

Report SSR-SS-08-16

To: Chair Burley and Members of the Social Services Committee
From: Barbara Fedy, Director of Social Services
Sandra Manser, Accounting Supervisor
Meeting Date: September 29, 2016
Subject: **Draft 2017 Social Services Budget Overview**
Status: Report Deferred to October 12, 2016 per Resolution SSC71-16;
Recommendation adopted by Committee as presented per Resolution
SSC79-16; Endorsed by County Council November 1, 2016 per
Resolution CC137-16;

Recommendation(s)

THAT Report SSR-SS-08-16 regarding the Draft 2017 Social Services Budget be received;

AND THAT the 2017 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 \$3,718,428 and has a net levy decrease of \$259,367 which is a 6.52% decrease from the approved 2016 budget. This reflects a .49% decrease to the corporate tax levy requirement for 2017.

Provincial cost sharing for Social Assistance, Employment Support and the Van Program will increase from 94.2% to 97.2% in 2017. This funding increase has resulted in a total net savings of \$408,112 in the Social Services budget.

As in past years, the 2017 Social Services budget contains a transfer from the Caseload

Reserve to assist with the costs of Social Assistance. The amount of transfer from reserve has been gradually reduced to \$66,000, and 2017 will be the final year for this transfer as the cost of Social Assistance will be fully uploaded by the province in 2018.

Social Assistance

With the increased provincial funding, the Social Assistance budget has a net levy decrease of \$376,820 for 2017. Ministry reports show that the caseload has stabilized; therefore the 2017 budget is based on an average caseload of 1344 as per current Ministry data with no caseload increase budgeted. A 4.7% rate increase for Basic Needs and a 1.5% rate increase for Shelter are mandated by the province and are included in this budget.

Effective February 1, 2017, Child Support and Canada Pension Plan Orphan Benefit payments will no longer be deducted from clients' social assistance benefits. In the past, these payments were treated as income and were deducted from Social Assistance payments. At this point, the full impact of this change is unknown but isn't expected to have a significant impact on eligibility and benefit rates. The financial implications of this change will be monitored through the year.

A 1.5% 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 2015 to July 2016.

Community Homelessness Prevention Initiative (CHPI)

The Community Homelessness Prevention Initiative is 100% provincially funded and currently the 2017 funding allocation is expected to be at the least equal to the 2016 funding. The Hostel expense includes a 1.5% personal needs allowance rate increase which is mandated by the province and a 1.5% 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 \$22,264. All Social Services' budgets contain a 2% salary increase for Union staff and a 1.63% increase for Non Union staff. The Ontario Works Administration budget also contains \$8,275 for a .10 FTE Contract Financial position to continue assisting with SAMS corrections for a few months in 2017. This salary will be funded 50% by the province and 50% from the Caseload Reserve.

Ontario Works

The Employment Support budget has a net levy decrease of \$14,914. \$1,224,200 of the budgeted expenses in the combined Employment Support and Van Program budgets are provincially cost shared at 97.2% with the remaining expenses cost shared at 50%. The increased provincial funding of 97.2% will result in an estimated \$31,804 net savings in the Ontario Works budget.

The Professional and Consulting Fees for the Ontario Works Assessment costs are increased by \$10,000 in the 2017 budget. These assessments determine clients' employment ability and the need for these assessments continue to increase.

Children's Services

The total 2017 Child Care budget has a net levy increase of \$36,368. An increase of \$39,022 occurs in the Early Child Development Planning and Ontario Early Years budgets. The remaining budgets have a decrease of \$2,654; resulting from a reduction in the required municipal contribution in 2016. The 2017 funding allocation and the required municipal contribution will not be available until later this year but this budget is based on the expectation that the 2016 funding level will be maintained for 2017.

Private Home Day Care

The 2017 Private Home Day Care budget is showing a net levy decrease of \$820 due to the decreased required municipal contribution.

Private Home Day Care Providers have not had a rate increase since 2015 when the per diem rate was increased from \$3.85 to \$4.00. The Fee Subsidy budgeted under Purchased Service contains a per diem rate increase for the Providers to increase the rate from \$4.00 to \$4.25. The Special Needs Children Fee Subsidy line contains a rate increase from \$5.20 to \$5.50. These expenses have decreased over the past few years due to fewer children and this budget can accommodate the per diem increase without a budget increase.

Child Care Administration

The Child Care Administration budget is funded with 50/50 cost shared funding along with 100% provincial funding. This budget also contains funding from the Mitigation Funding Reserve which originated from a provincial grant to assist with child care expenses after the Child Care funding decrease that occurred in 2013.

This budget contains a portion of the salaries and benefits of a new Child Care

Supervisor position. The \$96,239 gross cost of this position is split between the Administration, Early Child Development Planning and Ontario Early Years budgets with \$70,735 contained in Administration and funded from the Mitigation Reserve.

The OneHSN computer software was purchased in 2016 and the ongoing annual support fee of \$23,700 is included in Computer Support and Maintenance for 2017.

Professional and Consulting Fees include \$10,000 for the Child Care Service Plan update and is funded from the Mitigation Reserve.

Health and Safety

The Health and Safety budget contains 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 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 funding with no required municipal contribution; however, provincial funding is not adequate to cover all of the expenditures. A transfer from the Best Start Reserve of \$21,200 is included to fund a portion of the \$14,200 cost associated with committees such as Let's Grow and Quality Assurance and \$15,000 budgeted for the Early Years Service Plan; however a net levy of \$32,625 remains in this budget. The net levy increase of \$19,338 is a result of salary increases plus \$16,842 of the new Child Care Supervisor position.

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 \$10,366 to \$7,000 in an effort to gradually reduce the transfer from reserve to lessen the impact to the net levy in the year when this reserve is depleted. This reserve funding decrease is resulting in a \$3,366 net levy increase.

This budget contains \$74,981 in salary and benefits for a new Data Analysis

Coordinator (DAC). The Ministry of Education is providing \$73,153 in funding towards this position which leaves \$1,828 unfunded and contributing to the net levy. Also contributing to the \$19,684 net levy increase is \$8,662 for a portion of the new Child Care Supervisor cost as well as salary and benefit increases.

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 2016 net levy is maintained for 2017.

Capacity Building, Play Based Materials and Transformation

The Capacity Building budget is 100% provincially funded with no municipal contribution or net levy impact. This budget assists Child Care Operators to provide training for their staff which will result in increased license capacity.

There is no change in the net levy for the Play Based Materials budget as expenses are maintained at the 2016 level to fund materials and equipment required by Child Care Operators to promote children's exploration and learning.

Ministry funding was received in the past to support Non Profit Child Care Operators as they transitioned to care for younger age groups. However, 2016 was the final year for Transformation funding from the province and there are no expenses included in the 2017 budget.

General Operating Grant (GOG)

The General Operating Grant budget is 100% provincially funded along with Mitigation Reserve funding and contains no net levy. The grant is based on a new funding formula and its purpose 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.

When the General Operating Grant replaced the Wage Subsidy and Wage Improvement funding in 2016, a commitment was made to the Child Care Operators that the General Operating Grant funding would not be less than their 2014 combined Wage Subsidy and Wage Improvement allocation for a period of three years. This assurance provides a time frame for the Operators that are receiving less funding as a result of the new GOG formula to allow them to re-align their service plan if necessary to adjust to the funding decrease. This budget contains \$175,000 funded from the

Mitigation Reserve to cover the additional estimated cost of this commitment to the Child Care Operators.

Specialized Child Care

The Specialized Child Care budget contains a combination of 80% and 100% provincial funding for staffing, equipment and supplies for children with special needs. The 2017 budget is showing a net levy decrease of \$1,834 due to the decreased required municipal contribution.

Wage Enhancement

The Wage Enhancement budget is 100% provincially funded and is 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. It is anticipated that Child Care staff in the Centres will receive a \$3 per hour increase and Private Home Day Care Operators will receive a \$30 per day increase through the Wage Enhancement Grant in 2017.

This budget also contains a .10 FTE Contract Financial position to assist with Wage Enhancement administration in the first few months of 2017.

County Social Initiatives

The County Social Initiatives budget has a net levy increase of \$11,500 and contains items that are not funded by provincial subsidy and have been approved in the past using 100% municipal funding.

2016 expenses are maintained in this budget with the exception of the one-time \$3,000 to assist with the 211 website upgrade in 2016. New expenses include a \$2,500 contribution to the Bruce Grey Data Information Sharing Collaborative and \$5,000 funding to the Good Neighbour Network which assists families who are new to the area by providing an information package identifying local services and key resources.

Funding from the Best Start Reserve has been included in this budget in the past but with the declining balance in this reserve, the amount of this transfer has been reduced each year. This reduction is intended to lessen the impact on the net levy in the year that the Best Start Reserve is no longer available. The 2017 budget contains a further decrease of \$7,000, which along with the additional funding contributions is resulting in the net levy increase of \$11,500.

Van Program

This budget has a net levy decrease of \$4,765 and is funded with a portion of the 97.2% Employment Support subsidy because it falls within the guidelines for Ontario Works funding. The increased provincial cost share in 2017 is resulting in a savings of \$4,916 in this budget.

Rural and Community Transportation Program

The Rural and Community Transportation budget contains expenses relating to the coordinated transportation project. Grey County received \$99,790 in provincial funding under the Community Transportation Pilot Grant in 2016 and has also contributed funding from the Caseload Reserve towards the project. The 2017 budget contains \$50,000 from the Caseload Reserve for expenses to finalize the project.

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 budget contains \$10,599 of 100% provincially funding to assist Child Care Operators with the transition to the Full Day Learning Program.

Also contained in this capital budget is \$74,270 in expenditures funded from the Ontario Early Years Capital Reserve for the roof and cooling system replacement at the Ontario Early Years Centre in Hanover.

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 2017 budget with no net levy increase from the 2016 budget.

Financial/Staffing/Legal/Information Technology Considerations

The proposed 2017 Social Services budget as presented results in a net levy decrease of \$259,367. The budget contains two new positions including one Child Care Supervisor with a gross cost of \$96,239. \$70,735 is funded from the Mitigation Funding

Reserve with the remaining \$25,504 funded from net levy.

The Ontario Early Years budget contains a new Data Analysis Coordinator (DAC) with a gross cost of \$74,981. Provincial funding will cover \$73,153 of the cost of this position with the remaining \$1,828 as net levy.

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-08-16 Draft 2017 Social Services Budget

Respectfully submitted by,

Barbara Fedy
Director of Social Services

Sandra Manser
Accounting Supervisor