Analysis of Provincial Upload Savings

General Issues Committee
September 18, 2013
Item 7.2

FCS13060
Council Direction

• “That staff be directed to provide an Information Report, to a future General Issues Committee, respecting the actual dollars uploaded by the Province from the City of Hamilton.”

• “That staff be directed to review the 2012 upload notice to the Ontario Municipal Partnership Fund and address the variances with the City’s numbers, and respond as to why the Ontario Works Benefits component is almost half of what the administration component is.”
• Provincial – Municipal Fiscal and Service Delivery Review (PMFSDR):
  – In 2006, the Province and its municipal partners embarked on a review of the provincial-municipal relationship (financing and funding relationship, service delivery and service governance)
  – In 2008, the Province announced the upload of all social assistance benefits and court security costs, as stated in agreement between the Province, AMO and the City of Toronto
Municipal Fiscal Health Indicators
(PMFSDR, 2008 report)
Upload Timeline

- As per the upload agreement:
  - **2008**: Ontario Drug Benefit (ODB)
  - **2009**: Ontario Disability Support Program (ODSP) Administration
  - **2010 - 2011**: Ontario Disability Support Program (ODSP) Benefits
  - **2010 – 2018**: Ontario Works (OW) basic financial assistance
  - **2012 – 2018**: Court Security

- In addition, the Province increased the allocation cap for Ontario Works (OW) Administration in 2012 (not uploaded, continues to be 50/50 cost shared)
In order to get a complete picture of the upload savings, the corresponding clawback of the Ontario Municipal Partnership Fund (OMPF) and Special Provincial Funding needs to be taken into account.

In total, the Province has clawed back $52.2M of funding previously received by the City.

As of 2011, the City is no longer in receipt of OMPF or Special Provincial Funding.
## Social Services Upload vs. Grant Clawback: 2008-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>UPLOAD BENEFIT* ($ millions)</th>
<th>OMPF/GRANT REDUCTION ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>(9.40)</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>(5.30)</td>
<td>9.70</td>
</tr>
<tr>
<td>2010</td>
<td>(16.70)</td>
<td>14.40</td>
</tr>
<tr>
<td>2011</td>
<td>(21.90)</td>
<td>11.60</td>
</tr>
<tr>
<td>2012</td>
<td>(6.50)</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>(4.10)</td>
<td>-</td>
</tr>
</tbody>
</table>

Special Grant Reduction Since 2009 16.50

| TOTAL | (63.90) | 52.20 |

**OVERALL NET BENEFIT** (11.70)

* Province has identified $78.9M in upload savings

* Excludes other Provincially shared programs
Upload Savings - $67.2M Variance

$67.2M variance mainly due to:

- **$52.2M**: Province does not take into account clawback of OMPF/ Special Provincial Funding
- **$10.3M**: Province includes avoided costs (current costs of services already uploaded)
- **$4.4M**: Province includes total OW Admin subsidy available – Hamilton’s costs have not reached this increased level to fully realize these savings
Upload – Beyond 2013

• ODB and ODSP have been fully uploaded (2008-2011) and therefore the savings identified by the City of $51.6M* will remain unchanged regardless of the current Provincial costs of providing these services.

• The City will realize additional upload savings for the continued phase-in upload of OW basic financial assistance and Court Security until they are fully uploaded in 2018.

* $51.6M = ODB ($9.4M), ODSP Admin ($5.3M), ODSP Benefits ($36.9M)
Provincially-shared Programs not Uploaded

• Although the City has identified $11.7M in upload savings, this does not take into account the City’s continued financial obligation for other provincially-shared programs which have not been uploaded:
  – OW Administration
  – Social housing
  – Child care
  – Lodges
  – Public Health
  – Paramedic Services

• 2009 net costs = $131.5M \(^1\) - staff to report back on the City’s updated financial obligation for provincially-shared programs (Q4 2013)

\(^1\) FCS10010 “Municipal Impact of Provincially Mandated Programs”