



**STAFF REPORT  
ACTION REQUIRED**

**Student Nutrition Program – Adding Funding for 2015**

<b>Date:</b>	February 19, 2015
<b>To:</b>	Budget Committee
<b>From:</b>	City Manager Deputy City Manager & Chief Financial Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Internal Services\Fp\Bc15003Fp

**SUMMARY**

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At its meeting of February 13, 2015, the Budget Committee requested the City Manager and the Deputy City Manager & Chief Financial Officer to report to the Budget Committee final wrap-up meeting on February 20, 2015 on strategies to fund the shortfall for the third installment of the Student Nutrition Program. This report responds to the Committee's request.

The 2015 Recommended Operating Budget for Toronto Public Health includes additional funding for the inflationary increases in cost of food (COLA) of \$381,879 gross and net. An additional \$356,000 gross and net to extend municipal funding for up to 27 new student nutrition programs to open in publically funded schools in higher need communities in 2015 is being recommended as part of the Poverty Reduction Strategic Actions included in the communication entitled "Poverty Reduction Initiatives" from Deputy Mayor Pam McConnell which will be before Budget Committee for consideration on February 20<sup>th</sup>, 2015. This brings the total funding for the Student Nutrition Program in 2015 to \$7,809,718 representing around 14% municipal investment as a percentage of overall Program costs.

Given the City`s financial constraints, exacerbated by the loss in Provincial funding of \$86 million for Social Housing, the additional funding of \$963,658 to increase the City's investment rate to 16% for the existing Student Nutrition programs in 2015, as well as \$199,542 for the expansion component to be at 16%, as requested by the Board of Health at its meeting of November 17, 2014 is not recommended. Any further enhancements to the Student Nutrition Program will be considered as part of future year budget processes.

## **RECOMMENDATIONS**

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**The City Manager and the Deputy City Manager & Chief Financial Officer recommend that:**

1. Budget Committee receive this report for information.

### **Financial Impact**

There are no financial implications resulting from receiving this report beyond what has been recommended as part of the 2015 Budget process.

The 2014 Approved Operating Budget for Toronto Public Health included funding of \$7,071,839 gross and net for the Student Nutrition Program.

The 2015 Recommended Operating Budget for Toronto Public Health includes additional funding for the inflationary increases in cost of food (COLA) of \$381,879 gross and net.

Further, \$356,000 gross and net to extend municipal funding for up to 27 new student nutrition programs to open in publically funded schools in higher need communities in 2015 is being recommended as part of the Poverty Reduction Strategic Actions.

With the above two enhancements, the total funding towards the Student Nutrition Program will reach \$7,809,718 in 2015 or an increase of \$737,879 or 10.4% over the 2014 Approved Operating Budget of \$7,071,839 for the Student Nutrition Program. The third installment shortfall in the Student Nutrition Program is about \$1,163,200 and is not included in the 2015 Staff Recommended Operating Budget. The impact would represent a 0.05% residential tax increase.

Any other enhancements to the Student Nutrition Program will be considered as part of future year budget processes in light of all funding priorities and affordability constraints.

### **DECISION HISTORY**

The Board of Health at its meeting of November 17, 2014 considered HL34.16, a report entitled "Student Nutrition Program: Five-Year Plan Status Update and 2015 Operating Budget Request"(see link below).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.HL34.16>

The 2015 Staff Recommended Operating Budget for Toronto Public Health provides funding for the inflationary increases in cost of food.

<http://www1.toronto.ca/City%20Of%20Toronto/Strategic%20Communications/City%20Budget/2015/PDFs/Operating%20Analyst%20Notes/Revised%20PH%202015%20Operating%20Notes%20.pdf>

## ISSUE BACKGROUND

On October 22, 2012, the Board of Health endorsed a five-year funding partnership model and an incremental increase in the City's investment to bring stability to existing student nutrition programs and to expand student nutrition programs (SNP). The plan outlines an incremental increase in the municipal investment contribution rate starting in 2013 to achieve a target of 20% by 2017 and to support expansion for new programs to open in other higher need publically funded schools in Toronto. It also incorporates an annual increase to the City's investment in SNPs equal to the annual amount of food inflation reported by the Nutritious Food Basket survey.

City Council approved funding enhancements to the Student Nutrition Program (SNP) in the first and second years of the plan (2013 and 2014) through the annual budget process as detailed in the below chart:

	(\$Millions)			2014 vs 2015 % Change
	2013 Approved	2014 Approved	2015 Recommended	
<b>Projected Overall Program Budgets of local SNP's (SNP)</b>	<b>\$46.086</b>	<b>\$50.513</b>	<b>\$56.128</b>	<b>11.1%</b>
<b>Total Provincial Funding*</b>	<b>\$6.039</b>	<b>\$7.840</b>	<b>\$7.840</b>	
<b>Provincial Investment Rate</b>	<b>13.1%</b>	<b>15.5%</b>	<b>14.0%</b>	
Base Municipal Funding	\$3.820	\$5.300	\$7.071	
Stabilization - Inflation	\$0.248	\$0.214	\$0.382	
Stabilization - Investment Rate	\$1.010	\$1.163		
Expansion	\$0.223	\$0.394	\$0.356	
<b>Total Municipal Funding</b>	<b>\$5.300</b>	<b>\$7.071</b>	<b>\$7.810</b>	<b>10.4%</b>
<b>Municipal Investment Rate</b>	<b>11.5%</b>	<b>14.0%</b>	<b>13.9%</b>	
<b>Total Government Funding</b>	<b>\$11.339</b>	<b>\$14.911</b>	<b>\$15.650</b>	<b>5.0%</b>
<b>OTHER FUNDING:</b> Local Fundraising, corporate sponsors and parental contributions make up the rest of the funding. To date, no federal funding has been made and local community programs have not been able to fundraise the balance of the funds they need to run their programs at full capacity.				

\*The 2013 - 2014 Provincial funding includes one-time funding over the base funding. The 2015 Funding has not yet been announced and is assumed to be the same as 2014.

\*\* The 5-Year Plan endorsed by the Board of Health calls for a total municipal contribution of \$13.169 million or 20% by 2017. This would require additional total funding of \$5.359 million in 2016 and 2017.

## COMMENTS

### 2015 Recommended Budget for Student Nutrition Program

Board of Health requested an increase of \$1,901,079 gross and net in 2015 for a total of \$8,972,918 gross and net funding for the Student Nutrition Program to bring the City of

Toronto's share to 16% in 2015. The funding request of \$1,907,079 gross and net is comprised of 3 components:

1. Increase of \$381,879 to cover the increased cost of food for existing student nutrition programs;
2. Increase of \$963,658 to be allocated to existing student nutrition programs to increase the City's investment rate to 16% of total program costs from 14% in 2014, providing a stronger funding base for existing programs; and,
3. Increase of \$555,542 to extend municipal funding for 27 new student nutrition programs at a 16% investment rate to open in publically funded schools in higher need communities in 2015.

The above request represents the third year of the five year plan to strengthen student nutrition programs in Toronto. The 2015 Staff Recommended Operating Budget makes progress on advancing the multi-year Student Nutrition Program by:

- Adding funding for the inflationary increases in cost of food of \$381,879 gross and net; and
- Adding \$356,000 gross and net to extend municipal funding for up to 27 new student nutrition programs in 2015 is being recommended as part of the Poverty Reduction Strategic Actions included in the communication entitled "Poverty Reduction Initiatives" presented to the Budget Committee for consideration on February 20th, 2015. Funding will bring these schools to an equal municipal funding level as other student nutrition programs operating in Toronto.

The above two enhancements will bring the total funding for the Student Nutrition Program from \$7,071,839 gross and net in 2014 to \$7,809,718, gross and net in 2015 or an increase of \$737,879 or 10.4% to maintain the City's contribution at around 14%. The funding gap for 2015 is \$1,163,200.

## **CONTACT**

Josie Lavita, Executive Director Financial Planning; Tel: 416-397-4229 E-mail: jlavita@toronto.ca

Ritu Sadana, Acting Manager Financial Planning; Tel: 416-395-6449; E-mail: sadana@toronto.ca

## **SIGNATURE**

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Joseph P. Pennachetti  
City Manager

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Roberto Rossini  
Deputy City Manager & Chief Financial  
Officer