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RATE INCREASE IN THE DOMICILIARY HOSTEL PER DIEM AND PERSONAL NEEDS ALLOWANCE

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, August 30, 2006, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve an increase to the per diem paid to domiciliary hostel operators of \$3.80 per day from \$41.20 to \$45.00, effective June 1, 2006. The increased portion to be funded 100% by the Province in 2006, reverting to full 80:20 cost-share with the Province in 2007.
2. Council approve an increase to the monthly Personal Needs Allowance (PNA) for eligible residents of domiciliary hostels of \$2.31 per month from \$115.36 to \$117.67, subject to the provincial effective date. Any increased portion to be funded 100% by the Province in 2006, reverting to full 80:20 cost-share with the Province in 2007.
3. Staff make all necessary revisions to the Domiciliary Hostel Per Diem Agreement to effect these increases, subject to the prior review of Legal Services.

2. PURPOSE

The purpose of this report is to seek Council approval to implement the Province's decision to increase the maximum per diem paid to domiciliary hostel operators by \$3.80, from \$41.20 to \$45.00 and, subject to provincial approval regarding the effective date, to increase the monthly PNA for eligible residents of domiciliary hostels by \$2.31, from \$115.36 to \$117.67.

3. BACKGROUND

In the 2006 Provincial Budget, the government announced that funding for the Domiciliary Hostel Program will be increased by \$7 million across the Province in 2006/2007. The enhanced funding is intended to support Consolidated Municipal Service Managers (CMSMs) to develop domiciliary hostel standards of care within their local domiciliary hostel programs, and to provide an increased maximum per diem to support providers in implementing those standards.

The Region administers the domiciliary hostel per diem through Per Diem Agreements with 26 domiciliary hostels.

3.1 Operating Per Diem

The Province approved a \$3.80 increase to the per diem for domiciliary hostel operators, increasing the maximum per diem to \$45.00. The Province approved this increase in response to the fact that, at the current per diem rate, operators are finding it increasingly difficult to provide for the basic care needs of vulnerable persons who require residence in a supervised setting.

3.2 Personal Needs Allowance (PNA)

The PNA is provided to domiciliary hostel residents to cover their personal expenses. While the cost of living increased between 1994 and 2004, the PNA remained the same at \$112 per month, making it difficult for eligible residents to purchase items for their personal use. In 2004, the Province approved a \$3.36 increase to the PNA to \$115.36. The Province has now indicated its intent to approve a \$2.31 increase to the PNA to \$117.67 per month in order to provide eligible residents of domiciliary and emergency hostels with additional money to address their personal expense needs. The effective date has not yet been announced by the Province, however there are indications that it may be announced by November or December of 2006.

3.3 Implementation of Standards

CMSMs will be required to develop and implement standards for their domiciliary hostel programs as a condition of future funding. In order to access domiciliary hostel program funding after December 31, 2006, CMSMs will be required to establish minimum standards for their local domiciliary hostel program. Minimum standards will be required in the following four areas:

- Hostel/Home Administration.
- Physical Environment.
- Support for Activities of Daily Living.
- Resident Lifestyle.

4. ANALYSIS AND OPTIONS

4.1 Per Diem and PNA Increases

The increases to the per diem and the PNA will support the financial viability of operators who provide basic care needs for those vulnerable persons who require residence in a domiciliary hostel, while providing eligible residents with additional means to address costs associated with their personal needs and requirements.

The total cost of implementing the per diem and PNA increases in 2006 is estimated to be \$225,000. These cost increases will be funded 100% by the Province in 2006.

The cost increases for 2007 of approximately \$430,000 will be cost-shared with the province at 80:20 and will be addressed through the Community Services and Housing Department's 2007 Budget proposal.

4.2 Domiciliary Hostel Program Framework

The Ministry plans to provide a program framework that will include expectations for standards to CMSMs in September 2006. The framework will assist CMSMs to develop standards to be included in their 2007 service agreements (to be signed with domiciliary hostel operators in the fall of 2006).

The framework is intended to clarify, strengthen and support the municipal role in the delivery of the Domiciliary Hostel Program.

The framework will also reinforce the requirement to provide funding only to those domiciliary hostel spaces that meet the definition as set out in the transfer payment budget package. Domiciliary hostels are defined as permanent housing with some supports for daily living for vulnerable adults with special needs. Spaces currently funded by the domiciliary hostel program that do not meet this definition will no longer be funded under the program, effective January 1, 2007.

This framework will be the subject of a report to Council in the future.

4.2.1 Development and Implementation of Standards

Initial discussions with the Province indicate that York Region's current Domiciliary Hostel Program meets the proposed standards which will be included in the provincial Domiciliary Hostel Program Framework.

4.2.2 Compliance with Provincial Definition

It appears that domiciliary hostel spaces in York Region currently funded by the Domiciliary Hostel Program will remain eligible for funding as they meet the definition as set out in the provincial transfer payment budget package.

4.3 Relationship to Vision 2026

This program supports the following action areas of Vision 2026:

- Being responsive to the needs of vulnerable residents.
- Addressing homelessness and developing homelessness prevention programs.
- Addressing the need for shelter.

5. FINANCIAL IMPLICATIONS

The cost increases for 2007 of approximately \$430,000, associated with the domiciliary hostel and PNA increase, will be addressed through the Community Services and Housing Department's 2007 Budget proposal. This increase will be cost-shared 80:20 with the Province with annualized net regional costs expected to total approximately \$86,000.

The cost increase for 2006 of approximately \$225,000 will be covered 100% by the Province.

6. LOCAL MUNICIPAL IMPACT

Implementing the provincially approved \$3.80 increase to the domiciliary hostel per diem and the \$2.31 increase to the monthly PNA, provides appropriate additional levels of funding to domiciliary hostel operators and residents and supports the provision of quality care for a vulnerable group of York Region residents. Without this program, many of these residents would be at risk of becoming homeless which, in turn, would have a negative effect on local communities.

7. CONCLUSION

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

The Senior Management Group has reviewed this report.