

Analyst Briefing Notes

Budget Committee - February 16, 2010

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Executive Summary

- Toronto Employment & Social Services (TESS) provides employment services, financial benefits and social supports to strengthen the social and economic well-being of Torontonians in their communities.
 - Employment Services provides opportunities for clients to engage in a variety of activities which lead to jobs, or which increase their employment prospects. Employment Services activities include job search, education and training, paid and unpaid job placements and job retention supports.
 - Financial Benefits include funds to cover food, shelter, clothing and other household items, a monthly drug benefits card to cover the cost of prescribed medications, other benefits such as dental services for children, eyeglasses and medical transportation and assistance with employment-related expenses and child care costs.
- Toronto Employment & Social Services' 2010 service objectives are highlighted below:
 - Plan, manage and deliver integrated employment services and supports to unemployed and underemployed residents through projects such as the Regent Park Employment and Enterprise Hub, and Investing in Neighborhoods (IIN);
 - Support community labour force development by continuing to support the Partnership to Advance Youth Employment (PAYE), an employer led strategy to increase opportunities for marginalized youth, and by managing local employment planning pilots in five high needs communities in conjunction with delivery partners and other orders of government; and,
 - Refocus the social service delivery system in Toronto to provide needed employment, social and financial services through expansion of the Investing in Families, Homeless to ODSP Project Engagement (HOPE), and Streets 2 Homes initiatives and by extending the functionality of the Web Access to Your Services (WAYS) application.
- TESS' Key Accomplishments for 2009 includes:
 - Met the mandated service delivery standards for the OW program and achieved Provincial targets for incentive funding (eg eligibility reviews, family support, Employment Assistance), thereby maximizing Provincial funding;
 - Managed the escalating caseload (90,000 cases budgeted in 2009 vs. 77,000 cases in 2008) during economic uncertainty with limited resources;
 - Developed employment plans and strategies that support city revitalization efforts in designated neighbourhoods (i.e. Regent Park, Lawrence Heights, and Woodbine Live);

- Developed and started implementation of the Employment Centre model as a focal point for local labour force planning, improved access to employment opportunities and better access to employment services;
 - Provided over 540 youth with the opportunity to prepare for and meet with employers for sustainable employments through the Partnership to Advance Youth Employment (PAYE) initiative;
 - Provided integrated supports to single parents and their children living in priority communities through the Investing in Families initiative;
 - Built community capacity by enabling local agencies to provide one year subsidized employment opportunities in priority communities through the Investing in Neighbourhoods initiative; and,
 - Developed and deployed award winning technology solutions and on-line business tools (Web Access to Your Services initiative) for greater efficiency and effectiveness in service delivery.
- For 2009, Toronto Employment and Social Services projects year-end net expenditure of \$314.336 million, \$4.942 million or 1.5% below the 2009 Approved Budget of \$319.278 million. This favourable variance is a result of a higher proportion of singles compared to families for \$7.3 million, and lower OW cost of administration of \$5.6 million, partially offset by higher ODSP benefit costs of \$5.3 million and an increased demand for the Special Diet Supplement of \$2.4 million.
 - 2009 cost pressures expected to impact 2010 include the 2% rate increase for Ontario Works (OW) and Ontario Disability Support Program (ODSP) benefits effective December 1st, 2009 (\$6.173 million), and a projected increase in ODSP caseload by 4,500 cases to 60,000 cases (\$13.7 million). The projected savings of \$7.3 million in 2009 is not expected to continue into 2010 as caseload is estimated to increase by 15,000 cases to an average monthly 105,000 cases.

Table 1: 2010 Recommended Budget

	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget		%	2011	2012
	\$	\$	\$	\$	\$			\$	\$
(In \$000s)									
GROSS EXP.	1,204,456.9	1,145,367.4	1,341,947.2	16,160.4	1,358,107.6	153,650.7	12.8	(74,026.0)	(333.6)
REVENUE	885,178.7	831,031.3	1,017,351.6	16,160.4	1,033,512.0	148,333.3	16.8	(22,333.4)	(5,330.3)
NET EXP.	319,278.2	314,336.1	324,595.6	0.0	324,595.6	5,317.4	1.7	(51,692.6)	4,996.7
Approved Positions	2,148.0	2,148.0	2,336.0	21.0	2,357.0	209.0	9.7	(5.0)	(19.0)

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	263,243.7	324,595.6	61,351.9	193,462.2
PROGRAM REDUCTION (\$)	(68,238.7)	(7,894.3)	60,344.4	(15,963.9)
PROGRAM REDUCTION (%)	(21.4)	(2.5)	18.9	(5.0)

- The 2010 Recommended Operating Budget for TESS of \$324.596 million net is \$5.317 million or 1.7% higher than the 2009 Approved Operating Budget. The 2010 Recommended Operating Budget, which includes recommended reductions of \$7.894 million, is \$60.344 million or 18.9% below the reduction target of \$68.239 million. Program reduction of 21.4% is much higher than the required 5% target as the 2010 recommended base pressures have increased significantly and were not identified during the 2009 budget process (i.e. OW and ODSP caseload increases).
- The 2010 Recommended Operating Budget for TESS includes funding of \$16.160 million for new/enhanced service priority actions including the Enhance Employment Services (\$15.660 million gross/ \$0 net) and French Language Service Enhancement (\$0.500 million gross/ \$0 net). The two new/enhanced service priority actions are fully funded by Provincial subsidies.
- Approval of the 2010 Recommended Budget will result in the Program's total staff complement increasing from 2,148 to 2,357 approved positions primarily due to the increase of 195.0 temporary caseload contingent staff as the caseload is estimated to increase to 105,000 cases, and 21.0 temporary staff to plan, manage, and implement the two new/enhanced service priority actions in 2010.
- The 2010 Recommended Operating Budget for TESS results in the incremental net savings of \$51.693 million in 2011 and an incremental net cost of \$4.967 million in 2012.
 - In 2011, the projected net savings of \$51.693 million includes the upload of the remaining ODSP benefits of \$77.5 million (which will be partially offset by the Ontario Municipal Partnership Fund (OMPF) clawback of \$20.8 million) the upload of an additional 3% of Ontario Work Benefit costs of \$5.8 million, and offset by the impact of the reversal of 2010 withdrawal from the Social Assistance Stabilization (SAS) Reserve Fund of \$7.335 million, the 2011 COLA of \$3.110 million, and the operating impact of the TESS Infrastructure capital projects of \$0.388 million.

- The 2012 incremental net cost of \$4.967 million represents the continued phased upload of the OW Benefits costs of \$15.5 million, and the reduction in OMPF subsidy of \$20.8 million.
- The 2010 Recommended Base Budget is \$5.317 million or 1.7% over the 2009 Approved Budget mainly due to the following 2010 key cost drivers:
 - Increase in estimated average monthly OW caseload from 90,000 to 105,000, along with the impact of the legislated 2% rate increase for OW clients, and additional 195 temporary positions (contingent to increase in caseload) totaling at \$40.135 million;
 - Increase in Special Diet costs of \$20.0 million gross and \$3.9 million net due to escalating demand;
 - Increase in Cost of Administration (COA) expenditures associated with Ontario Works, of which the Province has not funded its obligated share and resulting in a shortfall of \$53.7 million (\$10.0 million above the 2009 budgeted shortfall of \$43.7 million); and,
 - Increase in ODSP costs of \$17.0 million before uploading due to a rate increase of 2% announced by the Province in the March 2009 Provincial Budget and an additional 4,500 cases based on growth trends.
- The cost drivers noted above will be partially off-set by the following savings included in the 2010 Recommended Operating Budget:
 - Reduced net expenditures of \$56.7 million (including the OMPF clawback of \$20.8 million in 2010), as 50% of the City's share of ODSP benefit costs will be uploaded by the Province effective January 1st, 2010; and,
 - Base budget reductions include absorbing economic factor adjustment (\$0.362 million) and furniture replacement (\$0.098 million), while limiting the Hardship Fund increase (\$0.100 million) for total savings of \$0.560 million.
- A reserve withdrawal of \$7.335 million from the Social Assistance Stabilization (SAS) Reserve Fund is recommended to partially offset the cost pressures resulting from the recommended OW monthly caseload increase of 15,000 cases to 105,000. SAS will be fully depleted after the recommended withdrawal in 2010, resulting in an incremental cost of \$7.335 million in 2011.
- The following key program issues have been identified during the 2010 Operating Budget process:
 - OW average monthly caseload is estimated to increase to 105,000 cases in 2010, which is 15,000 cases higher than the 2009 approved caseload of 90,000. The increase in caseload reflects historical trends, analysis of caseload dynamics, and economic forecasts related to Toronto's labor market. TESS will report back to Budget Committee at the 2010 Operating Budget wrap-up meeting on actual year-to-date Ontario Works monthly caseload and any possible revisions to the 2010 recommended average monthly caseload.
 - ODSP average monthly caseload is estimated to increase by 4,500 cases to 60,000 cases in 2010. The ODSP is a cost shared program mandated and delivered by the Province.

The budget pressure resulting from the uncontrollable increase in provincial billing for 2010 is \$17.0 million before uploading. However, the ODSP will be fully uploaded to the Province by 2011.

- The demands for Special Diet Supplement and the Hardship Fund are projected to further increase in 2010 as more eligible individuals, especially low income residents, utilize these two programs, resulting in a total 2010 net budget pressure of \$4.238 million.
- TESS provides employment assistance and financial assistance to help the most vulnerable in the community to pursue opportunities to become more self-sufficient, and to contribute to the overall health and well being of City residents. The 2010 Recommended Operating Budget will fund:
 - Managing an average monthly caseload of 105,000;
 - Providing consultation and support to approximately 165,000 client visits to TESS' employment resources centres;
 - Providing the special diet supplement to approximately 20,000 cases;
 - Sponsoring and conducting job and agency fares for OW clients across the City to help connect over 14,000 clients with potential employers;
 - Developing Employment Hubs as focal points for local labour force planning, training tailored to the local communities, and local employer engagement to identify current and emerging labour force needs; and,
 - Enhancing access to ODSP for homeless/vulnerable people, connecting the homeless with ongoing medical support, and linking homeless people to other service providers through the Homeless to ODSP Project Engagement (HOPE).

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Toronto Employment and Social Services of \$1,358.108 million gross and \$324.596 million net, comprised of the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	13,757.6	6,655.7
Social Assistance	<u>1,344,350.0</u>	<u>317,939.9</u>
Total Program Budget	<u><u>1,358,107.6</u></u>	<u><u>324,595.6</u></u>

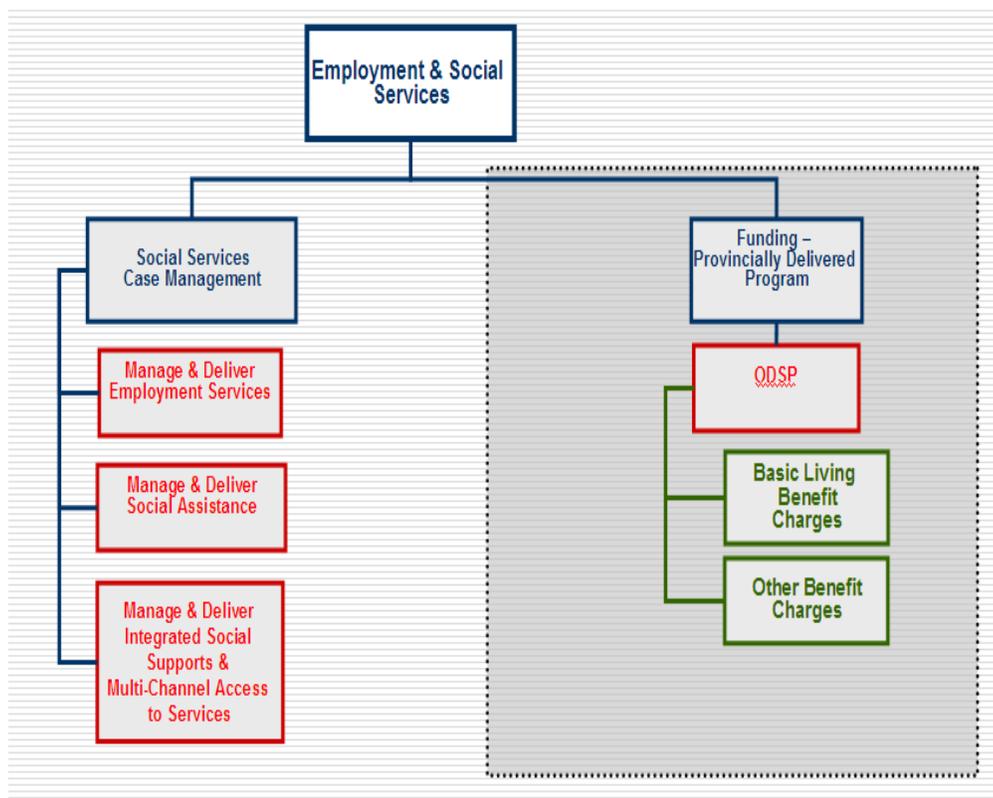
2. The General Manager of Toronto Employment & Social Services report to Budget Committee at the 2010 Operating Budget wrap-up meeting on actual year-to-date Ontario Works monthly caseload, and any possible revisions to the 2010 recommended average monthly caseload estimate of 105,000.

Mission Statement

Toronto Employment & Social Services (TESS) provides employment services, financial benefits and social supports to strengthen the social and economic well-being of Torontonians in their communities.

Toronto Employment & Social Services delivers two main services, Social Services Case Management and Funding-Provincially Delivered Programs, as detailed in the following Program Map:

Program Map



Note: Funding- Provincially Delivered Programs are planned, managed, and administrated by the Province. TESS is responsible for funding the City’s share of these programs. Uploading of ODSP commenced in 2009 and will be completed by 2011.

2010 Recommended Services: Overview

Toronto Employment & Social Services (TESS) provides employment services, financial benefits and social support to residents of the City of Toronto through Social Services Case Management and ODSP, a program delivered by the Province. TESS is the fourth largest social assistance delivery system in Canada. Through its 14 offices, TESS provides services including job search, skills training, financial assistance to individuals and their families, access to childcare, housing, and health support, to over 240,000 individuals or approximately 1 in 11 residents in Toronto annually.

TESS is committed to engaging clients, residents, community partners, local employers to improve the social services delivery system in Toronto.

Social Service Case Management

TESS provides Employment Services and Financial Assistance to Ontario Works clients. Employment services provide options for clients to engage in activities such as skill training, education and upgrading, assessment and translation of international credentials, and job search, which lead to jobs or increases their employability. Financial Assistance includes money for food, shelter, clothing and other household costs, medication, and other health costs such as dental services, eyeglasses and help with transportation for medical reasons.

Case management activities include the following:

- Manage and deliver a full range of employment services such as career planning, educational upgrading, job search and skills training, and supports including employment related expenses, to eligible residents of Toronto directly by program staff and through service partnerships and contracted services;
- Manage and deliver social assistance, including on-going eligibility assessment and validation, to ensure that eligible residents receive the benefits to which they are entitled to under the Ontario Works Act; and,
- Manage and deliver integrated social supports and multi-channel access to services, coordinating and delivering benefits and services to residents requiring social supports including the Hardship Fund, the Emergency Energy Fund, and the Water Filter Fund.

The 2010 service levels for Social Services Case Management are as follows:

- Manage applications, on-going eligibility assessment and validation for an average monthly caseload of 105,000;
- Connect Ontario Works (OW) Clients to 150 employers through the Investing in Neighbourhoods Program;
- Make 3,700 referrals for childcare and assist 1,500 OW families to maintain or obtain housing through the shelter fund;
- Work with 110 agencies and employers to deliver employment and skill training, and on average over 21,400 OW clients per month will participate in basic education programs;
- Provide the special diet supplement to approximately 20,000 cases; and,
- Provide financial assistance to 750 cases through the Hardship Fund.

Service Objectives

Toronto Employment & Social Services' (TESS) service objectives reflect the need for TESS to plan, manage and deliver integrated employment services and supports to unemployed and underemployed city residents, support community labour force development, and refocus the social service delivery system in Toronto to provide needed employment, social and financial services. The following section provides TESS' service objective targets for 2010 and beyond.

Plan, Manage, and Deliver Integrated Employment Services:

- Continue the development of Regent Park Employment Hub in 2010 and identify other priority neighbourhoods for development of additional employment centers.
- Continue the implementation of an Employment Resource Centre model that supports expanded services for the unemployed residents in 2010.
- Increase the number of employment opportunities for the vulnerable in priority neighbourhoods from 150 in 2009 to 300 in 2010 through the Investing in Neighbourhoods initiative.
- Initiate the development of local employment plans to support redevelopment and revitalization in specific communities such as Etobicoke North through Woodbine Live, Lawrence Heights, Weston-Mount Dennis, Kingston-Galloway-Orton Park in 2010.

Support Community Labour Force Development:

- Continue to support the Partnership to Advance Youth Employment (PAYE), an employer led strategy to increase opportunities for marginalized youth, efforts to assist youth in priority neighbourhoods and communities impacted by the recession in Toronto.
- Support city and community engagement efforts with respect to addressing poverty issues in Toronto through the "25 in 5 network" program.

Refocus the Social Service Delivery System in Toronto:

- Continue implementation of the Investing in Families initiative in all priority neighbourhoods and high needs communities across Toronto.
- Continue to assist homeless individuals gain access to critical provincial financial supports and employment services by expanding services through the continuation of the Homeless to ODSP Project Engagement (HOPE) in additional communities.
- Provide increased access to vulnerable residents (largely seniors and disabled people) who required assistance through the Hardship Fund (550 cases projected in 2009, increased to 750 in 2010).

2009 Accomplishments

TESS provides employment services and financial assistance to help the most vulnerable in the community to pursue opportunities to become more self-sufficient, and to contribute to the overall health and well being of City residents. In 2009, TESS accomplished the following:

- Managed an estimated average monthly caseload of 90,000;
- Provided consultation and support to approximately 165,000 client visits to TESS' employment resources centres;
- Provided the special diet supplement to approximately 20,000 cases;
- Sponsored and conducted job and agency fares for OW clients across the City to help connect over 14,000 clients with potential employers;
- Supported and responded to the Partnership to Advance Youth Employment (PAYE) working groups in development of labour market processes to enhance employability for youth. Over 540 youth were provided with the opportunity to prepare for and meet with potential employers to seek sustainable jobs;
- Enhanced access to ODSP for homeless/vulnerable people, connecting the homeless with ongoing medical support, and linking homeless people to other service providers through the Homeless to ODSP Project Engagement (HOPE). TESS has assisted over 500 clients in initiating the application process for ODSP since the inception of HOPE; and,
- TESS received both a Diamond and Merit Award from Showcase Ontario for two of its technology projects. The Diamond Award was for Web Access to Your Services (WAYS) initiative. WAYS is designed to improve access to services for clients of the OW program who are the most vulnerable residents in Ontario.

Table 2: 2009 Budget Variance Review (\$000s)

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	1,005,105.8	1,204,456.9	1,145,367.4	(59,089.5)	(4.9)
REVENUES	747,863.4	885,178.7	831,031.3	(54,147.4)	(6.1)
NET EXP.	257,242.4	319,278.2	314,336.1	(4,942.1)	(1.5)
Approved Positions	1,982.0	2,148.0	2,148.0	0.0	0.0

* Projected Actuals Based on the September 30, 2009 Variance Report.

2009 Budget Variance Analysis

Toronto Employment & Social Services' year-end favourable variance is projected to be \$4.942 million or 1.5% below the 2009 Approved Operating Budget of \$319.278 million. The projected year-end net favourable variance of \$4.942 million is primarily due to lower Ontario Works (OW) social assistance costs and Cost of Administration (COA) as summarized in the following table:

2009 Projected Year-End Variances	Net Variances* (\$ millions)	Comments
(1) <i>Ontario Works:</i>		
Caseload impact	(7.3)	2009 projected average monthly caseload is 90,000, which is consistent with the 2009 Approved Budget. The under expenditure for benefits is mainly due to case mix (higher proportion of singles as compared to families), partially offset by an increased demand for the Special Diet Supplement. The COA is below budget mainly because of delayed hiring in early 2009, as well as less overtime than anticipated.
Special Diet	2.4	
Cost of Administration	(5.6)	
	(10.5)	
(2) Hardship Fund	0.3	2009 projected expenditures are higher than budget due to an increase in the number of requests for medically based items by the City's seniors and working poor. This expenditure has increased by 97% to approximately \$0.850 million from 2004 to 2009.
(3) ODSP:	5.3	Higher projected ODSP benefit costs due to an increase in caseload. As previously announced, ODSP program costs will be fully uploaded by the Province by 2011.
Total Variance	(4.9)	

* Net variance excludes 2009 budget draw of \$8.086 million from SAS Reserve Fund.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

Despite the favourable variance projected for 2009, it is anticipated that the following 2009 cost pressures will continue into 2010:

- OW/ODSP Rate Increase:** The Province legislated a rate increase of 2% for OW and ODSP clients effective December 1, 2009. The Province will fund 100% of the rate increase for the month of December only; thus, the 2010 Recommended Operating Budget includes an additional \$6.173 million net in City funding (\$2.773 million for OW and \$3.400 million for ODSP) to manage this budget pressure.
- ODSP Caseload Increase:** The ODSP caseload increased from an average monthly caseload of 53,844 in 2008 to 56,900 cases projected in 2009, an increase of 5.68% and 1,400 cases over budget. As a result, 2009 actual expenditures are projected to be \$5.3 million over the 2009 Approved Budget of \$138.0 million. As the average monthly caseload is projected to be 60,000 in 2010, an increase of 4,500 cases or 8.1% over the 2009 budget of 55,500, the 2010 Recommended Operating Budget includes an additional \$13.7 million to fund this budget pressure.

The following table summarizes the cost pressures of ODSP:

2010 ODSP Summary		
	Cases	Net Expenditure (\$ millions)
2009 Approved Budget	55,500	138.0
2010 case load increase	4,500	13.7
2010 Rate Increase of 2%		3.4
Total Before Provincial Uploading	60,000	155.1
Provincial Uploading		(77.5)
2010 Recommended Budget - ODSP	60,000	77.5
Increase / (decrease) from 2009 Approved Budget	4,500	(60.5)

- Special Diet Allowance Increase:** This provincially mandated program, which provides financial assistance to OW clients who have special diet needs due to medical reasons, has increased significantly from \$3.9 million gross experienced in October 2008 to \$6.7 million gross experienced in October 2009 and is expected to increase to \$7.1 million gross by December 2009. This increase is primarily due to the fact that more eligible individuals are utilizing this entitlement. The 2010 Recommended Operating Budget includes an additional \$20.000 million gross and \$3.880 million net to manage this budget pressure. *(see pg. 24 for further discussion)*
- Hardship Fund Increase:** This program was established by the City in 1999 to provide financial assistance to cover the costs of specific benefits including prescription drugs, medically based items (i.e. prosthetics), dental and denture needs, eyeglasses, and funerals for low-income individuals who are ineligible for OW or ODSP. The 2009 projected actual expenditure on Hardship Fund is anticipated to be \$0.900 million, which is \$0.358 million over the 2009 Approved Budget of \$0.542 million. The recommended base funding enhancement of \$0.358 million addresses the rising number of requests for medically based items from low income city residents.

Table 3: 2010 Recommended Base Budget (\$000s)

(In \$000s)	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
			\$	%	2011	2012
	\$	\$	\$	%	\$	\$
GROSS EXP.	1,204,456.9	1,341,947.2	137,490.3	11.4	(74,026.0)	(333.6)
REVENUE	885,178.7	1,017,351.6	132,172.9	14.9	(22,333.4)	(5,330.3)
NET EXP.	319,278.2	324,595.6	5,317.4	1.7	(51,692.6)	4,996.7
Approved Positions	2,148.0	2,336.0	188.0	8.8	0.0	(3.0)

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	263,243.7	324,595.6	61,351.9	193,462.2
PROGRAM REDUCTION (\$)	(68,238.7)	(7,894.3)	60,344.4	(15,963.9)
PROGRAM REDUCTION (%)	(21.4)	(2.5)	18.9	(5.0)

Table 3a: Program Reduction Requirements (\$000s)

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	319,278.2	
Savings Reported with 2010 Outlook	(40,070.6)	(53,817.6)
Pressures Not Reported with 2010/2011 Outlook	52,274.8	
5% Reduction Target	(15,963.9)	(15,963.9)
Additional Pressures not in 2010 Reported Outlook	(52,274.8)	TBD
Program Reduction Target	(68,238.7)	(15,963.9)
Net Budget Target	263,243.7	193,462.2

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$324.596 million is \$5.317 million or 1.7% increase over Toronto Employment & Social Services' 2009 Approved Operating Budget of \$319.278 million net. The 2010 Recommended Base Budget includes funding of \$13.212 million for base budget increases, which have been offset by \$7.894 million in budget reductions arising from recommended service changes.

The 2010 Recommended Base Budget of \$324.596 million net includes recommended Program reductions of \$7.894 million for base budget savings and revenue changes. The

recommended reductions are \$60.344 million or 18.9% below TESS' 2010 Operating Budget reduction target of \$68.239 million or 21.4% of the 2009 Approved Budget. Program reduction of 21.4% is much higher than the required 5% target as the 2010 recommended base pressures have increased significantly and were not identified during the 2009 budget process (i.e. OW and ODSP caseload increases). Given the recessionary and regulatory environment TESS must operate in, no other reductions are recommended at this time.

- The 2010 Recommended Base Budget accommodates the increased caseload and legislated 2.0% rate increase for both OW and ODSP, and the increased labour costs arising from inflationary and progression pay pressures. The 2010 Recommended Base Budget increase has been limited to \$5.317 million by partially offsetting base increases with savings from the ODSP benefits cost upload of \$56.7 million, a reserve withdrawal of \$7.335 million from the SAS Reserve Fund, as well as other cost containment measures totaling \$0.560 million.

Approval of the 2010 Recommended Base Budget will result in the Program's total approved complement increasing from 2,148.0 to 2,336.0 approved positions, primarily due to staff required to manage the budgeted increase in the OW average monthly caseload (up 15,000 cases from 90,000 to 105,000). Hiring of these staff are contingent on the actual caseload reaching budgeted levels.

2010 Base Budget Key Cost Drivers

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Ontario Works (OW) cost pressures from the increase in the OW average monthly caseload from 90,000 to 105,000 based on historical trends, analysis of caseload case mix and trends, and economic forecasts for the Toronto's labor market, and a legislated 2% rate increase for OW clients effective December 1, 2009 (\$40.135 million);
- The monthly cost of the Special Diet Needs program has increased significantly from approximately \$3.9 million gross in October 2008 to \$6.7 million gross in October 2009; thus, resulted in a budget pressure of \$20.0 million gross, \$3.880 million net in 2010;
- COA Provincial Subsidy Shortfall of \$53.7 million as a result of the Provincial cap on funding has increased from the budgeted \$43.7 million in 2009. The increase in the shortfall of \$10.0 million is mainly due to 2010 COLA, progression pay and step increases, plus the additional 195 temporary staff to manage the OW caseload increase;
- Uncontrollable increases in provincial billing for the ODSP programs of \$17.0 million before uploading (based on the 4,500 increase in caseload and a legislative ODSP rate increase of 2%); and,
- Reversal of \$9.486 million in SAS, OW, and Client ID & Benefits Reserve Funds withdrawals budgeted in 2009.

The cost drivers noted above will be partially offset by the following savings included in the 2010 Recommended Base Budget:

- Provincial upload of 50% of the ODSP Benefit costs shared by the City by \$56.7 million, which is net of the OMPF clawback of \$20.8 million in 2010;
- Phased reduction of \$5.800 million for OW Benefits as the Province will resume the responsibility for funding Ontario Works benefits costs over the 2010 to 2018 period;

- Increase in revenue of \$2.800 million, reflecting a clarification that the Ontario Child Benefit Transition Allowance is 100% funded by the Province; and,
- Absorbing inflationary increases, furniture replacement, and limiting the increase in the Hardship Fund for a total savings of \$0.560 million;

2010 Service Changes

The Program's 2010 Recommended Base Budget includes additional revenue of \$7.335 million from a contribution from the SAS Reserve Fund to offset increased pressures recommended for 2010. The SAS Reserve Fund will be fully depleted by the end of 2010, resulting in an increment net cost of \$7.335 million in 2011.

2011 and 2012 Outlook: Net Incremental Impact

Approval of the 2010 Recommended Base Budget for Toronto Employment & Social Services will result in 2011 incremental savings of \$51.692 million and 2012 incremental cost of \$4.966 million to maintain the 2010 level of service and staff complement. Future year savings/costs are primarily attributed to the following:

- The 2011/2012 Outlooks exclude any change in OW caseload or any potential OW rate increase, which will be reviewed and presented to Budget Committee in 2011 and 2012.
- The favourable 2011 Outlook of \$51.692 million includes the upload of the remainder of the City's share of the ODSP Benefit costs of \$56.7 million (which is net of OMPF upload of \$20.8 million), and the upload of an additional 3.0% of City's share of the OW Benefit costs of \$5.8 million. The favourable 2011 Outlook is partially off-set by the reversal of the 2010 recommended reserve fund contribution of \$7.335 million from the SAS Reserve Fund, which will be depleted in 2011; the 2011 COLA of \$3.110 million; and \$0.388 million for the operating impact from the completion of the TESS's Infrastructure capital project. The 2011 Outlook also includes the reversal of the one-time enhanced service priority action, French Language Service Enhancement, recommended in 2010.
- Further review of services in 2011 will be undertaken to determine if further savings can be achieved to meet the Program's 2011 reduction target.
- For 2012, the incremental net cost of \$4.966 million is a result of the reduction in OMPF subsidy by the Province of \$20.8 million, offset by the phased upload of 8.0% of the City's share of the OW Benefit costs (\$15.5 million). The 2012 Outlook also includes the reversal of the one-time enhanced service priority action, Enhanced Employment Services, recommended in 2010.

Table 4: 2010 Recommended Service Change Summary
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary		(657.8)	(559.8)	-0.2%	0.0	0.0
Service Efficiencies:						
Revenue Changes:						
One-time Draw from Social Assistance Stabilization Reserve Fund		(7,334.5)	(7,334.5)	-2.3%	7,334.5	
Minor Service Level Change:						
Major Service Level Change:						
Sub-Total Service Changes	0.0	(7,334.5)	(7,334.5)	-2.3%	7,334.5	0.0
Total Changes	0.0	(7,992.3)	(7,894.3)	-2.5%	7,334.5	0.0

2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings of \$7.894 million in 2010 and an incremental cost of \$7.335 million in 2011. Approval of the recommended service change will not impact the Program's approved staff complement. Included in the \$7.894 million in savings is \$0.560 million in reductions applied to the base budget, which have no impact in the level of service provided by the Program in 2010.

Service Changes

The following recommended service change is included in TESS' 2010 Recommended Base Budget, resulting in 2010 savings of \$7.335 million net as discussed below.

Revenue Change

Withdrawal from Social Assistance and Stabilization Reserve Fund

This revenue change of \$7.335 million represents a one-time withdrawal from the Social Assistance Stabilization (SAS) Reserve Fund to partially offset the significant budget pressure resulting from the projected increase of 15,000 cases in Ontario Works (OW) from the 2009 Approved Budget. The recommended withdrawal of \$7.335 million will deplete this reserve and result in a budget pressure of \$7.335 million in 2011. (see pg. 24 for further discussion)

Table 5: 2010 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Position	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved							
(b) Enhanced Services - Program Initiated							
Enhanced Employment Services *	15,660.4		16.0				(16.0)
French Language Service Enhancement **	500.0		5.0		(5.0)		
Sub-Total Enhanced Services	16,160.4	0.0	21.0	0.0	(5.0)	0.0	(16.0)
New Services:							
(a) New Services - Council Approved							
(b) New Services - Program Initiated							
Sub-Total New Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Enhanced/New Services	16,160.4	0.0	21.0	0.0	(5.0)	0.0	(16.0)

* This Enhanced Service initiative is fully funded by one-time Federal Stimulus Fund for 2010 and 2011. Continuation of this enhanced service initiative, along with the staffing requirement, will be subject to further provincial funding.

** The French Language Service Enhancement initiative is funded fully by the Province in 2010. Continuation of this enhanced service initiative, along with the temporary staffing requirement, will be subject to further provincial funding.

2009 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priority Actions

Program Initiated

Enhanced Employment Services: \$15.660 million gross/ \$0 net

Toronto has a higher concentration of poverty than surrounding regions with corresponding implications for service needs. A contributing factor to the high poverty rates is an increasingly competitive labour market that requires more intensive and sophisticated services to assist residents obtain and sustain employment.

To respond to the special needs and challenges faced by many clients, in collaboration with TESS' service delivery partners, the "*Systems of Survival, Systems of Support: An Action Plan for Social Assistance in Toronto*" was developed and approved by Council in June 2006. The Plan advocates for, informs and shapes the systemic changes needed to transform the design, management and delivery of employment services in Toronto. In particular, the Plan advocated for a transformed social assistance system, with a new child benefit, a more adequate rate structure, and improved benefits and supports, including dental services. It also identified the need for a broader range of employment services with closer links to employers, more workplace-based training and access to transitional jobs for people with the most barriers to employment.

One of TESS' strategic focuses in 2010 is to develop employment strategies in priority neighbourhoods. Enhanced Employment Services for Vulnerable Persons (EES), a Ministry of Community and Social Services (MCSS) labour market program delivered by municipalities, is designed to provide services for individuals on social assistance who are also experiencing multiple barriers to employment.

In 2009, one-time federal stimulus funds were transferred to the Province to support new or enhanced labour market programs for individuals who are unemployed or low skilled employed. The Province has directed this additional funding to the EES program and \$15.660 million is being allocated to the City based on its percentage share of the Ontario Works caseload. The additional funding will allow TESS to develop and deliver customized training, recruitment and outreach strategies for social assistance clients to re-enter the workforce, improve access to services and bring employment services to the most vulnerable individuals and communities.

The 2010 Recommended Operating Budget provides \$15.660 million gross and \$0 net, of which \$1.534 million will be used for 16 temporary staff to work directly with potential employers to identify employment and training opportunities, and to develop customized outreach and recruitment strategies. However, as this enhanced service priority initiative is funded through a one-time funding from the Federal government from 2010 to 2011, the continuation of this initiative will be dependant upon on-going funding supports from the Province beyond 2011.

French Language Service Enhancement: \$0.500 million gross/ \$0 net

In January 2010, the Ministry of Community and Social Services (MCSS) notified the City that complaints were made to the Office of the French Language Services Commissioner regarding the level of service in French for OW applicants and participants and that there was a need to accelerate planning and implementation of French language service provision.

TESS has budgeted \$0.500 million gross and five temporary staff to develop and implement a comprehensive service delivery program. The project will be funded by earmarking a portion of the additional OW administration funding MCSS will be providing for 2009/10.

However, as this enhanced service priority initiative is funded through one-time funding, the funding and staff requirement in subsequent years will be subject to on-going funding commitment from the Province beyond 2010.

2010 Budget Issues

The following table illustrates the cost of OW and ODSP increases from 2004 and 2009 and projections to 2012:

	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Rec'd Budget	2011 Outlook	2012 Outlook
OW - Program Benefits	609,908.1	646,527.1	678,240.7	673,169.1	698,455.2	825,678.4	1,074,428.9	1,074,428.9	1,058,768.5
OW - Program Delivery	131,317.3	134,230.6	138,457.8	150,184.5	157,986.7	176,427.2	206,153.7	209,152.7	208,819.1
Sub-total OW	741,225.3	780,757.7	816,698.5	823,353.6	856,441.9	1,002,105.6	1,280,582.6	1,283,581.6	1,267,587.6
ODSP	122,133.3	125,637.7	132,129.5	140,411.5	148,663.9	143,261.8	77,525.0	-	-
ODB	31,781.0	34,387.6	37,514.9	38,343.7	-	-	-	-	-
Sub-total ODSP/ODB	153,914.3	160,025.4	169,644.4	178,755.2	148,663.9	143,261.8	77,525.0	-	-
Gross Expenses	895,139.6	940,783.1	986,342.9	1,002,108.8	1,005,105.8	1,145,367.4	1,358,107.6	1,283,581.6	1,267,587.6
Provincial Subsidies	534,210.9	548,458.4	567,895.6	566,813.8	593,125.7	684,802.8	880,876.9	886,678.0	886,487.3
GTA Pooling and OMPF Revenue	89,688.0	101,749.4	107,603.9	141,863.3	139,086.0	118,241.5	97,779.5	76,979.5	56,179.5
Sundry Revenues	13,074.8	10,331.7	11,418.6	12,873.9	13,530.5	14,359.9	14,771.1	14,771.1	14,771.1
Kids@Computers/NCBS Reserve Funds	3,321.5	541.4	14,697.0	4,365.7	2,121.2	12,227.1	32,250.0	32,250.0	32,250.0
Total Third Party Funding	640,295.3	661,081.0	701,615.1	725,916.7	747,863.3	829,631.3	1,025,677.5	1,010,678.6	989,687.9
SAS/OW/CIBS Reserve Funds	17,528.0	37,532.3	6,850.8	22,845.9	-	1,400.0	7,834.5	-	-
Property Tax Funding	237,316.3	242,169.9	277,877.0	253,346.1	257,242.5	314,336.1	324,595.6	272,903.0	277,899.7
Total City Funding *	258,165.9	280,243.5	299,424.9	280,557.7	259,363.7	327,963.2	364,680.1	305,153.0	310,149.7
Positions	1,953.0	1,904.0	1,943.0	1,950.0	1,982.0	2,148.0	2,357.0	2,352.0	2,333.0
% increase in property taxes over previous year	-	2%	15%	-	2%	22%	3%	-	2%
% decrease in property taxes over previous year	-	-	-	9%	-	-	-	16%	-

* including withdrawals from reserve funds.

As illustrated in the above table, while the costs have been partially subsidized by the Province and property taxes, one-time contributions from reserve funds remain significant funding sources for a program that is essentially the responsibility of the Province. Also, the Province has yet to honour its legislative cost-sharing portion (50%) of the Cost of Administration.

The above table also highlights the upload of cost of administration of ODSP in 2009 (\$20.0 million, which has been partially offset by the caseload increase in ODSP in 2009); ODSP Benefit costs in 2010 (\$77.5 million) and 2011 (\$77.5 million); OW Benefit costs of \$5.8 million in 2010, \$5.8 million in 2011 and \$15.5 million in 2012; offset by the reduction in OMPF subsidy of \$20.8 million per year; and.

The 2011 and 2012 Outlooks assume an average monthly caseload of 105,000 cases for comparative purposes. The 2011/2012 Outlooks also do not include the potential rate increase for Ontario Works. It is anticipated that the caseload escalation experienced since late 2008 will stabilize in the near future, as the unemployment rates and general economic conditions are predicted to improve by five major Canadian banks and the Conference Board of Canada. TESS will report at final Budget Committee wrap-up on year-to-date caseload information with possible revisions to the 2010 recommended average monthly caseload estimate of 105,000. Also, TESS will monitor the caseload movement in 2010 and provide detailed caseload information for consideration during the 2011 budget process.

The following table further details the costs of the Ontario Works and ODSP/ODB Programs from 2008 through 2010:

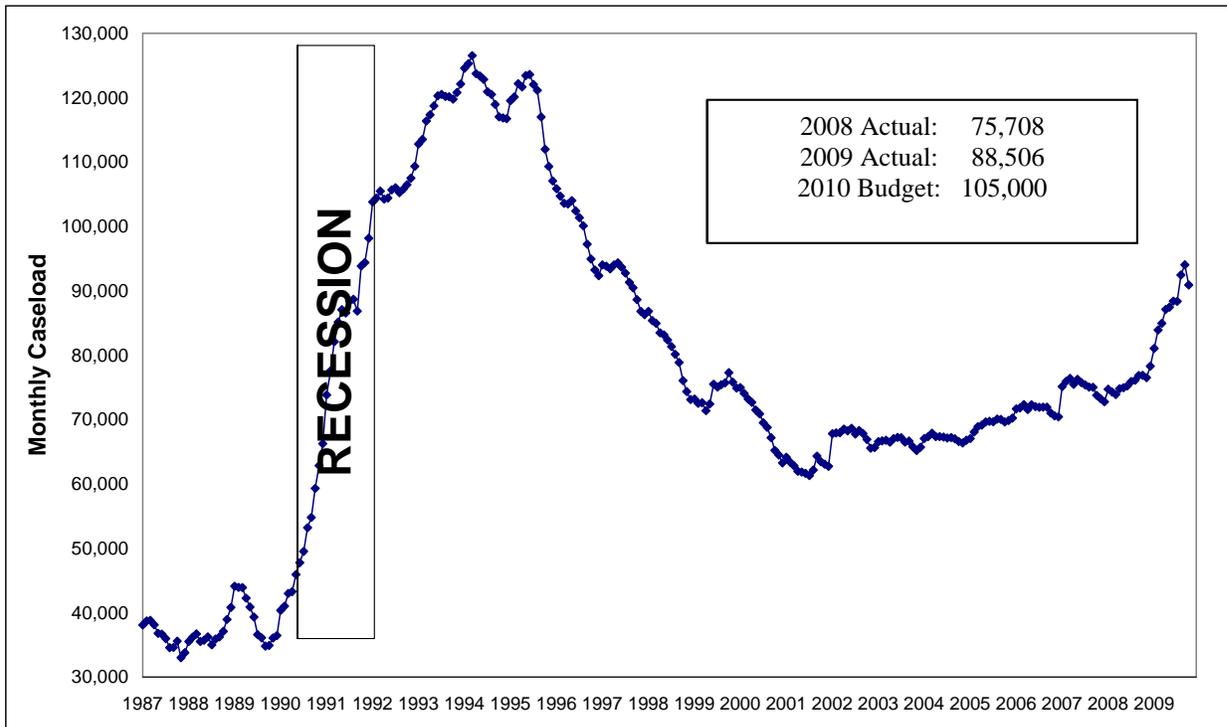
		2008 Actual	2009 Budget	2009 Projected Actual	2010 Budget
ONTARIO WORKS (OW) (\$ millions net)					
Caseload (avg mthly)		75,708	90,000	90,000	105,000
Beneficiaries (avg mthly)		132,149	160,000	152,000	182,375
Cost of Administration (COA) - TESS	GROSS	152.1	179.9	162.3	200.0
Cost of Administration (COA) - Other Divisions	GROSS	15.6	18.6	18.6	18.5
Cost of Administration (COA) - Total	GROSS	167.7	198.5	180.9	218.5
Subsidy Required (COA) 50%	NET	83.8	99.3	90.4	109.3
Subsidy Paid by Province	NET	55.5	55.5	55.5	55.5
COA Shortfall	NET	28.3	43.7	34.9	53.7
Cost of Administration (COA) - TESS	Net	104.4	133.7	116.1	153.7
OW Program Benefits (Including EA)	GROSS	704.3	886.6	839.0	1,080.6
OW Program Benefits (Including EA)	Net	143.3	175.7	174.3	198.9
TOTAL - OW		247.7	309.4	290.3	352.7
Ontario Disability Support Program (ODSP) & Ontario Drug Benefit (ODB) Program					
		2008 Actual	2009 Budget	2009 Projected Actual	2010 Budget
ODSP Caseload (avg mthly)		53,884	55,500	56,900	60,000
Beneficiaries (avg mthly)		72,726	74,370	77,100	81,600
ODSP - Admin (<i>City 50% Share</i>)	NET	19.2	-	-	-
ODSP - Benefits (<i>City 20% Share - 10% in 2010</i>)	NET	130.5	138.0	143.6	77.5
ODB (incl. Mandatory Benefits) (<i>City 20% Share</i>)	NET	(1.0)	-	-	-
TOTAL - ODSP/ODB		148.7	138.0	143.6	77.5
Other Funding					
		2008 Actual	2009 Budget	2009 Projected Actual	2010 Budget
Reserve Funds Draws		-	9.5	1.4	7.8
GTA Pooling / OMPF		139.1	118.6	118.2	97.8
TOTAL - Other Funding		139.1	128.1	119.6	105.6
Net Expenses - TESS		257.2	319.3	314.3	324.6

Increase in Ontario Works

The 2010 Recommended Operating Budget includes an increase of 15,000 cases in OW average monthly caseload from 90,000 to 105,000. The recommended monthly average caseload of 105,000 cases for 2010 is based on a model that focuses on unemployment rates in Toronto, which is forecasted to be in the range from 9.7% to 11.5% in 2010. This unemployment rate is formulated after considering the current economic factors such as continued downward spiral of the U.S. economy, more manufacturing and auto plants closing down in other parts of Ontario which could affect other service sectors in Toronto, and further volatility of the energy and commodity prices and

their impacts on Toronto’s labour market. Other factors such as historical trends and analysis of case mix and trends, and a review of policy changes likely to impact caseloads have also been considered in forecasting an average monthly caseload of 105,000 for 2010.

The caseload trend from 1987 to 2009 is summarized in the following chart:



During the last recession, the monthly caseload drastically increased by approximately 55,000 cases from 1990 to 1992 or 107% over a two year period. However, as illustrated in the above graph, the caseloads in future years are not expected to restore to pre-recession levels.

As caseload trends may change before finalization of the 2010 Operating Budget, it is recommended that the General Manager of Toronto Employment and Social Services report to Budget Committee during the 2010 Operating Budget wrap-up meeting at March 26, 2010 on actual Ontario Works caseload data and any possible revisions to the 2010 average monthly caseload budget.

Upload of ODSP and OW Benefits

In August 2007, the Province announced that the government will resume the responsibility for funding ODSP/ODB benefits and ODSP administration costs over four years. The financial impacts to TESS for the next four years are summarized as follows:

	Current City Cost Shares		2008	2009	2010	2011
	(\$M)	%	(\$M)	(\$M)	(\$M)	(\$M)
Ontario Drug Benefits			(39.1)			
	39.1	20%	→ 0%			
Ontario Disability Support Program				(20.0)		
(Administration Costs)	20.0	50%	→ 0%			
Ontario Disability Support Program					(77.5)	(77.5)
(Benefits Costs)	155.0	20%	→ 10%			0%
Savings from Upload			(39.1)	(20.0)	(77.5)	(77.5)
OMPF Clawback			0	19.7	20.8	20.8
Incremental Savings			(39.1)	(0.3)	(56.7)	(56.7)

Thus, the 2010 Recommended Operating Budget includes a partial upload of ODSP Benefits cost of \$77.5 million.

However, the Province has confirmed through the “Provincial-Municipal Fiscal and Service Delivery Review” report in Fall 2008 stating that “...OMPF remains responsive to changes in municipal circumstances, such as upload of the ODB, and ODSP and OW Benefits.... The social programs’ grants will be adjusted to reflect the reduction in municipal costs for these programs as the uploads are phased in.” Thus, the Province has planned to reduce its OMPF subsidy by \$20.8 million in 2010, which partially offsets the potential savings from ODSP and OW uploads, and \$20.8 million per year in 2011 and 2012.

Thus, the incremental savings resulting from the ODSP upload is \$56.7 million net in 2010.

In fall 2008, the Province announced that the government will resume the responsibility for funding Ontario Works benefits costs over nine years. The financial impacts to TESS for the next nine years are summarized as follows:

	Current City Cost Shares	2010 (\$M)	2011 (\$M)	2012 (\$M)	2013 (\$M)	2014 (\$M)	2015 (\$M)	2016 (\$M)	2017 (\$M)	2018 (\$M)
Incremental Savings from Upload	193.4 20% →	(5.8)	(5.8)	(15.5)	(29.0)	(27.1)	(27.1)	(27.1)	(29.0)	(27.1)
		19.4%	18.8%	17.2%	14.2%	11.4%	8.6%	5.8%	2.8%	0.0%

Cost of Administration Shortfall

The 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 their subsidy to the City. This subsidy has not supported 50 percent of OW program administration costs since 2001 and has created a funding shortfall that has been managed through one-time and incentive funding and property taxes. The 2010 Recommended Operating Budget includes a significant funding shortfall estimated at \$53.7 million. Discussions are continuing with the province at the various Provincial Municipal Fiscal and Service Delivery Review (PMFSDR) tables to address the provincial COA funding shortfall.

Depletion of City's Social Assistance Stabilization Reserve Funds

The *SAS Reserve Fund* was established by Council at its meeting on April, 29 and 30, 1998 to protect the City against the property tax impact of future caseload increases. Initially, the reserve fund was anticipated to receive the savings resulting from the social assistance average monthly caseload dropping below 88,000. The last contribution to SAS Reserve Fund was in 2001 although caseload has consistently remained below this threshold level.

During the 2002 budget process, City Council approved a limit to 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 approved that the maximum baseline be reduced to 57,000 cases and this strategy continued into 2009.

The 2009 Approved Budget included a budgeted withdrawal of \$8.086 million from the SAS Reserve Fund. The SAS Reserve Fund would be depleted if this withdrawal approved in 2009 was required. However, as the actual caseload and case costs are projected to be underspent in 2009, the budgeted withdrawal from the SAS Reserve Fund is not required in 2009. Thus, \$7.335 million remains available in the SAS Reserve fund for 2010 to partially offset the budget pressure resulting from OW caseload increases.

The 2010 Recommended Operating Budget draw includes a \$7.335 million contribution from the SAS Reserve Fund, which will fully deplete the SAS reserve fund by the end of 2010. .

Below is a table summarizing the SAS reserve fund activity from 2005 to 2010. As the reserve fund will be depleted in 2010, there will be no source (other than the tax base or savings from future uploads) to fund Toronto Employment and Social Services budget pressures in the future.

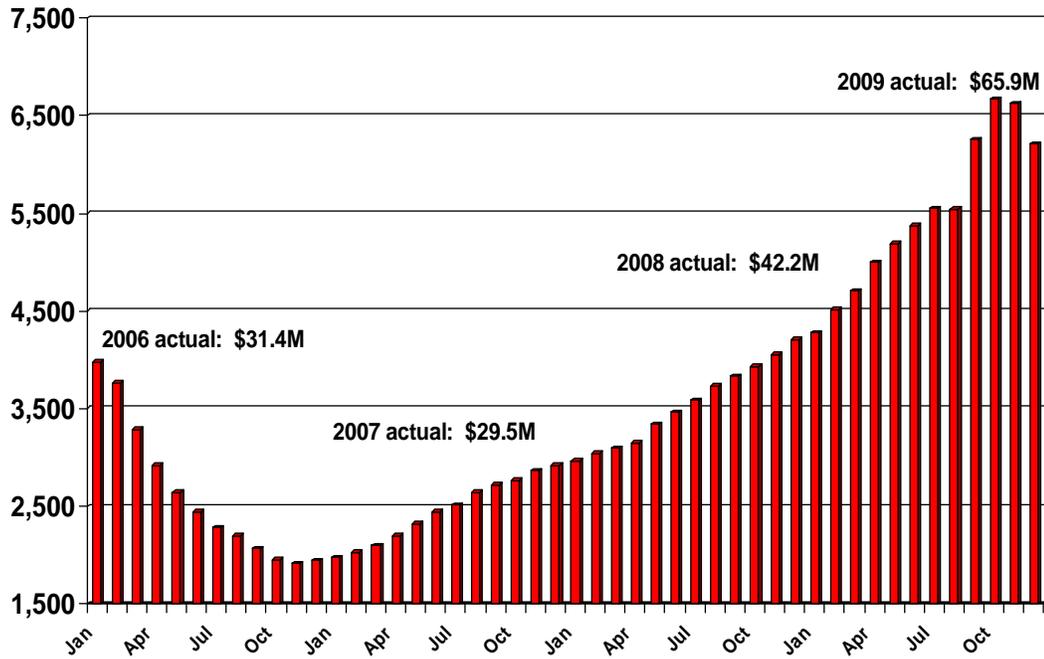
SOCIAL ASSISTANCE STABILIZATION RESERVE FUND ACTIVITY SINCE INCEPTION						
	2005	2006	2007	2008	Projected Actual 2009	Rec'd 2010
Beginning Balance	83,570,735	57,277,489	32,665,676	8,271,408	7,433,610	8,966,610
Add: Contributions from Operating Surplus					2,433,000	
Reduce 07 Budget draw: 06 GTA Pooling Recon.			3,597,700			
Investment income/Proj. income	4,023,654	2,941,085	1,766,433			
Total additions	4,023,654	2,941,085	5,364,133	-	2,433,000	-
Less: Ontario Works Caseload (from baseline to actual average monthly caseload)	14,521,900	1,889,644	25,701,457		-	
Other Operating Draw						7,834,500
Additional draw for ODSP Benefits and Administration and ODB Program budget pressure	15,125,000					
BAC recommendation re Child Care Pilot Proj.	370,000					
P&F recommendation re Child Care Pilot Proj.						
Additional draw subject to contribution from Atkinson Foundation	300,000					
Corporate draw to balance 2006/2007 Budget		25,302,100	3,500,000			
After School Recreation and Care Program *	-	361,154	556,944	837,798	900,000	1,051,104
Total withdrawals	30,316,900	27,552,898	29,758,401	837,798	900,000	8,885,604
Ending Balance	57,277,489	32,665,676	8,271,408	7,433,610	8,966,610	81,006

* \$3.7 million is to be drawn from 2006 to 2010.

Increase in Special Diet Needs

The Special Diet Supplement provides financial assistance to OW clients who have special diet needs due to medical conditions such as cardiovascular disease, diabetes, food allergies, and pregnant women and mothers

who are breast-feeding can also get a nutritional allowance. This financial assistance is particularly important to OW clients especially during periods of economic uncertainty. This provincially mandated program is cost-shared 80.6% by the Province and 19.4% by the City. The 2010 Recommended Operating Budget includes additional funding of \$20.0 million gross/ \$3.880 million net to address the escalating service demands for Special Diet Needs. The following chart summarizes the service demands for Special Diet Needs from 2006 to 2009.



Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	2,148.0	1,204,456.9	885,178.7	319,278.2	0.0	0.0
In-year approvals and technical adjustments Corporate adjustments						
2009 Approved Operating Budget	2,148.0	1,204,456.9	885,178.7	319,278.2	0.0	0.0
Prior year impacts						
Annualization from Prior Year						
Reversals from Prior Year	(10.0)	(30,618.6)	(40,104.4)	9,485.8		
Operating Impacts from Capital		2,645.9		2,645.9	388.8	(333.6)
Zero base items		(476.1)	(235.0)	(241.1)		
Economic Increases:						
Salary		3,455.2		3,455.2	3,110.2	
Non Salary		361.7		361.7		
Adjusted Base Budget	2,138.0	1,179,825.0	844,839.3	334,985.7	3,499.0	(333.6)
Base Expenditure Change	198.0	162,122.2	183,177.8	(21,055.6)	(83,326.1)	(15,469.7)
Base Revenue Change			(18,000.0)	18,000.0	20,800.0	20,800.0
2010 Base Budget Prior to Service Changes	2,336.0	1,341,947.2	1,010,017.1	331,930.1	(59,027.1)	4,996.7
Recommended Service Changes:						
Service Efficiencies						
Revenue Changes			7,334.5	(7,334.5)	7,334.5	
Minor Service Impact Changes						
Major Service Impact Changes						
Total Recommended Base Changes	0.0	0.0	7,334.5	(7,334.5)	7,334.5	0.0
2010 Recommended Base Budget	2,336.0	1,341,947.2	1,017,351.6	324,595.6	(51,692.6)	4,996.7

* Reduction in OMPF subsidy due to upload of ODSP Administration in 2009 and Benefits in 2010 and 2011 was confirmed by the Province in Fall 2008.

Appendix B
Summary of Service Changes

Appendix C

**Summary of 2010 Recommended
New/Enhanced Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: TORONTO EMPLOYMENT AND SOCIAL SERVICES							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	173,090.5	173,090.5	191,486.5	18,396.0	10.6%	194,234.1	192,699.8
Materials and Supplies	11,569.7	11,569.7	12,630.4	1,060.7	9.2%	12,630.4	12,630.4
Equipment	668.4	668.4	597.0	(71.4)	(10.7%)	597.0	597.0
Services & Rents	42,696.8	42,696.8	60,700.9	18,004.1	42.2%	60,952.3	46,492.6
Contributions to Capital	1,700.0	1,700.0	1,700.0	0.0	0.0%	1,700.0	1,700.0
Contributions to Reserve/Res Funds	21,370.3	21,370.3	19,620.3	(1,750.0)	(8.2%)	17,770.3	17,770.3
Other Expenditures	930,547.8	871,458.3	1,046,872.8	116,325.0	12.5%	971,197.8	971,197.8
Interdivisional Charges	22,813.5	22,813.5	24,499.7	1,686.2	7.4%	24,499.7	24,499.7
Required Adjustments							
TOTAL GROSS EXPENDITURES	1,204,456.9	1,145,367.4	1,358,107.6	153,650.6	12.8%	1,283,581.6	1,267,587.6
Interdivisional Recoveries	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	716,022.7	684,819.1	880,876.9	164,854.2	23.0%	886,678.0	886,487.3
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	118,579.5	118,241.5	97,779.5	(20,800.0)	(17.5%)	76,979.5	56,179.5
User Fees & Donations	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	265.7	265.7	546.1	280.4	105.5%	546.1	546.1
Contribution from Reserve Funds	38,085.8	13,627.1	40,084.5	1,998.7	5.2%	32,250.0	32,250.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	12,225.0	14,077.9	14,225.0	2,000.0	16.4%	14,225.0	14,225.0
TOTAL REVENUE	885,178.7	831,031.3	1,033,512.0	148,333.3	16.8%	1,010,678.6	989,687.9
TOTAL NET EXPENDITURES	319,278.2	314,336.1	324,595.6	5,317.3	(4.0%)	272,903.0	277,899.7
APPROVED POSITIONS	2,148.0	2,148.0	2,357.0	209.0	9.7%	2,352.0	2,333.0

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Social Assistance Stabilization Reserve Fund	XQ1054	Beginning Balance	8,966.6	81.0	81.0
		Proposed Withdrawals (-) / Contributions (+)	(8,885.6)		
		Total Proposed Contributions (Withdrawals)	(8,885.6)	0.0	0.0
SAS Reserve Fund/ XQ1054 BALANCE AT YEAR END			81.0	81.0	81.0

*Balance as of December 2009

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
National Child Benefits Supplement Reserve Fund	XR2102	Beginning Balance	22,879.1	8,679.1	8,679.1
		Proposed Withdrawals (-) / Contributions (+)	(29,550.0) 15,350.0		
		Total Proposed Contributions (Withdrawals)	(14,200.0)	0.0	0.0
National Child Benefits Supplement/ XR2102 BALANCE AT YEAR END			8,679.1	8,679.1	8,679.1

*Balance as of December 2009

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Kids at Computer Scholarship Project Reserve Fund	XR2104	Beginning Balance	8,482.9	5,782.9	3,082.9
		Proposed Withdrawals (-) / Contributions (+)	(2,700.0)	(2,700.0)	(2,700.0)
		Total Proposed Contributions (Withdrawals)	(2,700.0)	(2,700.0)	(2,700.0)
Kids at Computer Scholarship Project/ XR2104 BALANCE AT YEAR END			5,782.9	3,082.9	382.9

*Balance as of December 2009

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009	Proposed Withdrawals (-) / Contributions (+)		
			2010	2011	2012
			\$	\$	\$
Sick Pay Reserve	XR1007	50,272.0	263.6		
Insurance Reserve	XR1010	32,445.0	526.1		
Total Reserve / Reserve Fund Draws / Contributions			789.7	0.0	0.0