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FUNDING OF SOCIAL SERVICES FOR WOMEN:

The Canada Assistance Plan

The National Action Committee on the Status of Women
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Introduction

In the summer of 1980, under the impetus of the constitutional debate, the National Action Committee on the Status of Women (NAC) began to address formally the issue of overlapping jurisdictions between the federal and provincial governments, in relation to the funding of services for women. The National Action Committee contacted grass-roots groups across the country--rape-crisis centres, transition houses and child-care centres--to discover from them the nature of their funding problems and possible solutions. A paper was prepared by NAC, "Overlapping Jurisdictions: A Pitfall in Supplying Services to Women," which was meant to initiate discussion of this topic as part of the constitutional process.

As a result of the work done during 1980, the National Action Committee, by 1981, for the first time had a committee dealing with federal-provincial funding arrangements and their impact on women. In the same year, NAC produced a paper for the Parliamentary Task Force on Fiscal Rearrangements; and in 1982 it funded a major study and survey of the Canada Assistance Plan (CAP), Established Programs Financing (EPF) and the

funding of services to women, this time from the perspective of the governments concerned. It had determined from its grass-roots studies what some of the problems were, and in order to understand the origin and nature of those problems, it wished to get some explanations from the federal and provincial governments to prepare for making sound recommendations for change.

This short paper concerns only the funding of certain services to women under CAP. It describes CAP legislation and the way in which the federal and provincial governments have understood that legislation's implications for the delivery of services to women. It also lists the issues that arise as a result of these understandings and makes recommendations for change.¹

Background

In the Constitution, social services are designated as a provincial responsibility. However, because the provinces have not had the revenue base to support these services, the federal government has, since the Second World War, given funds to

¹The full report, "Funding of Social Services for Women" (1982), is available from the NAC office for \$2.50. The report, "Overlapping Jurisdictions: A Pitfall in Supplying Services to Women," is reprinted in Doerr and Carrier, eds., Women and the Constitution (Ottawa: Ministry of Supply and Services, 1981), pp. 149-64.

the provinces to help fund social services at a comparable level across the country. One of the variety of means by which this has been done has been through the Canada Assistance Plan Act, introduced in 1966. The Plan was intended to provide a foundation for uniformity and consistency in the availability and delivery of social-assistance programs throughout the country, and was aimed at lessening, removing and preventing the causes and effects of poverty, dependence and child neglect.

Under present federal-provincial fiscal arrangements, federal funds both for assistance (welfare payments to individuals) and for welfare services (personal social services) are made available to the provinces on a "conditional," cost-shared basis. The cost-share ratio is fifty-fifty, and services funded must be initiated at the provincial level in accordance with the following conditions:

The agencies providing welfare services must be provincially approved agencies (this term includes provincial and municipal departments as well as non-profit agencies). The province undertakes to

- a. provide assistance in cash or in-kind to any person in need in its jurisdiction, taking into account the person's budgetary requirements, income and resources;
- b. continue the development and extension of welfare services as necessary and expedient;
- c. not require a period of residency as a condition to

eligibility for assistance;

d. develop a procedure for appeals from decisions with respect to assistance;

e. maintain records and accounts relative to the provision of assistance and welfare services for examination and audit; and

f. provide CAP with copies of all provincial acts and regulations relative to assistance.

In any cost-sharing agreement, it is necessary that the provincial government commit funds first before the higher levels of government will contribute. At the best of times this creates problems because different levels of governments have different priorities. In difficult economic times it becomes even harder to initiate and maintain programs under these funding mechanisms, particularly in provinces with limited financial resources.

The Canada Assistance Plan

Whereas the Parliament of Canada, recognizing that the provision of adequate assistance to and in respect of persons in need and the prevention and removal of the causes of poverty and dependence on public assistance are the concern of all Canadians, is desirous of encouraging the further development and extension of assistance and welfare services programs throughout Canada by sharing more fully² with the provinces in the cost thereof; therefore. . . .

²Preamble, Canada Assistance Plan, Revised Statutes of Canada, 1966, c. 45, s. 1.

Under agreements with the provinces, the federal government pays to the province fifty per cent of

- a. assistance to persons in need;
- b. welfare services provided to persons who are in need or likely to become in need if they do not receive such services (welfare services means services having as their object the lessening, removal or prevention of the causes and effects of poverty, child neglect or dependence on public assistance); and
- c. work-activity projects which are designed to improve the employability of persons who have unusual difficulty in finding or retaining jobs or in undertaking job training.

"Need" is defined by each province and is determined by the "budget deficit" method, that is, the difference between an applicant's requirements and his/her income and resources.

"Assistance" includes payments to persons in need for

- a. basic requirements, e.g., food, shelter, clothing, fuel, utilities, household supplies and personal requirements;
- b. items of special need (for the safety, well-being or rehabilitation or a person in need), e.g., essential repairs or alterations to property; tools, equipment, permits, etc., essential to obtaining employment; items required by disable persons;
- c. health-care services not covered under universal health-care programs of the provinces, or not block funded under the Home Care or Ambulatory Health Care Services program of the Federal/Provincial Fiscal Arrangements and Established Programs Financing Act (1977);
- d. certain welfare services purchased by, or at the request of, a provincially approved agency;

e. care in welfare institutions, e.g., homes for the aged, nursing homes, and institutions for the mentally and physically handicapped (care in homes for special care); and

f. the cost of maintenance of children in the care of a child-welfare authority, e.g., foster home, group home or institutional care.

Welfare services shareable under the Canada Assistance Plan at the request of the provincial social-service departments include:

a. rehabilitation services such as assessment and counselling to chronically unemployed, life-skills training, referral and placement services, activity and achievement centres to meet the special needs of persons at risk of being socially isolated with particular emphasis on the aged, the physically handicapped and the mentally retarded;

b. case-work, counselling, assessment and referral services for individuals and families;

c. child-welfare services, including protection, foster care, adoption services and preventive services to children in their own home;

d. day-care services for the children of working parents and other children with social and emotional needs, available under voluntary and public auspices;

e. homemaker, home-support and similar services to support families in times of emergencies or as an aid to independent living in the community for the elderly and the handicapped;

f. information and referral services to ensure access to social services;

g. community-development services designed to provide deprived communities or target populations with personnel resources so they may improve their own social and economic conditions;

h. research, consultation and evaluation with respect to welfare programs; and

i. administrative services relating to any of the foregoing services or the provision of assistance.

In addition to persons in need as defined in the Plan, federal contributions may be made towards agency costs of providing welfare services to persons who are likely to become in need, if such services are not provided. The amount of federal subsidy is dependent on the proportion of eligible persons as determined by the use of an income test or a predetermined income level for families of different sizes.

By the 1970's the shortcomings of CAP were beginning to be recognized. Issues dealt with by CAP are largely poverty-related; those social problems which are not necessarily related to poverty, such as wife and child abuse, sexual assault, family break-up and teen-age pregnancy, can be addressed with only partial success under present CAP legislation and guidelines. Those who have attempted to establish transition houses, sexual-assault centres and day-care centres have found an absence of provincial criteria for programs cost-shareable under CAP. Often they cannot discover whether the rules by which funding decisions are made are CAP regulations or simply rules established by the provincial government concerned. As a result, there are inconsistencies as to what services are funded, the amounts and lengths of time of finan-

cial assistance available, and the restrictions on how the fundings may be applied.

It has become increasingly apparent that there is a need either to reform CAP legislation in order to expand the number of services eligible for cost-sharing or to draft new legislation governing the funding of social services. The focus of reformed or wholly new legislation must be away from poverty alone and towards a recognition of the need for a broader range of social services in Canadian society.

The National Action Committee Study

In order to provide further evidence of the considerable difficulties surrounding the approval and funding of services such as transition houses, sexual-assault centres and day-care centres under CAP, and to establish the basis for recommendations for change as regards this legislation, a major research project was undertaken by the National Action Committee on the Status of Women. The study was intended to discover to what extent women's needs are being met through present government social-service funding mechanisms; to determine how, and using what criteria, federal and provincial governments decide which social programs to fund, why some services are funded and not

others, how much money is spent and who benefits from the programs.

Specifically, four services--transition houses, rape-crisis centres, homemaker services and day care--were examined. Information was acquired through letters sent to provincial officials in the departments responsible and through meetings with Health and Welfare Canada officials.

According to Health and Welfare Canada, three of the four services examined--day care, homemaker services and rape-crisis centres--are likely eligible for cost-sharing under either the Assistance or Welfare Services sections of CAP. Transition houses, however, fall within the "homes for special care" category, and can be cost-shared only under the Assistance provisions of CAP for residents who are determined to be "persons in need." The funding only of "persons in need" severely limits the availability and use of CAP funds for the development of transition-house services.

1. Day Care: A day-care facility, as defined by the Department of National Health and Welfare, is "a licensed or provincially approved centre or private home which provides care for children outside their own home for eight to ten hours a day." In Canada day-care services are provided in three ways: by government, by commercial companies and by non-profit organi-

zations. Both commercial and non-profit organizations may receive cost-shared funds if they are listed as "approved agencies." Provincial governments are responsible for day-care legislation, which may address minimum requirements, access to service, and standards and quality of care.

Federal government funding for day care is available only to those who meet the criteria for "social need" or "financial ability" as defined by the federal and provincial governments. Health and Welfare Canada has determined that a "social need" exists where one of the following family situations is present:

- a. a single-parent family where the parent is working, attending an educational institution, or undertaking medical treatment or a rehabilitation program;
- b. two-parent families where
 - i. both parents are working;
 - ii. one parent is working and the spouse is incapacitated, attending an educational institution, or undertaking medical treatment or a rehabilitation program; and
- c. a single-parent or two-parent family whether or not either or both parents are working where
 - i. day care is arranged or recommended by a social-welfare agency as part of a child-protection service;
 - ii. day care is arranged or recommended by a social-welfare agency on the basis of an individual assessment of special needs of the family or the child, including physical, emotional, mental, developmental, language, or other identifiable and recognized handicap;
 - iii. day care is arranged or recommended by a social-

welfare agency in situations where it is possible to document aspects of the physical, social or cultural environment which are seriously detrimental to the development of the child and to his/her equality of opportunity when he/she enters the education system; and

iv. emergency day-care service is required to meet a short-term family crisis.

2. Transition Houses: Within the provinces, transition houses are often not recognized or defined as a unique service, but are placed in the category of "hostels for transients." As a result, few transition houses are funded through CAP: of the eighty-three transition houses in Canada, only twenty-eight receive cost-shared funding. These funds are limited in the following ways:

a. money through the Assistance provisions of CAP cannot go towards the operation of the house, but constitutes emergency survival funds (per diem funding) for women staying at the house who have less than a certain income;

b. funds for capital costs and the acquisition of a house are not available under CAP; and

c. many provinces and municipalities ensure that transition houses will not be eligible for cost-sharing under the Assistance section of CAP by introducing legislation and by-laws which impose residency requirements contravening the conditions for eligibility under CAP.

3. Rape-Crisis Centres: Rape-crisis centres are not clearly defined in either federal or provincial social-service legisla-

tion, regulations or guidelines. Under CAP, rape-crisis centres are seen as falling within the Welfare Services section as a service providing "casework, counselling, assessment and referral services." Under most provincial legislation, they are considered emergency social services.

It has become extremely difficult for rape-crisis centres to acquire funding under the Canada Assistance Plan. One of the primary reasons for this is that the centres offer a wide range of services, not all of which fit under the eligibility criteria of CAP. For example, support services following a court case or police investigation cannot be covered. Thus, non-shareable costs must be separated from shareable costs, adding significantly to the administrative workloads of the centres.

Because CAP only cost-shares for those in need or likely to be in need, the province must either estimate the percentage of women in need or apply individual eligibility tests. Some centres refuse to subject their clients, who are often in a state of emotional crisis, to complex tests to determine eligibility. Also, clients who fear invasion of privacy and loss of confidentiality are reluctant to provide the information required.

These difficulties have resulted in a situation where only four rape-crisis centres in all of Canada received funding

under CAP as of June 1982.

Typically, in the cases of rape-crisis centres and transition houses, the only government funding made available has been in the form of term-certain demonstration grants. The onus has been on community volunteers to staff the services and to raise funds to maintain them once the grant funding has run out. Time after time, particularly in smaller and poorer communities, services initiated under these arrangements have been shut down when no other sources of government support could be found. It is unacceptable that crucial and crisis-related services for women have to fight for funding and for their survival as a result of present funding arrangements.

Issues and Recommendations

Issue 1: The Canada Assistance Plan legislation is aimed primarily at the alleviation of poverty and its consequences. At the time the legislation was developed, there was limited recognition of the fact that many social problems cut across income groups and are in no way related to poverty. As a result, there are many services desperately needed today which cannot receive funding under present CAP arrangements

unless clients are subjected to needs tests. (They can sometimes receive a small portion of the funding required through a "likelihood of need" formula.) The mandate to serve only those in financial need is probably the most debilitating limitation of the legislation.

Recommendation 1: (a) The federal government should broaden the definition of social services that can be cost-shared so that "poverty" or the "financial need" of the recipient not be the only basis for access to cost-sharing.

(b) Services which will be funded under this cost-shared agreement should be specified (e.g., transition houses, child care, sexual-assault centres), and there should be formulas for determining further services that will fall under this jurisdiction. When CAP was begun, the services named above did not exist. We consider these services to be mature services, but they are not fully established. Thus, the role of the federal government is to provide leadership and encouragement to the provinces in making these services accessible to all the women who need them. At the same time, we need to develop a formula which would allow further newly developing or emerging services to be cost-shared (e.g., centres for victims of sexual harrassment and support services for victims of incest).

(c) We recommend that the restrictions on shareable costs

under CAP be changed in order that cost-sharing be available for the total cost of providing an approved service; and that the eligibility of a service for cost-sharing relate to the needs of the beneficiaries, rather than to the requirement of financial need solely.

Issue 2: There appears to be considerable confusion on the part of the provinces about what exactly is cost-shareable, and about the difference between "welfare services" and "assistance." The provinces seem to have difficulty in fitting their programs into the federal definitions. Thus, a second critical issue in relation to social-service delivery has to do with the criteria used by the provinces to decide which programs are eligible for cost-sharing. With respect to the above, there is no consistency in the legislation and regulations from one province to another. Some provinces state that no criteria exist; others have criteria so vague that a differentiation between programs eligible under the Assistance section of CAP and those eligible under Welfare Services cannot be made.

The lack of a common understanding between the provinces, and between the provinces and the federal government, as to definitions of and criteria for various programs appears to

limit critically access to cost-shared funds. In addition, CAP has, to date, been interpreted not through judicial decision, but by bureaucratic decree. Essentially, decisions are made by Health and Welfare Canada and by provincial departments of social welfare. Public access to or awareness of these decisions is very limited.

Recommendation 2: The federal government should publish their own criteria and guidelines for funding under CAP, and lead the provincial governments to do the same. It would then be possible to produce a national manual for funding services under CAP that providers of the services could use in applying for appropriate funding support. As part of the published criteria for funding of services, a glossary defining terms and their use by federal and provincial governments should be included.

Issue 3: Since CAP is based on a matching-grant formula, the Plan can reimburse provinces only after a program is in place and the money has been spent. This raises problems with respect to the initiation and maintenance of programs, particularly in difficult economic times, because the provinces have the freedom not to introduce programs and to cancel programs they

currently cost-share.

In the absence of minimum national standards for social programs, and given the lack of clear lines of responsibility for the provision of services under CAP, there is little to ensure that those needing assistance will receive it.

Recommendation 3: (a) As long as social services continue as a shared constitutional responsibility, we recommend that the Canada Assistance Plan be adjusted to encourage provincial governments to engage in experimental and demonstration projects.

(b) Certain social services should be funded on a cost-shared basis when under a revised CAP or a new social-services act and a new national child-care act.

Issue 4: There are varying levels of service and assistance, both between and within the provinces. Major differences exist among income-support levels provided and access to and quality of social services on a provincial basis. This is due in part to the unequal revenue base of the individual provinces. The Canada Assistance Plan does not recognize this problem, although other federal-provincial financial arrangements do exist which attempt to equalize the resulting discrepancies.

However, the differences also exist because the provinces have the responsibility for defining "need" and "likelihood of need."

Recommendation 4: We recommend that differential cost-sharing to take account of regional disparities be implemented for both social assistance and social services.

Issue 5: A final major issue regarding CAP is that of accountability. Several billion dollars of public money are channelled from the federal public purse to the provincial coffers each year. Federal annual reports of CAP spending are released two years after the completion of the fiscal year in which the funds were spent. Provincial reports provide little, if any, credit to the federal government for its role in the funding of social services, and vary tremendously in the amount and quality of information they provide.

Recommendation 5: (a) The federal government should publish a description of services funded under CAP, amounts spent and beneficiaries, and should use its jurisdiction over statistics in the Statistics Act to get parallel information from the provinces.

(b) The federal government should accelerate the release of its annual report on the Canada Assistance Plan to reduce the time gap between the end of a fiscal year and the release of the report. Every provincial and territorial government should publish annual reports subject to the same time constraints.

(c) All fiscal arrangements and transactions relating to social services should, under Freedom of Information legislation, be open and subject to regular and timely public scrutiny.