



THUNDER BAY DISTRICT
SOCIAL SERVICES ADMINISTRATION BOARD

**THUNDER BAY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

BOARD REPORT

DATE PREPARED	September 2, 2008	REPORT NO.: 2008-20
MEETING DATE	September 17, 2008	TBDSSAB File No.: 440.02P / 440.06 / 840.12
SUBJECT	National Child Benefit Reinvestment Fund and Social Assistance Restructuring Savings – Year 2008	

REPORT SUMMARY

To provide the Thunder Bay District Social Services Administration Board (TBDSSAB) with an update on the National Child Benefit Reinvestment Fund (NCBRF) and Social Assistance (SA) Restructuring Savings, and to seek its direction.

BACKGROUND

National Child Benefit Reinvestment Fund (NCBRF)

Until summer 2008 social assistance savings resulted from the dollar for dollar deduction of the National Child Benefit Supplement (NCBS) from social assistance benefits payable through Ontario Works and the Ontario Disability Support Program (ODSP). Twenty percent of these savings were reinvested in the form of the NCBRF by municipalities to reduce child poverty and the NCB reinvestments were Ontario Municipal Partnership Fund (OMPF) eligible. The TBDSSAB established its NCBRF strategy in 1999 pursuant to the reinvestment funding guidelines and has continuously supported a number of nutrition, training, and child recreational programs for low-income families within the District of Thunder Bay as well as provided assistance with extraordinary needs and issuances to recipients of Ontario Works and the Ontario Disability Support Program. The Ministry of Community and Social Services (MCSS) has historically provided NCBS savings forecasts for planning purposes, and reconciliation on actual NCBS savings amongst the TBDSSAB four delivery agents occur in approximately January to February of each year for the prior year.

Social Assistance (SA) Savings

The restructuring of social assistance benefits has resulted in numerous changes including, but not limited to, the implementation of a 100% provincially funding Ontario Child Benefit (OCB), and the removal of the child basic allowance from social assistance payments in addition to the cessation of the NCBS deductions

from social assistance benefits payable through Ontario Works (August 2008) and ODSP (July 2008).

COMMENTS

Within its 2008 budget approval, the TBDSSAB continued its support of community programs through its NCBRF. The future of NCBRF would be determined pending further information from the province relative to its restructuring of social assistance initiative.

In the attached Deputy Minister's Memo – Ministry of Finance and Ministry of Municipal Affairs and Housing, dated March 14, 2008, to municipal Treasurers/Clerk-Treasurers were informed of the following concerning 2008 Ontario Municipal Partnership Fund (OMPF) allocations relative to social assistance benefits:

“With the introduction of the OCB..., municipalities are benefiting from lower social assistance (SA) costs. To the extent that overall SA expenditures decline as a result of reducing child-related payments, the municipal share of these expenditures will also decline. This decline will result in municipal cost savings.”

“While the National Child Benefit Supplement (NCBS) will no longer reduce SA benefits for families with children, municipalities are still expected to maintain investments in the NCB reinvestment programs. These municipal investments will continue to be recognized as eligible social program costs under OMPF, after the introduction of the OCB, if they flow to programs for children in low-income families.”

On May 30, 2008 Administration received a letter the Regional Program Manager, MCSS advising that “since 2008 is the final year for NCB savings and reinvestment it is expected that Consolidated Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) will work to ensure that NCB municipal savings are expended in full by the end of 2008.” Confirmation that CMSMs/DSSABs can use up to 10% of their reinvestment funding to offset administration costs related to NCB projects was also provided.

By memorandum dated July 25, 2008 to Regional Directors and Ontario Works Administrators (CMSMs and DSSABs), Ms. Hannah, Director, Ontario Works Branch, reiterated advice in the Deputy Ministers Memo dated March 14, 2008. She further advised that MCSS continues to be responsible for monitoring reinvestment strategies and expenditures and enclosed 2008 savings forecasts which include TBDSSAB NCBS and SA restructuring savings in the amounts of \$656,000 and \$145,000 respectfully.

National Child Benefit Reinvestment Fund (NCBRF)

Relative to the NCBRF, there are numerous community programs within the City of Thunder Bay and District Municipalities who financially depend upon the TBDSSAB's contributions so that they may provide programs for children that alleviate the effects of poverty. The Ministers of Finance and Municipal Affairs and Housing have provided confirmation that continued NCB reinvestments in community programs which assist children in low-income families will remain OMPF eligible for 2008. In absence at budget time of sufficient information from the province on the impact of the 2008 restructuring of social assistance upon the 2008 NCB forecasted savings, it was believed that only seven months of NCB savings would be experienced in 2008. Based upon this belief, \$167,660 of the 2007 NCBRF dollars were carried forward during 2008 budget development to ensure sufficient funding was available for the TBDSSAB to assist NCBRF recipient community programs through 2008 until more information was received. The TBDSSAB is currently estimated to have \$823,660 for 2008 (i.e., provincial forecast of \$656,000 together with \$167,660 carried forward from 2007).

The province has yet to advise municipalities whether or not NCB reinvestment will continue to be OMPF eligible beyond 2008. Consequently, although the MCSS Regional Program Manager advised that the NCB municipal savings must be fully expended by the end of December 2008 or a corrective action plan would be required, Administration is recommending that unallocated NCB funds estimated at \$271,635 be issued at year end 2008 to ensure that the Board has sufficient funds to assist NCB community agency beneficiaries next year pending further information from the province concerning the future of the NCBRF and OMPF eligibility. An updated NCBRF allocation based on the Board's previous approved allocations and this recommendation is included as Attachment #3.

Social Assistance (SA) Savings

The Deputy Minister's Memo from the Ministry of Finance and the Ministry of Municipal Affairs and Housing clearly states the overall decline in SA expenditures will result in savings to municipalities. Despite earlier verbal advice from MCSS regional staff concerning encouragement of reinvestment of SA savings into community programs, the Deputy Minister's Memo does not provide any indication that contribution of the SA savings into community programming would be OMPF eligible. Thus, two options are provided for the Board's future consideration:

1. Given reinvestment of municipal SA savings into community programs is not being provincially mandated, it appears that double majority of the municipal membership needs to be sought for 100% municipal contribution of SA savings into community programming for low-income families, or
2. Municipal SA savings shall be experienced by member municipalities through reduction in the TBDSSAB's 2009 levy in an amount equal to the municipal SA savings experienced in 2008.

CONCLUSION

It is concluded that the TBDSSAB allocations of NCBRF is critical to the community programs providing services to children and families living in poverty. Savings as a result of SA restructuring are expected and the TBDSSAB will need to deliberate the decision once the provincial government has released the full program parameters.

RECOMMENDATION

THAT with respect to Report No. 2008-20 (Ontario Works) and the National Child Benefit Reinvestment Fund, we recommend that Administration proceed as identified in Report No. 2008-20 and issue the National Child Benefit Reinvestment Funds as noted in Report No. 2008-20 and Attachment #3;

AND THAT the Thunder Bay District Social Services Administration Board authorizes the Chair and the General Manager of the Thunder Bay District Social Services Administration Board to execute Addendums to the original agreements with service providers as noted in Attachment #3 with respect to the National Child Benefit Reinvestment Funds, and any other documents related thereto provided there are no significant changes;

AND THAT the above noted Addendums are authorized under By-law Number 17-2003.

REFERENCE MATERIALS ATTACHED

Attachment #1: Deputy Minister’s Memo, dated March 14, 2008, to Municipal Treasurers/Clerk-Treasurers (March 14, 2008) from the Ministers of Finance and Municipal Affairs and Housing

Attachment #2: Memorandum from Frank Malvaso, Regional Program Manager, Municipal and First Nations Services – Ministry of Community and Social Services, dated May 30, 2008, relative to National Child Benefit Reinvestment Protocol for 2007 Year End Reporting and 2008 Quarterly Monitoring.

Attachment #3: Amended 2008 NCB Reinvestment Funding Allocation.

PREPARED BY:	Carmen Wheeler, Manager – Ontario Works Division District of Thunder Bay Social Services Department
SUBMITTED BY:	Mary Lucas, General Manager District of Thunder Bay Social Services Department



MINISTRY OF FINANCE

**ONTARIO MUNICIPAL PARTNERSHIP FUND 2008 -
DEPUTY MINISTER'S MEMO**

**Ministry of Finance
Office of the
Deputy Minister**

Frost Building South
7 Queen's Park Cr
Toronto ON M7A 1Y7
Tel (416) 325-1590
Fax (416) 325-1595
www.fin.gov.on.ca

**Ministry of Municipal
Affairs and Housing
Office of the
Deputy Minister**

777 Bay Street
Toronto, ON M5G 2E5
Tel (416) 585-7100
Fax (416) 585-7211
www.mah.gov.on.ca

March 14, 2008

Dear Treasurer/Clerk-Treasurer:

This letter is in follow up to the recent letter to Heads of Council from the Ministers of Finance and Municipal Affairs and Housing announcing the release of the 2008 Ontario Municipal Partnership Fund (OMPF) allocations.

In 2008, the OMPF is providing \$870 million to 393 municipalities across the Province. This is a \$252 million or 41% increase over the funding provided in 2004 under the previous program.

No municipality will receive less funding than the level identified on the 2008 Stable Funding Guarantee Notice issued December 21, 2007.

In addition, municipalities delivering social programs will benefit significantly from the upload of the Ontario Drug Benefit (ODB) and Ontario Disability Support Program (ODSP) announced by the Premier last August. By 2011, the Ontario Drug Benefit (ODB) and Ontario Disability Support Program (ODSP) upload will save municipalities in excess of \$900 million annually. The municipal savings resulting from the January 1, 2008 upload of ODB is identified on Line E1 of the enclosed *Allocation Notice*.

The OMPF is included in the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) and the review's recommendations may result in changes to the program for future years. As noted in the Ministers' letter, a key principle for the province is that the OMPF remain responsive to changes in municipal circumstances and provincial support only be provided in respect of costs that are actually incurred by municipalities. As a result, 2008 will be a transition year for the OMPF.

Details of the 2008 OMPF Release

Details of the 2008 OMPF grant calculations are provided in the attached *Ontario Municipal Partnership Fund Technical Guide 2008*.

The 2008 OMPF has been updated to reflect the most current program data to ensure that the OMPF remains responsive to changing municipal circumstances.

The January 2008 upload of municipal ODB costs to the Province has resulted in significant savings for municipalities delivering these services. These reduced municipal costs are reflected in the social program grants under the 2008 OMPF.

Similarly, changes in assessment, households or policing costs are also reflected in the respective grants.

While the basic structure of the OMPF grants will remain the same in 2008, further refinements to OMPF grant parameters have been introduced in order to continue to provide enhanced support to municipalities. The specific refinements to the grant parameters incorporated in the 2008 OMPF are as follows:

- The weighted assessment eligibility benchmark for the Social Programs Assessment Threshold Component has been adjusted to 0.176% in 2008 (from 0.178% in 2007), to respond to municipal assessment growth.
- Under the Assessment Equalization Grant Component, municipalities will receive funding if their total assessment per household is less than \$190,000 (adjusted from \$187,000 in 2007), in response to assessment changes.
- The tax revenue benchmark for Northern and Rural Social Programs Grant Component has been adjusted to 12.5% in 2008 (from 13% in 2007) to reflect changes in tax revenue.
- Rural and Small Community Measure (RSCM) representing the proportion of a municipality's population residing in rural areas or small communities has been updated to incorporate recently released 2006 Census data.

Special 2008 ODB Upload Guarantee

The Special 2008 ODB Upload Guarantee is included in this year's OMPF. This grant provides special additional one-time funding in 2008 to those municipalities that otherwise would see funding decreases, relative to their March 2007 OMPF allocations, specifically as a result of no longer sharing the ODB costs for social assistance recipients. Some municipalities will receive additional assistance, as in previous years.

OCB/NCBS

With the introduction of the Ontario Child Benefit (OCB), announced in 2007, municipalities are benefiting from lower social assistance (SA) costs. To the extent that overall SA expenditures decline as a result of reducing child-related payments, the municipal share of these expenditures

will also decline. This decline will result in municipal cost savings.

While the National Child Benefit Supplement (NCBS) will no longer reduce SA benefits for families with children, municipalities are still expected to maintain investments in the NCB reinvestment programs. These municipal investments will continue to be recognized as eligible social program costs under OMPF, after the introduction of the OCB, if they flow to programs for children in low-income families.

2008 OMPF Allocation Notice

The results for your municipality are reflected in the enclosed *2008 OMPF Allocation Notice*.

As the Ministers' letter advised, no municipality will receive less funding in 2008 than the level of funding announced under the 2007 OMPF in March. To ensure this, municipalities otherwise projected to see lower OMPF funding in 2008 will receive additional assistance, as in previous years, and/or the Special 2008 ODB Upload Guarantee (Lines B and A5 respectively, on the *Allocation Notice*).

2008 Cash Flow

The attached *2008 Cash Flow Notice* identifies each of the 2008 OMPF quarterly payments. The remaining quarterly payments to municipalities will be processed at the end of April, July and October 2008.

2008 Reporting Requirements

Municipalities are required to submit the following to the Ministry of Municipal Affairs and Housing:

- their 2007 Financial Information Returns (FIRs) by **May 31, 2008**;
- their 2008 tax rate by-laws by **September 30, 2008**; and
- any outstanding 2006 Financial Information Returns (if applicable).

Failure to meet these deadlines may result in the withholding of 2008 OMPF payments until these documents have been provided to the Province.

All *2008 OMPF Allocation Notices* and the *2008 Ontario Municipal Partnership Fund Technical Guide* will be posted in English and French on the Ministry of Finance website:

<http://www.fin.gov.on.ca/english/budget/ompf/>

<http://www.fin.gov.on.ca/french/budget/ompf/>

Staff from the Ministries of Finance and Municipal Affairs and Housing would also be pleased to arrange technical briefings on the modifications to the OMPF grant parameters in the upcoming months if requested.

220

If you require additional information regarding your 2008 OMPF allocation, you may contact your local Municipal Services Office of the Ministry of Municipal Affairs and Housing, or e-mail your inquiries and your contact phone number to: info.ompf@ontario.ca

Sincerely,

Colin Andersen
Deputy Minister
Ministry of Finance

John Burke
Deputy Minister
Ministry of Municipal Affairs and Housing



This site is maintained by the Government of Ontario

Last Modified: Thursday, March 13, 2008

Ministry of Community
and Social Services

Ministère des Services
sociaux et communautaires



Ministry of Children
and Youth Services

Ministère des Services
à l'enfance et à la jeunesse

Northern Region

Région du Nord

199 Larch Street
Suite 1002
Sudbury ON P3E 5P9
Tel (705) 564-6699 Ext.
Fax (705) 564-3099
Toll Free 1-800-265-1222

199 rue Larch
Salle 1002
Sudbury ON P3E 5P9
Tél (705) 564-6699 Poste
Télé (705) 564-3099
Sans frais 1-800-265-1222

May 30, 2008

Memorandum to: Ms. Mary Lucas, General Manager
Thunder Bay District Social Services Administration Board

From: Frank Malvaso, Regional Program Manager
Municipal and First Nations Services

Re: National Child Benefit Reinvestment Protocol for
2007 Year End Reporting and 2008 Quarterly Monitoring

As you know, 2008 is a transition year for the National Child Benefit Supplement (NCBS) and the year of implementation for the Ontario Child Benefit (OCB). In July 2008, monthly Ontario Child Benefit payments begin and the NCBS will no longer be deducted from social assistance. During this transition year, National Child Benefit (NCB) reinvestment reporting will continue and, in the next few months, a new process will be introduced for reporting the July to December 2008 OCB social assistance restructuring savings and reinvestments.

Monitoring the implementation of the NCB reinvestment strategies for 2008 continues to be an important component of effective management. To ensure appropriate use of Municipal NCB reinvestment funds, the Ministry of Community and Social Services (MCSS) and Ministry of Children and Youth Services (MCYS) will continue the quarterly monitoring and the year-end reporting.

Since 2008 is the final year for NCB savings and reinvestment it is expected that Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) will work to ensure that NCB municipal savings are expended in full by the end of 2008. In the event there is a continued risk of under utilizing the reinvestment savings and/or not achieving full and appropriate reinvestment, the regional office will work with CMSMs/DSSABs to ensure that a corrective action plan is in place

The attached protocol and associated templates outline the expectations, roles and responsibilities for the NCB's 2007 year-end reporting and 2008 quarterly monitoring. The protocols also provide specific timelines to be met for quarterly and year-end reports. The protocol acknowledges that CMSMs/DSSABs can use up to 10% of their reinvestment funding to offset administration costs related to NCB projects

If you have any questions, I encourage you to contact your Program Supervisor regarding your reinvestment strategies for 2008 and the reporting requirements. We will continue to work to ensure municipal reporting requirements related to NCB reinvestments remain streamlined and straight-forward. In addition it is important that your reports be completed in full including the "Agency/Program Description" section of the reporting templates.

Thank you for working together with the ministry and your communities to achieve the very best outcomes for the children of Ontario.



Frank Malvaso
Regional Program Manager

Attachment

cc: J. Bax
J. Yahn

**Thunder Bay District Social Services Administration Board
2008 NCB Reinvestment Funding Allocation**

Name of Agency	2007 Actual Funding	2008 Approved Funding	2008 Proposed Additional Funding
Armstrong Public School (Nutrition)	\$ 2,000	2,000	2,000
Harbour Youth Services (Extraordinary)	\$ 5,000	5,000	5,000
Ogden Day Care (Nutrition)	\$ 10,000	10,000	10,000
P.A.R.O. (Training)	\$ 6,000	6,000	6,000
Pro Kids (Recreation)	\$ 35,000	35,000	35,000
Salvation Army (Nutrition)	\$ 24,000	24,000	24,000
Savant Lake (Nutrition)	\$ 4,000	4,000	4,000
T Bay Boys & Girls Club (Nutrition)	\$ 25,000	25,000	25,000
T Bay Christian Community Centre (Nutrition)	\$ 5,000	5,000	5,000
T Bay District Health Unit (Healthy Babies)	\$ 40,000	40,000	40,000
Upsala Public School (Nutrition)	\$ 3,000	3,000	3,000
Whitefish Valley School (Nutrition)	\$ 500	500	500
William W. Creighton Youth Services (Extraordinary)	\$ 1,000	1,000	1,000
YES Employment Services (ERE)	\$ 5,000	5,000	5,000
Share The Warmth (Extraordinary)	\$ 2,000	2,000	2,000
Share The Warmth Matching Funds (Extraordinary)	\$ 6,494	15,000	15,000
Thunder Bay Regional Food Distribution Association (Extraordinary)	\$ -	31,928	25,000
Shkoday Abinojiiwak Obimiwedoan (UAS) (Extraordinary)	\$ 12,280	25,000	25,000
Thunder Bay (Staffing & Admin)	\$ -	-	-
Thunder Bay (ERE) (DSSAB Share of Employment)	\$ 9,608	27,099	-
Thunder Bay - SDMT Issuances (ERE)	\$ 5,700	6,000	-
Thunder Bay - SDMT Issuances (Extraordinary)	\$ 21,028	25,000	-
Thunder Bay - SDMT Issuances (Winter Clothing)	\$ 312,803	2,308	-
Thunder Bay (Contingency)	\$ -	190,319	-
Greenstone (Recreation, Winter Clothing)	\$ 27,662	16,943	-
Schreiber (Recreation, Winter Clothing)	\$ 11,846	7,465	-
Manitouwadge (Recreation, Winter Clothing)	\$ 11,006	26,098	-
District Community Agencies	\$ -	-	50,500
Total 2008 NCB Reinvestment Funding Allocation	\$ 585,928	\$ 540,660	\$ 283,000
			\$823,660