SUBJECT: 2007 National Child Benefit Strategy SSC06023(b) (City Wide)

RECOMMENDATION:

(a) That the funding shortfall, in the amount of $270,000, to support the transition of the National Child Benefit Grant Programs to the Community Partnership Program, be absorbed within the Community Services Departmental budget and/or the 2007 Corporate reserves.

(b) That the General Manager of Community Services be directed to process an enhancement, in the amount of $270,000, for the 2008 National Child Benefit Programs that will be considered through the Community Partnership Program, to the 2008 Budget Deliberations for consideration.

Joe-Anne Priel
General Manager,
Community Services Department

EXECUTIVE SUMMARY:

The purpose of this report is to provide an update to Council on the following:

- Transition of the 2007 NCB Grant programs to the City’s Community Partnership Program (CPP), the shortfall in funding and to propose a resolution to said shortfall,
- Transition and review of three additional NCB funded programs (YSAN Grow, New Choices and the YWCA Employment resource Centre Programs),
- The 2007 Hamilton NCB Entitlement Program (HNEP).
In an attempt to reduce child poverty in Hamilton, Council supported the creation of the Hamilton NCB Entitlement Program in 2006 and the transition of NCB funded programs to other sources of funding (see reports SPH05035(a)/ FCS05085(a) and SSC06023(b)). Some NCB funded programs were transitioned in 2006; with an expedited transition of the remaining programs taking place in 2007. As a result of this expedited transition, the City of Hamilton will be returning almost the entire municipal share of the NCB claw back to families receiving Ontario Works and Ontario Disability Support Program assistance.

Three non-grant programs have also been transitioned. The YSAN Grow, New Choices and YWCA Employment Resource Centre programs, have been funded through the tax stabilization reserves from January 1, 2007 until April 30, 2008. The Community Services Department will undertake a review of these programs in order to identify alternative opportunities and funding sources.

The 2007 HNEP program will take place in the fall. Wesley Urban Ministries was the successful bidder in an RFP process and will partner with the City of Hamilton in the delivery of the HNEP program.

**BACKGROUND:**

The National Child Benefit (NCB) Supplement is part of the Canada Child Tax Benefit issued by the Government of Canada. The NCB is designed to provide extra support to low-income families with children. The Province of Ontario deducts or ‘claws back’ this supplement from families receiving Ontario Works (OW) and Ontario Disability Support Program (ODSP) assistance. This deduction is approximately $100 per month per child. The City of Hamilton receives 20% of these funds annually, and is required to reinvest it in programs and supports that attempt to reduce the depth of child poverty, promote employment for parents, and reduce overlap and duplication of programs and services.

One of the key objectives of the City’s 2006 and 2007 NCB Strategies was to direct municipal NCB funds back to local families in receipt of OW and ODSP, while maintaining and supporting as many of the currently funded NCB programs as possible. As a result of Council direction and support and based on significant community advocacy, the Community Services Department implemented the Hamilton NCB Entitlement Program (HNEP) in the fall of 2006 and returned almost $1 million of the NCB claw back to 6,414 children (in 3,426 families) in receipt of social assistance in Hamilton.

The 2007 NCB Strategy, Report SSC06023(a), as amended, was approved by Council January 24, 2007 and includes the expedited transition of internal and community based programs away from NCB funds in order to return those funds to families through the HNEP Program.

The approved 2007 NCB Strategy requires that the City of Hamilton continue to shift funding or phase-out the remaining internal programs, “grandfather” three community
programs for 18 months, transition 20 community-based programs away from NCB funding to the Community Partnership Program (CPP), and increase funding to the Hamilton NCB Entitlement Program.

ANALYSIS/RATIONALE:

**Transition of NCB Community Based Programs to the Community Partnership Program:**

Transition of NCB Grants to the Community Partnership Program was recommended for the following reasons: because the NCB Grant Program was modelled after the CPP Program; because many NCB Grant recipients also receive funds through the CPP program and are familiar with the process; and lastly because the CPP programs undergo a review and approval process directed by Council.

Since the 2007 to 2010 CPP cycle has already begun, staff are recommending that the NCB grant recipients be allowed a three year transition into the Community Partnership Program. During that time, staff can actively work with these NCB grant programs to ensure their compliance with CPP guidelines in time with the next term of Council and the beginning of the next full Community Partnership Program cycle.

During this transition phase, although the NCB programs will be reviewed and scored as all other CPP applicants, these programs will remain exempt from complying with CPP guidelines during the transition phase as well as exempt from multi-year funding. After the three year transition phase, staff will highlight and make any required recommendations with respect to the NCB grant programs and their transition into the Community Partnership Program.

This transition will be accomplished in several stages and will include:
- The continued submission of 2007 reports,
- A customized information session with Community Services staff
- Completion of 2008 CPP applications
- Individual staff support throughout transition.

The transition of 20 community-based programs from NCB to the City’s Community Partnership Program was addressed in Report # GRA07006.

The funding approved through the 2007 Budget process to support the transition of the NCB Grant Programs to the Community Partnership Program was inadvertently calculated for a 6 month rather than a 12 month period. The shortfall ($270,000) will be absorbed within the departmental budget and/or corporate reserves in 2007; and will be referred to the 2008 budget process as an enhancement.
Review of YSAN Grow, New Choices and YWCA Employment Resource Centre Programs:

YSAN Grow, New Choices and the YMCA Employment Resource Centre are three community programs referenced earlier in the report that will be “grandfathered” for an 18 month period while the review occurs. Council approved one time funding of $834,000 from the Tax Stabilization reserves to fund the YSAN Grow, New Choices and YWCA Employment Resource Centre programs for the period January 1, 2007 to April 30, 2008.

The Community Services Department will undertake a review of these programs in 2007. This review will assist the department in gaining a better understanding of what program components are being delivered, how the programs are responding to community needs and who is accessing these programs. The review will be undertaken with the assistance of the NCB Advisory Group. Staff will use the results of the review to work with the agencies and community partners to identify alternative opportunities and funding sources. The review will be completed before the end of 2007. A report of the outcome of the review will be presented to Committee.

2007 Hamilton NCB Entitlement Program Update:

Due to Provincial guidelines that prevent municipalities from returning funds directly to Ontario Works (OW) and Ontario Disability Support Program (ODSP) recipients, the City of Hamilton is required to partner with a charitable community organization to assist in delivering Hamilton NCB Entitlement Program (HNEP).

In 2006 the CS Department, in partnership with Wesley Urban Ministries, launched the HNEP Program. Through this program, the City Of Hamilton returned a portion of municipal NCB funds to OW and ODSP families with children via direct payments totalling almost $1 million.

A request for proposal has recently been completed with the assistance of the City's Purchasing Section. Wesley Urban Ministries is the successful bidder and will partner with the City of Hamilton in the delivery of the HNEP program in 2007. The City has the option to extend this agreement for one or two additional years.

Staff are currently working on plans to implement the 2007 HNEP Program in the fall. The eligibility period will include families having received OW or ODSP in Hamilton between July 1, 2006 and June 30, 2007 (12 months). Implementation of this year’s program will build upon the initial success and lessons learned in 2006. Additional information about the program will be provided to Councillors in the upcoming months.

ALTERNATIVES FOR CONSIDERATION:

No alternatives are being considered.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial:

Funding for the transition from NCB Grant Programs to CPP Program funding was inadvertently calculated for 6 months rather than 12 months resulting in a shortfall of $270,000 for 2007. Staff are recommending that this shortfall be absorbed within the Community Services Departmental budget and/or corporate reserves in 2007. These funds will be referred to the 2008 budget process as an enhancement.

Staffing:

There are no staffing implications associated with the recommendations of Report SSC06023(b).

Legal:

There are no legal implications associated with the recommendations of Report SSC06023(b).

POLICIES AFFECTING PROPOSAL:

There are no policies that affect Report SSC06023(b).

RELEVANT CONSULTATION:

Consultation has taken place with the City’s Corporate Services Department.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, 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. Evaluate the implications of your recommendations by indicating and completing the sections below. Consider both short-term and long-term implications.

Community Well-Being is enhanced. ☑ Yes ☐ No
Community well-being is enhanced by providing services and supports to vulnerable individuals and families, and ensuring that all citizens of the City of Hamilton have their basic needs met. This report also supports the City of Hamilton’s commitment to the Hamilton Roundtable for Poverty reduction.
Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☑ Yes ☐ No

Poverty is reduced.

Economic well-being is enhanced as all of Hamilton's citizens have their basic needs met. They are able to more fully participate in education, training and employment, therefore able to support themselves and their families and contribute to the local economy.

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