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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON JUNE 19, 2012
FROM:	CINDY HOWARD DIRECTOR SOCIAL AND COMMUNITY SUPPORT SERVICES
SUBJECT:	PROVINCIAL BUDGET 2012 AND IMPLICATIONS TO DISCRETIONARY BENEFITS

RECOMMENDATION

That, on the recommendation of the Director of Social and Community Support Services, the following report **BE RECEIVED** for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND

The Discretionary Benefits program provides subsidy to meet health related needs as well as critical non-health related needs, not otherwise funded, to assist Social Assistance recipients and low income Londoners. Benefits under this program include cribs, car seats, funerals, assistive devices, adult emergency dental, dentures, adult glasses, vocational training, non-health transportation, furniture, and appliances, etc.

The current City Budget for the Discretionary Benefits program includes benefits that are prescribed by the Province as discretionary health related, discretionary non-health related as well as health benefits that are prescribed as mandatory for Ontario Works Participants (for example: vision and dental care for children and medical transportation). Also included in these figures are similar benefits for Non-Social Assistance recipients.

The 2012 Provincial Budget that was announced on March 27, 2012 included changes to the funding formula for discretionary benefits issued to Social Assistance recipients. These changes are effective July 1, 2012.

Discretionary benefits are included in the Provincial upload which commenced in 2010 and is scheduled to be finished in 2018, when the province will fund the entire 100% cost. Historically, these benefits were cost-shared with the province at a rate of 80/20%. Currently, the cost share is 82.8/17.2% for 2012 and 85.8/14.2% for 2013.

Previously there was no cap on health related discretionary benefits. Non-health related benefits, were capped using a formula based on the combined Ontario Works average monthly caseload and ODSP benefit units that were issued x \$8.75.

The Provincial Budget announced that, effective July 1, 2012, the existing formula would be replaced with a new formula of \$10 multiplied by the combined Ontario Works and ODSP average monthly caseload within a delivery agent's geographic area for both health and non-health related discretionary benefits expenditures. The new figures would continue to be subject to the terms of the current cost sharing agreement.

This change may require some municipalities to prioritize their discretionary benefit expenditures based on local needs and capacities. In the remaining six months of 2012, the

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City of London will be able to manage expenditures without impacting benefits provided under our current program. Further analysis is required to better understand how the funding formula changes will impact our ability to meet service demands in 2013.

FINANCIAL IMPACT

Based on year to date expenditures, we anticipate that the impact of the new Provincial Discretionary Benefits cap effective July 1, 2012 can be accommodated within the existing 2012 Social and Community Support Services Division's net budget.

Further analysis and consultation will take place over the next few months regarding any potential changes to the discretionary benefits program. Any potential budget impacts will be included in the 2013 draft City budget.

SUBMITTED BY:	RECOMMENDED BY:
Susan Godin, Manager, Program Supports & Development Social & Community Support Services	Cindy Howard Director, Social & Community Support Services Community Services Department

- c. Anna Lisa Barbon, Manager, Financial and Business Services
 Lynne Livingstone, Director, Neighbourhood and Children's Services