



INFORMATION REPORT

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: April 10, 2012	
SUBJECT/REPORT NO: Provincial Budget 2012 and Implications to Ontario Works (CS12020) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Kerry Lubrick (905)546-2424 Ext. 4855
SIGNATURE:	

Council Direction: Not Applicable.

Information:

The 2012 Ontario Budget was announced on March 27, 2012. There are potential changes which will affect individuals who are receiving benefits from Ontario Works (OW) or Ontario Disability Support Program (ODSP). In addition, there are significant financial implications for the City of Hamilton.

The following is a summary of the changes proposed in the 2012 Ontario Budget:

1. There will be no increases to social assistance rates in 2012.

- A 1% increase was implemented in December 2011. There was an increase of 1% in December 2010 and a 2% increase in December 2009.
- Current OW assistance rates are 10% lower than 1995 rates.

2. There will be no increases to Ontario Child Benefit (OCB) in 2012.

- There was a previous commitment by the provincial government that OCB would be increased to \$1,310 by 2013 which will now not occur until 2014.
- OCB will be increased in July 2013 when it will go from \$1,100 to \$1,210.

3. The Home Repair benefit will be removed from ODSP and OW in January 2013. Instead ODSP and OW recipients will be directed to the Ontario Renovates Program.

Impact on Individuals:

- Home Repairs will no longer be a social assistance benefit. Home Repairs for ODSP recipients are currently funded 100% by the Province and are cost-shared for OW recipients 82.8% by the Province and 17.2% by the Municipality.
- Persons receiving OW or ODSP must instead access home repairs through the Ontario Renovates Program which is delivered by the Housing Services Division. The Ontario Renovates Program is a re-branding of the Residential Rehabilitation Program Assistance Program (RRAP).

Financial Impact:

- The average annual cost for home repairs for all OW participants is not a significant cost i.e. approximately \$10,000 (gross)/\$1,420 (net) as few OW clients own their own homes.
- The annual cost and future demand for home repairs for ODSP recipients is presently unknown¹ but will be considerably higher than OW as there is a greater percentage of ODSP recipients that own their own homes.
- The Ontario Renovates Program is a component of the Investment in Affordable Housing (IAH) Program. \$1.5 million per year has been allocated to Ontario Renovates for the three-year period of April 2012 to March 2015.
- By removing the Home Repair Benefit from the OW and ODSP Programs, there will be an even greater pressure on the Ontario Renovates Program. The available funding of \$1.5 million per year under RRAP has consistently been less than the demand.

4. Change in funding formula for discretionary benefits to a \$10 cap per OW/ODSP Case effective July 2012 (previously there was no cap on health related discretionary benefits and a cap of \$8.75 per case for non-health benefits). With this change, municipalities are encouraged to prioritize discretionary benefit expenditures based on local needs and capacities.

Impact on Individuals:

- Benefits vary from cribs, car seats, funerals, assistive devices, adult dental, adult glasses, vocational training, psychological assessments, Affordable Transit Pass, non-health transportation, utility arrears program, etc.
- The current provision for discretionary benefits will require revision. Staff is preparing a report for May 14, 2012 to present options regarding this change in funding.

¹ Request made to the local ODSP Office for this budget amount.

Financial Impact:

- Current budget is \$8,093,826 gross/\$1,392,138 net for all discretionary benefits (health and non-health related benefits). There is currently no cap on health related benefits, and a cap of \$8.75 on non-health related benefits.
- With the implementation of the new formula, there will be a pressure of **\$1,816,727² in 2012** if changes to the provision of benefits do not occur.
- Potential pressure of **\$3,756,517³ for 2013** (if no reduction in benefits occurs).

- 5. The mandatory Community Start-Up and Maintenance Benefit (CSUMB) will be removed from the OW and ODSP Programs effective January 2013.** This benefit currently assists individuals and families who receive social assistance to establish a new residence, prevent eviction or discontinuation of heating or utilities and/or maintain an existing residence.

Effective January 2013, this benefit may be offered through the new consolidated housing and homelessness program administered by the municipality. The program will provide housing and homelessness services and supports including Emergency Shelter Services, the Domiciliary Hostel Program, the Consolidated Homelessness Prevention Program, the Rent Bank and the Energy Emergency Fund and supports such as CSUMB. The Province will provide a cost allocation for all housing and homelessness services. There will be greater local flexibility as to how the programs will be delivered and funded to meet the unique needs of each community.

Impact to Individuals:

- CSUMB will no longer be a social assistance benefit.
- The impact of this change cannot be determined at this time. The Province will be allocating a block amount of funding for all Housing and Homelessness Programs including CSUMB. It will be up to the municipality to determine how that funding will be spent locally. This planning process will begin in July 2012 after the Province releases details of the consolidation including the local budget. It will then be the decision of each municipality as to whether a benefit such as CSUMB will continue and determine local eligibility criteria.
- It will be a local decision as to whether this type of benefit will be offered to not only social assistance recipients but also low income households to decrease the number of people who apply for social assistance. This may result in fewer applications for assistance for those applicants who require a brief intervention such as one month's rent.
- It will be a local decision as to the amount of the benefit and how it will be delivered.
- The Province expects that there will be a local plan established for implementation effective January 1, 2013.

² Based on budget for July 1, 2012 to December 31, 2012

³ Risk attached to the calculation is if the caseload decreases, there is less funding provided

Financial Impact:

- CSUMB for ODSP recipients is currently funded 100% by the Province. CSUMB for OW clients is cost-shared 82.8% by the Province and 17.2% by the Municipality.
- OW and ODSP recipients are currently eligible to receive up to a maximum of \$799 for a single or couple and \$1,500 for a family with dependent children over a 24 month period if they meet the criteria.
- Estimated budget savings to Ontario Works effective 2013 is \$5,000,000 gross/\$710,000 net.
- The Province has not released any information regarding the local administration of the new consolidated housing and homelessness services, so the additional pressure to Housing Services is unknown.

6. Integration of OW/ODSP Employment Service with Ministry of Training, Colleges, and Universities (MTCU) – Employment Ontario.

- This option was highlighted in the Social Assistance Review and the Drummond Report. There is no decision at this time if it should be the Municipality or Employment Ontario (EO) that should deliver Employment Services.
- There is concern that moving Employment Services for social assistance recipients to EO would serve the marginalized population poorly, as there would be a risk of losing specialized supports and services that are needed to help people succeed in employment.
- It is undetermined at this time if the current employment assistance budget for OW of \$9.7 M gross/\$1.7M net would be affected. This budget currently covers staffing, employment related benefits for participants, training funds for eligible OW/ODSP participant, facilities, etc.