

Analyst Briefing Notes

Community Services Committee
January 12, 2006

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PART I: 2006 Operating Budget Overview

Table 1: 2006 Proposed Budget

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act. *	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
(In \$000s)	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	972,119.2	956,534.0	1,033,571.8	3,000.0	1,036,571.8	64,452.6	6.6	0.0	0.0
REVENUE	751,059.4	730,867.5	756,045.5	3,000.0	759,045.5	7,986.1	1.1	(37,475.6)	0.0
NET EXP.	221,059.8	225,666.5	277,526.3	0.0	277,526.3	56,466.5	25.5	37,475.6	0.0
Approved Positions	1,904.0	1,904.0	1,940.0	0.0	1,940.0	36.0	1.9	0.0	0.0
TARGET			225,481.0						
\$ Over / (Under) Program Target			52,045.3						
% Over / (Under) Program Target			23.1%						

*Includes \$20.3 draw from SASRF to cover the COA Shortfall

Executive Summary

- Social Services is projecting a gross under expenditure at year-end, of \$15.6 million or 1.6 per cent and a net over expenditure of \$4.6 million or 2.1 per cent. This unfavourable net variance is attributable to increased net costs for Ontario Disability Support Payments (ODSP) and the Ontario Drug Benefit (ODB) Program of \$6.2 million and a net over expenditure in the OW Program of \$1.6 million. The Provincial funding shortfall for Ontario Works (OW) Cost of Administration (COA) of \$20.3 million will be offset by draws from the Social Assistance Stabilization Reserve Fund (SASRF) and hence has no impact on net expenses.
- The 2006 Proposed Base Budget of \$277.526 million net represents a 25.5% increase over the 2005 Approved Budget and a \$52.0 million or 23.1% increase over the 2006 target of \$225.481 million. The variance in both cases is mainly due to an over-expenditure COA shortfall of \$23.2 million and ODSP / ODB unfunded cost pressures of \$30.3 million, offset by net reduction/efficiencies savings of \$1.5 million. While these factors also impacted 2005, they were partially offset by \$35.4 million in funding from the SAS Reserve Fund. There are insufficient funds remaining in the reserve fund to provide full relief funding in 2006.
- The 2007 incremental costs consists of reversal of reserve withdrawals and one-time funding assumed in 2006 and not expected to continue into 2007.

- Key cost drivers for 2006 include Provincial cost pressures for: 1) the Ontario Disability Support Payments and Ontario Drug Plan of \$30.3 million, of which \$15.2 million is a budgeted increase based on current trends for 2006 and the remaining \$15.1 million represents the pressure arising from the non-recurring budgeted reserve draws utilized in 2005; and 2) the Cost of Administration shortfall of \$23.2 million based on the Provincially capped cost sharing of \$53.0 million.

Recommendations

It is recommended that:

- (1) the Social Services 2006 Proposed Operating Budget of \$1.036 billion gross and \$277.526 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross <u>(\$000's)</u>	Net <u>(\$000's)</u>
Program Support	11,123	5,869
Social Assistance	1,025,449	271,657
	<hr/>	<hr/>
Total Program Budget	<u>1,036,572</u>	<u>277,526</u>

- (2) the General Manager of Social Services report to Budget Advisory Committee during the 2006 Operating Budget wrap-up meetings on actual year-to-date Ontario Works monthly caseload with possible revisions to the 2006 proposed average monthly caseload estimate of 75,000.

PART II: BASE BUDGET

Section A: 2005 Budget Variance Analysis

Table 2: 2005 Budget Variance Review

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals *	2005 Approved vs Projected Actuals Variance Over / (Under)	
(In \$000s)	\$	\$	\$	\$	%
GROSS EXP.	895,139.6	972,119.2	956,534.0	(15,585.2)	(1.6)
REVENUES	657,823.3	751,059.4	730,867.5	(20,191.9)	(2.7)
NET EXP.	237,316.3	221,059.8	225,666.5	4,606.7	2.1
Approved Positions	1,953.0	1,904.0	1,904.0	0.0	0.0

*Projected Actual expenditures to year-end based on revised 3rd Quarter Variance Report, adjusted for a \$20.3 million reserve draw to offset the COA shortfall

2005 Experience

Social Services is projecting year-end gross expenses of \$956.5 million, which is \$15.6 million or 1.6 per cent under the 2005 Approved Budget due to a lower than budgeted case load, partially offset by higher costs for the Ontario Disability Support Payments (ODSP) and the Ontario Drug Benefit (ODB) Programs. After provincial subsidies and reserve funding of \$730.9 million, net expenses are forecast to be \$225.7 million, \$4.6 million or 2.1 per cent over budget by year-end, primarily due to the following:

- The Ontario Works Cost of Administration (COA) subsidy from the Province is calculated on the basis of receiving the legislated cost-sharing of 50/50. However, as in previous years, the Province has established a cap on the Provincial subsidy and the Toronto Regional Office estimates that the City will receive \$53.7 million for COA in 2005, resulting in a year-end subsidy shortfall of \$20.3 million. The projected net year-end forecast includes that COA shortfall will be drawn from the Social Assistance Stabilization Reserve Fund. However, a final decision will be made on this draw depending on 2005 year-end corporate results.
- Under the Ontario Works Act, municipalities must cost-share the Ontario Disability Support (ODSP) and the Ontario Drug Benefit (ODB) Programs delivered by the Province. In both program areas, there has been significant cost growth beyond Municipal and Provincial forecasts. These increased costs are not controllable and are downloaded by the Province to the City, often with no supporting rationale or information for the cost increases. Expenses for 2005 are forecast to be \$159.0 million, \$6.2 million over budget.

- If the current trend continues, the actual annual average caseload under the Ontario Works (OW) Program will be 70,000 versus the budget of 72,000. However, the favourable impact of the lower caseload plus the receipt of \$1.8 million in one-time GTA pooling revenue for 2004 (reconciliation by the Province in 2005) is expected to be more than offset by the impact of the August 2005 program changes (including new earning exemptions, increased child care deductions and the addition of new benefits -- e.g. extended health benefits, full-time employment benefits) and higher costs for special diet benefits. The projected year-end net over expenditure for Ontario Works is forecast to be \$1.6 million.

The 2005 SAS Reserve Fund opening balance was \$83.6 million and the projected year-end balance is \$32 million assuming the COA Shortfall is to be funded from the SAS Reserve. Please see the Issue Section for further discussion on the SAS Reserve Fund.

Impact of 2005 Operating Variance on 2006 Proposed Budget

2005 cost pressures expected to continue into 2006 are as follows:

- The Province introduced Ontario Works program changes that took effect August 1, 2005. The preliminary estimate for these changes (\$3.4 million gross / \$0.7 million net) is included in the 2005 year-end projection. Incremental costs in the 2006 Proposed Budget over the 2005 budget are \$8.4 million gross and \$1.7 million net.
- Based on current trends in special diet expenditures, it is projected that costs for this benefit in 2006 will exceed the 2005 budget by \$10.5 million gross and \$2.2 million net. While the Province has revised the regulations, it is too early to forecast the full impact of these changes.
- The shortfall on the OW Cost of Administration is expected to be \$23.2 million compared to the 2005 shortfall of \$20.3 million. As reserve funds will be exhausted by the draw to fund the 2005 shortfall, the entire shortfall will impact the program in 2006.
- The 2005 Budget included \$40.9 million in reserve draws to fund the 15,000 Ontario Work cases budgeted above 57,000 as well as \$15.1 million to reduce the impact of ODSB/ODB costs. The 2006 Proposed Budget assumes withdrawals from reserves will total \$33.2 million, which will provide the funding for the 18,000 Ontario Works cases budgeted above 57,000. This draw will essentially deplete the SAS and OW Reserve Funds (See Issues Section).
- ODSP/ODP costs of \$159.0 million in 2005 exceeded budget by \$6.2 million. 2006 costs are forecast to be \$168.0 million, \$15.2 million higher than the 2005 budget and \$9.0 million above the projected actual expenditure for 2005.

Section B: 2006 Proposed Base Budget

Table 3: 2006 Proposed Base Budget

	2005 Approved Budget	2006 Requested Base	2006 Proposed Base	Change 2006 Proposed Base v. 2005 Approved Budget		FY Incremental Outlook	
						2007	2008
(In \$000s)	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	972,119.2	1,035,382.8	1,033,571.8	61,452.6	6.3	0.0	0.0
REVENUE	751,059.4	718,569.9	756,045.5	4,986.1	0.7	(37,475.6)	0.0
NET EXP.	221,059.8	316,812.9	277,526.3	56,466.5	25.5	37,475.6	0.0
Approved Positions	1,904.0	1,940.0	1,940.0	36.0	1.9	0.0	0.0
NET TARGET			225,481.0				
\$ Over / (Under) Program Target			52,045.3				
% Over / (Under) Program Target			23.1%				

2006 Proposed Base Budget

The 2006 Proposed Base Budget of \$277.526 million represents a 25.5% increase over the 2005 Approved Budget and is \$52.0 million or 23.1% over the target of \$225.481 million. The 2006 Proposed Budget is based on an average monthly caseload of 75,000 cases and reflects the OW program policy changes announced in August 2005, as well as increased Special Diet costs, and higher expenditures for the ODSP/ODB programs. It also includes \$7.6 million of new revenues/efficiencies projected for Consolidated Verification Process/Enhanced Family Support Initiative (CVP/EFSI) and the streamlining of service delivery and associated business processes.

The additional 36 positions budgeted for 2006 are related to caseload volume change from 72,000 to 75,000. Costs of \$2.1 million for the added positions are included in the \$11.3 million noted below. Hiring of these staff are contingent on the actual caseload reaching budgeted levels.

In 2007, the reversal of the reserve funding will result in a \$33.2 million cost pressure (2006 funding consists of \$28.3 million from the SAS reserve fund and \$5.0 million from the Ontario Works reserve fund). Also, reversals of one-time Provincial revenues for Consolidated Verification Process and Enhanced Family Support programs of \$4.1 million results in an overall \$37.4 million pressure in 2007.

2006 Key Cost Drivers

- Key cost drivers for 2006 include:
 - The increase in Ontario Works caseload from an average monthly caseload of 72,000 to 75,000, higher costs for Special Diet supplements for OW clients and a legislated increase in the OW Program benefits will increase gross expenses by \$11.3 million.

- Reserve Fund withdrawals of \$40.9 million in 2005 funded Ontario Works cases over 57,000, continuation of funding the 3% OW increase approved in 2005 and the ODSP/ODB programs increase of \$15.1 million. For 2006, available reserve funding will be reduced to \$33.2 million and will be used to fund the 18,000 cases above 57,000 (average monthly caseload of 75,000 in 2006 versus 72,000 in 2005) and the 3% OW rate increase. There will insufficient reserve funds remaining to offset part of the ODSP/ODB programs costs in 2006;
- Increased provincial billing for the ODSP/ODB programs of \$15.2 million or 9.9%;
- COA Provincial Subsidy Shortfall of \$23.2 million as a result of the Provincial cap on funding of \$53.0 million. In 2005, the COA shortfall is being funded from reserves.
- Ongoing merit, higher costs of benefits, annualization and economic factors of \$5.8 million;
- One time provincial incentive funds of \$4.1 million for the Enhanced Family Support and the Consolidated Verification Process Initiatives will partially offset cost pressures.

**Table 4: Summary of Proposed Base Budget Changes
From 2005 Approved Budget**

	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
2005 Approved Operating Budget	1,904.0	967,251.9	749,739.6	217,512.3	0.0	0.0
In-year approvals and technical adjustments	0.0	4,867.3	1,319.8	3,547.5		
2005 Approved Operating Budget	1,904.0	972,119.2	751,059.4	221,059.8	0.0	0.0
Annualizations		(3,393.1)	(46,429.2)	43,036.1		
Economic factors		4,128.1	403.4	3,724.7		
Adjusted Base Budget	1,904.0	972,854.2	705,033.6	267,820.6	0.0	0.0
Other base changes	36.0	62,528.6	36,041.4	26,487.2		
Base revenue changes	0.0	0.0	(22,505.1)	22,505.1		
2006 Base Budget Request	1,940.0	1,035,382.8	718,569.9	316,812.9	0.0	0.0
Proposed Base Adjustments:						
Other base changes		(1,811.0)	4,261.3	(6,072.3)	4,261.3	
Service efficiencies				0.0		
Revenue adjustments			33,214.3	(33,214.3)	33,214.3	
Minor service impact				0.0		
Major service impact				0.0		
Total Proposed Base Adjustments	0.0	(1,811.0)	37,475.6	(39,286.6)	37,475.6	0.0
2006 Proposed Base Budget	1,940.0	1,033,571.8	756,045.5	277,526.3	37,475.6	0.0
2006 Program Operating Target	N/A	N/A	N/A	225,481.0		
% Over (Under) Program Target	N/A	N/A	N/A	23.1		
% Over (Under) 2005 Approved Budget	1.9	6.3	0.7	25.5		

Section C: 2006 Base Budget Issues**Key Issues / Recommendations*****Other Base Budget Changes***

Proposed 'Other Base Budget Changes' include the following:

- Since Social Services completed its Capital I&T Refresh program in 2005, the funding to cover operating lease costs are no longer required. The 2006 Proposed Budget includes a reduction in funding for lease payments of computers of \$1.940 million. Information Technology Services will include Social Services requirements in its capital I&T sustainment / replacement plan in the future.
- One-time provincial revenues have been included in the Proposed Budget to fund two base initiatives: Enhanced Family Support Initiatives (\$0.721 million net) and Financial Case Reviews (\$3.411 million net).

Revenue Changes

The revenue changes are proposed withdrawals from reserves as follows:

- A withdrawal of \$4.9 million from the OW Reserve Fund is being proposed to fund Ontario Works Employment as approved in the 2005 Budget. The 2006 projected ending balance is estimated at \$1.6 million. The ongoing use of the OW Reserve Fund as a funding source for the Ontario Works Employment program cannot continue into 2007 as the reserve will be essentially depleted.
- Funding caseload costs from the SASRF has been a funding strategy that City Council has approved since 2002. The 2006 Proposed Operating Budget maintains this strategy and a \$25.4 million withdrawal is required to fund the difference between 75,000 average monthly cases proposed in the 2006 Budget and the baseline of 57,000 average monthly cases. As recommended in 2005, it is also proposed that the SASRF fund the 3% rate increase for OW social assistance payments in 2006 totalling \$2.9 million.

3 Year Operating Budget Overview

Funding Social Services Costs from Social Assistance and Ontario Works Reserve Funds

The *Social Assistance Stabilization Reserve Fund (SASRF)* was established by Council at its meeting on April, 29 and 30, 1998 to protect the City against caseload increases in the future. Initially, the reserve fund was anticipated to receive the savings resulting from the social assistance average monthly caseload dropping below 88,000 in 1998. The last contribution to SASRF was in 2001.

During the 2002 budget process, City Council recommended to limit the tax levy funding of the Ontario Works average monthly caseload to a maximum baseline of 60,000 cases. This funding strategy continued into 2003. However, in 2004, Council recommended the maximum baseline be reduced to 57,000 cases and this strategy continued into 2005.

The 2006 Proposed Operating Budget continues this funding strategy from SASRF. Below is a table showing the SASRF activity from 1998 to 2004 and the budgeted and projected withdrawals for 2005 and 2006. As the reserve fund will be fully depleted in 2006, there will be no source (other than the tax base) to fund Social Services Cost of Administration Shortfall and ODSP and ODB budget pressures in the future. In 2007, the reversal of the reserve funding will result in a \$33.2 million cost pressure (2006 funding consists of \$28.3 million from the SAS reserve fund and \$5.0 million from the Ontario Works reserve fund), plus any additional pressures arising from annual cost drivers.

SOCIAL ASSISTANCE STABILIZATION RESERVE FUND ACTIVITY SINCE INCEPTION										
	1998	1999	2000	2001	2002	2003	2004	2005 Budget	2005 Projected	2006 Proposed
Beginning Balance	0	16,232	34,187	60,891	81,117	81,656	94,423	83,570	83,570	32,027
Add: Contributions from Operating Surplus	16,232	18,000	20,500	7,900						
GTA Pooling Reconciliation Adjustment			7,127	8,941		12,669				
Investment income/Proj. income		92	2,078	3,384	4,242	4,987	4,477	2,750	4,100	
Total additions	16,232	18,092	29,705	20,225	4,242	17,656	4,477	2,750	4,100	-
Less: Ontario Works Caseload (from baseline to actual average monthly caseload)					3,702	4,664	13,118	17,972	16,664	25,384
Other Operating Draw		138								
Transfer to Day Care Pilot Project			3,000							
Child care spaces - 20% City share						225	-			
GTA Pooling shortfall - 2002/03 Final Reconciliation Adjustment							2,212			
Additional draw for ODSP Benefits and Administration and ODB Program budget pressure								15,125	15,125	
Child Care Pilot subject to Provincial Cost Sharing								370	370	
Child Care Pilot Proj. Additional draw subject to contribution from Atkinson Foundation								300	300	
Additional draw (3% rate increase)								2,885	2,885	2,885
Subsidy shortfall in cost of administration									20,300	
Child Care for School Aged Children								3,707		3,707
Total withdrawals	-	138	3,000	-	3,702	4,889	15,330	40,359	55,644	31,976
Ending Balance	16,232	34,187	60,891	81,117	81,656	94,423	83,570	45,962	32,027	51

The *Ontario Works Reserve Fund* is an obligatory reserve and is the regular funding source for the Employment Assistance component of the OW Program. A withdrawal of \$4.9 million was approved in 2005 to cover the City portion of costs required to maintain existing levels of service within the Employment Assistance program.

The budgeted withdrawal in 2006 of \$4.9 million is being proposed to fund Ontario Works Employment as approved in the 2005 Budget. The 2006 projected ending balance is estimated at \$1.6 million. The ongoing funding of the Employment Assistance Program from the OW Reserve Fund cannot continue into 2007 as the reserve will be essentially depleted.

Service Levels, Delivery, or Gap Issues

The following summarizing 2005 and 2006 actual funding requirements funding for Ontario Works and the ODSP and ODB programs.

ONTARIO WORKS (OW) (\$ millions net)		2005 Budget	2005 PA	2006 Budget
Caseload (avg mthly) ⁽¹⁾		72,000	70,000	75,000
Beneficiaries (avg mthly)		141,000	137,000	147,000
Cost of Administration (COA)	GROSS	153.1	148.0	154.3
Subsidy Required (COA) 50%	NET	76.6	74.0	76.2
Subsidy Paid by Province		52.0	53.7	53.0
COA Shortfall		24.6	20.3	23.2
OW Program Benefits	GROSS	677.7 ⁽²⁾	661.4	714.3
OW Program Benefits	Net	118.8	117.9	147.6
Ontario Disability Support Program (ODSP) & Ontario Drug Benefit (ODB) Program		2005 Budget	2005 PA	2006 Budget
ODSP Caseload (avg mthly)		47,000	49,000	50,000
Beneficiaries (avg mthly)		65,000	68,000	69,000
ODSP - Admin (<i>City 50% Share</i>)	NET	20.7	20.7	20.9
ODSP - Benefits (<i>City 20% Share</i>)	NET	96.0	101.0	103.5
ODSP Subtotal		116.7	121.7	124.4
ODB (incl. Mandatory Benefits) (<i>City 20% Share</i>)	NET	36.1	37.3	43.6
TOTAL		152.8 ⁽³⁾	159.0 ⁽³⁾	168.0

ONTARIO WORKS

(1) Total individual persons served (including approx. 70,000 children in OW) under the OW program represents approx. 1 in 10 of the population of Toronto.

(2) The 2005 budget includes reserve funding of \$25.8M (including funding for caseload above 57,000).

ODSP/ODB

(3) City bears 50% of ODSP Admin. Costs and 20% of ODSP/ODB Benefit Costs.
Over the two year period (2005 - 2006), the ODSP / ODB costs will increase by \$30.3M; (\$15.1M in actual costs and \$15.2 due to reserve funding offset in 2005). The 2005 budget includes \$15.1M draw from reserves to cover the increase.

COA

2005 Budget does not include adjustments for harmonization and COLA of \$3.6M. This is included in the 2006 budget, for a total pressure of \$7.3M (2005 & 2006). This is reflected in the 2006 COA costs.
For 2006, the COA shortfall is projected at \$23.2M, resulting from the Provincial cap on COA.

2006 BUDGET PRESSURE

The above results in a combined **net** pressure of \$85.3M before reserve draws. The above table does not reflect GTA Pooling Equalization Revenues.

The 2006 Proposed Budget includes an increase of 3,000 OW average monthly caseload (from 72,000 to 75,000) and associated 36 temporary staff (\$7.4 million net). Activity over the last 8 months indicates a rising caseload trend. The actual OW caseload is estimated to increase to 71,000 in December 2005 (compared to 67,100 in January 2005). Given there is still significant time to update the caseload estimates, it is recommended that the General Manager of Social Services report to Budget Advisory Committee during the 2006 Operating Budget wrap-up meetings on actual OW caseload data and possible revisions to the 2006 average monthly caseload estimate.

- The Ontario Works (OW) Cost of Administration (COA) subsidy from the Province is calculated on the basis of receiving the legislated cost-sharing of 50/50. However, as in previous years, the Province has capped the Provincial subsidy at \$53.0 million. This subsidy no longer supports 50 percent of OW program administration costs and has created a funding shortfall that has been managed through timing of funding cash flow and subsidy reconciliation adjustments in conjunction with the Ministry. These opportunities ceased in 2005 and the program is faced with a significant funding shortfall estimated to be \$23.2 million for 2006.
- Under the OW Act, municipalities must cost-share the ODSP and ODB Programs delivered by the Province. There has been significant cost growth beyond Municipal and Provincial forecasts for both programs. These increased costs are not controllable and are downloaded by the Province to the City, often with no supporting rationale or data for the cost increase. The year-end 2005 over-expenditure is projected to be \$6.2 million. The total 2006 Proposed Budget includes \$30.3 million in pressures arising from the ODSP and ODB programs: \$15.2 million is due to an increase in expenditures (up 9.9% to \$168.0 million) for 2006 plus an additional \$15.1 million is due from the use of non-recurring reserve funding in 2005 to offset these costs.
- A review was conducted between February and May 2005 with KPMG's final report (dated June 2005) being presented initially to the Province. The report was subsequently released by the Province to the City on November 2, 2005.

Review Findings

KPMG's findings validate the City's position that its administrative expenses for OW are reasonable and in full compliance with provincial legislation and directives. To summarize, KPMG found that:

1. The City complies with all Provincial regulations, directives and policies regarding Cost of Administration;
2. The City's delivery of OW is balanced and defensible;
3. Increases in Cost of Administration between 2001 and 2004 were reasonable;
4. Toronto's administration cost per case is significantly less (about 15 percent) than the average of the other GTA municipalities, and;
5. Further savings will come at the expense of service quality.

The findings also corroborate the City's position that the Provincial cap on the Cost of Administration subsidy means the Province is not paying for eligible costs under provincial legislation. Their overall conclusions clearly indicate that the Province should meet its obligations under the Ontario Works Act, and increase its funding to meet the legislated 50:50 cost-sharing ratio for Ontario Works subsidy.

For further details, a report will be submitted to Community Services Committee from the Deputy City Manager entitled "Final Report - Provincial Review Ontario Works' Cost of Administration Shortfall" in January 2006.

Issues Referred to 2006 Operating Budget Process

None

Outstanding Issues from 2005 and Prior Years

None

Appendix A

Summary of Service Level Adjustments

PART III: NEW COUNCIL PRIORITIES

Section D: 2006 Proposed New Council Priorities

Table 5: Summary of 2006 Proposed New Council Priorities (\$000)

Council Priority	Description	Total 2006 New		2006 Not Proposed		2006 Proposed		Proposed New Positions	Net Incremental	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$		#	\$
Council Priorities:		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total Council Priorities		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Rquests Referred to 2006 Operating Budget:				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total Referred		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Program Requests:										
Kids @ Computers		3,000.0	0.0		0.0	3,000.0	0.0	0.0	0.0	0.0
Sub-Total New Program Requests		3,000.0	0.0	0.0	0.0					
Total New Council Priorities		3,000.0	0.0	0.0	0.0	3,000.0	0.0	0.0	0.0	0.0

Key Issues / Recommendations

2006 New Program Requests

Kids and Computers – \$3.0 million

Continue to support the efforts of the Kids @ Computers Scholarship Project to bridge the digital divide through the awarding of computer systems, software, internet access and training to children from disadvantaged families. The budget will provide computers and the necessary training to 2,275 Ontario Works children.

Appendix B

Summary of Council Priority Services and New Service Requests