

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

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PART I: 2009 OPERATING BUDGET**Executive Summary**

- The Community Partnership and Investment Program (CPIP) supports Council's social, cultural, recreational and economic goals through the delivery of specific programs; assists communities in drawing upon their own talents and resources to identify needs and develop appropriate programs and services; and encourages residents to engage in civic life and participate in decision-making by supporting a City-wide network of community organizations. Through its Partnership and Investment programs, CPIP provided over 4,600,000 units of service during 2008.
- CPIP faces both challenges and opportunities over the next three years. The challenges include meeting the City's rising service demands and the needs of a diversified population within existing resources, and ensuring the City's accountability requirements continue to be met while reducing the administrative burden on funded organizations. The Program also has the opportunity over the next few years to streamline processes through the use of the Corporate Grants Information System (CGIS) to improve information management for the community and CPIP delivery divisions.
- The service objectives for CPIP include:
 - Continuing to strengthen priority neighbourhoods, with enhanced funding, through development in community engagement, health and safety programs with emphasis on students lacking proper nutrients, arts and culture, housing, environment, transportation, and economic opportunities and security;
 - Expanding the utilization of the Corporation Grants Information System (CGIS) to all funded organizations by 2011;
 - Completing the implementation of streamlining the grant application process for all Partnership Programs by 2010 to reduce administration burden; and,
 - Developing a multi-year funding plan for CPIP to provide for inflationary increases to funded organizations and to assist Council to set funding goals and advance its priorities.

The 2009 Recommended Operating Budget includes the following priority actions which address the challenges, opportunities, and service objectives:

- To assist in the development of multi-year funding plan, staff will identify benchmarks for the key community-based supports, as well as establish a framework for priority and target setting through the development of the Community Partnership Strategy;
- To improve data management for all CPIP funded organizations, CPIP will continue the implementation of the CGIS to additional Partnership and Investment programs;

2009 Operating Budget Community Partnership & Investment Program

- To address the inflationary pressures on funded organizations, a \$0.849 million or 2.0% inflationary increase for all funded organizations is provided for in the 2009 Recommended Operating Budget; and,
- To respond to rising service demands, additional funding of \$1.210 million is included in the 2009 Recommended Operating Budget for the following programs:
 - Community Services Partnership Program (\$0.600 million) to develop programs with local organizations that build community capacity and enhance opportunities for youth in priority neighbourhoods through programs such as leadership development and mentoring and peer support;
 - Student Nutrition Program (\$0.400 million) to provide additional nutritious meals to 5,644 children and 3,147 youth living in poverty; and,
 - University Settlement Recreation Centre (\$0.010 million) to allow for hiring of part-time maintenance staff to avoid service interruption, when full-time staffs are absent.
- For 2008, CPIP is projected to be at budget by year-end with a net expenditure of \$43.266 million.

Table 1: 2009 Recommended Budget

(In \$000s)	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget	FY Incremental Outlook			
	2008Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/ Enhanced	2009 Operating Budget		\$	%	2010	2011
	\$	\$	\$	\$	\$		\$	\$	\$	\$
GROSS EXP.	43,590.2	43,590.2	44,580.6	1,010.4	45,591.0	2,000.8	4.6	0.0	0.0	
REVENUE	324.0	324.0	259.0		259.0	(65.0)	(20.1)			
NET EXP.	43,266.2	43,266.2	44,321.6	1,010.4	45,332.0	(2,065.8)	(4.8)	0.0	0.0	
Approved Positions				0.0		0.0	NA			
TARGET			43,266.2		43,266.2					
\$ Over / (Under) Program Target			1,055.4		2,065.8					
% Over / (Under) Program Target			2.4%		4.8%					

- The 2009 Recommended Operating Budget for CPIP of \$45.591 million gross and \$45.332 million net is \$2.066 million or 4.8% higher than the 2008 Approved Operating Budget and 2009 target (set at a 0% increase over the 2008 Approved Operating Budget as no COLA pressure is required).
- The 2009 Recommended Operating Budget for CPIP is comprised of base funding of \$44.581 million gross and \$44.322 million net to maintain service level and funding for new/enhanced service priorities of \$1.010 million gross and net.

2009 Operating Budget Community Partnership & Investment Program

- The 2009 Recommended Operating Budget of \$45.332 million net incorporates the Program's key cost drivers including inflationary increases of \$0.849 million for the Partnership and Investment programs in CPIP and \$0.207 million increase mainly to ensure Toronto Arts Council's (TAC) employees' salaries are competitive with similar organizations.
- The recommended new / enhanced service priorities, totaling \$1.210 million gross and net, to promote CPIP's objectives to build community capacity (\$0.600 million) and to provide vulnerable students with nutritious meals (\$0.400 million), and to maintain existing level of services at University Settlement Recreation Centre (\$0.010 million).
- The Community Partnership and Investment Program contributes to the enhancement of the quality of life in the City of Toronto, through community capacity-building and service delivery. The grant-making process is guided by the principles of accessibility, fairness and equity, openness and transparency, accountability and responsiveness. The 2009 Recommended Operating Budget includes base funding of \$44.322 million net and new/enhanced funding of \$1.010 million to address the following priority actions that advance the Mayor's mandate and Council's policy agenda:

➤ ***Investment in Toronto's 13 Priority Neighbourhoods:***

- Develop a multi-year funding plan for CPIP that will provide inflationary increases to funded organizations;
- an increase in the number of community development projects funded in priority neighbourhoods from 471 in 2008 to 555 in 2009, with specific emphasis on youth and new immigrants;
- funding of \$11.745 million for the Community Services Partnership Program to build community capacity, to reach vulnerable groups, and to develop effective models of community-based service to help achieve the City's social development goals. In particular, the new funding of \$0.600 million recommended in 2009 Operating Budget allows the Program to deliver 35 new/enhanced programs that focus at-risk youth, seniors, women, as well as community development in priority neighbourhoods; and,
- additional funding of \$0.400 million to provide for increased food costs for the existing 232 programs, to provide the youth program with the same level of funding (12% for the City) as the elementary program, and to expand to 44 new school communities serving an additional 5,644 children and 3,147 youth.

➤ ***Make a Safe City Safer:***

- Continue to invest in priority neighbourhoods focused activities that build community capacity and promote violence prevention including funding of \$14.567 million for the community services envelope, \$2.455 million for the homeless initiatives fund, and \$0.827 million for the drug prevention program.

2009 Operating Budget Community Partnership & Investment Program

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Community Partnership and Investment Program of \$45.591 million gross and \$45.332 million net, comprised of the following services:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Partnership Program	37,346.2	37,346.2
Investment Program	3,810.4	5,551.4
Administration	3,434.3	2,434.3
 Total Program Budget	 <u>45,591.0</u>	 <u>45,332.0</u>

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

The Community Partnership and Investment Program (CPIP) delivers three services:

- **Partnership Programs** provide ongoing funding to support the delivery of specific services or activities. Partnership Programs support organizations and sustain the capacity within a particular sector to meet ongoing service needs.
- **Investment Programs** provide project funding, which supports the delivery of time-limited activities and the development of new initiatives. Investment Programs provide short-term funding and assist in leveraging resources to increase the capacity and infrastructure within a particular sector.
- **Administration Funding** supports the effective delivery of service and accountability of city funding delivered through funded organizations.

These services provide the following:

- Delivery of 2,186 projects across the city, of which 555 are located in priority neighbourhoods;
- Partially funding for nutritious meals/snacks to approximately 83,600 elementary children and 15,900 youth living in low income communities, including priority neighbourhoods;
- Over 4,617,482 units of service and 45,000 volunteer opportunities through the funded activities; and,
- Funding capacity at 68% compared to total requested and 88% of the eligible applications are funded.

The three services delivered by CPIP are noted in the following Program Map:

Program Map



Service Challenges and Opportunities

On an ongoing basis, the Community Partnership and Investment Program (CPIP) will continue to contribute to maintaining and enhancing the quality of life in the City of Toronto, through community capacity-building and service delivery. The grant-making process is guided by the principles of accessibility, fairness and equity, openness and transparency, accountability and responsiveness.

Each CPIP service area is linked to the City's Strategic Plan and addresses specific Council priorities, including civic participation, strengthening neighbourhoods, improving business climate, increasing community capacity and increasing access and equity for services. CPIP programs provide proactive and innovative programming to underserved neighbourhoods, enhance economic growth, provide opportunity for at-risk youth to overcome barriers and integrate into Toronto's labour market, and help build community identity.

The challenges faced by CPIP can be summarized into these areas – maintaining service levels with limited resources; managing increasing demands for services; and meeting the City's accountability requirements while reducing administrative burden on funded organizations.

Maintaining Service Levels with Limited Resources

A number of programs have indicated the need to increase funding to account for inflationary pressures and maintain existing service levels. The challenge is that many funded organizations only receive grants for specific projects and not for administration costs. However, without sufficient funding for basic administrative costs including salary and rents, the funded organizations would not be able to maintain a strong and effective infrastructure to enable a stable, ongoing service delivery. As well, without an increase in funding, programs will continue to absorb inflationary increases, further stretching existing resources and programs ability to maintain current level of services.

Managing Increasing Demands for Services

Managing the escalating demands for additional services continues to be a challenge for CPIP. In fact, it is particularly important for the City to provide additional support through funding programs to enhance employment opportunities, to promote community engagement, leadership and skill training for at-risk youth, and to address local issues and build community capacity in priority neighbourhoods given the economic uncertainty. The community services sector experiences the impact of economic downturn as the financial supports from private sector begin to decline. The City is working with non-governmental funders to ensure that limited resources are allocated effectively to maintain sector capacity for needed service delivery.

Many programs have requested additional funding to address the increase in demand for services including:

- *Community Services Partnership Program:*

The Community Services Partnership program (CSP) provides ongoing support to not-for-profit organizations that work to improve social outcomes for vulnerable, marginalized and high-risk neighbourhood. In particular, CSP supports 232 community-based organizations to deliver over 533

2009 Operating Budget Community Partnership & Investment Program

programs for seniors, children and youth, abused women, and neighbourhood engagement, serving approximately 1.5 million individuals and offering over 46,000 volunteer opportunities annually.

In 2008 alone, CSP received 66 grant applications that were assessed as high priority requesting \$1.200 million. However, these 66 funding requests were not recommended due to affordability constraints.

- *Student Nutrition Programs:*

The Student Nutrition Programs (SNP) provide children and youth with access to nutritious foods in school/communities. SNP promotes healthier eating habits and helps to prevent obesity and its related chronic diseases such as diabetes and cardiovascular diseases. The nutritious meals/snacks contribute nutrients and energy that students need to be ready to learn and participate in school. In 2008, SNPs reached approximately 78,000 elementary children (1 in 3 students) and 12,750 youth (1 in 10 students), with emphasis in priority neighbourhoods.

There are two challenges faced by SNP in 2009:

- a) Increase in Food Costs:

The increase in food costs is estimated to be 2.4% based on the 2008 results from the Nutritious Food Basket survey. Without corresponding funding increases, SNP will continue to absorb the inflationary increases; thus, compromising the portion and nutritional quality of meal/snacks to children or youth lacking proper nutrition.

- b) Additional Student Nutrition Programs:

In 2008, the City funded 10% to 12% of the total program costs of the Student Nutrition Programs (SNP), while the Province has been contributing less than 7% of the total costs. The Province recently announced to increase its funding over the next three years for Student Nutrition Program, which results in 190 newly designated school communities in Toronto. The designated communities were identified where family incomes are low and where children and youth are known to live in poverty. As well, the Province's plan is to increase its share of the total program costs to 15.0% for the existing 242 designated communities, as well as the 190 new communities eligible to start a new program. However, due to affordability constraints, the City can only provide additional funding of \$0.400 million in the 2009 Recommended Operating Budget for 44 new student nutrient programs reaching an additional 8,791 children and youth.

Reducing Administrative Burden while Meeting the City's Accountability Requirements

Another challenge facing CPIP is the ability to ensure the City's accountability requirements continue to be met while reducing the administrative burden on funded organizations, especially for short-term project funding and small-size grants.

The funded organizations have raised concerns that the increasingly complex funding application and reporting processes of all funded organizations have over-burdened their administrative and management capacity and taken valuable resources away from the programs that they have been funded to deliver.

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In June 2008, Council approved administrative options for the delivery of Partnership programs to streamline the process and reduce administrative burden on funded organizations, in particular those that have a long-standing partnership with the city for program delivery. These changes are being implemented and monitored to ensure the City's accountability requirements continue to be met for reporting and monitoring. Challenges arising from these changes include developing new internal processes for information management, and working with the community-based sector to strengthen its own governance, accountability and management skills.

Service Objectives

To address the challenges and opportunities outlined above and to align its strategic initiatives that advance the Mayor's Mandate and Council's policy agenda, CPIP has developed the following service objectives for the next three years:

- Expand the utilization of the Corporation Grants Information System (CGIS) to be used by all funding programs by 2011. The implementation of CGIS enables CPIP to administer all City's funding programs through the system; thus, enhancing operating efficiency and improving data management across the City's funding programs;
- Streamline and Improve Funding Administration Policies:
 - Initiate the process for implementing streamlining for Investment Programs in 2009, to extend the benefits of operating budget planning and information to these short term funding programs;
 - Completing the streamlining of the grant application process for all Partnership Programs by 2010. A complete implementation to streamline the grant application and allocation process would benefit the City significantly through longer term planning, developing multi-year funding plans that advance Mayor's and Council's priorities, and reduce administrative burden for ongoing funded organizations; and,
- Continue to strengthen priority neighbourhoods through funding of community engagement, service and capacity development, youth-led initiatives, arts and cultural activities, and economic development.
- Continue to promote healthier food choices for children and youth living in priority neighbourhoods and other low income communities through the Student Nutrition Program by providing funding for increased food costs for the existing 242 programs and increasing number of school communities with student nutrient programs by 44, from 242 in 2008 to 311 by 2009.

Priority Actions

The 2009 Recommended Operating Budget provides \$45.332 million net in base and new funding for a broad range of services and activities that address the challenges, opportunities, and service objectives of the Community Partnership and Investment Program.

2009 Operating Budget Community Partnership & Investment Program

a) To respond to rising service demands, additional funding of \$1.010 million is included in the 2009 Recommended Operating Budget for the following programs:

- An additional \$0.400 million new/enhanced funding to Student Nutrition Program (SNP) to promote healthier food choices for children and youth living in priority neighbourhoods and other low income communities. To ensure that meals/snacks served to students in existing SNPs are of adequate portion size and nutritional quality, enhanced funding of \$0.121 million is recommended to provide for inflationary increases in food costs and to provide the youth programs the same level of funding (12% for the City) as the elementary programs. As part of the enhanced funding of \$0.400 million, \$0.279 million is allocated to expand the SNP in 44 of the 190 newly designated school communities identified by the Province, serving an additional 8,791 children and youth. The 2009 Recommended Operating Budget also includes base funding increase of \$0.056 million to address the inflationary pressure in 2009.
 - Expand investment in additional community development supports in neighbourhoods and vulnerable communities. The 2009 Recommended Operating Budget includes enhanced funding of \$0.600 million for the Community Services Partnership program to address the service priorities including community development, administrative and engagement programs in neighbourhoods. In particular, the new funding of \$0.600 million enables CSP to support approximately 35 programs for services to seniors and women, and enhance opportunities for youth through programs such as leadership development, peer support, mentoring and community engagement. The 12 new programs and 23 enhanced programs will increase services in priority neighbourhoods and build organization's ability to respond to local community needs.
 - The additional funding of \$0.010 million included in the 2009 Recommended Operating Budget will allow for hiring additional part time maintenance staff or call in replacement maintenance staff when full time staff are on vacation, sick or other leave. Thus, the University Settlement Recreation Centre will remain open while full time staff is absent and more importantly, maintain the facility in a state of good repair while accommodating the high volume of facility use.
- b) To address the inflationary pressures on funded organizations, the development of a multi-year funding plan for CPIP is required to address this budget challenge faced by many funded organizations while maintaining current level of services. In fact, the 2009 Recommended Operating Budget has incorporated a funding increase of \$0.852 million or 2.0% inflationary increase to address this issue, while future year budget will include inflationary increases once confirmed.

The increase would address the increased costs to operate and administer programs in the community by maintaining the “purchasing power” of a funding allocation in terms of the amount of services and activities delivered by funded organizations, numbers of priority programs and projects that can be funded, and the ability to leverage funds and resources. The inflationary increases in 2010 and 2011 will be reviewed and included as base pressures during the 2010 Operating Budget process.

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- c) To reduce the administrative burden on funded organizations, CPIP will begin to implement the options to streamline the grant application and allocation process as outlined in the “Streamline and Improve Funding Administration Policies” report.

The “Options to Streamline and Improve Funding Administration Policies” report approved by Council in June 2008, enables CPIP to explore additional avenues for using technology, community development supports and business process refinement to reduce the administrative burden on funded organizations. The streamlining and improvements to grants Administration Policies will enable the funded organizations in Partnership programs the opportunities to manage their funding effectively to best address community services needs in a changing environment.

i. Financial Flexibility:

Prior to the options to streamline the grants administration policy, funds transferred among Council approved budget lines may require staff approval, while the transfer of funds among approved programs requires the submission of a full application and Council approval.

As a result of options to streamline the grants administration policy, organizations funded by Partnership programs may transfer up to 20% of an approved allocation within the funding period from one approved program to a second approved program without Council approval. This financial flexibility enables organizations to address fluctuations and uncertainties in funding leverage that may occur from year to year, and is currently being implemented within the Community Services Partnership program. Any transfer of approved funding between approved programs within a funding period will be reported to the CSP at year end.

Thus, the options to streamline the grants administration policy allow the funded organizations the greater financial flexibility to support a stable program delivery that best serves the community needs.

ii. Multi-Year Planning:

Annual application cycles and annual Council approval of funding increases the administrative burden on organizations and hinders the ability for longer term planning, especially for Partnership programs where the intention is to fund organizations over multiple years to ensure stable and effective program delivery.

As one of the options to streamline the grants administration process, Partnership programs have the opportunity to take multi-year applications from organizations. In its June 23 and 24, 2008, Council delegated the authority to allocate funds to the head of the division that administers the program when the recommended allocation is identical to the previous year’s allocation. Any new and enhanced funding requests that change the nature or level of funding would require formal approval by Council.

Although the overall CPIP Operating Budget is still subject to Council’s approval on an annual basis, the streamlined approval process allows the funded organizations to receive grant installments earlier in the year and thus, enable more stable and effective program planning and delivery.

2009 Operating Budget Community Partnership & Investment Program

The options to streamline the grants administration process also includes the development of a multi-year funding plan by changing the funding allocation approval cycle. Starting with Community Services Partnership program in 2010, applications will be submitted and assessed prior to the City's operating budget process. This new process requires staff to assess the demand for increased allocations and rank requests for additional funding based on Council or Mayor's priorities. Thus, additional information such as level of demand, the purpose of the funding requests and the overall impact of the CPIP budget on service levels will be available for Council's consideration during the annual operating budget process.

This process change in 2010 is the first step in developing a 3-year rolling funding process. This multi-year process allows Council to set funding goals against its priorities and the approval of allocations is completed when the Operating Budget is approved by Council. Additional steps to fully develop a multi-year funding plan for CPIP include completing the Community Services Partnership strategy and developing appropriate planning approaches to incorporating the unfunded service demands that support Council or Mayor's priorities due to affordability.

- d) To improve data management, the Corporate Grant Information System (CGIS) has been developed. The CGIS is an on-line funding program management system. The system will facilitate the implementation of program standards across all funding programs in the City's Community Partnership and Investment Program, and thus, allowing for improvement in data management across all CPIP's funding programs.

The Corporate Grants Information System allows:

- applicants to apply to all City funding programs through internet;
- City funding programs to share applicant information, eliminating the need for applicants to submit multiple copies of basic organisation information;
- Review officers to evaluate and assess funding applications online;
- Funding allocation information to be consolidated across funding programs; and,
- Easier reporting of performance measures for individual programs and CPIP at consolidated level.

The full implementation of CGIS will also reduce the administrative burden for funded organizations because of its ability to store and verify agency-based information. Currently, CGIS is used by about 250 community based agency applicants for the Community Services Partnership program. The complete implementation of CGIS to all CPIP programs enables CPIP to admin all funding programs through the system and thus, enhanced operational efficiency.

- e) To support the development of a multi-year funding Plan, CPIP will develop the Community Partnership Strategy in 2009 to assist and advance Council's priorities.

During its June 23-24, 2008 meeting, the Council requested staff to develop the Community Partnership Strategy to establish benchmarks for the key community-base supports, as well as establishing a framework for priorities and targets setting. The goals of the Community Partnership Strategy are:

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- Provide municipal leadership to ensure the city maintains a strong, vibrant and responsive community-based sector;
- Define the key roles the City should play in supporting this sector;
- Identify neighbourhoods that would benefit from increased investment in the community-based supports that improve outcomes for their residents;
- Provide a strategic framework for decision-making about the level and rate of increases in municipal funding to the community-based sector; and,
- The development and implementation the Community Services Partnership Strategy would enable CPIP to identify community needs and service demands and thus, assisting Council to set funding goals and advance its priorities.

Thus, the Community Partnership Strategy will assist Council to make strategic decisions based on these priorities and targets, as well as developing a multi-year funding plan and strategy for CPIP.

PART III: 2008 BUDGET VARIANCE ANALYSIS**Table 2: 2008 Budget Variance Review**

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	42,353.3	43,590.2	43,590.2	0.0	0.0
REVENUES	756.2	324.0	324.0	0.0	0.0
NET EXP.	41,597.1	43,266.2	43,266.2	0.0	0.0
Approved Positions	0.0	0.0	0.0	0.0	0.0

* Note: Source is the CPIP 2008 Third Quarter Operating Budget Variance Report.

2008 Experience

In September 2008, Council approved the 2008 grant allocations for the CPIP program. As of September 30, 2008, net expenditure of \$38.03 million or 87.9% of the budget has spent. Expenditures have continued as planned through the remainder of 2008, and are projected to be fully spent or accrued by year-end of 2008.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

There is no impact of the 2008 Operating Variance on the 2009 Recommended Budget.

PART IV: 2009 RECOMMENDED BASE BUDGET

Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change 2009 Recommended Base v. 2008 Appvd. Budget		FY Incremental Outlook	
			\$	%	\$	\$
GROSS EXP.	43,590.2	44,580.6	990.4	2.3	0.0	0.0
REVENUE	324.0	259.0	(65.0)	(20.1)		
NET EXP.	43,266.2	44,321.6	1,055.4	2.4	0.0	0.0
Approved Positions			0.0	NA		
NET TARGET		43,266.2				
\$ Over / (Under) Program Target		1,055.4				
% Over / (Under) Program Target		2.4%				

2009 Recommended Base Budget

- The 2009 Recommended Base Budget of \$44.581 million gross and \$44.322 million net is \$1.1 million or 2.4% over the 2008 Approved Operating Budget to maintain existing service levels.
- The increase in gross expenditures represent a 2.0% inflationary increases for all funding programs in CPIP, and an increase in funding of \$0.207 million for Toronto Arts Council (TAC) administration mainly to ensure its employees' salaries remain competitive compared to other organizations similar in nature (i.e. Ontario Arts Council). The reduction in revenue is due to reversal of funding for one-time projects totaling \$0.065 million as follows:
 - Cultural Build: \$0.040 million was funded by the Cultural Facilities Capital Grants Reserve Fund to assist the City's non-for-profit cultural sector with financing for state of good repair capital projects; and,
 - Heritage Conservation District Study: \$0.025 million funded by Section 37 Reserve Funds was for an architectural survey of buildings and compilation of Heritage Conservation District Plans for Madison Avenue and the Harbord Village area. The district designation enabled the City to protect the heritage value of the District and to manage and guide future change within the District boundaries.
- The 2009 Recommended Base Budget of \$44.322 million net is 2.4% or \$1.055 million over the 2009 target of \$43.266 million to maintain existing service levels.

2009 Key Cost Drivers and Reduction Strategies

The 2009 Recommended Base Budget provides funding for the following key cost drivers:

- Inflationary increases of \$0.849 million or 2.0% that provides financial support for core administration for the Partnership programs and allows the Investment Programs to increase the average size of grants to adjust for the inflationary pressures.
- With respect to Toronto Arts Council (TAC) administration, additional funding of \$0.207 million to provide the following:
 - An increase of \$0.173 million is for salaries and benefits to ensure TAC's employee compensation levels are competitive to those at the Ontario Arts Council (OAC);
 - Additional funding of \$0.025 million to ensure TAC's jury fees and committee expense allowances for the volunteer committees and paid juries making grant recommendations to the Board of Directors remain competitive to those offered by the OAC; and,
 - Additional funding of \$0.009 million which enables TAC to ensure the computers and technical fixed assets, as well as the furniture and fixtures, are properly serviced and maintained.

2010 and 2011 Outlook: Net Incremental Impact

The 2010 and 2011 Outlooks do not include unconfirmed inflationary increases at this time. CPIP will continue to monitor inflationary pressure and further inflationary increase will be incorporated in future operating budgets once the pressure is identified.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental	
	Gross Exp.	Net Exp.		#	2010
	\$	\$			2011
Enhanced Services: (a) Enhanced Services - Council Approved					
(b) Enhanced Services - Program Initiated					
Sub-Total Enhanced Services	0.0	0.0	0.0	0.0	0.0
New Services: (a) New Services - Council Approved Community Services Partnership					
(b) New Services - Program Initiated Community Services Partnership Student Nutrition Program University Settlement Recreation Centre	600.0 400.0 10.4	600.0 400.0 10.4			
Sub-Total New Services	1,010.4	1,010.4	0.0	0.0	0.0
Total Enhanced/New Services	1,010.4	1,010.4	0.0	0.0	0.0

2009 Recommended New / Enhanced Service Priority Actions**New Service Priority Actions – Program Initiated*****Community Services Partnership Program***

The Community Services Partnership Program (CSP) provides ongoing support to not-for-profit organizations that work to improve social outcomes for vulnerable, marginalized and high-risk neighbourhood. CSP supports a number of community organizations for activities that improve neighbourhoods, build community capacity, reach vulnerable groups with needed services, and develop effective models of community-based service to help meet the city's social development goals. In particular, CSP supports 232 community-based organizations to deliver over 533 programs for seniors, children and youth, abused women, and neighbourhood engagement, serving approximately 1.5 million individuals and offering over 46,000 volunteer opportunities annually.

In 2008, CSP received 66 grant applications that were assessed as high priority requesting \$1.200 million. However, these 66 funding requests were not recommended due to affordability.

The new funding of \$0.600 million included in the 2009 Recommended Operating Budget enables CSP to support approximately 35 programs for services to seniors and women, and enhance opportunities for youth through programs such as leadership development, peer support, mentoring and community engagement. The 12 new programs and 23 enhanced programs will increase services in priority neighbourhoods and build organization's ability to respond to local community needs.

Student Nutrition Programs

Hunger continues to be a major issue in Toronto, with a 7.0% increase in use of food banks between 2007 and 2008. Of the 799,315 Toronto residents who used a food bank in 2008, 34% were children. The Student Nutrition Programs (SNP) provide children and youth with access to nutritious foods in lower income school/communities. Student nutrition programs alleviate short-term hunger and give children the energy they need to be ready to learn and participate in school.

SNP promotes healthier eating habits and help reduce the future risk of chronic diseases, such as cardiovascular disease, osteoporosis, and some types of cancer. Funding granted would allow the programs to serve vegetables or fruits as part of every snack or meal, providing needed nutrients to food insecure children. The nutritious meals/snacks provide students with nutrients and energy needed to participate and be ready to learn at school. In 2008, SNPs reached approximately 78,000 elementary children (1 in 3 students) and 12,750 youth (1 in 10 students), with emphasis in priority neighbourhoods.

The new/enhanced funding of \$0.400 million in the 2009 Recommended Operating Budget allows Student Nutrition Programs to maintain the nutritional quality of foods served to nutritionally vulnerable children and youth, and provides additional funding to support the 44 of the 190 new provincially designated school/communities, reaching an additional 8,791 students. In 20 new elementary communities, an additional 5,644 children will be reached and in the 24 new youth communities, an additional 3,147 youth will be reached.

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University Settlement Recreation Centre

The University Settlement Recreation Centre currently opens 7 days a week from 6:30 am to 11:00 pm and has experienced a 40% increase in recreation members usage in the past 12 months. The increased service demand is primarily contributable to population growth in the area and the new exercise equipment donated by private parties.

The enhanced funding of \$0.010 million included in the 2009 Recommended Operating Budget enables University Settlement Recreation Centre to maintain the 2008 service level. The additional funding will allow for hiring additional part time maintenance staff or call in replacement maintenance staff when full time staff are on vacation, sick or other leave. Thus, the University Settlement Recreation Centre will remain open while full time staff is absent and more importantly, maintain the facility in a state of good repair while accommodating the high volume of facility use.

PART VI: ISSUES FOR DISCUSSION

2009 Budget Issues

2009 Recommended Operating Budget vs. Guideline

The 2009 Recommended Operating Budget for the Community Partnership and Investment Program (CPIP) is \$2.066 million or 4.8% over the 2009 target of a 0% increase over the 2008 Approved Operating Budget. This increase is mainly attributable to:

Base Funding increases to maintain existing level of service include:

- An inflationary increase of \$0.849 million or 2.0% to all funding programs in CPIP; and,
- An increase in salaries and benefits for Toronto Arts Council's (TAC) employees, along with assessment fees to jury and members of the volunteer committees to remain competitive with Ontario Arts Council (OAC), and replacement of capital equipment totaling \$0.207 million.

Enhanced/New Funding increases include:

- \$0.600 million to the Community Services Partnership Programs to expand programs that that improve neighbourhoods, build community capacity, reach vulnerable groups with needed services, and develop effective models of community-based service to help meet the city's social development goals;
- \$0.400 million to the Student Nutrition Programs to provide for inflationary increases in food costs for the 242 existing programs, and increase number of children and youth served by 5,644 and 3,147 respectively by expanding the program to 44 of the 190 newly designated school communities; and,
- \$0.010 million to University Settlement Recreation Centre to hire additional part time maintenance staff or call in replacement maintenance staff for vacation, sick or other leave for full time staff, in order to maintain the facility in a state of good repair while accommodating the high volume of facility use.

Issues Referred to the 2009 Operating Budget Process

1) The report from the Medical Officer of Health entitle “*Student Nutrition Program Funding – Current Status and Recommendations for 2009*” (November 17, 2008) have been adopted by the Board of Health and referred to Budget Committee for consideration during the 2009 Operating Budget Process. The report includes the following recommendations:

- i. The Board of Health endorsed the request for a \$120,623.00 net increase to the Community Partnership and Investment Program (CPIP) 2009 Operating Budget for existing student nutrition programs to cover increased food costs and to provide municipal funding for youth programs at the same funding level as elementary programs.
- ii. The Board of Health endorsed the request for an additional net increase of \$1,358,433.00 to the CPIP 2009 Operating Budget to provide a 12% municipal funding level for all new student nutrition programs initiated in provincially designated communities.

The 2009 Recommended Operating Budget includes an additional \$0.400 million, in addition to the \$0.056 million or 2.0% economic inflationary increase, to provide for food cost increases for the existing 242 SNPs, to provide the youth program the same level of funding (12% for the City) as the elementary program, and to provide nutritious meals to an additional 5,644 children and 3,147 youth through the 44 newly designated school communities.

2) The report from the 2008 AIDS Prevention Community Investment Program Review Panel entitle “*2008 AIDS Prevention Community Investment Program Allocation Recommendations*” (May 29, 2008) have been adopted by the Board of Health and referred to Budget Committee for consideration during the 2009 Operating Budget Process. The report recommended that:

- i. The Board of Health endorsed the project allocations funding for the 2009 AIDS Prevention Community Investment Program be increased by \$486,200.00 (from \$1,513,800.00 to \$2,000,000.00).

The 2009 Recommended Operating Budget includes \$0.032 million or 2.0% inflationary increase to the AIDS Prevention Community Investment Program.

3) The report from the Executive Director of Social Development, Finance & Administration entitle “*Development of the Community Partnership Strategy*” (November 14, 2008) have been adopted by the Community Development and Recreation Committee and referred to Budget Committee for consideration during the 2009 Operating Budget Process. The report recommended that:

The Community Services Partnership Program priorities for new and increased funding in 2009 and 2010 be expanded to include:

- a) Core administration funding that supports the ability of community organizations to engage residents and build partnerships;
- b) Program funding that supports the participation of vulnerable residents in engagement opportunities;

2009 Operating Budget Community Partnership & Investment Program

- c) Community development programs that allow vulnerable residents and neighbourhoods to identify needs, assets and opportunities, and to act on them; and,
- d) Funding to strengthen the human resource base in organizations, particularly in terms of their ability to engage with residents, businesses, governments, and other partners;

And that the enhanced funding of \$600,000.00 requested in 2009 for the Community

Services Partnership Program included in the 2009 Community Partnership and

Investment Program's Operating Budget submission, if approved by Council, be allocated to these expanded priorities.

The additional funding of \$0.600 million included in the 2009 Recommended Operating Budget will provide for approximately 35 programs for services to seniors and women, and enhance opportunities for youth through programs such as leadership development, peer support, mentoring and community engagement. The 12 new programs and 23 enhanced programs will increase services in priority neighbourhoods and build organization's ability to respond to local community needs.

The 2009 Recommended Operating Budget also includes a \$0.219 million or 2.0% increase to address inflationary pressure.

- 4) The report from the General Manager, Shelter, Support and Housing Administration Division entitle "2009 Funding Allocations from the Toronto Homelessness Initiatives Fund, the Provincial Consolidated Homelessness Prevention Program and Rent Bank Fund" (November 14, 2008) have been adopted by the Community Development and Recreation Committee and referred to Budget Committee for consideration during the 2009 Operating Budget Process The report includes the following recommendations:
 - i. provide extended hours of service at nine drop-in centres during the 2009 spring and summer seasons, for a total allocation of up to \$203,938 gross and \$56,062 net, comprised of up to \$147,876 gross and \$0 net from the 2009 Consolidated Homelessness Prevention Program and up to \$56,062 gross and net from the 2009 City of Toronto Homeless Initiatives Fund; and,
 - ii. provide extended hours of service at nine drop-in centres during the 2009 fall and winter seasons, for a total allocation of up to \$203,938 gross and net from the 2009 City of Toronto Homeless Initiatives Fund,

The 2009 Recommended Operating Budget includes \$0.048 million or 2.0% inflationary increase to the Homeless Initiative Fund.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
	\$	\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	0.0	43,525.2	259.0	43,266.2	0.0	0.0
In-year approvals and technical adjustments		65.0	65.0	0.0		
Corporate adjustments				0.0		
2008 Approved Operating Budget	0.0	43,590.2	324.0	43,266.2	0.0	0.0
Prior year impacts		(65.0)	(65.0)	0.0		
Zero base items				0.0		
Economic factors		848.5		848.5		
Adjusted Base Budget	0.0	44,373.7	259.0	44,114.7	0.0	0.0
Other base changes		206.9		206.9		
Base revenue changes				0.0		
Recommended Service Level Adjustments:				0.0		
Base changes				0.0		
Service efficiencies				0.0		
Revenue adjustments				0.0		
Minor service impact				0.0		
Major service impact				0.0		
Total Recommended Base Adjustments	0.0	206.9	0.0	206.9	0.0	0.0
2009 Recommended Base Budget	0.0	44,580.6	259.0	44,321.6	0.0	0.0
2009 Program Operating Target				43,266.2		
% Over (Under) Program Target				2.4%		
% Over (Under) 2008 Appvd. Budget				2.4%		

Appendix C

Summary of 2009 Recommended New/Enhanced Service Priority Actions

Appendix D

Program Summary by Expenditure Category

CLUSTER: Corporate Account PROGRAM: Community Partnership and Investment Program							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits Materials and Supplies Equipment Services & Rents Contributions to Capital Contributions to Reserve/Res Funds Other Expenditures Interdivisional Charges				0.0	n/a		
	62.8	62.8	63.0	0.0	n/a	63.0	63.0
	43,446.3	43,446.3	45,446.9	2,000.6	4.6%	45,446.9	45,446.9
	81.1	81.1	81.1	0.0	0.0%	81.1	81.1
	TOTAL GROSS EXPENDITURES	43,590.2	43,590.2	45,591.0	2,000.8	4.6%	45,591.0
				0.0	n/a		
				0.0	n/a		
				0.0	n/a		
				0.0	n/a		
				0.0	n/a		
Interdivisional Recoveries Provincial Subsidies Federal Subsidies Other Subsidies User Fees & Donations Transfers from Capital Fund Contribution from Reserve Funds Contribution from Reserve Sundry Revenues				0.0	n/a		
	324.0	324.0	259.0	(65.0)	(20.1%)	259.0	259.0
				0.0	n/a		
				0.0	n/a		
				0.0	n/a		
TOTAL REVENUE	324.0	324.0	259.0	(65.0)	(20.1%)	259.0	259.0
TOTAL NET EXPENDITURES	43,266.2	43,266.2	45,332.0	2,065.8	24.7%	45,332.0	45,332.0
APPROVED POSITIONS				0.0	n/a		

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2008	Proposed Withdrawals (-) / Contributions (+)		
			2009	2010	2011
		\$	\$	\$	\$
Community Heritage Reserve Fund	XR1044	281.4	259.0		
Total Reserve / Reserve Fund Draws / Contributions			259.0	0.0	0.0

Appendix F
Summary of Annual CPIP Increases