

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

Official Report of Debates (Hansard)

P-9

Journal des débats (Hansard)

P-9

Standing Committee on Public Accounts

2018 Annual Report,
Auditor General:

Ministry of Children, Community
and Social Services

1st Session
42nd Parliament

Wednesday 20 March 2019

Comité permanent des comptes publics

Rapport annuel 2018,
vérificatrice générale :

Ministère des Services
à l'enfance et des Services
sociaux et communautaires

1^{re} session
42^e législature

Mercredi 20 mars 2019

Chair: Catherine Fife
Clerk: Christopher Tyrell

Présidente : Catherine Fife
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111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
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Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4327

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Wednesday 20 March 2019

Mercredi 20 mars 2019

The committee met at 1231 in room 151, following a closed session.

2018 ANNUAL REPORT, AUDITOR GENERAL MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

Consideration of section 3.11, Ontario Works.

The Vice-Chair (Ms. Peggy Sattler): Welcome, everyone. I would like to call this meeting of the Standing Committee on Public Accounts to order. We are here today to begin consideration of the Ontario Works report, section 3.11 from the 2018 annual report of the Office of the Auditor General of Ontario.

Before we begin, I did want to draw committee members' attention to another document that was circulated today as follow-up information. It is on the back table, as well.

I would like to warmly welcome representatives from the Ministry of Children, Community and Social Services, as well as from the city of Toronto, the region of Peel, the city of Windsor and the District of Thunder Bay Social Services Administration Board. Thank you very much for being with us today to answer the committee's questions. I am going to invite each of you to introduce yourselves to Hansard before you begin speaking. We'll start here.

Mr. Andrew Daher: Good afternoon. My name is Andrew Daher, and I am the executive director for employment and social services with the city of Windsor. Thank you for allowing me to be here today.

Mr. Richard Steele: Richard Steele, assistant deputy minister for social assistance operations with the Ministry of Children, Community and Social Services.

Ms. Janet Menard: Janet Menard, deputy minister, Ministry of Children, Community and Social Services.

Ms. Pat Walcott: Pat Walcott. I'm the general manager of Toronto Employment and Social Services.

The Vice-Chair (Ms. Peggy Sattler): Great. Okay. Thank you very much.

Altogether, you will have 20 minutes to make your opening presentation to the committee. We're going to then move into questions and answers from members of the committee. We will be rotating back and forth, beginning with the government side for 20 minutes, then the official opposition for 20 minutes and so forth. Please begin when you are ready.

Ms. Janet Menard: Thank you very much. I'll just point out that we have colleagues from Thunder Bay and also the region of Peel back behind us who may be part of the discussion at some point.

Good afternoon and thank you for the opportunity to address the Standing Committee on Public Accounts with respect to the Ontario Works value-for-money audit report. For the purposes of today's meeting, service managers representing the municipalities of Windsor, Toronto and Peel and the District of Thunder Bay Social Services Administration Board have agreed that I will provide updates on their behalf. They are happy to answer questions following opening remarks. As you can appreciate, our partnership with municipal service managers is key to ensuring that Ontario's most vulnerable are appropriately supported. As such, I appreciate the ongoing role that they play and their attendance here today.

I would like to begin by providing an overview of the Ministry of Children, Community and Social Services and the work we do. On June 29, with the swearing-in of the current government, four ministries became one overnight. The former Ministries of Community and Social Services, Children and Youth Services, Citizenship and Immigration, and the Status of Women were merged into the newly created Ministry of Children, Community and Social Services. With approximately 6,100 employees, we are now the third-largest ministry in the OPS.

The government did this with a purpose: to bring together a range of programs that support people, with a view to aligning and integrating them, cutting red tape, streamlining government processes and serving Ontarians more effectively. As such, the new ministry supports social assistance and disability programs; children, youth and youth justice; persons with autism and developmental disabilities; women; victims of human trafficking; and immigration policy and settlement programs for newcomers and refugees.

To fulfill our legislative requirements and the government's mandate to support this diverse group of Ontarians, our work needed to be reorganized to eliminate duplication and integrate the work of the four former ministries. To do this, we took several months to understand the businesses and people of the newly created MCSS and the priorities and expectations of the new minister and government.

Last month, I announced changes to our organizational structure that bring us together as one integrated ministry,

part of a strong and effective OPS that is well positioned for the future. The new structure reorganizes our work in a way that makes sense operationally while enabling us to support the best outcomes for our clients and deliver on government priorities.

Divisions have been structured to improve outcomes through more holistic services and to make our systems easier to access and navigate, with particular attention to supporting people through the course of their life. For example, we created a social assistance programs division which brings together operations and policy teams. This enables a client-centred approach to service delivery, which improves outcomes, better integrates services and allows us to leverage expertise across the ministry. We created a new business intelligence and practice division to integrate and analyze data to better inform system transformation and to advance evidence-informed decision-making. We strengthened horizontal connections to support our working together in a new and more integrated way, and established a delivery unit to track and monitor ministry priorities, which will report directly to me. These changes take effect April 1.

Our senior leadership team believes that these changes are critical to modernize and transform our business and give us the tools required to fulfill the recommendations contained in the Auditor General's value-for-money audit on Ontario Works, in addition to past audits that also inform our work.

As deputy minister, my focus is to ensure that our programs and services are efficient and accountable, while achieving the best outcomes for the people they are meant to support. This aligns completely with the role and goal of the Auditor General. As always, we found this work extremely helpful. We accept all of the recommendations and have started work on fulfilling them.

The findings and the recommendations at a high level focused on three broad themes:

- the need for greater oversight and accountability for service managers who deliver Ontario Works on the ministry's behalf in terms of their compliance with program and legislative requirements and the achievement of performance targets;

- the requirement for vigilance on eligibility verification, overpayments, fraud investigation and approval of discretionary benefits; and

- the lack of tracking and monitoring of recipients' progress toward sustainable employment, including ensuring that employment support activities are completed, opportunities to increase the attendance in programs are identified, and that programs that work are utilized.

Ministry staff have started working on these issues in areas within our direct purview and with our municipal partners, including the three municipalities and district social services administration boards that participated and are identified in the Auditor General's report.

Before I tell you what we are doing within the ministry to address the findings and recommendations, a few comments: Many of the issues identified in the audit have been the cause of concern for some time for the ministry,

Auditor General, our municipal partners and, perhaps most importantly, our Ontario Works clients. We know that the length of time recipients spend on social assistance has been increasing for several years, making the system unsustainable and the outcomes for people untenable. We understand that there exist many barriers to good outcomes in Ontario Works through administrative burden, issues with program oversight and program design. We recognize that the system needs to change.

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The government has clearly indicated its commitment to change that will drive positive results. To illustrate this, I will speak about changes to social assistance that were announced by our minister, Lisa MacLeod, last November. These changes focus on several key themes: moving people to employment; locally focused social services; cutting red tape; and restoring accountability.

The changes involve redesigning Ontario Works to reduce administration and paperwork so that both recipients and front-line staff can focus on value-added individual action plans that prepare people to return to and remain at work. The plan will also connect recipients to other services such as education, mental health and addiction supports. These changes will be implemented gradually over the next several years.

The government's social assistance transformation plan will be complemented by the transformation of employment services, which fall under the mandate of the Ministry of Training, Colleges and Universities. Just last month, Minister Merrilee Fullerton announced her transformation plan for Employment Ontario. It envisions a new system and service delivery model that effectively supports Ontario job seekers and employers, and it will ensure employment services are working effectively with other government services, including social assistance, to help people who face barriers to employment or experience precarious employment.

MTCU will select employment service managers through a competitive process and prototype newly designed models next fall. Our ministry is already working collaboratively on these initiatives with our colleagues at MTCU. The success of Ontario Works' transformation is heavily dependent on a newly designed and high-outcome Employment Ontario.

Other employment supports we are improving involve newcomers. Our data shows that the most significant barrier newcomers face in finding employment is language proficiency. MCSS provides a range of programs to help Ontario's newcomers settle in their community. These include adult English- and French-language classes, foreign credential accreditation, community settlement programs, and legal and language interpreter services. To ensure newcomers are aware of available services, we have translated website materials into 26 languages. We will also ensure that service providers market these programs to social assistance recipients.

In addition to these initiatives, in January, the ministry launched an improved eligibility verification process, which compares consumer credit information with information provided by social assistance recipients to identify

anomalies. This process identifies high-risk cases for eligibility review based on known client risk factors. We now require all delivery partners to assign cases identified for review within 15 days, with 90% review completion within 60 days.

We have also developed and incorporated a quality assurance framework and tools in all Ontario Works service contracts. The implementation of a performance measurement framework will benefit from input from service managers and people with lived experience. The framework will include indicators for length of time on social assistance, employment sustainability and measures to assess whether barriers to employment are being removed over time.

After the framework is completed, the ministry, in consultation with service managers, will set key targets for accountability measures and corrective action where warranted. We expect these performance indicators to be incorporated into service contracts for both social assistance and employment by April 2022.

Earlier in my remarks, I mentioned the ministry reorganization which takes place April 1. The structural changes we are implementing will also give us tools to address issues of program oversight and program effectiveness. With the creation of our business intelligence and practice division, we will create sophisticated data systems to build robust performance measure which ensure compliance with Ontario Works requirements, both internally and at the municipal level.

We will also have the tools to identify anomalies in areas of overpayments, oversubscription of benefits such as the special diet allowance, and poor performance in employment outcomes. This will allow us to take corrective action sooner and more effectively. As importantly, our increased data capabilities will allow us to identify areas of high performance and leverage best practices more broadly.

Now I will speak to the work of our municipal and DSSAB partners. All four service managers accept the findings contained in the value-for-money audit and are working toward implementing the Auditor General's recommendations. Committee members have been provided with copies of the detailed work undertaken to date. I will focus on key highlights of service manager progress thus far, in particular in the following areas: The auditor recommended that service managers work with the ministry to formalize the requirement to use third-party eligibility verification checks to confirm recipients' financial circumstances. It also recommended we ensure that caseworkers comply with ministry requirements to review and document applicant eligibility and financial assistance, and assess recipients' ongoing eligibility within time periods determined by ministry policy.

All four service managers are working to formalize verification procedures. For example, Peel region has implemented a triage process and reallocated specialized resources to help ensure the timely completion of eligibility verification reviews. They have also established an internal audit team. Its function is to perform targeted

audits of files on an ongoing basis to ensure that ministry requirements, policies and procedures are being adhered to. Peel has also implemented regular policy and procedure training reminders to staff emphasizing compliance with ministry eligibility review and documentation policies.

The city of Windsor currently completes eligibility reviews for Ontario Works recipients every 12 months, and they will continue to do so. This has ensured that recipients receive the correct amount and experience fewer overpayments.

Recommendation 15 seeks to ensure that only eligible recipients receive Ontario Works financial assistance, that overpayments are identified and minimized through regular review, and that allegations of fraud are referred to authorities for investigation and prosecution. All four service managers commit to ensuring that internal processes and procedures are in place to review and investigate fraud allegations within ministry time frames. They also agreed to ensure that co-operative relationships are maintained with local police services to allow for the investigation of suspected fraud.

Recommendations 16, 17 and 18 relate to employment supports for Ontario Works recipients, which are intended to help them obtain sustainable employment. The four service managers agreed to review their processes and take concrete steps to more effectively manage and track employment supports. These measures include training caseworkers and conducting internal audits to ensure that deferrals from employment support activities are only granted when the necessary documentation is supplied; ensuring that recipients meet with caseworkers regularly to update participation agreements; assigning appropriate employment support activities; and identifying opportunities to increase the number of recipients they refer to employment supports which have proven successful.

The Thunder Bay DSSAB has undertaken process reviews and worker re-education regarding proper verification for waivers and deferrals for employment support programs to be completed by June 30 this year. Thunder Bay has noted a difficulty in filling caseworker positions over the past five years, leading to increased workload for remaining caseworkers and resulting in less-timely-than-normal attention to certain tasks.

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Thunder Bay will work toward returning to full caseworker complement and looks forward to plan program modernization, which will reduce administrative burden and focus on helping recipients find employment.

Peel has updated its internal processes to ensure caseworkers are meeting with recipients regularly, and they have created specialized caseloads to target expertise to high-needs clients, such as youth.

The city of Windsor has developed a clearly defined Ontario Works employment service pathway to ensure that each recipient is supported in their efforts to obtain meaningful employment. In 2018, Windsor assisted 2,074 individuals into employment and was one of the province's highest performers, with a 28% success rate.

The city of Toronto launched a service planning renewal initiative in 2018. Its goals include more rigorous oversight of participation agreements, strengthened expectations for client engagement, development of support plans and targeted investment in effective employment supports. Toronto's service planning model will also support holistic and purposeful action plans, which set out goals and expectations under clear timelines to improve client results, reduce barriers and achieve efficiencies, thereby making the most of public resources.

The Vice-Chair (Ms. Peggy Sattler): Ms. Menard, you have just less than two minutes to go.

Ms. Janet Menard: Thank you.

Toronto is also supporting these initiatives through a balanced monitoring and performance framework. Examples include the use of automated flags that inform workers of cases in need of review and standardized documentation of employment supports.

In conclusion, let me assure you that the ministry is committed to working collaboratively with our partner service managers to support their initiatives and to address the need for systemic change in Ontario Works. The learnings and best practices of these service managers arising from the value-for-money audit will be shared with our other 43 service managers through our established provincial networks and they will be incorporated into future ministry policy.

On behalf of the ministry, I would like to thank Auditor General Bonnie Lysyk, her staff and members of the Standing Committee on Public Accounts for this opportunity to discuss improvements in the Ontario Works program. The observations and recommendations will, of course, inform reform as we move to a more detailed design. We are excited about the transformational change currently under way at the ministry, and we look forward to improving the services we provide to Ontarians.

Thank you very much.

The Chair (Ms. Peggy Sattler): Thank you very much. You had 15 seconds left, so you timed that perfectly.

We're going to begin with questions from the government side. MPP Miller.

Mr. Norman Miller: Thank you for coming in today, the service managers, assistant deputy minister and deputy minister. I appreciate you taking the time to come and answer questions and present.

Certainly there are lots of recommendations in the Auditor General's report on Ontario Works. Ontario Works is meant to be a temporary program to assist people back to work, so I guess I'll start there. That was toward the end of your presentation as well.

Currently, only one in 100 people on social assistance re-enter the workforce in a given month. What steps has the ministry taken to reinforce to service managers the need to comply with requirements to ensure that recipients make progress toward gainful, sustainable employment? I notice that the trend is not so good and I note that there was a 2009 report as well. Not a lot has improved since a lot of the same recommendations are being made in the current report.

Ms. Janet Menard: Thank you for your question. I'll start, and then I'll turn it over to my colleague ADM Richard Steele.

I would start by saying the answer to that is multifaceted. There's a lot we have to do. We have to free up the environment of Ontario Works from administrative burden and focus on activities that actually provide value and on checks and balances in the system that are based on risk. We don't want to compromise the accountability of the system, but at the same time, all of the things that we ask of clients do not have equal value. We have to focus on those that have high value.

The other part of it is having an effective employment system that people can go to and get support in preparation for work. Many of the people who come through the Ontario Works doors have suffered trauma before they got there, whether it's illness, job loss or family breakup. It could be that they're a newcomer. Often we have to deal with those issues before they move to employment. Having wraparound services that support them and are focused on what they can do versus what they can't do is a good start, and that's where we're headed.

I'll turn to Richard.

Mr. Richard Steele: Thank you, Deputy.

I'll just pick up on a couple of the points that Deputy Menard made. I think we can't over-emphasize the challenge that our delivery partners and our front-line staff currently face, given the complexity and the administrative burden that is represented by the current design of the system.

In many ways, I think job one for the ministry has been: How do we move forward with reducing some of that complexity and reducing some of that administrative burden so that the caseworkers that our municipal partners have there in the field can actually focus on what we want them to focus on, which is supporting people back to employment? That has been a key focus for the ministry, working very closely with our municipal partners, and it will certainly continue to be. We'll be doubling down on that in the context of the government's reform agenda, both from a policy simplification perspective—how we remove some of those policy rules from the program?—and then how we take full advantage of technology to minimize the amount of time that people are spending on things like data entry?

The other point I'll pick up on from Deputy Menard is: One of the things that I think we have seen over the last 10 years are the changes in the labour market, obviously, and we have seen a little bit of a bifurcation of our labour market towards plenty of high-skills jobs—not necessarily the jobs that the people receiving Ontario Works are immediately well suited for—and changes in the nature of the caseload. We are seeing, within the caseload, significant numbers of people with significant barriers. Again, Deputy Menard mentioned people who don't have English-language skills—that's a challenge—and significant numbers of people with mental health and addiction challenges, just to name a couple of areas. We do need to really focus more on how we put the wraparound services

in place to get those addressed quickly and enable people to move forward towards employment.

Another key part of the puzzle, of course, is the work that we are doing together with the Ministry of Training, Colleges and Universities on integrating social assistance employment supports within a transformed employment services system that is focused much more clearly on employment outcomes, working with both employers and the people we're serving.

Multiple directions: removing administration, increasing program simplicity, building out those wraparound services, and transforming how employment services get delivered.

Mr. Norman Miller: It seems like there's lots of room for improvement, based on the auditor's report. Specifically, it's recommendations 16, 17 and 18. Recommendation 17 is for the service managers to "meet with recipients regularly in accordance with the Ministry of Children, Community and Social Services ... requirements to review and update their participation agreements." Just meeting is a fairly basic thing. They're just supposed to meet. I don't what the exact time frame was; I think it's once a year, but in some cases it's once every two years. Is that being addressed as well?

Mr. Richard Steele: Let me start, and then I will turn it over to my municipal colleagues to comment as well.

A couple of things are referenced there. I think the one-year/two-year refers not so much to meetings around outcome planning but a more formal review of ongoing financial eligibility. I think that's one process.

In terms of moving people forward on their path to employment, we certainly would be looking for caseworkers to be meeting their clients far, far more regularly than once every year or every two years. That's clearly not going to get us to where we need to get to.

Let me turn it over to either of our municipal colleagues.

Ms. Pat Walcott: Thank you very much. The deputy referenced service planning renewal in the city of Toronto. Service planning renewal is about building that individual plan for a client about moving their life forward, and a lot of that is focused on employment. So it is not based on a set cycle; it's based on client need and freeing up administrative time, as our ADM mentioned, so that our caseworkers have more time to invest in developing that plan with a client.

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We recently retrained all of our caseworkers, 11,000 people, in this service planning approach, and already we're seeing wonderful returns, both in terms of the wraparound supports and the outcomes from the planning itself.

Mr. Norman Miller: Yes, in Windsor, I think it is—correct?

Mr. Andrew Daher: Yes, correct, in Windsor. Windsor has done a few items. As part of the outcome plans, we've actually developed a committee to evaluate how our outcomes are being done, and the first thing is an education piece, letting our caseworkers know what those

outcomes are and making sure that they're aware of how many they have to do. As part of the outcome plans, they have to meet with their clients, typically every three months.

We've not only educated our caseworkers, but we've actually provided refresher training for those caseworkers to get them to better understand how to update those outcomes in the actual SAM system as well as understand what is required to complete those. As part of that, then, developing our committee, we've worked very closely with those caseworkers to really allow them to better understand what the needs of their clients are so that, if they're meeting with them every three months, then when they have to do a form 1 once a year—we do it every 12 months—that process of meeting with them becomes a lot less burdensome.

Mr. Norman Miller: Okay. I'll switch to recommendation 15, which has to do with fraud. Service managers across Ontario are approximately one year behind in investigating approximately 6,000 fraud tips to ensure only eligible recipients are receiving assistance. Has the ministry taken any steps to verify that service managers review and investigate these tips within the ministry-required time frame? It seems to me, in reading the report, that there is lots not happening in terms of investigating fraud, but where you have done it, you've had pretty good success. I think the number I saw was, where you investigated, there was found to be 25% of cases where there was overpayment and 10% where they're actually ineligible for receiving Ontario Works. But there are lots of cases that aren't being investigated.

Mr. Richard Steele: A couple of things: First of all, I would say that the process of responding to fraud complaints is one of a number of measures we have in place to try to ensure the integrity of the program. As Deputy Menard mentioned, one of the areas where we've had considerable focus in the last little while, and bore fruition with implementation this January, is a refreshed risk-based eligibility verification process, which is intended to take, basically, what we have assessed through data analytics to be the 3% highest-risk cases across the whole Ontario Works caseload; we push those out to our delivery partners to do a full case audit on those cases. Various things can happen from that. We may indeed identify that that case is no longer eligible and should be terminated; we may identify an overpayment; and, in some cases, indeed, those cases may be referred to municipal fraud teams to investigate. So that is a key component: ensuring that, rather than waiting for complaints of fraud, we are actually on top of assessing the ongoing eligibility using a risk-based basis.

We absolutely acknowledge the comments from the Auditor General that, collectively across the system, we are not actioning some of the allegations of fraud quickly enough. That is absolutely a point we have been and will continue to reinforce with our delivery partners—the importance of doing that. I think all four, in their status updates, have noted the steps that they are taking to accomplish that.

I will note that some of the allegations we get can be challenging to action, insofar as they are rather non-specific and difficult, in some cases, to follow up on with any great precision. But absolutely, we acknowledge that there's a gap there, and we will be following up to ensure that the standards are met.

Mr. Norman Miller: Okay. Back to finding employment: The audit noted that only 10% of recipients find employment and that the ministry lacks targets and performance indicators to improve the effectiveness of Ontario Works. For example, the ministry does not have targets to reduce the rapidly increasing amount of time people are on Ontario Works.

What is the ministry doing to address this specific issue?

Mr. Richard Steele: I'll start, and again, I'm happy to turn it over for comment from my municipal partners as well.

We absolutely acknowledge that we have not set targets specifically around length of time on assistance, and that's a helpful recommendation. As we move forward with refreshing the outcomes framework for Ontario Works and the context of reform, we will absolutely be looking at that, along with a number of other measures to build into our outcomes framework.

I do want to clarify for the committee, though, that we do have targets associated with employment, which are negotiated with our municipal partners every year as part of our service contracting. There are frequent conversations with our service partners around that performance. The challenge with our current outcomes model isn't so much that we don't have targets; I think it would be fair to say that it's more that we kind of lack teeth in terms of: If those targets are not met, what do we do with that?

Mr. Norman Miller: That's a good point. It used to be that the municipalities had skin in the game, I guess you'd say: 20% of the costs were funded by municipalities, 80% by the province. There's no skin in the game now. It's fully funded by the province. So what do you do if a service provider doesn't meet your targets? What do you do?

Mr. Richard Steele: Yes, I think that's a very valid comment. The reality is, there are conversations—again, I will let my municipal partners speak to their reality. I think their councils are interested in performance, and I don't want to put words in their mouth, but I think they would argue that their councils hold them accountable for performance, and I think that's true. But from a provincial oversight perspective, I think it's fair to say that theoretically, within our contracting with our municipal partners, there is a component of at-risk funding associated with those targets. In practical reality, at least over the last five or six years, that lever has never been exercised.

Mr. Norman Miller: And are you working to strengthen the agreements you have between the province and the service managers to try to address all the various recommendations of the Auditor General?

Mr. Richard Steele: Absolutely. In the context of reform, one of the streams of work we have under way—and we'll certainly be working closely with our municipal

partners on this—is a refresh of our service contracting and performance and outcomes framework to ensure that we are focusing on the right things in a measurable way, and the things, in fairness, that our municipal partners actually do control; I think that's a point of concern from them: “If you're going to hold us accountable, make sure it's for things that we actually do control”—and then the associated accountability measures that give a little more teeth to some of that.

I would like to turn it over to some of my municipal colleagues. They would have a perspective on this too.

Ms. Pat Walcott: Okay, I'll go first. Thank you very much. First of all, I'd like to report that Toronto did meet its employment outcomes, as per our service contract. We have a caseload of 84,000 per month. We met our target of 30,000 people returned to jobs in 2018.

We have a variety of employment programming, including contracted services, and we set benchmarks with those service providers and decrease or increase their funding in accordance with their outcomes. The lowest benchmark that we have is 50% to 60% return to employment for people that we invest in and a high of 70%—

Mr. Norman Miller: Sorry to interrupt you, but I seem to recall reading in the auditor's report that whether those people end up coming back onto Ontario Works or whether it's full-time, sustainable work isn't measured.

Ms. Pat Walcott: Yes, that's right.

Mr. Norman Miller: Do you measure that?

Ms. Pat Walcott: We do. I can tell you, we have certain streams of contracted services, and one of them is occupation-specific—so we're training you for a particular occupation. About 71% of the clients in that stream actually found employment. A number of them did return to us within two years. Let me see; 50% of those clients who left us did return to us within two years, so the sustainability of the employment—which is also a factor of the labour market to some degree but also speaks to the ongoing supports we need to provide people to maintain their employment.

1310

Mr. Norman Miller: Thank you.

Mr. Andrew Daher: The first thing I'd like to touch upon is the employment outcomes. Every single year, we have consistently met and even exceeded significantly our employment outcomes. I can tell you right now that one of the big things that I'm very proud of—and my team—is that because we are an Employment Ontario provider—an EO provider—and having that integration, we have seen tremendous success in our employment outcomes.

Mr. Norman Miller: At what sort of percentage?

M. Andrew Daher: Sure. For example, one of the measures that we do is the percentage of OW terminations exiting to employment. Just in December, at the end of the year, we hit over 31%, where the provincial average was 18%. We really feel that our success has been as a result of being one of six EO providers in the province of Ontario.

Mr. Norman Miller: Having the employment services—

Mr. Andrew Daher: Employment Ontario, because we have that wraparound service, and we're integrated. When a client comes in, they're not just referred to OW employment; they are also referred to our EO side of employment, so we provide that warm handoff, as we call it. Once we meet with that client, we can actually bring them over to our Employment Ontario centre.

Mr. Norman Miller: And to the province on that question: Is that something that the province is working toward when you talk about wraparound services having been more—if this is successful, one service manager, is that what you're trying to do with the changes?

Mr. Richard Steele: As Deputy Menard mentioned, what Minister Fullerton announced last month is really two things: transformation of the overall Employment Ontario system, which Windsor is one deliverer of, to really create a more integrated and outcomes-focused system. The concept that Minister Fullerton has announced is creating local service system managers in each area that will be responsible for all of the employment service providers, not just for social assistance recipients, but for anyone accessing employment services to create what typically now is a fairly fragmented system, making it more coherent, more focused, and more responsive to the needs of both employers and the people using the system. Absolutely I think that will help.

What we're working with our colleagues at the Ministry of Training, Colleges and Universities on now is from a client-pathway perspective, making sure that all of this fits together: somebody receiving social assistance support and somebody receiving employment services support—all of that is a consistent, integrated set of wraparound services so we can indeed mirror some of the success that our colleagues in Windsor and Toronto have mentioned. In fact, that integration is very important.

The Vice-Chair (Ms. Peggy Sattler): MPP Miller, there are 15 seconds left.

Mr. Norman Miller: Okay.

Mrs. Gila Martow: Can I make a quick comment for 15 seconds?

The Vice-Chair (Ms. Peggy Sattler): Ten seconds.

Mrs. Gila Martow: I would like you to get back to us with how we can lower the administrative burden maybe with voice inputting or video or things like that.

The Vice-Chair (Ms. Peggy Sattler): Okay, MPP Martow. Thank you. We're going to move to the official opposition side. We will begin with MPP Morrison.

Ms. Suze Morrison: I'd like to start by directing my questions—sorry, was it Ms. Walcott?

Ms. Pat Walcott: Yes.

Ms. Suze Morrison: Yes, Walcott, from Toronto. Our audit team does a really great job of giving us a really strong picture of the data and the numbers behind these programs. I really want to get at some of the more personal context of what we're seeing on the ground in terms of the cases that you're seeing, particularly in Toronto.

I want to start with your perception of—do you think the typical clients who are coming in and applying for Ontario Works—do you think, in your opinion, they're

finding the application process easy to navigate and easy to stay compliant with, particularly considering the significant amount of language barriers that we've identified? Where I'm trying to go with this is connecting it into the fraud piece that we're talking about. Do you think that we're seeing an increase in the fraudulence of folks on OW? Is that intentional, or do you think folks are having a difficult time navigating and maintaining their applications in the system?

Ms. Pat Walcott: Thank you very much for your question. I don't think that the system itself is difficult to navigate. I think we've made significant changes in our ability to be able to access the system. Within Toronto, people generally access Ontario Works using two channels: either the online channel—31% of our clients enter the system through the online channel—or the telephone. We do have a dedicated application centre through the phone for people to take their application. We have worked to streamline that process so we bring our clients to the grant stage on the telephone, then they go to the local office within two days. So that process of accessing the initial system is not so difficult.

What we are trying to do is to free up the resources for the actual individualized plan for the client, in terms of their life stabilization and in terms of their employment outcomes. That is our service renewal project.

You mentioned the issues around fraud etc. There is fraud within the system, and I think one of the best solutions to fraud in the system is information for the clients in terms of their rights and their obligations, and so that ongoing contact with our clients, I think, will help to prevent some of the abuse that does occur today—and, obviously, a quick exit from the system. If you are on the system for so long in Toronto—an average of 42 months—you become more and more in the depths of poverty.

Ms. Suze Morrison: In follow-up to that, then, do you think that your staff, your caseworkers, have the capacity to be providing that level of information to clients on what their rights and responsibilities are, specifically?

Ms. Pat Walcott: Well, I mentioned that we had just recently retrained all our staff. We spent—a full training of all staff within Toronto Employment and Social Services—

Ms. Suze Morrison: But what I'm getting at, sorry, is: Do you have enough staff?

Ms. Pat Walcott: Do I have enough staff?

Ms. Suze Morrison: Enough staff.

Ms. Pat Walcott: Well, you're putting me on the spot. Yes, I do think that we have enough staff. I would like to see renewal of the funding model, and I believe the ministry has committed to doing that. As we create new goals for our clients and we look at the stratification of the client needs, we need to assess what the true need really is.

But at the moment, I do feel that I have enough staff to deliver on my obligations. In terms of speed of payment—that first payment—we are paying, on average, that first payment within three to four days, so that's a very good response rate in terms of getting that first payment. And now we're trying to streamline and work with the ministry

around modernization, reducing administration, so that we can free up staff to work on the real value-added activities with clients.

Ms. Suze Morrison: Okay. I want to move a little bit into the part of the report that touched on the special diet allowance. I was doing a little bit of research on that, and it looks like the special diet allowance has a variety of ranges. It's as little as \$30 a month for some folks and as high as, I think, close to \$240 for folks in renal failure. On the higher end, it's a substantial amount of money, but on the lower end we're talking about folks who are trying to get \$30 a month here.

My question is, in terms of the fraud that is identified in the report with respect to the special diet allowance, is there a sense—perhaps this question is better directed at the ministry folks—that the majority of that fraud is happening at that larger scale, that \$240 a month, or if the bulk of it is folks trying to access that extra \$30 or \$50 a month to get by?

Ms. Janet Menard: Well, to qualify for the special diet allowance, we have to verify that you have a condition. You couldn't get a diet for renal failure if we weren't able to verify that.

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It's in the less specific conditions that are, I would say, more diet-related than medical-related that we have more grey. That's where we suspect misuse, because many of the applications come from the same physicians. So I would say that it's not in the high end. It's more adding to family members. The diet allowance is not restricted to one person. Anyone in the family can qualify if the conditions are supported by the right medical verification.

Ms. Suze Morrison: Going back to Ms. Walcott, then: I represent a downtown Toronto riding. Being the service manager for Toronto, I'm sure you're aware that the cost of living in Toronto is fairly outrageous. I'm sure you're aware that the average price for a one-bedroom apartment is now up over \$1,100 a month. When we look at the basic need and shelter allowance for a single person, that caps out at \$730 a month.

What I'm trying to get at here is that while I respect the opinion that fraud is fraud, when we're looking at Ontario Works, my real concern here is that because the rates are so incredibly low, we've got folks who are trying to subsist on \$730 a month. I mean, you couldn't rent a room in an apartment in Toronto for \$730 a month, and that's supposed to be someone's combined shelter and living allowance. The shelter allowance alone is approximately a little less than half of that—\$300 a month.

My concern here is that when we look at the special diet allowance—in your opinion, do you think the resources of the ministry are perhaps better spent on increasing the overall living allowances for this program, so that people can actually survive, rather than spending resources policing people who are fraudulently trying to access as little as \$30 a month to offset their cost of living?

Ms. Pat Walcott: I would start with saying that I will certainly acknowledge that poverty is felt more intensely in the city of Toronto. The cost of living is very, very high

in terms of shelter, food etc., and that has put pressure on our shelter system, our housing system and Ontario Works.

My response, as an organization, is to translate that urgency to my workers. It is not acceptable to have them on the program for a long period of time, because they're going to feel that poverty even more intensely. That is why it's so urgent to get on with the job of service planning and return them to work.

I will acknowledge that people will use whatever they can, to try to enhance their income, whatever resources they have. But that is not even a solution. The solution is to return them to the labour market.

Ms. Suze Morrison: Okay.

The Vice-Chair (Ms. Peggy Sattler): MPP Gretzky.

Mrs. Lisa Gretzky: I want to start by saying, for you Windsor folks to take this back to your team, that the largest number of cases that come into my office are ODSP and OW.

I know the incredible work that the folks in Windsor do with the little resources that they have, and I can say that honestly. You may not be able to say it here, but I will say it here: They do not have the resources that they need to be able to service the clients. I see that when the clients come into my office and they are hostile towards workers, because there aren't enough workers there to be able to service the needs of the clients.

What I'm going to ask—a general question; Windsor can answer it. The service managers don't have to, if they don't want to be put on the spot. Maybe the ministry can answer. What I've heard, not just from my area but other areas, from workers is that we have workers who are getting burnout. They're going out on stress leave, and I can totally understand it, based on their caseloads. Sometimes, clients come in and they're emotional and they're desperate, and that gets taken out on the workers. So workers leave to go off on leave for whatever reason.

I'm hearing that service managers are very stretched when it comes to their budgets and replacing those caseworkers. That means another caseworker takes on that extra, which just seems to exacerbate the problem, and eventually, the clients end up in my office, and we're trying to work it out.

How is it monitored to ensure that the service managers have the funding they need to have the appropriate number of staff in their offices in order to be able to provide the services that we're talking about, which is, hopefully, to support people to be able to find employment? I want to say that we talk about stable employment, but it also has to be not just moving them off of OW or ODSP, if they're able to work somewhat on ODSP. The focus shouldn't be just moving them out of the system and saying, "Well, we got them a stable job." We also need to look at: Are they still living in poverty by doing that job?

Again, I guess my question is: What do we see across the province as far as service managers and being able to replace caseworkers when needed to ensure that they're not getting overloaded with casework, that we're not seeing more caseworkers get burnout, and that the services

are actually being provided to the clients in a timely manner to try and move them through to meaningful, stable employment?

Ms. Janet Menard: Thank you for your comments and your question.

I don't think any of us would disagree with your observations. The goal of transformation is to free up capacity in the system. When we talk to front-line workers, they talk about the large percentage of their time that is spent on administrative, non-value-added work, and that's what we're trying to remove from the system. We don't want them stressed. We understand the emotional toll that it takes, dealing with people who are in trauma on a regular basis.

Part of our efforts to modernize—to get clients to use self-serve, to do things behind the scenes, to share data, to look at risk-based approaches to assessing risk—is all with a view to freeing up the capacity in the system with those exact staff that you talk about so that they can do the work that they got into this business to do. That's to help people, whether it's supporting them within the system and connecting them with other supports and services that make life easier, or moving them back into the labour market. That is the end goal.

We're confident. We work very closely with our 47 municipal partners. We have no doubt that we're all on the same page with respect to wanting good outcomes for the almost one million people on social assistance in Ontario. But adding more staff into a system that needs to be fixed first is not the right answer, and I think our municipal colleagues would agree with that.

Mrs. Lisa Gretzky: Okay. I appreciate that answer, but I also think that when we have caseworkers who are going off for whatever reason and they're not being replaced, which puts added stress on caseworkers who are there and it prevents those caseworkers from actually being able to do the work they want to do, that is part of the problem with the system. The ministry, or specifically the government, really needs to be looking at investing in the system to make sure that there enough supports in place to ensure that when a worker needs to go off they are replaced and we are not creating an even bigger burden on a system that's already not working well.

Ms. Janet Menard: We do have a funding formula for our Ontario Works programs, and it is related to caseload. But the other point I wanted to make is that municipalities don't contribute to the cost of benefits, but they do contribute to the cost of administration. We sometimes forget that. They actually contribute 50%. We as a government find them entitled to a certain amount, but they have to match that.

Mrs. Lisa Gretzky: Right. I guess my goal—and I'm sure my colleague would agree—is that when we're talking about supporting some of the most vulnerable people in our communities across the province, we also need to make sure that the people working within that system who want to be helping and providing support are also themselves being supported. That's the goal, and that's with the folks who work within the ministry. Regardless of what government there is, we need to make

sure that we are staffing appropriately and investing appropriately.

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I'm also wondering this, if you can answer it: How many people, do you find, access OW while waiting to go through the application process and be approved—or not approved, maybe—for ODSP? And if you have those numbers, how long do you find that transition usually takes place?

Ms. Janet Menard: It's the majority, as a starting point.

Mr. Richard Steele: Yes, the majority of individuals who become ODSP recipients start their journey in Ontario Works. Roughly 70% to 75% of new ODSP grants would be essentially transfers from Ontario Works. The remainder would be what we call self-referrals; it is people who have come directly to ODSP. Typically—not always, but in many cases—they are younger people who have very serious disabilities, potentially developmental disabilities, and, with their families, are applying for ODSP at an early age. But for most, particularly older individuals, they would be coming to ODSP through Ontario Works.

The speed with which they would move through Ontario Works and make an application for ODSP will obviously vary considerably. In some cases, it will be perhaps obvious to the individual that that's where they should be. In other cases, it may be a considerable period of time before it becomes apparent, through the ongoing work of the Ontario Works caseworker, that the individual perhaps has a serious mental health issue, for example.

Once an application for ODSP is made—at this point, I know there is a lot of, I would say, urban myth out there in terms of how long and how hard it is to get onto ODSP. I think that in the past, there has been some truth to that. Once an application to ODSP is made, an average time to do a medical adjudication is about 45 days. We are adjudicating something like 98% of all applications within 90 business days. In fact, in many cases, if people have a very serious disability that's very, very clear, we have a fast-track process. In many cases, those people will be adjudicated within 10 days.

I will say as well that at this point in time—again, it varies a little bit, depending on the time period—somewhere between 70% and 80% of applications are found “disabled” at the first pass. Again, there's a little bit of, I would say, an urban myth that people need to apply multiple times and that most people have to go to appeal at the Social Benefits Tribunal. It's really not true. The reality is, the majority of people applying to ODSP are found “disabled” quite quickly. If it does end up that they are in an appeal process, certainly the process can take considerably longer, because they will be waiting for an appeal date at the Social Benefits Tribunal, which can take anything from six months to a year. But for most people, that process of working through the ODSP application process would be taking between three and four months.

The Vice-Chair (Ms. Peggy Sattler): Okay, 10 seconds.

Mrs. Lisa Gretzky: I just want to say again, to all the service managers—and you can tell all your colleagues across the province—that I know how incredibly difficult it is for you and your team to do what you do. It's not an easy job, so thank you.

The Vice-Chair (Ms. Peggy Sattler): Thank you, MPP Gretzky.

We'll return to the government side, and that will be MPP Barrett.

Ms. Janet Menard: Chair, can I just point out that we're changing our service managers, just to give everyone an opportunity?

The Vice-Chair (Ms. Peggy Sattler): Sure.

Ms. Janet Menard: Maybe they could introduce themselves.

Ms. Suze Morrison: Can we just get both names?

The Vice-Chair (Ms. Peggy Sattler): Yes, could we get the names, then, of the two who have just joined us?

Ms. Janice Sheehy: Thank you. My name is Janice Sheehy, and I'm from the region of Peel.

Mr. Bill Bradica: Bill Bradica. I'm the chief administrative officer with the District of Thunder Bay Social Services Administration Board.

The Vice-Chair (Ms. Peggy Sattler): Thank you very much for joining us.

Okay. MPP Barrett.

Mr. Toby Barrett: Changing horses in midstream—there's a horse standing out in front of Queen's Park this afternoon, so I've got horses on my mind.

Maybe to follow up on some of the issues that MPP Miller was raising, the concerns with respect to oversight of the Ontario Works program, and the service managers or lack thereof, or lack of tracking—as I understand it, through the most recent audit, we're told that the ministry isn't really doing much with respect to conducting inspections with respect to ministry policy or with respect to ministry legislation or regulation. I understand that it has been going on for something like seven years. As you indicated, 50% of administration is covered by the municipalities, but they're not on the hook for 100% of the cost of the benefits. So I'm just not sure where the hook is for municipalities in what I would consider a responsible way to ensure that—sure, they have a vested interest in efficient, effective administration, but I'm just not sure: Where is the hook for municipalities to ensure that benefits are being distributed in a responsible or cost-effective way? Maybe to go back more specifically: Do we have inspectors? Do we have an inspection branch? It sounds like we don't, as far as the oversight issue.

I would direct this to the deputy minister or the ADM.

Ms. Janet Menard: Richard will talk a little bit about the resources that we have available on this front, but I think it would be good to hear from our service manager partners on your first question.

Mr. Richard Steele: Me first? Okay. Sorry; apologies.

Yes, you're absolutely right: As the auditor noted, the ministry ceased doing what we call compliance reviews a number of years ago. The reason the ministry did that was fundamentally because we reached the determination that

they weren't effective. Effectively, what was happening is, ministry staff go would into municipal service managers, they would pull out a file and they would basically be going through a checklist: "Is the right documentation in place?" I would say that it was labour-intensive and in the end it didn't really tell us a huge amount as to: Was the service manager was effective in terms of achieving employment outcomes? Frankly, it wasn't effective either in telling us: Was the service manager being effective in terms of the integrity of the program?

We've been gradually—and I would be the first to acknowledge that we have a lot more work to do on this front—moving towards trying to take a more data-driven and risk-based approach to how we manage compliance and performance by our service managers. As noted earlier, our risk-based eligibility review process, which is a key tool that we use to really get a handle on what's happening in terms of the status of cases in municipalities—we do quality assurance on that process to ensure that it's being done correctly, and it gives us a pretty good picture on the state of really high-risk files in a municipality. That's one key piece in terms of what we're doing now.

Moving forward, as both the deputy and myself noted earlier, we will be revamping the outcomes framework and funding model for Ontario Works to drive some further clarity in terms of the expectations as recommended by the Auditor General and to rebuild into the relationship a little more by way of financial incentives—which, as you noted, with 100% provincial funding of benefits, that financial incentive piece has been somewhat lost. So we need to find a way, in the outcomes and funding model, of building that in in a fair and reasonable way that, again, respects what municipalities really do have control over.

Mr. Toby Barrett: I might mention, too: As an elected representative, so much of our input comes through our constituencies. Over the years, there's always that gnawing concern with respect to fraud, and I just wonder how real that is. Who's measuring that? Sure, I understand that there are tips from the public. I don't know how one investigates fraud. I guess the ministry isn't doing that; that's done at the municipal level. Any comments on that? Is fraud a problem? We know it is in the insurance industry. I just wonder: Is fraud a problem with respect to Ontario Works?

Mr. Bill Bradica: I can answer that from our perspective. Actually fraud, I would say, is not a rampant concern. In 2018 in our district, our caseload was average; it was just under 3,000 cases. We had 35 allegations that came forward through various means, either through a tip line or somebody called in. Eleven of those were deemed to be without merit. The rest were further investigated; a number of them did result in overpayments being assessed. Nine were actually referred to police as fraud, and in those cases people were in fact charged with fraud. Although it does happen, as a percentage of caseload it is actually relatively small.

Interjection.

Mr. Toby Barrett: Yes, please.

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Ms. Janice Sheehy: In Peel region, we have a very specialized resource area that investigates fraud for us. So we take it quite seriously. We believe that the best way to locate fraud is through the caseworkers. So we have implemented additional training for our caseworkers in terms of red flags. We think that's the best possible source to find those files we may have concerns with.

Mr. Toby Barrett: The last audit—2009. By then, we had pretty well come out of—we were certainly coming out of that recession, but we've seen an increase in the expenditure and the caseload obviously and an increase in people not finding employment, so much of the audit has concerned oversight or regulation and what have you. So we've had good times essentially since 2009, but is there any link at all between people not being able to find jobs, people who are on this particular program, and the economy? I know in the north, the forest industry has gone through some disastrous times during that period, but is there any link at all between not being able to find a job and the economy?

Ms. Janet Menard: Yes, absolutely there is, and the strongest indicator of caseload deviations, growth or decline, is the economy, how the economy is doing, but at the same time, we need programming and systems that look at what people can do and, where possible, get them right back into the labour market as quickly as possible or help them address things that are barriers to their getting there. But absolutely, the economy is a key contributor.

Mr. Toby Barrett: And we've certainly seen that the economy has been in good shape by March—

Interjection: Sure.

Mr. Toby Barrett: —and employment hasn't been bad. It's almost counterintuitive. We're seeing an opposite trend, and I worry. I mean, we're 10 years in—economic cycles—who knows when the next recession will be? There will be another recession, and are we prepared for that?

Ms. Janet Menard: That's why we have to move forward quickly with reform. But let me also say that caseload growth is the result of reform as well. If you increase rates, and I'm speaking against rates, but if you make more people eligible, then you see more people on the system. If you increase or change the rules, that can impact the number of people on the system. So some of the deviations we've seen in the caseload over time are the result of policy changes, not the result of the economy.

Mr. Toby Barrett: Okay.

Ms. Janet Menard: But all things being equal, the economy is the primary driver.

Mr. Toby Barrett: Yes. My colleague—

The Vice-Chair (Ms. Peggy Sattler): Yes. MPP Ghamari.

Ms. Goldie Ghamari: Thank you. How many minutes?

The Vice-Chair (Ms. Peggy Sattler): Ten, exactly.

Ms. Goldie Ghamari: Oh, perfect. Excellent. How are you all doing today?

I have a couple of questions. Before I begin, though, I just want to maybe delve back into history just a little bit. In 2004, there was a memorandum signed between Canada and Ontario, and the purpose of this was an understanding on information-sharing. Specifically within the memorandum back in 2004, it said that the information provided by Canada to Ontario is to help administer and enforce the Ontario Works Act and Ontario Disability Support Program Act, among others. There's also a whole list of information that needs to be shared under clause 4, including date of entry or arrival in Canada, immigrant category or class, as well as current residency status in Canada.

This MOU was replaced by another one in 2017, which is the one that is currently enforced, the Canada-Ontario Immigration Agreement. Essentially, it has the same sort of purpose. It is to include the collection, use and disclosure of information, as well as to ensure the effectiveness and integrity of the programs of Canada and Ontario through enhanced co-operation in information-sharing and through the respective monitoring and reporting processes of the parties.

As well, in assigning a share of refugees to Ontario, Canada agrees to take into account the potential financial and program impact on Ontario, taking into account the large proportion of refugees resettled in Ontario and the longer-term settlement needs.

That's the current MOU that is in place, which seems to enhance that agreement there.

Having said all that, given that there has been a formal MOU in place since 2004 to collect and gather information that would help Ontario Works and ODSP with the implementation of its programs—in ensuring that people are in the country, for example, in order to receive this stuff—why wasn't that information being shared? Because my understanding is that the Auditor General's report says that the ministry has not used these agreements to verify if recipients are still eligible. So, I guess what I want to know is, are there any steps being taken to remedy that?

Mr. Richard Steele: Thank you. A couple of comments: Absolutely, the information-sharing agreement, the legal framework for us to share information between the ministry and IRCC, or Immigration, Refugees and Citizenship Canada, as you note, has been in place. The framework is used; I think that's important to note. We and our delivery partners do regularly confirm immigration status, so there is a process through which we do that.

Ms. Goldie Ghamari: Sorry, what is the process?

Mr. Richard Steele: Well, herein lies the challenge: What we do not have with IRCC—and I'll come to the steps we are taking to try to fix this with IRCC—is any kind of a bulk data-match process. What has to happen now is that individual requests for a caseworker effectively have to get faxed to IRCC—

Ms. Goldie Ghamari: Faxed?

Mr. Richard Steele: Yes, faxed—to confirm what somebody's immigration status is.

While that does happen tens of thousands of times a year—it's a painful process—you can appreciate that the

reality of that kind of a process is that information doesn't flow with the accuracy, the speed and the comprehensiveness with which we need it to, which results in some of the observations of the Auditor General.

Ms. Goldie Ghamari: So why wasn't that changed or updated? It's 2019. Why are we still faxing?

Mr. Richard Steele: The reason is, we have to work with IRCC. This isn't something we can fix on our own. We have to work with our federal colleagues, which we have been doing over the last couple of years. We've reached the point where they have agreed to an information-sharing—again, not what information gets shared, but the practical processes to how we improve those information-sharing processes to make them more real-time.

We have an agreement with them now, and a road map to do that. We're going to start to see some first improvements this spring in terms of data-matching.

Ultimately, where we want to get to with IRCC is an automated interface between our system and their system. The reality is that that's probably some way off in terms of their ability to implement that, but we are confident that we have them onside to make some real improvements, so we can get the data we need much faster.

Ms. Goldie Ghamari: Sorry to interrupt. Would that information-sharing also give you an opportunity to check whether Ontario Works recipients are within the country?

Mr. Richard Steele: There are two things. The information-sharing arrangement that we have with IRCC is—we have two primary goals, actually. One is confirming that we have the most accurate and current immigration status for an individual—

Ms. Goldie Ghamari: Right. Someone could be a PR but not be in the country.

Mr. Richard Steele: Correct. In terms of whether a social assistance recipient is actually in the country or not, there are a couple of areas we're looking at in that regard, to strengthen our integrity. One is, we are having some preliminary conversations with the Canada Border Services Agency around opportunities for data-sharing with Canada Border Services, so we can potentially get a handle on if people have left the country for an extended period.

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The other opportunity, I think, which may prove more practical, is other data sources we can use to establish somebody's presence and residence in Ontario. The reality is that now in our modern world we all leave a data footprint. If you have no interactions with the health system or no interactions with the financial system, we can pick that up. It's not that it's going to give us a definitive answer, but it can certainly create a flag for us to take a closer look at a file and establish whether somebody is actually here.

So both of those areas—both the immigration status and the continued residency—are absolutely areas that we have work under way to improve.

Ms. Goldie Ghamari: Okay. My next question, I guess, is with respect to eligibility reassessments. My

understanding is that currently the ministry requires service managers to reassess eligibility only every 24 months, which would increase the risk that such overpayments remain undetected, especially if we're dealing with people who may or may not be in the country, as one example.

Has the ministry taken any steps to select a risk-based time period for reassessing recipient eligibility that could more effectively prevent overpayments?

Mr. Richard Steele: Yes, absolutely. In fact, I think those periodic checks as a backstop are important, but our focus has very much been on taking a risk-based approach to, again, maximize the value of the case audit work that we're doing. As both the deputy and myself mentioned earlier, that's been a big focus.

Working with our data services partner Equifax Canada and our municipal partners as well, over the last two years we essentially worked on developing a predictive model. Essentially, we took about 12,000 cases across the two programs randomly and we did case audits on them. We used that data to really understand what the characteristics of the case are over time that would lead us to generally predict that there may be a higher probability of there being a problem.

Again, it's not necessarily fraud, but potentially there is a mismatch between what we're paying people and what they should be getting paid. In some cases that may be fraud, in some cases it may be the client's misunderstanding; whatever.

That process was implemented in January, so we now have the first cycle going through: 3% of those highest-risk cases were assigned to all of our municipal service partners in January. They have 60 days to essentially audit those cases. We're tracking that work closely to make sure it's happening and to understand the results. The early results are quite encouraging in terms of the effectiveness of the model in predicting cases.

The Vice-Chair (Ms. Peggy Sattler): One minute left.

Ms. Goldie Ghamari: Okay. I'm sorry to interrupt. I'd just like to go to my final question here. The minister has spoken a lot about the importance of reducing administration paperwork so that staff can focus more on front-line services. I just wanted to know what steps the ministry is taking to free up more front-line worker time. Is there any regulatory red tape or reductions that have been going on?

Ms. Janet Menard: Go ahead.

Mr. Richard Steele: It's really a combination, I would say, of three things.

Firstly, the overall policy reform agenda: looking at opportunities to reduce the policy complexity of the program, looking for opportunities to simplify roles and streamline the rate structure—just reduce the huge number of variations that both the staff in the system and people using the system have to understand. That's part of it, reducing the policy complexity.

The second thing is the work we are doing around service modernization.

The Vice-Chair (Ms. Peggy Sattler): Mr. Steele, sorry, we're at the end of this rotation. I'm now going to go to MPP Gretzky.

Mrs. Lisa Gretzky: I wanted to ask about reducing paperwork and red tape so that caseworkers can provide more help to the clients and potentially help when we see cases of overpayments. I appreciate that you said that sometimes it's just a misunderstanding that happens; it's not really someone trying to be fraudulent. It really is, for some people, difficult for them to navigate the system, where in some cases it sounds bad but sometimes it's difficult for them to be compliant as well, based on mental health issues or medical issues. I appreciate that you put it out there, that when we're talking about fraud we are not always talking about people who are deliberately going out to do something bad.

When we're talking about reducing paperwork and trying to streamline things and that kind of thing—can somebody talk to me about the SAMS program? We know that the rollout of that was problematic. I'm wondering if there are still issues for those who work within the system, if they're still having problems with SAMS. Are they able to do proper note-keeping and that kind of thing when they have someone come in who might be experiencing difficulty—to be able to make notes, or if another caseworker down the road sees it, they're able to recognize that this person has had issues in the past and, "This is how we've supported them"? Can you give me an update on the SAMS program?

Mr. Richard Steele: I'm happy to start, but I think, as well, it would be important for my municipal colleagues to give their perspective on that question.

First of all, SAMS is doing what it was designed to do. I don't think there's any question about that. As you say, it was a very challenging implementation, particularly for front-line staff. It took a good 12 to 18 months to get that resolved and fixed. But SAMS is now doing what it was designed to do.

What SAMS does well is manage the income support and benefits for what is, as we've noted before, a very complex program. It manages that part of the program well.

I would say what SAMS does less well, because it wasn't really designed to do that—and that's still a gap that we have, as, the Auditor General noted—is provide tools to assist front-line caseworkers with outcome planning and service planning. SAMS does not provide that functionality, and it may well be that SAMS isn't the right way to provide that functionality. That remains a gap. Various of our municipal partners fill that gap in different ways. But there's certainly an opportunity as we move forward with reform, working with our colleagues at the Ministry of Training, Colleges and Universities—again, looking at that integrated service planning model, what are the tools that we need to put in place to better support people with that part of the work?

Let me turn it over to my municipal colleagues.

Ms. Janice Sheehy: Just to echo what Assistant Deputy Minister Steele said, yes, there are still some challenges in terms of working with SAMS. We don't find that it has the automatic checks and balances in the system that we would like, so it's incumbent on the caseworker to track

more outcomes, rebooking of appointments and things like that.

But we do have the latitude of working with the ministry partner to come up with some local solutions. For example, in Peel region, we are implementing a new booking system. One of the functions of that booking system will be the automatic rebooking of appointments so that a caseworker will no longer need to track 12-month intervals or 24-month intervals. The system will automatically book those appointments for us.

So we do find ways to work within the system as it currently is, but I do want to acknowledge that the ministry is very open to looking at changes.

Mrs. Lisa Gretzky: I wanted to ask about the overpayments that took place during the implementation of SAMS, and in some cases the underpayments to some folks. Has that been rectified, or—we'll focus on overpayments—would those still be in the system, which have now made it into the Auditor General's report? Just from the SAMS rollout—have all of those been collected back, or are they part of the number that we're seeing in the report?

Mr. Richard Steele: Yes, any of those initial implementation issues around payment were addressed a long time ago.

Just for the record, I do need to note that some of the reporting on overpayments from SAMS at the point of implementation was actually a bit of a misrepresentation. What happened was that SAMS did generate payments within the system, but in most cases those payments were actually never issued to clients. So across the system the checks and balances worked the way they were supposed to work, and in most cases those payments were caught before they were issued to clients. I'm not saying that there were no overpayments and underpayments through implementation, but some of the numbers that have been quoted were higher than in fact transpired in terms of client experience.

1400

Mrs. Lisa Gretzky: But all of that has worked itself out, so none of that would be reflected in this report?

Mr. Richard Steele: None of that would be reflected in—

Ms. Janet Menard: In this current report.

Mrs. Lisa Gretzky: Yes, in this current report from the Auditor General. Any of the glitches, whether that's overpayments or underpayments—they've zeroed out.

Mr. Richard Steele: That's correct, yes. The Auditor General—well, I don't want to speak for the Auditor General. But the Auditor General did undertake an audit of the SAMS implementation and then completed a follow-up on that audit last year. That was one of the pieces that was followed up on. The ministry confirmed that those issues had been addressed; correct.

Mrs. Lisa Gretzky: Okay.

Ms. Bonnie Lysyk: I can just add a comment on figure 20 in the report that you have before you, as members. The net amount is correct, but we know that how to get to the net amount is still a bit of an issue in this chart. That was

the only thing. I think we know that the net amount that's coming out of the system on how much is still collectible or hasn't been collected yet is accurate, just not what gets to that number. There is still a bit of a black box around some of the numbers. But going forward in terms of the system, it's correct that they've made a lot of changes.

Mrs. Lisa Gretzky: Just one last—and then I'll hand it over to my colleague.

When there's a report that has been made or someone is suspected of fraud, what happens to that person's income? If they're still receiving Ontario Works and a tip comes in or it's caught through a caseworker, even, where they suspect something isn't right, what happens to that recipient? Do they still continue to receive the benefit while they go through the investigation, or are their benefits frozen during that time frame? What happens?

Mr. Richard Steele: I don't know if one of my municipal partners wants to speak to that. I'm happy to say, from the ministry perspective, but I think it's probably best to hear what happens on the ground.

Mr. Bill Bradica: Yes, the benefits would continue until the person—if the person was actually found to be guilty of an offence. They wouldn't be frozen during an investigation. As I indicated in my other remarks, sometimes an allegation doesn't actually lead to an overpayment or a fraud. Some of them are found to be without merit, so the benefits are not frozen at that point.

Mrs. Lisa Gretzky: During the process of the investigation, they continue to receive their benefits. Only if they are found guilty of fraud, I'm going to assume, they would be expected to repay and then you begin the process of trying to collect what was—

Mr. Bill Bradica: Correct.

Ms. Janet Menard: It would depend on the individual circumstances. If someone had another form of income and assets and was able to repay, that would be managed through the judicial system. It is conceivable that someone could have been involved in defrauding the system but still, at the end of the day, be in financial need. You are not precluded from returning to social assistance on the basis of having past fraud incidents with the system. It is conceivable that we could try to recover money through a reduction in assistance, but that could happen.

Mrs. Lisa Gretzky: Is it looked at during the process as to whether or not it should go to investigation? Is it looked at like: This was honestly a misunderstanding, that the person didn't understand what was required of them or honestly missed reporting something? Is there a difference between something like that or a catch-up, maybe? Because sometimes there's an issue—

Ms. Janet Menard: Before I pass it to Janice, let me just say that there's a big distinction that is made between overpayments and fraud. There are many complexities in the system by way of rules, and, as Richard said, the rate structure is multifaceted—all of which we're trying to simplify. Technically, you could be overpaid if your rent went down and we were paying you at a certain level or you were no longer paying for utilities. There are all kinds of nuances.

In Ontario Works, we actually pay in advance, so the cheque is given to families at the beginning of the month for that month. Overpayments are a regular part of what caseworkers have to manage and it consumes a lot of time, but those instances don't necessarily equate to fraud. Fraud is quite clearly defined in the legislation and has intent and all kinds of other things associated with it. Maybe I'll pass it to Janice.

Ms. Janet Sheehy: Just to reiterate, for us, the big distinction is, is there an intent to defraud? If there is an intent to defraud and it's a material issue, then we will make a referral after our investigation to the police. If it's an error or a misunderstanding on the part of the client, we will work with them to do a payment plan to us in order to recoup those funds over a period of time.

Mrs. Lisa Gretzky: Okay, thank you.

The Vice-Chair (Ms. Peggy Sattler): MPP Morrison, you have just less than nine minutes.

Ms. Suze Morrison: Okay. Just in follow-up to trying to get a better understanding of the complexities of the system, what I am coming to understand about Ontario Works is that it is fairly cumbersome, and how we calculate the amounts of money that people get every month on this program is quite complex. Even going through the special diet chart and the range for that allowance especially, would it have been helpful—and maybe this question is best directed at the ministry folks—to have had access to the data from the Basic Income Pilot to better inform how Ontario Works is structured? Was that data at all going to be used to inform the structure of Ontario Works funding?

Ms. Janet Menard: I don't know if it was contemplated to inform the rate structure. I think we anticipated that we would learn something associated—well, two components. One, with receiving more money—obviously there would be implications to having a higher amount of money monthly—but the other component of that was how you receive it. For instance, on social assistance, there are a lot of verification processes that you have to go through. That was not the case with basic income. The intent was to look at how you're impacted by more money, but how you're impacted by a system that really is without conditions.

The intent was to look. We don't know what we don't know, but the intent was to look at those two components to see if that had any learnings that could inform future decisions.

Ms. Suze Morrison: Do you think—and perhaps maybe I'll direct this question to—sorry, Bill from Thunder Bay, what was your last name again?

Mr. Bill Bradica: Bradica.

Ms. Suze Morrison: Yes, excellent. I appreciate that Thunder Bay was one of the cities that, I think, participated in the Basic Income Pilot, yes?

Mr. Bill Bradica: Yes.

Ms. Suze Morrison: Yes, excellent. As a service provider, were you at all linked with the Basic Income Pilot work that was going on in Thunder Bay?

Mr. Bill Bradica: Not really. Just at the beginning, we helped the ministry with some identification, but we were not involved in the actual delivery of the pilot.

Ms. Suze Morrison: Okay. Really what I'm trying to get at here is, from your perspective, in terms of having a more front-line perspective of the clients in accessing Ontario Works, do you think that you saw a benefit in the structure to the system, in the complexities of all of the nuances of Ontario Works versus folks who were maybe able to access the Basic Income Pilot, and any difficulties they have had transitioning onto Ontario Works in terms of the complexities in comparing those two systems?

Mr. Bill Bradica: I guess, based on what I know, certainly with the basic income it was much different than being on Ontario Works in terms of the reporting that would be required by the individual. That was essentially not required.

I don't personally have any information on outcomes. We do know that some of those individuals will be returning to Ontario Works. There is a plan in place on how to help transition them back onto the system. We are currently working with individuals who have been identified to come back onto Ontario Works.

Ms. Suze Morrison: Just back to the folks from the ministry, then: Do you have any preliminary data that was collected from that pilot available to you at all?

Ms. Janet Menard: We must have something, but to be honest, I'm not sure around the extent of the data that we have. We definitely were reporting on numbers, where they came from, whether they were on social assistance, whether they were low-income earners, demographic information, geographic information—we had baseline data. I'm not aware of any data that could be characterized as an outcome.

1410

Ms. Suze Morrison: Okay. Do you think, then, that the ministry's decision to cancel that basic income pilot was evidence-based, considering that you don't have good data on the initial two- or two-and-a-half-year outcome of that project?

Ms. Janet Menard: It was based on the feeling that, regardless of outcomes, it wasn't sustainable. The cost was prohibitive. That's my understanding.

Ms. Suze Morrison: So it was based on a feeling, then, but not on data?

Ms. Janet Menard: Well, it wasn't based on outcomes, because we didn't have them, but the costs—you could extrapolate the costs associated with 4,000 individuals to those who would qualify, and it took us into the billions of dollars. The feeling was that there were other ways to address the pressures intended to be researched through the basic income, including social assistance reform.

Ms. Suze Morrison: Okay, thank you. My next question is related to the wraparound issues that we're hearing from clients that they're facing in terms of successfully being able to transition into employment from Ontario Works. When we looked at the report, it said in section 4.2 that only 10% of recipients find employment coming through OW. It speaks to some of the barriers that folks are facing, including access to housing, mental health issues, and access to child care.

I'm just wondering if you could speak to—perhaps maybe this is a question better directed at the service

providers, around that level of casework that's happening in your offices. Are your staff spending a substantial amount of time trying to connect folks to programs and services that may not be adequately resourced in other areas of government? Again, really, what I'm trying to get at here is: Are your workers able to properly connect to the programs and services being delivered by other ministries to successfully transition folks into employment?

The Vice-Chair (Ms. Peggy Sattler): You've got about a minute and a half for your answer.

Ms. Janice Sheehy: I think that our caseworkers do a very good job of making community referrals to agencies and such, to access services for our clients. I can tell you that within Peel, housing, homelessness services, child care funding—all of those fall under the umbrella of human services, and so we have a very close working relationship between the various divisions. We work together, and we are increasing the work we do together to try to access those supports for our clients holistically. We are implementing the Housing First model, for example, with the understanding that—

The Vice-Chair (Ms. Peggy Sattler): Excuse me. We're at the end of this segment, so thank you very much—oh, sorry. There's one minute left. Sorry. I made a mistake. I misread the clock.

Ms. Janice Sheehy: Now, what was I saying? We are implementing the Housing First model with our clients to try to stabilize their lives and then work with them to provide some of the other wraparound supports.

I will speak for my colleagues in saying that we are all working towards trying to do more integrated service case planning for our clients.

The Vice-Chair (Ms. Peggy Sattler): Okay, 25 seconds.

Mr. Bill Bradica: If I could just indicate, in our district—and I think in other parts of the north; maybe not quite to the same degree—the level of acuity of issues that clients face has increased. In our district, 57% of the people on OW do not have a high school diploma. The Ontario average on OW is 38%, so—

The Vice-Chair (Ms. Peggy Sattler): Okay. Thank you very much.

Given the time, we're going to go to two 12-minute segments, and I will give you a two-minute warning on your 12 minutes. I'll begin with MPP Martow.

Mrs. Gila Martow: If you want to just finish your sentence or your thought quickly?

Mr. Bill Bradica: Thank you. We're finding, yes, that our outcomes to employment really aren't that great, but before we even look at the other issues like mental health and addictions, we're faced with how the majority of people on the caseload do not have a high school diploma. In the current employment environment, pretty much every job requires at least grade 12.

A lot of our caseworkers are doing a lot of work stabilizing individuals, in many cases helping them get on the path to getting their grade 12 or their equivalency, working with Confederation College in Thunder Bay. We're

having them come in on-site to do programming, working with the Lakehead school board.

What actually does consume a lot of time is assisting people to get the proper education credentials, just so that they can become employable, as well as, in many cases, referring them to agencies to deal with other issues like mental health and addictions. So there is a fair bit of time spent on that before we can even really think about getting many of those individuals employable.

I can say that we are utilizing, outside of the SAMS system, an employment readiness tool that we've used quite a bit for about the last almost two years. Through that tool, we're identifying that 73% of the people on our caseload who have taken the ERS test, I guess, are identified as not being ready for employment.

Mrs. Gila Martow: We all have many constituents who are on Ontario Works and disability. But we also have a lot of social workers and caseworkers who live in our ridings as well. I know that a lot of the frustration on their part is, they want a system that's efficient, where they can work from home, where they can work in the field. They're not all expert stenographers, and they were very disappointed. I heard from a couple that they were disappointed that SAMS didn't have voice inputting so that they could just talk and have it typed for them. They feel that they're spending a lot of time, with two fingers, trying to input.

I wonder if you would just maybe have some recommendations, either the deputy minister or from the municipalities, on what we can do to improve the efficiency, lower the administration burden and lower the paperwork, as it were, even if it's done digitally. What can we do to drive those efficiencies in terms of taking care of the clients quickly, so that then there's time to help them with getting their high school equivalency and getting a job?

Mr. Richard Steele: Again, I think there are kind of what I would call three areas of focus. Certainly, again, there is the program design. Some of that administrative work just comes from the way we have designed the program, and its complexity. Take again the example of the special diet allowance. That's one small component of the program. Multiple different layers of how much we may pay an individual benefit unit, depending on their family circumstances, have to be recalculated quite regularly. That's just one small example, and that complexity is replicated across the entire program.

We have to find ways to simplify the policy construct. Again, that's a key part of what the minister announced last November.

The second is, I was referencing a process with Immigration, Refugees and Citizenship Canada where we fax information backwards and forwards. We really need to move into the 21st century when it comes to technology. We need to use data to the greatest extent possible, to manage eligibility. Not just with IRCC but with a number of other organizations, we really need to improve our data-sharing arrangements, so that caseworkers aren't having to get information from clients; we can just access it behind the scenes.

Finally, just in the actual delivery process itself, we need to be utilizing digital technology. We have launched our MyBenefits mobile solution for clients. We have a couple of thousand clients using that now, and we'll be rolling that out across the province so that people can access their own information and then, over time, do their reporting digitally rather than having to send in paper or come to the office.

We're moving forward with alternative payment methods to try to get rid of cheque payment. That's implemented now across ODSP in the city of Toronto. We'll be adding other municipalities through the course of this year.

We're looking to basically get rid of paper in all of our offices through digitization. That, again, is being implemented across the ODSP system now, and we're starting to partner with a couple of our municipal partners—in fact, Peel and Toronto—on piloting that approach in the municipal world as well.

So, we're really looking at both the policy angle and the delivery angle to remove that lower-value-added administration work from the system.

1420

Mrs. Gila Martow: I would just ask: What about face-to-face interviews? Are we moving towards using teleconference, videos, FaceTime and things like that, or does it have to be in the office, that people have to come in?

Mr. Richard Steele: It doesn't have to be in the office. I think what we're trying to do—a lot of the reasons why people come to the offices now is to do administration. To take an example: When somebody is applying, we still require them to come in and sign a paper form and produce documentation. That takes a significant amount of work. Again, somebody's coming in for the purposes of administration.

There are other ways in which we can verify people's income. We can verify their immigration status. We can verify their identity. We don't need them to bring that paper into the office. What we want to do is remove that administrative driver for interaction and shift the focus. We want people to come to the office. We want them to be sitting down with their caseworkers and doing service planning on meeting regularly on what their progress is towards their service plan. That's where we want that human touch. Developing trust and a relationship there is really critical. Again, my colleagues can speak to that. But that's where we want the face-to-face relationship focus: on service planning and outcomes, not on administration.

Mrs. Gila Martow: I'm going to pass the microphone now to my colleague.

Miss Kinga Surma: How much time do I have?

The Vice-Chair (Ms. Peggy Sattler): You have just over three minutes—oh, no, sorry, five minutes. MPP Surma.

Miss Kinga Surma: Okay.

If you could keep your responses very straight to the point, because I have a lot of questions.

Currently, the ministry allows service managers to determine which discretionary benefits they wish to provide and in what amount. The audit found that the ministry

is not aware of the extent of the differences between service managers or the impact of such differences on recipients. What steps has the ministry taken to analyze the differences in discretionary benefits provided by service managers and their impact on recipient outcomes?

Mr. Richard Steele: A couple of things: Absolutely, we are planning over the course of the coming year to really try to do some work with our municipal partners to try to understand best practices around the use of discretionary benefits. We do have a good sense as to what people are spending the money on. I will say that the key areas of use for discretionary benefits are dental services, funerals and burials, and vision care. Across the province, those are fairly consistently key areas of discretionary spending.

We do agree that there's value in understanding what is working well and developing best practices there and ensuring that our service partners understand them. We do also, though, view that particularly in the context of what is a highly structured, centrally mandated program, providing our municipal delivery partners with a degree of discretion to meet local needs is very important. In fact, the minister announced in November that one of the things that we plan to do as we simplify the program is create a somewhat larger pool of discretionary benefits as we move forward.

I think that discretion is important, but where we can add value as a ministry and follow up to the recommendations from the Auditor General is in trying to establish some best practices that our delivery partners can work with, so: "You have the discretion, but look: Here's what seems to have worked best in different circumstances." That's what we're committed to doing.

Miss Kinga Surma: What is the expected timeline on that?

Mr. Richard Steele: I'm sorry?

Miss Kinga Surma: What is the expected timeline? You say "working," but—

Mr. Richard Steele: Let me just—

Ms. Janet Menard: The second quarter, 2021.

Mr. Richard Steele: Thank you.

Miss Kinga Surma: And that's just to establish what can and cannot be used as discretion—

Ms. Janet Menard: Guidelines.

Miss Kinga Surma: Guidelines.

Mr. Richard Steele: Guidelines—again, I think part of the balance here will be that we do want to provide discretion. We don't want to re-create another set of complex mandatory benefits; what we want to do is create a pool of funds that are available to service managers and case-workers as they assess the needs of an individual client and as they assess their community's needs, to say, "This is where we think we want to spend the money." We want to create the room and the space to do that, but even in that context, I do think there is room for the ministry to play a role in developing some guidelines and identifying best practices in that area, which we've committed to do.

Miss Kinga Surma: Okay. The audit found that as of March 31, 2018, \$730 million in outstanding overpayments to recipients remained uncollected, representing an

increase of \$100 million from the total of \$630 million in outstanding overpayments as of March 31, 2014. What steps are you taking to ensure that these outstanding overpayments to recipients are detected and collected as soon as possible?

The Vice-Chair (Ms. Peggy Sattler): There's a minute and 45 seconds at this point.

Miss Kinga Surma: Very quickly, please.

Mr. Richard Steele: I'm not sure I can answer a question on overpayments in a minute and 45 seconds, but I'll do my best.

I think, to a number of the comments that have been made throughout this afternoon's conversation, overpayments are complex. Back to the issue of program complexity: To some degree, the current nature and structure of the program almost inevitably results in overpayments. Some of the things we're doing around simplifying the program as we go forward with reform, for example, not just in the Ontario Works program but in the ODSP program, as we move to more of an annualized program, it will significantly reduce the circumstances and the potential for overpayments to be generated in the first place. So that's one key component.

Second is a number of the measures we've spoken to around improved data sharing and improved risk-based eligibility verification. They won't necessarily prevent overpayments from occurring, but they will ensure that if they've occurred, we pick them up much more quickly and reduce the size of the overpayment.

Third, it would be around, again, some of the things we've talked about in terms of service modernization. Some of the things that result in overpayments can be just the difficulty of people getting their information to us. So if they're trying to report their monthly earnings and they actually have to come in to the office to do that or they're trying to find a fax machine to send that information to us, it can be challenging. We may not get it on time, they miss the cut-off and an overpayment gets generated. If they can report that through their phone, it just makes it far less likely that we're going to end up with an overpayment.

It really is that mix of—

The Vice-Chair (Ms. Peggy Sattler): Thank you very much, Mr. Steele. We're at the end of the 12 minutes. I'm going to go to MPP Gretzky.

Mrs. Lisa Gretzky: I just want to touch on the overpayment conversation, because I understand that it can be very complex. I'm just wondering how many clients or former clients there are where there is no likelihood of reclaiming that because they either are still on Ontario Works and their income is so low that you can take little to no money out of what they're receiving in order for them to get by, or they hopefully do what the program is meant to do, which is move them into employment, but they are in an employment setting where their income is so low. In my area—and it would be higher here in Toronto—the current minimum wage is not a living wage. We know that many working people are working and living in poverty.

How many do you think are out there that are either still on Ontario Works or potentially have moved on to

ODSP—which, again, is below poverty—or those that are working but their income is so low that even if you worked with Canada Revenue, the amount that you would be able to reclaim would be incredibly low, so therefore it would take a long time for them to actually repay the overpayment?

Mr. Richard Steele: I don't have the numbers right in front of me. I know that the deputy is looking to see. We certainly have them, and we can certainly provide them to the committee in terms of the number of individual overpayments—people who are active clients and what we call an inactive overpayment, which is somebody who is no longer in receipt of Ontario Works. We can certainly provide that information to the committee.

I will note that if an individual is still on Ontario Works or ODSP, in most circumstances we would be collecting on that overpayment, as you say, at a relatively low rate. The Auditor General has made some recommendations around looking at the rate at which we are recovering and whether in certain circumstances it would be appropriate for us to increase that rate of recovery to recover the overpayment more quickly.

Once somebody has left Ontario Works—and I will pass it over to my municipal colleagues to speak to what they do—we would continue pursuing collection efforts. It is obviously harder, because we have to track them down and negotiate a payment schedule with them, but we would continue to pursue those overpayments.

Mrs. Lisa Gretzky: A quick question before you go on, because you might be able to answer it: When you talk about pursuing collection, does that stay in-house, within the ministry, to try to reclaim, or is there the potential there to be sending these people to a collection agency? Also, I'm wondering, when you're looking at overpayments and them repaying that, is there an interest charge on what they've been overpaid? The reason I'm asking is because clearly if they're already struggling financially, by adding interest on to that, that's going to make it even harder for them to end that cycle.

1430

Mr. Richard Steele: So—sorry, Janet.

Ms. Janet Menard: No, no. Go.

Mr. Richard Steele: With the exception of the city of Toronto, where the ministry does manage the collections for inactive Ontario Works overpayments—for the remainder of our municipal partners, that collection would be managed by the individual municipality. I will let my partners speak to how they would they do that. We do not, I believe, charge interest on the overpayments.

Ms. Janice Sheehy: In Peel—and I've confirmed—we don't charge interest on overpayments. We have taken that function away from the caseworkers, and we have specialized staff that are collection officers trying to recoup that funding. If we feel that we have exhausted all efforts, we will refer it to a third-party collection agency.

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Ms. Peggy Sattler): MPP Morrison.

Ms. Suze Morrison: Do you make that referral to the third-party collection agency, even if the overpayment was the result of an error on the end of the service provider?

Ms. Janice Sheehy: There is some discretion and latitude there. It would depend on the materiality of the overpayment. Certainly, if we're talking about something that is less than \$100, we're not going to refer it to a collection agency. But, given the individual circumstances, yes, we still may refer it to a collection agency if it was based on an error.

Ms. Suze Morrison: Okay. Having heard that, I actually have a little bit of a concern. Is there a maximum amount or a maximum rate that service providers can deduct from current recipients of Ontario Works towards repayment of any overpayments?

Mr. Richard Steele: Yes. Under the current regulations, the maximum that can be deducted is 10% of the monthly allowance. Typically, in the current practice, as I think was noted in the Auditor General's report, the default practice now is 5%. Again, the Auditor General did recommend that we take a look at whether that 5% was the appropriate default, which the ministry has committed to doing. Again, there has been and there will always be opportunity for individual discretion based on the individual circumstances of the recipient, which certain individual service managers and individual caseworkers can exercise.

Ms. Janice Sheehy: I just wanted to add: Even if we refer a case to a collection agency, we are still involved and we would work on a repayment plan with the client to ensure that they were not pushed into financial hardship.

Ms. Suze Morrison: My concern here is—imagine you're a client on Ontario Works and you're assessed at a certain amount. The base amount here is \$730 a month. Let's say an error is made, which, as we've heard from the report and as I've heard from my colleague, in terms of issues with some of the computer systems, is not always the fault of the worker. It's a complicated system. I think we've highlighted some of the reasons for some of these overpayments, which are not always the fault of the client.

Imagine you're a single person on OW and instead of \$730 a month, you've been given \$800 a month. So we're talking maybe \$70 a month. But this goes on for a number of years before someone catches it and now you owe upwards of several thousand dollars back to Ontario Works. Now you're being asked to take a 10% reduction of your \$730 a month, so now you're only getting \$657 a month to live on, which, in the city of Toronto, I think puts you squarely in a homeless shelter, at which point, when you're not paying rent anymore, you lose your housing allowance. Now you're expected to somehow claw your way out of homelessness at \$300 or \$400 a month.

I just don't understand, I guess, how on top of all of that, as a result of a situation that you never asked for or made any direct error—you're the result of a failed system—how on top of that, to add insult to injury, you can have that debt now sent to collections and have your credit rating take a hit, making it even harder for you to make it into employment, or find stable housing if your credit rating has now taken a nosedive. I don't understand.

Ms. Janice Sheehy: I will say that most of the errors that we are referring to are a failure to disclose or provide documentation from a client. It's not a systems glitch, per se. We do always work with the client to try to arrive at an amount that will not cause them financial hardship.

The Vice-Chair (Ms. Peggy Sattler): MPP Gretzky.

Mrs. Lisa Gretzky: I'm just curious, because when you send people to collection agencies, the collection agencies don't do that for free. There is a fee involved. They take a percentage or a fee. So when they are able to reclaim that money—say, I've had an overpayment. I was a recipient, I've had an overpayment and I'm actually able to go to the collection agency now and pay that off. The service manager or the province is not going to get that entire amount back because the collection agency is going to take a piece. What happens to the difference between what—say, the collection agency takes \$600 and the service manager gets \$300 of that. That means that in the system there's still a \$300 overpayment owing. What happens to that \$300?

Ms. Janice Sheehy: If we refer an issue to a collection agency and we come to a final settlement, we would adjust the system to reflect that there was a final settlement and the payment amount is not outstanding any longer. We only use collection agencies when we believe we have exhausted every attempt to locate and work with the client. It's not a frequent occurrence.

Mrs. Lisa Gretzky: Okay. I guess this might be a better question for the Auditor General. The number you have here would reflect any of those adjustments that have already taken place. Should there have been a collection agency involved and there's a difference and they've made the adjustment, that would already be reflected in the final number you've given us?

Ms. Bonnie Lysyk: Figure 20 is the amount of outstanding money that they need to re-collect back as at the March 31, 2018, date. That is \$730 million outstanding.

Mrs. Lisa Gretzky: Okay. So that would include any adjustments they've made prior to that?

Ms. Bonnie Lysyk: Correct. That's the ministry number that we confirmed with the ministry.

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Ms. Peggy Sattler): You've got just over two minutes.

Mrs. Lisa Gretzky: Just to kind of circle around another issue, we have people with developmental disabilities who are aging out of one system of children and youth and supposedly transitioning into community and social services, and in that time there's a huge gap in support. They've literally been cut off SSAH while they wait for Passport funding.

I've had several parents in my community come forward and say that they've quit their jobs to be able to stay home to take care of their now adult child with a developmental difficulty because they don't have any of the special funding they used to have to help with that. Do you have any type of record of how many people have come forward and have applied for Ontario Works because they've had to leave employment to stay home and take care of someone with a developmental disability?

Mr. Richard Steele: I'm not aware that that's something we track, no.

Mrs. Lisa Gretzky: Okay. So you wouldn't—

Mr. Richard Steele: I think the answer is no.

Mrs. Lisa Gretzky: Are there any individuals with developmental disabilities during that transition period—and I think you're going to give me an answer you gave me earlier—who would start off in Ontario Works while they wait for ODSP, or is the severity of their disability recognized and they might immediately get fast-tracked through ODSP?

Mr. Richard Steele: If somebody has been assessed by one of the Developmental Services Ontario organizations as having a developmental disability, then that is what we would consider a prescribed class, so they would be automatically eligible for ODSP. They would not have to go through the medical adjudication process. They would still have to establish their financial eligibility, but they would not have to re-establish their disability. That would be a given.

Mrs. Lisa Gretzky: So they wouldn't necessarily have to do what some people are doing, which is start with Ontario Works and wait for ODSP?

Mr. Richard Steele: That's correct.

Mrs. Lisa Gretzky: They might just be able to—

Mr. Richard Steele: Most of the—

The Vice-Chair (Ms. Peggy Sattler): MPP Gretzky, we're at the end of this rotation.

Mrs. Lisa Gretzky: Thank you.

The Vice-Chair (Ms. Peggy Sattler): That concludes our time for questions this afternoon. I want to thank all of you for appearing before the committee today.

The auditor tells me that this is the first time municipal representatives have been at Queen's Park to participate in this process, so thank you very much.

We're now going to be moving into closed session so that the committee members can begin the process of talking about report writing. Thank you again, and I would ask that all the members of the public please leave the room.

The committee continued in closed session at 1439.

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Also taking part / Autres participants et participantes

Ms. Bonnie Lysyk, Auditor General

Clerk / Greffier

Mr. Christopher Tyrell

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Ms. Erica Simmons, research officer,
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