



national  
union

research

The Hard Truth  
About  
Individualized  
Funding

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## Introduction

**CAP provided a strong signal that the state had a collective responsibility for the well-being of all citizens**

Canada witnessed a major growth in the social services sector in the late 1960's and throughout the 1970's. A key factor resulting in this growth was the introduction of the federal government's Canada Assistance Plan (CAP) in 1966. CAP was a federal/provincial fiscal arrangement whereby the federal government provided provincial governments with fifty cents for every dollar they spent within the social services sector. These 'federal 50¢ dollars' provided provincial governments with a significant incentive to expand social security, services and programs to protect those vulnerable citizens who, for no fault of their own, were not able to fully participate and benefit from economic growth taking place in our country. CAP ensured that the sharing and caring values of Canadians formed a part of our country's overall prosperity. CAP also provided a strong signal that the state had a collective responsibility for the well being of all citizens.

The first years of CAP saw the expansion of social services take place mainly through a centralized delivery system under the direct administration of provincial Ministries of Social Services. In the late 1970's and throughout the 1980's, however, the social safety net showed some signs of stress as governments began to adopt neo-liberal public policies such as wage and price controls through anti-inflation policies, caps on public spending and reductions in corporate taxation. In many provinces, government continued to fund social services, but downloaded the responsibility for delivery by creating a host of non-profit agencies.

**Canada's Social Safety Net at Risk Due to the CHST**

The rate of growth of the social services sector slowed significantly in the 1990's. Provincial governments have been either eliminating, privatizing, and/or downsizing social services. The most significant factor that has led to the contraction of Canada's social safety net was the 1995 federal budget. That budget eliminated the federal CAP program and its 'federal 50¢ dollars' for social services spending, in favour of the Canada Health and Social Transfer (CHST), a federal block funding scheme that greatly reduced federal funding for social services, health care and education.

The result has meant a significant shift in the funding and

**Provinces are Restructuring their Own Delivery of Social Services**

delivery of social services. In order to cope with the additional burden brought about by the CHST, provinces which have less money for services have begun to restructure their own delivery of social services by downloading the responsibility to municipalities, community-based organizations, the private sector and individuals.

This situation has been particularly difficult for social services workers who have had to struggle to maintain the same high quality level of services, with less financial resources. For members of the National Union employed in this sector, governments' actions have also greatly increased their work load, during a time in which their wages, benefits and working conditions have not kept pace with the growth of the Canadian economy.

**Emergence of Individualized Funding**

One delivery model that is beginning to emerge as a result of social services restructuring is a scheme known as 'individualized funding' (IF). IF has been associated with several types of services and programs including children's services, education and training (the voucher system), home care and seniors programs and services. This paper, however, mainly addresses the impact of IF on the sector where it is most prevalent, services and programs to persons with developmental and physical disabilities, hereinafter called the disability services sector.

**IF -- A Definition**

**Direct Dollar Model**

Individualized funding (See Appendix I for conceptual framework) refers to a transfer of money from governments directly to individuals or their support group for the purchase of personal programs, services and support. The direct dollar model is individualized funding in its purest form. The money goes directly to individuals or their support group, who then purchase the personal programs, services and support. Support groups can include but are not limited to, families, advocacy groups, and microboards<sup>1</sup>.

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<sup>1</sup> A microboard is a non-profit society. It is a group of people who have been chosen by, or on behalf of, the individual, whose primary focus is to provide support for the individual. Microboards negotiate with the government for money needed for services. Microboards reflect the needs and wishes of the individual. They represent one way of implementing individualized funding. Report on the Individualized Funding Conference, June 8-9, 1997, Vancouver, British Columbia.

### **Agency Model**

In an agency model scenario, the agency gets the money from the government and allocates it to the individuals through client-centered planning where a support group decides on the amount of money needed, and the use of that money.

### **Brokerage Model**

The brokerage model involves a middle person acting between the government, which funds the personal programs, services and support, and the individual who receives these personal programs, services and support. The broker doing the purchasing for the clients keeps a fee off the total funding amount.

The purchase of personal programs, services or support through either one of the previous mentioned models, can be done by going to a publicly funded agency, a private for-profit agency or a community-based agency.

### **IF is at Different Stages of Implementation Across the Country**

The concept of IF is at different stages of implementation across the country, for the simple reason that some governments have been moving faster than others in introducing this funding mechanism.

### **IF -- A Vehicle to Promote the Self-Determination of Persons with Disabilities?**

### **IF is Viewed as a Vehicle to Achieve Self-Defined Goals**

People living with a disability and advocacy groups, have long been demanding to be the primary decision-makers in matters that affect them directly, namely the provision of personal services and support. They consider individualized funding to be a vehicle of self-determination, a way to achieve self-defined goals.

### **Statement of Principles**

### **National Union's Working Session on Individualized Funding**

At a *Working Session on Individualized Funding* sponsored by the National Union in April 1998, representatives of components of the National Union decided not to dismiss the concept of IF as a delivery model for disability services and programs. Instead, participants considered ways in which IF can be used to further the independence of persons with disabilities without threatening the network of quality public support services that already exist.

At the onset, we admit to not being overly enthusiastic about IF, as this mechanism still holds some ambiguities. We believe that IF is ambiguous because it doesn't clearly support or pursue the four following principles which capture, in a broad manner, the view of the National Union on how services and programs ought to be provided to persons with disabilities.

### *1<sup>st</sup> Principle*

#### **Individuals with disabilities (or their guardians) are themselves their best spokespersons.**

#### **Freedom of Choice for Persons with Disabilities**

Individuals with disabilities have the right to participate in making the decisions that affect their lives. No 'non-disabled' expert or collection thereof can understand the aspirations of a person living with a disability. The National Union supports freedom of choice for persons with disabilities. We believe that they, and their families, should be able to participate in the planning of services and programs they need and how those services and programs are structured and delivered. Their input can only hasten their eventual integration and full participation in all aspects of society.

### *2<sup>nd</sup> Principle*

#### **The needs of persons with disabilities are not static, and therefore services and programs must be provided based on a 'continuum of care' model.**

#### **The IF Model does not Guarantee the Evolvement of Services and Programs**

From the time they are born through to adulthood, persons with disabilities require a wide variety of different personal services and support programs. These services and programs should evolve along with persons with disabilities, as they themselves develop different interests and goals they would like to achieve, or decide to make changes in their daily lives. These situations also apply to family members and/or support groups caring for an individual with severe developmental and/or physical disabilities. IF, which can be a potential alternative to the lack of services due to massive cuts in funding, doesn't

necessarily answer the dynamic aspect of clients' changing needs. Under the IF model, persons with disabilities receive money directly from governments to purchase services and/or programs. However the IF model does not guarantee the evolvement of specialized services and programs to meet the specific needs of an individual with a particular disability. It is not through IF that these specialized services and programs will appear. IF does not necessarily generate greater supplies of services, nor does it create the indispensable infrastructure for the establishment and continuation of programs.

### *3<sup>rd</sup> Principle*

**Quality personal services and support programs must be accessible and readily available in a seamless manner to meet the needs of individuals with disabilities in their communities.**

The IF model can be very much influenced by the marketplace. Under this model, it's reasonable to expect that there will exist a wider array of providers offering the more high-demand services (basic 'care and custody' shelter), than providers who offer low-demand services of a more personalized matter such as a specialized life skills program to meet a rare specific disability group. Under the influence of market forces, therefore, the low-demand, more specialized services will be difficult and extremely costly to access because of the limited number of providers offering those services.

#### **Basic Access to Services Often Obstacle to Independence**

Basic access to services is often the biggest obstacle to the independence and full participation in all aspects of society for a person living with a disability.

The access to a service and/or a program can be defined by the extent to which those services and/or support programs are universally available. When market forces come into play in favour of universality, the provision of services and programs becomes a two-tier system. Obviously those persons with disabilities and their families who have the greatest financial security will be able to purchase the best services 'money can provide', while

those with low incomes often won't be able to afford to purchase those specialized services they need.

Independence and full participation of a person with a disability then becomes dependent on one's 'ability to pay.'

#### *4<sup>th</sup> Principle*

**Disability and its associated costs are societal; they are a collective responsibility as opposed to being the responsibility of individuals.**

**We Must Accept a Collective Responsibility for the Costs Associated with Disability**

If we, as a society, are committed to the principle of full participation and integration of persons with disabilities in all aspects of Canadian society, then we must accept a collective responsibility for the costs associated with disability.

A concrete expression of this collective responsibility is the network we have built up over three decades of publicly funded and accountable quality services and support programs that persons with disabilities can access public social services. More and more, this network has to 'compete' with the private sector in the provision of services. Publicly funded services and programs are being starved by government cutbacks, jeopardizing their ability to provide quality care and support.

**Under Market-Based Influences our Social Services System is Based on an Individual's Ability to Pay**

With the growth of the IF model in the social services sector, not only is the state backing away from its collective responsibility towards Canadians with disabilities, it is facilitating the development of a social services system based on marketplace influences. Under market-based influences our social service system will no longer be based solely on human needs, but increasingly based on an individual's ability to pay.

When social services are taken away from public hands and handed to the private sector, national standards and regulations, public accountability and responsibility virtually disappear. As a society, we cannot let governments get away with shifting the delivery of our social safety net to the private for-profit sector.

We must also recognize that by devolving responsibilities

## **Women Will Experience the Negative Impacts of IF**

for the provision of services and programs for persons with disabilities away from the state to the private for-profit sector, it's women who will experience most of the negative impact. Most women are still regarded today as being the primary care givers in our society. Surely our governments must recognize that times have changed! Women are often the primary breadwinner in a household, which often makes it impossible for them to offer full-time care for a loved one. Failure of governments to recognize and address this reality results in women being subjected to a triple whammy. They often end up caring for family members; they suffer loss of income because they either can't work outside the home anymore or have lost their job in social services; with the loss of income, women are unable to contribute to their pension plan. It is thus no wonder that women make up the highest percentage of elderly poor in Canada.

## **A Failing Grade for IF**

## **IF Has a Very Real Potential of Creating a Two-Tiered Delivery System of Disability Services**

On close examination of the IF model, the National Union concludes that this delivery model for services and programs to persons with disabilities does not address the four basic principles outlined above. IF does not enable persons with disabilities to participate in the planning of services and programs they need. IF does not guarantee the development and presence of new services and programs in a given community, nor does it necessarily answer the changing and dynamic needs of persons with disabilities. In addition, IF has the very real potential of creating a two-tiered delivery system of disability services, one that serves the needs of the well-off, and one that will at best attempt to answer to those who don't have enough money. Finally, the delivery of services through an IF model is not compatible with the principle that the associated costs of disabilities should be supported by the collective, and not individual citizens.

Despite the disadvantages of IF, this funding mechanism will probably not disappear from the human services sector in Canada as a delivery model for certain services and programs. In fact, in some parts of the country, IF has been widely implemented.

The National Union is fully aware that many of our

**An Alternative Model  
that Meets the Needs of  
the Person with  
Disabilities**

members in the social services sector will have to work in a system that engages the use of IF as one of its several models of service delivery. Working with our members, therefore, we want to develop and promote the use of an alternative model that meets the needs of the person with disabilities, families, advocacy groups and microboards, as well as the needs of our members. In consultation with our members employed in the social services sector, the following model has been developed. We believe this proposed model bridges some elements of the current public provision of social services and the desire for persons with disabilities and their families to have greater control of those services and programs that assist in their independent living.

**Elements of a Delivery Model for the Disability  
Services Sector**

**Our Model**

Our model starts off with the same premises as the previous model shown in Appendix I (i.e. – that governments will continue to fund services and programs for persons with disabilities). However, it is the way the programs and services are offered that will be beneficial to the persons with disabilities and public sector workers (See Appendix II for the National Union’s Model). Our model recognizes that there will be multiple providers of personal services, support and programs in the disability services sector. Despite the proliferation of different providers, we are of the view that well-informed clients and support groups will choose to obtain their services from qualified, knowledgeable and caring public social services workers.

**Public Sector Workers  
Will Act as Advocates –  
Informed Choice,  
Accessibility, Client-  
Centered**

As seen in our model, public sector workers will act as advocates for the assurance of standards and regulations; they will provide an informed choice to the clients and their support groups, thus preventing the decision-making process to be left in the hands of well-meaning, but often ill-informed advocates. Accessibility for the consumers of services and their support groups will be provided through public referral centres which will serve as a depository of information regarding different services and programs offered in one’s community. Our model, which is client-centered, facilitates input from all parties involved.

## **The Dangers of Private For-Profit Provision of Social Services**

Finally, the personal services, support and programs will be provided through a public agency, as opposed to a private for-profit agency. The reasons for that are numerous and quite obvious to most of us. Nevertheless, some people aren't well informed on the dangers of private for-profit provision of social services. Insufficient quality standards, less public accountability, no formal work protections for workers, low wages, no benefits, and an unsafe working environment are only some of the disadvantages of the private sector's incursion in the provision of social services.

## **Build Support and Allies Through Community Campaigning**

### **Building Support Through Community Campaigning**

The aim of our model is to keep the existing public system of services and programs for persons with disabilities, build on their positive aspects and improve on any weaknesses that might exist. We will need support to achieve this. Consequently, we will continue to build support and allies through community campaigning, exchange of information and education with our clients, families, consumer organizations of persons with disabilities, advocacy groups, and other Unions. We need to protect the public services and programs we provide by creating and maintaining a strong network of allies.

## **Organize New Members in the Disability Services Sector**

By mobilizing our communities and encouraging exchanges with users and providers of social services, we can facilitate the development of an informal 'network' of unorganized workers employed under the IF model. Such a network could form a 'home base' for a particular category of workers who are usually difficult to organize because they have multiple work sites, i.e. clients' homes. Communication and information are fundamental if we are to organize new members in the disability services sector.

## **Improving on the Quality and Effectiveness of Services and Programs**

### **Negotiating Quality Services**

In addition to community campaigning, we need to negotiate quality services within those workplaces in the disability services sector that are represented by the components of the National Union. Improving on the quality and the effectiveness of the services and programs

our members provide is a sure way to ensure that our members remain the preferred deliverers of services and programs to persons with disabilities. We can, and have taken issues of quality to the bargaining table.

### **Hire Publicly-Trained Social Services Workers**

We can use the collective bargaining process to achieve standardized job classifications and wages within the disability services sector and negotiate appropriate qualifications and certification for workers employed in those classifications. Our components, through the bargaining process, could ensure that employers only hire workers who have completed approved social service public training programs through accredited community colleges.

Workers within the disability services sector, especially those who are not organized, face the challenges of lower wages, employment insecurity, and lack of advancement opportunities. Once again, the collective bargaining process could ensure that workers have access to public apprenticeship, skill certification, and employer-paid retraining programs within the disability services sector.

### **Front-Line Workers Know Best**

The collective bargaining process could and has been used to ensure that both the providers and consumers of disability services and programs have a greater say in their development, structure and delivery. No one knows how services and programs can be more effectively delivered than front-line workers who work with their clients on a day-to-day basis. We cannot only take our members concerns to the bargaining table, but the concerns of the people with disabilities who our members serve. It is through their unions, that our members can work with their clients to ensure that their concerns are heard and dealt with by the employer. We will increasingly use the collective bargaining process to not only empower workers, but to empower those persons with disabilities whom our members serve.

### **Collective Bargaining Empowering Workers and Persons with Disabilities Served by our Members**

### **Promoting the Value of the Work of Personal Support Workers**

### **Re-Affirming the Value of Personal Support Services and the**

The personal support services sector is one of the fastest growing sectors of the Canadian workforce today. We need to re-affirm the value of these services, but most of

## **Individuals Providing Them**

all, of the individuals providing them. A recent study conducted by Human Resources Development Canada shows that workers who provide personal support services make up one of the lowest paid occupational categories; they often have less benefits, no formal work protections and most of them are women. In fact, Canadians generally pay more to have a household appliance repaired than they would to have quality support services provided to a family member with a disability. The time has come to educate society at large, and employers alike on the potential dangers to clients, families and workers if we continue down the privatization road of personal services.

## **Organizing and Servicing Workers Employed under an IF Model**

### **Additional Ways of Organizing and Servicing**

Given the precarious nature of the work provided by workers 'employed' under IF arrangements, it is essential that the National Union and our components explore additional ways of organizing and servicing these workers. Some of our more conventional institutions and mechanisms for protecting workers' rights might not be best suited for dealing with the new employment relations created by an IF model.

### **Other Forms of 'Occupational Collectivity'**

Its quite possible that under the IF model and because of limitations of labour relations legislation, we will have to deal with the fact that the individual consumer of a service might be classified as the employer of his/her provider. Given that possibility, we should increasingly look at other forms of 'occupational collectivity' where the membership is not based on the workers' employer, but rather on the sense of solidarity developed through the work they perform.

### **Alternative Forms of Representation**

The National Union and our components will consider alternative forms of representation of workers employed under IF arrangements through an expanded 'associate membership program' and a different dues paying formula. In exchange for paying dues for an 'associate membership,' workers would have access to the same information and some services as our components' regular membership. By having access to an associate membership program, workers could be educated by

**Workers Educated on their Rights**

components of the National Union on their rights, namely when it comes to anti-discrimination, occupational health and safety legislation, and employment standards legislation. They could also provide greater legal representation for members based on their rights. Our components could also provide guidance and representation to workers employed under IF arrangements who experience a violation of their rights as workers.

**Two-Tiered Bargaining Association**

The National Union and our components will also consider the feasibility of alternative forms of representation such as a two-tiered bargaining association. This would enable components to negotiate with the real funding provider for standardized wages, benefits, classifications and standards for personal support service workers employed under IF arrangements. The workers, with the assistance of a component of the National Union, meanwhile could negotiate specific work arrangements with their clients (i.e. hours of work, work scheduling, unique and specific job tasks, etc).

**Conclusion**

**IF – “Americanization of Social Services”**

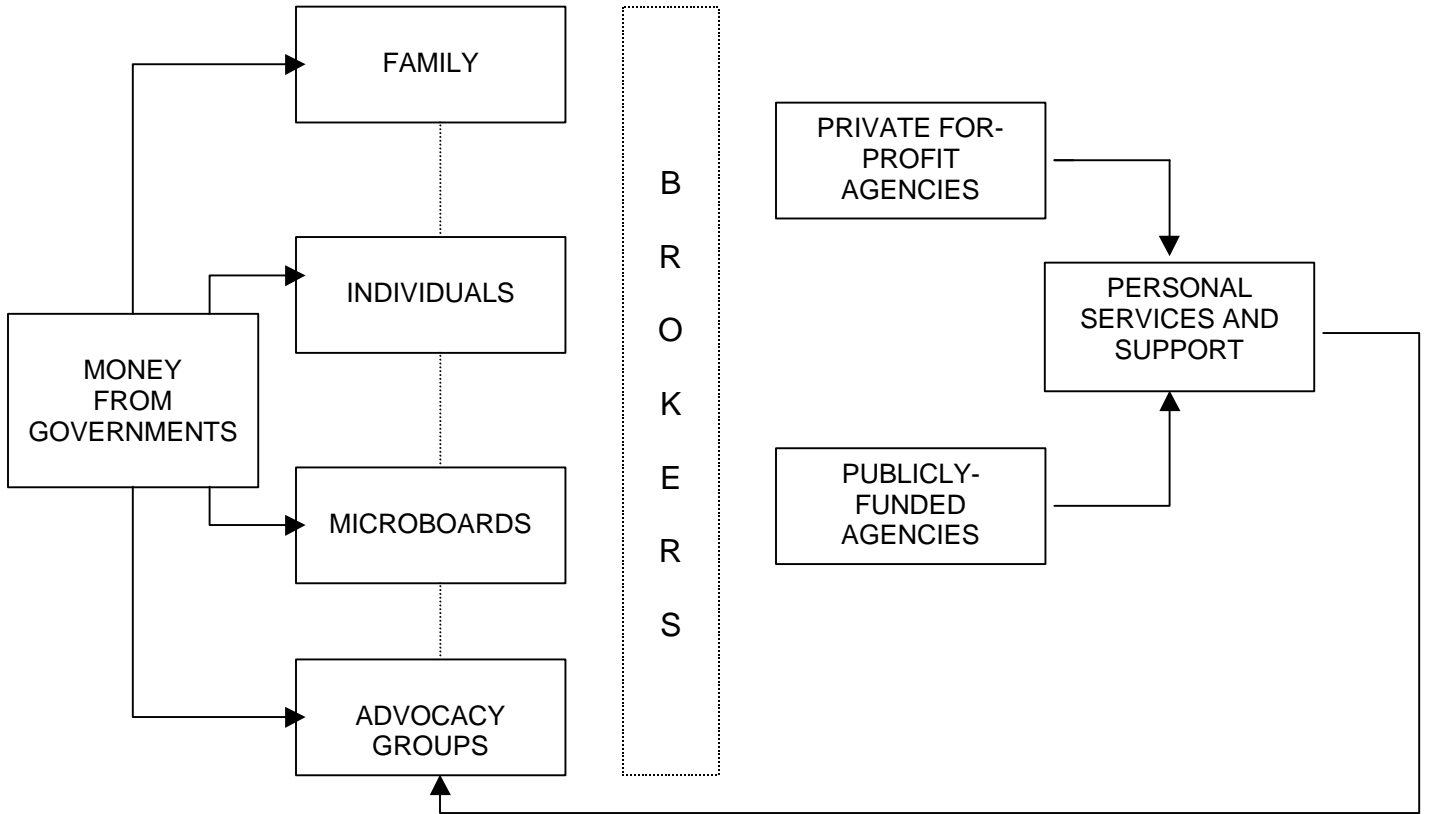
Regardless of whether we’re dealing with services within the social services, health care or education sectors, we need to be on guard when it comes to individualized funding, as this scheme has the real potential to lead us to the “Americanization” of these essential services. As governments continue to downsize, deregulate and dismantle these services, workers are losing their jobs every day, clients and families fall through the cracks left in the system, and our society becomes indifferent to the demise of those who can’t afford care and personal services any longer.

**We Will Continue to Protect our Members and our Clients**

We need to be fully aware of the pitfalls of an IF model both from the perspective of the consumers as well as the providers of services. We might not be able to stop the delivery of services through the IF model. It therefore becomes increasingly important that we find ways to continue to protect our members, our clients’, their families and our Union within the context of an IF model.

# APPENDIX 1

## Individualized Funding



## APPENDIX 2

### The National Union's Model of Individualized Funding

