

Brief to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities (HUMA)

Issue:

New Human Resources and Skills Development Canada call for proposals Criteria for Funding Community Programs

Briefing Submitted By:

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Summary of Brief

The Ontario Association of Youth Employment Centers (OAYEC) supports efforts that ensure accountability and transparency in the funding of employment services. However, the new HRSDC Call for Proposals (CFP) Criteria has exacerbated long-standing problems that have been repeatedly associated with HRSDC programs, including unnecessary micro-management and excessive delays in program implementation.

Given the repeated problems that numerous non-profit, community service providers have identified, OAYEC is recommending that a moratorium be placed on the HRSDC CFP directive and that a community-based review be held for all HRSDC practices.

To help ensure real transparency and accountability, OAYEC recommends that a permanent 3rd party Advisory Group be established. Its mandate would be to review and advise on HRSDC's management of accountability and transparency and its work and findings would be made publically available

Brief

As an association that represents over 70 youth employment agencies, many of which receive HRSDC funding, the Ontario Association for Youth Employment Centres (OAYEC) is concerned about the recent changes to the way employment services are administered by HRSDC. Particularly in Toronto, but not isolated to it, new HRSDC policy directives regarding the Call for Proposals Criteria have compounded long-standing decision-making delays, lack of transparency and micromanagement. In particular, the new directives have exacerbated social service disruptions by forcing closures of long-standing, successful community agencies and delaying program implementation.

HRSDC Administrative Problems

Disruption to services - According to HRSDC figures in Toronto, 38% of HRSDC contracts (worth over \$8 million in total) have changed hands due to the CFP process. This level of disruption indicates a flawed process - one that weighs the merits of a proposal higher than the merits of past performance.

Impact on clients - In Toronto, Gateway Café is an example of one agency that has lost its funding in the CFP process. Gateway Café has received HRSDC funding since 1998 including an increase in funding in order to expand its services. Upon losing its funding in the CFP process, Gateway Café was slated to close on March 31, 2005, but then was eventually told that it would receive four more months of temporary funding. As of March 29, however, Gateway Cafe had still not received any of this actual funding, making it extremely difficult to plan their future.

Amid the uncertainty and disruption caused by this, two staff have resigned from the organization, reducing their employment councillors from three to one. HRSDC will not permit Gateway Café to hire any staff to fill these positions, meaning that 200 clients are expected to be served by a single employment councillor. Gateway Café has also been forced to layoff two other employees and to reduce its operating hours (closing on evenings and weekends) meaning that clients will have less access to Gateway Café services, which hurts youth in particular as they are often in school during these hours.

Shorter, less convenient hours and unmanageably large case loads are examples of service disruptions caused directly by the CFP process.

Lack of transparency - Transparency implies that information is public and understood by all parties. During the CFP process, the criteria for judging was not always shared with all applicants. When a winner is selected, final negotiations are carried out behind closed doors and in some cases, have resulted in the parameters of the contract changing significantly from what was listed in the winning proposal. Agencies have been required to move locations or partner with other agencies, which were not elements of their winning proposal.

These negotiations, which are not open to the public, contradict the nature of a transparent and fair process. They potentially allow for the process to be tampered with, without any public scrutiny.

Lack of accountability – Accountability implies that there are reasonable rules, controls and public reporting mechanisms. During the CFP process, one example of the lack of accountability was that there were no reference checks performed on applicants. Agencies won contracts even though they had contracts withdrawn from them the previous year for poor performance. For example, Gateway Café had their services reviewed twice a year since 1998 and had no problems with its services (and actually had their funding expanded), yet in the CFP process it has lost its funding to an agency that was reprimanded for poor performance

Focusing on outcomes and results - Accountability should be based on outcomes and results, not paper proposals that are able to significantly change after funding is awarded, as has been the case in the CFP process.

Rather than continuing to engage in the excessive and unnecessary micromanagement that disrupts services and does not truly ensure transparency or accountability, HRSDC should focus on the outcomes and results of its programs. Ontario provides a suitable model for the administration of employment services, one that is based on outcomes and has a rigorous, yet flexible financial accountability process. Ontario's Job Connect program has a success rate of over 80% for clients that enter into the program and has experienced continuous rates of improvement as the program has evolved.

Using *A Code of Good Practice on Funding*

The Government of Canada's *A Code of Good Practice on Funding*, part of the federal government's Voluntary Sector Initiative, contains a number of recommendations that aimed to build the capacity of employment agencies to serve their communities. The *Code* encourages long-term funding stability and enhances the capacity of the voluntary sector to deliver quality services and be financially accountable.

The *Code* specifically outlines how the government can contribute to building the capacity of the voluntary sector. For example, it states that the government and voluntary sector should "agree on well-defined, measurable results and clear roles and responsibilities", (Section 5.2.6 *Accountability*) and to "ensure that all applicants receive precise information concerning the application process and the stages and timing of decision-making" (Section 5.2.7 *Transparency and Consistency*). These standards have not been met and have often been contradicted in the CFP process.

Changing HRSDC Policies

Given the problems that numerous community stakeholders have identified with the administration of HRSDC employment programs, we are requesting that you issue a moratorium on the CFP directives. Furthermore, we are recommending that a community based review be held for all HRSDC employment programs in order to assess the disruption that they have had. OAYEC also recommends that to help ensure real transparency and accountability in HRSDC administered programs, a permanent, 3rd party Advisory Group be established for HRSDC programs, whose work and findings will be publically available.

Summary of Recommendations

OAYEC recommends that a moratorium be placed on the HRSDC Call for Proposal directive.

OAYEC recommends that a community-based review be held for all HRSDC practices that are causing disruptions to employment services

OAYEC recommends that to help ensure real transparency and accountability in HRSDC administered programs, a permanent, 3rd party Advisory Group be established for HRSDC programs, whose work and findings will be publically available.