



GOVERNMENT RESPONSE

Mr. Bryan May, MP
Chair
Standing Committee on Veterans Affairs
131 Queen Street, 6th Floor
House of Commons
Ottawa, ON K1A 0A6

Dear Mr. May:

I am pleased to provide a Government Response to the Standing Committee on Veterans Affairs' sixth report entitled, *The Consequences of the COVID-19 Pandemic on the Financial Health of Veterans' Organizations*.

I have read your report with interest and value the observations and recommendations made. I would like to take this opportunity to thank you and the members of the Standing Committee for your work and dedication to supporting Canada's Veterans and, in particular, for your study of the effects of the COVID-19 pandemic on the financial health of Veterans organizations that play a critical role in the lives and well-being of Veterans, their families and the communities in which they live.

Sincerely,

The Honourable Lawrence MacAulay, PC, MP

Enclosure: 1

c.c.: Benoit Jolicoeur, Clerk, Standing Committee on Veterans Affairs

Government Response to the Standing Committee on Veterans Affairs Sixth Report, *The Consequences of the COVID-19 Pandemic on the Financial Health of Veterans' Organizations*

The Government of Canada (Government) welcomes the opportunity to respond to recommendations made in the sixth report of the Standing Committee on Veterans Affairs (ACVA) entitled, *The Consequences of the COVID-19 Pandemic on the Financial Health of Veterans' Organizations*. The Government would like to thank ACVA for this report, as well as the witnesses who appeared before the Committee.

Supporting Veterans and their families during this exceptional time is a priority for Veterans Affairs Canada (VAC). The department has responded in many ways, including conducting significant increased outreach to vulnerable Veterans and their families and the introduction of new channels of communication that leverage technology. Other activities undertaken by the department include:

- Continuing to provide mental health support through the VAC Assistance Service; a free, 24-hour resource that connects Veterans and family members to psychological support and counselling;
- Increasing the delegation of decision-making authority for front-line staff members who authorize payments under the Veterans Emergency Fund to allow for approval of funding up to \$10,000 per Veteran per household per year. This interim process also provided authority for decision-makers to provide Veterans and their families support for up to three consecutive months of requested expenses (subject to the \$10,000 per year maximum);
- Adapting quickly to a remote work model to continue to make as many benefits decisions as possible while quickly issuing payments to Veterans;
- Making temporary changes to the Treatment Benefits program to ensure Veterans receive the treatment and services they need, including waiving certain prescription requirements, extending coverage for telehealth and virtual health services, providing updates on provincial and territorial healthcare services, and covering the costs of Personal Protective Equipment for health appointments;
- Working with Veterans who receive the Education and Training Benefit to review education plans based on how they may have been affected by COVID-19 public health measures;
- Forming a COVID-19 working group with representation from key stakeholder groups and Veterans to gather an understanding of, and respond to, the needs of the Veteran community;
- Supporting Employment and Social Development Canada's work to introduce a one-time payment of up to \$600 to persons with disabilities, including those in receipt of disability supports provided by VAC;
- Working with Employment and Social Development Canada to develop and pilot a program for which Budget 2021 proposed to provide \$45 million over two years,

beginning in 2022-2023 to reduce Veteran homelessness through rent supplements and wrap-around services for homeless Veterans such as counselling, addiction treatment, and help finding a job;

- Working to develop and implement a program for which Budget 2021 proposed to provide \$140 million over five years starting in 2021-2022, and \$6 million on an ongoing basis to cover the mental health care costs for Veterans with Post Traumatic Stress Disorder, depressive, or anxiety disorders while their disability benefit application is being processed; and
- Making changes to the Veteran and Family Well-Being fund to provide an additional \$15 million in funding starting in 2021-2022, as announced in Budget 2021, to fund projects that will support Veterans and their families in the post COVID-19 recovery, including addressing homelessness, employment, retraining, and health challenges.

The Government acknowledges the Committee's recommendations and generally supports the recommendations brought forward. The Government is pleased to provide you with a response.

Committee Recommendation 1

That Veterans Affairs Canada increase its outreach activities in areas where Legion branches or other veterans' organizations have closed down in order to reach veterans who may be feeling isolated or alone, and that the outreach be focused on mental health supports and connecting those veterans to other organizations.

Departmental Response:

The Government agrees with this recommendation and has taken steps to increase outreach to vulnerable Veterans during the COVID-19 pandemic.

VAC has an established, standardized process for proactive, timely, consistent and coordinated outreach to Veterans during disruptive events. In the 2020-2021 fiscal year, VAC conducted eight separate outreach activities which included proactive outreach to vulnerable Veterans likely to be impacted by the COVID-19 pandemic.

The pandemic has brought exceptional circumstances and resulted in a need to initiate proactive outreach calls to the most vulnerable Veterans. Many activities were coordinated across Canada in order to ensure the well-being of Veterans and their families. The targeted groups were at risk of having unmet basic needs, as well as reduced access to personal care services, in-home services, and treatment. This includes homeless Veterans, Veterans living in northern communities, traditional Veterans of the Second World War and the Korean War living in Quebec and Ontario during the first phase who were at risk of not accessing personal care, and specific female Veterans.

VAC also conducted reactive outreach calls for emergency events such as the tragic shooting in Nova Scotia in April 2020, a flood in Fort McMurray, Alberta in April 2020, and wildfires in British Columbia in August 2020.

Together, these eight outreach activities targeted over 21,000 vulnerable Veterans and allowed VAC staff members to provide assistance to those who requested it (between 15% and 26% of Veterans reached). The assistance was not always directly related to the event which generated the outreach but it was an opportunity to address needs from a holistic perspective.

The most commonly requested assistance included:

- Referrals to Case Management
- Referrals to Mental Health Services
- Inquiries related to VAC programs, including:
 - Veterans Independence Program
 - Treatment Benefits
 - Disability Benefits

Veterans and family members expressed positive feedback, indicating that they appreciated the call even in cases where there were no unmet needs.

In addition to these targeted outreach activities, Veterans who are case managed, or who receive guided support, have regular follow-ups with their Case Managers or Veteran Service Agents.

VAC also sought to enhance communication channels and better serve Veterans and their families. In addition to telephone contact, VAC has begun using the Microsoft Teams platform to connect with Veterans using video. This is a secure platform for sharing personal information and is aligned with tools being used within the department. Through Microsoft Teams meetings, VAC staff members are able to pick up on non-verbal communications cues and make visual observations to support timely decisions. Staff members are also able to leverage the technology to provide additional supports. This communication channel also provides Veterans with equitable access to virtual visual contact with VAC regardless of their locations. For those Veterans who cannot access the required technology to take advantage of this channel, VAC continues to connect via the telephone.

Committee Recommendation 2

That Veterans Affairs Canada study the ability of veterans' organizations to reach veterans through telephone, or digital means, and provide appropriate assistance in training, equipment, or resources to help these organizations continue to serve their veteran population through digital technologies.

Departmental Response:

The Government agrees in principle with this recommendation and notes that the capacity of

Veterans organizations to reach Veterans is essential to maintaining connections and supporting Veterans through the pandemic. Although VAC did not undertake a specific study of the ability of Veterans organizations to reach Veterans through telephone or digital means, the department has taken deliberate steps during the COVID-19 pandemic to collaborate closely with, and support Veterans organizations in supporting Veterans.

As the situation around COVID-19 evolved, VAC formed a working group with representation from key stakeholder groups and Veterans. The primary focus of the working group is to gather an understanding of the needs of the Veteran community so that VAC can adjust its response if necessary. This group also provides an important connection for VAC leadership to leaders within the Veteran community.

The COVID-19 working group continues to provide a forum for exchange of ideas of importance to the Veteran community and their families. This exchange permits the Department to gain important insight of the capacity for stakeholders to continue to reach Veterans through telephone or digital means and to support the Veteran community during the COVID-19 pandemic. During regularly held meetings, stakeholders provide updates on their ability to offer supports to the Veteran community amidst restrictive guidelines and directives set out by public health authorities.

Stakeholders continue to have the opportunity by means of this working group, among other departmental outreach efforts, to express the challenges they face. Participation at the COVID-19 working group has resulted in great collaborative efforts among stakeholders and between stakeholders and the Department when gaps were identified. For example, VAC used its social media accounts to promote virtual events hosted by Veterans organizations. Through close collaboration, concerted efforts among stakeholders were made to adapt to a new reality, at times with support from the Department, in order to continue serving Veterans.

Committee Recommendation 3

That the Government of Canada, in concert with Provincial and Municipal Governments consider renting space from non-profit veterans' organizations for COVID-19 related purposes or any other activities.

Departmental Response:

The Government agrees with this recommendation and Public Services and Procurement Canada (PSPC) will develop an inventory of the rental spaces available through Veterans organizations for possible consideration for future needs.

PSPC has been supporting COVID specific requests from interjurisdictional partners related to lodging of vulnerable populations across Canada where local infrastructure or other solutions are not available. As of May 2021, many pandemic response operations are in the later stages and, as the vaccination programs are completed, many of these sites will then be decommissioned. Therefore, the current demand for pandemic-related space is low and, in

general, governmental operations space needs are also low due to public health restrictions which limit the size of gatherings. However, given the large geographical coverage and types of asset class that these real estate holdings would offer, it could definitely be a consideration in the future.

PSPC will share the listing of all spaces for rent, rental rates, services available and site contacts where space does exist both with the federal government and with our interjurisdictional partners through the GConnex site that was created during the pandemic. In addition, any new requests for space that PSPC receives through the interdepartmental committee related to lodging vulnerable populations during the COVID-19 pandemic or other channels will consider these sites as a key option for response.

Committee Recommendation 4

That the Canada Emergency Business Account be available to veterans' organizations, including those that serve seniors, that rely on fundraising and revenues from rentals, as a grant to assist these volunteer-run organizations to remain open and support their community.

Departmental Response:

The Government takes note of this recommendation and notes that not-for-profits and registered charities, including Veterans organizations, may be eligible for the Canada Emergency Business Account (CEBA) if they are actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue from the regular supply of property/goods or services.

The CEBA was introduced in April 2020 to provide interest-free loans to small businesses and not-for-profits to help them cover their operating costs during a period in which their revenues have been temporarily reduced due to the economic impacts of the COVID-19 pandemic. The loan is partially forgivable if repaid by December 31, 2022.

In order to qualify for the CEBA program, not-for-profit businesses must be an active operating business with a CRA Business Number effective as of March 1, 2020 and be a sole proprietorship, partnership or a Canadian-controlled private corporation (CCPC). Additionally, for the Non-Deferrable Expense stream, one of the eligibility criteria is that applicants must have filed a valid T1 or T2 tax return. Charities and not-for-profit organizations that meet the program's requirements are encouraged to apply.

Changes were made to the program on several occasions to expand eligibility and, as of May 13, 2021, \$47.14 billion in loans and expansions have been approved under this program. The government recently extended the application period for CEBA until June 30, 2021.

Organizations, including Veterans organizations, that remain unable to access CEBA may be eligible for other COVID-19 response programs. A full description of all the programs currently

available is on the Government of Canada's website at canada.ca/economic-response-plan. Additionally, Veterans organizations may apply for funding to support specific projects or initiatives related to the well-being of Veterans and their families through the Veteran and Family Well-Being Fund.

Committee Recommendation 5

That the Government of Canada, recognizing that The Royal Canadian Legion is primarily run by volunteers, create an emergency fund that the Legion can access in the event of a national crisis.

Departmental Response:

The Government agrees that The Royal Canadian Legion, like other Veterans organizations in Canada, is primarily run by volunteers and that, as a consequence, its financial health may be disproportionately negatively affected as compared to other Canadian businesses in the event of a national crisis. It is for this reason that Veterans Organizations Emergency Support Fund (VOESF) was created in 2020 to provide support to the Royal Canadian Legion and other Veterans organizations.

While VAC has a clear role in providing front-line services to vulnerable Veterans, the department also works with grassroots organizations to connect with a much broader portion of the Veteran population as only 1 in 7 Canadian Veterans is a client of VAC. VAC values its longstanding relationships with Veterans organizations, including The Royal Canadian Legion and will continue to foster these connections throughout the pandemic and beyond. Should the pandemic continue, putting the financial health of these organizations at further risk, VAC will examine the need for additional funding.

VAC also provides direct support through the Veterans Emergency Fund to ensure the well-being of Veterans and families experiencing unforeseen emergency situations. This program provides financial support to Veterans, their families and their survivors, during times of crisis and when facing emergency financial situations that threaten their health and well-being.

Committee Recommendation 6

That Veterans Affairs Canada:

- Recognize the key role that the Veterans Transition Network plays in providing mental health support to veterans;
- Confirm the status of the Veterans Transition Network as an authorized service provider with the Department;
- Reinstate the agreement whereby the cost of treatment is covered by the Department for veterans it refers to the program.

Departmental Response:

The Government agrees with this recommendation and recognizes the key role service providers, including the Veterans Transition Network, play in supporting Veterans with complex needs.

VAC's Treatment Benefits program provides coverage for health care services for eligible Veterans. Health care providers can register as a service provider to bill VAC directly for services they provide so Veterans do not have to pay out of pocket. Access to safe and effective treatment for Veterans is a priority for VAC. As such, any new providers or programming is assessed on a set of criteria ensuring they are able to meet the complex medical needs of Veterans.

The Veterans Transition Network has been a registered service provider with VAC since 2012. It is registered and approved to provide services to eligible Veterans with complex needs. Veterans, in consultation with their Case Managers, can choose from the list of registered providers to determine which would best suit their needs. When an eligible Veteran opts to seek treatment through the Veterans Transition Network, the costs of those services can be billed directly to VAC by the Veterans Transition Network.

Committee Recommendations 7, 8, and 9

Committee Recommendation 7

That the Government of Canada immediately extend the assistance provided through the Veterans Organizations Emergency Support Fund should these organizations be unable to resume normal operations in 2021.

Committee Recommendation 8

That Veterans Affairs Canada immediately extend support to small veterans' organizations that are run by volunteers, such as the Persian Gulf War Veterans of Canada, through the Veterans Organizations Emergency Support Fund with a simple application process.

Committee Recommendation 9

That Veterans Affairs Canada undertake regular assessments of the financial health of veterans' organizations beginning in June and December 2021, and in June and December 2022, enhance its assistance programs, including the Veteran and Family Well-being Fund, and make them available after the pandemic.

Departmental Response:

The Government takes note of the recommendations and notes that the financial support provided to Veterans organizations through the VOESF was effective in helping organizations maintain operations in the COVID-19 pandemic.

VAC is committed to supporting the well-being of all Veterans and their families, and the department recognizes that there are some who prefer to seek support from Veteran-focused organizations other than VAC. Their efforts are often focused on supporting vulnerable Veterans, including those who are homeless, disabled, or experiencing physical and mental health challenges. Further, these organizations play a crucial role in helping the Government of Canada commemorate the service and sacrifices of Canada's Veterans.

Many of these organizations rely almost exclusively on fundraising activities, gifts from donors, and facility rentals. When COVID-19 caused nation-wide restrictions, events and fundraisers were cancelled and donations decreased substantially. Veterans organizations began approaching VAC to express concern about being able to sustain operations through the pandemic.

On October 2, 2020, Bill C-4, *An Act relating to certain measures in response to COVID-19*, allocated \$20 million to support for Veterans organizations. On November 10, 2020, the Minister of Veterans Affairs announced a temporary funding program for this purpose, the VOESF. This program was a specialized funding stream authorized by a temporary amendment to the Terms and Conditions of the Veteran and Family Well-Being Fund.

Between November and December 2020, VAC provided \$20 million in funding through the VOESF to Veterans organizations to cover a portion of their operating costs and help them to remain viable during the pandemic. Support was provided to The Royal Canadian Legion, ANAVETS, True Patriot Love, VETS Canada, and 38 other not for profit and/or charitable Veterans organizations that were not able to receive funding from other federal support measures to address COVID-19. As noted in the Committee's report, the VOESF was well received.

The \$20 million set aside for support to Veterans organizations was completely transferred to recipient organizations. The authority for the VOESF expired on December 31, 2020.

VAC will continue working with Veterans organizations and, should the pandemic persist and their financial health be put in further jeopardy, the department will examine the need for additional funding.

Additionally, Veterans organizations may apply for funding to support specific projects or initiatives related to the well-being of Veterans and their families through the Veteran and Family Well-Being Fund.