

Ministry of Children, Community and Social Services: Spending Plan Review

Briefing Deck



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Purpose and Overview

- This report analyzes the Ministry of Children, Community and Social Services' (MCCSS) spending plan.

2024-25 Expenditure Estimates Spending Plan

- Provides an overview of the Ministry's spending plan in the 2024-25 Expenditure Estimates.

Ministry Spending Outlook

- Compares the FAO's projection vs. the Province's outlook in the 2024 Ontario Budget.
- Discusses the FAO's spending projection from 2023-24 to 2028-29.

FAO Spending Projection by Vote-Item

- Reviews MCCSS's largest four vote-items (Financial and Employment Supports, Supports to Individuals and Families, Children and Youth at Risk, and the Ontario Child Benefit) and All Other Spending.
- Outlines key assumptions, issues and uncertainties behind the FAO's MCCSS spending projection.



2024-25 Expenditure Estimates Spending Plan



2024-25 MCCSS Spending Plan by Vote-Item

Vote	Item	Program Name	2024-25 Expenditure Estimates (\$ millions)	Share of Total (%)
701	1	Ministry Administration	69	0.3
	2	Strategic Policy	28	0.1
Total Ministry Administration Program (Vote 701)			98	0.5
702	3	Financial and Employment Supports	10,506	52.7
	7	Family Responsibility Office	41	0.2
	20	Children and Youth at Risk	2,180	10.9
	21	Supports to Individuals and Families	5,517	27.7
	22	Ontario Child Benefit	1,333	6.7
	26	Children, Youth and Social Services Information and Information Technology Cluster	80	0.4
	28	Office of Women's Social and Economic Opportunity	54	0.3
Total Children and Adult Services Program (Vote 702)			19,712	98.9
704	1	Children, Community and Social Services Infrastructure	178	0.9
	2	Children, Community and Social Services Business Applications and Software	<1	0.0
Total Children, Community and Social Services Capital Program (Vote 704)			178	0.9
Total Supply Bill (Voted) Spending			19,987	100.3
Consolidation Adjustments			-138	-0.7
Standalone Legislation (i.e., Statutory) Spending			77	0.4
Total Ministry of Children, Community and Social Services Spending Plan			19,926	100.0

Note: Totals exclude proposed MCCSS spending on operating assets and capital assets of \$57 million and \$16 million, respectively.
Source: 2024-25 Expenditure Estimates and FAO calculations.



Ministry Spending Outlook to 2028-29



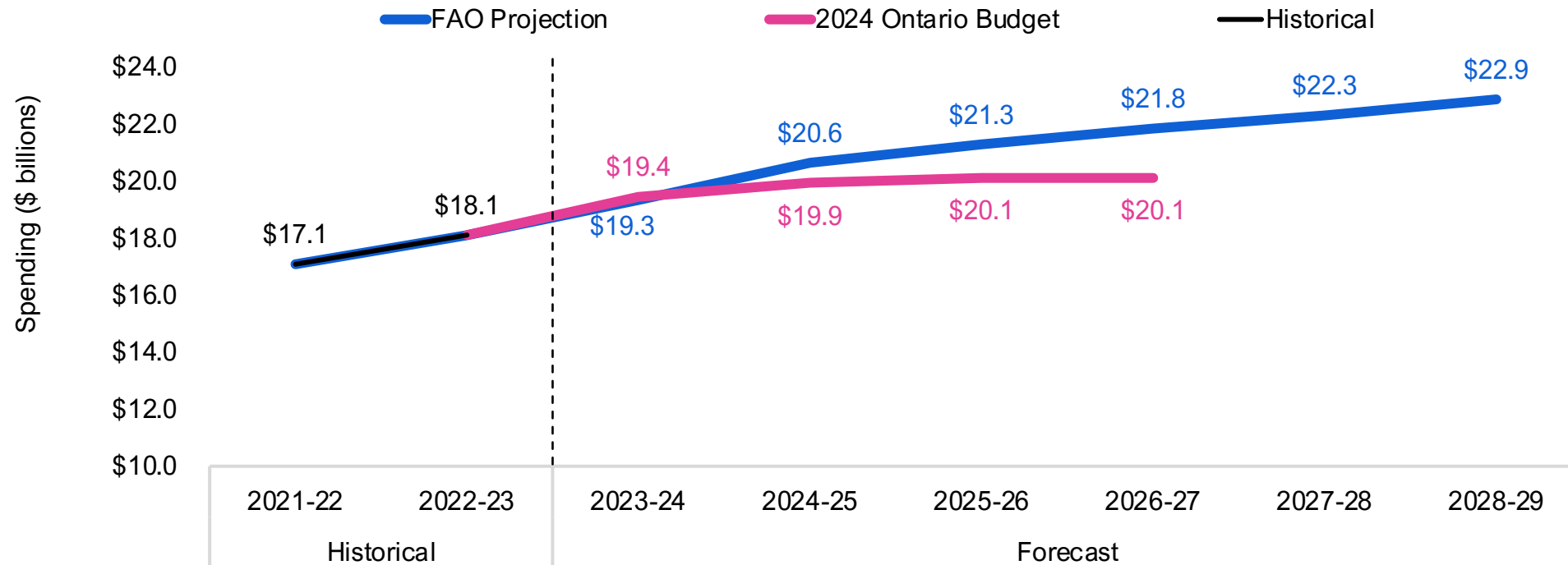
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FAO Spending Projection vs. 2024 Ontario Budget

- The FAO projects that MCCSS spending will grow at an average annual rate of 3.4 per cent, from \$19.3 billion in 2023-24 to \$22.9 billion in 2028-29.
- The Province projects that MCCSS spending will grow at an average annual rate of 1.1 per cent, from \$19.4 billion in 2023-24 to \$20.1 billion in 2026-27.
- The FAO estimates that the Province has allocated \$3.7 billion less than required to fund existing programs and announced commitments from 2024-25 to 2026-27.



Source: Public Accounts of Ontario, 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.



FAO Spending Projection by Vote-Item



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FAO Spending Projection by Vote-Item

Vote-Item	2023-24 FAO Spending Projection (\$ millions)	2028-29 FAO Spending Projection (\$ millions)	Average Annual Growth Rate (% 2023-24 to 2028-29)	Share of Growth (%) 2023-24 to 2028-29
Financial and Employment Supports (Vote-Item 702-3)	10,272	12,808	4.5%	71.9%
Ontario Disability Support Program – Financial Assistance	5,866	7,702	5.6%	52.1%
Ontario Works – Financial Assistance	2,875	3,265	2.6%	11.1%
Ontario Drug Benefit Plan	1,104	1,436	5.4%	9.4%
Other Financial and Employment Supports	427	404	-1.1%	-0.7%
Supports to Individuals and Families (Vote-Item 702-21)	5,262	5,974	2.6%	20.2%
Developmental Services	3,343	3,995	3.6%	18.5%
Children and Youth Services	1,487	1,498	0.2%	0.3%
Vulnerable Populations	375	416	2.1%	1.2%
Other Supports to Individuals and Families Spending	58	65	2.3%	0.2%
Children and Youth at Risk (Vote-Item 702-22)	2,167	2,255	0.8%	2.5%
Child Protection Services	1,892	1,958	0.7%	1.9%
Youth Justice Services	275	297	1.6%	0.6%
Ontario Child Benefit (Vote-Item 702-22)	1,236	1,472	3.6%	6.7%
All Other Spending	389	343	-2.4%	-1.3%
Total Ministry Spending	19,326	22,853	3.4%	100%

Source: 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.

Financial and Employment Supports (Vote-Item 702-3)



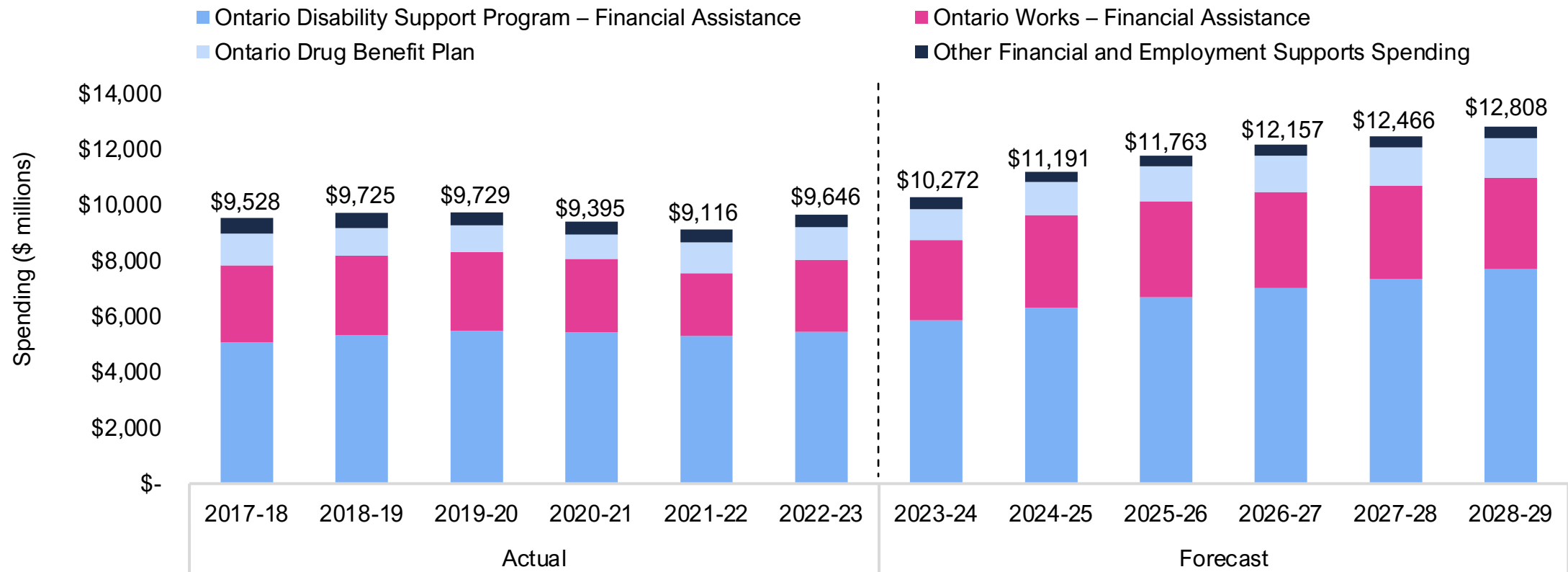
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Financial and Employment Supports (Vote-Item 702-3)

- Financial and Employment Supports, which accounted for about 53 per cent of ministry spending in 2023-24, provides financial assistance to Ontarians through the Ontario Disability Support Program (ODSP) and Ontario Works (OW) program.
- The FAO projects that spending on **Financial and Employment Supports** will grow at an average annual rate of 4.5 per cent from \$10,272 million in 2023-24 to \$12,808 million in 2028-29.

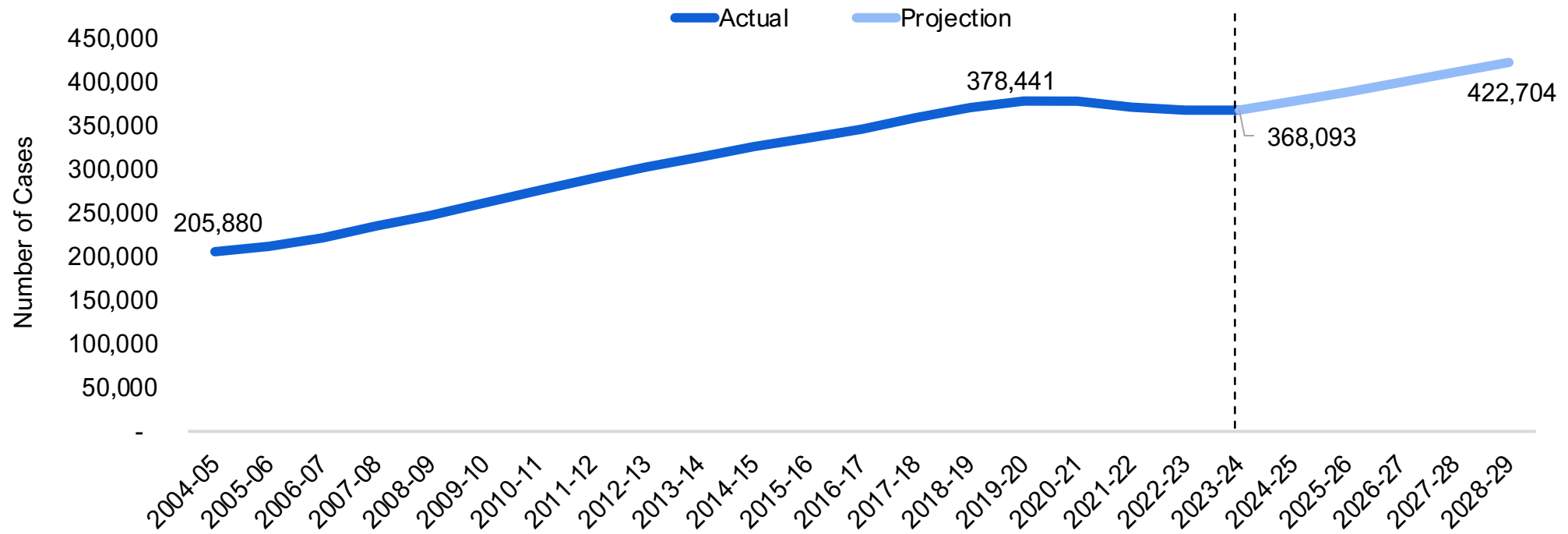


Source: Public Accounts of Ontario, 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.



Ontario Disability Support Program – Financial Assistance

- The largest program is **ODSP – Financial Assistance**, which the FAO projects will grow at an average annual rate of 5.6 per cent from \$5,866 million in 2023-24 to \$7,703 million in 2028-29.
 - The FAO’s projection is driven by growth in ODSP cases and the government’s policy to index allowances to inflation.
- The FAO estimates that the number of ODSP cases will increase at an average annual rate of 2.8 per cent from 368,093 in 2023-24 to 422,704 in 2028-29.

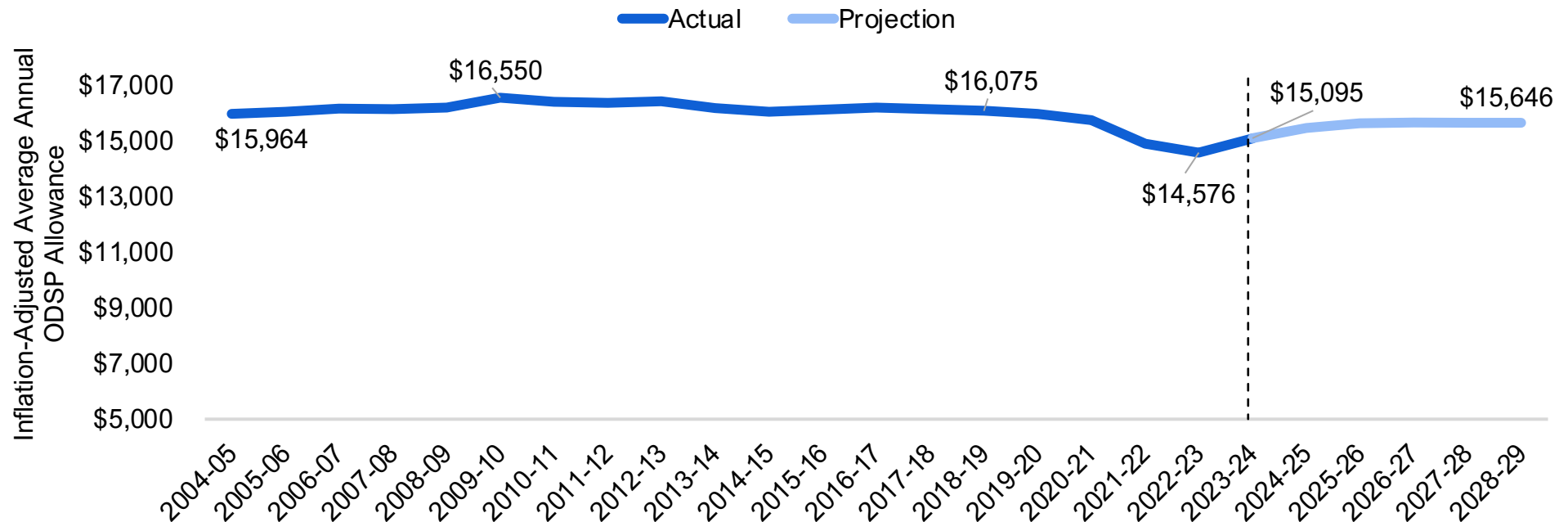


Note: One case refers to a single individual or a family unit receiving ODSP.
 Source: FAO analysis of information provided by MCCSS.



Ontario Disability Support Program – Financial Assistance

- From 2018 to 2022, ODSP allowances were frozen and inflation-adjusted allowances declined from an average of \$16,075 per case in 2018-19 to \$14,576 in 2022-23.
- In 2022, the government committed to increase allowances at the rate of inflation, with an initial increase of five per cent in September 2022.
- The FAO estimates that inflation-adjusted allowances will increase to an average of \$15,646 per case in 2028-29.



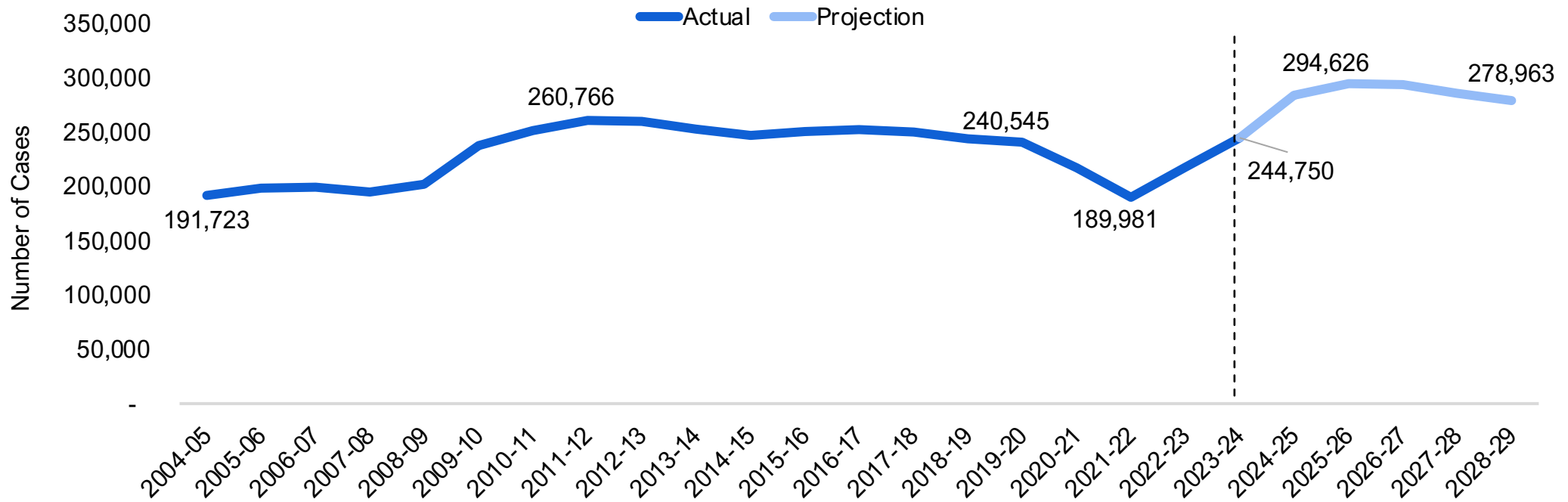
Note: The inflation-adjusted average annual ODSP allowance amount includes municipal expenditures between 2004-05 to 2010-11, when municipalities paid a portion of ODSP allowances.

Source: FAO analysis of information provided by MCCSS.



Ontario Works – Financial Assistance

- The second largest program is **OW – Financial Assistance**, which the FAO projects will grow at an average annual rate of 2.6 per cent from \$2,875 million in 2023-24 to \$3,265 million in 2028-29.
 - The FAO’s projection is driven by growth in OW cases and assumes OW allowances remain frozen.
- The FAO estimates that the number of OW cases will increase at an average annual rate of 2.7 per cent from 244,750 in 2023-24 to 278,963 in 2028-29.

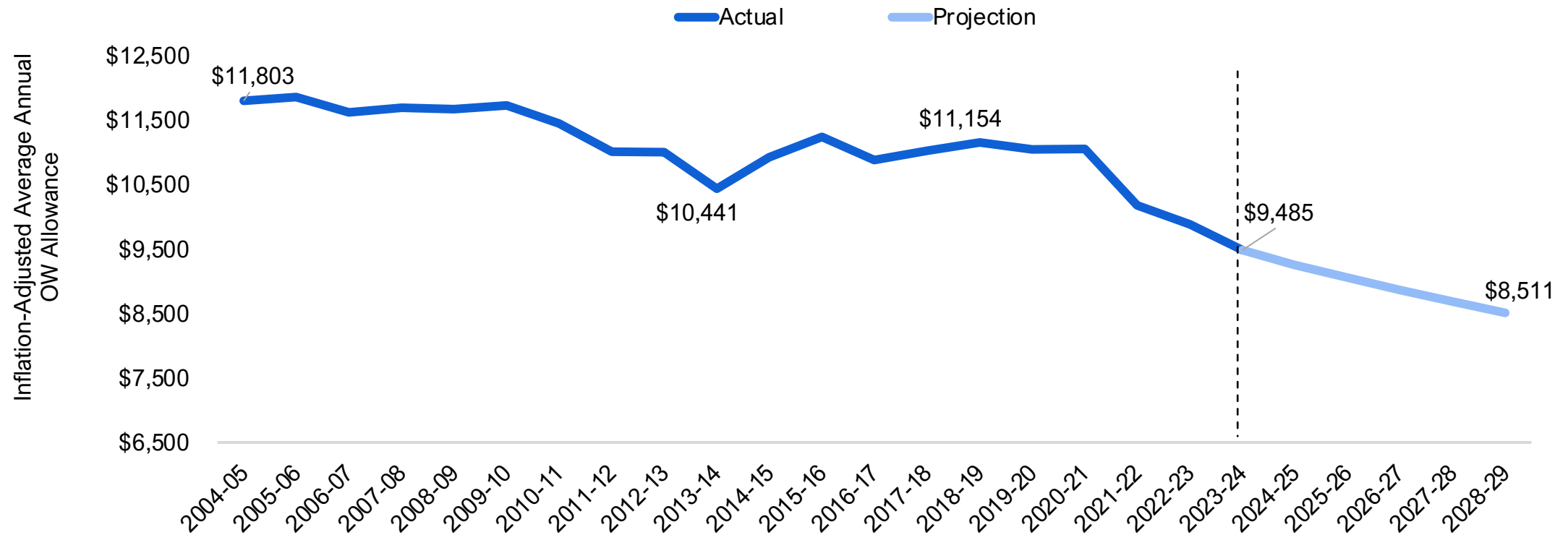


Note: One case refers to a single individual or a family unit receiving Ontario Works financial assistance.
 Source: FAO analysis of information provided by MCCSS.



Ontario Works – Financial Assistance

- OW allowances have been frozen since 2018. Assuming the freeze continues, the FAO estimates that inflation-adjusted OW allowances will decline by 10 per cent over the forecast, from an average of \$9,485 per case in 2023-24 to an average of \$8,511 in 2028-29.



Note: The inflation-adjusted average annual OW allowance amount includes municipal expenditures between 2004-05 to 2017-18, when municipalities paid a portion of OW allowances.
 Source: FAO analysis of information provided by MCCSS.



Supports to Individuals and Families (Vote-Item 702-21)



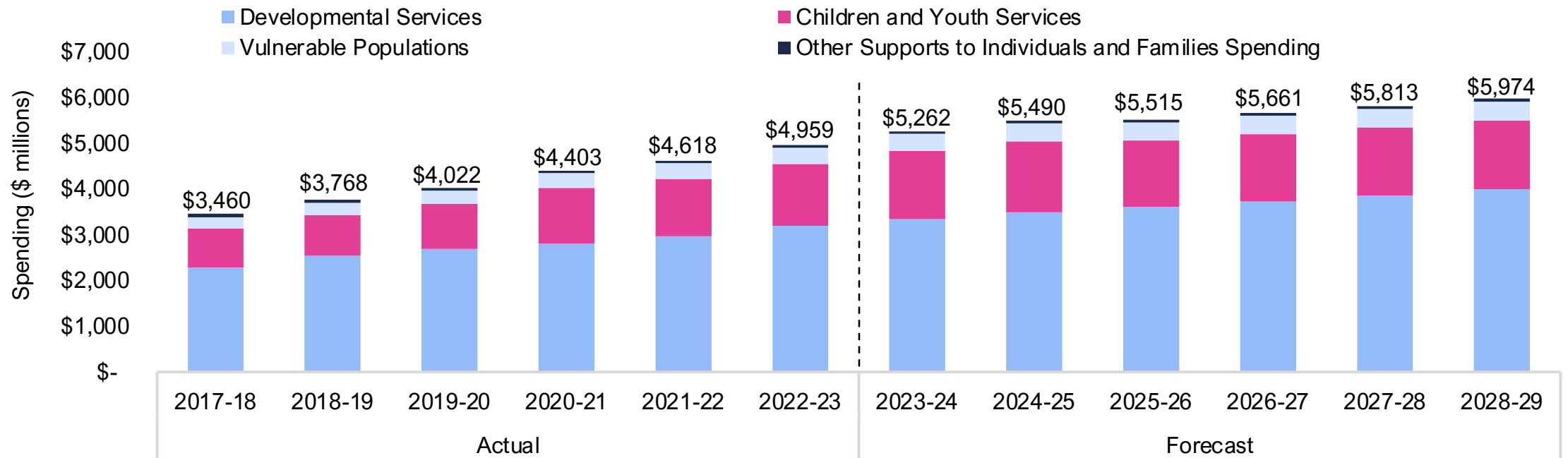
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Supports to Individuals and Families (Vote-Item 702-21)

- **Supports to Individuals and Families** accounted for about 27 per cent of ministry spending in 2023-24 and provides targeted supports for adults, youth, and children with disabilities, victims of violence, and Indigenous peoples.
- The largest components are **Developmental Services Supportive Living** and **Supportive Services**, which make up Developmental Services, and **Autism**, which is part of Children and Youth Services.
- The FAO projects that spending on **Supports to Individuals and Families** will grow at an average annual rate of 2.6 per cent from \$5,262 million in 2023-24 to \$5,974 million in 2028-29.

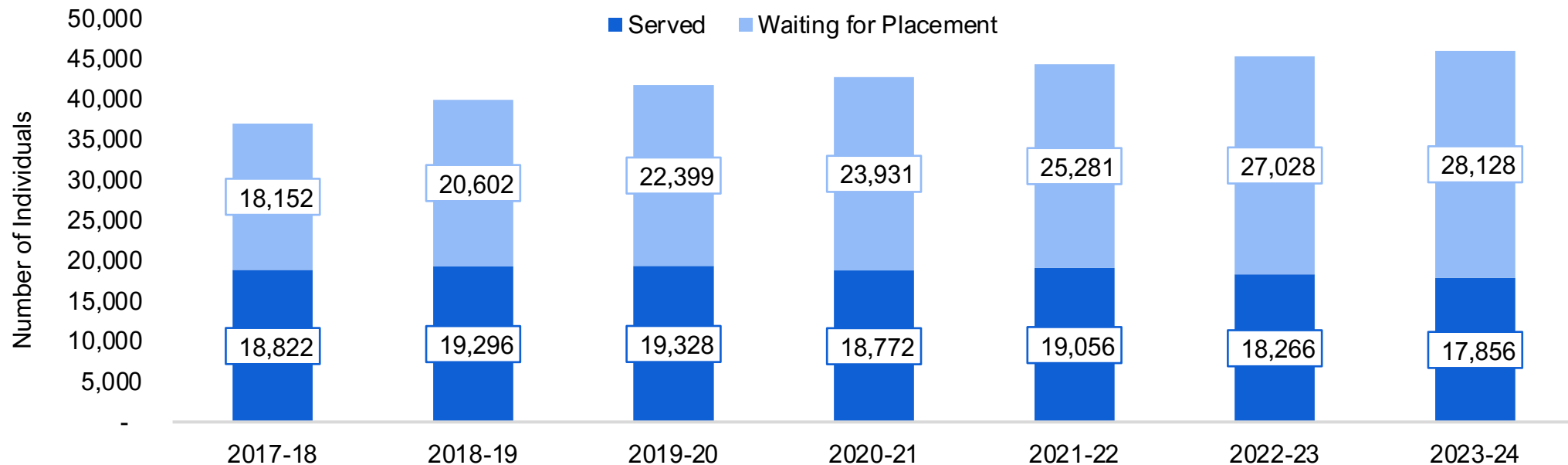


Source: Public Accounts of Ontario, 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.



Developmental Services Supportive Living

- The FAO estimates that spending for **Developmental Services Supportive Living** will grow at an average annual rate of 4.4 per cent from \$2,262 million in 2023-24 to \$2,804 million in 2028-29.
- The FAO's forecast is driven by rising supportive living placement costs and assumes number of clients served will remain constant, reflecting the trend since 2017-18, which has resulted in the waitlist increasing from 18,152 in 2017-18 to 27,028 in 2022-23.

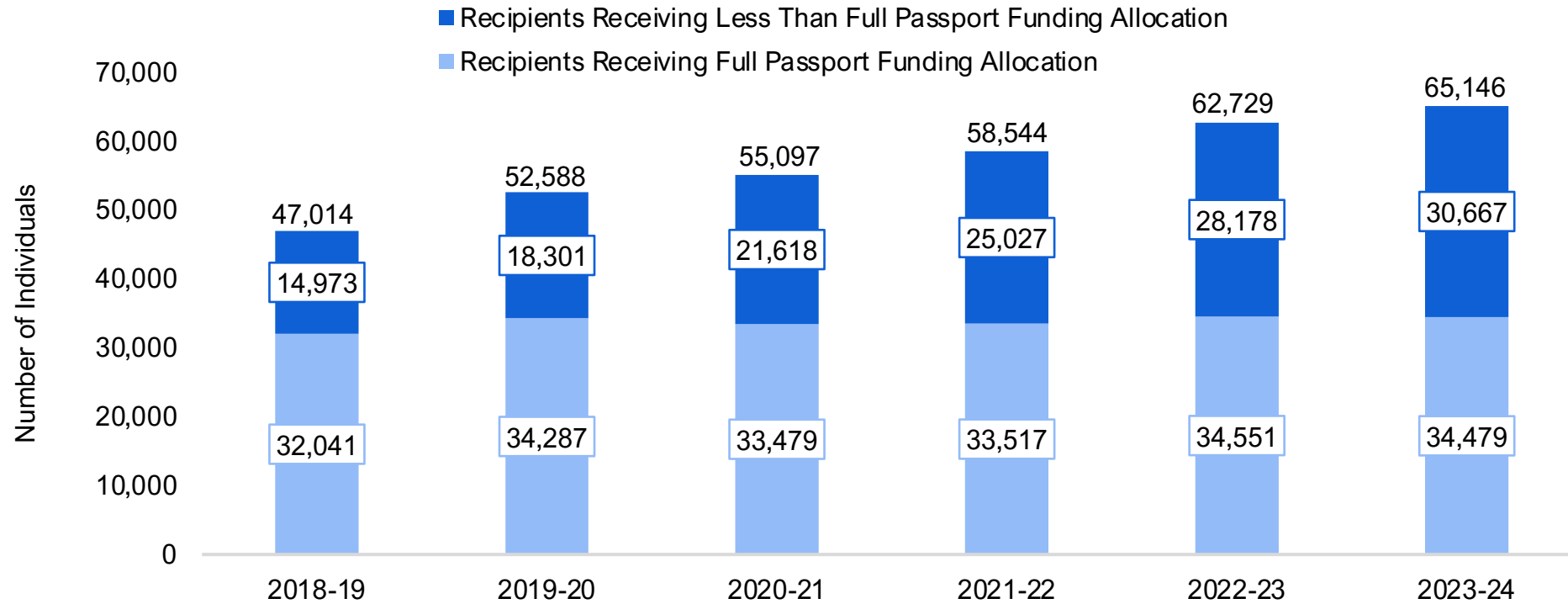


Note: 2023-24 values are interim as of December 2023. The number of people waiting for placement represents clients who have had their needs assessment and does not include those who are seeking placement but are still unassessed. In addition, the values for waiting for placement may include individuals already in a placement who are waiting for a different placement.
 Source: FAO analysis of information provided by MCCSS.



Supportive Services

- FAO estimates that spending for **Supportive Services** will grow at an average annual rate of 2.0 per cent from \$1,068 million in 2023-24 to \$1,177 million in 2028-29.
- Spending growth is driven by increases in the number of recipients of the Province's Passport program, which provides direct funding to eligible adults with developmental disabilities.



Note: 2023-24 values are interim as of December 2023.
Source: FAO analysis of information provided by MCCSS.



Autism

- In the 2024 Ontario Budget, the Province announced a one-time investment of \$120 million, for a total budget of \$723 million in 2024-25. Since the Province has not committed to maintain the additional spending, the FAO assumes that funding will return to \$600 million from 2025-26 onwards, which has been the historical commitment since 2019.
 - The FAO estimates that the annual funding level of \$600 million would be sufficient to provide the full annual funding for core clinical services to approximately 10,142 children and youth enrolled in core clinical services.
 - If the Province were to maintain the 2024-25 funding of \$723 million going forward, then the FAO estimates that this would be sufficient to provide the full annual funding allocation to 12,629 children and youth.



Children and Youth at Risk (Vote-Item 702-20)



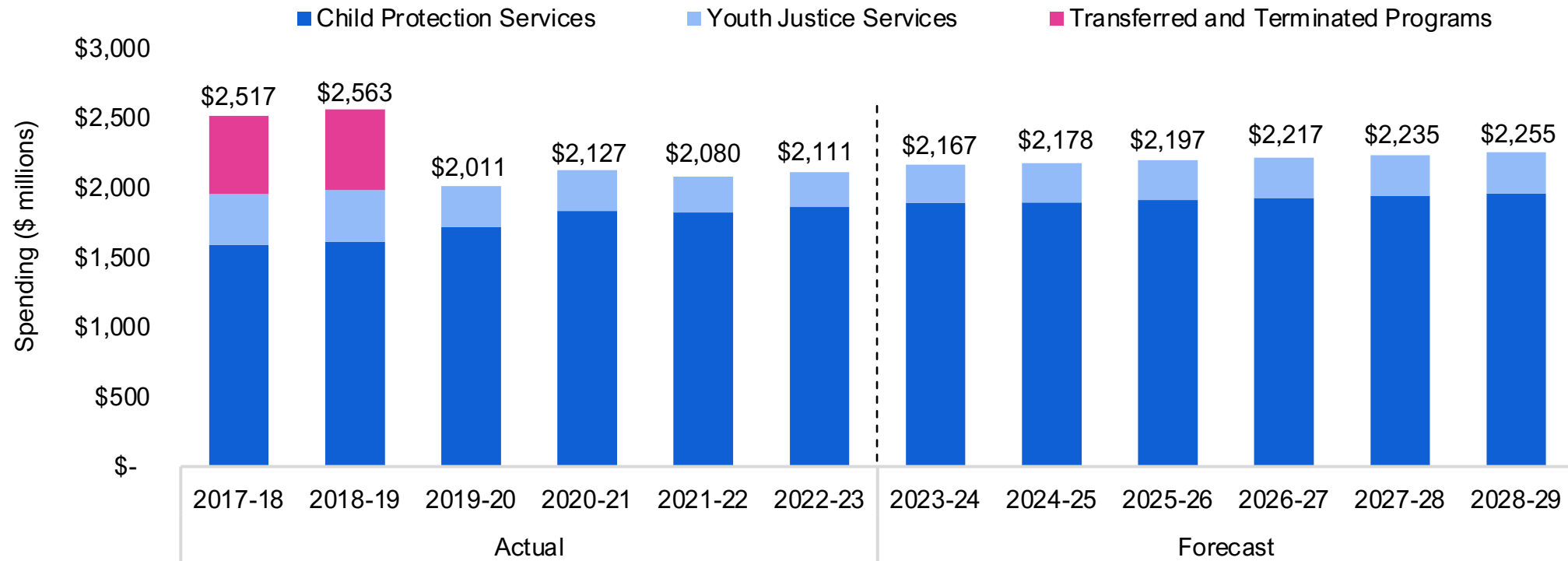
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Children and Youth at Risk (Vote-Item 702-20)

- Children and Youth at Risk, which accounted for about 11 per cent of ministry spending in 2023-24, provides targeted supports for children and youth in the child welfare system and the youth justice system.
- The FAO projects that spending on **Children and Youth at Risk** will grow at an average annual rate of 0.8 per cent from \$2,167 million in 2023-24 to \$2,255 million in 2028-29.

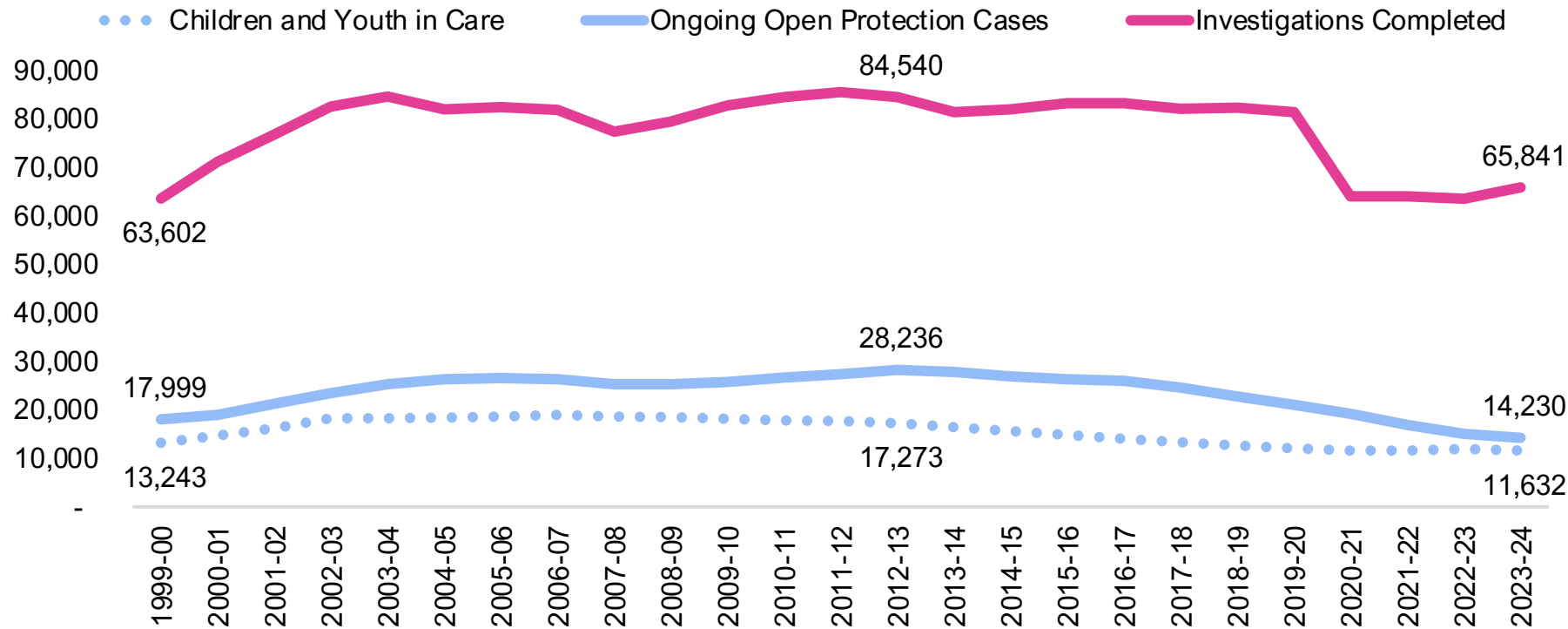


Note: Transferred and Terminated Programs includes the Child and Youth Mental Health program and the Child Protection Transformation Fund.
 Source: Public Accounts of Ontario, 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.



Child Protection Services

- The FAO projects that the **Child Protection Services** transfer payment, which funds Children’s Aid Societies, will grow at an average annual rate of 0.5 per cent from \$1,681 million in 2023-24 to \$1,724 million in 2028-29.
 - Slow growth is due to the assumption that direct service spending, which comprises 81 per cent of CPS spending will flatline, reflecting the historical trend.
 - Direct service spending funds ongoing protection cases which have decreased 49.6 per cent from a peak of 28,236 in 2012-13 to an estimated 14,230 in 2023-24.

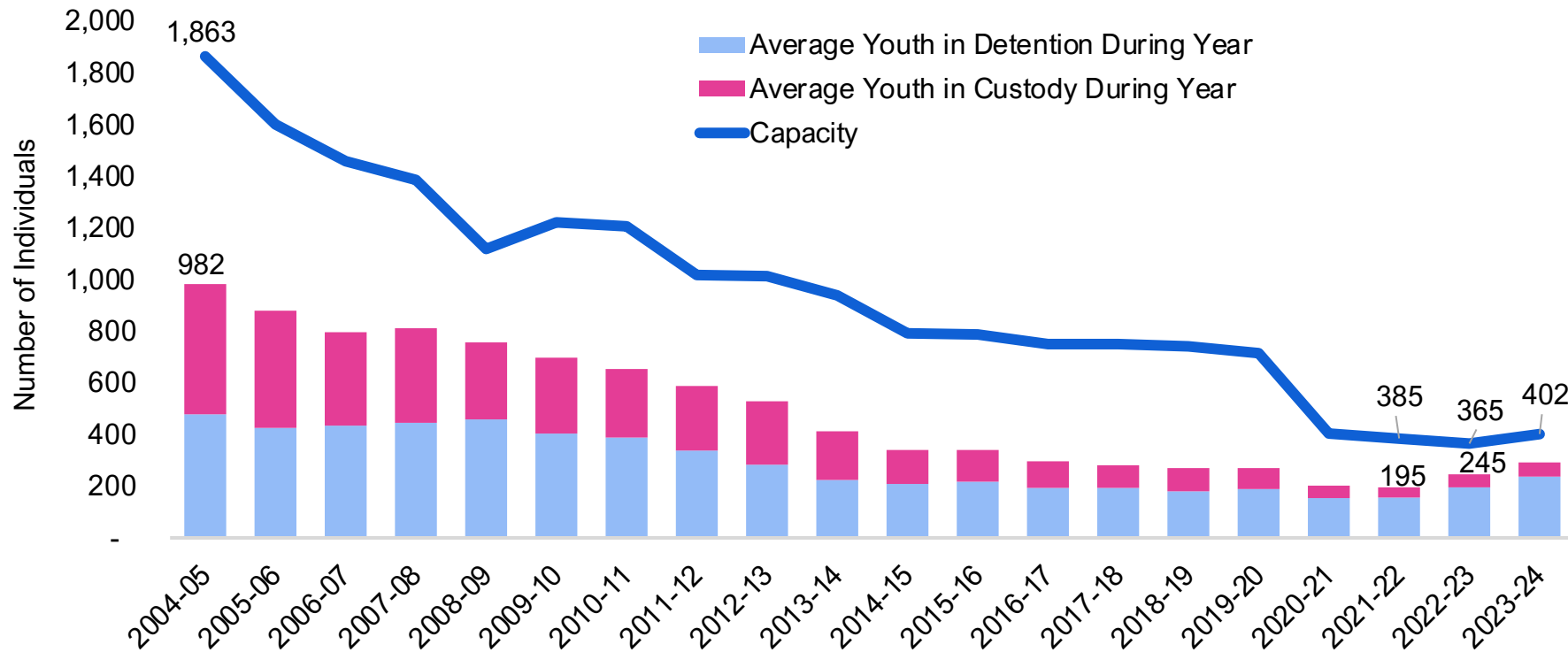


Note: 2023-24 values are based on full-year forecasts from Children’s Aid Societies. “Ongoing Open Protection Cases” includes “Children and Youth in Care.” Children and Youth in Care generally refers to children and youth who have been removed from home and are in the care of a Children’s Aid Society, excluding kinship care. Source: FAO analysis of information provided by MCCSS.



Youth Justice Services

- The FAO projects **Youth Justice Services** spending will grow at an average annual rate of 1.6 per cent from \$275 million in 2023-24 to \$297 million in 2028-29.
 - The FAO forecast assumes that capacity in the youth justice system will remain constant at 2023-24 levels.
 - Both capacity in the youth justice system and the average number of youth in custody or detention increased in 2023-24 following 80 per cent and 75 per cent declines, respectively, from 2004-05 to 2022-23.



Note: Youth in detention represents those held in a correctional facility until their trial date is determined by the court, while youth in custody are those held in a correctional facility based on a conviction or sentence imposed by the court. 2023-24 values are as of February 29, 2024. Source: FAO analysis of information provided by MCCSS.



Ontario Child Benefit (Vote-Item 702-22)



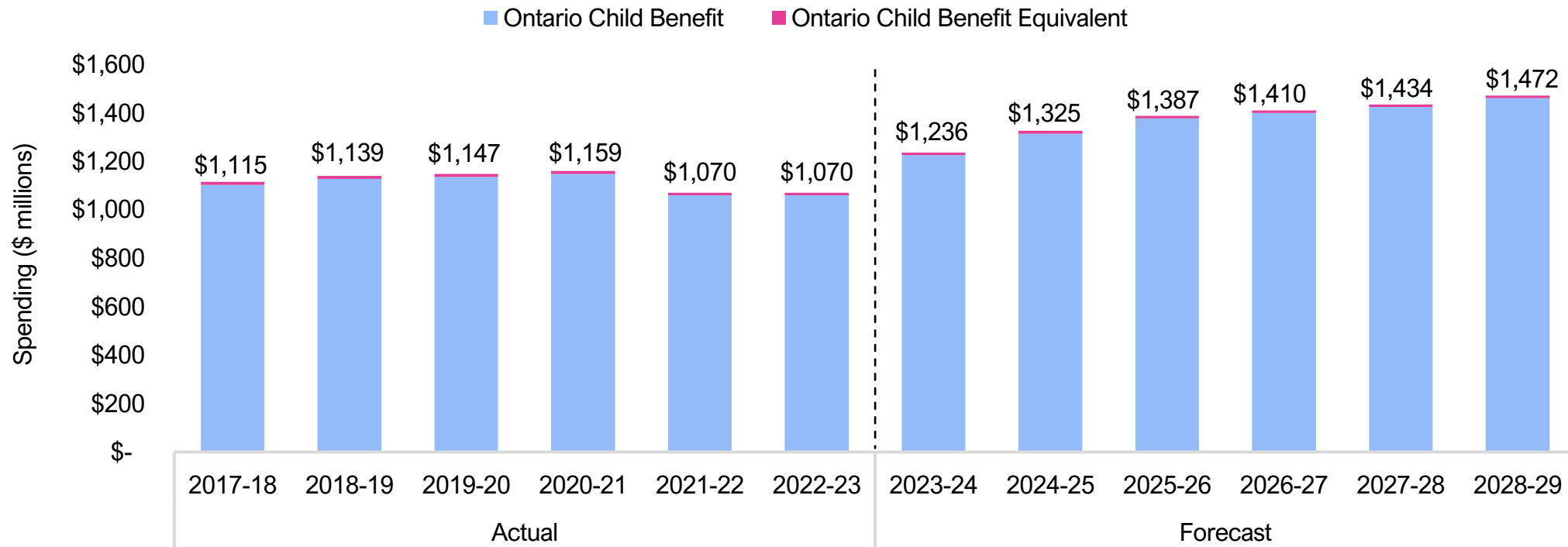
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Ontario Child Benefit (Vote-Item 702-22)

- The **Ontario Child Benefit**, which accounted for about six per cent of ministry spending in 2023-24, provides tax-free payments to help low- and moderate-income families provide for their children.
- Spending is projected to grow at an average annual rate of 3.6 per cent from \$1,236 million in 2023-24 to \$1,472 million in 2028-29, driven by projected growth in benefit rates and in Ontario’s child population.



Source: Public Accounts of Ontario, 2024 Ontario Budget, and FAO analysis of information provided by MCCSS and Treasury Board Secretariat.



All Other Spending



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All Other Spending

- **All Other Spending** accounted for about two per cent of ministry spending in 2023-24 and includes:
 - Ministry Administration Program (Vote 701),
 - Family Responsibility Office (Vote-Item 702-7),
 - Children, Youth and Social Services Information and Information Technology Cluster (Vote-Item 702-26),
 - Office of Women’s Social and Economic Opportunity (Vote-Item 702-28),
 - Children, Community and Social Services Capital Program (Vote 704),
 - statutory spending, and
 - consolidation adjustments.
- Spending is projected to decline at an average annual rate of -2.4 per cent from \$389 million in 2023-24 to \$343 million in 2028-29, largely due to projected declines in capital spending and consolidation adjustments.



Thank you!



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