
Niagara Region

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

SUBJECT: Community Services Variance Analysis and Program Update for the Third Quarter 2008

RECOMMENDATION

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

EXECUTIVE SUMMARY

- This report provides year-to-date operating results and a comparison to budget for the third quarter of 2008.
- 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-to-date financial results and a comparison to budget for the third quarter of 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 at this time for the year ended 2008 of \$1,000,000 in Provincially operated programs. There are a number of labour negotiation unknowns at the end of the third quarter that may impact the financial operations as the year unfolds, in particular, the results of the ONA 9 Homes conciliation currently in process and CUPE 1287 negotiations which are currently underway. The interest arbitration award for CUPE 1263 has been received and is reflected in the 2008 third quarter statements.

Summary of Financial Variances

Community Services is currently in a surplus position of \$4.8 million, which is driven largely by surpluses in Seniors Services \$2,381,678 and SAEO's Provincially Operated Programs (POP) \$1,486,568. The surplus in Seniors is not expected to be sustained, as it pertains to timing of grant revenue receipts. The surplus in POP is the result of the caseload mix and related benefits which will be monitored. At this point in the year, it is estimated that this program area will have a surplus of \$1,000,000.

Individual Results and Program Updates by Service Area

Social Assistance and Employment Opportunities (SAEO)

POP's 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 is generating the estimated surplus of \$1,000,000. 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 are not anticipating any significant variances that would impact the year end position. All current variances are the result of timing of expenditures and outstanding contract negotiations with CUPE 1287, rather than a change in circumstances. SAEO allowances and benefits are showing a surplus at the end of third quarter as caseload growth in the early part of 2008 was below budget. Ontario Works caseloads are beginning to climb in more current months.

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

Program Updates

Employment Innovation Fund – Evaluation Report

Regional Council approved COM 09-2007 which provided one-time funding through the Ministry of Community and Social Services (MCSS) Employment Innovations Fund Proposal. The funding was used to expand the Niagara Job Bus Initiative. Niagara surpassed the target of 130 placements and actually achieved 135 full-time employment placements. Approximately 40 participants required ongoing Job Bus supports. Of the 17 participants, 45.5% were able to exit social assistance.

Part of the initiative was also to evaluate the Job Bus as a strategy to increase employment opportunities for social assistance participants who face transportation as a barrier. The evaluators spoke with the participating agencies, bus riders and employers. All of the evaluation participants remarked that the initiative helped to focus on the need for a regional transportation system. Employers reported that without government subsidy, they would not be able to financially support, on an ongoing basis, the cost of providing transportation to employees. Bus riders rated a very high impact of the Job Bus on their ability to obtain/maintain employment.

Community Services staff continue to work with employers to ensure that transportation needs are met and do not pose a barrier to employment. The evaluation found that agencies, Job Bus riders and employers rated a high rate of satisfaction with the Job Bus. However, they also noted that this initiative was seen as a stop gap measure leading more toward the need for a regional transportation system.

Temporary Care Assistance – Recent Media Activity

Recent newspapers have reported that the MCSS has changed eligibility for Temporary Care Assistance. The articles refer to comments made by the MCSS in the House of Commons on Thursday October 9, 2008. Hansard notes reveal that the Minister said the rules were tightened recently because the program is temporary aid and too many grandparents were getting support for years.

Council recently approved COM 30-2008 Supports to Temporary Care Families which resulted in correspondence to the MCSS requesting that grandparents and extended family members receive supports comparable to Foster Care considering the potential long term social and health benefits. The report aligned with COM 24-2002, COM 44-2004, COM 79-2005 and COM 08-2007, advocating for changes to the Ontario Works and Family Services Act.

In July 2008, MCSS issued updated OW Directives. SAEO staff have completed a comparison of the Directives and found that operations and local policy continue to be in compliance with the new directives. Directive 3, regarding Temporary Care now includes wording regarding permanency and the municipality's obligation to determine

whether the adult caring for the child plans to keep the child permanently thereby no longer qualifying for Temporary Care benefits.

In order to ensure consistency in determining permanency, SAEO has begun researching other legislative standards which define permanency (Family Law Act, Child and Family Services Act, etc). Staff will prepare a report for PHSSC regarding the outcome of this review. Until a standard is determined, Niagara will continue with the current process of eligibility as it is still in compliance with Directives and the OW Act.

Children's Services

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

Program Update

As reported in COM 51-2008, under the new funding announced in July 2008, Niagara will receive \$578,200 to support fee subsidies in 2008/09. Although the funding is aimed at providing more access to quality licensed childcare for families and respond to wait lists, this new funding goes towards reducing the dependency on one-time revenue largely from SAEO rather than increasing services. The one-time funding previously available to Children's Services has enabled Niagara to avoid a wait list situation. With the apparent economic downturn, particularly with the manufacturing sector job losses, there has been an increase in the demand and complexity of caseloads. More specifically, higher income families that were eligible for a partial subsidy based on their prior years earnings (Notice of Assessment) have returned for reassessment because last years earnings do not reflect their current financial situation. As such, these families are seeking lower parental contributions (portion of total child care fee required to be paid by the parent) to relieve the financial pressure of child care and keep them working. This presents some challenges with case complexity because of eligibility requirement of the Income Testing processes and application of the policies. As well, more clients with parental fees, irrespective of the amount of the fee, requires child care operators to dedicate more staff time to the collection of these fees and policies in order to remain financially viable.

With the universal approach of Income Testing, business improvements aimed at better access to fee subsidy, including locating caseworkers in specific community locations and an electronic registration form currently under development, increased demand from both low and higher income families is expected.

Seniors Services

Senior Services is not anticipating any significant surplus or deficit for 2008. The second quarter financial variance does indicate a surplus; however this will normalize as expenditures for approved staff and projects are fully realized.

Program Updates

Long-term care homes are funded by the Ministry of Health and Long-Term Care through the Local Health Integration Network (LHIN). Base funding for the Ministry's

funding envelopes for the 2008-09 fiscal year averaged 1.5% (exclusive of acuity increases).

The Ministry's acuity increase, which reflects a province-wide increase on resident care requirements was 1.87% effective April 1, 2008. This acuity increase for nursing costs and increases in the homes' Case Mix Index (CMI), which were generated by Seniors Services staff, are contributors to addressing the challenge of inflationary costs in excess of the Ministry's less-than-inflation increases in base funding.

In recognition of the increasing care requirements of residents in long-term care homes, the LHIN has provided conditional funding for additional Registered Practical Nurses (RPNs). In addition to earlier funding in 2008 for eight RPNs the LHIN has provided total funding of \$723,315 for 12.6 full-time equivalent (FTE) RPNs in 2008 (COM 41-2008, August 28, 2008). The LHIN has also announced conditional funding of \$456,052 for Seniors Services for additional Personal Support Workers.

Neither of these staffing enhancement initiatives of the Ministry and the LHIN will require additional fiscal contributions from the Region.

Operating Statements

The following financial information, by object of expenditure for the quarter ending September 30, 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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Mike Trojan
Chief Administrative Officer

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- 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)