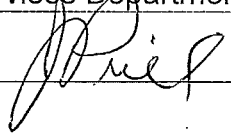


Hamilton

**CITY OF HAMILTON**

**COMMUNITY SERVICES DEPARTMENT**  
**Benefit Eligibility Division**

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> November 1, 2012	
<b>SUBJECT/REPORT NO:</b> 2013 Proposed Discretionary Benefits Budget Options (CS12020(b)) (City Wide)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community Services Department	<b>PREPARED BY:</b> Erica Brimley (905)546-2424 Ext. 4815 Bill Atanas (905)546-2424 Ext. 2941
<b>SIGNATURE:</b> 	

**RECOMMENDATION**

- (a) That OW and ODSP discretionary benefits be reduced to the levels required to operate within the provincial cost shared funding cap of \$10/case/month as detailed in Appendix A to Report CS12020(b);
- (b) That benefit levels for low income discretionary benefits be harmonized to the same levels as approved for OW and ODSP clients as outlined in Appendix B to Report CS12020(b);
- (c) That all 100% levy funded municipal savings from the harmonization of low income discretionary benefits be reinvested into the utility arrears program to mitigate the impact of the reduction of this benefit;
- (d) That the municipal savings associated with implementing the provincial cost shared-cap of \$10/case/month be reinvested into Prosthetic Devices (orthotics and orthopaedic footwear), Funerals, Employment Assistance and Utility Arrears benefits as outlined in Appendix A and Appendix B to Report CS12020(b) to mitigate the impact of the reductions in these benefits;

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- (e) That the General Manager of Community Services, or designate, be authorized to implement spending caps, benefit frequency limits or other controls necessary to ensure costs are contained within the approved budget amounts; and,
- (f) That the outstanding business item identified as "Funding options for discretionary benefits for OW and ODSP for 2013 budget", be considered complete and removed from the Outstanding Business List.

**EXECUTIVE SUMMARY**

In May of 2012, Council was informed that effective July 1, 2012, provincial funding for Ontario Works (OW) and the Ontario Disability Support Program (ODSP) discretionary benefits would be capped at \$10 per social assistance case. This resulted in a budget pressure of \$1,816,727 for 2012, and \$3,756,517 for 2013. Council directed staff to continue funding discretionary benefits for OW, ODSP and Low Income Program recipients until December 31, 2012, with funding from surpluses or reserves.

While discretionary benefits provide important and often essential assistance to citizens, it is recognized that municipalities do not have the capacity to independently fund social assistance programs without provincial assistance. Although the provincial government has suggested that municipalities could choose to maintain original service levels provided by these discretionary benefits and fund them through upload savings, the cost to do that would exceed the 2013 social assistance upload savings for the City of Hamilton. In addition, Hamilton faces the pressure of the loss of the provincial grant which is being offset by any uploading savings.

Recommendation (a) of Report CS12020(b) will allow the City to operate a significantly reduced discretionary benefit program with only cost-shared (82.8%/17.2%) funding. However, as these benefits are routinely the program of last resort for recipients to access essential health related benefits, this reduced level of benefits will result in significant impacts to residents compared to the current benefit levels. Reductions that are necessary to operate within this provincial cost-shared funding cap include very severe reductions in emergency dental benefits, utility arrears and funerals, as well as the elimination of a number of smaller benefit areas including orthotics & orthopaedic footwear, air conditioners, user-fees for Adult Day programs, infant layettes and transportation for domiciliary hostels and emergency shelter residents.

When the reductions required to operate within the \$10 cost-shared cap are implemented, these reductions will create a savings to both the province and the City at the same 82.8%/17.2 % cost-shared ratio. Municipal savings of approximately \$550,000 gross/net result.

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Past practice in Hamilton has been to harmonize discretionary benefits approved by Council for qualifying low-income residents with 100% municipal funds, to the levels provided for OW and ODSP recipients with cost-shared funds. If these same reductions are then applied to low-income discretionary benefits (Recommendation (b)), the resulting savings due to this harmonization would be approximately \$450,000 gross/net. Details can be found in Appendix B of Report CS12020(b).

Recommendations (c) and (d) recommend full investment of the \$550,000 gross/net cost-shared savings and \$450,000 gross/net harmonization savings back into the Discretionary Benefit Program. This reinvestment will minimize the level of benefit reductions as much as possible without requiring additional municipal investment.

Appendix A of Report CS12020(b) assumes full reinvestment of all savings, and provides details on the level of benefits that would be reduced, eliminated and maintained if recommendations (a) through (e) are approved.

***Alternatives for Consideration – see page 8***

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

Financial – The following charts compare the budgeted 2012 Discretionary Benefits program for OW/ODSP and Low Income residents before the recent provincial changes with the proposed recommendations for 2013 included in this report.

**2012 Discretionary Benefits Program cost-sharing before the provincial changes**

	Provincial Share	Municipal Share	Other Funding	Total Cost
OW & ODSP	\$6,691,412	\$1,186,990	\$200,948	\$8,079,350
Low Income I	\$0	\$987,190	\$314,962	\$1,302,152
<b>Total</b>	<b>\$6,691,412</b>	<b>\$2,174,180</b>	<b>\$515,910</b>	<b>\$9,381,502</b>

**Discretionary Benefits Program cost-sharing as recommended for 2013**

	Provincial Share	Municipal Share	Other Funding	Municipal Reinvestment	Total Cost
OW & ODSP	\$3,068,237	\$637,363	\$333,210	\$695,307	\$4,734,117
Low Income	\$0	\$534,653	\$182,700	\$49,047	\$766,400
Employment Assistance	\$257,810	\$0	\$0	\$257,810	\$515,620
<b>Total</b>	<b>\$3,326,047</b>	<b>\$1,172,016</b>	<b>\$515,910</b>	<b>\$1,002,164</b>	<b>\$6,016,137</b>

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Staffing – It is anticipated that there will be a reduction of one (1) FTE in Public Health (Dental Benefit Payment Clerk) associated with the change in benefit levels. (\$64,537 gross/\$32,268 net). Savings associated with this FTE reduction will come forward as a reduction in the 2013 budget process. There will be no staffing reductions in Ontario Works due to additional efforts required to implement the enhanced monitoring and controls required to ensure that the program operates within the budget approved by Council.

Legal - There are no legal implications associated with Report CS12020(b).

### **HISTORICAL BACKGROUND**

Under the *Ontario Works Act*, the Director of Employment and Income Support in the Community Services Department acts as the administrator of the OW program, including the provision of both mandatory and discretionary cost-shared benefits. Mandatory benefits are provided to all eligible OW clients and include items such as drug coverage, dental and vision care to children, eye examinations for adults, and supports to full-time and part-time employment.

Discretionary benefits are provided on a case-by-case basis to OW and ODSP clients who have a need for important supports that are not mandatory. Discretionary benefits include both health and non-health related items, including dental and vision care for adults, prosthetic appliances, orthotics, funerals and burials, cribs and baby supplies, utility arrears, and transportation. The OW administrator has the flexibility to determine the discretionary benefits as well as the amounts and frequency they are provided.

At Council's direction, the Hamilton administrator also provides the same level of discretionary benefits to qualifying low-income residents with 100% municipal funds. The provision of discretionary benefits to OW clients, ODSP clients and low-income residents helps them maintain independent living, access basic needs and seek employment.

In the 2012 Ontario Budget, the Province announced changes to the way discretionary benefits were funded. Previously, provincial cost-shared funding for non-health related discretionary benefits were capped at \$8.75/case/month. There was no cap on health-related discretionary benefits.

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<sup>1</sup> For this purpose, the provincial upload savings related to the funding of OW/ODSP discretionary benefits have been excluded as these savings are applied corporately to offset the final phase-out of the special provincial grant

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Effective July 1, 2012, the Province capped funding for the **combined non-health and health discretionary** benefits at \$10/case/month. No changes were made to mandatory benefits. The change in discretionary benefits funding is being positioned by the Province as a measure to control long-term growth of social assistance costs. The Province projects savings at \$14 million and \$20 million for 2012-2013 and 2013-2014 respectively. In Hamilton, the estimated funding shortfall is \$1,816,727 for the balance of 2012, and \$3,756,517 for 2013.

In May, 2012, Council was advised of the \$10 cap being imposed and the estimated funding shortfall that would result. Staff was directed to continue providing discretionary benefits as approved in the 2012 City of Hamilton operating budget, and to fund the shortfall estimate from departmental surplus, corporate surplus or the Social Services Initiative Reserve Fund.

#### **POLICY IMPLICATIONS**

The imposed provincial cost-shared cap of \$10/case/month changes the nature of the discretionary benefit program from a *demand driven* program to one that is not responsive to any increase in utilization by OW/ODSP or low income participants. Any increase beyond that associated with an increased caseload will result in 100% of additional costs being funded by the municipality.

Recommendation (e) of Report CS12020(b) provides the General Manager of Community Services (or designate) the authority to implement controls such as total spending caps, waiting lists, extended periods between benefit claims from the same client, or other policies and procedures needed to ensure that the discretionary benefit program operates within the budget approved by Council.

#### **RELEVANT CONSULTATION**

The Community Services Department, Benefit Eligibility Division, Employment & Income Support Division and Housing Services Division all utilize discretionary benefits when working with their clients. Feedback and suggestions were incorporated from these divisions in the formulation of the recommendations.

The Corporate Services Department, Treasury Services Division, Finance and Administration Section and Financial Planning and Policy Division were consulted regarding the financial information in this report.

Public Health Services, Clinical and Preventive Services, were consulted regarding the suggested changes to dental benefits and feedback was incorporated into the formulation of the recommendations. There is concern about reductions in dental benefits and the limited capacity within Public Health Dental Clinics to meet any increased demand for their services that may result from these reductions.

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Legal Services Division was consulted in the preparation of this report. They advised that participants in the discretionary benefit program may oppose any reduction in benefits, however these benefits are provided at the discretion of the City.

**ANALYSIS / RATIONALE FOR RECOMMENDATIONS**

Cost Analysis

The recommendations in Report CS12020(b) will allow a reduced OW and ODSP benefit program that operates within the \$10 cost-shared cap and without additional municipal contributions over current spending. Appendix A to Report CS12020(b) demonstrates:

- A description of each benefit and current costs;
- Recommended changes to achieve the \$10 cost cap and any savings associated with this change;
- Recommended areas for re-investments of cost savings; and,
- Alternative changes to benefit levels and associated costs.

The impact of reductions needed to achieve the \$10 cap are summarized below.

Impact of Reduced Benefit Level:

The Discretionary Benefit program is typically the *program of last resort* for Hamilton residents to access essential health related benefits. In order to operate within the \$10 cost-shared funding cap, many covered items within the current discretionary benefit schedule will have to be eliminated or significantly reduced. The reduced level of benefits will result in significant health consequences or other hardships to the Hamilton residents currently eligible for these services. Examples include:

- The current dental benefit covers only emergency dental treatment such as fillings, extractions and root canals, and results in an average per claim cost of \$533. To achieve the \$10 cost-shared cap, a limit of \$260 per client per year will be required. This limit will significantly affect the ability of OW/ODSP/low income residents to access necessary dental care. In addition, Public Health has expressed concern about the limited capacity in their dental clinics or Community Health Bus to meet any increased demand for their services that may result from a reduction in dental benefits.
- The current utility arrears fund provides qualifying residents with up to \$1500 for families with children, and \$799 for singles and couples, once in a 12 month period to maintain utility services when they fall in arrears. The total expenditures within this program are forecasted to be \$1,090,000 annually. The total funds available under the reduced benefit level recommended in Report CS12020(b) are \$842,865 gross/net which will be achieved by extending the length of time between claims from 12 to 24 months. (This reduction is more significant than the numbers appear, as it is anticipated that the recent elimination of the Community Start Up &

Maintenance Benefit (CSUMB) will increase the usage of the Utility Arrears benefit.) A reduction in the Utility Arrears benefit could result in residents living without utilities, or foregoing other essential items in order to cover utility costs.

- The current Adult Day Program funding provides financial assistance to cover the "user-fee" portion of day programs funded by the Ministry of Health and Long Term Care. Program providers charge a user-fee of \$15 - \$22 per day to each individual in the program. Program providers can apply for increased funding for users unable to pay their user fee as part of their 3-year budget submission which is due 2013; however there is no guarantee that additional funding will be provided.
- Transportation for domiciliary hostel and emergency shelter residents for medical appointments, interviews, skill development or social activities which includes bus tickets, monthly bus pass, Salvation Army transports, taxi and DARTS. These benefits are considered by province as non-health related benefits. There is also potential for these benefits to be included in the Housing Services Community Homelessness Prevention Initiative (CHPI).

Some items within the discretionary benefit program, including eyeglasses, dentures, medical and mobility devices, and baby cribs, have not been reduced from current levels. Rationale for the recommended level of benefit for each item, as well as the forecasted cost for 2013, is included in Appendix A of Report CS12020(b).

#### Number of Benefits Paid

In 2012, approximately 90,000 OW/ODSP claims and 8,000 low-income claims for discretionary benefits will be paid. Unfortunately, our current tracking system does not provide sufficient detail to advise how many individuals were paid more than one benefit type, just the number of claims paid in each type. Staff will be implementing measures to track and monitor in the new year.

#### Harmonization of Low Income Discretionary Benefits and Reinvestment

It has been the practice in Hamilton to provide a similar level of discretionary benefits to qualifying low-income residents with 100% municipal funding as is provided to OW/ODSP clients with provincial cost-shared funding. If this practice is continued, a savings of \$452,537 gross/net for 2013 will result due to the reduced benefit levels that are proposed in this report. Recognizing the significant negative impact that any reduction in discretionary benefits will have on Hamilton residents relying on these supports, this report recommends reinvestment of these savings into the Utility Arrears portion of the discretionary benefit program.

#### Municipal Cost-Shared Savings and Reinvestment

When the reductions required to operate within the \$10 cost-shared cap are implemented, these reductions result in a savings to both the province and the City at the same 82.8%/17.2% cost-shared ratio. Municipal savings of \$549,627

gross/net result. Recognizing the significant negative impact that any reduction in discretionary benefits will have on Hamilton residents relying on these supports, this report recommends full reinvestment of these savings into Employment Assistance, Orthotics and Orthopaedic footwear, Funerals and Utility Arrears portions of the discretionary benefit program.

Affordable transit

The Affordable Transit Pass program has been significantly impacted by the changes recommended in this report. Traditionally, reserve funds have been leveraged to obtain provincial subsidy. However, in order to achieve the \$10 cap, the Affordable Transit Pass program is not included in the list of recommended programs and will no longer receive the province's 82.8% cost-share. Recognizing that this reduction in funding will severely limit our ability to operate the Affordable Transit Pass program, staff will bring a report to Council early in 2013 to discuss options.

**ALTERNATIVES FOR CONSIDERATION**

If Council should decide to increase any benefits beyond the levels recommended in Appendix A of CS12020(b), staff would recommend consideration of the following:

**Alternative 1 – Increase Dental benefits**

Increase dental benefits by raising the \$260 annual cap to \$350. During 2013, staff will further investigate cost mitigation strategies as well as how other municipalities have adjusted discretionary benefit levels after implementation of the \$10 cost-shared cap.

Financial - The cost of implementing this alternative is \$937,390 for OW, ODSP and low-income residents, with funding from the Tax Stabilization Reserve for 2013 only.

Staffing - There are no staffing implications associated with this alternative.

Legal - There are no legal implications associated with this alternative.

**Alternative 2 – Increase Orthotic and Orthopaedic footwear benefits**

Reinstate the current funding criteria for orthotic and orthopaedic footwear benefits with the following controls:

- Reduce current cap for custom orthotics from \$400 to \$250 every two years;
- Retain current cap of \$150 for orthotic footwear every two years;
- Retain the current cap of \$1500 for custom footwear for clients with severe deformities.



During 2013, staff will further investigate cost mitigation strategies as well as how other municipalities have adjusted discretionary benefit levels after implementation of the \$10 cost-shared cap.

Financial - The cost of implementing this alternative is \$311,315 for OW, ODSP and low-income residents, with funding from the Tax Stabilization Reserve for 2013 only.

Staffing - There are no staffing implications associated with this alternative.

Legal - There are no legal implications associated with this alternative.

**Alternative 3 – Maintain all Discretionary Benefits at Current Levels**

This alternative would maintain all discretionary benefits for OW, ODSP and low-income residents *at the current levels*.\*

Financial - The estimated cost of this alternative would be \$3,756,517. This resulting rate of \$21.59/case/month would only receive \$8.28 from the province with the balance of \$13.31 funded by the municipality.

Staffing - The staff reduction associated with this report would not be achieved if this alternative was implemented.

Legal - There are no legal implications associated with this alternative.

\*Note: As explained in the Policy section of Report CS12020(b), staff will need flexibility within some elements of the Council approved discretionary benefit levels to ensure costs are contained within the approved budget amounts. This needed flexibility would also apply to Alternative 3.

**CORPORATE STRATEGIC PLAN**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,  
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,  
6. Environmental Stewardship, 7. Healthy Community

***Social Development***

- ◆ Residents in need have access to adequate support services

***Healthy Community***

- ◆ Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services)

***Financial Sustainability***

- ◆ Financially Sustainable City by 2020

**APPENDICES / SCHEDULES**

Appendix A: Previous Discretionary Benefit Schedule, Recommended Changes,  
and Alternatives

Appendix B: Low Income Harmonization

## Appendix A

### **Previous Discretionary Benefits Schedule, Recommended Changes and Alternatives**

To determine the benefit reductions required to operate within the \$10 cost-shared funding cap, all covered items within the current discretionary benefit schedule were reviewed. The following list of questions was asked for each benefit in an effort to find the reductions that would cause the least hardship to the Hamilton residents.

- Are there direct and significant health risks? Would reducing the benefit result in increased hospitalizations?
- Are alternative funding sources and/or service providers available?
- Are there low-cost alternatives to the specific benefit that meet the needs of the recipient?
- How many people receive the benefit?
- What is the minimum level of service required?
- Is the level of service provided comparable with that provided by other municipalities?
- Is the benefit a key budget driver? Does the amount currently spent on the benefit indicate that a reduction must be made to operate within the \$10 cost-shared cap?

The following table summarizes the previous Discretionary Benefit schedule (prior to the changes to the funding formula), the recommended changes to the schedule and, where appropriate, the alternative changes that could be considered.

Each change recommended includes the rationale for the change, the budget reduction, and the resulting budget for that benefit.

#### Cost-Shared Savings

It should be noted that the reductions required to operate within the \$10 cost-shared cap resulted in savings to both the province and the municipality, at a shared ratio of 82.8% and 17.2% respectively in 2012. The municipal savings amount totalled \$549,627.

The recommendations noted in Report CS12020(b) reinvest these municipal savings to mitigate the impact of the reductions in provincial funding. The table in Appendix A to Report CS12020(b) shows where the savings are reinvested for Employment Related Benefits, Funerals, Prosthetic Devices and Utility Arrears under headings "Municipal Cost-Share Savings Reinvestment".

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Emergency dental services</u></b></p> <p><b>2011 Fee Schedule includes:</b></p> <ul style="list-style-type: none"> <li>• Emergency treatment (exams, x-rays, fillings, extractions, and root canals for front teeth) as per 2011 Discretionary Dental Schedule of Benefits and Fees</li> <li>• <u>No</u> preventative services are provided (e.g. cleaning)</li> </ul> <p><b>Budget: \$3,937,000 gross/ \$677,164 net</b></p>	<p>Cap expenses at \$260 per client per year</p> <p>Cap system would require OW to implement a pre-approval process ie: Emergency dental approval letter</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Dental benefits are the most expensive benefit in the program. A reduction is required to operate within the \$10 cost-shared cap</li> <li>• Maintains a level of service</li> <li>• Other municipalities utilize caps to control costs.</li> </ul> <p><u>Cost Reduction</u> \$1,632,030 gross/\$280,709 net</p> <p><b>Budget: \$2,304,970 gross/ \$396,455 net</b></p>	<p>None</p>	<p>Increase the expense cap to \$350 per client per year</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Does not prevent access to services as severely</li> </ul> <p><u>Incremental Cost OW/ODSP</u></p> <ul style="list-style-type: none"> <li>• \$844,630 gross/net</li> </ul> <p><b>Budget: \$3,149,600 gross/ \$1,241,085 net</b></p>

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Prosthetic devices</u></b></p> <p>Orthotics and orthopaedic footwear (custom orthotics, orthopaedic footwear as well as custom footwear needed for severe medical requirements) within established expense caps</p> <p>Cost of hearing aids above the \$500 cap used by Ministry of Health and Long Term Care (MOHLTC) Assistive Device Program</p> <p>Hearing aid batteries and repairs</p> <p>Assistive Devices including bath aids, hospital beds, wheelchairs and walkers, rental mobility devices, braces, etc.)</p> <p><b>Budget: \$650,000 gross/ \$111,800 net</b></p>	<p>Eliminate orthotics and orthopaedic footwear</p> <p>Eliminate payments for hearing aids above the MOHLTC cap</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>Independent research shows inconclusive benefits from orthotics/orthopaedic footwear use for most users</li> <li>over-the-counter/non-custom products exist for less severe orthotic needs</li> <li>Hearing aid rates are set by the MOHLTC, who has determined that rates are adequate</li> </ul> <p><u>Cost Reduction</u> \$457,880 gross/\$78,756 net</p> <p><b>Budget: \$192,120 gross/ \$33,044 net</b></p>	<p>Reinstate orthotics and orthopaedic footwear for the highest needs, such as severe foot deformities</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>This approach does address the most severe needs that are unable to be met with over-the-counter products.</li> </ul> <p><u>Municipal Cost-Share Savings Reinvestment:</u> \$30,000 gross/net.</p> <p><b>Budget: \$222,120 gross/ \$63,044 net</b></p>	<p>Reinstate the current funding criteria for orthotic and orthopaedic footwear with the following controls</p> <ul style="list-style-type: none"> <li>Reduce current cap for custom orthotics from \$400 to \$250 every two years;</li> <li>Retain current cap of \$150 for orthopaedic footwear every two years;</li> <li>Retain current cap of \$1500 for custom footwear for clients with severe deformities</li> </ul> <p><u>Increment Cost</u> \$271,575 gross/net</p> <p><b>Budget: \$493,695 gross/ \$334,619 net</b></p>

<p>Previous Discretionary Benefits Schedule</p>	<p>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i></p>	<p>Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i></p>	<p>Alternative for Consideration</p>
<p><b>Funerals and Burials</b></p> <ul style="list-style-type: none"> <li>• Funding for Type A Immediate Service that includes consultation, documentation, registration, preparation, casket, and transportation. Expense cap of \$1,357.95</li> <li>• Funding for Type B Full Service that includes Type A <i>plus</i> embalming, casket upgrade; 1 funeral home visitation and funeral home memorial service. Expense cap of \$2,695.29</li> <li>• Burial or cremation:               <ul style="list-style-type: none"> <li>○ burial capped at \$1000 (increasing to \$1300 in 2013*)</li> <li>○ Cremation capped at \$391.97 (increasing to \$500 in 2013*)</li> </ul> </li> </ul> <p><b>Budget: \$279,550 gross/ \$48,083 net</b> <i>**includes recoveries</i></p>	<p>Eliminate Type B Full Service</p> <p><u>Rationale</u> Type A Immediate Service provides the minimum level of service required.</p> <p>(Note that Type A Immediate Service does not include visitation or a funeral service)</p> <p><u>Cost Reduction</u> \$110,640 gross/\$19,030 net</p> <p><b>Budget = \$168,910 gross/ \$29,053 net</b> <i>**includes recoveries</i></p>	<p>Reinstate Type B Full Service Funerals</p> <p><u>Rationale</u> This maintains the current level of service.</p> <p><u>Municipal Cost-Share Savings Reinvestment: OW/ODSP</u> \$144,532 gross/net</p> <p><b>Budget = \$313,442 gross/ \$173,584 net</b> <i>**includes recoveries</i></p>	<p>None</p>

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Air Conditioners</u></b></p> <ul style="list-style-type: none"> <li>• 8,000 BTU unit capped at \$322.05</li> <li>• 10,000 BTU unit capped at \$327.69</li> <li>• 10,000 BTU Vertical unit capped at \$338.99</li> </ul> <p><b>Budget: \$32,000 gross/ \$5,504 net</b></p>	<p>Eliminate benefit</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Alternatives exist (e.g. Cool Places operated as part of the Community Heat Response program)</li> </ul> <p><u>Cost Reduction</u> \$32,000 gross/\$5,504 net</p> <p><b>Budget: \$0</b></p>	<p>None</p>	<p>None</p>

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Child-related benefits</u></b></p> <ul style="list-style-type: none"> <li>• Car seats capped at \$150</li> <li>• Cribs and mattress capped at \$270</li> <li>• Lice shampoo</li> <li>• Layettes (clothing and bedding for newborns) capped at \$60.00</li> </ul> <p><b>Budget: \$272,000 gross/ \$46,784 net</b></p>	<p>Eliminate layettes (clothing and bedding for newborns)</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• There is no risk to children's health and safety</li> </ul> <p><u>Cost Reduction</u> \$40,000 gross/\$6,880 net</p> <p><b>Budget: \$232,000 gross/ \$39,904 net</b></p>	<p>None</p>	<p>None</p>



<p>Previous Discretionary Benefits Schedule</p>	<p>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i></p>	<p>Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i></p>	<p>Alternative for Consideration</p>
<p><b><u>Adult day program user fees</u></b></p> <ul style="list-style-type: none"> <li>Funding for user fees to attend adult day programs. Expense cap of \$15 a day, 5 days a week. Adult day programs are funded by the Ministry of Health and Long Term Care (MOHLTC).</li> </ul> <p><b>Budget: \$110,500 gross/ \$19,006 net</b></p>	<p>Eliminate benefit</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>Primary funding is provided by the MOHLTC via the Local Health Integration Network (LHIN) to service providers in the community.</li> <li>Community providers can apply for increased funding for users unable to pay their user fee as part of their 3 year budget submission which is due 2013 (no guarantee that additional funding will be provided)</li> </ul> <p><u>Cost Reduction</u> \$110,500 gross/\$19,006 net</p> <p><b>Budget: \$0</b></p>	<p>None</p>	<p>None</p>



<p>Previous Discretionary Benefits Schedule</p>	<p>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i></p>	<p>Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i></p>	<p>Alternative for Consideration</p>
<p><b><u>Home and Appliance Repairs</u></b></p> <ul style="list-style-type: none"> <li>• Funding for actual cost of repairs to homes for OW recipients*</li> <li>• Funding for actual costs of repairs to stoves, fridges and washers (per vendor pricing) for OW and ODSP recipients</li> </ul> <p><i>*Funding for home repairs for ODSP recipients is a mandatory benefit provided by ODSP</i></p> <p><b>Budget: \$37,100 gross/ \$6,381 net</b></p>	<p>Eliminate funding for actual cost of repairs to homes for the OW recipients*</p> <p><u>Rationale</u> In 2013 funding for home repairs will be provided under the Ontario Renovates Program</p> <p><u>Cost Reduction</u> \$10,000 gross/\$1,720 net</p> <p><b>Budget: \$27,100 gross/ \$4,661 net</b></p>	<p>None</p>	<p>None</p>

<p>Previous Discretionary Benefits Schedule</p>	<p>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i></p>	<p>Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i></p>	<p>Alternative for Consideration</p>
<p><u>Transportation for domiciliary hostel and emergency shelter residents</u></p> <p>Funding for actual costs of transportation for medical appointments, interviews, skill development or social activities.</p> <ul style="list-style-type: none"> <li>• single-ride bus tickets</li> <li>• monthly bus passes</li> <li>• Salvation Army transports</li> <li>• Taxis</li> <li>• DARTS</li> </ul> <p><b>Budget: \$288,080 gross/ \$49,550 net</b></p>	<p>Eliminate funding</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Transportation is a non-health related benefit</li> <li>• Potential to be included in the Housing Services Community Homelessness Prevention Initiative (CHPI) that consolidated 5 housing and homelessness programs into one program and funding envelope</li> <li>• Potential for alternative transportation through accessing community resources ie. Red Cross, family/friends</li> </ul> <p><u>Cost Reduction</u> \$288,080 gross/\$49,550 net</p> <p><b>Budget \$0</b></p>	<p>None</p>	<p>None</p>

<p>Previous Discretionary Benefits Schedule</p>	<p>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i></p>	<p>Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i></p>	<p>Alternative for Consideration</p>
<p><u>Vision care</u></p> <p>Funding for the actual cost of eyeglass frames and lenses (per vendor pricing) limited to once every 3 years or when there is a significant change in prescription</p> <p><b>Budget: \$111,200 gross/ \$19,126 net</b></p>	<p>No change to current funded service</p> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Vision is a basic need, however eyeglasses are not funded by other providers</li> <li>• Competitive bid process in place to manage costs</li> </ul> <p><u>Cost Reduction</u></p> <p>- none -</p> <p><b>Budget: \$111,200 gross/ \$19,126 net</b></p>	<p>None</p>	<p>None</p>



<p><b>Previous Discretionary Benefits Schedule</b></p>	<p><b>Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap</b>   <i>Recommendation A</i></p>	<p><b>Reinvestment of Municipal Funds in Discretionary Benefits</b>   <i>Recommendations C and D</i></p>	<p><b>Alternative for Consideration</b></p>
<p><u><b>Personal emergency response alarms</b></u></p> <p>Funding for actual costs (per vendor pricing) of alarm devices and monthly monitoring, approved for 6 months at a time</p> <p><b>Budget: \$38,000 gross/ \$6,536 net</b></p>	<p>No change to current funded service</p> <p><u>Rationale:</u></p> <ul style="list-style-type: none"> <li>• Elimination of medical emergency response alarms would pose a significant health risk</li> <li>• No alternative funders have been identified</li> <li>• Competitive bid process in place to manage costs</li> </ul> <p><u>Cost Reduction</u> - none -</p> <p><b>Budget: \$38,000 gross/ \$6,536 net</b></p>	<p>None</p>	<p>None</p>

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Affordable Transit Pass</u></b></p> <p>Funding for half of the actual costs of a monthly transit pass to maintain employment, approved for 6 months at a time</p> <p><b>Budget = \$78,300 gross/ \$0 net</b></p> <p>*City cost-shared portion is from the Social Services Initiative Reserve Fund</p>	<p>Eliminate the program</p> <p><u>Cost Reduction</u> \$67,180 gross/\$0 net</p> <p><b>Budget = \$11,120 gross/ \$0 net</b></p> <p>*\$11,120 funding from the Social Services Initiative Reserve Fund</p>	<p>Continue with the program using existing municipal contributions only. (see below)</p> <p><u>Impact:</u> The loss of the provincial cost-shared portion of the budget will severely limit the ability to operate this pilot program for OW and ODSP clients. The number of bus passes will be reduced from 1800 per year to 256 per year.</p> <p>Current Municipal Funding is from Account #112214. Authorization to use this funding source expires December 31, 2013</p> <p>Staff will bring a separate report to Council in Q1 2013 to discuss implications and alternatives.</p> <p><u>Cost Reduction</u> \$67,180 gross/\$0 net</p>	<p>None</p> <p>Staff will bring a separate report to Council in Q1 2013 to discuss the impact of the loss of municipal cost-shared funding and alternatives.</p>



Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i>	Alternative for Consideration
<p><b><u>Utility Arrears</u></b></p> <p>Funding for a resident's heat and hydro arrears to avoid utility shut-off, with the following limitations:</p> <ul style="list-style-type: none"> <li>• Funding provided only once in a 12 month period</li> <li>• Expense cap of \$799 for singles and couples</li> <li>• Expense cap of \$1500 for families</li> </ul> <p><b>Budget: \$1,090,000 gross/ \$0 net</b></p> <p>*City cost-shared contribution is from Water Waste Water rate budget</p>	<p>Eliminate from discretionary benefits</p> <p><u>Cost Reduction</u> \$767,910 gross/\$0 net *funding is from Water Waste Water (WWW) rate budget</p> <p><b>Budget = \$322,090 gross/ \$0 net</b></p> <p>** \$322,090 funding is from Water Waste Water (WWW) rate budget</p>	<p>Continue operation of Utility Arrears benefit with the following changes to limitations:</p> <ul style="list-style-type: none"> <li>• Fund service only once in a 24* month period</li> </ul> <p><u>Rationale</u></p> <ul style="list-style-type: none"> <li>• Utility arrears will still be provided at a lower service level</li> <li>• Maintains existing funding source from the WWW rate budget in the amount of \$350,000</li> <li>• Alternatives available from the utility providers are limited</li> </ul> <p><u>Municipal Cost-Share Savings Reinvestment:</u> \$ 68,238</p> <p><u>Low Income Benefit Harmonization Savings Reinvestment:</u> \$452,537</p> <p><b>Budget = \$842,865 gross/ \$520,775 net</b></p>	<p>None</p>

Previous Discretionary Benefits Schedule	Recommended Changes to 2013 Discretionary Benefits Schedule to achieve the \$10 cap  <i>Recommendation A</i>	Reinvestment of Municipal Funds in Discretionary Benefits  <i>Recommendations C and D</i>	Alternative for Consideration
<u>Total Discretionary Benefits 2012</u> \$8,079,350 gross/ \$1,188,700 net *\$200,948 SSIF & WWW funding	<u>Total 2013 Discretionary Benefits</u> \$3,705,600 gross (\$10 cap)/ \$637,363 net **\$333,210 SSIF & WWW funding	<u>Total 2013 Reinvestment</u> \$695,307 net (OW/ODSP) ***\$515,620 gross/\$257,810 net Employment Assistance	

## Low Income Harmonization (Recommendation (b))

Discretionary Benefit	Current Budget 100% Municipal Levy	Budget after Harmonization Recommendation B	Harmonized Cost Savings (reinvested in OW/ODSP)	Additional/Alternative Consideration
Emergency Dental Services	\$296,000	\$144,040	\$151,960	Alternative 1 <u>Incremental Cost:</u>  \$92,760
Prosthetic Devices	\$110,000	\$57,000	\$53,000	Alternative 2 <u>Incremental Cost:</u>  \$39,740
Funerals and Burials *includes recoveries	\$158,740	\$130,163	\$28,577	<u>Recommendation D</u> <u>Incremental Cost</u>  \$49,047
Child Related Benefits <i>Lice Shampoo only</i>	\$13,000	\$13,000	\$0	
Adult Day Program User Fee	\$55,000	\$0	\$55,000	
100% Assistive Device Program <i>This benefit is not cost-shared for OW and ODSP</i>	\$104,000	\$0	\$104,000	

<b>Discretionary Benefit</b>	<b>Current Budget 100% Municipal Levy</b>	<b>Budget after Harmonization Recommendation B</b>	<b>Harmonized Cost Savings (reinvested in OW/ODSP)</b>	<b>Additional/Alternative Consideration</b>
Medical Travel and Transportation for domiciliary hostel and emergency shelter residents	\$60,000	\$0	\$60,000	
Vision Care	\$8,500	\$8,500	\$0	
Dentures, repairs and relines	\$80,950	\$80,950	\$0	
Personal Emergency Response	\$3,000	\$3,000	\$0	
Senior bus pass	\$6,000	\$6,000	\$0	
Surgical supplies *surgical/incontinent/diabetic/ostomy Supplies are mandatory for OW/ODSP	\$90,000	\$90,000	\$0	
Printing and Reproduction	\$2,000	\$2,000	\$0	
<b>Total Low Income 100% Municipal Levy Funds</b>	<b>\$987,190</b>	<b>\$534,653</b>	<b>\$452,537</b>	
<b>Reinvestment of Municipal Funds - Funerals</b>	<b>\$0</b>	<b>\$49,047</b>	<b>(\$49,047)</b>	
<b>Discretionary Benefit</b>	<b>Other Funding</b>	<b>Other Funding</b>		
Utility Arrears Water WasteWater Rate Budget  * Provincial Emergency Energy Fund (EEF) (\$84,080)	\$132,262	\$0		

<b>Discretionary Benefit</b>	<b>Other Funding</b>	<b>Other Funding</b>		
Affordable Transit Pass *funding from Social Services Initiative Fund	\$182,700	\$182,700	\$0	
<b>Subtotal</b>	<b>\$314,962</b>	<b>\$182,700</b>		
<b>Total</b>	<b>\$1,302,152</b>	<b>\$766,400</b>		

\*Appliance repair/air conditioners/cribs/car seats/layettes there are no provisions for these benefits for Low Income.

