HOW IT ALL BROKE

Fixing How Government Manages Social Policy in New Brunswick

New Brunswick Child & Youth Advocate
Défenseur des enfants et des jeunes du Nouveau-Brunswick

New Brunswick Seniors' Advocate
Défenseur des aînés du Nouveau-Brunswick

Office of the
New Brunswick Child, Youth
and Seniors' Advocate

P.O. Box 6000

Fredericton, NB, E3B 5H1

Toll Free: 1.888.465.1100

Local: 1.506.453.2789

Fax: 1.506.453.5599

www.nbseniorsadvocate.ca

www.cyan.ca

New Brunswick Child&Youth Advocate | Défenseur des enfants et des jeunes du Nouveau-Brunswick

New Brunswick Seniors' Advocate | Défenseur des aînés du Nouveau-Brunswick

How to cite this document:

New Brunswick Child, Youth and Seniors' Advocate, How It All Broke, March 2024.

Hard Copy ISBN# : 978-1-4605-3889-0

Website Copy ISBN# : 978-1-4605-3890-6

Contents

THE VITAL QUESTION: WHY DOES REFORM KEEP FAILING?

It is important to reflect upon the strengths of government in New Brunswick. After all, every single day hundreds of people who rely on a system of care have good experiences. Many more people can afford care than could a few decades ago. There are scores of positive stories unfolding daily.

Every day in New Brunswick, thousands of trained staff provide care in schools, daycares, nursing homes, special care homes, youth centres, group homes, and hospitals and they do excellent work. We have high-quality training programs with many qualified instructors. Many nursing homes and special care homes have governing boards staffed with dedicated community volunteers who care greatly about their work. Many community organizations have employees and volunteers who work tirelessly to provide support and kindness to seniors who live independently.

Each year, the Government of New Brunswick spends millions of dollars assisting families who need help. Just last year, government spent millions more on long-term care. Even in hospitals where seniors wait in beds when they should be in long-term care, the staff still expends energy and time trying to make that experience as good as it can be. The Departments of Social Development and Health have many people working in leadership roles who are actively trying to find solutions to the problems we will talk about in this report.

These things do not just happen. In many countries that do not have developed institutions, governance, and training centres, our problems would be ones they would welcome. All of this should be remembered when we talk about improvements.

Our public services are a huge reason why Canada is a great place to live. It is not only free markets and free societies that make Canada great – it is that we have married freedom with a social safety net that provides the social stability, equality of opportunity, and limited protection from risk that makes our free market function. If we consider all the reasons why we are fortunate to live in Canada, the predictability and reliability of services is a major one. There are countries where one cannot be certain that healthcare will arrive, that the ambulance will come, that the streets will be safe, that the schools will open. Canada should never be one. When citizens begin to worry that social services will be predictably there, trust in government breaks down and our stability is threatened. New Brunswick should never see such failings.

On too many fronts today, from emergency rooms that can't respond to emergencies, to schools that are failing to teach children to read, to childcare spaces that don't exist, there is a growing worry that services will not be there when we need and depend upon them. When it becomes second nature to assume government services will not deliver the basics, when we spend time planning for government services to fail, trust and community begin to break down. We are getting close in New Brunswick to sleepwalking into that abyss.

Why? Why is there a pervasive sense that multiple social structures are breaking down at once? Why are we normalizing having seniors languishing in hospitals when they are not there for any reason tied to their interests or their medical needs?

Last year, we started to look within the long-term care silo. That report will follow. However, the more we examined the cases where the system failed New Brunswickers, the more it became clear that some of the problems in long-term care cannot be separated from a general breakdown in governance and social services across multiple Departments and social services. A challenge for government watchdogs such as the Advocate's Office is that, even as we rightly criticize government for acting within artificial silos and failing to collaborate across Departments, often our reports continue to examine problems *within* those artificial silos.

This report is not going to look only at one social service within its silo. Instead, it is our goal to place some of the failings of the long-term care system within the larger context of failures in governance in New Brunswick. Even the best recommendations for change will fail unless we address why government keeps failing across multiple social programs.

There are reasons why too many seniors languish in hospital beds. The reasons are often similar to why too many social assistance recipients are still living in poverty after years, why nearly half of children going to school cannot read, and why a growing number of people living in New Brunswick are experiencing homelessness.

There are reasons why too many seniors are forced into institutional care rather than supported in staying at home. These reasons are often similar to the reasons why too many children in care wind up homeless, why too many children with special needs become adults on social assistance, and why the criminal justice system and the family courts are overwhelmed.

There are reasons why nursing homes and special care homes struggle to find qualified staff to ensure that seniors can have a high quality of life. Many of these reasons are the same as the reasons why parents are passing up jobs due to a lack of childcare, why youth mental health crises presenting at hospitals are at record highs, and why critically ill people are suffering in hospital waiting rooms.

If it sometimes seems like multiple social structures are breaking all at the same time, that our childcare waitlists exploded at the same time our mental health crises metastasized and our hospital waiting rooms backed up and our classrooms became unmanageable and our family court wait times grew ever longer and our psychologists and social workers vanished and our long-term care system became unreliable, you are not imagining it. If it seems like it all broke at once, it did. That's because the same root causes, the same failed assumptions of government, finally hit all the big social ministries at once.

If it seems impossible that there has never been competent leadership at the Departments of Health, Education, Social Development, Justice, or Public Safety, you would be correct. There has often been highly competent leadership in those Departments. However, that leadership exists within systems designed at the centre of government which put those leaders into models that reward irrational behaviour and punish anyone who even defines a social problem, let alone dares try to solve it. Not because people at the centre have been incompetent either, but because the structure and processes in which they work exist in a world separate from the social outcomes we expect government to achieve.

Lest anyone attempt to find partisan satisfaction in that, let it be said that the decline in the functioning of our social programs was not started in recent days. Rather, for thirty years the government of New Brunswick has embraced governance, budgeting, and planning models designed to avoid accountability for social outcomes while focusing on uniformity and bottom lines.If politically there is blame, it is that obvious flaws in how

we govern have been pushed down into 'catch-all' programs. If the primary health care system fails, the emergency room will deal with it. If family intervention programs fail, the classroom teacher will deal with it. If a family falls into poverty for lack of training and support, the social assistance system will catch it. If mental health programs fail, family services will catch it. If multiple systems fail, the police and courts will catch it.

Is any of that, really, any different than saying "if seniors don't get home support and the nursing homes are full, the hospital will catch it?" For thirty years governments have ignored warnings about the failures of programs let people fall through the cracks and instead, issued special warrants to fund the nets that catch them: the urgent care hospitals, the courts, family protection.

Then, the nets all started breaking at once.

It is awkward to preview a long-term care report by looking at the general governance model of New Brunswick. Yet if we do not examine the common threads of system failure, none of the system-specific recommendations will matter. This is because this report has left us convinced that *the failings in long-term care are also the failings in how New Brunswick social programs have been governed*. The programs can only be fixed by fixing flaws with general government. *The centre of government cannot order a department to fix the problem when the centre is a large part of the problem.*

Now, we are at a crossroads. We can comfort ourselves with the same fatuous nonsense that the system is perfect, but the people must improve. "If only people stopped coming to the emergency room." "If only families did better by their aging parents." "If only children had discipline these days." "If only the homeless and the addicted faced real consequences." "If only parents were a little better." "If only the civil servants managed smarter." It seems we can always point the finger at the people who need the services and put off asking these hard questions for one more year, one more budget cycle, one more election. But in reality we can't. Because *the people aren't failing the system. The system is failing the people.*

There is an old story every lawyer hears in law school, a tale that every criminal defense lawyer tells a jury when the lawyer wants to plant the seed of doubt, the germinal idea that their client is wrongly accused. In this tale, a man stands under a streetlight, looking for his wallet. A kind stranger helps the man look. After a half hour, the stranger asks, "Are you sure you dropped your wallet here?". The man replies that, no, he actually dropped his wallet in the alley across the street.

"So why are we looking under the streetlight?" asks the stranger.

"Well, the light is just so much better here," comes the answer.

This report starts with our governance failings at the centre of government because that's where we dropped our wallet. The social Departments – Health, Education, Social Development -- just happen to be where the light usually shines. The solutions start with our most flawed assumptions of governance.

There are five broad governance issues within the Government of New Brunswick that run through a number of strained social systems. These are the flaws that, while affecting several social outcomes, are acutely relevant to the long-term care system and its challenges. They are:

1. Human resource planning is often detached from service standards and future needs. Training targets and programs are funded upon immediate vacancies, not emerging trends. Often, staffing targets are viewed first through a cost control lens rather than focusing on the objectives and outcomes for citizens.
2. The budgeting process is almost completely detached from objective targets, measurable standards of social outcomes, or even reality. Often the budget base is last year's status quo, and budgeting exercises are played out with fiscal scenarios but without any reference to actual measurable social outputs.
3. While financial outcomes are tracked with regularly updated data, clear goals, and with the expectation that managers will have and use discretion to meet the measurables, social policy outcomes are rarely measured or tracked and are almost never established as boundary conditions. Most Departments do not have hard targets for policy outcomes, and many social programs cannot define success.
4. Government generally holds employees accountable for following rules, but not accountable for results. Training programs and workplace procedures place a high emphasis upon limiting variability of process rather than encouraging clear objectives and employee discretion. The result is that public servants are rewarded for being rule followers and discouraged from being problem solvers.
5. We avoid preventative planning and investment in optional programs that might prevent crises. We then fund the inevitable crises. Often, the budget for services that must respond exceeds the budgeted amount, and government gets used to special year-end adjustments. We fund the crisis after the fact and avoid spending on the prevention.

Each of these issues represents systemic flaws within government. They will require central leadership and explicit direction, across multiple Departments, to remedy.

The language in this report is blunt. It may ruffle feathers. However, no one should see this report as an attack upon any one actor in the system. In fact, the reason why this appeal is so urgent is because there are no obvious scapegoats.

If there were incompetent people leading the bureaucracy, they could be replaced by competent people. If there were incompetent people elected to run government, they could be unelected. If government had just made unconscionable cuts to social programs, one could call to out the money back.

In fact, there are caring and competent people in all government departments, and in the Legislature. Certainly the majority in the last twenty years have been that. The rate of funding increases in the last few years have been as much if not more than those in the decade before, and much more than the stingier budgets of the 1990s.

What if the governance system itself was set up to defeat effective social policy governance. What if there are good people and decent resources, but the system is set up on incentives and assumptions so perverse that they have no chance to succeed?

At some point, when hospitals tell people who are sick and in pain to stay away unless they are risking life and limb, when parents can't work because of two year waitlists for child care, when homeless people freeze to death, when people die in hospital wait rooms, when teenagers in mental health crisis flood emergency rooms, when those same emergency rooms rush them out because seniors who need long-term care are taking up urgent care beds, when family courts are backed up and leave children in uncertainty for months, when child protection files repeat the same sorry outcomes, when people turn to social assistance for a hand up but instead stay there for generations, when schools are almost as likely to fail to teach a child to read as to succeed, when hundreds of children are sent home from school indefinitely because the school doesn't know what to do for them, when the wait list for those children to see a psychologist is years long, when the affordable housing wait list is as long as the mental health wait list, when the biggest budget increase is for police and prosecutors because government feels the streets are no longer safe, when we get, well....here, isn't that the time to ask if maybe there's something broken in our social policy governance.

If this all feels a little blunt, well, imagine how all those children, teenagers, families, seniors and vulnerable adults feel. The language here is not because any one person has failed. It's because we are all failing, collectively, and it's time to stop bailing the boat out and ask where all the water is coming from. There's got to be a better way.

So, here goes....

Governance Flaw #1: The Lack of Effective Human Resource Planning

In a sensible system, governments would establish an acceptable service standard in social programs, model the demand for the service, calculate the number of professionals needed to meet the standard, and then budget accordingly. Where gaps between the standard and available resources exist, training program funding and spaces should be correlated with the resources needed to meet the standard.

In New Brunswick, nothing like that happens. It is amazing how many critical programs are delivered without any hard targets for staffing, beyond "let's all do our best".

Let's take, for example, psychologists. We know that there has been a spike in the number of young people presenting at emergency rooms in crisis. We know that this speaks to a lack of primary care and early intervention capacity within the mental health system. Nearly three-quarters of school psychologist positions are unfilled and wait times for primary mental health care are high. So, you might expect that somewhere in government, someone has at their fingertips certain important facts. How many people are likely to require mental health services? What is an acceptable wait time, based on the acceptable length of time before a mental health issue deepens into a crisis which will require more (and costlier) interventions? Combining the demand with the acceptable wait time, how many psychologists (or other paraprofessionals who could meet some of that demand more efficiently and affordably) are needed? Do our enrollments, or recruitable surplus professionals in other jurisdictions, add up to that needed number? If not, after applying any models we might know of for greater efficiency or better delivery, how many spaces will we need to fund in our training programs given the likely retention and recruitment rate?

You would think that, if you asked those questions, there would be an answer. And in New Brunswick, you would be wrong. If you ask for that modelling, you will almost always get a list of all the programs, initiatives, and other things that government is doing to hopefully increase the number of psychologists. Some of these activities reflect considerable effort. However, effort is not the same as results. "We are working hard hoping to fix this" is not the same as "We need to produce X number of psychologists and our current pace of success is consistent with getting there". If you ask how many of any one professional we need and how we know we are going to have them, the governing culture in New Brunswick returns the bureaucratic equivalent of an Error 404 message. It might as well have a perspiring fiddlehead offering a plucky thumbs-up and proclaiming, "We're working on it!"

In the case of psychologists, the critical shortage is made more maddening when one realizes that the doctoral programs in New Brunswick are *both admitting and graduating as few as two graduates a year in clinical psychology*. There are not many more graduates being produced in educational psychology, either. The most popular undergraduate program in New Brunswick liberal arts universities is psychology most years, yet for all of these hundreds of interested and qualified young people, we do not generate actual psychologists. It does not require a statistical regression analysis to know that, if you need dozens of psychologists and you are adding two per year, by the time you fix the teen mental health crisis that generation will need more gerontologists. Yet this incuriosity in the adequacy of training spots coincided with professional associations adding new requirements for mandatory doctorates and more stringent supervision before admission to the profession. In this case, absent a functioning School of Psychology that manages the admission to the profession as medical schools do, we are at risk of reaching such a critical shortage of psychologists that we will lack both practicing psychologists as well as the people qualified to supervise and admit new psychologists.

Government sometimes explains the lack of training spaces by offering a list of recruitment programs. Again, however, we do not have numbers to show progress of these programs or available recruitable psychologists. On a macro level, a 'recruitment only' approach to professional shortages seems inadequate. If recruitment alone would work, we would be able to identify jurisdictions where the problem is that they have too many psychologists, or nurses, or doctors, or other scarce professionals. If such a jurisdiction is handy, they are extraordinarily circumspect. We are unaware of any recent debates in any North American jurisdiction centred around the question "How do we get rid of all these extra doctors?"

The impact of this culture upon long-term care is clear. Some years ago, the New Brunswick Nurses Union produced a report clearly establishing the vital role that Registered Nurses play in long-term care. Without these nurses playing a part in developing and executing care plans and supervising other care providers, the system will likely not produce results because there is not the leadership and problem solving available to other front-line workers to make their efforts available. Lest anyone write the NBNU conclusion off as self-serving because of their legal responsibility to advance the employment conditions of nurses, the report noted that many care facilities were operating without meeting government's own standards for Registered Nurses per patient. In fact, the NBNU report found that the shortfall was so widespread as to cause inspectors to simply stop writing it up. While the Department of Social Development has submitted that the failure to meet the standard was and is regularly noted, our consultations still found a pervasive sense that the shortfall has been normalized to the point where there are no meaningful consequences for a practice which government claims is unacceptable.

Further, the shortage of staff for nursing home and special care homes has led to a situation where beds and infrastructure exist but cannot be accessed because of a lack of staff. Yet no current plan exists which identifies staffing numbers tied to freeing up those beds and a training plan to get us there. For all the recruitment programs announced with fanfare, no one has hard numbers modelling future demand, service standards, and hard targets for the number of nurses or other health professionals needed, let alone a capacity model for how to achieve these.

In many ways, our human resources models are still built to solve an austerity problem rather than a service shortage problem. This dates back to a 1990s approach to health care, a period in which the government of New Brunswick reviewed most social programs with an eye to reducing expenditures and did not quantify social impact for reasons both operational and political. As the premier of the day famously said, "people first and money second ended when the money ran out." The human resources modeling practices used reflects this three-decades-old ordering of priorities which tied human resource planning to financial targets, but decoupled them from models of demand and service standards.

Essentially, in the 1990s, governments were confronted with a question of how to control costs in a demand-driven system. In our health care system, for good reasons, there is an element of cost which is simply driven by how many people demand a service. If patients present at a hospital or a doctor's office or a similar service portal, they will receive a service and government will incur an expense. Under the terms of the *Canada Health Act*, those services are provided without direct cost to the patient. They are paid for from government revenue through Medicare, which is a public health insurance plan. In a pure market economy, demand might be controlled by attaching a price to health care services or by the insurance provider rationing those services. Of course, health care is not a market commodity, and Canadians rightly do not want the social consequences we see in countries where those private sector controls of price and rationing are used to deter people from accessing primary or urgent health care when they feel that they need it. In short, government did not, and should not, change the fact that the service is free.

To explain why this changed the human resources model, it might be helpful to imagine a wedding reception where the host is providing guests with an open bar. The eventual cost of that open bar, if all drinks are provided free of charge to the consumer, will be driven only by demand. If the host sees that the cost is getting out of control, there would be ways to regulate the final bill. One could begin charging for the drinks, which might cause some people to rethink demand. Or one could ration the service by, say, giving each guest a fixed number of drink tickets regardless of what they actually need. With bar service, these are fine options. Applied to health care, these methods may deter people from needed care because they can't afford it, or they may abandon the person who has acute and complex health care needs.

How would one control the cost of an open bar if charging money or limiting drinks is unacceptable? The third option would be to limit the number of bartenders handing

out drinks. If one reduces the number of bartenders qualified to serve people from six down to, say, three, the wait times for drinks will go up, but the slower pace of services will control costs. In fact, the long lines may also reduce demand in the way that higher prices would – some guests may see the long wait and decide that they don't really want the service at all, or will find other ways to meet their needs.

In the 1990s, government essentially controlled health care costs by reducing the number of providers and portals, thus increasing wait times to slow the annual rate of use of health care services. Hospitals were closed. The billing number system for physicians became more restrictive and imposed limits by region upon how many people could practice medicine. Enrollments in medical, nursing, and other health programs were capped, and this trickled down to college programs for other health services professions. The wait times that resulted were a feature, not a bug, of this plan. The annual cost of health care was now predictable, because the system could only dispense services at a certain rate. The growth of health care costs was (somewhat) controlled.

None of this is to denigrate the need for sound budgeting or good fiscal management. Uncontrolled budget deficits have other social impacts which can legitimately be considered. Fiscal targets should be established and, in the normal course, should be met. The point in noting that the fiscal target alone drove human resource planning is to highlight what government stopped measuring and stopped considering in setting human resources targets.

What government did not do, during this period, was set standards with hard targets for acceptable wait times. They did not calculate the social or future costs of delay, and they did not model future demand relative to the immediate training restrictions. Some of this was due to the policy decision to emphasize the fiscal targets in response to the perceived crisis, which was a legitimate policy choice. Some of this was no doubt political as well. After all, if you have a standard for an acceptable wait time and you increase it in order to lower human resource hirings, then you would have to admit that you moved the standard upward by design. Then you would have to admit that the longer wait was a policy choice, and those calculations would become discoverable through right to information requests. So, it was better for government to simply curtail the number of health care professionals and know that some wait times would go up, but not set hard targets for what that trade-off would be. That way, no one was actually accountable for the result, but one-off solutions could be found when the wait time grew so high as to cause public anger. However, this made the test for wait times simply what the public would bear, not a standard driven by health-related outcomes.

The unintended consequence of this was that once the human resources caps and limits became the norm and the training spaces were limited, it affected the professional and educational plans of citizens. Once jobs and training spaces become limited, the supply of people considering the profession also becomes limited. Psychologists are a good example of this – it is now an accepted truth that only a handful of people will be accepted into doctoral programs, and so now young people don't even embark upon the

steps that might let them consider the profession. Once we tried to dry up the number of providers in the 1990s, we also discouraged those who might have become health care professionals in the 2020s.

Here, too, government generally chose to avoid accountability for the logical consequences of its actions by decentralizing the decisions and avoiding standards and measurement. Funding of universities and colleges was reduced, and government avoided setting targets for the number of people who were trained and the number of spaces available for future professionals. Even today, when we asked the Department of Post-Secondary Education, Training and Labour for information on how the number of spaces and/or seats in professional programs correlates to the number of vacancies to be filled, they replied that they do not allocate funding on the basis of spaces or seats.

Again, in any sensible system, one looks at the projected demand for a service and sets standards for how quickly that number of people should get the service. You then calculate how many professionals it would take to provide the service to X number of people within the acceptable time limits. You then look at the expected retention rate of new graduates in the needed professions, apply that rate to the number of vacancies, and determine how many people you need to train. You then sit down with the training institutions and determine what they need for resources to provide that many training spaces. At each juncture, of course you engage in sensible discussions about the most cost-efficient way to do things, about what the lowest acceptable standard will be, and you hold providers accountable for any inefficiencies in how they deliver the needed training or service. But you start with a sense of what the service must be, at a minimum, and what the minimum reasonable cost is. You don't give someone $10 to prepare a four-course lobster dinner and then act shocked – shocked – when they return from the store with a tuna sandwich. You set standards and then you calculate the most efficient funding model.

That's what healthy processes do. It just is not what the Government of New Brunswick does, because thirty years ago our funding model was built around the policy imperative of hard fiscal targets with the political imperative of not knowing the impact to the point of accountability. Political credit was taken for the fiscal target at the centre, and the buck was passed on to the downstream providers – health regions, hospitals, school districts, colleges, universities – to announce the consequences. If government increased funding later, they nebulously claimed it would lead to "more "and "better" but avoided having to set a target for what was expected, because then they would have to provide answers if the target changed for the worse. If this worked to avoid making politicians answer for the social consequences of fiscal targets, it also infested the bureaucracy with the same credo. The financial targets can be set and met, and social outcomes are best not measured. In fact, as we shall see, the public servants tasked with calculating the fiscal targets are a completely different set of people than the public servants held accountable for the service delivery.

The purpose here is not to relitigate the urgency of the 1990s fiscal crisis today. Those policy trade-offs were democratically discussed, and choices were made. However, if the challenge changed in 2024, the governance model didn't. We are trying to get a bureaucracy built for 1994 to solve the challenges of 2024. If the effect seems about as effective as trying to pump up a high school dance today with the Macarena, that's because the time lag is every bit as dramatic.

We continue to hear about the coming demand for long-term care. This will lead not only to demand for traditional care professions such as nurses, but (as we shall see) new skill mixes in growth areas such as home care, dementia care, and recreational therapy. Yet if today you asked to see numbers for service standards, future demand, and training program enrollments in the hope that those numbers would have something to do with each other, you would be disappointed.

It is almost as if we are afraid to ask the question, because knowing the answer might create a responsibility to enact radical change. Of course, eventually a lack of future planning creates fiscal problems as well. A failure to train enough nurses will eventually lead to overpaying for travel nurses in numbers suspiciously close to the original training shortfall. As we shall see, the same culture of incuriosity extends to our budgeting process, where we have completely decoupled the fiscal framework from accountability for the social outcomes.

Governance Flaw #2: The Curious Detachment of the Budgeting Process from Reality

There are budget targets which government must hit each year. Through the budget, the Government of New Brunswick establishes what are acceptable outcomes on a variety of important policy questions. What is an acceptable amount of spending, given that each dollar must ultimately be paid by New Brunswick citizens? What is an acceptable level of deficits for which we will borrow, or surpluses which we must achieve? What revenue and expenditure targets must each component department and program achieve if New Brunswick is to meet its overall targets? What amount of debt should be repaid in order to achieve flexibility and future stability?

These are all worthy questions. They are important, because they predict outcomes that have real impacts upon the quality of service and policy options in years to come. They set targets which directly address how much citizens will be asked to pay in taxes and fees. Because these outcomes matter, the budget establishes measurable targets with clear numbers. The Department of Finance and Treasury Board, and the Executive Council Office collectively share the responsibility for setting these targets and enforcing measurements and reporting which make sure that the targets are not forgotten as the year unfolds. The budget they prepare should have the effect it predicts, and if the numbers do not match the reality, we hold those departments accountable, and ultimately the elected members of the Executive Council who oversee that process.

However, budgets are not only fiscal documents. They represent a balance of how we meet our fiscal goals and our social policy goals. After all, if a budget were only an expenditure control document, the task would be easy. We would simply enter zeros on every line (save for a few employees to print the budget with all those zeros), we would add a bit of revenue for the printing and debt repayment, and all would go well. The reason we have a budget process is to make distinctions between needs and wants, to determine what government *needs* to do in order to justify the money it takes from citizens. The numbers don't simply set limits on expenditures – they tell us what government has decided it must do in providing services and addressing collective needs, from roads, to safety inspections, to schools, to long-term care.

So, when the central authorities in government – the Departments of Finance and the Executive Council Office –release a budget, they are in fact communicating two decisions that they are tasked with: they are warranting that the financial limits they have set will have impacts that meet our fiscal goals – stability, borrowing, sustainability, justifiable

taxation; they are also warranting that when they assign a number to a social priority by funding it at the determined budgetary level, they have chosen that number because they know what the goals are and have determined its adequacy.

After all, a budget cannot be simply a random set of numbers that we are willing to spend because, hey, why not? The combined budgets of the "Big Three" social departments – Health, Education and Early Childhood Development, and Social Development – are given just over $7Billion per year. That is over $8,000 requested from each New Brunswicker, nearly $15,000 demanded from each New Brunswicker of working age. It would be a disservice to tell those who pay the tab that the expenditure was set only because we wrote down numbers and then limited them based upon fiscal goals. The budget is government's assurance that we have determined what services residents should be able to count upon, and that what we are spending will meet those commitments. That means that those who prepare the budget should know what the social objective is, how many people will need to receive what service in what frame of time, and what success will look like if the program meets its objectives.

So, when we ask the departments charged with preparing the budget why they have chosen a particular number to spend, we should hear from the Departments of Finance and Treasury Board and the Executive Council Office that they received and understood models of what is to be done, for how many people, and what is to be achieved. If money is added, we should know what standard is expected to be reached. If funds are limited, we should know what standard they have determined is acceptable to balance the social and fiscal objectives. Otherwise, when the government claims that a budget invested "more" in a program, all it means is that we decided to spend more money and wrote down a bunch of numbers until one looked good.

In short, if the departments who prepare the budget and enforce the fiscal plan have the power to determine what we will spend or not spend on a social objective, they should share in the accountability for whether or not the plan met the objective. It is nonsensical to say that the most critical decisions – the financial parameters and where the money will be allocated – are made at the centre of government but only the officials at the social departments are held accountable for outcomes. Decoupling authority from accountability is (always) a bad idea.

To spell it out in simple terms, imagine if two people are responsible for hosting a steak dinner, and the objective is to ensure that everyone has steak. Person A sets the budget. Person B buys the food and prepares the meal. When we arrive, we see five people eating and one hundred angry people milling about hungry. The person preparing the budget points at the person organizing the dinner and says "we gave them money, so don't look at us!"

The question is, of course, whether or not the person preparing the budget made a wise decision when they set the number. The person setting the budget should be able to tell us how many people they were preparing to serve, what they assumed the ingredients

cost, what the acceptable quality and speed of service was, the number of staff required to achieve the goal, and how much those staff would need to be paid. If these budget assumptions were correct, and the person preparing the meal hired a limousine to go the grocery store and then decorated elaborately instead of buying food, we have a delivery problem. If the person setting the budget assumed that we could buy filet mignon for $1 per pound, we have a budget problem. And if no one can tell us what they assumed for any of the inputs, we have a complete governance failure.

In most cases in New Brunswick where we examine a failure of social services and systems, neither the department nor the central authority can offer any objective measurement to determine if we have a delivery or a budget problem. That means that we are systemically living in a continuous governance failure.

In April 2023, after the release of the 2023-24 Budget, the Advocate's Office asked the Department of Finance and Treasury Board some questions to see if basic modelling was done before determining expenditures. We generally focused on what could be seen as 'positive' announcements in that resources were increased, not cut. This was a deliberate choice, done to encourage answers which were expansive and not defensive. The responses were rather revealing.

- We noted the presence of several tax incentives for landlords to lower input costs and thus lower rent costs passed on to tenants and to stimulate housing development, and asked what indicators would be measured to track the impact upon affordability, and if there were any results that would need to be met for the program to be continued. The Department of Finance responded with an affirmation of the goal and declined to name even one indicator that would be measured to determine success or failure. This means that a multimillion-dollar initiative was launched without any sense of what, exactly, the result would be. Common sense would dictate that one should know what result one wants before millions of dollars are spent, rather than spending millions of dollars and then figuring out what might happen, or worse yet, what did happen after the money was already spent.
- We noted a $1.7Million parcel of new funding for First Nations mental health initiatives and asked for any specific needs assessments that were done to arrive at that number. In short, what were the numbers of people in the targeted group waiting for services, what was the acceptable service delivery time before these problems became worse and strained other systems, what the connection was between these needs and the expenditure, and what results would we see if it worked. The Department of Finance responded only that there would be new initiatives and that the government was "moving forward". If "forward" meant there was any particular result or need that would be addressed, it was unclear. What was done in this case was a funding of inputs, but no sense of results.
- We noted that the new budgeted amount for Child Protection Services was lower than the actual expenditure from the year before, and asked for the basis for this prediction with specifics on what drove the previous demand and what real changes government

was basing the change in measurable outcome upon. The Department of Finance replied only that the previous year had higher caseloads and costs per case, and if that situation happened again, they would simply add more during the year. There was no information provided as to why caseloads and costs were higher, what upstream investments might have avoided the surge in child protection inputs, or if there was any particular basis for the assumption that the caseloads would go down that could be measured. The only possible consequence of this odd budgeting – writing down a number that was wrong last year and making a wish upon some star that it won't happen again – is to put the Department of Social Development in a state where they are uncertain of their resources to make strategic change for eleven months of the fiscal year before shrugging and spending millions more at the end in the least strategic way imaginable.

- We asked about what should have been a good-news announcement in Education – the addition of $10.1Million to add additional behaviour mentors, resource teachers, guidance counselors and social workers to address classroom composition. The Department of Finance repeated the inputs and announcements of what the inputs were, but could not provide any modelling of how many classes were compositionally challenging, what the numbers were of children requiring service and the expected response time before the problem caused more complex problems, or what factors went into measuring positive changes in classroom composition. Essentially, it was a list of new expenditures that could be announced politically, but included no expectations of results operationally.
- With regards to long-term care, we asked specifically for modelling and benchmarks of seniors in alternate levels of care (which is to say in hospital beds with no medical purpose for continuing admission). We wanted to know what the numbers were and what an acceptable or predicted decrease in the number of seniors stuck in hospital beds would be. This would accomplish two things – it would assure us that there was an outcome which must be met rather than a wish, and if the Department was prepared to predict the result, it would mean they had found where the backlog was and knew what would have to be provided to address it. Regrettably, the Department of Finance could not provide us with any of that. They mentioned only that last year had resulted in 35 transfers from hospitals to nursing homes, but they set no targets for the year to come. If there was any evaluation of how their fiscal decisions would actually address the issue, this was kept to themselves. They repeated that they were committed to improvements in assessments and home care and were recruiting staff successfully from the Philippines. Where these new staff members would go and what result would be expected was, apparently, unknown. Once again, the input was repeated with no reference to predicted, measurable, or expected results.

That last answer shows precisely why we are not confident that recommendations aimed at the Departments of Health and Social Development alone would solve the serious problems in long-term care. The central governance model is fundamentally flawed because the budget and financial oversight process is completely detached from any

concept of results. The answer from the Department of Finance with regard to long-term care is lacking in the same way that the answers were lacking on classroom composition, First Nations mental health, housing affordability, and child protection. At some point, continuously hammering the party line of departments, while ignoring the fact that their resources and operational rules are completely unaligned, makes no sense. That is why we are examining the central governance model in our quest to figure out why so many past recommendation reports on long-term care have gone unfulfilled.

We know that there are over 300 seniors in hospitals that should not be in hospitals. We know that this has tremendous impacts upon their quality of life, because in a strained institution built for urgent care, their daily needs as fundamental as bathing and bed changes, let alone recreation and social opportunities, are often put off. We also know that their ongoing presence is affecting the quality of emergency care, leaving patients in hallways, in waiting rooms, and sometimes at home in pain and discomfort which cannot be addressed in a timely fashion. In short, we know this is an urgent situation.

If the situation is urgent, what is an acceptable target? As mentioned before, the Department of Finance, when asked what target its financial decision was based upon, could tell us only that in the previous fiscal year, 35 seniors moved from hospitals to nursing homes. Even if no additional alternate level of care patients arrived during that same time, this pace would create a decade-long window to resolve the current caseload. In fact, we have since been provided with data from the Department of Social Development noting that the Department of Finance chose to only provide us with the results of one targeted project rather than the overall number of patients transferred from hospital to nursing homes, which was 1,065 from April 2023 to February 2024. When asked what the overall impact upon the waitlist had been, we were told that, overall, the waitlist had grown from 740 to 949 and the number of seniors left waiting in hospitals had grown from 431 to 480.

It is indicative of the problem that, when explaining its budget, the Department of Finance cited only one program it had funded and one year later Social Development provided us with the global number of patients placed. After all that, it was not until our office asked specifically for the waitlist numbers (the original point of our question about the budget) that we received numbers showing that the waitlist had actually grown by 28.2% and the number of seniors left waiting in hospital had gone up by 11.3%. This essentially means that, at the time they were asked to explain their budgetary decisions around addressing this urgent problem, the Department of Finance did not even think to check if the waitlist numbers were getting better or worse, even though those numbers were knowable. This is precisely what we mean by the disconnect between the budget process and the actual results that impact New Brunswickers. If the budget was not set with reference to the waitlist trends, what on Earth could have been the basis for the budgetary decision?

Even if we leave aside the human cost of that window, there are additional questions a prudent budget maker would ask before making resource decisions. What models exist

for speeding the pace? What would be the result if a hard target were set to resolve the situation? What regulatory changes could speed the pace? Are there other funding options, such as increased special care home or home care capacity which might increase that pace? Most crucially, if we accept the status quo, what additional costs would be created by that window in terms of urgent care resources, additional human resources to manage alternate level of care patients, and spillover strain on the primary care system?

A prudent budget maker would ask those questions because the fiscal resources directed to this challenge will determine costs and results throughout the health care and long-term care envelopes. The policies and structures of Treasury Board and the Executive Council Office include how fiscal flexibility is transferred and how employees are trained and incentivized in terms of measuring and getting results. One would think that the centre of government operations would model social outcomes, tie funding to results rather than inputs, and structure operations around meeting social and fiscal targets.

Instead, the budgeting process involves using the previous year's number without assessment of result, providing funding increases or decrease without modelling the social impact, and then, when the unrealistic budget assumptions drive unanticipated costs (like a lack of long-term care capacity creating desperate, crisis-driven expenses in urgent care), a special warrant is issued at the end of the fiscal year when the money can least be used for structural change. Then, as the Department of Finance advised us in their explanation of child protection funding in 2023-24, the next year's budget ignores the special warrant and returns to the previous year's flawed assumptions without examining what factors might cause the assumption to be flawed.

That flawed process for allocating resources to social programs might be partly why the social programs do not achieve meaningful reform or improved results. In a high-functioning government, the cycle would look like this:

1. The Department of Finance models various fiscal scenarios and projects the consequences, short and long term, of various models of spending, revenue and balance scenarios and recommends the optimum fiscal targets.
2. The Executive Council Office models various social and operational scenarios and leads line departments in modeling social outcomes and indirect costs driven by various funding scenarios and recommends optimum areas for budget investment with predicted results for which departments will be accountable.
3. With both the fiscal and social centres of government providing models to Cabinet, Cabinet provides the essential fiscal and social outcomes through a budget which funds results, not just lists new spending inputs and activities.
4. Line departments develop key indicators and targets for performance and empower officials throughout the department to make decisions to meet their unit's social and fiscal outcomes.
5. The Departments of Finance, Treasury Board and the Executive Council Office collaborate upon measuring the results on the key indicators and begin the process with updated baseline assumptions, measured results of past expenditures, and identified areas for investment tied to projected and modelled results.

This sort of budget cycle would depend upon a healthy creative tension, and equal mandates to project and model outcomes, between the Department of Finance and an Executive Council Office with a healthy policy apparatus. Instead, the centre of government has increasingly harmonized Finance and the Executive Council Office into one entity which sets fiscal targets but has neither the capacity nor the curiosity to measure how those fiscal decisions impact social policy outcomes. Essentially, the Executive Council Office that should develop a central vision for social policy and support social departments has first been hollowed out from policy expertise, and now absorbed in its mandate and leadership into the Department of Finance and Treasury Board. What should be a creative tension is now total domination, where Finance and Treasury Board has grown dominant enough to ignore the normal checks and balances – even the limits of its own competence and knowledge.

The result is that the Department of Finance guards all the power to make final decisions over how to resource social programs but has none of the accountability for outcomes *– even when the lack of analysis leads to unexpected social outcomes that then drive up financial costs.*

The result of this is shown in the budget explanations we were given by the Department of Finance. There are no social policy goals, measurements, or results. All the budget process does is use a baseline which itself is not tied to results, decides which activities that politically must be funded and announced, funds as many of those activities as the fiscal limits will allow without an assessment of the impact and then, when asked what results they expect, lists all the new activities without any prediction of what results those activities will generate. Then adherence to numbers designed with no assessment of results which becomes more operationally important than results.

We are managing $7billion worth of social programs with a fiscal approach we would not accept from a household contractor. Imagine having this conversation with your plumber:

You: *Thank you for coming. You can see that the sink is shooting water everywhere. Can you stop the flooding?*

Plumber: *You should know that I have budgeted $5,000 for this job. Please send it now.*

You: *Is the sink structurally sound? Is there a specific part you need to replace or fix?*

Plumber: *I am committed to sound and efficient sinks. Once you give me $5,000 I will monitor the effectiveness of my activities and maximize the results.*

You: *OK, sure, but why is $5,000 the number? You must know what parts of the sink need improvement to stop the result of flooding. What result will you predict?*

Plumber: *With $5,000, you will be funding several anti-flooding initiatives, including a new anti-leaking support program, the hiring of two new plumbers' apprentices to enhance service and responsiveness, and I will pilot a new washer replacement program in the lower portion of the pipes.*

You: *So, it is the washers that need to be replaced? If we replace all of them will the flooding stop?*

Plumber: *It's a pilot project. We will carry out the activity and monitor the results.*

You: *What results would lead you to replace the rest of the washers?*

Plumber: *I cannot say at this time, and the report on that is not ready to be released.*

You: *I just want the flooding to stop. Why should I give you $5,000?*

Plumber: *On my last job, my team put in three hours work. With your $5,000, we will be increasing the apprentices' time on task by 67% to 5 hours.*

You: *On the last job, did the flooding stop after three hours?*

Plumber: *You know, I did not ask. But this will be more funding and more hours, so clearly I am committed to stopping the flooding.*

You: *I'm not going to give you $5,000 until you know what the problem is and have a plan to fix it, and are prepared to be accountable for the result, which is that the water from the sink stops flooding my house.*

Plumber: *OK, just give me $4,000. But I may take an extra two days to fix the sink.*

You: *If I wait two days, won't the flooding wreck my floor?*

Plumber: *I don't know. It might.*

You: *How much will that delay cost me?*

Plumber: *I don't know. That would be reflected in the budget for the Department of Flooring, and that's not my responsibility. But I just saved you $1,000.*

You: *How can I know if that's worth it if I don't know what the delay will cost me?*

Plumber: *OK, OK…just give me $3,000.*

You: *Why would I give you $3,000 if you don't know what the result will be?*

Plumber: *Remember, the previous budget was $5,000. I just found an efficiency of $2,000. This is the new fiscal responsibility.*

You: *This is crazy!*

Plumber: *Oh, yeah? If this is crazy, why am I projecting a $3,000 surplus?*

This, in an only slightly-exaggerated form, is how the social program budgeting process works in New Brunswick – fiscal goals driving an arbitrary list of numbers, spending concessions driven only by the political need to fund some kind of action, and no assessment of the link between activities and results.

None of this misalignment started recently. Again, many of these decisions to drive social policy decisions through the accounting wing of government without impact assessment began in the mid-1990s. Indeed, one could make a strong case that the budgets in the last six budget cycles have been far more generous in terms of top-line social spending than the budgets of the mid-1990s. Yet they have been far worse in delivering meaningful social outcomes, with several social structures such as urgent care, family courts, child protection, inclusive education, housing, and long-term care teetering into near-chaos with unmanageable wait times that destabilize budgets and communities alike. This is not because today's government is less generous, but because thirty years of budget models working without proper modelling have divorced even generous budgets from actual results.

Insisting on a strong social policy unit within the centre of government is not a disguised way of saying there should be stronger arguments for more spending. Solid fiscal management is essential and has not always been present in government, either. Government is right to insist upon sustainable spending, limits on borrowing and debt, retaining fiscal room for crises, and limiting the revenue it takes in taxes and fees to what is necessary. These are important goals, and government does not have to apologize for doing them well.

The point is that a strong and innovative social policy analysis function in the budget process actually makes the fiscal goals possible. First, because when the big three social departments account for $7Billion in annual spending, there is no long-term fiscal stability without social planning. Second, when a social goal must be met with fewer dollars, the ability to assess the problem and find innovative ways to target root causes is more important, not less.

Finally, if the centre lacks the ability to see unintended consequences and costs passed between departments, eventually the fiscal goals will fail as well. That is partly because a failure to address social problems with a plan will usually lead to more spending in a political panic. It is also because with no central assessment of social expenditures, departments also create expenditures for other departments. If the Deputy Minister of, say, Social Development is told to save ten dollars, but the solution will create a fifty-dollar problem for the Department of Health, that is not Social Development's problem. So, if Social Development turns down a $500 home care service and the senior winds up in a significantly more expensive hospital bed, that is fiscally compliant but ultimately fiscally stupid. If Education puts a child on partial days and can't pay for services to help them get back to school, and the parent loses her job but goes on social assistance because she must stay home with the child, that is fiscally compliant but ultimately

fiscally stupid. A strong policy outcome unit at the centre of government supports the fiscal goals because they understand impacts of spending decisions in a way that the Department of Finance does not.

In short, the centre of government runs on a model that gives the Department of Finance ultimate authority on which social expenditures get funded, but it is not accountable for, aware of, or curious about the results. And it would seem, right now, that no one is responsible for social policy results. Government only measures whether the rules were followed, and the budget was met. The result, as we shall see, is a culture of compliance rather than a culture of results.

Governance Flaw #3: Following Rules Instead of Getting Results

Or: "The Operation Was a Success but the Patient Died"

If a person with a disability needs government support, they first must decide what bureaucratic category they fit into. There are three places they could go for intake, depending upon whether or not they need income support, housing, or personal support. Once they speak with an intake officer, they answer questions. The questions are not designed to assess what they need. The questions are designed to see if they fit into the criteria for the program. If their income is too high, that usually ends the conversation. The dialogue is generally driven by the intake officer listing what the program needs from the person in order to let them in the door.

We have public policy aims in disability support. We want people with disabilities to live as independently as possible, to be able to provide as much income for themselves as possible, to have a good quality of life. Even if we left the human considerations aside, government has an interest in minimizing people's future needs for social assistance, institutional care, and medical complications.

Despite those clear public policy goals, there is no intake process that establishes what the person needs to live as independently as possible, or to get employment, or to stay healthy. There is no intake process that requires an officer to look at the consequences of refusal or contemplate what will happen next. That is a job for the next intake officer.

There is also no process for leaving a program other than ceasing to qualify. You might think that, if a person with a disability qualifies for support and with that support is able to find a job that works for them, that those programs would include transition planning to an outcome that is one of the goals of the program. You would be wrong. The Advocate's office has dealt with files where people with disabilities turn down work opportunities because there is no plan to transition out of income support. They are told that if they work and exceed the income threshold, even by a little, that health or housing benefits will vanish immediately. Once the case worker cannot tick all the right boxes, the program ends, and the person must search for a new program. There is no transition path out of income support programs. You are either in or out, even though real life rarely puts any of us into easy categories of 'total dependence' or 'total independence'.

The person issuing the decision on eligibility usually has no discretion to look at the outcome and adjust the answer. It may seem nonsensical, from a policy standpoint, to discourage opportunities to work by removing supports. However, the outcome is not the

point. The issue is eligibility for a program. The only remedy to loss of one program is to start ticking boxes for another program. Even if a program meets fewer needs at greater costs, the eligibility drives the outcome.

If a senior needs support while aging, they must first decide which bureaucratic category they fit into. Home support, for example, has a different intake process than institutional care programs such as nursing homes or special care homes. Income support, transportation support, medications and extended health benefits, even certain one-time benefit programs – these all have separate intake and evaluation processes that are tied to eligibility requirements rather than the evaluation of what the senior needs.

In many cases, income thresholds and calculations of available resources change, depending upon what the person is applying for. One would think that the available resources would not change based upon what the need is. In real life, money does not appear or vanish from our wallet depending upon whether or not we are in the grocery store or at the gas pumps. Yet many support programs for seniors change how need is calculated based upon whether they need medications or a lift chair or a home care worker.

One would think that we would start with a goal – to maximize independent living for as long as possible and avoid institutional care and deteriorations in health that increase costly health care interventions. So, one would think that a common process would allow an intake worker to assess what supports allow a person to greatest opportunity to stay in good health and live at home, and make whatever determination meets those goals best and most efficiently. Again, one would be wrong. It is possible in New Brunswick to fail to qualify for renovations to a home or subsidies to a family member for care, but to qualify for a larger subsidy to enter a special care home. It is possible to be denied help with affording medications but to be able to be treated for the resulting health crisis at a hospital, where you can be admitted and receive the medication without cost as long as you occupy a scarce and costly hospital bed.

To move these examples out of the long-term care realm, the same behaviours repeat outside of government. For a quarter century prior to 2022, if a single parent on social assistance wished to share an apartment with another single parent on social assistance, so that they may save enough money to pay for an after-school recreation program for their child and a bus pass to get the child there, that would have been denied because it does not meet the criteria in the social assistance manual. Even though the policy was finally and correctly changed in 2022 to allow for non-conjugal roommates, there is still a long policy regulating who may live with whom to save money. Adult children moving back to help a parent, or romantic partners choosing to share accommodations, or single parents moving in with their parents to weather a tough time, all are subject to scrutiny and reduction of their payments. The degree of micromanagement of social assistance recipients' living arrangements even extends to limits on how long a domestic violence survivor can live with family after getting themselves and their children out of harm's

way. Nine months is all right, apparently, but a tenth month of staying with their family will lead to reductions in the support they and their children receive. They can lose their own independent claim to income support if they need a tenth month.

Those that lose their income support claim, or have it reduced, for being in the wrong kind of relationship with the people they share housing with might still qualify for a separate housing unit subsidized sufficiently to allow them to afford it. The person who takes away their monthly support would not necessarily check, because that is an entirely different assessment program. They might also qualify, through a different set of criteria, for a subsidy for their child for the after-school program, but if they get a part time job to pay for the bus pass to get the child there, they might lose the subsidized housing.

Alternatively, if this single parent fleeing domestic violence wanted to stay with parents long enough so that they could save enough to buy a suit for a job interview and have the parents watch their children while they look for a job, or even save up enough for a damage deposit or a car that might open up cheaper housing options, that would be immediately punished by the loss of their independent social assistance eligibility. They could remain on the program and get subsidized housing, apply elsewhere for childcare subsidies for a full program instead of the few hours they needed, and then take mandatory job training at a higher cost. Of course, if they get a job then the supports might vanish. No one can be sure, because each decision has its own intake and eligibility and is determined by the needs of the program, not whether or not it actually helps the parent get a job and get off of social assistance. Eventually, people on social assistance learn to avoid asking “will this help me get a job and become self-sufficient”? That would be punished. Making sure to ask first “will this keep me eligible for the program?” is a better question than doing any independent life planning in New Brunswick.

We could say that the economic unit policy, the policy that stripped benefits back dollar for dollar if people lived with friends and still restricts people living with adult children or aging parents, is one of the stupidest, most self-defeating pieces of policy ever dreamed up by a consultant (in this case, those noted social policy wizards at Arthur Andersen, a multinational accounting firm known for finding efficiencies in business processes, hired by the McKenna government in the austerity years.) We could say that because, actually, the Department of Social Development would have no evidence to contradict that statement. Of course, if they knew that under the policy more parents on social assistance left social assistance for work, and that fewer of their children became future users of social assistance, that would prove us wrong. If they showed that certain regions had better rates of promoting self-sufficiency, that would bolster their case.

However, the Department of Social Development has no idea, because the policy was adopted without evaluation criteria tied to policy results. They also do not track results, such as whether or not people eventually leave social assistance for work. They simply track whether or not their employees comply with the policy when determining what families get. There is no planning, led by trained social workers, to determine the needs of a family based upon outcomes of promoting work and ensuring their children succeed in school. The social worker can only look at programs and see if the family happens to

tick the right boxes. Does it work? Honestly, no one even defines what it would look like if the program "worked". No one defines results. We just know we complied with the process, not whether the process actually saved money or helped people long-term.

In short, we know that from 1997 to 2022, no social worker let anyone move in with a roommate without clawing back $300 from them. Whether or not the $ 3,000,000,000 spent on social assistance since the policy was launched is working was apparently not as important as knowing that we got that $300. This is, apparently, what sound fiscal management looks like. We may have wasted $3Billion without achieving anything, but we wasted it exactly as the manual tells us to.

What has been described here is an example of rules-based governance, and it infests the long-term care system for the same reasons it defeats many social policy initiatives in New Brunswick. Government may claim it has a goal – get seniors out of hospitals and into nursing homes, get people off social assistance and into work, get children out of poverty and into college, get people off the streets and into housing. It even announces new programs designed to meet those goals and creates buckets of money to meet the goals. But we fail, over and over, because the one thing the Government of New Brunswick will never do is allow a front-line worker to change the rule to get the result. When rules clash with results, rules win in the New Brunswick government.

In fact, the Executive Council Office training model was originally built around a model meant to ensure that rule compliance and uniformity of action is valued over problem solving. The promotion of Lean Six Sigma (LSS) as the currency for public service training is the manifestation of centralized, rule-based governance at the expense of innovation and discretion.

Lean Six Sigma is adapted from manufacturing processes, most notably from the Japanese electronics sector in the late twentieth century. It is premised upon the use of centralized "black belts" to design and rework processes which can be implemented with relative uniformity, eliminating variations and deviations from the process downstream. It combines ideas for centralized program design (the "Six Sigma" part) with clear incentives for frontline workers to eliminate deviations from process and "wasteful" extra steps (the "Lean" portion). While data is used by the centralized "black belts" to continuously refine process, it does not waver from the central concept that process should be centralized and uniform at all times.

To be fair, there have been significant efforts to diversify and improve training in recent years. There has been an awareness that the aims of Lean Six Sigma Training might not translate well to all areas, and there have been efforts to expand training options to include problem analysis, data measurement and other skills. However, it is accepted that Lean Six Sigma, as originally conceived, was a program introduced to implant manufacturing principles into government for the purposes of cost control, and that the certification remains one that is broadly supported and used for training across governmental departments today.

In fact, New Brunswick jumped upon the Lean Six Sigma bandwagon as a tool for social policy when its limitations were already being noted in its original manufacturing application. As the *Harvard Business Review* noted over a decade ago, the uniformity that is a feature of LSS can often be a barrier to innovation when periods of change or disruption occur. Uniformity may avoid someone making a deviant error, but it also keeps frontline actors from coming up with innovative solutions. Even in its manufacturing birthplace, LSS proved less useful once technology and changing needs required innovative new goals rather than constantly tweaked processes.

Further, the LSS ethos of eliminating variations in process as inherently wasteful is a bad fit for social problem solving. Uniformity may be a virtue when workers are to churn out identical television sets from a market-tested central design aimed at pleasing the targeted market share of consumers. It is a poor fit for social programs, which deal with human beings who insist on being distinctive individuals with infinitely variable circumstances. Even well-intentioned efforts to diversify with training staff largely steeped in LSS are likely limited in how successful they can be, because there is such a mismatch between programs. Once you start from the premise that variance always equals waste and processes should first be perfected in central planning, you are not going to train for innovation and flexibility in a results-driven model. The process needed to help someone move from social assistance to stable work, or to assist children with unstable homes and families, or to help an aging citizen maximize their happiness and independence in their home community is not always clear or uniform. LSS is designed for a system where the decision-making skills are with the central designers and the implementation is aimed at reducing variation among less-trained workers. Social programs often have highly-trained team members – social workers, nurses, teachers – delivering the service. Constraining their discretion may minimize their ability to find creative ways to problem solve that are right for the individual, and the resulting rulebound paralysis may actually harm recruitment and retention of these professionals. Such an Orwellian depersonification may be easier to manage, but at what cost? We know the answer, the cost (both human and financial) is high. The model of social governance which has shown better success – one where results, rather than rules, govern and where employees can innovate and even deviate and compete to meet the result – is the opposite of Lean Six Sigma principles.

The Reinventing Government (ReGo) philosophy of governance is one which highlights results-based governance, decentralizing management to give front-line professionals discretion to make results-oriented decisions even if they vary from the centralized process. It still holds people accountable, but for results rather than uniform rule-following. Clear goals are assigned and measured, such as getting seniors from hospitals into appropriate long-term care, increasing the number of seniors who can live at home, or moving families from social assistance to work, or reducing the number of children in care who are homeless at age 21 and increasing the number of children in care who achieve post-secondary education. Individuals are free to vary rules within the financial parameters based upon what best meets the needs of each individual person. The results

are measured and those who prove most successful and innovative share their ideas with others. Different approaches, even competition to best meet the social outcome, is encouraged. In this sense, the ReGo approach is every bit as evidence driven as LSS, but its focus is on using data for innovation and results for the citizen, not uniformity of a process within a centralized bureaucracy.

It is possible to imagine a world in which front-line social workers are given global budgets per client and are empowered to make decisions on a case-by-case basis that best meet the needs of an individual senior to help them stay longer in their home and get support services to keep them active and socially engaged in the community. It is even possible to imagine that central government would spend less time pretending that any one set of rules will work for every family, and instead setting key outcomes and measuring which regions and workers meet the goal the best. It is possible to imagine the same ethos being applied to social workers lifting families out of poverty, social workers helping vulnerable children plan a future, health care workers reducing the seniors stuck in hospital beds, or teachers teaching children how to read. Now, imagine if the leadership at the large social ministries was tasked with defining the mission, measuring outcomes, promoting solutions, and holding the regions responsible for outcomes instead of rules.

In such a world, the internal staff time spent on Lean Six Sigma training to produce conformity to failing rules might instead be used to fund governance models built upon innovation and flexibility. What if a health region received money to innovate and apply some of the Healthy Seniors pilot project ideas to see if they could keep more seniors at home, longer, and that specific data were generated to report on the outcomes? Imagine if we funded innovation at the point of service and the Executive Council Office supported the innovation, rather than imposing rules to enforce process uniformity. Imagine if red tape reduction wasn't just a concept we apply to services and business, but if we also reduced red tape for those whose output is healthy seniors, or educated children, or self-sufficient families.

In such a world, the system would begin to see collaboration and information sharing between departments. In the fifteen years since former Advocate Bernard Richard pointed out the devastating effects that a lack of co-ordination between departments can have upon citizens, there have been repeated efforts to develop Integrated Service Delivery (ISD). ISD is designed to make sure that dumb outcomes don't happen because the citizen's needs require multiple departments to share information and provide services, and the two departments are caught up fighting over whose rules apply and whose budget gets charged for the service. Government keeps looking for some new rule or protocol to promote cooperation between departments. This is doomed, because the central rules are the problem. If civil servants are accountable only for following siloed rules and staying within siloed budgets, the incentives all run against collaboration *because collaboration always means departing from siloed rules and competing for savings in siloed budgets.*

For example, if a social worker assesses a request for giving a senior citizen weekly transportation to a clinic, if the expense means going over budget or departing from program criteria, the call must be no, because they are accountable for following rules. If the lack of transportation means that the senior's health declines and they wind up in a hospital bed waiting for long-term care at ten times the cost, that is not the social worker's problem because it is now someone else's problem. The workers did what they are accountable for, which is following the rules and staying within budget. There is no reward for solving the problem, and likely consequences for trying. As for the fact that the senior citizen is now less happy and costing the system more, well, no one is accountable for that bad result.

It is easy to draw parallels between the long-term care problem and other times government follows the rules and gets dumb results. Public servants are responsible for ensuring that the young person aging out of care does not get 'YES' funding unless they meet the rules. No one is accountable if they wind up homeless or unemployed, but someone else must fix those problems at greater expense. Public servants are responsible for making sure that the services a child with dyslexia needs do not exceed the siloed budget, but if the child graduates and needs intensive training to be employable, that's another department's problem and no one is accountable. Hospital managers are responsible for the budget and the procedures. If a senior winds up in tears because they can't get a banana no matter how many times they ask, well, who is accountable for that? The rules were followed, and the banana budget was respected. The tears of the client are no one's responsibility.

If people must answer for the result – keeping the senior at home, making sure the child reads, keeping the young person off the street, getting the damn banana – then there is an incentive to collaborate with other departments if the result improves. If you only answer for inputs, no one works together. If everyone answers for the results, people make daily choices to work together.

Right now, the civil service is organized on the same principle as if we told a basketball team that everyone is responsible for running to the right place, but no one cares about the final score. Everyone is running the play, going through the motions. No one cares if we're losing by 50 points. If the centre of government wants results, it needs to define those results and provide incentives.

In a results-oriented world, someone calling Social Development to begin planning their supports as they age might start by having a conversation about what they need and what they and their family can do, instead of a list of criteria to see if they fit the pre-existing programs. That person doing the assessment would know that their career advancement depends on keeping the senior home, not just following the rules. What if we asked the bureaucracy to meet the needs of the citizen, instead of evaluating how the citizen might meet the rules of the bureaucracy? Innovation and results are far better than uniformity and compliance. It is too bad that our government is set up at the centre for the wrong priorities.

Of course, this shift from rules to results would require strong support for departments with meaningful data, regular reporting, and a mechanism to use data to set incentives for front-line workers. It would also require flexibility at the regional and local level for people on the front lines to meet the objective. It would mean a culture that tolerates different solutions in different places, and even managed competition within government agencies to see who best innovates and meets the objective. It would mean that pilot projects always have a clear timeline and clear measurable goals which, if met, will predictably lead to the program being scaled province-wide. Right now, pilot projects are often cited to deflect criticism and to claim something is being done but have no measurable goals and no clear triggers for being approved to scale on a larger basis. Many simply linger on for years with no sense as to why the pilot was ever launched or what questions it sought to answer in the first place. Worse yet, we have no idea what it means to have a 'successful' pilot, because there is no predictability in outcome application.

It would mean even rethinking government's relationship with the non-profit sector and asking if funding local initiatives and measuring the results and challenging groups to earn funding might work (in fact, government generally requires significant reporting from non-profit agencies to ensure results from money spent. Government just does not apply the same lens to itself, or predictably reward non-profits with more funding for meeting the goal). It would mean a culture of accountability where we are willing to measure results and know how we are doing in real time, just like we do with financial indicators. It would mean a culture where public servants have a new covenant where they get more freedom to do the job, but more accountability for the results.

That culture does not yet exist within the Government of New Brunswick. But it could.

Governance Flaw #4:
Little Data, Less Analysis, No Follow-Up

Let's return to the earlier analysis of the Department of Finance's response to the Advocate's inquiry regarding alternate level of care patients – those patients occupying hospital beds when their medical needs and quality of life dictate that they should be in long-term care and not an urgent care setting. As noted, when asked to provide modelling and benchmarking used for budgeting, the only analysis provided was that, the previous year, 35 alternate level of care patients were successfully transitioned out of hospital. The current pool of ALC patients in hospital is 300. Applying that pace to the existing caseload, this would suggest a window of over a decade before all seniors are in appropriate placements. This would be true even if no patients were added to the list, an assumption for which the government did not even offer data.

It would seem logical to conclude that the patients stranded in hospital beds require staff, care, and resources. As well, we know that the presence of these patients creates additional strain on the urgent care system, because the lack of capacity for the hospital's urgent care function and the staff diverted to their care adds new burdens throughout the health care system. What is the additional cost for recruitment of staff, managing and triaging in less-than-ideal medical settings, adding staff at other points in the system? Is this even a more affordable model? If those costs were modelled, we might be able to compare the cost of increasing the pace of placement to the cost of not increasing the cost of placement. We might even know how long we have to reduce the number of alternate level of care patients before the system begins to collapse. What wait time at hospitals is acceptable before there are other risks and other costs created by the lack of a functioning urgent care system?

> "They told me 'Leonard, we know you're great.
> We just don't know if you're any good.'"
>
> ~ Leonard Cohen

What is interesting is that the government of New Brunswick does not appear to know the answer to these trade-offs. Yet there are trade-offs being made all the time without data or information. For instance, the Departments of Health and Social Development have recently adopted a protocol to be used when a hospital is at critical capacity, which is defined by a set of criteria that truly would suggest that delays and service lags would

put lives at risk. When this designation exists, a number of rules and procedures can be shortened or changed to free up beds by moving seniors to long-term care beds so that capacity is restored in a hospital.

That trade-off is understandable when a crisis has arisen, but it begs a question – what things can be done in an emergency to hit a hard outcome target that were not being done before? And can we learn from that to apply the same calculations to decisions that might avoid the crisis, rather than respond to it? After all, no one would place a senior in a facility that was unsafe. So, if the placement can be done in crisis, it could conceivably be done safely when not in crisis. What is being done differently? Do we talk with families about sensible supports to expand the zone of acceptable placements, even if those supports exist outside of established programs? Do we support families better? Do we undertake a more nuanced look at the actual staff and services instead of just looking at how the level of the placement is categorized? Do we approve staffing solutions we would not otherwise? Even if the exact steps might not be universally sustainable if permanent, identifying those inputs that change the result is a valuable exercise for planning programs.

What is really happening in that trade-off is that now a **hard outcome target** is being set by government. When all the system failures create an unacceptable emergency, then there is an outcome target which must be met no matter what, and now the public servants managing and providing the service are free to make the necessary decisions to get the result. Necessity is the mother of invention.

So, if necessity is the catalyst for innovation, why wouldn't government use data to create necessity before everything collapses? Why not set a **hard outcome target** before the crisis and see if the system responds with innovation? We really don't know how innovative the system would be, because right now no one holds the system accountable for results.

For example, we know that emergency room physicians and administrators are noting the profoundly negative effects that a high level of alternate level of care patients are having upon the urgent care system in New Brunswick. We know that moving 35 people a year will not resolve the problem for decades. What if we said there must be 100 beds freed up this year, because avoiding the crisis is even better than managing the crisis. Would, for example, we authorize Social Development's front-line staff to make different decisions to support seniors at home or to provide more resources and flexibility to long-term care institutions? Would departmental leadership begin looking at downstream savings; for instance, would the Department of Health and its health authorities look at providing funding for these initiatives if it knew that Social Development staff was accountable for freeing up its capacity and avoiding the crisis expenditures that arise now?

Let's apply that logic to other social programs. If a hard outcome target was applied to a clear indicator in alleviating poverty, what would we do differently? For example, what if

we told Social Development that in 2030 we must see at least 500 more children whose families currently receive social assistance graduate with an average above 70% and pursue post-secondary education? What different questions would social workers ask? What flexibility to support children would administrators give them? How much more urgently would Social Development staff respond to requests from school principals to collaborate and support families?

We don't know because we do not use hard outcome targets in any area but budgets and policy compliance. The rule and the budget are tangible. We know what behaviour is unacceptable in those areas. What social outcomes are unacceptable? And what would front-line workers do differently if we had hard targets?

Choosing those targets with care is important. The examples above are chosen because a good indicator encompasses a number of inputs. If seniors stay in their homes longer, we likely know that community supports have improved, and home care is accessible. If children in care are succeeding academically, it likely means that other supports are working. If people on social assistance are finding work and staying in the workforce, other factors are being done well. A well-chosen hard outcome target allows us to pick the thing that must change and, if it does, it means other positive changes occurs. It separates the 'what' must be done from the 'how' it must be accomplished.

Right now, even when government engages in data collection, there is a tendency to make the publication of indicators the end rather than the means. When we get data from a group like the Canadian Institute of Health Information (CIHI), it generates some stories, and we agree that government will consider it all and we will look at it all again in three years. However, rarely does government take the step of identifying key numbers that must change and agreeing that the system will be accountable for it at every level.

For example, the last CIHI report indicated that New Brunswick was far outside national norms in the use of antipsychotic medication in long-term care facilities. Some regions were even outside the New Brunswick norm. This may be one of the indicators which tells us if other inputs are being done well. The overuse of medication can suggest that other inputs – staffing ratios, early detection metrics, mental health supports, recreation opportunities, even proper nutrition provision – are lacking. Past reports on long-term care have suggested that these very inputs are where there are concerns.

This would be precisely the kind of **hard outcome target** which would make sense to adopt, because if other things are breaking down and causing an over-reliance on medication, then people on the front lines would naturally work on fixing those other indicators. Yet over a year since the headlines died down, government has not definitively stated if this area variation is a cause for concern, let alone set targets. This failure to use data to set priorities and hard targets is precisely what we mean by lacking a culture of measurement and accountability.

Government would have to ensure that the capacity to measure and report on those indicators exists at the centre of government. Departments would have to have

incentives and flexibility to meet the hard outcome target and even to know which region or community is achieving change the most quickly. That would mean investing in data at the centre of government operations.

There may be those who have read this section and are about to protest that this is a recipe for fiscal anarchy, that one cannot have social targets to be met regardless of cost. To be clear, no one is suggesting that fiscal targets are a bad thing. New Brunswick needs fiscal targets, because otherwise programs are not sustainable and interest on the debt can begin to take resources away from other areas. At some point, over-taxation can actually cause declining revenues if economic activity slows. These things remain true. In fact, the centre of government has shown that hard targets, good data, proper incentives, and training and monitoring from the centre can all be effective tools. The suggestion is that we also apply these very good tools to social policy and build that capacity at the centre of government. Both things matter equally, and there should be a balance. If the Department of Finance bureaucratically swallows the Executive Council Office whole, then we do not have a balance or a creative tension. We have hard targets for budgets and no minimal standards for how people get treated. And that shapes how managers on the front lines make decisions.

There is also a fiscal logic to measuring results. For example, in the last ten years we have spent approximately $1.8Billion on social assistance and income support programs. If we asked government if these programs moved people from social assistance to work, government would not know. If we asked government if children who grew up on social assistance avoided winding up on social assistance when they became adults, they would not know.

From a purely financial standpoint, if you could spend $1.8Billion on income support programs and not know if anything changed or spend $1.9Billion and know that over half the children on social assistance would never need it themselves, wouldn't you do the second thing?

In the last ten years, we have spent nearly $1.5Billion on child protection services. If you asked government how many children who were in the system grew up and were self-sufficient, or how many avoided having child protection involved with their children, government would not know. And yet these data exist in other countries and other jurisdictions. These data can be tracked.

From a purely financial standpoint, if you could spend $1.5Billion on child protection and not know if anything changed or spend $1.7Billion and know that over half the children in care were self-sufficient adults and competent parents, wouldn't you do the second thing?

We are not sure what to call spending over $3Billion on child protection and social assistance and not knowing what the results were, but we would go through a pretty large list of adjectives before we got to "fiscally responsible".

Could hard operational targets work in social policy? Could there be a benefit to drawing some lines, and saying that some outcomes are simply not acceptable? Are there some social problems, like illiteracy or seniors trapped in inappropriate hospital beds or children in the care of the government living on the streets that are simply unsustainable, as unacceptable as a department running millions of dollars over budget?

We should find out. After all, "do the best you can" is not a performance indicator. "We are recruiting really hard for doctors" is not a performance indicator. "We are committed to helping children succeed" is not a performance indicator. A mantra of continuous improvement is only effective if you have standards for the pace and priorities of that improvement. Otherwise, government will always be a broken elevator with a sign that endlessly claims, "We're Working On It!"

When you have a performance indicator and you are serious, you measure and monitor. Every Deputy Minister is asked for monthly updates on whether or not they are meeting the budget target. That's fine. Do we ever ask the Deputy Minister of Social Development how many people on social assistance got and kept a job each month? Do we ever ask the Deputy Ministers of Education for monthly updates on how many children with personalized learning plans received the defined services? No? If not, why are we surprised when those results default to platitudes like "we are committed to continuous improvement"?

"We are doing the best we can" is not a performance indicator. It's a cop out. And as we shall see, sometimes those cop outs are allowing unsustainable practices to continue until they damage our social and fiscal outcomes.

Governance Flaw #5: Funding the Crisis, Starving the Solutions

The five governance flaws listed here are all interconnected. If we model human resources poorly, we often cannot have service standards. If we have no service standards, we cannot do proper budget modelling for social expenditures and outcomes. If we do not budget around social outcomes, we cannot give outcome targets to departments. If we cannot give outcome targets to departments, then we manage through rule compliance instead of results-oriented management.

All of these lead to the most significant flaw of all. Because we do not have outcomes to budget around, we often overpay for addressing crises and underbudget for the things that might have avoided the crisis in the first place.

If we return to the budget explanations the Department of Finance provided the Advocate following the release of the 2023-24 budget, we can see one of the best examples of crisis-driven funding, which we touched upon earlier. The Department noted that the previous year's funding for child protection was too low, because the number and complexity of cases went up. Yet they still used the previous year's number as the basis for funding and funded the program at less than the previous year's actual expenditures. There was no prediction made that the actual number would go down. There was no exploration of why it went up. The Department simply said that if the number was too low again, a special warrant would be issued, and the difference would be covered. In other words, "Don't worry about the budget number, because we don't mean it and we don't expect it to reflect reality."

As a management principle, this is ridiculously unfair to officials at the Department of Social Development. If the senior leadership in that Department wanted to look at why the numbers were going up and come up with solutions that might lower the case volume, this funding model eliminates any opportunity to solve either the social or the financial problem. It might be worth having the Department of Social Development look at the cases that drove the costs, look for common indicators that a family is likely to go into crisis and challenge its other units to avoid those factors. It might even be as simple as a staff or process reorganization. However, this management instruction is to basically nickel and dime the status quo for the first ten months of the year, and then write an unplanned check when it is too late to use those extra funds to actually change the outcome. This is financially bad practice. It also adopts a morally questionable stance of stating that funding to help children will arrive only after their safety and development is in danger, which is hopefully not what the Department of Finance intended as an operating principle. After all, that would be a ghoulish way to intentionally budget.

What this strange example also reveals, however, is that the organizing principle of social spending in New Brunswick is that chaos is rewarded and planning is discouraged. Because the programs that are granted an automatic funding hack for running over are the programs which government must fund based solely on demand, not by design. They are the programs that are the safety net for all our other social policy failures and their funding really cannot be controlled short of intentional system failures.

By that, we mean that child protection is a program built upon a mandatory response to a set of facts. Child protection services must legally kick in when the safety or development of a child is in danger. Once those facts exist in reality, the government must provide the service. If a child is in danger, the legal obligation falls upon the government to investigate. If the safety or development of a child is proven to be in danger, an independent court will order the Minister of Social Development to take custody and provide services.

This is different from programs like family support services, where government can move the eligibility requirement or control whether it is offered at all. For example, family resource centres exist in each region and offer a variety of programs to promote child development, parental information, and family support. Their budget is driven by government's willingness to pay. Even if people want the services, and even if there is a demonstrated need or demand, if government does not feel the budget allows for the expenditure, then the program will not occur.

Of course, in this scenario the children and families who might use the service do not disappear. They simply do not receive the service. They might be kept off the government's books as far as funding the services. They will, however, appear at other junctures when they cannot be ignored. If the child is in danger, the child protection system must respond. If the child protection system seeks a court order, Legal Aid must get involved and support the parent if they have no money. If the child presents at an emergency room, the service must be provided. When the child registers at kindergarten, the educational services must be provided. If the family breaks up and the parents dispute custody or access or child support, family court must take the case. These are all services which drive expenditures that government cannot control.

One might argue that government **ought to** fund the family resource centre services because it might avoid a situation where the government has **got to** fund the child protection file. In fact, we could think of programs that avoid crises as the **"Ought-To" Programs**, and the programs that require a crisis response as the **"Got-To" Programs**.

In many social policy areas, we can intuit the relationship between the **"Ought-To" Program and the "Got-To" Program.**

- Government **ought to** fund programs to support families caring for aging relatives and providing home supports to increase independence, but they don't have to. If the family brings the aging relative to an emergency room because they cannot safely look after themselves, government has **got to** provide urgent care services.
- Government **ought to** ensure that seniors in long-term care have recreation programs and recreation specialists who will help them stay active and healthy. If the senior's health declines and they need urgent care, the government has **got to** respond at the emergency room.
- Government **ought to** provide funding to ensure secure housing for children aging out of care and facing independent living and financial shortfalls. If the young person winds up homeless and gets caught stealing or trespassing to provide for themselves, government has **got to** fund the response of police, courts, and probation services.
- Government **ought to** ensure early childhood screening and access to services. If children present at school without learning and behaviour plans in place, government has **got to** provide educational services.
- Government **ought to** ensure that high school graduates have the necessary literacy and numeracy skills to open up work opportunities. If people do not have employable skills and apply for social assistance, government has **got to** provide that service.
- Government **ought to** ensure that there is a functioning system of primary care with access to family medicine and mental health services. If people instead present at an emergency room in crisis, government has **got to** provide the service.

One could continue, but the point is likely made. Some services in government are driven solely by forces beyond government's control, and those programs will have the least controllable budgets. Those services – provincial courts, policing, emergency rooms, child protection, family courts, social assistance programs, schools – often serve as a catch all for gaps in other services. Eventually, those in need of help arrive at places that cannot say no. Oftentimes many of these services are designed to provide assistance, and some of them are designed to provide negative incentives. However, they all cost money. The cost of incarcerating someone in a jail is often more than the cost of educating them in school. If you underfund the Ought-To's long enough, eventually the Got-To's will cost more.

These services which cannot say no can generally be cost-controlled in two ways – reduction of service standards or increases in wait times and backlogs. Both can be done for a while, but when these approaches hit a wall, the impact can be sudden.

If we look at the services under the greatest strain in government, they are the "Got-To's". These are the services which are strained and understaffed. Emergency rooms, family courts, mental health crisis response, social welfare and retraining programs, services for students with exceptional needs in schools, child protection, and hospitals are all where the strain is most acute. All have been through the two stages of coping – first through cost and staff reductions in the programs that control the demand for them, then through testing the limits of wait times to the point that other social costs kick in. The "Got-To's" not mentioned here – policing and criminal courts – have seen the strain resolved with a budget increase ten times the rate of inflation. This extraordinary option may not be fiscally available for all the programs mentioned here.

If all the "Got-To's" are strained at the same time, it is a reasonable hypothesis that government, since the years when the restraint framework became the central governance model, has starved the programs that could reduce demand on the safety nets until the nets all broke. One thing which makes this an even more plausible hypothesis is that the Government of New Brunswick has not had any structural process of assessing the long-term impacts of budget decisions and foregone social expenditures.

Even now, it is possible to see examples of a lack of long-term planning through trends that are not being examined with actual evidence and modelling. For instance:

- We have seen an exponential increase in the number of young people presenting with Autism Spectrum Disorder (ASD). What would be the likely impact of a large young adult population with ASD upon social welfare, health care, and public safety systems? What would be the most critical outcomes today to minimize those future impacts? And how can we budget for educational and social services without knowing those projections?
- The number of young people presenting at emergency rooms with depression, anxiety and/or suicidal ideation has more than doubled in recent years. What would be the future impact of these higher caseloads if the root causes are not addressed, and the teenagers become young adults? What will be the future impact upon non-optional social services such as family services, public safety, and health care? What would be the most critical outcomes to minimize those future impacts? And how can we budget for health and social services without knowing those projections?
- Hundreds of children are either in the care of the Minister of Social Development and/or part of a household where the breadwinner(s) receive social assistance. What is the recurrence rate of these children themselves needing these services as adults? What will be the future impact upon non-optional social services such as family services,

public safety, and health care? What would be the most critical outcomes to minimize those future impacts? And how can we budget for family, educational, and social services without knowing those projections?

- The coming generation of seniors, the Gen X'ers, has a different demographic profile than previous generations in terms of chronic health conditions, aging comorbidities such as dementia, and different social and cultural factors ranging from family structure and support to cultural diversity. What will this mean for demand for long-term care, and if that demand is not met what is the future impact upon hospitals and social services? What would be the most critical outcomes to minimize those future impacts? And how can we budget for long-term care services and human resources training budgets without knowing those projections?

We find ourselves today with a mismatch between capacity, staffing and funding, and the demand and pressures on the long-term care system. Will these problems be avoided in the future? If the same structural problems – lack of modelling, budgeting divorced from outcomes and data, a preference for rules over results, a failure to consider expenditures in light of their long-term social impact – persist, why would the result be any different? The Departments of Health and Social Development cannot transcend a system of rules and resources that does not match what we are asking them to achieve.

In this sense, the governance flaws have come full circle. The Government of New Brunswick does not set service standards or social outcome benchmarks when creating its budgets. As a result of that, line departments do not have clear outcome priorities or regular data to track results, so the managers lurch from crisis to crisis and front-line workers follow procedures rather than pursue better outcomes. Because we do not measure outcomes, incentivize results by funding what works, or model future impacts when setting benchmarks and hard outcome targets, we do not know which programs and results are driving future strain on the safety net programs. Departmental managers are only accountable for meeting this year's financial targets, but no one (including those setting and enforcing the targets) has the time, capacity, or incentive to consider future impacts upon other departments and services.

If it seems like everything broke at once, it may be *because the procedures common to all those strained services, rather than the services themselves*, are where the flaws lie.

As a result of this analysis, the Advocate is directing the first set of recommendations at the central governing agencies, the Executive Council Office and the Department of Finance and Treasury Board, to improve the structure and process around central governance of social programs.

Recommendations to the Executive Council Office and Department of Finance and Treasury Board

1. The Executive Council Office and the Department of Finance and Treasury Board should ensure administrative separation between the functions of ECO and FTB and create a social policy branch within the Executive Council Office. This change in mandate does not have to require new positions or new expenditures if the existing expertise exists within government. The Social Policy Office should be tasked with the following:
    - Modelling demand for key social programs and setting acceptable service standards,
    - Supporting line departments in developing human resource and financial projection models consistent with demand and service standards,
    - Establishing and monitoring hard outcome targets for key social programs and priority outcomes,
    - Modelling future social impacts and scenarios based upon the results of existing social programs and supporting the budget process with impact assessments,
    - Supporting line departments in collaboration, innovation and best practices,
    - Leading the “Reinventing Government Initiative” defined herein.
2. The Executive Council Office, once administratively independent and through its Social Policy Branch, should lead a Reinventing Government Initiative based upon the following activities and principles:
    - Defining results and creating accountability mechanisms for departments, programs and employees based upon results rather than rule compliance,
    - Supporting departments in developing, monitoring, and reporting Social Outcome Targets, which are measurable key performance indicators that define minimal acceptable results in areas of social services,
    - Restructuring social programs to respond to client needs rather than rigid intake conditions,
    - Rewarding rather than punishing interdepartmental collaboration and supporting Integrated Service Delivery through a supportive regulatory scheme defined herein,
    - Decentralizing decision-making authority and administrative discretion with clear outcome targets for accountability,

- Modelling community-based program delivery with the non-profit sector and/or regional governance models,
- Ensuring that budget dollars are aligned with, and reward, measurable results rather than simply funding inputs and programs,
- Promoting innovation by identifying and resourcing units whose work most positively impacts the Social Outcome Targets,
- Standardizing departmental reporting, transparency, and updating of progress on Social Outcome Targets.

3. The Executive Council Office and the Department of Finance and Treasury Board should be given distinct senior leadership to ensure that both fiscal and social outcomes and targets are fully developed and harmonized.

4. The Executive Council Office and the Department of Finance and Treasury Board should develop a template for pilot projects used in line departments, with requirements for a clear definition of what is being evaluated, what information will be measured, how the proposed program could be scaled if successful, and what benchmarks are required in order for the program to be considered for scalability.

5. The Department of Finance and Treasury Board should ensure that all negotiating mandates for collective agreements undergo a Social Policy Impact Assessment by the Executive Council Office, including a review of how non-financial procedures and protocols will impact the delivery of services and the realization of Social Outcome Targets.

6. The Executive Council Office and the Department of Finance and Treasury Board should lead the Departments of Post-Secondary Education, Training and Labour, Health, Education and Early Childhood Development, Social Development and Public Safety in a Human Resources Summit by Summer of 2025. This summit should result in the development of sound human resource projections through 2040 based upon projections of demand and service standards. Those projections should result in a costed, funded, and predictable mandate for universities and the New Brunswick Community College based upon numbers of seats and graduates, with targets for graduates and retention to which future funding for training institutions is linked.

7. The Executive Council Office and the Department of Finance and Treasury Board should undertake an external review of training programs, including Lean Six Sigma, to ensure that they are aligned with decentralized and empowered problem solving in government.

8. The Executive Council Office and the Department of Finance and Treasury Board should ensure that demand projections, service standards and projected Social Outcome Targets for key social programs and new social investments are included in the supporting budget documents, commencing with the 2025-26 Budget.

9. The Executive Council Office and the Department of Social Development should commission an extensive, external review of the relationship between the Government of New Brunswick and the non-profit sector. Rather than a report on funding the status quo, the review should look at potential new structures for delivery of social outcomes through community and non-profit organizations, including the consideration of Social Impact Bonds and other emerging practices internationally.
10. The Executive Council Office and the Department of Finance and Treasury Board should ensure that a Memorandum to Executive Council (MEC) is prepared by Spring of 2025 seeking permission to draft statutory amendments and regulations standardizing the authority and regulatory triggers for Ministers of social departments to require interdepartmental collaboration on complex individual cases, based upon the statutory and regulatory provisions used in the new Child and Youth Well-Being Act.

Advocate's Afterword on Governance

In this report, I used some blunt language. I'm not looking to hurt anyone's feelings or make anyone wear all *(gestures vaguely)* … this. I just think that the problems with social policy in the New Brunswick government are real, complicated, and serious. I describe them (I hope) in language that's easy to follow.

There are two things I'd like to avoid. One is that the people who work hard in government every day will feel attacked. The other is that some people will forget that this is a look at how things evolved over thirty years and just try to blame someone today.

To those working hard in government today, I want you to know that I'm addressing the system because I think it defeats the efforts of good people. What's that thing my kids say about hating the game but not the player? It's cooler when they say it, but it's true. If the problem was just that people aren't good at their job, I wouldn't be so worried. The fact is that we have a lot of good people, and the system keeps producing the same problems. Good people shouldn't have to work in a poorly designed system.

If tomorrow I was suddenly in charge of everything, these problems would still largely be there. Heck, we kind of tried that once. Some good things got done, but the structure wasn't magically fixed. That's just like now. So, how about we all ask ourselves if we're all trapped in rules that make certain problems happen over and over again?

Also, if the problem was just that government needs to spend more money, I could have just said that. To be honest, the rate of increases in social spending for the last five years compares pretty favorably to the five before that, and very favorably to the years 1993-1999 when all these structures I describe were put in place. And even those years when everything was cut and weird systems were created, New Brunswick did many of the same things other places were doing. That's the thing about bad systems – they're usually so common that we don't even notice we're in them until some jerk says something blunt. I'm paid to be that jerk. Hi.

Anyway, it's a blunt report because if I used the same language that government reports usually use, people won't notice. I wanted us all to snap out of the routines for a second and really think about what we're doing here. So, the language is unusual. That's the only reason.

Besides, the people who really get hurt when this goes wrong don't usually get heard. Remember that poor woman crying because she just wanted her morning banana? The media doesn't show up for her. Deputy ministers and MLAs don't always listen. Same for scared kids and worried moms and homeless people. My job is to get heard when they don't. So, I'm being blunt. It's not because I think I'm some genius who figured it all out. It's just my job to try to get your attention when the people who need all this to work can't. Because they're hurting.

SUBMITTED to the Legislative Assembly this 11th day of March, 2024

Kelly A. Lamrock, K.C.