SUBJECT: Domiciliary Hostel Program Funding Changes (ECS07094) (City Wide)

RECOMMENDATION:

That the General Manager of the Community Services Department be directed and authorized to pay a per diem increase of 2% to domiciliary hostel service providers, effective June 1, 2007, funded 100% by the Province up to December 31, 2007, and cost shared on an 80/20 basis, effective January 1, 2008.

Joe-Anne Priel
General Manager,
Community Services Department

EXECUTIVE SUMMARY:

In July 2007, the Ministry of Community and Social Services (MCSS) announced a 2% increase in the per diem rate for domiciliary hostels, effective June 1, 2007. Consolidated Municipal Service Managers (CMSMs) have the discretion to approve or not approve this increase.

In October 2007, staff received the confirmation that the Province would fund the 2% increase for the period of June 1, 2007, to December 31, 2007, at 100%, if a CMSM increased the per diem rate. Staff is recommending the increase, as service providers have been lobbying for increased per diems given rising costs of operation. The per diem will be cost shared 80/20 in 2008.

The Ministry also announced that effective April 1, 2007, they would assume 100% responsibility for the administrative supports for the domiciliary hostel program on an
ongoing basis. They have approved an annualized amount of $436,600 for administration of the program.

These changes in funding and cost sharing for 2008, the savings will offset the cost of the increase in per diem. Due to the timing of Report ECS07094 and the 2008 budget process, staff included this provision in the budget, but it can be amended if Council approves the recommendation in Report ECS07094.

**BACKGROUND:**

The domiciliary hostel program is a discretionary program that has been cost shared at 80/20 with the Province. The 80/20 cost sharing applied to both the administrative and program costs for the program. The approved budget for the program in 2007 was $6,558,412. This was based on a maximum per diem rate of $45.00.

In July 2007, the Ministry announced an increase of 2% in the maximum per diem for domiciliary hostels from $45.00 to $45.90.

In October, staff received confirmation that the Province will fully fund the cost of the per diem increase for the period June 1, 2007, to December 31, 2007, and would cost share it at 80/20 in 2008.

The Province also announced that they will assume responsibility for the cost of administration of the program effective April 1, 2007, on an ongoing basis.

**ANALYSIS/RATIONALE:**

Historically, when the Province announces increases in funding after CMSMs have approved their budgets, they fund the approved increase at 100%. CMSMs have the discretion to approve the per diem increase. If they approve the increase, they are committing to the cost sharing of the increase in the year following.

**ALTERNATIVES FOR CONSIDERATION:**

Council has the discretion to approve (or not) the increase in the per diem. The increase is in line with rising operational costs.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:**

With the Province assuming responsibility for the cost of administration of the program, the savings will offset the cost of the per diem increase.
Staffing:

There are no staffing implications due to the per diem increase. However, a review of the program is underway to ensure the unit is adequately staffed to meet ongoing compliance with the Ministry of Community and Social Services Domiciliary Hostel standards. Staff will bring forward a report addressing this in early 2008.

Legal:

There are no legal implications associated with the recommendation of Report ECS07094.

POLICIES AFFECTING PROPOSAL:

There are no policy implications, other than the rate of per diem payments for domiciliary hostel will increase to $45.90, effective June 1, 2007.

RELEVANT CONSULTATION:

Staff has consulted with the Corporate Services Department, Finance and Budgets Division to determine the financial impact on the change in administration and increase in per diem rate.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
An increase in the per diem will enhance the funding available to service providers to increase service to tenants of residential care facilities

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☑ Yes ☐ No
Service providers will realize an increase in revenue.

Does the option you are recommending create value across all three bottom lines? ☐ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No