

**February 26, 2019**

## **Memo to Presidents of Municipal Social Service Workers' Locals**

**Subject: Update on the Transformation of Employment Services in Ontario**

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On February 12, 2019, the Ministry of Children, Community and Social Services and the Ministry of Training, Colleges and Universities held a press conference to announce the upcoming transformation of employment services in Ontario. The government has announced these changes are part of the broader Social Assistance Reform coming out of the 100 Day Review.

The Municipal Social Services elected representatives on the CUPE Ontario SSWCC were able to harvest a series of documents that were made public, as well as internal communications to members from Consolidated Municipal Service Manager (CMSM) and District Social Services Administration Board (DSSAB) management teams about this announcement. Below, you will find the details that we have at this time, as well as some analysis.

### **The Government's Top Line Message**

Employment programs for Ontario Works and the Ontario Disability Support Program will be integrated into Employment Ontario to create one efficient cost-effective system that is easy to use, helps all job seekers and better supports employers.

Implementing changes to Ontario's employment services gradually, starting with three prototypes in the Fall of 2019, the Ministry will need to first establish a process for defining and determining the three communities and then launch a competitive bidding process to select the Service System Manager for those respective communities.

The competitive process to become a service system manager will be open to any public, not-for-profit organizations, private sector, CMSMs and DSSABs. Employment service system managers will be selected based on those best positioned to manage the system and deliver results.

### **Why is Transformation on the Agenda for Employment Services?**

A 2018 Auditor General's report found that oversight of the Ontario Works program, and the service managers that deliver it, ineffective. Service managers are not adequately held accountable for their efforts to help Ontario Works recipients overcome significant barriers and find employment to become self-reliant.

## Our Analysis Based on the Information We Have at This Time

The government has decided to continue with their message that “Ontario is Open for Business” even when it comes to supporting people in deep poverty, in receipt of social assistance, and facing many barriers to employment.

Through the 100 Day Social Assistance Review process, the Ontario Municipal Social Services Association, CMSMs and DSSABs provided submissions to the government that spoke to system management of employment programs. There were a variety of positions taken but, generally, CMSMs and DSSABs wanted a greater say on how employment programs and services were delivered in their communities.

The government has specifically noted the 2018 Auditors General report as the rationale for transformation. “...Oversight of the Ontario Works program and the service managers that deliver it is ineffective. Service managers are not adequately held accountable for their efforts to help Ontario Works recipients overcome significant barriers and find employment to become self-reliant.” This is a “Red Flag” for sure. The government is moving to a competitive bidding process that not only includes for-profits but with the presumption that CMSMs and DSSABs can apply but are “ineffective and not adequately held accountable.”

What Ontario needs is an anti-poverty vision that includes raised social assistance rates, well-funded public services, as well as decent work. Without a decent minimum wage and working conditions, low wage, precarious jobs will continue to proliferate.

## For-Profit and Employment Services in Ontario

This is not the first time the government of Ontario has started down the road of a for-profit model of delivery of employment programs. This is, however, the first time that for-profits could be system managers.

Since it has been more than 10 years since the Jobs Now Pilot Program, we did want to share again the outcome of that program and why it was ended:

The failed *Jobs Now* pilot project, a public-private partnership between the provincial government and a for-profit corporation, contains elements similar to a payment-by-results scheme. Under *the Jobs Now* project, the province hired the B.C.-based West Coast Group to essentially do the work of CUPE members providing Ontario Works employment services and supports to people in receipt of social assistance. The company’s profits increased the longer a recipient stayed in paid employment.

An independent evaluation of *Jobs Now* revealed that many jobs that Ontario Works’ recipients were placed in were part-time and low-waged. The failed pilot project cost taxpayers \$7.6 million. The results-based payment structure of *Jobs Now* encouraged the placement of clients in inappropriate jobs.

## What CUPE Ontario has Communicated to the Government of Ontario

Holistic employment programs are vital in a precarious labour market. The range of required services provided must include pre-employment, training programs, job search, and post-employment or job-retention supports for social assistance recipients.

At one time, CMSMs and DSSABs had a robust and integrated system of employment supports directly linked to case management. Recipients of social assistance could work within one location with multiple

staff who were coordinated, leading to better outcomes. In the last 10 years, municipalities and DSSABs have relied more and more on external programs and services delivered in communities by either Employment Ontario contract providers or the not-for-profit, multi-service agencies.

Referrals to outside agencies for employment supports breaks down the cohesiveness of case management. It also increases the risk of recipients falling through the gaps. It compartmentalizes employment from life circumstances by focusing narrowly on short-term employability without considering the big picture of a recipient's life circumstances in the long-term.

Case workers and employment workers in social assistance delivery have also seen a significant narrowing of "appropriate referrals" to Employment Ontario programs. The increased expectation that recipients are "day-one-ready" for employment with no barriers is unrealistic within the cycle of poverty. As well, it results in many recipients not being deemed "appropriate" and with little or no pre-employment or skills-based training supports available to recipients due to the lack of programs and services being delivered by CMSMs and DSSABs.

There will always be a need for specialized external employment and training supports for some recipients; however, pre-employment workshops, programs and services delivered by municipalities and DSSABs are necessary for recipients. Case workers are best positioned to provide those services as part of a supportive, case planning model that will achieve better outcomes.

## Next Steps

There are a few things for CUPE Locals to monitor as the three prototypes are shaped to commence the Fall of 2019.

- Is your CMSM or DSSAB participating in the competitive-bidding process to be a prototype location as a system manager?
- Is your CMSM or DSSAB reviewing direct-delivery of employment programs?

The CUPE Ontario SSWCC will be reaching out to the MCCSS again to request additional information, and also to reiterate our position on direct delivery of programs and services and as well as highlight the failed Job Now Pilot program and working with our allies.

## How to Receive Updates?

Our goal is to be able to communicate not only with CUPE Local leadership, but also with our rank-and-file membership. If you wish to receive updates, please email [sswcc@cupe.on.ca](mailto:sswcc@cupe.on.ca) and we will add you to the distribution list for the SSWCC's Municipal Social Services Bulletin and other relevant communications.