



BRITISH  
COLUMBIA

Ministry of Children and  
Family Development

## MEMORANDUM

PO Box 9738 STN PROV GOVT, Victoria BC V8W 9S2

Telephone: (250) 387-5954

Date: January 21, 2010  
To: Regional Executive Directors  
Cc: MCFD Leadership Team

Ref: 190379

### **Re: Contracted Services Budget Management (STOB 80)**

The downturn in the global economy has placed significant pressures on the Province's revenues. Although the Province has maintained its funding levels for the Ministry of Children and Family Development (MCFD), at this time we are not able to meet cost pressures arising out of inflation, increased caseloads in some services, and increases in the cost of delivery of services. In addition, we intend to address inequities and place additional investments in an area that the ministry has established as its top priority, services to Aboriginal children and families.

In the past year, MCFD has redirected in excess of \$32 million from administrative costs to front line services. While we continue to look for administrative efficiencies, it is no longer possible to achieve the fiscal targets for 2010/11 without base line reductions to funding for community service providers starting April 1, 2010. There will be no reduction in services provided by Aboriginal agencies to Aboriginal children and families.

The ministry is committed to working with community service providers and member organizations such as the Federation of Community Social Services Agencies to address this matter. The principles below have been approved by the Ministry leadership and the Minister and were reviewed by the Federation Board of Directors, in line with the engagement strategy signed in November 2009.

This document outlines the overall principles that will guide discussions related to future service delivery with community service providers at provincial, regional and local levels for fiscal 2010/11 and beyond.

- There will be no across the board percentage reduction in funding for community service providers unless an agreement is made at the Provincial level.
- There will be no reduction to contracts with Aboriginal agencies. Any changes to contracts with mainstream agencies that provide services to Aboriginal children and families must not result in a widening of the gap between services delivered to Aboriginal and non-Aboriginal children and families.
- Direct service to children and families will remain a priority through this process and every effort will be made to find savings through efficiencies and secondarily through service reductions.
- Residential services are in scope for review and potential cost reductions. However, this will not affect admission of a child into care of the Province when required under the Child, Family and Community Service Act.
- Consideration will be given to unique community contexts, for example to ensure that if a rural or remote community has only one service delivery agency that it remains viable and sustainable.
- Services with low utilization levels will be reviewed and potentially reduced.

- Preference will be given to agencies which are able to provide a continuum of MCFD services to support an integrated approach to service delivery.
- Sharing operational costs to gain economies of scale will be encouraged.

Based on a desire to continually evolve practice, alternative and innovative approaches to sustain and maintain capacity to deliver services within available budgets will be encouraged. When required, procurement policy will be applied (including competitive selection) to redirect resources and ensure service continuity, and community service providers will honour collective agreements for unionized staff.

Services for children and youth with special needs and child care will be managed through a separate process, including school-based therapy/early intervention therapy services and the infant development program.

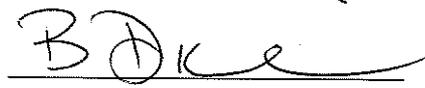
As the timelines for implementation are limited, it is a priority to engage community service providers to prepare for change. Regional Executive Directors will be responsible for communicating this information to service providers in their regions. We encourage regions to take every opportunity to be as transparent and available as possible to discuss implications of the changes and to identify strategies to move forward. Ministry staff and community service agencies are encouraged to accept the invitation to participate in regular webinars organized by the Federation.

Venues such as regional table discussions are in various stages of implementation across the province and are valuable opportunities to share information and ideas, and to collaborate to manage the service delivery system within available resources. Frequently asked questions will be addressed through the following intranet site: [http://icw.mcf.gov.bc.ca/corporate\\_services/procurement/memorandums.shtm](http://icw.mcf.gov.bc.ca/corporate_services/procurement/memorandums.shtm)

As we move closer to final budget decisions, the targets by region will be identified. Once the targets have been identified, regional staff will work with agencies to implement the ideas generated in January and February through the above collaborative process.



Sarf Ahmed  
Assistant Deputy Minister  
Corporate Management and  
Executive Financial Officer



Beverly Dicks  
Assistant Deputy Minister  
Child and Family Development Services