

**PROPOSED CHANGES TO THE COUNCIL POLICY FOR
THE FAMILY AND COMMUNITY SUPPORT SERVICES
(FCSS) PROGRAM**

EXECUTIVE SUMMARY

This report presents a revised Council policy for the Family & Community Support Services (FCSS) program in order to consolidate previous directions and policy provided by Council, as well as to update and simplify its governance structure. The intent of the revisions to the Council policy is to make the decision-making process for FCSS at the Standing Policy Committee on Community and Protective Services (SPC on CPS) more effective, create operational efficiencies for Administration, and align to the new Council Policy Program.

ADMINISTRATION RECOMMENDATIONS

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

1. Rescind all previous FCSS policies and Council directions (as itemized in Attachment 1), and endorse the revised Council Policy on FCSS (Attachment 2);
2. Receive the new Terms of Reference for the FCSS Calgary Forum (Attachment 3) as information; and
3. Authorize Administration to access \$250,000 in 2016 and \$500,000 in both 2017 and 2018 from the FCSS Stabilization Reserve for the purposes of maintaining the municipal contribution to the FCSS program budget to address emerging issues.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 January 25, Council received the FCSS funding recommendations (CPS2016-0036) and approved \$27.1 million to 74 agencies in 2016; \$25.4 million to 54 agencies in 2017 and \$25.2 million to 47 agencies in 2018.

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

On 2014 March 24, Council approved new terms of reference for the FCSS Sustainability Forum, as per of CPS2014-0140.

On 2011 March 21, Council approved the FCSS Policy (CSPS008), rescinding and consolidating 12 previous Council policies governing different aspects of the FCSS Calgary Program (CPS2011-19).

On 2007 February 26, the Terms of Reference for the Family & Community Support Services Board to Reconsider Administration's Funding Recommendations (CPS2007-09) were approved.

PROPOSED CHANGES TO THE COUNCIL POLICY FOR THE FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS) PROGRAM

On 2006 May 15, the SPC on CPS received the reformatted Terms of Reference for FCSS Board and FCSS Advisory (CPS2006-28) for information and approval.

On 2001 October 01, Council approved the recommendations in the Review of the FCSS Funding Framework (CPS2001-55), which established the FCSS Board and the FCSS Advisory Committee.

BACKGROUND

In accordance with the *Family & Community Support Services Act*, Calgary has participated in FCSS since the program's inception in 1966. FCSS is a funding partnership for prevention programs, with a cost-sharing agreement between the Government of Alberta and participating municipalities. Since 2001, the FCSS Calgary program has been governed by the SPC on CPS, acting as the FCSS Board.

The FCSS Act requires that the province contribute no more than 80 per cent of the total funding to a municipal FCSS program with a minimum 20 per cent contribution from the municipality. However, over half of all Alberta municipalities contribute more to their FCSS program than the legislated minimum 20 per cent. This commitment from municipalities ensures that the increasing complexity and growing demand for services are addressed. In Calgary, the current Council Policy states that Calgary will maintain a minimum 25 per cent contribution of The City's FCSS funding. In practice, a 30 per cent contribution level was maintained from 2012 to 2015.

FCSS Calgary is a leader in prevention funding, and continually strives to refine its funding practices for greater efficiency and impact. FCSS Calgary invests in non-profit community organizations and City business units to fund preventive social programs that support and enhance the lives of vulnerable Calgarians. Operational leadership is provided by the Calgary Neighborhoods business unit.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Through a recent business process review, a number of opportunities for improvement to the FCSS program were identified, including the need to streamline the governance structure, the reconsideration process, and stakeholder engagement practices. Further analysis and research led to the recommended changes in the FCSS Policy (Attachment 2). Significant changes to the policy are summarized below, with all changes summarized in Attachment 1.

1) Streamlining the governance structure

The SPC on CPS (and its predecessors) have acted as the de-facto Board for FCSS since its inception, and officially since 2001. The role of the SPC on CPS, when constituted as the FCSS Board, has been to approve or amend funding and policy recommendations presented by Administration. Recommendations from the Board are referred to SPC on CPS, which in turn

PROPOSED CHANGES TO THE COUNCIL POLICY FOR THE FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS) PROGRAM

refers them to Council. This three-layer governance structure has been the source of confusion for many members of Administration and Council alike.

The revised policy removes the layer of the FCSS Board. As a result, the governance of the FCSS program will move from a formal board, to the SPC on CPS which in practice, has already been occurring as the FCSS Board is comprised in its entirety of the SPC on CPS. The benefits of this new approach are a more streamlined and concise governance structure, less duplication in decision-making, and less confusion for all stakeholders.

2) Eliminating the need for a special meeting

The requirement for a special meeting for the FCSS Board, which was established in 2008 through CPS2008-95, has limited Administration's ability to bring forward funding and policy recommendations in a timely manner.

By removing the requirement for a special meeting, FCSS Calgary will have increased flexibility in responding to changing funding levels and will be able to bring forward recommendations to the SPC on CPS following the standard process for bringing reports to committee.

3) Streamlining the reconsideration process

The reconsideration process was established in 2006 through CPS2006-75 to reduce the number of appeals considered before the FCSS Board. Currently, if an organization is not in agreement with Administration's funding recommendation, a Reconsideration Sub-Committee of the FCSS Board comprised of a minimum of three members of FCSS Board, convenes prior to the funding recommendation meeting to consider funding appeals. However, since the establishment of this process, the formal process has never been used and all concerns about funding recommendations have been resolved by Administration without being advanced to the formal reconsideration process.

The proposed process outlined in the attached policy will see funding concerns brought to the Director of Calgary Neighbourhoods who will make the final decision on the recommendation presented to SPC on CPS. The proposed process will still allow organizations to raise their concerns about funding recommendations but will limit the time and impact on members of Committee, and eliminate confusion around the role of the FCSS Board, and the FCSS Board Reconsideration Sub-committee.

4) Streamlining the stakeholder engagement process

Currently, FCSS consults with two stakeholder groups, depending on the focus of the consultation: 1) The Advisory Committee, which was endorsed by Council in 2006 through CPS2006-28, and 2) The FCSS Calgary Sustainability Forum, established in 2007, through CPS2007-51. The Advisory Committee provides guidance and advice to Administration on FCSS funding and planning processes, while the Sustainability Forum brings FCSS

PROPOSED CHANGES TO THE COUNCIL POLICY FOR THE FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS) PROGRAM

stakeholders together with the goal of developing strategies and actions to raise the profile of FCSS, and ensure the financial stability of the program.

In some cases, the same representatives from funded organizations participated in these two groups, which is a burden to these organizations and becomes administratively cumbersome. The proposed FCSS Calgary Forum consolidates these two groups and provides an opportunity for FCSS Calgary and organizations to work collaboratively on issues facing the preventive social service sector in general, and FCSS Calgary in particular. This consolidation will provide Administration with access to one strong and cohesive voice of preventive social service organizations.

Confirming the FCSS Calgary funding ratio

In addition to the changes being recommended for the policy, Administration also reviewed the direction for funding contribution included in the policy and is recommending that the minimum funding contribution of the municipality be maintained at 25 per cent of The City's total FCSS budget, which is above the legislated minimum of 20 per cent, but below the 30 per cent contribution level that Council maintained from 2012-2015.

After six years of no increase in the provincial FCSS budget, in 2015 the Government of Alberta provided a substantial increase to the FCSS program which resulted in a budget increase of \$7.7 million in base funding to FCSS Calgary. With the significant increase from the province, additional millrate funds of \$500,000 would be required from The City to maintain its Council policy-directed 25 per cent contribution level. Attachment 4 provides detailed information on the provincial and municipal cost sharing for the Calgary FCSS Program. Should Council choose to maintain a contribution level of 30 per cent, \$3.3 million would be required annually.

The increase in provincial funding to FCSS Calgary has provided a significant boost to its financial capacity. Out of the \$7.7 million increase, Council approved the allocation of \$2.8 million through CPS2016-0036, to currently-funded organizations to respond to their increased operating expenses. The remaining \$4.9 million will be allocated through a call for funding proposals for ongoing funding. However, given that the \$4.9 million was received in 2016 March, and that Council will approve Administration's funding recommendations in September, it is anticipated that in 2016, only half of the \$4.9 million will be allocated to funded agencies, corresponding to the second half of the year while the remainder, \$2.45 million, will be transferred to the FCCS Stabilization Reserve, in accordance with the Terms of Reference for the reserve.

Given the impact of the current economic downturn on the municipal budget, Administration is recommending that the request for additional funds to meet the 25 per cent funding level be deferred until the next budget cycle, and that funds from the FCSS Stabilization reserve be used to cover the shortfall in the cost sharing ratio for 2016 – 2018, for a total \$1.25 million (\$250,000 in 2016; \$500,000 in 2017 and 2018 each). This approach enables Administration to strike a balance between maintaining the Council policy-directed 25 per cent contribution level while keeping in mind the realities of the economic downturn on our municipal budget. If implemented, this approach would result in \$2.45 million being transferred to the FCSS Stabilization reserve

Approval(s): Hanson, Kurt concurs with this report. Author: Kebede, Menna

**PROPOSED CHANGES TO THE COUNCIL POLICY FOR
THE FAMILY AND COMMUNITY SUPPORT SERVICES
(FCSS) PROGRAM**

and \$1.25 million being transferred back out, bringing the total amount in the reserve to \$4 million. The following table provides detailed information on the allocation of the provincial increase and the municipal contribution to maintain a cost sharing of 25/75.

	Funds Available (\$millions)	Allocations (\$millions)
Total provincial increase to FCSS Calgary base in 2016	7.7	
Allocations made with CPS2016-0036 in 2016 January		2.8
Unallocated portion of the provincial increase		4.9
Total	7.7	7.7
Unallocated portion of the provincial increase	4.9	
Amount expected to be recommended for funding in 2016 September		2.45
Amount to be transferred to the FCSS Stabilization Reserve		2.45
Total	4.9	4.9
Funds currently available in the FCSS Stabilization Reserve	2.8	
Funds transferred to the FCSS Stabilization Reserve in 2016 due to funding recommendations occurring in 2016 September	2.45	
Funds transferred from the Stabilization Reserve to maintain the 25 per cent municipal contribution level in 2016 (Q3 and Q4)		0.25
Funds transferred from the Stabilization Reserve to maintain the 25 per cent municipal contribution level in 2017 and 2018 (\$500,000 annually)		1.0
Total Funds remaining in the FCSS Stabilization Fund	4.0	

Stakeholder Engagement, Research and Communication

Administration consulted with FCSS-funded organizations, other Calgary funding organizations, FCSS Edmonton, FCSS Association of Alberta, FCSS Calgary Board members and other City business units including Law and City Clerk's Office, to inform its business process review and the update of the proposed changes to the Council policy.

Strategic Alignment

The FCSS funding program supports *Action Plan* 2015-2018 in two priority areas as well as the Sustainability Direction 2020 and the Social Sustainability Framework.

PROPOSED CHANGES TO THE COUNCIL POLICY FOR THE FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS) PROGRAM

By updating the FCSS Council Policy and streamlining the engagement of community partners through the FCSS Calgary Forum, FCSS is aligning with Council's priority of *A Well-Run City*.

By partnering with the provincial government and non-profit organizations for the delivery of essential preventive social programs that enable Calgarians to fully participate in all aspects of society, FCSS Calgary supports Council's priority of *A Prosperous City*.

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 that increase social inclusion and strengthen neighbourhoods.

Social, Environmental, Economic (External)

Social

FCSS Calgary partners with community agencies 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, FCSS Calgary reduces and prevents social problems such as crime, family violence, neighbourhood decline, and poverty.

Environmental

FCSS Calgary contributes to complete communities through investment in community development 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.

Economic (External)

An investment of \$1 in preventive social services produces a social return on investment of up to \$13, diverting resources from being spent 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:

As additional funds to maintain the 25/75 cost sharing for the FCSS Program budget in 2016-2018 are being recommended to be funded from the FCSS Stabilization Reserve, there is no impact on the current and future operating budgets in this budget cycle.

Current and Future Capital Budget:

There is no impact on the current and future capital budget.

Risk Assessment

The current Council Policy on FCSS presents several risks if not updated:

**PROPOSED CHANGES TO THE COUNCIL POLICY FOR
THE FAMILY AND COMMUNITY SUPPORT SERVICES
(FCSS) PROGRAM**

- 1) The governance of FCSS Calgary will remain cumbersome and will not provide for the flexibility Administration requires to advance funding and policy recommendations in a timely manner.
- 2) FCSS Calgary will continue to over-extend, and duplicate its work with partner organizations if the Advisory Committee and Sustainability Forum are not merged.

The Law Department identified a possible risk with respect to recommendation 1, as it may lead to inadvertently rescinding Council directives that are not listed in Attachment 1, and suggested that rescinded policies and directions could be itemized and a statement of priority added. In order to mitigate this risk, Administration worked closely with the City Clerk's Office to identify all the relevant decisions made regarding FCSS since 2002 and added a statement of priority in the proposed policy.

REASONS FOR RECOMMENDATIONS:

Since the last time the FCSS policy was approved by Council, the FCSS program has seen a significant budget increase and has gone through a comprehensive business process review. The revisions to the FCSS policy will allow for a more streamlined process to ensure the program continues to be efficient, effective, and responsive to dynamic social and economic changes in our society.

In order to maintain a 25/75 cost sharing ratio for the program and to be in alignment with the Council Policy, it is recommended that the additional funds required be accessed from the FCSS Stabilization reserve.

ATTACHMENTS

- Attachment 1: Summary of the Proposed Changes to Council's Policy on Family and Community Support Services (FCSS)
Attachment 2: Council Policy on Family and Community Support Services (FCSS)
Attachment 3: FCSS Calgary Forum Terms of Reference
Attachment 4: Provincial and Municipal Cost Sharing Information