

**Community Services Report to
SPC on Community and Protective Services
2019 December 11**

**ISC: UNRESTRICTED
CPS2019-1286**

2020-2022 Family and Community Support Services Funding Recommendations

EXECUTIVE SUMMARY

Family and Community Support Services (FCSS) is a funding partnership between the Government of Alberta and participating municipalities. According to the most recent data, for every \$1 invested by The City, \$8.58 is leveraged through the provincial contribution, donations to organizations and volunteer hours contributed.

This report presents the FCSS funding recommendations for 2020 to 2022 for organizations that have contracts ending in 2019. Administration conducts triennial reviews of all FCSS-funded programs on a staggered three-year basis to ensure alignment to Council priorities, alignment with community need and impact on Calgarians. Conducting triennial reviews with multi-year funding commitments balances the need for accountability with reduced administrative burden for organizations and effective long-term planning.

Recommendation 2 is seeking Council's authorization to access up to \$500,000 from the FCSS Stabilization Reserve to fund non-profit organizations to respond to emerging issues and strengthen their capacity through innovative one-time initiatives. These funds increase the non-profit sector's capacity to be adaptive and deliver strong, evidence-informed, social programs to Calgarians.

FCSS Calgary has been guided by the Council-approved Social Sustainability Framework since 2008 (CPS2008-89). A comprehensive evaluation of the Framework was conducted in 2017 by an external consultant, and a refreshed FCSS Funding Framework has been developed to guide funding recommendations. The refreshed Framework refines its focus on increasing social inclusion for Calgarians experiencing vulnerabilities.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Community and Protective Services recommend that Council:

1. Approve the recommended FCSS allocations of \$9.6 million for 2020, and commitment of \$8.8 million for 2021 and \$8.8 million in 2022, as detailed in the Attachment 1;
2. Authorize access of up to \$500,000 from the FCSS Stabilization Reserve in 2020 for the purpose of funding non-profit organizations for emerging social issues and capacity-building initiatives;
3. Receive the FCSS Funding Framework (Attachment 2) for the corporate record, and approve social inclusion as the long-term goal for FCSS funding, and;
4. Receive this report as an item of urgent business at its 2019 December 16 meeting.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 December 17, Council approved the recommended FCSS allocations of \$29.7 million for 2019, \$28.8 million for 2020 and \$28.8 million in 2021 and authorized Administration to access up to \$750,000 from the FCSS Stabilization Reserve in 2019 for the purpose of funding capacity-building initiatives and responses to emerging social issues (CPS2018-1100).

On 2017 December 06, Council approved FCSS allocations of \$8 million for 2018, \$3.7 million for 2019 and \$1.2 million in 2020 and authorized Administration to access up to \$750,000 from

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the FCSS Stabilization Reserve Fund in 2018 for the purpose of funding organizations for one-time capacity-building initiatives and responding to emerging social issues (CPS2017-1124).

On 2016 June 20, Council approved an updated policy for FCSS (CP2016-05), which streamlined how the FCSS program is administered in Calgary. Through this policy, Council committed to contributing 25 per cent of the overall FCSS Calgary budget.

On 2003 April 07, Council directed the establishment of the FCSS Stabilization Reserve Fund (CPS2003-26) to cover any shortfalls in case the FCSS allocation is less than expected in any given year, and to build the capacity of funded organizations as well as respond to emerging issues.

BACKGROUND

FCSS Calgary is administered by Calgary Neighbourhoods alongside other prevention funding streams such as the Crime Prevention Investment Plan and Prevention Funding Framework with Mental Health and Addictions Lens. FCSS Calgary is uniquely positioned as a partnership between The City of Calgary and the Government of Alberta to provide preventive social programs to Calgarians experiencing vulnerabilities, in accordance with Council priorities. FCSS is governed at the provincial level by the FCSS Act and Regulation. Through this partnership, the province funds a maximum of 80 per cent of the program cost and participating municipalities must contribute a minimum of 20 per cent. Calgary has participated in FCSS since the program's inception in 1966 and supports non-profit organizations and City programs to deliver preventive social services that enhance the lives of Calgarians experiencing vulnerabilities.

FCSS is built on a foundation of local autonomy, to ensure that municipalities have the flexibility to respond to local needs and priorities. Through ongoing research, evaluation and stakeholder feedback, Administration has refined the Social Sustainability Framework, and is presenting the new FCSS Funding Framework (Attachment 2) to guide its investments. The Framework includes three pillars - programs and services, community development and policy/systems change initiatives - as a means to achieve increased social inclusion. Social inclusion has been linked to positive child and youth development, strong families, resilient individuals and healing in Indigenous communities.

To be eligible for FCSS Calgary funding, programs must be consistent with the FCSS Act and Regulation, Council's policy on FCSS and align with the FCSS Funding Framework. Organizations must collaborate with others to ensure a continuum of preventive services exists in Calgary and to avoid duplication in service provision. Each program must report on program impact using predetermined indicators from the FCSS Social Inclusion Indicators database.

The FCSS Stabilization Reserve was established in 2003 (CPS2003-26) to hold unallocated funds resulting from provincial increases or funds returned from organizations. It exists primarily to cover any shortfalls in the case of a reduction in the provincial allocation. Each year Administration seeks Council's approval to allocate some of these funds for capacity-building initiatives for non-profit partners. Eligible initiatives strengthen organizational effectiveness, increase programs' impact, and address emerging issues and trends that are impacting Calgarians.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration conducts regular reviews of all its funded programs to ensure alignment to Council priorities, response to community issues and impact on Calgarians in a coordinated manner, without duplication. The FCSS funding recommendations in this report are based on a review of organizations and programs with funding agreements ending in 2019 including programs that were funded for the 2017 to 2019 period as part of the regular, multi-year funding process.

Programs that meet all review criteria are recommended for a three-year funding commitment, administered through one-year renewable contracts. If concerns are identified by Administration during the review process, one year of conditional funding is recommended and the organization must demonstrate by August of the funding year that it has met the condition(s) in order to be considered for future funding.

If an organization is dissatisfied with the FCSS funding recommended for its programs, there is a reconsideration process that allows the organization to ask questions and receive feedback on the recommendation and have the allocation reassessed. The reconsideration process is completed before the funding recommendations are presented to Council, as per the Council-approved FCSS Policy.

In 2019, 46 programs delivered by 25 organizations were reviewed, of which;

- 42 programs are recommended for three-year funding, administered through one-year renewable contracts;
- 4 programs are recommended for one year of conditional funding;

Funding these organizations to deliver preventive social programs in Calgary results in:

- Young people feeling a sense of pride in who they are, and a greater connection to their environments such as school, community and with their peers
- Calgarians feeling a sense of belonging, meaning, security, and control over their lives
- Families feeling safe, secure and knowing who they can count on in a time of crisis
- Communities that are more welcoming of all cultures, ethnicities, ages, sexual orientations, and income levels

The City's FCSS partner organizations are facing uncertainty due to declining fundraising revenue and cuts to grants from other funders and orders of government. In addition, demand for services is increasing as Calgarians face increased vulnerabilities due to the ongoing economic downturn. This is limiting organizations' ability to plan strategically and respond to the needs of Calgarians. Access to the FCSS Stabilization Reserve would allow Administration to invest in non-profit organizations that propose one-time initiatives to better respond to emerging social issues before they escalate, and more costly interventions required. Investments may also be used to advance elements of organizational effectiveness of current partner organizations to become more adaptive and responsive to the evolving needs of Calgarians.

The new FCSS Funding Framework renews The City's commitment to increasing social inclusion as the best approach to supporting Calgarians at the earliest opportunity.

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Stakeholder Engagement, Research and Communication

Administration undertakes various stakeholder engagement activities to inform the funding recommendations contained in this report. Through this year's multi-year funding review process, Administration engaged in robust discussions with board members and staff of 25 non-profit organizations.

Administration evaluates the outcome of FCSS Calgary funding through standardized surveys. Survey results are analysed and communicated back to the organizations to improve the design and impact of their programs. This continuous cycle of data analysis and program delivery ensures that Calgarians are provided with evidence-based programs that meet their needs.

Strategic Alignment

By supporting equitable access to services and social programs that meet the needs of Calgarians, the FCSS program contributes to A Prosperous City.

The FCSS Calgary service delivery model builds on the expertise of non-profit organizations and aligns with the Investing in Partnerships Policy (CP2017-01) and its guiding principles.

FCSS Calgary is aligned to the goals of the Enough for All Strategy and the Social Wellbeing Policy.

Social, Environmental, Economic (External)

The programs recommended for funding through this report increase the social inclusion of individuals and families with a range of vulnerabilities and contribute to safe and inspiring neighbourhoods where the impacts of social isolation and poverty are mitigated.

FCSS Calgary allows The City to engage citizens in solving problems, strengthening neighbourhoods and addressing social issues before they escalate. FCSS Calgary contributes to complete communities through investments in community development and in the capacity of residents to be engaged in their neighbourhoods.

The return on investment in preventive social programs is significant. Studies have estimated that every dollar invested yields a return of up to \$13 by diverting resources from more costly services such as policing, justice and mental health. In addition, a \$1 investment from The City leverages an additional \$8.58 from the province and the community.

Financial Capacity

Current and Future Operating Budget:

Recommended FCSS funding allocations are within existing operating budgets.

The funds recommended from the FCSS Stabilization Reserve have no impact on the operating budget.

Current and Future Capital Budget:

The recommendations in this report do not have any present or future capital budget impacts.

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Risk Assessment

There are two main risks associated with this report:

The provincial contribution to FCSS has been maintained through *Budget 2019*. However, given the current fiscal challenges, Administration will support Council's continued advocacy effort with community partners and other FCSS programs across the province for sustained provincial funding. Multi-year funding delivered through annual, renewable contracts will reduce the financial risk to The City. With Council approval, the FCSS Stabilization Reserve can also act as a mitigation to this risk. Administration has reduced the notice period to organizations from 60 to 30 days as an additional way to mitigate financial risks.

Despite stable FCSS funding, organizations may still experience negative impacts to their service delivery due to overall funding reductions from other sources. To mitigate this risk, Administration reviews their annual audit reports which provide detailed information on the overall financial outlook for each organization. Funds accessed from the FCSS Stabilization Reserve may also be used to improve the adaptive capacity of organizations to respond to service demands or funding challenges.

REASON(S) FOR RECOMMENDATION(S):

The programs recommended for FCSS funding have been assessed through rigorous measures of efficiency and effectiveness. Council's approval of funding for these programs will ensure Calgarians have access to essential preventive social supports.

Access to the FCSS Stabilization Reserve for the purpose of one-time funding will enable non-profit organizations to improve their adaptive capacity to respond to emerging social issues and deliver prevention programs. A network of strong non-profit organizations enables The City to extend its reach in the delivery of essential preventive social programs.

Endorsing social inclusion as the long-term goal for FCSS funding will ensure that investments in preventive social services are evidenced-based and effective. Ultimately Calgarians experiencing vulnerabilities will be supported at the earliest opportunity before needs escalate.

Referring this report to the next Council meeting as an item of urgent business allows Administration to begin the contracting and payment process as soon as possible. This ensures continuity of service delivery to Calgarians.

ATTACHMENT(S)

1. Attachment 1 - 2020-2022 FCSS Program Funding Recommendations
2. Attachment 2 - FCSS Funding Framework: Investing in Social Inclusion