recover from, COVID-19. Yet, for social assistance recipients, adequate housing and food were already out of reach from severely inadequate benefit rates. In their 2019 Hunger Report, the Ottawa Food Bank notes that “current ODSP and OW support payments leave recipients at a deficit when compared with expenses.”⁹ Ottawa Public Health notes that, according to the results of its 2019 Nutritious Food Basket survey, “low-income households struggle to afford their bills while also putting healthy food on the table. Families often choose between paying for fixed expenses (such as rent, transportation, and heat) and buying groceries.”¹⁰

For example, market rent for a one bedroom in Ottawa has long been higher than the monthly rates of OW and ODSP. Currently market rent for a one bedroom apartment is \$1,500 per month,¹¹ while OW and ODSP recipients receive a monthly maximum of \$733 and \$1,169, respectively, in provincial income support.

Clearly, overall OW and ODSP benefit rates must be raised significantly to match the current cost of living in the location in which the recipient resides (as well as increase annually with the cost of inflation), to allow recipients to acquire the essentials needed to live a decent life and to stay safe from COVID-19.

- **Recommendation #2: Raise overall Ontario Works and Ontario Disability Support Program benefit rates to match the real cost of living in the location**

⁹ Lee, C.R. & Lore, K.J. (2019). *Ottawa Hunger Report 2019*, p. 9. Ottawa Food Bank https://www.ottawafoodbank.ca/wp-content/uploads/2019/10/Ottawa-Food-Bank-Report-2019_ENG_Single-Pages_WEB.pdf

¹⁰ Ottawa Public Health (2019). *Food Insecurity*. <https://www.ottawapublichealth.ca/en/public-health-topics/food-insecurity.aspx>

¹¹ Chen, Crystal (2020, September 15). Pad Blogger: *September 2020 Rent Report*. PadMapper. <https://blog.padmapper.com/2020/09/15/september-2020-canadian-rent-report/>

where the recipient resides. Benefit rates must increase annually proportionally to rates of inflation.

3. Increase the OW and ODSP Housing Allowance to Match Local Market Rents

In Ottawa in January there were 12,000 households on the Social Housing Registry wait list for subsidized housing.¹² We understand that the current number of households is 13,000. As the waitlist for social housing in Ottawa is now upwards of 12 years, the majority of social assistance recipients rent private market units.

The housing allowance provided to OW and ODSP recipients does not reflect the actual cost of rental housing in our province. A single recipient on OW and ODSP receives a maximum of \$390 and \$497, respectively, for their housing expenses such as rent and utilities. Meanwhile, market rent for a one-bedroom apartment in Ottawa is currently \$1,500.¹³

- **Recommendation #3: Increase the amount of the housing allowance for social assistance recipients to match local market rent.**

4. Do Not Claw Back Federal Recovery Benefits or Employment Insurance

Given that the pandemic has created greater financial strain on low income individuals and families, those in receipt of social assistance should not have their benefits reduced or cut off because they also receive Federal recovery benefits – such as the former Canada Emergency Response Benefit or the new Canada Recovery Sickness Benefit, Canada Recovery Caregiving Benefit, or the Canada Recovery Benefit – or Employment Insurance.

In addition, these deductions create a disincentive for social assistance recipients to return to work, particularly as such Federal benefits do not include health benefits provided under OW and ODSP. Fearing loss of health benefits under OW and ODSP, recipients that may be able to work, are dissuaded from re-entering the workforce or increasing their hours of work.

Any overpayments created due to receipt of Federal emergency benefits should be forgiven. The eligibility criteria for the Canada Emergency Response Benefit was not well-communicated to the public, in particular vulnerable populations. Similarly, the Ministry of Children, Community, and Social Services also did not announce how they would consider CERB and CESB benefits until well into the pandemic. Social assistance recipients that applied for these Federal emergency benefits in good faith to pay for their living expenses should not be penalized.

¹² Britneff, B. (2020, January 29). *Ottawa city council declares housing, homelessness emergency*. Global News. <https://globalnews.ca/news/6477415/ottawa-city-council-declares-housing-homelessness-emergency/>

¹³ Crystal (2020).

- **Recommendation #4: Do not claw back federal emergency income benefits or Employment Insurance from social assistance recipients.**

5. Increase the OW and ODSP Employment Earnings Exemption to \$800

We recommend that the OW and ODSP employment earnings exemption be increased from \$200 to \$800 per month. Such an increase would provide a more robust incentive to social assistance recipients to return to work to the extent they are able. Also, such an increase would allow many to maintain health benefits and ease their re-entry into employment.

- **Recommendation #5: Increase the employment income threshold before clawbacks for social assistance recipients to \$800 per month.**

6. Maintain the Current Definition of Disability under the Ontario Disability Support Program

On November 22, 2018, the province announced plans to change the ODSP definition of disability to align it with that of federal programs.¹⁴ We interpret these government statements as referring to the Canada Pension Plan Disability (CPP-D) benefit. Aligning the definition of a disability under ODSP with that of CPP-D is contrary to the purpose of ODSP, and more importantly, would increase poverty in Ontario.

The CPP-D definition is meant to encompass those who are almost entirely precluded from any employment, whereas people receiving ODSP benefits are encouraged to work as they are able. The CPP-D definition is also meant to encompass people with prolonged, or life-long, illnesses, whereas people on ODSP benefits have disabilities that will last a year or more on an episodic or continuous basis. Notably, the CPP-D definition is itself under federal review due to its unduly restrictive nature.¹⁵

If this definition change is adopted, a significant number of disabled individuals in Ottawa who would currently qualify for ODSP benefits may no longer be eligible. In particular, those with time-limited disabilities, like breast cancer, those with episodic disabilities, like multiple-sclerosis, those with addiction conditions, and those with mental health issues, like depression, may no longer qualify for ODSP.

¹⁴ Government of Ontario. (2018, November 22). *Backgrounder: Reforming Social Assistance*. <https://news.ontario.ca/mcys/en/2018/11/reforming-social-assistance.html>.

¹⁵ House of Commons Canada. (2019, March). *Taking Action: Improving the Lives of Canadians Living with Episodic Disabilities. March 2019, 42nd Parliament, First Session*. Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. <https://www.ourcommons.ca/Content/Committee/421/HUMA/Reports/RP10367115/humarp15/humarp15-e.pdf>.

The difference between OW and ODSP benefits is substantial, approximately 40% for most families.¹⁶ If disabled individuals no longer qualify for ODSP benefits, their families will be forced to live in the extreme poverty of OW.

- **Recommendation #6: Maintain the Ontario Disability Support Program disability definition.**

¹⁶ Income Security Advocacy Centre. (2020, March 10). *OW and ODSP Rates and the OCB March 2020 / Les taux d'OT, du POSPH et de la POE Mars 2020*. <http://incomesecurity.org/public-education/ow-and-odsp-rates-and-the-ocb-march-2020-les-taux-dot-du-posph-et-de-la-poe-mars-2020/>.