



Pre-Budget Consultation

Submission to the Standing Committee
on Finance and Economic Affairs

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Executive Summary

Children’s Aid Societies (CASs) are consistently engaged in change processes to better protect Ontario’s children and youth from abuse and neglect, while at the same time maintaining an efficient and effective child welfare system. Over the last fifteen years, the sector has seen numerous changes focused on building a stronger protection system, customization of client services, and an increase of permanent home options for children and youth, while also emphasizing sustainability.

Since the establishment of the Commission to Promote Sustainable Child Welfare in 2009, CASs have also focused more on accountability, fiscal prudence, governance and service performance. This continuous change agenda has been extensive and aggressive, and CASs are attempting to make significant change within a fixed or even diminishing envelope. In order to implement this ambitious transformation, OACAS calls on government to support and resource these priorities for children, youth and families:

1) Funding & Funding Model

Given the experience with implementation, there are several themes and some specific outliers that need to be addressed:

Agencies entitled to significant increases

- Accelerate implementation of the new funding model for agencies entitled to significant increases.

Northern Communities

- Review the impact of the funding model in the context of the cost of delivering services in the North, progress on designation of Aboriginal child welfare authorities and availability of services to support children and families in the North.

Aboriginal CASs

- Mandated and developing agencies cannot manage within the new model, and need a clear and transparent strategy to address this – not a series of unpredictable “one-time” fixes.
- Newly mandated agencies need adequate funding.
- Emerging CASs need specific and multi-year start up support.

2) Youth

- Subsidies are needed to support adoption as an option for youth up to the age of 21 (which is the age that a CAS will support them if they were not adopted).
- Support the cost of providing protection services for 16 and 17 year olds.

3) Permanency & Adoption

- Provide subsidies to enable families to adopt older youth and all children with exceptional needs (expansion of the targeted subsidy program).
- Provide adoption subsidies to the age of 21, aligning with other programs for older youth/former Crown wards.

4) Fund the Broader Social Safety Net

- Increase investments in youth and adult mental health, addressing partner violence and substance abuse treatment.

I. OACAS – Who We Are

The Ontario Association of Children’s Aid Societies (OACAS) is a member organization, representing 44 of the 46 Children’s Aid Societies (CASs) in Ontario. OACAS 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 agencies, as well as the children and families that are served by CASs in Ontario. The strength of OACAS lies in the commitment and participation of its membership in Ontario.

II. Children’s Aid Society Mandate

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 are experiencing physical, sexual and/or emotional abuse, neglect or abandonment. CASs are mandated to intervene if a caregiver cannot adequately care for or provide for a child.

Children’s Aid Societies have a unique and statutory mandate. The functions are legislated under the provisions of Section 15 of the *Child and Family Services Act (CFSA)*¹:

- 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;
- To provide care for children assigned to its care under this Act; and
- To place children for adoption.

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

The functions of “**investigating**”, “**protecting**”, “**providing guidance**”, “**counselling**” and “**prevention of circumstances requiring protection**” account for the vast majority of our work. Children’s Aid Societies protect and safeguard most children while they remain with their families in the community. This family-based support represents approximately 90% of all open and ongoing protection cases of CASs and takes the form of intensive assessments and service plans, contacts with numerous other professionals and service providers, as well as ongoing supervision of the child while he/she remains in the family home. These are complex cases in which child protection concerns have been verified and there are risks of, or actual, abuse and neglect. As such, the work must be performed by skilled, qualified child welfare staff. Serving these children in the context of the home – when it is safe to do so – is consistent with the legislative and regulatory mandate and with the policy direction of government. As noted below, the need for these protection services continues to be great; the work done by child welfare staff is intensive

¹ Child and Family Services Act R.S.O 1999. Part III Section 15

and challenging. Over the past five years, the number of child protection cases served has increased more than six percent.

The roles of the CAS in providing “care for children assigned to its care”, and in placing children for adoption are also critical functions. As CASs work hard to help more children remain at home safely, they are achieving the intended goals of having fewer children and youth come into state care. Trend data now shows that intensive family intervention is working and suggests that it is critical to continue to invest in these services in order to avoid, wherever possible, the more intrusive and costly outcome of children in permanent care of a CAS. However, it is also important to acknowledge that sometimes the protection and safeguarding of children requires an admission to care. It is essential that the full spectrum of services be available and adequately resourced to keep children safe.

III. Child Welfare Funding Trends

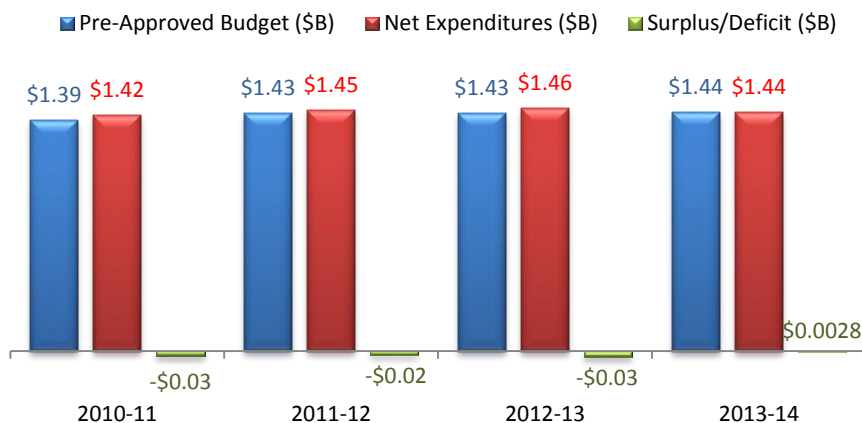
For the past four years the child welfare funding envelope has been flat-lined and the sector has worked closely with government and other partners to reform and modernize the system.

CASs are now in their second year of working with the new funding model, a model which provides less actual funding than in previous years. In this same period, they have also absorbed costs related to negotiated labour settlements (guided by the Provincial Discussion Table Consensus Agreement), Child Protection Information Network (CPIN) preparation costs, Canada Revenue Agency HST impacts related to group homes, and other unanticipated costs.

CASs have also made many changes to help manage local service direction changes (ie. the increased use of family-based care) as well as participating in the development of provincial initiatives such as the Shared Services Model for Child Welfare.

CASs are fully aware of the provincial funding landscape and continue to do their best to keep children safe from abuse and neglect and manage within their approved budgets [Figure 1]. Working with a regulated requirement to balance budgets, most CASs have met this requirement without compromising and disrupting service.

Figure 1: Budgetary Approvals, Expenditures and Surpluses/Deficits



Despite the efforts to fiscally “manage from within”, there are upward pressures in operating costs and few options remaining for cost containment. 2015-16 brings anticipated pressures related to worker safety, the implementation of the Child Protection Information Network (CPIN), and implementation of recommendations from the Inquest into the death of Jeffrey Baldwin.

The Ministry of Children and Youth Services has committed to review the funding model at the end of five years (2018), however a number of concerns need more immediate review and response.

ONE SIZE DOES NOT FIT ALL

a) Agencies Entitled to Significant Increases

As CASs work through the second year of the new funding model, there is greater awareness of the impact of the model on the system as a whole, as well as on specific types of scenarios. The funding model is based on redistributing funds in the fixed envelope, and is built on a combination of socio-economic factors and past service trends for eligible services. The new model comes with a two percent cap on changes to 2012-13 “approved” (as opposed to actual) funding. So, while the model does adjust for some historical inequities it does not address some of the long-standing gaps in funding. Further, because there was no set fund to support the transition from the past funding model to this new one, many **agencies who are entitled to significant increases will not receive their funding entitlement for many years – in some cases may never reach the level of funding for which the socio-economic factors indicate their community is eligible.**

SCENARIO

CAS #1 has received a two percent increase in Approved Funding in the second year of the funding model. However, the eligible funding for their community based on socio-economic and volume factors has increased by 1.80% in the second year [Table 1]. Because the funding model caps increases at two percent year-over-year, CAS #1 has only moved forward 0.13% in terms of achieving their full eligible funding. In high growth communities, this trend is expected to repeat year-over-year, meaning CASs in high growth regions may never reach their full funding entitlement as indicated by the funding factors.

Based on the individual funding factors in the funding model, CAS #1 is entitled to the following funding:

Table 1: Eligible and Approved Funding for CAS #1

Funding Category	2013-14	2014-15	% Change
Socio-economic	\$42,584,536	\$43,417,890	
Volume-based	18,043,803	18,418,851	
Infrastructure & Travel	6,563,005	6,563,005	
Total Eligible Funding	67,191,344	68,399,746	1.80%
<i>The amount of actual funding provided to CAS #1 is limited to a 2% increase each year over the base funding approval from October 2012. This results in a reduction in the Approved Funding based on the implementation mitigation strategy.</i>			
Mitigation Component	(23,354,720)	(23,686,389)	1.42%
Approved Funding	\$43,836,624	\$44,713,357	2.00%

Approved Funding as a % of Total Eligible Funding	65.24%	65.37%	0.13%
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Recommendations:

- Accelerate implementation of the new funding model for agencies entitled to significant increases to allow those agencies to provide child protection services required in those communities while not impacting the two percent downward limit, which would negatively impact other CASs.

b) Northern CASs

CASs in the north report that the cost of delivering services to a family and their children is greater than might be the case in more densely populated centres in the south. Significant per case costs relating to travel – which could be 100s of kilometers at a time, and take many hours to travel – put a significant strain on staff time and availability. Further, many northern and remote areas are not well supported by other social services, and as such CASs need to work harder to either serve these families or find an appropriate referral service. The new funding model was intended to address these ‘Remoteness’ elements, however it does not provide sufficient weight to the actual costs of delivering services in the north. Of the funding for **socio-economic factors, which account for approximately 50%** of the CAS budget, only five percent is given for ‘Remoteness’, which does not address the significantly higher costs of delivering services to areas such as Crow Lake, Marathon or Smooth Rock Falls. Higher levels of funding for ‘Remoteness’ are offset by comparatively lower funding in other components given the sparse population density in the north.

An additional consideration for many of the Northern CASs is the commitment to, and participation in, the transfer of authority for services to existing and soon-to-be delegated First Nations child welfare authorities. This planning means that some agencies will transfer over 30% of their resources within the next 12 – 24 months.

SCENARIO

CAS #2 – a Northern CAS – receives funding under the new funding model totalling \$15.8M. This CAS is subject to declining funding approvals of two percent in each of the first five years of the implementation of the funding model. The funding allocation for CAS #2 includes approximately \$1.5M to mitigate the changes from previous to current funding levels, to keep year-over-year reductions to a maximum of two percent.

The component funding elements for CAS #2 [Table 2] illustrate the challenge to Northern communities. CAS #2 scores well on ‘Remoteness’, however this is a small overall percentage of the available funding (a large piece of a small pie). CAS #2 ultimately carries a significantly higher percentage of the provincial case load, compared to the ratings they receive for child population and family condition variables – the demand for services in the community is higher than the prediction from the socio-economic factors (all of which are less than 0.50%).

Even with the implementation of mitigation support, CAS #2 has been unable to achieve a balanced budget, where the future sustainability of CAS #2 and other Northern CASs becomes challenged by the new funding model.

Table 2: Funding Factor Percentages for CAS #2

<i>Socio-Economic Based Funding</i>		
Component	Percentage Allotted	Proportionate Share of Provincial Total
Child Population 0-15	30% of available Socio-Economic funding	0.33%
Low Income Families	30% of available Socio-Economic funding	0.40%
Lone Parent Families	30% of available Socio-Economic funding	0.50%
Number of Aboriginal Children 0-15	5% of available Socio-Economic funding	0.00%
Remoteness	5% of available Socio-Economic funding	8.03%
<i>Volume Based Funding</i>		
Component	Percentage Allotted	Proportionate Share of Provincial Total
Investigations Completed	10% of available Socio-Economic funding	0.79%
Average Number of Open Protection Cases	40% of available Socio-Economic funding	1.14%
Average Number of Children in Care	40% of available Socio-Economic funding	1.44%
Children Moving to Permanency	10% of available Socio-Economic funding	1.00%

Recommendation:

- Review the impact of the new model in the context of the cost of delivering services in the north, progress on designation of Aboriginal child welfare authorities and availability of services to support children and families in the north.

c) Aboriginal CASs

There are at least three distinct concerns related to funding Aboriginal child welfare: **adequacy** for day-to-day service costs to address the needs, investment needed to support the **infrastructure** expected of a modern service entity, and the need for **transitional** and **capital** investments for newly designated agencies.

ADEQUACY

The government has recognized that providing child welfare services in the context of Aboriginal communities requires special consideration. The needs of these communities are different – higher incidences of poverty, lack of housing, teen pregnancy², suicide, lack of high school education³ – are exponentially greater than in non-Aboriginal communities. Provincially, outcomes for Aboriginal children and youth are far worse than those of their peers: Aboriginal

² Native Child and Family – Stats Canada

³ Native child and Family Services of Toronto (Our Heads Above Water: Minimizing Risk in Toronto Aboriginal Child Welfare) January, 2012

children and youth are overrepresented in the number of children in care, representing three percent of the population but more than 18% of children in care in Ontario. The incidence of out of home placement as a result of a child protection investigation is nearly three times as often as compared to non-Aboriginal children. Aboriginal children are also more likely to have experienced substantiated maltreatment and be the subject of ongoing child protection services⁴.

International groups have written of the exceptional circumstances of Aboriginal children and youth⁵, documenting health challenges which jeopardize their overall life chances. Extensive research illustrates structural disadvantages such as poverty, substance misuse, homelessness and lack of access to basic social services – in both urban and remote environments – as all contributing to higher levels of intrusion and more expensive services⁶.

The new funding model was intended to address the needs of Aboriginal children and families through the addition of a five percent funding allocation for the ‘Number of Aboriginal Children Aged 1 -15 Years’ in a particular jurisdiction. CAS experience demonstrates that this does not sufficiently support northern, remote or urban Aboriginal people and communities, especially given the knowledge of risk indicators, poor outcomes and lack of services in many First Nations communities.

Each year, even since the introduction of the funding model, government has provided Aboriginal child welfare agencies with additional one-time funding at (or after) year-end. While agencies are thankful for this relief, there needs to be a more predictable approach to resourcing indigenous service models.

The interplay of Funding Factors in the model does not adequately address the total cost of delivering service in Aboriginal communities. Over and above the costs for infrastructure and administration, the model divides the funding into two broad categories, with individual sub-components [Table 3].

The model allocates funds based on an individual CAS’ proportionate share of the provincial **total** for each funding factor. The model does not account for density of a particular socio-economic factor **within** the CAS jurisdiction. Based on the sparse population density, low provincial proportions do not reflect the actual community conditions and may result in the model not adequately predicting the need for service within a local community.

SCENARIO

While the Aboriginal CAS #1 scores high on both the ‘Number of Aboriginal Children’ and ‘Remoteness’, these two categories only represent a total of 10% of the total funds available for socio-economic funding. By prioritizing the percentage weight of ‘Low Income’ and ‘Lone Parent’ families within the provincial total, and not within their jurisdiction only, Aboriginal CAS #1 is disadvantaged by having an overall less dense population. While there are fewer total families, there may be a greater number of disadvantaged families within that region.

⁴ Kiskisik Awasisak – Understanding the Over-Representation of First Nations Children in Child Welfare, pp.67 - 89

⁵ Aboriginal children’s health: Leaving no child behind UNICEF 2009

⁶ FNCARES Bibliography.Research on Structural Risk for First Nations Children and Youth.pdf

Table 3: Funding Factor Percentages for Aboriginal CAS #1

Funding Category	Funding Method	
Infrastructure, Travel and Administration	Funded based on actual costs incurred in fiscal 2011-2012	
<i>Socio-Economic Based Funding</i>		
Component	Percentage Allotted	Proportionate Share of Provincial Total
Child Population 0-15	30% of available Socio-Economic funding	0.60%
Low Income Families	30% of available Socio-Economic funding	0.51%
Lone Parent Families	30% of available Socio-Economic funding	0.34%
Number of Aboriginal Children 0-15	5% of available Socio-Economic funding	14.10%
Remoteness	5% of available Socio-Economic funding	22.23%
<i>Volume Based Funding</i>		
Component	Percentage Allotted	Proportionate Share of Provincial Total
Investigations Completed	10% of available Socio-Economic funding	0.97%
Average Number of Open Protection Cases	40% of available Socio-Economic funding	3.22%
Average Number of Children in Care	40% of available Socio-Economic funding	3.41%
Children Moving to Permanency	10% of available Socio-Economic funding	9.97%

INFRASTRUCTURE

Over the past 10 – 25 years, the child welfare field has evolved as a result of sequential reviews, reforms and transformations of the sector. With each generation of change, government expectations have become more precise, as has the expectation that child welfare agencies operate in an accountable, business-like manner. This evolution has been supported by the inclusion of professionals who have helped manage child welfare – including but not limited to qualified accountants, quality assurance experts, legal counsel, human resource professionals, communications experts, and business managers. As resources have been constrained, some of these professional roles may have been scaled back, re-defined and/or shared across agencies. In some cases the expert advice continues in-house, or is purchased or provided on a pro-bono basis. However, it is recognized that the management of a modern and accountable agency demands the support of this type of infrastructure. Aboriginal CASs have not had the benefit of the time to develop resources to build such infrastructure. For many communities there are no opportunities for shared resources nor are there pro-bono services available. **Newly established Aboriginal child welfare agencies will need specific infrastructure investments in**

order to succeed, to meet government expectations and to be a leading resource in their communities.

SCENARIO

A newly designated Aboriginal CAS is required to comply with all of the same requirements as a long-established CAS, both in terms of service delivery standards and financial and accountability reporting requirements. With the limited funding available following designation, and the most significant investment required to ensure quality service delivery, these CASs often lack sufficient funds to build strong capacity in the areas that will enable quality financial and accountability reporting. Aboriginal CASs (both recently designated and those established for a longer period of time) often struggle to provide timely data, based on capacity.

CAPITAL

Most of non-Aboriginal child welfare agencies have been in existence for over 100 years. During this time they have had the benefit of investments from government as well as religious or other charitable organizations to help build their offices and in some cases the funding also facilitated the establishment of residences. Over time, these agencies have also been able to reinvest in additional or new buildings by leveraging these assets, and also establish lines of credit which are critical to the on-going capital management of child welfare agencies. Further, almost all of the non-Aboriginal child welfare agencies have, or are affiliated with, charities or foundations which provide enrichment programs for families, children and youth, and which sometimes assist with capital costs.

Aboriginal child welfare agencies have not had the benefit of capital investments from past ministry funding or from charitable organizations, and most have no affiliation with a foundation or charity. Land or building assets on First Nations reserves cannot be used to leverage mortgages or lines of credit. The new funding model simply does not provide for the needed capital, nor does the Ministry of Children and Youth Services have access to capital funding to support the further establishment of these agencies.

SCENARIO

Aboriginal CAS #2 serves children and families in numerous remote communities. A lack of capital funding means that the CAS is not able to establish branch office space in many communities to provide a consistent level of service. Where staff must travel in and out of remote communities, the CAS will incur higher travel costs and must make alternate arrangements for workers who will remain in the community for longer than a single day. Even small investments of capital funding in these communities, for space to provide Children Protection Services, would improve overall service delivery and outcomes for children and families in these communities. In many cases, this space could be developed and shared with other children's or community services.

IV. Child Welfare Service Trends

The continuation of positive trends, consistent with policy directions to support more children at home, have provided earlier help to families demonstrating risk, while also keeping children safe. While the key requirement for the public and professionals is to report any suspected abuse and/or neglect, CASs exercise prudence in the screening and assessment of each call. For those cases that CASs do serve, the emphasis continues to be CASs working with parent(s) while the child stays at home with their family. This trend was clear in 2013-14 – fewer children are coming into the care of a CAS through foster care, group care or other legal guardianship arrangements.

It is worth noting the investments in child protection services have differed from a decade ago. The type of service to support families is unlike what would be involved in removing a child and providing foster or group care. It requires early intervention, with skilled staff, providing a range of services tailored to the child and family. Often intensive and shorter term, it can result in better outcomes and reduce the long-term dependency on in-care or even ongoing family service.

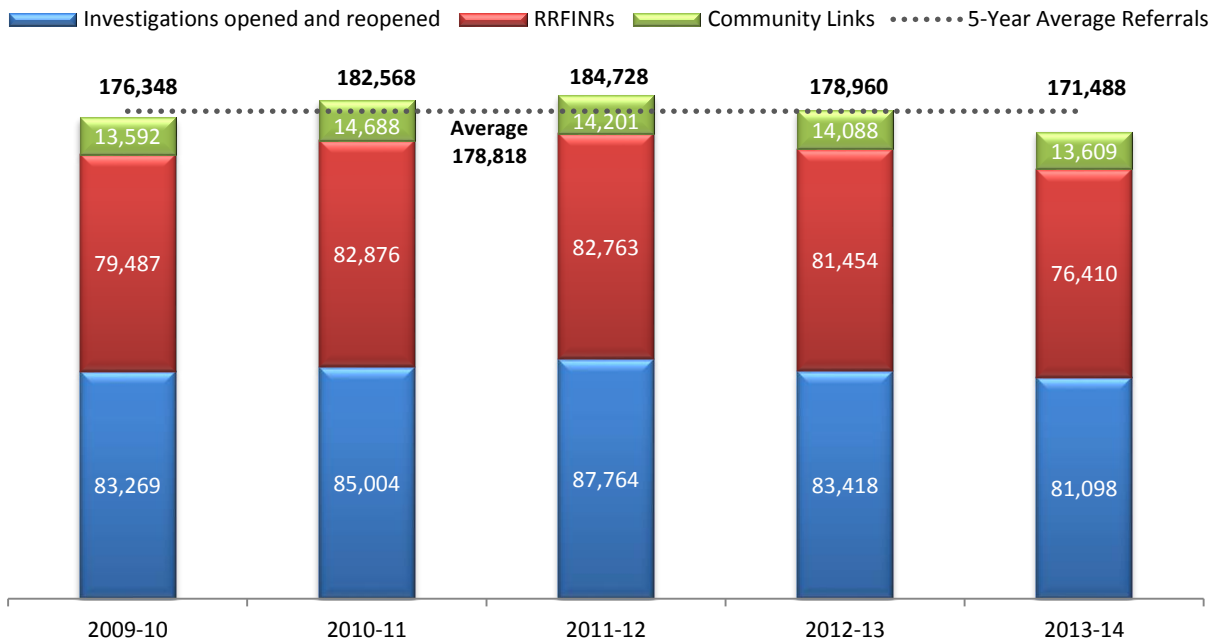
Notable among the service trends are a leveling of reporting, an increase in providing protection services in families rather than taking children from their homes, high numbers of older children in care, and low numbers of older children adopted.

a) Child Protection Services

In 2013-14, agencies received over 171,000 calls, a slight decrease from the past five years. Of these, over 81,000 required child protection investigations and over half resulted in the opening of a family protection case. CASs are fully aware of the changes and limitations of the provincial funding landscape and continue to do their best to keep children safe from abuse and neglect and manage within their approved budgets.

While the number of overall referrals has declined slightly, the number of families receiving services over the past five years has increased by almost two percent.

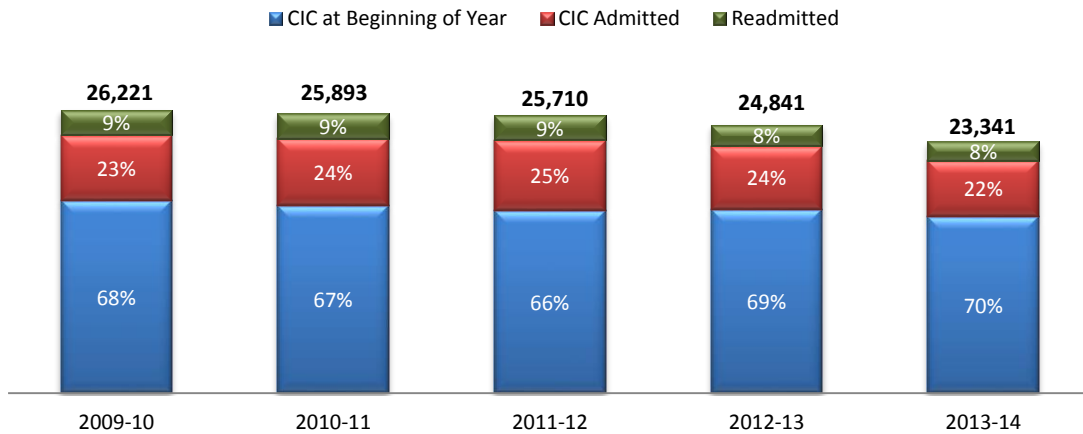
Figure 2: Total Referrals – Five Year Trend



b) Children in Care

The number of children in the care of CAS has declined by almost 11% since 2009-10, with 23,341 children in care in 2013-14. Each year, approximately 1/3 of these children are discharged – either to their families, to adoptive or other permanent homes or because they have reached the age of 18.

Figure 3: Children in Care – Five Year Trend

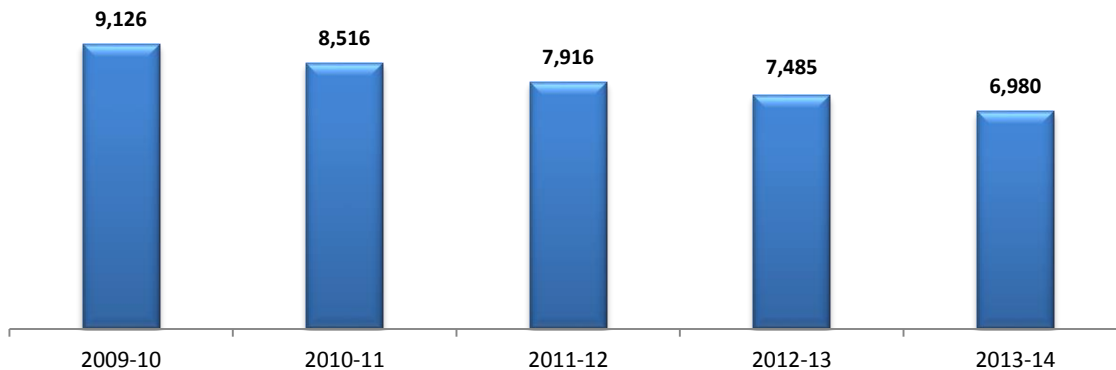


Of the children who are in care, approximately 44% are permanent wards of the province (Crown wards).

The most significant trend is the continued decrease in the number of Crown wards, down from 9,126 to 6,980 in five years – a decrease of over 23.5%. This decline is related to at least three major factors:

- The movement to serve more children with their families;
- The priority to find permanent homes through adoption, legal custody, kin arrangements, and customary care for Aboriginal children and youth; and
- The number of youth who “age out” of care without families.

Figure 4: Monthly Average Number of Crown Wards – Five Year Trend



c) Youth in Care

Supports for older youth:

- Policy and legislative changes in 2000 (Child Welfare Reform) resulted in a significant number of children coming into the permanent care of CASs. By 2005, further refinements were introduced to moderate the number of children in care, but still provide protection.
- The result is a “bulge” in the number of youth in care who are now in their late teens, and who will continue to require support from CASs until they reach adulthood.
- Service data collected by OACAS indicates that approximately 900 youth turned 20 years old in 2013-14, and this number will increase by at least 50 youth per year for at least the next five years. This is a large proportion of the children and youth in care, and the options to support them to connect to permanent families are limited.
- One option would be to allow CASs to convert the financial and other supports for these youth to adoption subsidies. This could enable adoption, stability for the youth and foster family while reducing the formal involvement of the CAS in overseeing care.

Protection for youth aged 16 and 17

- OACAS and others have been advocating for changes to the age of providing protective services to include youth aged 16 and 17. If the government does move forward with this change, CASs will need the resources to support this positive change.

d) Permanency, including adoption

- In 2013-14 there were 977 adoptions finalized in Ontario, most were children under the age of 13. However, more than 60% of the children available for adoption are over the age of 13, and only five percent of this group achieved a permanent home through adoption.

- ii. Subsidies are needed to support adoption as an option for youth up to the age of 21 (which is the age that a CAS will support them if they were not adopted).

Recommendations:

- Provide subsidies to enable families to adopt older youth and all children with exceptional needs (expansion of the targeted subsidy program);
- Provide adoption subsidies to the age of 21, aligning with other programs for older youth/former Crown wards; and
- Support the cost of providing protection services for 16 and 17 year olds.

V. Conclusion - Considerations for the Ontario Budget

i) Funding & Funding Model

Given the experience with implementation, we know that there are several themes and some specific outliers that need addressing:

Agencies entitled to significant increases

Accelerate implementation of the new funding model for agencies entitled to significant increases.

Northern Communities

Review the impact of the model in the context of the cost of delivering services in the north, progress on designation of Aboriginal child welfare authorities and availability of services to support children and families in the north.

Aboriginal CASs

Mandated and developing agencies cannot manage within the new model, and need a clear and transparent strategy to address this – not a series of unpredictable “one-time” fixes.

Newly mandated agencies need adequate funding.

Emerging CASs need specific and multi-year start up support.

ii) Youth

Subsidies are needed to support adoption as an option for youth up to the age of 21 (which is the age that a CAS will support them if they were not adopted).

Support the cost of providing protection services for 16 and 17 year olds.

iii) Permanency & Adoption

Provide subsidies to enable families to adopt older youth and all children with exceptional needs (expansion of the targeted subsidy program).

Provide adoption subsidies to the age of 21, aligning with other programs for older youth/former Crown wards.

iv) Fund the Broader Social Safety Net

Increase investments in youth and adult mental health, addressing partner violence and substance abuse treatment.