

## ***Background Information on CIC Cuts***

March 9, 2011

- Applications for settlement funding in 2011-12/2012-13 were submitted under CIC's new Modernized Approach. This new approach was developed in consultation with the national sector over the last three years to better respond to the growing diversity and complexity of immigrant settlement and integration needs, and greater accountability demands from government. The message from CIC was that the Modernized Approach was responsive to the real experiences and challenges of settlement and integration and signalled a willingness to work with agencies to arrive at the mutually desirable goal of building meaningful immigrant settlement outcomes. Applicants were told to "dream big" and "think outside the box". There was absolutely no sense of impending funding cuts on the part of the sector, and we believe, on the part of Department officials.
- In late August 2010 the provincial Ministers of Immigration and OCASI, among others, were informed that CIC had undertaken a Strategic Review. The review resulted in a 5% reduction to the Settlement and Integration funding envelope across Canada.
- OCASI was also told that this worked out to \$53 million in 2011-2012 and an additional \$6 million to be cut in 2012-2013. More than 80% of the cuts for 2011-12, representing \$43 plus million, came out of the Ontario allocation. With the implementation of the new Settlement Allocation Model in Ontario an additional \$20 million in cuts is anticipated in 2012, if 2009 Landing numbers are used.
- Cumulatively, Ontario is facing \$70 million in cuts to its settlement sector in 2011-12 and 2012-13, in addition to over \$207 million in under-spending over the life of COIA. For the first three years of COIA, CIC acknowledged that the under-spending was due to its own lack of capacity in the Ontario Region to administer the funds and ensured both the sector and the province that the under-spent funds would be spent in years 4 and 5. That did not happen and now CIC refuses to acknowledge that committed funds were not spent and are owed to the Ontario immigrant services sector.
- The leadership of OCASI discussed the potential impact of the cuts on the sector and communicated to CIC that every effort should be made to minimize the impact on direct services. CIC agreed with this approach.
- The Council was operating under the following information: The Ontario allocation for settlement funding for 2010-11 was \$428 million. This comes from \$320 million allocated to the last year of the Canada-Ontario Immigration Agreement (COIA) plus \$108 million representing the base Ontario allocation for settlement and integration. OCASI assumed the cuts would be taken from this total. And given that CIC under-spent by a cumulative \$207 million over the life of COIA, the Council expected the impact of the cuts to be minimal. However, CIC did not calculate the cuts on \$428 million, but on \$388 million, with no explanation of how the Department arrived at this figure. Applying the cuts to a smaller funding envelope has resulted in a much larger impact on programs and agencies, particularly in the Toronto area.

- As a result of the combined reductions in funding resulting from the Strategic Review and the Settlement Allocation Model, CIC has chosen not to renew the contracts of a number of agencies, the majority of which are located in Toronto. These decisions were released in early December 2010. In addition, many agencies in negotiation with CIC are facing average cuts of over 20%, and as high as 40%.
- The Terms and Conditions of the Contribution Agreements allow for multi-year agreements. While CIC has negotiated 2 year contracts with agencies since the change in the Terms and Conditions, agencies have been informed that they will be getting 1 year contracts. One year contracts make it difficult to program plan and hampers strategic planning by Boards of Directors.

### Impacts

Programs, services and agencies' infrastructure have been significantly impacted by the cuts. In particular:

- Clients that benefit the most from one-on-one support, such as those from stigmatized populations would be the most affected. Clients referred to the nearest agency may not receive service in their own language because different locations have different language and cultural capacity.
- Clients are losing some supports such as transportation to access language classes, child minding and resources for classroom materials and learning enhancements such as field trips. Clients, particularly women from low-income populations would be the most affected. Individuals from racialized communities are typically over-represented in these populations.
- Clients will not be able to benefit from some of the highly specialized services currently available in the sector. For example at least one of the agencies that will not have a contribution agreement in 2011-12, representing a 100% cut, provided settlement services primarily to live-in caregivers and to a highly stigmatized population of immigrants including sexual minorities and immigrants with HIV and AIDS (PHAs) and their families. 150 clients would be affected by the loss of this service which is located in one of Toronto's low-income neighbourhoods.
- Hundreds of jobs are expected to be lost in the sector. An even higher number of workers are expected to be affected through reduced hours, reduced wages, loss of benefits and loss of professional development support which is needed to stay abreast of new developments.
- Fear and uncertainty will continue in the sector, as many agencies are negotiating their contracts and do not know what their staffing will look like for the next year. In addition, many agencies are being offered only 1 year contracts, creating further uncertainty around staffing for 2012-13. This type of uncertainty has a major impact on sector human resources. We know from past experience that many will simply leave the sector and we will lose knowledgeable and experienced professionals. There is little incentive for new graduates to seek work in this sector and little incentive for the best and the brightest to stay. In the end, it is the immigrants and refugees that depend on settlement services that will lose the most.
- Some agencies are faced with significant legal financial obligations including severance and lease commitments, as a result of the cuts. Most agencies do not have contingency funds.
- The pressure to maintain the same scope and scale of service delivery but with fewer resources is one of the biggest challenges facing agencies that will get reduced funding.
- Most agencies delivering immigrant settlement services with CIC funds leverage other funding to provide a client-centered case management approach. In this way, many are able to address the broad scope of immigrant settlement needs, including those that are outside CIC's mandate. CIC and other funders are all aware of and

supportive of this practice. Many of the agencies whose contracts are not being renegotiated received funding from other levels of government and private foundations for the express purpose of leveraging CIC funds. Because their contracts are not being renewed, CIC is demanding the return of all physical assets purchased with CIC money, ranging from computers and book shelves to kitchen sinks. This demand fails to recognize the contribution of these assets to the public good and undermines these agencies' ability to consider alternative options in moving forward, such as downsizing, merging or partnering with other agencies.

### Timeline and OCASI's Actions

#### **September 2010**

– OCASI informs member agencies about CIC announcement of 5% deficit cuts to the national Settlement and Integration program budget coming out of the Strategic Review, which would be realized by a \$59 million reduction by 2012 with Ontario absorbing a major part of the cuts. The OCASI Board opts to pursue a low-key public response while holding informal discussions with CIC to emphasize that cuts should not negatively impact direct services and to obtain a fair and transparent process to review, select, and negotiate the 2011-12 funding applications.

#### **November 2010**

- OCASI holds a Funders Plenary at its Executive Directors Forum, where CIC presents about the evaluation and audit of the Settlement Program and lessons learned. CIC provided no indication of the extensive impact of the cuts.

#### **December 2010**

- OCASI Board meets with senior CIC staff. The Council is told that in the context of a reduced funding envelope, Toronto would be disproportionately affected due to factors such as having comparatively the most services, that immigrants were dispersing to the GTA and other Ontario communities, and the need for greater investment in services for French-speaking immigrants.
- CIC releases the decision about cuts of 100% to some agencies and funding caps of 5-40% reduction from 2010-11 for others, after their December meeting with OCASI. Some agencies were told their applications were still under review. The complete defunding of some agencies and the depth of cuts to others were completely unexpected.
- An OCASI delegation meets with Dr. Eric Hoskins, Minister of Citizenship and Immigration to discuss the cuts and the Province's response and support for agencies negatively impacted.

#### **January 2011**

- The Council convenes a meeting with all thirteen member agencies experiencing 100% defunding
- OCASI sends a letter to senior CIC officials requesting information on the decision-making process, outcome and process of the service mapping exercise that they undertook before funding cuts decisions were made and a list of all agencies across the Province that were completely defunded. In addition, the Council requests a third party review of the decisions, particularly in the case of the defunded agencies. Support for wind down costs and an extension of contracts for defunded agencies are also requested. A letter to Minister Kenney outlining our concerns and requesting his intervention is also sent.
- OCASI has a second meeting with CIC officials, a meeting they requested in order to respond to OCASI's letter. CIC responses to the various requests made fell short of the expectations of the Council and the sector. They agreed to share the decision making guidelines, and the service mapping outcomes. The former was received from CIC. However, while the service maps were released to the media, they have not been formally made available to the Council. Other requests, including supports for severance, third party leases, a review of the decision to cut funds and in particular the defunding of thirteen agencies in the GTA were all refused. CIC indicated that there may be some flexibility in agencies being able to negotiate around salaries and lay-offs on a

case by case basis. There has been no movement on this. The request for the Department to consider contract extensions to support agencies' transition was refused.

- In a follow-up email, the Council requests that agencies that are defunded be allowed to retain their capital assets if they were continuing services. Although there was not an outright refusal, CIC directed agencies to the terms and conditions of the Contribution Agreement, in effect saying no to the collective request for such a directive to Departmental staff.

- OCASI convenes Funders table (MCI, United Way, Trillium, City of Toronto) to share information and strategise about responses to the cuts. Particular attention was paid to the Toronto situation during these discussions. As a result of these meetings, the funders met with CIC to raise their concerns and voice their support for the sector. This opportunity was also used to underscore the importance of partnership relationships. The United Way of Greater Toronto sends letter to Minister Kenney outlining their concerns.

- In partnership with the United Way of Greater Toronto with funding support from MCI a Capacity Plan for the defunded agencies is developed. The first session takes place in late January.

### **February 2011**

- The Council continues to voice its ongoing concerns in a letter sent to CIC, outlining our on-going concerns since their response on January 24, 2011.

- OCASI presents to the Standing Committee on Citizenship and Immigration on the cuts and their impact to the sector, and the requests that have been made to mitigate the impacts of the cuts on the sector.

- The Province, through Minister Hoskins, announces a Stabilization Fund of \$500,000. Agencies funded by MCI that have lost all of their CIC funds have access to this fund.

- An OCASI delegation meets with Minister Hoskins, Deputy Minister Chisanga Puta-Chekwe and Assistant DM, Katherine Hewson. Discussion focuses on COIA and the cuts.

- A motion is put forward by Councillor Janet Davis at Toronto City Council to have the Mayor write to the federal of Immigration, Jason Kenney expressing concerns about the impact of the cuts on Toronto agencies. The motion is referred to the Executive Committee. OCASI mounts an email campaign with its Toronto members urging Councillors to pressure the Mayor to adopt the actions put forward in the motion. The motion is up for discussion on March 21, 2011.

- A motion to reverse the cuts put forward by NDP Olivia Chow and adopted by the Standing Committee is debated in Parliament. OCASI and its members and allies, mount an email campaign urging MPs to support the motion. The motion passes but is non-binding. A second email campaign is undertaken urging Minister Kenney and Conservative MPs to honour the will of Parliament and reverse the cuts.