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ONTARIO WORKS 2% EMERGENCY SHELTER PER DIEM AND PERSONAL NEEDS ALLOWANCE INCREASE

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, May 25, 2006, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve a 2% increase to the provincially cost shared (80:20) per diem paid to emergency shelter operators.
2. Regional Council approve a 2% increase to the provincially cost shared (80:20) monthly Personal Needs Allowance (PNA) for residents of emergency shelters.
3. Staff make necessary revisions to the Emergency Shelter Per Diem Agreements to effect these increases after the Province confirms the effective date.

2. PURPOSE

The purpose of this report is to seek Council approval to implement the Province's decision to increase by 2% both the maximum per diem paid to emergency shelter operators and the monthly PNA for residents of emergency shelters.

3. BACKGROUND

The Region administers per diems to emergency shelter operators and a PNA to eligible shelter residents through purchase of service agreements with Transitional and Supportive Housing Services of York Region (Leeder Place, Porter Place, Youth Shelter) and the Salvation Army of Canada (Sutton Youth Shelter). The authority to administer per diems and the PNA is provided under the *Ontario Works Act*. Both the per diem and PNA are cost shared 80:20 provincially, with the province setting the maximum rate levels for the purpose of cost sharing. Municipalities may set their cost shared rates within these maximum levels. Consolidated Municipal Service Managers (CMSM's) can provide higher per diems but must assume full financial responsibility for costs in excess of the provincial maximum.

3.1 Operating Per Diem Increase

Per diems fund the operating costs of emergency shelters, including the provision of shelter services (board and lodging) and administration (specific building costs, staffing etc.). In March 2006, the Province announced a 2% increase to the emergency shelter per diem rate, consistent with the announced mandated increase to Ontario Works allowance rates. This increase will raise the maximum per diem from \$39.15 to approximately \$39.93.

3.2 Personal Needs Allowance (PNA) Increase

PNA is provided to assist emergency shelter residents with the costs of personal items (including toiletries, clothing etc.). As part of its Budget, the Province also recently announced a 2% increase to the maximum monthly PNA. This change will increase the PNA maximum daily rate from \$3.80 to approximately \$3.88.

4. ANALYSIS AND OPTIONS

4.1.1 Need for Per Diem Level Increases

The Province's decision to increase maximum per diem and PNA levels allows for additional 80:20 funding for shelter operators and their residents. Given province wide concerns about the inadequacy of per diem levels, it provides an opportunity for a small but much needed increase. Concerns regarding per diem levels have been profiled in Clause 1 of Report No. 6 of the Regional Community Services and Housing Committee at their meeting held September 14, 2005, and in the report titled *Summary of Ontario Municipal Social Services Association (OMSSA) Emergency Hostel Task Force Report*, also being presented to Community Services and Housing Committee in June 2006.

4.1.2 Budget Impacts of Increase

While announced as part of the recent Ontario Budget, the Province has yet to formally confirm the effective date of the 2% increase, though the change is expected to occur in fall 2006. It is our understanding that any increase for 2006 will be funded by the Province at 100%, returning to normal 80:20 cost sharing in 2007 and onward. The annualized gross cost of the 2% increase to emergency shelter per diem and PNA is estimated to be \$35,000, resulting in increased annualized net regional costs of \$7,000. Gross and net cost impacts would be reflected as part of the Community Services and Housing Department's 2007 Budget request.

5. FINANCIAL IMPLICATIONS

It is anticipated there will be no financial impact associated with the 2% increase to emergency shelter per diems and PNA in 2006 as it is expected the Province will provide 100% funding for increases this year. The cost increases for 2007 will be addressed through the Community Services and Housing Department's 2007 Budget request with

annualized gross costs associated with the increase expected to be \$35,000 and annualized net regional costs expected to be \$7,000.

6. LOCAL MUNICIPAL IMPACT

While there are no direct local municipal impacts, implementing the provincially approved 2% increase to emergency shelter per diems and PNA provides much needed additional funding to operators and greater assistance toward the personal needs of a vulnerable group of individuals. These increases would therefore benefit the vulnerable residents of all municipalities.

7. CONCLUSION

The Province's provision of a 2% increase to the maximum per diem for emergency shelter operators and maximum PNA for shelter residents coincides with the announced mandated 2% increase to Ontario Works client allowances. These increases provide needed financial support to emergency shelter operators and clients and will have a positive impact on the level of care provided to vulnerable residents across York Region.

The Senior Management Group has reviewed this report.