



City of  
**Peterborough**

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**TO: Members of the Joint Services Steering Committee**

**FROM: Ken Doherty, Director of Community Services**

**MEETING DATE: September 10, 2009**

**SUBJECT: Report CSSSJSSC09-013  
2009 Ontario Works Discretionary Benefits Update**

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## **PURPOSE**

A report to inform the Joint Services Steering Committee of the 2009 projected increased expenditures for the Ontario Works Discretionary Benefit program and obtain approval to address these increases.

## **RECOMMENDATIONS**

That the Joint Services Steering Committee endorse the recommendations outlined in Report CSSSJSSC09-013 dated September 10, 2009, of the Director of Community Services as follows:

- a) That an increase to the 2009 City discretionary benefits budget of gross \$333,827 (Municipal share \$66,765) be endorsed with the necessary funds taken from Social Services reserves then replaced by the same amount through the recovery from the Ontario Municipal Partnership Fund (OMPF);
- b) That an increase to the 2009 County discretionary benefits of gross \$94,520 (Municipal share \$18,904) be endorsed with the necessary funds taken from the County reserves and/or through re-allocation from other under-spent budget lines.
- c) That staff be requested to prepare a report for the next Joint Services Steering Committee meeting outlining options to contain the 2010 discretionary benefit costs at the level of the original 2009 budgeted amount.

## **BUDGET AND FINANCIAL IMPLICATIONS**

There are insufficient funds to cover the projected increased expenditures within the 2009 approved budget. The recommendation to fund the increased demand based on the revised projected amounts requires an additional share of \$66,765 from the City and \$18,904 from the County. These year-end projections completed on July 30<sup>th</sup> were based on January 1 to June 30, 2009 actual spending plus anticipating continued spending trends and increasing caseload for the final half of the year.

This increase for the City would remain revenue neutral for 2009, as it is anticipated that it would be offset by an equal increase in revenue from the Ontario Municipal Partnership Fund (OMPF). As the County is not eligible for OMPF, the recommendation would result in a net increase to their budget.

If the recommendation to pay for the increase in costs is not approved, most discretionary benefits items and services will need to be stopped by the end of September in order to stay within budget.

## **BACKGROUND**

In 2008, a comprehensive review of the Ontario Works Discretionary Benefit program was conducted and Report C555J55C08-012 dated June 12, 2008 (Appendix A) was endorsed by the Joint Services Steering Committee and Report C55508-008 was approved by City Council on July 7, 2008. Most of the changes to the new policy were effective October 1, 2008. In the fall of 2008, details of the revised discretionary benefit policy were shared with Ontario Works and ODSP clients through a special mailing and promotional information was delivered to our community partners.

Increased awareness of the available discretionary benefits has resulted in more people accessing these benefits. At the same time, the municipality has been impacted by the global economic recession. As a result, there is an increased demand for social assistance reflected in higher caseloads and increased discretionary benefit expenditures that are projected to exceed budgeted amounts. Staff also anticipate these increases will continue into 2010, pending economic recovery. In preparation for these discussions during the budget process, a survey to Ontario Works clients seeking input regarding discretionary benefits is being undertaken this summer. Client feedback, along with the projected budget increases, will be addressed during the 2010 budget process.

The following table summarizes the impact the increased demand is placing on the 2009 discretionary benefits budget.

	<b>2009 Budgeted Costs</b>	<b>2009 Projected Costs</b>	<b>Variance</b>	<b>2009 Budgeted Caseload*</b>	<b>2009 Projected Caseload</b>	<b>Variance</b>
<b>City</b>	\$1,464,421	\$1,798,248	\$333,827	2443	2883	440
<b>County</b>	\$213,770	\$308,290	\$94,520	521	641	120
<b>Total</b>	\$1,678,191	\$2,179,807	\$428,347	2964	3524	560

\*A case is counted as one if it is a single or a family with children

To address the budget shortfall, staff request an increase in the amount of discretionary benefits funding to cover the revised projections for 2009. These costs are eligible under the Ontario Municipal Partnership Fund (OMPF). It is the current understanding of staff that the City is able to incur the increased costs and recover the same amount through offsetting OMPF revenue. Since the County is not eligible for OMPF funding, the increased cost would come from another source, such as reserves and/or reallocation from another budget line. This recommendation allows for the present level of service and eligibility criteria, as outlined in Schedule A of the local Discretionary Benefit policy, to continue for both City and County clients.

## SUMMARY

Through the 2008 discretionary benefit review, the Committee recognized and supported the results of the review that provides important items and services to some of our most vulnerable citizens. During the current economic slowdown, these items and services are needed more than ever to assist our clients to remain healthy, socially and economically included in the community.

Submitted by,

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Director of Community Services

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Social Services Coordinator

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Attachments: Appendix A - Report C555J55C08-012 of June 12, 2008