



Bill 276: An Act to Enact and Amend Various Acts

**CUPE Ontario's Submission to the Standing Committee on
General Governance**

May 19, 2021

Thank you for the opportunity to submit our views on Bill 276 – *An Act to Enact and Amend Various Acts*. The Canadian Union of Public Employees (CUPE) Ontario is the largest Union in the province with more than 280,000 members. You will find CUPE members working in health care, municipalities, school boards, social services, and universities. CUPE members provide the front-line services that help make Ontario a great place to live.

Bill 276 has twenty-eight schedules; it amends twenty-eight different pieces of extremely diverse legislation. Acts covered under Bill 276 span a range from Fish and Wildlife to Ontario Works to Immigration to Liquor Control. There is no continuity of purpose within these acts or in the Bill 276 amendments to these acts.

CUPE Ontario has serious concerns with Omnibus Bills that jam a wide range of diverse policy issues into one piece of legislation. It is inherently undemocratic. It does not give the legislature or the public an appropriate opportunity to review the proposed amendments and provide feedback. Government transparency and accountability is lost. CUPE Ontario recognizes that sometimes multiple acts must be amended to achieve a single policy goal. However, this is not the case with Bill 276. It is a hodgepodge of amendments with no unifying purpose other than to obfuscate.

While some of the amendments appear to be administrative in nature – housekeeping or clarification of existing clauses – there are substantive amendments tucked into many of the proposed changes. At the very least, for clarity and transparency, these amendments should be removed from Bill 276 and debated separately. However, some of the proposed amendments are just bad policy and should be scrapped altogether. CUPE Ontario will not address *all* these changes, but only proposals with respect to the following Schedules:

Schedule 6: *The Employment Standards Act*

Schedule 21: *Ontario Works Act*

Schedule 16: *Northern Ontario School of Medicine University Act, 2021*

Schedule 28: *Université De Hearst Act, 2021*

Schedule 6: *Employment Standards Act*

Bill 276 proposes changes in Subsection 11(4) of the *ESA* with respect to the rights employees have with respect to how they are paid their wages. The proposed change would remove the requirement that an Employer paying by direct deposit, either deposit the pay at a financial institution agreed upon by the employee or at a financial institution with a location relatively near the employee's workplace. The language is as follows:

11 Direct Deposit

- (4) An employer may pay an employee's wages by direct deposit into an account of a financial institution if,
- (a) the account is in the employee's name;
 - (b) no person other than the employee or a person authorized by the employee has access to the account; and
 - (c) unless the employee agrees otherwise, an office or facility of the financial institution is located within a reasonable distance from the location where the employee usually works.
- 2000, c

Bill 276 would delete 11(4) (c) from the *Employment Standards Act*.

CUPE Ontario has very serious concerns about the proposed change. Under the *ESA*, Employers must pay wages on a regular pay day in the form of a cheque, cash or a direct deposit. If payment is made by direct deposit, your Employer can, as a condition of your employment, make you open a bank account at a financial institution of their choice – not your choice. That financial institution may charge high service fees, may not have the banking services you need, and it may not have many or *any* branches near your home. All of that doesn't matter. If you refuse that bank account, your Employer can terminate your employment. The only protection provided to employees under the *ESA* is that the financial institution must have a location to do normal banking close to your place of employment. According to the Ontario Government's *ESA* policy guide, that "location" doesn't even have to be a branch – it could be an ATM.

Even this tiny protection is being removed from the *ESA*. Why? Many of these employees are not generally paid well. Taking this protection away from them will cause them to incur greater banking expenses such as additional Interac fees when withdrawing cash from other institutions' ATMs or the cost of having to hold an account at more than one bank or credit union. Some of these employees may not have access to on-line banking options – they may not have internet at home, they may not be computer literate, they may not have a computer.

There is no conceivable reason why this small protection should be removed from the *Act*. Indeed, there are ample arguments that this section of the *ESA* should be enhanced so that employees are never forced to use the Employer's chosen financial institution. If Employer's want to pay via direct deposit, then they should make the arrangements (as many of course do) to deposit their employee's pay into a bank account of the Employee's choosing.

We would strongly urge you to remove this amendment from Bill 276.

Schedule 21: *Ontario Works Act*

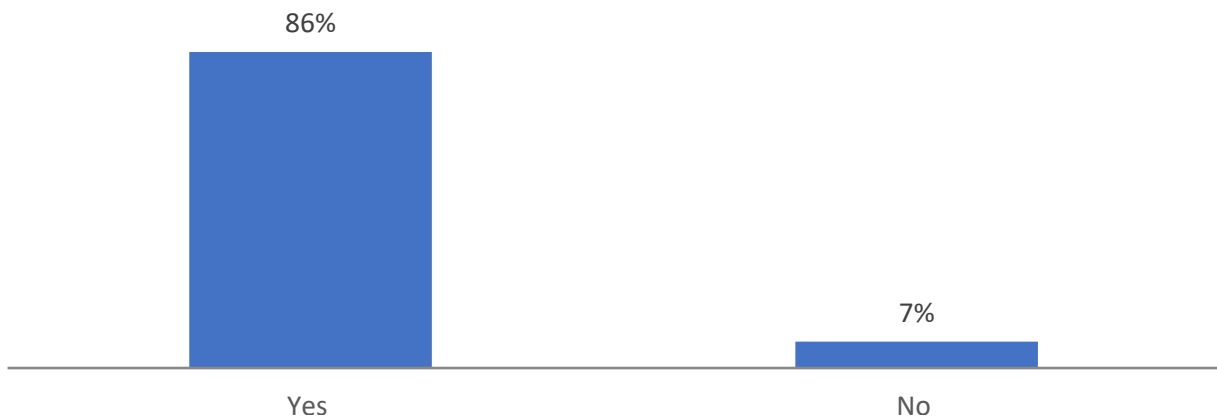
CUPE members who deliver social assistance programs such as Ontario Works, housing supports and child care subsidy have watched closely the social assistance reforms that have stemmed out of the government's initial review. The members' experience has not been a mixed one. The workplace has become more stressful and uncertain. Members in some of our locals have faced privatization, layoffs, and changes to their assignments. This submission will highlight some of our challenges and concerns with the government's reforms and focus on Schedule 21 of the Bill.

Context

Late in the fall of 2020, we conducted a landscape survey of our locals with members in the delivery of social assistance and human services integration. Change is difficult and we wanted to establish a baseline of members' feelings about their work at the start of reforms. We want to share some of the results to illustrate where members are as a result of the reforms.

A staggering 86% of respondents reported stress in their daily working lives. While it is the government's prerogative to engage in reform, it is important to note this does not come without consequence. These stresses that workers experienced is in addition to the difficult jobs they already perform compounded with the adjustments to how they work in a raging pandemic and providing the most vulnerable Ontarians services and supports.

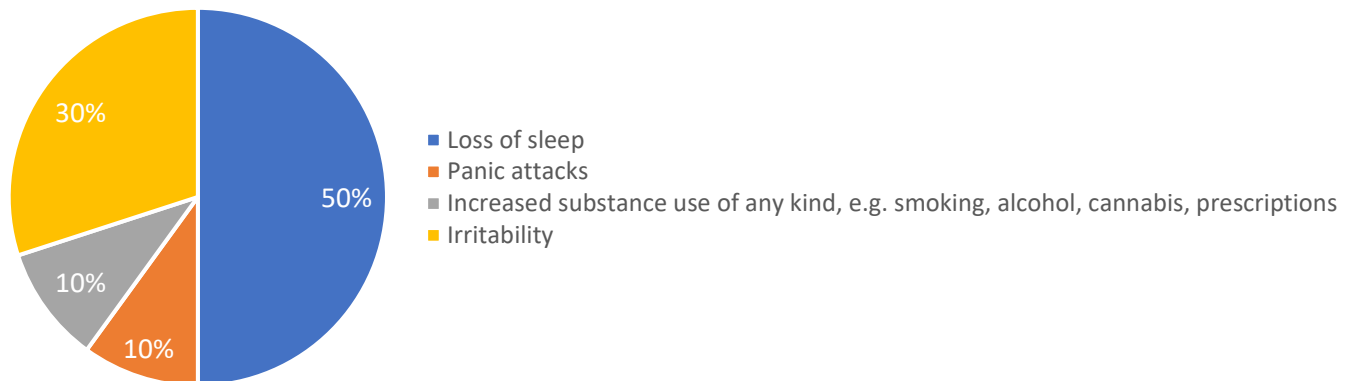
Has Your Workplace Experienced Stress Because of Workplace Changes?



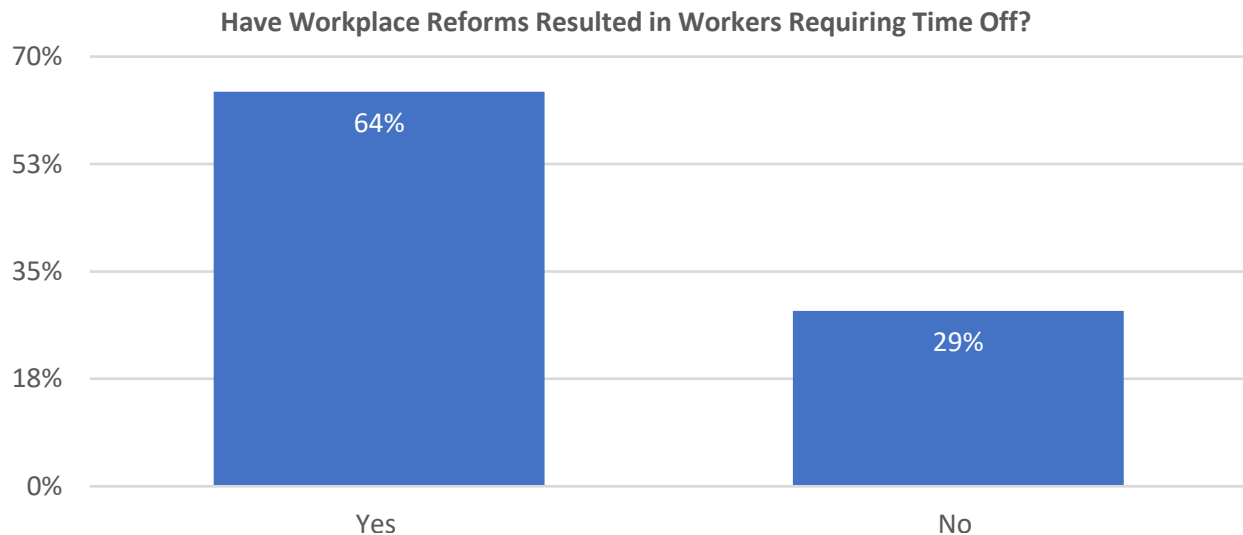
The majority of respondents - over 40% - said most days at work are medium to high stress and described their days as challenging

These everyday stresses manifest in different ways and can impact health and wellbeing. This in turn can affect workplace performance. Half of respondents reported sleep disturbances, a third reported irritability, and a minority experienced increased substance use and panic attacks. At the early stages, the ambiguity and implementation of reforms certainly had a negative influence on workplaces.

Consequences of Stress at Work



Absenteeism is something that Employers watch closely and is a key measure of effectiveness in the workplace. Two-thirds of survey respondents reported that the initial changes required members to take time off. Across the province this likely had a profound effect on workplace management for social assistance partners in municipalities. This is also not ideal for client management; workers have a unique and intimate relationship with recipients and absenteeism can negatively affect the stability of the relationship and have negative consequences for recipients.



One of the primary goals of reforms as declared by the Ministry, is to make more time available to front-line members to perform case management and achieve work collaboratively on client goals – life stabilization. The survey showed that half of respondents spent more than 10 hours a week on administration, with a further 30% spending 8 to 10 hours a week. It will remain to be seen if the Ministries goals will be achieved, or administrative duties just take on a different form.

Schedule 21 Changes

We understand this Schedule as making the necessary amendments to administrative and housekeeping rules in order to pave the way for the government's service delivery reforms. Sections such as 38.1 speak directly to that but CUPE is also concerned by the removal of community participation components found in Section 71. The following is our critique on specific issues with the Bill we trust you will consider.

1. Rates for Social Assistance

This is a missed opportunity. Social assistance rates provide less than a subsistence living and have never caught up from when the Progressive Conservatives were in power under Premier Harris and cut benefits. This is not a controversial opinion as city staff from Toronto recently reported on:

Since 1995, when OW rates were reduced by 21%, inflation in Ontario, as measured by CPI has risen 56%. During this same period, the OW rate for singles has risen by 41%.

The last rate increase was in 2018. If the OW single rate had been increased at the rate of inflation since 1995, the single rate would today be \$812 per month instead of \$733 per month.

City Council has previously called for changes to social assistance benefit rates and structure, most recently through its adoption of TO Prosperity: Toronto's Poverty Reduction Strategy – Recommendation #10 and endorsement of the Income Security: A Roadmap for Change report, commissioned by the previous provincial government, which recommended increasing OW and ODSP rates by 22 and 15 percent, respectively, and using a Standard Flat Rate in lieu of separate rates for basic needs and shelter (i.e. housing) costs.

The absence of any commitment to adjust rates means that most residents in receipt of OW and many on ODSP will continue to live in deep poverty, especially single working age adults who do not have access to federal child benefits and/or who are not earning any supplementary income.⁷ This report recommends that City Council request the Province to address the adequacy and structure of social assistance by implementing a new and modernized rate structure that uses an evidence-based approach to annual social assistance rate increases.¹

CUPE Ontario could not articulate this more clearly. Any changes to social assistance in the province must include a raise of rates for recipients. It is the only way to achieve life-stabilization that is meaningful and sustainable.

2. Ensure Funding to Municipal Service Delivery Partners Increases

The changes to legislation are vague and does not guide all the specifics that will change through policy and regulation implementation. CUPE Ontario wants to be clear that these changes should not change any of the existing funding arrangements with municipal service delivery partners.

Historically, the costs of Ontario Works service provision have been uploaded from municipal service providers, who only have 10 cents on the tax dollar to deliver local services. This systemic funding tension continues to put local government in a tight fiscal situation. Any changes to the current funding mechanisms that would see municipal service managers incur more costs would be detrimental.

Parts of the 10% tax dollar municipalities spend are already on wraparound services such as community agency supports, housing, and child care. This is a large burden and these services are critical to life stabilization case management activities. Few OW recipients will be successful with support under the poverty level, or even employment they would gain through OW support. Other critical supports such as affordable housing and child care are a necessity to build back a meaningful life.

¹ City of Toronto Staff Report. *Ontario's Social Assistance and Employment Service System Transformation Plans*. Date: April 12, 2021. To: Economic and Community Development Committee. From: General Manager, Toronto Employment and Social Services.

The government should consider funding streams of these supports as part of any reforms to social assistance – only a holistic system of service delivery will be successful. The Financial Accountability Office issued a report on March 5, 2021, the report reveals some important critique on housing and homelessness spending under the Conservative government. The main takeaway is that decisions the government has made means they are spending less on housing and homelessness supports.² They will also not meet the goal of ending chronic homelessness by 2025 without additional programming. This example coupled with the uncertainty on how the government will deal with their Federal partners on child care funding sets up a situation where people will continue to fail in the system.

In addition to commitments made in social assistance reform, there needs to be corresponding stable investments that meet peoples and community's needs. The Ministry has designated 4 pillars to life stabilization – basic needs, life skills, health, and community supports. Most of the columns are crumbling in communities across the province and will take resources, to repair in order for recipients to thrive under these new reforms.

3. Life Stabilization Administration

While CUPE understands that these legislative changes are more to do with setting the stage for government reforms, getting the details correct is still important. This is especially true as the new vision does change service delivery profoundly. The legislation is completely silent on how the mechanics of administration will work.

One example CUPE members are concerned about is what these changes may mean for workload. There is already fatigue in our membership both from reform and COVID-19. Implementation of life stabilization case management will make workers daily lives more complex and increase tasks with recipients – this is notwithstanding any administrative shifting to the province. If OW workers now have around 110 recipients on their caseloads, there is no way that more complex life stabilization case management tasks could be completed with that many people. These caseloads would have to be lowered significantly in order to meet recipients needs and government policy objectives.

² Housing is evaluated under the CMHC Core Housing Need definition. A household is in need is one that lives in unacceptable housing and pre-tax income cannot access acceptable housing. Acceptability is when the total cost of housing is equal or less than 30% of pre-tax income, there are enough bedrooms, and household not in need of major repair. In 2018, 14% of Ontario households were in core housing need – higher than the 11.6% national average and second highest in the Federation.

This point becomes more prescient if municipal service providers will be assisting with the needs of ODSP recipients, or benefit unit members which will have unique needs that are not always dealt with in the OW stream of cases. Increased coordination between different agencies and service providers will be a requirement, which in itself will create additional administrative needs. The legislation is silent on how this will be dealt with and it remains unclear if this simply automates and removes one set of administrative procedures for workers for another set.

Unless future changes and reforms are considered carefully, the outcome of this legislation may be antithetical to the government's aims. It is clear the goal of this legislation is not to replace one set of administrative tasks with another, but this could be the outcome. The underpinning of social assistance will now be delivered in three ways, employment through the Ministry of Labour, income through the province, and direct service through municipal and non-profit providers. There is not a clear path set out in the legislation for a clear coordination of these services that recipients will access.

In addition to the possibility of new service fragmentations, there are potential challenges with the automation of services. It is not clear how potential privatization will impact service delivery. Automation in this sector has led to large financial companies operating back end services and verification. There is little evidence to support that these companies can do a better job than municipal service managers and this will likely lead to cost escalations as profit for the financial services companies will be built into any new administrative systems. The legislation is also silent on how recipients will access any new automated systems. The "modernization" process in this Bill is rooted in an increased reliance on Internet-based systems. Thirty-one percent of people living on low incomes do not have adequate Internet access – this is especially true in lock down scenarios with public services like libraries are shuttered. Without first correcting the technological deficit which exists, service users may lose access to benefits.

Finally, we are concerned about items put forward in Section 50. The government has mused about consolidation in other aspects of service delivery such as public health and land ambulance services. Section 50 gives us pause considering that in February 2020 there was an indication that the Ministry was considering 15 service delivery areas on their reforms. Having the Ministry perform service delivery tasks would be a new and difficult reform to make. Consolidation of services does not always bring about the desired efficiencies. Income support programs are complex and likely to get more so with the life stabilization shift – simply redrawing boundaries will be unhelpful to clients and workers alike. Large geographic boundaries also present governance and oversight challenges for municipal, regional and town councils who have been the Consolidated Service System Managers (CMSMs) and District Social Services Administrative Boards (DSSABs). With a major shift in service delivery being implemented already, there seems little reason to further complicate it with issues of governance and the adherence to the hundreds of rules and regulations workers must follow.

4. Reinstate Community Participation and General Municipal Funding

The columns that support the policy direction of the Ministry in reform follow some best practices in the field on how to support recipients. However, like the service gaps in supports like housing and child care, there is also no funding announcement that accompanies this legislative reform. It is essential that municipal service managers have the resources they require to effectively execute the Ministry's reform plans.

The omission of the community participation clause of the Bill is a mistake. The community participation component of benefits is an important steppingstone to meaningful employment and life stabilization. It gives a discretionary allowance to workers involved in critical case management tasks that assist in clients getting valuable volunteer hours. It is also true that this benefit allows modest additional freedoms to clients like the ability to enjoy a lunch with volunteer colleagues or travel by public transit. These are often taken for granted by most people and are an affordable normal activity. Taking this allowance away is simply cost cutting which is at cross purposes to what the government is trying to achieve.

In addition to keeping the community participation component of the legislation, the government should consider appropriately resourcing service managers and delivery partners with a life stabilization fund. While it can be a positive step forwards to have more intensive case management, there needs to be corresponding resources for recipients and their workers to access. The legislation is silent on this and it is difficult to imagine recipients travelling through any jurisdiction looking for work or housing without funds for transportation. This is true for almost every facet of work that municipal service providers will be asked to take on and likely become more complex with the addition of ODSP recipients and benefit unit members. This transformation is focused on positive outcomes, but again it should not come down to municipalities to fund this, when they already run on relatively small budgets. While we understand that the legislative changes are at a high level, changes could include a dedicated life stabilization fund that could be allocated to service managers to use at their discretion for life stabilization activities.

In addition to these items regarding the Bill, the government has not made sufficient moves on additional supporting services such as child care, mental health/addictions, and housing. In order for true life stabilization to come to fruition for low income Ontarians, there must be robust services like these. In the absence of supports like these, the ultimate goals of 'stabilization' and employment – it is unlikely that any employment will realistically address all these needs.

Finally, while we acknowledge that this legislation may be necessary to achieve the government's reform goals, we are concerned about the legislative trend that sees skeleton legislation is passed while the details are handled later at the cabinet table through regulation. Given there is much detail to come on the governments reform agenda, we also request that stakeholders – workers and members of CUPE – are involved in the process moving forward in a meaningful way. To ensure success, any reforms need to include the voices of dedicated professionals that deliver these services to marginalized communities and there needs to be a willingness on the government's part to adapt.

**Schedule 16: *Northern Ontario School of Medicine University Act 2021* and
Schedule 28: *Université De Hearst Act, 2021***

The last two schedules we wish to comment on are Schedule 16 which creates an independent university from the Northern Ontario School of Medicine and Schedule 28, where your government is proposing to give the College de Hearst, a university designation.

CUPE represents approximately 38,000 members working in Ontario universities. We represent academic staff – Teaching Assistants, Research Assistants and Sessional Lecturers. We represent administrative staff in department offices, skilled trades and blue-collar staff. We represent Librarians, Lab Technicians and IT Professionals. CUPE represents virtually every class of non-management employee at Ontario universities save and except for full-time faculty.

These *Acts* creating stand alone universities for Hearst and School of Medicine are rooted in failed Ontario government policies surrounding our public universities, particularly in the fact that our public universities have been, for decades, neglected and starved for funding. Both Hearst and the Northern Ontario School of Medicine are affiliated to Laurentian University and grant degrees through University. Laurentian University, as we expect you are aware, has recently become insolvent and has been forced to slash programs and operations.

Northern Ontario School of Medicine University

The Northern Ontario School of Medicine has been operating since 2005 in partnership with both Lakehead University in Thunder Bay and Laurentian University in Sudbury. It provides a valuable resource to Northern Ontario by training doctors and medical personnel in the complexities of practicing medicine in remote northern communities. Students entering NOSM are students either of Lakehead or Laurentian and take their courses on either the Thunder Bay campus or the Sudbury campus.

As we are all well aware, for the past number of months, one of NOSM's key university partners, Laurentian University, is in serious financial difficulty and has been facing insolvency. Important programs, such as the biology department, are being closed at Laurentian.

The Ontario government, through years of underfunding has created a crisis for northern post-secondary education by forcing Laurentian into insolvency. Your government has compounded the problem by refusing to take action necessary to protect Laurentian from these insolvency proceedings. Not only does this have fallout for Laurentian, it also threatens NOSM and its program in Sudbury.

We believe this is why the government has rushed to create an independent Northern Ontario School of Medicine University. It is absolving itself of responsibility for Laurentian and is abdicating its responsibility to deal with the problems Laurentian's insolvency is creating for NOSM. An important move, such as the creation of a new independent medical university move should be done only after years of careful planning and community consultation.

When compared to other Acts which have established Ontario Universities, there are huge gaps in the *Northern Ontario School of Medicine University Act, 2021*. The degrees conferred are not spelled out. Absent in this Act is the make-up of the governance and academic structures within the university. The structure of representation on the Board of Governors is not specified and the terms of reference for the BOG is not developed. The University Senate, which deals with the Academics of this new university, is similarly not flushed out. All these extremely important details are relegated to regulation which is highly unusual.

It is clear the government has rushed this process without fully thinking through the structure of this new university. So, instead of a comprehensive Act outlining the establishment of NOSM as a true public university, it has left parts to be filled in later through regulation.

Currently NOSM has no administration staff or financial assets. It will be difficult for them to acquire those before September. The Ontario government is not providing the support that NOSM needs or that Northern Ontario needs.

The problem with this rush is that it will likely create further difficulties, jeopardizing this important program in the future.

We call on the government to appropriately fund Laurentian University so that NOSM can continue in its current format for the present. We also call on the Government to facilitate a comprehensive process to build a fully supported, functional, and independent public institution after a proper consultation with the communities, students, faculty, and workers who will run NOSM and then enshrine the culmination of those consultations in the NOSM University Act. This will ensure the stability afforded to other institutions in Ontario.

Université De Hearst

The *Université De Hearst Act, 2021* faces similar issues. It has an enrolment of approximately 160 students over three campuses: Hearst, Kapuskasing and Timmins. It relies on Laurentian for administrative services.

Similar problems exist with the *Act* conferring university status on this College. The degrees conferred are not spelled out. Again, the government is relying on regulation to come later to spell out the governance and academic structures within the university. Again, we raise concerns about so much of the make up of this new university being determined outside of the public eye by regulation rather than legislation.

The need to designate Hearst as a University again arises because your government is refusing to take responsibility for Laurentian or to support Laurentian financially in these insolvency proceedings.

We call on the government to appropriately fund Laurentian University so that the College de Hearst can continue in its current format.