



## STAFF REPORT ACTION REQUIRED

### Changes in Federal Requirements for the Toronto Youth Job Corps Program

<b>Date:</b>	September 3, 2013
<b>To:</b>	Economic Development Committee
<b>From:</b>	Executive Director, Social Development, Finance and Administration
<b>Wards:</b>	All
<b>Reference Number:</b>	AFS # 18242

#### SUMMARY

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This report advises Council of changes in federal government requirements for the Toronto Youth Job Corps (TYJC) program and associated risks to the program. TYJC is administered by the City of Toronto and delivered by three community agencies selected through an open request for proposals process: JVS Toronto, St. Christopher House, and West Scarborough Neighbourhood Community Centre.

TYJC provides pre-employment support, structured employment training, employer placement and follow up supports for those youth most distant from the labour market. TYJC was initiated in 1983 and has been reviewed and updated to meet both changing youth needs and funding requirements. In the 2011-2013 contract period, TYJC exceeded federal targets for participation measures, including achieving positive outcomes (education/training or employment obtained) for 359 youth participants.

Contract renewals have occurred on an annual basis with the Government of Canada over the 30 year history of TYJC. However, for the next contract period, Employment and Social Development Canada have advised staff that the City will be required to apply through a Call for Proposal (CFP) process under the Youth Employment Strategy (YES) Skills Link Program. The CFP was released on August 30, 2013 and will close 30 days later. It includes a requirement for a funding formula stipulating that 60% of the budget be directed to youth stipends and a maximum of 40% be directed to program supports. These requirements have the potential to render the TYJC program unable to address the needs of the high risk youth it was designed to assist.

## **RECOMMENDATIONS**

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**The Executive Director, Social Development, Finance and Administration recommends:**

1. City Council direct the Executive Director, Social Development, Finance and Administration to comply with the Call for Proposal process for the Toronto Youth Job Corps program;
2. City Council direct the Executive Director, Social Development, Finance and Administration to ensure the continued effectiveness of the Toronto Youth Job Corps program model;
3. City Council direct the Executive Director, Social Development, Finance and Administration to inform Council of any change in support for 2014 and the implications for high risk Toronto youth;
4. The appropriate City Officials to take the necessary action to give effect thereto.

### **Financial Impact**

This report has no financial implications. Should the federal government change its current funding conditions or enter into agreement with an entity other than the City of Toronto there will either be pressure on the City budget or a reduction in service to high risk youth.

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

### **DECISION HISTORY**

City Council annually approves funding renewal with Service Canada for the City-administered Toronto Youth Job Corps and Youth Employment Toronto programs. Last year, at its meeting on November 27, 2012, City Council approved the report, "Authority to Receive Service Canada Funding for the Youth Employment Toronto and Toronto Youth Job Corps Programs and to Enter into Service Agreements with three Community Agencies."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.ED18.4>

## **ISSUE BACKGROUND**

The City of Toronto has delivered the TYJC program in partnership with the federal government and community-based service providers for 30 years. The City has viewed it as a government-to-government partnership, while the federal government has reframed the relationship as project administrator and project funder. For the upcoming contract year, the federal government has taken this a step further by requiring the City to comply with a Call for Proposal (CPF) process for its role in the TYJC program. Staff are recommending the City comply with the Call for Proposal, released on August 30, 2013 with a closing date of September 30, 2013.

The National Assessment Grid in the CFP includes a new funding formula stipulating requiring 60% of the budget be directed to youth stipends and a maximum of 40% be directed to program supports. In order to achieve this 60/40 ratio, the City may need to remove key program supports, crucial to the TYJC program model, or seek additional City contributions.

## **COMMENTS**

The Toronto Youth Job Corps program is a 22-30 week pre-employment preparation program designed to help youth who face challenges in obtaining and maintaining employment. TYJC helps youth to build the skills necessary to make the transition into work or further education or training, by providing vocational counselling, life skills workshops, hands-on work experience and a job placement with an employer. The target group for this program are youth with less than a high school education, with little or no work experience and who may also be in the hostel system or in receipt of social assistance. These youth are among the most distant from the labour market.

### **Call for Proposal Process**

Contracting processes used by the federal government are modified over time in order to incorporate evolving best practices. The City also revises its contracting processes from time to time to ensure appropriate accountability and transparency.

In order to maintain openness, fairness and accountability, the City undertakes a Request for Proposal (RFP) process to secure service delivery agencies on a 5-year cycle. At its meeting on April 12, 2011, City Council authorized the Executive Director, Social Development, Finance and Administration, to enter into purchase of service agreements for the delivery of Toronto Youth Job Corp with the three successful proponents from the RFP process. The City is now its in 2<sup>nd</sup> contract year with JVS Toronto, St. Christopher House, and West Scarborough Neighbourhood Community Centre. All three agencies continue to provide valuable program contributions in the delivery of Job Corp.

Given the 30-year history of working with the federal government to administer TYJC, the City has viewed itself as a government partner with the federal government.

Consequently, it has not gone through a Call for Proposals process as the City is the only local government for Toronto. In addition, the City contributes financially to TYJC in excess of the directly incurred City expenses. In other words, federal support is directed to the service delivery agencies, not City costs.

While staff do not agree with the City being subjected to a Call for Proposals process, federal representatives have indicated that this is a non-negotiable requirement and have released the CFP. Staff are confident that given the program model, current delivery agencies, City contributions and program outcomes, TYJC would be the successful proponent.

## **Requirements regarding youth vs. program support costs**

The Youth Employment Strategy (YES) Skills Link Program includes a requirement that a minimum of 60% of the total budget be allocated to direct youth costs (wages or stipends). TYJC is designed specifically to support higher needs youth requiring increased program supports, including the a holistic, case management approach that is client-centred and able to support youth facing multiple barriers with the comprehensive life skills support they need to prepare for employment, maintain their placements and navigate concerns in other areas of their lives. These program support costs are proven to be key success factors of the TYJC model, and are consistent with the priorities of the Council-approved Toronto Youth Equity Framework to support the city's most vulnerable and high risk youth. These program support costs are se

The Executive Director, Social Development, Finance and Administration has met with the three delivery agencies to discuss the CFP process and measures to ensure the continued effectiveness of the Toronto Youth Job Corps program model while complying with the criteria in the Call for Proposals. Staff will advise Council of any relevant change in support for 2014 and the implications for high risk Toronto youth at the earliest opportunity.

## **CONTACT**

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## **SIGNATURE**

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