

Report FR-SS-23-15

To: Chair Burley and Members of the Social Services Committee
From: Sandra Manser, Accounting Supervisor
Meeting Date: July 15, 2015
Subject: **To provide a Financial Update and Year End Projection for Social Services as of May 31, 2015**
Status: Recommendation adopted by Committee as presented per Resolution SSC70-15; Endorsed by County Council August 4, 2015 per Resolution CC114-15;

Recommendation(s)

THAT Report FR-SS-23-15 regarding the Financial Update and Year End Projection for Social Services as of May 31, 2015 be received for information.

Background

This report provides a financial update and year end projection for the Social Services Department as of May 31, 2015. The financial information is based on forecasted provincial subsidy from the Ministry of Community and Social Services for the Ontario Works programs. Child Care programs are based on approved provincial subsidy from the Ministry of Education as well the use of mitigation funding.

Based on an analysis of the Social Services Department financial statements as of May 31, 2015, the following financial projections for each program are brought forward for the Committee's information. As of the end of May, the total Social Services budget has an estimated year to date surplus of \$42,700. Based on an analysis of trends to date, the year end projection for the Social Services budget is a surplus of \$35,200.

Summary of 2015 Social Services Year to Date Actuals and Year End Projections

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2015	2015 Year End Projected Surplus/(Deficit)
Social Assistance	\$7,950	\$10,350
Community Homelessness Prevention Initiative	\$0	\$0
Ontario Works Administration	(\$12,850)	(\$27,800)
Ontario Works	\$22,300	\$52,650

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2015	2015 Year End Projected Surplus/(Deficit)
Child Care	\$25,300	\$0
County Social Initiatives	\$0	\$0
Total	\$42,700	\$35,200

Social Assistance

The Social Assistance budget, which is 91.4% provincially funded, currently has an estimated surplus of \$7,950. Confirmed caseload information hasn't been received and the subsidy claim module in the Social Assistance Management System (SAMS) isn't operational yet so expenses are based on payments substantiated during the bank reconciliation process and are being allocated based on expenditure trends from last year.

Year to date expenses appear to be fairly close in line with the budget and based on year to date estimates, a surplus of about \$10,350 is anticipated at year end.

Community Homelessness Prevention Initiative (CHPI)

The Community Homelessness Prevention Initiative (CHPI) is 100% provincially funded and expenditures are currently on budget. Based on year to date expenditures and the need for Sustainable Housing Benefits, the annual funding allocation will be expensed by year end.

Ontario Works Administration

The Ontario Works Administration budget currently has a year to date deficit of approximately \$12,850 and a year end estimated deficit of \$27,800. The 2015 budget contained \$70,000 in SAMS related expenses which included a contract caseworker to assist with the increased workload associated with SAMS. At the time of preparation, the budget was based on notification of additional 100% funding that was becoming available to assist with challenges faced by municipalities due to deficiencies of the SAMS software. It was subsequently announced however that the funding could only be used for expenses incurred between April 2014 and March 2015. Therefore, the full funding was used for the 2014 year to assist with wage costs already incurred for the two Ontario Works Managers who had taken the lead role in the SAMS implementation. The use of the funding in 2014 contributed to the Ontario Works year end surplus of \$186,284 which was transferred to the Social Services Caseload Reserve.

There has been no announcement yet of any 2015 SAMS funding but staff remain hopeful that funding will be provided to assist with the costs of the additional workload. For the time being, the lack of 100% provincial funding for this purpose is creating a deficit in the Ontario Works Administration budget. Without additional funding, this

deficit will increase to approximately \$27,800 by the end of the year. The Social Services Director will be bringing a separate report to an upcoming committee meeting with a recommendation regarding the funding of this deficit if no further provincial funding becomes available for the 2015 year.

Ontario Works

The Employment Support and Van Program budgets are 91.4% provincially funded up to a capped expenditure level with the remaining expenses funded at 50%. There was a delay in the Ministry budgeting process this year due to the difficulties with SAMS and the 2015 budget and current estimates are based on the Ministry of Community and Social Services' forecasted funding which could change once the County of Grey's 2015 budget is approved by the Ministry in August. It's expected that the funding will actually increase from the forecast because of the increased caseload between 2012 and 2014. These statistics are used by the Ministry in the allocation of funding and an increase in funding could contribute to a year end surplus.

The Employment Support budget contains a number of expenses that are generated from SAMS and reporting is showing decreases in the cost of employment related expenses. These lower costs are resulting in a year to date surplus of approximately \$22,300. The challenges with SAMS have redirected staff's focus away from employment related activities for clients to deal instead with the challenges in the generation of Basic Needs, Shelter and other Social Assistance benefits. If the employment related expenses continue to remain low through to the end of the year, a surplus of approximately \$52,650 is expected in the Employment Support budget.

Child Care

The total Child Care budget currently has a year to date surplus of approximately \$25,300. A surplus typically occurs in the first part of the year because the higher fee subsidy costs of the summer months haven't occurred yet. Compared to the spring, costs usually increase by approximately 40% in July and August with children out of school and in daycare. However, as the year progresses, costs are expected to decrease again in the fall which will eliminate the surplus by year end.

The Dundalk Proton Community School renovation capital project is currently underway and is expected to be completed in August with Kids N Us moving into the location later in the fall. \$200,000 in mitigation funding was included in the 2015 budget to fund this project along with \$89,820 of Ministry of Education funding.

County Social Initiatives

The County Social Initiatives budget which is 100% municipally funded includes payments to Safe n Sound, Beaver Valley Outreach, Owen Sound Family Y, Keystone,

The Poverty Task Force, The Crystal Meth Task Force and United Way and is expected to end the year on budget.

Financial / Staffing / Legal / Information Technology Considerations

Based on a review of the Social Services financial statements as of May 31, 2015, a year end surplus of approximately \$35,200 is projected. There are no staffing, legal or IT considerations related to this report.

Link to Strategic Goals / Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to ensure that Council's goals of ensuring financial sustainability and ongoing public accountability are maintained.

Attachments

None

Respectfully submitted by,

Sandra Manser
Accounting Supervisor

Director Sign Off: *Barbara Fedy, Director of Social Services*