

Manitoba government under fire for keeping millions meant for kids in care

Government kept \$32M from federal allowance intended for child welfare agencies

By Kristin Annable, [CBC News](#) Posted: Mar 31, 2017 6:12 PM CT Last Updated: Mar 31, 2017 6:12 PM CT

The federal government is handing over \$30 million every year to Manitoba child welfare agencies, but it turns out the agencies aren't seeing a dime of that.

Manitoba's families minister admitted Friday that for the past decade, money from the federal government's children's special allowance has been taken from the agencies and given to the provincial government to be put into general revenue.

Scott Fielding says it was a practice introduced by the former NDP government in 2006 and promised the government is reviewing it. However, he wouldn't commit to ending the practice.

"I do think we need to review it," Fielding said, but added the province already pays for things covered under the allowance such as food, clothes and shelter for children in care.

"Remittance of the special children's allowance was considered reasonable by the previous administration."

Province got \$32M in 2015-16

Between \$450 to \$533 a month is supposed to flow to agencies across the province for each child in care. In total, \$32 million was allotted for Manitoba agencies in 2015-16.

The allowance is administered by the Canada Revenue Agency, which told CBC News it would be able to comment on the story next week.

The [Children's Special Allowances Act](#) states the money "shall be applied exclusively toward the care, maintenance, education, training or advancement of the child in respect of whom it is paid."

Fielding argues because the province already covers care and education-related costs for kids in care, the allowance is a "duplication." He said it is a similar funding model to Saskatchewan and British Columbia.

The CBC contacted several provinces to ask how they use the allowance, but had not heard back at press time.

Cora Morgan, Manitoba's First Nations advocate for children in care, said she is beyond frustrated with how the province handles the money coming in from Ottawa.

Morgan said when a child is in care on-reserve and under federal jurisdiction, the agencies have a variety of options for how they can spend the money. It sometimes splits the money 50-50 and spends half on the immediate needs for a child. The other half would go into an account to be accessed when the child turns 18 and "ages out" of the system.

That doesn't happen for the kids under provincial jurisdiction, she noted.

"The money goes into Manitoba's general revenue ... all of the money," she said. "I think they should have never taken that money."

Morgan said she had hoped to see the new Progressive Conservative government change the old system. Now, she said she's losing optimism that will ever happen.

"They're just maintaining the status quo," she said. "They're continuing with the same kind of Band-Aid approach, baby-step kind of approaches that the [former] NDP government had."

Tories slam NDP, but keep practice in place

Morgan pointed to remarks made by Progressive Conservative MLA Ian Wishart prior to the Tories' victory in the April 19, 2016 provincial election criticizing the practice.

The comments show the Tories directly attacked the former NDP government for taking the money.

"This policy of clawing back [children's special allowances] from First Nation agencies has left them severely underfunded and at risk of financial failure," he said, according to Hansard from a Feb. 25, 2016 house sitting.

"What is this government thinking when following this type of policy? Clearly, they are not thinking about the children under the care of these agencies."

The acting CEO of Manitoba's First Nations of Northern Manitoba Child and Family Services Authority says the authority and the seven agencies it oversees have long opposed the practice.

Bryan Hart says the provincial government became more aggressive around 2012 when it came to the allowance, and began withholding operating funds if the agencies didn't remit the allowance voluntarily.

He argues the funds should go directly to the agencies to assist in funding all the aspects mentioned in the Act.

"We have heard a lot from the seven agencies in our region. And each of the seven agencies have a very strong position that they should not be remitting these funds to the province and haven't," Hart told CBC News.

"I've heard their position is that their province has no right to it."

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