

## **Info sheet no. 8**

### **Bill 10's impact on Foundations**

A lexicon of terms used is presented at the end of this sheet.

Many public health and social service institutions have been supported in their work over the years by a foundation, often named after the institution it supports; for example, the Batshaw Youth and Family Centres Foundation, the St Mary's Hospital Foundation, or the Jeffery Hale-Saint Brigid's Friends' Foundation. In the English-speaking community some of these foundations have existed for many decades and are part of the history and identity of those groups within the English-speaking community that founded them.

Bill 10 did not directly change anything that affects the legal foundation or the governance of such foundations, but the consequences of Bill 10 do have direct and real impacts on the way foundations interact with the institution they support which is now merged into another, new institution with a different name.

This stems from the transformation Bill 10 imposed on almost every public health and social service institution in Quebec. More details on this transformation can be found in Info sheet no. 1 on Bill 10's impact on the status of public institutions. In summary, of the 182 institutions that existed before adoption of Bill 10, only 13 remain and continue as independent institutions with their own board of directors and the same name as before. They are:

- the seven specialized hospitals, two of which are in Quebec City and the other five in Montreal;
- the Regional Health and Social Service Centre of James Bay, Nord-du-Quebec (region 10, with headquarters in Chibougamou);
- and five other institutions all of which are identified with the Cree, Inuit or Naskapi communities.

The other 169 have all been merged into one or another of 22 Centres Intégrés (CI). The CIs are found in every region of Quebec except region 10, mentioned above; region 17 whose institutions serve the Inuit communities, and region 18 where the Cree communities are located. In the 15 regions that have CIs, there is one per region, except for the Gaspé where there are two, Montérégie with three, and Montréal with five. All of the CIs are much bigger than the institutions merged into them, with mandates that cover the entire range of health and social services funded by the Quebec government, except for the highly specialized medical care delivered by the seven specialized hospitals.

The buildings of the formerly independent institutions are recognized under Bill 10 as 'facilities'. From the point of view of a foundation, the object of its philanthropy has changed from an independent institution to a facility that is, or a group of

facilities that are, part of a larger, newly created institution with a different name that by law must start with the words 'Centre Intégré'.

A foundation that wishes to continue to support the services that were delivered by the merged institution it was attached to may have two practical and important considerations. The first is to have assurance that the funds it has raised, on the undertaking to donors that the funds will be used to support a specific merged institution, will in fact be used for that purpose. In response to this concern the adopted version of Bill 10 contains the following section:

*215. A foundation whose purpose, as defined in its constituting act, is essentially to collect contributions made for the benefit of an amalgamated institution may continue to collect contributions that are to be used for a purpose or purposes corresponding to those mentioned in section 272 of the Act respecting health services and social services, for the benefit of the facilities indicated on the institution's most recent permit.*

*A grouped institution's members may support the foundation in planning fundraising events, collecting contributions and working with the foundation in allocating the contributions collected in accordance with section 272 of that Act.*

The first paragraph is of importance to foundations that support institutions that were merged by amalgamation and no longer have a legal existence. It provides assurance that the funds are to be used for the purpose for which they were raised. In the case of amalgamated institutions, if an Advisory Committee has been requested and set up related to that institution, section 148 of Bill 10 gives it a role to play with an attached foundation. The relevant sentence on this subject is underlined in the following extract:

*148. At the request of one or more groups composed of employees or professionals who work at a facility of an integrated health and social services centre or of a grouped institution administered by the board of directors of such a centre, or composed of persons from any sector of the population served by those institutions, the Minister must, for all the institutions indicated on the most recent permit of an amalgamated institution or the permit of a grouped institution, set up a single advisory committee charged with making recommendations to the board of directors of the integrated centre on the measures to be implemented to preserve the cultural, historic, linguistic or local character of the amalgamated or grouped institution, and, if applicable, with establishing the necessary ties with the foundations of the institutions as well as the persons in charge of research activities.*

*The committee is composed of seven members who are qualified to carry out its mandate and appointed by the integrated centre's board of directors.*

*The board must invite interested groups to provide it with lists of names from which it selects the committee members.*

The second paragraph of section 215 is of importance to foundations that support institutions that continue to exist legally, and are now grouped under the management of the CI. It specifies that the foundation members, along with the 'members' of the grouped institution will work together on the planning for, the collection of and the allocation of donations.

For more on what members of a grouped institution means in this context, and on the difference between amalgamation and grouping, both of which are forms of merger, see Info sheet no. 9 on Bill 10's impact on institutional property ownership.

The second practical consideration concerns the planning of campaigns. Again, for foundations attached to institutions that were amalgamated, they may work on planning campaigns with an Advisory Committee, where one exists. For the foundations attached to grouped institutions they may work with 'members' of the grouped institution. Bill 10 does not explain how, in either of these scenarios, the partners will work with the CI itself on the planning of campaigns. As of the time of this writing, March 2016, this subject continues to be a work in progress.

As indicated in section 215 of Bill 10, the objectives for which funds can be raised by any foundation continue, as before, to be governed and limited by section 272 of the Act respecting Health and Social Services (S 4.2).

In summary, for foundations that support amalgamated institutions:

- With respect to use of the funds they raise, if they have stated they are to be used for a particular facility, or any other purpose permitted under section 272 of S 4.2, section 215 of Bill 10 assures that the funds must be used by the CI for that purpose;
- With respect to discussion about the use of funds and the planning of fundraising campaigns, the foundation can work with the members of a facility Advisory Committee, where such exists. Bill 10 does not shed light on how a foundation, with or without the members of an Advisory Committee, will work with the CI.

For foundations that support grouped institutions:

- The same assurance provided by section 215 regarding the use of funds raised for specific purposes also applies;
- With respect to discussion about the use of funds and the planning of fundraising campaigns, the foundation can work with the 'members' of the grouped institution. If an Advisory Committee also exists for the grouped institution, the foundation and the grouped institution's 'members' could also include members of the Advisory Committee in their discussions and plans. As above, Bill 10 does not shed light on how a foundation, with or without

members of the grouped institution, and/or the members of an Advisory Committee, will work with the CI.

A final consideration for foundations concerns the names of institutions and facilities since these may be important in planning fundraising campaigns. Where an institution was merged by amalgamation, the former institution no longer exists, and therefore its name ceases to exist. This may raise questions on how to brand fundraising campaigns. The name might continue to exist in the name(s) of the facility(ties) of the amalgamated institution. Where this is the case it may be of importance to the foundation to know that facility names may be protected by section 221 of Bill 10, which states:

*221. The names of the facilities indicated on the first permit that the Minister issues to an integrated health and social services centre are those indicated on the most recent permit of each amalgamated institution.*

*Subsequently, the name of a facility of an integrated health and social services centre can only be amended at the latter's request, filed with the approval of the advisory committee set up under section 148, if applicable.*

A foundation attached to an amalgamated institution may be motivated to request the creation of an Advisory Committee to ensure protection of the name of the facility, or facilities, among other reasons.

For foundations that support institutions merged by grouping, the institution they support, with its name intact, still exists. However, it does not administer the programs or buildings as it once did. Nonetheless the members of that grouped institution may give support to the foundation, as explained in section 215 quoted above. Both foundation and the 'members' may decide to request an Advisory Committee for the grouped institution in order to benefit from the veto over facility name change explained in section 221, also quoted above.

## **LEXICON**

Terms in bold are those used in the Information Sheet series.

Terms following the = sign are the equivalent terms found in the English version of the laws referred to, where an English term exists.

**Bill 10** = O 7.2 = the Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies

**Charter** = la Charte de la langue française

**CI** (Centre Intégré) = integrated health and social services centre

**OQLF** = Office Québécoise de la langue française

**Provincial Advisory Committee** = Provincial Committee on the dispensing of health and social services in the English language

**Regional Access Committee** = Regional Committee

**Resident** = In-patient

**S 4.2** = the Act Respecting Health Services and Social Services

**Specialized hospital** = unamalgamated institution