



## **Pre-Budget Consultation**

Submission to the Standing Committee on  
Finance and Economic Affairs

December 2008

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## EXECUTIVE SUMMARY

Children's Aid Societies (CASs) have the exclusive mandate to perform legislated functions related to protecting children from abuse and neglect. The legislation, regulations, directives and standards prescribe specific and detailed requirements regarding what CASs must provide to children and families, how they must provide these services, and the timelines in which these critical and mandatory services must be provided.

Ontario Association of Children's Aid Societies (OACAS) recognizes the magnitude of the global economic crisis and the impact it is already beginning to have on Ontario's families and children. As front-line service providers whose mandate is to protect children from abuse and neglect, Children's Aid Societies know first-hand the impact of economic uncertainty, plant closures, job loss and family stress has on the wellbeing of children and youth. Job loss, unemployment, social assistance and poverty are linked to increased rates of child abuse and neglect. OACAS applauds the government's initiative to break the cycle of poverty, and commends it for the special attention afforded to Crown wards. Children's Aid Societies respect the government's need to prudently manage during tough economic times, but this must be balanced with protecting those most vulnerable – infants, children, youth and families under stress.

Children's Aid Societies work hard to effectively manage the complex systems of service, while helping to build capacity in their communities. The child welfare field is in the midst of a major transformation and is beginning to see these benefits. Fewer children are being admitted to care. More are staying with extended family members. More resources are being dedicated towards keeping children out of care and in family-based settings, and less on expensive, residential care.

These service changes have been accompanied by a significant increase in administrative requirements, as illustrated by the 18 new directives and 200 service tasks added in less than two years. This demand, on top of major service system redesign, is compromising Children's Aid Societies ability to manage effectively and to deliver services to children and families. Many agencies are also struggling financially, with delayed funding allocations, deferred approvals, mid-year changes to funding rules and formulas, and partial or no funding for mandatory service categories. Some are concerned about their ability to pay staff and foster parents into the coming months.

Children's Aid Societies are committed to protecting children and youth. They fully support the Transformation Agenda and ask the government to recommit to this important shift in philosophy and continue the investment in better services models, including kin, family-based care (kin, customary care), and adoption. They need assurance that resources will be provided to meet statutory requirements for services for First Nations and Francophone children and families.

As the need to be efficient and effective is even more critical, OACAS asks that the government sustain current, and build new, infrastructure including the provincial information system, to help manage the 53 separate Children's Aid Societies, as a system, and to invest in capital, where needed.

Children's Aid Societies embrace the very difficult role they play in Ontario society. They want to work with government to find solutions that balance the need to ensure that protection of children remains paramount. For the coming year, Children's Aid Societies need to have assurance of access to funds, where needed, and the commitment of government support to eliminate the many layers of red tape that does not protect children.

## 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 the Province of 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."*

For almost one hundred years, 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 our information, analysis and research will be useful to the government, as it develops the Child Welfare budget for 2009/10.

OACAS acknowledges the government's progress in support of children and families, including its commitment to addressing poverty, improvements to the education system, investment in the Ontario Child Benefit, recognition of the special educational support needed by many Crown Wards, expansion of child nutrition programs, and additional funding for children's mental health services. These improvements will make a difference to the lives of children and families.

## II. Child Welfare Mandate

Children's Aid Societies provide mandatory and essential services. They are legislated to exclusively perform certain functions under the provisions of Section 15 of the *Child and Family Services Act (CFSA)*. 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 French language services, and the timelines in which mandatory services must be provided.

Children's Aid Societies 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. Children's Aid Societies are mandated to intervene if the caregiver cannot adequately care for or provide for the child. The role of the Children's Aid Societies in investigation and placement of children is more familiar to the public. What is less evident is the role Children's Aid Societies play in "protection" which more frequently takes the form of supervision of children and support of the family.

### III Current Context

OACAS recognizes the magnitude of the global economic crisis and the impact it will have on Ontario, its families and children. As front-line service providers whose mandate is to protect children from abuse and neglect, our member agencies know, first-hand, the impact of economic uncertainty, plant closures, job loss and family stress on the wellbeing of children and youth.

Child and family poverty is increasing, with recent reports naming the Greater Toronto Area as “the capital of child poverty in Ontario,” with more than one in four children living in poverty in Toronto.<sup>1</sup> In fact, the incidence of poverty has consistently increased across Ontario over the past twenty years<sup>2</sup>, based on data which pre-dates the current economic crisis. It is clear that the situation has not “bottomed out” and rates of unemployment, poverty and reliance on social assistance will increase over the next year.

The Committee may ask: What does poverty or unemployment have to do with child protection? While poverty, on its own, does not result in child abuse and neglect, research<sup>3 4</sup> clearly demonstrates a link between poverty and child abuse, mental health issues and woman abuse. Some areas of the province, such as Timmins and Algoma, have already experienced economic distress with the permanent closure of mills and mines in single industry towns more than five years ago. Those affected by this economic downturn experienced job loss, expiry of Employment Insurance benefits and finally, frustration with applying for and/or receiving welfare. The Children’s Aid Societies in these areas report that child protection caseloads increased up to 45% within six to twelve months after the jobs were lost. Other community partners are echoing these concerns.

Children’s Aid Societies in Windsor and Durham are already experiencing increases in referrals. Many other areas of the province are indicating that major employers are announcing layoffs and closures. In fact, Windsor CAS has experienced a 13% increase in child protection cases since last year. As unemployment rises and additional job losses are announced, Windsor CAS anticipates this trend will continue.

Children’s Aid Societies appreciate the challenges faced by the Government and the Finance Minister in balancing issues, requests and priorities at this difficult time. Children’s Aid Societies are committed to working with the government to find solutions to address critical service needs and manage precious resources. Based on experience in serving families and children during economic crises, the child welfare system anticipates a significant increase in demand for statutory services. Hence, the child welfare field is

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<sup>1</sup> Greater Trouble in Greater Toronto: Child Poverty in the GTA, Children’s Aid Society of Toronto December 2, 2008

<sup>2</sup> Source: Statistics Canada: Income Trends in Canada, 1976-2006. Survey of Labour & Income Dynamics, special run.

<sup>3</sup> The Association of Poverty and Child Welfare Services with Clinical Family Outcomes , Alan W. Leschied, PhD, Paul C. Whitehead, Ph.C. Dermot Hurley, M.S.W. and Debbie Chiodo, M.A. The University of Western Ontario 2003

<sup>4</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

concerned that general constraint approaches will seriously compromise the safety of children. The child welfare field is committed to work with 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. Some proposals have already been put forward (see below) and the OACAS membership believes that the transformation process has begun and will continue to produce mid-range and longer term solutions.

#### **IV. OACAS on Record**

Through the years, OACAS has consistently advocated for children and families. Although some gains have been made, the field of child welfare is still in the midst of a very significant multi-year transformation agenda. OACAS requests that the government recommit to the concepts and principles of transformation in order to achieve the long-term benefits for children and families.

OACAS has recently provided advice to the government on the Poverty Reduction Strategy (Appendix A). These recommendations illustrate that Children's Aid Societies know that strong families and strong communities are needed to raise children. The responses focused on the broader social safety net and stressed the importance of:

- Eliminating disincentives and claw-backs on government income support programs, employment incentives, grants and loans;
- Continuing to invest in community prevention and intervention programs ;
- Acting as a good and responsible parent for children in care;
- Advocating for the needs of First Nations communities;
- Ensuring adequacy of a range of services, including high quality education, mental health, health, dental, pre-natal, early childhood programs, youth justice services and supports to new immigrants.

At the request of the government and/or member Children's Aid Societies, the OACAS has also made other submissions related to:

- Advice on the Child Welfare Funding Model – September 2008;
- Northern Remoteness Funding – resubmitted in October 2008;
- French Language Services – September 2008 (included in Funding Model Advice);
- Youth transitioning to adulthood – YouthCAN Recommendations June 2006, 2007 and 2008;
- Expert Panel on Infertility and Adoption – October and November 2008;
- Correspondence related to excessive administrative directives for government initiatives;
- Response to issues of funding for First Nations as noted in Federal Auditor General report on INAC – Requests to Ministry of Aboriginal Affairs March 2008 and September 2008;
- Response to the Ontario Auditor General: Progress Report on 2006 Audit findings;
- Support for implementation of a provincial information system – Business Case September 2008.

The ideas, suggestions and recommendations in these submissions call for the government to meet statutory obligations and to provide incentives and flexibility to improve the quality of service delivered in more efficient ways.

These reports can be provided to members of the Standing Committee upon request.

## V. CAS Facts

### CASs by the numbers<sup>5</sup>:

In the year 2007-2008, Ontario's CASs:

- completed 77,089 investigations related to abuse and neglect;
- managed 24,955 open protection cases, where children were identified at risk, but living in their family homes;
- provided substitute care to 27,816 children during the 12 month period includes long-term and short-term in care placements;
- provided 6,679,819 days in substitute care during the 12 month period;
- completed 822 adoptions;
- employed 8,277 staff.

Of the children in care, over 9,250<sup>6</sup> were Crown Wards, or permanent wards of the state. Many of these children have significant and complex needs. According to the 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>7</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).

These children 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.

### Growth of the Child Welfare System

Since the late 1990's the costs of child protection services have increased significantly. There are a number of reasons for this change, rooted in **Child Welfare Reform** (1997-2000 government response to the Child Mortality Task Force) and the systemic inquests into the deaths of children receiving protective services. The most significant were changes in legislation to the definition of "child in need of protection." **Increases in caseloads and costs were anticipated**, as the intent was to increase reporting of child abuse and neglect and to include children who may have been at risk but may not have been brought to a Children's Aid Society before, including:

- Children at risk of physical abuse, emotional abuse, sexual abuse and neglect;
- Emotional abuse considered as a child protection concern;
- Increased requirements for public and professional reporting of child abuse and neglect;
- Inclusion of sanctions for not reporting .

<sup>5</sup> Ontario Association of Children's Aid Societies CAS Facts: April 1, 2007 – March 31, 2008, produced August 2008

<sup>6</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

<sup>7</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.

Since 2004, the number of children in the care of Children's Aid Societies has declined. It is notable that the overall costs of the entire system have not. There are a number of reasons for this, including:

- Increased **staffing** costs:
  - In response to the direction to hire more staff to meet caseload demands, and the direction to ensure that staff are qualified and trained ; and
  - To address negotiated settlements with unions, so that child welfare kept pace with other broader public sectors.
  
- Increased mandatory **service and administrative requirements, policies, directives, regulations and standards** related to services. For example:
  - Compliance and reporting of over 12 new standards, 18 directives and 200 new sub-standards or reporting requirements since 2006, including but not limited to:
    - Kinship care placement (regulations and standards);
    - Child death reporting ;
    - SAFE, PRIDE and OnLAC (screening, home studies, training for foster/adoptive homes, case planning and reporting for children in care);
    - Alternative Dispute Resolution;
    - New client complaints process ;
    - Foster and group home licensing;
    - Permanency planning;
    - Travel, meal and hospitality expenses;
    - Child Protection Tools – Differential Response Model;
    - RESPs for children in care;
    - Fleet management;
    - Transfer Payment Accountability;
    - Procurement of Goods, Services;
    - Access to Adoption Records;
    - Enhanced Serious Occurrence reporting;
    - Licensed residential setting policy requirements (nutrition, police records checks, cultural and parenting competency;
    - Case transfer protocols;
    - Ontario Child Benefit (OCBe).
  
  - Administration of a child-specific **Registered Education Savings Plan**, for which the administrative costs far exceed \$1M<sup>8</sup>;
  
  - Participation in the new client complaints process, which introduced an entitlement to clients to have their concerns heard by the **Child and Family Services Review Board**. While this empowers clients, Children's Aid Societies are now required to have legal and program staff participate; a single hearing may cost \$25,000. There have been over 90 completed hearings since the beginning of 2007.
  
  - Reporting and provision of client records under the **Adoption Information Disclosure**, which requires CASs to provide records to adoptees and families with no additional resources.

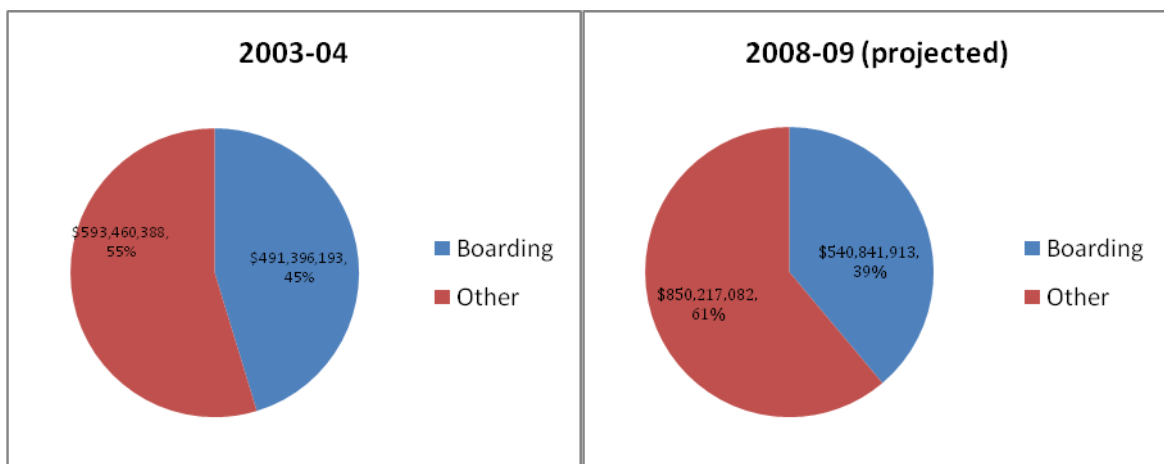
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<sup>8</sup> 29 CASs participated in a survey on the impact of the RESP program and reported a cumulative impact of 20.55 FTEs and a cost of \$1.16M for the start-up year maturing to 12 FTEs and \$0.674M ongoing.

**Successful Strategies In Moving Forward**

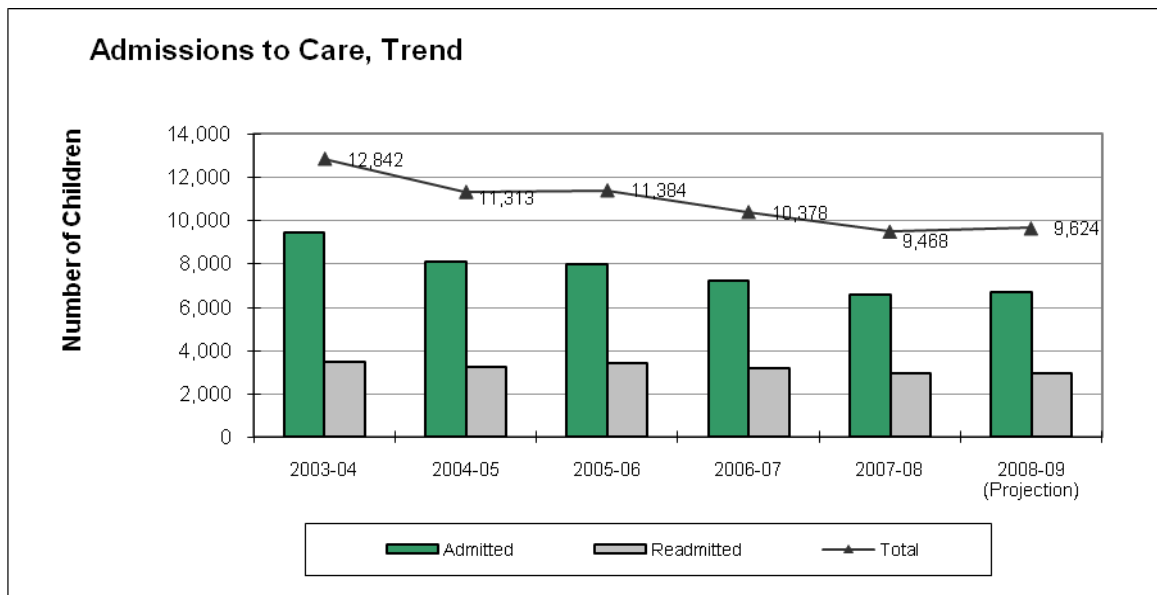
Fundamental to the Transformation Agenda (2005-07) was the concept that, as the child welfare service system redesign took effect, increased time should be spent with families and community partners at the front end of service to build on strengths that already exist in the family system. OACAS continues to strongly support this direction. Under the Transformation Agenda, **it was anticipated and desired that, over time, fewer children would be taken into care** and more would stay with their families. Research did indicate that additional supports were needed to help kin families. These cases are often complex, multi-generational, involve one or more adults who have limited or impaired parenting capacity, and require agreements about how the extended family will interact after the custody of the child has been transferred from one adult to another. Risk is an inherent factor in these cases. As a result, the level of support, monitoring and regulatory rigor is significant. It is now mandatory to seriously explore options for kinship service, however these cases are not included in the funding model.

The shift to kinship and non-residential services was expected to change the cost profile of Child Welfare from a nearly equal split of boarding costs and other costs, to one that was more heavily weighted on staffing and other costs, and less reliant on boarding. The chart below shows that in 2003/04, 45% of CAS expenditures were in boarding costs. By 2008/09, this picture has changed substantially. The forecast for this fiscal year shows a 61% to 39% breakdown of costs.

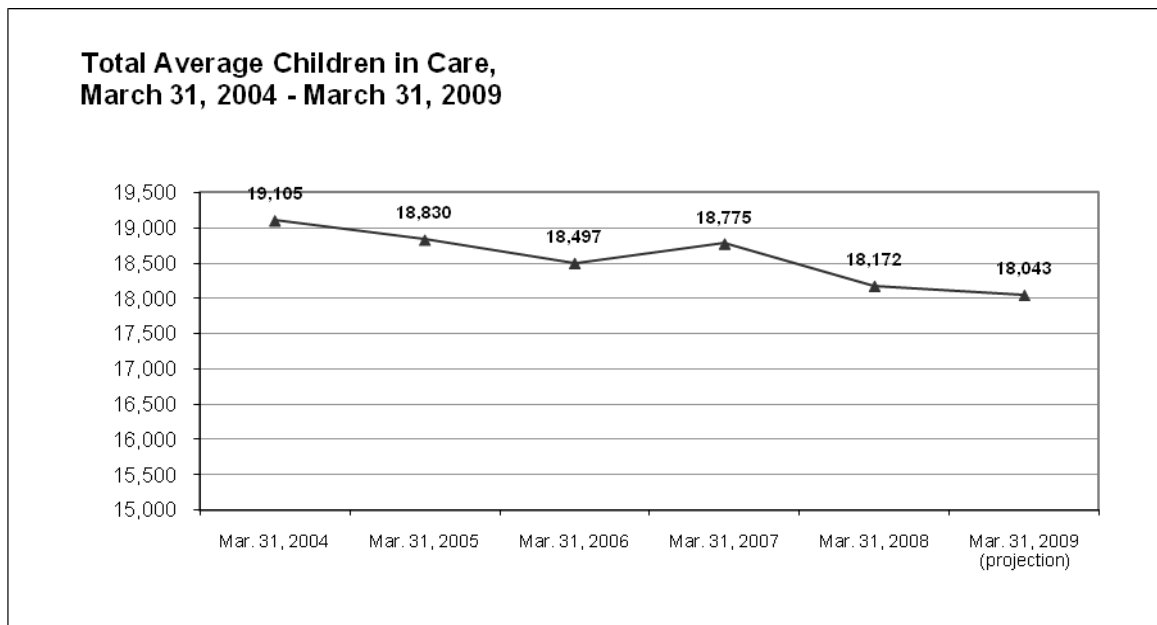


Recently, the question has been asked regarding why the volumes in child welfare are flat or declining while the staffing levels continue to rise. This is exactly what was expected in transformation; more staff time and effort at keeping families together with fewer children in care. Consistent with the Transformation Agenda, less children have been coming into care, as the graph below illustrates. Projections for this year are showing a modest increase. This is anticipated, as the effect of the recession begins to put more stressors on family units.

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The total number of children in care is forecast to fall slightly, in spite of the increase in admissions. This relates to the age “bubble” of children that are aging out of the system.



### Sustainability

The child welfare system is struggling to maintain services, manage change and control costs. The system continues to face pressures beyond its control, such as anticipated future service and administrative demands:

- Bill 133, Family Statute Law Amendment Act, if passed as drafted, will require Children’s Aid Societies to conduct extensive manual historical records checks for all non-parental cases coming before Family Court for custody and access hearings. The current premise is the applicant will self disclose prior Children’s Aid Society involvement. At present, MCYS prohibits Children’s Aid Societies from accessing an existing information system, Fast-Track, to extract the required information. As such, this may require manual searches in multi-family and multi-generational files.

- Policy changes to Ontario Works (OW) Temporary Care Allowance (TCA) which will provide financial, medial, vision and dental supports for children only if they are active Kinship Service cases in Children's Aid Societies. At present, there are approximately 5,000 children in receipt of OW TCA<sup>9</sup>. Many of these cases are not connected to Children's Aid Societies, nor should they be if there are no child protection concerns. However, with the OW changes, the families caring for these children will be required to opt in to a more intrusive and expensive service in order to continue to receive benefits.
- Shortage of other services which are critical to supporting families and children. For example, cut backs on waiting lists in mental health services for children and adults<sup>10</sup>.

While there is a recognized need for clear accountability and review mechanisms for Children's Aid Societies, the current regulatory burden has far surpassed reasonable levels and is now negatively impacting service delivery. Additionally, agencies are expected to increase their capacity to monitor for quality assurance. A recent study in the South East Zone of Ontario indicates that a front-line social worker is now spending 3 hours of time in the office for each one that is spent with a client. **There is a dire need for a business process redesign that will balance the need for accountability with high quality service delivery. Increased outcome improvement and reduced administrative costs could be realized with a considered, efficient, non-duplicated regulatory regime.**

## VI. Child Welfare Recommendations

This submission acknowledges the current economic climate. In that context, it highlights six key areas which address adequacy of funding and provide recommendations regarding how to change the funding model. Combined, these would provide increased flexibility, so as to more efficiently target funds to areas of need, remove disincentives for best investment, and redirect funds to the best service options, which, in some cases, are more efficient, as well as being more effective. These areas include:

- Ensuring capacity to meet legislative requirements;
- Re-committing to the Transformation Agenda;
- Strengthening Foster and Family-Based Care;
- Appropriately serving children, youth and adults awaiting placements in other sectors;
- Reducing costly administrative requirements which do not contribute to protecting children; and
- Investing in System-wide infrastructure to enable effective management of child welfare services.

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<sup>9</sup> Ontario Works estimates 5000 children in 4000 families. It is not known how many would approach CASs if OW funding was terminated.

<sup>10</sup> 2008 Annual report Office of Auditor General of Ontario

## Discussion:

### 1. Capacity to Meet Legislative Requirements

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

Some Children's Aid Societies are still carrying debt from **2005-06** and prior years in the amount of \$1,200,000.

Many Children's Aid Societies are carrying debt from **2006-07 in the amount of \$4,400,000.**

**In 2007-08**, Children's Aid Societies were left with a shortfall of **\$14,100,000**. As a result, 19 Children's Aid Societies took the unprecedented step of requesting Ministerial reviews, as allowed in the Child and Family Services Act regulations. These reviews were completed in September, 2008. During the weeks of December 1<sup>st</sup> and 8<sup>th</sup> 2008, MCYS began to respond to the reviews. In some cases, Children's Aid Societies received partial funding. In most cases, Children's Aid Societies received no additional resources, despite detailed submissions to demonstrate expenditures for mandatory services. As a result, the outstanding debt for 2007-08 is \$11,100,000.

A forecast for **2008/09** is very difficult to project at this time. Agencies know that economic downturns result in increased family stress, which results in an increase in referrals to Children's Aid Societies. At this time, the depth and severity of the economic situation is not known. Children's Aid Societies must have assurance that there will be funding flexibility to meet the potential significant needs.

The Ministry response to cases of Children's Aid Society capacity to meet statutory obligations has been inconsistent across the province. Some Ministry offices have asked Children's Aid Societies to extend their lines of credit to cover in-year pressures. In most cases, Children's Aid Society Boards have not supported this as a long-term approach for financing mandatory services.

#### RECOMMENDATION:

- i. **The government fund prior year child welfare costs of \$16,700,000.**
- ii. **The government provide the flexibility to meet the need for increased child protection services resulting from the economic crisis, should the need be demonstrated.**

#### b) *Recognize Kinship care and other newly created mandatory service models*

Fundamental to the objectives of Transformation was a shift of focus and costs from residential to non-residential services. This shift included a new service category – Kinship. Kinship has two categories:

- Kin Service, where the child has been identified as in need of protection, and is living with kin (often extended family). Children's Aid Society involvement continues, to ensure child safety and to prevent admission to care. In Kin Service, the caregiver is not eligible for foster care rates, but may be eligible for a small allowance under Ontario Works<sup>11</sup>; and

<sup>11</sup> Under Ontario Works, kin service providers may be eligible for Temporary Care Allowance (TCA) which provides approximately \$230 per month for the first child, \$180 for subsequent children as well as drug, dental and vision care, back to school and clothing allowances.

- Kin Care, where the child has been identified as in need of protection and has been formally placed in a home with kin. The family is approved as a foster home (includes screening, training, approval, monitoring and reporting) and may receive a monthly allowance of up to \$900/month.

The inclusion of kin care (less costly), along with other Transformation initiatives, is working. The following facts demonstrate this:

- As of March 31, 2008, there were 2,893 kinship clients and 24,955 ongoing service clients for a total of 27,848 cases.<sup>12</sup> This represents a growth of 9% over the past 5 years.
- During the same period, total residential days declined by 1%. The number of children in care decreased 5%.
- During fiscal 2007/08, 2,777 kinship home studies were completed, giving rise to a 9% increase over 2006/07.

This expansion of placement options, increased emphasis on community collaboration, family group conferencing, alternative dispute resolution and kinship services, has significantly affected non-residential staffing, workload and caseload capacity.

Despite early commitment to invest in Transformation, the current funding model does not adequately address the funding of kinship service and other Transformation activities. The Ministry's Multi-Year Funding Model and Results Based Planning Development (April 2006) envisioned the original funding factors for Kinship Service Out-of-Care at a much higher level (specifically, \$6,708 per child for staffing, \$2,900 per home study, \$2,400 per child for client services) than actually implemented. Kinship service expenditures are not volume sensitive and have no funding factor applied to them.

Other requirements under the Transformation Agenda included community collaboration and family group conferencing. Although positive service models, these approaches require extensive "up front" time for cases in order to contact relevant parties (service providers, family members, extended family), negotiate for access to relevant information, schedule meetings (which generally must be during weekends or evenings to accommodate all parties), and then to go through the process of allowing family members and children to tell their stories, think through ideas and options, and hopefully reach consensus on how to address issues, so that the children can be safe and also have the security of continued contact with family.

#### **RECOMMENDATIONS:**

- i. **Kinship Service cases be included as a distinct case type, and that CASs be given assurance these cases will be funded based on volume, so as to eliminate financial disincentives.**
- ii. **Community collaboration and/or family group conferencing be funded to ensure the resources are available and that communities have capacity to deliver these types of services.**

#### ***c) First Nations Funding and Northern Remoteness***

The issue of **appropriate, comparable and adequate** services for First Nations services has been a concern for a long time and was a key finding in the 2003 evaluation of Child Welfare Reform.

<sup>12</sup> All data in this paper represent OACAS member agencies.

In 2008, the Federal Auditor General reviewed the First Nations Child and Family Services Program of Indian and Northern Affairs Canada (INAC) and the findings affirm that there are serious shortcomings to the funding and administration of services for First Nations children in Canada, including those in Ontario. These concerns, which have been raised by Aboriginal Children's Aid Societies and emerging First Nations agencies for many years, relate to consultation, adequacy of funding to meet real needs of children, and the lack of funding to deal with the administration and additional standards for service that have been added over the years.

In the Federal Auditor General's report, INAC's response indicates that it **does** reimburse "actual costs associated with maintaining a child in care" at approximately 93 cents on the dollar. This perception is not shared by First Nations Children's Aid Societies in Ontario, nor is it the position of MCYS staff. If this were to be the case, the province of Ontario would be funding, and claiming to INAC, full costs, remote and northern factors, additional costs associated with increased standards and administration, according to the 1965 Indian Welfare Agreement.

OACAS has continuously raised issues of adequacy of funding for remote First Nations child welfare services and documented these issues in its "**Northern Remoteness – North of 50**" report to government in 2006 and again in 2008. Despite the efforts of OACAS and the Association of Native Child and Family Service Agencies of Ontario (ANFCSAO), it has not been possible to reconcile the federal claim that INAC will reimburse all actual costs with the Ontario officials' assertion that there is no federal funding to address the actual costs of protecting children in remote reserves in the north.

The Federal government has an obligation to fund services for First Nations people and the province takes the responsibility for managing the service system. In the remote north, people live in third world conditions, risks to children are extremely high and services are almost non-existent. Poverty, suicide, depression and despair are common. In many northern communities, services must be delivered by ice roads and bush planes.

In addition to the First Nations people living on reserve, a very significant and growing number are living in urban areas. Off reserve, they do not have the support of communities nor can they benefit from the limited INAC resources that are flowed to Ontario. Their needs are complex and not addressed by mainstream service systems. Solutions are required so that culturally appropriate services are available to keep their children safe, to preserve family and heritage.

#### **RECOMMENDATION:**

**The Government of Ontario pursue Federal cost sharing for First Nations Child Welfare guaranteed under the 1965 Indian Welfare Agreement, to ensure that children in First Nations northern and remote communities have the same access to protection services as those in mainstream society.**

#### ***d) French language – capacity to serve, compliance with FLSA***

Seven agencies 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>13</sup>, Francophone agencies continue to face numerous challenges in delivering services to their clients due to inadequate funding.

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<sup>13</sup> The *Child and Family Services Act*, S.2 (1); The 1986 *French Language Services Act*

It is clear that providing services in both languages entails higher costs of running the agency. Costs escalate in areas such as employee recruitment and retention, training, communications and public relations, translation and documentation. Moreover, finding specialized services or residential placements for Francophone clients is a constant challenge due to limited availability of these service providers in these communities.

OACAS previously pointed to the need for a comprehensive study that identifies the cost of providing services in two official languages and recommends the formula to establish a French Language Services Funding Factor. We wish to reinforce the request to fund this study. While we recognize that agency-specific funding factors may address the issue of differentiating costs in various communities to some degree, their utility in doing so is limited due to historical capacity challenges that agencies had experienced prior to the introduction of the current funding model.

**RECOMMENDATION:**

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

## **2. Re-Committing to the Transformation Agenda**

In addition to the need for strong support, and funding incentives, for kinship services, OACAS calls on the government to recommit to the Transformation Agenda and, in particular, the “permanency” initiatives for children and youth. These initiatives were designed to improve the life experiences of children and youth by paving the way for them to have permanent, loving families. In addition to preventing admission to state care and kinship placements, the Agenda called for options for legal custody, adoption and for special provisions for those youth who grow up in the system and “age out” of care. Further policy work is needed on legal custody and many aspects of adoption. However, more immediate attention is needed to support youth in the care of the state and to facilitate adoptions.

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

In 2005/06 youth in care, child welfare agencies, OACAS and Ministry staff developed policy recommendations to better support youth leaving care. The recommendations focused on four key areas: financial support, emotional support, educational support and extended support for youth up to age 25. Since that time, progress has been made on educational support. Youth and Children’s Aid Societies are appreciative of the commitments made related to post-secondary grants, OSAP rules and application fees. However, issues relating to age, emotional and financial support have not yet been addressed.

There are approximately 5,300 youth aged 16 to 20 receiving services from Children’s Aid Societies in Ontario. Based on the results of the OACAS survey conducted in the fall of 2007, only 42% of 19 and 20 year old Crown wards and former Crown wards appear to be successfully completing high school. In contrast, the provincial high school graduation rate was 75% in 2006/07. Approximately 21% of the few still connected with the Children’s Aid Societies after age 18 access post-secondary. The vast majority of these (almost 90%) enroll in community college because their developmental and emotional challenges prevent them from taking academic programs in high school.

The current funding model does not support traditional foster care for youth aged 18 and over, yet most youth are still in school (or would like to be) and not developmentally and emotionally ready for

"emancipation" at age 18. 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.

Concerns about youth are shared by many other stakeholders. The Child Advocate's June 2007 Report acknowledged that, in the absence of appropriate supports for youth leaving care, the long term consequence for taxpayers is increased spending in areas such as welfare, criminal justice, health and mental health.

#### RECOMMENDATIONS:

- i. Traditional residential placement (foster, group, etc.) services be extended to youth ages 18 and over to allow them to finish their education.**
- ii. Medical and dental benefits be extended to youth age 21 to 25<sup>th</sup> birthday.**
- iii. Young Adult Assist Program (with service offerings similar to Employee Assistance Programs) be offered to youth age 21 to 25<sup>th</sup> birthday to smooth their transition to adulthood.**

#### **b) Adoptions and other supports to Achieve Permanency**

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

The provincial average **annual** cost for a child in care during fiscal 2007/08 was \$42,200<sup>14</sup>; by comparison, the average cost per adoption subsidy was \$2,834.

Yet, there has been lack of clarity and commitment on the part of the Ministry to support permanency options. The proposed 2006/07 Multi-Year Funding Model and Results Based Planning Development (April 2006) spoke of a need for improved subsidies, including legal custody and, more appropriately, reflected the cost of providing these services. As was noted earlier in this paper, it envisioned the original funding factors for kinship service out-of-care at \$6,708 per child for staffing, \$2,900 per home study and \$2,400 per child for client services. It identified funding factors for adoption services: before probation - \$1,450 per child average; while on probation - \$4,393 per child average; per home study - \$2,900; and

<sup>14</sup> Calculation of Average Cost Per Child in Care (2007/08):

##### Boarding Costs

TOT Cost All Paid Days	\$536,053,607
TOT Paid Days	6,108,816
Avg Cost per child	\$32,117

##### CIC Support Services

Tot Expenditures	\$113,695,113
Avg CIC	18,172
Avg Cost per child	\$6,257

##### Residential Client Services

Tot Expenditures	\$69,537,689
Avg CIC	18,172
Avg Cost per child	\$3,827

**Tot Avg Cost per child      \$42,200**

adoption subsidies - baseline plus \$6,640 for 35% of each additional adoption in 2006/07. It spoke of episodic supports for admissions prevention - \$2,400 per child average.

Adoption subsidies are not well understood and inconsistently applied across the field. To illustrate, Children's Aid Societies cumulatively completed 3,763 adoptions over the past 5 years, yet there were only 1,991 active adoption subsidies during fiscal 2007/08. Adoption experts are clear more children would be adopted if there were subsidies, which would cost far less than the same child being raised in care.

Agencies welcome the Ministry's intention to incorporate adoption subsidies into the funded child welfare funding model<sup>15</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 service area and maintain the integrity of existing placements.

#### RECOMMENDATIONS:

- i. Existing adoption, legal custody and kinship service subsidy agreements be grandfathered, as approved.**
- ii. All Regional Offices fund Adoption and Kinship Service Subsidies that meet eligibility criteria as developed in part 1) or are grandfathered as in part 2).**

### 3. Stronger Commitment to Foster and Family Based Care

OACAS is strongly advocating for improvements in the social safety net to strengthen families and keep children at home with their parent(s). Unfortunately, this is not always possible. Research indicates that family based care (foster, kin and customary care), with its continuum of options and supports, is the preferred placement option for the majority of children that require placement in the Child Welfare system. Foster and family based care, where appropriate, developed and supported, is a better permanent option for children at a lower cost. It is important to stress, **where** appropriate, as there is a need for a full spectrum of services. Some children and youth will need very high levels of support, service and security, at levels beyond what a family model can provide.

On average, these family-based options cost approximately one-third the daily rate of Group Care. Considering that a child can be in a placement for almost two decades, there is a compelling case for investing strongly in family based recruitment and support. The Transformation agenda identifies family based care as an important part of the permanency spectrum. Foster parents face significant new expectations under the changes from implementation of the Ontario Practice Model, whereby they are required to participate in enhanced screening, training and ongoing reporting. Positive changes have been made, but more work is needed to support this service. Aside from the screening and training, foster care has not been reviewed or updated since the early 1990s.

Many positive models are in place in Ontario. Features of these programs include:

- Improved rates, flexible funding and support to create an environment for the child or youth that is as normal as possible;

<sup>15</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.

- Incentives for the foster parent for maintaining children in the foster home, for positive school outcomes (i.e. not placing a child in a “special” home and then moving them once they have “improved”);
- Keeping youth at home (the foster home) until they have graduated school ;
- Building the supports around the foster family, rather than focusing just on the foster child;
- Helping foster parent groups establish contingency funds for exceptional needs of youth who have left their care.

In the context of 2009, it is time to review the philosophy of foster caring (especially for youth) and to develop and implement a comprehensive strategy that includes:

- Recruitment
- Retention
- Remuneration

#### **RECOMMENDATION:**

**MCYS work with the OACAS and the Foster Parent Association of Ontario to develop provincial strategies to strengthen recruitment, retention and remuneration for foster parents.**

#### **4. Children, Youth and Adults Awaiting Placement in Other Sectors**

There are many children, youth and young adults placed in the child welfare field who are awaiting or have been refused placement or services from other sectors. These clients fall into two broad categories. The first includes children in care with exceptional needs who stay in the system past the age of 18 due to lack of available services in the adult sector. The second comprises other clients 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). Importantly, spanning 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.

In serving these clients, the child welfare field constantly struggles to provide adequate funding. With other sectors experiencing budget difficulties, there has formed a false perception that, because child welfare is a mandatory service, there are funds available. One example is Education, where services are often refused unless all or a substantial portion of the costs, such as Educational Assistant support and transportation, are paid for by the Children’s Aid Society (e.g. Section 23 classrooms). This results in the inappropriate use of child welfare dollars that should be available for child welfare cases.

In response, some agencies simply refuse to offer services to youth past the age of 18 or where it is clear that the reason a child is being presented for service is a budget related problem rather than a child protection issue. While this approach forces youth into other sectors, it can also cause disruptions in a child's life, such as changes in school placements and removal from the community, all of which frequently leads to significantly poorer outcomes.

In April 2008, the OACAS conducted a survey of member agencies focusing on this population of youth. The goal was to identify the associated costs currently absorbed by the CASs that should be funded by a different funding envelope. Agencies were asked to focus on youth who meet the following criteria: **aged 18 or older with special needs (e.g. mental health, developmental delays or handicaps, medically**

**fragile), who require residential placements or specialized services that should be funded through the adult system, but are currently funded by agencies.**

Thirty-two (32) agencies responded to the survey. Of that total, 22 agencies reported costs in fiscal 2007/08 that ranged from \$21,170 to \$4,637,719. The total cost for the 32 reporting agencies was **\$17,650,171**. Had all 53 agencies participated in the survey, these costs would be higher.

The survey demonstrated a variety of historical funding mechanisms that have formed over time at different agencies. While for some Children's Aid Societies, these costs have become part of their core annual budgets, others have sought unique arrangements with the Ministry of Community and Social Services (MCSS) or MCYS and its Regional Offices. Survey results also reflected great disparity in the approach by Regional Offices to fund services for these youth. For example, some Regional Offices have taken a blanket approach to funding TAY children from non-child welfare funds (SW Region effective April 1, 2008), while others fund some agencies on a one-off basis based on funding availability.

Agencies reported a variety of coding practices for this population endorsed or suggested by Regional Offices. The coding lines for costs and days vary by agency. Some record exclusively under ECM; others record by type of placement used (e.g. Foster, Group OPI, etc.).

To summarize, child welfare often remains the placement or service of last resort. Agencies absorb non-protection cases and related costs that result from inadequate services or lack of service options in other sectors due to their under-funding. Inconsistent definitions and coding practices make it difficult to measure the financial impact of these cases or gather the number and types of children/youth/adults awaiting placement or services in other sectors.

#### **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.**

### **5. Reducing Costly Administrative Requirements**

As noted above, since 2006, Children's Aid Societies have faced significant additional administrative requirements. While some of the additional requirements do serve to improve safety of children, the type of information required, the level of detail, the frequency of reporting and the multiple compliance mechanisms do nothing to improve service and result 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.

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

The Transformation Agenda is a major change in how services are delivered, and as noted above, is already proving to deliver less intrusive services, better outcomes for children and families, and in many cases it avoids costly and long-term residential care. In the opinion of OACAS and its member societies, the answer to better managing the system with limited funding is to cut red tape and eliminate administrative requirements and tasks that do not add value to protecting children. Further, the field

recommends that no new reporting requirements be introduced without first eliminating some of the existing burden.

**RECOMMENDATION:**

**The government endorse the work of the child welfare sector to develop a range of options for reducing the administrative burden faced by Children's Aid Societies, and that no new reporting or administrative requirements be introduced without first eliminating the existing, unnecessary burden.**

## **6. System-Wide Infrastructure Investments Essential for Effective Management of Child Welfare Services**

There are two areas of focus for infrastructure investment: a) A single provincial information system, and b) Capital funding.

### ***a) Single information system***

Beginning in the early 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>16</sup> identified a number of challenges and shortcomings, which implementation of a comprehensive information system for all Children's Aid Societies would address.

Since 2004, OACAS, with funding from the Ministry of Finance, Strengthening our Partnerships, has worked to develop 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 project is also aimed at learning from the experience of developing system procedures in preparation to support a full rollout. Ultimately, the pilot testing of the SIS informs the Ministry's business case for moving forward with a full rollout.

The SIS and the ancillary financial information system (FIS) are currently 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 August 31, 2008. The Ministry of Children and Youth Services I&IT Cluster has taken over day-to-day management of completion of the work and is supporting 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 2009/10 funding cycle.

**RECOMMENDATION:**

**The government support the business case for the SIS and support full roll-out of the system across all Children's Aid Societies in Ontario.**

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<sup>16</sup> Provincial Auditor, 2000, 2002, 2006; Child Mortality Task Force Report, 1997; Coroner's inquests, 1997-98

**b) Capital funding**

The Child Welfare Sector continues to have limited access to capital funding, especially when compared to other sectors such as Municipalities, Health and Education.

Occasionally, when incremental capital funding has been made available (e.g. just prior to year-end fiscal 2007/08), there has not been sufficient time to follow due process (e.g. Ministry's Procurement Directive and supplier lead times). As a result, some agencies have not been able to take full advantage of the funding.

In addition, many agencies that had been forced to build during a time when Children's Aid Societies had no access to major capital funds, now carry substantial mortgage debt which drains their operating resources.

**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 is consistently distributed among agencies.**

**VII. Future Budget Requirements**

The current economic climate is changing week by week. The government has signaled the difficulty in forecasting revenue as well as how it will address calls for incentives to "jump start" the economy. There are many unknowns and many factors beyond the control of government.

The same is true for Children's Aid Societies, yet there is some experience from previous economic downturns that can advise us:

- When communities experience significant job loss, unemployment, and increased welfare rates, there is a direct impact on child protection referrals. CASs are already seeing this in Ontario.
- When community resources are constrained, or limited, the CAS is often the only resource available, and this creates additional demands on their services. This was experienced in 1995.
- When a family cannot pay the rent, buy food or pay their hydro bill, child neglect becomes a threat. CASs can help in many ways to alleviate risks.

It is difficult to forecast how this may impact the need for child welfare services in Ontario. What had been a modest downturn in service demands has begun to change. The child welfare field is beginning to see service level increases.

Children's Aid Societies cannot estimate the need for resources into 2009-10. It is clear that the system cannot operate with less. CASs are asking for the government's commitment to ensure that the resources and flexibility will be there to enable them to respond quickly to new demands from children, youth and families during these uncertain times.

## **VIII. 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.

The current economic crisis creates stress and uncertainty for all Ontarians. While we support the need for prudent management in these difficult times, we stress this fiscal prudence must not take priority over the safety and protection of children who are at risk of neglect and abuse.

Children's Aid Societies ask that government continue the course to transform child welfare services so that it can provide the safest and least intrusive services possible for children and families. 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.

We remind government that spending on children so that they can have permanent "forever families" – supporting kinship, adoption and legal custody - is not just an expenditure, but an investment which, in the long term, can save hundreds of thousands of dollars per child.

Children's Aid Societies are struggling under an untenable burden of administration, much of which does not improve the lives or safety of children, but diverts the time of professional social workers from the clinical management of their high risk cases. The reporting requirements are so excessive that they cannot be met. This puts Children's Aid Societies and government in positions of liability for not meeting standards and for setting impossible standards that cannot be staffed.

Rationalization is needed now. Recommendations regarding streamlining standards must come from the experts in the field of child welfare. They will bring forward solutions, but they also call on the government to be flexible and approachable so that if service levels rise during this economic downturn, which is likely, the needed resources will be there to protect Ontario's children.

## **IX. Summary of Recommendations**

### CAPACITY TO MEETING LEGISLATIVE REQUIREMENTS

1. In order to ensure agencies can meet basic mandates to delivery statutory services as agents of the province, that the government fund prior year eligible child welfare costs of \$16,700,000, along with current year funding shortfalls.
2. In order that Children’s Aid Societies have the flexibility to meet the need for increased child protection services resulting from the current economic crisis, should the need be demonstrated, the government should approve a flexible approach for funding service “spikes” during these uncertain times.
3. In order that Children’s Aid Societies can offer all mandatory services, kinship services and community collaboration and/or family group conferencing should be funded to deliver, as required, on cases of this type.
4. That Ontario seek the Federal cost sharing for First Nations Child Welfare guaranteed under the 1965 Indian Welfare Agreement to ensure that children in northern remote communities are afforded the same protections as those in mainstream society.
5. In order to meet legislative requirements of the French Language Services Act, MCYS should support a third party study of the costs of providing service in both mandatory official languages and provide the funding for these services.

### RE-COMMITMENT TO TRANSFORMATION OF CHILD WELFARE SERVICES

6. In order to “act as a good parent would,” the government should allow Children’s Aid Societies to extend traditional residential placement (family-based, foster, group, etc.) services to youth 18 and over to allow them to finish high school, along with providing medical, dental and EAP benefits to youth until their 25<sup>th</sup> birthday.
7. In order to support the long-term objectives of “permanent families for all children,” and recognizing that these are less costly in the long-term than traditional foster or group care, the government should fund adoption, legal custody and kinship service subsidy agreements.
8. In order to address the need for homes for children, MCYS should work with Children’s Aid Societies, OACAS and the Foster Parent Association of Ontario to advance recruitment, retention and remuneration.
9. In order that people are served by the systems best able to meet their needs, the government should support a consistent approach for funding all children/youth/adults awaiting placement or services in other sectors and these services should be funded from non-child welfare dollars.
10. That the government seriously consider a range of options for reducing the administrative burden faced by Children’s Aid Societies, and that no new reporting requirements be introduced without first eliminating some of the existing burden.

## INFRASTRUCTURE INVESTMENTS

11. That the government support the business case for Single Information System and support full implementation the system across all Children's Aid Societies in Ontario.
12. Children's Aid Societies should be granted fair access to provincial capital dollars. An equitable formula should be developed to ensure child welfare receives a reasonable share of available provincial capital funds that is consistently distributed among agencies.

## FUTURE FUNDING REQUIREMENTS

Children's Aid Societies cannot estimate the need for resources into 2009-10. It is clear that the system cannot operate with less. CASs are asking for the government's commitment to ensure that when the need is there, the resources and flexibility will be provided to enable them to respond quickly to new demands from children, youth and families during these uncertain times.

### **Sources:**

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