

**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> May 15, 2012	
<b>SUBJECT/REPORT NO:</b> 2012 Proposed Provincial Budget and Changes to the Discretionary Benefits (CS12020(a)) (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
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- a) That discretionary benefits provided to Ontario Works (OW), Ontario Disability Support Program (ODSP) and Low Income Program recipients as approved in the 2012 City of Hamilton Operating Budget continue to December 31, 2012 at a net levy cost of \$1,816,727 to be funded from departmental surplus, corporate surplus or the Social Services Initiative Reserve Fund; and,
- b) That staff be directed to report to the Emergency & Community Services Committee in October 2012 with options for the 2013 budget.

**EXECUTIVE SUMMARY**

As reported to Council on April 11, 2012 (Report CS12020, Provincial Budget 2012 and Implications to Ontario Works), the recent provincial budget proposes significant changes to the discretionary benefits provided to Ontario Works (OW) and Ontario Disability Support Program (ODSP) recipients. These changes take effect July, 2012.

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Presently, there is no cap on health related discretionary benefits and an \$8.75 cap for non-health related benefits, per case. The City of Hamilton's 2012 Operating Budget was based on receiving \$3,350,845 cost sharing subsidy from the Province.

Health Related Benefits include:

- dental care for adults
- vision care for adults
- prosthetic appliances (back braces, surgical stockings, artificial limbs, inhalators, hearing aids)
- funerals and burials
- heating payments and payments for low-cost heating energy conservation measures

Non-Health Related Benefits include:

- vocational training and retraining
- travel and transportation that is not for health-related purposes
- moving expenses
- any other special service, item or payment authorized by the Director

The City of Hamilton will only receive \$1,534,118 in Provincial Subsidy from July 1<sup>st</sup> to December 31<sup>st</sup> 2012 compared to a budgeted amount of \$3,350,845 which will result in a \$1,816,727 pressure. On an annualized basis, there is an estimated pressure of \$3,756,517<sup>1</sup> beginning in 2013.

The changes to the funding formula will impact the following areas in the Community Services Department:

1. Employment and Income Support:
  - bus tickets, vocational training and psychological assessments
2. Housing Services:
  - Domiciliary Hostel Transportation: bus tickets, bus passes, taxi transportation and DARTS
  - Emergency Shelters Program Costs: Salvation Army transportation and hostel bus tickets.

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<sup>1</sup> this amount is inclusive of funding change in 2013 due to upload

3. Benefit Eligibility:

- Special Supports Program: Provides a wide variety of discretionary benefits to persons in receipt of OW and ODSP.
- Discretionary benefits include assistive devices (bath aids, grab bars, toilet aids), prosthetics, hearing aids, custom foot orthotics and orthopaedic footwear, home and appliance repairs, hospital beds, air conditioners, mobility aids, wheelchair batteries and repairs, dental services and dentures, eye glasses, funerals and burials, day programs, Utility Arrears Program and Affordable Transit Pass Program and other services and special items.
- Special Supports also administers and provides discretionary benefits listed above (except for home and appliance repairs and air conditioners) to the Low Income Program which is 100% municipally funded.

Any changes to the above discretionary benefits may have a direct impact on other areas of the City of Hamilton such as Transit, Water/Wastewater and Public Health either due to a loss of revenue or increased costs.

It is recommended that the provision of all approved discretionary benefits be continued for the 2012 fiscal year. This will allow staff time to conduct an analysis of the current discretionary benefits and engage community stakeholders and other municipalities in order to provide options for Council's consideration as part of the 2013 budget process.

***Alternatives for Consideration – See Page 8***

<b>FINANCIAL / STAFFING / LEGAL IMPLICATIONS</b>
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**Financial:** Funding required to continue providing the current level of discretionary benefits from July 1, 2012 to December 31, 2012 is \$1,816,727 (net). It is recommended that this be funded from corporate or departmental surplus or the Social Services Initiative Reserve Fund. Currently, there are insufficient funds in the Social Services Initiative Reserve Fund to cover this pressure however, it is intended that the reserve will be replenished when the 2010 Ontario Municipal Partnership Fund (OMPF) assessment has been completed.

- The current budget is \$8,093,826 gross/\$1,392,138 net for all discretionary benefits.
- There is a potential pressure of \$3,756,517<sup>1</sup> for 2013 if no reductions to benefits are made

- The cap on funding will have the greatest impact on the Special Supports Program as it has both the largest budget and number of provisions for discretionary benefits.

**Staffing:** There are no staffing implications associated with Report CS12020(a).

**Legal:** There are no legal implications associated with Report CS12020(a).

## **HISTORICAL BACKGROUND**

Discretionary benefits are issued at the discretion of the municipality as determined by the Ontario Works Act 1997 as well as internal City of Hamilton policies and procedures. The Act defines the types of health-related and non-health related discretionary benefits that can be provided. The municipality determines the benefits, the amounts of benefits, and the frequency they are provided.

On June 27, 2007, Council approved a project plan for the Ontario Works Review (CM07021). The Cost of Administration and Employment Assistance Budget Review - Final Report (CM07021 (a)) was presented and accepted by the Emergency and Community Services Committee in September 2008. One of the key findings of the review was that discretionary benefits cost the City less per case than the comparator jurisdictions, while offering a broader range of support.

## **POLICY IMPLICATIONS**

There are no policy implications associated with Report CS12020(a).

## **RELEVANT CONSULTATION**

- Community Services Department, Employment & Income Support Division; Housing Services Division; were consulted in the options provided.
- Corporate Services Department, Treasury Services Division, Finance and Administration Section; Financial Planning and Policy Division
- Public Health Services, Clinical and Preventative Services advised that Public Health Services Dental Clinic does not have capacity to provide dental treatment to OW adults, ODSP dependents or Special Supports Low Income Clients.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

The following information is an overview of the provisions provided under discretionary benefits, by each division, the citizens who qualify for the services, the number of benefits or services provided, and the impact the proposed changes will have:

**Employment and Income Support Division:**

Bus Tickets

Bus Tickets are available for OW applicants and ongoing participants when needed and/or requested at the intake application appointment or ongoing appointments with the Case Manager.

Bus tickets can be issued for the following reasons:

- obtaining paperwork to determine eligibility for OW;
- to attend various OW appointments such as meeting with a Family Support Worker;
- for immediate employment related activities such as to obtain a current resume or register at a local community employment agency;
- to return to the OW office for the 30 day Participation Agreement; or,
- to visit a local food bank.

In 2011:

- 30,842 bus tickets were issued for a total cost of \$70,647 gross and \$13,282 net.

Psychological and Vocational Assessments

Payments for psychological and/or vocational assessments are issued to the Ontario March of Dimes or the Hamilton Community Legal Clinic to assist citizens in the OW program to achieve their employment goals or when applying or appealing for ODSP benefits.

In 2011:

- 123 assessments were completed at a cost of \$79,146 gross and \$14,879 net
  - ◆ 18 referrals were made for the purpose of completing assessments to identify barriers to employment and to provide the participants with employment goals respecting their limitations. Five of these resulted in referrals to ODSP. The gross cost was \$20,700 with a net cost of \$3,892.
  - ◆ 105 referrals were approved to support appeals to the Disability Adjudication Unit through the Hamilton Community Legal Clinic

(HCLC). Of these, 66 (72.5%) case files were granted ODSP as a result of the additional medical information presented to the Tribunal. The cost for these assessments was \$58,446 gross and \$10,987 net.

#### Vocational Training

200 participants attended skills development training which supports OW participants to become more competitive in the labour market.

In 2011:

- 35% of Vocational Training funding was from discretionary benefits at a cost of \$242,700.00 gross and \$45,628 net

#### **Housing Services Division:**

##### Emergency Shelters Program Costs

The purpose is to assist individuals on OW as well as individuals staying in emergency shelters to travel out of the city. Travel is generally for the purposes of relocating or returning to another municipality although in extenuating circumstances it may be used for round trip travel for a family emergency.

In 2011:

- 72 people were assisted with travel expenses at a cost of \$2,575 gross and \$484 net

##### Domiciliary Hostel Transportation

The purpose of Domiciliary Hostel Transportation for Residential Care Facilities (RCF's) is to provide limited transportation costs for subsidized residents.

The transportation costs include medical appointments, interviews, skills development and social activities.

In 2011:

- 1392 bus passes at a cost of \$133,893 gross/ \$25,172 net;
- 9912 bus tickets at a cost of \$30,000 gross/\$5,640 net; and,
- 160 taxi transportation and DARTS were issued to residents at a cost of \$67,573 gross/\$12,704 net.

#### **Benefit Eligibility Division:**

##### Special Supports Program:

The purpose of the Special Supports Program is to provide discretionary health and non-health related benefits to OW, ODSP and Low Income (earners and seniors) to help improve their quality of life, health, wellness, safety and self-sufficiency.

A wide variety of discretionary benefits are provided: assistive devices (bath aids, grab bars, toilet aids), prosthetics, hearing aids, custom foot orthotics and orthopaedic footwear, hospital beds, air conditioners, mobility aids, wheelchair batteries and repairs, dental services and dentures, eye glasses, funerals and burials, day programs, Utility Arrears Program, the Affordable Transit Pass Program (ATP) and other services and special items.

In 2011:

- Approximately 40,000 benefits (including ATP and Utility Arrears Assistance Program) were issued at a cost of the following:
  - ODSP \$1, 710,515 gross and \$321,577 net
  - OW \$ 5,617,561 gross and \$1,056,101 net
  - Low Income \$1,162,017 gross/net
- The Utilities Arrears Program provided emergency assistance to a projected 2,189 households who experienced a threat of utility disconnection; and,
- The Affordable Transit Pass Program provided 5,433 half price bus pass subsidy

## **ALTERNATIVES FOR CONSIDERATION**

### **Option #1**

Council may decide to discontinue the 100% Municipally funded Special Supports Low Income Program effective July 1, 2012 with the exception of burials where a deceased person has no next of kin to claim the body. A warrant to bury is issued from the Coroner's office.<sup>4</sup>

This would have a significant impact to low income earners and seniors as typically the Special Supports Program is a program of last resort.

**Financial:** This would result in a \$987,190 gross/net (approximate) annualized reduction and \$493,595 (pro-rated) from July 1, 2012 to December 31, 2012. However, a pressure of \$1,323,132 would still remain for the balance of 2012 and a pressure of \$2,777,907 for 2013<sup>5</sup>.

**Staffing:** Removal of the Low Income Program would require a review of the staffing levels within Special Supports.

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<sup>4</sup> Under the Anatomy Act, the City of Hamilton has a mandatory obligation to provide burial of unclaimed bodies

<sup>5</sup> Inclusive of uploaded savings

**Legal:** There are no legal implications associated with Report CS12020(a).

**Option #2**

Council may decide to reduce the Special Supports Discretionary Dental and Denture Program for OW, ODSP and Low Income effective July 1, 2012. This will reduce the dental and denture annualized operating budget of \$4,806,950 by \$1.8 million for July 1 to December 31, 2012 and \$3.7 million for 2013. This would have significant impact on individuals requiring dental work.

**Financial:** This would eliminate the pressure of \$1,816,727 for 2012 and \$3,756,517 for 2013.

**Staffing:** A review of the staffing levels will be required within Public Health for the 3 Payment Clerk positions and staff within the Special Supports Program.

**Legal:** There are no legal implications associated with Report CS12020(a).

**Option #3**

Council may decide to cap the Community Services (Employment and Income Support; Housing Services and Benefit Eligibility) discretionary benefits for OW/ODSP and Low Income with the exception of funerals. Once the cap amounts are reached there would be no further issuances of discretionary benefits.

**Financial:** The capping of all benefits would require an in-depth analysis for each benefit issued. Staff will report to Council in October 2012 with the capping amounts that would be necessary to maintain a reduced budget level of \$3,756,517<sup>5</sup>.

**Staffing:** This option would require further review of the staffing levels within the Community Services areas and in other City of Hamilton departments.

**Legal:** There are no legal implications associated with Report CS12020(a).

**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

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<sup>5</sup> Inclusive of uploaded savings



***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)

<b>APPENDICES / SCHEDULES</b>
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None