

Toronto 2018 BUDGET



OPERATING BUDGET NOTES



Toronto Employment & Social Services

2018 OPERATING BUDGET OVERVIEW

Toronto Employment and Social Services (TESS) manages the third largest social assistance delivery system in Canada. Under the authority of the Ontario Works (OW) Act and Regulations, TESS provides employment services, financial assistance and social supports to Toronto residents to strengthen their social and economic well-being in their communities.

2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$1,096.476 million gross and \$90.517 million net as shown below:

| (in \$000's) | 2017 Budget | 2018 Preliminary Budget | Change | |
|-------------------------|------------------|-------------------------|-------------------|----------------|
| | | | \$ | % |
| Gross Expenditures | 1,083,491.5 | 1,096,476.0 | 12,984.6 | 1.2% |
| Revenues | 972,955.1 | 1,005,959.6 | 33,004.4 | 3.4% |
| Net Expenditures | 110,536.3 | 90,516.5 | (20,019.9) | (18.1%) |

Through the Provincial Ontario Works (OW) benefits upload savings, operational efficiencies, and recovery of \$2.700 million from the OW reserve as a bridging strategy, TESS has been able to fully offset the operating pressures generating savings of \$20.020 million. The 2018 caseload has been set at 84,000, the same level as 2017 and in-line with current caseload levels.

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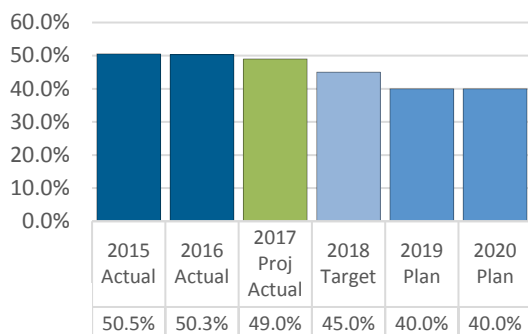
FAST FACTS

- Third largest social assistance delivery system in Canada, providing benefits and services through a network of 19 offices across the City.
- Contracts with 58 community agencies and organizations across the City to deliver a broad range of employment programs.
- Implementation lead for the City's Workforce Development Strategy, which aims to assist employers to address their workforce challenges and actively support job seekers to compete in the labour market.
- Supports Social Development, Finance & Administration in implementing key recommendations from the City's Poverty Reduction Strategy.
- Co-locating with Toronto Children's Services (TCS) and Ontario Disability Support Program (ODSP) at multiple sites in order to improve and streamline services to mutual clients.
- Supported 28,200 clients to either exit Ontario Works (OW) for employment or start a job placement.
- Assessed 49,200 applications for OW.
- Developed/updated 200,000 individual service plans.

TRENDS

- The projected average caseload for 2017 is expected to remain on budget at 84,000.
- On average, the percentage of people on assistance for more than 2 years is projected to be 49.0% in 2017 versus 50.3% in 2016.
- Increasingly people remaining on OW are more distant from the labour market, remain on social assistance longer and require more intensive supports to transition to employment. The target is to continue to reduce the % of people on assistance for more than 2 years as shown below.

% of Caseload on Assistance More Than 2 Years



KEY SERVICE DELIVERABLES FOR 2018

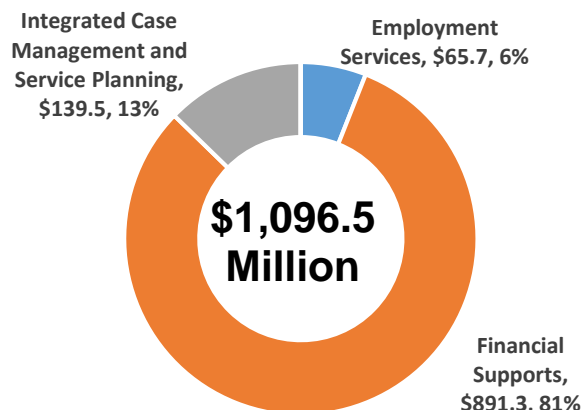
Toronto Employment and Social Services (TESS) offers financial assistance for basic needs like shelter, food, clothing and health related items for clients and their families. In addition, it provides employment assistance such as one on one service planning, and skills/job-specific training.

The 2018 Preliminary Operating Budget will enable TESS to continue to:

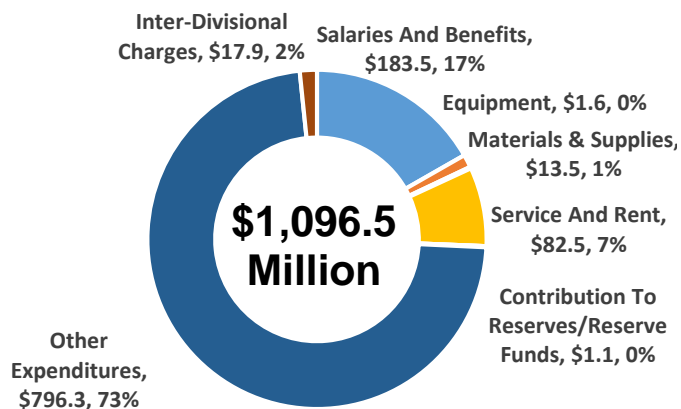
- Manage an average caseload of 84,000 and assist 28,000 unemployed City residents find and/or sustain employment.
- Continue to modernize the delivery of Ontario Works in Toronto to improve effectiveness and efficiency, for example:
 - ✓ Implementation of the first phase of the new Service Delivery Model
 - ✓ Implementation of Two-Way Secure E-mail which will add secure e-mail as a new communication channel with clients
- Pilot and implement a common service planning model in order to improve client experience and outcomes.
- Increase the profile and success of the City's Workforce Development Initiatives:
 - ✓ Through the Partnership to Advance Youth Employment (PAYE) program to increase the number of employers offering employment opportunities to youth.
 - ✓ Increase work-based learning opportunities for Toronto youth (18-29) through the implementation of the City's Youth Employment Action Plan.
 - ✓ Work with employers to develop new sector based approaches to expand job opportunities for unemployed low income Toronto residents, specifically OW clients.
- Enhancing customer service and operational efficiencies through cluster-wide integration by implementing the Human Services Integration (HSI) project.
- Implement key recommendations in the 2018 City of Toronto Poverty Reduction Work plan as well as support the implementation of broader Poverty Reduction Strategy objectives.

Where the money goes:

2018 Budget by Service

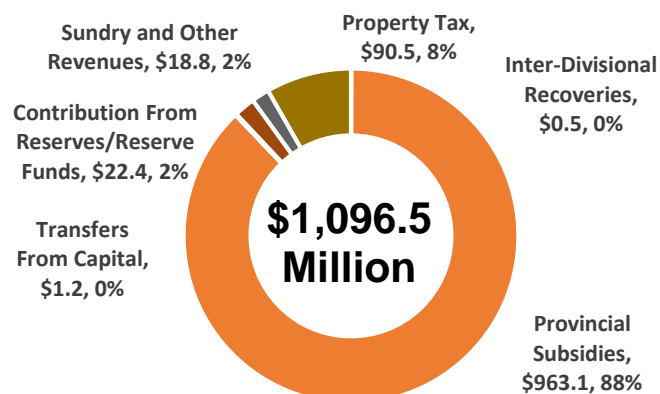


2018 Budget by Expenditure Category



Where the money comes from:

2018 Budget by Funding Source



OUR KEY ISSUES & PRIORITY ACTIONS

- **OW recipients are increasingly more distant from the labour market**, remain on social assistance longer and require more intensive supports to transition to employment.
 - ✓ Increase the profile and success of the City's Workforce Development initiatives.
- **Provincial funding caps with no annual inflation adjustments** puts pressure on the City as expenditures above the funding envelope are 100% funded by the City.
 - ✓ Provincial program delivery funding for the OW business cycle that commenced April 1st 2017 dropped by \$16.093 million due to a decline in caseload over the previous two years. The 2017 budget included a reduction in funding of \$12.002 million, with the remaining \$4.091 million included in the 2018 Preliminary Operating Budget.
 - ✓ The reduction has been mitigated through a combination of new efficiency savings (\$4.201 million) on top of efficiencies introduced in the 2017 budget (\$2.992 million) and reserve draws.
 - ✓ To ensure evolving client needs continue to be addressed, several modernization and transformation initiatives are underway to improve operational efficiency.

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Preliminary Operating Budget for TESS is \$1,096.476 million gross and \$90.517 million net representing a decrease of 18.1% to the 2017 Approved Operating Budget. The Program exceeded the budget target due to the following:
 - ✓ OW benefits upload savings (\$21.774 million)
 - ✓ Base expenditure reductions (\$0.421 million).
 - ✓ Efficiency savings (\$4.201 million).
- Staff complement will decrease by 32 positions from 2017 to 2018.
- The 2018 Preliminary Operating Budget provides funding to:
 - ✓ Deliver integrated employment services to 28,000 City residents.
 - ✓ Manage 84,000 cases and planning services for 200,000 individualized service plans.
 - ✓ Provide over \$854 million financial assistance and employment benefits to eligible residents.

Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Toronto Employment and Social Services of \$1,096.476 million gross, \$90.517 million net for the following services:

| <u>Service:</u> | <u>Gross (\$000s)</u> | <u>Net (\$000s)</u> |
|--|---------------------------|-------------------------|
| Employment Services: | 65,683.6 | 16,732.1 |
| Integrated Case Management & Service Planning: | 139,518.1 | 59,216.0 |
| Financial Supports: | 891,274.3 | 14,568.3 |
| Total Program Budget | <u>1,096,476.0</u> | <u>90,516.5</u> |

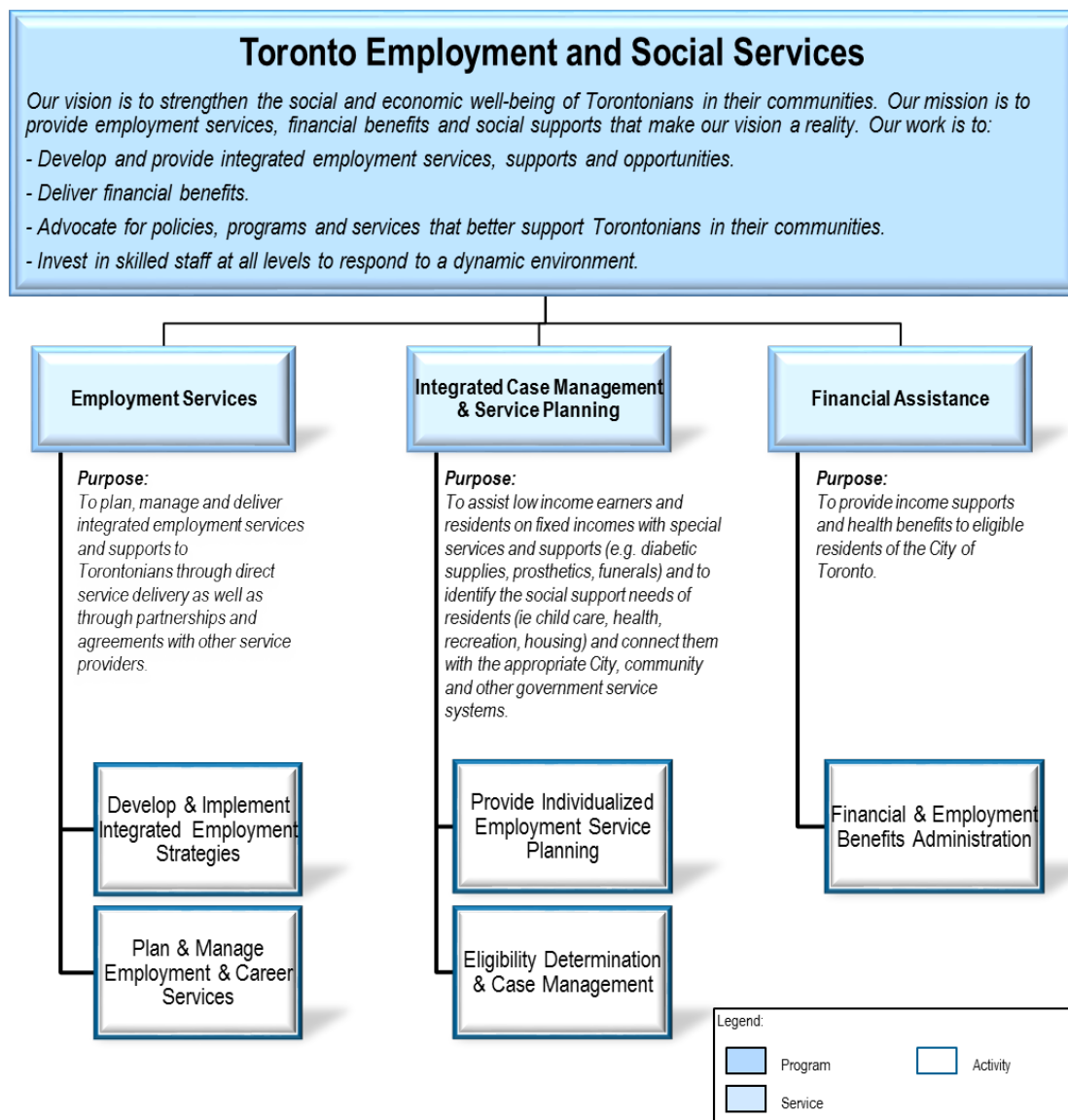
2. City Council approve the 2018 service levels for Toronto Employment and Social Services as outlined on pages 16, 20, and 24 of this report, and associated staff complement of 1,979 positions, comprising 11 capital project delivery positions and 1,968 operating service delivery positions.



Part 1:

2018-2020 Service Overview and Plan

Program Map



Service Customer

| Employment Services | Integrated Case Management & Service Planning | Financial Assistance |
|---|---|---|
| <ul style="list-style-type: none"> Low Income Toronto Residents Unemployed & Under-employed Toronto Residents Ontario Works Program Recipients & Adult Dependents Ontario Disability Support Program Recipients & Adult Dependents Employers <p>Indirect (Beneficial)</p> <ul style="list-style-type: none"> Community Agencies & Network Service Canada City Divisions & Agencies Provincial Ministries | <ul style="list-style-type: none"> Low Income Toronto Residents Ontario Works Program Recipients & Dependents Ontario Disability Support Program Recipients & Dependents <p>Indirect (Beneficial)</p> <ul style="list-style-type: none"> Community Agencies Service Canada City Divisions & Agencies Ministry of Community & Social Services | <ul style="list-style-type: none"> Low Income Toronto Residents Ontario Works Program Recipients & Dependents Ontario Disability Support Program Recipients & Dependents <p>Indirect (Beneficial)</p> <ul style="list-style-type: none"> Community Agencies Service Canada City Divisions & Agencies Ministry of Community & Social Services |

Table 1
2018 Preliminary Operating Budget and Plan by Service

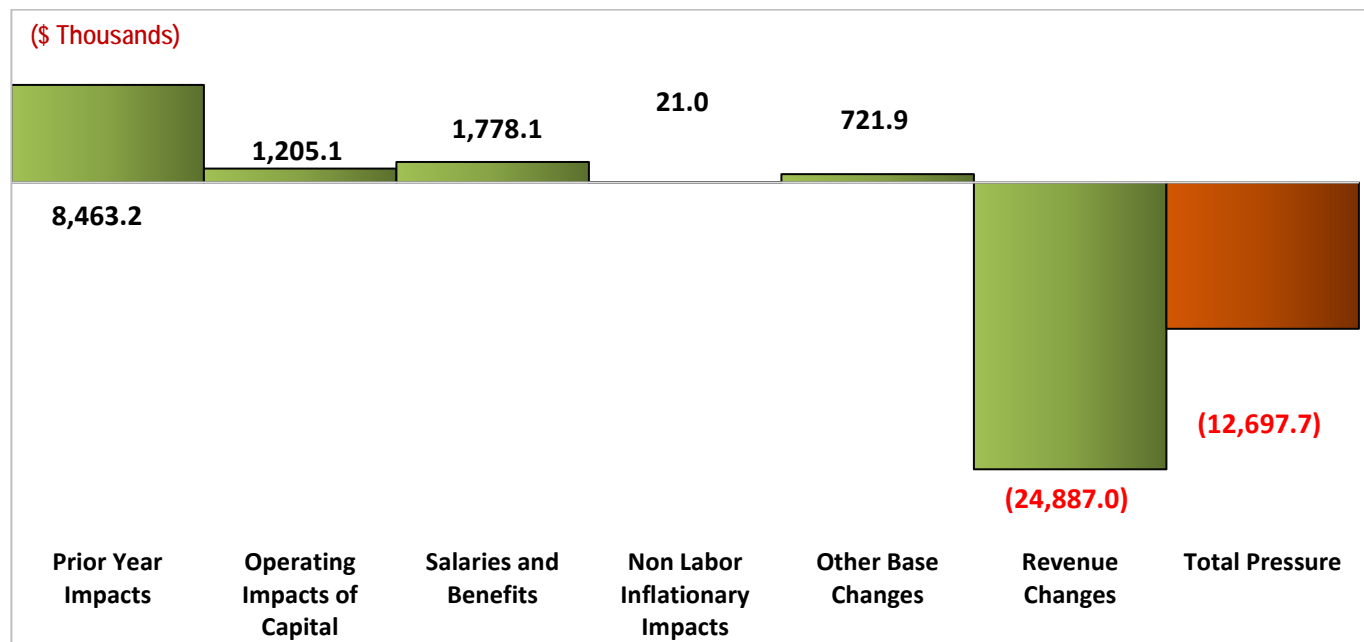
| (In \$000s) | 2017 | | 2018 Preliminary Operating Budget | | | 2018 Preliminary vs. 2017 Budget Change | | Incremental Change | | | |
|--|------------------|------------------|-----------------------------------|--------------|-----------------|---|----------------|--------------------|---------------|----------------|-------------|
| | Budget | Projected Actual | Base | New/Enhanced | Total Budget | | | 2019 Plan | | 2020 Plan | |
| By Service | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ | % | \$ | % |
| Employment Services | | | | | | | | | | | |
| Gross Expenditures | 71,026.8 | 67,633.5 | 65,683.6 | | 65,683.6 | (5,343.2) | (7.5%) | (774.9) | (1.2%) | 310.5 | 0.5% |
| Revenue | 52,309.6 | 49,046.4 | 48,951.5 | | 48,951.5 | (3,358.1) | (6.4%) | (1,432.1) | (2.9%) | (71.4) | (0.2%) |
| Net Expenditures | 18,717.2 | 18,587.1 | 16,732.1 | | 16,732.1 | (1,985.1) | (10.6%) | 657.2 | 3.9% | 381.8 | 2.2% |
| Integrated Case Management and Service Planning | | | | | | | | | | | |
| Gross Expenditures | 131,775.1 | 131,519.4 | 139,518.1 | | 139,518.1 | 7,743.0 | 5.9% | (3,505.6) | (2.5%) | 709.5 | 0.5% |
| Revenue | 77,841.4 | 77,361.6 | 80,302.1 | | 80,302.1 | 2,460.7 | 3.2% | (5,703.9) | (7.1%) | (547.9) | (0.7%) |
| Net Expenditures | 53,933.7 | 54,157.8 | 59,216.0 | | 59,216.0 | 5,282.3 | 9.8% | 2,198.3 | 3.7% | 1,257.4 | 2.0% |
| Financial Supports | | | | | | | | | | | |
| Gross Expenditures | 880,689.6 | 890,319.5 | 891,274.3 | | 891,274.3 | 10,584.8 | 1.2% | (322.9) | (0.0%) | (2,172.6) | (0.2%) |
| Revenue | 842,804.1 | 852,528.2 | 876,706.0 | | 876,706.0 | 33,901.9 | 4.0% | (1,133.7) | (0.1%) | (2,472.2) | (0.3%) |
| Net Expenditures | 37,885.4 | 37,791.4 | 14,568.3 | | 14,568.3 | (23,317.1) | (61.5%) | 810.8 | 5.6% | 299.6 | 1.9% |
| Total | | | | | | | | | | | |
| Gross Expenditures | 1,083,491.5 | 1,089,472.5 | 1,096,476.0 | | 1,096,476.0 | 12,984.6 | 1.2% | (4,603.4) | (0.4%) | (1,152.6) | (0.1%) |
| Revenue | 972,955.1 | 978,936.2 | 1,005,959.6 | | 1,005,959.6 | 33,004.4 | 3.4% | (8,269.8) | (0.8%) | (3,091.4) | (0.3%) |
| Total Net Expenditures | 110,536.3 | 110,536.3 | 90,516.5 | | 90,516.5 | (20,019.9) | (18.1%) | 3,666.4 | 4.1% | 1,938.8 | 2.1% |
| Approved Positions | 2,011.0 | 1,999.0 | 1,979.0 | | 1,979.0 | (32.0) | (1.6%) | (97.0) | (4.9%) | | |

The Toronto Employment and Social Services (TESS)'s 2018 Preliminary Operating Budget is \$1,096.476 million gross and \$90.517 million net, representing a 18.1% decrease to the 2017 Approved Net Operating Budget and exceeds the reduction target of 0.0% as set out in the 2018 Operating Budget Directions approved by Council.

- Base pressures are mainly attributable to inflationary increases for staff salaries and benefits common across all services, expenditure pressure as a result of reduced draw from the Ontario Works (OW) Reserve, and a decrease in provincial Program Delivery funding due to lower caseload.
- These pressures were more than offset by the final year of provincial upload savings for Ontario Works (OW) benefits of \$21.774 million, as well as budget reductions through a line-by-line review of base expenditures, expanded supervisor span of control, and the Two Way Secure Email project. The 2018 Preliminary Operating Budget also includes an additional contribution of \$2.700 million from the Ontario Works (OW) Reserve as a one-time bridging strategy to further offset program pressures.
- Approval of the 2018 Preliminary Operating Budget will result in TESS reducing its total staff complement by 32 positions from 2,011 to 1,979.0, which consist of a reduction of 43 positions for core operations and an additional 11 positions for the implementation of the *Human Services Integration* capital project.
- 2018 is the second year of a three year plan to reduce positions in light of caseload changes and service modernization through a number transformational initiatives. The 2018 budget submission includes a further 42 position reduction on top of the 108 positions in the 2017 budget. The 2019 plan calls for a further 97 position reduction for a three year total of 247 positions or an 11.7% reduction from the Program's 2016 staff complement. All position reductions will be achieved through attrition with no impact on service levels.
- The 2019 and 2020 Plan increases are attributable to inflationary increases in salaries and benefits.

The following graphs summarize the operating budget pressures for the Toronto Employment and Social Services as well as the actions taken to offset these pressures and meet the budget reduction target as directed by Council.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

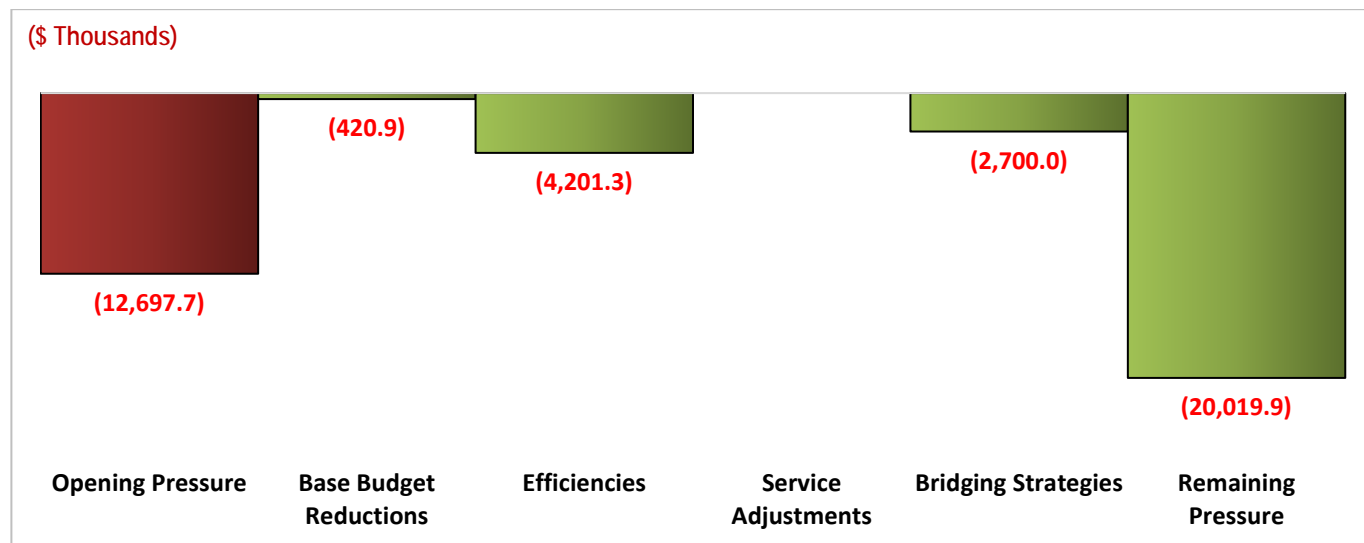


Table 2
Key Cost Drivers

| (In \$000s) | 2018 Base Operating Budget | | | | |
|---|----------------------------|--------------------|---|------------|------|
| | Employment Services | Financial Supports | Integrated Case Management and Service Planning | | |
| | | | | Total | |
| | | | | \$ | \$ |
| Gross Expenditure Changes | | | | | |
| Prior Year Impacts | | | | | |
| Position Transfer to City Managers Office for Web Content | (0.3) | (0.1) | (1.2) | (1.6) | |
| Reversal of OW Reserve Contribution in 2017 | 1,528.8 | 1,255.5 | 5,680.5 | 8,464.8 | |
| Operating Impacts of Capital | | | | | |
| 1 Capital Delivery Positions (Human Services Intergration) | 216.9 | 168.7 | 819.4 | 1,205.1 | 11.0 |
| Salaries and Benefits | | | | | |
| Salaries and Benefits Increase and Adjustments | (429.9) | (305.3) | 2,513.38 | 1,778.1 | |
| Economic Factors | | | | | |
| Inflationary Increase in Hydro, Natural Gas, and Water | 3.7 | 2.6 | 14.7 | 21.0 | |
| Other Base Expenditure Changes | | | | | |
| Interdivisional Charges | (40.7) | 10.4 | 85.2 | 54.9 | |
| 2 Lease Costs Inflation and Co-Location Rent | 161.3 | (98.8) | 604.4 | 666.9 | |
| Realignment of Expenditure Across Services | (1,214.2) | (1,081.5) | 2,295.7 | | |
| Total Gross Expenditure Changes | 225.6 | (48.5) | 12,012.2 | 12,189.3 | 11.0 |
| Revenue Changes | | | | | |
| Delivery of Capital Project | | | | | |
| 1 Capital Delivery Positions (Human Services Intergration) | 216.9 | 168.7 | 819.4 | 1,205.1 | |
| Base Revenue Changes | | | | | |
| OW Reserve Draw to Fund Change in Program Delivery Envelope | 985.4 | 827.5 | 3,669.0 | 5,481.9 | |
| 2 Lease Costs Inflation and Co-Location Rent | 85.8 | 41.4 | 389.8 | 516.9 | |
| Provincial Upload of OW Benefits | 391.3 | 21,415.8 | (32.6) | 21,774.6 | |
| Decline in Program Delivery Funding due to Drop in Caseload | (714.4) | (555.3) | (2,821.7) | (4,091.5) | |
| Total Revenue Changes | 965.0 | 21,898.1 | 2,023.9 | 24,887.0 | |
| Net Expenditure Changes | (739.4) | (21,946.6) | 9,988.3 | (12,697.7) | 11.0 |

Key cost drivers for TESS are discussed below:

Gross Expenditure Changes

Prior Year Impacts:

- The position transfer from TESS to City Manager's Office in 2017 will result in a minor reduction of \$0.002 million.
- Reversal of the OW Reserve draw to mitigate the 2017 reduction in provincial Program Delivery funding creates a pressure of \$8.465 million.

Operating Impacts of Capital:

- The implementation of Human Services Integration capital project will require 11 positions at a cost of \$1.205 million. The cost of the additional positions for the delivery of the project will be recovered from TESS' 2018 Capital Budget, as illustrated in the revenue section of Table 2.

Salaries and Benefits

- Known staff salary and benefit increases associated with cost of living allowance, union step increases and non-union progression pay increases common across all services will create a pressure of \$1.778 million.

Economic Factors:

- Inflationary increases of \$0.021 million result from increasing utility rates for hydro, natural gas, and water.

Other Base Changes

- Interdivisional charges due to services provided by other City Divisions (i.e. IT services, security services) will result in a pressure of \$0.055 million.
- Inflationary increases in office leasing costs across various TESS offices added a pressure of \$0.667 million. This is offset by \$0.517 million in revenues from ODSP co-locations at TESS' Yorkgate and Golden Mile offices.

Base Revenue Changes

- In 2017 TESS budgeted \$8.465 million in draws from the Ontario Works (OW) reserve, consistent with the purpose of the reserve, to provide the necessary flexibility to manage resources to bring expenditures in line with lower provincial Program Delivery funding. The 2018 Base Budget for TESS includes a draw of \$5.482 million from the OW reserve and an additional recovery of \$2.700 million as a one-time bridging strategy to fund program pressures. Please see the next section for more details.
- Since 2010, the Province has been uploading OW benefits in a phased approach. 2018 is the final year of the upload. The Program will be uploading \$21.774 million to the province; going forward, cost sharing of OW will move to 100% provincial funding resulting in zero net impact for the City.
- The Provincial Program Delivery funding envelope supports program administration and the provision of employment services to eligible OW and ODSP recipients. Funding is based on subsidy per case, with caseload reset at the beginning of each two-year Ontario Works business cycle. For the two-year business cycle that commenced on April 1st, 2017, funding dropped by \$16.093 million due to a decline in caseload over the previous two years. The 2017 budget included a reduction in funding of \$12.002 million, with the remaining \$4.091 million included in the 2018 Preliminary Operating Budget.

In order to achieve the budget reduction target, TESS' 2018 Preliminary Operating Budget includes base expenditure savings of \$0.421 million net, service efficiency savings of \$4.201 million net, and revenue adjustment of \$2.700 million net for a total of \$7.322 million net as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2018 Preliminary Service Change Summary

| Description (\$000s) | Service Changes | | | | | | Total Service Changes | | | Incremental Change | | | |
|--|---------------------|-----------|--------------------|-----------|--|-----------|-----------------------|-----------|--------|--------------------|-------|-----------|------|
| | Employment Services | | Financial Supports | | Integrated Case Management and Service | | \$ | \$ | # | 2019 Plan | | 2020 Plan | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | # Pos. | % Net | Pos. | % Net | Pos. |
| Base Changes: | | | | | | | | | | | | | |
| Base Expenditure Changes | | | | | | | | | | | | | |
| Line-by-Line Review | (197.7) | (197.7) | (215.8) | (215.8) | (7.4) | (7.4) | (420.9) | (420.9) | | | | | |
| Base Expenditure Change | (197.7) | (197.7) | (215.8) | (215.8) | (7.4) | (7.4) | (420.9) | (420.9) | | | | | |
| Service Efficiencies | | | | | | | | | | | | | |
| Reduced Admin Burden due to Two Way Secure Email Project | (396.6) | (396.6) | (191.1) | (191.1) | (1,801.4) | (1,801.4) | (2,389.1) | (2,389.1) | (28.0) | (35.5) | | (4.2) | |
| Savings from Increased Supervisory Span of Control | (141.1) | (141.1) | (68.0) | (68.0) | (640.9) | (640.9) | (850.1) | (850.1) | (7.0) | (927.0) | (7.0) | (48.6) | |
| Family Support Admin Realignment due to Provincial Changes | | | (336.1) | (336.1) | (336.1) | (336.1) | (672.1) | (672.1) | (7.0) | (10.1) | | (1.3) | |
| Rent from Wellesley Office Co-location | | (24.9) | | (12.0) | | (113.1) | | (150.0) | | | | | |
| Payment Processing Savings due to New Service Provider | | | (140.0) | (140.0) | | | (140.0) | (140.0) | | | | | |
| Sub-Total | (537.7) | (562.6) | (735.2) | (747.2) | (2,778.4) | (2,891.5) | (4,051.3) | (4,201.3) | (42.0) | (972.6) | (7.0) | (54.1) | |
| Revenue Adjustments | | | | | | | | | | | | | |
| OW Reserve Draw as One Time Bridging Strategy | | (485.3) | | (407.5) | | (1,807.1) | | (2,700.0) | | | | | |
| Sub-Total | | (485.3) | | (407.5) | | (1,807.1) | | (2,700.0) | | | | | |
| Total Changes | (735.4) | (1,245.7) | (951.0) | (1,370.5) | (2,785.8) | (4,706.0) | (4,472.2) | (7,322.2) | (42.0) | (972.6) | (7.0) | (54.1) | |

TESS was able to further offset budget pressures with the following measures:

Base Expenditure Changes (Savings of \$0.421 million gross & net)

Line-by-Line Review

- A thorough review of expenditures over the last three years was completed, and several adjustments were made to better align the budget with actual spending patterns. These changes will result in a budget reduction of \$0.421 million gross and net with no impact on service levels.

Service Efficiencies (Savings of \$4.201 million gross & net)

- The Two Way Secure Email Communication project will add two way secure e-mail communications as a new channel for clients. Once implemented, the system will reduce administration, increase staff productivity, decrease the number of lost documents, and improve customer service for residents accessing the OW program. The project is expected to be fully implemented in 2018 and will result in reduction of \$2.389 million gross and net (28 position reductions)
- The 2018 Preliminary Operating Budget includes service efficiency resulting from an increase in the span of control in the local offices to a ratio of 11 staff to 1 supervisor from 10 staff to 1 supervisor over a two year period. This will result in a reduction in supervisory positions by 7 in 2018, and a further reduction of 7 positions in 2019. The reductions will be achieved through attrition with no service level impacts.
- TESS' Family Support Unit assists Ontario Works clients in pursuing financial support from those who have a legal obligation to provide it under the Family Law Act. This unit also supports these families by referring them to services and resources that improve family finances and quality of life. In the 2016 Provincial Budget, the government announced that child support would be fully exempt as income and OW recipients would no longer be required to pursue child support in order to qualify for social assistance. As a result of the legislative changes, TESS has experienced a decrease in administration activities that led to reduction of 6 positions in 2017 and a further reduction of 7 positions in 2018 (\$0.672 million). The reductions will be achieved through attrition with no negative impact on service.

- TESS and ODSP will be co-locating at Wellesley Place, which will generate \$0.300 million rental revenue annually. Rental revenue of \$0.150 million was included in 2017 Operating Budget as the co-location was initially slated to start mid-2017 upon completion of the Wellesley Place renovation. Due to construction delays, TESS and ODSP will be moving in 2018, representing an incremental increase of \$0.150 million in revenue in comparison to 2017 Operating Budget.
- The migration of payment cards to the new payment provider, Royal Bank, was completed in 2017. As a result, TESS has saved \$0.140 million in 2017, and will be saving an additional \$0.140 million in 2018.

Revenue Adjustments (\$2.700 million net)

OW Reserve as One Time Bridging Strategy

- TESS' Base Budget includes a \$5.482 million draw from the Ontario Works (OW) reserve, consistent with the purpose of the reserve, to provide the necessary flexibility to manage resources to bring expenditures in line with lower Provincial Program Delivery Funding. The 2018 Preliminary Operating budget includes a further contribution of \$2.700 million from the Ontario Works Reserve, as a one-time bridging strategy to offset program pressures.

Table 4
2019 and 2020 Plan by Program

| Description (\$000s) | 2019 - Incremental Increase | | | | 2020 - Incremental Increase | | | |
|--|-----------------------------|------------------|------------------|-------------|-----------------------------|------------------|----------------|----------|
| | Gross Expense | Revenue | Net Expense | Position | Gross Expense | Revenue | Net Expense | Position |
| Known Impacts: | | | | | | | | |
| Prior Year Bridging Impact | | | | | | | | |
| OW Reserve Draw for Further Reduction | | (2,700.0) | 2,700.0 | | | | | |
| Prior Year Impact | | | | | | | | |
| Reduced Admin Burden due to Two Way Secure Email Project | (35.5) | | (35.5) | | (4.2) | | (4.2) | |
| Savings from Increased Supervisory Span of Control | (927.0) | | (927.0) | 7.0 | (48.6) | | (48.6) | |
| Family Support Admin Realignment due to Provincial Changes | (10.1) | | (10.1) | | (1.3) | | (1.3) | |
| OW Reserve Draw Reduction | | (5,481.9) | 5,481.9 | | | | | |
| Operating Impacts of Capital | | | | | | | | |
| Human Service Integration - Position Funded by Capital | 188.3 | 188.3 | | | 35.4 | 35.4 | | |
| Salaries and Benefits | | | | | | | | |
| COLA, Step Increases, Progression Pay and Benefits | 3,661.8 | | 3,661.8 | | 2,120.8 | | 2,120.8 | |
| Other Base Changes (specify) | | | | | | | | |
| Interdivisional Charges | 79.3 | (276.2) | 355.5 | | (3,120.3) | (3,126.8) | 6.6 | |
| Sub-Total | 2,956.9 | (8,269.8) | 11,226.6 | 7.0 | (1,018.2) | (3,091.4) | 2,073.3 | |
| Anticipated Impacts: | | | | | | | | |
| Other | | | | | | | | |
| Savings from Future Transformation and Modernization Project | (3,328.7) | | (3,328.7) | 39.0 | (94.3) | | (94.3) | |
| Process Streamlining from Service Delivery Model (SDM) Project | (2,594.1) | | (2,594.1) | 30.0 | (4.5) | | (4.5) | |
| Efficiency Savings through Converting to Paperless Office | (1,144.6) | | (1,144.6) | 14.0 | (34.6) | | (34.6) | |
| Reduced Summer Receptionist due to Technology Initiatives | (493.0) | | (493.0) | 7.0 | (1.0) | | (1.0) | |
| Sub-Total | (7,560.3) | | (7,560.3) | 90.0 | (134.4) | | (134.4) | |
| Total Incremental Impact | (4,603.4) | (8,269.8) | 3,666.4 | 97.0 | (1,152.6) | (3,091.4) | 1,938.8 | |

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Reversal of the \$2.700 million one-time bridging strategy funding from the Ontario Works Reserve.
- The reduction of a further 7 supervisory positions in 2019, which will bring the span of control to 11:1 in the local offices, will result in saving of \$0.927 million in 2019 and \$0.049 million in 2020.
- The future year impact of the 11 positions for the capital project, Human Services Integration is included in TESS' 2018-2027 Capital Plan, which will result in zero net impact on the TESS' 2019 and 2020 outlooks.

- Known salary and benefit increases including cost of living allowance, step increases for union staff and progression pay for non-union staff will require \$3.662 million in 2019 and \$2.121 million in 2020.
- The 2018 Operating Budget includes a contribution of \$8.182 million from the OW reserve to bring expenditures in line with the lower provincial funding. As several service efficiency initiatives are underway, TESS is forecasting that no further contribution from the reserve will be required in 2019 and 2020.

Anticipated Impacts:

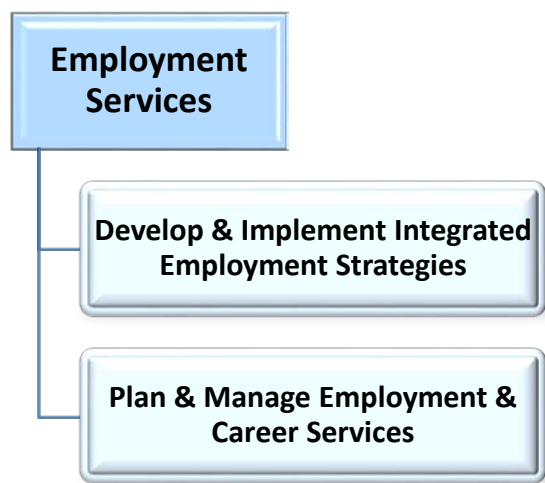
- Continuing the long-term plan to reduce complement in light of caseload changes and service modernization, TESS is forecasting a further 90 position reduction in 2019 through a number of modernization and transformational initiatives detailed below. The budget relief in 2019 is anticipated to be \$7.560 million in total.
- The purpose of the Service Delivery Model (SDM) project is to set out the most effective service paths for clients based on their needs, characteristics and goals and establish a unified divisional operational model and supporting processes and structures that will enable TESS to consistently deliver high quality services based on these paths. Streamlining administrative requirements for eligibility determination will alleviate the administrative burden for staff and allow the Program to reduce 30 positions in 2019 and generate budget savings of \$2.594 million gross and net.
- The Paperless Office initiative will reduce the office administration burden by transforming the client file management system from paper-driven to a more efficient digitalized operation, which will allow the Program to achieve savings of \$1.145 million gross and net in 2019 through a reduction of 14 positions.
- As a result of technological initiatives, TESS will reduce the number of receptionist positions over the summer months from 75 to 50 (equivalent of 7 full-time positions) starting in 2019, which will generate savings of \$0.493 million gross and net.
- The remaining 39 position reductions and associated budget savings of \$3.329 million will be attributed to specific initiatives during the 2019 budget process once as the impact of the initiatives can be quantified.
- All of the above position reductions will be achieved through attrition with no service level impacts.



Part 2:

2018 Preliminary Operating Budget by Service

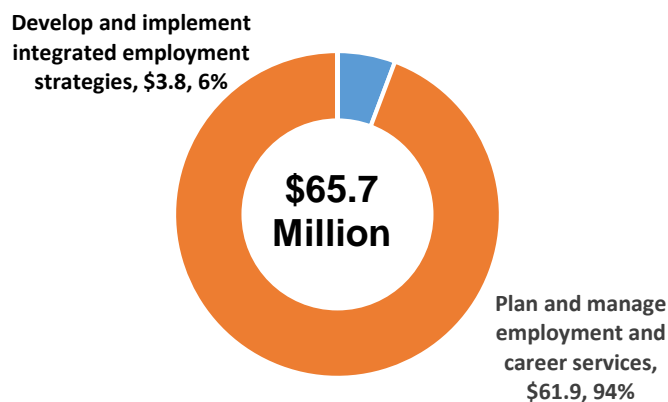
Employment Services



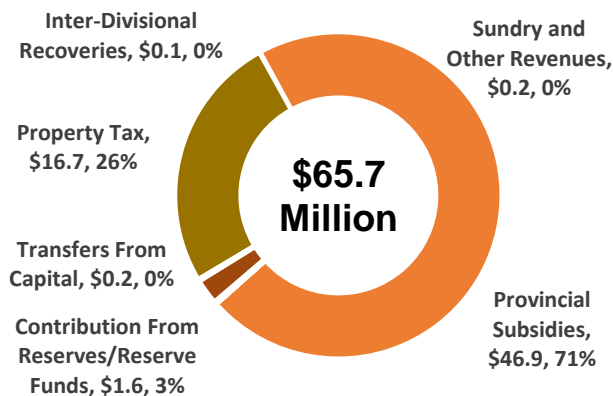
What We Do

- Plan, manage and deliver employment services.
- Provide employment services to City residents and employers in partnerships with community agencies.
- Work with other governments to create an integrated employment service system for the City.

2018 Service Budget by Activity
(\$Ms)



2018 Service by Funding Source
(\$Ms)



2018 Service Levels Employment Services

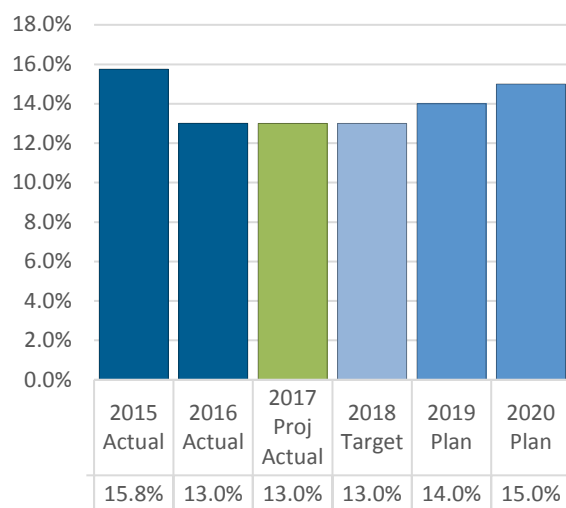
| Activity | Service Description | Status | 2015 | 2016 | 2017 | 2018 |
|--|--|----------|---------|---------|---------|---------------------|
| Develop and Implement Integrated Employment Strategies | # of workforce development projects and initiatives that connect employers and job seekers | Approved | 23 | 23 | 23 | 23 |
| | | Actual | 23 | 23 | 23 | |
| | # of employers with job opportunities | Approved | 400 | 400 | 400 | Discontinued |
| | | Actual | | n/a | | |
| Plan and Manage Employment and Career Services | # of OW recipients participating in a structured employment related activity | Approved | 47,500 | 47,500 | 47,500 | Discontinued |
| | | Actual | | n/a | | |
| | # of employment centre service visits | Approved | 260,000 | 265,000 | 235,000 | 235,000 |
| | | Actual | 215,257 | 230,798 | 278,000 | |
| | % of OW clients who left for employment and accessed extended employment health benefits | Approved | 11.0% | 11.0% | 11.0% | 11.0% |
| | | Actual | 11.6% | 10.7% | 12.0% | |
| | # of PAYE Employers Offering Jobs to Youth | Approved | 120 | 120 | 120 | 140 |
| | | Actual | 147 | 187 | 210 | |

As part of annual review of Services Levels, TESS has adjusted its service level measure for the "# of PAYE Employers Offering Jobs to Youth" from 120 to 140, in line with the TESS' effort in increasing the profile and success of the Partnership to Advance Youth Employment (PAYE) program.

In addition, due to technical issues with the Provincial Social Assistance Management System (SAMS), the service level measures for "# of employers with job opportunities" and "# of OW recipients participating in a structured employment related activity" are not available and therefore are discontinued going forward.

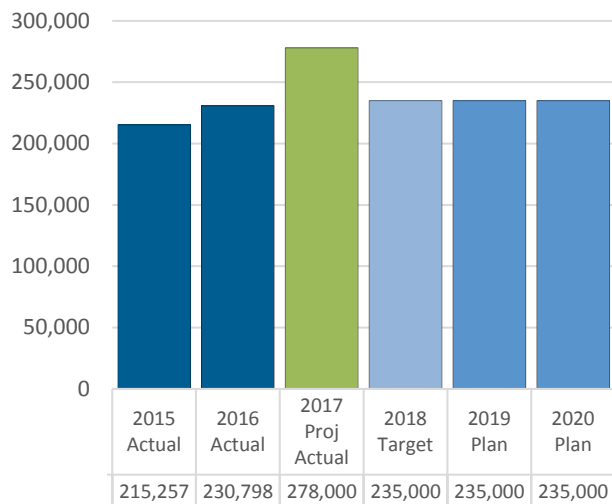
Service Performance Measures

% of Terminations Exiting to Employment



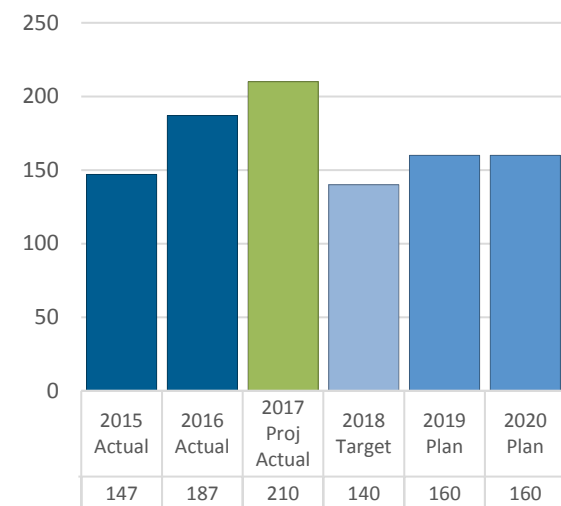
- The % of Terminations Exiting to Employment is a new metric introduced by the province in 2017.
- Given the recent addition of this metric TESS is targeting the same level of performance in 2018 as in 2016 and 2017.
- With the increased emphasis on Employment Service Planning and Workforce Development initiatives TESS is projecting improvements commencing in 2019.

Number of Employment Centre Service Visits



- The number of OW and ODSP clients and other City residents who utilize services in the City's employment centres decreased in 2015 due to the drop in the caseload and the impact of SAMS.
- However, the number of visits has increased over the last two years as employment services returned to normal levels post SAMS implementation. The number of visits is projected to be 278,000 in 2017, and the Program has set the target number of visits at 235,000 for the period of 2018-2020.

Number of PAYE Employers Offering Jobs to Youth



- Through the Partnership to Advance Youth Employment (PAYE) program, TESS aims to provide work-based learning opportunities for Toronto youths.
- The number of PAYE employers is projected to be 210 in 2017, well exceeding the Program's target. For 2018, TESS is projecting 140 employers to provide youth job opportunities.

Table 6
2018 Preliminary Service Budget by Activity

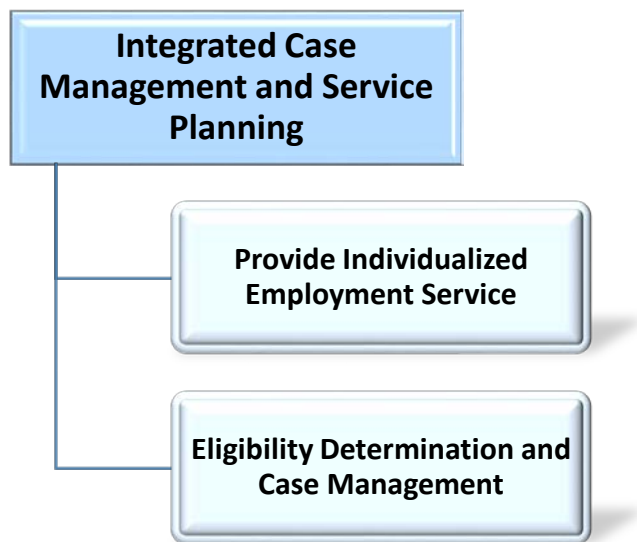
| (\$000s) | 2017 | 2018 Preliminary Operating Budget | | | | | | | Incremental Change | | | | | |
|--|-----------------|-----------------------------------|-----------------|------------------|-------------------------------------|----------------|--------------|-----------------|------------------------------------|----------------|------------------|---------------|---------------|---------------|
| | Approved Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2017 Budget | % Change | New/Enhanced | Prelim Budget | 2018 Prelim Budget vs. 2017 Budget | | 2019 Plan | | 2020 Plan | |
| | | | | | | | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | % | \$ | % | \$ | % |
| GROSS EXP. | | | | | | | | | | | | | | |
| Develop and implement integrated employment strategies | 4,145.7 | 3,769.3 | | 3,769.3 | (376.4) | (9.1%) | | 3,769.3 | (376.4) | (9.1%) | 99.0 | 2.6% | 66.7 | 1.7% |
| Plan and manage employment and career services | 66,881.1 | 62,452.0 | (537.7) | 61,914.3 | (4,966.8) | (7.4%) | | 61,914.3 | (4,966.8) | (7.4%) | (874.0) | (1.4%) | 243.8 | 0.4% |
| Total Gross Exp. | 71,026.8 | 66,221.3 | (537.7) | 65,683.6 | (5,343.2) | (7.5%) | | 65,683.6 | (5,343.2) | (7.5%) | (774.9) | (1.2%) | 310.5 | 0.5% |
| REVENUE | | | | | | | | | | | | | | |
| Develop and implement integrated employment strategies | 1,752.9 | 2,163.6 | | 2,163.6 | 410.7 | 23.4% | | 2,163.6 | 410.7 | 23.4% | (59.4) | (2.7%) | 15.5 | 0.7% |
| Plan and manage employment and career services | 50,556.7 | 46,763.0 | 24.9 | 46,787.9 | (3,768.9) | (7.5%) | | 46,787.9 | (3,768.9) | (7.5%) | (1,372.8) | (2.9%) | (86.8) | (0.2%) |
| Total Revenues | 52,309.6 | 48,926.6 | 24.9 | 48,951.5 | (3,358.1) | (6.4%) | | 48,951.5 | (3,358.1) | (6.4%) | (1,432.1) | (2.9%) | (71.4) | (0.2%) |
| NET EXP. | | | | | | | | | | | | | | |
| Develop and implement integrated employment strategies | 2,392.8 | 1,605.7 | | 1,605.7 | (787.1) | (32.9%) | | 1,605.7 | (787.1) | (32.9%) | 158.4 | 9.9% | 51.2 | 2.9% |
| Plan and manage employment and career services | 16,324.4 | 15,689.0 | (562.6) | 15,126.4 | (1,197.9) | (7.3%) | | 15,126.4 | (1,197.9) | (7.3%) | 498.8 | 3.3% | 330.6 | 2.1% |
| Total Net Exp. | 18,717.2 | 17,294.7 | (562.6) | 16,732.1 | (1,985.1) | (10.6%) | | 16,732.1 | (1,985.1) | (10.6%) | 657.2 | 3.9% | 381.8 | 2.1% |
| Approved Positions | 346.6 | 355.8 | (5.8) | 350.0 | 3.4 | 1.0% | | 350.0 | 3.4 | 1.0% | (18.1) | (5.2%) | | |

The **Employment Services** plans, manages and delivers integrated employment services and supports to Torontonians through direct service delivery as well as through partnerships and agreements with other service providers.

The Employment Services' 2018 Preliminary Operating Budget of \$65.684 million gross and \$16.732 million net is \$1.985 million or 10.6% under the 2017 Approved Net Budget.

- Base budget pressure is primarily due to a decline in provincial program delivery funding.
- This pressure is offset by savings through line-by-line review of base expenses, and reallocation of expenditures and realignment of staff between services.
- To achieve further savings, the 2018 Preliminary Operating Budget includes \$0.563 million service efficiency savings due to initiatives such as the Two Way Secure Email project, expanded supervisor span of control, and additional revenues from Wellesley office co-location with ODSP and \$0.198 million in savings from a line-by-line review.
- The 2018 Preliminary Operating Budget includes an additional 3.4 staff complement in this service after realignment of expenditure allocation across services and service efficiency initiatives.

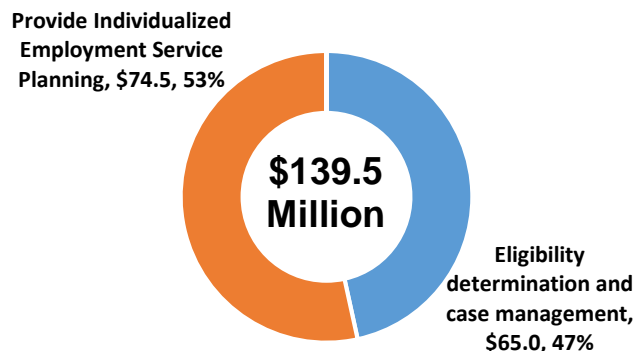
Integrated Case Management and Service Planning



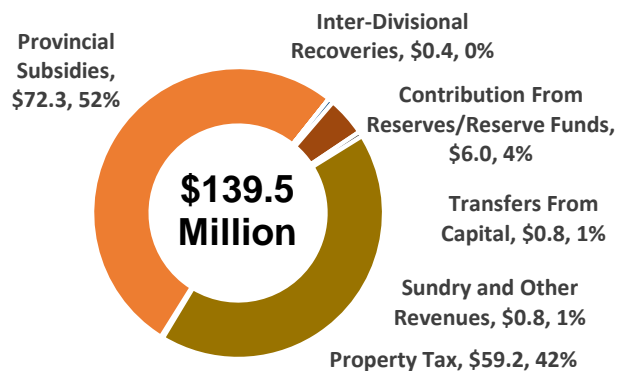
What We Do

- Access eligibility for OW benefits and services for City residents.
- Develop and update service plans that support employment goals and link individuals and families to key social supports.

2018 Service Budget by Activity
(\$Ms)



2018 Service by Funding Source
(\$Ms)



2018 Service Levels

Integrated Case Management and Service Planning

| Activity | Service Description | Status | 2015 | 2016 | 2017 | 2018 |
|--|--|----------|---------|--------------|---------|--------------|
| Provide Individualized Employment Service Planning | # of individual service plans developed and updated | Approved | 245,000 | 245,000 | 200,000 | 200,000 |
| | | Actual | 157,075 | 193,273 | 200,000 | |
| | % service plans that are current | Proposed | n/a | n/a | n/a | 80.0% |
| | | Actual | 57.8% | 80.5% | 80.0% | |
| | Client satisfaction with overall quality and service delivery | Proposed | n/a | n/a | n/a | 90.0% |
| | | Actual | n/a | n/a | n/a | |
| Eligibility Determination and Case Management | % of clients with employment income | Proposed | 9.0% | 9.0% | 9.0% | 10.5% |
| | | Actual | 9.0% | 10.4% | 11.2% | |
| | % of eligibility decisions reached within 4 business days | Approved | n/a | 80.0% | 60.0% | 60.0% |
| | | Actual | 60.3% | 59.8% | 70.0% | |
| | % of appeals and Internal Reviews reviewed within legislated 30 day timeframe | Approved | 100.0% | 100.0% | 100.0% | 100.0% |
| | | Actual | 100.0% | 100.0% | 100.0% | |
| | # of OW and ODSP recipients receiving medical benefits | Approved | 25,000 | 25,000 | 25,000 | Discontinued |
| | | Actual | n/a | | | |
| | # of families and single Torontonians assessed for eligibility for OW financial assistance | Approved | 172,500 | Discontinued | | |
| | | Actual | n/a | | | |
| | # of approved welcome policy applications | Approved | 150,000 | 150,000 | 150,000 | Discontinued |
| | | Actual | n/a | | | |
| | % of caseload on assistance more than 2 years | Approved | 50.0% | 50.0% | 50.0% | 45.0% |
| | | Actual | 50.5% | 50.3% | 49.0% | |
| | average monthly OW cases served | Approved | 93,500 | 90,000 | 84,000 | 84,000 |
| | | Actual | 87,524 | 83,367 | 84,000 | |
| | # of OW applications processed annually | Approved | 55,000 | 55,000 | 50,000 | 50,000 |
| | | Actual | 47,767 | 49,197 | 49,200 | |

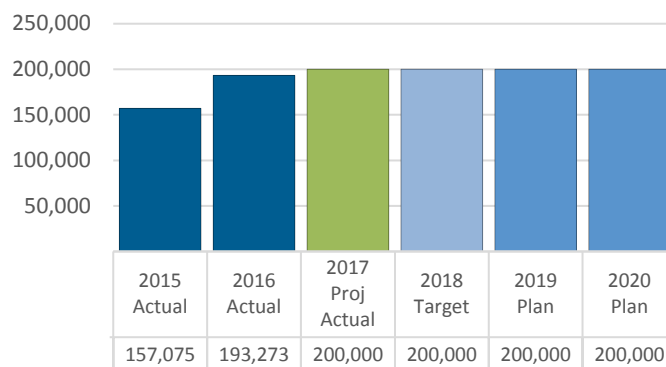
As part of annual review of Services Levels, TESS has added service level measures, "% of service plans that are current", "Client satisfaction with overall quality and service delivery", and "% of clients with employment income" to ensure relevant service level data is captured.

In addition, TESS has adjusted its service level for "% of caseload on assistance more than 2 years" from 50% to 45% due to steps being taken to re-focus services and transform the service delivery model to respond to client needs, and to better support clients in achieving their goals.

Due to the technical issues with SAMS, the service level measures for "# of OW and ODSP recipients receiving medical benefits" and "# of approved welcome policy applications" are not available and therefore discontinued going forward.

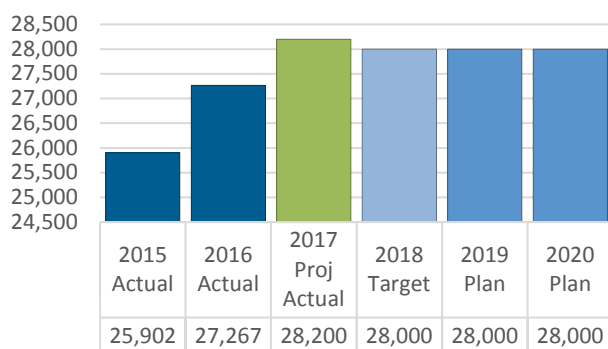
Service Performance Measures

Number of Individual Service Plans Developed and Updated



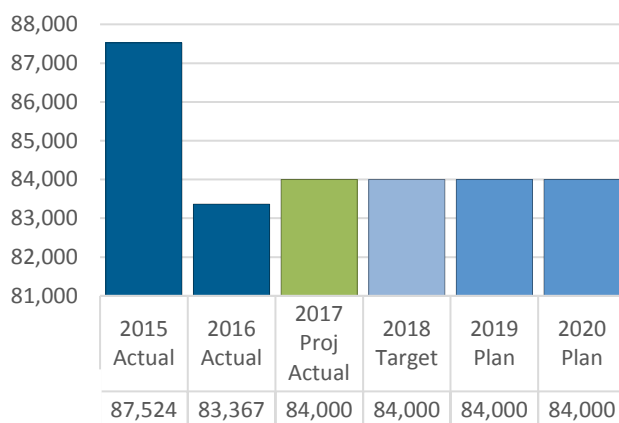
- Service plans support employment goals and link individuals and families to key social supports.
- Caseworkers develop and document Individual Service Plans, including referrals to employment programs, education, language and accreditation service and funds to eligible individuals to participate in employment or skills training.

Number of Ontario Works Clients Placed in Jobs



- The number of OW clients that exited OW for employment increased gradually since 2015 as service levels returned to normal post implementation of SAMS.
- An increasing number of people on OW are more distant from the labour market, and require more intensive supports to transition to employment.

Average Monthly OW Cases Served



- The OW caseload is primarily determined by the City's economic environment and provincial policies.
- With increasingly challenging labour markets and with clients remaining on OW for significantly longer periods, a wider range of services, plus innovative approaches to designing and delivering services will be required to address their needs.
- The average monthly caseload plateaued in 2017 at 84,000, down significantly from the peak of 104,069 in 2012 but significantly higher than the pre-recession levels of 75,708.

Table 6
2018 Preliminary Service Budget by Activity

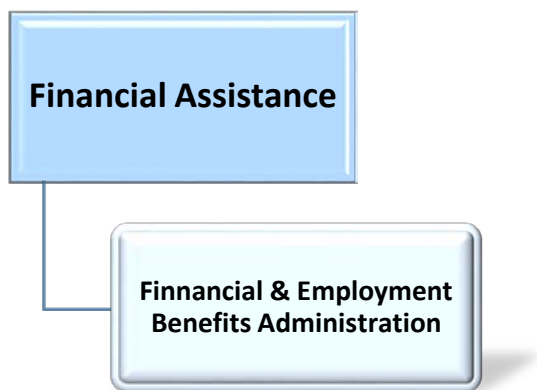
| (\$000s) | 2017 | 2018 Preliminary Operating Budget | | | | | | | Incremental Change | | | | | |
|--|------------------|-----------------------------------|------------------|------------------|-------------------------------------|---------------|--------------|------------------|------------------------------------|---------------|------------------|---------------|----------------|---------------|
| | Approved Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2017 Budget | % Change | New/Enhanced | Prelim Budget | 2018 Prelim Budget vs. 2017 Budget | | 2019 Plan | | 2020 Plan | |
| | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | % | \$ | % | \$ | % |
| GROSS EXP. | | | | | | | | | | | | | | |
| Eligibility determination and case management | 54,564.8 | 66,301.6 | (1,324.0) | 64,977.6 | 10,412.8 | 19.1% | | 64,977.6 | 10,412.8 | 19.1% | (1,218.5) | (1.9%) | 367.8 | 0.6% |
| Provide Individualized Employment Service Planning | 77,210.3 | 75,994.9 | (1,454.4) | 74,540.5 | (2,669.8) | (3.5%) | | 74,540.5 | (2,669.8) | (3.5%) | (2,287.1) | (3.1%) | 341.7 | 0.5% |
| Total Gross Exp. | 131,775.1 | 142,296.4 | (2,778.4) | 139,518.1 | 7,743.0 | 5.9% | | 139,518.1 | 7,743.0 | 5.9% | (3,505.6) | (2.5%) | 709.5 | 0.5% |
| REVENUE | | | | | | | | | | | | | | |
| Eligibility determination and case management | 22,022.9 | 37,188.8 | 45.8 | 37,234.5 | 15,211.6 | 69.1% | | 37,234.5 | 15,211.6 | 69.1% | (2,382.7) | (6.4%) | (233.3) | (0.7%) |
| Provide Individualized Employment Service Planning | 55,818.5 | 43,000.2 | 67.4 | 43,067.5 | (12,750.9) | (22.8%) | | 43,067.5 | (12,750.9) | (22.8%) | (3,321.2) | (7.7%) | (314.5) | (0.8%) |
| Total Revenues | 77,841.4 | 80,189.0 | 113.1 | 80,302.1 | 2,460.7 | 3.2% | | 80,302.1 | 2,460.7 | 3.2% | (5,703.9) | (7.1%) | (547.9) | (0.7%) |
| NET EXP. | | | | | | | | | | | | | | |
| Eligibility determination and case management | 32,541.8 | 29,112.8 | (1,369.8) | 27,743.1 | (4,798.8) | (14.7%) | | 27,743.1 | (4,798.8) | (14.7%) | 1,164.1 | 4.2% | 601.2 | 2.1% |
| Provide Individualized Employment Service Planning | 21,391.9 | 32,994.7 | (1,521.7) | 31,472.9 | 10,081.1 | 47.1% | | 31,472.9 | 10,081.1 | 47.1% | 1,034.2 | 3.3% | 656.3 | 2.0% |
| Total Net Exp. | 53,933.7 | 62,107.5 | (2,891.5) | 59,216.0 | 5,282.3 | 9.8% | | 59,216.0 | 5,282.3 | 9.8% | 2,198.3 | 3.7% | 1,257.4 | 2.0% |
| Approved Positions | 1,367.0 | 1,379.8 | (29.9) | 1,350.0 | (17.0) | (1.2%) | | 1,350.0 | (17.0) | (1.2%) | (70.8) | (5.2%) | | |

The ***Integrated Case Management and Service Planning*** service develops individual service plans to support social assistance recipients in obtaining the financial, social, and employment services they require to stabilize their lives and achieve independence.

The Integrated Case Management and Service Planning's 2018 Preliminary Operating Budget of \$139.518 million gross and \$59.216 million net is \$5.282 million or 9.8% over the 2017 Approved Net Budget.

- Base budget pressures in Integrated Case Management and Service Planning are mainly driven by a decline in provincial program delivery funding, realignment of staff and reallocation of expenditures between services.
- In order to offset these pressures, the 2018 Preliminary Operating Budget includes \$2.891 million service efficiency savings due to reduction of Family Support unit, the Two Way Secure Email project, expanded supervisor span of control, and additional revenues from Wellesley office co-location with ODSP.
- The 2018 Preliminary Operating Budget includes a reduction of 17.0 staff complement in this service after realignment of expenditures across services and service efficiency initiatives.

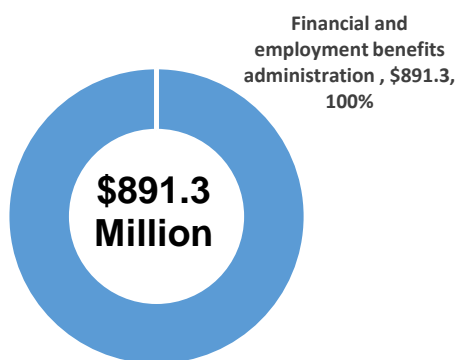
Financial Assistance



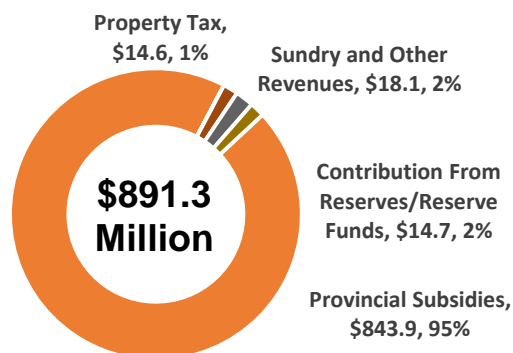
What We Do

- Deliver Ontario Works financial assistance and employment benefits to eligible residents.

2018 Service Budget by Activity
(\$Ms)



2018 Service by Funding Source
(\$Ms)



2018 Service Levels

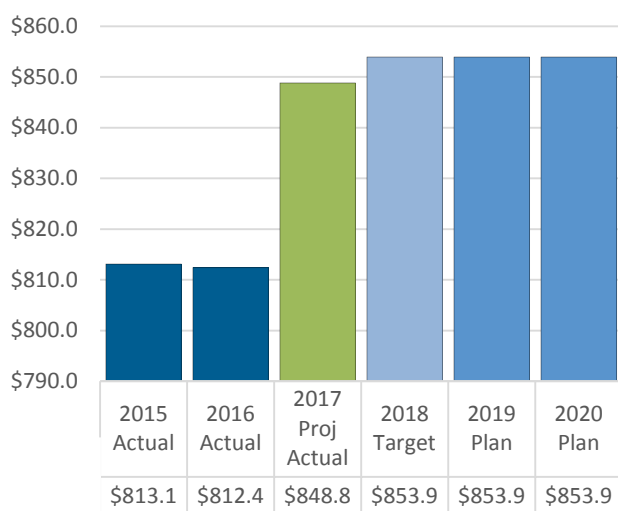
Financial Supports

| Activity | Service Description | Status | 2015 | 2016 | 2017 | 2018 |
|--|--|----------|--------------|--------------|--------------|--------------|
| Financial and Employment Benefits Administration | # of financial and employment benefit payments processed | Approved | 1,300,000 | 1,100,000 | 1,300,000 | 1,300,000 |
| | | Actual | 1,228,455 | 1,231,043 | 1,222,811 | |
| | \$ of overpayment recoveries per year | Approved | \$15,000,000 | \$15,000,000 | \$25,000,000 | \$25,000,000 |
| | | Actual | \$24,604,122 | \$25,420,504 | \$19,336,381 | |
| | % of client fraud allegations investigated | Approved | 100.0% | 100.0% | 100.0% | 100.0% |
| | | Actual | 100.0% | 100.0% | 100.0% | |
| | % of single parent families receiving support | Approved | 27.0% | 27.0% | Discontinued | |
| | | Actual | n/a | | | |
| | # of monthly Housing Stabilization Fund payments | Approved | 3,600 | 3,600 | 3,600 | 3,600 |
| | Actual | 3,432 | 3,208 | 3,100 | | |

Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Financial Supports.

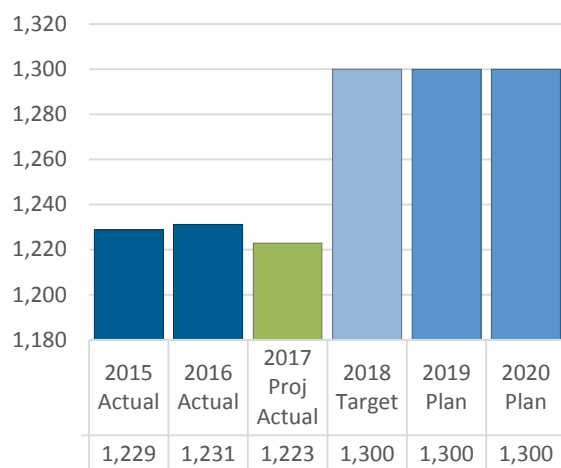
Service Performance Measures

Total Amount of Benefits Paid to OW Recipients (\$ Millions)



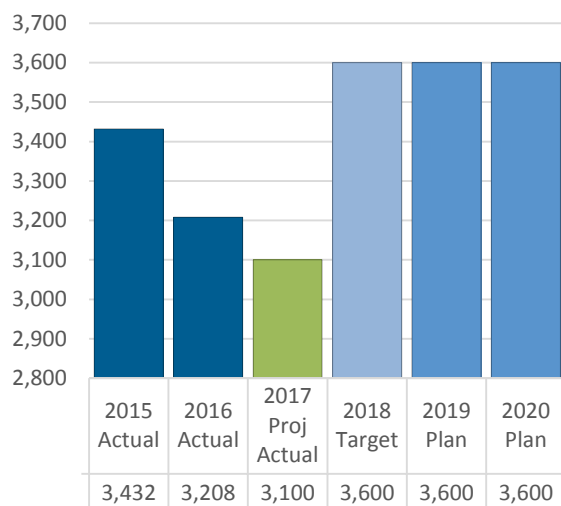
- TESS provides administering services in processing financial assistance and employment benefits for OW recipients.
- For the period 2018-2020, TESS is projecting the total amount of benefits paid to OW recipients to remain stable at \$853.9 million.

Number of Financial and Employment Benefit Payments Processed Annually (in 000s)



- The total number of cheques, direct banking deposits and City Services Benefit Card payments have remained flat between 2015 and 2017.
- The number of payments issued to clients is expected to increase to 1,300,000 in 2018 and beyond.

Number of Monthly Housing Stabilization Fund Payments



- HSF provides resources to prevent evictions and assists OW and ODSP clients to obtain housing, retain their housing or relocate to more appropriate or affordable accommodation.
- While the number of payments in 2017 are projected to be 3,100 down from 3,208 in 2016, HSF client benefits are projected to be \$26.5 million in 2017, \$2.2 million or 9.1% higher than 2016.
- The number of Housing Stabilization Fund (HSF) payments are projected to increase by 500 payments to 3,600 payments in 2018 and onwards as policy changes implemented in 2017 are expected to increase the number of clients receiving HSF benefits.

Table 6
2018 Preliminary Service Budget by Activity

| (\$000s) | 2017 | 2018 Preliminary Operating Budget | | | | | | | Incremental Change | | | | | |
|--|-----------------|-----------------------------------|-----------------|------------------|------------------------------|----------|--------------|------------------|------------------------------------|---------|-----------|--------|-----------|--------|
| | Approved Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2017 | | New/Enhanced | Prelim Budget | 2018 Prelim Budget vs. 2017 Budget | | 2019 Plan | | 2020 Plan | |
| | | | | | Budget | % Change | | | \$ | % | \$ | % | \$ | % |
| GROSS EXP. | | | | | | | | | | | | | | |
| Financial and employment benefits administration | 880,689.6 | 892,009.5 | (735.2) | 891,274.3 | 10,584.8 | 1.2% | | 891,274.3 | 10,584.8 | 1.2% | (322.9) | (0.0%) | (2,172.6) | (0.2%) |
| Total Gross Exp. | 880,689.6 | 892,009.5 | (735.2) | 891,274.3 | 10,584.8 | 1.2% | | 891,274.3 | 10,584.8 | 1.2% | (322.9) | (0.0%) | (2,172.6) | (0.2%) |
| REVENUE | | | | | | | | | | | | | | |
| Financial and employment benefits administration | 842,804.1 | 876,694.0 | 12.0 | 876,706.0 | 33,901.9 | 4.0% | | 876,706.0 | 33,901.9 | 4.0% | (1,133.7) | (0.1%) | (2,472.2) | (0.3%) |
| Total Revenues | 842,804.1 | 876,694.0 | 12.0 | 876,706.0 | 33,901.9 | 4.0% | | 876,706.0 | 33,901.9 | 4.0% | (1,133.7) | (0.1%) | (2,472.2) | (0.3%) |
| NET EXP. | | | | | | | | | | | | | | |
| Financial and employment benefits administration | 37,885.4 | 15,315.5 | (747.2) | 14,568.3 | (23,317.1) | (61.5%) | | 14,568.3 | (23,317.1) | (61.5%) | 810.8 | 5.6% | 299.6 | 1.9% |
| Total Net Exp. | 37,885.4 | 15,315.5 | (747.2) | 14,568.3 | (23,317.1) | (61.5%) | | 14,568.3 | (23,317.1) | (61.5%) | 810.8 | 5.6% | 299.6 | 1.9% |
| Approved Positions | 297.4 | 285.3 | (6.3) | 279.0 | (18.3) | (6.2%) | | 279.0 | (18.3) | (6.2%) | (8.1) | (2.9%) | | |

The **Financial Supports** service provides income supports and health benefits to eligible Torontonians

The Financial Supports' 2018 Preliminary Operating Budget of \$891.274 million gross and \$14.568 million net is \$23.317 million or 61.5% under the 2017 Approved Net Budget.

- Base budget savings are mainly attributed to the final year of provincial upload of OW benefits, which amounts to \$21.416 million for the Financial Supports service.
- In addition to the upload, the Financial Supports service includes further reductions attributed a decline in provincial program delivery funding, realignment of staff and expenditures between services, and \$0.747 million service efficiency savings driven by initiatives including Family Support unit realignment, the Two Way Secure Email project, expanded supervisor span of control, and Wellesley office co-location with ODSP.
- The 2018 Preliminary Operating Budget includes a reduction of 18.3 staff complement in this service after realignment of expenditures across services and service efficiency initiatives.



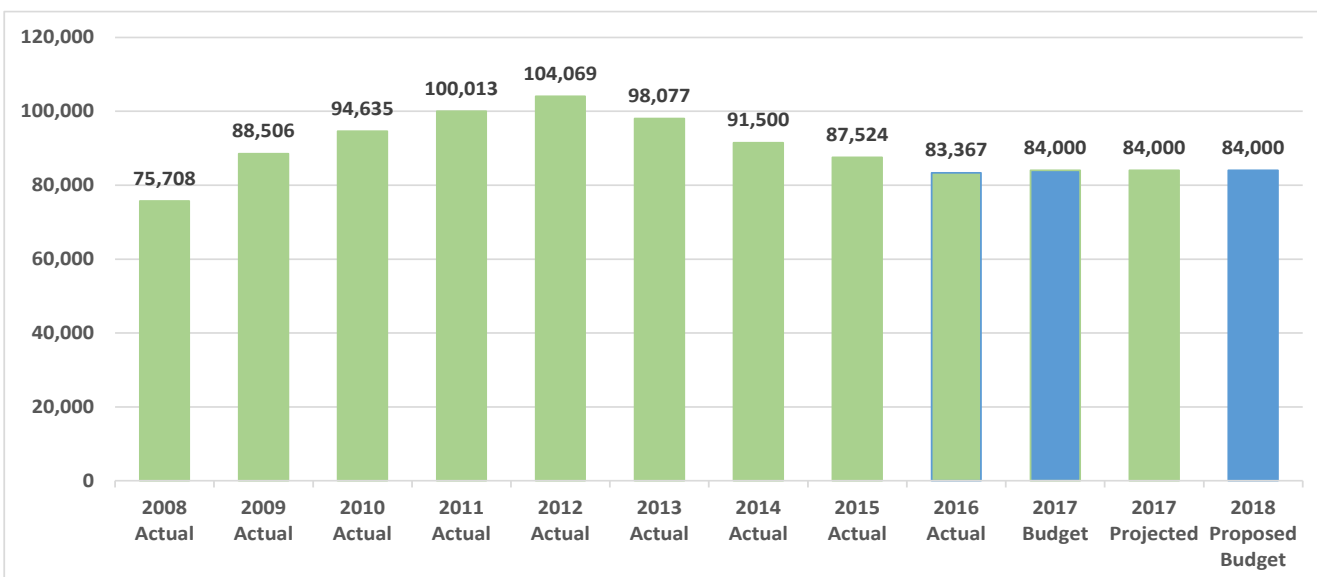
Part 3:

Issues for Discussion

Issues Impacting the 2018 Budget

Ontario Works Caseload

- Ontario Works (OW) is a mandatory province-wide program delivered under the OW Act and regulations that provides financial assistance to eligible Torontonians to help cover the costs of basic needs such as food and housing, and employment assistance to help social assistance recipients find a job.
- The average annual monthly caseload represents the number of families and singles served during the year and is the Program's key budget driver. The caseload budget is developed using a broad range of factors, including:
 - Historical trends, including previous recession experience,
 - Economic forecasts related to Toronto's labour market
 - Broader macroeconomic trends
 - Trends in caseload demographics
 - Provincial social assistance policy changes that impact caseload, and
 - Program objectives and initiatives.
- As presented in the chart below, the caseload increased by 37% between 2008 and 2012 due to the recession. The subsequent decline has been driven by a number of factors including the City's increased emphasis on workforce development, a gradually improving economy, as well as changes to federal and provincial benefits to families (e.g., increases to the Canada Child Benefit and Ontario Child Benefit, as well as indexation of the latter to Consumer Price Index) that have made it easier for them to leave OW.



- While caseloads have declined, the most important trend over this period is the increase in the length of time people remain on OW and the accompanying increases in the range of intensity of client need. These trends indicate a growing intensity of need among OW clients.
- 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 significantly longer periods, a wider range of services and supports, plus innovative approaches to designing and delivering services, will be required to address their needs. Further, given the barriers that many clients are facing who

are distant from the labour market, there may be individuals for whom employment is a longer term prospect, at best.

- TESS has been taking significant steps to re-focus its services and to transform its delivery model to respond to client needs, and to better support clients in achieving their goals. In response to the evolving nature of Toronto's caseload, TESS is actively working to:
 - Streamline and modernize access to OW and to the determination of eligibility and delivery of financial benefits
 - Strengthen service planning with clients, and
 - Design and introduce new program and service approaches to supporting OW clients.
- After careful consideration of these factors, the caseload in the 2018 Preliminary Operating Budget has been set at 84,000 cases, the same level as projected for 2017.

Housing Stabilization Fund

- In 2013, the Province introduced the Community Homelessness Prevention Initiative (CHPI) program, which combined provincial funding from five existing homelessness programs into a single block funding envelope, and eliminated the Community Start Up and Maintenance Benefit (CSUMB) program, which was a mandatory, open-ended demand based benefit under Ontario Works (OW) and the Ontario Disability Support Program (ODSP).
- To address needs previously met through the CSUMB benefit, the City allocated CHPI funding to establish the Housing Stabilization Fund (HSF). The HSF provides resources to prevent evictions and assist OW and ODSP clients obtain housing, retain their housing or relocate to more appropriate or affordable accommodation. Specifically, the Fund provides assistance with rental or moving costs (e.g., last month's rental deposit to secure housing or rental arrears) and household related costs (e.g., support to obtain essential household furnishings).
- The budget for HSF has been set at \$28.0 million since its inception in 2013, with funding mainly from the Provincial CHPI subsidy. Actual expenditures were \$25.1 million in 2013, \$24.5 million in 2014, \$24.9 million in 2015 and \$24.2 million in 2016.
- Several changes to the program were implemented in 2016 and 2017 to increase access to the program and to increase the range of needs that could be addressed in the context of the City's Poverty Reduction Strategy and with a focus on improving social assistance client's ability to stabilize their housing situations. These changes, which were discussed in a December 2016 report to City Council, include:
 - Elimination of a separate income and asset based eligibility test. All low income residents who qualify for OW/ODSP automatically meet the primary test of financial need;
 - Reducing or eliminating the need for specific documentation to process HSF applications;
 - Introduction of flat rates for the issuances of essential furniture and moving costs;
 - Expand criteria for the replacement of furniture due to bed bug infestations to include soft furniture in addition to beds;
 - Improved client and stakeholder communication of eligibility decisions to ensure clients are clearly informed of the reason(s) for eligibility / ineligibility (e.g. plain language client letters).
- Based on expenditures through October, HSF client benefits are projected to be \$26.5 million in 2017, \$1.5 million below budget but \$2.2 million or 9.1% higher than 2016 payments.
- The 2018 budget for HSF has been set at \$28.0 million, unchanged from the 2017 budget. CHPI funding has been budgeted at \$27.0 million, up \$0.5 million from 2017. The \$1.0 million in expenditures above cap will be funded by a draw from the Social Assistance Stabilization (SAS) reserve.

Upload of ODSP/ODB and OW Benefits

- In August 2007, the Province announced that it would assume responsibility for funding Ontario Disability Support Program (ODSP) and Ontario Drug Benefit (ODB) client benefits and ODSP administration costs in a phased approach over the 2008 to 2011 time period.
- In the fall of 2008, the Province announced it would assume responsibility for funding Ontario Works (OW) benefits costs in a phased-in approach over the 2010 to 2018 time period. The City share of costs, which was 20% before the uploading commenced, is 2.8% in 2017 and will drop to 0% in 2018 and onwards.
- The Province also confirmed through the "Provincial-Municipal Fiscal and Service Delivery Review" report in fall 2008 that "... Ontario Municipal Partnership Fund (OMPF) remains responsive to changes in municipal circumstances, such as upload of the ODB, and ODSP and OW Benefit and would be adjusted to reflect the reduction in municipal costs for these programs as the uploads are phased in".
- The phase-out of the social services component of the OMPF was completed in 2016.
- The following table illustrates the impact of the provincial upload from 2008 through 2018, net of the claw back of the OMPF.

| | City Cost Share Before Uploading % | 2008 (\$M) | 2009 (\$M) | 2010 (\$M) | 2011 (\$M) | 2012 (\$M) | 2013 (\$M) | 2014 (\$M) | 2015 (\$M) | 2016 (\$M) | 2017 (\$M) | 2018 (\$M) |
|---|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Ontario Drug Benefits | 20% | (39.1) | 0% | | | | | | | | | |
| Ontario Disability Support Program (Administration Costs) | 50% | (20.0) | 0% | | | | | | | | | |
| Ontario Disability Support Program (Benefits Costs) | 20% | (77.5) | 10% | (77.5) | 0% | | | | | | | |
| Ontario Works Benefit Upload (Benefits Costs) | 20% | (5.8) | (5.4) | (15.1) | (28.3) | (24.0) | (23.0) | (22.1) | (23.6) | (21.8) | | |
| Savings from Upload | | (39.1) | (20.0) | (83.3) | (82.9) | (15.1) | (28.3) | (24.0) | (23.0) | (22.1) | (23.6) | (21.8) |
| Original OMPF Clawback | | | 19.7 | 20.8 | 20.8 | 20.8 | 20.8 | 6.8 | 6.9 | 6.8 | | |
| Accelerated loss in Provincial funding assistance | | | | | | | | 5.0 | 4.9 | 5.0 | | |
| Incremental Savings | | (39.1) | (0.3) | (62.5) | (62.1) | 5.7 | (7.5) | (12.2) | (11.2) | (10.3) | (23.6) | (21.8) |
| Commulative Savings | | (39.1) | (39.4) | (101.9) | (164.0) | (158.3) | (165.8) | (178.0) | (189.2) | (199.5) | (223.1) | (244.9) |

- 2018 marks the end of the upload. From 2018 onwards, the province will fund 100% of OW benefits. Projected upload savings in 2018 are \$21.8 million, bring the total savings from uploading to \$244.9 million.

Program Delivery Funding Envelope Funding Gap

- The Provincial funding envelope supports program administration and the provision of employment services to eligible OW and ODSP recipients. Eligible costs include salaries and benefits, office lease costs, travel, staff training, general office expenses, direct employment benefits for clients and employment services purchased from community agencies.
- Annual provincial funding is based on a subsidy per case, with caseload reset at the beginning of each two-year Ontario Works business cycle.
 - The caseload is calculated as the average monthly caseload for 24 months before the beginning of the business cycle and is fixed for the two-year business cycle.
 - The funding formula does not provide for annual inflationary increases.
- As a result of the lower caseload, the maximum provincial program delivery funding for the current OW business cycle that commenced in April 1, 2017 dropped by \$16.093 million. The 2017 operating budget included a reduction of \$12.002 million and the remaining \$4.091 million is built into the 2018 budget.
- As was the case in 2017, the reduction in provincial funding has been mitigated by a combination of efficiency savings and draws from the Ontario Works Reserve consistent with the purpose of the reserve.

Issues Impacting Future Years

Business Modernization & Transformation Initiatives

- Several multi-year modernization and transformation initiatives are underway aimed at increasing efficiency and implementing innovative service delivery approaches to meet the evolving needs of OW clients. Below are some of the initiatives underway for the coming years:
 - The Two Way Secure Email Communication project (savings of \$2.389 million and 28 position reductions starting in 2018) will expand the existing channels of communication available for clients and staff to include the use of two way secure e-mail communication in addition to "in person" and "phone" channels. Once implemented, the system will reduce administration, increase staff productivity, decrease the number of lost documents, and improve customer service for residents accessing the OW program.
 - The objective of the Paperless Office project is to transition the Program's paper-driven client file management system to a more efficient digitalized operation. Upon completion at the end of 2018, the project will eliminate costs associated with file creation, photocopying, filing, and retrieval of physical files, reduce paper usage and over the longer term, reduce space requirements in the Program's offices (savings of \$1.145 million and 14 position reductions starting in 2019).
 - The Service Delivery Model (SDM) Renewal project (savings of \$2.594 million and 30 position reductions starting in 2019) focuses on the processes and paths by which TESS delivers services to City residents. It will provide a framework for transformation and continuous improvement to simplify, streamline and increase system access for the public.
 - The Human Services Integration project (savings of \$2.391 million for the three partner divisions starting in 2022) is a partnership between Children's Services, Shelter, Support and Housing Administration, and TESS that is focused on transforming delivery of services across the primary income support programs: rent geared to income (RGI) housing subsidies (SSHA), Child Care Fee Subsidy (TCS), and OW (TESS). This project is included in the 2018-2027 Preliminary Capital Plan.

Issues Referred to the 2018 Operating Budget Process

New & Enhanced Not Included in the 2018 Preliminary Operating Budget

Transit Fare Program Administration

- At its meeting on December 13, 2016 (EX20.10), City Council directed that the funding for Phase 1 of the Transit Fare Equity Program be included for consideration in the 2018 Operating Budget. Under Phase 1, starting in March 2018, Ontario Disability Support Program and Ontario Works clients not in receipt of employment transportation supports will be eligible to receive a 33% discount on the cost of the adult single fare and a 21% percent on the cost of the adult monthly pass level. The link to the report is as below:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.10>

| Description (\$000s) | New and Enhanced | | | | | | Total New and Enhanced | | | Incremental Change | | | |
|--|---------------------|-----|--------------------|-----|---|-----|------------------------|-----|----------|--------------------|------|-----------|------|
| | Employment Services | | Financial Supports | | Integrated Case Management and Service Planning | | \$ | | Position | 2019 Plan | | 2020 Plan | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | # | Net | Pos. | Net | Pos. |
| | | | | | | | | | | | | | |
| New Service Priorities | | | | | | | | | | | | | |
| Referred to Budget Process - Poverty Reduction: | | | | | | | | | | | | | |
| Add. Positions to Administer Transit Fare Equity Program | | | 421.4 | | | | 421.4 | | 6.0 | | | | |
| Total New / Enhanced Services | | | 421.4 | | | | 421.4 | | 6.0 | | | | |

- Phase 1 of the project will be led by Social Development, Financial and Administration (SDFA), requiring an estimated \$4.600 million net cost, with TESS supporting the eligibility assessment and card production (\$0.421 million gross, zero net with 6 additional positions). The new and enhanced priority is not included in the 2018 Preliminary Budget; however it is included for Budget Committee's consideration in the 2018 Budget process.



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, Toronto Employment and Social Services accomplished the following:

- ✓ Supported 28,200 clients to either exit OW for employment or start a job placement.
- ✓ Managed an average monthly caseload of 84,000 and assessed 49,200 applications for Ontario Works (OW).
- ✓ Issued \$848.8 million in financial, employment and medical benefits.
- ✓ Developed / updated 200,000 individual service plans.
- ✓ Implemented key recommendations of the City's Poverty Reduction Plan:
 - Introducing new intensive case management programs aimed at reducing the proportion of long-term cases on social assistance.
 - Developed an information sharing agreement with Toronto Community Housing Corporation (TCHC) to reduce/prevent evictions.
 - Refocussing of the Family Support Program towards financial empowerment to better support single parent families.
- ✓ Leveraging opportunities to more effectively and efficiently deliver social assistance to City residents:
 - TESS and ODSP will be co-locating at multiple sites to improve and streamline services to mutual clients.
 - Introduced innovative business solutions including expansion of e-services for OW clients, automated registration services and paperless office strategies.
 - Expanded co-located sites with Children's Services (from 2 to 3).
- ✓ In conjunction with Toronto Children's Services (TCS), and Shelter, Support and Housing Administration (SSHA) continue to advance the City's Human Services Integration initiative with active planning towards a single access number for the phone channel.
- ✓ Continue to advance the objectives of the City's Workforce Development Strategy:
 - Launched an integrated service delivery site with the Province to connect unemployed residents to new training opportunities and jobs arising from Crosstown Eglinton Construction.
 - Met our Partnership to Advance Youth Employment (PAYE) targets of serving over 2000 youth and working with more than 210 employers to connect 1000 youth to jobs.
 - Over 150 City staff participated in the NetWORKS youth mentoring program.
 - Completed the City's first youth internship program with Corporate HR.
 - Leading the City's Workforce Development Month activities including 30+ events held across the City, held in partnership with a range of City Divisions and Community partners.
- ✓ Recipient of Toronto Ombudsman Award for the new Decision Review Model that features conflict resolution principles, transparency, and effective communication.
- ✓ Recipient of the City Manager's Award – Employee Experience, engaging front line staff to design, test, and refine the initial client interfaces with the Program.

Appendix 2

2018 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

| Category of Expense (\$000's) | 2015 | 2016 | 2017 | 2017 | 2018 | 2018 Change from | | Plan | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|----------------|--------------------|--------------------|
| | Actual | Actual | Budget | Projected | Preliminary | 2017 Approved | | 20119 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ |
| Salaries And Benefits | 185,842.3 | 186,227.1 | 184,609.3 | 184,702.6 | 183,507.1 | (1,102.1) | (0.6%) | 178,755.9 | 180,718.4 |
| Materials & Supplies | 12,437.2 | 11,507.2 | 14,166.2 | 11,606.4 | 13,491.2 | (675.0) | (4.8%) | 13,491.2 | 13,491.2 |
| Equipment | 907.4 | 687.1 | 1,615.9 | 739.5 | 1,615.9 | | | 1,615.9 | 1,615.9 |
| Service And Rent | 76,774.8 | 77,024.1 | 89,346.5 | 79,236.1 | 82,499.7 | (6,846.8) | (7.7%) | 82,563.7 | 82,563.7 |
| Contribution To Capital | | | 350.0 | 350.0 | | (350.0) | (100.0%) | 350.0 | 350.0 |
| Contribution To Reserves/Reserve Funds | 7,828.2 | 1,028.2 | 1,143.3 | 1,143.3 | 1,147.2 | 3.9 | 0.3% | 1,147.2 | 1,147.2 |
| Other Expenditures | 748,492.6 | 762,365.1 | 774,376.7 | 793,388.5 | 796,325.5 | 21,948.8 | 2.8% | 796,375.5 | 796,375.5 |
| Inter-Divisional Charges | 23,055.8 | 13,565.2 | 17,883.5 | 18,306.1 | 17,889.3 | 5.8 | 0.0% | 17,573.1 | 14,458.1 |
| total Gross Expenditures | 1,055,338.3 | 1,052,404.0 | 1,083,491.5 | 1,089,472.5 | 1,096,476.0 | 12,984.6 | 1.2% | 1,091,872.6 | 1,090,720.0 |
| Inter-Divisional Recoveries | 425.6 | 611.9 | 875.3 | 875.3 | 505.0 | (370.4) | (42.3%) | 505.0 | 505.0 |
| Provincial Subsidies | 889,872.7 | 898,147.2 | 930,507.0 | 944,726.6 | 963,059.0 | 32,552.0 | 3.5% | 963,058.9 | 963,058.9 |
| User Fees & Donations | 87.7 | 36.3 | 150.0 | | | (150.0) | (100.0%) | | |
| Transfers From Capital | | | | | 1,205.1 | 1,205.1 | - | 1,393.4 | 1,428.8 |
| Contribution From Reserves/Reserve Funds | 8,558.1 | 1,468.2 | 23,622.9 | 16,253.6 | 22,355.7 | (1,267.2) | (5.4%) | 13,897.6 | 10,770.7 |
| Sundry and Other Revenues | 17,784.5 | 18,225.8 | 17,800.0 | 17,080.5 | 18,834.9 | 1,034.9 | 5.8% | 18,834.9 | 18,834.9 |
| total Revenues | 916,728.6 | 918,489.4 | 972,955.1 | 978,936.2 | 1,005,959.6 | 33,004.4 | 3.4% | 997,689.8 | 994,598.4 |
| total Net Expenditures | 138,609.7 | 133,914.6 | 110,536.3 | 110,536.3 | 90,516.5 | (20,019.9) | (18.1%) | 94,182.8 | 96,121.7 |
| approved Positions | 2,042.0 | 2,064.0 | 2,011.0 | 1,999.0 | 1,979.0 | (32.0) | (1.6%) | 1,882.0 | 1,882.0 |

The Program is projecting a zero net variance with higher gross expenditures fully offset by higher expenditure-based provincial subsidies.

For additional information regarding the 2017 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2017" to be considered by City Council at its meeting on December 5, 2017.

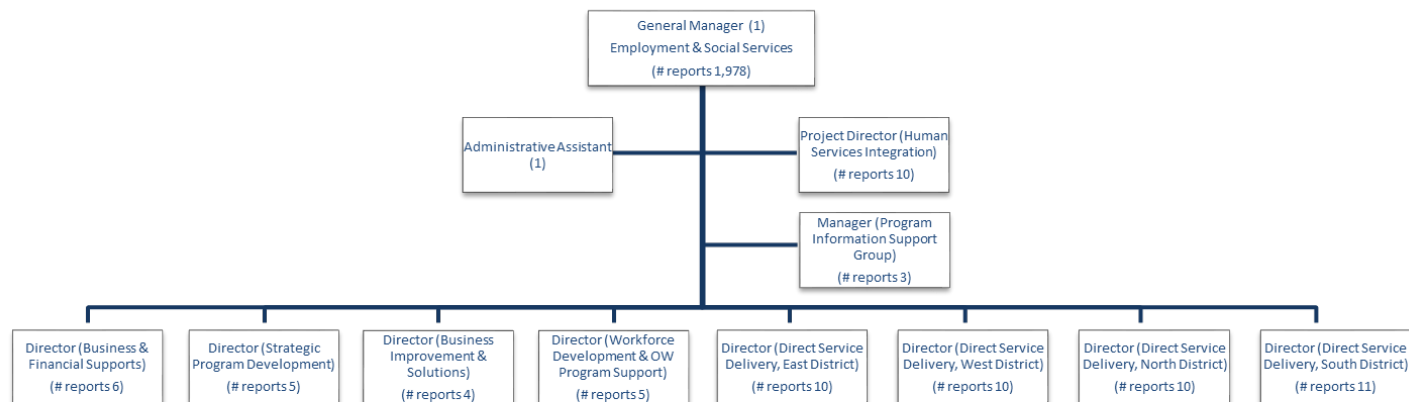
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- The 2018 caseload budget has been set at 84,000 cases, the same level as 2017. As the projected actuals in 2017 are expected to be in line with the 2017 Approved Operating Budget, there is no anticipated impact of on the 2018 Preliminary Operating Budget.

Appendix 3

2018 Organization Chart



2018 Total Complement

| | Category | Senior Management | Management with Direct Reports | Management without Direct Reports/Exempt Professional & Clerical | Union | Total |
|--------------------|------------------------|-------------------|--------------------------------|--|----------------|----------------|
| Operating | Permanent | 9.0 | 214.0 | 84.0 | 1,625.0 | 1,932.0 |
| | Temporary | | 10.0 | 2.0 | 24.0 | 36.0 |
| | Total Operating | 9.0 | 224.0 | 86.0 | 1,649.0 | 1,968.0 |
| Capital | Permanent | | | - | - | - |
| | Temporary | 1.0 | | 10.0 | - | 11.0 |
| | Total Capital | 1.0 | - | 10.0 | - | 11.0 |
| Grand Total | | 10.0 | 224.0 | 96.0 | 1,649.0 | 1,979.0 |

Appendix 4

Summary of 2018 Service Changes

2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID | | Citizen Focused Services A | Adjustments | | | | 2019 Plan Net Change | 2020 Plan Net Change |
|---|------------------|--|----------------------|--------------------|-----------------|-----------------------|-------------------------|-------------------------|
| Category | Equity Impact | | Gross Expenditure | Revenue | Net | Approved Positions | | |
| | | Program - Toronto Employment & Social Services | | | | | | |
| 2018 Preliminary Base Budget Before Service Changes: | | | 1,100,527.3 | 1,005,809.6 | 94,717.7 | 2,021.00 | 4,788.9 | 1,992.9 |

| | | | | | | | | |
|---|----------|--|------------|------------------|----------------|---------------|--------------|--|
| 14358 | | Reduced Admin Burden due to Two Way Secure Email Project | | | | | | |
| 51 | Positive | Description: | | | | | | |
| The new initiative will add two way secure e-mail communications as a new channel. Once implemented, the system will reduce administration, increase staff productivity, decrease the number of lost documents, and improve customer service for residents accessing the OW program. The project is expected to be fully implemented in 2018 and will result in savings of \$2.389 million net in 2018 (28.0 FTE reduction) | | | | | | | | |
| Service Level Impact: | | | | | | | | |
| The initiative is expected to increase staff productivity and improve customer service to Toronto residents. | | | | | | | | |
| Equity Statement: | | | | | | | | |
| This initiative will have a positive impact on OW clients, who are persons with low-income. The impacts include: increased access to City services and City information. | | | | | | | | |
| Service: SS-Employment Services | | | | | | | | |
| Preliminary Service Changes: | | (396.6) | 0.0 | (396.6) | (4.65) | (5.9) | (0.7) | |
| Service: SS-Financial Supports | | | | | | | | |
| Preliminary Service Changes: | | (191.1) | 0.0 | (191.1) | (2.24) | (2.8) | (0.3) | |
| Service: SS-Integrated Case Management and Service Planning | | | | | | | | |
| Preliminary Service Changes: | | (1,801.4) | 0.0 | (1,801.4) | (21.11) | (26.7) | (3.2) | |
| Total Preliminary Service Changes: | | (2,389.1) | 0.0 | (2,389.1) | (28.00) | (35.5) | (4.2) | |

| | | | |
|-------|----------|--|--|
| 14392 | | Family Support Admin Realignment due to Provincial Changes | |
| 51 | Positive | Description: Due to legislative changes, child support would be fully exempt as income and OW recipients would no longer be required o pursue child support in order to qualify for social assistance. As a result, TESS has experienced a decrease in administration activities that led to reduction of 6 positions in 2017 and a further reduction of 7 positions in 2018. The existing staff will be reallocated as the organization goes through its attrition process. | |

2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID | | Citizen Focused Services A | Adjustments | | | | 2019 Plan Net Change | 2020 Plan Net Change |
|----------|------------------|----------------------------|----------------------|---------|-----|-----------------------|-------------------------|-------------------------|
| Category | Equity Impact | | Gross Expenditure | Revenue | Net | Approved Positions | | |

Service Level Impact:

While certain administrative activities are no longer necessary, TESS will continue to provide a full range of services and supports to families, assist in the pursuit of spousal support and engage with other City divisions and community partners to provide more integrated services. With staff now focussed more on supporting families rather than administrative requirements, the proposal will increase the impacted residents' access to City services.

Equity Statement:

The initiative will have a net positive impact on single women with children in receipt of Ontario Works.

Service: SS-Financial Supports

| | | | | | | |
|------------------------------|---------|-----|---------|--------|-------|-------|
| Preliminary Service Changes: | (336.1) | 0.0 | (336.1) | (3.50) | (5.1) | (0.7) |
|------------------------------|---------|-----|---------|--------|-------|-------|

Service: SS-Integrated Case Management and Service Planning

| | | | | | | |
|------------------------------|---------|-----|---------|--------|-------|-------|
| Preliminary Service Changes: | (336.1) | 0.0 | (336.1) | (3.50) | (5.0) | (0.7) |
|------------------------------|---------|-----|---------|--------|-------|-------|

| | | | | | | |
|---|----------------|------------|----------------|---------------|---------------|--------------|
| Total Preliminary Service Changes: | (672.1) | 0.0 | (672.1) | (7.00) | (10.1) | (1.3) |
|---|----------------|------------|----------------|---------------|---------------|--------------|

| | |
|-------|--|
| 12938 | Payment Processing Savings due to New Service Provider |
|-------|--|

| | | |
|----|-----------|---------------------|
| 51 | No Impact | Description: |
|----|-----------|---------------------|

The migration of payment cards to the new payment provider was completed in 2017. As a result, TESS has saved \$0.140 million in 2017, and will be saving an additional \$0.140 million in 2018.

Service Level Impact:

There is no service level impact from this initiative.

Equity Statement:

There are no equity impacts.

Service: SS-Financial Supports

| | | | | | | |
|------------------------------|---------|-----|---------|------|-----|-----|
| Preliminary Service Changes: | (140.0) | 0.0 | (140.0) | 0.00 | 0.0 | 0.0 |
|------------------------------|---------|-----|---------|------|-----|-----|

| | | | | | | |
|---|----------------|------------|----------------|-------------|------------|------------|
| Total Preliminary Service Changes: | (140.0) | 0.0 | (140.0) | 0.00 | 0.0 | 0.0 |
|---|----------------|------------|----------------|-------------|------------|------------|

2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID | | Citizen Focused Services A | Adjustments | | | | 2019 Plan Net Change | 2020 Plan Net Change |
|--|---------------|--|-------------------|--------------|----------------|--------------------|----------------------|----------------------|
| Category | Equity Impact | | Gross Expenditure | Revenue | Net | Approved Positions | | |
| 13042 | | Rent from Wellesley Office Co-location | | | | | | |
| 51 | No Impact | Description: | | | | | | |
| TESS and Ontario Disability Support Program (ODSP) will be co-locating at Wellesley Place, which will generate \$0.300 million rental revenue annually. Rental revenue of \$0.150 million was included in 2017 Operating Budget as the co-location was initially slated to start mid-2017 upon completion of the Wellesley Place renovation. Due to construction delays, TESS and ODSP will be moving in 2018, representing an incremental savings of \$0.150 million in 2018. | | | | | | | | |
| Service Level Impact: | | | | | | | | |
| There is no service level impact from this initiative. | | | | | | | | |
| Equity Statement: | | | | | | | | |
| There are no equity impacts. | | | | | | | | |
| Service: SS-Employment Services | | | | | | | | |
| Preliminary Service Changes: | | | 0.0 | 24.9 | (24.9) | 0.00 | (24.9) | 0.0 |
| Service: SS-Financial Supports | | | | | | | | |
| Preliminary Service Changes: | | | 0.0 | 12.0 | (12.0) | 0.00 | (12.0) | 0.0 |
| Service: SS-Integrated Case Management and Service Planning | | | | | | | | |
| Preliminary Service Changes: | | | 0.0 | 113.1 | (113.1) | 0.00 | (113.1) | 0.0 |
| Total Preliminary Service Changes: | | | 0.0 | 150.0 | (150.0) | 0.00 | (150.0) | 0.0 |

| | | | |
|-------|-----------|---|--|
| 14362 | | Savings from Increased Supervisory Span of Control | |
| 51 | No Impact | Description: The 2018 budget includes service efficiency savings of \$0.850 million net resulting from an increase in the span of control in the local offices to a ratio of 11 staff to 1 supervisor from 10 staff to 1 supervisor over a two year period. This will result in a reduction in supervisory positions by 7.0 FTE in 2018, and a further reduction of 7.0 FTE in 2019. The reductions will be achieved through attrition process. Service Level Impact: There is no service level impact from this initiative. | |

2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

| Form ID | | Citizen Focused Services A | Adjustments | | | | 2019 Plan Net Change | 2020 Plan Net Change |
|-----------------|---------------|--|--------------------|--------------------|------------------|--------------------|-------------------------|-------------------------|
| Category | Equity Impact | | Gross Expenditure | Revenue | Net | Approved Positions | | |
| | | Program - Toronto Employment & Social Services | | | | | | |
| | | Equity Statement: | | | | | | |
| | | There are no equity impacts. | | | | | | |
| | | Service: SS-Employment Services | | | | | | |
| | | Preliminary Service Changes: | (141.1) | 0.0 | (141.1) | (1.16) | (155.7) | (8.1) |
| | | Service: SS-Financial Supports | | | | | | |
| | | Preliminary Service Changes: | (68.0) | 0.0 | (68.0) | (0.56) | (125.1) | (5.2) |
| | | Service: SS-Integrated Case Management and Service Planning | | | | | | |
| | | Preliminary Service Changes: | (640.9) | 0.0 | (640.9) | (5.28) | (646.2) | (35.3) |
| | | Total Preliminary Service Changes: | (850.1) | 0.0 | (850.1) | (7.00) | (927.0) | (48.6) |
| Summary: | | | | | | | | |
| | | Total Preliminary Service Changes: | (4,051.3) | 150.0 | (4,201.3) | (42.00) | (1,122.6) | (54.1) |
| | | Total Preliminary Base Budget: | 1,096,476.0 | 1,005,959.6 | 90,516.5 | 1,979.00 | 3,666.4 | 1,938.8 |

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 * | Withdrawals (-) / Contributions (+) | | |
|---|--|---|-------------------------------------|-----------|-----------|
| | | | 2018 | 2019 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 31,027.6 | 31,027.6 | 21,714.9 | 12,721.7 |
| National Child Benefit Supplement | XR2102 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | (9,623.0) | (9,123.5) | (6,723.5) |
| <i>Contributions (+)</i> | | | 310.3 | 130.3 | 76.3 |
| Total Reserve / Reserve Fund Draws / Contributions | | 31,027.6 | 21,714.9 | 12,721.7 | 6,074.5 |
| Balance at Year-End | | 31,027.6 | 21,714.9 | 12,721.7 | 6,074.5 |

* Based on 9-month 2017 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 * | Withdrawals (-) / Contributions (+) | | |
|---|--|---|-------------------------------------|-----------|-----------|
| | | | 2018 | 2019 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 4,222.3 | 4,222.3 | 2,747.6 | 1,264.1 |
| Kids at Computer Scholarship Project | XR2104 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | (1,500.0) | (1,500.0) | (1,271.7) |
| <i>Contributions (+)</i> | | | 25.3 | 16.5 | 7.6 |
| Total Reserve / Reserve Fund Draws / Contributions | | 4,222.3 | 2,747.6 | 1,264.1 | 0.0 |
| Balance at Year-End | | 4,222.3 | 2,747.6 | 1,264.1 | 0.0 |

* Based on 9-month 2017 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 * | Withdrawals (-) / Contributions (+) | | |
|---|--|---|-------------------------------------|---------|---------|
| | | | 2018 | 2019 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 16,918.9 | 16,918.9 | 8,838.5 | 8,891.5 |
| Ontario Works | XR2101 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | (8,181.9) | | |
| <i>Contributions (+)</i> | | | 101.5 | 53.0 | 53.3 |
| Total Reserve / Reserve Fund Draws / Contributions | | 16,918.9 | 8,838.5 | 8,891.5 | 8,944.8 |
| Balance at Year-End | | 16,918.9 | 8,838.5 | 8,891.5 | 8,944.8 |

* Based on 9-month 2017 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 * | Withdrawals (-) / Contributions (+) | | |
|---|--|---|-------------------------------------|-----------|-----------|
| | | | 2018 | 2019 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 18,663.8 | 18,663.8 | 11,802.9 | 7,319.8 |
| Social Assistance Stabilization Reserve Fund | XQ1054 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | (6,860.8) | (4,483.1) | (3,440.0) |
| <i>Contributions (+)</i> | | | | | |
| Total Reserve / Reserve Fund Draws / Contributions | | 18,663.8 | 11,802.9 | 7,319.8 | 3,879.8 |
| Balance at Year-End | | 18,663.8 | 11,802.9 | 7,319.8 | 3,879.8 |

* Based on 9-month 2017 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 \$ | Withdrawals (-) / Contributions (+) | | |
|---|-------------------------------------|---|-------------------------------------|-----------------|-----------------|
| | | | 2018 \$ | 2019 \$ | 2020 \$ |
| Projected Beginning Balance | | 25,981.1 | 25,981.1 | 26,864.7 | 27,748.3 |
| Insurance Reserve Fund | XR1010 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | | | |
| <i>Contributions (+)</i> | | | 883.6 | 883.6 | 883.6 |
| Total Reserve / Reserve Fund Draws / Contributions | | 25,981.1 | 26,864.7 | 27,748.3 | 28,631.9 |
| Balance at Year-End | | 25,981.1 | 26,864.7 | 27,748.3 | 28,631.9 |

* Based on 9-month 2017 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2017 \$ | Withdrawals (-) / Contributions (+) | | |
|---|-------------------------------------|---|-------------------------------------|-----------------|-----------------|
| | | | 2018 \$ | 2019 \$ | 2020 \$ |
| Projected Beginning Balance | | 28,251.5 | 28,251.5 | 28,515.1 | 28,778.7 |
| Sick Leave Reserve Fund | XR1007 | | | | |
| <i>Proposed Withdrawals (-)</i> | | | | | |
| <i>Contributions (+)</i> | | | 263.6 | 263.6 | 263.6 |
| Total Reserve / Reserve Fund Draws / Contributions | | 28,251.5 | 28,515.1 | 28,778.7 | 29,042.3 |
| Balance at Year-End | | 28,251.5 | 28,515.1 | 28,778.7 | 29,042.3 |

* Based on 9-month 2017 Reserve Fund Variance Report