



Memorandum

DATE: January 14, 2010

TO: Executive Directors and CEO's of ACDS Membership and the ACDS Board of Directors

FROM: Ann Nicol, CEO

Community Disability Services Supporting Vulnerable Albertans to live with Dignity

- We have a common vision and goals to ensure that individuals supported through the Persons with Developmental Disabilities Program are able to live with *dignity* and *safety* in their communities
- Community Disability Service Providers stand by their commitments to individuals with developmental disabilities that they support.

What has happened:

Recent third quarter budget announcements of projected Regional PDD Community Board deficits, and targets for contributing to the provincial deficit have placed community disability service providers in an untenable position.

- Northeast Regional PDD Board announced on October 23, 2009 retroactive funding reductions of 4.34% of total service provider and family managed contract budgets.
- Calgary Regional PDD Board provided formal confirmation of in-year contracted and retroactive funding reductions of approximately 2.1% of annual agency contact budgets. The notice was issued on December 9 and December 11, 2009 with expectation that agency plans for reductions be submitted by December 18, 2009.
- Edmonton Regional PDD Board confirmed retroactive budget adjustments of approximately 2.3% on December 16, 2009. Agencies have been asked to submit plans and changes by December 31, 2009.
- Central Region PDD Board is required to reduce an additional 1.2%. Agencies have recently been contacted directly by PDD staff about these budget adjustments.

Under the new PDD contracting model, funding is only reimbursed after services have been provided and invoiced. Services have already been delivered for $\frac{3}{4}$ of the year. Therefore the Ministry is taking money back that has already been spent.

ACDS Board Response:

- The impact of these reductions over the remaining few months of the contract term will have a *significant* impact on essential direct services to individuals with developmental disabilities and their families. For many, the GOA is their Public Guardian and community agencies are the network that has supported them for their adult life.
- Inadequate notice and time has been given to allow agencies to properly inform their Boards, give required notice to staff, and support families, guardians and clients to develop coordinated plans to ensure the safety and well-being of the individuals we support. This is not sound business practice, it is not good fiscal management, and does not live up to the

principles, rights and obligations of a contractual business arrangement that should be expected with government.

- The Ministry (PDD) has the ongoing responsibility to ensure and oversee the provision of statutory programs, resources and services to adults with developmental disabilities (*Persons with Developmental Disabilities Community Governance Act - Preamble*); and has the mandate to provide services to individuals through determination of eligibility and approval of units of service that they will provide and fund. The Service Provider contracts with the Ministry to deliver these services on behalf of the Government.
- The Ministry (PDD) Program Policy requires that communication and direction about changes and or reductions in services should most appropriately be directly between government and the client. This has not occurred consistently, and individuals may therefore have lost their right to access the Ministry Appeal process. Individuals receiving services have the right to be consulted prior to any significant decisions affecting them; and are to be informed of decisions made by the Community Board that affect them and of their right to independently appeal such decisions through the PDD Appeal Panel. Decisions of a PDD Program Community Board to enter into, amend or terminate a contract with a service provider on the other hand cannot be appealed.
- Our contract with the Ministry (PDD) requires that any amendments or changes must be mutually agreed upon by both parties without duress. Even a request to voluntarily agree to an in-year adjustment may be considered an Anticipatory Breach of the contract. We would expect PDD to honour the current contracts over the next quarter.
- We appreciate the difficulties that Regional PDD Community Boards face with unanticipated cost pressures and the complex and changing needs inherent in delivering mandated human services. Our members also face these same pressures, adjust accordingly within our yearly budget and contract, and are held accountable for a balanced budget.
- We also appreciate the challenges of the uncertain economic climate. Many agencies already began this contract year with reductions of up to 5 % in response to Ministry anticipated budget pressures. While government programs and staff received wage and benefit increases and contracted programs and staff funded by other Ministries received a 5% wage increase on April 1, 2009, PDD funded contracts received only \$14million of the \$24 million commitment to recruitment and retention of skilled staff. It was issued as a onetime bonus. As we have done each year for many years, we have already demonstrated our willingness to collaborate and work towards a solution.

ACDS Request to the Premier to Intervene (December 21,2009):

- That the Premier intervenes and rescinds the PDD Community Board requests for in-year budget adjustments.
- That the Premier supports the Minister to implement a full external program review and financial audit of the PDD Division Programs and Services. Stakeholders and families would be invited to participate in the development of the terms of reference and support this review.
- That the Premier supports the Minister to issue clear communication and direction that PDD will honour their contractual obligations, that full contractual payment to service providers will continue and there will be no repercussions if service providers and family managed contractors do not voluntarily agree to the cuts.
- That service providers and family managed support contractors who have already submitted action plans and or have implemented changes be offered the opportunity to review and reconsider given this new and clear communication from the Ministry.
- That PDD Community Boards be required to communicate directly to individuals and their guardians and families, any decisions that may impact services to ensure that individuals retain their rights to appeal, and further that the timeline for filing the notice of appeal starts on the date of this communication from the PDD Boards.