Transitional Employment Allowance, Flat Rate Utilities, Rental Housing Supplements and Poverty in Saskatchewan

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The Social Policy Research Unit

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Summary

Social assistance (welfare) programming in Saskatchewan has undergone important and significant shifts in benefits and eligibility requirements since the end of the national cost–shared Canada Assistance Plan (CAP) in 1996. The CAP program was replaced with the Canada Health and Social Transfer (CHST) program. The CHST program included block funding to participating provinces for health care, post-secondary education and welfare funding with some related social services. In 2004, health funding and programming was removed from the CHST, with post-secondary education and welfare funding now operating under the Canada Social Transfer (CST) program. Important changes to welfare in Saskatchewan have occurred since the introduction of the CHST, as they have in all Canadian provinces. In Saskatchewan major change has occurred under the program titled Building Independence, introduced in 1997.

The welfare funding and program changes initiated under Building Independence were ushered in mostly through changes to welfare program Regulations rather than through changes to The Saskatchewan Assistance Act. Introducing changes to Regulations rather than to Acts tends to obscure shifts in policy direction. Cabinet approves changes to Regulations, but changes to Acts require introduction within the Legislature, which then opens an arena for greater public scrutiny of the proposed changes.

The first phase of restructuring welfare in the province saw the introduction of eligibility for benefits or level of benefits for children tied to the labour force attachment of their parent(s). Examples of employment-tested programs in Saskatchewan include the Saskatchewan Child Benefit and the Saskatchewan Employment Supplement. The second major shift in welfare programming in Saskatchewan occurred with the creation of a separate welfare program with its own Regulations called Transitional Employment Allowance (TEA). The TEA program was designed for applicants deemed to be employable, or those who would be on welfare for only a short period. TEA recipients were transferred to the provincial welfare program (SAP) after three to four months. Applicants and recipients of the TEA program received fewer financial benefits than recipients of SAP.

The latest restructuring of welfare in Saskatchewan occurred in May 2005. TEA is the program for which most applicants for welfare now qualify. The applicants include those unable to work at the time of application, and people with disabilities. New applicants and recipients now remain on TEA for an indefinite period and receive fewer financial benefits. Indeed, the new TEA program represents a major policy shift with the introduction of flat rate utility payments.

Additionally, Saskatchewan has introduced the new Rental Housing Supplement (RHS) program. This program will supply a monthly benefit to low-income families who rent accommodations. However, the receipt of payment of this benefit is dependent upon the condition of the rental property. If the rental accommodation is deemed to be substandard, then the low-income family will not receive this benefit. A subsidy program exists under the Saskatchewan Housing Corporation to help property owners improve the condition of their rental property. There are no checks and balances instilled within the RHS program to prevent property owners from increasing their rents and absorbing the benefit provided to low-income tenants (in 1992, Saskatchewan lifted all rent controls).

This paper examines the design of these and other recent program changes in Saskatchewan as part of the neo-liberal response to the new global economy and its search for cheaper, more flexible labour. The province is failing to support the interests of the poor and is continuing down the path of compelling them to undertake low wage employment.
Introduction

Recent changes to welfare policy in Saskatchewan are upsetting to people concerned about poverty and the promotion of social justice in our province. These new social assistance policies were brought quietly into effect in May 2005 by the Department of Community Resources and Employment (DCRE), formerly known as Social Services. This paper examines these changes in detail with an emphasis on the introduction of flat-rates (or caps) on funding provided for essentials, including utilities like heat, water and light. The examination of new social assistance changes are analyzed in terms of continued governmental movement toward securing greater workforce attachment among the poor through greatly reduced benefits.

Capping of utilities in Saskatchewan represents a significant departure from the utility policy instilled in 1994 wherein utility bills were paid in full. However, when commenting on articles about utilities (mainly heat, power, water and telephone) articles, Jeffrey St. Clair wrote: “Stories on utilities are about as exciting as a root canal. They are difficult to write and even more demanding on the readers.” Nevertheless, the importance of a topic need not have a relationship to its enjoyment. Such is the case with the provincial government’s objective of expanding its program of flat rate utility rates payable to recipients of welfare through extension of its Transitional Employment Allowance (TEA) program to include an ever-expanding group of poor in the province. The reader is asked to consider what these changes represent to the security and health of the poor.

What makes the policy direction especially unsettling today is that due to high world oil prices, the oil corporation revenues and the provincial oil royalties far exceed projections. It is ironic that while oil corporations are receiving windfall profits from extracting non-renewable resources and heating costs are rising dramatically, the province plans to reduce the utility amounts the poor are eligible to receive while on welfare. Saskatchewan introduced flat rated utility benefits during 2003 as a component of the TEA welfare program and now has extended this program to include nearly all new applicants for financial assistance.

While the earlier Saskatchewan Assistance Plan (SAP) stipulated that the welfare program was established to provide assistance to “persons in need,” the Regulations governing the TEA stated that the program was established to provide an allowance to “persons in need who are participating in certain pre-employment programs,” or those who would soon not need welfare.

At the onset of the introduction of the TEA in 2003, the government of Saskatchewan stated that TEA was not a welfare program. Rather, Saskatchewan was to consider the program as providing people the supports they needed to get back to work and become “self-sufficient.” The government position that TEA is not a welfare program appears to be somewhat disingenuous. The TEA program continues to operate in accordance with Regulations under The Saskatchewan Assistance Act (1979), which is the enabling legislation for welfare in the province. In essence, the province has two welfare programs: the existing welfare program governed by the SAP Regulations and the TEA program governed by the TEA Regulations. However, both programs continue to be delivered under the authority of The Saskatchewan Assistance Act.

It is telling to note that while changes to Acts must be debated in legislative assemblies and therefore in public, changes in Regulations are approved by Cabinet and do not need introduction into the Legislative Assemblies for public debate; program cuts are made sub rosa. This strategy amounts to a means of introducing major reductions in social benefits to the poor, even those with disabilities. It installs coercive work policies without drawing attention to the fact. Aside from
individuals who have the time to analyze welfare programs in exquisite detail or are researching the area, these moves are shielded from public scrutiny and therefore left largely unchallenged.

The TEA is designed as a Labour Force Attachment (LFA) program, wherein the government considers any employment to be better than welfare provision. The TEA program reduces the already meagre benefits of the welfare system for recipients, presumably to recover some of the program costs and entrench welfare as even less an alternative than accepting any form of employment. Increasingly, the LFA approach to welfare has been the model favoured by provincial governments in Canada. The LFA approach is most conducive to the interests of the business community, as it fuels working poverty by swelling the conditional labour supply and depressing wages. Curiously, the social democratic government of Saskatchewan has not adopted the Human Resources Development (HRD) or Human Capital Development model most identified with social democratic welfare states. The HRD model is, in the short term, a more costly approach because it emphasizes education and training leading to labour force entry above the minimum wage; however, over the long term the HRD model is beneficial to workers and the labour market because individual and overall wages increase with this approach. Nevertheless, Saskatchewan has adopted the LFA model most identified with a corporatist welfare state focused on a market based workfare formula.

The province does not address the issue of forcing people into a “low wage trap”, but LFA policies such as TEA, the Saskatchewan Child Benefit (SCB), Jobs First and diversion of applicants through the use of a province wide call centre perform this function. Any savings in welfare expenditures associated with the LFA model just shifts those costs to other areas:

While a labour-force-attachment model may gain support due to its lower cost structure, the narrow basis on which such costs are calculated suggests that this path too, is likely to be problematic. ‘Savings’ on welfare costs, calculated on the basis of simply moving people off welfare, do not take account of externalities associated with working poverty or - worse yet - with complete loss of income (where claimants are simply sanctioned off welfare due to some administrative misdemeanour without a job to enter). Welfare ‘savings’ may consequently become simply displaced as ‘new’ costs in the form of increased homelessness, ill health, criminality, or foster care.

Although research would be required to determine a correlation between lower assistance rates and more coercive programming and such externalities in Saskatchewan, we do know that child apprehension and organized crime have increased in recent years as has food bank use. At the same time the Department of Community Resources and Employment (DCRE) claims a 41% reduction in welfare caseloads. A study of the provincial call centre for welfare – referred to as the Contact Centre – indicates that it has been somewhat effective in achieving one of DCRE’s re-organization goals of reducing the number of people who go through formal intake and would therefore receive welfare.

**Context of the Welfare State**

As we have argued elsewhere, the modern welfare state in Canada is being redesigned to accommodate the needs of employers during a time of economic restructuring brought about by the emerging New Economy. The recent changes in the welfare state have been more profound than any fundamental change to the structure of the economy or its contingent public policy. We suggest that in refashioning welfare funding structures and program delivery, modern welfare states have moved from needs-based eligibility, social entitlement and labour market exclusion programs to models that emphasize selective entitlements, active programming and maximum
participation in wage labour. “Active” welfare programming implies that national, standardized programs for welfare have been replaced by local experimentation in delivery. This shift in vision and functioning of welfare programming meets the needs of the economy and employers, while being explained as an unavoidable outcome of the New Economy.

Active welfare programming refers to the replacement of national programs for welfare with local experimentation in delivery. In the United States, this model is viewed as the “work-first approach” to welfare programming; or “third way neo-liberalism” and, in Britain, the model is viewed as “Third Way” policymaking. Welfare change in Canada is a hybrid Third Way policy that combines both the features of U.S. policy mixed with welfare ideology from Britain. In this paper, we refer to the current changes to the modern welfare state as either Third Way public policy or New Economy public policy, based on post-1970s neo-liberal ideology.

A full understanding of the effects of the New Economy on the modern welfare state requires an analysis of the variable relationship between governments and the business class within western industrialized nations. Social policies are a creation of governments, and they most often reflect compromises in the conflicts between different groups in society such as political parties and special interest groups. Conflicts arise because different groups have conflicting interests:

That is, social reforms have been defined and administered as national programs; they have represented the political compromise between a national capitalist class and resistance to its particular forms of exploitation by sections of a national working class or social movements; and they have depended partly on the kind and degree of political alternatives that have evolved in particular nations.

These compromises, or social policies, are unstable situations, always open to change due to the unequal power shifts among groups.

The modern, or what is sometimes called the Keynesian welfare state, refers to a pattern of expansion and development of social policies and services within particular industrialized nations since World War II. The development of a modern welfare state in only certain industrialized nations is emphasized as not all industrialized nations have developed a welfare state. In this paper, we define a welfare state as the welfare effort or legislatively sanctioned and publicly or quasi-publicly administered spending on welfare benefits (health, education, social assistance, unemployment, pensions, et cetera) as a share of the gross domestic product (GDP). Welfare states exist in countries with capitalist economies where the welfare state can also been seen as a capitalist society in which the state has intervened in the form of social policies, programs, standards, and regulations in order to mitigate class conflict and to provide for, answer, or accommodate certain social needs for which the capitalist mode of production in itself has no solution or makes no provision.

Proponents of the Third Way, or New Economy public policy, claim that it is a modern approach to public policy capable of meeting the challenges of the twenty-first century. Within the current period of neo-liberal dominance wherein market interests are set as the major priority of nearly every government, public policy is being redefined. In defending changes to public policy two arguments are used: (1) that government intervention and redistribution were wrongheaded; and (2) that globalization forces us to minimize government spending, accept a weaker labour position and cut back social programs.
New Economy public policy is viewed as a break from the mistakes of the old welfare state. Public policy during the modern welfare state was based mostly upon the concept of entitlement with little to say about responsibility - that is, the state has a duty to offer assistance to citizens who have no other resources or options for support. The policy of entitlement was a “passive” income support that did little to stimulate employment. The Organization for Economic Cooperation and Development (OECD) wishes an “active society” which represents a wide range of reforms that include linking cash benefits (welfare) to work-orientated incentives across a broad range of options.

The Scandinavian countries, Britain, Australia, New Zealand, United States and Canada have all developed somewhat different work-orientated welfare policies. In tandem with the transition from passive to active policies, programs have moved from a “needs” based (the financially destitute have a right to social benefits) approach to a focus on the responsibilities of recipients to find work, to be self-sufficient and to lead a productive life. Speaking from a Canadian perspective, Chris Axworthy, who is former federal NDP Member of Parliament, former Saskatchewan NDP Minister of Justice and Third Way advocate, observes:

Not much has flowed from this approach other than entitlement to receive a cheque – no responsibility to prepare for old age, look for work, seek the skills needed for the workplace, relocate to a job, provide for our children, etc. Worse yet, there has been no empowerment.

In this view, entitlement-based social programs of the modern welfare state create dependency on the recipients; they are passive programs that do not work. The continuation of entitlement-based public policy without responsibilities is seen to be untenable. Canada, as well as the rest of the world, we are told, must face and adjust to the new global economy: “Social programs must change to keep up with new realities – realities around a changing economy, around unmanageable public debt and around problems with the programs themselves.” For Axworthy and other third-way advocates, the public policy solution to the challenges of the new global economy is to give people who receive government assistance “the chance to acquire the skills inventory they need for the current workplace and the chance to be as independent as possible – a hand up rather than a handout.”

People are seen as having the right to receive help from the community when they need it, regardless of the cause of that need. That help should be given regardless of the causes that lead to the need, with a caveat:

We need to take on faith their despair and their need for help from their community. But it does not, and should not end there. We must demand and expect a real partnership. We must demand, in return for this acceptance, for this unquestioning help, a commitment to a return to self-sufficiency.

Regarding welfare recipients, Axworthy does not see that the social-program rights should end with eligibility to help with the responsibility to become self-sufficient, but rather, rights, if partnered with responsibilities, could be expanded. According to Axworthy, “Job training, education and skills upgrading, entrepreneurial training, child care, jobs and other programs that assist Canadians to re-enter the paid workforce should be seen as rights too.” The commitment from recipients of government help then, in their quest for self-sufficiency in response to society’s help, is to become employed within the labour market. “For those able to take advantage of expanded, enhanced employment, education and training opportunities, it will be imperative
that they do so". Accordingly, work in all its forms is good; the quality of that employment is not an issue for welfare programmers.

Within the New Economy welfare state, it is not material benefits that matter. What is important is a different concept; one that is thin in tangible benefits, vague in definition and has a pleasant ring in media sound bites: “social exclusion”. Social exclusion (again not poverty) has come to join welfare dependency as the enemy. The supposed wreckage to society and the New Economy brought by social exclusion is to be overcome by means of government policies of labour-market inclusion. In this view, it is not the labour market that needs to change. Instead, the excluded (the poor, including the disabled) are to be rendered employable in response to the shifting nature of the economy and employment. To be without employment, apparently unless one is wealthy, idle and living in a gated neighbourhood, is to be outside of the community. The idea that people on welfare and the disabled are excluded from full citizenship has its genesis in conservative ideology. Jones and Novak comment:

The primary aim of social inclusion and cohesion is therefore to bind the excluded back into the labour market as a solution to the problem. That this may result in their continuing poverty is conveniently overlooked, since it is their exclusion (whether self-imposed or structural) that is the problem rather than their poverty.

Advocates of welfare rights and responsibilities do not include in their analysis those members of society who benefit immensely from the tax laws and publicly subsidized loans that allow them to accumulate considerable wealth. No mention is made of their responsibilities to the community for receiving a hand up. Gilbert comments:

But the discourse on balancing rights and responsibilities has not concentrated on the diverse obligations that might attend the full spectrum of benefits derived from social rights. Rather, the moral calculus of this equation has been applied almost exclusively to the unemployed poor – whose rights to social benefits are being weighted against the recipient’s efforts to be financially self-supporting.

Within the logic of New Economy public policy, citizenship for individuals and families is defined as having a “job, [being] self-sufficient, contributing to society with access to education, health care and security.” According to DCRE, this is “A New Way of Doing Business.” However, if the work obtained is low paid with few or no benefits, the government will subsidize that work with wage top-ups and benefits, relinquishing responsibility to do so on the part of the market. No concern is expressed by the advocates of welfare rights and responsibilities that employers and the job market place might develop a “dependency” on low wage employees through New Economy welfare program distortions of the “free market.” Apparently government taxation of profits and programs that support workers, such as employment insurance and welfare, distort the market; however, policies that support the paying of low wages with little or no employment benefits are important market correctives since not one business organization nor Chamber of Commerce in Saskatchewan has come out to vehemently oppose the new “active” welfare programming in the province.

The goal of self-sufficiency clearly applies only to working class individuals and the poor, not to their employers. The contradictions of self-sufficiency and individual pursuit of wealth in a market-based system and being a member of a community, or the additional responsibility and obligations of welfare recipients to the community, are not explained. Poverty is an individual problem, not a collective issue; however, for Third Way advocates it is not the “sink or swim” individualism of the extreme right but rather an individualism that needs to be promoted by the
welfare state. Welfare is not a means of promoting equality or a means to deal with the failing of the market; rather welfare is a means of promoting social inclusion among the poor and working poor apparently in the form of low-wage labour force attachment. Similar to welfare programming in the United States and Britain, benefits are to be tied to getting work (Transitional), any job is good (Employment) and benefits are temporary (Allowance) - TEA. The message for working people is to accept their lot whatever job they have, for the alternative (welfare) is a lot worse, or what the government likes to refer to as the deterrent aspects of changes to welfare27.

For the social democratic governments that to varying degrees have fallen into step with fellow travelers on the political right, the market is recognized as the final arbitrator of all things good. Realities of inequality of the market system and the enrichment of the minority must also be a result that is good. The challenges facing Saskatchewan such as unemployment, poverty, lack of skilled workers, abundance of marginal employment left unfilled, even social exclusion are attributed to failures of the welfare state and/or the poor’s failure to seek work. Welfare and its benefits for the poor is a much easier target than the market system, business community and Chambers of Commerce.

With the cancellation of the cost-shared CAP welfare program and subsequent rolling in of welfare funding into the existing block funded Established Programs Financing (EPF) program for health care funding and post-secondary education within the Canada Health Social Transfer (CHST; 1997) legislation28, the provincial governments have been allowed to localize their welfare delivery policies and introduce their own workfare-styled programs. The neo-conservative Fraser Institute identifies the introduction of the CHST as an opportunity for the provinces to experiment with welfare delivery:

The creation of the CHST has given the go-ahead to Canadian Provinces to move forward with innovative reforms and experimentation with the delivery of social assistance and social services. In doing so, provincial governments would be wise to consider the experiences of our neighbours to the south29.

Among the recommendations of the Fraser Institute for Canada’s welfare system, gleaned from the “best” of the United States, include moves to (1) end the entitlement for welfare; (2) divert potential recipients; (3) implement full-check sanctions; (4) implement immediate work requirements; (5) focus on employment, not training and education; (6) allow private for-profit welfare providers; and (7) encourage the involvement of faith-based non-profit organizations30. In 2004, health care funding was removed from the CHST block funded program and now operates separately under the Canada Health Transfer (CHT) program. Welfare and post-secondary education funding now operates together under the Canada Social Transfer (CST) program.

What we are experiencing with the New Economy public policy is a restructuring of the welfare state in the delivery of social assistance programs to meet the needs of global economic restructuring. The current changes to welfare are not a break from the “old” or Keynesian welfare state. “The workfare offensive against the traditional welfare state and its rights-based benefits is an effort to construct a new system of labour regulation, to enforce work under the new conditions of casualisation, falling wages and underemployment that characterises post-industrial labour markets”31. The modern welfare state was developed during a time when unemployment was relatively low and when workers could expect lifetime employment and a wage that their families could live on. At that time, the welfare state served business needs by supplying a low-
wage labour pool, controlling social unrest during a period on increased expectations from the citizenry and providing a minimum living standard for those who could not.

With the economic restructuring occurring since the early 1970s, welfare programs are adjusting accordingly. As the business community wishes to increasingly offer “flexible employment” with low-wages, no security and little in the way of benefits, we see the income-support programs of the welfare state being adjusted to serve the changing business needs. Current welfare programs are increasingly unliveable, with grossly inadequate benefits, time limits and workfare or constant work-search requirements. Essentially, they are designed to keep people from social assistance by forcing them off welfare into low-income, insecure employment and providing enough of an income supplement so that families do not qualify for welfare. This has thereby assured business the “flexible” labour force presently most desired for profit in service sector and temporary employment. In effect, current welfare programming is subsidized workfare for the low-income labour force.

Under conditions of falling wages, chronic underemployment, and job casualization, workfarism maximizes (and effectively mandates) participation in contingent, low-paid work by churning workers back to the bottom of the labour market, or by holding them deliberately ‘close’ to the labour market in a persistently ‘job-ready’ state. Another mechanism also available is a constant erosion of benefits, to which we now turn.

**Shelter and Utilities**

Before 1994, the Saskatchewan Department of Social Services (as it was then known) combined rate payments for shelter, utilities and laundry into a “Housing Maximum”. The housing maximum represented the total amounts that a social assistance recipient would receive for these necessities, with the rates scheduled to family size and geographic region within the province. The following table shows the housing maximum rates prior to January 1994.

**Table 1. Maximum Shelters Rates before 1994, by Tiers**

<table>
<thead>
<tr>
<th></th>
<th>Maximum Shelter</th>
<th>Utilities Including Laundry</th>
<th>Housing Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
<td>Tier 3</td>
</tr>
<tr>
<td>Single parent with one child</td>
<td>385</td>
<td>360</td>
<td>345</td>
</tr>
<tr>
<td>Two parents and two children</td>
<td>440</td>
<td>410</td>
<td>390</td>
</tr>
</tbody>
</table>

Effective January 1994, the Department kept the same rates for shelter but, in a progressive social policy direction, introduced the payment of actual utility costs. These costs covered electricity, water and the various means (natural gas, fuel oil, propane and wood) of heating used in the province. In Saskatchewan, with its harsh winter climate, utilities are a necessity of life. It appears, however, that the provincial government is reversing its progressive policy of providing actual utility costs for the poor and is extending flat rate utility payments to more of the poor through an expansion of the TEA program. This expansion will cover more applicants for welfare and increasingly deflect people eligible for SAP.
Table 2 compares Benefit Rate Schedules under the current SAP, which provides for actual utility rates, and the flat rates for utilities under the previous (2003-2005) TEA program.


<table>
<thead>
<tr>
<th>Saskatchewan Assistance Plan</th>
<th>Transitional Employment Allowance</th>
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<tr>
<td>“Payment for utilities for the full month in which eligibility is established may be provided if the need exists. Utility allowances include usual charges as well as costs related to septic systems and garbage pick up where the municipality charges for service….The actual monthly cost for basic utilities in the client’s name is provided through electronic billing (SP/SE), to the vendor or to the client upon receipt of a bill or confirmation from the utility company….An allowance may be provided based on confirmed utility information….GST charges are included for clients who pay their own accounts….Sharing – the actual cost of the client’s share is provided.”</td>
<td>“A utilities allowance may be provided to a client who is eligible for a general living allowance pursuant to subsection (1) if the client pays for any of the following: telephone; electricity; home heating; sewer and water.”</td>
</tr>
<tr>
<td>- Water heater, water softener, service reconnection, wood and water delivery for rural areas</td>
<td>“The amount of a utilities allowance mentioned in subsection (6) is to be determined in accordance with a schedule of rates established by the minister in accordance with subsection (8).”</td>
</tr>
<tr>
<td>- Utility deposits and connection fees</td>
<td>(The Transitional Employment Allowance Regulations, p.8)</td>
</tr>
<tr>
<td>- Back bill payments for utilities</td>
<td>Actual utility rates for TEA (Rate Schedule)</td>
</tr>
<tr>
<td>- Deferral/arrangements with utility companies</td>
<td>- water – min. $20 to max. $54</td>
</tr>
<tr>
<td>- Provisions can be made if utilities are in the landlord’s name.</td>
<td>- telephone – min. $30 to max. $30</td>
</tr>
<tr>
<td></td>
<td>- electricity – min.$50 to max.$126</td>
</tr>
<tr>
<td></td>
<td>- energy/heating – min. $70 to max. $110</td>
</tr>
<tr>
<td></td>
<td>- Utilities must be in applicants name</td>
</tr>
<tr>
<td></td>
<td>TEA Regulations do not address payment of utility deposits, back bill payments for utilities or deferral arrangements with utility companies or alternative fuels utilized in rural areas.</td>
</tr>
</tbody>
</table>


How do flat rate utilities affect the poor in Saskatchewan? A Saskatchewan government promotional campaign, titled Saskatchewan: Our Future is Wide Open, provides figures for the average residential utility costs for a family in Saskatoon\(^5\). According to these figures, Saskatchewan residents pay on average $1,342 for heat (the promotional campaign cited natural gas costs\(^6\)) and $944 for electricity per year. If we divide these averages by twelve months, the average cost is $112* (heat) and $79* (power) per home per month. Using these average utility costs, it is simple to compare the shelter payments and actual utility rates under SAP Regulations.
to the shelter payments and flat rate utility fees under the TEA (2003-2005) Regulations. The TEA program does not contain separate amounts for 1) shelter and 2) a basic allowance, which includes food, clothing, travel, personal, and household costs, food, etc. Rather the rates are combined into one General Living Allowance. Although SAP provides separate rates for shelter and a basic allowance, it is not difficult to parcel out the combined rates under the TEA program into the shelter and basic allowance rates under SAP. For example, a single parent with one child on SAP would receive $385 a month shelter and $195 for a basic allowance. Together, these two payments total $580, which is the same rate of payment as the General Living Allowance amount for a single parent with one child under the TEA allowance.

Table 3. Shelter and Utility Payments by Program February 2003 - May 2005

<table>
<thead>
<tr>
<th>Shelter (SAP) including Laundry Allowance</th>
<th>Shelter (TEA) no Laundry Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>heat</td>
</tr>
<tr>
<td>Single parent with one child</td>
<td>385</td>
</tr>
<tr>
<td>Two parents and two children</td>
<td>440</td>
</tr>
</tbody>
</table>

Note: Also included under SAP are utility deposits and connection fees, back bill payments to assist with utility arrears, deferral arrangements with utility companies and reconnection fees. The TEA program (2003-2005) excludes any of these outlays. The heat and power figures listed here under the SAP allowance are only estimates and not flat rates. Payments under SAP differ by individual case because SAP covers actual utility costs. The TEA program utilizes flat rates for utilities. Tier 1 rates are used in the comparison because most people on social assistance live in the larger urban areas.


A single parent with one child under the TEA program will receive $66 less per month or $792 less per year than under the SAP program, and a family of two adults and two children will receive $36 less per month or $432 less per year. The shelter rate portions of the General Living Allowance under TEA are similar to the maximum shelter rates before 1994, with a family of two now receiving only $15 per month more for shelter and utility costs and a family of four now receiving only $40 more per month. These small changes have not kept up with the Saskatchewan inflation rate.

It is also informative to look at the TEA shelter rates in comparison to market rental costs. What is of particular interest is the match between shelter rates and the rental market rates.

The following table examines the TEA benefits for shelter and utilities, and rental rates in Regina. The example in Table 4 below applies to a one-bedroom apartment rental, with the assumption that renters only pay for the power utility. Table 5 applies to a family of four renting a two-bedroom apartment and paying only the power utility:
Table 4. TEA Shelter Maximums and Average One-Bedroom Apartment Rental Rates (City of Regina, October 2004)

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Power</th>
<th>Total</th>
<th>Average market rental rates</th>
<th>Power</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single parent with one child</td>
<td>385</td>
<td>60</td>
<td>445</td>
<td>503</td>
<td>79</td>
</tr>
</tbody>
</table>

Table 5. TEA Shelter Maximums and Average Two-Bedroom Apartment Rental Rates (City of Regina, October 2004)

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Power</th>
<th>Total</th>
<th>Average market rental rates</th>
<th>Power</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family of four</td>
<td>440</td>
<td>80</td>
<td>520</td>
<td>602</td>
<td>79</td>
</tr>
</tbody>
</table>

With flat rate utilities under TEA, a single parent with one child will experience a monthly shortfall of $137 (between what they receive under TEA shelter rates and the average actual shelter costs for a one-bedroom apartment). A family of four on the TEA program will experience a shortfall of $162 per month based on the average actual shelter costs for a two-bedroom apartment. Budget shortfalls must be made up somewhere, and the mostly likely source will be cuts to food spending and increased use of food banks.

Although both TEA and SAP recipients are not provided with enough money to cover actual market monthly rental charges, the impact on the TEA recipient is greater than on the SAP recipient. Under TEA, insufficient provision for utilities, including heat and water, will be added to insufficient funds for rent. Under SAP, utilities, at least, are fully covered. A policy of providing only flat rate utilities can only deepen poverty by creating even larger monthly budget shortfalls for families.

It is also useful to examine what portion of welfare budgets families devote to shelter and utility costs. During 2002, a single-parent family on social assistance (SAP) with no other source of income would have received $12,850 for the year from the provincial and federal government programs. A family of four with no other source of income would have received $18,330. The average market price in Regina of a one-bedroom rental unit in 2002 was $480 and the average power cost, $79. This amounts to $6,708 for the year, representing 52% of the yearly budget of a single parent with one child devoted to shelter and power costs alone. In 2002, the family of four renting a two-bedroom apartment in Regina paid an average market price of $581 and an average monthly power cost of $79, totalling $7,920 for the year. This represents 43% of the yearly budget of two adults and two children devoted to shelter and power costs alone. Payment of actual utilities by the government would have offset some of the cost, but with flat rate utilities under the TEA program, that will no longer be the case.
The New Rental Housing Supplement Program

In April 2005, the Government of Saskatchewan introduced the Rental Housing Supplement Program (RHS) as part of its *HomeFirst* housing policy for 2004-2009. *HomeFirst* is a component of Saskatchewan's *Building Independence* welfare reform strategy introduced 1998. *HomeFirst* is administered by the Saskatchewan Housing Corporation (SHC), a Treasury Board Crown Corporation. In 2002, SHC was moved under DCRE, with DCRE providing SHC with services in areas such as financial management, tenant relations and services, program development, evaluation and delivery, research and policy development, communications and human services support. The Corporation pays an annual fee to the government for these services.

*HomeFirst* operates several housing programs and grant programs. One such program is Social Housing. Social Housing comprises the 30,400 rental units SHC owns or subsidizes with funding from the federal government through the Social Housing Agreement; the provincial government through the General Revenue Fund and the Centenary Fund; and municipal contributions based on various projects' cost sharing arrangements. Local housing authorities, non-profit organizations and Aboriginal non-profit organizations manage these rental units.

Two main grant programs offered through SHC are the Centenary Affordable Housing Program (CAHP) introduced in 2002, and the Housing Repair and Modification Program cost shared by all levels of government. The federal government contributes to both programs through the Centenary Affordable Housing Agreement and the Housing Renovation Program Agreement; the province, through the General Revenue Fund and the Centenary Fund; and municipalities contribute based on projects' various cost sharing. CAHP receives 50 per cent of its funding through the federal Canada Mortgage and Housing Corporation (CMHC). SHC provides the provincial contribution, while municipalities provide 20 per cent of the combined federal/provincial contribution. CAHP provides one-time capital assistance to increase Saskatchewan’s off-reserve housing supply for low- to moderate-income households. The Housing Repair and Modification Program assists low-income households with funding to improve their housing quality.

The Saskatchewan Assisted Living Services (SALS), another program under SHC, targets residents of social housing projects who need a combination of shelter and support services. These services include one meal per day, housekeeping, laundry and social and recreational activities.

Our focus here is on the RHS *HomeFirst* policy introduced in April-May 2005. The RHS is funded by DCRE through the provincial General Revenue Fund. It is available to low-income tenant families on welfare and working poor families not on welfare through the Family Housing Supplement (FHS) as well as persons with disabilities through the Disability Housing Supplement (DHS). Unlike the FHS, the DHS is also available to single persons and childless couples. The supplements are unique in that to qualify rental properties must meet basic health and safety standards. Tenants “self-assess” the condition of their rental units by answering a series of scripted questions when they first apply at the DCRE phone Contact Centre for the supplement. Failure to meet one or more of the requirements of the assessment may result in the supplement being denied. In addition, a sample of new applications and on-going files are selected for a follow-up inspection for compliance with bylaws and safety standards. Inspections are conducted by municipal authorities in Regina, Saskatoon and Prince Albert, as well as by SHC inspectors and contract resources. Tenants with properties that fail the self-assessment
questions or inspections are provided with information on repair programs to pass along to their property owners. New provincial funding has been allocated through *HomeFirst* to enhance the existing repair programs listed previously. A DCRE brochure also suggests that if their rental property fails inspection, applicants can consider moving to accommodation that meets the standards.

In many ways, the RHS program is similar to other Saskatchewan programs where low-wage supplement benefits are extended to the population of working poor families with children not on welfare, such as the Saskatchewan Employment Supplement program\(^{41}\) and the Saskatchewan Child Benefit (SCB) program\(^{42}\) – Saskatchewan’s contribution to the National Child Benefit (NCB) program. The Saskatchewan government refers to the extension of welfare funds beyond those formally on welfare as mainstreaming benefits. Others might suggest that these programs are actually a benefit for employers because they support and supplement a low-wage labour market.

The RHS program was just one initiative that the people of Saskatchewan were expecting would benefit the poor leading up to the Spring 2005 provincial budget. Bob Pringle, former NDP Minister of Social Services and current Director of the Saskatoon Food Bank, noted that he and members of an anti-poverty coalition had met with government MLAs and “felt there was a budget we could probably be happy with.”\(^{43}\) In highlighting the features of the Saskatchewan 2005-2006 Budget on welfare programs, Joanne Crofford, the current Minister of Community Resources and Employment, explained how increased spending within her department was “targeting poverty.” It is worthwhile to quote the Minister:

> Our plan for *Building Independence* gives people a good start by ensuring their basic living needs are met. In this year’s budget we are putting nearly $3 million more into the Saskatchewan Assistance Plan [SAP] to increase the adult basic allowance by $10 per month. The increase will benefit over 24,000 people on social assistance. Our government is also investing $2 million to assist low-income families who must pay significantly higher rent in their communities\(^{44}\).

The $10 per month increase extends only to those people on SAP, not to those on TEA. The TEA Regulations (2005) extend the eligibility of the TEA program to almost everyone who applies for welfare in Saskatchewan, whether they are currently employable or not. In addition, the three to four month waiting period given to TEA clients before being eligible for SAP now extends indefinitely. Rather than transferring to the SAP program after three to four months, most applicants and recipients will remain on TEA and never be transferred to the SAP program.

The Minister of DCRE also stated that short-term economic forecasts point to shortages of skilled workers in Saskatchewan, with a strong demand for entry-level jobs well within the reach of the unemployed and people seeking income assistance\(^{45}\). The DCRE budget document contains dark fears for the future if the poor are not placed into unskilled entry-level employment:

> Saskatchewan faces important policy issues in the coming years. With skilled labour shortages, a large segment of the population – Aboriginal people, northerners, people with disabilities, youth – face high risks of marginalization, and exclusion from the benefits of opportunities and growth. Unless Saskatchewan is able to draw on currently under-used human resources, economic growth potential will not be fully realized, and the burden of support for dependent segments of the population will fall on a shrinking pool of workers. Saskatchewan can benefit most – both economically and socially –
from reaching out to groups currently outside the mainstream as potential labour force participants.

It would be difficult to find a more clear government statement that the welfare model currently adopted in the province is an LFA “work first” approach to welfare.

An examination of the TEA (2005) Regulations suggests that the revamped TEA program has become the de facto main welfare program in the province, with the original SAP program relegated to minor status (see Appendix A for a chart of the Regulation changes). The SAP Regulations were developed under the rules and regulation of the now defunct national Canada Assistance Plan. However the benefits under the new TEA Regulations have been dramatically altered and reduced under the new national Canada Social Transfer (CST) program. A cursory glance at the SAP Regulations created under the national CAP program and the TEA Regulations created under the national CST program demonstrates how the changes to the national welfare legislation have allowed the province of Saskatchewan to dramatically alter the benefits and procedures of its welfare program.

On the surface, the new RHS and TEA 2005 programs appear to provide more money to the poor. The TEA (2003-2005) family rates, the RHS and the expanded TEA (May 2005) family rates are examined below to illustrate the possible impact of the changes. The RHS Regulations differentiate between warm and cold levels of rent. A warm rent is a rental situation where heat is included in the rental cost (i.e., apartments) and a cold rent is a rental situation where heat is excluded (i.e., many rental situations of single housing). To qualify for the RHS supplement, clients (those on welfare or low-income) must meet minimum qualifying rents depending upon the number of children and the Category of rent. In the following example, the single parent with one child must pay a minimum of $414 monthly rent and the two-parent and two-children family must pay a minimum of $584 monthly rent to qualify for the RHS.

### Table 6. Shelter and Utility Payments by Program and Warm Level Rent (May 2005)

<table>
<thead>
<tr>
<th></th>
<th>Shelter (TEA) Allowance Category A</th>
<th>Shelter TEA and RHS (no income) Category A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1 power laundry Total</td>
<td>Tier 1 power laundry RHS Total</td>
</tr>
<tr>
<td>Single parent one child</td>
<td>385 60 0 445</td>
<td>415 60 0 89 564</td>
</tr>
<tr>
<td>Two parents two children</td>
<td>440 80 0 520</td>
<td>415 80 0 89 584</td>
</tr>
</tbody>
</table>

**Note:** The TEA program does not provide for utility deposits and connection fees, back bill payments to assist with utility arrears, deferral arrangements with utility companies and reconnection fees.

The RHS program does at first appear to assist poor families, especially lone-parent families. However, as shown in the following chart, even with RHS, recipients on TEA will receive less than they would have on SAP. Additionally, if there is an income the amount of the RHS is reduced. In the following examples, the single parent family would not qualify for TEA due to a monthly income but could still qualify for RHS. If a single parent with one child had a monthly income of $1100, they would receive RHS in the amount of $24 per month; that is, 12% times the monthly income minus an income turning point amount (12% x ($1100 - $900) = $24. The two-
parent, two-children household with a monthly income of $1100 would be ineligible for RHS
(12% x ($1100 – $1100) = $0 per month.

Table 7. Shelter and Utility Payments by Program (Warm) - May 2005

<table>
<thead>
<tr>
<th></th>
<th>Shelter (SAP) including Laundry Allowance and RHS</th>
<th>Shelter TEA and RHS (no income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier</td>
<td>heat</td>
<td>power</td>
</tr>
<tr>
<td>Single parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>one child</td>
<td>415</td>
<td>112</td>
</tr>
<tr>
<td>Two parents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>two children</td>
<td>415</td>
<td>112</td>
</tr>
</tbody>
</table>

Note: Also included under the SAP program are utility deposits and connection fees, back billing payments
to assist with utility arrears, deferral arrangements with utility companies and reconnection fees. The TEA
program does not allow for any of these outlays. The heat and power figures listed here under SAP
allowance are estimates and not flat rates, and differ by individual case.

The RHS has strings attached. To receive it, the applicant must be willing to sign over some
significant rights to DCRE. For example, along with having to supply Social Insurance Numbers
and health services number, the RHS Regulations stipulate that to receive benefits the applicant
must allow DCRE rather broad authority to gather information, including

14(1)(3)(b) the consent of the applicant and the applicant’s spouse, if any, to the
disclosure to the department of personal information with respect to the family unit in the
records of government departments and agencies and other bodies for the purpose of
determining the eligibility of the family unit to receive the RHS benefit or to continue
receiving the RHS benefit and the amount of the RHS benefit to which the family unit
may be entitled.50

The government retains the recipient’s permission to check with any source, including banks,
employers and property owners, it deems necessary. Further, for the purpose of monitoring
compliance with the program the government also retains the recipient’s permission to enter the
rented premises 21 days after giving written notice:

24(1)(b) permit a representative of the department to inspect the accommodation reported
as the primary residence of the client’s family unit to confirm any information respecting
the accommodation that is necessary to determine the eligibility of the client’s family unit
or the amount of the RHS benefit payable with respect to the family unit.

The RHS benefit can be terminated if the program manager is of the opinion that the rental
accommodation presents a serious hazard to the health or safety of the recipient. The recipient’s
benefit can therefore be cancelled if DCRE, or its representatives, deem that the rental
accommodation does not meet what DCRE determines as minimum health and safety standards.
This section of the Regulations raises an interesting policy direction. Benefits are not contingent
upon anything that the recipient can do; rather, benefits are contingent upon the actions of third
parties over which the recipient has no control – in this case, property owners. Receipt of the
RHS benefit is tied to the actions of the property owners and not the recipients.
Who Wins in the “Active” Welfare State?

A number of issues arise with respect to the ongoing redesign of welfare in Saskatchewan, which we consider here.

Paradoxically, policies under the Building Independence extend monitoring of the spending habits and work attachment of the poor on welfare to include the working poor who must “open their books and doors” to government representatives in order to be eligible to receive minor financial assistance. Rather than less government intrusion through Building Independence, monitoring the behaviour of the poor is now extended beyond welfare to the working poor as well. Many of the monitoring activities (i.e., workfare agencies) are being performed by voluntary or third sector agencies contracted by the government. Increasingly, voluntary non-profit organizations are receiving contracts that in effect conduct surveillance on the poor. The voluntary sector is in a position to become something akin to a shadow state through providing job finding services, work placement programs and other contract services essentially devoted to ensuring that the poor maintain employment.

The welfare state is changing in that it has been retracting the tangible benefits to people, reducing benefits and money, which supposedly represents less intrusion in private lives and distortion to the market system. In reality the authoritarian powers of the state are expanding, monitoring the labour attachment of the poor, to the benefit of a profitable economy.

RHS policies could place low-income renters in a tenuous relationship with their property owners. If the housing does not meet what DCRE refers to as minimum health and safety standards, then the renter must approach the property owner to make perhaps expensive renovations. Second, districts with high levels of rental housing stock may see housing standards deteriorate, with some renters moving to housing that meets DCRE standards. Property owners will continue to rent to those who can afford only the least expensive accommodation. This policy could lead to pockets of slum housing that capitalizes on the desperate housing needs of the poorest of the poor for housing by charging rents that are still well above the community average. How these people are to make up the difference between what they are charged for rent and the income they actually receive appears to be of no concern. It would be enlightening if DCRE would publish statistics on what people on welfare are charged for rent compared to the CMHC average rental rates. Although speculation, it is not hard to imagine that people on welfare will often pay higher rents for substandard housing than the average community rental rate.

Property owners who rent to low income tenants often charge rental rates that exceed welfare schedules (the late Alberta NDP party leader Grant Notley referred to provincial welfare shelter rate schedules as a guaranteed income program for property owners51). Many rental properties charge rates well above what market rates would be if the government did not build artificial shelter schedules into their welfare policies. The one available mechanism governments could use to ensure safe affordable housing for the poor is rent controls, but it is doubtful that the real estate/business community and landlords would support that option. As often happens in jurisdictions without rent controls, property owners increase the rents in some proportion to the increase in established welfare shelter rates. Increased shelter benefits for the poor are absorbed to some degree by the increase in property rental rates, with the benefit going to the property owners. In fact, this may be a motive behind
the RHS benefit. Government literature on the RHS indicates that other HomeFirst programs are available to property owners to bring their rental housing up to code:

Municipalities and SHC will partner in this program by providing inspection services to verify the quality of rental units, and SHC also has grants available from the Repair Program for landlords that want improve the quality of rental units52.

Therefore, property owners can improve the condition of their rental housing and, therefore, the price of all housing in the real-estate market by accessing funds through the government-funded HomeFirst program. Perhaps using public funds to potentially increase the cost of a commodity in a private market is an objective the public would support. That question is not answered here, but using the shelter rates for poor would be an awkward means to achieve that end. Perhaps the Honourable Joanne Crofford says it best:

Let me put it this way – you can’t spend $16 million on adequacy without someone getting more money. They will see it as the money starts to flow out and they see whose pockets it starts to flow into53.

Indeed, it is not difficult to see who will be the major benefactors of the RHS program.

It needs to be underscored that this is not new money being put into social programs. Instead, this is money that the federal and provincial government would have spent under the old CAP agreement. Further, the provincial government is saving millions of dollars through federal expenditure increases for children under the federal/provincial National Child Benefit (NCB) program, which are not passed on to poor families in Saskatchewan without workforce attachment54. The federal government refers to these savings as NCB reinvestment funds, and estimates that Saskatchewan would have had $26.3 million dollars available in savings for low-wage supplement programs for the year 2002-2003.

In some instances the newer TEA (May-2005) Regulations are closer to the SAP Regulations than to the previous TEA (2003-(005) Regulations. This is especially true in the section of the 2005 Regulations dealing with the reason for terminating benefits and the introduction of what is referred to as the provision of benefits in “special circumstances.” Most of the poor in Saskatchewan, including the disabled, will no longer qualify for SAP. But they will qualify for TEA with its significantly reduced benefits and flat rated utility payments. For a comparison between the SAP Regulations, the 2003 TEA Regulations and the 2005 TEA Regulations, please refer to the Appendix.

With the neo-liberal rush to embrace labour-force attachment as the best social program, current changes to welfare programming beg the question: What about those remaining on welfare? As “social assistance programming” within a modern welfare state becomes increasingly marginalized, what of those people? Jones (2001) identifies them as having the most fragile connection to the labour force due to health, age, disability, education and the myriad other reasons for requiring social assistance. Not only are these people poor, but they are the poorest of the poor in society. To know something of how we treat the most impoverished says a great deal about our humanity and commitment to social justice55.

As Canada heads down the road to its own new economic welfare state, it is difficult to say what the outcome might be. It is not our intent to suggest that the modern welfare state that emerged after World War II was some ideal that we can simply return to in order to solve current problems. However, the movement towards New Economy public policy represents a significant
regression in the welfare state. The changes have become a sort of Poor Law for the 21\textsuperscript{st} Century. The welfare state in Canada, including the province of Saskatchewan, has taken this direction with an increasing number of programs designed to keep workers in the labour force under conditions of low wages, little or no job security, few if any benefits and short-term employment. There is no easy solution to the increasing inequality between the haves and the have-nots under the New Economy welfare state. Social welfare programs should, of course, be defended and improved. The only solution that has ever been effective has been for working people and the poor to cause disruptions in the functioning of society. How, where or when such disruptions might occur is impossible to predict, but one fact remains true. The movement towards progressive social change does not emerge from the social policies initiated by the politicians and state authorities but is preceded by agitation, organization and the disruptive actions of working people and the poor.
## Appendix

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<tbody>
<tr>
<td>6(1) (b) produce evidence that the applicant has explored every possibility of self-support, rehabilitation and re-establishment, including making application for assistance benefits, including benefits in the nature of basic maintenance, special needs, health care, training or educational services, welfare services and income-tested benefits provided in Saskatchewan by any department or agency of any government, including the government of Canada, or by any Crown corporation;</td>
<td>“The Transitional Employment Allowance program is established to provide a transitional employment allowance to persons in need who are participating in certain pre-employment programs or who have a reasonable expectation of becoming self-sufficient in a short period of time.” (The Transitional Employment Allowance Regulations, p. 3)</td>
<td>Category A (i) “an applicant must be determined by a unit administrator: (A) to be available for employment; and (B) to have a reasonable expectation of becoming self-sufficient; (ii) (A) participating in, or eligible to participate in, a pre-employment program approved by the unit administrator; (B) receiving, or eligible to receive, a pre-employment service approved by a unit administrator”</td>
<td></td>
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<tr>
<td>It is the duty of the local unit to provide assistance: “Subject to any program Act of program regulations, a unit shall provide assistance to persons in need who are eligible for assistance.” (The Saskatchewan Assistance Act, p.4)</td>
<td>- clients on application must provide the health services numbers and social insurance numbers of the applicant and the applicant’s spouse, if any, and give consent to their use to verify the eligibility of the applicant</td>
<td>Category (B) “an applicant must establish, to the satisfaction of a unit administrator, that he or she has a reasonable expectation of becoming self-sufficient within three calendar months…” (The Transitional Employment Allowance Regulations, 2005, pp.6-7)</td>
<td></td>
</tr>
<tr>
<td>“A person who receives program benefits pursuant to an income-tested program shall in accordance with program regulations (b) provide or authorize the release of any information prescribed in the program regulation on the request of the program manager.” (The Saskatchewan Assistance Act, p.13)</td>
<td>- during confirmation of application clients must consent to “disclosure to the department of personal information with respect to the family unit in the records of government departments and agencies and other bodies for the purpose of determining the eligibility of the family unit to receive a transitional employment allowance…” (The Transitional Employment Allowance Regulations, p.7)</td>
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<p>| 19 |
|--------------|---------------------------------------|-------------------------------------------------|-------------------------------------------------|
| - forthwith advise the unit administrator of any change in his resources, his dependents or his address and complete any form supplied by the department for this purpose; | Must confirm the application in person within 14 days |
| - participate in periodic case planning. | Category A - <strong>must be participating</strong> in a pre-employment program |
| | - <strong>must file a report</strong> every month with any changes to: the family unit, pre-employment program participation, income, place of residence and mailing address, utilities payments and accommodation payments. |
| | Category B - must establish that they will be self-sufficient at the end of the eligibility period (month of application plus three months) |
| | - <strong>must report</strong> every month with any changes to circumstances that affect eligibility as they occur. (The Transitional Employment Allowance Regulations, p.12) |
| | Must confirm the application in person within 14 days |
| | Category A - (a) <strong>are participating</strong> in, or are eligible to participate in, pre-employment programs approved by the unit administrator; (b) are receiving, or are eligible to receive, pre-employment services approved by a unit administrator; (c) are able to accept employment and are actively seeking employment, (d) have a reasonable expectation of becoming self-sufficient. |
| | <strong>Note:</strong> “Pre-employment services” means a service not necessarily related to employment that, if received by an individual, is likely to assist the individual in becoming able to obtain employment. (The Transitional Employment Allowance Regulations, 2005, p. 4) |
| | - <strong>must file a report</strong> at an interval established by the unit administrator any changes to: the family unit, pre-employment program participation, income, place of residence and mailing address, utilities payments and accommodation payments. |
|---------------------------------------------|----------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Single Parent, one child                    | $415 (shelter) + $205 (living allowance) $60 = $620 | Single Parent, one child (general living allowance) $580 Comprised of $385 shelter and $195 living allowance. | Single Parent, one child (general living allowance) $610 Comprised of $415 shelter and $195 living allowance. |</p>
<table>
<thead>
<tr>
<th>Two Parents, two children</th>
<th>$415 (shelter) + $410 (living allowance) = $825</th>
<th>Two Parents, two children (general living allowance) $825 Comprised of $440 shelter and $385 living allowance.</th>
<th>Two Parents, two children (general living allowance) $805 Comprised of $415 shelter and $390 living allowance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A unit administrator may grant a utility allowance to a recipient in an amount that does not exceed the actual cost of the recipient’s utilities.</td>
<td>“A utilities allowance may be provided to a client who is eligible for a general living allowance pursuant to subsection (1) if the client pays for any of the following: telephone; electricity; home heating; sewer and water.” - utilities must be in applicants name “The amount of a utilities allowance mentioned in subsection (6) is to be determined in accordance with a schedule of rates established by the minister in accordance with subsection (8).” Actual utility rates for TEA - water – min.$20 to max. $54 - telephone – min. $30 to max. $30 - electricity – min.$50 to max.$126 - energy/heating – min.$70 to max. $110 (TEA Rate Schedule) Funds not provided for laundry.</td>
<td>“A utilities allowance may be provided to a client who is eligible for a general living allowance pursuant to subsection (1) if the client pays for any of the following: telephone; electricity; home heating; sewer and water.” - utilities must be in applicants name “The amount of a utilities allowance mentioned in subsection (1) or (2) is to be determined in accordance with a schedule of rates established by the minister in accordance with subsection (4).” Actual utility rates for TEA - water – min.$30 to max. $54 - telephone – min. $30 to max. $30 - electricity – min.$50 to max.$90 - energy/heating – min.$70 to max. $130 (TEA Rate Schedule) Funds not provided for laundry.</td>
<td></td>
</tr>
<tr>
<td>SAP Policy Manual 2003 62. The actual monthly cost for basic utilities in the client’s name is provided through electronic billing (SP/SE), to the vendor or to the client upon receipt of a bill or confirmation from the utility company. An allowance may be provided based on confirmed utility information…GST charges are included for clients who pay their own accounts. Sharing – the actual cost of the client’s share is provided.” - provisions can be made if utilities are in the landlord’s name.</td>
<td>“When a client requires a laundry allowance to pay to use a washer and/or dryer the following rates are provided: one person - $10 a month to a maximum of $25 for four or more people.” (Social Assistance Policy Manual, 2003)</td>
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<tr>
<td>“To participate in training/employment or approved transition plan programs of the community of residence, <strong>actual cost or mileage rate</strong>.”</td>
<td>“Up to <strong>$140 per adult</strong> per application can be used for employment supports including travel.” (TEA Rate Schedule)</td>
<td>“$20 per month pre-employment allowance for adults.” “$140 job start allowance.” “Relocation allowance.”</td>
<td></td>
</tr>
</tbody>
</table>
| “**Actual cost or mileage rate**” to  
- attend a job interview  
outside the community of residence within Saskatchewan where a similar opportunity does not exist in the community.  
- accept confirmed employment/training program outside the community of residence.  
“Work boots, special clothing, mandatory licenses…fees or permits, Hepatitis B immunization and minor tools may be paid when essential to employment.”  
- $40 for travel if necessary  
- $50 for vehicle registration if necessary (Social Assistance Policy Manual, 2003) |
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<td>Eligible for earned income exemptions:</td>
<td>- at time of application if disabled or not fully employable.</td>
<td>No earned income exemptions.</td>
<td>No earned income exemptions.</td>
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<td>- within 3 months of application for all other recipients</td>
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<td>Only incomes exempted are: Saskatchewan Child Benefit payments, Saskatchewan Employment Supplement payments, Benefit Adjustment payments, foster care payments or payments for young offenders in open custody.</td>
<td>Only incomes exempted are: Saskatchewan Child Benefit payments, Saskatchewan Employment Supplement payments, Benefit Adjustment payments, foster care payments or payments for young offenders in open custody.</td>
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<td>Various other types of income exemptions:</td>
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<td>- portions of rental income</td>
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<td>- portions of room and board income</td>
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<td>- Lump sum payments for settlements such as HIV and Residential Schools</td>
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<td>- Water heater, water softener rental, wood and water delivery for rural areas</td>
<td>25(1) Temporary assistance in special circumstances</td>
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<td>- damage deposits</td>
<td>If, in the opinion of a unit administrator, a client is experiencing circumstances that pose an immediate threat to the health and safety of the client of an eligible family member, the unit administrator may grant to the client a temporary assistance in the amount not exceeding $1000 approved by the unit administrator.</td>
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<td>- utility deposits and reconnection/connection fees</td>
<td>Without limiting the generality of subsection (1), temporary assistance may be granted with respect to the following: travel to obtain treatment for a serious medical condition, temporary accommodation to persons evicted with little or no notice or persons whose accommodation have been destroyed by fire or other disaster, reinstatement of utility service if cut off, or continuation of a utility service if the service is about to be cut off.</td>
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### Appeals

**Saskatchewan Assistance Plan (SAP) 2005**

“Clients have the right to appeal decisions made by department employees.” *(Social Assistance Policy Manual, 2003)*

- A client is permitted to appeal when
- he was not allowed to apply or reapply for assistance
- his request for assistance or an increase in assistance was not decided upon within a reasonable time depending upon the circumstances for each case.
- his application for assistance was denied
- assistance was cancelled, suspended, varied or withheld
- the amount of assistance granted is insufficient to meet his needs
- the recipient is dissatisfied with unit policy *(Saskatchewan Assistance Regulations, p. 37)*

“When clients request assistance prior to the hearing, minimal assistance may be provided until the appeal is concluded.” *(Social Assistance Policy Manual, 2003)*

“Clients may be represented by an advocate.” *(Social Assistance Policy Manual, 2003).* There are certain payments available to advocates.

- Child care and travel costs may be covered.

**Transitional Employment Allowance (TEA) 2003-2005**

“Clients who are dissatisfied with the decision about their Transitional Employment Allowance have the right to appeal to the local committee. Decisions which can be appealed are: denial of application, amount of allowance, cancellation of allowance, and assessment of overpayment.” As well, provincial appeals are permitted after local appeals. *(The Transitional Employment Allowance Regulations, p.13)*

- There is no interim assistance available pending appeal.

- Advocate fees are not covered.

**Transitional Employment Allowance (TEA) May 2005**

Reconsideration 30(1) Within 15 days after the date of a decision, an applicant or client may request a unit administrator to reconsider a written decision. Decisions which can be reconsidered are: assessment or reassessment of eligibility, termination of entitlement to receive a transitional employment allowance, and assessment of overpayment.

Appeal 31(1) Within 15 days after the date of the decision being appealed, an applicant or client may appeal a written decision of a unit administrator made on a recommendation pursuant to section 30 with respect to any of the following matters: assessment or reassessment of eligibility, termination of entitlement to receive a transitional employment allowance.

An appeal of a decision may be made to an appeal committee established by the minister.

Further appeal 32(1) Within 15 days after the date of the decision being appealed, an applicant or client or a unit administrator may appeal a decision by the appeal committee pursuant to section 31 to the Social Services Appeal Board.

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<td>Appeals (continued)</td>
<td>Interim Allowance Pending Appeal</td>
<td>Unit administrator may grant to the applicant or client an interim allowance that is payable during the period commencing on the day on which the request for reconsideration is received. The interim allowance is to cover the total of a general living allowance, a utilities allowance or a room and board allowance.</td>
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<td>Termination</td>
<td>Adjustments to allowance or termination may occur is there is a change in employment status, income, family composition absence from accommodation, relocation, death, marriage or common law relationship, or leaving the province.</td>
<td>Clients must be terminated if they fail to give a monthly report, if they are no longer eligible, they are not able to participate in the pre-employment program, or they fail to participate in the pre-employment program. (The Transitional Employment Allowance Regulations, p.12)</td>
<td>A unit administrator may terminate the payment of a transitional employment allowance to a client if: client or client’s spouse obtain employment and fails to report that fact; employment of the type that the client (or “participating spouse”) is capable is available and the client is refusing, without reasonable excuse, to accept that employment; fails to submit a report; confirm a report; changes in circumstances affect the eligibility of client; client is not able to work, actively seek employment, participate in a pre-employment program or receive a pre-employment service; the client fails to able to work, actively seek employment, participate in a pre-employment program or receive a pre-employment service.</td>
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5 Ibid., 234-235.


10 Ibid.


15 The GDP measure is preferred to the gross national product (GNP) measure because it is less likely to reflect misleading trade and currency rate fluctuation values.

16 Teeple, Globalization and the Decline Of Social Reform, 15.


19 Ibid., p. 283.

20 Ibid.

21 Ibid., p. 281.

22 Ibid.

23 Ibid., p. 283


30 Ibid., 55-57.
33 For this report, only power and energy are included as utilities. Provincial and federal taxes are not included in the rates. It was not possible to get a consistent rate on water costs throughout the province. For water utility the TEA program allows $30 a month for person as a base Tier 1 amount, with an additional $6 for each person in the household to a maximum of $54 dollars. There is no allowance for water utility deposit under the TEA regulations.
34 Tier 1 areas are Regina, Saskatoon, Prince Albert, Lloydminster, LaRonge, Yorkton, Melville, Weyburn, and Estevan. Tier 2 areas are Moose Jaw, Swift Current, North Battleford/Battleford, Melfort, Nipawin, Fort Qu’Appelle, Kindersley, Rosetown, Humbolt and Dalmeny. Tier 3 areas are towns and rural areas and local housing authority properties. Shelter rates decrease across Tiers as housing costs are considered lower in smaller cities and towns, and utility rates increase across Tiers to reflect the higher utility costs in these areas.
35 The *Saskatchewan: Our Future is Wide Open* promotional campaign cites figures from Saskatchewan Finance, March 2004.
36 The gas rates quoted in this paper are extremely conservative. National gas rates are rising rapidly, and will continue to rise. At the time of writing (fall 2005) the cost was $7.10 per thousand cubic feet (Mcf) with some analysis predicting that the price could double over the next year or two. Any increase in utility rates can only exacerbate the financial condition of the poor receiving a fixed utility payment.
37 Canada Mortgage and Housing Corporation (CMHC) do not collect data on rental housing costs for single-detached homes or boarding and secondary units.
45 Ibid., 11.
46 Ibid., 12.
47 For people not receiving SAP or TEA, the rent-to-income ratio of the family unit must exceed 35% if the rent includes heating costs and 30% if the rent does not include heating costs.
48 The RHS program has different categories of clients. Category A clients rent in Regina, Saskatoon, and Lloydminster. Category B clients rent in Prince Albert, Creighton, LaRonge, La Loche, Yorkton, Lumsden, Melville, Weyburn, Macklin, Martinsville, Kindersley, Rosetown, Warman and Estevan. Category C clients rent in Moose Jaw, Swift Current, North Battleford/Battleford, Melfort, Fort Qu’Appelle, Humbolt, Meadow Lake, Watrous and Dalmeny. Category D clients are people who rent anywhere else in Saskatchewan not listed in the other categories.
49 With the TEA 2005 program the Tier designations have changed. The new designations are now Tier A areas which include Regina, Saskatoon, and Lloydminster. Tier B areas are Prince Albert, Creighton, LaRonge, La Loche, Yorkton, Lumsden, Melville, Weyburn, Macklin, Martinsville, Kindersley, Rosetown, Warman and Estevan. Tier C areas are Moose Jaw, Swift Current, North Battleford/Battleford, Melfort, Fort Qu’Appelle, Humbolt, Meadow Lake, Watrous and Dalmeny. Tier D areas are towns and rural areas.
51 Personal communication with Grant Notley, Alberta NDP Party Leader, September, 1982.
52 Personal e-mail communication with Rachel Ratch, Acting Director, Housing Financial Operations Saskatchewan Housing Corporation, April 25, 2005.
57 It is this section of the SAP Regulations that effectively eliminates the “person in need” category of the previous CAP program and the attendant SAP Regulations. This section of the SAP Regulations makes almost all applicants for welfare apply to the 2005 TEA program with its “work-first” eligibility requirements.
58 The most important change in the eligibility section of the TEA Regulations is the inclusion of people who would not have previously been considered employable and therefore within the purview of the TEA program. With the vague definition of “pre-employment services” in the 2005 TEA Regulations almost everyone who applies for welfare could be eligible for the TEA program. This would include people with disabilities, young mothers, people experiencing mental health issues, women in abuse shelters etc.
59 This section applies to people anticipating lump-sum payments such as Employment Insurance, Worker’s Compensation Board payments, Pension payments etc.
60 For single parents only the basic allowance was reduced by $35 in 2004 due to $35 increase in the federal/provincial CTB program. The 2005 provincial budget increased the Basic Allowance portion for all adults on SAP by $10.
61 TEA 2005 has the same shelter rates for a two-person family as the shelter rates for a four-person family (calculated using the SAP 2005-2006 rates).
62 The following utility provisions are from the 2003 SAP Policy Manual. It was not known at the time of writing whether the 2005 SAP Regulations would result in changes to the utility section, employment allowance section and other sections of any future SAP Policy Manual.
63 This is a new section of Regulation categories.
64 Only assessment or reassessment of eligibility, termination of entitlement to receive a transitional employment allowance and assessment of overpayment can be appealed. Contrast with matters that may be appealed under the SAP Regulations.
65 Only assessment or reassessment of eligibility, termination of entitlement to receive a transitional employment allowance and assessment of overpayment can be appealed.
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2000. Durst, D., It's Not What, But How! ($12.00)

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1998. Foster, L. & D. Broad, The Ins and Outs of Extended-Hours Child Care: A How-to-Guide. ($10.00)


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