

District of Nipissing
Social Services
Administration Board



Conseil d'administration
des services sociaux
du district de Nipissing

The District of Nipissing Social Services Administration Board

FA17-20 2021 Proposed Budget

December 16th, 2020 Board Meeting



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1. Purpose

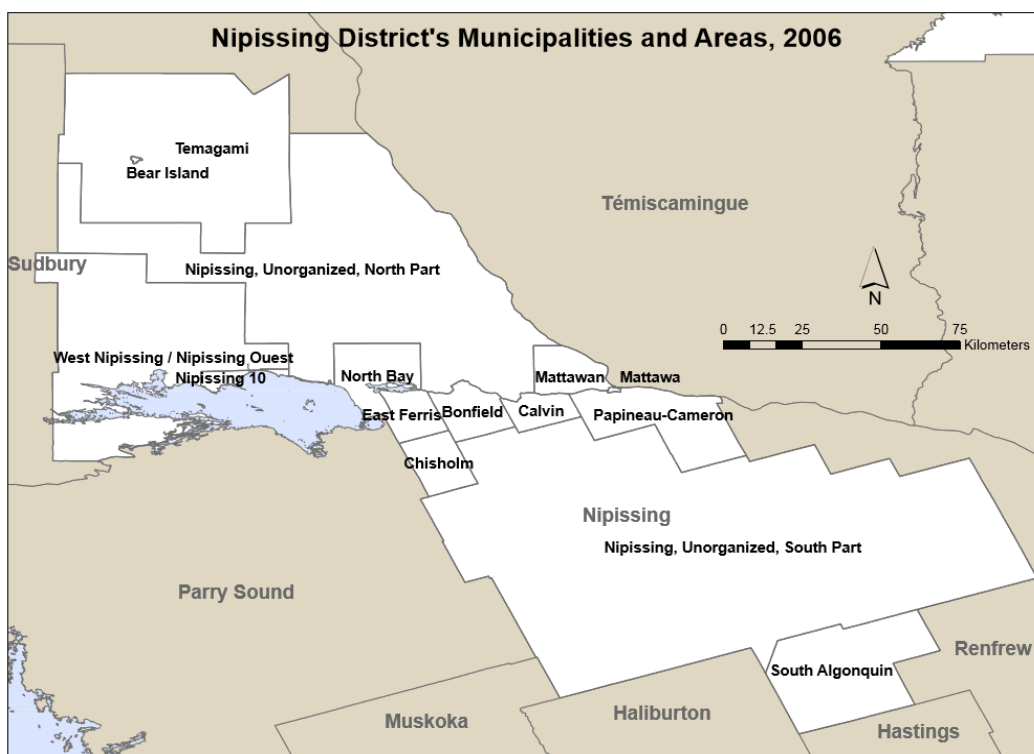
The District of Nipissing Social Services Administration Board (DNSSAB) 2021 proposed budget has been developed with an emphasis on stable financial planning and maximizing service delivery. This is a prudent financial plan, which promotes continued excellence in client service with a continued desire to find efficiencies in service delivery and program planning.

2. Background

The DNSSAB administers and delivers provincially mandated services on behalf of the citizens of the District of Nipissing in an equitable and cost-effective manner. These services include delivery of Ontario Works (OW) programs and administration and service system management for Emergency Medical Services (EMS), Child Care and EarlyON programs and Social Housing and Homelessness programs.

The DNSSAB's service area includes:

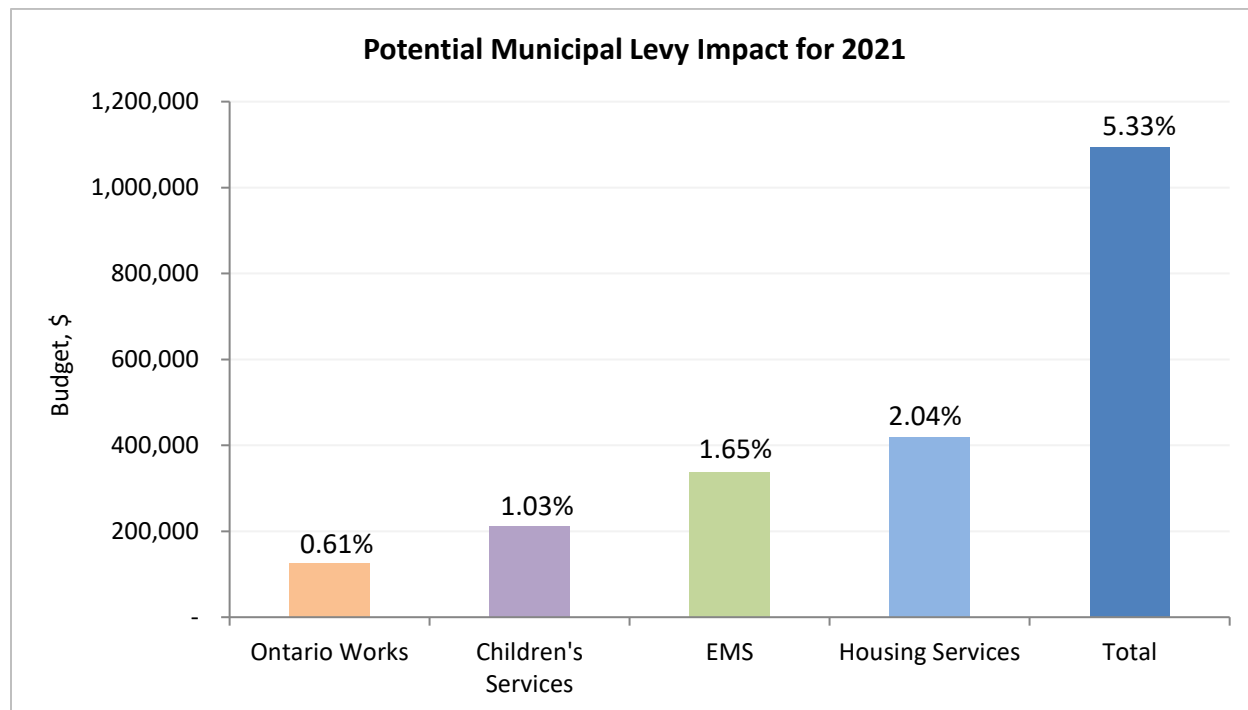
- The City of North Bay
- Municipality of West Nipissing
- Municipality of East Ferris
- Municipality of Temagami
- Township of South Algonquin
- Township of Bonfield
- Municipality of Calvin
- Township of Papineau-Cameron
- Town of Mattawa
- Township of Chisholm
- Township of Mattawan
- Territories without municipal organization (TWOMO)
- Nipissing and Temagami First Nations





2.1 Cost Pressures

In September, the 2021 Budget Issues Report was presented to the Board and it detailed the impacts of the provincial funding changes and other budget pressures for each department. Within the Budget Issues Report, a potential municipal levy increase of approximately 5.33% was presented.



In addition to the provincial funding changes, the DNSSAB continues to have other budget pressures which include the following:

- Inflationary increase to most goods and services. Ontario's inflation rate is expected to be 1.7% for 2021.¹
- Salary increases.
 - Collective Bargaining will take place in 2021. During the last collective bargaining term, annual salary increases were in the range of 2.5% to 3% when combining the annual increase rate with step movements within the salary scales.
- Pandemic related costs such as additional cleaning, personal protective equipment (PPE), and new technology solutions to support remote work arrangements.

Specific departmental cost pressures and provincial funding changes will be examined further in each respective department section.

¹ Ontario's Economic and Fiscal Outlook in Brief, p. 149,
<https://budget.ontario.ca/2020/pdf/2020-ontario-budget-en.pdf>



3. Report

3.1 Budget Overview

The 2021 base budget presents a municipal levy increase of \$179,246 (0.87%) with an overall increase in the budget from \$73,983,008 in 2020 to \$76,305,278 in 2021.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2021 BUDGET SUMMARY

	2020 Forecast to Year End	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share of Budget	2021 Municipal Share of Budget	Increase (Decrease)	%
Employment and Social Services	18,380,061	20,252,960	19,454,625	(798,335)	356,393	267,444	(88,949)	(24.96%)
Housing Services	17,546,571	16,254,819	18,390,109	2,135,290	8,506,714	8,315,291	(191,423)	(2.25%)
Children's Services	13,257,345	15,219,987	15,338,279	118,292	1,281,474	1,493,189	211,715	16.52%
EMS - Land Ambulance	11,221,077	11,111,527	11,603,004	491,477	5,560,440	5,781,192	220,752	3.97%
Program Delivery & Corporate Services	9,359,362	10,652,801	11,199,261	546,460	4,379,965	4,507,116	127,151	2.90%
Healthy Communities Fund	241,918	400,000	300,000	(100,000)	400,000	300,000	(100,000)	(25.00%)
Gateway Hub	354	90,914	20,000	(70,914)	20,000	20,000	-	0.00%
Total	70,006,688	73,983,008	76,305,278	2,322,270	20,504,986	20,684,232	179,246	
% Increase (Decrease)				3.14%	% Increase		0.87%	
2021 Provincial/Federal Share	54,662,051		71.64%					
2021 Municipal Share	20,684,232		27.11%					
2021 Repayments & Other Income	958,995		1.26%					
2020 Apportionment	20,504,986		27.72%					

The base budget maintains services at the 2020 level with the addition of service enhancements that the Board approved in 2020. Here are some highlights of the significant changes from the 2020 budget:

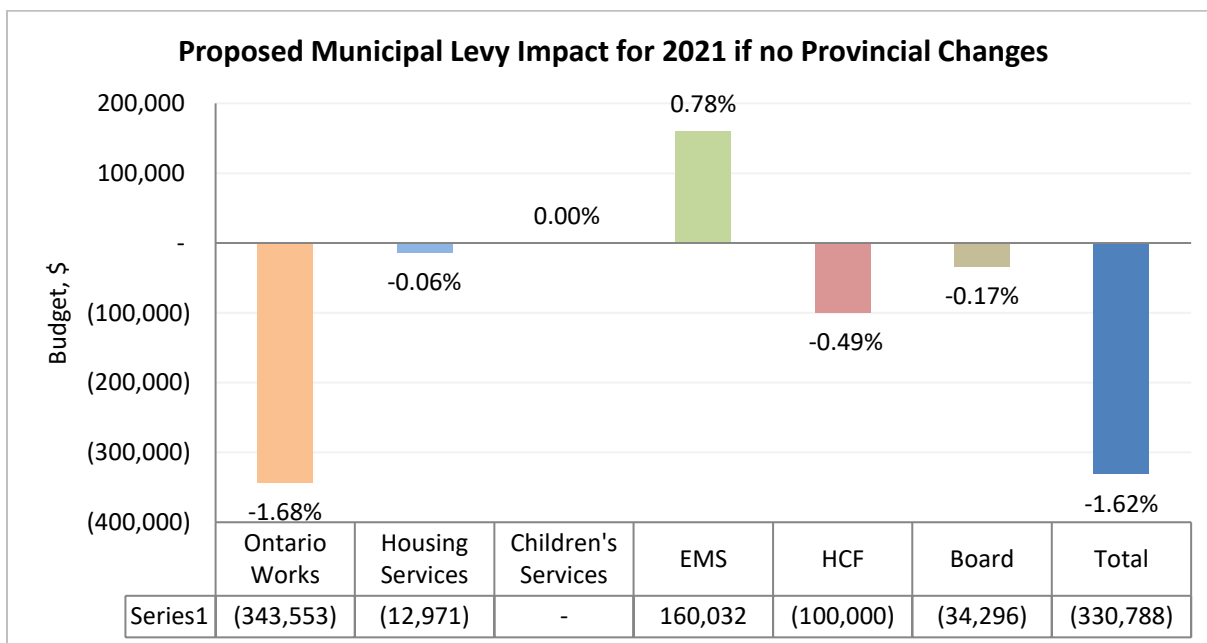
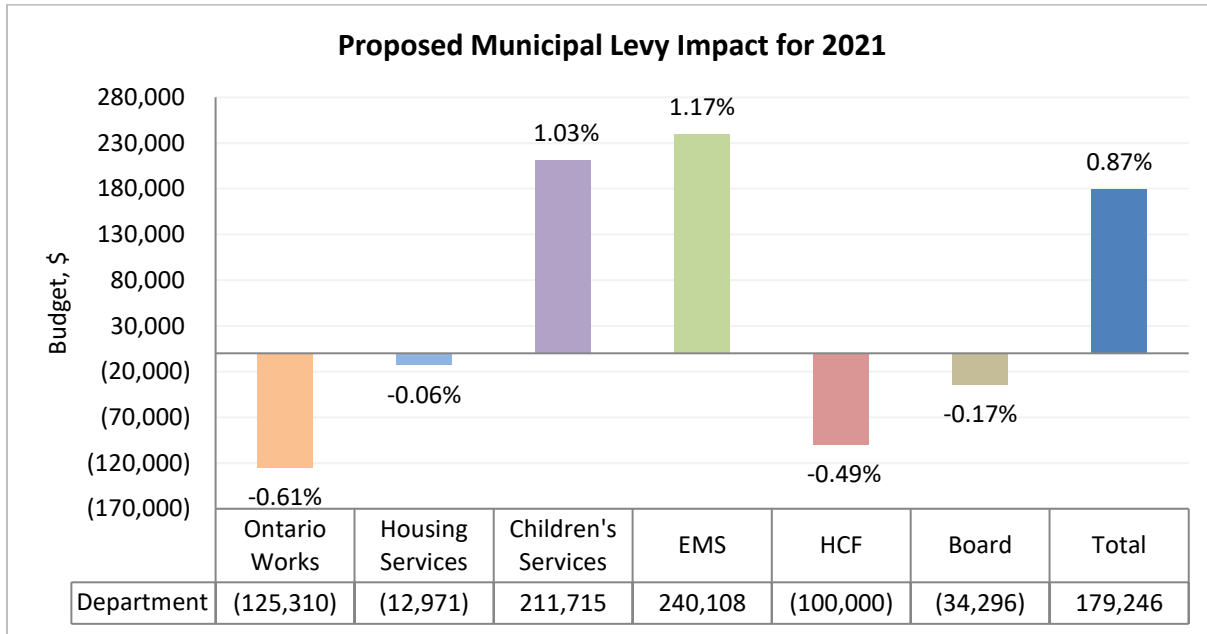
- Levy savings from the end of operating agreement for Au Chateau.
- Addition of 31 transitional housing units.
- Increase in Children's Services levy due the Expansion Plan cost sharing formula change.
- Savings in employment related expenses as a result of the pandemic.

Additional details and budget options will be discussed in further detail throughout the report.



3.2 Overall Impact of Provincial Funding Changes

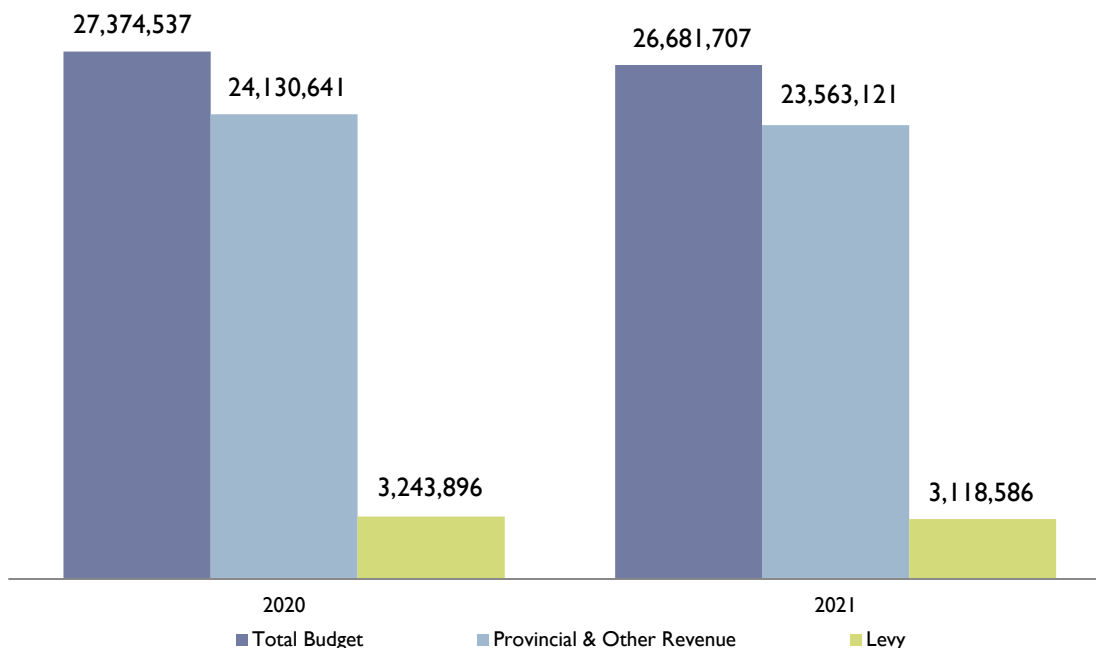
The following two charts demonstrate the impact of provincial funding changes on the municipal levy. Although the funding changes were first announced in 2019, the province has phased in some of the changes over several years. Some of these funding changes will have an ongoing negative impact on the levy. The first chart shows the current base budget levy impact per department including the impact of the provincial funding changes. The second chart indicates the increase to the municipal levy had there been no provincial funding changes. Based on these estimates, the provincial funding changes are resulting in an additional municipal levy increase of approximately \$510,034 or 2.49%.





3.3 Employment and Social Services (Ontario Works)

Employment and Social Services Budget by Source of Funds



Employment and Social Services Total Budget by Program and Municipal Share 2020 and 2021

	2020 Forecast to YE	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share	2021 Municipal Share	Increase (Decrease)	%
Employment and Social Services								
OW Financial Assistance	\$16,398,281	\$17,951,272	\$17,391,121	\$ (560,151)	\$ -	\$ -	\$ -	0.00%
Discretionary Benefits	1,276,442	837,000	835,000	(2,000)	-	-	-	0.00%
Mandatory Benefits	354,949	640,000	575,000	(65,000)	-	-	-	0.00%
Funerals - Type B	11,635	99,600	115,000	15,400	62,400	55,000	(7,400)	-11.86%
Employment Assistance	338,754	725,088	538,504	(186,584)	293,993	212,444	(81,549)	-27.74%
Program Delivery	6,456,175	7,121,577	7,227,082	105,505	2,887,503	2,851,142	(36,361)	-1.26%
Total	\$24,836,236	\$27,374,537	\$26,681,707	\$ (692,830)	\$ 3,243,896	\$ 3,118,586	\$ (125,310)	-3.86%

- In 2021, the Ontario Works (OW) budget has decreased year over year by \$692,830 or 2.5%.



3.3.1 OW Provincial Funding Impact

- On September 8, 2020, the Ministry of Children, Community and Social Services (MCCSS) announced that the 2021 Ontario Works (OW) planning allocations are being kept at the 2020 baselines to provide stability for OW delivery partners during the COVID-19 recovery period.
- This will now be three years (2019, 2020 and 2021) that funding has been frozen at 2018's actual expenditures.
- The freezing of provincial funding shifts the inflationary budget pressure solely on to the municipalities. Costs of inflation were previously cost shared 50/50 with the Province before funding was frozen in 2019.
- The estimated impact of the funding freeze on the municipal levy for 2021 is estimated at \$218,243 or 1.06%.

3.3.2 OW Programs

- OW financial assistance and mandatory benefits have been 100% funded by the Province since 2018. Discretionary benefits are also provincially funded, but are capped at \$10 per average caseload with any costs exceeding the cap being 100% municipally funded.
- Type B municipal funerals/burials for non-social assistance recipients are 100% municipally funded (not mandated by the DSSAB Act).
- In 2021, the only costs that remain cost shared are program delivery and employment services.
- OW financial benefits costs are expected to decrease in 2021 from budgeted expenditures for 2020 by \$560,151 or 3.12%. Federal benefits such as the Canada Emergency Response Benefit (CERB) and Canada Recovery Benefit (CRB) have helped to lower the caseload and cost per case in 2020. These benefits are expected to keep financial assistance expenses down during the first quarter of 2021, but the caseload and cost per case is expected to grow steadily in the second quarter of 2021 once the federal benefits end. As mentioned previously, these costs are now fully uploaded to the Province and therefore have no impact on the municipal levy.
- The average monthly caseload in 2021 is expected to be 2,074, which represents about a 0.53% decrease from the budgeted average monthly caseload of 2,063 for 2020.²
- The annual average cost per case in 2021 is budgeted to be \$698.56 compared to \$725.10, the annual average budgeted in 2020.

² These estimates are based on data available as of October 31, 2020 and are subject to change based on various factors such as legislation, emerging trends, labour market changes, etc.



- Mandatory benefits are budgeted to decrease based on year-to-date (YTD) costs.
- Discretionary benefits are budgeted based on the estimated provincial funding cap of \$10 per average caseload.
- In the 2021 budget, employment assistance expenditures are decreasing \$186,584 (25.73%). The reductions primarily relate to the Get Trained Workers and 100 Jobs programs. Due to the pandemic, employment opportunities were limited in 2020 and these programs required minimal spending. These programs now have unspent balances carried forward from 2020 to support their 2021 operations.

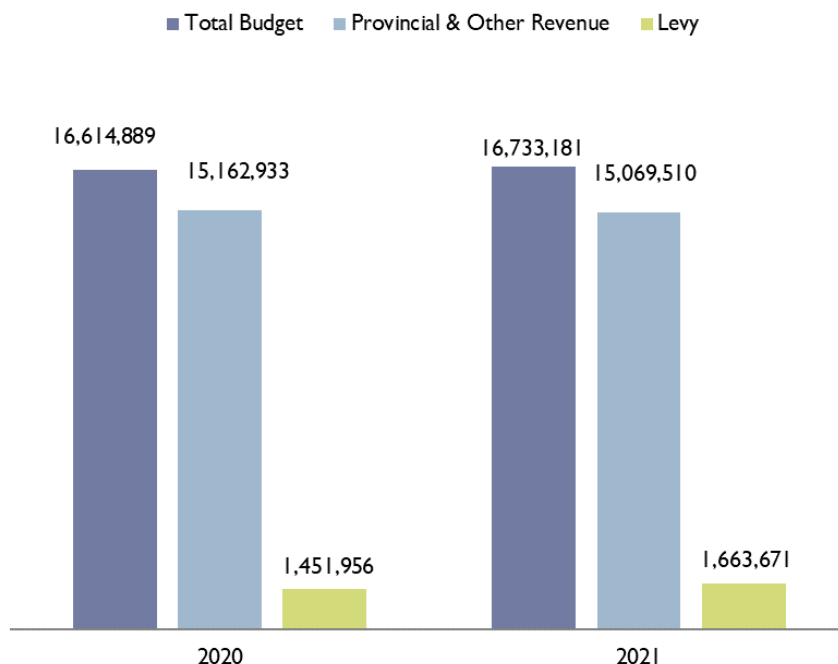
3.3.3 OW Program Delivery

- The \$105,505 increase in program delivery costs is primarily due to estimated collective bargaining increases and modernization costs which are partially offset by decreases in other areas as explained below.
- Travel and training have decreased as there is expected to be minimal travel during the first half of 2021 due to the pandemic.
- General office expenses are budgeted to decrease as a result of remote work arrangements.
- The increase in modernization related costs are due to provincial initiatives such as electronic data management (EDM) and reloadable payment cards (RPC).
 - EDM is the process of digitizing OW client files with the goal of making information more accessible and secure, while also reducing physical storage requirements and the administrative burden that relates to physical archiving.
 - RPC is another way to provide social assistance payments (as opposed to cheques) to those clients who have additional barriers that prevent them from being able to receive payments through direct deposits. RPC's can also help reduce the stigma associated with social assistance cheques. Direct deposit continues to be the preferred and most cost effective payment method.



3.4 Children's Services

Children's Services Budget by Source of Funds



Children's Services Total Budget by Program and Municipal Share 2020 and 2021

Children's Services Programs	2020 Forecast to YE	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share	2021 Municipal Share	Increase (Decrease)	%
Fee Subsidy	\$ 2,589,499	\$ 5,433,912	\$ 5,621,476	\$ 187,564	\$ 1,281,474	\$ 1,493,189	\$ 211,715	16.52%
Fee Subsidy - OW Formal	530,749	1,654,554	1,654,554	-	-	-	-	0.00%
Fee Subsidy - OW Informal	3,360	25,000	25,000	-	-	-	-	0.00%
Fee Subsidy - School Age Recreation	58,000	58,000	58,000	-	-	-	-	0.00%
Special Needs	988,304	988,304	988,304	-	-	-	-	0.00%
General Operating	2,765,300	2,082,000	2,095,556	13,556	-	-	-	0.00%
Pay Equity	171,122	171,122	171,122	-	-	-	-	0.00%
Wage Enhancement	1,093,800	1,444,375	1,444,375	-	-	-	-	0.00%
Repair and Maintenance	65,000	65,000	35,000	(30,000)	-	-	-	0.00%
Play-Based Material & Equipment	85,000	85,000	-	(85,000)	-	-	-	0.00%
Capital Retrofits	-	-	-	-	-	-	-	0.00%
Capacity Building	128,608	215,918	164,798	(51,120)	-	-	-	0.00%
Transformation	35,000	35,000	-	(35,000)	-	-	-	0.00%
Journey Together - Childcare	1,049,051	541,978	541,978	-	-	-	-	0.00%
Journey Together - EarlyON	643,165	428,727	428,727	-	-	-	-	0.00%
EarlyON Programs	1,937,881	1,991,097	1,862,824	(128,273)	-	-	-	0.00%
Safe Restart Funding	1,113,506	-	246,565	246,565	-	-	-	0.00%
Program Delivery	995,470	1,394,902	1,394,902	-	170,482	170,482	-	0.00%
Total	\$14,252,815	\$16,614,889	\$16,733,181	\$ 118,292	\$ 1,451,956	\$ 1,663,671	\$ 211,715	14.58%

- In 2021, the Children's Services budget has increased year over year by \$118,292 or 0.83%. This is due to the federal Safe Restart Funding related to the pandemic, which is offset by a reduction in EarlyON one-time capital funding that was received in 2020.



3.4.1 Children's Services Provincial Funding Impact

The Ministry of Education (EDU) has announced the following funding changes over the three-year period of 2020 to 2022:

- On January 1, 2020, Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) were asked to cost-share Expansion Plan operating funding at a rate of 80/20 provincial/municipal. Please note that while cost sharing continues to be encouraged, the ministry is committed to providing 80 percent of this funding regardless of the CMSM/DSSAB contribution.
- On January 1, 2021, CMSMs/DSSABs will be asked to continue cost-sharing Expansion Plan operating funding at a rate of 80/20 and will be required to cost share most administrative funding at a rate of 50/50; and
- On January 1, 2022, the threshold for allowable administrative funding that CMSMs/DSSABs can spend on child care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirements previously introduced.

On November 27, 2020, EDU announced that they would be providing one-time funding for 2021 to offset the impact of the 2021 cost-sharing change to administrative funding. Therefore, there will not be any impact on the levy in 2021 as a result of this cost-sharing change.

There will however still be an impact on the 2021 levy as a result of DNSSAB's strategy to mitigate the levy impact on the 2020 budget from the Expansion Plan cost-sharing formula change that the EDU implemented on January 1, 2020. The 2020 Expansion Plan cost-sharing formula change resulted in required additional levy contributions in 2020 of \$423,431. The decision was made during the 2020 budget process to use Children's Services reserves to phase in this increase to the levy over multiple years. 50% of the levy contribution (\$211,716) was recognized in 2020, with the reserves used for the other half. Now in 2021, the other half of this levy increase needs to be recognized in the amount of \$211,715 (1.03% levy increase).

An area of uncertainty within the Children's Services provincial funding allocation relates to the Early Learning Child Care (ELCC) agreement. This funding is provided through a federal/provincial bi-lateral agreement that expires on March 31, 2021. Per a memo sent from the EDU on November 27, 2020, detailing the EDU's 2021 child care funding approach, the EDU noted that ELCC allocations from April to December 2021 are pending renegotiation. Given the federal government's recent announcement regarding a potential Canada wide child care system³, it is expected that the ELCC funding will be maintained.

³ Supporting Canadians and Fighting COVID-19: Fall Economic Statement 2020, p. 76, <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>



3.4.2 Children's Services Programs

- Other than the Safe Restart Funding and one-time capital funding from 2020 mentioned previously, there are no expectations of any other changes to Children's Services funding for 2021.
- The demand for fee subsidy is expected to continue to increase due to the expansion of licensed child care spaces that have occurred over the last several years. In 2021, more families may qualify for higher levels of fee subsidy due to job losses because of the pandemic. Fee subsidy funding continues to be the priority to ensure families in the District have access to affordable licensed child care options. DNSSAB will be reviewing its fee subsidy structure in 2021.
- COVID-19 will continue to have a significant impact on child care budgets as a result of mandated health and safety measures. The federal government has provided additional funding through the Safe Restart Funding allocations to support child care centres with these additional costs. The Safe Restart Funding is required to be spent by March 31, 2021. There is currently no child care COVID-19 related funding announced beyond March 31, 2021, however, given the federal government's recent announcement⁴ to support and enhance child care services, there is potential for additional COVID-19 funding depending on how the pandemic progresses in 2021.
- With the exception of the Expansion Plan cost-sharing change, the municipal levy allocation is the minimum cost share requirement per the 2020 transfer payment agreement. The DNSSAB has not received the 2021 transfer payment agreement at the time of preparing this report, but per the memo from the EDU on November 27, 2020 detailing the EDU's 2021 child care funding approach, the annual allocations will remain the same as the 2020 transfer payment agreement.
- As described in the 2020 budget, the additional levy contribution for the Expansion Plan cost-sharing change is optional at this point, but this funding supports child care expansions that were planned and implemented to address waitlist pressures prior to the announced funding changes. Any reductions in funding would reduce access, sustainability, affordability and the quality of these programs.

3.4.3 Children's Services Program Delivery

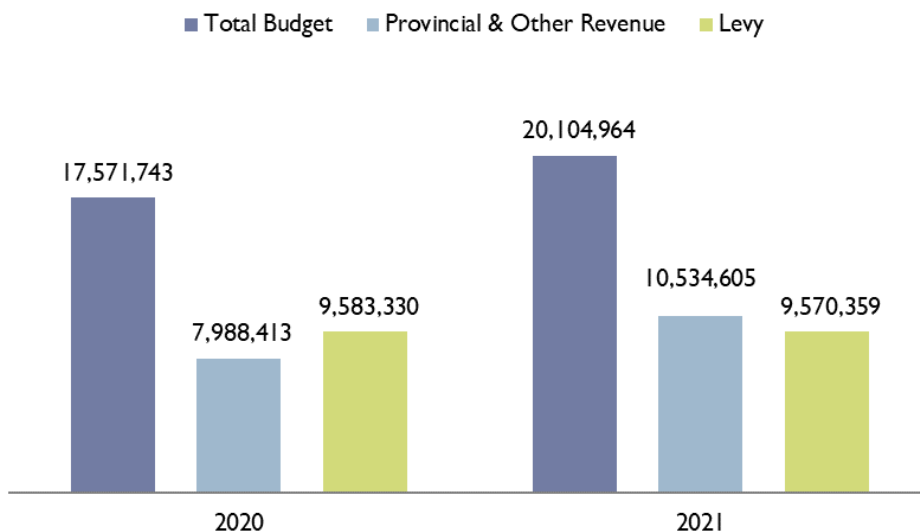
- Similar to Children's Services programs, the amounts allocated to program delivery are set out within the 2020 transfer payment agreement with the EDU.
- As there is no change in the program delivery funding allocation from 2020 to 2021, as noted above, the total Children's services program delivery budget has not changed year over year.

⁴ Supporting Canadians and Fighting COVID-19: Fall Economic Statement 2020, p. 76, <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>



3.5 Housing Services

Housing Services Budget by Source of Funds



Housing Services Total Budget by Program and Municipal Share 2020 and 2021

Housing Services	2020 Forecast to YE	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share	2021 Municipal Share	Increase (Decrease)	%
Provincially Reformed non-profit	\$ 5,772,665	\$ 5,978,604	\$ 5,804,220	\$ (174,384)	\$ 4,599,366	\$ 4,424,982	\$ (174,384)	-3.79%
Municipal non-profit	1,203,446	1,233,456	316,600	(916,856)	703,307	187,110	(516,197)	-73.40%
Federal non-profit	225,737	225,744	75,674	(150,070)	143,213	34,409	(108,804)	-75.97%
Urban Native	948,200	1,111,320	1,020,537	(90,783)	68,408	-	(68,408)	-100.00%
Nipissing District Housing Corp	3,305,537	3,305,537	3,023,897	(281,640)	2,425,942	2,402,598	(23,344)	-0.96%
Commercial Rent Supplement	389,954	440,244	537,540	97,296	307,370	404,666	97,296	31.65%
Portable Housing Benefit	18,889	30,000	60,000	30,000	30,000	60,000	30,000	100.00%
Strong Communities Rent Supp	309,684	327,972	327,972	-	-	-	-	0.00%
Northern Remote - Build	128,766	129,108	127,872	(1,236)	129,108	127,872	(1,236)	-0.96%
CHPI	2,318,913	1,665,828	4,623,079	2,957,251	-	-	-	0.00%
Reaching Home	426,529	134,276	154,252	19,976	-	-	-	0.00%
Community Capacity and Innovation	60,472	54,129	52,003	(2,126)	-	-	-	0.00%
IAH	1,367,757	222,777	211,812	(10,965)	-	-	-	0.00%
SIF	17,186	223,689	196,128	(27,561)	-	-	-	0.00%
COCHI	68,267	68,267	652,020	583,753	-	-	-	0.00%
OPHI	984,569	1,003,868	532,849	(471,019)	-	-	-	0.00%
Gateway House	-	-	673,654	673,654	-	673,654	673,654	0.00%
Emergency Shelter	-	-	-	-	-	-	-	0.00%
Affordable Housing Reserve	-	100,000	-	(100,000)	100,000	-	(100,000)	-100.00%
Program Delivery	1,147,749	1,316,924	1,714,855	397,931	1,076,616	1,255,068	178,452	16.58%
Total	\$18,694,320	\$17,571,743	\$20,104,964	\$ 2,533,221	\$ 9,583,330	\$ 9,570,359	\$ (12,971)	-0.14%

- In 2021, the Housing Services budget has increased year over year by \$2,533,221 or 14.42%. This is primarily due to the COVID-19 related Social Service Relief Funding (SSRF) Phase II, funded through Community Homelessness Prevention Initiative (CHPI) and the new transitional housing project.



3.5.1 Housing Services Programs

- There is a significant decrease to the Municipal Non-Profit and Federal Non-Profit budgets and a corresponding decrease to the municipal levy for these programs due to the end of the operating agreement for Au Chateau. A detailed report on this topic was presented to the Board during the October 28, 2020 Board meeting.
- There has been limited changes to the Provincially Reformed Non-Profit and Urban Native social housing program budgets as a result of minimal changes from submitted provider budgets and cost indices in 2021.
- Subsidy requirements for Nipissing District Housing Corporation's (NDHC) Phase III have decreased by \$281,640. This is primarily due to the decrease NDHC's Phase III capital budget of \$242,250. Despite the decrease in costs, the municipal levy share for this program has only decreased by \$23,344 due to a \$258,296 decrease in provincial/federal funding for 2021.
- Legislation outlines the DNSSAB's service level standards (SLS) which details the specific number of Rent Geared-to-Income (RGI) units that are required to be funded. DNSSAB is currently not meeting this obligation and are short approximately 232 RGI housing units. The SLS Action Plan was presented to the Board in November of 2019, which sees the DNSSAB making gradual investments over a 10 year period to address the SLS shortfall. This is the reasoning for the increase to the Commercial Rent Supplement and Portable Housing Benefit budgets. Both of these programs provide rent subsidies to clients, which count towards the SLS. Increases to rent subsidies are funded through the municipal levy.
- The increase to the CHPI budget of \$2,957,251 is due to the COVID-19 related SSRF Phase II allocation which will carry over into 2021. SSRF Phase II operating funding is required to be spent by March 31, 2021 and capital funding by December 31, 2021. The base CHPI funding remains the same as the 2020 allocation.
- The Reaching Home and Community Capacity and Innovation programs are 100% federally funded for homelessness initiatives.
- Although the Investment in Affordable Housing (IAH) and Social Infrastructure Fund (SIF) funding agreements have ended, deferred revenue will be utilized to complete any remaining Ontario Renovates projects under these programs.
- The Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Community Housing Initiative (COCHI) are fully funded by the provincial and federal governments to address local housing priorities that include affordability, repair and new construction.



- In 2020, the Board approved the construction and operation of 31 transitional housing units, naming the project the Gateway House. DNSSAB received a total of \$3,313,250 (\$1,200,000 for initial 16 units and \$2,113,250 for additional 15 units) in capital funding for this project, however there is no provincial or federal operating funding. DNSSAB has reallocated \$250,000 from the provincially funded CHPI program and there will also be tenant rental income to help offset some of the Gateway House costs. The remaining budget is funded through the municipal levy. In 2020, the Board approved the transfer of \$295,000 in levy dollars from other areas of the budget. This has helped to reduce the impact of this new initiative on the overall levy. Here is the list of reallocations approved in 2020:
 - \$250,000 CHPI funding for emergency overflow (provincial funding);
 - \$100,000 affordable housing reserve contribution (municipal levy);
 - \$95,000 for a planned new position in 2020 to assist with housing development (municipal levy);
 - \$100,000 from the Healthy Communities Fund (municipal levy).

The 2021 Transitional Housing budget incorporates estimated costs for the 16 initial units starting in January 2021 and the additional 15 units starting in July 2021. Therefore, only a half year of estimated costs for the additional 15 units are included in the 2021 budget.

- The DNSSAB has identified that there is a strong need for a permanent low barrier emergency shelter in the Nipissing District; however, there is currently no provincial funding available for the current shelter beyond March 31, 2021. Since the Board has only approved the operation of the shelter until March 31, 2021, using the SSRF Phase II funding, the emergency shelter has not been included in the 2021 base budget. Options for operating the emergency shelter beyond March 2021 are included in the 2021 budget summary. The costs to operate the emergency shelter are approximately \$100,000 per month for a 12 hour shelter and \$200,000 per month for a 24 hour shelter.

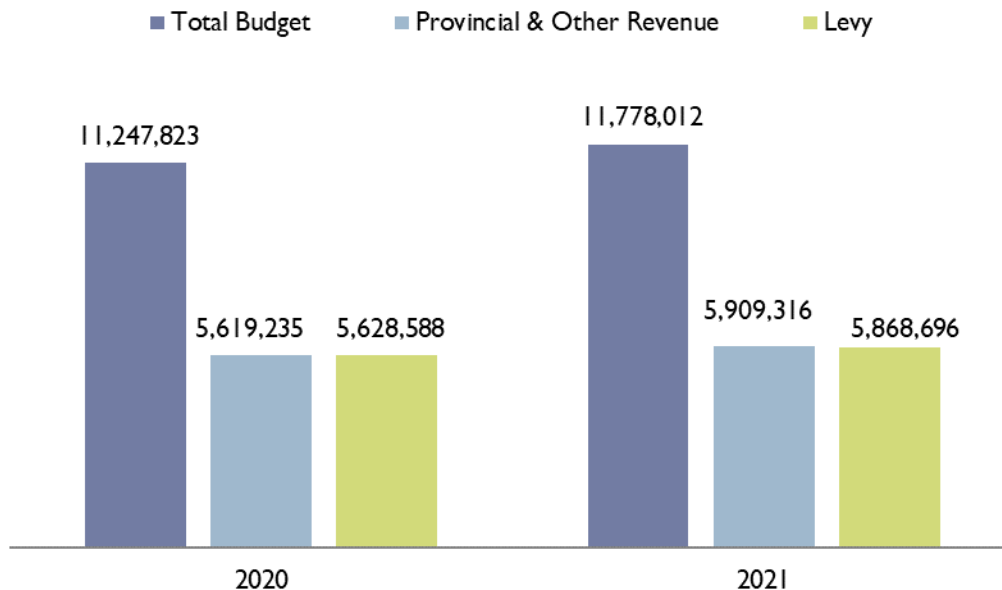
3.5.2 Housing Services Program Delivery

- The Housing Services program delivery budget has increased year over year by \$397,931 or 23.21%. This is primarily due to new positions that were added in 2020 to help facilitate the administrative requirements associated with the COVID related provincial funding as well as Board initiatives such as transitional housing and pursuing new affordable housing opportunities and estimated collective bargaining increases. These new positions are partially funded by federal and provincial COVID-19 related funding.



3.6 Emergency Medical Services (EMS)

EMS Program Budget by Source of Funds



3.6.1 EMS Provincial Funding Impact

The Ontario government announced the following during this year's AMO conference:

"The Ontario government is increasing its funding to the Land Ambulance Service Grant by five per cent in 2020/2021. This is in addition to a four per cent increase last year."

Based on this announcement, the funding formula for EMS is expected to stay the same in 2021 as it was for 2020 and 2019. In 2019, the funding formula stayed the same as previous years with the exception of the incremental increase which has now been eliminated.

The method in which the Land Ambulance Service Grant (LASG) is calculated (in a simplified way) is that the DNSSAB receives 50% of its previous year's approved budget plus a 100% portion to cover territories without municipal organization (TWOMO) and First Nations funding. This means that DNSSAB's 2021 50/50 provincial funding would be based on the 2020 budget as opposed to the 2021 budget. The issue with this is that the provincial funding is then a year behind on budget increases from EMS call volume changes, service enhancements and inflationary increases. The Ministry of Health (MOH) had previously addressed this timing difference by including an incremental (inflationary) increase to the previous year budget. In 2018, this incremental increase was 1.7%. If DNSSAB received a 1.5% incremental increase in 2021, this would result in estimated additional funding of \$80,076.



3.6.2 EMS Program

Emergency Medical Services Proposed Budget for 2021					
	Forecast to YE	Budget 2020	Budget 2021	Variance in Budgets	% Change
Revenues:					
Municipal levy	\$ 5,628,588	\$ 5,628,588	\$ 5,868,696	\$ 240,108	4.27%
Provincial Funding	5,822,248	5,619,235	5,909,316	290,081	5.16%
Total Revenues	\$ 11,450,836	\$ 11,247,823	\$ 11,778,012	\$ 530,189	4.71%
Expenditures:					
Consulting Fees	\$ -	\$ 792	\$ 600	\$ (192)	-24.24%
Rent	314,485	314,484	315,588	1,104	0.35%
Utilities	36,520	39,923	37,674	(2,249)	-5.63%
Internet	11,908	11,496	12,264	768	6.68%
Water	7,948	8,580	8,184	(396)	-4.62%
Insurance	98,842	93,852	110,232	16,380	17.45%
Postage & Courier	1,488	2,340	1,536	(804)	-34.36%
Property Taxes	63,539	64,524	65,508	984	1.53%
Janitorial Services	7,937	8,172	8,172	-	0.00%
Building Maintenance & Repairs	44,958	39,696	69,240	29,544	74.43%
Computer & Technology	87,746	74,304	62,352	(11,952)	-16.09%
Ambulance Purchases	208,602	253,408	369,318	115,910	45.74%
Paramedic Training	488	12,000	9,000	(3,000)	-25.00%
EMS Laundry Services	949	7,248	1,800	(5,448)	-75.17%
Uniforms	41,511	48,000	36,000	(12,000)	-25.00%
Water Taxi	11,383	5,500	8,000	2,500	45.45%
Medical Equipment	57,934	47,712	48,000	288	0.60%
Medical Equipment Capital	72,996	72,996	99,424	26,428	36.20%
BioMed Equip Maintenance & Repair	2,311	6,000	2,400	(3,600)	-60.00%
Stretcher Lease	107,262	107,256	17,208	(90,048)	-83.96%
Vehicle Expense	153,503	207,492	192,000	(15,492)	-7.47%
Transfer to service providers	9,888,765	9,685,752	10,128,504	442,752	4.57%
Program Delivery	134,645	136,296	175,008	38,712	28.40%
Total Expenditures	\$ 11,355,721	\$ 11,247,823	\$ 11,778,012	\$ 530,189	4.71%
Surplus (Deficit)	\$ 95,115	\$ -	\$ -	\$ -	0.00%

- The above budget is the EMS base budget, maintaining services at the same level of 2020 and does not include any additional costs to further review a direct delivery model. A recommended option regarding a direct delivery model is presented in the budget summary.
- The EMS budget has increased year over year by \$530,189 or 4.71%.



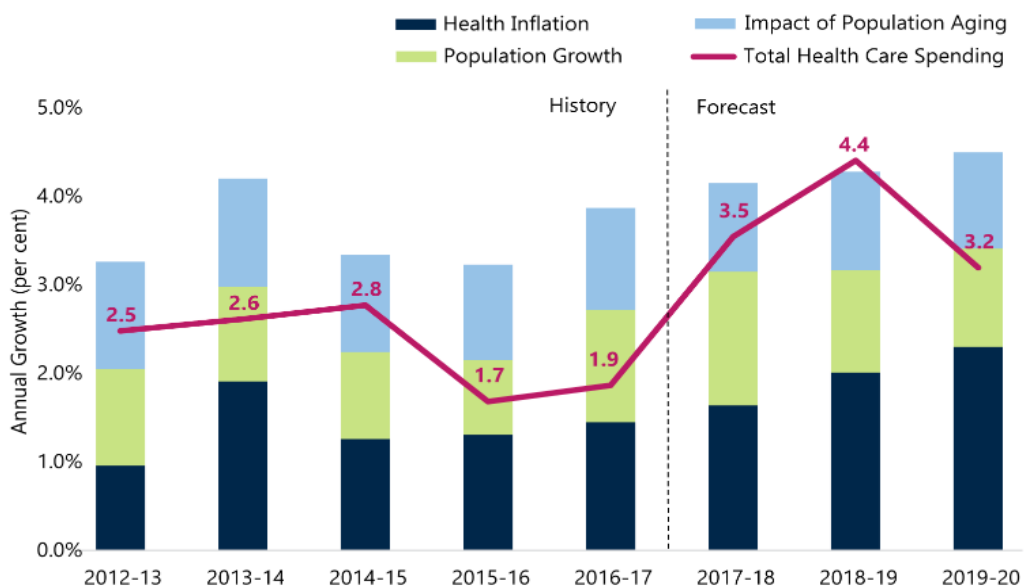
- Explanations for the significant variances year over year are as follows:
 - Increased building maintenance and repair costs are based on 2019 actual reconciled costs. The owner of the North Bay EMS base invoices DNSSAB a fixed amount for these costs on a monthly basis. Actual expenses are then reconciled early in the new year and DNSSAB is obligated to pay the actual expenses per the lease agreement for the building.
 - Ambulance costs – The normal refresh rate for the ambulances is two per year; however, in 2020, one ambulance and one rapid response SUV were purchased rather than the traditional two ambulances. This resulted in lower than normal ambulance replacement costs in 2020. The regular two ambulance are required in 2021. Ambulance costs have also increased significantly in 2021 due to supply chain issues as a result of the pandemic.
 - Medical equipment capital – DNSSAB is issuing a request for proposal to replace the aging cardiac monitor fleet via a lease agreement in order to spread the replacement cost out over multiple years. This should save costs on an annual basis versus the current cardiac monitor replacement methodology of purchasing four refurbished units per year. The reason there is an increase in the expenses compared to 2020 is because the normal purchase of four cardiac monitors was delayed a year in order to reduce the impact on the municipal levy in 2020. The \$72,996 budgeted costs in 2020 related to the end of DNSSAB’s lease for stretchers, which required a buyout option.
 - Stretcher lease – the lease for sixteen stretchers and six power loaders expired March 31, 2020. DNSSAB has taken ownership of these units so this will help reduce costs until replacements are required.
 - The planned 2020 consolidation of EMS service providers did not occur because of union issues which the Board has been informed throughout 2020. Therefore, the budgeted contracted services reverts back to three providers, North Bay Regional Health Centre (NBRHC) (North Bay, West Nipissing and South Algonquin service areas), the Municipality of Temagami and the Mattawa Hospital.

EMS Land Ambulance Provider Budgets for 2021 Compared to 2020				
Service Provider (Service Area)	Budget 2020	Budget 2021	Variance Year over Year	% Change
North Bay Regional Health Centre (North Bay, West Nipissing, South Algonquin)	\$ 8,254,383.00	\$ 8,663,287.00	\$ 408,904.00	4.95%
Mattawa General Hospital (Mattawa)	718,568.00	744,313.00	25,745.00	3.58%
Municipality of Temagami (Temagami)	712,800.00	720,900.00	8,100.00	1.14%
	\$ 9,685,751.00	\$ 10,128,500.00	\$ 442,749.00	4.57%



- The primary reasons for the increase in contracted services expenses are collective bargaining increases and Workplace Safety and Insurance Board (WSIB) costs. Historically, NBRHC had separate WSIB classifications for hospital and ambulance staff resulting in separate rates. NBRHC's WSIB classifications have now been combined. This is leading to additional costs for NBRHC as the combined rate has resulted in a higher rate for their hospital staff. DNSSAB is working with NBRHC to determine a fair and equitable way to allocate these additional costs that they are bearing as a result of providing ambulance services.
- General cost drivers:
 - Ontario's population is aging with the number of people over age 65 projected to double by 2036. Seniors typically make a disproportionate number of 911 calls, so as the population continues to age, increases to both the overall number of calls as well as the severity of calls is expected.⁵
 - The Financial Accountability Office of Ontario forecasted for inflation in the health industry to be approximately 4.5% in 2019-20.⁶ While this is not specific to EMS and the data is now slightly outdated, it still demonstrates the impact the aging population is having on health related costs.

Health spending is growing slower than its core cost drivers every year except 2018-19

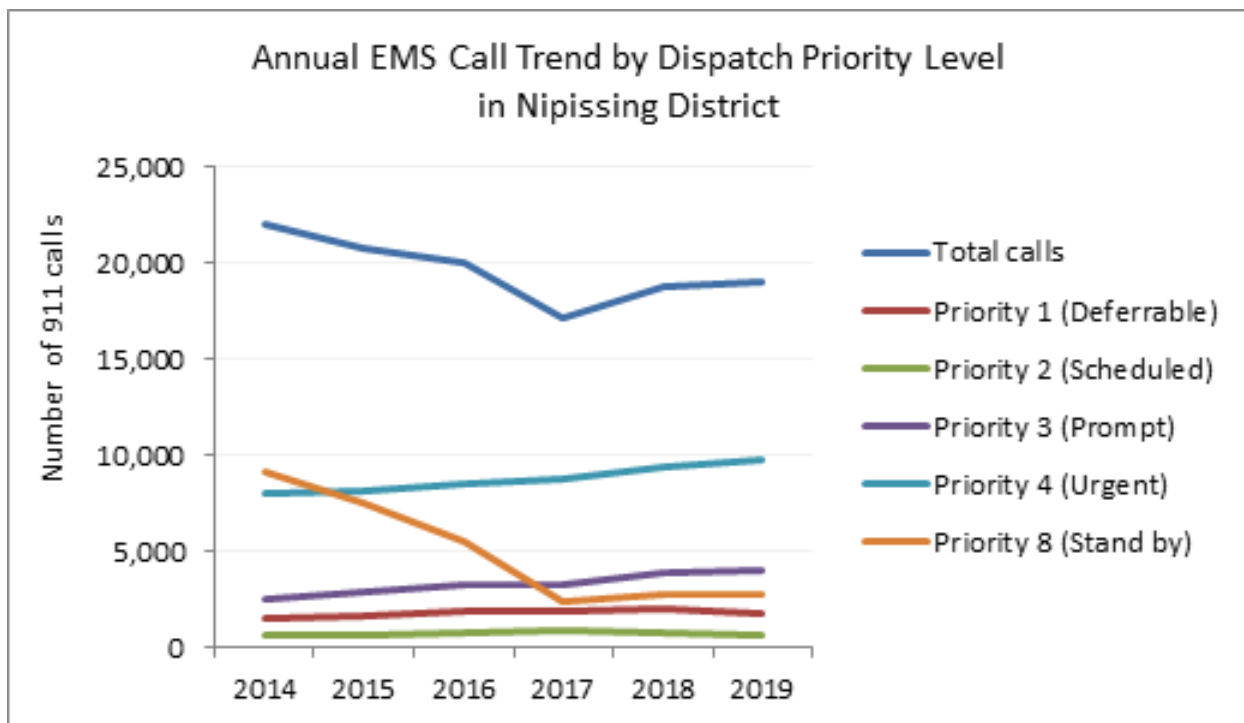


⁵ OAPC Recommendations from the Provincial Municipal Land Ambulance Dispatch Working Group: Submission to the Minister of Health and Long-Term Care, May 28, 2015, p. 9, <https://www.oapc.ca/wp-content/uploads/2016/11/Land-Ambulance-Working-Group.pdf>

⁶ Ontario Health Sector - An Updated Assessment of Ontario Health Spending, FAO, p. 2, <https://www.fao-on.org/en/Blog/Publications/health-sector-march-18>



- With the exception of the purchase of PPE and some other minor costs, COVID-19 has not had a significant impact on EMS costs within the district to date. This could change depending on the trajectory of the pandemic within Nipissing District.
- The EMS call volume has levelled off in 2019 after a relatively long period of decline and then a short increase. While the total calls have tapered off, the high priority calls (priority 3 & 4) continue to increase, mainly due to the growing senior population. These high priority calls continue to be a significant cost driver as they require additional paramedic time and other resources such as medical supplies.



3.6.3 EMS Program Delivery

Increase of \$38,712 or 28.4% for EMS program delivery costs is primarily due to an increase in the EMS department's central administration allocation.

3.6.4 EMS Direct Delivery Review

At the Board's direction, staff have been investigating the option of EMS direct delivery. In order to proceed further with this analysis, additional in-house EMS expertise is required as well as finance resources. Therefore, staff have included a recommended option in the budget summary to add an EMS Chief and Financial Analyst in 2021 to assist with a comprehensive direct delivery review and costing analysis. These additional resources are estimated to cost an additional \$223,824.



3.7 Healthy Communities Fund

The Healthy Communities Fund (HCF) is administered by the DNSSAB on behalf of the District's municipalities. Currently, the fund is focused on poverty reduction in Nipissing District and is allocated to various organizations and their projects/programs through an annual application process. Here is a list of programs that were supported through this fund in 2020:

- Low Income People Involvement of Nipissing (LIPI) – Community Volunteer Income Tax Program
- LIPI – Denture Assistance Fund
- LIPI – Emergency Dental Assistance Fund
- LIPI – Essential Health Fund
- LIPI – Recreation Community Engagement Fund
- Crisis Centre North Bay (CCNB) – Identification Clinic
- CCNB – Food Security and Life Skills
- The Gathering Place – Souper Suppers Project
- Nipissing First Nation – Rural Outreach
- Salvation Army

Due to the COVID-19 pandemic, Healthy Communities Funds were distributed in accordance with direction from the Board approved Briefing Note B06-20, whereby staff were directed to invest funds where they were needed most. This was done to provide flexibility in an unprecedented year.

In 2020, the Board approved the transfer of \$100,000 from the HCF to the Gateway House project, reducing the HCF from an annual budget of \$400,000 to \$300,000. The 2021 proposed budget maintains the HCF at the Board approved level of \$300,000.

3.8 Gateway Hub

The Gateway Hub was established in Nipissing in 2013 and is now one of 50 situation tables in Ontario. A situation table is a strategic alliance of human service providers, guided by common principles and processes, who review situations of acutely elevated risk (AER) to determine if an individual or family is at imminent risk of harm and victimization. In cases that are determined to have AER, utilizing a strict four filter process, interventions are coordinated and lead agencies are identified. Privacy is essential to the success of the Gateway Hub table and only de-identified data for each situation is captured for data analysis and decision making purposes.

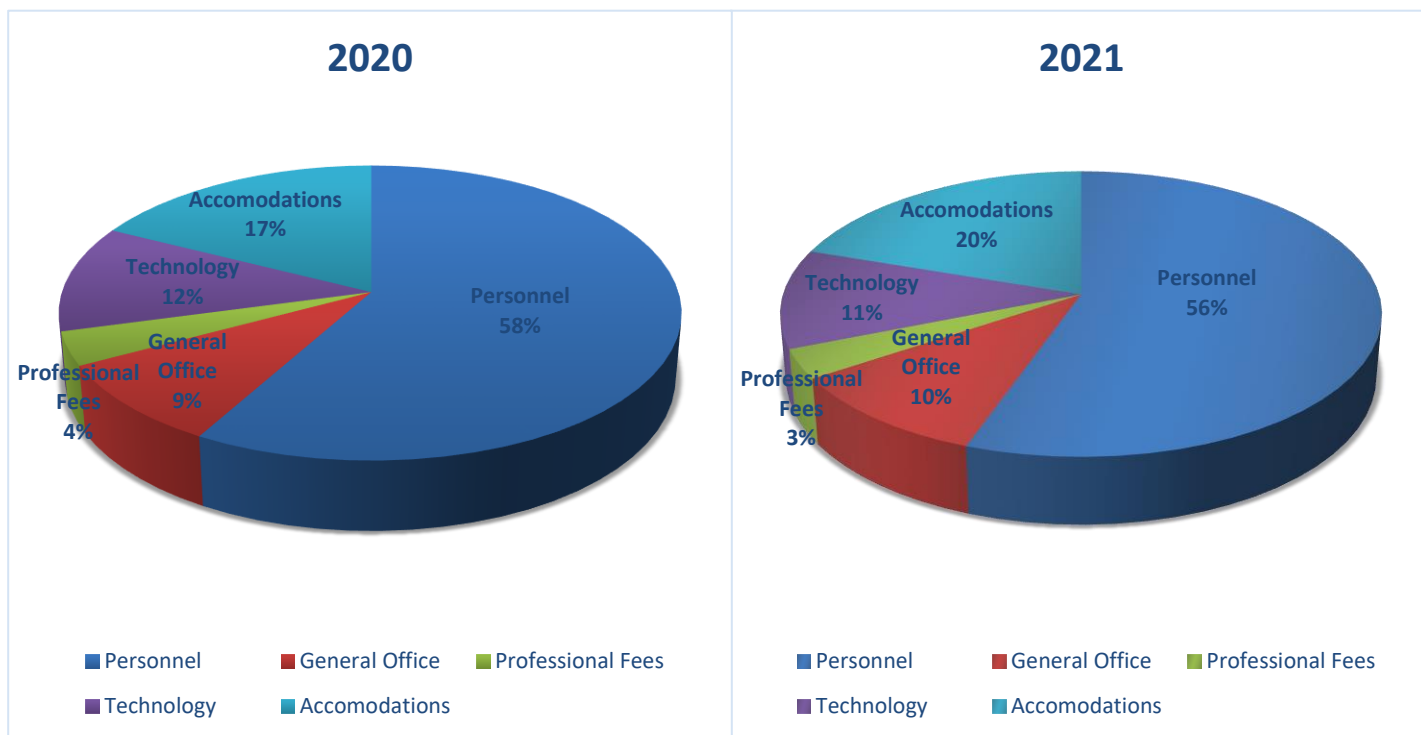
The North Bay and District Health Unit has assumed management responsibilities for the Gateway Hub in 2020. The Health Unit previously oversaw this program, but oversight was then transferred to the DNSSAB in 2018. Therefore, DNSSAB will no longer budget for the Gateway Hub Coordinator position, but will continue its annual contribution to the program. The DNSSAB's annual contribution is \$20,000 and is funded through the municipal levy.



3.9 Corporate Services

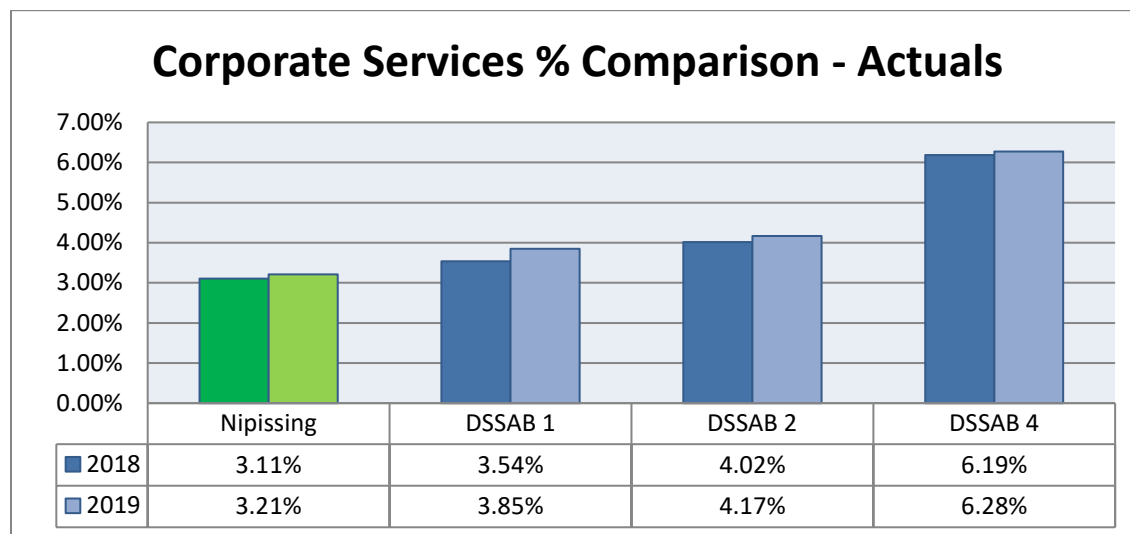
The Corporate Services Division supports the organization through the CAO, Finance, Human Resources, Project Management, Purchasing, Information Services and Maintenance (contracted), and more. The proposed 2021 budgeted expenses for Corporate Services totals \$2,874,832, an increase of \$197,903 (7.39%) over the 2020 approved budgeted expenses of \$2,676,929.

The Corporate Services Division Budget includes various corporate-wide costs, for example, staffing for the above departments, rent, utilities, telephone, insurance premiums, audit & legal fees, computer software and more. These costs are allocated across the portfolio of programs. The general mix of expenses has not changed significantly year over year.





The proposed 2021 Corporate Services budget represents 3.76% of the total DNSSAB recommended budget compared to 3.62% in 2020. Per the chart below, DNSSAB continues to have the lowest corporate service costs relative to the total budget amongst all the DSSABs.⁷



Staff continue to search for cost savings throughout the organization; however, the pandemic has led to increased costs in certain areas. Due to the pandemic and now the corresponding change to DNSSAB's business model of a mixture of in office and remote work, depending on operational requirements, there are some one-time costs budgeted in 2021. Explanations for the significant variances year over year are as follows:

- Increase in salaries and benefits due to estimated annual cost of living increase.
- Reduction in travel and training costs as a result of the pandemic. Minimal travel has been budgeted for the first half of 2021.
- One-time increase to telephone expenses for a soft phone solution to better support remote work arrangements. A soft phone solution is expected to result in annual savings, but one-time hardware and setup costs will need to be incurred in 2021.
- Increase in janitorial costs due to a higher level of cleaning required as a result of the pandemic.
- One-time costs related to the move of staff located at the Main Street location to City Hall. This includes moving costs, some furniture, and some renovations of the first floor to better serve clients and housing tenants.

⁷ Chart is organized by DNSSAB's closest comparators, left to right, based on size of organization and services provided. Only three other DSSABs had their audited financial statements available on their website in a comparable format.



3.10 Board

Board							
Proposed Budget for 2021							
	YTD Actual	Forecast to YE	Budget 2020	Budget 2021	Variance to Budget	% Change	
Revenues:							
Municipal levy	\$ 132,912	\$ 177,216	\$ 177,216	\$ 142,920	\$ (34,296)	-19.35%	
Interest revenue	22,500	30,000	30,000	30,000	-	0.00%	
Total Revenues	\$ 155,412	\$ 207,216	\$ 207,216	\$ 172,920	\$ (34,296)	-16.55%	
Expenditures:							
Honorariums	\$ 39,463	\$ 65,772	\$ 95,824	\$ 72,440	\$ (23,384)	-24.40%	
Training	3,065	4,087	25,101	12,708	(12,393)	-49.37%	
Travel	959	1,279	16,428	2,740	(13,688)	-83.32%	
Telephone	35	47	752	-	(752)	-100.00%	
Technology	-	-	-	13,584	13,584	0.00%	
General office	380	507	2,350	895	(1,455)	-61.91%	
Allocated administration costs	47,439	63,252	66,761	70,553	3,792	5.68%	
Total Expenditures	\$ 91,342	\$ 134,944	\$ 207,216	\$ 172,920	\$ (34,296)	-16.55%	
Surplus (Deficit)	\$ 64,070	\$ 72,272	\$ -	\$ -	\$ -	0.00%	

In 2021, the Board budget has decreased year over year by \$34,296 or 16.55%. Explanations for the significant variances year over year are as follows:

- Honorariums have decreased as a result to the change in the structure of Board and committee meetings as well as adjustments to reflect actual attendance levels. Annual honoraria rate increases continue to be tied to the consumer price index for a fair and transparent process. Honorariums are also based on attendance to reflect the respective contributions of Board members.
- Similar to other departments throughout the budget, minimal travel has been budgeted for the first half of 2021 as a result of the pandemic.
- Technology costs are increasing in order to purchase virtual meeting software.



3.11 Summary

3.11.1 Base Budget

The 2021 base budget presents a municipal levy increase of \$179,246 (0.87%) with an overall increase in the budget from \$73,983,008 in 2020 to \$76,305,278 in 2021.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2021 BUDGET SUMMARY

	2020 Forecast to Year End	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share of Budget	2021 Municipal Share of Budget	Increase (Decrease)	%
Employment and Social Services	18,380,061	20,252,960	19,454,625	(798,335)	356,393	267,444	(88,949)	(24.96%)
Housing Services	17,546,571	16,254,819	18,390,109	2,135,290	8,506,714	8,315,291	(191,423)	(2.25%)
Children's Services	13,257,345	15,219,987	15,338,279	118,292	1,281,474	1,493,189	211,715	16.52%
EMS - Land Ambulance	11,221,077	11,111,527	11,603,004	491,477	5,560,440	5,781,192	220,752	3.97%
Program Delivery & Corporate Services	9,359,362	10,652,801	11,199,261	546,460	4,379,965	4,507,116	127,151	2.90%
Healthy Communities Fund	241,918	400,000	300,000	(100,000)	400,000	300,000	(100,000)	(25.00%)
Gateway Hub	354	90,914	20,000	(70,914)	20,000	20,000	-	0.00%
Total	70,006,688	73,983,008	76,305,278	2,322,270	20,504,986	20,684,232	179,246	
% Increase (Decrease)				3.14%	% Increase		0.87%	
2021 Provincial/Federal Share	54,662,051		71.64%					
2021 Municipal Share	20,684,232		27.11%					
2021 Repayments & Other Income	958,995		1.26%					
2020 Apportionment	20,504,986		27.72%					

The base budget maintains services at the 2020 level with the addition of service enhancements that the Board approved in 2020. Additional options as well as a recommended budget are detailed below.



3.11.2 Options

Staff has provided the following options to the Board for review:

1. Base budget

- \$179,246 (0.87%) levy increase as presented above.

2. Base Budget + EMS Direct Delivery Review (Recommended)

- Base budget plus additional resources for EMS direct delivery review. This results in an increase to the base budget levy of \$223,824 (1.09%) for a total levy increase of \$403,070 (1.97%). See details on the next page.

3. Emergency Shelter

- The costs to operate the emergency shelter are approximately \$100,000 per month for a 12 hour shelter and \$200,000 per month for a 24 hour shelter.
- SSRF Phase II funding is currently being used to fund the emergency shelter, however, this funding is required to be spent by March 31, 2021. There is no provincial or federal funding currently available to operate the emergency shelter beyond March 31, 2021.
- The increase on the levy to operate the emergency shelter for the remaining nine months of the year (April – December) would be \$900,000 (4.39%) for a 12 hour shelter or \$1,800,000 (8.78%) for a 24 hour shelter.

4. Reserve Contribution

- The current timeline to complete the construction of the additional 15 transitional housing units is June or July 2021. Therefore, only a half year of estimated costs for the additional 15 units are included in the 2021 budget. The savings of the half year of costs of approximately \$190,000 could be allocated to the Affordable Housing Reserve in 2021. This would increase the levy by 0.93%.
- The DNSSAB is currently pursuing affordable housing construction in the district through the Canada Mortgage and Housing Corporation's Rapid Housing Initiative (RHI). Although it is possible to get 100% capital funding through this program, it is likely that there would be a proponent contribution required. This is similar to most capital funding opportunities that arise in that they typically do not fund 100% of the costs. There is expected to be a second round of the RHI in 2021 and there is potential for additional funding opportunities over the next couple of years as provincial and federal governments attempt to stimulate the economy after the pandemic. It is important that the DNSSAB has the financial flexibility to respond to these opportunities as they often require the projects to be shovel ready, including the required proponent financial contributions.



3.11.3 Recommended Budget

At the Board's direction, staff have been investigating the option of EMS direct delivery. In order to proceed further with this analysis, additional in-house EMS expertise is required as well as finance resources. Therefore, staff have prepared this recommended budget option to add an EMS Chief and Financial Analyst in 2021 to assist with a comprehensive direct delivery review and costing analysis. These additional resources are estimated to cost an additional \$223,824 (1.09%) which would be funded by the municipal levy. With this option, the total increase to the municipal levy total is \$403,070 (1.97%). The \$223,824 increase from the base budget is reflected in the program delivery section.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2021 BUDGET SUMMARY

	2020 Forecast to Year End	2020 Budget	2021 Budget	Increase (Decrease)	2020 Municipal Share of Budget	2021 Municipal Share of Budget	Increase (Decrease)	%
Employment and Social Services	18,380,061	20,252,960	19,454,625	(798,335)	356,393	267,444	(88,949)	(24.96%)
Housing Services	17,546,571	16,254,819	18,390,109	2,135,290	8,506,714	8,315,291	(191,423)	(2.25%)
Children's Services	13,257,345	15,219,987	15,338,279	118,292	1,281,474	1,493,189	211,715	16.52%
EMS - Land Ambulance	11,221,077	11,111,527	11,603,004	491,477	5,560,440	5,781,192	220,752	3.97%
Program Delivery & Corporate Services	9,359,362	10,652,801	11,423,085	770,284	4,379,965	4,730,940	350,975	8.01%
Healthy Communities Fund	241,918	400,000	300,000	(100,000)	400,000	300,000	(100,000)	(25.00%)
Gateway Hub	354	90,914	20,000	(70,914)	20,000	20,000	-	0.00%
Total	70,006,688	73,983,008	76,529,102	2,546,094	20,504,986	20,908,056	403,070	
				% Increase (Decrease)	3.44%	% Increase	1.97%	
2021 Provincial/Federal Share	54,662,051		71.43%					
2021 Municipal Share	20,908,056		27.32%					
2021 Repayments & Other Income	958,995		1.25%					
2020 Apportionment	20,504,986		27.72%					



4. 2022 Outlook

4.1 Ontario Works Program Delivery and Employment Assistance Funding

Details are limited for 2022, but MCCSS is moving forward with modernization changes to OW including centralized intake. In September of 2019, the MCCSS communicated to OW offices that they should expect reductions to their 2021 funding allocations as a result of modernization changes. This reduction was rumored to be 22%, but this has not been confirmed. Modernization initiatives were placed on hold in 2020 due to the pandemic, delaying the funding reduction until 2022. It is too early to provide an estimate on this impact as there will be programming changes attached to this funding reduction. Given the difficulty the DNSSAB is facing with the current funding freeze, an additional reduction would likely have a negative impact on the municipal levy.

4.2 Children's Services

As mentioned in the Children's Services section of this report, on January 1, 2022, the threshold for allowable administrative funding CMSMs/DSSABs can spend on child care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirements previously introduced.

It is not clear at this time if the reduction in the administrative expenses threshold will offset the increase from the 2021 funding formula change which will now impact the levy in 2022 instead of 2021. The estimated levy increase as a result of administrative funding being cost shared at a rate of 50/50 starting January 1, 2021 is \$369,551. The EDU is providing one-time funding in 2021 to offset this increase to the levy which is why this change won't impact the levy until 2022.

4.3 Housing Services

Housing Services will see significant reductions in funding associated with social housing legacy programs in 2022. Provincial and federal funding for social housing will see a year over year reduction of \$501,809 or 15.26%. This is a direct result of 4 social housing projects reaching the end of their operating agreements throughout 2022. COCHI funding will be utilized where necessary to transition expired projects to a more sustainable operational model and mitigate municipal levy increases. Although COCHI was originally announced to be funded over 10 years, allocations have only been confirmed to March 31, 2022 to date.

Housing Services will also see an increase in transitional housing costs in 2022 as the 2021 budget only includes a half year of costs for the additional 15 units in 2021 since that phase of the project is not expected to be operational until mid-2021.

4.4 Emergency Medical Services

The Ministry of Health continues to announce growth rates to EMS funding on a one-year basis. This differs from funding announcements for other ministries that have provided more clarity on future funding changes. At this time, it is unknown what to expect for EMS funding for 2022, but there is potential for further funding changes.