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# Niagara Region

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**REPORT TO:** Co-Chairs and Members of Public Health and Social Services Committee

**SUBJECT:** Community Services Variance Analysis and Program Update for the Year Ended December 31, 2008

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## **RECOMMENDATION**

That this Committee recommend to Regional Council that this report be received for information.

## **EXECUTIVE SUMMARY**

- This report provides year end operating results and a comparison to the 2008 budget.
- This report provides program and operational updates by Service Area on 2008 activities.

## **FINANCIAL IMPLICATIONS**

There are no financial implications directly associated with this report.

## **PURPOSE**

This report provides year end financial results and a comparison to budget for 2008, as well as program and operational updates on Service Area activities for Community Services.

## **BACKGROUND**

Quarterly reporting of budget to actual financial information is provided to Committee and Council to inform Councillors of any variances or financial risks that Community Services may be experiencing during the year. In addition, regular reporting supports external

auditors in their work to ensure that financial information is communicated and any associated risks are managed in a timely manner.

The reporting of Service Area programs and activities on a quarterly basis provides an opportunity to inform Councillors of Community Services' work in the community.

## **REPORT**

Corporate Services has provided a guideline to all departments for variance analysis, whereby all variances greater than 10% and greater than \$100,000, either favourable or unfavourable, beyond the year-to-date budgets are to be addressed. Programming and activity reporting is intended to update and inform Councillors on Community Services' work in the Niagara community.

### Departmental Overview

Community Services is estimating an overall surplus for the year ended 2008 of \$3,653,000. There were a number of labour negotiation unknowns at the end of the third quarter that had an impact on the financial operations as the year completed, in particular, the results of the ONA 9 Homes conciliation, CUPE 1287 negotiations and the interest arbitration award for CUPE 1263 all of which are now reflected in the year end operating statements.

### Summary of Financial Variances

Community Services is currently in a surplus position of \$3.6 million, which is driven largely by surpluses in Seniors Services \$1.2 million and Provincially Operated Programs (POP) \$2.0 million. The surplus in Seniors is largely the result of resident preferred accommodations revenues and Provincial revenues exceeding budgeted amounts, and under expenditure in benefits costs, as well as numerous cost-saving measures in the long-term care and community support operations. The surplus in POP is the result of the caseload mix and related benefits and as a result of the progression of this surplus the 2009 budget requirement for this area was reduced during the budget process in an effort to ensure more accurate budgeting in 2009.

### Individual Results and Program Updates by Service Area

#### ***Social Assistance and Employment Opportunities (SAEO)***

POP are currently experiencing variances from budget for the allowances paid to participants of ODSP, however, the caseload growth for ODSP remains in line with budgeted increases for 2008. The variance in allowance structures paid generated the surplus of \$2.0 million. During the 2009 budget process, the casemix surplus was taken into account in setting the needs for the budget, in an effort to be as accurate as possible.

SAEO Program Management and Employment along with Housing, Hostels and Homelessness have not experienced any significant variances that would impact the year end position. SAEO allowances and benefits are showing a surplus at the end of the year

occurred later in the year to bring the caseload numbers up to the budgeted caseload. Due to the caseload growth being more heavily balanced to the end of the year the allowances and benefits over the course of the year were below budget.

The announcements in the Provincial budget of a 2% increase in OW and ODSP clients did not have an impact on the 2008 financial year. These increases, effective late 2008, will not be cost shared with municipalities until 2009.

Given the significant increase in Ontario Works caseload growth in early 2009 and late 2008, it has been recommended to Corporate Services that \$1.5 million of the surplus be transferred to the Social Assistance Reserve Fund in the year end transfer report to committee process to support that reserve as we draw in during 2009 and beyond.

### Program Updates

In December 2008, the Province of Ontario released its poverty reduction strategy report entitled "Breaking the Cycle<sup>1</sup>". This report outlines the Province's strategies and measures in the commitment to reduce the number of children living in poverty in Ontario by 25% over the next 5 years.

As part of the Ontario government's Poverty Reduction Strategy, the following three changes have been made to social assistance:

- Extending the time period to request an internal review
- Extending eligibility for the Up-Front Child Care Benefit
- Exempting the earnings of post-secondary students as income and assets

### **Extension of the Time Period to Request an Internal Review**

Effective May 1, 2009 for both OW and ODSP applicants and recipients who would like to request a review of the decision affecting their social assistance but are unable to comply with a ten day time limit due to challenges such as cognitive impairments, language barriers or lack of timely access to legal advice will now have 30 days to request a review. If an applicant/recipient misses this deadline, he/she can still request an internal review, but will need to provide a reason for why more time is needed.

### **Extension of the Up-Front Child Care Benefit**

The Up-Front Child Care Benefit may be provided if the parent is required to pay in advance for child care that is necessary to permit employment or an employment assistance activity. Payment can be the actual costs for licensed child care under the *Day Nurseries Act*; or up to \$600 for informal child care costs. This payment can be issued, up to a maximum, once, in any 12-month period.

Effective March 1, 2009 for OW and ODSP, dependent children and dependent adults were able to apply for the Up-Front Child Care Benefit. In addition, eligibility was extended to participants who require the Up-Front Child Care Benefit in order to maintain their participation in employment or employment assistance activities (e.g., if

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<sup>1</sup> <http://www.growingstronger.ca/english>

their child care needs change but they have not changed jobs or employment assistance activities).

The extension of this benefit will assist social assistance families with children who need help with child care expenses in order to keep working or participate in employment-related activities. This change means that dependent adults and dependents with children may now be eligible for this benefit. This change also ensures that families whose child care needs change and who are required to pay up-front for child care costs can receive funding even if they have not changed jobs.

### **Exemption of Earnings of Post-Secondary Students**

Effective April 1, 2009 for ODSP and May 1, 2009 for Ontario Works, the employment earnings for full-time post-secondary students will be exempt as income and assets. The exemption will apply to income earned or paid both during the school year and during the pre-study period, defined as a maximum of 16 weeks prior to the start of the study period.

For students in receipt of Ontario Works, the income exemption will be effective after receiving three continuous months of assistance. For re-applicants who exited with earnings or for employment, the earnings exemption can be applied immediately if the reapplication is made within six months of exiting assistance.

In order to be eligible, the earnings must be used for post-secondary education costs and persons must be enrolled in an eligible program of study; and be taking at least 60% of a full-time course load, or 40% of a full-time course load for persons with disabilities in receipt of ODSP.

Eligible programs of study include:

- a program that is approved for the purpose of federal or provincial student loans (e.g., an Ontario student loan under the Ontario Student Assistance Program (OSAP)); or

- a program that prepares the student to practice a regulated profession that is taught at an institution that is approved for the purposes of federal or provincial student loans. These programs may be bridge training programs for foreign-trained professionals (e.g., nurses, engineers) and may not be eligible for student loans. However, they must take place at an approved post-secondary institution (e.g., college, university, private career college).

The new exemption of earnings/training income for post-secondary students will benefit persons receiving social assistance and undertaking full-time post-secondary education. The change will make it easier for persons on social assistance to earn and save money to pay for their education.

## **Children's Services**

Children's Services did not experience a significant variance from the budget at year end, as services provided to the community are based on the extent of grant revenues available.

Children's Services continues to focus on the three key priorities of stability of the child care service system in Niagara, quality of services and working in partnership with both service operators and the broader community. Over 2008, the system of licensed child care spaces expanded slightly to 8,073 across Niagara up from 7,870 in 2007.

Sustainability of the existing child care spaces with the introduction of full day learning for 4 and 5 year olds and the Province's commitment to reduce child poverty represent major program implications for child care. The Province's commitment to continue Best Start funding beyond 2010, representing just over \$6 million of annual funding for Niagara presents a fiscal challenge that Children's Services will examine and plan for during 2009 including the use of the remainder of the Best Start Unconditional Grant to mitigate, where possible, the negative impact to families and children should a funding gap occur.

### Program Updates

Towards the end of 2008 and the emerging economic downturn, Children's Services started to see an increase in the complexity, rather than the number of fee subsidy, caseloads as working families already in receipt of subsidy experienced reduce work hours and/or experienced layoffs. The 2009 budget did take into consideration reduce partial fees paid by parents resulting from Income Testing but only a moderate increase in caseloads.

Quality Child Care Niagara continues to result in positive outcomes with nearly all licensed child care centres participating, gradual expansion to Home Child Care and the development of future phases. As a result, children in need of additional supports are being identified earlier and referred for services when required.

A focus on improving access to high quality child care through Fee Subsidy was achieved by placing caseworkers into high priority community locations, such as Social Assistance offices, Ontario Early Years Centres and selected child care centres, started in 2008 and will continue into 2009. Technology development of an on-line registration system is underway to improve access, particularly for higher income earners that may be eligible for child care fee subsidy and to improve the referral process for non-employment support clients.

Neighbourhood community development projects resulted in creating a new demand for Children's Services management resources as issues related to children and child poverty emerged. These projects and work with community agencies related to children and child care are expected to be prominent in 2009.

## **Seniors Services**

Senior Services experienced a surplus of \$1.2 million. This surplus is made of up \$869,000 from the long term care homes and \$401,000 from Seniors Community Programs. Long term care homes surplus is the result of additional resident revenues as well as payroll related costs being under budget due to staffing mix. Seniors Community Programs surplus is the result of Niagara Region being approved by the LHIN for aging at home programs in 2008.

Seniors Services has requested through Corporate Services that \$800,000 of the year-end surplus be transferred to the Seniors Services Resident Care Stabilization Reserve through the year-end transfer report to committee. This request would support the continuity of resident care in the event of unpredicted revenue shortfalls from resident fees of Provincial sources (e.g. Case Mix Index and Resident Acuity adjustments). This reserve protects the residents from fluctuating staffing levels that may result from significant changes in revenues. The reserve also enables the homes to respond to surges in demand for care to manage infectious outbreaks and other contingencies.

## Program Updates

On an external plane, Seniors Services staff continue to be active in the broader long-term care sector such as consultations involving the Local Health Integration Network (LHIN) and other stakeholder health service providers. This involvement has contributed to Seniors Services' success in obtaining substantial funding from the LHIN for expansion of several community support programs in Niagara and the introduction of an additional Nurse Practitioner in a jointly managed program with the Niagara Health System (NHS). Accordingly, expansions in service to seniors and their families across Niagara have been achieved without any additional contribution from the Region.

On an internal plane, Seniors Services has made progress on numerous initiatives such as battery and fluorescent lamp recycling, relamping of older long-term care homes and other cost saving energy conservation measures. In addition, creative recruitment strategies have been developed, including the \$400 referral award for successful Registered Nurse and Registered Practical Nurse recruitments. This initiative will have minimal cost relative to the tens of thousands of dollars saved in overtime costs and contribute to continuity of care for residents.

Operating Statements

The following financial information, by object of expenditure for the year ending December 31, 2008, is attached:

- Social Assistance & Employment Opportunities 2100C (Schedule 1)
- Children's Services 2200C (Schedule 2)
- Housing, Hostels & Homelessness 2300C (Schedule 3)
- Seniors Services 3000C (Schedule 4)
- Provincially Operated Programs 2220C (Schedule 5)

Submitted by:

Approved by:

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Brian Hutchings  
Commissioner, Community Services

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Mike Trojan  
Chief Administrative Officer

*This report was prepared by Cathy Cousins, Director, Operational Support Services*

- Appendix I Social Assistance & Employment Opportunities 2100C (Schedule 1)
- Appendix II Children's Services 2200C (Schedule 2)
- Appendix III Housing, Hostels & Homelessness 2300C (Schedule 3)
- Appendix IV Seniors Services 3000C (Schedule 4)
- Appendix V Provincially Operated Programs 2220C (Schedule 5)