OASIS
ONTARIO AGENCIES SUPPORTING INDIVIDUALS WITH SPECIAL NEEDS
AGENCES ONTARIENNES DE SOUTIEN POUR LES PERSONNES QUI ONT DES BESOINS SPECIAUX

OASIS Operating Pressures Survey Results

September 2013

Submitted by: 363 Consulting

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Executive Summary

The OASIS Operating Pressures survey was sent out to Developmental Services (DS) Sector organizations to complete from May 29, 2013 until June 14, 2013.

Similar to last year's Survey, the intent was to gather information regarding the DS sector's increased operating cost pressures; where the pressures were arising from; how organizations were dealing with the pressures; and, to solicit possible ideas for dealing with these pressures that might be adopted by other agencies.

Also similar to last year, the survey was broken down into the following sections:

1. Organization information
2. Increasing costs
    - Wage & benefits increases
    - Management increases
    - Other increases (pay equity, inflation)
3. How are organizations dealing with these increasing costs (and their existing situation)

New this year were some questions concerning the size of the participating organizations (FTE's and budget); the organization workforce structure (percentage of full-time, part-time, contract); the pay equity and budget deficit sections were expanded slightly; and a few informational questions were added.

The survey was distributed to the organizations using email (OASIS ED mailing list and via the Provincial Network Member's mailing lists) and participants were asked to complete an on-line survey. It is estimated that approximately 225 organizations were asked to participate.

Of this, 111 organizations participated for a 49.3 % participation rate. This was lower than last year's 62% participation rate. Unfortunately, a few organizations registered for the Survey but then did not provide any answers to the questions resulting in the final data being provided by 107 organizations, or 47.5 % of those invited to participate.

The organizations that did provide answers however represented just under $1.5 billion in total annualized budgets and accounted for 14,500 FTEs in the sector. So from a sector perspective, this represented approximately 89% of the total provincial DS budget.

The comments this year did not seem as "intense" as last year. Perhaps last year's more heated tone was in part due to the fact it was the first time a vehicle of this sort had been provided to the sector to provide comments. However, after providing comments and perhaps thinking this might better highlight the challenges of the sector and lead to change, very little if anything has changed in terms of operating pressures for the sector. This could explain the slightly lower response rate as well.

For questions where organizations were asked to provide details about their current situation, many organizations provided the same responses:

- Less professional development for staff
- Lower staff morale
- Less individual care being provided
- Less specialized service
- Minimal maintenance being done
- Eliminated recreational activities
- Positions remaining vacant longer, if filled at all
- Only able to provide the basics, and
- More than one organization noted that they were anticipating unknown impacts within the next year.

Organizations have started diverting fundraising money to operational needs; some are using reserve funds or have taken out loans to maintain operations; upkeep of capital assets is either being delayed or scaled back; selling houses and using the proceeds against debt is occurring. This is obviously not sustainable.

In the past year, almost 40% of respondents have lessened service capacity, 75% have reduced professional development and just over 60% have provided less training.

These, along with minimal if any increases in salary year over year; staff constantly being asked to do more with less; fewer job opportunities within the sector and staff spending less and less time on 1 - 1 care, is it surprising that there is an increase in sick and other types of leave as well as lower morale in the workforce?

A longer term concern for the sector could well be how to sell itself to potential employees. The use of contract resources, although a short term solution, may lead to problems down the road if these potential employees are trying to obtain full-time employment in the sector and decide that they are unable to. They could leave the sector for other employment. Clearly this is in complete contradiction with the efforts made by the sector over the past few years to establish DS as a 'career of choice'.

Fewer organizations implemented any innovative changes this year vs. last, and many of the innovations were similar to last year e.g. technology changes or upgrades, reviewing service provider contracts, increasing fundraising efforts, applying for grants and restructuring roles.

Questions to be further discussed arising from this are:

- How often can you review contracts and expect savings?
- Can technology changes pay for themselves and allow for more streamlined operations year after year?
- Will the sector qualify for more grants going forward?
- How often can you restructure the workforce for savings and efficiencies?
- Can fundraising be expected to provide enough revenue to cover shortfalls year after year?

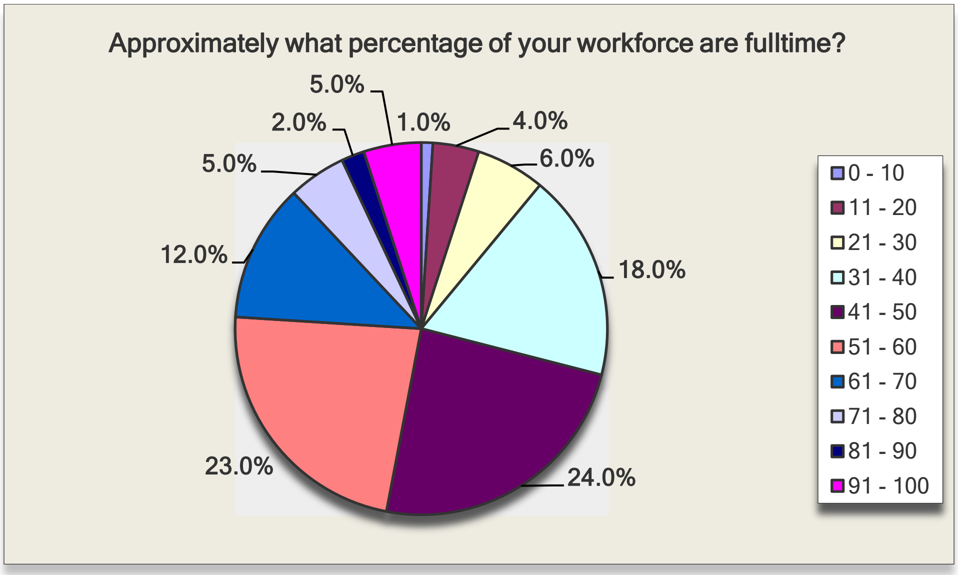
These innovations also take time and effort to implement.

Despite the tough choices that are being investigated and implemented, the overall tenor of the Survey still comes through as one of organizations deeply caring for the clients. Many responses, although they discussed how a change was affecting the organization, continued to emphasize how the change was adversely affecting their clients today and the fears for tomorrow should the situation not improve.

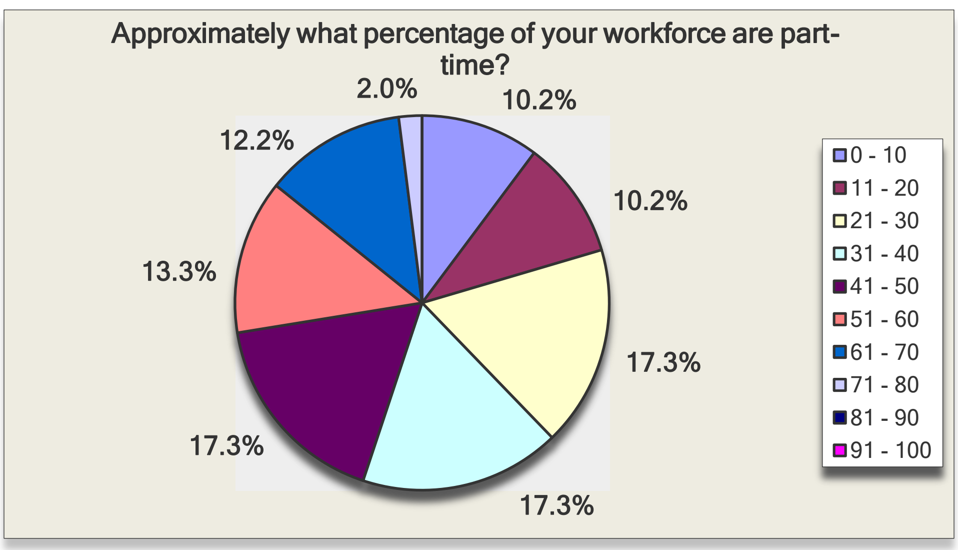
The data collected belongs to OASIS and will be distributed when and how they determine.

Organization Information

The survey data was provided by 107 organizations and this year, organizations were asked to provide a snapshot of their workforce.



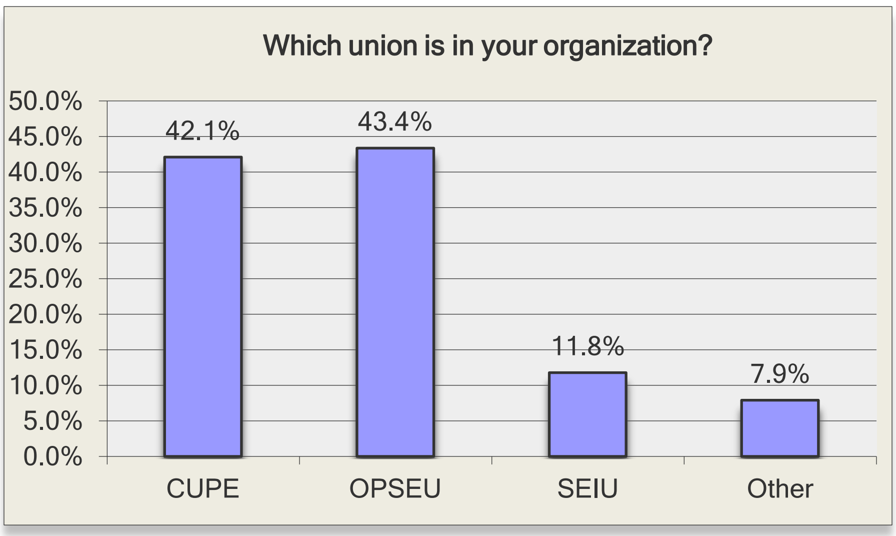
Full-time for this survey was defined as 35 hours or more per week



For two-thirds of respondents, the composition of their workforce has not changed over the last few years. For those that have had changes to their workforce structure, the trend has been towards less full-time and more part-time positions.

There has also been a change in the way contract positions are being utilized over the past three years, with almost 80% of organizations increasing their use of contract staff.

75% of survey respondents had a union in their organization, of which CUPE and OPSEU were the main unions (just over 40% each).



Compensation information

Not including pay equity obligations, a wage increase was negotiated for 2013/14 by almost 60% of organizations. Just under 25% of respondents indicated that there would also be a wage increase in 2014/15 however, with a low response rate, the average increase is hard to determine. Of those that did answer, 70% will be providing an increase of 1.5% or less.

Other items negotiated in the collective bargaining agreements included increased mileage reimbursements and leave entitlements (again there was a low participation rate for this question and it is hard to say what the real impact will be on the sector). Other benefits negotiated included items such as double stat pay for Christmas day, shift premiums, meal reimbursements and increased dental coverage.

The majority (80%) of union organizations will be providing non-union staff with the same increase as their union staff for this fiscal year. As for fiscal year 2014/15, over half of the respondents did not know if they would be providing their non-union staff with the same increase as their union staff.

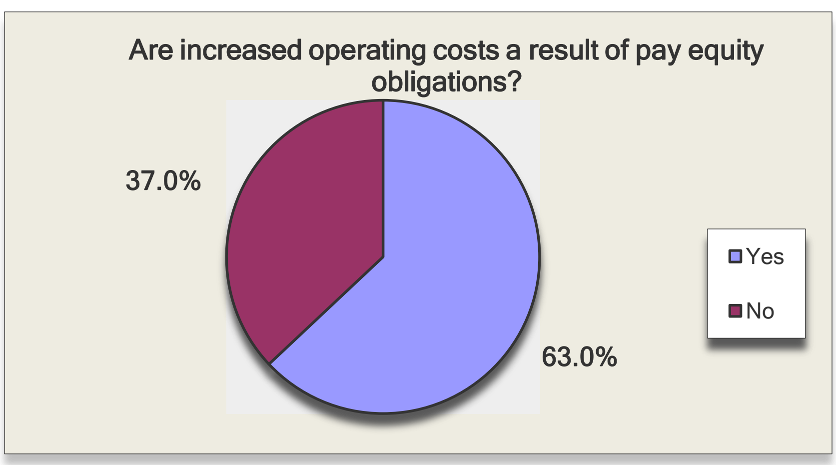
Less than half the non-union organizations will be providing staff with a wage increase this fiscal year and over 80% did not know if they would be providing a wage increase for 2014/15.

Similarly, over 50% of all organizations will be providing management with a wage increase for this fiscal year with approximately 85% not knowing if management would be receiving an increase in 2014/15.

Almost half of the survey participants have collective agreements expiring this fiscal year.

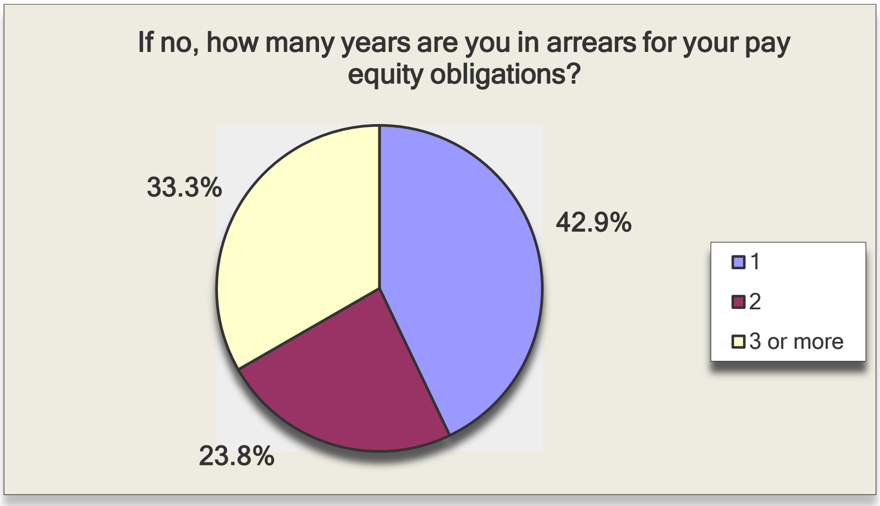
Pay Equity Obligations

Almost two-thirds of participants indicated that increased operating costs were a result of pay equity obligations. This is up from just over half last year that indicated this. This equates to a $4.5 million dollar increase to the participants budgets. Over 85% of the survey participants responded to this question.



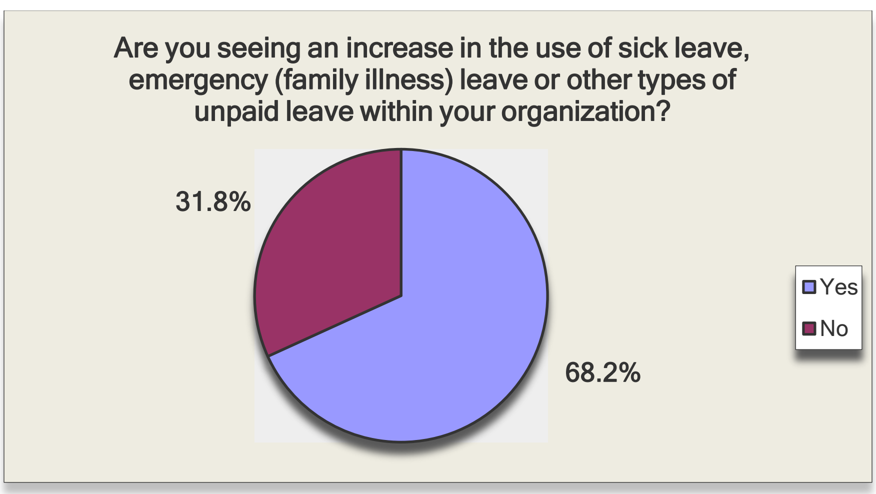
Two-thirds of respondent organizations have not yet met their pay equity target rate.

Just over half the organizations responded to the question "Are you current with your pay equity obligations?", and two-thirds of the respondents are current.



For those in arrears, the provided results translated to over $2 million being required to make their pay equity obligations current.

Many organizations are seeing an increase in sick leave and other types of unpaid leave.



Operating Costs

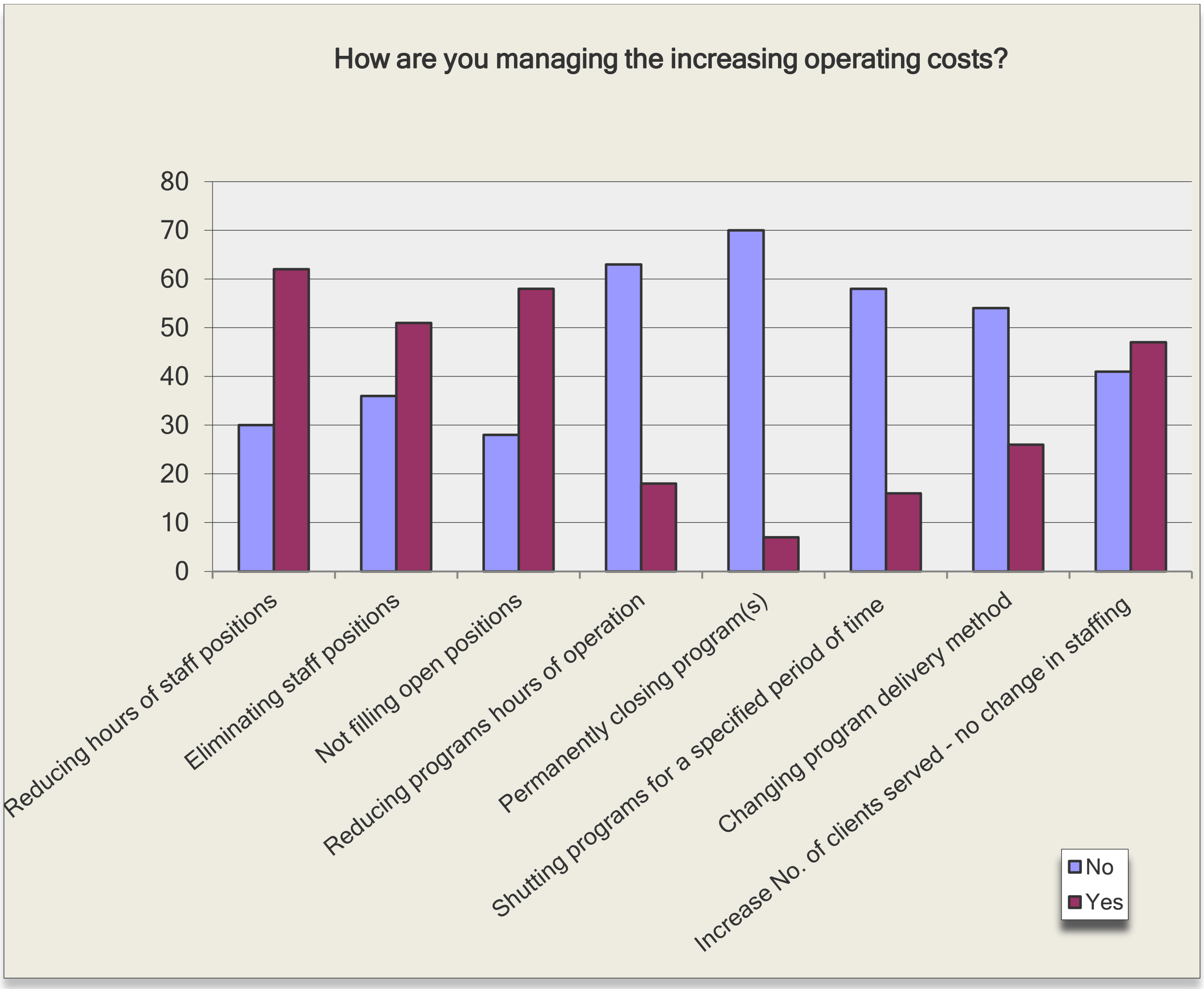
Similar to last year when 92% of the organizations said they were affected by inflation, the unsurprising results show that 96% claim to be effected this year.

Almost all cited increased costs of hydro, fuel, insurance, heat, water and taxes. Other items mentioned included food, waste disposal, snow removal, transportation, office space rental, office supplies, WSIB premiums, implementation of QAM, legal costs and medical supplies.

Total estimated amount for respondent organizations is $6.3 million for these inflationary items.

100 organizations responded to the question "How are you managing the increasing operating costs?". Of these:

- 62% of respondent organizations are cutting hours of staff
- 51% are eliminating staff positions
- 58% are not filling open positions (e.g. maternity leave)
- 18% are reducing program hours of operations
- 7% are permanently closing programs
- 16% are shutting down programs for a specified period of time
- 26% are changing program delivery methods
- 47% are increasing the number of clients served in programs

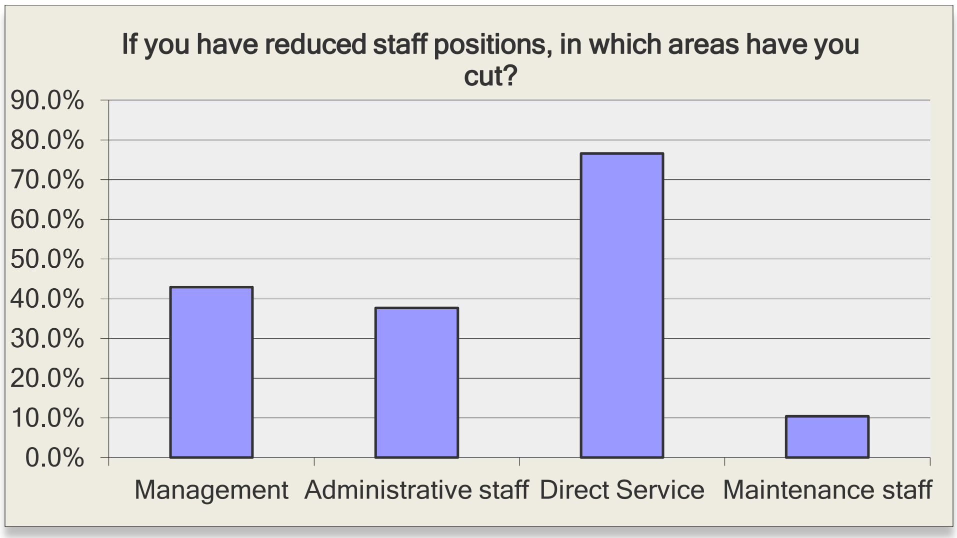


These figures translate to the following:

- 28,000 hours/week cut for staff across the sector
- 140 positions cut across the sector
- 93 positions not filled (as well it was noted by some that 1 full-time position is being filled by 2 part-time staff to save benefits costs and also mentioned was the use of temporary contracts instead of full-time positions)
- 665 program hours cut (per week) across the sector
- 8 programs permanently shut down (primarily group homes)
- 42 programs temporarily shut down
- A minimum of 57 programs have changed their delivery method
- Increased number of clients for many programs (many responses put this at between 10-20%)

Just under 30% of organizations have implemented new service fees in the past year. Many of these have increased transportation fees and day program fees. It should be noted that several other organizations are currently considering this option.

Staff reductions in the sector this year were reported as follows:



Operating Cost Management

In the past year, almost 40% of respondents have lessened service capacity, 75% have reduced professional development and just over 60% have provided less training.

Comments received surrounding the question "What have you implemented in the past year to reduce costs?" were:

- Filling vacancies has been delayed
- Negotiated with key suppliers for better rates
- Relying on being a part of a buying group
- Having to prioritize maintenance and repairs
- More utilization of webinars
- Changed staff benefits

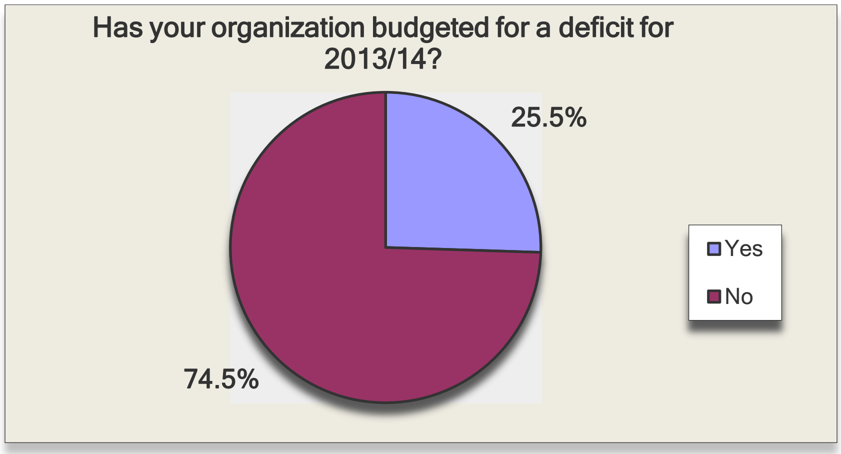
- Not replacing employees while off on leave
- Reducing overlap hours where possible
- Fewer meetings
- Selling vehicles

Other methods of managing costs mentioned this year were:

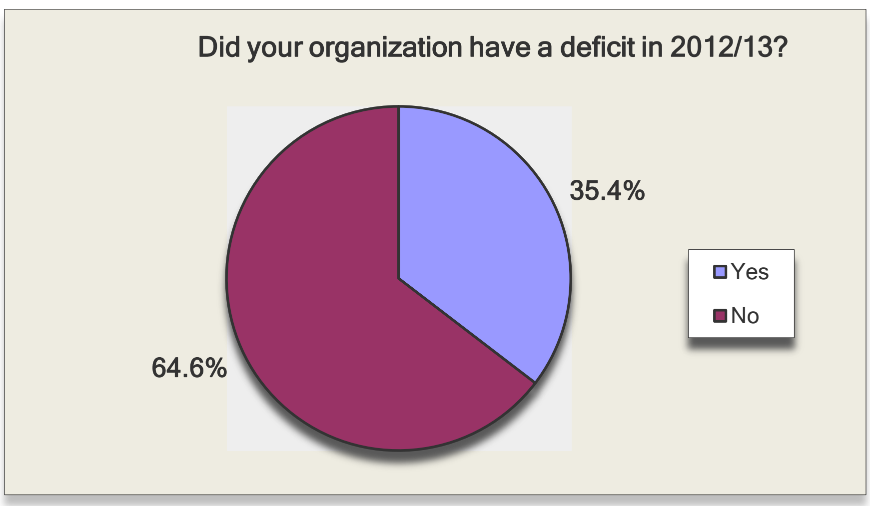
- Negotiated very low rent increases
- Charged clients for travel
- Accessed reserve funds for maintenance costs
- Extended management wage freeze
- Accessed funds from community organizations
- Negotiated better deal with financial institution
- Took out loans
- Reduced client outings
- Ongoing non-program expense review
- Performing own snow removal, yard work
- Tendering services
- Fewer out of town workshops
- Delayed repairs where safety was not compromised
- Fundraising money used to purchase items normally budgeted for
- Shared training with community partners
- Reduction in office equipment
- Staff caseload increased
- Bulk purchasing where possible
- Installed energy efficient windows, appliances
- Not paying out Pay Equity obligations
- Eliminated positions
- Reduced overtime

Deficit questions

75% of respondents have not budgeted for a deficit this fiscal year,



and just under 65% did not have a deficit last fiscal year.



Total debt by respondents is approximately $4.8 million (~ 25% of respondents answered this question).

Of the respondent organizations that currently have debt, two-thirds of them have a plan for reducing it. Remarks surrounding these plans were:

- More fundraising
- Allocate from reserves while they are still available
- Sharing vehicles
- Sold/selling property
- Equipment disposal
- Reducing full-time staff (hours and positions)

Unsurprisingly, over 65% of respondents believe that there has been a negative impact on the quality of their services as a result of these increased costs. Comments repeated by many organizations regarding the impact on the service quality were:

- Less individualized support
- Vacant positions filled by lower paid staff who have less training, education and experience
- Staff morale issues from having no wage increases the past few years
- Preventative services decreased
- Dietary concerns are an issue
- Less supervision
- Higher risk in sites with minimal staffing
- Elimination of recreational activities
- Less opportunities for staff to learn
- Quality of life activities are being limited
- Unable to support people to the same degree as in the past
- Increased stress levels of staff (union and non-union)
- More than one organization anticipates a major impact in the next year
- Less community involvement
- Only performing mandatory maintenance (not preventative)

Two-thirds of the 87 respondents reported they had found or implemented new operational efficiencies. Some of the efficiencies discussed were:

- New software and hardware upgrades
- Eliminating consultation services for high needs people
- New/automated payroll and scheduling software
- New heating technology reduced energy use
- Review of all contracts (snow removal, banks, auditors etc.)

Collaboration & Advocacy

Almost one-third of the 90 respondents to this question have discussed merging with another organization, while a slightly higher percentage has embarked on collaborative activities (just under 40%).

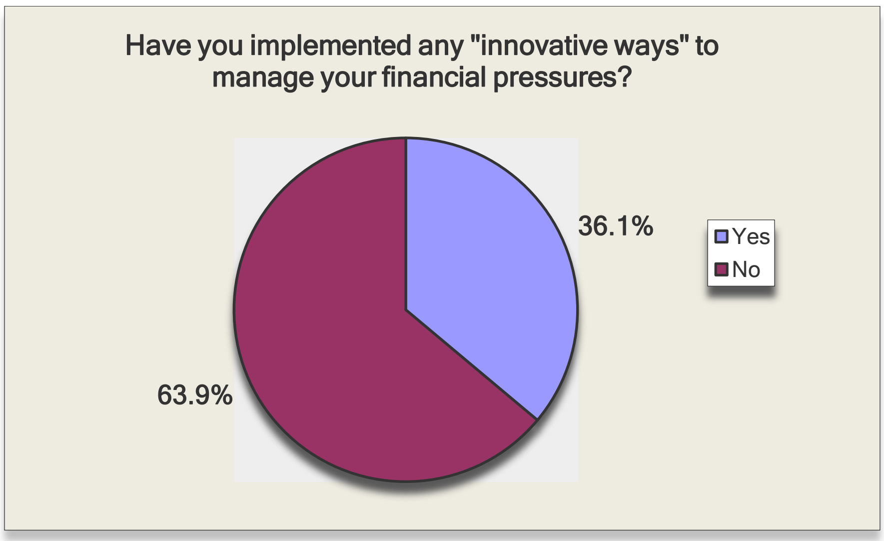
Some of the collaborative activities mentioned were:

- Currently merging with another agency
- Shared services inside the sector
- Share back-office and management functions with a smaller agency
- Investigating sharing a building for day programming
- Sharing office space
- Share IT services with another agency
- HR services shared with other agencies
- Work with other agencies to provide sports activities
- Mentioned regularly, was that this option was currently being investigated

Over half of the organizations' management has engaged in public advocacy regarding their financial circumstances and the community crisis situation. The majority of the advocacy activities were meeting with Members of the Provincial Parliament. Other activities included reaching out for support from families, encouraging them to engage with their MPP, updating web sites with relevant information, correspondence with the Premier of Ontario, increased media attention, appearance on local TV station and letters to the Ombudsman.

Innovation

Just under 40% of organizations have implemented innovations to address their financial pressures.



Some of the innovations discussed were:

- Sharing phone system with another business
- Fee for service model
- Applying to Government programs for students to offset staff in the summer months
- Eliminating external fees for room rentals by utilizing their own space
- Outreach with the OASIS Financial Network to exchange information and ideas
- More teleconferencing and videoconferencing to reduce travel
- Increased use of volunteers
- Maximized use of owned property vs. leased property
- Joint ventures
- VOIP phone system installed
- More targeted fundraising
- Contacting suppliers for better discounts

- Reducing the amount of money going back into the community and redirecting it into operations (retail operation)
- Not replacing whole shifts for sick leave or vacation absences
- Solar panels to generate revenue
- Increased rental fees for use of facilities
- Restructured roles
- Investing cash flow
- Performing administrative functions for smaller organizations (inside and outside of the DS sector)
- Applying for grants
- Opening retail operations

Of the 88 organizations that responded to the question "Did you take advantage of the Ontario Power Authority's Feed in Tariff program", only 3 organizations indicated that they had. It is still too early to determine what the revenue will be for this investment.

Miscellaneous

15% of organizations have received orders regarding meeting the Fire Code in the past year.

Almost half the respondents utilized last year's survey for Board and management discussions; meeting with MPP's and Ministry officials; discussions with union committees; as a reference for ideas that might be implemented; and for planning and staff discussions.

Recommendations

Continue advocacy work using this document to start and add to discussions.

Prepare an election package - information from this survey for educational purposes along with a questionnaire for candidates to complete.

Follow-up on innovations of interest that you have seen in this document. OASIS can put you in touch with organizations that have already implemented these.

Year to Year Comparison

N/A = not asked

Question	2012	2013
# who completed the survey	**139**	**111**
Organization		
# who had a union	**73.2%**	**75.2%**
# who did not have a union	**26.8%**	**24.8%**
Compensation Questions		
Was there a wage increase negotiated for this fiscal year? (not including pay equity obligations)		
Yes	67%	58%
No	33%	42%
Was there a wage increase negotiated for next fiscal year? (not including pay equity obligations)	*2013/14*	*2014/15*
Yes	82%	24%
No	15%	45%
Unknown	3%	31%
Have you, or will you, provide a wage increase to staff for the next fiscal year? (non union organization)	*2013/14*	*2014/15*
Yes	13%	35%
No	26%	10%
Unknown	61%	55%
Will you be providing a wage increase to management positions for this fiscal year?	*2012/13*	*2013/14*
Yes	49%	58%
No	27%	42%
Unknown	24%	N/A
Will you be providing a wage increase to management positions for the next fiscal year?	*2013/14*	*2014/15*
Yes	30%	11%
No	13%	7%
Unknown	57%	83%
Pay Equity		
Are increased operating costs a result of pay equity obligations?		
Yes	53%	63%
No	47%	37%

Question	2012	2013
What is the total dollar amount required to make your pay equity obligations current?	N/A	$2 Million for respondents
Operating Costs		
Do you have any increased operating costs as a result of inflation?		
Yes	92%	96%
No	8%	4%
What is the total dollar amount (estimate) of these inflationary items?	N/A	$6.3 million for respondents
How are you managing the increasing operating costs?	*83% responded*	*94% responded*
Reducing hours of staff positions	65%	62%
Eliminating staff positions	60	51
Not filling open positions (e.g. maternity leave)	59	58
Reducing programs hours of operation	21	18
Permanently closing program(s)	9	7
Shutting down programs for a specified period of time	11	16
Changing program delivery method	27	26
Increasing the # of clients served in programs with no change in staff levels	40	47
For each question above that you answered "Yes", please provide details	*total across sector for respondents*	
How many staffing hours have you cut (total per week)?	N/A	28000
How many positions have you cut (FTE's)?	N/A	140
How many positions have you not filled (FTE's)?	N/A	93
How many program hours have been cut?	N/A	665/week
How many programs have you permanently shut down?	N/A	8
How many programs have you temporarily shut down?	N/A	42
How many programs have you changed the delivery method for?	N/A	57
How much have you increased the # of clients in a program with no change in staffing?	N/A	10-20%
If you have reduced staff positions, in which areas have you cut?	*% of organizations that cut in this area*	
Management	45	43
Administrative staff	35	38
Direct Service	78	77
Maintenance staff	5	10

Question	2012	2013
Deficit		
Has your organization budgeted for a deficit for this fiscal year?		
Yes	28%	26%
No	72%	74%
Did your organization have a deficit in previous years?		
Yes	39%	35%
No	61%	65%
General Questions		
In your opinion, has there been an impact on the quality of your services as a result of increased costs?		
Yes	68%	66%
No	32%	34%
Have you found or implemented any new operational efficiencies in your organization? e.g. technology changes/upgrades		
Yes	63%	67%
No	37%	33%
Have you implemented any "innovative ways" to manage your financial pressures?		
Yes	40%	36%
No	60%	64%