



March 20, 2019

FOR IMMEDIATE RELEASE

Since the recent publication and airing of stories covering the current financial issues faced by the Brant Family and Child Services (Brant FACS) there have been a series of statements made that we feel do not accurately reflect the issues that led to our current financial problems. As we have stated, Brant FACS's financial issues are related to mandated changes, funding changes, and unfortunately a significant increase in services due to the Opioid crisis faced by the Brant community.

It would be interesting to Brant FACS to learn the source of the information referred to in the statements below:

Derek Rowland, Press secretary to Lisa MacLeod, Minister of Children, Community and Social Services - re: efforts by the Province to "identify cost reductions and help Brant stay within its budget began under the previous Liberal government in 2015" (Toronto Star – March 17, 2019)

Trell Huether, Spokesperson, Ministry of Children, Community and Social Services - re: "two-thirds" of the children's aid societies in the Province have been able to balance their budgets. (Toronto Star, March 17, 2019)

Minister Lisa MacLeod, Ministry of Children, Community and Social Services – re: Brant FACS financial issues dating back to 2015 and that we "refused to look after our financial issues" (Question Period, March 18, 2019)

We find the statements referred to above puzzling since they do not reflect data found in our own records and are moreover, inconsistent with information provided in documents prepared by the Ministry of Children, Community and Social Services (formally the Ministry of Children and Youth Services).

Brant FACS had no financial issues in 2015. In fact, in 2014/15 we had a budget surplus of \$644,995, in 2015/16 a balanced budget and in 2016/17 a slight deficit of \$116 on a budget of \$24,176,234. There were no discussions in 2015 regarding financial issues since we had no financial issues, nor were there any in 2016.

Our financial issues began in the 2017/18 fiscal year as a result of changes implemented by the Ministry and an increase in need for services. These included the implementation of a new data system (CPIN), changes to targeted subsidies (100% funding was reduced to 75%) and delays in the divestment of indigenous services. None of these issues were related to how we deliver services. Moreover, at the same time, we saw an increase in need for services due to the Opioid crisis that has hit our community so hard.

Secondly, while two-thirds of Children's Aid Societies (CASs) were projecting to have balanced budgets for 2018/19, this is not the complete story. As of December 19, 2018, one-third (17) were projecting that they would not balance their 2018/19 budgets. A further 15 CASs or 30% indicated that they had to draw on their Balanced Budget Fund in order to balance their budgets. Balance Budget Funds were established a few years ago to allow CASs to keep surpluses for up to 3 years in order to address funding issues in subsequent years. Without these funds, these 15 CASs would also have deficits for 2018/19. The reality is that 32 or almost two-thirds of all CASs are projecting that they will have deficits based on their 2018/19 funding allocations.

Even based on 17 CASs projecting a deficit, it is clear that this funding issue is not unique to the Brant Family and Child Services. In fact, the 2015 Auditor General Report said *"Although the Ministry introduced a new funding model in the 2013/14 fiscal year that is intended to allocate funding to Societies based on relative need, we found that the model still does not appropriately allocate funding as intended, potentially putting Societies under operational pressures and potentially compromising their ability to provide the necessary and appropriate protection services required of them under the Act."*

This is not a case where we "refused" to address our financial issues. It is rather a result of a failure by the Ministry to address funding issues that are impacting Children's Aid Societies across the province. We have not mismanaged our finances, but rather we have provided services to the most vulnerable of our community, to the best of our ability with insufficient funds, and will continue to do so.

Sincerely



Paul Whittam
Board President



Andrew Koster
Executive Director

Cc: Brant FACS Board of Directors

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