

Provincial Basic Income Pilot Project



We were very pleased to hear about the inclusion of a basic income pilot project in the Ontario provincial budget for this fiscal year. We appreciate the provincial government's willingness to explore innovative ways to better support Ontarians and value the time and effort put forward to bring this project to fruition.

We represent the Niagara Poverty Reduction Network, a collective of over 30 organizations and individuals with the shared vision of all Niagara residents living above the poverty line. We do this by educating residents, businesses and organizations on the root causes of poverty and engaging them to take action.

Eligibility

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

In an effort to ensure that the results are as representative of and applicable to the entire population, the pilot project should not target specific groups of people. With that, additional care should be taken to ensure that there is a diverse representation of vulnerable populations in the pilot. This would require an analysis of demographic information of those enrolled prior to the administration of the benefits to guarantee the sample size for each target population is adequate for analysis. In order to attain adequate representation, this may require outreach to certain populations to further explain the purpose of the pilot project and how it may impact the current social assistance status and other supports they are receiving. We anticipate additional outreach will be needed for individuals who fall below the income threshold, who are not currently receiving OW or ODSP, as they may not have the necessary information require. This may be made easier with assistance from community agencies that work with these populations.

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

Eligibility should be based on an individual basis, as this provides more people with access to financial security. This may also reduce administrative costs as it does not require policing or monitoring of people's current family or household structure and is better suited to how the current tax system is already being used. There are concerns that the benefits will go to some individuals in households who would not require additional income assistance if there are large income disparity amongst household members. To address this we suggest the possibility of it be based on an individual basis with a cap for total household income, where individuals would not be eligible if the household income were over a certain threshold.

Pilot Site Selection

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

We agree with all of the discussion papers recommended pilot site characteristics, however want to highlight the importance of two criteria specifically. This includes the necessity of a diverse community that is representative of the provincial population and strong support from local, community and municipal leadership. We also would like to add considerations regarding the proportion of individuals and families living below the Low Income Measure to ensure the pilot project is held in a community that would be responsive to this type of program and also overall size of the population from a feasibility standpoint.

2.2 How do you think pilot sites should be selected?

Based on the feedback received from the consultation about important factors to consider when selecting a pilot site, the government should create a profile of the ideal community, with very clear criteria for all features included in the profile. Using this profile, the provincial government should identify a list of the communities that would make ideal candidates. The government should then liaise with the municipal governments in these communities to clearly explain the pilot project, how it will be delivered and evaluated, and what responsibilities the community would take on. Once communities are fully informed about the pilot project and are given adequate time to decide whether or not they want to participate and identify local partners to assist with delivery of the project, they can apply to be a pilot site if interested. From the applicants, the provincial government will choose the site(s) that best meets their requirements and is the most feasible to run a pilot project.

2.3 Do you think it's important to have a saturation site and RCT site? Why?

Yes, both saturation sites and a RCT are necessary as this will provide a more comprehensive picture of both individual and community level outcomes. We understand the administrative and financial constraints to running a province-wide RCT, however we feel that a province-wide approach would provide the most accurate results needed to make the decision about expansion of the project. If this is not feasible we recommend that the RCT be done in a very large urban site.

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

No, all sites should be initiated simultaneously to minimize any temporal biases or inconsistencies which can make the results more difficult to analyze or interpret. In order to roll out all at once, the project must be well-planned and well-tested to ensure there are not issues with implementation of the project. Additionally, the system has to have the ability to respond quickly to any issues that may arise during the initial implementation phase. It is advised that all sites are established prior to the end of the political term.

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 stability? Should the benefit amount get people out of poverty or should it be a combination of benefits and earnings that accomplish this goal? Why?

The pilot project should test various income levels, such as 75% and 100% of the LIM, to determine the additional outcomes or impacts that are achieved with additional investment. This information can be used to identify which income level provides the most return on investment.

Although we believe all individuals should be brought out of poverty, we have concerns that setting the benefit amount to 100% of the LIM may not be politically viable when making the decision to expand the project province-wide or not. For that reason we suggest aim for at least 75% of the LIM initially with efforts made to increase this value over time.

3.2 Beyond money, what other services and supports are needed to accompany the Basic Income? Which are most important?

In addition to money, the following service and supports should be provided:

- Free financial literacy workshops (covering topics such as budgeting and tax filing)
- Additional educational and job training opportunities and programs
- Health benefits for low-income individuals who are employed and do not receive benefits through their employer (at least similar to health benefits received by ODSP recipients)

With the change in the delivery of social assistance, OW/ODSP workers will now be able to provide more proactive support to individuals and assist with providing referrals and resources needed to connect individuals with community support.

3.3 What elements of Ontario Works and ODSP should Basic Income replace? What about other benefits outside of OW 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?

In order to create an equitable system, we believe all pilot project participants, regardless of whether they were previously receiving social assistance, should receive the additional health benefits that ODSP recipients receive. Although expanding this coverage to all low income individuals will be more costly, we believe this can be balanced by no longer providing other benefits, such as discretionary funds, as the increase in income should allow recipients to manage those other expenses.

If the pilot project is expanded, we believe providing health benefits to all low income individuals is the approach the provincial government should be moving towards. By providing additional income support, but eliminating other benefits such as access to dental care and drug coverage, you are simply forcing individuals to pay more out of pocket for the products and services which their health is dependent on. This has the potential to make people worse off. By expanding access to all low-income individuals you are dealing with potential issues of people losing benefits or people no longer being able to apply for these benefits if OW and ODSP are replaced.

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

Basic Income should also consider the cost of living across the province. It is important to ensure that in combination with the additional subsidies that are available in different parts of the province, such as Nutrition North Canada Program, that all basic needs are still being met.

Delivery

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?

We agree that the NIT model is the most appropriate method for this pilot project.

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?

We believe the Canada Revenue Agency delivery system is an adequate method for providing assistance. The only concern with using this system is the need for people to file taxes on a routine basis which they may not be doing. For instance, currently OW and ODSP recipients are not required to do so in order to be eligible for these programs. If this system is used, there needs to be an increase in free tax clinics and financial literacy programs for individuals. Additionally, these changes must be clearly communicated to potential participants, which may be accomplished through the assistance of OW/ODSP workers.

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

The responsiveness of the program is of utmost importance, not only to ensure those who need financial assistance receive it a timely fashion, but to also ensure recipients will not be required to pay back taxes at the end of the year. There should be a voluntary process which individuals can report any changes to their income or other circumstances. This must process must be straight-forward and accessed via different forms such as online, telephone or in-person. Additionally, the benefits of updating information and consequence of not updating information should be clearly communicated to recipients so they are encouraged to make the necessary changes.

Evaluation

5.1 The discussion paper recommends measuring ten outcomes area. Rank these in order of importance.

We feel all ten of the outcomes areas listed are all very important and all need to be accurately measured for the sake of this pilot project. As a group it is challenging to settle on a ranking for all 10 outcomes, however we have identified five outcomes which we feel are most important and are most likely to change over the course of the pilot project. They include (listed alphabetically):

- Food Security;
- Health;
- Interactions between Basic Income and other benefits;
- Housing Stability and Quality; and
- Work Behaviour.

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

Yes all data and results should be made public over the course of pilot project. We recommend a minimum of annual reporting, if not more frequent.

5.3 What strategies can we use to encourage people to participate in the Pilot?

In order to encourage potential participants to enroll in the program, we recommend providing various forms of education and outreach to ensure individuals are aware of the program and fully understand what the program entails and how it will affect them. In order for this education to be effective, individuals need to have the opportunity to easily seek clarification on any questions they may have. This responsibility could be partially taken on by OW/ODSP workers, however other outreach measures need to be taken in order to connect with those not currently receiving social assistance. We believe informing potential participants about the purpose of the pilot project and what the outcomes could mean to Ontarians would provide a great deal of incentive to enroll. To ensure control group participants continue to participate for the complete duration of the project, we would recommend modest honorariums throughout the course of the pilot, followed by a lump sum payment upon completion of the project. This would hopefully reduce the attrition rate without diluting the results of the pilot project.

Additional Comments:

We have ethical concerns with providing additional income support for the duration of the pilot project then removing these benefits at the end of the project. A dramatic drop in income support, even if done incrementally, has the potential to cause unnecessary duress for recipients and may result issues such as anxiety, worsened physical and mental health, loss of housing, or food insecurity. We recommend that if the decision to expand the project province-wide is made, the individuals participating in the pilot project should continue to receive basic income while the project is being fully rolled out so they do not experience any fluctuations in social assistance amounts. If a decrease in income support for pilot project participants can not be avoided, we recommend that participants are well informed of any changes that will be made well in advance and that the additional income support is phased out slowly. Community agencies should assist participants manage these changes and adjust to the reduced support as smoothly as possible.