



## STAFF REPORT ACTION REQUIRED

### 2008/2009 Student Nutrition Program Service Subsidies

<b>Date:</b>	May 12, 2008
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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This report requests that the Board of Health adopt the recommendations of the Toronto Partners for Student Nutrition (TPSN) Steering Committee regarding the 2008/2009 Student Nutrition Program service subsidy allocations.

The TPSN Steering Committee requests that the Board of Health recommend the City of Toronto execute agreements with the Angel Foundation for Learning and the Toronto Foundation for Student Success, for a combined total of \$2,799,340. An amount of \$100,000 will be held for appeals and an additional \$50,000 for capital enhancements.

#### RECOMMENDATIONS

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**The Medical Officer of Health recommends that:**

1. The Board of Health recommend that City Council enter into agreements totalling \$2,799,340 with the Toronto Foundation for Student Success (\$2,505,828.81) and the Angel Foundation for Learning (\$293,511.19) to administer the Community Partnership and Investment Program funding to eligible student nutrition programs across the City of Toronto;
2. The Board of Health recommend that City Council grant authority to the Medical Officer of Health to take the necessary action to give effect to Recommendation (1), including the execution of agreements with the Toronto Foundation for Student Success and the Angel Foundation for Learning on behalf of the City;

3. The Board of Health recommend that City Council waive a requirement for crime and fidelity insurance in any current and future service subsidy agreements with the Toronto Foundation for Student Success and the Angel Foundation for Learning; and
4. The Board of Health forward this report for information to the Minister of Children and Youth Services, the Minister of Health Promotion, the Toronto District School Board and the Toronto Catholic District School Board.

### **Financial Impact**

This report recommends that the 2008 approved Operating Budget of \$2,799,340 for the Student Nutrient Program to be allocated to the Toronto Foundation for Student Success (\$2,505,828.81) and the Angel Foundation for Learning (\$293,511.19), with \$150,000 reserve for appeal purposes and capital enhancements.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

### **DECISION HISTORY**

On August 26, 1998, the Board of Health approved administrative and operational structures to support the Student Nutrition Program and the process of allocation of municipal funding.

The Medical Officer of Health submits a report to the Board of Health annually after the City budget has been finalized, to begin the process of allocations to student nutrition programs for the upcoming school year. The municipal funding for student nutrition programs approved in the 2008 operating budget is \$2,799,340 and remains unchanged from 2007.

### **ISSUE BACKGROUND**

In 1998, an administrative structure was established with mechanisms to support programs and to ensure program quality and accountability. This structure, now known as Toronto Partners for Student Nutrition, is made up of a Steering Committee and a number of sub-committees (including an Allocations Sub-committee). The partnership is comprised of student nutrition stakeholders, including Toronto Public Health, school boards and their foundations and community representatives.

Funds are allocated to school/community programs according to an equity funding formula approved by the Steering Committee. The current formula is based on 2004 census data for income. Programs in higher need areas, where parental contributions are expected to be lower, receive a higher rate of funding than those in lower need areas. Standardized meal costs per program per student are used to estimate program costs.

### **COMMENTS**

## Application and Review Process

The allocation process for municipal funding began in January 2008, when the 2008/2009 Funding Applications were distributed to all existing Student Nutrition Programs. Applications were also available to new programs and were posted on the Toronto Public Health website. The website and the mailing included instructions on how to fill out the application. Non-city staff members of Toronto Partners for Student Nutrition assisted sites in preparing applications on an individual program basis.

A Review Committee made up of staff from Toronto Public Health, both boards of education and community partner representatives met to review applications. Reviewers were instructed on how to apply a consistent review of applications using standardized review forms, and followed appropriate conflict of interest guidelines. Applications that were recommended for funding were forwarded to the TPSN Steering Committee for final approval.

### Summary of Allocations and Recommendations:

The TPSN Steering Committee received and approved the following recommendations for the distribution of funds:

Foundation	Funding Amount
1. Angel Foundation for Learning (66 programs)	\$ 293,511.19
2. Toronto Foundation for Student Success (450 programs)	\$ 2,355,828.81
3. Toronto Foundation for Student Success (reserve for appeal purposes)* (reserve for capital enhancements)*	\$ 100,000.00 \$ 50,000.00
<b>Total (516 programs)</b>	<b>\$ 2,799,340.00</b>

\* The money held in reserve for appeal purposes will be used to make adjustments to the allocations as required and to distribute funds among all programs, based on the funding formula, prior to December 31, 2008. The money held in reserve for capital enhancements is pending, until details are known about the one-time provincial funding for capital enhancements. If the provincial allocation is sufficient, the municipal reserve funds will be distributed to programs by the end of 2008 for operating costs. Capital enhancements assist programs in replacing broken equipment and/or in upgrading equipment to meet food safety requirements.

Additional programs may be considered as late applicants in the fall 2008 Appeals Process. The entire grant is distributed among programs and none of it is used for administration or overhead. Local programs will receive their allocated municipal funds in three instalments, one in early September, one in December and one in March, 2009. Programs must submit detailed monthly financial reports to their respective foundation and address all program requirements to receive subsequent instalment cheques.

### **Crime and Fidelity Insurance Issue**

In 2007, based on a recommendation from the City's Insurance and Risk Management section in Corporate Finance, the Legal Division added a new requirement for Crime and Fidelity insurance in the City's service subsidy agreements with the Toronto Foundation for Student Success and the Angel Foundation for Learning, to be obtained at their own expense. The crime and fidelity policy would cover officer or employee dishonesty, theft, destruction, forgery or alteration in an amount equivalent to the total fees paid by the City to each foundation. Since then, the Toronto Foundation for Student Success has been quoted approximately \$21,000, and the Angel Foundation for Learning approximately \$6,000, by their respective underwriters, i.e., amounts in proportion to their specific service subsidies. As a service to the City, both organizations waive administration/overhead costs associated with administering the City's municipal funding for student nutrition programs, thereby ensuring 100% of grant funding is allocated to the 516 approved programs.

Service subsidy agreements have been in effect on an annual basis with these organizations from 1998-2006 without the crime and fidelity insurance requirement, yet no financial loss has occurred due to fraud/theft. The Government of Ontario does not require crime and fidelity insurance coverage for the administration of provincial student nutrition program funding. Thus, the requirement for crime and fidelity insurance should be waived in current and future service subsidy agreements with the Toronto Foundation for Student Success and the Angel Foundation for Learning, in order to ensure that these organizations do not face additional prohibitive costs in performing an administrative service at no cost to the City.

### **Provincial Funding**

The municipal application review also serves as the review for provincial funding. The Ontario Ministry of Children and Youth Services administer the provincial funds via the Toronto Foundation for Student Success (TFSS). TFSS then allocates funding for the Separate School program sites to the Angel Foundation for Learning. Programs will receive their provincial funding at the same time as the municipal funding. The 2007/2008 provincial contribution to Toronto's municipally funded Student Nutrition Programs was \$1,444,008, unchanged from 2006/2007.

However, in March, 2008, the Government of Ontario announced enhanced funding across the province for the next three years, more than doubling the funding from \$8.5 mil/year to \$17.9 mil/year. Regional allocations will not be determined until approximately July, 2008. A one-time funding grant of \$3.9 million was also announced

for the purchase of equipment, non-perishable foods and other basic program expenses, although regional allocations will not be determined until the summer.

### **Parental Contributions and Local Fundraising**

Total parental contributions and local fundraising will exceed municipal funding, as per the criteria of the Student Nutrition Program. This does not include in-kind contributions such as school space and school staff-time to operate the programs.

### **CONTACT**

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### **SIGNATURE**

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Medical Officer of Health