



## STAFF REPORT ACTION REQUIRED

### 2023 Operating Budget Enhancements

**Date:** January 23, 2023

**To:** Toronto Public Library Board

**From:** City Librarian

#### SUMMARY

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The purpose of this report is to seek endorsement from the Toronto Public Library Board for the City's proposed funding allocation for the Toronto Public Library (TPL) 2023 operating budget enhancements.

The Community-based Service for Equity Deserving Populations budget enhancement is funded in 2023 by the TPL Foundation and this service will proceed as a pilot.

For the Financial Empowerment Service and Social Service Team budget enhancements, the TPL Foundation has committed to fund these services for both 2023 and 2024, and the City will commit to funding these services starting in 2025.

It is recommended that the Board endorse the revised funding scenarios for these service enhancements.

## RECOMMENDATIONS

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### The City Librarian recommends that the Toronto Public Library Board:

1. endorses the 2023 operating budget enhancements, as included in the City's 2023 budget tabled at the January 10, 2023 meeting of the Budget Committee, comprised of:
  - a. Community-based Service for Equity Deserving Populations pilot program totalling \$0.000 million net (\$0.141 million gross) with annualized costs totalling \$0.429 million, funded by the Toronto Public Library Foundation;
  - b. Financial Empowerment Service totalling \$0.000 million net (\$0.248 million gross) with annualized costs totalling \$0.248 million, funded by the Toronto Public Library Foundation in 2023 and 2024, and by the City beginning in 2025; and
  - c. Social Service Team totalling \$0.000 million net (\$0.500 million gross) with annualized costs totalling \$0.500 million, funded by the Toronto Public Library Foundation in 2023 and 2024, and by the City beginning in 2025.

## FINANCIAL IMPACT

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The Community-based Service for Equity Deserving Populations budget enhancement is funded by the TPL Foundation and this service will proceed as a pilot. There is currently no commitment by the City to fund this service after the pilot.

The TPL Foundation has committed to fund the Financial Empowerment Service and Social Service Team budget enhancements for both 2023 and 2024, and the City will commit to funding these services starting in 2025.

The annual expenditures and funding for these enhancements are shown in Table 1 below.

Table 1: 2023-2025 Annual Expenditures and Funding of Budget Enhancements (\$ millions)

	2023		2024		2025	
	Expenditures	FUNDING	Expenditures	FUNDING	Expenditures	FUNDING
Community-based Service for Equity Deserving Populations	0.141	0.141	-	0.429	0.429	-
Financial Empowerment Service	0.248	0.248	-	0.248	0.248	-
Social Service Team	0.500	0.500	-	0.500	0.500	-
<b>TOTAL</b>	<b>0.889</b>	<b>0.889</b>	-	<b>1.177</b>	<b>1.177</b>	-
					<b>0.748</b>	-
						<b>0.748</b>

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

## DECISION HISTORY

At its meeting on October 25, 2022, the Library Board approved a [2023 Operating Budget Submission](#) which resulted in a 2023 operating budget comprised of the following:

- 1.1 A base budget increase over 2022 of \$9.704 million net (\$10.267 million gross), or 4.7%, which included the reversal of \$2.267 million of savings from staff vacancy experience;
- 1.2 COVID-19 pressures of \$5.053 million net (\$3.879 million gross); and
- 1.3 budget enhancements totalling \$8.321 million net (\$9.210 million gross), or 4.1%, for Open Hours (\$8.321 million net and gross), Community-based Service for Equity Deserving Populations (\$0.000 million net and \$0.141 million gross), Financial Empowerment Service (\$0.000 million net and \$0.248 million gross) and Social Service Team (\$0.000 million net and \$0.500 million gross).

At its meeting on December 5, 2022, the Board considered [Revised 2023 Operating Budget Enhancement – Open Hours](#) and adopted a motion which revised and deferred the request for enhanced open hours to the 2024 budget, which resulted in a 2023 operating budget comprised of the following:

- 1.1 a base budget increase over 2022 of \$9.704 million net (\$10.267 million gross), or 4.7%;
- 1.2 COVID-19 pressures of \$5.053 million net (\$3.879 million gross); and
- 1.3 budget enhancements totalling \$0.000 million net (\$0.889 million gross fully funded by the TPL Foundation).

Following the December 5, 2022 Board meeting, TPL staff continued to identify strategies to reduce the 2023 budget request while meeting with City Finance staff for the administrative review of the budget.

At its meeting on January 5, 2023, the Board approved a revised 2023 operating budget comprised of the following:

- 1.1 a base budget increase over 2022 of \$5.000 million net (\$6.012 million gross), or 2.4%;
- 1.2 COVID-19 related budget pressures of \$3.553 million net (\$2.629 million gross); and
- 1.3 budget enhancements totalling \$0.000 million net (\$0.889 million gross fully funded by the TPL Foundation). The service enhancements

comprised of the Community-based service for Equity Deserving Populations (\$0.000 million net and \$0.141 million gross), Financial Empowerment Service (\$0.000 million net and \$0.248 million gross) and the Social Service Team (\$0.000 million net and \$0.500 million gross) remained unchanged in the submission and is funded by the TPL Foundation.

## COMMENTS

The budget review process with City Finance staff continued after the January 5, 2023 Board meeting and the TPL Foundation has agreed to provide funding in 2023 and additionally in 2024, for two of the service enhancements (the Financial Empowerment Service and Social Service Team), which is already reflected in TPL's Budget Notes as part of the City's 2023 budgets tabled by Budget Committee on January 10, 2023.

### **Community-Based Service for Equity Deserving Populations**

TPL's Community-Based Service for Equity-Deserving Populations builds on and extends branch-based and online library services by targeting TPL's reach to serving individuals and families from vulnerable and equity-deserving groups while they are accessing services as clients at community social service and support agencies. The service enhancement establishes a team of community librarians dedicated to serving equity deserving populations across the city.

The Community-Based Service for Equity Deserving Populations budget enhancement totalling \$0.000 million net (\$0.141 million gross), including 4.0 staff, is funded by the Foundation as a pilot (annualized cost of \$0.429 million gross), and the City's 2023 tabled budget does not include any funding beyond the pilot. This initiative will continue as a fundraising priority for the TPL Foundation in order to extend the pilot.

### **Financial Empowerment Service**

The Financial Empowerment Service (FES) is a City of Toronto Poverty Reduction Strategy initiative, developed in partnership with Prosper Canada, a national charity. FES provides services to vulnerable populations targeting persons with low income often intersecting with the following other equity-deserving groups: persons with disabilities; individuals and families who are homeless or under-housed; Black and racialized individuals; Indigenous Peoples; immigrants, refugees, and undocumented individuals; and vulnerable youths and seniors.

The FES enhancement will provide one-on-one, in-person support from community agency experts providing in-depth and personalized counselling to Torontonians within library branches on topics such as: filing taxes, savings & debt levels, credit and

budgeting. Customers will also have access to curated online resources and opportunities to engage with library staff and partner agencies for additional supports.

The FES budget enhancement totalling \$0.000 million net (\$0.248 million gross), including 0.5 positions, was to be funded by TPL Foundation for one year. However, the City's 2023 tabled budget includes permanent funding starting in 2025 and the Foundation has committed to fund a second year of the enhancement in 2024, with total TPL Foundation funding over the two years of \$0.496 million.

### **Social Service Team**

TPL's new Social Service Team (SST) model provides service to vulnerable populations including individuals from the following and often intersecting equity-deserving groups: persons with low income; persons with disabilities; individuals and families who are homeless or under-housed; racialized groups including Black and Indigenous Peoples; immigrants, refugees, and undocumented individuals; and vulnerable youth and seniors.

The SST enhancement will support onsite services at designated library branches allowing TPL customers to access community-agency provided services that integrate social and mental health services in one space. TPL designed the program with community partners specifically for TPL customers who are the most vulnerable and least likely able to navigate access to the mental and physical health resources and social service supports required to improve their lives and their well-being.

The SST budget enhancement totalling \$0.000 million net (\$0.500 million gross) was to be funded by the Foundation for one year. However, the City's 2023 tabled budget includes permanent funding starting in 2025 and the Foundation has committed to fund a second year of the enhancement in 2024, with total TPL Foundation funding over the two years of \$1.000 million.

### **2023 Operating Budget Summary**

As shown in Table 2 below, TPL's total revised 2023 operating budget request is \$213.559 million net (\$234.610 million gross) and is unchanged from what was approved by the Board at its January 5 meeting. The 2024 and 2025 outlook have been updated to reflect the changes to the funding of the budget enhancements as detailed in this report.

Table 2: Revised 2023 Operating Budget Summary & 2024-2025 Outlook (\$millions)

	2023					2024		2025	
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
<b>2022 Approved Budget</b>	<b>1,808.8</b>	<b>228.305</b>	<b>18.520</b>	<b>209.785</b>		<b>213.559</b>		<b>228.902</b>	
2022 COVID-19 financial impacts		(3.225)	1.554	(4.779)			0.0%		0.0%
<b>2022 Budget, excluding COVID-19</b>	<b>1,808.8</b>	<b>225.080</b>	<b>20.074</b>	<b>205.006</b>		<b>213.559</b>		<b>228.902</b>	
2023 Base Budget Increase		6.012	1.012	5.000	2.4%	14.157	6.6%	4.464	2.0%
2023 COVID budget pressures		2.629	(0.925)	3.553			0.0%		0.0%
<b>2023 Base Budget Increase, including COVID-19</b>	<b>-</b>	<b>8.641</b>	<b>0.088</b>	<b>8.553</b>		<b>14.157</b>	<b>6.6%</b>	<b>4.464</b>	<b>2.0%</b>
<b>2023 Base Budget including COVID-19 pressures</b>	<b>1,808.8</b>	<b>233.721</b>	<b>20.162</b>	<b>213.559</b>		<b>227.716</b>	<b>6.6%</b>	<b>233.366</b>	<b>2.0%</b>
Budget Enhancements									
Community-based Service for Equity Deserving Populations - PILOT	4.0	0.141	0.141	-	0.0%	-	0.0%	-	0.0%
Financial Empowerment Service	0.5	0.248	0.248	-	0.0%	-	0.0%	0.248	0.1%
Social Service Team	-	0.500	0.500	-	0.0%	-	0.0%	0.500	0.2%
	<b>4.5</b>	<b>0.889</b>	<b>0.889</b>		<b>0.0%</b>			<b>0.748</b>	<b>0.3%</b>
Open Hours						1.186	0.6%	16.253	7.1%
	<b>4.5</b>	<b>0.889</b>	<b>0.889</b>		<b>0.0%</b>	<b>1.186</b>	<b>0.6%</b>	<b>17.001</b>	<b>7.8%</b>
<b>Revised 2023 Total Budget Increase</b>	<b>-</b>	<b>8.641</b>	<b>0.088</b>	<b>8.553</b>	<b>2.4%</b>	<b>14.157</b>	<b>6.6%</b>	<b>4.464</b>	<b>2.0%</b>
<b>Total Revised 2023 Operating Budget</b>	<b>1,813.3</b>	<b>234.610</b>	<b>21.051</b>	<b>213.559</b>	<b>2.4%</b>	<b>228.902</b>	<b>6.6%</b>	<b>250.367</b>	<b>2.0%</b>

TPL Staff will bring an updated Open Hours Plan to the Board for review in 2023 prior to the 2024 operating budget submission.

## CONCLUSION

The Board is being requested to endorse the proposed funding changes for the service enhancements.

## CONTACT

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## SIGNATURE

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City Librarian