



City of
Peterborough

TO: Members of the Joint Services Steering Committee

FROM: Ken Doherty, Director of Community Services

MEETING DATE: May 14, 2009

**SUBJECT: Report CSSSJSSC09-006
Social Assistance Restructuring Reinvestment Program**

PURPOSE

A report to recommend the reinvestment of Social Assistance Restructuring (SAR) Savings.

RECOMMENDATIONS

That the Joint Services Steering Committee endorse the recommendations outlined in Report CSSSJSSC09-006 dated May 14, 2009, of the Director of Community Services, as follows:

- a) That Option 2 as outlined in the report be approved and the 2009 budget for Social Services be increased by \$452,831, with the Recreation Division Revenue increased by \$36,681, and the Ontario Municipal Partnership Fund (OMPF) revenue increased by \$416,150 accordingly; and
- b) That the allocations outlined in Appendix 2 be approved and that, as necessary, the costs of these items be drawn from the Social Services reserve; and
- c) That the Social Services reserve be reimbursed with OMPF revenue when received.

BUDGET AND FINANCIAL IMPLICATIONS

The recommended increase in the Social Services 2009 budget is \$452,831. The City portion of this increase is \$371,321 and the County portion is \$81,510. The City of Peterborough would be eligible to receive OMPF revenue to fully offset this amount and so the proposal has no net increase to the City. There is a net increase to the County of \$81,510 as the County is not in a position to receive OMPF.

BACKGROUND

Effective July 1, 2008, the Ontario government implemented the 100% provincially funded Ontario Child Benefit (OCB). According to the Ministry's letter dated February 3, 2009, "by providing benefits for children outside of the social assistance system, the Ontario government...will help families on social assistance transition to employment without worrying about losing supports for their children.

In June 2008, Report C55508-007 was approved by City Council directing that 2008 municipal savings realized from the implementation of the Ontario Child Benefit and the resulting social assistance restructuring (estimated at that time as \$360,940) be utilized to address pressures identified in the social services sector such as: discretionary benefits enhancements, and employment supports, particularly in the area of transportation, community social plan and warming room expenses. Money was expended in accordance with that report, as well as report C55508-008 the Discretionary Benefits Review. However, on February 3, 2009 correspondence from the Ministry of Community and Social Services (MCSS) outlines the new protocols for SAR Municipal Savings and Reinvestment Protocols for 2008/09 (Appendix 3). Some of the 2008 approved expenditures do not appear to be consistent with the areas outlined in the February 2009 memo. Other areas of the 2008 budget do fit the stated criteria and Appendix 1 contains the list of costs from the 2008 budget that will be reported as Social Assistance Restructuring reinvestment to be considered for OMPF reimbursement.

The Ministry clearly states in the February 2009 memo, "The province expects these savings to be reinvested to help maintain local programs and continue to build community infrastructure for families and children in need." The Ministry will monitor reinvestment strategies and expenditures through in-year and year-end reports. It is now confirmed that the SAR savings for 2008 were \$398,200 and is estimated for 2009 to be \$798,000, for a total of \$1,196,200.

The provincial SAR Reinvestment objectives are:

- **To help prevent and reduce the depth of child poverty;**
- **To promote attachment to the labour market; and**
- **To reduce overlap and duplication of government programs.**

SAR reinvestment is expected to:

- **Enhance programs and benefits geared to low income families with children; and**
- **Create new programs or enhance existing programs, rather than replacing or offsetting current program spending**

As the Ontario Works Delivery Agent, the City of Peterborough is responsible for determining appropriate projects to be supported by the SAR savings. The 2008 and 2009 city and county budgets were prepared and approved prior to reinvestment expectations and direction being provided by the province. SAR Reinvestment needs to be reported on a calendar year basis the first report is due May 2009. Since 2008 is a transition year, there is an 18-month timeline, from July 1, 2008 to December 31, 2009, in which to reinvest the savings.

As reported by the Ministry of Finance (MOF) and the Ministry of Municipal Affairs and Housing (MMAH), programs funded with SAR savings are eligible for OMPF funding, up to a maximum reinvestment amount as set by the Ministry of Finance. The maximums are based on the level of Municipal NCB reinvestment from 2006, which represents the maximum amount of SAR reinvestments that can be reported to the Ministry of Finance as social program costs eligible for OMPF. For this CMSM, the maximum amount that is eligible is \$523,846, 82% City (\$429,554) and 18% County (\$94,292).

Social Services and Finance staff have been meeting to review the possible range of options and implications. The options presented are for the 2009 year only. Future years will be dealt with through the annual Budget process, and OMPF eligibility will be analyzed on an annual basis.

Option 1. Do Not Continue Any Reinvestment

This option would allow reinvestment elsewhere within the Social Services budget and/or within the Corporation, but it will not meet Ministry expectations. Staff will be expected to account to the province beginning May 2009 for under utilization of the reinvestment and to develop an action plan to ensure maximum reinvestment.

Failure to comply with the expectation to reinvest in the ways defined may have a harmful effect on the working relationship between this CMSM and the Ministry. This could negatively impact other funding opportunities as the Ministry considers areas for new initiatives or when negotiating contracts and performance targets. Low-income

citizens and community groups may also take a negative view of this position as an opportunity to assist citizens in need has been denied. This option would not meet OMPF requirements for SAR reinvestments.

Option 2. Reinvest SAR Savings Up to the Maximum Reinvestment That Can Be Reported to the Ministry of Finance as Social Program Costs Eligible for OMPF

The memo from the Ministry dated February 3, 2009 states “The Ministry of Finance has established the maximum SAR savings reinvestment amounts for each CMSM/DSSAB that will be included in the determination of Ontario Municipal Partnership Fund allocations. The maximums are based on the level of Municipal NCB reinvestment from 2006”. The annual amount is \$523,846 in total \$434,792 for the City and \$89,054 for the County. When the \$71,015 already included in the 2009 budget is subtracted from the total eligible amount, this leaves the balance of \$452,831 as the recommended amount.

By approving the recommended items listed in Appendix 2 emergency assistance and supports to low income families in the City and County would be enhanced during this time when there are increasing demands for services due to the current economic situation. While some of these programs are longer term in nature no ongoing financial commitments would be made.

Option 3. Reinvest all 2008 and 2009 SAR Savings

For the 2008 transition year the Ministry is allowing CMSM’s to report the July 2008 to December 2009 savings reinvestments in the 2009 year end report. It is now confirmed by the province that the SAR reinvestment savings for 2008 are \$398,200. Appendix 1 indicates the 2008 reinvestment items that will be reported to the Ministry.

The 2008 savings that have not yet been reinvested is \$229,053. The estimated 2009 savings for reinvestment is \$798,000, leaving \$1,027,053 to be reinvested by December 31, 2009. Appendix 2 indicates programs that the Department supports for SAR Reinvestments for 2009.

The Ministry of Finance has established that the maximum savings amount that would be eligible for OMPF funding to be \$523,846, therefore there would likely be a cost to the Municipalities of \$571,957; 82% to the City (\$469,005) and 18% to the County (\$102,952).

Should option 3 be recommended, in addition to funding the items listed in Appendix 2, the Social Services Division would hold three community meetings with community stakeholders to make suggestions for the release of the balance of the 2008/2009 funds. Based on consultations with Community Employment Resource Partnership

(CERP), the Peterborough Children's Services Committee with the Best Start Network and the Social Services Human Service Integration Team recommendations would be presented in a future report and/or during the 2010 budget process.

SUMMARY

While the recommendations are supporting Option 2, Options 1 and 3 are also for consideration by the Joint Services Steering Committee.

Submitted by,

Ken Doherty
Director of Community Services

Linda Mitchelson
Social Services Division Head

Contact Name:
Carolyn Hagg
Corporate Financial Analyst
Phone 742-7771 Ext 1691
FAX – 705-876-4615
e-mail – chagg@peterborough.ca

Attachments:

Appendix 1 - 2008 Expenditures Eligible for SAR Reinvestment to be Reported to the
Ministry of Community and Social Services

Appendix 2 – 2009 Recommended SAR Reinvestment Strategy

Appendix 3 - Memo from Ministry of Community and Social Services, February 3, 2009.

APPENDIX 1

2008 Expenditures Eligible for SAR Reinvestment to be Reported to the Ministry of Community and Social Services

PREVENT AND REDUCE CHILD POVERTY		AMOUNT
City of Peterborough Recreation Division	Funding supports recreational opportunities for children in the city and county	\$36,270
City of Peterborough Social Services Peterborough Community Social Plan	The work plan includes considerable supports to positively engage youth in their community;	\$20,000
City of Peterborough Housing Division Social Worker Program	In partnership with Community Counselling and Resource Centre to enhance the Social Worker Program that supports retaining housing.	\$60,000
	Sub Total	\$116,270
ATTACHMENT TO THE WORKFORCE		
City of Peterborough Social Services Peterborough Community Social Plan	The work plan includes considerable supports to positively supports job fairs in the townships.	\$15,000
City of Peterborough Social Assistance Employment Supports	The municipal 20% of the one-time funding provided by the province.	\$17,500
	Sub Total	\$32,500
REDUCE OVERLAP AND DUPLICATION OF SERVICES		
City of Peterborough Social Services Peterborough Community Social Plan	Staff network with community agencies in Peterborough encouraging agencies to come to townships. Use of township spaces (libraries) available at no cost	\$5,000
	Sub Total	\$5,000
OTHER ALLOWABLE COSTS		
City of Peterborough Social Services	10% for administration costs	\$15,377
	Sub Total	\$15,377
	2008 TOTAL	\$169,147

Note: The funds identified in Appendix 1 have already been spent in 2008, but they do not get reported to the province until May 2009.

APPENDIX 2 - 2009 Recommended SAR Reinvestment Strategy

PREVENT & REDUCE CHILD POVERTY		COSTS NEW TO SOCIAL SERVICES 2009 BUDGET	COSTS ALREADY INCLUDED IN 2009 BUDGET
Peterborough County City Health Unit Come Cook with Us	Program offered in partnership with the Ontario Early Years Centre, and the Kawartha Pine Ridge District School Board at the School For Young Moms	\$10,150	
Peterborough County City Health Unit Food Box Program	Program offered in partnership with the Salvation Army and the YWCA	\$46,000	
Community Counselling and Resource Centre Emergency Fund	Program supports city and county families with housing, energy and fuel emergencies etc.	\$90,000	
City of Peterborough Social Assistance Helping Hand	Program provides emergency support to low income families in the city and county with medical needs,	\$70,000	
City of Peterborough Recreation Division	Funding supports recreational opportunities for children in the city and county.	\$36,681	
City of Peterborough Children's Services	Funding supports informal child care needs for low income families and capacity development supports for expanding the service system for infants and toddlers	\$50,000	
City Of Peterborough Social Services Learning Earning and Parenting (LEAP)	20% of the municipal share of LEAP		\$24,000
Youth Emergency Shelter	Supports to youth and families in transition	\$25,000	
ATTACHMENT TO THE WORKFORCE			
City of Peterborough Social Assistance County Transportation for Employment Purposes	Funds to replace one county van, which provides necessary transportation to county residents to get to work, medical appointments etc. in other parts of the city and county.	\$50,000	
REDUCE OVERLAP & DUPLICATION OF SERVICES			
City of Peterborough Housing Division Social Worker Program	In partnership with Community Counselling and Resource Centre to enhance the Social Worker Program that supports retaining housing.	\$75,000	
Sub Total		\$452,831	\$24,000
OTHER ALLOWABLE COSTS			
City of Peterborough Social Services	10% of yearly allocation can be used to offset administration of the program		\$47,015
		\$452,831	\$71,015
2009 TOTAL		\$523,846	