

## **2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS**

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### **EXECUTIVE SUMMARY**

This report presents the Family & Community Support Services (FCSS) funding recommendations for 2015-2017. In the past, FCSS presented both funding recommendations for the current year, and two subsequent years, as well as an annual report on the previous year's accomplishments. In order to align to Council's policy on FCSS (CSPS008), which states that the FCSS Board will meet annually to consider Administration's recommendations on funding, this report focuses on FCSS funding recommendations and asks for Council direction on circulation of the annual report.

FCSS is a joint municipal/provincial funding program that partners with community agencies, City business units and other funders to support preventive social services that enhance the lives of vulnerable Calgarians. In Calgary, Community & Neighbourhood Services (CNS) administers and provides leadership to the FCSS program. The FCSS program continues to support Council's Social Sustainability Framework by directing funds to two priorities: increasing social inclusion and strengthening neighbourhoods.

Generally, agencies are reviewed on a staggered three-year cycle and funding recommendations are made for the corresponding cycle. The practice of undergoing a review every three years, instead of every year, reduces the administrative burden for agencies, and also contributes to increased predictability, enabling better long-term planning for both agencies and FCSS. In addition, having staggered three-year reviews increases staff efficiency, ensures the best use of resources and allows for time to conduct thorough assessments.

Attachment 1 provides the 2015-2017 FCSS program funding recommendations for Council approval and Attachment 2 provides FCSS funding allocations previously approved for 2015-2016.

### **ADMINISTRATION RECOMMENDATIONS**

That the SPC on Community and Protective Services recommends that Council:

1. Approve the 2015-2017 Family & Community Support Services funding allocations of \$18 million as identified in Attachment 1 (\$16.3 million to 27 agencies in 2015; \$0.9 million to eight agencies in 2016; and \$0.8 million to seven agencies in 2017);
2. Authorize Administration to access up to \$500,000 from the Family & Community Support Services Stabilization Fund, in accordance with the Council's Policy on Family & Community Support Services (CSPS008), for the purposes of one-time emerging issues and capacity-building of funded agencies, effective from the date of Council approval through to the date Council next considers Family & Community Support Services funding allocations;
3. Direct Administration to circulate to Members of Council an annual report on Family & Community Support Services' previous year's achievements no later than April 30 each year.

**2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING  
RECOMMENDATIONS**

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**RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES,  
DATED 2015 FEBRUARY 04:**

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That Council:

1. Approve the 2015-2017 Family & Community Support Services funding allocations of \$18 million as identified in Attachment 1 (\$16.3 million to 27 agencies in 2015; \$0.9 million to eight agencies in 2016; and \$0.8 million to seven agencies in 2017);
2. Authorize Administration to access up to \$500,000 from the Family & Community Support Services Stabilization Fund, in accordance with the Council's Policy on Family & Community Support Services (CSPS008), for the purposes of one-time emerging issues and capacity-building of funded agencies, effective from the date of Council approval through to the date Council next considers Family & Community Support Services funding allocations;
3. Direct Administration to circulate to Members of Council an annual report on Family & Community Support Services' previous year's achievements no later than April 30 each year.
4. **Request Mayor Nenshi correspond directly with the Minister of Human Services and the Premier to request continued support and consider an increase in FCSS funding in view of current economic circumstances.**

Excerpt from the Minutes of the Special Meeting of the SPC on Community and Protective Services, dated 2015 February 04:

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**"DECLARATION OF PECUNIARY INTEREST**

Councillor Woolley abstained from voting.

Item: 2015-2017 Family & Community Support Services (FCSS) Calgary Funding  
Recommendations, CPS2015-0150

Reason: Councillor Woolley has a personal relationship with a person employed with one of the organizations contained in the list for funding.

Time left the Engineering Traditions Committee Room: 9:58 a.m."

**PREVIOUS COUNCIL DIRECTION / POLICY**

FCSS has presented funding recommendations to Council annually since 1966.

On 2003 April 07, Council directed the establishment of the FCSS Stabilization Fund (CPS2003-26).

On 2008 November 03, Council directed FCSS to implement the Social Sustainability

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

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Framework (CPS2008-89). This Framework established the FCSS funding priorities: increasing social inclusion for vulnerable Calgarians and strengthening neighbourhoods to prevent concentration of poverty.

On 2011, March 21, Council approved the Family & Community Support Services Policy (CSPS008), rescinding and consolidating 12 previous Council policies governing different aspects of the FCSS Calgary Program.

On 2014 March 05, Council received the 2013 FCSS annual report and 2014 funding recommendations (CPS2014-0140) and approved \$23.6 million to 56 agencies in 2014; \$8.7 million to 27 agencies in 2015; and \$6.2 million to 15 agencies in 2016, as well as \$1 million for one-time emerging issues and capacity-building needs of funded agencies. In addition, Council asked that The Mayor request formally that the Government of Alberta review FCSS funding and consider both an increase and indexing formula.

On 2014 December 01, as part of *Action Plan 2015-2018*, Council confirmed its commitment to the FCSS program by sustaining, as part of CNS base operating budget, the municipal contribution at 30 per cent of the overall FCSS budget for a total of \$9.4 million annually (C2014-0863).

### BACKGROUND

The City has partnered with the Government of Alberta to provide preventive support to vulnerable Calgarians since the launch of the Preventive Social Services Act in 1966. The FCSS program is a joint provincial/municipal program governed by the FCSS Act and Regulation. An excerpt from the Regulation is included for information as Attachment 3. The purpose of FCSS is to support and fund preventive social services. Legislation requires participating municipalities to match the provincial funding at a minimum ratio of 20 per cent municipal and 80 per cent provincial funding.

The provincial grant to FCSS has remained the same for six years, while Calgary's population and complexity of issues have increased considerably. Factors such as an aging population and increased financial vulnerability due to a potential economic downturn mean the need will only continue to grow. Council's leadership to maintain the municipal contribution to FCSS through *Action Plan 2015-2018*, allows for sustained funding for preventive social programs in Calgary. In addition, in April 2014, the Mayor sent a letter to the Premier of Alberta advocating for increased FCSS funding further demonstrating Council's support for preventive social services.

Community & Neighbourhood Services (CNS) administers and provides leadership to FCSS in Calgary. FCSS-funded programs and services are delivered by non-profit agencies and by CNS to prevent vulnerable children, youth, seniors, and families in Calgary from facing serious social issues.

The funding recommendations in this report are made based on Council's Social Sustainability Framework, a 10-year prevention strategy that aligns with the Triple Bottom Line Policy. The Framework identifies two funding priorities: increasing social inclusion for vulnerable Calgarians

## **2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS**

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and strengthening neighbourhoods to prevent the concentration of poverty. A comprehensive research and consultation process indicated that investing in these two areas prevents social problems from occurring or addresses them before they escalate into serious issues such as crime, violence, neighbourhood deterioration and poverty.

To be eligible for FCSS funding, programs and services must meet all of the following criteria:

- be consistent with Council's funding priorities;
- be consistent with the FCSS Act and Regulation;
- be collaborative and not duplicate existing programs;
- use evidence-based best or promising practices;
- report progress using defined indicators of social inclusion or strong neighbourhoods; and
- demonstrate sound administration and governance practices.

FCSS-funded agencies collect data from program participants to track the difference their programs are making, both collectively and individually. All participants in FCSS-funded programs are asked to complete a questionnaire when they begin a program, and again at the end of the program or at set intervals for ongoing programs. The strategies a program uses to achieve its goals are reflected in the surveys used with clients to assess program effectiveness. The information gathered is entered into an online database by agencies, and analyzed by FCSS to enable programs to be evaluated and improved.

Funding recommendations are informed by a thorough review of each agency for organizational strength and program impact. Funding recommendations for programs vary according to:

- the number of people the program reaches;
- the complexity of the issues the program is addressing;
- the number of staff and level of skill required to achieve the desired program outcomes;
- the demand for the program;
- the availability of funds; and
- the length of time the program has been running and access to FCSS funding opportunities over time.

If an agency and program meet all the review criteria, funding is recommended for three years. Multi-year funding promotes long-term planning and agency stability, resulting in strong agencies and programs. If concerns come to light during the review process, one year of funding is recommended with conditions. A one year contract may also be recommended to allow the agency adequate time to align to organizational or service delivery changes. Attachment 1 includes the conditions that may accompany funding. When there are conditions, Administration works closely with the agency to address the concerns. Agencies may also apply for capacity-building funds to assist them in meeting the conditions. If the conditions are met during the conditional year, the agency is generally recommended for three years of funding to begin the next year.

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

In 2014, FCSS funded 126 preventive social programs in 78 agencies that collectively served almost 111,000 Calgarians. These programs mobilized over 41,000 volunteers who contributed in excess of 918,000 hours of service, valued at over \$25 million to the economy.

FCSS is continually looking for opportunities to improve its review and funding recommendation processes. As such, it initiated a Business Process Review (BPR) during the summer of 2014. The purpose of the BPR was to examine FCSS processes and recommend improvements to ensure that its funding practices are fiscally responsible, operationally sound, transparent and responsive to customers and other stakeholders. One of the BPR's recommendations is to separate funding recommendations from annual reporting, which is the approach taken in this report. The implementation of other recommendations will take place in 2015 and 2016.

### INVESTIGATION: ALTERNATIVES AND ANALYSIS

The FCSS program provides a flexible and versatile method for The City to continue to deliver preventive social services as demographics change, demand for services increase and social concerns become more complex. FCSS-funded programs provide vital threads in the fabric of healthy communities within a context of increasing social pressures faced by our growing and changing city.

The demand for services has always exceeded available resources. For 2015, the request from applying agencies exceeded available resources by over \$5 million. The recommendations in this report are made to agencies with a track-record for organizational stability and strong program delivery. The following table shows the breakdown of funding recommendation per year for the 2015-2017 period and provides a high-level summary of the information provided in both Attachments 1 and 2.

	2015**		2016**		2017**		3-Year Total 2015-2017**
	Amount (in millions of dollars)	# of agencies	Amount (in millions of dollars)	# of agencies	Amount (in millions of dollars)	# of agencies	Amount (in millions of dollars)
Recommended*	16.3	27	0.9	8	0.8	7	18
Previously Approved	15.1	48	6.2	15	0	0	21.3
Available for allocation in future years	0	0	24.3	To be determined	30.6	To be determined	54.9
Total	\$31.4	75	\$31.4	To be determined	\$31.4	To be determined	\$94.2

\* Includes administration of FCSS.

\*\*Based on predicted municipal and provincial budget at the time of this report.

The agencies and programs recommended for FCSS funding align with the Social Sustainability Framework's two key priorities:

### 1. Increasing Social Inclusion

The recommendation of \$16.3 million for social inclusion in 2015-2017 will strengthen 49 FCSS programs in 27 agencies that are making a measurable difference by helping their participants

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

increase social support networks, enhance overall economic well-being, and improve various components of healthy child and youth development.

The following table shows the breakdown of 2015-2017 program funding recommendations for each of the social inclusion outcome areas, as well as related policy and systems change, and recommended investments in administration and infrastructure development. The table also includes the number of clients anticipated to benefit from programs aimed at increasing their social inclusion in 2015. The projected number of clients for 2016 and 2017 will be available upon a review of funding applications for those years.

		Number of Programs in 2015	2015 FCSS Recommended Funding Amount (in millions of dollars)	2016 FCSS Recommended Funding Amount (in millions of dollars)	2017 FCSS Recommended Funding Amount (in millions of dollars)	Projected Number of clients in 2015
Social Inclusion Funding Priority	Personal Capacity	12	2.8	0.1	0.1	18,000
	Social Ties	12	4.0	0.4	0.3	37,000
	Family Cohesion	10	2.9	0.3	0.3	5,000
	Child/Youth Development	10	2.0	0.1	0.1	10,000
	Policy & Systems Change	3	0.9	n/a	n/a	n/a
	Program Administration and Infrastructure Development	2	2.0	n/a	n/a	n/a
	Total	49	\$14.6	\$0.9	\$0.8	70,000
<b>TOTAL RECOMMENDED AMOUNT IN SOCIAL INCLUSION PRIORITY FOR 2015 - 2017</b>					<b>\$16.3</b>	

## 2. Strengthening Neighbourhoods

The recommendation of \$1.7 million in this report is for two neighbourhood-level programs: the Strong Neighbourhood Initiative (SNI) and the Strong Neighbourhood Engagement and Capacity Building Fund. Together, these two programs mobilize residents as community leaders, attract local economic development, increase a sense of belonging and safety, and create more accessible services and amenities for residents. The Community and Social Development (CSD) division of CNS delivers these programs. Based on the success of this neighbourhood-level approach, CSD has increased the number of neighbourhoods with which it uses this method from eight in 2009 to 23 in 2014. In addition, the lessons learned from this way

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

of working have in part informed the development of the Neighbourhood Improvement Initiative (NII) led by the Community Partnerships division. Strong neighbourhoods contribute to the vitality of Calgary, because when neighbourhoods thrive, the people who live there thrive too.

The following table shows the breakdown of 2015 program funding recommendations for each of the strong neighbourhood investment areas, as well as the anticipated reach of each of these programs in 2015:

	Name of Two Programs Strengthening Neighbourhoods	2015 Funding Recommendation (in millions of dollars)	Anticipated reach in 2015		
			Number of Residents	Number of Neighbourhood Projects	Number of Neighbourhood Leaders
Strengthening Neighbourhood Priority	Strong Neighbourhood Initiative	1.6	800	375	775
	Strong Neighbourhood Engagement and Capacity Building Fund	0.1	450	175	450
<b>TOTAL RECOMMENDED AMOUNT IN STRENGTHENING NEIGHBOURHOOD PRIORITY FOR 2015 - 2017</b>		<b>\$1.7</b>	<b>1,250</b>	<b>550</b>	<b>1,225</b>

### Stabilization Fund (CPS2003-26)

The FCSS Stabilization Fund was established in 2003 to ensure that any new and/or unallocated dollars could be held until assigned to future FCSS capacity-building initiatives in priority areas. Agencies with an ongoing relationship with FCSS Calgary are given priority to access the FCSS Stabilization Fund. Administration reviews one-time capacity-building funding applications against specific criteria and agency requirements. At the end of the project or at year-end, agencies report on the impact of the funding they received.

In 2014, 34 projects received \$832,000 to strengthen their capacity in the areas of agency stability, evidence-based program design and response to emerging issues. The available reserve balance at the end of 2014 was \$3 million.

The request for \$500,000 in 2015 from the Stabilization Fund is for one-time capacity-building initiatives of FCSS-funded agencies and related emerging issues. To ensure the long-term sustainability of the Stabilization Fund, fewer resources will be accessed annually so that the Fund is not depleted, as it is an integral part of FCSS's contingency plan in case of an unanticipated provincial funding decrease or other emerging issues. Having the Stabilization Fund strengthens FCSS's role, not only as a prevention program funder, but also as a social infrastructure builder. Moreover, the Stabilization Fund enables FCSS to respond to emerging and urgent issues in the community.

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

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### **FCSS Business Process Review**

In the pursuit of continuous quality improvement, FCSS initiated a Business Process Review (BPR) in 2014. The purpose of the BPR was to examine and improve FCSS' funding practices and business processes to ensure the program is fiscally responsible, operationally sound, transparent, and responsive to customers and other stakeholders. A comprehensive implementation plan will be developed in 2015, and will include integrated data management systems and increased efficiency in stakeholder management.

One of the recommendations of the BPR was to separate the annual report from the funding recommendation report. As such, this report focuses on the 2015-2017 funding recommendations and seeks direction from Council through Administration recommendation #3 to circulate an annual report no later than the end of April each year. As there is no legislation or policy requiring FCSS to present annual reports to Council, separating funding recommendations from the annual report aligns with Council's policy on FCSS (CSPS008), which states that "the FCSS Board will meet at least once in the first three months of the calendar year to consider funding and policy recommendations from Administration". In the future, separating the recommendations from the annual report may provide FCSS with the flexibility to move recommendations even earlier, potentially allowing FCSS to make recommendations before the start of the year in which funding is being provided. This approach improves funding predictability for agencies and the planning and accountability cycle for FCSS.

### **Stakeholder Engagement, Research and Communication**

In 2014, FCSS undertook several initiatives that engaged stakeholders and strengthened partnerships with agencies and other funders, thereby informing the funding recommendations.

#### **1. Funding Review Process**

To arrive at funding recommendations, FCSS Calgary engaged with the board and staff of each applicant agency and program through a thorough review process that focused on all aspects of agency stability as well as program effectiveness.

#### **2. Agency Advisory Group**

FCSS Calgary communicated regularly with agency representatives through its Agency Advisory Group to ensure its approaches to agency and program assessment and funding recommendations were as effective as possible.

#### **3. FCSS Sustainability Forum**

The FCSS Sustainability Forum created the opportunity for FCSS Calgary board members, funded agencies and other stakeholders to develop strategies together that addressed the financial and systemic issues affecting FCSS locally and provincially. With provincial funding unchanged since 2008, agencies and programs are challenged to meet the needs of clients, limiting the extent to which funding recommendations can respond to the actual needs in the community.



## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

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### Strategic Alignment

The FCSS funding program supports the Council Priorities of a *Prosperous City* and a *City of Inspiring Neighbourhoods* by partnering with other levels of government and with not-for-profit agencies to achieve community well-being.

FCSS priorities align with the Calgary 2020 Sustainability Direction in relation to Community Well-Being and Prosperous Economy.

FCSS supports the implementation of the Social Sustainability Framework by investing in evidence-based programs and services that contribute to increasing social inclusion and strengthening neighbourhoods.

### Social, Environmental, Economic (External)

#### Social:

FCSS Calgary partners with community agencies, other City business units and funders to make it possible for every Calgarian to live in a safe, strong community with the opportunity to succeed and contribute to a vibrant urban fabric. By funding community agencies to increase social inclusion and strengthen neighbourhoods, FCSS Calgary reduces and prevents social problems such as crime, family violence, neighbourhood decline and poverty.

#### Environmental:

FCSS contributes to complete communities through the *Strong Neighbourhoods Initiative* by which residents can improve the natural and built environment, build connections, gain greater access to programs, amenities and services nearby, and engage in community economic development projects. Research shows that strong neighbourhoods feature healthy and safe natural and built environments.

#### Economic (External):

An investment of \$1 in preventive social services produces a social return on investment of up to \$13, diverting resources from spending on other more costly services such as policing, justice, mental health and child protection. Vibrant, socially inclusive communities are more likely to attract and retain the workforce Calgary needs in order to thrive.

### Financial Capacity

#### Current and Future Operating Budget:

Attachment 1 provides the 2015-2017 FCSS program funding recommendations for Council approval:

- \$16.3 million to 27 agencies in 2015;
- \$0.9 million to eight agencies in 2016; and
- \$0.8 million to seven agencies in 2017.

Attachment 2 includes information on previously-approved 2015-2016 FCSS funding:

- \$15.1 million to 33 agencies in 2015 (CPS2013-0116); and
- \$6.2 million to 15 agencies in 2016 (CPS2014-0104).

## 2015-2017 FAMILY & COMMUNITY SUPPORT SERVICES (FCSS) CALGARY FUNDING RECOMMENDATIONS

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### Current and Future Capital Budget:

The FCSS Act and Regulation specifically disallows capital expenditures.

### Risk Assessment

If Council does not approve the funding recommendations, much-needed preventive services would not be available to vulnerable Calgarians and more costly intervention and protective services would likely be required in the future.

At a time of a potential economic downturn, more Calgarians may experience financial instability and accompanying stress, resulting in increased need for assistance from FCSS funded agencies. There is a risk that agencies funded by FCSS will not be able to meet the increased demand for services through a system already operating beyond capacity. To mitigate this risk, FCSS meets regularly with agencies to ensure services are on track and being delivered as contracted for maximum effects.

FCSS Calgary is a long-term funder for sustained impact, working with and investing in strengthening its partner agencies. The approach of providing multi-year renewable funding provides stability to the sector. A long-term funding approach assumes that current funded agencies and programs are the best way to achieve Council's Social Sustainability Framework funding priorities and goals. With this approach, there is a risk that other programs that could advance these priorities may not have access to funding. To mitigate this risk, FCSS periodically issues calls for proposals to advance areas showing less progress.

Finally, the recent decline in oil prices has resulted in projected decreased provincial revenue, which may in turn result in a decrease in the provincial contribution to FCSS. The Province did not reduce its FCSS budget during the economic downturn in 2009, recognizing that there would be serious consequences for agencies and individuals. Nonetheless, this possibility cannot be precluded. To mitigate this risk, FCSS has developed responses to a range of scenarios with a view to managing the impact on FCSS-funded agencies and programs. Options could include the use of the Stabilization Fund to cover a decrease of up to 10 per cent for the current year's funding or applying an across-the-board reduction. All contracts would be re-opened if required and should funding decisions need to be reconsidered, Administration would report back to Council through the Standing Policy Committee on Community and Protective Services sitting as the FCSS Calgary Board.

### REASONS FOR RECOMMENDATION:

Population growth, changing demographics, increased demand for services, and more complex and interrelated social concerns drive FCSS Calgary to maintain its focus on measurably increasing social inclusion for Calgarians by providing a strong network of preventive social services, and on strengthening neighbourhoods to prevent concentrated poverty. The information and recommendations in this report position The City to achieve these objectives.

### ATTACHMENTS

1. 2015-2017 FCSS Program Funding Recommendations
2. 2015-2016 FCSS Previously-Approved Program Funding Summary
3. FCSS Regulation - Program Definition