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DATE	03 September 1996
TO/DEST.	Co-ordinator, Community Services Committee
FROM/EXP.	Commissioner, Social Services Department
SUBJECT/OBJET	PROPOSED CRITERIA FOR THE ALLOCATION OF FUNDS TO FOOD PROGRAMS IN 1997

DEPARTMENTAL RECOMMENDATIONS

That the Community Services Committee recommend Council approve the following criteria to be used in allocating funds to the eleven (11) currently Regionally funded Food Programs, in order to maximize the availability of free food to low income residents of Ottawa-Carleton:

- 1. A basic contribution of \$15,000 towards co-ordination applicable to Food Programs serving up to 1000 people monthly, with an increment of \$5,000 for each additional 500 people served;**
- 2. Remaining funds available would be shared among Food Programs in neighbourhoods with minimal resources: 2/3 of remaining funds to Food Programs in neighbourhoods where income per private household is less than \$50,000 and the balance to Food Programs in neighbourhoods where income per private household is less than \$60,000;**
- 3. Regional support not to exceed 15% of program operational value, with the exception of Food Programs in neighbourhoods with minimal resources.**

PURPOSE

The purpose of this report is to seek approval from Community Services Committee on a set of proposed criteria which would determine the funding allocations to Food Programs in 1997.

BACKGROUND

On May 16, 1996, Community Services Committee directed staff to develop an objective formula to assess allocations to Food Programs for 1997 and that “the criteria for the allocation of funds include:

1. Per capita income of surrounding neighbourhoods;
2. Financial status of contributing churches, church membership or other sources of funding;
3. Fund-raising capacity of group” (i.e. currently funded Food Programs)

DISCUSSION

Purpose of Funding Food Programs

The purpose of funding Food Programs is to complement the community’s efforts to provide free food to people in need by supporting a number of food distribution points across the Region.

Assumptions

The Social Services Department has developed the following assumptions:

1. Social policy and income distribution currently do not ensure that individuals and families can provide for their food, clothing and shelter needs;
2. The provincial government expects the community to fill the gaps;
3. Additional funds from Regional government will not likely be available for Food Programs in the near future;
4. The community is the primary supporter of Food Programs; and
5. The erosion of supports to people in need results in increasing demands on emergency services such as Food Programs.

The Scope of Food Provision Within The Region

A conservative estimate indicates that over 100 groups and organisations in Ottawa-Carleton provide food to people in need.

The Food Bank provides support to over 80 local organisations including 30 Food Programs. The School Breakfast Program provides food to more than 2,000 elementary school children in 37 schools. In addition, an unknown number of small operations cater to families and individuals.

The Region contributes \$194,100 towards 11 Food Programs, \$11,350 to The Food Bank and as a funding partner, provides \$62,500 towards the co-ordination of individual school breakfast programs.

Food Program Funding in Other Municipalities in Ontario

In an attempt to develop criteria for funding Food Programs, the Department contacted 5 different Ontario locations in order to gather information.

In **Durham, Sudbury, Toronto** and **Hawkesbury**, local government does not provide financial support to Food Programs.

While historically the **Regional Municipality of Metro Toronto** limited food related financial support to programs such as meals on wheels and meal components within services, currently Metro Council and the Community Services Department acknowledge that the reduced General Welfare Assistance rates are insufficient to live on.

In **Waterloo**, under a purchase of service agreement, 5 local Food Programs invoice local government for each food hamper (for 3 to 5 days) provided to clients of Family Benefits and General Welfare Assistance for a maximum of 4 times per year. In 1995, the Regional government of Waterloo provided \$677,000 (gross) in supplementary aid and special assistance to Food Programs on behalf of individual clients. The Region provided \$252,400 (net) of this amount.

The Department did not locate any municipalities which provide grants to Food Programs, therefore no comparable criteria were available for consideration.

DEVELOPMENT OF ALLOCATIONS CRITERIA

Accessibility

In the **1996 Allocation of Funds to Food Programs Report** presented to Community Services Committee on April 30, 1996, the Social Services Department proposed that, once general funding criteria are met, that **accessibility** be the determining factor in providing funding to Food Programs.

Accessibility means that people can obtain emergency free food within their own community and that hours of operation facilitate access. In outlying areas, such as Cumberland and Kanata, the Food Programs have determined that access to food at times requires that it be delivered due to distance, lack of transportation or inability to purchase public transit.

This criteria meets the Departmental goal to complement the community's efforts by supporting the distribution of food to families and individuals in all areas of the Region.

Co-ordination

Co-ordination has been determined by the Regionally funded Food Programs as critical to maintain volunteer commitment and community support. Stable funding for co-ordination enables the delivery of services within their community. Food Programs also indicate that it is much easier to appeal to the community to donate for food than to pay for staff. Coordination involves ensuring volunteer recruitment, training and management, collecting statistics and other administration tasks, dealing with client crisis situations, referring clients to appropriate services and Food Program alternatives, ensuring organization of food drives and fundraising, shelving and sorting food and other tasks as required in the daily management of an organization. Much of the work described above is performed by volunteers from the community.

The amount of coordination required is influenced primarily by the number of people served and may be influenced by the size of the geographic area served when pick up and delivery of food becomes an issue and when increased fundraising efforts are required.

Food Programs vary in the extent to which volunteers assume responsibility for the operation of the program, fundraising and client services and referral. For instance, in some Programs, volunteers do all routine client "interviews" while in others, such as the programs associated with the Community Resource Centres, the initial request for food is often the means through which personal support services are introduced.

For purposes of funding recommendations, the Social Services Department takes into account only accessibility to food. While linking families and individuals with appropriate community resources is strongly encouraged, it is not the purpose of funding Food Programs.

Past budget submissions from Food Programs indicate that \$30,000 towards full-time co-ordination is reasonable. The Social Services Department proposes that a minimum of half-time co-ordination (i.e. \$15,000) is required regardless of the number of people served. The more people served, however, the more resources are required to manage the increased need for volunteers and to co-ordinate increased fund-raising efforts.

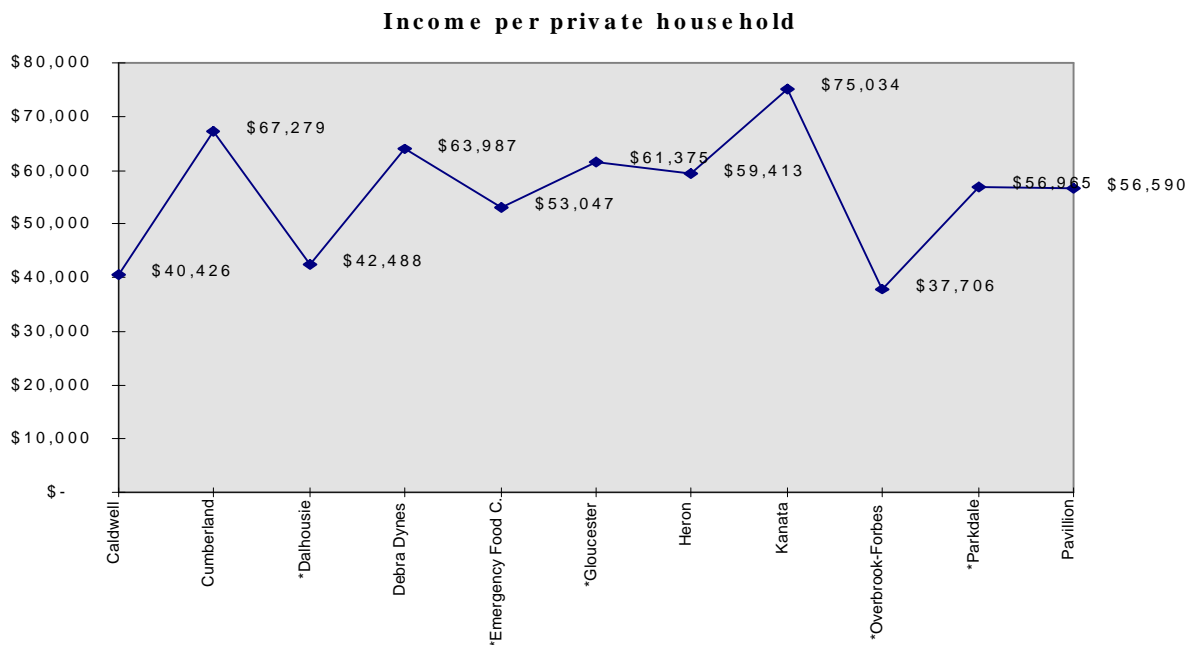
In addition to co-ordination needs as the basis for Regional funding, the Department has also considered the following criteria as directed by Committee:

1. per capita income;
2. financial status of contributing churches, church membership or other sources of funding;
3. fund-raising capacity of group.

Per Capita Income of Surrounding Neighbourhoods

A recent United Way/Centraide environmental scan indicates that income levels in Ottawa-Carleton are among the top four in Canada on a per capita basis for an average household income of \$59,447 (1991 Census information).

The following graph illustrates average per private household income based on 1991 Census information in the area neighbourhoods served by Regionally funded Food Programs.



* Estimated (due to inability to subdivide some cross boundary census tract lines)

Source: 1991 Census information

However, not all Regional households have an income adequate to meet their needs. In June this year, 103,583 people received General Welfare Assistance or Family Benefits. Individuals in receipt of General Welfare Assistance live on \$6,240 per year while a family of 4 on General Welfare Assistance lives on \$15,000. These amounts appear insufficient to meet basic needs considering that the low-income cut-off rate in 1995 dollars for an individual is \$15,482 and \$30,712 for a family of 4 (calculations by the Centre for International Statistics using Statistics Canada's Low-Income Cut-offs, A Statistical Profile of Urban Poverty, Canadian Council on Social Development).

Departmental statistics show that the number of people receiving social assistance is distributed evenly across the Region.

In its recent environmental scan, United Way/Centraide indicates that participation rate and size of donation declines significantly when income is below \$50,000. The Social Services Department proposes using this amount as cut-off to establish the status of minimal resources in a given neighbourhood.

Three Food Programs, namely Caldwell Family Centre, Dalhousie Food Action Group and Overbrook-Forbes Community Resource Centre's Food Program fall within this income per household level, Overbrook-Forbes being the lowest at \$37,700. Bank Street Emergency Food Centre, Heron Emergency Food Cupboard, Parkdale Food Centre and The Pavilion Food Bank operate in neighbourhoods with an average income per household below \$60,000.

While co-ordination includes ensuring fund-raising efforts, the task is assumed to be more difficult in neighbourhoods with minimal resources. Therefore the Department proposes that 2/3 of Regional funds remaining after coordination be allocated to Food Programs in neighbourhoods where the income per private household is less than \$50,000 and that 1/3 of these funds be allocated to Food Programs in neighbourhoods where the income per private household is less than \$60,000.

Financial Status of Contributing Churches, Church Membership or Other Sources of Funding

There was concern among Food Programs that to pursue this information risked alienating church support. Churches already play a major financial and volunteer support role and most programs rely heavily on them. Moreover, it appears difficult to establish a correlation between the resources of any given church and its structure of giving.

Churches are unequal in their wealth and resources. The capacity and willingness of churches to support Food Programs is influenced by such factors as capital expenditure commitments, commitment to other charities or community ventures both locally and in foreign countries, directives from central office (diocese), membership and donor choice. Many churches which experience deficits provide support to Food Programs by appealing for donations via church service collections.

Based on the above considerations, the Department has not included the financial status of contributing churches, church membership or other sources of funding as a criteria for allocation of funds to Food Programs in 1997.

Fund-Raising Capacity of Group (11 Currently Regionally Funded Food Programs)

Increased giving from the community is difficult to predict as economic change can be unexpected and influenced by local, regional, provincial, national and international factors.

Donation patterns in the 1990's differ from those in the 1980's. Rates of growth are much more modest and the percentage of taxfilers claiming donations has been declining. The value of donations in constant (1984) dollars increased by 28% between 1984 and 1989, and by less than 3% between 1989 and 1994. The number of taxfilers who are donors rose from 26% to nearly 30% from 1984 to 1990. Since 1990, the percentage of taxfilers who are donors has declined to 27% in 1994. (Research Bulletin February 1996, Canadian Centre for Philanthropy).

United Way/Centraide raised over \$12 million in their last campaign. A small number of large institutions including hospitals, universities and the larger health related charities have established fund-raising campaigns with targets for the next five years. There are probably hundreds of organisations raising funds in our community and for many this activity has increased in its importance and urgency in the face of government cuts threatening their ability to offer their continued level of services, if any services at all.

Within a context where more and more agencies strategize to win the heart of donors, the Food Programs demonstrate their capacity to fundraise and access community support as shown in Annex A. The estimated collective monetary value of the 11 Regionally funded Food Programs is \$2,140,752. The Region is contributing \$194,100 or 9.1% of this total in 1996.

Further initiatives are underway to enhance access community support and commitment, such as a joint project between 3 Food Programs to improve fund-raising skills.

The Social Services Department Funding Principles and Guidelines for Purchase of Service Funding require that agencies demonstrate efforts to access other sources of funding. This requirement is particularly relevant to Food Programs as the purpose of Regional funding is to complement community efforts and not to be the primary source of support.

Food Programs have determined that co-ordination is critical to maintain volunteer commitment and community support. Generally, efficient organizations manage to contain coordination and administration costs within the limits of between 10 to 15% of its total budget.

While acknowledging that fundraising is difficult, the Department assumes that the community is the primary supporter of Food Programs and therefore proposes that Regional support is not to exceed 15% of Program total operational value, with the exception of Food Programs in neighbourhoods with minimal income.

Proposed Criteria for Funding Food Programs in 1997

The Social Services Department recommends that Community Services Committee approve the following criteria to be used in allocating funds to the eleven (11) currently Regionally funded Food Programs, in order to maximize the availability of free food to low income residents of Ottawa-Carleton.

1. A basic contribution of \$15,000 towards co-ordination;
 - applicable to Food Programs serving up to 1000 people monthly;
 - with an increment of \$5,000 for each additional 500 people served.
2. Remaining funds available would be shared among Food Programs in neighbourhoods with minimal resources;
 - 2/3 of remaining funds to Food Programs in neighbourhoods where income per private household is less than \$50,000;
 - the balance to Food Programs in neighbourhoods where income per private household is less than \$60,000.
3. Regional support not to exceed 15% of program operational value, with the exception of Food Programs in neighbourhoods with minimal resources.

Should Committee approve the proposed criteria, the following table shows estimated allocations of funds to Food Programs which would be recommended within the Department's 1997 budget submission. Allocations may vary based on updated information provided by the Food Programs during the current year.

ESTIMATED ALLOCATIONS FOR 1997

PROGRAM	Average no of people served monthly in 1995	Coordination	Income per private household less than \$50,000	Income per private household less than \$60,000	Estimated Allocations for 1997	RMOC Allocations 1996	% difference
Caldwell	\$ 2,300	\$ 25,000	\$ 7,238		\$ 32,238	\$ 16,785	92%
Cumberland	400	15,000		0	15,000	17,000	-12%
Dalhousie	786	15,000	7,238		22,238	32,538	-32%
Debra Dynes	800	6,700		0	6,700	10,000	-33%
Emergnecey	1,500	20,000		\$ 3,730	23,730	33,893	-30%
Gloucester	1,300	20,000		0	20,000	23,728	-16%
Heron	1,000	15,000		3,728	18,728	10,500	78%
Kanata	600	8,000		0	8,000	6,393	25%
Overbrook-Forbes	1,000	15,000	7,238		22,238	20,000	11%
Parkdale	1,500	20,000		3,728	23,728	22,063	8%
Pavilion	200	1,500		0	1,500	1,200	25%
TOTAL					\$ 194,100	\$194,100	

COMMUNITY CONSULTATION

The development of allocations criteria has been the subject of ongoing consultation and discussion with the Regionally funded Food Programs for most of this year. All Food Programs were invited to provide feedback to the draft version of this report.

Seven (7) out of the eleven (11) Food Programs provided feedback to the draft report. Responses were provided by phone and in writing.

The responses from Food Programs ranged from total endorsement of the criteria as developed to endorsement with some reservations. Some programs, while agreeing with the proposed criteria, did not support the resulting estimated allocations for 1997. Not everyone is satisfied with how the criteria impact on their specific program and some are concerned with their ability to cope with potentially substantially reduced funds.

FINANCIAL CONSIDERATION

The recommended allocations criteria would result in funding recommendations which are based on the amount of \$194,100 (1996 budget). Should there be an increase in numbers of people served by the Food Programs, this amount could become insufficient to meet established criteria in the future.

CONCLUSION

The Department is committed to ensure that Regional funding continues to support community efforts to distribute food to those in need across the Region.

The Social Service Department would like to acknowledge the generosity and commitment of individuals associated with Food Programs in their efforts to alleviate the hunger of adults and children within their communities.

*Approved by
D. Stewart
Social Services Commissioner*

