



**STAFF REPORT
ACTION REQUIRED**

Welcome Policy Review of Usage and Subsidy Amount

Date:	October 11, 2013
To:	Community Development and Recreation Committee
From:	General Manager, Parks Forestry and Recreation
Wards:	All
Reference Number:	P:\2013\Cluster A\PFR\CD24-102813-AFS#18212

SUMMARY

City Council adopted Parks, Forestry and Recreation's 2013-2017 Recreation Service Plan in November 2012. The Plan will guide City of Toronto's planning and delivery of recreation programs and services over the next five years. An Implementation Plan was approved in July 2013.

This report responds to the direction to review Welcome Policy usage under the new credit-based system. The review showed that the Welcome Policy conversion was successful in substantially increasing the number of Welcome Policy recipients and registrations. Approximately 15,000 additional low-income residents have accessed the Welcome Policy since the conversion in September 2012. This report recommends that the Welcome Policy individual annual credit for children, youth, adults and seniors be indexed to match inflationary and market-based increases approved for recreation user fees.

This report was informed by an extensive engagement process during the fall of 2013 that included input from more than 500 active Welcome Policy users, other recreation users and community providers. Input was received through an online survey, in-person and phone surveys, and focus groups.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council amend the Welcome Policy to include indexing of the individual annual credit to align with future increases in recreation user fees.

FINANCIAL IMPACT

In 2012, the Welcome Policy was converted from a course-based entitlement to a non-refundable annual credit per user. The annual subsidy for eligible residents was set at \$455 for children and youth and \$212 for adults and seniors.

This report recommends that the Welcome Policy individual annual credit for children, youth, adults and seniors be indexed to match inflationary and market-based increases approved for recreation program user fees. For the 2014 Parks, Forestry and Recreation Base Budget, the inflationary increase of 2.25% for recreation user fees would result in an increase in the individual annual credit. The individual annual credit for children and youth would increase to \$465 and the individual annual credit for adults and seniors would increase to \$217.

There are no financial implications in 2014 as the increase to the individual annual credit amounts can be absorbed within the existing Welcome Policy base budget funding of \$10.3 million. In 2015 and subsequent years, it is anticipated that the overall Welcome Policy funding will be fully utilized, and an increase to the overall Welcome Policy funding as well as the individual credits will need to be reviewed as part of future annual operating budget processes. Future year tax base funding increases to support this Welcome Policy indexing would be submitted for consideration during each annual Operating Budget process.

The proposed expansion of Priority Centres in 2014 may have an impact on the net long term budget impact as a result of a lower demand for Welcome Policy. The impact on the Welcome Policy may not be known until the 2016 budget cycle, once the new locations are implemented and after a full year of operation under the expanded Priority Centre model.

Figure 1 - Welcome Policy Subsidy Financial Summary

Year	Annual Expenditure Budget (\$M)	Annual Expenditure Actual (\$M)	Variance (\$M)	Child/Youth Annual Credit	Adult/Senior Annual Credit
2011	\$8.7	\$8.5	\$0.2	n/a	n/a
2012	\$10.1	\$9.6	\$0.5	\$ 455	\$ 212
2013 Projections	\$10.3	\$9.6	\$0.7	\$ 455	\$ 212
2014 Projections	\$10.3	\$10.3	\$0.0	\$ 465	\$ 217

- 2014 Annual credit increases are based on the 2.25% inflationary increase for children, youth, adults and seniors.
- These estimates do not account for any program fee changes other than the 2.25% 2014 inflationary increase.
- The individual annual credit-based subsidy model was implemented in September 2012.

- Projections do not include the impact of the proposed Priority Centre expansion on the Welcome Policy funding.

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

EQUITY IMPACT

Parks, Forestry and Recreation values inclusion, respect and diversity and aims to improve the quality of life of all Torontonians through the provision of programs and services that are welcoming and accessible. The Welcome Policy reduces financial barriers to participation faced by low-income families across the city. The conversion of the Welcome Policy to a credit-based system has allowed more low-income families to access recreation programs. Increased access to recreation programming has direct personal, social, environmental and economic benefits to residents of Toronto.

DECISION HISTORY

On January 17, 2012 City Council adopted the 2012 Capital and Operating Budget with direction that the Welcome Policy be converted to a credit-based system with an annual individual subsidy amount of \$455 for children and youth and \$212 for adults and seniors.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX14.1>

The Recreation Service Plan was approved by City Council in November 2012 with a request for a review of Welcome Policy usage and the need to index the subsidy amount.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CD17.2>

ISSUE BACKGROUND

History of Welcome Policy

The Welcome Policy is a fee subsidy program that provides access to recreation programs at all City-owned and operated facilities for Toronto residents with a before tax family income of less than Statistics Canada's Low Income Cut-Off (LICO).

The Welcome Policy was established in 1999 at the same time that user fees from the former municipalities were harmonized following amalgamation. Initially, the Welcome Policy was a program-based subsidy model which allowed residents to take a number of courses per session, per year, regardless of the cost of programs. The eligibility for Welcome Policy is determined directly by Toronto Employment and Social Services (TESS) and program registration is processed by Parks, Forestry and Recreation. All Torontonians receiving social assistance under Ontario Works automatically qualify and are automatically renewed for Welcome Policy.

In September, 2012, the Welcome Policy was converted to a credit-based subsidy model. Approved recipients currently receive an annual credit of \$455 for children and youth (0 – 24 years of age) and \$212 for adults and seniors (25 years old and older) to use towards program registration. These amounts were based on the 70th percentile of current Welcome Policy use. An information sheet on the Welcome Policy is included as Appendix A.

Other Strategies to Reduce Financial Barriers to Recreation

The Welcome Policy is one of three ways in which Parks, Forestry and Recreation reduces financial barriers to recreation. In addition to the Welcome Policy, Parks, Forestry and Recreation currently operates 23 Priority Centres where all programming is offered free of charge. Priority Centres are a place-based strategy to eliminate fees for recreation programs in neighbourhoods with high levels of low-income populations. The Recreation Service Plan recommended an expansion of Priority Centres in 2014; there will be a report on the expanded locations at the December 4, 2013 meeting of the Community Development and Recreation Committee. In addition, Parks, Forestry and Recreation offers a wide range of free drop-in programs including public skating, leisure swimming at outdoor pools and drop-in program for children, youth and seniors at community centres.

COMMENTS

Overview of Welcome Policy Change

The Welcome Policy has no limit on the number of low-income residents who can qualify for the subsidy. Under the initial program-based model, the Welcome Policy limited recipients to a set number of courses per year and there was an overall annual budgeted amount for the delivery of the program across the city. Under this model, the demand for Welcome Policy frequently exceeded the annual operating budget for Welcome Policy provision. As a result the Welcome Policy funding was regularly exhausted prior to the end of the year and eligible individuals and families were unable to register for any programs.

Since its inception, the annual operating budget for Welcome Policy has grown significantly to respond to increasing demand for subsidy. The current budget for Welcome Policy is \$10.3 million. In September 2012, the Welcome Policy was converted to a credit-based subsidy model. The goal of the conversion was to increase the number of individuals and families served under the policy and to allow recipients more flexibility in their choice of recreation programs.

Under the new credit-based model, children and youth (0 – 24 years of age) receive a credit of \$455 annually and adults and seniors (25 years of age and older) receive a credit of \$212 annually to use towards program registration. The initial subsidy levels were set based on the 70th percentile of Welcome Policy usage. When the credit-based system was implemented, approximately 70% of Welcome Policy users were spending less than the established credits of \$455 for children and youth and \$212 for adults and seniors.

The conversion was approved in the 2012 Parks, Forestry and Recreation operating budget and was implemented in September 2012. Due to the significance of the change in the Welcome Policy, Parks, Forestry and Recreation undertook a comprehensive communication and engagement strategy to ensure a smooth transition. This involved several components including:

- Written communication to existing Welcome Policy recipients
- Posters in all community centres and Toronto Employment and Social Services offices
- Brochures and information sheets translated into several languages
- Focus groups with users in community centres
- Community agency information session
- Staff training (Parks, Forestry and Recreation and Toronto Employment and Social Services front line staff)
- Promotion through 311
- City Councillor information session

In addition Parks, Forestry and Recreation actively promoted Welcome Policy through:

- Calls to waitlisted participants
- Information sessions for newcomer groups
- Promotional mailings
- Information handouts promoting Welcome Policy availability and how to register

Welcome Policy Participation after the Conversion

Parks, Forestry and Recreation was directed to report on the impact of the change to Welcome Policy under the credit-based model. In order to conduct the review, Parks, Forestry and Recreation analyzed Welcome Policy participation trends before and after the change.

It was estimated that the conversion would result in an additional 7,500 annual Welcome Policy users. The review has shown that in the first year of the credit-based system, an additional 14,962 eligible Welcome Policy recipients registered for recreation programs.

The number of registrations per active Welcome Policy user has stayed relatively stable at an average of 3 programs per year, before and after the change. Individuals and families are registering for less expensive programs and swimming and camps remain the most popular programs.

The first year of the new credit-based system took place from September 2012-August 2013. For comparison, these participation statistics were compared to those of the previous 12 month period (September 2011-August 2012). The highlights are listed below.

- The number of active Welcome Policy users has increased from 29,260 to 44,222, representing an increase of 51%.
- The number of program registrations by Welcome Policy users has increased from 89,919 to 105,871, an increase of 18%.
- Approximately 33% of children and youth and 40% of adults and seniors used over 80% of their annual allotment.

Parks, Forestry and Recreation will monitor the program related impacts resulting from the new credit-based system. These impacts will be incorporated in service planning over the next five years.

Welcome Policy Evaluation Feedback

In addition to the review of participation trends before and after the conversion to a credit-based system, Parks, Forestry and Recreation engaged Welcome Policy users directly. We wanted to understand the experience Welcome Policy users had over the last year as well as potential improvements Parks, Forestry and Recreation could explore regarding Welcome Policy implementation. The engagement work consisted of an on-line survey, in-person and phone surveys as well as focus groups.

Parks, Forestry and Recreation also engaged community agencies given the contact they have with Welcome Policy users outside the recreation sector. We held focus groups with Parks, Forestry and Recreation staff on the registration process and with staff from Toronto Employment and Social Services on the eligibility process for Welcome Policy.

In total, approximately 500 Welcome Policy users provided feedback and 16 focus group sessions were organized with Welcome Policy users, community agencies and staff in the fall of 2013. The findings of the review are summarized below.

Welcome Policy Feedback

Overall, the majority of respondents valued the opportunity to access Welcome Policy and participate in recreation programming. They reiterated the importance of their children being physically active and learning new skills. Newcomers identified recreation as an important way to integrate into Canadian society.

Welcome Policy users also indicated that the credit-based system gives them more flexibility in how they access recreation programs and services. The ability to spread their allocation according to need, rather than by season, is a benefit. Some families would like the option of transferring credit between family account members, especially transfers from an adult's account to a child's account as their children tend to be the most active users.

Users consistently identified that the current credit is not sufficient to allow year-round participation in recreation programs offered by Parks, Forestry and Recreation. Approximately 29% of survey respondents agreed the credit was enough, while 38% disagreed, 13% remained neutral, while 21% felt that the change was not applicable to

their situation as they do not register for recreation programs with Parks, Forestry and Recreation.

Welcome Policy users indicated that cost became a major consideration for program choice and having to work within a set credit amount meant parents had to assess the value of programs based on cost. In addition, specific concerns were raised by people with disabilities and participants in the After-School Recreation Care (ARC) program. People with disabilities have been impacted by the change due in part to the need for smaller group courses which are more costly. Adults with disabilities also find the annual adult amount insufficient as it accommodates a limited number of programs. Registrants in the ARC program, who must use their full allotment for ARC, indicated that they had no options for summer programming. Awareness of Welcome Policy was identified as an issue, particularly for Ontario Works clients who were not aware they were approved for Welcome Policy or how to access their credit.

Parks, Forestry and Recreation staff indicated that the new system is working and reiterated many of the same comments we heard from users. Many staff now provide counseling support to participants on how to maximize their subsidy. Staff are closely monitoring Welcome Policy usage to ensure programs respond to the needs of all participants.

Community agencies have expressed a desire for partnership with Parks, Forestry and Recreation, especially with regard to promotion of Welcome Policy and program registration through information sessions. Community agencies flagged the need to explore opportunities for reducing other economic barriers for people with disabilities such as access to materials and equipment for programs and support workers.

The client feedback received on Welcome Policy identified four key areas of consideration in future planning for Welcome Policy: awareness and outreach, enrolment process, program registration and coordination. These align with key areas of work outlined in the Recreation Service Plan and will be incorporated into implementation over the next five years. The information is included as Appendix B.

Awareness and Outreach

- Clear language and messaging on all promotional materials related to Welcome Policy and in correspondence with clients.
- Use of translated promotional material to reduce language barriers.
- Information sessions with community agencies and other City Divisions, particularly Toronto Employment and Social Services and Public Health.

Enrolment Process (in collaboration with TESS)

- Ensure the enrolment process for Ontario Works recipients includes more appropriate information on Welcome Policy and recreation programs.
- Simplify the enrolment process for newcomers.
- Explore automatic renewal for recipients on Ontario Disability Support Programs (ODSP).

- Align annual renewal dates with program registration dates.

Program Registration

- Explore how subsidy is allocated between family members.
- Consider additional financial barriers facing people with disabilities and ARC users.
- Monitor program offerings and modify as needed to better meet needs.

Coordination

- A need for an ongoing steering group between Parks Forestry and Recreation and Toronto Employment and Social Services to explore ongoing programming improvements and improved promotions.
- Ongoing training and updates provided to staff in Parks, Forestry and Recreation and Toronto Employment and Social Services.

Inflationary Increases in Fees and Welcome Policy Allotment

One challenge with a credit-based system is that the annual allotment is directly impacted by the cost of programs. Since user fees were harmonized in 1999 following amalgamation, recreation user fees have gradually increased over time through annual inflationary increases and market-rate adjustments. Recreation user fees are subject to yearly inflationary fee increases and have increased by approximately three per cent annually since 2010.

Recreation program fees are automatically adjusted annually with the cost of inflation but the Welcome Policy is not. The new credit-based subsidy model has a set individual allocation and there is currently no provision for the individual Welcome Policy annual credit to keep up with inflation as fees increase. Currently the individual annual credit is \$455 for children and youth and \$212 for adults and seniors. Therefore, Parks, Forestry and Recreation recommends, through this report, that the Welcome Policy individual annual credit for children, youth, adults and seniors be indexed to match inflationary and market-based increases approved for recreation user fees. In 2014, this means that the individual subsidy amount will be increased by 2.25%. This percentage increase amounts to \$465 for children and youth and \$217 for adults and seniors. There are no financial implications in 2014 as the increase to the individual annual credit amounts can be absorbed within the existing Welcome Policy funding of \$10.3 Million. It is expected that in 2015 and subsequent years, the overall Welcome Policy funding will be fully utilized, and an increase to the overall Welcome Policy funding will need to be considered as part of future annual operating budget approvals.

CONCLUSION

This is a comprehensive report that responds to the direction to review Welcome Policy usage under the new credit-based system that was implemented in September 2012. The review showed that the Welcome Policy conversion was successful in substantially

increasing the number of Welcome Policy recipients and registrations. This report was informed by an extensive engagement process that included input from more than 500 active Welcome Policy users, other recreation users and community providers.

This report recommends that City Council approve the indexing of the Welcome Policy individual subsidy entitlement to align with future increases in recreation user fees. This report aligns with the Council-approved 2013-2017 Recreation Service Plan.

CONTACT

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SIGNATURE

Jim Hart
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Appendix A – Welcome Policy Information Sheet
Appendix B – Welcome Policy Feedback

Appendix A - Welcome Policy Information Sheet

Information available at www.toronto.ca/wp

To be eligible for Welcome Policy, applicants must be

- 18 years of age or older
- City of Toronto residents
- have a before tax family income of less than Statistics Canada's Low Income Cut-Off (LICO) shown in the chart that appears below:

1 person	\$23,647
2 persons	\$29,440
3 persons	\$36,193
4 persons	\$43,942
5 persons	\$49,839
6 persons	\$56,209
7 or more persons	\$62,581

*LICO amounts updated in June 2013. Torontonians receiving social assistance automatically meet the income requirements and should speak to their caseworker about Welcome Policy.

Applying for Welcome Policy

- Complete the application form available by mail, pick up at any City of Toronto recreation centre or Civic centre and online at toronto.ca/wp.
- Provide supporting documents (one official identification document for each family member, proof of residency, and proof of income).
- Mail, Fax or drop off complete application at any Toronto Employment & Social Services office or Civic Centre.

Policy change starting effective September 1, 2012

Old Welcome Policy	New Program Effective September 1, 2012
<p>Children and Youth:</p> <ul style="list-style-type: none"> • one aquatic program • one non-aquatic program, and • one camp session (two in the summer) for each of the four the summer) <p>For each of the four registration periods (fall, winter, spring and summer).</p>	<p>Children and Youth:</p> <ul style="list-style-type: none"> • \$455 per year that can be spent on any recreation program, camp or membership.
<p>Adults and seniors:</p> <ul style="list-style-type: none"> • One program or pass <p>For each of the four registration sessions.</p>	<p>Adults and seniors:</p> <ul style="list-style-type: none"> • \$212 per year that can be spent on any recreation program, pass or membership. <p>Note: Adults 60 years and older receive a 50% discount on adult program fees.</p>

Appendix B - Parks, Forestry and Recreation – Welcome Policy Feedback

October 2013

IMPROVEMENT AREAS	ACTIVITIES / OPPORTUNITIES
Awareness & Outreach	<ul style="list-style-type: none"> • Clear language and messaging on all promotional materials related to Welcome Policy and in correspondence with clients • Use of translated promotional material to reduce language barriers • Information sessions with community agencies and other City Divisions, particularly TESS and Public Health
Enrolment Process (in collaboration with Toronto Employment and Social Services - TESS)	<ul style="list-style-type: none"> • Ensure the enrolment process for Ontario Works recipients includes more appropriate information on Welcome Policy and recreation programs • Simplify the enrolment process for newcomers • Explore automatic renewal for recipients on Ontario Disability Support Programs (ODSP) • Ensure annual renewal dates align with program registration dates
Program Registration	<ul style="list-style-type: none"> • Explore how subsidy is allocated between family members • Consider additional financial barriers facing people with disabilities and ARC users • Monitor program offerings and modify as needed to better meet needs
Coordination	<ul style="list-style-type: none"> • An ongoing steering group between PFR and TESS to explore ongoing program improvements and improved promotions and training provided to staff in PFR and TESS