

15th Legislative Assembly of the Northwest Territories

Standing Committee on Social Programs

Report on the 2007-2008
Pre-budget Review Process

Chair: Ms. Sandy Lee

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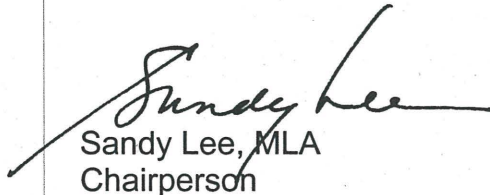
Legislative Assembly
Standing Committee on Social Programs

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SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Social Programs is pleased to provide its Report on the 2007-2008 Pre-budget Review Process and commends it to the House.



Sandy Lee, MLA
Chairperson

**STANDING COMMITTEE ON
SOCIAL PROGRAMS**

**REPORT ON THE 2007-2008
PRE-BUDGET REVIEW PROCESS**

TABLE OF CONTENTS

Northwest Territories Housing Corporation	1
Introduction	1
Pre-Budget Consultations	1
New Mandate and Structure for the Delivery of Housing in the NWT	3
Federal Funding for Social Housing and Non-Market Communities	3
Land Issues.....	4
Mortgage Arrears	4
Program Redesign	5
Department of Health and Social Services	6
Introduction	6
Non-Governmental Organization Funding.....	6
Homelessness Funding.....	7
Dementia Facility and Other Territorial Long-Term Care Facilities	7
Dietary Needs of Northern Residents.....	8
Revitalization of Social Worker Profession in the NWT.....	8
Department of Education, Culture and Employment.....	9
Introduction	9
Early Childhood Development (Daycare)	10
Language and Cultural Instruction Program at Aurora College.....	10
Capital Projects Costing.....	10
Department of Justice.....	11
Introduction	11
Pre-Budget Consultations	11
Policing in Smaller Communities.....	12
Community Justice Committees.....	12
Legal Aid in the NWT	13

STANDING COMMITTEE ON SOCIAL PROGRAMS

REPORT ON THE 2007-2008 PRE-BUDGET REVIEW PROCESS

NWT HOUSING CORPORATION

Introduction

Members of the Standing Committee on Social Programs, as Members of the Accountability and Oversight Committee, were involved in the new pre-budget consultation process with the people of the Northwest Territories in late August of 2006. Hearings were held north and south of the lake, and gave ordinary northerners and Non-Governmental Organizations (NGOs) the opportunity to provide input to MLAs on the priorities that the budget should focus on.

The Committee met with the Minister and his officials on Wednesday, September 25, 2006 to review the Draft Business Plan of the Northwest Territories Housing Corporation.

Members considered the Draft Main Estimates, including the changes to the budget of the NWT Housing Corporation since the Committee reviewed the Business Plan in September, on January 16, 2007.

The Committee noted the total operating budget for the Northwest Territories Housing Corporation for 2007-2008 is planned at \$119,270,000. Of this total amount, the Corporation proposes \$68,060,000 in revenues or non-cash items, and a GNWT contribution of \$51,210,000.

The following outlines Committee Members' issues from their review of the 2007-2008 budget-planning cycle.

Pre-Budget Consultations

Housing and lack of available land in the communities were once again major issues brought forward by residents during the pre-budget consultation process.

Members of the Accountability and Oversight Committee heard that the lack of available and affordable rental units in communities like Fort Liard are impacting on the ability of the Deh Cho Education Authority to hire and retain qualified teachers.

The Committee heard many complaints about the way in which the NWT Housing Corporation delivers housing programs in the communities and how contractors are not always living up to their obligations. Members were told of examples where contractors had moved on to the next Housing Corporation contract without doing the final finishing work on the previous contract. Homeowners are finding it next to impossible to get some contractors to finish the work on their houses.

The Social Programs Committee has discussed the issue of contractors not fulfilling the terms of contracts with the Minister and has received assurances that with the hiring of new technical officers in the Regions and an improved inspection process, the issue of contractors not finishing should be resolved. However, contractors that abuse the process should note that if they continue to not fulfill the terms of contracts with the NWT Housing Corporation, they run the risk of being not allowed to bid on subsequent contracts.

Seniors also raised many issues during the pre-budget consultation process. The biggest concern is the gaps in services between seniors who choose to stay in their own homes and those seniors who are in Housing Corporation units.

Seniors living in Housing Corporation units do not pay any rent or major utility costs, and have all maintenance issues handled by their Local Housing Authorities, whereas those seniors living in their own homes are responsible for the cost of utilities and paying for the upkeep of their homes.

Leaving aside the Heating and Power Subsidies and Homecare, there is a shortage of government programs that encourage seniors to stay in their own homes.

On a positive note, the Housing Corporation, as part of its Program Consolidation, has changed the eligibility requirements and income thresholds to access their repair programs. For example, there were many seniors that were not eligible for the previous Repair Program because they had already accessed funding through the Housing Corporation. Under the new repair program, the fact that you have accessed funding in the past is no longer a factor, and eligibility is determined by income and the nature of the problem.

This should make it easier for lower-income seniors living in their own homes to access funding for repairs, especially those residents who were among the first homeownership clients of the Housing Corporation and are now seniors.

Members also heard from seniors living in public housing who are more than willing to pay rent based on their income. There are cases of northerners retiring

and liquidating significant assets, like their homes and businesses, so that they can move into public housing. This does not meet the intent of public housing, which is to help those who cannot meet the obligations financially or physically of running their own homes. It is anticipated that this will be dealt with through the Income Security Program Review currently underway under the leadership of the Department of Education, Culture and Employment.

The Committee plans to continue monitoring the issues that were raised during the pre-budget consultations and will be incorporating them into a Transition Report for the Members of the next Assembly, to make them aware of the situation and the steps taken by the Housing Corporation and the Department of Education, Culture and Employment to alleviate the problems.

New Mandate and Structure for the Delivery of Housing in the NWT

Much of the discussion at the Committee level over the budget planning cycle has focused on the new mandate and structure for the NWT Housing Corporation.

There was a breakdown in the Committee consultation process that has been addressed and remedied. Members of the Committee were provided the opportunity to comment on the program redesign and were pleased that a number of their suggestions were incorporated into the final product that was announced at the start of this Session.

Federal Funding for Social Housing and Non-Market Communities

The issue of declining funding from the Canada Mortgage and Housing Corporation (CMHC) to maintain existing public housing stocks remains a concern of the Committee. In 2006-2007, the first year that there was a significant drop in CMHC funding, we lost \$328,000. The decreases will vary from year to year, but the end result is the total lapse of CMHC funding by the year 2037-2038. Again, the Minister is encouraged to work with his provincial and territorial counterparts to lobby the Federal Government to reinstate funding for the building and delivery of social housing.

The effect of the declining CMHC funding is exacerbated by the reluctance of the current federal government to live up to the terms of the Kelowna Accord, which would have provided significant funding to meet the housing needs of aboriginals.

Again, the Minister, as the Minister Responsible for the Housing Corporation and as the Premier, is encouraged to work with his provincial and territorial counterparts and aboriginal governments to see this agreement fulfilled.

Land Issues

It is noted that since the review of the last Main Estimates, the Housing Corporation has been resourced to increase the number of employees involved in the development and acquisition of land to build housing units at both the Headquarters and Regional level.

It is hoped that these new positions and the importance that the Housing Corporation is placing on acquiring the necessary lands to deliver their programming will result in more building lots in the communities.

However, it must be made clear to aboriginal and local governments that they have a role to play and must cooperate in the development of lots in their communities. The Committee understands that under the Northern Housing Strategy, if lots cannot be developed in a community for whatever reason, the Corporation will have no choice but to move new housing to communities that do have available lots.

This issue will be mentioned in the Transition Report to the next Assembly so that progress can be measured.

Mortgage Arrears

Since 1995, the figures on mortgages in arrears have gone from 40 clients owing \$106,164.00 to 463 clients owing \$6,853,539.00. This is a disturbing trend that shows no sign of abating. If we do not take immediate action it will become unmanageable in a few short years.

The Committee has been briefed on the steps that the Corporation is planning to take in dealing with clients that are in mortgage arrears and has given its support. The focus of the plan is to work with each client to develop a repayment plan. In those cases where a person is unable to work out a repayment plan, they will be asked to sign the asset over to the Housing Corporation and begin paying rent. As long as a person is willing to follow one of the defined processes, and meet the criteria to live in public housing, no one will be put out in the cold. It should be made clear, however, that just as a person can be evicted from social housing for not meeting the terms of their rental agreement, so can a person be forced out of their home if they are not meeting the terms of their mortgage agreement.

One of the goals of the 15th Assembly is the development of self-reliant people. Homeownership is an important part of self-reliance. By not taking remedial action with those who are behind in their mortgages, we are encouraging dependence, and worse, we are putting these people further and further into debt. The lack of action is also unfair to NWT residents who either have a mortgage in good standing with the Housing Corporation or who paid the taxes that allowed the Corporation to lend money for mortgages in the first place.

This issue will also be outlined in the Transition Report to the next Assembly. The Committee will be strongly recommending that the 16th Assembly support the NWT Housing Corporation's plan to address mortgage arrears.

Program Redesign

The Housing Corporation has decreased the number of programs that it delivers and has consolidated the remaining programs into four programs areas. The intention is to simplify the application process and to make access to the programs easier for low-income homeowners.

Income thresholds and base house prices have been established for each community in the NWT, and sliding scales that clearly define the amount of assistance that is available have been developed.

The Committee was very concerned that the Housing Corporation was going to continue its "step" scale for assessing assistance levels, in which there were some very sharp drop-offs in eligibility. For example, a person earning \$50,000 a year would be eligible for \$85,000 in assistance and a person earning \$50,001 would only be eligible for \$75,000. Losing \$10,000 in eligibility for earning one dollar more was seen to be extremely unfair and could be a disincentive to work for some people who were considering buying a house using a NWT Housing Corporation program.

Members were pleased that the Minister agreed with the Committee's concerns and has introduced a sliding scale that is directly tied to income and has no drop off points. So under the new sliding scale, if you made \$50,000 you would be eligible for \$85,000 and if you made \$50,001 you would be eligible for \$84,499.

In addition, the Corporation will be introducing an appeal process for those who feel they were not treated fairly by the application process. This appeal process will be modeled on the Student Financial Assistance Appeal Committee. It is a two-step appeal process, with an Appeal Committee that will make a decision in 15 days or less, and, if the person is still not satisfied, an Appeal Board that will make a decision in 45 days or less.

The Committee's concerns over the Appeal Process centered on the methodology that would be used. The SFA Appeal process is seen by Committee to be both fair and timely.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Introduction

The Committee met with the Minister and his officials on Thursday, September 21, 2006 to review the Draft Business Plan of the Department of Health and Social Services.

Members considered the Draft Main Estimates, including the changes to the budget of the Department of Health and Social Services since the Committee reviewed the Business Plan in September, on January 16, 2007.

Committee Members made note that the Department is proposing to spend \$277,395,000 in Operations Expense and \$10,109,000 on Capital Projects in fiscal year 2007-2008.

Committee Members offer the following comments on issues arising out of the review of the 2007/2008 budget-planning cycle.

Non-Governmental Organization Funding

The Committee was pleased that the Department has provided extra funding for forced growth for some of the first tier non-governmental organizations that provide programs and services to NWT residents. While Members are sure that each affected NGO will be pleased they are receiving additional funding, it is not clear whether the funding will be adequate to meet the actual forced growth costs being experienced by the NGO.

It is the hope of Members that the examination of NGO forced growth requirements would become part of the annual business-planning exercise for the Department.

Another aspect of our relationship with NGOs is that most operate under short-term, one-year agreements. Many of these are renewed, but only through annual, exhaustive renegotiations and full-blown audits that sap the energy of NGO volunteers and bureaucrats alike, and chew up scarce administrative dollars.

Members and Committees have long advocated multi-year contracts where continuous services delivered by NGOs with good track records are the norm. Ministers have assured us that FAA rules do allow it. It is time the government direct its staff to proactively seek out these opportunities and act on them.

Homelessness Funding

The Government has finally incorporated the funding that it has been providing to address short-term winter homelessness into the base for the Department. This allows the Department to provide funding to the Side Door Youth Centre in Yellowknife and the Turning Point Shelter in Inuvik to deal with the homeless during the coldest months of the year. It also provides funding through the Homeless Contribution Program to help communities with homeless programs, and the Homeless Travel Assistance Fund, which will pay for a person to return to a community where they have supports that include a place to stay.

There is also an additional \$200,000 included in the base funding that was not present in previous supplementary funding. The initial approach of the department was to allocate this fund to do community needs assessments in 2007-2008 and roll out the funding to the communities in subsequent years. The Committee is pleased to have been able to work with the Department and reach an agreement to put the funds toward the contribution funding allocation for community programs so that communities would be able to access the funding for the programs that meet their needs. We would like to thank the Minister and the Department for working with the Committee on this funding allocation.

Dementia Facility and Other Territorial Long-Term Care Facilities

Members continue to support the building of a dedicated territorial dementia facility in Yellowknife. The Committee believes it is important to keep patients in long-term care as close as possible to their families for as long as possible. The recent and on-going renovations to long-term care facilities will accomplish this.

However, it is clear to Members that there is a need for a territorial facility that can accommodate high-need dementia patients who can no longer be safely cared for in a regional long-term care facility.

The Department is encouraged to continue working with the Yellowknife Association of Concerned Citizens for Seniors in developing a reasonable facility that can meet the needs of northerners.

Dietary Needs of Northern Residents

There is the potential that the declining caribou herds will have an impact on the ability of residents in some communities to eat a healthy diet. In isolated communities, it may be too expensive for residents to replace caribou with store-bought meat, and the availability of other country food may be limited or foods not readily adapted to the local diet or culture. The Committee believes there is a clear need for the Government to develop contingency plans.

The Department has agreed to provide the Committee with a draft summary of options in the near future.

The Committee will continue tracking this issue and will discuss the impact that potential conservation efforts will have on community health. This issue will also be mentioned in the Transition Document to the next Assembly.

Revitalization of Social Worker Profession in the NWT

During discussions on the Business Plan, Members expressed concern about the state of the social work profession in the NWT. It was acknowledged the Northwest Territories is well served by members of the profession, however, many of these professionals, particularly at the community level, are nearing well-deserved retirement. The problem is there is reluctance on the part of northern students to consider social work as a profession. In some years, Aurora College has been unable to deliver the Social Worker Diploma Program because of a lack of interest. The Committee notes that the Social Worker program will be delivered at the Yellowknife Campus this year.

The Department's response indicates that it is willing to work with the other Departments that employ Social Workers and the Department of Human Resources to come up with a strategy to meet the needs of the Social Worker profession.

The Committee notes that there is important on-going work relating to the on-the-job safety of Social Workers, a review of the Social Worker Program at Aurora College and, in conjunction with the Association of Social Workers in Northern Canada, the development of a legislative proposal and the regulation of the Social Worker profession in the NWT.

The Committee looks forward to the results of these important initiatives and progress on the development of an inter-departmental working group.

Members strongly encourage the Department to be aggressive in staffing these positions. Recent media reports seem to indicate that audiologists are in high demand and that the NWT's pay scale may no longer be realistic or a sufficient incentive to attract experienced and qualified candidates. The Department, within the context of the collective agreement, will have to look for solutions to this dilemma.

Once the Teams are in place, it is expected that wait times for rehabilitation services should be dramatically reduced and that services to children in the school system will improve. It is extremely important that the Rehabilitation Teams establish a close working relationship with schools, educators and child psychologists.

The one area of concern for the Committee was the workload that the Yellowknife-based Team would have in meeting the needs of the residents of the Tlicho, Sahtu and Deh Cho regions. Some Members of the Committee believe there should be regularly scheduled visits to each community within these Regions, while others would prefer the workload to determine the service patterns. The Department is encouraged to monitor the workload of all the Rehabilitation Teams to ensure there is a proper distribution of resources and that extra help is provided to those Teams that require it.

DEPARTMENT OF EDUCATION, CULTURE AND EMPLOYMENT

Introduction

The Committee met with the Minister and his officials on Monday, September 22, 2006 to review the Draft Business Plan of the Department of Health and Social Services.

Members considered the Draft Main Estimates, including the changes to the budget of the Department of Education, Culture and Employment since the Committee reviewed the Business Plan in September, on January 16, 2007.

Committee Members made note that the Department is proposing to spend \$286,150,000 in Operations Expense and \$40,445,000 on Capital Projects in fiscal year 2007-2008.

Committee Members offer the following comments on issues arising out of the review of the 2007-2008 budget-planning cycle.

Early Childhood Development (Daycare)

Since the review of the Business Plans in September, the Department added \$1,000,000 to the base for Early Childhood Development. This new funding is being split between \$600,000 in funding for the start up and operation of licensed childcare centres and family day homes, and \$400,000 to increase childcare user subsidies. This funding will be welcomed by licensed daycare operators and should alleviate some of the immediate strains on the system.

However, there are still concerns in communities over the lack of suitable facilities to locate daycare programs. Increasing funding for start-up costs may help a few communities re-profile existing facilities to house a daycare program, but will not help communities that have no suitable facilities in the public or private sectors.

The Committee will be tracking this issue and offering comments in the Transition Document to the next Assembly.

Language and Cultural Instructor Program at Aurora College

During the review of the Business Plan, Committee Members expressed their concern that the Language and Cultural Instructor Program (LCIP) was not being delivered on a full-time basis at any of the Aurora College Campuses or in any interested communities.

If schools are to be successful in delivering aboriginal language and cultural activities in the schools and out on the land, it is important that the people leading the classes have an understanding of classroom theory as well as being grounded in their traditional knowledge.

The Committee is pleased that the Department was able secure funding to run a two-year LCIP program beginning in the 2007-2008 Aurora College schedule.

Capital Projects Costing

Members remain concerned with the increases in costs for capital projects. It is clear that the only role for legislators is to approve the initial start to a project. The numbers and project scope that are approved at that time have no relation to the final actual costs or project. Two examples would include the Deh Cho Bridge, where bids came in nearly \$50,000,000 more than expected, and the schools in Inuvik, which have seen their estimates increase nearly every year as the details, were worked out.

It is understood that increases in the prices of building material and the shortage of skilled trades people make it difficult for the Department of Public Works and Services to provide solid financial numbers for large scale projects that may take up to six years to complete.

However, there are examples, like the Territorial Treatment Centre in Hay River, where, in the minds of Committee Members, proper planning was not undertaken in advance of the project getting into the Capital Plan.

In this example, Members had been asked to approve a renovation to an existing facility and were disturbed to see, some months later, a tender call for the demolition of the facility. Finally, a determination was made that it made economic sense to renovate. The Committee believes that this is the type of work that should be completed prior to any project being included in the capital plan.

This is an issue that will be tracked and commented on by various Members during the review of the Main Estimates. It will also be mentioned as an issue for the 16th Assembly in the Transition Document.

DEPARTMENT OF JUSTICE

Introduction

The Committee met with the Minister and his officials on Tuesday, September 26, 2006 to review the Draft Business Plan of the Department of Justice.

Members considered the Draft Main Estimates, including the changes to the budget of the Department of Education, Culture and Employment since the Committee reviewed the Business Plan in September, on January 16, 2007.

The Committee noted expenditures of \$88,441,000 for Operations expense and \$618,000 to be spent on Capital Projects for the fiscal year 2007-2008.

Committee Members offer the following comments on issues arising out of the review of the 2007-2008 budget-planning cycle.

Pre-Budget Consultations

This year's pre-budget consultation focused on the cost of living and consequently there were not as many comments received as last year on the

state of justice programs in the NWT. Many residents and NGOs did comment on the inadequacy of funding for Community Justice Programs. This issue will be discussed later in the Committee's Report.

Policing in Smaller Communities

The Standing Committee was very pleased to see that the Department has secured funding for a full-time RCMP Detachment in Sachs Harbour. The sheer distance and frequent adverse weather conditions make it imperative to have RCMP stationed in Sachs Harbour on a permanent basis.

However, there are other communities in the NWT that can only be reached by air during most of the year that require a full-time RCMP presence. Gameti and Colville Lake are two of the most isolated communities without a permanent detachment.

The Committee encourages the Department to work with the RCMP to come up with a timetable to introduce full-time Detachments to the communities of Colville Lake and Gameti.

Community Justice Committees

During the last two Pre-Budget Consultations, we heard that more funding should be directed to the local Justice Committees. Over the last couple of Business Planning Cycles, the Standing Committee on Social Programs has made recommendations calling for increased funding for the operation of Community Justice Committees and for paying the Community Justice Coordinators.

Committee Members are pleased the Department has finally come through with additional funding for the Community Justice Program. \$10,000 for each Community Justice Committee will be phased in over the next three years to increase pay for Community Justice Coordinators. Per-capita funding for each Community Justice Committee will also be increased by ten percent. Finally, an NWT Programs/Project Coordinator position will be established to provide administrative support and advice to the Community Agencies who wish to develop goals, objectives, accountability frameworks and program evaluation.

Funding will also be increased for Victim Services, with a \$25,000 increase for each of the existing five programs to \$75,000 per year, and \$75,000 will also be available for new Victim Services in one community each in the Tlicho and Deh Cho. A Regional Victim Services Assistant position will be established to assist community-based agencies in delivering victim service levels equivalent to those of community justice and police services in the NWT.

Members of the Committee were pleased with the Department's focus on increasing funding and support for Victim Services and Community Justice Committees at a local level.

Members will be consulting with constituents on the adequacy of this new focus and may include it in the Transition Document to the next Assembly.

Legal Aid in the NWT

During the life of this Assembly, there have been several initiatives to improve the delivery of legal aid in the NWT. The addition of several staff lawyers and the opening of a new Family Law Clinic in Yellowknife are two examples.

However, it is clear that without the support of private practice lawyers in shouldering a share of the caseload, the legal aid system in the NWT cannot be sustained through the use of staff lawyers.

Committee Members regularly hear from constituents eligible for legal aid of delays in obtaining legal representation, especially in civil matters relating to family law.

The Department has incorporated a 15% increase for the legal aid tariff rates that should hopefully encourage private practice lawyers to take on more legal aid cases.

This issue will be mentioned in the transition document, so that the next Assembly can track this initiative's success or failure.

