

2024 Budget Notes

Toronto Employment & Social Services

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Description

Under the authority of the Ontario Works (OW) Act and Regulations, Toronto Employment & Social Services (TESS) serves over 150,000 Toronto residents in financial need through a network of 14 full-service offices.

- TESS provides social supports, financial benefits and employment supports to people living in Toronto. Services provided include financial benefits available through the OW program and connection to health, housing, child-care, and other social services as well as help for people to find a job or the training they need to find work.

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 maintain 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 2024 operating budget): \$1,002.5 million

Integrated Case Management and Service Planning

Who We Serve: Social Assistance Recipients, Adult Dependants of ODSP Clients, 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 2024 operating budget): \$130.2 million

Employment Services

Who We Serve: Social Assistance Recipients, Adult Dependants of ODSP Clients, Low Income (Unemployed & 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

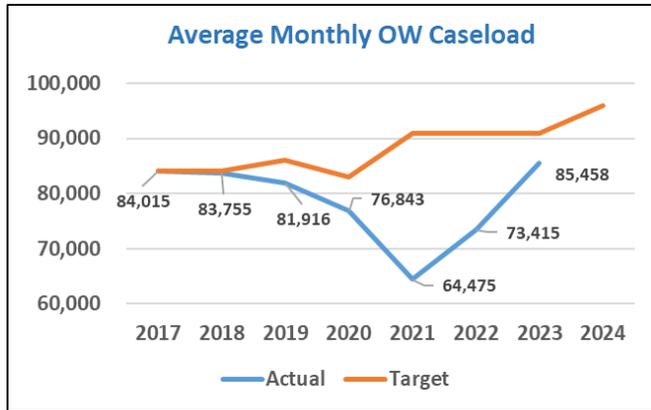
How Much Resources (gross 2024 operating budget): \$64.9 million

Budget at a Glance

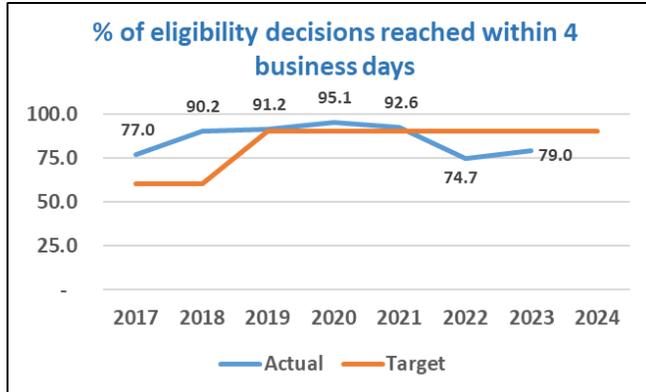
2024 OPERATING BUDGET			
\$Million	2024	2025	2026
Revenues	\$1,117.1	\$1,104.2	\$1,104.2
Gross Expenditures	\$1,197.6	\$1,206.7	\$1,208.5
Net Expenditures	\$80.5	\$102.4	\$104.3
Approved Positions	1,843	1,843	1,843

2024 - 2033 10-YEAR CAPITAL PLAN			
\$Million	2024	2025-2033	Total
Gross Expenditures	\$0.0	\$0.0	\$0.0
Debt	\$0.0	\$0.0	\$0.0

How Well We Are Doing – Behind the Numbers



- The average monthly Ontario Works (OW) caseload represents the number of families and single individuals served during the year and is the Program's key budget driver.
- Several factors drive caseload increases or decreases, including changes to the economy that lead to higher or lower levels of unemployment or to spending power, changes to social assistance eligibility rules and/or rates, changes to eligibility for and the amount and duration of benefits that can be accessed through federal income support programs and refugee levels.
- With the onset of the pandemic in 2020, caseload declined as residents who might otherwise have required social assistance were able to access federal income support programs and fewer refugee claimants settled in Toronto as borders were closed. Since CRB ended in October of 2021, caseload has increased steadily, and is expected to hit 91,000 by the end of 2023, 50% higher than the caseload low point of 62,100 in September of 2021.
- The average monthly caseload for 2023 is projected to be 85,458, 5,542 under the budget of 91,000.
- Caseload is expected to continue to grow in 2024 due to the projected contraction in Canada's economy and increased rates of migration and hence the 2024 caseload budget submission has been set at 96,000, up 5,000 cases from the 2023 approved budget.



- 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.
- Several 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. Phase 1, the up-load of on-line applications, was implemented in February 2022, and had an initial effect on days to grant. The situation is improving as the City and the Ministry are working together to monitor and assess the implementation with a focus on streamlining the client experience, reducing handoffs, improving communication, and reducing duplication.
- Phase 2, the upload of the phone channel, was implemented in June of 2023 with only a few issues reported.
- City staff continue to process phone applications for cases that are out-of-scope for Ministry staff, notably acute crisis/urgent need situations, callers who need an interpreter but do not have one, callers with no ID, and for in-person applications.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Integrated Case Management and Service Planning	% of caseload on assistance more than 2 years	65.0	56.1	45.0	42.2	●	45.0	45.0
Integrated Case Management and Service Planning	Average Months on Assistance	56.5	50.7	44.0	44.9	●	44.0	44.0
Integrated Case Management and Service Planning	% Service Plans that are Current	78.7	53.2	80.0	45.0	●	80.0	80.0
Integrated Case Management and Service Planning	# of OW applications processed annually	27,239	48,286	50,000	59,300	●	50,000	50,000
Eligibility Determination and Case Management	average monthly OW cases served	64,475	73,415	91,000	85,458	●	96,000	96,000
Financial Supports	# of financial and employment benefit payments processed annually (in '000)	836.2	982.7	1,300	1,150	●	1,300	1,300
Service Level Measures								
Integrated Case Management and Service Planning	% of eligibility decisions reached within 4 business days	92.6	74.7	90.0	79.0	●	90.0	90.0
Integrated Case Management and Service Planning	% of caseload with employment income ¹	7.9	8.0	8.3	7.0	●	7.2	7.4
Other Measures								
Financial Supports	\$ benefits paid (in millions)	\$635.4	\$724.6	\$927.8	\$833.8	●	\$963.3	\$963.3
Employment Services	% of terminations exiting to employment ¹	18.2%	18.0%	18.6%	15.0%	●	15.4%	15.9%

¹ The 2024 target has been set 3% above 2023 projected actuals.

2023 Projection to 2023 Target Comparison

● 100% (MET TARGET) ● 70 - 99% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Served an average monthly caseload of 85,458 and adjudicated 59,300 applications for Ontario Works.
- Continued to deliver critical employment programs to enhance client access to employment related training and employment opportunities, including:
 - Successfully placed 4,081 clients in Purchase of Employment, Wrap Around Services, Investing in Neighbourhoods, and Primary Care Paramedic programs.
 - Over 37 Ontario Works clients placed into Work-Based learning internships with the City of Toronto.
- Continued focused support of Ukrainian Nationals fleeing conflict (average caseload of 2,300/month).
- Supported the City's Refugee response through:
 - Initiating in-person caseworker support of refugees in shelters and at two shelter hotels.
 - Assisting over 1,500 new refugee claimant families per month facing homelessness to access temporary accommodations.
 - Ongoing service provision: percentage of refugee claimants on caseload has increased from 16.3% in January 2022 (10,690) to 27.4% as of October 2023 (23,550).
- Implemented sixteen Innovative Case Management (ICM) pilots to test new pathways and community referral systems focusing primarily on mental health and trauma-informed care, community-centred case management, and targeted interventions for equity-denied communities. ICMs were developed and delivered with a range of community partners to provide person-centred services and supports to more than 500 individuals and families across Toronto.
- Successfully completed the full upload of Ontario Works eligibility determination to the Ministry of Children, Community and Social Services as planned under its vision for Social Assistance Renewal.
- Implemented a new Access and Resource Centre Intake model in all offices to support in-person service provision and the new Centralized Intake process in Toronto.
- Implemented Provincial electronic signature functionality as part of overall strategy to enhance digital access to supports. Continued to increase Ontario Works client enrollment in digital access channels - 104,000 Ontario Works recipients have enrolled in MyBenefits since the system was launched.
- Introduced a learning pathway for all staff to build intersectional equity knowledge and capacity in direct alignment with the City of Toronto's Toronto for All Foundations curriculum, the Reconciliation Action Plan, and the Confronting Anti-Black Racism plan.

Key Challenges and Risks

- Employment Service Transformation (EST) 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 2024. The Provincial Social Assistance Renewal plan may directly impact residents living in poverty, including members of equity deserving groups. TESS has some concerns with respect to the model's ability to effectively support clients facing multiple employment barriers, many of which are grounded in a reported gap in access to appropriate stabilization supports, training opportunities and financial resources.
- Key to the transformation associated with Social Assistance Renewal is that municipal delivery partners will provide stability supports to both OW and ODSP clients.
- TESS' caseload is expected to continue to grow in 2024 due to a contraction in Canada's economy and increased rates of migration. TESS will work with the Province to ensure that the phone and online channels are adequately staffed, and application processes are streamlined and efficient to facilitate timely access to financial assistance, benefits and vital case management supports. TESS will continue to focus on hiring front-line staff to manage/meet client demand and advocate and work with the Province to ensure adequate supports are in place for all Ontario Works applicants.
- High inflation / the cost of living crisis and no increase to Social Assistance rates has had profound impacts on social assistance clients and has resulted in increased food insecurity, housing precarity and homelessness, and widening health inequalities. TESS will continue to work with the Province and advocate for adequate social assistance rates, indexed to inflation. TESS will also continue to work with community and interdivisional partners to meet the complex needs of clients.

- The percentage of social assistance recipients reporting significant and often intersecting barriers to employment continues to remain high and is expected to grow due to shifts in caseload demographics. TESS will continue to support clients moving towards employment by offering a range of person-centred stability supports and services; making targeted investments to support equity-denied communities; testing and piloting innovative approaches; and providing access to pre-employment, training and skills development programming in 2024, prior to the full implementation of EST.
 - More than 40% of the OW caseload have been in receipt of financial assistance for over two years and greater than 25% have been on OW for over five years. Throughout the pandemic, low-income residents, especially those from equity-denied groups, have experienced worse employment and health outcomes.
- 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 phone channel upload launched in June where Ontario Works phone applications were moved 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.

Priority Actions

- Support the Province's plans for Social Assistance Renewal:
 - With the conclusion of Phase 2 of Centralized Intake in June 2023, the upload of the phone channel, TESS will shift its focus in 2024, to working collaboratively with the Province to refine and evaluate the intake model to better meet the needs of clients.
 - 2024 will also see increased attention / focus on implementing EST, including:
 - Working with the Ministries of Children, Community and Social Services and Ministry of Labour, Immigration, Training and Skills Development to advocate for an appropriate level of employment services funding to provide training, skills development, and pre-employment programming.
 - Establishing a collaborative partnership with the newly selected Employment Service System Manager for the Toronto Service Area.
 - 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.
 - Continue to advance the City's Workforce Development Priorities by working collaboratively with interdivisional partners to identify opportunities to best leverage the City's workforce development priorities and investments to enhance employment outcomes for all residents, with a focus on low-income residents
 - Foster organizational resiliency through the adoption and continued socialization of the division's renewed Vision statement and Change Management Plan by:
 - Ensuring staff are engaged and informed of the new vision statement and any upcoming changes.
 - Embedding principles of change management throughout all major projects and divisional transformations.
 - Ensuring divisional goals and priorities are strategically aligned with City and Provincial priorities.
 - Advance Equity, Diversity and Inclusion commitments by:
 - Fostering a divisional culture of equity, inclusion and belonging, and ensuring a representative workforce that reflects Toronto's population.
 - Advancing 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.
 - Developing an Equity Assessment Tool to inform equity considerations in divisional project planning, development and implementation.
 - Implementing the collection of sociodemographic data across all offices, as part of the division's Data for Equity Pilot Project.
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CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Toronto Employment & Social Services of \$1,197.631 million gross, \$1,117.134 million revenue and \$80.498 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Employment Services	64,927.0	48,963.1	15,963.9
Integrated Case Management and Service Planning	130,226.0	82,123.7	48,102.2
Financial Supports	1,002,478.3	986,046.8	16,431.5
Total Program Budget	1,197,631.3	1,117,133.6	80,497.7

- The 2024 staff complement for Toronto Employment & Social Services comprised of 1,843 operating positions.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Employment Services	43,997.8	50,271.1	44,479.4	50,271.1	48,963.1		48,963.1	(1,308.0)	(2.6%)
Integrated Case Management and Service Planning	69,496.8	75,766.1	71,100.0	75,766.1	82,123.7		82,123.7	6,357.7	8.4%
Financial Supports	740,207.9	949,937.5	850,094.1	949,937.5	986,046.8		986,046.8	36,109.3	3.8%
Total Revenues	853,963.8	1,075,974.7	965,673.6	1,075,974.7	1,117,133.6		1,117,133.6	41,159.0	3.8%
Expenditures									
Employment Services	53,499.1	65,617.6	57,557.8	65,617.6	64,927.0		64,927.0	(690.6)	(1.1%)
Integrated Case Management and Service Planning	106,328.2	124,406.5	114,152.4	124,406.5	130,226.0		130,226.0	5,819.5	4.7%
Financial Supports	754,879.7	964,998.9	868,907.6	964,998.9	1,002,478.3		1,002,478.3	37,479.5	3.9%
Total Gross Expenditures	915,099.1	1,155,023.0	1,040,617.8	1,155,023.0	1,197,631.3		1,197,631.3	42,608.3	3.7%
Net Expenditures	61,135.4	79,048.3	74,944.3	79,048.3	80,497.7		80,497.7	1,449.3	1.8%
Approved Positions**	1,774.5	1,781.5	N/A	1,781.5	1,843.0		1,843.0	N/A	N/A

* 2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$1.198 billion gross reflecting an increase of \$42.608 million in spending above 2023 budget, predominantly arising from:

- Increase in projected OW caseloads of 5,000 or 5.5% for a total of 96,000 cases in 2024 resulting in additional expenditures of \$46.919 million gross, \$0 net. Payment of client benefits are 100% funded by the Province and the cost of additional staff will be temporarily funded by the Ontario Works Reserve Fund (XR2101).
- Increase in salaries and benefits of \$4.425 million from inflationary increases, two additional working days and the addition of one Supervisor position per office to comply with Provincial requirements and to meet the supervisory support needs of clients partially offset by anticipated vacancy adjustment savings.
- These pressures are partially reduced by savings from the implementation of the Employment Services Transformation (EST) initiative (\$2.0 million) and the Early Learning Child Care Agreement Program (\$5.1 million gross, \$0 net).

EQUITY IMPACTS OF BUDGET CHANGES

Toronto Employment & Social Services 2024 Operating Budget ensures eligible city residents receive Income supports and health benefits on a timely basis and a range of employment services and supportive programs to help them prepare for, secure, and maintain employment, and become financially independent. TESS continues to analyze Identity Based Data and collaborate with other City Divisions to address the complex needs of our eligible city residents.

The 2024 Budget will also contribute to advancing the City's Poverty Reduction Strategy, the Toronto Action Plan to Confront Anti-Black Racism, the Reconciliation Action Plan and Toronto Youth Equity Strategy, and the City's overall response to the refugee crisis.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Toronto Employment & Social Services of \$80.498 million is \$1.449 million or 1.8% greater than the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	1,075,974.7	1,155,023.0	79,048.3	1,781.5	N/A
2023 Projection*	965,673.6	1,040,617.8	74,944.3	N/A	N/A
2023 Budget (excl. COVID)	1,075,974.7	1,155,023.0	79,048.3	1,781.5	N/A
Key Cost Drivers:					
Salary & Benefits					
Contractual Labour Agreements, Benefits, etc.		2,527.3	2,527.3	(1.0)	8,571.3
Supervisor Direct Program for the Access & Resource Centres/Intake team		1,897.4	1,897.4	14.0	9.2
Non-Salary Inflation					
Interpreter, Leases, Utilities, etc.	240.6	97.6	(143.0)		278.1
Revenue Changes					
OW Reserve Draw	5,049.9		(5,049.9)		12,951.7
Other Changes					
5K Caseload Increase (from 91K to 96K)	42,106.4	46,919.3	4,812.9	52.5	152.9
IIN program elimination - fall of 2024		(2,000.0)	(2,000.0)		
Adjustments to 100% funded programs	(6,700.0)	(6,700.0)			
Sub-Total - Key Cost Drivers	40,696.9	42,741.6	2,044.7	65.5	21,963.2
Affordability Measures:					
Provincial Subsidy Increase	462.0		(462.0)		
Efficiencies		(133.3)	(133.3)	(4.0)	(12.0)
Sub-Total - Affordability Measures	462.0	(133.3)	(595.3)	(4.0)	(12.0)
Total 2024 Budget	1,117,133.6	1,197,631.3	80,497.7	1,843.0	21,951.2
Change from 2023 Budget (excl. COVID) (\$)	41,159.0	42,608.3	1,449.3	N/A	N/A
Change from 2023 Budget (excl. COVID) (%)	4%	4%	2%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

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

- \$2.527 million gross for Salaries and Benefits related to cost-of-living adjustments (COLA)/STEP and two additional working days, less anticipated delays in hiring and turnover.
- \$1.897 million gross increase from adding one Supervisory position per office to comply with Provincial requirements, improve staff coaching/mentoring and to meet the supervisory support needs of clients.

Non-Salary Inflation:

- Increases to interpreter services, lease costs, interdepartmental charges, hydro and natural gas costs are offset by a non-renewal of the lease at 45 Sheppard Avenue East and line-by-line reviews resulting in a net decrease of \$0.143 million.

Revenue Changes:

- An additional draw of \$5.050 million from the Ontario Works (OW) Reserve Fund to fund 52.5 staff to manage the increased caseload. The total OW reserve draw of \$12.952 million will fund the cost of 136.5 caseload contingent staff for 13,000 cases above the pre-pandemic caseload budget of 83,000. This is consistent with

the purpose of the reserve, which is to provide the flexibility to manage and mitigate the risks associated with Provincial program delivery funding which is based on caseload. These positions will need to be funded from property taxes in 2025 as there are insufficient funds in the OW reserve to fund the positions beyond 2024.

Other Changes:

- Based on the consensus view that an economic downturn is likely, the 2024 caseload budget has been set at 96,000, 5,000 cases above the 2023 caseload budget of 91,000. The increase, \$42.106 million gross, \$0 net, in financial benefits associated with the higher caseload are 100% funded by the Province. To adequately serve the increased caseload, complement will need to be increased by 52.5 FTE or \$4.813 million gross, which will be funded temporarily by the Ontario Works (OW) reserve fund.
- With the implementation of the Employment Services Transformation (EST) initiative, savings of \$2.000 million gross and net will be achieved from a reduction in the Investing in Neighborhoods (IIN) program.
- Adjustments were made to 100% funded programs that were based on policy adjustments and line by line reviews and includes an increase \$0.6 million gross, \$0 net, to medical benefits and devices based on historical expenditures and caseload changes , as well as expenditure decreases \$-5.1 million gross, \$0 net, from the implementation of Early Learning and Child Care Agreement, and a line by line review of the Investing in Families (IIF) program resulting in a decrease of -\$2.0 million gross, \$0 net.

Affordability Measures:

Table 3: Offsets and Efficiencies

(\$000s)									
Recommendation	Savings Type	Equity Impact	2024				2025 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Program Delivery Subsidy - Reallocation from SDF&A	Efficiency Savings	No Impact	462.0		(462.0)				
SAMS Letters Centralization	Efficiency Savings	No Impact		(133.3)	(133.3)	(4.0)	(12.0)	(12.0)	
Total Affordability Measures			462.0	(133.3)	(595.3)	(4.0)	(12.0)	(12.0)	

- **Program Delivery Subsidy Reallocation** – Toronto’s phone channel was successfully uploaded to the Province on June 1, 2023, representing the second phase of the centralized intake implementation. The change has resulted in a reduction of 10 FTE in SDF&A’s Human Services Integration Application and Support Centre. Therefore, the related 50% subsidy of \$0.464 million has been transferred back to TESS.
- **SAMS Letters Centralization** – The printing and mailing of all system generated Social Assistance Management Systems (SAMS) letters are to be centralized with a third party vendor to increase efficiency and optimize staff resources to support other areas vital to managing daily operations and align with Provincial processes and the upcoming Social Assistance Renewal (SAR) initiative. Four (4) Support Assistant C’s have been reduced and offset by additional print vendor costs resulting in a net savings of \$0.133 million.

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(\$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Revenue Changes		(12,920.0)	32.2
Total Revenues	1,117,133.6	(12,920.0)	32.2
Gross Expenditures			
Salaries and Benefits		8,721.4	1,776.8
Interpreter Supports for OW clients		250.0	
Inflationary Impacts		59.7	62.5
Total Gross Expenditures	1,197,631.3	9,031.1	1,839.2
Net Expenditures	80,497.7	21,951.2	1,807.1
Approved Positions	1,843.0	(0.0)	0.0

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$1,206.662 million reflects an anticipated \$9.031 million or 0.8% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$1.807 million or 0.2% above 2025 gross expenditures.

The 2025 and 2026 outlooks have been developed on a status quo basis due to the uncertainty about the timing and direction of changes associated with the implementation of Employment Services Transformation (EST). It is expected that \$38.6 million of the funding the City receives from the Province to deliver the OW program will be transferred to the Ministry of Labour, Immigration, Training and Skills Development for direct reinvestment in the new Employment Services System Manager's budget and will be offset by a reduction of \$54.2 million in expenditures for employment financial benefits and programming, with the estimated residual Provincial funding of \$15.6 million used to provide enhanced stability supports to Ontario Works clients.

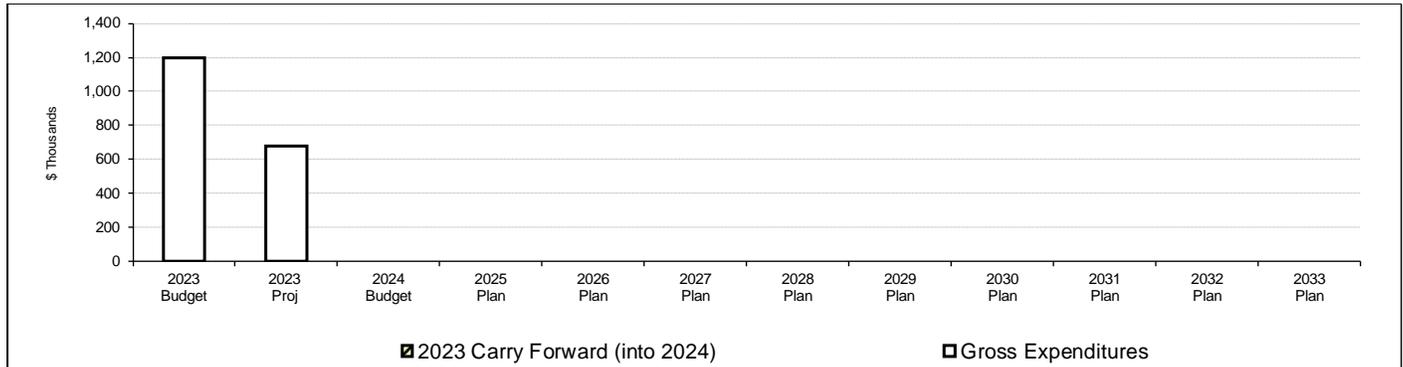
The changes in 2025 and 2026 arise from the following:

- **Revenue Changes:** Funding from the Ontario Works (OW) reserve fund will not continue after 2024 as the reserve balance will be insufficient to continue funding caseload contingent staff. The 2024 budget includes a \$12.920 million draw from the OW reserve to fund 136.5 caseload contingent staff for the 13,000 cases between 83,000 and 96,000.
- **Salaries and Benefits:** Increases of \$8.721 million in 2025 and \$1.777 million in 2026 are based on the pace of hiring expectations and contractual increases.
- **Interpreter Services:** An increase of \$0.250 million in 2025 is to provide support with application and service plan reviews for Ontario Works clients and are based on the anticipated growth of the caseload.

2024 – 2033 CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2023		2024 Capital Budget and 2025 - 2033 Capital Plan										Total 10 Year Plan
	Budget	Projection	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Gross Expenditures by Project Category:												
Health & Safety & Legislated SOGR													
Service Improvement & Growth	1,194	681											
Total by Project Category	1,194	681											
Financing:													
Debt	568	55											
Reserves/Reserve Funds	626	626											
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue													
Total Financing	1,194	681											

Changes to Existing Projects	New Projects	Capital Needs Constraints
N/A	N/A	<p>\$3.5 million</p> <p>Toronto Employment & Social Services has one unmet project over the 10-year planning horizon:</p> <ul style="list-style-type: none"> The Beaches office located at 1631 Queen Street East will need to relocate as ModernTO will be redeveloping the site as part of the "Housing Now" initiative. An alternative site is yet to be identified.

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; [Appendix 7](#) for Capacity to Spend Review; and [Appendix 8](#) for Capital Needs Constraints, [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from 2023		2024 Change from 2023 Projection	
	Actual	Actual	Budget	Projection*	Budget	Budget	Budget	Budget	Projection
	\$	\$	\$	\$	\$	\$	%	\$	%
Provincial Subsidies	758,759.1	842,961.9	1,039,978.4	950,412.6	1,077,446.9	37,468.4	3.6%	127,034.3	13.4%
Federal Subsidies	7.8	12.6	200.0	59.5		(200.0)	(100.0%)	(59.5)	(100.0%)
User Fees & Donations	233.0	888.2	210.4		384.4	174.0	82.7%	384.4	
Contribution From Reserves/Reserve Funds			21,267.9	5,477.8	24,348.3	3,080.5	14.5%	18,870.5	344.5%
Sundry and Other Revenues	10,674.2	9,737.2	13,820.1	9,225.8	14,420.1	600.0	4.3%	5,194.3	56.3%
Inter-Divisional Recoveries	421.9	363.9	497.9	497.9	534.0	36.1	7.3%	36.1	7.3%
Total Revenues	770,096.0	853,963.8	1,075,974.7	965,673.6	1,117,133.6	41,159.0	3.8%	151,460.1	15.7%
Salaries and Benefits	154,273.4	149,994.5	175,903.5	159,121.2	184,815.8	8,912.3	5.1%	25,694.6	16.1%
Materials & Supplies	8,580.5	9,969.4	15,119.2	10,323.2	15,122.0	2.8	0.0%	4,798.8	46.5%
Equipment	1,456.8	1,019.2	402.3	1,070.0	402.3			(667.7)	(62.4%)
Service and Rent	50,890.1	55,380.4	73,828.6	61,274.5	72,925.0	(903.6)	(1.2%)	11,650.5	19.0%
Contribution To Reserves/Reserve Funds	1,925.2	1,983.9	2,042.4	2,042.4	2,009.7	(32.6)	(1.6%)	(32.6)	(1.6%)
Other Expenditures	607,374.6	686,930.3	870,490.5	797,109.5	910,396.9	39,906.4	4.6%	113,287.4	14.2%
Inter-Divisional Charges	9,383.1	9,821.5	17,236.6	9,677.0	11,959.6	(5,277.0)	(30.6%)	2,282.6	23.6%
Total Gross Expenditures	833,883.6	915,099.1	1,155,023.0	1,040,617.8	1,197,631.3	42,608.3	3.7%	157,013.5	15.1%
Net Expenditures	63,787.6	61,135.4	79,048.3	74,944.3	80,497.7	1,449.3	1.8%	5,553.4	7.4%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

Division/Project name	2023 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Projected YE Status	Start Date	Completion Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Original Planned	Revised Planned/Actual		
Toronto Employment & Social Services											
Project Name HSI PROJECT - PHASE 2	626	433	626	9,823	9,630	Significant Delay	Jan-18	May-22	Dec-23	Ⓞ	Ⓡ
Comments:	HSI project phase 2 includes the HSI Online Hub to support enhanced service navigation which will be completed by the end of 2023.										
Explanation for Delay:	HSI project has experienced delays due to staff turnover and vacancies.										

- Ⓞ >70% of Approved Project Cost
 - Ⓨ Between 50% and 70%
 - Ⓡ < 50% or > 100% of Approved Project Cost
- On/Ahead of Schedule
 Minor Delay < 6 months
 Significant Delay > 6 months

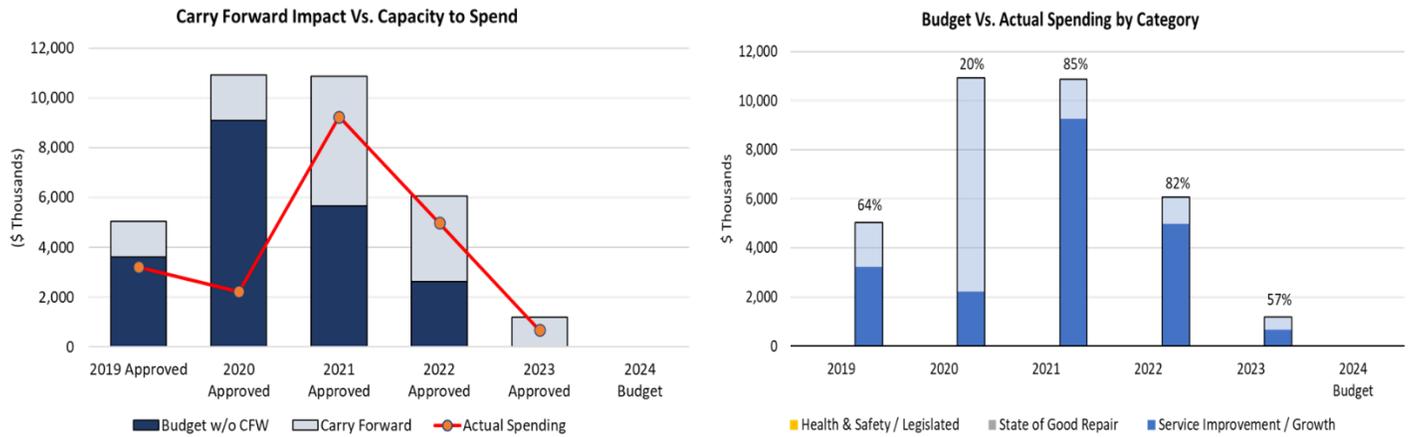
Appendix 7

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 2023 underspending that will be carried forward into 2024 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. In 2023, actual expenditures are projected to be 57% of budget due to the completion of the North York project under budget.

Appendix 8

Summary of Capital Needs Constraints

Project Description	Total Project	Non-Debt Funding	Debt Required	Cash Flow (In \$ Thousands)									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
NOT INCLUDED													
<i>Beaches Renovation</i>	3,500		3,500		3,500								
Total Needs Constraints (Not Included)	3,500		3,500		3,500								

Toronto Employment and Social Services' Beaches office located at 1631 Queen Street East will need to relocate when ModernTO redevelops the site as part of the "Housing Now" initiative. An alternative site has yet to be identified.

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		18,947.9	6,089.7	6,135.4
Ontario Works	XR2101			
<i>Withdrawals (-)</i>		<i>(12,951.7)</i>	<i>-</i>	<i>-</i>
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		5,996.2	6,089.7	6,135.4
Other Program / Agency Net Withdrawals & Contributions				
Interest income		93.5	45.7	46.0
Balance at Year-End		6,089.7	6,135.4	6,181.4

The Ontario Works Reserve is being temporary utilized to fund 136.5 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.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		32,703.3	24,520.4	16,244.4
National Child Benefit Support	XR2102			
<i>Withdrawals (-)</i>		<i>(8,396.6)</i>	<i>(8,428.3)</i>	<i>(9,960.4)</i>
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		24,306.6	16,092.1	6,284.0
Other Program / Agency Net Withdrawals & Contributions				
Interest income		213.8	152.3	84.5
Balance at Year-End		24,520.4	16,244.4	6,368.5

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		3,780	2,303	815
Kids @ Computers Scholarship Project	XR2104			
<i>Withdrawals (-)</i>		<i>(1,500)</i>	<i>(1,500)</i>	<i>-</i>
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		2,280	803	815
Other Program / Agency Net Withdrawals & Contributions				
Interest income		23	12	6
Balance at Year-End		2,303	815	821

Project funding will be drawn from the National Child Benefit Supplement Reserve Fund when the Kids at Computers Scholarship Project Reserve Fund is depleted in 2025.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		13,262.2	11,762.2	10,262.2
Social Assistance Stabilization	XQ1054			
<i>Withdrawals (-)</i>		<i>(1,500.0)</i>	<i>(1,500.0)</i>	<i>(1,500.0)</i>
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		11,762.2	10,262.2	8,762.2
Other Program / Agency Net Withdrawals & Contributions				
Balance at Year-End		11,762.2	10,262.2	8,762.2

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		55,229	69,958	84,796
Sick Leave	XR1007			
<i>Withdrawals (-)</i>				
<i>Other Program ~ Withdrawals</i>		<i>(39,075)</i>	<i>(39,075)</i>	<i>(39,075)</i>
<i>Contributions (+)</i>				
<i>Toronto Employment & Social Services ~ Contributions</i>		263.6	263.6	263.6
<i>Other Program ~ Contributions - Operating</i>		53,072.0	53,072.0	53,072.0
Total Reserve / Reserve Fund Draws / Contributions		53,336	53,336	53,336
Other Program / Agency Net Withdrawals & Contributions		14,261	14,261	14,261
<i>Interest income</i>		468	578	689
Balance at Year-End		69,958	84,796	99,747

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		48,281	32,148	16,131
Insurance	XR1010			
<i>Withdrawals (-)</i>				
<i>Other Programs</i>		<i>(87,196)</i>	<i>(88,511)</i>	<i>(90,451)</i>
<i>Contributions (+)</i>				
<i>Toronto Employment & Social Services - Operating</i>		1,746.1	1,746.1	1,746.1
<i>Other Program</i>		69,015.9	70,568.4	72,167.5
Total Reserve / Reserve Fund Draws / Contributions		70,762	72,315	73,914
Other Program / Agency Net Withdrawals & Contributions		(16,433)	(16,197)	(16,538)
<i>Interest income</i>		300	180	-
Balance at Year-End		32,148	16,131	(406)

While some years are showing a negative ending balance, it is anticipated that one time funding injection, changing priorities or a revision in expenditures will adjust the future year balances

Inflows and Outflows to/from Reserves and Reserve Funds

2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

N/A

Corporate Reserve / Reserve Funds

N/A

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).