

Background

The Ministry of Community and Social Services (MCSS) as part of the Provincial Ontario Works Program, defines in Regulation, or as authorized by the Provincial Director of Ontario Works, the special services, items or payments that are considered "Discretionary Benefits" for Ontario Works.

The following discretionary benefits are some examples that are eligible for recipients but not limited to (A full rate chart is attached in Appendix 1- Discretionary Rate Chart):

- beds, appliances
- infant crib, car seat
- prosthetic appliances
- funerals and burials
- travel and transportation
- moving expenses
- any other special service, item or payment authorized by the Director (*Directive 7.1- Summary of Benefits*)

Currently, the benefit is cost shared with the Province (97.2/2.8) and will continue to be uploaded to 100% provincial funding by 2018 up to a maximum capped amount. The capped amount fluctuates based on the Provincial formula with the main cost driver being OW and ODSP caseloads. Any spending over the capped amount is the responsibility of the Municipality. Currently there is no additional Municipal allocation identified in the budget for any spending over the capped amount.

Service Standard

As a result of the discontinuation of the Community Maintenance and Start Up Benefit (CSUMB) and the introduction of the new Community Homelessness Prevention Initiative (CHPI) program, a report was prepared for Council in 2014 to revise the discretionary rates. A copy of the 2014 report can be found here:

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=5&id=727>

Since the increase in the rates in 2014, the discretionary expenditures have been monitored on a monthly basis. The annual discretionary budget for Social Services is approximately \$1.2 million which fluctuates with caseloads. Since 2014, actual discretionary benefit costs have ranged from \$1.4 million to \$1.6 million. Social Services has been able to absorb any over expenditures within its existing budget by allocating eligible items to other program funding and recognizing one time funding from the Province.

With the implementation of the Social Assistance Management System (SAMS), uploading and changes to provincial reporting, the province has advised that they are

reviewing the discretionary expenditures and will no longer be funding any amount over the prescribed funding parameters.

In consultation with other Municipalities, each office has developed their own internal policy to administer discretionary benefits. There are variances in rates and frequencies across the Province, and some offices do not fund any further benefits once the Provincial cap is reached.

Mitigation

Provincial uploading of Ontario Works Benefits began in 2008 and will be fully completed by 2018. This uploading has produced annual tax levy savings for the Municipality. The 2018 expected reduction in the Municipal share of benefit costs is approximately \$800,000.

In 2017, several new administrative practices have been put in place in an attempt to curb discretionary rate spending. Examples of changes include further follow up of OW and ODSP cases (ODSP is administered by the Province), additional verification and sign offs by landlords, along with additional checklists for funerals.

One benefit area that has been consistently under pressure is the area of medically necessary orthodontic coverage for children. This area alone consumed approximately \$121,000 of the discretionary budget in 2016 and is on pace to exceed the 2017 total budget expenditure for this category. As a onetime measure for 2017, \$50,000 that was reallocated through a 2017 budget option for the Social Assistance Restructuring budget will be used to mitigate the funding pressure.

Given that there is no mechanism for in year increases to the budget; Social Services will begin further mitigation measures for the 2017 discretionary budget. These measures will include prioritizing benefit approvals for immediate health and safety needs and holding approvals for lower priority items.

Options for Consideration

In light of the Provincial direction, there are two options for consideration by Council

- 1) Adjust the 2018 budget to reflect the actual costs of the existing Council approved service level regarding discretionary rates by reinvesting \$350,000 of the provincial uploading savings rather than reducing the municipal tax levy, or
- 2) Direct Social Services to review the discretionary policy including rates, items and frequency that have been historically covered and revise the policy in order to remain within the Provincial budget allocation for future years.

Next Steps

Based on the Council decided option from the report, additional Municipal budget dollars will be added to fund the discretionary budget starting in 2018 or a review of the discretionary policy will be undertaken with recommendations to be brought back to the Community Services Committee in the early fall.

Social Services will continue mitigation strategies and implement any administrative procedures that are required to further mitigate the funding pressure including prioritizing benefit approvals for the most immediate health and safety needs.