

Report SSR-SS-13-15

To: Chair Burley and Members of the Social Services Committee
From: Barbara Fedy, Director of Social Services
Meeting Date: September 24, 2015 / October 14, 2015
Subject: **Draft 2016 Social Services Budget Overview**
Status: Report deferred until October 14, 2015 per Resolution SSC79-15;
Recommendation adopted by Committee October 14, 2015 per
Resolution SSC88-15; Endorsed by County Council November 3,
2015 per Resolution CC150-15;

Recommendation(s)

THAT Report SSR-SS-13-15 regarding the Draft 2016 Social Services Budget be received;

AND THAT the 2016 Social Services Budget as presented be forwarded to County Council for its consideration.

Background

The Social Services Committee is responsible to oversee the Social Assistance, Community Homelessness Prevention Initiative Program, Ontario Works Administration and Employment Support, and Child Care budgets.

The overall net budget of Social Services combined operating and capital totals \$3,977,795 and has a net levy decrease of \$232,872 which is a 5.53% decrease from the approved 2015 budget. This reflects a .45% decrease to the corporate tax levy requirement for 2016.

Provincial cost sharing for Social Assistance, Employment Support and the Van Program will increase from 91.4% to 94.2% in 2016. This funding increase has resulted in a total net savings of \$384,110 in the Social Services budget.

As in past years, the 2016 Social Services budget contains a transfer from the Caseload Reserve to assist with the increasing costs of Social Assistance. The amount of the transfer from reserve is reduced from \$200,000 in 2015 to \$133,000 in the 2016 budget

and will be phased out by 2018 when the cost of Social Assistance is fully uploaded by the province.

Social Assistance

With the increased provincial funding, the Social Assistance budget has a net levy decrease of \$308,195 for 2016. Although the caseload has continued to increase in 2015, there is no caseload increase incorporated into the 2016 budget. It is expected however that the caseload will continue to increase in 2016 and if this does happen and costs exceed budget, the resulting deficit will be funded from the Caseload Reserve. The funding in this reserve is purposed to assist with costs associated with an increasing caseload and is expected to be adequate to fund these annual costs until the full provincial upload occurs in 2018. A 4.8% rate increase for Basic Needs and a 1% rate increase for Shelter are mandated by the province and are included in this budget.

A 1.7% rate increase for funeral services has been added and is based on the average increase in the Consumer Price Index (CPI) for Ontario for the period of August 2014 to July 2015.

Community Homelessness Prevention Initiative

The Community Homelessness Prevention Initiative is a 100% provincially funded program. The Dom Hostel expense includes a 1% Personal Needs Allowance rate increase which is mandated by the province and a 1.7% per diem rate increase which is based on the average Consumer Price Index increase.

Ontario Works Administration

The Ontario Works Administration budget is cost shared 50/50 with the province and has a net levy increase of \$29,700. This budget contains a 2% salary increase for staff as well as \$66,787 in gross costs for one FTE Contract Caseworker and \$31,826 for a .5 FTE Contract Financial position to assist with the additional workload created by problems with the Social Assistance Management System software (SAMS). There has been no further 100% SAMS related funding to assist with these challenges and the salary costs for the contract positions will be funded 50% by the province through the regular administration funding with the remaining costs being funded from the Caseload Reserve.

Ontario Works

The Employment Support budget has a net levy decrease of \$32,677. This budget includes a 2% salary increase for staff. \$1,224,204 of the budgeted expenses in the combined Employment Support and Van Program budgets are provincially cost shared at 94.2% with the remaining expenses being funded at 50%. The increased 2016

provincial funding will result in an estimated \$29,762 savings in the Ontario Works budget.

The Professional and Consulting fees for Ontario Works Assessment costs are increased by \$10,000 in the 2016 budget. These assessments help to determine clients' employment ability and the need for these assessments continues to increase.

Children's Services

The total 2016 Child Care budget has a net levy increase of \$10,447. This increase occurs in the Early Child Development Planning and Ontario Early Years and Literacy budgets which contain 100% municipal contributions. The remaining child care budgets contain only the required municipal cost share contribution totaling \$978,433.

The County receives provincial funding from the Ministry in Education in the form of cost shared 80/20 funding, 50/50 funding and 100% provincial funding with the freedom to flex the 80/20 and 100% funding among child care programs as needed. In 2016, the General Operating Grant will be funded with 100% provincial funding. This change will require the shifting of 100% and 80% funding within Private Home Day Care, Purchase of Service and Special Needs Resourcing in order to maintain consistency with the type of funding and cost sharing within each of the budgets. The shifting of funding is contributing towards a \$67,559 net levy decrease in the Private Home Day Care budget and net levy increases of \$21,873 in Purchase of Service and \$45,686 in Specialized Child Care. The combined effect on the net levy due to the changes within these three budgets is zero.

The total funding allocation received from the Ministry of Education increased by \$203,000 in 100% provincial funding in 2015. Confirmation of the 2016 funding allocation will not be received until later this year but it's expected that the 2015 level of funding will be maintained in 2016. As a result of the increased funding, the amount of mitigation funding contained in the 2016 operating budget has decreased from \$204,380 in the 2015 budget to \$149,737 in the 2016 budget.

Private Home Day Care

The 2016 Private Home Day Care budget is showing a net levy decrease of \$67,559. The gross expenditures in this budget have decreased by \$33,522 due to lower fee subsidy costs under Purchased Service and Special Needs Children. In addition to these decreased expenses, the General Operating Grant portion of this budget is now being funded with 100% provincial subsidy rather than the 80% subsidy used in 2015 which is decreasing the County's cost share in this specific budget and is contributing to the decreased net levy. This decrease caused by the shifting of funding is offset by the net levy increase in the Purchase of Service and Specialized Child Care budgets.

Child Care Administration

The Child Care Administration budget contains a 2% salary increase for staff and this budget is funded with 50/50 cost shared funding along with 100% provincial funding. The administration budget also contains \$149,737 in mitigation funding which will fund the \$75,000 cost of the OneHSN web program, \$20,000 Children Services Review, \$5,000 Child Care Service Plan update as well as \$49,737 of unfunded expenses. The use of mitigation funding is intended to eliminate any 100% municipal contributions resulting from the change in the child care formula that occurred in 2013.

Health and Safety

The 2016 Health and Safety budget includes a total of \$47,417 in 100% provincial funding which is allocated to Child Care Operators to assist with necessary repairs and maintenance. Also included is \$12,815 for Small Waterworks which is used for rural child care centre water quality monitoring.

Early Child Development Planning

This budget contains expenses to fund the cost of meetings and policy implementation in relation to Early Learning and Child Development and also to work with Aboriginal partners to deliver integrated services for Aboriginal children and families. The province provides 100% provincial funding with no required municipal contribution; however, the provincial funding is not adequate to cover all of the expenditures. A transfer from the Best Start Reserve of \$7,500 is included to fund a portion of the \$10,400 costs associated with the Let's Grow and Quality Assurance committees but a net levy of \$13,287 remains for this budget which is an increase of \$3,319 over the 2015 net levy.

Ontario Early Years and Literacy

The Ontario Early Years and Literacy budget supports services and programs for children aged six and under and contains 100% municipal contribution due to insufficient provincial funding. As in previous years, a transfer from the Early Years Reserve is included in this budget to assist with payments to organizations for Ontario Early Years programs. This transfer has been reduced from \$12,000 in 2015 to \$10,366 in 2016 which will deplete this reserve balance to zero. A 2016 net levy of \$138,161 remains after funding, which is a \$7,128 increase over the 2015 net levy.

Purchase of Service

The Purchase of Service budget is provincially funded at 80% and contains Child Care Fee Subsidy expenses for Non Profit and For Profit Child Care Operators and Ontario Works Formal and Informal Child Care. The net levy increase of \$21,873 is a result of increased fee subsidy costs and the addition of ten subsidized spaces for 2016.

Capacity Building, Play Based Materials and Transformation

The Capacity Building and Transformation budgets are funded using 100% provincial funding with no municipal contribution or net levy impact. Capacity Building funding assists Child Care Operators to provide training for their staff which will result in increased license capacity. Transformation funding provides support for Non Profit Operators as they transition to care for younger age groups as a result of the Early Learning Program with the 3.8 and 4 year olds entering kindergarten. There is no change in the net levy for the Play Based Materials budget as expenses are maintained at the 2015 level for materials and equipment required to promote children's exploration and learning.

General Operating Grant

The General Operating Grant budget is 100% provincially funded and contains no net levy. The former Wage Subsidy and Wage Improvement expenses and funding contained in this budget are being replaced by the General Operating Grant in 2016. The purpose of this grant is to assist Child Care Operators with operating costs such as wages, occupancy costs, utilities, supplies and maintenance. This budget also contains pay equity funding associated with the memorandum of settlement which is mandated by the province and 100% provincially funded.

Specialized Child Care

The Specialized Child Care budget contains 80% provincial funding for staffing, equipment and supplies for children with special needs. The 2015 gross expenditure level is being maintained for the 2016 budget, however, with the shifting of 100% provincial funding from this budget to the Private Home Day Care budget for General Operating expenses, a net levy increase of \$45,686 has resulted in Specialized Child Care. This increase is fully offset by the net levy decrease in the Private Home Day Care budget.

Wage Enhancement

The new Wage Enhancement budget contains \$537,064 in 100% provincial funding intended to increase child care wages in an effort to close the current wage gap between Early Childhood Educators employed in kindergarten programs within the schools and the Child Care Professionals employed in licensed Child Care Centres and Private Home Day Care settings. This budget also contains \$31,826 of 100% provincial Wage Enhancement Administration funding to fund a .5 FTE Contract Financial position to assist with the additional workload of the Wage Enhancement application and funding process. A total of \$53,706 of one time administration funding was received in 2015 for

this purpose and may be retained by the County and used as needed in order to ensure a smooth implementation of this program.

County Social Initiatives

The County Social Initiatives budget contains items that are not funded by provincial subsidy and have been approved in the past using 100% municipal dollars. 2015 expenses are maintained in this budget along with an additional \$3,000 cost to assist 211 with the upgrade of their Resource Website. This website provides an integrated resource containing Grey/Bruce service information and is accessed by the public as well as professionals assisting their clients in need.

Funding from the Best Start Reserve has been included in this budget in the past and this funding was decreased by \$10,000 in the 2015 budget. With the declining balance in this reserve, an annual decrease in this funding is intended to lessen the impact on the net levy in the year that the Best Start Reserve is no longer available. The 2016 budget contains a further decrease of \$3,000 from \$30,000 in 2015 to \$27,000 in 2016.

The net levy increase of \$6,000 in the County Social Initiatives budget is a result of the reduced funding from the Best Start Reserve and the \$3,000 one-time assistance with the 211 Resource Website upgrade.

Van Program

This budget is funded with a portion of the 94.2% Employment Support subsidy because it falls within the guidelines for Ontario Works funding. However, this is a program that the County of Grey has made the decision to operate and is not mandated by the province. With the increased provincial funding along with decreased expenses in the Vehicle Operations and Interfunctional Vehicle Lease expenses; this budget has a net levy decrease of \$5,147 for 2016.

Rural and Community Transportation Program

The Rural and Community Transportation budget contains expenses relating to the coordinated transportation project. The Grey County Rural Transportation Collaborative program was initiated in 2015 and is being funded from the Caseload Reserve. This project includes \$50,000 in expenses for the Phase 2 Formalization of the implementation plan as recommended in the Transportation Study completed by Lough Barnes Consulting Group. Expenses include costs associated with formalizing the participation of the service providers and defining standard operating procedures.

The County is receiving funding under the Community Transportation Pilot Grant Program for expenses associated with the planning and implementation of the coordinated community transportation project. Total funding is \$99,790 and eligible

costs include expenses such as legal, technology, training, equipment and consulting fees associated with the development and implementation of the coordinated transportation program.

Social Services Administration Capital

The Social Services Administration Capital budget includes costs for computer related hardware replacement and is funded from the Social Services Computer Replacement Reserve.

Child Care Capital

The Child Care Capital budget contains \$41,272 of 100% provincially funded costs to assist Child Care Operators with the transition to the Full Day Learning Program.

Also contained in this capital budget is \$34,470 in expenditures funded from the Ontario Early Years Capital Reserve for the replacement of the retaining walls and asphalt play area at the rear of the building.

The annual transfer to the Ontario Early Years Capital Reserve of \$18,600 is retained in this budget to assist with future capital projects at the centre. In addition, the \$25,000 transfer to reserve as a contribution towards future accessibility related renovation costs for the Ontario Early Years Centre is also maintained in the 2016 budget with no net levy increase from the 2015 budget.

Financial / Staffing / Legal / Information Technology Considerations

The proposed 2016 Social Services budget as presented results in a net levy decrease of \$232,872. The budget contains two contract positions including one FTE Contract Caseworker position to assist with the increased workload related to SAMS. The second Contract position is a financial position shared as a .5 FTE under the Ontario Works Administration budget to assist with the increased workload related to the SAMS reconciliation process and .5 FTE under the new Child Care Wage Enhancement budget to assist with the application and funding process. The contract positions are funded by a combination of provincial funding and caseload reserve funding with no net levy impact.

The Child Care OneHSN web based program contained in the Administration budget will have ongoing annual maintenance fee of approximately \$24,000 and will be funded by mitigation funding in the event that provincial funding is not sufficient.

There are no legal or Information Technology considerations in this report.

Link to Strategic Goals / Priorities

The annual budget is a key tool used to ensure the County's long term financial sustainability and for the provision of ongoing accountability. Operating and Capital budgets are utilized to achieve the approved strategic goals and objectives of the corporation.

Attachments

[Attachment to SSR-SS-13-15 Draft 2016 Social Services Budget](#)

Respectfully submitted by,

Barbara Fedy
Director of Social Services