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2% EMERGENCY SHELTER AND DOMICILIARY HOSTEL PER DIEM INCREASE

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, August 27, 2007, 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 from $39.95 to $40.75, effective December 1, 2007.

2. Regional Council approve a 2% increase to the provincially cost shared (80:20) per diem paid to domiciliary hostel operators from $45.00 to $45.90, effective June 1, 2007.

2. PURPOSE

The purpose of this report is to seek Regional Council approval to implement the Province's decision to increase the maximum per diems paid to emergency shelter and domiciliary hostel operators by 2%, effective December 1, 2007 and June 1, 2007 respectively.

This report also informs Regional Council of the Province's decision to increase the monthly Personal Needs Allowance by 2%, effective December 1, 2007.

3. BACKGROUND

3.1 Province sets the maximum per diem rates

Emergency shelters provide temporary lodging and meals to homeless individuals, families and youth. Domiciliary hostels provide long term board and lodging for individuals requiring supervision with their daily living activities. The Region pays per diems to emergency shelter operators and domiciliary hostel operators, on behalf of eligible residents, through purchase of service agreements cost shared 80:20 with the Province paying 80% of the cost, under the *Ontario Works Act* and the *Ministry of Community and Social Services Act*, and the Region paying 20% of the cost.

The Province establishes maximum per diem rates for these operators above which the Province will not cost share. Shelters and hostels in York Region, as is the case across much of the province, are experiencing significant budget pressures managing within these provincially defined levels. As a result York Region pays per diems to operators at the maximum rate.

3.2 Province announces per diem increases

In June 2007, the Province announced a 2% increase to the emergency shelter per diem rate, cost shared 80:20 with the Region. This increase will raise the maximum per diem from $39.95 to approximately $40.75 for Transitional and Supportive Housing Services of York Region (Leeder Place, Porter Place, Youth Shelter) and the Salvation Army of Canada (Sutton Youth Shelter). 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 July 2007, the provincial government announced a 2% increase to the maximum domiciliary hostel per diem from $45.00 to $45.90, effective June 1, 2007. The Region pays per diems to domiciliary hostel operators through purchase of service agreements with 26 domiciliary hostel operators, cost shared 80:20 with the province paying 80% and the Region paying 20%.

3.3 Province announces Personal Needs Allowance increase

As part of its budget, the Province also recently announced a 2% increase to the maximum monthly Personal Needs Allowance. This mandatory increase will change the maximum daily rate from $3.90 to approximately $4.00. A Personal Needs Allowance is provided to assist emergency shelter and domiciliary hostel residents with the cost of personal items (including toiletries, clothing, etc.). The Personal Needs Allowance is cost-shared 80:20; with the Province paying 80% and the Region paying 20%.

4. ANALYSIS AND OPTIONS

4.1 Per diem increase is supported by Committee

The Province's decision to increase maximum per diem levels provides an opportunity for a small but much needed increase to shelter operators. Concerns regarding per diem levels were profiled in Clause No. 1 of Report No. 6 of the 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 presented to Community Services and Housing Committee in June 2006.

5. FINANCIAL IMPLICATIONS

5.1 The Province will provide 100% funding in 2007

The annualized gross cost of the 2% increase to both per diem and Personal Needs Allowance is estimated to be $160,600, resulting in increased annualized net regional costs of $32,120. The increased cost for 2007 will be funded by the Province at 100%, returning to 80:20 cost sharing in January 2008 and will be reflected in the Community Services and Housing Department's 2008 budget request.

Per diem rates, for both emergency shelters and domiciliary hostels, are not indexed annually. Since 1995 the Province has approved only three increases to the maximum per diem rates. The first increase, in 2004, was the subject of Clause No. 3 of Report No. 7 of the Regional Community Services and Housing Committee, presented to Council at their September 23, 2004 meeting. In 2006, the second increase for emergency shelters was the subject of Clause No. 3 of Report No. 5 of the Regional Community Services and Housing Committee, adopted by Council at the June 22, 2006 meeting and for domiciliary hostels the subject of Clause No. 4 of Report No. 6 of the Regional Community Services and Housing Committee, adopted by Council at the September 21, 2006 meeting. The third increase is the subject of this report.

6. LOCAL MUNICIPAL IMPACT

Implementing the provincially approved 2% increase to emergency shelter and domiciliary hostel per diems and Personal Needs Allowance provides much needed additional funding to operators and some of York Region's most vulnerable individuals in all municipalities.

7. CONCLUSION

The Province's 2% increase to the maximum per diem for shelter operators and its 2% increase in Personal Needs Allowance for shelter residents provide needed financial support to operators and clients and will have a positive, albeit modest, impact on the level of care provided to vulnerable residents across York Region.

The Senior Management Group has reviewed this report.