



STAFF REPORT ACTION REQUIRED

Service Canada Funding for the Youth Employment Toronto and Toronto Youth Job Corp

Date:	November 7, 2013
To:	Economic Development Committee
From:	Executive Director, Social Development, Finance & Administration
Wards:	All
Reference Number:	AFS# 18273

SUMMARY

This report seeks authority to renew the agreement with Service Canada for the City-administered Youth Employment Toronto (YET) program for the 2014 contract year. YET is an on-going program, cost-shared with the federal government.

The report also updates Council on the implications of the Toronto Youth Job Corp (TYJC) program model submitted to Service Canada in the recent federal call for proposals (CFP) process. TYJC provides pre-employment support, structured employment training, employer placement and follow up supports for those youth most distant from the labour market. Through the federal CFP process, the City has applied to continue to administer TYJC as a cost-shared program between Government of Canada and the City of Toronto for the 2014 contract year. In late October 2013, Service Canada advised that the City of Toronto was selected as the successful proponent for the 2014-2015 Toronto Youth Job Corp contract.

Contract renewals have occurred on an annual basis with the Government of Canada over the 30-year history of both YET and TYJC. The current Service Canada contract for the YET program ends on December 20, 2013, and on January 3, 2014 for TYJC.

RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration (SDFA) recommends that:

1. City Council authorize the Executive Director, Social Development, Finance and Administration to sign a contract renewal agreement with Service Canada for the Youth Employment Toronto program for up to \$445,466 in federal subsidy with a \$161,110 contribution from the City's tax base; and
2. City Council authorize the Executive Director, Social Development, Finance and Administration to sign a contract renewal agreement with Service Canada for the Toronto Youth Job Corp program for up to \$2,228,375 in federal subsidy with a \$219,100 contribution from the City's tax base, and \$212,580 contribution from the Social Assistance Stabilization Reserve Fund (XQ1054).
3. The appropriate City Officials to take the necessary action to give effect thereto.

Financial Impact

Youth Employment Toronto (YET): Renewal of the Youth Employment Toronto program requires funding of up to \$606,576 gross and \$161,110 net for the December 23, 2013 – December 19, 2014 period, which is included in the 2014 Operating Base Budget Submission.

Toronto Youth Job Corps (TYJC): As outlined in Table 1 below, through the federal call for proposal process, SDFA applied for a new contract for Toronto Youth Job Corp with a total contract value of up to \$2,228,277 gross and \$219,100 net for the January 6, 2014 – January 2, 2015 period.

The program's 2013 Approved Operating Budget and 2014 Budget Submission includes \$1,911,001 gross and \$219,100 net for the existing TYJC contract.

The 2014 contract proposal provides an increase in the federal contribution of \$104,696, with City's contribution increasing by \$212,580, required to maintain the current service model that provides the comprehensive life skills support that high-risk youth need to prepare for employment, and to maintain their job placements. The additional City's contribution of \$212,580 will be funded from the Social Assistance Stabilization Reserve Fund (XQ1054) with no net impact to the City.

Table 1: TYJC 2014 Funding Contract

TYJC Contract Value	2013 Contract Year	2014 Contract Year
Gross Expenditures	\$1,911,001	\$2,228,277
Federal Subsidy	\$1,691,901	\$1,796,597
Social Assistance Stabilization Reserve Fund		\$212,580
City Net	\$219,100	\$219,100

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

DECISION HISTORY

City Council annually approves funding renewal with Service Canada for the City-administered Youth Employment Toronto and Toronto Youth Job Corps 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>

City Council approved the Framework for the development of Toronto Youth Equity Strategy at its meeting of July 16-19, 2013. This work recognizes the need for the City to develop a more effective strategy to support the needs of Toronto's high-risk youth.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD22.8>

At its meeting on September 17, 2013, Economic Development Committee approved a report entitled, "Changes to Federal Requirements for the Toronto Youth Job Corp Program," directing the Executive Director, Social Development, Finance and Administration to comply with Service Canada's Call for Proposal process for the Toronto Youth Job Corps program and in doing so, to ensure the continued effectiveness of the Toronto Youth Job Corps program model. The report also directed that Council would be informed of any change in support for 2014 and the implications for high-risk Toronto youth.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED24.4>

ISSUE BACKGROUND

Since 1983, the City of Toronto has been administering Youth Employment Toronto and Toronto Youth Job Corp as cost-shared programs with the federal government. Contract renewals have been carried out by both levels of government on an annual basis.

Both contracts are ending shortly: YET on December 20, 2013 and TYJC on January 3, 2014. On September 9, 2013, Social Development, Finance and Administration submitted the contract application and started discussions for the YET contract renewal, with an anticipated start date of December 23, 2013. Authority is needed to sign the renewal agreement with Service Canada for this long-standing youth employment program.

Canada has now changed the renewal process for TYJC for the upcoming contract year. For the 2014 contract year, the federal government required the City to comply with a Call for Proposal (CPF) process for its role in administering the TYJC program. As directed by Economic Development Committee at its meeting on September 17, 2013, SDFA staff have complied with the Call for Proposal which closed on September 30, 2013. The City has been selected as the successful proponent through this competitive process.

The National Assessment Grid in the CFP included a funding formula stipulating that 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 and protect the continued effectiveness of the program model in supporting the employment needs of high-risk Toronto youth, an additional \$212,580 is required.

The current contract ends on January 4, 2014. In order to maintain programming, the City must enter into contract with three delivery agencies for the program prior to December 31, 2013.

COMMENTS

The youth unemployment rate in the Toronto region is near 20%, over 5% higher than the national rate. It is also higher than the youth unemployment rate for Ontario (17.1%).¹ In this climate, young people find it is extremely difficult to gain access to jobs. Their employment prospects become more challenging if they lack a high school diploma have little work experience and/or have few financial resources to seek employment and/or training opportunities. Being marginalized from the labour market in this manner can begin to influence the choices these youth make; some may pursue criminal activity or substance abuse, or may experience depression or feelings of hopelessness.

Youth Employment Toronto

The YET program provides a mobile employment service to youth who have difficulty accessing services and resources in order to attach themselves to the labour market. Through this program, the City directly employs six specialized employment workers who are assigned different geographic communities to provide services across the city.

YET workers actively reach out to youth in the most relevant locations in the community such as hostels, housing complexes, youth drop-ins and other community settings where vulnerable youth are naturally gathering. The program serves youth aged 15-30 who are

¹ "Fast Facts – Barriers to Youth Employment," Greater Toronto Civic Action Alliance, June 2013.

out of school and unemployed. The primary target is young people who have not completed high school. Youth are provided a variety of supports ranging from employment assessment, career planning and counselling, as well as referrals to employment services, skill development programs and educational opportunities. The staff are holistic in their approach, and as such, also assist youth in dealing with other life issues that can get in the way of their employability. Youth are linked to resources such as housing support, substance abuse treatment, legal advice, etc.

The YET staff are effective at supporting youth with these interventions to achieve employability outcomes. In a six year period from 2006 to 2012, the YET program assessed 6,160 youth, case managed 4,453 youth and developed 1,946 action plans; 1,536 youth obtained employment and 901 youth entered into an educational program or participated in skill development opportunities. Table 2 details the program performance for the full previous contract period of October 4, 2011 – December 14, 2012. YET case workers case managed 6% more youth than required by the federal contract, and as a result of YET interventions, a total of 319 secured employment, obtained training, or returned to school.

Table 2: Detailed Performance Statistics – Youth Employment Toronto (2011 – 2012)

YET Intervention	Federal Target	City Achievement	% of Target Met
	# of youth supported to access the labour market		
Assessment	1089	869	80%
Case Management	742	787	106%
Prep Employment Preparation	n/a	272	n/a

YET Outcomes			
Education & Training Obtained	134	134	100%
Employment Secured	225	185	82%
TOTAL Positive Outcomes	359	319	89%

Toronto Youth Job Corps

The Toronto Youth Job Corps program is designed to work in partnership with employers, training providers, community organizations, schools and governments in providing group-based employment skills intervention to youth who have a sporadic or non-existent employment history. The program assists youth who face multiple barriers when accessing and maintaining employment, education and training opportunities through: (1) in house workshops tailored to participant needs; (2) community painting project that supports the development of employment skills; and (3) work experience with employers.

Since the program’s inception in 1983, TYJC has operated as a partnership between Service Canada, the City and community-based delivery organizations. The organizations

currently delivering TYJC are: St. Christopher House in the downtown core west, JVS in the Jane and Finch area, and West Scarborough Neighbourhood Community Centre in Scarborough. In order to maintain programming, the City must enter into contract with these delivery organizations for the 2014 contract year prior to December 31, 2013. These delivery organizations were selected through a City Request for Proposal process that allows annual contract renewals over a 5-year period (2011-2016).

In a six year period from 2006 to 2012, TYJC provided pre-employment training to 1,111 youth, 475 youth obtained employment, and 235 youth returned to school or participated in skill development opportunities. As detailed in Table 3, for the 2011-2012 contract year, TYJC exceeded the federal targets for securing positive outcomes for youth participants: 108% obtained education and training and secured employment. Three of these youth deputed at the September 17, 2013 meeting of the Economic Development Committee about the importance of TYJC in giving them the access, support and opportunities to gain skills, training and meaningful employment.

Table 3: Detailed Performance Statistics – Toronto Youth Job Corp (2011 – 2012)

TYJC Participation Rate	Federal Target	City Achievement	% of Target Met
	# of youth supported to access the labour market		
Youth who started the program	183	182	99%
Youth who left program – medical, moved/lost contact	28	5	18%
Youth who completed pre-employment	155	177	114%

TYJC Outcomes			
Education & Training Obtained	47	41	87%
Employment Secured	71	87	123%
TOTAL Positive Outcomes	118	128	108%

Proposed TYJC Model

In responding to the federal CFP for the 2014 contract year, SDFA worked with the three community-delivery agencies of TYJC to improve the program model. The City applied with an TYJC model that:

- serves more youth distant from the labour market (300 for the 2014 contract year as opposed to 210 in the current contract year to);
- is more cost efficient per youth (\$7,427.92 for the 2014 contract years as opposed to \$9,035.243 in the current contract year); and
- increases the provision of one-on-one goal management and life skills supports for youth participants.

In this improved model with appropriate supports in place, 210 (70%) of youth participants are expected to return to school or to secure employment.

The CFP for the Youth Employment Strategy Skills Link Program included a requirement that a minimum of 60% of the total budget be allocated to direct youth costs (youth 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 (July 2013) to support the city's most vulnerable and high-risk youth. Through the CFP process, Service Canada has given indication that they may not fund the life skills component that is proven to be critical to the program's effectiveness for youth most distant from the labour market.

The TYJC model that staff have proposed, maintains the life skills component, and in doing so, achieves the required 60/40 CFP ratio. An additional \$212,580 as City's contribution is required to deliver this improved model for more Toronto youth, which will be funded from the Social Assistance Stabilization Reserve Fund (XQ1054).

Given the program model and outcomes, current delivery agencies, and the City contributions, the City was selected as the successful proponent for the 2014 contract year. SDFAs Staff have indicated an interest in discussing with Service Canada how best to finance this additional program cost.

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