



Allocation of Program Support Costs

Report from CAO / Director of Finance

January 2010

Historical Context

Beginning in 2001, there was a change in the layout of the budget to begin to more clearly show the appropriate allocation of program support costs to the appropriate service programs. The change was necessitated by the inclusion of programs that were new to this Board and the need to move away from a budget format that was reflective of the old relationship of this Board solely to the Ministry of Community and Social Services. The allocation process outlined in this document is critical to understanding the total ADSAB budget. The allocation process has been continually refined since 2001 as the program delivery has matured following Local Services Realignment.

The Board presently has financial dealings with four provincial Ministries. These include the Ministry of Municipal Affairs and Housing, the Ministry of Health and Long Term Care, the Ministry of Children and Youth Services and the Ministry of Community and Social Services. Each of these Ministries requires that we show how costs are allocated to each program area and thus to each Ministry. The allocations outlined in this document are designed to best reflect direct delivery costs. This format will facilitate our budget negotiations with these Ministries and will be consistent with the direction provided by them. In addition, MCSS is currently in the process of reviewing the Cost of Administration for Ontario Works and the process of allocating central administration is a key issue.

This report is an update of a report provided to the Board in January, 2009. The primary objective to the allocation process is to update the attribution of costs such as information technology,

finance, human resources, accommodations and shared support costs to best reflect the cost drivers associated with each cost area.

Allocation of Program Support Costs

The Program Support portion of the budget brings together all costs that cannot be directly and solely allocated to a particular program. Program Support is all the shared services and indirect program delivery costs that are utilized by all Board Programs. Aggregation of Program Support activities eliminates the requirement for duplicate administrative structures across programs and allows for cost efficiencies.

Program Support costs are allocated to the programs based on a rationale which can be linked to the cost drivers most closely related to the type of support. The six main drivers of support costs are detailed in Appendix 1 – Program Support Allocation Details. These details are used to calculate the allocations detailed below.

Chief Administrative Officer

The CAO (salaries, benefits and travel) are allocated subjectively to the programs based on the best estimate of program involvement.

Program	% Allocation
Ontario Works	30.00
Children’s Services	17.00
Housing Services	18.00
Emergency Medical Services	35.00
	100.00

Operations

Operations are allocated based on a combination of # of locations (75%) and # of staff (25%).

Includes

- Director of Operations (salaries, benefits and travel)
- Manager of Technical Services (salaries, benefits and travel)
- Technical Services Maintenance Asst (salaries, benefits and travel)

Program	Locations	Staff	% Allocation
Ontario Works	13.00	29.50	17.00
Children's Services	9.00	5.00	8.00
Housing Services	56.00	14.50	46.00
Emergency Medical Services	22.00	51.00	29.00
			100.00

Human Resources and Related

Human Resources are allocated based on the number of FTE staff in each program.

Includes

- Manager of Human Resources (salaries, benefits and travel)
- Policy Administrator
- License, Fees and Dues
- Professional Fees – Legal and Other

Program	% Allocation
Ontario Works	29.50
Children's Services	5.00
Housing Services	14.50
Emergency Medical Services	51.00
	100.00

Finance and Support Staff

Finance and support are allocated based on a combination of gross costs (60%), # of locations (20%) and # of staff (20%).

Includes

- Director of Finance (salaries, benefits and travel)
- Manager of Finance (salaries, benefits and travel)
- Finance Administrators (salaries, benefits and travel)
- Support Staff (salaries, benefits and travel)

Program	Gross Costs	Locations	Staff	% Allocation
Ontario Works	35.50	13.00	29.50	30.00
Children's Services	14.00	9.00	5.00	11.00
ODSP (Run by Province)	2.50	-	-	2.00
Housing Services	19.00	56.00	14.50	25.00
Emergency Medical Servs	29.00	22.00	51.00	32.00
				100.00

Information Technology

Information Technology and related expenditure are allocated based on a combination of # of computers supported (75%) and # of staff supported (25%).

Includes

- Information Technology Staff (Salaries, benefits and travel)
- Computer Lines
- Furniture and Equipment
- Service Agreements
- Software

Program	Computers	Staff	% Allocation
Ontario Works	47.00	29.50	43.00
Children's Services	11.00	5.00	9.50
Housing Services	15.00	14.50	14.50
Emergency Medical Services	27.00	51.00	33.00
			100.00

Accommodations

Accommodation costs are allocated to programs based on the number of program staff in each location. EMS Base costs are charged directly to the program as there is no sharing of space with other programs. The allocation of each Area Office is detailed in Appendix 2 – Allocation of Accommodation Costs.

Includes

- Rental Revenue and Recoveries
- Municipal Taxes
- Rent
- Repairs, Maintenance and Renovations
- Telephone
- Utilities

Coordinated Client and Program Services

Coordinated Client and Program Services (CCPS) is allocated to programs based on the number of applications and transactions.

Program	% Allocation
Ontario Works	55.00
Children's Services	17.50
Housing Services	17.50
Emergency Medical Servs	10.00
	100.00

CCPS provides referral, consistent eligibility determination and fraud prevention across 3 needs tested programs. The integration of services at the eligibility determination and referral point of contact is a key component of integrated service delivery to applicants of ADSAB needs tested programs. CCPS staff provides the following intake and referral services for Board programs:

- Children's Services – Child Care Fee Subsidy Determination
- Ontario Works – Application and Verification Interview
- Housing Services – Rent Geared to Income Determination

CCPS staff also provides referrals to a vast number of federal and provincial income support and employment programs. In addition referrals are made to non-profit groups who provide services which low income persons require.

CCPS is currently going through a complete review process and will be redesigned to provide additional client and program services on behalf of all programs. This will include customer service standards, internal professional development, French Language Services, website content, presentation support, custom reporting and marketing.

Includes

- Manager of CCPS (salaries, benefits and travel)
- CCPS Administrator (salaries, benefits and travel)
- Client Services Support (salaries, benefits and travel)
- Client Services Coordinator (salaries, benefits and travel)

CCPS costs are allocated based on annual estimates of the number of transactions and level of support which are expected and can be attributed to one of the programs. These allocation estimates are reviewed each year, based on the prior year's experience. The

internal charge for CCPS services shows as a portion of Direct Delivery costs for Children's Services, Ontario Works, Housing Services and Emergency Medical Services budgets.

Specific Program Costs

All costs which can be directly and solely allocated to a particular program are shown as an expenditure of that particular program budget. Program budgets contain all payments to service recipients, all payments made on behalf of service recipients and all payments to external service providers who deliver service recipient services.

Note: The following detail is laid out in the same order as the Budget Summary and Program Budget detail sheets. The underlined titles respond directly to the expenditure areas on the Budget summary. The regular text responds directly to the line items in the Program Budget detail sheets.

Children's Services

Expenditure for Clients

Payments to Providers

- Special Needs
- Resource Centres
- Wage Subsidy
- Pay Equity
- Purchase of Service (Fee Subsidy)
- Health & Safety
- Ontario Works – Formal
- Ontario Works – Informal
- ELCC (Fee Subsidy)
- Best Start (Fee Subsidy)

Program Delivery

- Salary and Benefits
- Travel
- Program Support Allocation (*See Details Above*)
- Coordinated Client and Program Supports

Accommodations
Program Support

Emergency Medical Services

Direct Delivery

Operating

Vehicle Purchases
Vehicle Operations and Repairs
Patient Care Equipment
Paramedic Staffing
Ambulance Stations
Insurance
First Response

Capital/Renovations

Ambulance Stations
Other

Program Management

Salary and Benefits
Travel
Operating
Program Support Allocation (*See Details Above*)
Coordinated Client and Program Supports

Housing Services

Direct Delivery

Public Housing Portfolio – Operating
Public Housing Portfolio - Capital
Rent Supplement
Municipal Non-Profits
Federal Urban Native
Affordable Housing Programs
Direct Shelter Subsidy
Homelessness

Program Management

Salaries and Benefits

Travel
Operating
Rent
Program Support Allocation (*See Details Above*)
Coordinated Client and Program Supports
Accommodations
Program Support

Ontario Disability Support Program

Expenditure for Clients - 50% being uploaded in 2010

Allowances
Drug Benefit
Dental Benefit
Supplementary

Program Support Allocation (*See Details Above*)

Ontario Works

Expenditures for Clients

Income Support
Contracted Services – First Nations
Client Emergency Benefits
Client Employment Related Benefits
Ontario Energy Fund

Program Delivery

Salaries and Benefits
Travel
Operating
Rent
Program Support Allocation (*See Details Above*)
Coordinated Client and Program Supports
Accommodations

Addictions

National Child Benefit

Board and Related

Board

- Honorarium
- Travel
- Communications
- Insurance
- Public Relations

Accommodations – Blind River property

This document is an integral part of the ADSAB budget and should be referenced when reviewing the annual budget and the quarterly financial statements.

Keith Bell, CAO

Cecilia Bruno, Director of Finance

ALGOMA DISTRICT SERVICES ADMINISTRATION BOARD

APPENDIX 1

PROGRAM SUPPORT ALLOCATION DETAILS - 2010

BASED ON GROSS COSTS (2009 Estimates)			% (Rounded)
Ontario Works	\$ 9,813,710	31.379	35.50
Children's Services (Adjusted for Best Start)	4,393,592	14.049	14.00
ODSP (Program Run by Province)	3,194,138	10.213	2.50
Housing Services	6,062,578	19.385	19.00
Emergency Medical Services	7,810,254	24.973	29.00
	<u>\$ 31,274,272</u>	<u>100.000</u>	<u>100.00</u>

BASED ON # OF COMPUTERS			% (Rounded)
Ontario Works	58	47.347	47.00
Children's Services	14	11.020	11.00
ODSP (Program Run by Province)	-	-	-
Housing Services	18	14.694	15.00
Emergency Medical Services	33	26.939	27.00
	<u>123</u>	<u>100.000</u>	<u>100.00</u>

BASED ON # OF EMPLOYEES (Includes ISAU Staff)			% (Rounded)
Ontario Works	27.50	29.506	29.50
Children's Services	4.45	4.775	5.00
ODSP (Program Run by Province)	-	-	-
Housing Services	13.35	14.324	14.50
Emergency Medical Services (PT = 0.5)	47.90	51.395	51.00
	<u>93.20</u>	<u>100.000</u>	<u>100.00</u>

BASED ON # OF LOCATIONS			% (Rounded)
Ontario Works	6.00	13.043	13.00
Children's Services	4.00	8.696	9.00
ODSP (Program Run by Province)	-	-	-
Housing Services	26.00	56.522	56.00
Emergency Medical Services	10.00	21.739	22.00
	<u>46.00</u>	<u>100.000</u>	<u>100.00</u>

ISAU - BASED ON # OF APPLICATIONS			% (Rounded)
Ontario Works			55.00
Children's Services			17.50
ODSP (Program Run by Province)			-
Housing Services			17.50
Emergency Medical Services			10.00
			<u>100.00</u>

BASED ON GROSS COSTS (2007 Estimates) - Excluding ODSP			% (Rounded)
Ontario Works	\$ 9,813,710	34.949	35.00
Children's Services (Adjusted for Best Start)	4,393,592	15.647	16.00
Housing Services	6,062,578	21.590	21.00
Emergency Medical Services	7,810,254	27.814	28.00
	<u>\$ 28,080,134</u>	<u>100.000</u>	<u>100.00</u>

ALGOWA DISTRICT SERVICES ADMINISTRATION BOARD

APPENDIX 2

ALLOCATION OF ACCOMMODATION COSTS - 2009

Head Office	Staff	OW	CS	ODSP	HS	EMS
CAO	1.00	30.00	17.00	-	18.00	35.00
Operations	4.00	17.00	8.00	-	46.00	29.00
Finance	7.00	30.00	11.00	2.00	25.00	32.00
IT	2.00	43.00	9.50	-	14.50	33.00
Human Resources	2.00	29.50	5.00	-	14.50	51.00
	16.00					

Head Office Allocation - Using Weighted Average	%
Ontario Works	28.00
Children's Services	10.00
ODSP (Program Run by Province)	1.00
Housing Services	27.00
Emergency Medical Services	34.00
	100.00

Elliot Lake - Using On-site Staff	Staff	%
Ontario Works	10.88	81.00
Children's Services	0.98	7.50
Housing Services	0.98	7.50
Emergency Medical Services	0.56	4.00
	13.40	100.00

Blind River - Using On-site Staff	Staff	%
Ontario Works	5.30	52.00
Children's Services	0.35	3.00
Housing Services	2.35	23.00
Emergency Medical Services	2.20	22.00
	10.20	78.00

Wawa - Using On-site Staff	Staff	%
Ontario Works	3.12	74.00
Children's Services	0.42	10.00
Housing Services	0.42	10.00
Emergency Medical Services	0.24	6.00
	4.20	100.00

The old Arena locations are allocated 100% to Ontario Works.