

## **Ontario Disability Support Program (ODSP) 2008 Budget Document**

### **Section I. Existing Services and Service Levels:**

The Ontario Disability Support Program (ODSP) is designed to meet the unique needs of people with disabilities who are in financial need and to support those who are able to work. Ontarians 65 years or older who are not eligible for Old Age Security may also qualify for ODSP supports if they are in financial need. The program offers income and employment supports to clients.

Income supports provides financial assistance and other benefits to eligible persons with disabilities and their families. This includes accommodation and basic living expenses, as well as prescription drugs and basic dental care. Other supports and benefits that may be available include eyeglasses, hearing aids, special diet allowances, and medical supplies.

Employment supports help eligible people with disabilities overcome barriers to employment. Persons with a disability and a desire to work may be eligible to receive supports to assist in finding and maintaining a job. People who are already working but having difficulty keeping a job because of a disability may also qualify for ODSP employment supports. Persons with disabilities do not need to be in receipt of ODSP income support in order to be eligible for employment supports.

The ODSP program is exclusively managed and delivered by the Ministry of Community and Social Services (MCSS). The program benefits are shared 80/20 (province/municipalities) while the program delivery and administration costs are shared 50/50. The cost sharing is mandated as part of Local Support Realignment (LSR, 1998).

Municipalities have no input or approval of the annual ODSP budget. Peel's share of the monthly ODSP costs are automatically deducted from Peel's monthly Ontario Works subsidy entitlements.

### **Section II. Resources to Deliver 2007 Services:**

#### ***2007 Budget:***

The approved 2007 ODSP operating budget reflects a total budget of \$34.5 million, as summarized below. Peel's 2007 ODSP budget contains Peel's portion (20 per cent of program costs and 50 per cent of the administration costs) of the downloaded provincial program.

#### ***2007 Projection:***

The monthly average caseload is projected to be 10,202 cases (cases with positive cash entitlements) for 2007 vs. the approved budget of 9,367. The ODSP program is expected to end the year with a \$1.6 million deficit, primarily driven by higher monthly caseload.

Current \$'000	2006 Actual	2007 Budget	2007 Projection	2007 Variance Under/(Over)
Client Benefit Costs	\$19,856	\$21,610	\$23,637	(\$2,027)
Ontario Drug Benefits	\$6,738	\$7,828	\$7,418	\$410
Dental Benefits	\$421	\$472	\$511	(\$39)
Administration	\$3,586	\$3,850	\$3,853	(\$3)
Other Cost	\$687	\$706	\$682	\$24
<b>Total Expenditure</b>	<b>\$31,288</b>	<b>\$34,466</b>	<b>\$36,101</b>	<b>(\$1,635)</b>
<b>Total Revenue</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Cost</b>	<b>\$31,288</b>	<b>\$34,466</b>	<b>\$36,101</b>	<b>(\$1,635)</b>
<b>FTE</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Section III. Performance Measurement/Benchmarking:**

Shown below is a recap of ODSP caseload increases in the Greater Toronto Area (GTA) from 2001 to 2007 (June). The data shows that Peel’s ODSP caseload has outpaced other GTA municipalities (other than York) and the GTA and provincial average during this period.

Municipalities	ODSP - Active” Caseload”							
	2001	2002	2003	2004	2005	2006	2007 (June)	Cumulative Change
Peel	7,088	7,734	8,263	8,721	9,093	9,538	10,442	47.3%
Halton	2,538	2,616	2,762	2,938	3,123	3,366	3,508	38.2%
Durham	5,130	5,413	5,683	5,969	6,231	6,746	7,016	36.8%
York	4,806	5,030	5,488	5,817	6,173	6,733	7,146	48.7%
Toronto	45,895	45,801	46,247	46,565	47,304	49,526	51,190	11.5%
<b>Total Including Peel</b>	65,457	66,594	68,443	70,010	71,924	75,909	79,302	21.2%
<b>Total Excluding Peel</b>	58,369	58,860	60,180	61,289	62,831	66,371	68,860	18.0%
<b>Total Ontario</b>	191,990	195,685	201,160	206,884	213,494	224,652	232,451	21.1%

From Provincial “CMSM’s Social Assistance Quarterly”  
 Caseload figures are higher as the data is depicting active caseload, not caseload with positive entitlements (cash payments)

**Section IV. 2008 Base Pressures:**

Not Applicable. The caseload increase impact is discussed as part of challenging and emerging trends in section VI and 2008 program pressures in section VII.

**Section V. Cost Mitigation Through Efficiencies and Recoveries:**

Although ODSP is a downloaded provincial program, significant attention and effort is invested in impacting ODSP effectiveness. Staff provides feedback and advice on a regular basis at a local and provincial level, through both the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA). They also collaborate locally to ensure efficient and effective service delivery and timely transfer of ODSP eligible clients from Ontario Works (OW) to ODSP.

In addition, in 2006 the province mandated that municipalities provide employment supports programming to both dependent adults and non-disabled, non-care giving spouses of ODSP recipients. This new programming has been integrated into Peel’s employment services delivery model. Earnings focused employment participation agreements are developed and participants have access to the full range of Peel’s programs and services, including financial supports required to successfully enter/re-enter the labour market.

Municipalities will potentially benefit financially from this downloaded program as client outcomes such as increased earnings, employment and ultimate exit from ODSP translate to savings for ODSP. As a result, municipalities will, in turn, save 20 per cent payment of ODSP income support. In addition, 50 per cent of the Province’s 80 per cent share of program savings will be paid out to municipalities, as an incentive calculated over a cumulative 36 month period.

**Section VI. Challenges and Emerging Trends:**

**Caseload Increase:**

In past years, within Peel’s own OW caseload, were social assistance clients that were awaiting ODSP case grant decisions. Peel carried a backlog of cases with wait times sometimes over one year. Due to recent public and municipal lobbying, the local ODSP offices significantly improved the “case grant” process. In December 2006, there were 612 cases that were in receipt of Ontario Works social assistance that were awaiting pending ODSP grant decision.





To the end of July, 2007, ODSP has already granted 1,080 cases. This is a combination of 2005 and 2006 backlog and 2007 cases. In comparison, only 674 cases were actually granted ODSP in all of 2006. Currently, to the end of July, there are only 19 OW cases pending a grant by ODSP.

The streamlining of the ODSP grant process has resulted in higher ODSP caseload and resulting in lower Ontario Works caseload.

<b>Social Assistance</b>	<b>2006 Actual</b>	<b>2007 Projected</b>	<b>Inc / (Dec)</b>
ODSP	8,936	10,202	1,266
OW	9,761	9,574	(187)

**Provincial Uploading of ODSP:**

On August 20, 2007, the Province announced its intention to phase-in the uploading of the cost of ODSP. Starting in 2008, the cost of Ontario Drug Benefits will be uploaded, followed by an uploading of the ODSP administration costs in 2009. All other remaining costs including the ODSP benefit costs will be uploaded evenly over 2010 and 2011.

<b>Four Year Upload of ODB and ODSP</b>						
	<b>Current Provincial Cost Shares</b>		<b>New Provincial Cost Shares</b>			
			<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Ontario Drug Benefits</b>	80%		100%	100%	100%	100%
<b>Ontario Disability Support Program Administration Component</b>	50%		100%	100%	100%	100%
<b>Ontario Disability Support Program Benefits Component</b>	80%		90%		100%	100%

The following chart provides the various components of the 2007 Budget for ODSP and indicates the ODSP budget that will still need to be funded by the Region in 2008, 2009 and 2010 until the program is fully uploaded in 2011.

<b>Cost Component</b>	<b>2007 Budget</b>	<b>2008 Before Upload</b>	<b>2008 After Upload</b>	<b>2009 Before Upload</b>	<b>2009 After Upload</b>	<b>2010 Before Upload</b>	<b>2010 After Upload</b>	<b>2011 After Upload</b>
<b>Ontario Drug Benefits</b>	\$7,828,000	\$8,216,820	-	-	-	-	-	-
<b>Administration</b>	\$3,850,000	\$4,050,000	\$4,050,000	\$4,252,500	-	-	-	-
<b>Dental</b>	\$472,000	\$581,728	\$581,728	\$610,814	\$610,814	\$641,355	\$320,678	-
<b>Benefits</b>	\$22,316,000	\$26,231,227	\$26,231,227	\$28,059,972	\$28,059,972	\$30,016,358	\$15,008,179	-
<b>Total</b>	<b>\$34,466,000</b>	<b>\$39,079,775</b>	<b>\$30,862,955</b>	<b>\$32,923,287</b>	<b>\$28,670,787</b>	<b>\$30,657,713</b>	<b>\$15,328,857</b>	-
<b>Reduced Expenditure</b>	-	-	\$3,603,045	-	\$2,192,168	-	\$13,341,930	\$15,328,857

*Assumes per annum increase of 7% for monthly allowances and 5% for non monthly allowance costs (dental, assistive devices, glasses & administration)*

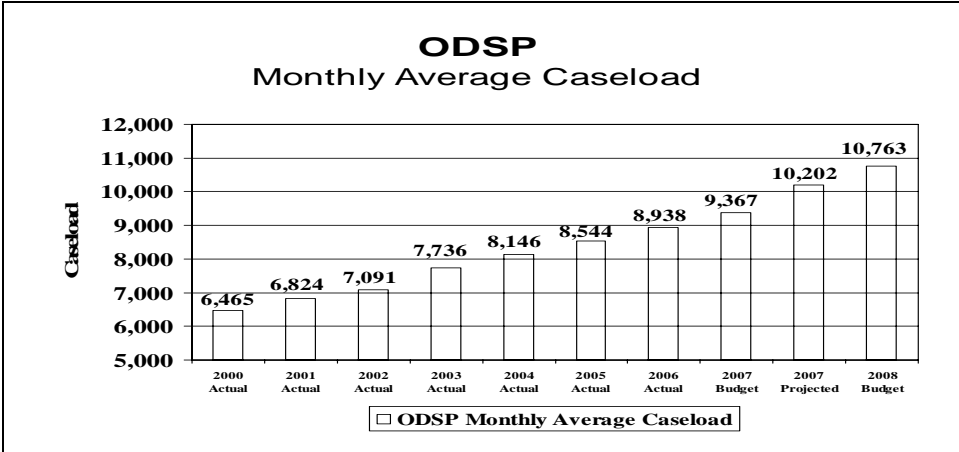
Given a 2007 ODSP Budget of \$34.5 million and the phasing of the ODSP upload, the future estimated reduction in expenditure over 2007 budget will be as follows:

2008	\$ 3,603,045
2009	\$ 2,192,168
2010	\$13,341,930
2011	<u>\$15,328,857</u>
<b>Total</b>	<b><u>\$34,466,000</u></b>

This analysis recognizes the dynamic nature of program costs and includes a seven per cent per annum increase for benefits and a five per cent per annum increase for non-benefit costs until the program is fully uploaded in 2011.

**Section VII. 2008 Program Pressures – Current:**

The ODSP caseload for 2008 is projected to be an average of 10,763 per month, representing an increase of 561 (5.5 per cent) per month from 2007 projected actual of 10,202 and increase of 1,396 (14.9 per cent) from 2007 budget of 9,367. The Ministry of Community and Social Services (MCSS) has also announced an increase in the benefit rate of two per cent that will be cost shared effective in 2008.



The other non benefit categories of the ODSP program will also see an increase, primarily driven by the caseload increase. As stated in section VI, the Ontario Drug Benefit costs have been excluded due to provincial uploading.

**Section VIII. 2008 Program Pressures – Capital:**

Not Applicable.

**Section IX. 2008 Summary:**

<b>Budget Summary \$'000s</b>	<b>2007 Budget</b>	<b>2007 Projection</b>	<b>2008 Proposed</b>	<b>2009 Forecast</b>	<b>2010 Forecast</b>
<b>Total &amp; Net Cost</b>	<b>\$34,466</b>	<b>\$36,101</b>	<b>\$30,863</b>	<b>\$28,671</b>	<b>\$15,329</b>

*Future Outlook:*

2009 and 2010 Current Budget:

As stated in Section VI, the ODSP program will be uploaded in phased approach. For 2009, the cost of administration and for 2010, 50 per cent of the benefit costs will be uploaded. Therefore, the ODSP net budget will decrease from 2008 to 2011 as stated above.

**Section X. Pressures not included in 2008 Budget:**

Not Applicable.

**Appendices:**

- Appendix I**      **2008 Current Pressures**
- Appendix II**    **2008 Capital Overview – N/A**
- Appendix III**   **Existing Capital Project List – N/A**
- Appendix IV**    **2008 New Capital Detail – N/A**
- Appendix V**     **Ten Year Capital Plan – N/A**
- Appendix VI**    **Performance Measures/Benchmarks – N/A**
- Appendix VII**   **Staffing Information – N/A**
- Appendix VIII** **User Fees – N/A**

APPENDIX I  
ONTARIO DISABILITY SUPPORT PROGRAM (ODSP)  
2008 CURRENT PRESSURES (\$'000)

	ODSP		
	Total Expenditures	Total Revenue	Net Cost
<b>2007 Revised Cost of Service</b>	34,466	-	34,466
<b>Annualizations - Section IV - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>Cost of Living Increase/Inflation - Section IV - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>Efficiencies - Section V - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>Recoveries - Section V - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>2008 Base Changes</b>	-	-	-
<b>Growth - Section VII - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>Service Demand - Section VII</b>			
- The ODSP caseload for 2008 is projected to be an average of 10,763 per month, representing an increase of 561 (5.5 per cent) per month from 2007 projected actual of 10,202 and increase of 1,396 (14.9%) from 2007 budget of 9,367. The Ministry of Community and Social Services (MCSS) has also announced an increase in the benefit rate of 2.0 per cent that will be cost shared effective in 2007.	4,225	-	4,225
<i>Subtotal</i>	4,225	-	4,225
<b>Subsidy and Fee Changes - Section VII - N/A</b>	-	-	-
<i>Subtotal</i>	-	-	-
<b>Other - Section VII</b>			
- Ontario drug costs (ODB) uploaded to Province	(7,828)	-	(7,828)
<i>Subtotal</i>	(7,828)	-	(7,828)
<b>2008 New Pressures</b>	<b>(3,603)</b>	<b>-</b>	<b>(3,603)</b>
<b>Total 2008 Pressures</b>	<b>(3,603)</b>	<b>-</b>	<b>(3,603)</b>
<b>2008 Recommended Cost of Service</b>	<b>30,863</b>	<b>-</b>	<b>30,863</b>

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