SUBJECT: Transportation Cost Provisions for Social Assistance Recipients (SSC06011) (City Wide)

RECOMMENDATION:

(a) That Council correspond with the Minister of Community and Social Services (MCSS) to request an increase in social assistance rates to include transportation costs for recipients of the Ontario Works and Ontario Disability Supports Programs (ODSP).

(b) That copies of the letter to the Minister be provided to the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA).

Joe-Anne Priel
General Manager
Community Services Department

EXECUTIVE SUMMARY:

Funds for transportation costs are not issued to every individual or family who receive social assistance and are not specified as a basic need by provincial legislation. Accessibility to transportation and increased mobility contributes to quality of life especially for those who must live within a limited income. It is recommended that a province-wide increase in the basic needs portion of Ontario Works and ODSP benefits is the most equitable manner in which to address a fundamental barrier – the ability to travel within the community.
If Ontario Works rates are changed to include transportation costs as recommended, there are potential budget implications for the municipality. An increase in cost would vary dependent upon criteria such cost-sharing arrangements, rates and caseload size at the time of implementation. An accurate cost analysis can be provided only with specific directives from the Ministry. A sample of possible cost implications is outlined in the Financial Implications section of this report.

On the other hand, increased access to funds for transportation costs would likely increase revenues for local public transit (Hamilton Street Railway) as ridership would increase.

This issue has been identified and the solution endorsed by the Ontario Works/ODSP Operational Advisory Committee and the Social Justice Strategic Group for the City of Hamilton.

The purpose of the Ontario Works/ODSP Operational Advisory Committee is to provide a forum to ensure that the perspectives of persons receiving services provided by the Ontario Works and ODSP programs in the City of Hamilton are taken into consideration. Representatives from the community meet with municipal and provincial staff to identify and, where possible, resolve operational issues within the programs.

This recommendation was raised to the Social Justice Strategic Group who in turn recommended that City Council approve further action with the Ministry of Community and Social Services. The Social Justice Strategic Group is a joint committee of community social advocacy groups and the municipal and provincial staff who work together to identify and find solutions to social issues within the community.

**BACKGROUND:**

Accessibility to transportation and increased mobility contributes to quality of life especially for those who must live within a limited income. Access to funds for transportation foster social inclusion and contributes to the social and physical well-being of disadvantaged groups, such as the young and elderly, the poor and persons with disabilities. Lack of funds to utilize public transit has been identified as a barrier to accessibility to basic services such as medical care, social services and affordable and healthy shopping.

The ability to travel within the community is a barrier for many Hamilton residents. The inadequacy of social assistance rates has created an additional hurdle for the most disadvantaged in the community to attain financial independence. The major part of social assistance payments are spent on shelter costs such as rent and utilities, with little remaining for food and other necessities. Purchasing a bus ticket or gas for a vehicle is unattainable for many. The inability to travel in the community may create crises and further hardship when necessary appointments are not attended to. One example, there is an expectation that Ontario Works participants attend regular update meetings with their case-manager, participate in employment activities and obtain verification from health professionals in order to receive certain benefits. A second
example is that food banks are not located within walking distance in every neighbourhood.

Funds for transportation costs are not issued to every individual or family who receive social assistance and are not specified as a basic need by provincial legislation. Ontario Works participants receive financial assistance that includes an amount for basic needs and an amount for shelter. Budget requirements for the family are based on the family size and shelter costs and the age of the dependent children. Basic needs allowance is issued for food, clothing and personal needs. According to current legislation, Ontario Works participants may be eligible for transportation costs as an employment related expense to participate in employment activities or to attend medical appointments. Additionally, local policy has been established to provide transportation costs for participants for three months who are no longer eligible for assistance due to income from earnings to support job retention. Bus tickets may also be provided in an emergency situation on an ad-hoc basis.

It is suggested that an increase in basic needs for transportation costs may be directed toward the purchase of public transit or be used to maintain a personal vehicle. Although the majority of social assistance recipients utilize public transit, some individuals maintain a car or truck. Vehicles may be necessary for those who live in rural areas, who have a disability or who require a vehicle for work. Alternately, others may decide to purchase a bicycle.

**ANALYSIS/RATIONALE:**

Please see the "Background" section for Analysis and Rationale.

**ALTERNATIVES FOR CONSIDERATION:**

There are two alternatives for consideration. One option is for the municipality to cover transportation costs at 100% for all those who are in receipt of assistance from either the Ontario Works or ODSP Programs. There is no provision under current legislation for cost-sharing this type of benefit. For example, in April 2006, the Ontario Works caseload was 10,327 cases, which are comprised of 23,568 beneficiaries including children. At an estimated transportation allowance of $65 per person, the cost would be $1,531,920 per month or $18,383,040 annually for the Ontario Works program. Costs for the ODSP caseload have not been included which may also be covered at 100% cost to the municipality.

The other option is to remain with the status quo, which is to provide transportation costs only for medical reasons, for employment activities or on an ad-hoc basis in an emergency.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

There is no provision under the Ontario Works Act or the Ontario Disability Support Program Act (ODSP) Legislation and Directives to provide benefits for transportation costs for all recipients without specific cause.

An accurate cost analysis can be provided only with specific directives from the Ministry. If Ontario Works rates are changed to include transportation costs, it may be cost-shared 80/20 with the province. The estimated costs for the Ontario Works program would vary dependent upon the amount of the additional benefit and caseload size. For example, in April 2006, the Ontario Works caseload was 10,327 cases which are comprised of 23,568 beneficiaries, including adults and children. At an estimated transportation allowance of $65 per person, the cost would be $1,531,920 ($306,384 net) per month. The annual estimate would be $18,383,040 ($3,676,608 net). The Ontario Works program currently spends an estimated $2,000,000 ($400,000 net) annually for transportation. The resulting net increase would be $16,383,040 ($3,276,608 net). Estimated costs do not include costs related to the ODSP program which are also cost-shared.

POLICIES AFFECTING PROPOSAL:

The Ontario Works Act and the Ontario Disability Support Program Act (ODSP) do not contain provisions for transportation costs as a basic need for all recipients.

Departmental staff is currently working on the development of a social inclusion (“fair fee”) policy framework for the consideration of Council in Q4 2006. The recommendation in this report is consistent with the proposed direction of the social inclusion framework that is under development.

RELEVANT CONSULTATION:

This issue has been identified and the solution endorsed by the Ontario Works/ODSP Operational Advisory Committee and the Social Justice Strategic Group for the City of Hamilton. Both groups were consulted in the writing of this report.

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

• All residents including those on a limited income have the ability to travel within the City.
• Access to funds for transportation foster social inclusion and contributes to the social well-being of disadvantaged groups.
• Access to funds for transportation allows accessibility to medical care, social services and affordable and healthy shopping.

Environmental Well-Being is enhanced.  ☐ Yes  ☑ No

Economic Well-Being is enhanced.  ☑ Yes  ☐ No
  • Access to funds for transportation will increase public transit rider-ship.
  • Increased mobility would increase accessibility to stores and services rather than within walking distance of one’s home.

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