

Report to/Rapport au :

Community and Protective Services Committee
Comité des services communautaires et de protection

and Council / et au Conseil

November 8, 2012
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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2012-COS-CSS-0012

SUBJECT: COMMUNITY AND SOCIAL SERVICES DEPARTMENTAL SOCIAL INVESTMENTS AND PRIORITIES: INFORMATION SUPPLEMENTAL TO THE 2013 BUDGET

OBJET : INVESTISSEMENTS ET PRIORITÉS DES SERVICES SOCIAUX ET COMMUNAUTAIRES : RENSEIGNEMENTS COMPLÉMENTAIRES AU BUDGET PRÉLIMINAIRE DE 2013

REPORT RECOMMENDATION

That the Community and Protective Services Committee receive this report as information supplemental to the 2013 budget.

RECOMMANDATION DU RAPPORT

Que le Comité des services communautaires et de protection prenne connaissance de ce rapport à titre d'information supplémentaire au budget préliminaire de 2013.

BACKGROUND

The City's Community and Social Services Department serves as the Consolidated Municipal Service Manager for Ontario Works (employment and financial assistance), Housing and Homelessness programs and Child Care services. The Department's primary role is to deliver provincially mandated programs and determine local priorities for municipal investments. When the Province announces new legislation and cost-sharing arrangements, the municipality's Service Manager responsibilities may change accordingly.

In 2008, the signing of the Provincial Municipal Fiscal and Service Delivery Review Agreement (PMFSDR) was a turning point for municipal Service Managers in Ontario. The goal of the agreement was to create a service system that was more responsive to local needs and priorities. The Province agreed to fully fund the Ontario Disability Support Program (ODSP) and to upload the municipal costs of Ontario Works benefits between 2010 and 2018. In Ottawa, the total municipal savings from the Ontario Works upload is estimated at approximately \$36M. In 2013, the Ontario Works upload savings are projected to be \$4.9M.

The Provincial Municipal Fiscal and Service Delivery Review Agreement also identified that other changes in Provincial legislation would follow, including:

- consolidation of housing and homelessness programs
- better integration of childcare and children's services
- simplification and integration of Ontario Works, ODSP and Employment Ontario services

Social Assistance

The 2012 Provincial budget announced two significant changes related to Social Assistance benefits:

- 1) Effective July 2012, the Province introduced a funding cap on discretionary benefits. Discretionary benefits include items such as: urgent dental care, dentures, vision care for adults, mobility aids and prosthetics, transportation assistance, hearing aids, funerals and burials and vocational training.
- 2) Effective January 2013, the Provincial Community Start Up and Maintenance Benefit (CSUMB) will be removed as a benefit for social assistance recipients and approximately 50% will be realigned to the Community Homelessness Prevention Initiative. CSUMB assists social assistance recipients with the cost of securing or maintaining permanent accommodation.

The combined impact of the cap on discretionary benefits and the removal of CSUMB would be a reduction of \$10M (gross) in items for social assistance recipients in Ottawa.

Housing

In 2012, the Province also released information on the new Community Homelessness Prevention Initiative. The Community Homelessness Prevention Initiative will consolidate five existing provincially funded housing and homelessness programs, to be prioritized and administered by the City. These changes will provide increased flexibility for the Service Manager to determine local service delivery priorities. The majority of Provincial funding for this new consolidated program is related to Emergency Hostel Services, expenditures which up until now had received open ended funding, and will now be capped. A staff report will follow in 2013 with details and recommendations related to the Community Homelessness Prevention Initiative.

Child Care Services

The Provincial child care changes relate to the implementation of Full Day Early Learning and the Provincial directions to modernize the child care system in Ontario. In the 2012 budget, the Province of Ontario announced funding that will:

- assist schools to develop additional space for child care;
- provide funds to assist agencies in consolidation and potential relocation to schools; and
- provide transitional funds for agencies as they adapt their business model to respond to the policy change.

The Ministry of Education set out a three-year timeline, in which the Province will introduce a new funding formula, make capital investments to help operators adapt programs to suit younger children, develop mandatory program guidelines for child care operators and update the Day Nurseries Act, legislation that has not been reviewed for almost 30 years. As the Consolidated Municipal Service Manager, the City of Ottawa is responsible for developing and submitting a service plan to the Province of Ontario for approval.

Child care services available to Ottawa residents have expanded significantly in the past decade. During this time, subsidies for low income families have seen limited growth and have not kept pace with the demand. In Ottawa, one out of two families requesting a subsidy cannot be funded. Staff will be developing an updated Child Care Framework which will support Council investments for vulnerable children, assist agencies in transition and streamline subsidies.

This review will begin in Q1, 2013 and will engage local service providers. The new framework will include the determination of per diem rates and criteria for specialized programs, the launch of an engagement strategy, the development of centre stabilization plans, finalization of a child care service plan and a report to Committee and Council in 2013 / 2014.

DISCUSSION

The Community and Social Services Department is committed to supporting vulnerable and low income residents. Through investments in financial and employment assistance, housing and homelessness programs, childcare and funding to community agencies, the Community and Social Services Department supports Council's 2011-2014 Strategic Priority: Healthy and Caring Communities. The associated Strategic Directions include: 1) Achieve equity and inclusion for an ageing and diverse population and 2) Improve social and affordable housing.

In 2012, the majority of the Community and Social Services Department's \$548M (gross/ \$209M net) budget is dedicated to direct client services. The following table summarizes the Community and Social Service Departmental budget.

Branch	Gross Expenditure \$000	Net Expenditure \$000
GM's Office	566	566
Social Services	211,770	55,828
Childcare	99,106	22,233
Long Term Care	55,268	10,322
Housing	158,585	97,741
Community Development and Funding	23,524	23,057
Total	548,819	209,747

The Community and Social Services Departmental budget demonstrates a significant municipal investment directly impacting the quality of life of vulnerable and low income residents in Ottawa.

In June 2012, the staff report "2012 Provincial Budget Impacts for the Community and Social Services Department" ([ACS2012-COS CSS 009](#)) was presented at the Community and Protective Services Committee and Council. Council approved the staff recommendation to maintain discretionary benefits to social assistance recipients at existing levels for the balance of 2012. Staff was directed to complete a review of the Community and Social Services Department's social investments and priorities and report back as part of the 2013 budget process.

The Community and Social Services Department's Management Team reviewed all of the Department's programs and services where the municipality has the discretion to reduce or change service levels. The objective of the review was to develop a budget plan to address the Provincial funding reductions while remaining within Council's fiscal framework of an annual 2.5% property tax increase. Staff identified areas to reduce or eliminate expenditures in order to preserve discretionary benefits for social assistance recipients as much as possible. The following principles and priorities were developed for the review:

- Prioritize housing and essential health benefits
- Eliminate financial assistance for items that are eligible or funded through other programs

In order to preserve the majority of discretionary benefits for Ottawa's most vulnerable residents, other expenditures and initiatives have been reduced and budgets realigned by \$4.4M. These include the following budget impacts:

- One time funding from the Corporate Unforeseen / Contingency Account
- Reduction in funding for Investing in Affordable Housing contingency fee relief funding and the Home Ownership Program
- ODSP clients will continue to be supported with transportation but the rates will increase. In 2013, the monthly bus pass for ODSP clients will increase from \$32 to \$35. In 2014, the monthly bus pass will be increased to align with the Senior's bus pass.
- The Non Renewable Project Funding Program will be eliminated. However, the Renewable Funding Program which invests in 110 organizations providing a range of social services to vulnerable and low income residents will be maintained.
- Reduction in administration costs.
- The range of benefits offered under the municipal Essential Health and Social Supports Program (EHSS) will be reduced in accordance with the reductions for discretionary benefits. This will also include a reduction of bus tickets issued to community agencies.

Changes to Benefits

In 2013, discretionary benefits and benefits previously issued under the Community Start Up and Maintenance Benefit will be reduced by \$2.5M, from \$17.5M to \$15M (gross). The City will continue to provide discretionary benefits to low income residents under the *Ontario Works Act, 1997* and the City's Essential Health and Social Supports Program (EHSS); however the range of benefits will be reduced.

Staff will implement the following changes to discretionary benefits available to Ontario Works and ODSP recipients and low income residents through the municipal Essential Health and Social Supports program:

Benefits to be Maintained at Current Level	Benefits to be Adjusted	Benefits No Longer Available
<ul style="list-style-type: none"> • Bus tickets (Social Service Centres & Family Shelters) • Bathroom aids • Cremations and burials • Job specific skills training • Sign Language services • Housing arrears and deposits 	<ul style="list-style-type: none"> • Dentures • Cultural Interpretation Services • Furniture items • Eye glasses 	<ul style="list-style-type: none"> • Funeral Services (Cremations and burials maintained) • Enhancements to the Provincial Assistive Devices Program including: prosthetics, mobility aids, hearing aids and respiratory supplies • Air conditioners, vaporizers • Additional funds for food or clothing over and above what the province sets as basic allowance rates for Ontario Works and ODSP • Non-health related travel

The City continues to demonstrate a significant commitment to supporting vulnerable and low income households with a \$7.4M investment beyond what is provincially required for benefits to social assistance recipients. A one-year, \$250K transition fund has been established to address extreme hardship resulting from the reductions to discretionary benefits.

The City is maintaining Council’s commitment to the \$14M investment in Housing and Homelessness Prevention Initiatives. The City is also maintaining its investment in employment services, housing and homelessness programs, childcare and renewable funding investments to community agencies providing social services to low income and vulnerable residents. These investments promote self sufficiency and improve the quality of life for vulnerable and low income residents of Ottawa.

Over the coming year, the City will work with community partners to coordinate and integrate services to ensure that resources are leveraged and that services are as efficient and effective as possible.

RURAL IMPLICATIONS

The changes announced in this report apply to rural, suburban and urban residents.

CONSULTATION

The Community and Social Services Departmental Management Team conducted an internal review of the Community and Social Services Department's social investment priorities. There was no consultation with external stakeholders.

COMMENTS BY THE WARD COUNCILLOR(S)

Not applicable.

LEGAL IMPLICATIONS

The *Ontario Works Act, 1997* stipulates that some classes of benefits that are mandatory and must be provided to persons who are eligible, and other classes of benefits that are discretionary. As long as the City continues to pay all the benefits that the City is legislated to provide under Part VII of Ontario Regulation 134/98 under the *Ontario Works Act, 1997*, then there are no legal impediments to receiving the information in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

FINANCIAL IMPLICATIONS

All of the financial implications associated with the Provincial budget announcement to cap discretionary benefits and the elimination of the Community Start Up and Maintenance Benefit; establishing the new Consolidated Housing Program; the \$2.5M reduction in benefits and the \$4.4M of solutions to maintain the majority of benefits have been incorporated into the 2013 Draft budget for Council consideration.

ACCESSIBILITY IMPACTS

The Community and Social Services Departmental Management Team considered the impact of the review on people with disabilities. Principles and priorities were developed to inform the review, these considered all clients, including people with disabilities. In order to preserve as many discretionary benefits as possible for clients, including people with disabilities, staff identified \$4.4M of reductions and realignments in other areas. The City will continue to provide discretionary benefits to recipients of benefits under the *Ontario Works Act, 1997* and to low income residents under the City's

Essential Health and Social Supports Program (EHSS); however, the range of items will be reduced.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

The Community and Social Services Department is committed to supporting vulnerable and low income residents. Through investments in financial and employment assistance, housing and homelessness programs, childcare and funding to community agencies, the Community and Social Services Department supports Council's 2011-2014 Strategic Priority: Healthy and Caring Communities. The associated Strategic Directions include: 1) Achieve equity and inclusion for an ageing and diverse population and 2) Improve social and affordable housing.

DISPOSITION

This report will be included as Supporting Documentation to the 2013 Draft Operating and Capital Budget – Community and Protective Services Committee report rising to Council on November 28, 2012.