

6

2% RATE INCREASE IN THE DOMICILIARY HOSTEL PROGRAM PER DIEM

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, April 3, 2008, from the Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve a 2% increase to the provincially cost shared (80/20) per diem paid to domiciliary hostel operators from \$45.90 to \$46.82, effective April 1, 2008.
2. Council approve a 2% increase to the provincially cost shared (80/20) per diem paid to domiciliary hostel operators from \$46.82 to \$47.75, effective April 1, 2009.

2. PURPOSE

The purpose of this report is to seek Council approval to implement the Province's decision to increase the maximum per diem rates paid to domiciliary hostel operators by 2% effective April 1, 2008, as well as an additional 2% effective April 1, 2009, for eligible residents of domiciliary hostels, and in response to the 2007 provincial budget.

3. BACKGROUND

The Region has purchase of service agreements with 25 domiciliary hostel operators to provide shelter to vulnerable, special needs adults

The Region administers per diems to domiciliary hostel operators for eligible residents through purchase of service agreements with 25 domiciliary hostel operators. The per diem is cost shared 80/20 provincially, with the province setting the maximum rate levels.

The 2007 Provincial Budget indicated that all adult services programs, including the Domiciliary Hostel Program, would receive a 2% increase to their base budgets compounded annually over 3 years. On September 27, 2007, Council approved through the adoption of Clause No. 3 of Report No. 7 of the Community Services and Housing Committee, the maximum domiciliary hostel per diem rate increase from \$45.00 to \$45.90 effective June 1, 2007.

The enhanced funding is intended to:

- Provide homelessness prevention programs and hostels for medically fragile or hard-to-house- individuals.
- Help to ensure that when people have nowhere else to turn, there are community resources there to help them get back on their feet again.
- Establish a system of strong community social services and programs to help maintain and strengthen Ontario communities.

4. ANALYSIS AND OPTIONS

The Province has approved a 2% increase to per diem effective April 2008 and April 2009

The increase will support the financial viability of operators who provide basic care needs for those vulnerable persons who require residence in a domiciliary hostel.

The 2% increase to the per diem will increase the maximum from \$45.90 per diem to \$46.82 effective April 1, 2008 and will be managed within the Community and Health Services 2008 Budget approval. The province has announced an additional 2% increase to the maximum per diem from \$46.82 to \$47.75 effective April 1, 2009.

The impact of the increased per diem rates will be included in the Department's 2009 Budget proposal.

5. FINANCIAL IMPLICATIONS

The per diem is cost shared 80/20 with the Province. The increased net tax levy cost to York Region over 2 years is \$45,408

Impact 2008

The annual impact of the 2% per diem rate (to \$46.82) increase effective April 1, 2008 is approximately \$112,300 gross and \$22,460 net. For 2008, the impact is estimated to be \$84,225 gross and \$16,845 net. This increase will be managed within the 2008 approved Operating Budget for the Community and Health Services Department.

Impact 2009

The annualized impact of an additional 2% per diem rate increase effective April 1, 2009 (to \$47.75) is estimated to be \$114,740 gross and \$22,948 net.

These costs will be included in the Community Services and Housing Department's 2009 Budget proposal.

6. LOCAL MUNICIPAL IMPACT

This is a homelessness prevention program, housing more than 400 vulnerable individuals a year in York Region.

Implementing the provincially approved 2% increase to the domiciliary hostel per diem provides appropriate additional levels of funding to domiciliary hostel operators, and supports the provision of quality care for a vulnerable group of York Region residents. Without this program, many of these residents would become homeless which, in turn, has a negative effect on local communities.

7. CONCLUSION

Provision of the increase to the per diem for domiciliary hostel operators and residents, will have a positive impact on the level of care provided to vulnerable residents in York Region.

For more information on this report, please contact Elizabeth Wagle, Director, Family and Children's Services at Ext. 2089.

The Senior Management Group has reviewed this report.