



# **2010 – 11**

## **Pre-Budget Consultation**

Submission to the Standing Committee  
on Finance and Economic Affairs

**February 2010**

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## EXECUTIVE SUMMARY

**Children’s Aid Societies (CASs) have the exclusive mandate** to protect children from abuse and neglect in Ontario. The legislation, regulations, directives and standards prescribe specific and detailed requirements regarding what CASs must do, how they must do it, and the timelines in which critical and mandatory protection and prevention services must be provided.

**The impact of the recession on families is being seen by CASs.** Last year OACAS reported that local CASs were seeing the result of job loss, unemployment and poverty - increasing family stress that leads to parenting issues. Since then the fiscal outlook has worsened. At the same time, support to the most vulnerable – infants, children, youth and families at risk – has declined. CASs received no economic adjustment last year, in fact their economic adjustment from 2008-09 was rolled-back, and funding was reduced from the 2009-10 budget. Child abuse referrals and investigations have increased in 2009-10 and the gap between funding and demand is growing.

OACAS supports the government’s efforts to address poverty and the announcements related to the Ontario Child Benefit, early learning and “tax fairness” for low-income Ontarians. However, while these enhancements will help some, the **critical safety net of child protection service has been eroded**. Further, although \$19M was announced on December 4, 2008 for vulnerable youth<sup>1</sup> no program has been announced nor funds flowed.

**Much of CAS work is not funded in the funding model.** On any given day, CASs are working with more than 17,800 children in foster homes, group homes and residential care. But this is not where most of the work happens. The “children in care” caseload represents approximately 10% of cases served by CASs. The other 90% of cases involve CAS staff helping children and youth who are at risk of, or experiencing, abuse and neglect in the context of their biological families. Workers focus on high risk families, where CAS involvement includes teaching parenting skills, reducing risks that lead to abuse and neglect, providing counseling and sometimes even material support to families. When children remain safe at home, with their families – that is success.

**The Ontario child welfare service model is seen as an international example of best practice.** Ontario has the second lowest rate of children in state care in Canada<sup>2</sup>, and the rates are declining. This is due to the very constructive transformation agenda put in place by government in 2005-06. Unfortunately the funding model for child welfare is not aligned with supporting children to live with their families, and agencies are actually penalized for achieving these positive outcomes.

**There are major misconceptions that the system is growing out of control.** In 2003, the government’s own report explained the service patterns and found no other service model in North America as being more cost-effective. Rate of growth since the report is as predicted and has been slower than that of general Ontario expenditures. The government directions to invest in protecting children from abuse, neglect and even death were intentional. Other jurisdictions have followed suit, building on Ontario service models, definitions and tools.

**Despite flaws in the funding model, the child welfare system is still working well.** Fewer children are being admitted to care; more are staying with extended family members; more staff are assigned to keep children out of care and in family-based settings, and fewer children are in expensive, residential care<sup>3</sup>.

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<sup>1</sup> Breaking the Cycle Ontario’s Poverty Reduction Strategy December 2008, page 14.

<sup>2</sup> Canadian Centre of Excellence in Child Welfare <http://www.cecw-cepb.ca/statistics>.

<sup>3</sup> OACAS Publications: CAS Facts April 1, 2008 to March 31, 2009.

CASs are committed to this model of service delivery, but cannot do so without changes to the funding model. This submission makes specific recommendations about adequacy, but also about changes to the model that relate to flexibility and adapting funding to allow CASs to implement best practices for children and families.

**CASs and other experts have offered solutions.** This submission cites those experts and makes recommendations to:

- Provide **adequate funding** needed to protect children and **address the 2+year lag** between service volume and the adjustment of CAS base budgets
- Ensure that funding creates **incentives** for CASs to provide the best services to children, getting the intended results - to support kin families, adoption and older youth
- Address longstanding concerns about **funding for Aboriginal** children and families
- Address **gaps in other service sectors** that create financial impact on CASs:
  - Transitional aged youth (developmental services)
  - Mental health for children AND youth
  - Supports for adults and for families
  - Domestic violence
  - Mental health services for adults (parents)
  - Addictions
  - Income support
- Provide the leadership to **reduce unnecessary paperwork and direct costs**
  - Retain meaningful accountability and reporting, but reduce excessive and unproductive paperwork that does not add to protection of children or support to families.
  - Streamline numerous, duplicated and contradictory oversight functions
  - Review rate setting process for private group care operators, and when the Ministry increases their rates, they should provide funding to CASs at the level the Ministry approves.
- **Invest in provincial infrastructure** that will achieve more effective management, produce data, information and knowledge that support continuous improvement, specifically a provincial information system and capital costs
- Provide adequate funding to meet statutory mandate and **ensure that deficit management is not done by shifting burden and risk to voluntary boards**

Children's Aid Societies are committed to protecting children and youth. It is essential to vulnerable children and their families that the government fulfill its commitment to its own policy agenda – to invest in better service models, including, family-based care (kinship care and customary care), as well as adoption. Communities, families, youth and children – Aboriginal and non-Aboriginal - need assurance that CASs will have the resources needed to meet statutory requirements for services.

CASs have a long history of working with government to effect positive change – and will do so again this year as the Sustainability Commission takes on its challenge to create a sustainable system of child welfare.

## I. INTRODUCTION

Ontario Association of Children's Aid Societies (OACAS) is a member organization, representing 51 of the 53 Children's Aid Societies (CASs) in Ontario. The OACAS, in support of its members, is the:

*“voice of child welfare in Ontario, dedicated to providing leadership for the achievement of excellence in the protection of children and in the promotion of their well-being within their families and communities.”*

Since 1912, OACAS has demonstrated a history of successful advocacy, member services and public education on behalf of its member societies, as well as the children and families that are served by CASs in Ontario. The strength of the OACAS lies in both the extent of its membership and the commitment and participation of the member Children's Aid Societies in Ontario.

OACAS appreciates the opportunity to present a submission to the Standing Committee on Finance and Economic Affairs as part of the pre-budget consultation process. We trust that this information, analysis and research will be useful to the government, as it develops the Child Welfare budget for 2010-11.

CASs across Ontario are gravely concerned about funding support to CASs. This year the government took the unprecedented step of indicating that it would not consider any mitigation funding and by applying a retroactive cap on administrative funding. This submission focuses on the need to restore Ontario's safety net for children and ensure that the government and service agencies can meet their respective commitments to keep children safe and families together whenever possible.

## II. CHILD WELFARE MANDATE

Children's Aid Societies provide mandatory and critical services. They are legislated to perform certain functions under the provisions of Section 15 of the *Child and Family Services Act (CFSA)*<sup>4</sup>. The mandate of Societies, as described in this section of the *CFSA*, includes the following functions:

- to investigate allegations that children are in need of protection;
- to protect children;
- to provide guidance for protecting children and for the **prevention of circumstances requiring the protection of children**; and
- to provide care for children assigned to its care under this Act.

This legislation and the supporting regulations, directives and standards prescribe specific and detailed requirements for what CASs must do, how they must provide services, including services to Aboriginal children and families, French language services, as well as the timelines in which mandatory services must be provided.

CASs provide critical and essential services which are a safety net for the most vulnerable members of our society – infants, children and youth, who are at risk of, or experiencing physical, sexual and/or emotional abuse, neglect or abandonment. CASs are mandated to intervene if the caregiver cannot adequately care for or provide for the child.

The role of the CAS in investigation and placement of children is familiar to the public. What is less evident is the role of CASs in “protection” which more frequently takes the form of supervision of

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<sup>4</sup> *Child and Family Services Act* R.S.O 1999, Part III Section 15.

children and support of the family while the child remains in the family home. Furthermore, there is little understanding by the public and decision-makers of the complexity of providing child protection services. CASs are involved where child protection concerns have been verified and there are risks of, or actual, abuse and neglect. These are not “soft services”, nor are they functions that should be undertaken by volunteers or unqualified staff.

The government has no way to count the number of families receiving protection services or the total number of children in these families. MCYS and CASs estimate that in up to 90% of cases, CASs are able to keep children at home while the agencies work with their families, yet the focus of government messaging is generally on “children in care”. Hence when comments are made about service levels declining – it is the children in state care that is being cited and not family services.

The safety of children depends on the entire system – the legislators, regulators, funders, monitors and providers of service understanding and acting on the unique nature of the CAS mandate.

### III. CURRENT CONTEXT

Ontario Association of Children’s Aid Societies (OACAS) is fully aware of the current fiscal challenges faced by Ontario and appreciates the government’s commitment to build the economy and help families affected by the recession. OACAS supports the government’s efforts to address poverty and the announcements related to the Ontario Child Benefit, early learning and “tax fairness” for low-income Ontarians. However, while these enhancements will help some, the **critical safety net of child protection service has been eroded.**

In the 2009-10 the OACAS submission to Standing Committee highlighted undeniable links between poverty and child abuse:

- more than one in four children is living in poverty in Toronto<sup>5</sup>
- the percentage of children in the “905” area is growing at an alarming rate – in some areas a 51% increase in poverty since 1997<sup>6</sup>
- the incidence of poverty has consistently increased across Ontario over the past twenty years<sup>7</sup>, and this trend continues with unemployment rates increasing in 2009
- research<sup>8 9</sup> clearly demonstrates a link between poverty and child abuse, mental health issues and woman abuse

Predictions made last year about critical indices and increases to child protection rates have been realized. Unemployment levels have increased to a record high since 1994 currently at over 9% with no indication of an imminent drop. In the past year, social assistance rates have also risen from 5.6% to 6.1% and, as they follow behind unemployment trends are likely to continue to increase in 2010-11. Despite numerous measures to divert cases, CASs child abuse referrals increased by 3% and investigations by 2%

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<sup>5</sup> Greater Trouble in Greater Toronto: Child Poverty in the GTA, Children’s Aid Society of Toronto December 2, 2008.

<sup>6</sup> Greater Trouble in Greater Toronto: Child Poverty in the GTA, Children’s Aid Society of Toronto December 2, 2008.

<sup>7</sup> Source: Statistics Canada: Income Trends in Canada, 1976-2006. Survey of Labour & Income Dynamics, special run.

<sup>8</sup> The Association of Poverty and Child Welfare Services with Clinical Family Outcomes , Alan W. Leschied, PhD, Paul C. Whitehead, PhD, C. Dermot Hurley, M.S.W. and Debbie Chiodo, M.A. The University of Western Ontario 2003.

<sup>9</sup> The Impact of economic change on some of London’s Community Services: Critical Issues for Service Planning and Coordination, D. Baer, A Leschied, W. Aviston, J. Liston. OACAS Journal v39, #2 1995.

in 2008-09.<sup>10</sup> Given the links between unemployment, welfare and child protection, CASs predict additional and significant caseload growth in 2010-11.

The OACAS 2009-10 Submission to the Standing Committee also highlighted the need to continue to implement the Transformation agenda – which was designed to provide “an expanded array of intervention options that will better meet the increasingly complex needs of children and families<sup>11</sup>”. Ultimately the intent was to have more children served in the context of their families, and moderate the number of children admitted to state care. The plan was announced in 2005 along with a three year implementation timetable. By 2006-07 implementation gaps emerged and not all elements of the agenda were funded. Major policy transformation was approved and legislative changes were made, but the funding model and allocations were not adjusted to support the work required. Hence CASs are trying to deliver a modernized service system using an out-of-date funding model. As some CASs have recently noted:

“it is as if the government shifted to electric cars, and expects that leaded gas will work”.

If CASs were early adaptors of the progressive changes, their funding was reduced – especially in those areas where change was intended. While adequacy is a critical funding issue, the dated and inflexible model exacerbates the problem.

The current funding model:

- provides little or no funding for many of the 2006-07 mandatory service expectations –kinship, adoption subsidies, alternate dispute resolution, mediation, complaints resolution
- needs to be more responsive to service volume growth and costs
- needs to provide more incentive, project funding and related flexibility to allow CASs to move from more costly approaches to more effective and efficient service models
- needs to recognize that supporting children in family based care (including moving them out of group homes) requires other changes and investments – such as lower worker caseloads for front-line workers and often other specialized support services.

Rather than respond to repeated recommendations<sup>12</sup> to amend the model, the 2009-10 child welfare budget brought:

- in-year funding cuts, including disproportionate cuts in funding to the most vulnerable communities: Aboriginal CASs – northern, remote and urban as well as to some of the highest growth urban communities
- a roll-back of the economic adjustment for 2008/09 from 2% to 1.7%
- providing 0% in 2009/10 rather than the projected 2%
- retroactive application of the infrastructure cap and removal of funding from CAS budgets
- removal of allocations of minor capital  
(Together this accounts for approximately \$54M of the approximately \$67M shortfall.)

It is also important to note that the application of the retroactive cap on “infrastructure” was applied to without prior analysis as to whether CASs were using consistent definitions and coding of infrastructure

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<sup>10</sup> OACAS Publications: CAS Facts April 1, 2008 to March 31, 2009 illustrate investigations rose from.

<sup>11</sup> Child Welfare Transformation 2005: A strategic plan for a flexible, sustainable and outcome oriented service delivery model. Ministry of Children and Youth Services, July 2005.

<sup>12</sup> OACAS Advice on the Funding Model June 2007, OACAS Advice on the Funding Model Update Fall 2008.

costs. The result was a loss of funding which was irrational and differential – compounding existing inequities in funding.

In addition to the cuts, CASs are challenged with:

- the continued practice of the ministry in which funding allocations are not announced until well into the fiscal year, and CASs have no knowledge of future year funding to support local planning
- reductions late in the fiscal year– not rationalized, without notice, and removing the “safety valve” to ensure that CASs could serve protection cases – causing some agencies to notify MCYS, staff, community and clients that services will cease
- increased burden of debt for community boards: CASs expected to increasingly rely on increased amounts of unsecured lines of credit to provide statutory services. The risk of this practice intensified this year, as government also announced that it would not consider mitigation funding
- more change – CASs have experienced over 10 years of massive change. With the announcement of the Sustainability Commission CASs anticipate this to continue. CASs are not adverse to change, however neither the “reform” of 2000 nor the “transformation” have yet been fully implemented

Funding announcements were made at the end of June 2009, after one quarter of the fiscal year elapsed. Thirty-seven of 53 CASs appealed their funding allocation – using the process set in regulation (known as Section 14 reviews<sup>13</sup>). In addition to the broad theme of adequate funding the other major themes cited in the appeals included:

- Errors in application of the retroactive cap on infrastructure
- Lack of funding for mandatory services which were requirements of the 2006 “transformation agenda” (such as kinship costs, adoption subsidies, medication and complaint process costs)
- Escalation of group care costs to pay the rates set by the government
- Changes to funding for minor capital costs

CASs met summer deadlines for the Section 14 appeals process as set by MCYS. As yet – January 2010, no response has been received. In the meantime, CASs have done their best to reduce costs – by eliminating programs and staff positions, delaying hiring, developing shared service models and in some cases eliminating programs that support families and children at risk. One agency issued layoff notices to all staff as of December 6, 2009. A very last minute intervention by MCYS will allow this agency to continue to operate until early March 2010 – a situation faced by numerous other CASs. Further agency-level cuts would result in CASs being unable to meet child protection mandates.

Once more, Children’s Aid Societies reiterate their commitment to work with the government to find solutions to address critical service needs and manage precious resources. Over the past several years proposals have been put forward yet there has been little action to respond. Hopefully these proposals will be considered by the Sustainability Commission during their term - which ends in 2012.

In 2009-10 OACAS called for the government to develop flexible, creative approaches to balancing fiscal reality with the knowledge that economic stress results in greater demands on the child protection system. We make the same request this year.

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<sup>13</sup> *Child and Family Services Act* R.R.O 1990. Regulation 70. General Section 14.

## IV. OACAS on Record – THE FACTS

CASs are willing to work to find solutions. They have participated in a number of extensive reviews and program proposals, and demonstrated a willingness to collaborate. The child welfare field, other government Ministries and other experts have collaborated on proposals to improve effectiveness and efficiency of services. These have been submitted to MCYS but have not been implemented. Examples include – but are not limited to – a single information system for all CASs, shared service model for group care, adoption subsidies, increased flexibility with funding, and more effective use of Federal-Provincial funding agreements for First Nations children.

The child welfare sector wants to find a way forward, but firmly believes that it is important to understand the history and the facts. The following facts are presented to establish a common understanding of the dynamics of service and funding patterns, as well as the challenges currently faced:

### 1. CASs are doing good work, are effective and the rate of growth is consistent with ministry expectations:

- Ontario has the 2<sup>nd</sup> **lowest rate of children in care in Canada**<sup>14</sup>.
- The MCYS *Child Welfare Program Evaluation Report, November 2003*<sup>15</sup> explained and predicted funding patterns:
  - o The significant increase in costs **results from a number of factors** including changes to the legislation, increased reporting, changes in investigative procedures, increases to the number of children coming into care and in the number of Crown wards, increased new requirements for court procedures....
  - o A review of other jurisdictions **did not produce evidence that there is a more cost-effective alternative to Ontario.**
  - o **Service volumes are expected to continue to increase** but growth should be less dramatic than between 1999 and 2001.

In fact, the evaluation findings were sound and the predictions about caseload and funding trends have been realized. Since 2003, costs have grown at a slower pace than overall provincial expenditures. **It is concerning that this report, the explanation of service change, analysis and recommendations have not been used by government to support the CASs. More recently, the stated concern by government is that service growth cannot be explained.**

### 2. There are serious problems with ministry policy and the funding model which contribute to the current funding crisis:

- Funding is not clearly tied to service requirements or the cost of doing child protection work
- There is a **2-year lag between increases in service volume and adjustments to CAS base budgets.** Further, the model does not consider any significant anomaly that might have existed in the year the budget was adjusted (e.g. a labour disruption or an unusually large intake of high needs children).

<sup>14</sup> Canadian Centre of Excellence in Child Welfare <http://www.cecw-cepb.ca/statistics>.

<sup>15</sup> Child Welfare Program Evaluation, Ministry of Children's Services 2003.

- Effects of child welfare reform and transformation (from 1997 – 2008) were anticipated – more children are protected, **more children are kept with their families, but these outcomes are not fully funded**. In fact, there is no effective mechanism to count the number of families receiving protection services, nor the total number of children served in these families. As noted earlier, in 9 out of 10 cases, the CAS works with the child in the context of their family rather than taking the child into care.
  - While funding was made volume sensitive for a limited number of services, it is **not in place for legal custody, kinship families and adoption as was originally planned and communicated by the ministry**. Making sure that every child has a legal family is a critical outcome for the child welfare system. Supported adoption, custody and kinship would result in legal families at a cost much less than long-term foster or group care.
  - While CASs welcome accountability, they are struggling with multiple and duplicative reporting mechanisms. A key cost driver is the almost **30 new directives and over 200 new standards which have been prescribed by government over the past three years**. No additional funding was provided to meet the standards. (See Appendix 1)
  - In addition to increased reporting requirements, the 2006 policy changes added new – and unfunded – steps resulting in **more time spent by workers** to better protect children<sup>16</sup>. For example:
    - o **54% increase** in worker time to conduct an abuse investigation – from 12.5 to 19.3 hrs
    - o **46% increase** in worker time to support high risk families (children not in care) – from 59.4 to 86.6 hrs
    - o **110% increase in worker time to do home study for foster or adoptive homes – from 20 to 42 hours**
  - **Government has increased group care rates for private operators, but does not provide CASs funding to cover increases**. As reported by CASs, in their Section 14 funding appeals, increased group care costs account for the full deficit in some CASs in Ontario.
- 3. MCYS decreased its commitment to child protection services** by reducing funding and jeopardizing the safety net for abuse and neglect.
- MCYS provided CASs with \$23M less in 2009-10 than in the previous year, but expected CASs to provide the same level of mandated service. The impact of this decision was exacerbated as MCYS did not notify CASs until the end of June 2009. Thirty-seven CASs appealed by the August 2009 deadline but MCYS has not communicated final decisions.
- 4. There are serious gaps for aboriginal children** - identified by MCYS in 2003, a 3<sup>rd</sup> party review in 2007, the Federal Auditor General in 2008 and the Ontario Coroner’s Office in 2009. This includes children in First Nations communities in the north, in remote areas, in urban settings, and those served by mainstream CASs. Despite this awareness, agencies serving Aboriginal people and First Nations communities were most seriously affected, facing shortfalls of 9% to 30% of their budgets.

<sup>16</sup> Staffing Benchmarks Project Report, T.L. West & Associates Inc. November 2006.

5. Because **government is not providing funds for vulnerable young people**, CASs are forced to provide services that are outside their mandate - such as developmental services and adult protective services. In addition, the lack of children's mental health services – both residential and counseling services – has resulted in families turning to CASs for assistance and in further pressures on CAS resources.
6. The **government relies on CAS volunteer Boards to take out unsecured loans** to pay for mandated services. This practice continues this year despite the message that these costs will not be covered. Unlike hospital board members or members of police services boards, CAS board members have no personal indemnification for liability. In light of risks related to funding, and potential exposure for legal payouts related to insolvency plans, boards are seeking this assurance.

***Proposed solutions: ideas on the table***

The child welfare field is committed to work with government to develop flexible, creative approaches for balancing fiscal reality with the knowledge that economic stress results in greater demands on the child protection system.

Some proposals have already been put forward:

- Request for **increased advocacy for eligible Federal funding under the 1965 Indian Welfare Agreement**, in support of Ontario Aboriginal CASs, in the north, on First Nations and in urban areas
- **Provincial policies and resources for adoption subsidies**, as proposed by the Expert Panel on Infertility and Adoption, which will increase adoption of children and youth thereby removing them as long-term CAS cases
- Proposals for **investing in youth in care** – including health, dental and prescription costs, creating a safety net for youth and potentially diverting them from ODSP. \$19 M was announced for youth on December 4, 2008 (Breaking the Cycle) but no allocations have been made.
- A **single information system** which will provide consistent and standardized service and financial data which will inform system design and future improvements
- **Shared service model<sup>17</sup> for purchasing and managing group care costs** across Ontario, a proposal funded by Ministry of Finance under “Strengthening Our Partnerships” but not supported by MCYS staff
- **Advice on the** funding model to make it more responsive to service needs and, improve incentives for quality service and to ensure that it provides funding for the work of child welfare

CASs are actively working on proposals to streamline standards for child protection and children in care, while preserving and strengthening clinical practice. These proposals will be ready in 2010.

As noted earlier, OACAS and CASs across Ontario are committed to work to find solutions. CASs are hopeful that the Sustainability Commission will consider these proposals.

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<sup>17</sup> Outside Paid Resources (OPR) Shared Service Project Implementation Analysis Report Bearing Point LP, November 2006.

## V. EXPERT ADVICE ON CHILD WELFARE

The child welfare sector has not been alone in making recommendations for change. Highlights from other experts include:

- **Ministry of Children’s Services (2003)<sup>18</sup>**
  - o Special funding models for Aboriginal CASs and designated French Language CASs
  - o Implement multi-year funding
  - o Streamline accountability mechanisms
  - o Review staffing benchmarks
  - o Invest in a provincial information system
- **Ontario Auditor’s report on Child Welfare<sup>19</sup> 2006 and follow-up in 2008**
  - o Unlike other programs, each CAS “must, by requirements of the Child and Family Services Act provide all mandatory services to all eligible children. .. a child requiring child protection services must not have to wait for service due to funding constraints.”
  - o government fund a third-party review of staffing benchmarks (2008 follow-up)
- **2006 Barnes Management Group<sup>20</sup>: Report of Funding For First Nations CASs (Northern Remoteness)**
  - o a separate model for Aboriginal CASs
  - o an immediate investment of \$25M to two agencies above the 50<sup>th</sup> parallel.
- **2008 Federal Auditor General’s report on Aboriginal CAS<sup>21</sup>** was critical of both Federal and provincial government roles in child welfare and noted:
  - o funding should be based on the real cost of delivering services in First Nations communities
  - o funding must ensure that services are reasonably comparable with those provided for children off reserves in similar circumstances
  - o services were not meeting provincial legislation and standards
- **2009 Expert Panel on Infertility and Adoption<sup>22</sup>** found the problem is the system, not the people:
  - o government should fund permanency planning to reward CASs when children are placed
  - o updated policies (current policies have not been updated since 1985)
  - o government should provide funding for standardized and regular adoption subsidies for post adoption support services

<sup>18</sup> Child Welfare Program Evaluation Ministry of Children’s Services 2003.

<sup>19</sup> Office of the Auditor General of Ontario, 2006 Annual Report; and 2008 Annual Report (Follow-up on Value for Money Audits), Publications Ontario.

<sup>20</sup> Northern Remoteness Study and Analysis of Child Welfare Funding Implications on two First Nations Agencies – Tikinagan and Payukotayno: James Bay and Hudson Bay Family Services. December 2006, Barnes Management Group .

<sup>21</sup> Report of the Auditor General of Canada to the House of Commons May 2008. Chapter 4, First Nations Child and Family Services Programs, Indian and Northern Affairs Canada.

<sup>22</sup> Raising Expectations: Recommendations of the Expert Panel on Adoption and Infertility, Summer 2009.

## VI. CAS FACTS

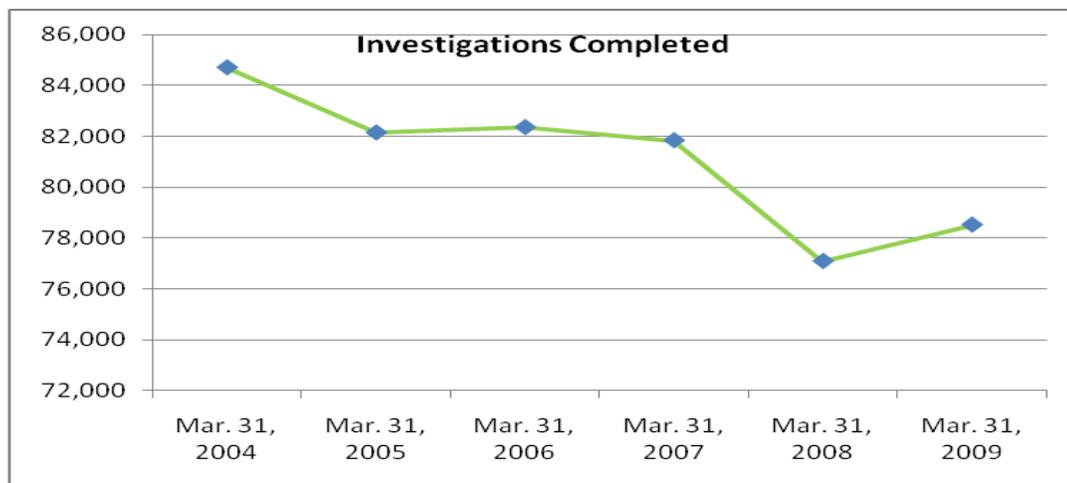
Each year, Children’s Aid Societies in Ontario receive more than 155,000 calls from teachers, doctors, nurses, police officers, neighbors, child care staff and family members about concerns of possible abuse and neglect of children and youth. In general, police and schools are the two major sources of calls for child protection services, accounting for approximately half the referrals to Children’s Aid Societies

### CASs by the numbers<sup>23</sup>:

In the year 2008-2009, Ontario’s CASs:

- completed 78,516 investigations related to abuse and neglect
- managed 24,950 open protection cases, where children were identified at risk, but living in their family homes
- provided substitute care to 27,152 children during the 12 month period includes long-term and short-term in care placements
- provided 6,591,822 days in substitute care during the 12 month period
- completed 819 adoptions
- employed 8,372 staff

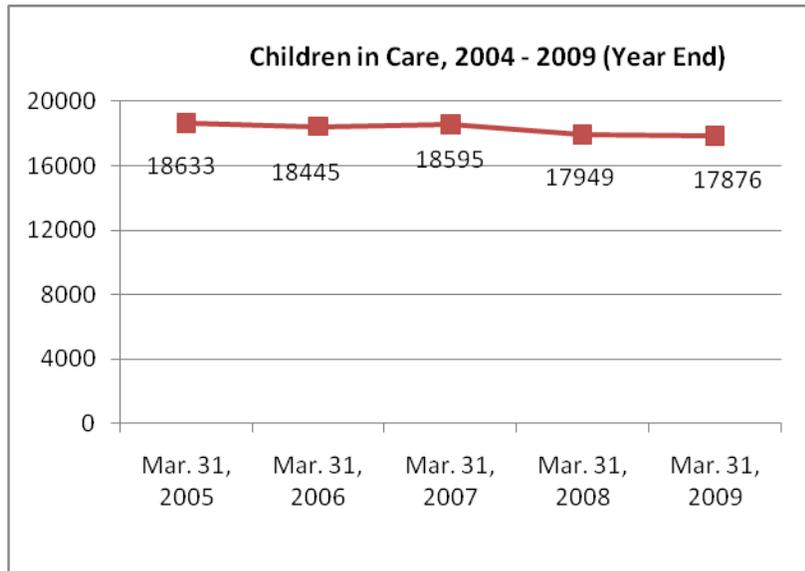
As noted earlier, research demonstrates that downturn in the economy will have an impact on CAS services, and that there is a lag between increased unemployment and social assistance rates. Since 2008-09 increases in referrals and investigation are modest, and the projections for 2009-10 are beginning to illustrate this trend, as noted in the table below which tracks the number of child protections investigated by CASs across Ontario.



During this same period, the number of children in care has remained stable – due to the efforts of CASs to work with families to improve parenting skills, outreach to extended family members, referrals to other community resources and experts to support the families. As noted earlier, children in care cases account for approximately 1 In 10 cases served by CASs. The decline in “children in care” is not an indicator of reduced need for funding – no more than the decrease in crime would directly lead to the conclusion that policing services should be cut, or that fewer homes lost in fires means that fire services

<sup>23</sup> Ontario Association of Children’s Aid Societies CAS Facts: April 1, 2008 – March 31, 2009, produced August 2009.

should be reduced. The majority of work done by CASs is in protecting children in the context of their family homes. Constraining funding for these services will result in more children coming into care.



In an important report on the care of children in Ontario<sup>24</sup>, the reasons for admission are tracked. The most common reasons are:

- **63%** neglect
- **40%** emotional harm
- **33%** physical harm
- **23%** domestic violence
- **21%** problematic behaviour of child

Note that for most children, the reasons are multiple.

The above cited report also tracks the adverse life experiences since birth of the children who have been admitted to state care. Many highlight the need for other community services:

- **70%** neglect
- **50%** divorce or separation of parents
- **44%** violence between parents
- **44%** drug or alcohol abuse by mother
- **33%** drug or alcohol abuse by father
- **26%** severe poverty
- **21%** serious psychiatric disturbance of mother

Of the children who were in state care, over 9,199<sup>25</sup> were Crown Wards, or permanent wards of the state. An additional 2,383 were former Crown Wards – those youth over the age of 17 who may receive continued support but may not live in foster or group homes. Many of these children and youth have

<sup>24</sup> Looking After Children in Ontario. Provincial Report Year Seven, Centre for Research on Educational and Community Services, University of Ottawa October 2009.

<sup>25</sup> Province of Ontario Child Welfare Review: Ontario's Crown Wards Including Adoption Probation: Summary Report 2007. Ministry of Children and Youth Services October 2008.

significant and complex needs. According to the most up-to-date Ministry of Children and Youth Service's Children in Care Review, the majority of these children and youth are placed in family based settings<sup>26</sup>, yet these children and youth have very specific needs:

- **68%** are diagnosed as "special needs" (Attention Deficit and/or Hyperactivity Disorder, psychiatric, developmental disability, learning disability);
- **93%** have behavioural difficulties (aggressive/assaultive, inappropriate sexual behaviour, substance abuse, frequently "AWOL");
- **20%** are suspended from school;
- **17%** are identified as high risk (a consistent risk to self or others).

Another report completed in 2007, Gateway to Success<sup>27</sup>, illustrates that the challenges these children experience has a profound impact on their ability to succeed in school, with only **42%** graduating from high school by the age of 20. The fact that youth in state care must leave family based settings when they are 17 years old may be a significant contributing factor. A follow-up report is now being completed (March 2010) which will look at the connection between educational goal attainment and family based care.

To summarize, children in care of CASs have experienced significant trauma in their short lives and require not only high quality family-based care, but often also significant social work intervention and specialized support services.

## VII. Child Welfare Recommendations

This submission acknowledges the current economic climate. It also recognizes that the child welfare system is in yet another cycle of major change – following on 2000 Reform and 2005 Transformation. These were massive changes. The system now faces a three year period of additional change – as yet unknown.

OACAS is reiterating recommendations made in previous years. There is no specific request for funding, however the sector is asking for flexibility and assurance that sufficient funding will be available to ensure statutory services can be provided and to ensure that CASs can implement best practices for children and families.

Six areas will address adequacy of funding, flexibility and timeliness, dealing with other gaps in service, streamlined administration, infrastructure investment and respectful relationships with voluntary boards.

Combined, these recommendations will ensure that funding is efficiently targeted to areas of need, remove disincentives for best investment, and redirect funds to the best service options, that in some cases are more efficient, as well as being more effective. These areas include:

1. Providing funding needed to protect children including debt coverage;
2. Ensuring funding is adequate and creates incentives for better service models;

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<sup>26</sup> 49% of Crown Wards are in CAS regular, specialized or treatment foster care; 21% are in purchased foster/parent model homes; 15% are in group homes, 1% in young offenders facilities, 5% are living independently, 10% are with kin/community caregivers.

<sup>27</sup> Gateway to Success: Educational Status of Crown Wards and Former Crown Wards aged 16 – 21. OACAS 2008.

3. Providing a specific funding model for all designated Aboriginal CASs, as per their entitlements under the 1965 Indian Welfare Agreement;
4. Providing the necessary funding to meet requirements under the French Language Services Act;
5. Supporting youth in care and adoptive families;
6. Addressing gaps in other service systems which cause additional caseload pressures for CASs;
7. Reducing unnecessary and unproductive paperwork, as well as policies which cause direct increased costs for CASs; and
8. Investing in provincial infrastructure – such as information technology and capital funding.

## Discussion:

### 1. Providing the funding needed to protect children, and support Boards to do their work

#### *a) Prior year debt coverage*

For the past three years, government has left voluntary community Boards to grapple with debt related to the delivery of mandated government services. A large proportion of CAS costs is being carried by volunteer boards on lines of credit. This is consistent with government policy – many CASs have been asked by government to use their full lines of credit and/or increase their debt to cash-manage child protection services. This year, while this policy continues, MCYS has indicated that it will not assist with debt coverage.

As of the end of 2008-09, CASs had accumulated \$16.7M in year-end unfunded expenditures. Based on current service volume trends, CASs are forecasting a shortfall in 2009-10 of approximately \$65M.

In 2009-10, thirty-seven Children's Aid Societies were so concerned about funding decisions that they requested Ministerial reviews, as allowed in the Child and Family Services Act regulations. Although CASs met the summer deadline for submitting their requests, as of January 18, 2010 there has been no Ministry response.

The lack of response to the Section 14 reviews and inadequate response about funding shortfalls has left CASs doubting the government's commitment to protecting children and the government's respect for community volunteers who govern CASs without remuneration and with great risks. The topic of board resignation is a common theme amongst CAS boards.

A forecast for **2010-11** is very difficult to project at this time. The economy will continue to impact families and CASs. The government has not responded to past reports from experts and OACAS and has appointed a new Sustainability Commission to find solutions.

#### *b) Provide adequate funding to do the job of protecting children*

CASs are managing their budgets, but they are faced with many costs which are beyond their control. Aside from increased costs related to additional steps to protect children, CASs must manage the costs of labour settlements, increased taxes, infrastructure and insurance costs, and private group care costs increases which are approved by government but not adjusted in the CASs funding. Given the roll-backs cited on page 6, and the lack of economic adjustment in 2009-10, the increasing referrals, investigations and family services due to the economic crisis, CASs are asking for the government to adjust the base budget, as per the original plan in the funding model.

***c) Provide the full funding needed for the work of child welfare***

Until 2009, as part of the annual funding process, MCYS pursued year end money to ensure that CASs had the required funding to deliver statutory services. On June 26, 2009 the Ministry of Children and Youth Services signalled that it would not seek any additional funds regardless of circumstance. CASs are asking that government ensure that the safety of children is not compromised by government funding constraints.

***d) Introduce legislation to indemnify to Board members, as is in place for Hospital and Police Boards***

Many CASs, as a matter of routine business, rely on lines of credit throughout the year to bridge between ministry cash flow and costs. Historically banks would approve these unsecured lines of credit as they had confidence that government would pay the full child welfare costs. Increasingly CASs are being asked by government to rely more on their lines of credit, and to increase their lines of credit. Concurrently CASs are being told by government that the year-end debts will not be covered. Banks are also hearing this message and are now becoming reluctant to approve new lines of credit or increase loans. The MCYS advice to increase unsecured loans in the face of funding constraints has caused great concern among volunteer community board members who worry about their personal liability for costs, and for decisions which could compromise services.

In the context of the current funding crisis, CAS Boards and their corporations requested that government immediately provide personal indemnification, in statute, as is the practice for Hospital Boards and Police Services Boards. This protection from liability is critical to ensuring the stability of volunteer boards, continuing the operation of CASs and enabling agencies to continue to attract and retain knowledgeable and skilled citizens in their communities to sit as Directors.

**RECOMMENDATIONS:**

- i. The government fund prior year child welfare costs of \$16,700,000**
  - ii. The government fund the full cost of child welfare services and address the growing gap between funding and need by providing an adjustment to fully address inflation.**
  - iii. The government provide funding to meet the need for increased child protection services as the need is demonstrated**
  - iv. The government introduce legislation to protect Board members from personal financial liability**
- 2. Ensuring funding is adequate and creates incentives for better service models**

The 2005 child welfare policy directions required CASs to implement a comprehensive series changes in services. This shift included new service categories (kinship, legal custody), and a plan to allow CASs to reinvest funding from more expensive and intrusive services to options which would provide better outcomes for children. Unfortunately the funding model was never updated to allow the reinvestment. This concern applies to kinship service, kinship care, adoption supports and legal custody. Multi-year funding and investments in research and provincial management information systems were also part of the approved and announced plan. These crucial underpinnings do not exist, yet CASs are expected to perform as if they are.

**RECOMMENDATIONS:**

- i. **The government recommit to a funding model that provides volume sensitive funding for all statutory services, including incentives for positive and low cost service options.**
- ii. **The promised allowances for kinship service cases should be enacted, as well as subsidies for adoption and legal custody – costs that would be less than the status quo of allowing these children to be in care until 18 with no prospect of a legal family.**

**3. Providing a specific funding model for Aboriginal CASs**

The government's internal review "2003 Child Welfare Reform Evaluation"<sup>28</sup>, the third party review of northern Aboriginal CASs<sup>29</sup> and the report of the Federal Auditor General in 2008<sup>30</sup>, as well as numerous other reports cite inadequate funding for Aboriginal children as a serious issue. No action has been taken to address their recommendations.

Ontario's Aboriginal children and families are trapped in a federal-provincial debate about funding.

The 1965 Indian Welfare Agreement between the Government of Canada and First Nations communities sets out what services are eligible for federal funding. The agreement covers specified social services (including child welfare services) and makes a commitment that these services will be funded for eligible Aboriginal people. The agreement also states that services to Aboriginal people should be provided and funded at a level which would make them comparable to the services to be provided to non-Aboriginal people.

The process for payment involves the Ontario government setting the budget, monitoring the program, submitting the claim to the Government of Canada, and receiving 93% of the funds spent. While this appears to be a straightforward commitment it is complicated by the fact that the Government of Ontario prescribes the funding model for Aboriginal CASs – a model that does not fit.

As noted in many reports, the Ontario model is not sensitive to factors such as lack of services in urban and northern communities, cost of living, and cost of providing services in fly-in communities. Aboriginal CASs have repeatedly reported that they cannot provide the type of service needed nor can they meet the child protection standards<sup>31</sup> set by Ontario. This issue was confirmed by the Federal Auditor General in her 2008 report.

Ontario officials take the position that **federal funding cannot be obtained** to meet the needs. Indian and Native Affairs Canada (INAC) says that it does reimburse "actual costs associated with maintaining a child in care" at almost 93 cents on the dollar as per the 1965 Indian Welfare Agreement. The major issue is that Aboriginal CASs in Ontario are forced to use a funding model that does not meet their needs.

The Federal promise of "appropriate, comparable and adequate services" is impossible with existing Ontario funding model. The problem is not limited to remote and fly-in communities. In urban

<sup>28</sup> Child Welfare Program Evaluation Ministry of Children's Services 2003.

<sup>29</sup> Northern Remoteness Study and Analysis of Child Welfare Funding Implications on two First Nations Agencies – Tikinagan and Payukotayno: James Bay and Hudson Bay Family Services. December 2006, Barnes Management Group.

<sup>30</sup> Report of the Auditor General of Canada to the House of Commons May 2008. Chapter 4, First Nations Child and Family Services Programs, Indian and Northern Affairs Canada.

<sup>31</sup> Many would further challenge that the standards and service models are not culturally sensitive.

settings Aboriginal people do not have the support of communities, they do not benefit from INAC resources and their needs are not addressed by mainstream service systems.

For the 4<sup>th</sup> year in a row, OACAS advocates:

- o that the Federal government meet its obligations to fund services for Aboriginal people, as set out in Treaties and in legal agreements;
- o that Ontario must take the responsibility for providing a funding model for Aboriginal CASs that is designed to meet their needs.

**RECOMMENDATION:**

**The Government of Ontario consult with Aboriginal CASs and introduce a funding model which ensures that children in First Nations northern and remote communities and in urban centres can have the same child welfare services as those in mainstream society.**

**4. Providing the necessary funding to meet requirements under the French Language Services Act**

OACAS repeats the request of prior years. Seven CASs provide service in regions designated by Cabinet, through regulation, as providers of services in French. While offering services in Canada's two official languages is a requirement of the law<sup>32</sup>, CASs in designated Francophone communities continue to face numerous challenges in delivering services to their clients due to inadequate funding.

Providing services in both languages entails higher costs in areas such as employee recruitment and retention, training, communications and public relations, translation and documentation. Specialized services or residential placements for Francophone clients are limited.

**RECOMMENDATION:**

**MCYS support a third party study of the costs of providing service in both mandatory official languages and provide funding for these services.**

**5. Supporting Youth and Adoptive Families**

***a) Youth Transitioning to Adulthood***

There are over 9,200 Crown wards in Ontario. On their eighteenth birthday these young people are without legal parents, but may remain involved with their CASs and receive financial support and some counseling. At present, there are over 2,400 youth who have "aged out" of care. An additional 1,400 are 17 years old and are already living on their own – consistent with the "transition" plan and because the system in Ontario **does not permit youth over the age of 17 to remain in family based foster care.**

Clearly 17 years of age is too young to leave home, and in the general population the average age of leaving home (for the last time) is 27 years. For children and youth in CAS care, the push to leave home at 17 is more devastating as many have suffered tragedy and loss, are behind their peers

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<sup>32</sup> The Child and Family Services Act, S.2 (1); The 1986 French Language Services Act.

academically and emotionally and are the least likely candidates for successful independence at this young age.

Only 42% of these youth 19 and 20 years of age appear to be successful in completing high school<sup>33</sup>. In contrast, the provincial high school graduation rate was 75% in 2006/07. A small minority are able to take advantage of post-secondary supports. It is no wonder that these youth fare so poorly academically. Because of government policies they are forced to move out of family settings at the age of 17, and establish themselves as independent adults. Many drop out of school at 18 or leave school early to take minimum wage jobs in order to survive.

Supports diminish further once youth move out of care. Former Crown wards aged 21 to 25 typically do not have access to health and dental plans and many are unable to afford expensive psychotropic medications they require. The withdrawal of services, emotional and behavioral counseling and medication all contribute to the lack of ability to cope. There is much research to link “leaving care” to homelessness<sup>34</sup> finding that living on the street is an “involuntary option”, one that that many youth formerly in foster care are driven to. Many of these youth eventually migrate to welfare and long-term disability programs (such as Ontario Disability Support Program) as the only means to receive the medication and treatment they need.

The December 2008 Breaking the Cycle report announced \$19M for youth who are Crown Wards. To date no announcements about this fund have been made. This money could go a long way to providing a safety net for youth for whom homelessness or “family-lessness” is an involuntary option.

OACAS has submitted a proposal to government for extending health, dental and prescription drugs – as well as an EAP model (which would be administered by the insurance agency and would track outcomes). Quotes from major providers are in the range of \$2.5M to cover all CAS youth up to the age of 25 that would cover health, dental and prescription drugs as well as the EAP-type program.

The cost of allowing family based foster care vs. independent living would depend on the service model used. The per diem amount for CASs is the same regardless of the age, and youth to the age of 21 already benefit from health and dental coverage.

#### **RECOMMENDATIONS:**

- i. Traditional residential placement (foster, group, etc.) services be extended to youth aged 18 and over to allow them to finish their education.**
- ii. Medical and dental benefits be extended to youth until their 25<sup>th</sup> birthday.**
- iii. Youth up to the age of 25 be offered services similar to Employee Assistance Programs to smooth their transition to adulthood and invest in their future well-being.**

#### **b) Adoptions and other supports to help children have legal families**

As fundamental components of permanency planning, adoption, legal custody and kinship service are placements that ensure the best outcomes for the child. To encourage and maintain these

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<sup>33</sup> Gateway to Success: Educational Status of Crown Wards and Former Crown Wards aged 16 – 21. OACAS. 2008.

<sup>34</sup> The Yonge Street Mission and World Vision Canada (December 2009.) What Does the State of Homelessness Have to do with Foster Care?

placements, subsidies are frequently required. With proper support, such placements lead to considerable savings:

The provincial average **annual** cost for a child in care is approximately \$42,200<sup>35</sup> and this includes not only foster care, but also more costly group home placements. The Expert Panel on Infertility and Adoption recommended that adoptions be subsidized at the rate of 50 – 80% of the daily foster care rate.

While MCYS acknowledged the need for improved adoption subsidies in 2006, and set benchmarks for funding, there is no set rate for adoption support or for legal custody. The current funding allotment is based on level of adoption support two years ago, therefore if levels were low then, there will be negligible funding now. If adoption services have increased, funding is still locked in at old rates. The MCYS policy allows CASs to provide subsidies “within existing funding”. As a result, despite an additional 819 adoptions in 2008-09, the number of subsidized adoptions increased by just over 100. There is no available count for legal custody agreements; however it is known that the number is very low.

The report of the Expert Panel on Infertility and Adoption is unequivocal: more children would be adopted if there were subsidies, this would cost far less than the same child being raised in care. The same case can be made for legal custody and legal guardianship by kin families.

Agencies welcomed the Ministry’s intention to incorporate adoption subsidies into the funded child welfare funding model in 2008-09<sup>36</sup>, make them volume sensitive and recognize that adoptions are part of the core services of Children’s Aid Societies. However, more action is required to adequately fund this and other permanent custody arrangements.

## RECOMMENDATIONS:

- i. **Existing adoption, legal custody and kinship service subsidy agreements be grandfathered, as approved.**
- ii. **Adoption, legal custody and Kinship Service Subsidies be provided to enable more children to have permanent and legal families, and to reduce ongoing service requirements for CASs.**

## 6. Addressing gaps in other service systems that cause additional caseload pressures for CASs

Government has criticized CASs for providing services beyond the mandate. However many children, youth and young adults served by the child welfare field are there because they are awaiting or have been refused placement or services from other sectors. These clients include:

- o children with exceptional needs who stay in the system past the age of 18 due to lack of available services in the adult sector

<sup>35</sup> Calculation of Average Cost Per Child in Care (2007/08):

Boarding Costs		CIC Support Services		Residential Client Services	
TOT Cost All Paid Days	\$536,053,607	Tot Expenditures	\$113,695,113	Tot Expenditures	\$69,537,689
TOT Paid Days	6,108,816	Avg CIC	18,172	Avg CIC	18,172
Avg Cost per child	\$32,117	Avg Cost per child	\$6,257	Avg Cost per child	\$3,827
<b>Tot Avg Cost per child</b>	<b>\$42,200</b>				

<sup>36</sup> This requires moving this service from a “block” which is funded on a limited basis, to the “block” where CASs can be assured that they have funding based on volume of service.

- o children who enter child welfare due to shortage of placement options or services in other sectors (e.g. Developmental Services, Children's Mental Health and Youth Justice).

Included in both categories are young adults who do not meet the current restrictive eligibility criteria for adult services (i.e. measured intellectual functioning of approximately 70 or below) and, therefore, are put at risk of a marginalized existence without the supports they require. These youth are referred to as "transitional aged youth" (TAY).

In April 2008, thirty-two CASs responded to a survey which reported costs in fiscal 2007/08 in the range of **\$17,650,171**. Had all 53 agencies participated in the survey, these costs would be higher.

This is not a new issue, and has been raised since the mid 1990s. There is great disparity in the approach by Regional Offices to fund services for these youth, some fund funding TAY children from non-child welfare funds, while others fund on a one-off basis based on funding availability.

Aside from this specific service gap, CASs take on many cases because the community based services were not there to address problems, and those family issues grow to the point of impacting child safety. As noted earlier, major reasons for referral are domestic violence, alcohol and drug use, severe mental health problems and poverty. Clearly a comprehensive range of services is needed, and funding for these services must be adequate to meet child, family and community need.

**RECOMMENDATION:**

**A consistent approach be established for funding all children/youth/adults awaiting placement or services in other sectors and that these services be funded from non-child welfare dollars.**

**7. Reducing unnecessary and unproductive paperwork, as well as policies which cause direct increased costs for CASs**

CASs are strongly supportive of effective accountability frameworks.

In the past decade, the government has made many changes to child welfare services and added many additional reporting and audit requirements – many of which have been layered on old accountability systems. While some of the requirements serve to improve safety of children, many are duplicative and even contradictory. The type of information, the level of detail, the frequency of reporting and the multiple compliance mechanisms do nothing to improve service. In fact, the additional paperwork results in far less clinical and professional time spent with children and their families. The current situation is untenable, leaving children and families underserved, caseworkers stressed and the agencies and government in positions of liability because of their inability to meet standards. Very little of the data collected is used to help manage the system.

In order to sustain this level of monitoring and reporting, child welfare researchers<sup>37</sup> estimate that caseloads would need to be reduced by 33%, which would translate into either more staff, or a significant reduction in administrative tasks, reporting and major service redesign.

In the opinion of OACAS and its member societies, the answer to managing the system better with limited funding is to cut red tape and eliminate unnecessary and unproductive reporting

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<sup>37</sup> Staffing Benchmarks Project Report, T.L. West & Associates Inc. November 2006.

requirements and tasks that do not add value to protecting children. CASs recommend that no new reporting requirements be introduced without first streamlining the current systems.

**RECOMMENDATION:**

**The government reduce the unnecessary and unproductive CAS paperwork, and cease adding any new reporting requirements without first streamlining the existing system.**

**8. Investing in Provincial Infrastructure – such as information technology and capital funding**

**a) *Single information system***

Since 1990s, the need for a comprehensive single information system (SIS) for all Children's Aid Societies (CASs) was identified in many studies, reports, audits, reviews and planning documents. These authoritative sources<sup>38</sup> recommend a comprehensive information system for all Children's Aid Societies.

In 2004, OACAS, with funding from the Ministry of Finance, Strengthening our Partnerships, began work on a pilot for a provincial information system. As a proof of concept, the purpose of the SIS Pilot Project was to test the viability of replacing the seven different information systems in use across the province. The pilot test of the SIS informed the Ministry's business case for moving forward with a full rollout. By 2007-08 SIS was operating in three pilot sites in Ontario. An evaluation of the SIS and FIS was completed, providing a rationale for moving towards full rollout of the system throughout Ontario.

The SIS Pilot Project officially ended on October 31, 2008. At that time, the Ministry of Children and Youth Services I&IT Cluster took over day-to-day management of completion of the work and support of the pilot sites until a decision is made by the Ministry concerning full rollout. A full business case has been prepared by MCYS for the 2010/11 funding cycle. Because of in-year reductions to CAS budgets, two of the three CASs are withdrawing support for the pilot.

**RECOMMENDATION:**

**The government move forward with SIS, support the pilot sites and fund the full implementation of the system across all Children's Aid Societies in Ontario.**

**b) *Capital funding***

The Child Welfare Sector has limited access to capital funding compared to other sectors such as Municipalities, Health and Education. Additionally, if funding is available, there is generally little notice and insufficient time to follow due process (e.g. Ministry's Procurement Directive and supplier lead times).

Many agencies had to build during a time when CASs had no access to major capital funds, and they now carry substantial mortgage debt which drains their operating resources.

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<sup>38</sup> Provincial Auditor, 2000, 2002, 2006; Child Mortality Task Force Report, 1997; Coroner's inquests, 1997-98.

**RECOMMENDATION:**

**Children's Aid Societies be granted fair access to provincial capital dollars. An equitable formula should be developed to ensure the child welfare sector receives a reasonable share of available provincial capital funds that are consistently distributed among agencies.**

## **VIII. FUTURE BUDGET REQUIREMENTS**

Rather than make a specific request for funding, OACAS requests that the government respect that CASs will have the same challenges in predicting forecasts as the government has in predicting revenue and spending.

Experience from past economic downturns shows:

- job loss, unemployment, and welfare rates have a direct impact on child protection referrals.
- when community do not have resources they need, the CAS is often the “only game in town” and this creates additional demands on their services
- when a family cannot pay the rent, buy food or pay their hydro bill, child neglect becomes a threat. Child neglect is the #1 reason for CAS involvement.

In 2009-10 CASs are saying that they are beginning to see service level increases. With increases to social assistance rolls the demand on CASs is expected to continue to rise.

Children’s Aid Societies cannot precisely estimate the need for resources into 2010-11. The funding cut and the shortfall of 2009-10, totaling \$65M, has had a detrimental impact on service, and should be reinstated. As of the end of fiscal year 2008-09, CASs reported increases of 3% for child protection referrals and 2% for investigations. While these increases appear to be modest, they reflect the growth in caseloads **before the full impact of the economic downturn**. Research<sup>39</sup> clearly indicates that child protection growth lags behind unemployment and social assistance increases. There is no doubt that CAS caseloads for referrals and investigations will rise in 2009-11.

In addition, CASs ask that the government commit to providing the necessary funding to ensure both resources and flexibility will be available to enable them to respond quickly to new demands from children, youth and families during these uncertain times.

## **IX. CONCLUSION**

Ontario Association of Children’s Aid Societies thanks the Standing Committee on Finance and Economic Affairs for the opportunity to present on behalf of Children’s Aid Societies, and the families, children and youth served by child welfare agencies across Ontario.

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<sup>39</sup> The Association of Poverty and Child Welfare Services with Clinical Family Outcomes , Alan W. Leschied, PhD, Paul C. Whitehead, PhD, C. Dermot Hurley, M.S.W. and Debbie Chiodo, M.A. The University of Western Ontario 2003.

2010-2011 brings continued economic uncertainty for all Ontarians. During these difficult times it is essential to protect children who are at risk of neglect and abuse.

Children's Aid Societies ask that government continue to transform child welfare services so that the safest and least intrusive services possible for children and families can be provided. We ask that the needs of the most vulnerable be protected, especially those who have not traditionally been well served, such as First Nations children, Francophone children and our youth in care.

OACAS asks that government make the necessary investments so that all children can have permanent families - kinship, adoption and legal custody – this can save hundreds of thousands of dollars per child over their lifetime.

It is time for the government to take its own advice – reduce red tape and let CASs focus the time of professional social workers on the clinical management of their high risk cases. The reporting requirements are so excessive that they cannot be met. This has created untenable liability for Children's Aid Societies and government as it is impossible for CASs to meet these standards.

Many experts have offered advice. Rationalization, streamlining standards investment in infrastructure, creating incentives in funding and policy to do the right thing for children – all will help improve the quality and value of services. Moreover, government must to be flexible and approachable so that if service levels increase, which is likely in the current economy, the needed resources will be there to protect Ontario's children.

## X. Summary of Recommendations

OACAS, on behalf of its members, asks that government:

- 1. Provide the funding needed to protect children, and support Boards to do their work**
  - The government fund prior year child welfare costs of \$16,700,000
  - The government fund the full cost of child welfare services and address the growing gap between funding and need by providing an adjustment to fully address inflation.
  - The government provide funding to meet the need for increased child protection services as the need is demonstrated;
  - The government introduce legislation to protect Board members from personal financial liability.
  
- 2. Ensure funding is adequate and creates incentives for better service models**
  - The government recommit to a funding model that provides volume sensitive funding for all statutory services, including incentives for positive and low cost service options;
  - The promised allowances of kinship service cases should be enacted, as well as subsidies for adoption and legal custody – costs which would be less than the status quo of allowing these children to be in care until 18 with no prospect of a legal family.
  
- 3. Provide a specific funding model for all designated Aboriginal CASs**
  - The Government of Ontario consult with Aboriginal CASs and introduce a funding model which ensures that children in First Nations, northern and remote communities, and in urban centres can have the same child welfare services as those in mainstream society.
  
- 4. Ensure CASs have the capacity to serve, in compliance with French Language Services Act**
  - MCYS support a third party study of the costs of providing service in both mandatory official languages and provide funding for these services.
  
- 5. Support Youth and Adoptive Families**
  - Traditional residential placement (foster, group, etc.) services be extended to youth ages 18 and over to allow them to finish their education;
  - Medical and dental benefits be extended to youth until their 25<sup>th</sup> birthday;
  - Youth up to the age of 25 be offered services similar to Employee Assistance Programs to smooth their transition to adulthood;
  - Existing adoption, legal custody and kinship service subsidy agreements be grandfathered, as approved;
  - Adoption, legal custody and Kinship Services Subsidies be provided to enable more children to have permanent and legal families, and to reduce ongoing service requirements for CASs.
  
- 6. Address gaps in other service systems which cause additional caseload pressures for CASs**
  - A consistent approach be established for funding for all children/youth/adults awaiting placement or services in other sector and that these services be funded from non-child welfare dollars.
  
- 7. Reduce unnecessary and unproductive paperwork, as well as policies which increase costs**
  - The government reduce the unnecessary and unproductive CAS paperwork and cease adding any new reporting requirements without first streamlining the existing system.
  
- 8. Invest in Provincial Infrastructure such as information technology and capital**
  - The government move forward with SIS, support the pilot sites and full roll-out of the system across all Children's Aid Societies in Ontario.
  - Children's Aid Societies be granted fair access to provincial capital dollars. An equitable formula should be developed to ensure the child welfare sector receives a reasonable share of available provincial capital funds that are consistently distributed among agencies.

## Sources

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2008 Federal Auditor General Report on INAC and Child Welfare  
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Looking After Children In Ontario: Good Parenting, Good Outcomes Ontario Provincial Report (Year Seven) October 2009  
OACAS Reports:

- \* Gateway to Success – Educational attainment of children in care 2007
- \* Child Welfare Backgrounder – December 2009
- \* Section 14 Survey
- \* Staffing Benchmarks Project Report 2008
- \* Children in Care April 1, 2008 – March 31, 2009
- \* CAS FACTS April 1, 2008 – March 31, 2009

**APPENDIX 1: MCYS Directives issued since February 2006**

<b>DATE OF ISSUE</b>	<b>DIRECTIVE</b>	<b>EFFECTIVE</b>
February 6, 2006	Out of Care Kin Placement	February 6, 2006*
March 28, 2006	Child Death Reporting and Review	March 31, 2006
August 21, 2006	SAFE	December 4, 2006
August 21, 2006	PRIDE	April 2, 2007
August 21, 2006	OnLAC	December 3, 2007
November 30, 2006	Alternative Dispute Resolution	November 30, 2006*
November 30, 2006	New Client Complaint and Review Procedure	November 30, 2006*
November 30, 2006	Kinship Service Standards	December 31, 2006
November 30, 2006	Consultation with Aboriginal Representations	November 30, 2006*
November 30, 2006	Family Law Court Rules	December 1, 2006
November 30, 2006	Differential Response and Standards	April 1, 2007
January 8, 2007	Children's and Youth Group and Foster Residential Licensing – Implementation of Bill 210	November 30, 2006*
January 26, 2007	Ontario Permanency Funding Policy Guidelines	February 6, 2007
February 1, 2007	Travel, Meal and Hospitality Expenses	April 1, 2007
February 19, 2007	Registered Education Savings Plans for Children in Care (RESP's)	April 15, 2008
April 1, 2007	Auditor General Review and Report	2007/08 fiscal year
June 13, 2007	Fleet Management and Use of Other Road Transportation	September 1, 2007
August 31, 2007	Transfer Payment Accountability	April 1, 2008
October 22, 2007	Procurement of Goods, Services and Consulting Services and Use of Society Credit and P-Cards	December 3, 2007
June 3, 2008	Access to Adoption Records Act 2007 (Phase 1)	September 1, 2007
June 3, 2008	Access to Adoption Records Act 2007 (Phase 2)	September 1, 2007
June 20, 2008	Enhanced Serious Occurrence Reporting	July 31, 2008
August 1, 2008	Licensed Residential Setting Policy Requirements: Food & Nutrition, Food & Nutrition Group Care, Food & Nutrition Foster Care, Cultural Competency, Policy Records Check, Guidelines for Assessing Competency and Past Conduct of New Applicants	November 1, 2008
August 20, 2008	Transfer Protocol of Child Protection Cases Between Societies (CAST, CCAS, JF&CS, NCFST)	August 22, 2008
October 29, 2008	Ontario Child Benefit (OCBe)	November 14, 2008
February 27, 2009	French Language Services Implementation Plan	December 31, 2009
October 1, 2009	Financial Literacy Directive	September 30, 2009*

\*Some directives were effective on or before the date issued.