

Clause 8 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 16, 2017.

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Legislative Changes and Potential Impact of
Provincial Reforms across Social Services

Committee of the Whole recommends adoption of the following recommendation contained in the report dated January 20, 2017 from the Commissioner of Community and Health Services:

1. The Regional Clerk circulate this report to the United Way Toronto & York Region for information.
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Report dated January 20, 2017 from the Commissioner of Community and Health Services now follows:

1. Recommendation

It is recommended that:

1. The Regional Clerk circulate this report to the United Way Toronto & York Region for information.

2. Purpose

This report provides an update on a number of provincial reforms and legislative changes currently underway and their potential impact on the people served by these programs and the Region as the Service System Manager.

3. Background and Previous Council Direction

Social Services manages and delivers human services in York Region through Council-identified priorities and provincial legislation

The Region is one of 47 Service System Managers across Ontario responsible for the planning, development, implementation and delivery of human services. In 2013, Council received the report [Provincial Directions and their Implications for the Community and Health Services Department](#). The report identified provincial reforms impacting the Department as a whole. The pace, complexity and implications of provincial reforms and modernization in municipally administered Social Services has intensified.

Social Services has multiple roles in the delivery of human services that are mandated by provincial legislation. These are cost-shared or fully funded by the Province including: Child Care Fee Assistance; Children's Community Programs; Early Intervention Services; Social Assistance and Ontario Works; and homelessness prevention and housing stability programs.

Social Services provides services directly to residents and manages close to one thousand agreements with community agencies. Over 50,000 residents each year directly receive supports from Social Services, addressing a wide range of needs across every stage of life. Partnerships and contracts entered into with Social Services benefit close to 100,000 residents including parents, caregivers and individuals connected to the client.

Residents' needs across the province are increasing and becoming more complex

Social Services support residents from all walks of life. This includes affluent parents of children with special needs requiring Early Intervention Services, to residents who have very low or no income. What they all have in common is they are in a vulnerable stage of life. Social Services keep residents from needing longer term, expensive, crisis supports, and if they do need them, they help to get them back on their feet as quickly as possible.

More York Region residents are living in low or moderate income households, struggle to make ends meet, and have multiple and complex needs. The number of people at-risk continues to grow. When 'at-risk' households experience a crisis, such as sudden job loss, family breakdown, injury, or a major health issue, they are more likely to be at risk of becoming unstable, homeless and disconnected to the economy. This instability, if left unaddressed, can become very costly and affect the economic wellbeing of communities.

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Based on a recent study of residents accessing Social Services: 30 per cent indicate mental health and or an addiction issue; 26 per cent indicate a physical health issue; 24 per cent indicate social isolation; 13 per cent indicate relationship or domestic violence; and 10 per cent indicate a criminal background or involvement in high risk activities such as human trafficking. Clients are increasingly requiring intensive supports.

The provincially mandated service delivery and policy environment currently in place is a patchwork of programs that were added to over the last 40 years. They can therefore be complicated, difficult to access and unsustainable.

In 2009, the Province began introducing waves of reform to modernize human services

The Province is working with municipalities toward a human service system that is more responsive, sustainable, and client-centred that supports integration across programs.

The provincial reforms are intended to transform the way benefits are accessed and delivered, modernize service delivery and build an integrated human services system that:

- Improves the client experience by creating administrative efficiencies and making services better and more convenient for clients to access
- Modernizes tools, processes and policies while fostering enterprise-wide and private sector partnerships
- Stabilize and improve outcomes for clients and their families

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4. Analysis and Implications

Provincially mandated modernization and reforms are transforming Social Service Delivery

As the Regional Service System Manager, Social Services has undergone the following system modernization as outlined in Table 1.

Table 1
Summary of Key Provincial Social Services Reforms Since 2009

	Child Care Modernization	Social Assistance Reform and Transformation	Homelessness and Housing Stability System Reform
Change in Governance	Transfer of program to Ministry of Education – child care becomes part of Ontario educational system	Transfer of employment program to Ministry of Advanced Education and Skills Development	Consolidation of provincial homelessness funding, new and expanded powers to municipalities with focus on preventing homelessness
Funding	Almost 69% increase in funding between 2012 – 2016 and a new funding model	Funding impact under development	47% increase in funding between 2012 – 2016 and a new funding model
New Legislation	<i>Child Care and Early Years Act, 2014</i> proclaimed with new and expanded municipal powers	Future legislative changes under consideration	<i>Housing Services Act</i> amended. New powers given to municipalities
Technology Transformation	No major impact at this time	Social Assistance Management System (SAMS)	Federal Homelessness Individuals and Families System adopted
Policy and Regulatory Changes	Early Years Policy Framework created to support optimal learning and development Consultations being held across the province for integrated expansion	Slow roll-out of multiple regulation changes such as Family Support exemption, increases to Social Assistance benefits, transfer of children’s dental benefits to health portfolio	Mandate to develop and oversee new requirements for Housing with Supports (formerly known as domiciliary hostels)

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	Child Care Modernization	Social Assistance Reform and Transformation	Homelessness and Housing Stability System Reform
	strategy over next five years for Child Care and Early Years programs (Q1 2017)		
New, Expanded Powers and System Manager Responsibilities	<p>Ontario Early Years Child and Family Centres transferring to the Region in 2018</p> <p>Enhanced policy and program role and flexibility to respond to local needs</p> <p>Integrated system planning in collaboration with community partners</p> <p>Expanded, mandated requirements for inclusion for children with special needs</p>	Shift over next 5-10 years from enforcement focus to risk-based program, reduce administration, increase client-time	<p>Modernized Service System planning incorporated in York Region's 10-Year Housing Plan</p> <p>Community Homeless Prevention Initiative (mandate to create local evidence based solutions such as the Housing Stability Program)</p> <p>Authority over Housing with Supports</p> <p>Mandatory Enumeration of homeless population beginning in 2018</p>

Provincial priority is to transform the way all income based benefits are delivered

For the future, the provincial priority is to transform the way all income based benefits are delivered to citizens so municipalities can focus on service delivery rather than administration.

In addition to granting ongoing enhanced powers, responsibilities and duties to municipalities, provincial multi-ministry initiatives are focusing on a 'no wrong door' approach with multiple access points to receive service. Direct and in-kind benefits including health, dental, housing and child care will be streamlined into a single-window online access for clients to access multiple benefits. An example is the replacement of the monthly Paper Drug Card with the Ontario Health cards to access the Ontario Drug Benefit program in December 2016.

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The Province's goal under this benefits transformation model is to provide services that are centralized and simple to find including:

- Centralized income testing and payment delivery
- Automated income verification, processing of applications, eligibility assessment and payments
- Consolidated program delivery and standardized eligibility criteria across similar programs

This, in theory, would allow municipal staff to focus primarily on providing wraparound services that better support residents.

Basic Income Pilot is part of the benefit transformation review

The Province is launching a Basic Income Pilot in April 2017. The pilot will test the idea that a basic income can build on minimum wage policies and increases in child benefits by providing more consistent and predictable income support in today's dynamic and precarious labour market.

The Province is in the final stages of completing stakeholder and public consultations on the design of the Basic Income Pilot. York Region staff provided technical input from a Social Service Manager and Public Health perspective, which included discussions with members of the Human Services Planning Board – York Region. Municipalities may be approached to be test sites in 2017.

Provincial-municipal accountability and reporting continues to shift from outputs to outcomes

The Province has begun consolidating services to improve effectiveness. Increasingly, the focus of accountability and funding agreements between municipalities and the Province is focused on outcome measures to confirm whether services have improved the lives of residents and contributed to their overall life stabilization. This is a welcome change in direction.

The Province and municipalities also continue to identify opportunities to reduce duplication by centralizing administration of like programs and services and simplifying policies and processes. This includes initiatives such as:

- Healthy Smiles Ontario that consolidated six publicly funded dental programs for children including those administered by social assistance.
- The Community Homelessness Prevention Initiative consolidated funding from five separate housing and homelessness programs into a single flexible funding envelope.

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- Beginning in January 2017, the role of Family Support will change due to the policy changes to child support payments. These payments will be 100 per cent exempt as income and will effectively mean children's basic needs will be provided by the federal and provincial governments largely outside of social assistance benefits.

These changes are the first steps the Province is taking to streamline administrative processes to make it easier for clients to navigate support systems and access necessary resources. For municipalities, this will eventually allow for a better focus on collaboration across human services, client support and program delivery. This will be very welcome and help to support the trends of increased complexity and barriers of clients and families.

Social Services Branch continues to align all its business areas with provincial direction and to meet current and future needs

The Social Services Branch is examining and transforming the way it does business to align with the provincial modernization of service delivery across our programs.

To align with future provincial directions and support program sustainability, York Region will expand on its ability to:

- Provide holistic or wraparound supports for residents facing chronic or complex needs. This approach can often improve outcomes and maximize resources, but also requires integration and collaboration across other departmental programs and community agency providers.
- Engage public and community stakeholders in assessing resident needs to identify gaps and how they can be filled through a combination of Regional programs and community partnerships.
- Develop client assessment and triage tools to identify and provide the right services at the right time and in the best way.
- Enhance policy and program development and delivery capacity to manage reforms. Given these functions used to be performed by the Province and are increasingly shifting to the Service Manager, staffing resources have been gradually enhanced and will likely need to continue to grow.
- Use evidence-based decision making and program planning. Social Services must strengthen capacity to base decisions on solid analysis and evidence, prioritizing funding on the services that achieve the best results, and undertake program reviews so funds can be re-purposed.

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- Improve use and leverage technology to improve case management, data collection and sharing, service integration and coordination, enable outcome based reporting and reduce manual administrative processes.
- Remain on key committees and continue to advocate with the Province to influence policy to better reflect municipal realities. Sustained advocacy will be needed as reforms unfold so the Region's specific perspective is included.

Specific examples of initiatives underway include:

The Region's Early Intervention Services' delivery model was redesigned to enhance its presence in child care centres so that as many children as possible will be fully included in programming. Immediate next steps include developing a multi-year Child Care Service Plan and taking on the newly mandated role as Service System Manager for Ontario Early Years Child and Family Centres.

The Region is undergoing an intensive review of Ontario Works service delivery to ensure that we have a 'made in York Region' business that is positioned to support the Provincial vision and enhance client success.

The Region is also expanding supports under homelessness prevention including transforming housing with supports and developing a coordinated access tool.

Four key considerations will influence the direction and pace of provincial transformation

As the Province transforms social service and through its larger initiatives such as benefits transformation, the following considerations will determine the future pace and extent of modernization:

- Upcoming provincial election cycle could impact the government's direction and commitment to human service modernization – particularly for Social Assistance which is still in early stages
- Availability of human, technical and financial resources for modernization
- Change management and capacity for a significant shift in culture- both staff and clients will have to learn very different ways of providing and receiving services
- Costs and benefits to implement interim measures including the timing and sequencing of key activities

Staff will continue to monitor the provincial transformations and adjust internal plans to reflect evolving directions.

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Provincial reforms support the goals of Vision 2051 and the 2015-2019 Strategic Plan

The impact of provincial reforms supports the goals of Vision 2051, A Place Where Everyone Can Thrive and the Region's 2015-2019 Strategic Plan.

The Region's 2015 – 2019 Strategic Plan includes a priority area of Community Health and Well-Being. The provincial legislative changes, provincial reforms and the Region's response support this priority and strategic objectives of increasing the range of available and affordable housing choices and strengthening the Region's network of human services to support people in achieving their potential.

5. Financial Considerations

This report has no financial implications. York Region has played a significant role in municipal advocacy for fairer more transparent funding to carry out expanded responsibilities under Social Services Reform. This has yielded results. Table 2 lists funding increases in York Region to support reforms, including funding pending Council approval for the Homelessness Program (2017 – 2020).

Table 2
Enhanced Provincial Funding Details

Provincial Funding Increases from Provincial Reforms	Original Funding (\$)	2009-2012 Increase (\$)	2013-2016 Increase (\$)	2017-2020 Increase (\$)	Total (\$)
Homelessness	7,163,598	0	3,363,522	5,165,484	15,692,604
Child Care	40,737,825	4,289,821	30,950,934	175,439	75,154,019

Provincial funds received are based on funding formulas with finite funding pots. Council has approved Regional tax levy in addition to provincial funding to support Social Services programs.

Table 3
Gross and Net Expenditures

Provincial Budgets	2012 Gross Expense (\$)	2012 Net Expense (\$)	2016 Gross Expense (\$)	2016 Net Expense (\$)
Ontario Works Administration	25,441,200	13,770,600	28,374,500	15,138,100
% Funded by Region		54%		53%
Homelessness	14,353,200	7,189,600	19,368,800	8,317,200
% Funded by Region		50%		43%
Child Care	60,669,000	15,618,900	91,855,400	15,876,800
% Funded by Region		26%		17%

As the Province and municipalities continue to reform, modernize and create an integrated network for human services, future changes to provincial funding policies are currently unknown. The provincial reforms continue to enhance municipalities' role as Service System Manager and the Social Services Branch will need to adapt and be flexible in how it prepares and responds. The impact on staffing requirements and service delivery costs will be evaluated as provincial changes unfold.

6. Local Municipal Impact

The legislative changes and provincial reforms highlighted in this report relate to human services delivered or overseen at the Regional level by the Social Services Branch. New powers and responsibilities have so far yielded positive results for residents in all local municipalities as the Region is using the opportunity to create made-in-York accessible, high quality, well-coordinated, flexible services that lead to more economic independence for families and to stronger communities.

7. Conclusion

Recent provincial directions are changing the roles municipalities play as Service System Managers. There continues to be ongoing and increasing municipal oversight and authority over how programs are funded, designed, managed and operated, with new complex accountability expectations that focus on ensuring life stabilization and income security for citizens.

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Overall, the Province's goal to centralize administration and grant increased powers to municipalities is welcome. However, the success of the most complex, ambitious parts of the Province's human service transformation agenda is reliant on significant culture shift, change management and human, financial and technological resources.

York Region's Social Services Branch is in collaboration with internal and external partners preparing for the next wave of significant modernization by: building sustainability and capacity through developing triaging tools and wraparound supports for residents with complex needs; utilizing evidence-based decision making to enhance policy and program development; leveraging technology; and advocating for provincial policies to better reflect municipal realities. The focus is on improvements within Regional control so that enhanced service delivery is not primarily reliant on provincial mechanisms to be successful.

Staff will continue to monitor the provincial transformations and update Council as required.

For more information on this report, please contact Cordelia Abankwa at 1-877-464-9675 Extension 72150.

The Senior Management Group has reviewed this report.

January 20, 2017

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