
Sent via e-mail: basicincome@ontario.ca

February 1, 2017

Poverty Reduction Strategy Office
Ministry of Community and Social Services
Ferguson Block, 6th Floor,
77 Wellesley Street West
Toronto, Ontario M7A 2T5

Dear Poverty Reduction Strategy Office:

I am writing on behalf of the Association of Municipalities of Ontario (AMO) to provide input into the Basic Income Pilot consultation led by your ministry.

This topic is one of great interest to our members. Across the province, many municipal governments are seeing members of their communities struggle to support themselves, and are looking for different approaches to providing support. AMO is pleased to see the government working to explore alternative options for income security delivery.

However, this submission is not an endorsement of the Basic Income concept, but a confirmation that it is an idea worth exploring to reduce poverty within the context of broader income security reform. The pilot should test both the benefits and limitations of a Basic Income approach, be evaluated by a third party with technical expertise, and use an evidence-informed approach to determine whether it should be pursued more broadly after the pilot's completion.

During the pilot, the government should continue to pursue other income security reforms in the short and medium term. The government should also continue to transform other human services with the goal of better meeting the needs of people living in poverty. This should include social housing, social assistance, employment services, and childcare modernization. It will be important to clarify how the Basic Income Pilot fits with other income security initiatives, and how it is coordinated with other provincial transformations in healthcare, housing, and community safety.

Overall, it is important that the pilot yield a net benefit to participants. No participant should be worse off as a result of participating in the pilot. Individuals must be well informed of what it means to participate in the pilot, including their rights and responsibilities and the impact it will have on their lives, before they make a decision about participating. Participation should be voluntary.

Attached to this letter are answers to the technical consultation questions. These answers represent our best technical advice to inform the development and implementation of an effective pilot and evaluation. I would note that our answers are largely high-level, as more information and context about the provincial intent is needed in order to provide more definitive and specific responses.

Given the significant municipal role in delivering social services in Ontario, the sector should have a well-considered voice in the design, implementation, and evaluation of this pilot. An advisory body or working group with municipal and District Social Service Administration Boards representatives would help inform the successful design of the pilot and evaluation methodology. Persons with lived experience should also be part of the governance structure.

We look forward to continuing to work with you to develop this pilot, and income security reform more broadly. This is critical work, and it is important that we get it right.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'L. Dollin', written in black ink.

Lynn Dollin
AMO President

Appendix: Answers to Consultation Questions

Determine eligibility for the Pilot

1.1 Are there specific groups of people or populations who should be targeted in the Pilot, such as the under-employed, social assistance recipients, or newcomers? Why?

If the purpose is to more effectively reduce poverty, income levels should be used to determine eligibility. Eligibility should be based on a level of income level below a certain threshold. Eligibility should not necessarily be restricted to those on OW or ODSP but also include other low-income individuals, including seasonal workers and the working poor.

1.2 What should the Pilot use to determine eligibility? Should eligibility be based on an individual's income, or should eligibility be determined by total family income? Why?

The Basic Income Pilot should be as unconditional as possible. Assets should not be considered in determining eligibility. The Child Benefit, as a form of Basic Income, does not consider assets, and should be used as a model in designing this Basic Income Pilot.

Family income should be used rather than individual income, in determining eligibility.

Select the sites

2.1 What are the most important things to think of when selecting a Pilot location? Why?

The most important factor when selecting a Pilot location is that it represents the range of local situations across the province. Municipal support is a second important factor.

When selecting a geographic site, it would also be important to restrict participants to those who have resided in the location for at least one year, to prevent individuals from moving to a selected site in order to be part of the pilot.

2.2 How do you think Pilot sites should be selected?

If saturation sites are used, they should be selected by the Province based on whether they meet objective criteria that are conducive to a pilot and effective evaluation. If sites are considered, attention should be paid to geographic differences with sites in southern and northern Ontario, spanning rural and

urban areas. However, it is a question whether saturation sites will be conducive to good evaluation.

2.3 Do you think it is important to have saturation and RCT site? Why?

Saturation sites are not recommended. It may not be possible to select a good saturation site, considering that cost of living, services, programs, and other supports vary drastically from one community to the next. It will be impossible to standardize the conditions. Factors cannot be controlled from one site to the next.

The Pilot may need to rely only on a RCT approach selecting categories of individuals rather than geographic areas. Demographic information would be easier to track and evaluate. A province-wide RCT trial across communities has better chances of producing a large stratified sample.

2.4 Should the government consider phases for sites e.g. starting with RCT and doing saturation sites later?

The government should begin with RCT and continue to assess whether saturation sites are logistically possible and can be evaluated effectively.

Design the benefits

3.1 Should the Basic Income amount be enough to significantly raise incomes and reduce poverty, or should it provide a base level of financial modest income floor to provide a certain level of stability? Should the benefit amount alone get people out of poverty or should it be a combination of benefits and earnings that accomplish this goal? Why?

The benefit amount alone should be enough to raise people out of poverty. There should be no conditionality for employment, as a Basic Income should allow participants to make various choices to improve their situation that may include attending school or raising children. Further, the local labour market conditions may not be conducive to entering the labour force. There should be an incentive to retain some earnings to further raise people out of poverty and act as an incentive to work.

The amount of funding provided should be based on a market basket measure. For example, the Nutritious Food Basket calculation could be adopted.

Income should be adjusted for cost of living in different geographic areas.

Income support levels should be indexed to inflation on an annual basis.

3.2 Beyond money, what other services and supports (e.g. employment, mental health, housing, etc.) are needed to accompany the Basic Income? Which are most important?

A benefit payment is not sufficient to raise people out of poverty. A Basic Income must be accompanied by existing community and social support services in order to ensure individuals can work towards self-sufficiency. For example, life stabilization services are essential.

The quality of services as opposed to the quantity should also be considered in any evaluation. Existing services need to be transformed especially those intended to help achieve better employment outcomes. Ongoing work is needed outside of the Basic Income Pilot.

As an additional example of the importance of services in addition to income, the Province may consider the role schools can play in increasing financial literacy through curriculum content.

3.3 What elements of Ontario Works and ODSP should Basic Income replace? What about other benefits outside of Ontario Works and ODSP, such as help with childcare, employment start-up benefits to help cover the costs of trade tools, uniforms, etc., or drug and dental benefits? Why or why not?

The question should not be about what elements of OW and ODSP can be replaced but rather: "What do we need to ensure that a Basic Income Pilot is a success?"

The services required for self-sufficiency in addition to income will differ for different people. Employment services, case management, and referrals to community services would be important to maintain as a municipal CMSM and DSSAB function. However, the requirement to use these services should be voluntary, not a condition of receiving a Basic Income.

Overall, services should continue to be available, and the Pilot should evaluate whether there is a drop in demand for services as a result of people receiving higher levels of income. Decisions about whether and what services could be removed, if any, could be considered after the evaluation. The pilot should seek to answer also, how responsive the services are.

Delivery agents for benefits may change. For example, drug benefits could be provided by the Trillium Drug Plan.

3.4 What other factors should be considered when determining the Basic Income level? Why?

It would be important to consider whether a person's income received through a Basic Income would impact their housing or childcare rates. Participants should have the same access to services, and service rates that are geared to income should be based on income including the Basic Income.

Deliver the basic income pilot project

4.1 The Discussion Paper recommended a NIT model for the Basic Income. Do you agree with this recommendation? Why or why not? If not, what model would you prefer?

A NIT model is reasonable and seems feasible to implement.

The Ontario government may also consider indicating its interest in cooperating with the federal government through federal taxation to streamline benefits at both levels as part of the pilot.

It will, however, change the role of municipal CMSMs and DSSABs in delivering social assistance payments as they currently do. This will have labour relations implications, Municipal governments and DSSABs could partner with the Ministry to work through those changes.

4.2 Should the Pilot consider delivering payments in an alternative method to the Canada Revenue Agency delivery system proposed in the Discussion Paper, if they are available?

CRA delivery seems logical with a NIT model.

4.3 How should the Basic Income respond to changes in income circumstances?

Income change could be reconciled through the income tax process at the end of the year. In the case of a significant change in income during a year, there should be an option to reconcile mid-year based on a certain percentage of income change. There should not be onerous reporting requirements, certainly not monthly. The frequency should be based on a threshold of income fluctuation.

Evaluate the pilot's outcomes

5.1 The discussion paper recommends measuring ten outcome areas. Rank these outcome areas in order of importance:

- **health**
- **life choices**
- **education**
- **work behaviour**
- **community-level changes (e.g. crime rates, local labour market)**
- **administrative efficiency compared to social assistance**
- **food insecurity**
- **perception of citizenship and social inclusion**
- **housing stability and quality**
- **interactions between Basic Income and other benefits, such as Ontario Child Benefit**

Poverty reduction should be the starting point for evaluating the outcome of the Pilot.

The outcomes listed are all important. An additional outcome should be included: “interactions with other systems (criminal justice, child welfare, emergency services, healthcare, etc.)”.

The term “life choices” should be changed and not measured, as it is vague and has moral connotations. Instead, the factors included under the category of life choices (family composition, employment, education etc.) should be redistributed into other categories such as work behaviour, demographics, and education participation/achievement.

The pilot should measure both individual and community-level impacts. It should also evaluate short and long-term effects.

Outcomes should be derived from established frameworks, i.e. the social determinants of health, rather than create a new one.

The pilot cannot be expected to solve all problems and it may not be reasonable to test them all. The outcomes measured will need to depend on available data. As well, the level of analytical capacity will determine the scope of analysis that can be conducted for the Pilot. Also, the limits of measuring long-term outcomes in a three-year pilot needs to be considered. In short, it may be too ambitious to measure the outcomes proposed in the period of time for the pilot.

Environmental factors in a community need to be considered that may skew outcomes. It is important to consider that when evaluating the success of the pilot, positive results may not be seen if a pilot community does not have available jobs and suitable available housing, for individuals who may have enough income to move towards supporting themselves through the Basic Income Pilot.

Evaluation should also include working with the private sector to better understand impact. In particular, when evaluating the impact on housing, it would be useful to evaluate impact on rent increases due to landlord perceptions that the Basic Income pilot is providing higher incomes to those who would otherwise not be able to pay higher rent costs.

5.2 *Do you think that data and evaluation results should be made public on an ongoing basis?*

Reporting on results throughout the process is not advisable if it is not possible to fully analyze and distribute accurate information before a full evaluation takes place. Ongoing communications to the public would be useful, to inform them of what Basic Income is and what is going on with the pilot in a strategic manner. For example, the public will need to understand the distinction between a Basic Income and a minimum or living wage. A full communications plan with a thematic approach over a multi-year period would help the government as the pilot rolls out so the public can understand the purpose and intent of the pilot.

5.3 *What changes in behavior would you expect to see with a Basic Income? What kind of results should we see from the Pilot to call it a success? Why?*

Success should be determined by the outcomes achieved, which may include a reduction in poverty, advancements in the social determinants of health and, listed in question 5.1, the demand for social services.

In terms of behavior, the question should be, 'What behaviours do we expect or want to undo'? For example, psychosocial changes should occur, including feelings of dignity, social inclusion, and belonging. Employment or participating in caregiving or volunteer activities may be changed. It is important to understand that many behavioural changes are long term, and may not be measurable during a three-year pilot. For example, health outcomes require many years to change. The government may consider lengthening the pilot duration for a group of participants in order to evaluate longer-term outcomes. Another important consideration is that the process of evaluating change through participant interviews and/or surveys may result in the same invasive and stigmatizing effect as that of the social assistance system, which the Pilot aims to address and alleviate.

5.4 *What strategies can we use to encourage people to participate in the pilot?*

The increased income provided through the Pilot should be sufficient to attract participants. Prioritization of applicants may be necessary if the program is oversubscribed.

It is important that the program result in a net benefit for participants. If other ancillary programs terminate or face reductions to fund the Basic Income Pilot, this may not leave participants better off.

Another important consideration is that when recruiting participants, candidates must fully understand the implications of participating, including their rights and responsibilities, and all other details of participation upfront so they can provide informed consent.

There could be a role for municipal governments to help recruit participants. Municipal caseworkers could, for example, provide information to their clients about the Basic Income Pilot, and have clients consider participating.

It will also be important to consider what happens to participants who decide to end their participation in the Pilot and how this will affect the evaluation. The evaluation methodology will need to account for these types of considerations.

5.5 *To measure outcomes, we would need people to share their personal information, including linking administrative data together. What concerns would you have about using this information to see how people use benefits and services differently after getting a basic income? How can we make you feel that your information is secure?*

When collecting personal information, a robust ethics protocol is of critical importance. Former Senator Hugh Segal's discussion paper includes a protocol for data collection, which is worth considering. The At Home/Chez Soi program included an approach to collecting personal information, and this approach is also worth consideration and replicated as appropriate. However, this is a technical question most appropriately addressed by the ethics group for the Pilot. There are various considerations at the municipal level if there is a role for municipal service system managers to contribute to collecting personal information. For example, the *Municipal Freedom of Information and Privacy Protection Act* (MFIPPA) and the role of the Ombudsmen will need to be considered.

5.6 *So that we can compare the outcomes of Basic Income to the status quo, we would need people to share their personal information, even if they did not receive the Basic Income. Would you be comfortable with this so that we can understand these differences?*

This is a research design question that is best answered by the governance group and the third party evaluators for the Basic Income Pilot, from a research design and ethics perspective. The group should consider the size of the control group, to ensure that it includes enough people so that if some decide to leave the study, the group is still large enough to serve as a control. The group should also consider the type of incentive provided to the control group to ensure participation but not change their financial situation in a way that skews the results of the pilot.

5.7 *If you are a Pilot participant, should you receive results prior to any public report release?*

Ethics advisors to the pilot can best answer this question. Information shared in advance may be useful as a courtesy, but for ethical and privacy reasons, personal information about specific individual participants should not be included in the report. Only anonymous, aggregate information should be available.