

Memo

To: All Clinics

From: ACLCO Executive

Date: January 23, 2020

Re: ACLCO Update – 2018/'19 FEG Funding, and Compensation Funding Review

2018/'19 FEG Funding

On June 27, 2018, LAO forwarded to all clinics a communication that originated with the Secretary of the Provincial Cabinet, entitled "Additional Expenditure Restrictions". (These restrictions were announced to apply to the public sector in the transition period until the new provincial government was up and running.) Accompanying the communication was a brief message from LAO indicating that "LAO will be complying with the spirit of the memorandum", and will therefore not be releasing further financial eligibility (FEG) funds to clinics during this period. On June 28th LAO regional Vice Presidents hosted a conference call with clinics confirming this message. Clinics were told that, in general, FEG funds that had not already been released to clinics would not be allocated until LAO received further clarification from MAG. Two rationales for this decision were articulated:

- Although LAO was not bound by the Cabinet's Directive, it had chosen to "comply with the spirit of the memorandum" during this interim period;
- If LAO were to face budget cuts in the future, it wanted to maintain financial flexibility to respond to those cuts by retaining funds that had not already been allocated.

In the wake of this announcement, the ACLCO Executive held an emergency meeting. It is the Executive's concern that this decision potentially puts at risk millions of dollars that have been earmarked expressly for the expansion of clinic law services. The Executive has now advised LAO that it believes that it is critical that this matter be discussed at the upcoming LAO-ACLCO meeting on

July 18th. The Executive believes that LAO's decision to not forward unallocated FEG funding to clinics in this interim period raises a number of important issues that require an urgent conversation, including:

- The fact that these funds were specifically identified to expand clinic law services across the province of Ontario. Public announcements to this effect have been made by both LAO and the provincial government. These are not "discretionary expenditures". The Cabinet Directive does not, and should not, apply to these FEG funds.
- There is no logical reason why some clinics and communities have already received their 2018/'19 FEG investment, while others have not. Financial Eligibility Guidelines were increased on April 1, 2018 right across the province. The fact that some communities have not yet received their 2018/'19 FEG allocation is based solely on LAO's own processes and delays.
- Rather than providing clinic law services, these unallocated FEG funds are currently sitting, unused, and building up as surpluses. Banking public funds that have been expressly earmarked for front line client services in anticipation of potential future budget cuts is not an appropriate use of public funds.

The ACLCO Executive will raise these, and other, issues at its meeting with LAO on July 18th, and will report back to clinics after that meeting.

Compensation Funding Review

As has been previously reported, and confirmed in communications by LAO's CEO, David Field, at the request of the ACLCO, LAO has agreed to engage in a review of clinic compensation funding. As David indicated in his June 28th email to clinic managers, the first step is for LAO to understand why some clinic job category salaries differ from LAO staff salaries, and whether significant discrepancies also exist as between clinics. LAO is now conducting a review of salaries in the clinic system and LAO "so that (they) can identify the underlying issues and have an informed conversation about next steps".

LAO has committed to the ACLCO that it will complete this review by December 2018. This allows time for any "next steps", if necessary, to begin in this fiscal year.

To complete its review LAO will soon be sending all clinics a spreadsheet containing your clinic's salary information (based on the most recent funding application), and will be asking you to verify/update that information, and possibly provide a few additional details. Please respond to this request as soon as possible so that the ACLCO can ensure that LAO maintains its time-table commitments for this review.

If you have questions regarding anything in this Update please do not hesitate to contact Lenny Abramowicz or any member of the ACLCO Executive. In the wake of the 2018 ACLCO AGM, the ACLCO Executive now consists of:

North

Frank Stark, Board – Sudbury
Trudy McCormick, Staff – Northwest
Norma MacKenzie, Staff – Nipissing

Toronto

Gary Newhouse, Board – Kensington Bellwoods
John McKinnon, Staff – IWC
Danny Rampersaud, Staff – West Scarborough
Jennefer Laidley, Staff - ISAC

East

Fran Cherry, Board – Ottawa
Melinda Rees, Staff – Peterborough
Amy Scholten, Staff - Renfrew

Southwest

Desmond Khanoo, Board - Brampton
Seana Moorhead, Staff – Grey Bruce
Michael Ollier, Staff - Hamilton