

2023 Budget Notes

Toronto Employment & Social Services

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Description

Through a network of 14 full-service offices, TESS manages an average monthly caseload of 91,000, the largest municipal administered social assistance delivery system in Canada. Under the authority of the Ontario Works (OW) Act and Regulations, TESS effectively serves over 150,000 Toronto residents in financial need to strengthen their social and economic well-being in their communities. The OW program:

- recognizes individual responsibility and promotes self-reliance through employment;
- provides financial assistance to those most in need while they meet their obligations to become and stay employed; and
- is accountable to the taxpayers of both Ontario and Toronto.

Why We Do It

Toronto residents in financial need receive income supports, health benefits and employment assistance that is timely, accessible and responsive to their needs.

- The Provincial Ontario Works Act lays out eligibility criteria and the type and level of benefits available to clients.
- Income supports are designed to help with the costs of food, clothing and shelter
- In order to receive financial assistance, clients must be willing to make reasonable efforts to find, prepare for and keep a job.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Financial Supports

Who We Serve: Social Assistance Recipients and Adult Dependants, Low Income Toronto Residents

What We Deliver: Income supports and health benefits to Toronto residents in financial need.

How Much Resources (gross operating budget): \$964.8 million

Integrated Case Management and Service Planning

Who We Serve: Social Assistance Recipients and Adult Dependants, Low Income Toronto Residents.

What We Deliver: An action-oriented service plan that addresses urgent needs, and identifies next steps to enhance client employability and life stabilization (i.e. housing, mental health).

How Much Resources (gross operating budget): \$123.5 million

Employment Services

Who We Serve: Social Assistance Recipients and Adult Dependants, Low Income (Unemployed and Under-Employed) Toronto Residents, and Employers.

What We Deliver: A range of employment services and programs to help social assistance clients prepare for, secure and maintain employment, and become financially independent.

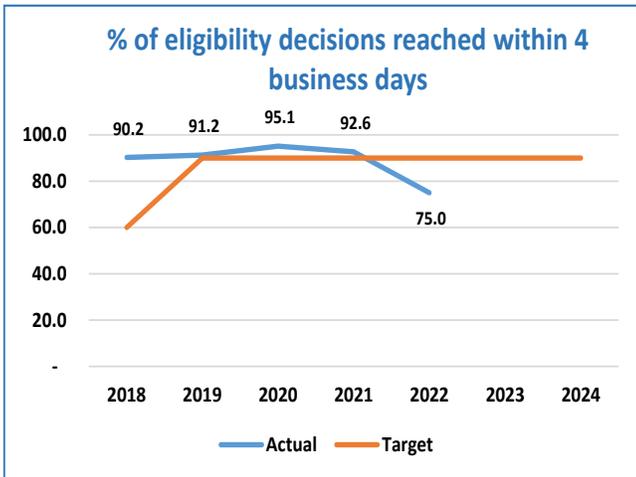
How Much Resources (gross operating budget): \$65.3 million

Budget at a Glance

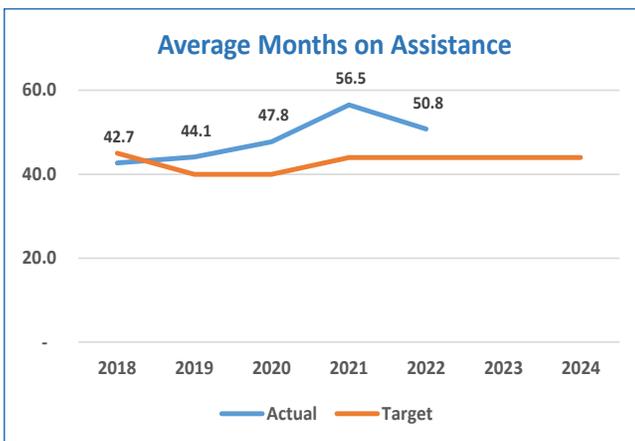
2023 OPERATING BUDGET			
\$Million	2023	2024	2025
Revenues	\$1,076.0	\$1,074.0	\$1,066.1
Gross Expenditures	\$1,153.6	\$1,159.9	\$1,160.3
Net Expenditures	\$77.6	\$85.9	\$94.2
Approved Positions	1,782.5	1,782.5	1,781.5

2023 - 2032 10-YEAR CAPITAL PLAN			
\$Million	2023	2024-2032	Total
Gross Expenditures	\$0.5	\$0.0	\$0.5
Debt	\$0.0	\$0.0	\$0.0
Note: Includes 2022 carry forward funding			

How Well We Are Doing – Behind the Numbers



- Indicates service and accessibility for OW programs by showing how long it takes in days for clients to be informed (response time) if they are eligible to receive social assistance—from the time they request assistance to the time they are informed of their eligibility.
- A number of factors affect response time, including how long it takes for a client to provide the necessary information, the availability of interpreters when English is not the first language and the application process.
- The province is centralizing the intake of OW applications, with the goal of simplifying the process for clients and reducing administration. Toronto's prototype was launched in February 2022.
- The initial introduction of Centralized Intake saw the administration of online applications move from the City to the Province. In the future, both online and phone applications will be managed by the Province, while in-person will continue to be the responsibility of municipalities.
- As is the case with other municipalities, centralized intake is having some effect on days to grant and the division is working with the province and other municipalities to implement and improve upon new application processes that are part of the Centralized Intake model.



- Average months on assistance increased during the pandemic as long-term recipients generally stayed on social assistance while many City residents who might have otherwise required social assistance were able to access federal income support measures such as Canadian Recovery Benefits (CRB) and Employment Insurance (EI). With the end of CRB in October of 2021, the influx of new cases is bringing average months on assistance back to pre-pandemic levels.
- While caseloads have declined over the past few years, the most important trend is the increase in the length of time people remain on OW and the accompanying increase in the complexity of client need.
- A high percentage of clients feel they cannot participate in the work force. The top challenges to finding and/or keeping a job as identified by OW recipients are poor health (temporary), lack of education and/or skills, transportation, lack of "Canadian" work experience and language skills.
- With increasingly challenging labour markets and with clients remaining on OW for longer periods, a wider range of services and supports, plus innovative approaches to designing and delivering services, are required to address needs. Further, given the barriers that many clients face, there may be individuals for whom employment is a longer-term prospect.

How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Outcome Measures								
Integrated Case Management and Service Planning	Average Months on Assistance	47.8	56.5	44.0	50.8	●	44.0	44.0
Employment Services	% of terminations exiting to employment	13.7	18.1	13.8	18.0	●	18.5	19.1
Service Level Measures								
Integrated Case Management and Service Planning	% of eligibility decisions reached within 4 business days	95.1	92.6	90.0	75.0	●	90.0	90.0
Integrated Case Management and Service Planning	% of caseload with employment income	7.6	7.9	7.8	8.1	●	8.3	8.5
Integrated Case Management and Service Planning	% of caseload on assistance more than 2 years	54.3	65.0	50.0	56.3	●	45.0	45.0
Integrated Case Management and Service Planning	% Service Plans that are Current	82.2	78.7	80.0	60.0	●	80.0	80.0
Other Measures								
Integrated Case Management and Service Planning	# of OW applications processed annually	27,620	27,239	50,000	48,000	●	50,000	50,000
Financial Supports	\$ benefits paid (in millions) ¹	\$790.9	\$635.4	\$934.4	\$732.6	●	\$927.8	\$928.8
Financial Supports	# of financial and employment benefit payments processed annually (in '000) ¹	1,084.3	836.2	1,300.0	976.8	●	1,300.0	1,300.0

¹ \$ Benefits paid are projected to be below target in 2022 due to the lower than budgeted caseload. As part of Ontario's Social Assistance Renewal plan, the province may take over the payment of Ontario Works client benefits. If it does, the annual \$ benefits paid budget will drop by approximately \$900 million. As these benefits are 100% funded by the province, there will be no impact on net expenses.

2022 Projection to 2022 Target Comparison
 ● 80% - 100% ● 64 - 79% ● 63% and Under

COVID-19 IMPACT AND RECOVERY

2023 Impact and Recovery

Operating Budget Impact

- Caseload has increased slowly but steadily since the Canadian Recovery Benefit (CRB) ended October 2021, and with inflation, rising interest rates, and a continuing influx of Ukrainian refugees, the expectation is that caseload will increase through the remainder of 2022, reaching 81k by December.
- Based on the consensus view that a recession is likely in 2023, the 2023 caseload budget has been set at 91k, with a net impact of zero for the 8k cases above 83k as financial benefits are 100% funded by the Province and the 84 caseload contingent staff are budgeted to be funded from the OW reserve.
- Ontario Works recipients participating in full or part time approved employment assistance activities are eligible to receive Employment Related Benefits (ERB) to cover out-of-pocket expenses associated with these activities. ERB expenditures have dropped significantly since the onset of COVID due to the decline in the caseload and a shift to on-line training. With the increase in cases forecast in 2023 expenditures are projected to increase but are not anticipated to return to pre-pandemic levels. The 2023 ERB budget has been set at \$29.4 million, \$9.4 million above the projected expenditures in 2022.
- TESS is proposing to extend the \$2.0 million Investing in Families program tutoring enhancement for a second year. This initiative will provide \$500 in tutoring supports for children aged 14 to 17, the age group that has been most affected by the reduction of in-class learning. Funding will be provided through the National Child Benefit Supplement (NCBS) reserve fund.

Service Level Changes

- As the province continues lifting Ontario Works COVID measures and works toward restoring in-person services, TESS will be resuming services that were provided prior to the pandemic in a phased approach. While clients will continue to access programs and services through the channel (in-person, online, phone) that best meets their needs, a higher volume of in-person visits is anticipated as previous practices are resumed / reintroduced, including the requirement for "wet" signatures on all forms. An adjustment to in-person operational staffing levels to support the increased traffic will be required.
 - Many clients may be "new" to social assistance and require an array of programs and services to gain experience and (re)build skills.
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EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Served an average monthly caseload of 73,877
- Adjudicated 48,000 applications for Ontario Works
- Continued to deliver critical employment programs to enhance client access to employment related training and employment opportunities, including:
 - Successfully placed 3,931 clients in Purchase of Employment, Wrap Around Services, Investing in Neighbourhoods, and Primary Care Paramedic programs
 - Over 42 Ontario Works clients placed into Work-Based learning internships with the City of Toronto
- Implemented a response plan to ensure an efficient emergency application process for Ukraine Nationals (1,600 cases)
- Continued to increase Ontario Works client enrollment in digital access channels - 72,000 Ontario Works recipients have enrolled in MyBenefits since the system was launched
- As part of the Province's Social Assistance Renewal Plan, launched the Centralized Intake Prototype for online Ontario Works applications
- Implemented the Division's CABR Plan, including:
 - Mandatory CABR training for all non-union and union staff
 - Developed and implemented a zero-tolerance framework for addressing complaints / incidents involving third party contracts
- Established new Communities of Inclusion to support the Division's goals of fostering an equitable, inclusive and respectful workplace
- Completed the three leasehold improvement capital projects and opened the Bridlewood Mall, Dufferin Mall and North York Civic Centre to more effectively and efficiently serve the respective local communities

Key Challenges and Risks

- Additional 2023 impacts arising from the potential of a recession this year and possibly beyond.
- Although the economy has remained open during the seventh wave of COVID, future waves create a further negative risk to the local economy. Throughout the pandemic, low-income residents, especially those from equity-denied groups, have experienced worse employment and health outcomes.
- The percentage of OW clients who report significant and often intersecting barriers to employment – i.e. the complexity of client needs -- continues to grow. More than half of the OW caseload have been in receipt of financial assistance for over two years and greater than 30% have been on OW for over five years. These clients require access to life stabilization supports to address key barriers – health, housing, (digital) literacy, mental health, etc.
- Employment Service Transformation will integrate Ontario Works and Ontario Disability Support Program employment services into Employment Ontario and establish Employment Service System Managers for each delivery region. The integrated employment services system is expected to be implemented province wide by the end of 2023.
- Centralized Intake is designed to simplify the Ontario Works application process for clients and reduce administration, allowing caseworkers more time to support clients while also automating and strengthening program integrity elements at the application stage. Toronto's Centralized Intake prototype launched in February saw the administration of online Ontario Works applications move from the City to the Province.
 - The City and the Province are working together to closely monitor and assess the implementation, with particular focus on determining the extent to which the process is operating as anticipated, as well as specific impacts on both client experiences and staff functions and roles.
 - The City continues to process emergency and in-person applications.
 - The transition of the City's phone channel for Ontario Works applications will proceed at a future date.

- Key to the transformation associated with Social Assistance Renewal is that municipal delivery partners will provide stability supports to both OW and ODSP clients.

Priority Actions

- Support the Province's plans for Social Assistance Renewal by:
 - Continuing to evaluate and refine the Centralized Intake model to best address the needs of clients and in collaboration with Social Development Finance & Administration to implement the transition of the City's phone channel for OW applications to the Province
 - Determining the City's role in Employment Services Transformation, including undertaking analysis of the benefits and risks of the City applying for and assuming the Service System Manager role and how to best support the City's workforce development priorities
 - Developing a Stability Supports Framework and working with the province to refine Stability Supports metrics, expectations, and approaches
 - Quantifying the impact of Social Assistance Renewal on the City and incorporating the changes in TESS' future budget submissions
 - Maintain "no wrong door" approach so clients can access programs and services through the channel (in-person, online, phone) that best meets their needs.
- Restart Services for Clients as part of the shift from pandemic service responses to a full suite of services, including:
 - Developing and implementing a Digital Channel Strategy to determine digital service options across the Division's work (e.g., accessing OW, service navigation, program requirements, referrals, self-serve, etc.) that best leverage partnerships and client needs
 - Supporting access and strengthening connections to a wide range of Stability Supports that best meet client needs
- Advance Equity, Diversity and Inclusion commitments by:
 - Continuing to advance the divisional Confronting Anti-Black Racism (CABR) action plan
 - Advancing Indigenous Reconciliation by improving services and supports for Indigenous communities in alignment with the City's Reconciliation Action Plan
 - Implementing a Zero Tolerance framework to address incidents of harassment and discrimination at the staff, client and service provider level
 - Developing an Equity Assessment Tool to inform equity considerations in divisional policy assessment, project planning, development and implementation
- Adjust the divisional Hybrid Work Model to ensure it:
 - Responds to the evolving client needs and drivers for service channel preferences
 - Ensures effectiveness / responsiveness of service model options and channels, and is aligned with corporate priorities
 - Supports client access, operations and offers flexibility for staff
- Strengthen service planning practices to address client needs and goals and enable positive life and employment outcomes
- Develop a Change Management Framework to support organizational transformation through meaningful engagement and strategic alignment

TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for Toronto Employment & Social Services of \$1,153.609 million gross, \$1,075.975 million revenue and \$77.635 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Employment Services	65,338.7	50,271.1	15,067.6
Integrated Case Management and Service Planning	123,500.5	75,766.1	47,734.5
Financial Supports	964,770.3	949,937.5	14,832.8
Total Program Budget	1,153,609.6	1,075,974.7	77,634.9

- The above includes a 2023 budgeted staff complement for Toronto Employment & Social Services of 1,782.5 operating positions.
2. The 2023 Capital Budget for Toronto Employment & Social Services with cash flows and future year commitments totaling \$0.477 million as detailed by project in [Appendix 6a](#).

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Employment Services	45,286.3	46,456.1	44,850.7	50,271.1		50,271.1	5,420.4	12.1%
Integrated Case Management and Service Planning	74,634.4	76,186.1	71,575.2	75,766.1		75,766.1	4,190.9	5.9%
Financial Supports	649,804.8	953,762.6	747,488.0	949,937.5		949,937.5	202,449.5	27.1%
COVID-19 Virus	351.9							N/A
COVID Reopening Costs	18.7							N/A
Total Revenues	770,096.0	1,076,404.8	863,913.9	1,075,974.7		1,075,974.7	212,060.8	24.5%
Expenditures								
Employment Services	54,870.1	61,956.5	56,743.1	65,338.7		65,338.7	8,595.6	15.1%
Integrated Case Management and Service Planning	112,501.2	125,340.9	107,668.9	123,500.5		123,500.5	15,831.6	14.7%
Financial Supports	665,958.0	970,538.3	764,838.0	964,770.3		964,770.3	199,932.3	26.1%
COVID-19 Virus	526.4							N/A
COVID Reopening Costs	27.9							N/A
Total Gross Expenditures	833,883.6	1,157,835.7	929,250.1	1,153,609.6		1,153,609.6	224,359.5	24.1%
Net Expenditures (including COVID-19)	63,787.6	81,430.9	65,336.2	77,634.9		77,634.9	12,298.7	18.8%
Required COVID-19 Support	554.4	662.0	391.8				(391.8)	(100.0%)
Net Budget (excluding COVID-19 supports)	63,233.2	80,768.9	64,944.4	77,634.9		77,634.9	12,690.6	19.5%
Approved Positions**	1,806.5	1,774.5	N/A	1,782.5		1,782.5	N/A	N/A

* 2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The 2023 Net Budget of \$77.635 million reflects a \$12.299 million or 18.8% increase from 2022 projections comprised of:

- \$0.392 million or 100% decrease in COVID-19 impacts that are either not expected to continue into 2023; and
- \$12.691 million or 19.5% increase in the 2023 Net Budget (excluding COVID) compared to 2022 projections due to a higher OW caseload. Caseload is projected to be 81,000 by December 2022, and with many analysts anticipating a recession in 2023 – and potentially an extended downturn – the 2023 caseload budget has been forecasted at 91,000, 17,123 or 23.2% above the projected average monthly caseload for 2022.

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$1.154 billion gross reflecting an increase of \$224.359 million in spending above 2022 projected year-end actuals, predominantly arising from:

- \$176.8 million in 100% provincially legislated financial and medical benefits for eligible City residents to help cover the costs of basic needs (e.g. food) and housing due to the higher caseload projected for 2023.
- \$11.5 million in 100% provincially funded employment benefits, both employment training as well as out-of-pocket expenses for clients participating in eligible employment assistance activities. Expenditures are expected to increase in 2023 as the higher caseload will lead to more clients requiring access to employment and training services/supports to gain experience and (re)build skills.
 - The 2023 employment benefit budget is down \$6.6 million from the 2022 budget as transportation related Employment Related Benefits (ERB) are not anticipated to return to pre-pandemic levels as on-line activities are reducing the need for clients to travel. The Division will continue to monitor and implement mitigation strategies in case the demand exceeds budget expectations.

- \$7.9 million in 100% provincially funded Housing Stabilization Fund (HSF) benefits as it is expected that the need for homelessness prevention benefits will rise in 2023 in conjunction with the projected increase in both caseload and rental rates,
- \$23.4 million in salaries and benefits as hiring of front-line staff was deferred in 2022 due to the lower caseload and higher than anticipated attrition. A job call for up to 250 caseworkers was completed in 2022, with 129 caseworkers projected to be hired and on-boarded by the end of the year. Further hiring of caseworkers will be scheduled in 2023 as warranted by increases in the caseload and attrition rates.
 - The \$7.9 million cost of the 84 caseload contingent positions to manage the 8,000 cases between 83,000 and 91,000 based on a caseload ratio of 10.5 FTE per 1,000 cases is budgeted to be funded from the Ontario Works (OW) reserve fund. This is consistent with the purpose of the reserve, which is to provide the flexibility to manage and mitigate the risks associated with a program delivery funding envelope based on caseload levels.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: There are not any significant equity impacts associated with the 2023 Budget.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Toronto Employment & Social Services of \$1.154 billion gross is \$224.359 million or 24.1% higher than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	924,530.7	758,759.1	1,040,844.8	851,075.5	1,039,978.4	188,902.9	22.2%
Federal Subsidies	10.8	7.8	200.0	45.3	200.0	154.7	341.5%
User Fees & Donations	233.0	233.0	202.3	1,856.1	210.4	(1,645.7)	(88.7%)
Transfers From Capital	66.6						
Contribution From Reserves/Reserve Funds			20,973.7		21,267.9	21,267.9	
Sundry and Other Revenues	7,467.7	10,674.2	13,820.1	10,573.1	13,820.1	3,246.9	30.7%
Inter-Divisional Recoveries	1,023.1	421.9	363.9	363.9	497.9	134.0	36.8%
Total Revenues	933,331.9	770,096.0	1,076,404.8	863,913.9	1,075,974.7	212,060.8	24.5%
Salaries and Benefits	166,543.3	154,273.4	170,965.8	150,998.6	174,490.1	23,491.4	15.6%
Materials & Supplies	7,832.3	8,580.5	15,268.5	10,002.8	15,307.7	5,304.9	53.0%
Equipment	355.2	1,456.8	569.4	822.7	569.4	(253.3)	(30.8%)
Service and Rent	57,043.5	50,890.1	74,357.7	56,861.0	73,473.0	16,612.0	29.2%
Contribution To Reserves/Reserve Funds	2,005.7	1,925.2	1,983.9	1,983.9	2,042.4	58.5	2.9%
Other Expenditures	759,087.3	607,374.6	877,090.5	698,610.3	870,490.5	171,880.1	24.6%
Inter-Divisional Charges	9,439.9	9,383.1	17,600.0	9,970.6	17,236.6	7,266.0	72.9%
Total Gross Expenditures	1,002,307.4	833,883.6	1,157,835.7	929,250.1	1,153,609.6	224,359.5	24.1%
Net Expenditures	68,975.5	63,787.6	81,430.9	65,336.2	77,634.9	12,298.7	18.8%

*Projection based on 9 Month Variance

Key Base Drivers:**Salaries & Benefits:**

\$23.5 million increase against 2022 projections mainly due to caseload related vacancies in 2022, 2023 contractual increases for bargaining unit staff, expanded OMERS eligibility for part-time and temporary employees and staff benefit rate increases.

Materials and Supplies:

\$4.4 million increase against 2022 projections due to the reset of the 100% funded medical benefit budget to 2022 budget levels to respond to an expected caseload driven increase in demand, \$0.5 million in City Hardship Fund benefits and \$0.5 million in 50/50 funded administration costs as moving from a pandemic service response to a full suite of services will increase office expenses.

Services and Rents:

\$7.9 million in 100% provincially funded Housing Stabilization Fund (HSF) benefits, \$2.9 million in 100% funded mandatory financial benefits, \$1.7 million in 100% funded employment benefits and \$0.8 million in 100% reserve funded Investing in Families technology support benefits.

Other Expenditures:

\$166.3 million in 100% mandatory financial benefits due to the higher caseload, \$1.7 million in 100% funded employment benefits and \$3.7 million in 100% reserve funded Investing in Families benefits.

Inter-Divisional Charges:

\$6.7 million in 100% funded childcare payments for dependants of Ontario Works clients paid to Children Services

Provincial Subsidies:

Projected increase based on caseload increase due to the cost sharing of provincially funded expenditures in accordance with the Ontario Works Act.

Contribution from Reserves:

The 2023 budget includes \$21.268 million in budgeted draws, including \$7.9 million from the Ontario Works (OW) reserve to fund the 84 caseload contingent staff, \$10.4 million from the National Child Benefit Supplement (NCBS) reserve to fund Investing in Families benefits, \$1.5 million from the Social Assistance Stabilization (SAS) reserve to fund Housing Stabilization client benefits above TESS' allocated \$25.0 million in Housing Prevention Program provincial subsidies, and \$1.5 million from the Kids at Computers reserve to fund technology supports for clients. Please refer to [Appendix 10](#) for a summary of inflows to and outflows from TESS' reserve funds.

Note:

- For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Revenue Changes		45.7	(0.6)
Tutoring Supports reserve funding		(2,000.0)	
Reserve funding for 84 caseload staff			(7,901.8)
Total Revenues	1,075,974.7	(1,954.3)	(7,902.4)
Gross Expenditures			
Salaries and Benefits		7,945.7	80.6
Inflationary Impacts		123.4	77.2
Tutoring Supports for 14-17 year-olds		(2,000.0)	
Interpreter supports for OW clients		250.0	250.0
Total Gross Expenditures	1,153,609.6	6,319.1	407.9
Net Expenditures	77,634.9	8,273.4	8,310.3
Approved Positions	1,782.5	0.0	(1.0)

Key drivers

The 2024 outlooks, which was developed on a status quo basis and excludes the potential impact of Social Assistance Renewal and Employment Service Transformation, reflects total gross expenditures that are \$6.319 million or 0.6% above the 2023 Operating Budget. The 2025 Outlooks expects a further increase of \$0.408 million or 0.04% above 2024 gross expenditures.

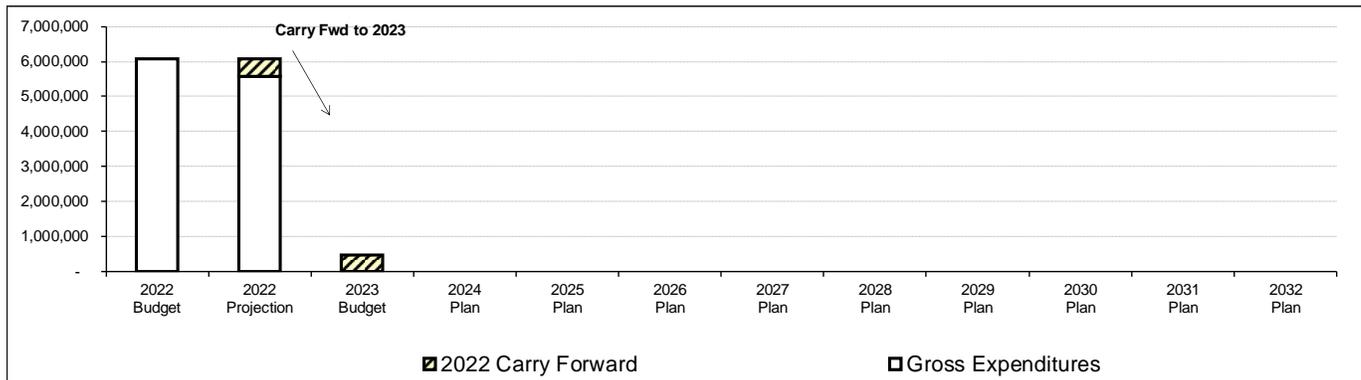
These changes arise from the following:

- \$7.9 million in added salaries and benefits based on pace of hiring expectations, and other contractual increases.
- \$2.0 million gross and zero net reduction due to the end of the tutoring program for 14-17 year old's.
- \$0.25 million in 2024 plus an additional \$0.25 million in 2025 to provide increased interpreter supports for Ontario Works clients.
- In 2023 and 2024, 84 caseload contingent staff for the 8k cases between 83k and 91k are funded by draws from the Ontario Works reserve fund. There are insufficient funds in the reserve to fund the \$7.9 million cost of these positions in 2025.

2023 – 2032 CAPITAL BUDGET AND PLAN

2023 – 2032 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2022		2023 Capital Budget and 2024 - 2032 Capital Plan										Total 10 Year Plan	
	Budget	Projected Actual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	Gross Expenditures by Project Category:													
Health & Safety & Legislated SOGR														
Service Improvement & Growth	6,062	4,924	477											477
Total by Project Category	6,062	4,924	477											477
Financing:														
Debt	4,506	3,845												
Debt Recoverable														
City Building Fund														
Reserves/Reserve Funds	1,556	1,079	477											477
Development Charges														
Provincial														
Federal														
Other Revenue														
Total Financing	6,062	4,924	477											477

Changes to Existing Projects
(\$0.0 Million)

N/A

New Projects
(\$0.0 Million)

N/A

Capital Needs Constraints
(\$2.0 Million)

Toronto Employment & Social Services has one unmet project over the 10-year planning horizon:

- The Beaches office located on 1631 Queen Street East will need to relocate as ModernTO will be redeveloping the site as part of the "Housing Now" initiative with an alternative site yet to be identified.

Note:

For additional information, please refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 8](#) for Capacity to Spend Review; and [Appendix 9](#) for Capital Needs Constraints, respectively.

2023 – 2032 CAPITAL BUDGET AND PLAN

\$0.477 Million 10-Year Gross Capital Program


Information Technology
\$0.477 M
100%
Human Services Integration project (in support of SDF&A)

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*
- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Budget and Plan cash flows. Does not break out the climate component costs separately

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$0.477 M		\$0 M	\$0 M
100%		0%	0%
Debt	\$ 0.0 M		
Reserve / Reserve Funds	\$ 0.477 M		

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Completion of the 2022 Capital Budget will impact the 2023 Operating Budget by savings of \$0.165 million net, primarily due to the reduced footprint in relation to the Bridlewood, and Dufferin Mall office relocation projects.

Table 4: Net Operating Impact Summary

Projects	2023 Budget		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2023-2027		2023-2032	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Bridlewood office relocation project	(44.4)											(44.4)		(44.4)
Dufferin Mall office relocation project	(120.9)											(120.9)		(120.9)
Sub-Total: Previously Approved	(165.3)											(165.3)		(165.3)
Total (Net)	(165.3)											(165.3)		(165.3)

- The total savings from relocating Consilium Place to Bridlewood Mall, High Park/Parkdale and Metro Hall to Dufferin Mall and Lesmill to North York Civic Centre is \$1.726 million. In addition to the \$0.165 million in savings in 2023.
 - Savings of \$1.561 million and 4 positions was included in prior year TESS Operating Budget.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

COVID-19 Impacts	In \$ Thousands				
	2022		2023		
	Budget	Projection*	Revenues	Gross	Net
Expenditure Increase					
Enhanced Cleaning / PPE	662.0	391.8			
8K Caseload Increase			67,370.3	75,272.1	7,901.8
OW Reserve Funding for 84 caseload staff			7,901.8		(7,901.8)
Total COVID-19 Impact	662.0	391.8	75,272.1	75,272.1	

* 2022 Projection based on 9 month variance

Appendix 2

2023 Affordability Measures

(\$000s)								
Recommendation	Savings Type	Equity Impact	2023			2024 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net
Postage	Efficiency Savings	No Impact		(558.3)	(558.3)			
Total Affordability Measures				(558.3)	(558.3)			

The 2023 Operating Budget includes reductions of \$0.558 million in gross and net attributed to:

Efficiency Savings in Postage Costs:

- Savings of \$0.583 million net results from combining the Ontario Works Statement of Assistance and Statement of Income into one monthly mail-out rather than two and suppressing the mailing the Statement of Income to paperless clients (i.e.: clients enrolled in My Benefits) is projected to reduce postage costs in 2023 by \$0.583 million with no impact on client service. MyBenefits is an online service available 24/7 to Ontario Works recipients that allows them to securely access information.

Appendix 3

Summary of 2023 Service Changes

N/A

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
CSS905-01	H.S.I. Phase 2	477										477			477
Total Expenditures		477										477			477

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction
- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
CSS905-01	H.S.I. Phase 2	477										477	477		
	Total Expenditure (including carry forward from 2022)	477										477	477		

Appendix 6b

2024 - 2032 Capital Plan

N/A

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

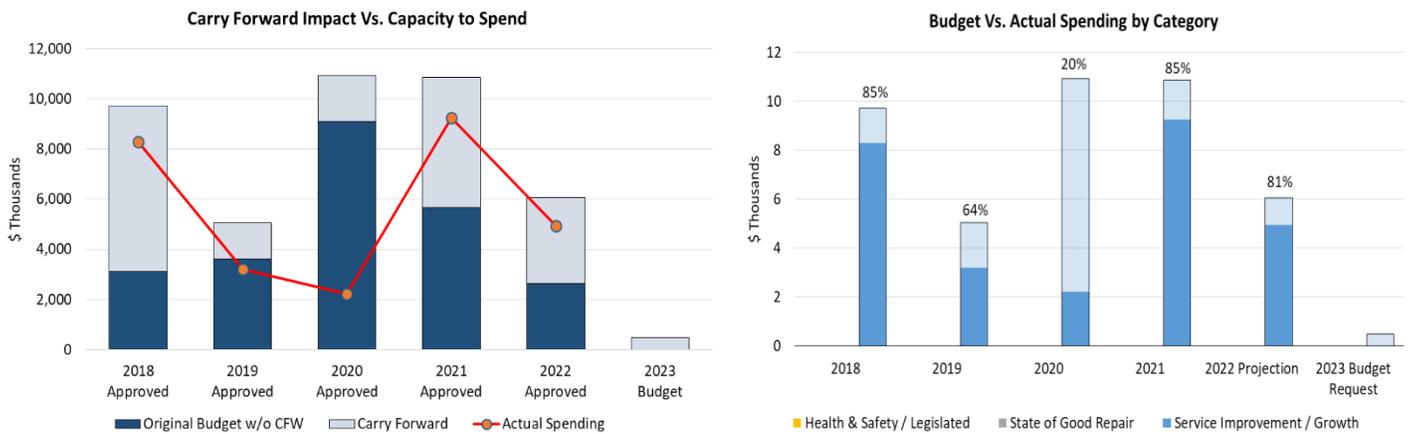
Appendix 8

Capacity to Spend Review

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with Toronto Employment & Social Services ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

There are no new capital projects in the 10-year plan. Funding of \$0.477 million in capital spending for the Human Services Integration project originally cash flowed in 2022 has been carried forward to 2023 to complete the project.

Appendix 9

Summary of Capital Needs Constraints

Project Description	Total Project Cost	Non-Debt	Debt Required	Cash Flow (In \$ Millions)										
				2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Beaches Office Relocation	2.0		2.0		2.0									
Total Needs Constraints (Not Included)	2.0		2.0		2.0									

- The Beaches office located on 1631 Queen Street East will need to relocate as ModernTO will be redeveloping the site as part of the "Housing Now" initiative.

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2023 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		19,069	11,462	3,706
Ontario Works	XR2101			
<i>Withdrawals (-)</i>				
<i>Toronto Employment & Social Services - Operating</i>		(7,902)	(7,902)	-
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		11,167	3,560	3,706
Interest Income		295	146	72
Balance at Year-End		11,462	3,706	3,779

The Ontario Works reserve is being temporarily utilised to fund 84 caseload contingent staff to mitigate the impact on the tax base. TESS will monitor the caseload and move to property tax funding once the caseload stabilizes post-pandemic.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		33,327	23,093	14,633
National Child Benefit Support	XR2102			
<i>Withdrawals (-)</i>				
<i>Toronto Employment & Social Services - Operating</i>		(10,366)	(8,412)	(9,052)
<i>Other Division/Agency - Operating</i>		(412)	(412)	(412)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		22,548	14,269	5,169
Interest Income		545	364	193
Balance at Year-End		23,093	14,633	5,362

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		3,804	2,364	895
Kids @ Computers Scholarship Project	XR2104			
<i>Withdrawals (-)</i>				
<i>Toronto Employment & Social Services - Operating</i>		(1,500)	(1,500)	(859)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		2,304	864	36
Interest Income		60	31	9
Balance at Year-End		2,364	895	45

Note: Project funding will be drawn from the National Child Benefit Supplement Reserve Fund when the Kids @ Computers Scholarship Project Reserve Fund is depleted.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		13,176	11,291	9,565
Social Assistance Stabilization	XQ1054			
<i>Withdrawals (-)</i>				
<i>Toronto Employment & Social Services - Operating</i>		(1,500)	(1,500)	(1,500)
<i>Other Division/Agency - Operating</i>		(226)	(226)	(226)
<i>Toronto Employment & Social Services - Capital</i>		(159)	-	-
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		11,291	9,565	7,839
Interest Income				
Balance at Year-End		11,291	9,565	7,839

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		65,532	60,176	43,492
Child Care Capital Cost	XR1103			
<i>Withdrawals (-)</i>				
<i>Other Division/Agency - Operating</i>		(1,400)	(1,400)	(1,400)
<i>Toronto Employment & Social Services - Capital</i>		(159)	-	-
<i>Other Division/Agency - Capital</i>		(6,331)	(17,605)	(12,419)
<i>Contributions (+)</i>				
<i>Other Division/Agency - Operating</i>		1,320	1,320	1,320
Total Reserve / Reserve Fund Draws / Contributions		58,962	42,491	30,993
Interest Income		1,214	1,001	726
Balance at Year-End		60,176	43,492	31,719

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		13,734	10,526	10,731
Social Housing Federal	XR2105			
<i>Withdrawals (-)</i>				
<i>Other Division/Agency - Operating</i>		(3,283)	-	-
<i>Toronto Employment & Social Services - Capital</i>		(159)	-	-
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		10,292	10,526	10,731
Interest Income		234	205	209
Balance at Year-End		10,526	10,731	10,940

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		38,185	36,888	35,565
Sick Leave	XR1007			
<i>Withdrawals (-)</i>				
<i>Other Division/Agency - Operating</i>		(43,075)	(43,075)	(43,075)
<i>Contributions (+)</i>				
<i>Toronto Employment & Social Services - Operating</i>		264	264	264
<i>Other Division/Agency - Operating</i>		40,789	40,789	40,789
Total Reserve / Reserve Fund Draws / Contributions		36,163	34,866	33,543
Interest Income		725	700	674
Balance at Year-End		36,888	35,565	34,217

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		57,291	38,514	20,117
Insurance	XR1010			
<i>Withdrawals (-)</i>				
<i>Other Division/Agency - Operating</i>		(87,556)	(88,941)	(90,308)
<i>Other Division/Agency - Capital</i>		(583)	-	-
<i>Contributions (+)</i>				
<i>Toronto Employment & Social Services - Operating</i>		1,779	1,779	1,779
<i>Other Division/Agency - Operating</i>		66,658	68,199	69,803
Total Reserve / Reserve Fund Draws / Contributions		37,589	19,551	1,391
Interest Income		925	566	210
Balance at Year-End		38,514	20,117	1,600

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).