



CAFAC Adoption Agency
Specializing in International Adoption

February 1, 2012

Dear CAFAC families and friends,

Despite working passionately to improve CAFAC's financial situation as outlined in the January 9th communication, CAFAC staff and board members are sadly in the final stages of a protracted battle to keep the agency afloat. Since our previous correspondence, CAFAC staff and Board members have done everything in our power to meet our restructuring goals, yet despite the tremendous efforts of our three remaining staff members and committed efforts of our volunteer board, we remain stymied without the immediate positive response and support of our requests to the province's ministry of Child and Family Services.

Our plan for securing the financial viability of CAFAC agency was multi-faceted. It included some difficult actions taken by CAFAC, with the termination of five staff positions, implementing an Essential Services staffing focused only on the most critical few activities. These were centered on the children in our care, always our first priority, and the families matched to them with the hopes of bringing children home as soon as possible. Further, all reductions to operating costs that could be made were, as we slashed expenses from our Ethiopian operations. But, without the implementation of an increase in fees and immediate interim funding by the province we will be unable to continue provision of services beyond February 3rd.

CAFAC's Executive Director sent a letter to Family Services and Housing on December 15th informing the Province of our financial crisis, clearly articulating the factors generally affecting international adoption and the critical need to lift regulations restricting fee increases. As well, it proposed funding that would enable CAFAC to move forward with meeting the adoption needs of the six hundred families depending on CAFAC. A meeting between CAFAC staff and Board members and the province was held on January 17th to further discuss, with a presentation to the Ministry on January 27th. Their response was not encouraging, citing regulatory restrictions to fee increases and declining the proposed funding. At the same time CAFAC staff and Board members have been asked to "not go public" with our ongoing discussions with the province.

In an emergency CAFAC Board meeting on January 30th, the board members, largely CAFAC adoptive parents, decided unanimously that it is incumbent upon us to empower our clients with knowledge of our situation and a voice if you so choose, albeit in the 11th hour. A letter (see attached) was written to Jennifer Howard, the Minister of Family Services and Labour, reiterating CAFAC's history, challenges, and requests of the ministry with an explanation of our intent to communicate to our clients. At this point we

Members of the Adoption Council of Canada (ACC) and North American Council on Adoptable Children (NACAC)

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believe we have exhausted all avenues and the outcome of our efforts lies in the Province's hands, as well as yours as individuals should you choose.

As indicated in your overwhelmingly positive and supportive letters, which have been so greatly appreciated, fee increases as opposed to the alternative are absolutely preferred. Further, you have made clear your desire to see CAFAC continue to operate on your behalf. You deserve a voice as individuals if you so desire and as such we have included Ministry contact information below.

Further communication regarding the outcome of CAFAC and our agency's services will be forth coming. Until then, please know that client funds remain in trust and that by taking this action now we are acting in your best interests. **DO NOT** attempt contact with CAFAC staff, they as you, wait for the final Ministry's determination to inform us all of CAFAC's future.

Hon. Jennifer Howard

Fort Rouge
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With Deepest Regards,

CAFAC Board of Directors

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January 31st, 2012
VIA Facsimile Transmission

The Honourable Jennifer Howard
Minister of Family Services and Labour
317 Legislative Building
450 Broadway
Winnipeg, Manitoba
R3C 0V8

Dear Ms. Howard:

On behalf of the Board of CAFAC Adoption Agency, I would like to congratulate you on your recent appointment as Minister of Family Services and Labour. I want to bring you up to date on recent developments with respect to our agency and the perilous situation we find ourselves in at this moment in our organizational history.

CAFAC was formed in 1997, as a grassroots organization with a goal to facilitate international adoptions. To date we pride ourselves on our history of creating over 700 families – almost half in Manitoba – and through that have built families that contribute to greater diversity and inclusiveness, as well as bright futures for children who would not likely achieve that otherwise. While achieving this, we have become recognized throughout Canada for the strength of our program, and for efforts of creating opportunities for our families to engage culturally.

It is important to note that we have also achieved this while meeting the very highest standards of operational excellence, and have met or exceeded all provincial, national and international standards in building these families.

The process of international adoptions has fundamentally changed in the last couple of years due to increasing international demands, and this has resulted in the time from application to adoptions increasing from about 18 months to as much as five or ten years. While we accept those timeframes are required to ensure safe, transparent and non-exploitive situations, we are challenged by the fact that provincial regulations have failed to accept the reality of this important work we do for Manitobans and Canadians.

Beginning in 2009, and again in 2010, we met with various officials of your department and The Hon. Gordon MacIntosh himself, to convey our concern and request fee and regulatory changes to reflect the changing requirements. While some of those changes were granted, they could only be applied to new clients, not to existing files pending adoption, so had little effect on our continuing viability as an organization.

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In 2011, we continued to struggle financially, and made substantial changes to reduce costs, and improve organizational efficiency. By the end of the 2011, we became concerned about our financial viability. Specifically in December 2011, we communicated to Family Services our concern that their resistance to fee increases for current caseload, the costs of administrating them over a long period, the failure to be open to new fee opportunities, and the burden of regulation was substantially constraining our organization such that we had financial capacity to maintain services to February 3rd, 2012. We requested interim funding to continue operations, as well as proposed new fees. We terminated 5 out of 8 staff, and moved to an essential service program. We met with officials of the department in early January and again last Friday.

In particular we received a letter dated January 26th, 2012, indicating our request for fee increases was denied, and suggesting that even if we could work within the regulations to identify a chargeable fee, it would apply to new cases and not the existing ones that are the subject of ongoing costs. It is important to note that we communicated this fee increase to our 800 families, as well as details of our essential services plan and received overwhelming support from our families on our plan to maintain a viable organization to build families with integrity.

On our meeting with departmental officials that same day, we suggested that their interpretation of our fee request was narrow, and not supported by our research in the matter. Further, Manitoba's regulatory constraints result in the lowest fees in Canada and do not even begin to cover our costs. Interestingly many other jurisdictions in Canada allow these fees to be charged.

While we sensed, and had conveyed to us a commitment of Family Services to keep us operational, there were no guarantees, no commitment to release us from these zealous fee restrictions, and no firm commitment to funding. Essentially they proposed we undertake another onerous task of developing another reduced operating program, all while we know the current employee model cannot carry on the work of providing a safe, effective, value-added program of adoptions services that has guided our history.

Last night at our emergency board meeting, the board passed a motion authorizing me to advise you that we have funds remaining to continue services until Friday, February 3rd, 2012. At that time, without a formal commitment to actively support our operations, we will be required to cease operations, and transfer all files to your office for management.

Our families have told us they value the work we do, and most do not feel these fees are unreasonable or not in keeping with the services we provide. Again, we have the lowest fees in Canada, and have been continually handcuffed by Family Services in achieving a fee structure that covers our costs.

While it is our desire to continue with this important work, we are hard pressed, in view of direction from your department, to see a viable solution. We request that you become immediately involved and assist us in finding viable solutions.

We feel adamant that our families deserve a voice in this process. Unless we have firm commitments from your office by Wednesday, February 1st, 2012, with a viable plan to move forward, we will communicate the status of our requests to your department and prepare them for the reality that we cannot continue as an organization beyond February 3rd, 2012, and will be forced to transfer all files to you effective that date.

It saddens us to be forced to take this action and the perilous impact it will have on the children we support, as well as the families who will face uncertainty in the face of our requirement to cease operations as a result of your department actions.

I could certainly make families of our organization available to meet with you. Please do not hesitate to contact me at 983-4930.

Sincerely,



Brian Clark
Chairperson
Board of Directors

cc: Allan Legget, Associate Deputy Minister
Karen Erickson, A/Director Centralized Services
Claudia Ash-Ponce, Executive Director, Child Protection
Janice Knight, Manager, Adoption and Post-Adoption