Ontario Agencies Supporting Individuals with Special Needs
Agences ontariennes de soutien pour les personnes qui ont des besoins spéciaux

OASIS Operating Cost Pressures Survey Report

2019

Submitted by: 363 Consulting
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The data collected belongs to OASIS and will be distributed as they determine.

Executive Summary

The OASIS Operating Pressures survey was sent out to Developmental Services (DS) Sector organizations to complete from October 18 until November 18, 2019.

As with the previous surveys, 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 ideas for dealing with these pressures that other agencies could adopt. New questions this year focused on the delay in receiving budget funding information from the government, stabilization funding, Serious Occurrence reporting, CEO/ED succession plans, staff retention, and some wage rates for the sector.

The survey was distributed to organizations using email (OASIS ED mailing list and the Provincial Network Member's mailing lists) and participants were asked to complete an on-line survey. It is estimated that approximately 200 organizations were asked to participate.

110 organizations provided information for a 55% participation rate.

These 110 organizations account for:

- $960 million in total annualized budgets (approximately 42% of the total provincial DS budget)
- $660 million in MCCSS funding
- Supporting 55,000 individuals (38,500 supported by MCCSS funds).
- Employing 26,000 people (11,630 full-time, 10,283 part-time, 2,150 casual, 2,030 management)

The overall messages from survey respondents can be summarized as:

- Services to individuals are being cut or reduced
- Staffing is an issue in the sector, especially for part time employees
- Operating cost pressures have not abated since the previous survey
- Organizations are not able to maintain the desired quality of service
- Organizations are nearing the breaking point

When asked to provide details about their current situation, many organizations provided similar responses:

- Increased administrative burden
- Less professional development for staff
- Less training for staff
- Less individual care being provided
- Less specialized service
- Infrastructure repairs and maintenance being delayed
- Eliminated recreational activities
- Staffing issues for recruitment and retention

Similar to the 2017 survey, was the common refrain from many participants that the upkeep of capital assets had been delayed or scaled back over the last year. Unexpected expenses of $3.5 million were largely related to infrastructure needs, and although this dollar amount is significantly lower than the previous survey, it can be presumed that with repairs being delayed this amount will rise in the future. Although the government invested $3 million to conduct repairs and upgrades, this amount does not even cover the unexpected costs for the sector.[1]

The cumulative results for the sector (since 2013) show:

- 46,000 staffing hours/week cut
- 445 FTE's cut
- 4,848 program hours/week cut
- 30 programs permanently shut down

The increase to these numbers from this year's survey are significantly lower than previous years, suggesting that perhaps the previous years' cuts have left little to cut in the program area for organizations. Alternatively, the government's continuation of the stabilization funding may have allowed organizations to not have to cut further this past year.

Reducing staff hours and/or positions as a method of managing costs is still occurring in the sector, however the difference appears to be that the hours being cut are administrative rather than front line services. The survey results indicate that full- and part-time positions are

[1] https://news.ontario.ca/mcys/en/2018/1/ontario-improving-living-spaces-for-people-with-developmental-disabilities.html

increasing in the sector, while casual positions are being reduced. Management numbers are very similar to the last survey; however, they also now have more staff to direct.

Category	2017 results	2019 results
Full time	10,004	11,630
Part time	9,071	10,238
Casual	3,513	2,150
Management	2,030	2,041

From comments received, these numbers can be attributed to:

- converting part-time staff to full-time in an effort to retain personnel,
- growth in the agency itself requiring more staff to meet their obligations,
- the inability to staff some positions, and
- increasing the size of an organizations relief pool.

Recruitment in the sector is an issue: 90% of organizations are finding it harder to recruit staff. The same percentage of organizations are spending more time, money, and effort on recruitment activities.

These organizations hired over 3,500 people last year. The majority of organizations said they hired more than usual last year; however, they are also experiencing a higher than normal turnover rate. Retaining part-time staff is the largest issue--with more than one organization indicating that their part-time turnover rate was over 35% annually.

The question “How many people have been affected by program changes?” implied the number of individuals receiving support. The number again this year was over 1,000 people impacted. Still, as a few organizations pointed out, it was not only these individuals affected but their staff and the families as well.

New questions this year dealt with the impact of receiving delayed budget funding information from the government. The situation caused services to be reduced or delayed, needed repairs were put off, cash flow issues were experienced, planning was adversely affected, and staff hours were reduced. Many organizations indicated that the impact had been minimal, however they had carried on with the assumption that the funding would be similar to the previous year’s amount.

Almost all the organizations received some stabilization funding: the total reported was $26.5 million. For the majority of the organizations this represented 2-3% of their operating budget. For those organizations that had settled a collective agreement in the last year, over half of them are relying on the stabilization funding continuing in order to pay for the settlement. For many, they require 100% of these funds to cover their agreement.

Should the stabilization funding not extend beyond this year, there would be a noticeable impact on the sector. The result would be layoffs, lost or reduced services, user fee increases, organization deficits, and the inability for many to meet their settlement agreements. More or less the same answers were received when asked about the impact of having their organizations' budget reduced.

More than one organization suspected they would cease to exist should this scenario unfold, and it is concerning that just over half of the respondents have contingency plans in place should their budget funding be cut.

60% of organizations now indicate they would support a centralized bargaining process.

Organizations reported that they currently have approximately 3,600 Serious Occurrences annually, and that for the most part each takes two to three hours to address. The number and time required to address these is expected to increase with the proposed guidelines. Of note, the survey was completed prior to the Ministry's implementation date for the revised reporting requirements.

A small number of respondents had been selected for the revised Serious Occurrences Reporting pilot program in September. Among the comments received about the pilot were:

- The increased amount of time required to report on a Serious Occurrence
- An increased pressure for reporting timelines during weekends and holidays
- Types of SOR's to be reported requires further consultation and consideration
- Many incidents would become level 1 and the respondents wonder if the Ministry will be able to manage this
- All categories from 2013 Guidelines have transferred over to the 2019 Guidelines either as a distinct category, combined with another category, or as a sub-category

This year organizations were asked if they had experienced, or soon were about to experience, a change in leadership at their organization:

- 22 organizations have had a change in their CEO/ED in the last three years (20%)
- 16 organizations expect a change in one to two years from now (15%)
- 16 organizations expect a change in three to five years from now (15%)
- 17 organizations don't expect a change for more than five years (16%)
- The remaining organizations are not expecting any changes for the foreseeable future

40% of organizations indicated that their increased operating costs were a result of Pay Equity obligations. This is down from 45% in the 2017 survey and 56% from the 2014 survey. This still represents more than a $6.5 million impact to the budgets of these organizations.

Almost all organizations received some Bill 148 funding in 2018/19.

Due to the timing of union negotiations, 25% of organizations did not implement any of the Bill 148 changes. The cost for the organizations to implement some or all of the changes was over $6 million. For those organizations that maintained some or all of these changes the annual cost is over $7 million. Resources connected to Bill 148 were withdrawn from DS funding leaving organizations holding the financial burden for initiating the legislative changes.

26% of the organizations have projected an operating deficit for 2019/20, which totals almost $7.5 million for these organizations.

Again this year, the use of sick leave and other unpaid leave has increased. Noted often this year, was that these shifts are only being partially covered, if covered at all. It was not asked if this was due to financial constraints, or as a lack of staff to cover the shift, so while the result is clear the reason for this is not. This may be a question for a future survey.

Organizations continue to implement innovative changes. Similar to the last few surveys, these initiatives included technology changes or upgrades, reviewing service provider contracts, increasing fundraising efforts, restructuring roles, applying for grants, increasing the use of social media, and partnering with other organizations for benefits, HR, and IT activities.

47% of organizations have discussed the possibility of merging with another organization (up from 30% in the 2017 survey).

56% of organizations have embarked on collaborative activities, with more still investigating (up from 35% in the 2017 survey).

54% of organizations' management have engaged in advocacy activities (up from 35% in the 2017 survey).

Costs of all types are increasing, staffing is becoming an issue, wait lists are increasing (23 years with 18,200 individuals currently on the list[2]), management is spending more time actually performing front-line duties instead of strategic planning, advocacy efforts are increasing with few results to show for it, there is increasing demand for services, and the opposition questioned the Minister on recommending that parents pool their resources to build their own home and to start a GoFundMe page.[3]

Unfortunately, it appears that little has improved in the last couple of years to alleviate the concerns of the sector. The organizations provided similar responses to many questions in this survey versus the one conducted in 2017. Increasing costs are still pushing services away from a focus on social inclusion towards that of basic care, group living is growing in size, the waiting list is increasing, and support programs to assist people becoming part of their community are still lacking or being cut.

Remarks from Darren Connelly, President of OASIS, at the OASIS Day at the Legislature in November 2019, provide insight into how people on the front lines view the path forward.

" We believe that a commitment to stabilize the sector is vital if we are to remain sustainable and effective. We must be involved in developing any trans-formative changes. Individuals and families know best what it takes to meet the needs of the most vulnerable people in our communities."

[2] *https://www.cbc.ca/news/canada/windsor/supportive-housing-delays-continue-1.5241574*

[3] *Oct 31 Ontario Hansard - http://hansardindex.ontla.on.ca/hansardeissue/42-1/l121.htm*

“ You can’t cut millions of dollars from services for adults with developmental disabilities and their families without hurting the most vulnerable people in the province”[4]

[4] https://www.ola.org/en/legislative-business/house-documents/parliament-42/session-1/2019-11-20/hansard#P693_147659

Respondent Information

123 organizations accessed the survey.

110 organizations completed some or all the survey questions. This was a 7% decrease from the 2017 OASIS survey on operating cost pressures.

The total budget for those that provided responses was more than $960 million (up slightly from $950 million in the 2017 survey).

These same organizations represent $660 million in MCCSS funding.

The total number of individuals served by these organizations is more than 55,000. Which includes over 38,000 individuals supported by MCCSS funds. (2017 survey numbers were more than 58,000 individuals served with 35,000 being supported by MCCSS funds).

Delayed Budget Funding Information & Stabilization Funding

When asked how the delay in receiving this year's budget funding information impacted them and the individuals and families they serve, organization responses included comments such as:

- Reduced services for families, no new program growth
- Loss of staff, staff hours reduced, or positions left unfilled
- Cash flow issues (cash advances required)
- Created uncertainty and increased anxiety for families and staff
- Hindered collective agreement bargaining
- Deferred needed repairs
- Planning adversely affected (hard to be proactive)
- Management covering front line services

Many organizations indicated that there had been little to no impact, albeit on the assumption that the funding would be similar to the previous year's amount.

Almost all of the respondents received some stabilization funding. The total amount reported was $26.5 million. The sector is still engaged in advocating that these resources be annualized as it remains unclear if they are fiscal or annualized resources.

For the majority of organizations, the stabilization funding represented between 2 and 3 percent of their operating budget.

Over a third of respondents had settled a collective agreement in the last year and are relying on this funding to continue to pay for it. For many of these organizations, 100% of the collective agreement requires stabilization funding to cover the costs.
When asked what the impact would be on their organization if stabilization funding was not extended beyond this year, the answers were very similar for all respondents:

- Layoffs would result
- Services would be lost or reduced
- Inability to meet settlement agreements or to negotiate new agreements
- Deficit would result
- User fees would need to increase

Not surprisingly, many of the same answers were received when asked what the impact of having their budget cut would have on their organization. Almost all mentioned:

- Layoffs (at all positions) and/or reduced hours
- Closure or a reduction of programs
- Deficits
- Increased risk to people supported

More than one organization suspected that they would cease to exist if there was a cut to their budget.

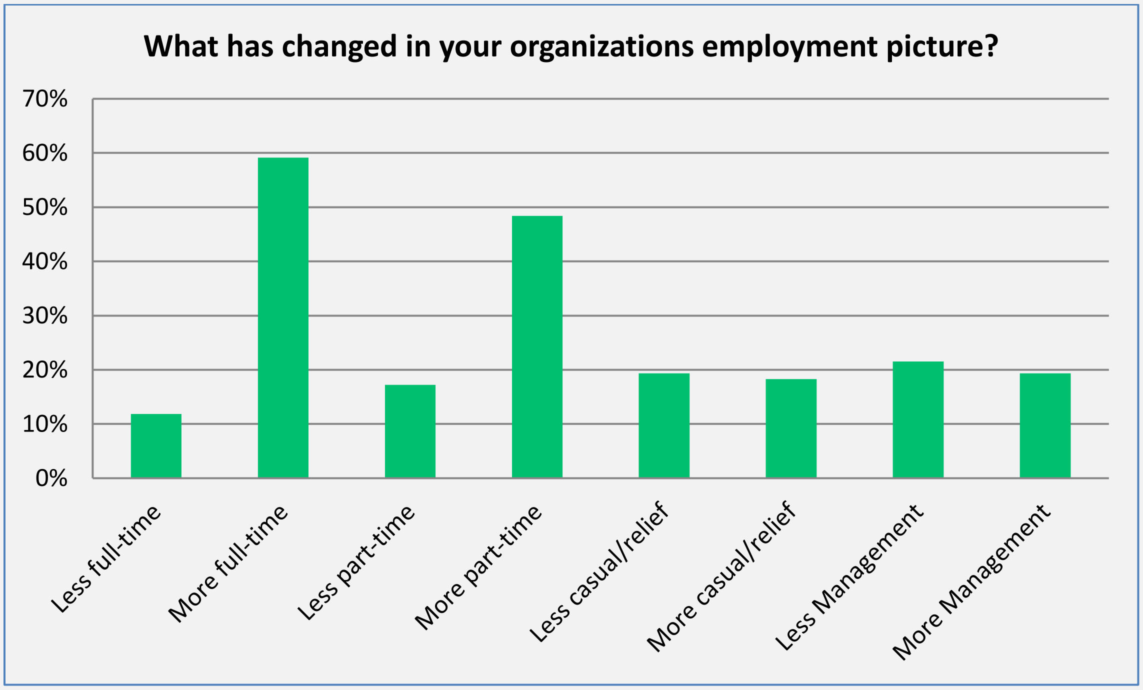
Just over half the respondents have contingency plans in place should their budget funding be cut.

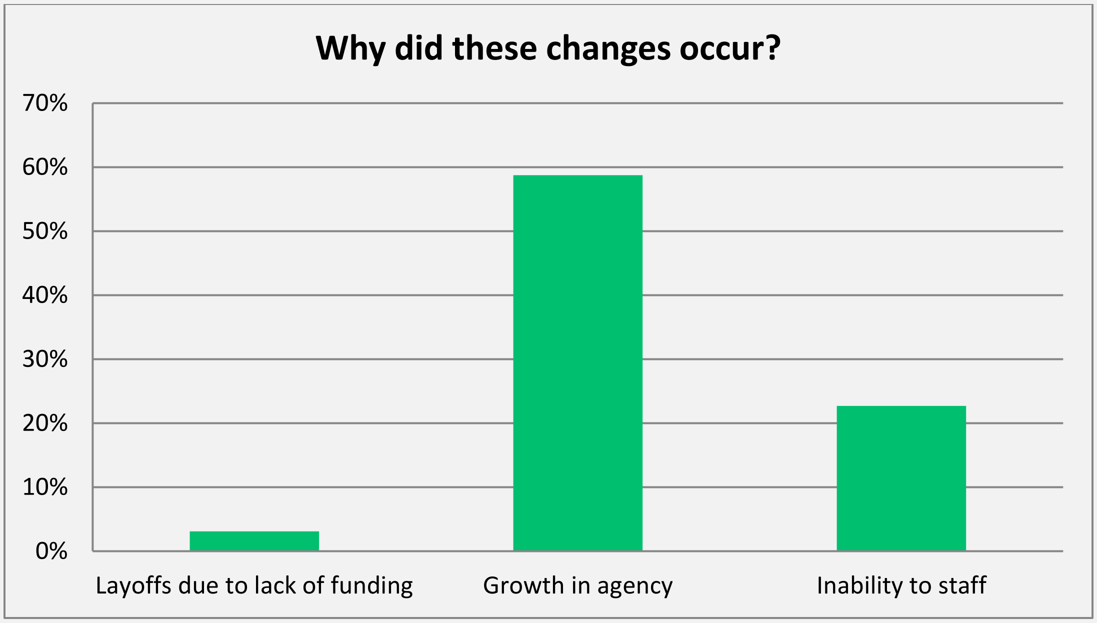
Organization Information

The 26,000 people employed by these organizations broke down as follows:

- 11,630 full time employees
- 10,283 part time employees
- 2,150 casual employees
- 2,030 management positions in the sector

Survey results this year indicate that for 80% of the organizations these numbers have changed. Where these changes occurred can be seen in the chart below.





The chart above indicates the main reasons provided for these changes. Other reasons given for the changes were:

- Converting part-time positions to full time in an effort to increase retention of staff
- Not filling vacancies as they arose
- New group homes opened
- Increased relief/casual employees to have a higher number of employees in the relief pool

Serious Occurrences

New questions this year were asked around the Serious Occurrence situation in the sector.

From the responses received, approximately 3,600 Serious Occurrences happen yearly. This resulted in approximately 8,100 hours of effort for the organizations to report on and deal with. The majority of respondents indicated that each occurrence currently took between two to three hours to properly deal with.

More than one organization noted that the new system will result in a significant increase in both occurrences and the time required to report on them.

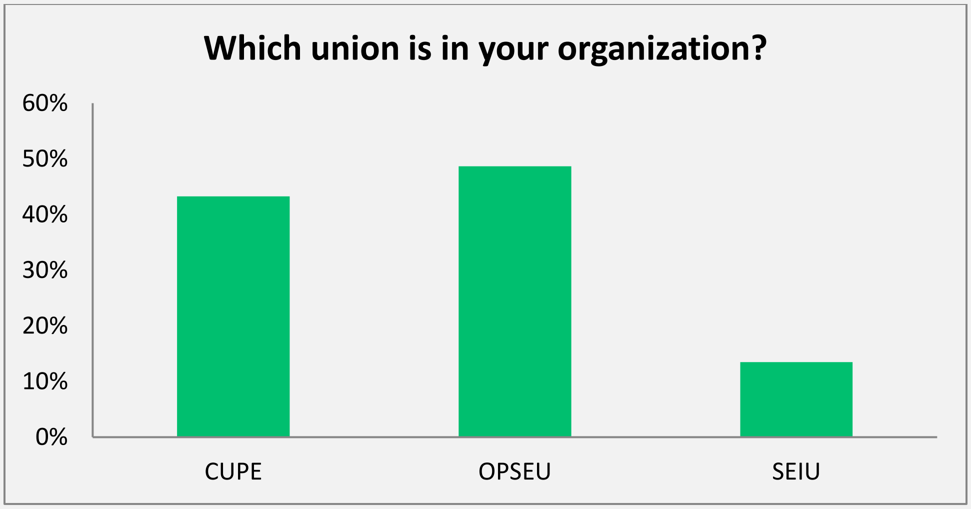
A small sampling of the respondents (6%) had been selected for the Serious Occurrence Reporting (SOR) pilot program (September 2019). Participants that shared comments noted concerns about:

- The addition of medication errors as a Serious Occurrence
- The increased amount of time required to report on a Serious Occurrence
- An increased pressure for reporting timelines during weekends and holidays
- Unrealistic reporting time and unnecessary to report outside of normal business hours
- Types of SOR's to be reported requires further consultation and consideration
- Many incidents would become level 1 and participants wonder if the Ministry will be able to manage this
- Medication error is a level 1 only if the error resulted in health implications for the person in service
- Looking into whether 3rd party funders are notified through the portal or whether they need to be added to notification drop down list
- Online portal utilizes two-factor authentication security

Compensation Information

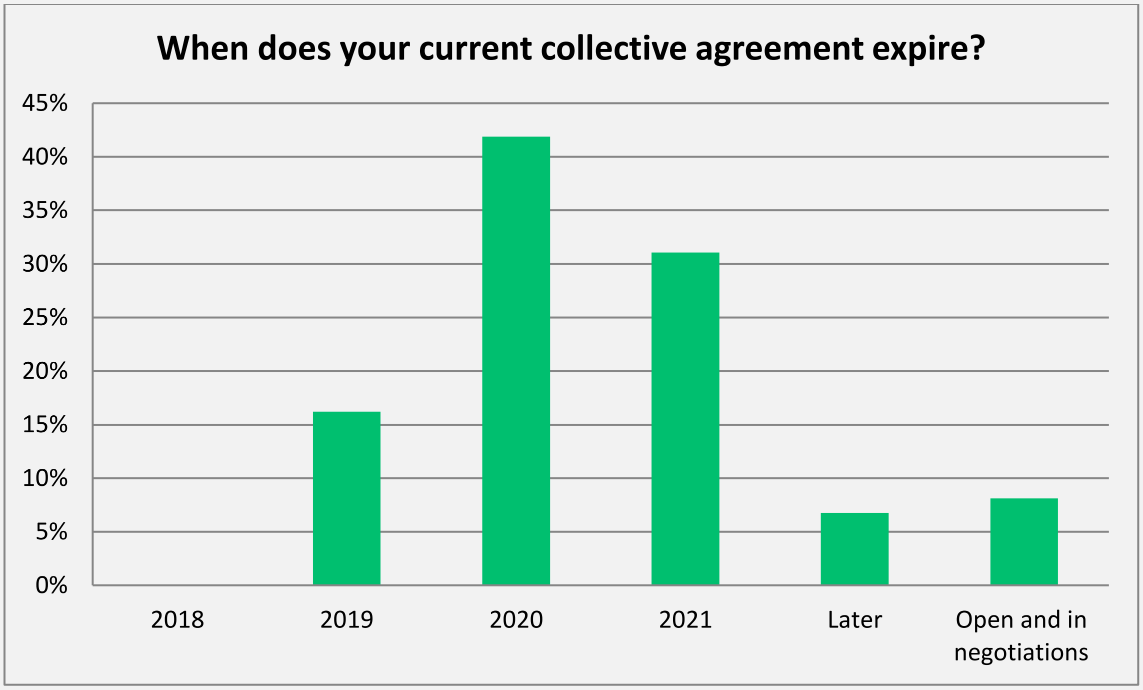
Union Organizations

This year, two thirds of respondents indicated that they had a union in their organization. The two major unions in the sector are CUPE and OPSEU. Other unions in the sector include SEIU, LiUNA, ONA, UFCW, United Steelworkers, and Unifor.



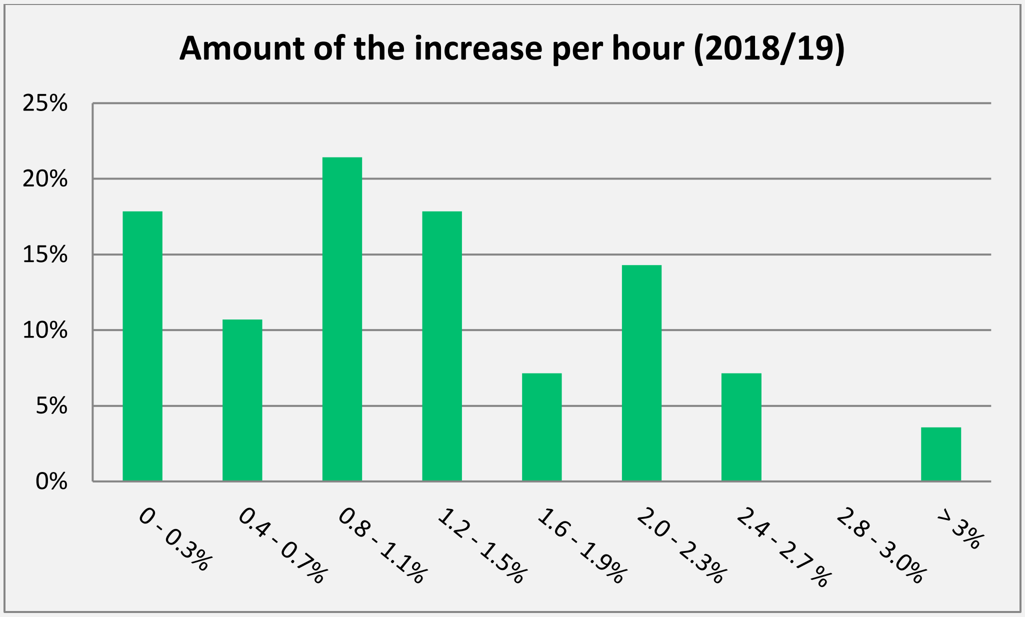
Over 60% of respondents would support a centralized bargaining process.

Less than 10% of the respondents are currently in negotiations for a new collective agreement, while over 40% have agreements which expire in 2020.



75% of respondents have bargained a collective agreement in the last two years.

Fifty percent of the organizations that negotiated collective agreements within the last two years included increases for 2018/19 (not including Pay Equity obligations). The next chart indicates the amount of the increase per hour for these agreements.



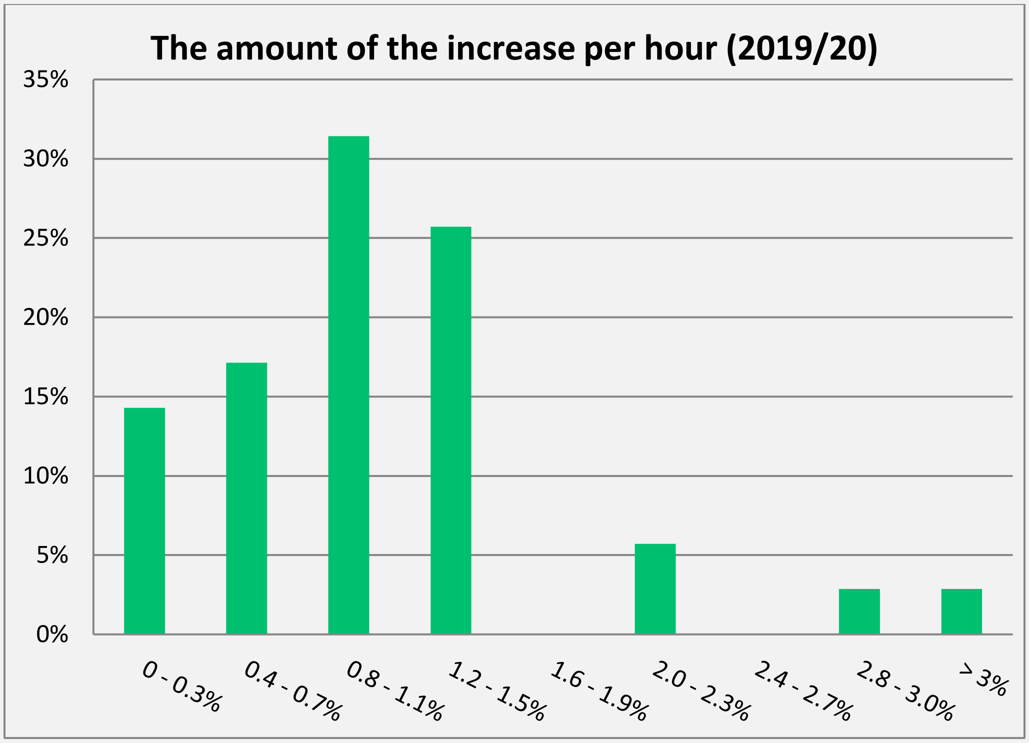
The increases resulted in approximately $3 million in increased wages for the sector for 2018/19.

Sixty percent of these same respondents negotiated a one-time stipend versus a wage increase.

For multi-year contracts that were negotiated, 68% included a wage increase with the other major benefits negotiated being pension benefits, vision benefits, and mileage increases. Other items mentioned were shift premiums, increased RSP contribution for full time staff, meal allowances, and additional vacation entitlements. For the 35 organizations that provided an answer to this question, this will cost over $3.7 million.

Over 60% of these organizations had a wage reopener clause in their most recent agreement.

Over 60% of these same organizations had negotiated a wage increase for 2019/20 which will cost more than $2 million. The increase per hour is shown in the chart below.



Of the 45 agencies whose collective agreement expired on or after March 31, 2018:

- 60% responded that they had negotiated wage increases in the last two years. This has cost them just over $1.2 million.
- Slightly over 40% negotiated a contract that provided a one-time stipend versus a wage increase for the year.
- A little over 40% of these organizations have a business plan developed as to how they will manage these additional costs.

75% of agencies that responded indicated that non-unionized staff would be receiving the same increase as the union settlement for 2018/19, with 66% of agencies indicating they would receive the same for 2019/20.

Besides the usual negotiated items (wages and benefits), organizations also negotiated items such as:

- Increased meal allowances
- Shift premiums
- Signing bonus
- Lump sum payments or one-time stipend
- Increased hours for staff that had been reduced previously

These benefits total almost $1 million for the sector for the next fiscal year.

Over 45% of these organizations will also provide their non-unionized staff with the same increase as the settlement with their union for 2017/18. For fiscal year 2018/19 this number drops to 25%, with more than half of the respondents ‘not knowing’ at the moment.

Non-Union Organizations

Almost 40% of the non-unionized organizations provided their staff with a wage increase for 2018/19. This cost them $2.8 million.

Just under 30% of these organizations will be providing their staff a wage increase for 2019/20, 44% will not be, and just under 30% are unsure if they will be.

Most of the increases will be approximately 1%, equaling just over $1.8 million dollars for the fiscal year.

Over 70% of these organizations will not be providing any increase in benefits.

All Organizations

Almost 50% of organizations provided management positions with an increase in 2018/19 costing more than $750,000. Another $750,000 cost was incurred to provide management with a one-time stipend versus a wage increase.

The majority of these management increases were less than2% and the total cost reported was over $1.2 million.

For the fiscal year 2019/20

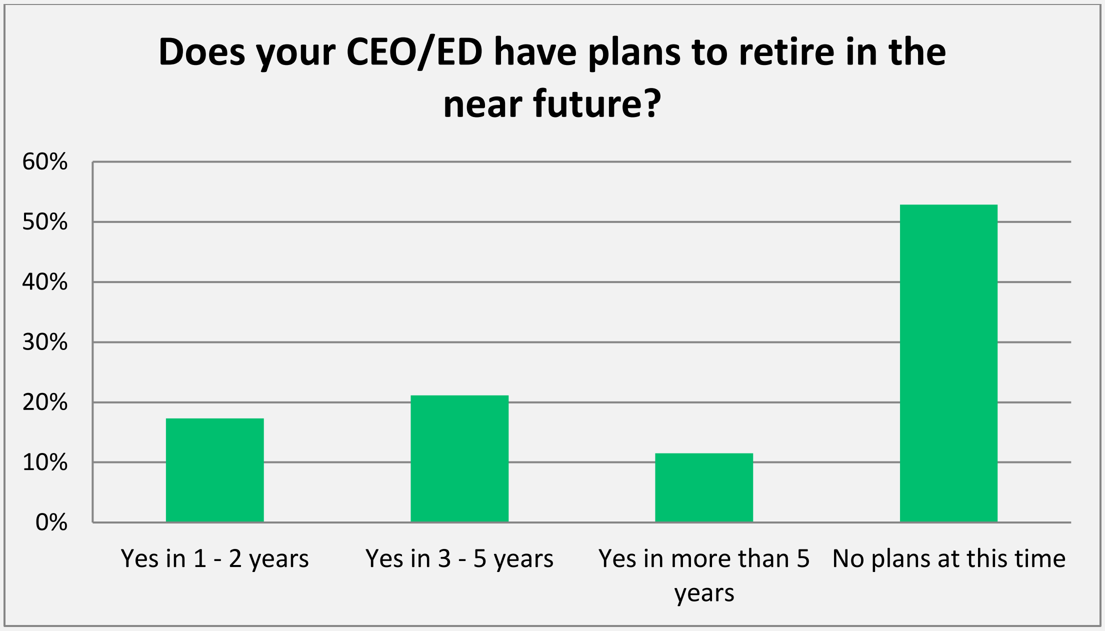
- 40% of organizations are providing management with an increase
- 35% are not providing an increase
- Almost 25% are as yet uncertain
- The majority of these increases are under 1.5%
- The known cost at this time is more than $650,000

Almost 80% of the organizations indicated that they had not experienced a change of CEO/ED in the last three years.

Asked if their CEO/ED had plans to retire in the near future:

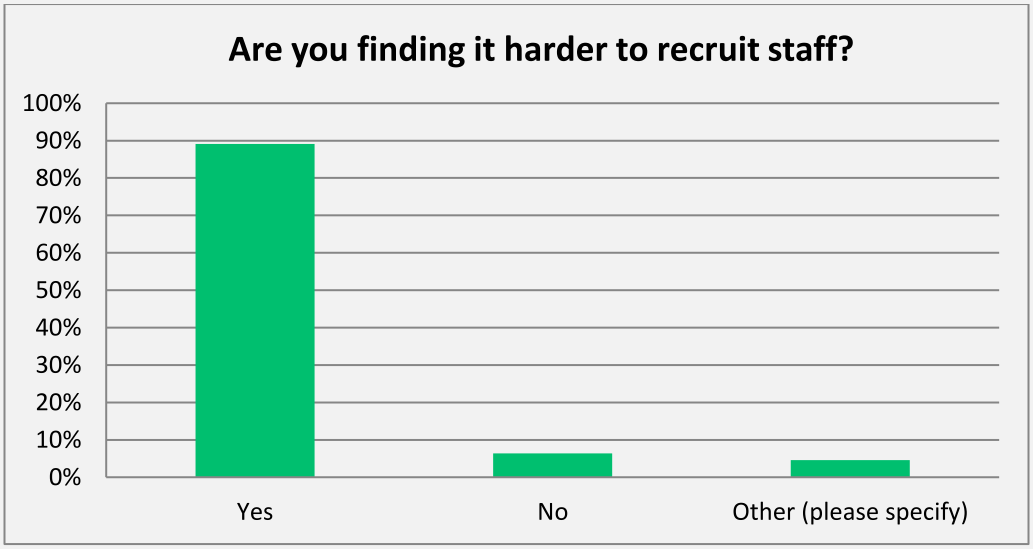
- 22 have had a change in this time
- 16 expect a change in the one to two years from now
- 16 expect a change in three to five years from now
- 17 don't expect a change for more than five years

The majority of those who answered, are not yet aware of how they will replace the CEO/ED when the time comes. A few agencies mentioned that they are investigating a merger with another organization and the CEO duties would be merged for both organizations. A few also mentioned that it is their desire to promote from within, but that it may not be possible.



Recruitment

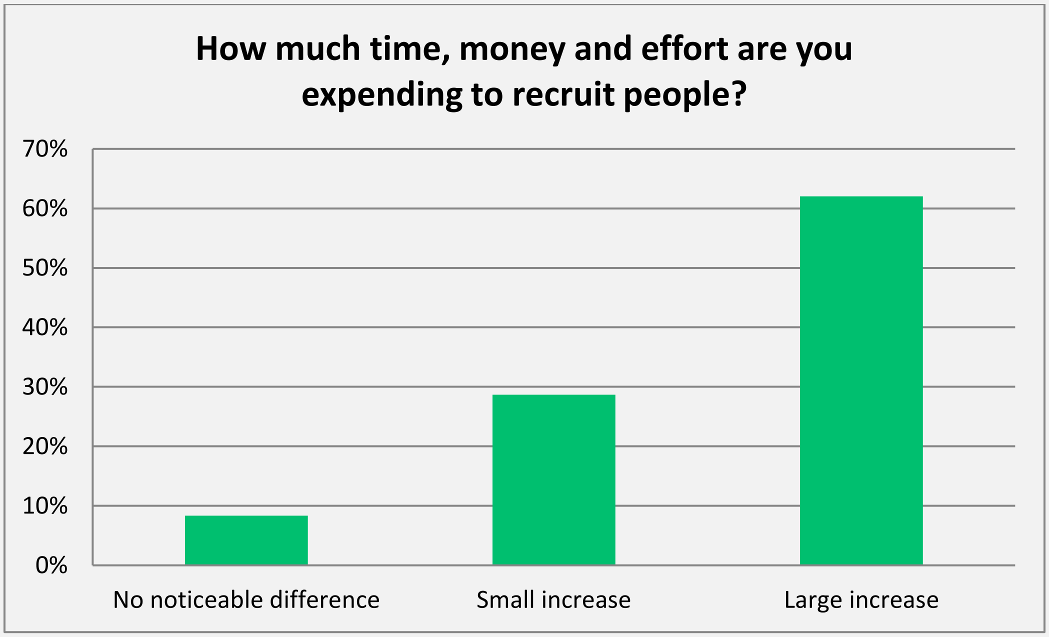
90% of the organizations are finding it harder to recruit staff. A few reported they were able to recruit the same numbers, but more effort was required, while some had issues when it came to recruiting for temporary positions.



Likewise, 90% of the organizations have increased their recruitment efforts:

- 60% indicated they had a large increase in effort
- Some organizations have hired recruitment firms to assist with filling vacancies
- More money is being spent on advertising and recruitment strategies
- Subscribing to employment web sites is being utilized
- Interviews are booked only for the applicant to not show up
- Time and money are spent on training new staff only for them to leave after a very short period of time.

These efforts obviously are costing the organizations time and money.

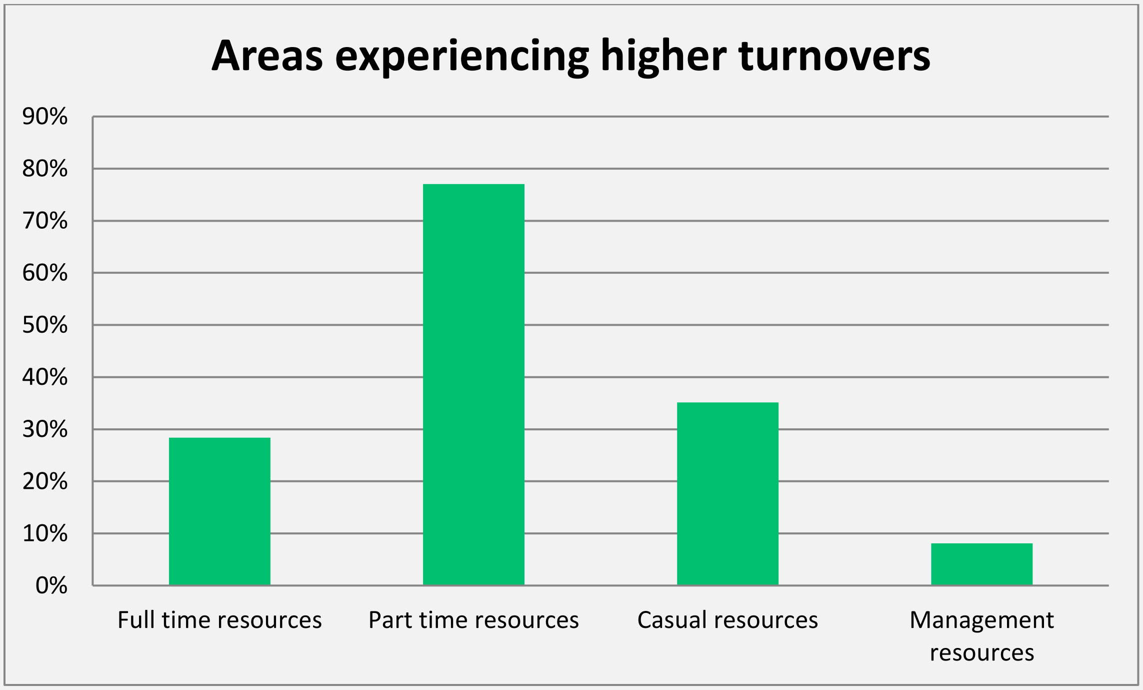


These organizations hired over 3,500 people in the last year:

- 65% indicated that this was more than usual for them
- 65% indicated that they are also experiencing a higher than normal turnover rate.

Staff retiring is part of the reason and some agency restructuring has also affected these numbers. However, comments received indicate that retaining part time staff is an issue.

More than one organization indicated that their part-time staff turnover rate is over 35% annually. Part-time staff are leaving one organization for another organization within the sector which is able to offer them a full-time position.



One of the results of the recruitment issue is that 80% of the organizations are seeing an increase in the use of overtime in order to meet their obligations.

Asked to list the kinds of activities organizations were using to recruit employees, the following were mentioned:

- Job fairs (including hiring on the spot)
- Online advertising
- Social media
- Use of employment agencies
- Starting an apprenticeship program
- Utilizing web-based employment sites (e.g. Indeed, JobVite, Service Canada)
- Coordinating with partner agencies for recruitment activities

- Attending more community events
- Producing a video to promote interest
- Staff referral incentives
- Student placements (co-op programs) with colleges and universities
- Word of mouth through existing employees
- Revamping the recruitment process, screening process and orientation process
- Interviewing in homes to see how comfortable people are to make sure it is a good fit
- Increasing the starting wage for entry level positions
- Creating set hours for full- and part-time staff (block rotation)
- High school presentations
- Creating new job profiles
- Enhancing HR department by designating a position for hiring and recruitment
- Using ONTRAC who offer employer incentives
- Purchasing PreVue recruitment software
- Participating in a national recruitment strategy
- Billboards, road signs

Of note was that although the usual methods are still being used, and bringing results, the volume of applicants has dropped. One organization noted that their issue was not getting people to the door, but in getting a commitment to work regular hours (overnights, weekends). Another organization noted that they were not getting as many people applying, and the local college had decreased the DS course material.

Less than 20% of the organizations have turned to third party suppliers for staffing needs. For those that have, many say it costs almost double to use these types of resources. This cost these organizations over $7.5 million last year.

Wages

There is quite a range of initial wage rates in the sector for relief or casual employees. The lowest was $15/hr and the highest was just over $30/hr. The majority of organizations are in the $18 - $20 range.

The range for an organization's most senior direct support employee with no supervisory responsibilities was from $19.50/hr to $37/hr. The majority of organizations are in the $25 – $28 range.

The highest wage rate for the bulk of an organization's direct support employees ranged from $15/hr to $34.50/hr. For numerous organizations, this wage rate represented well over 50% of their employees.

Pay Equity Obligations

This year, 40% of organizations indicated that increased operating costs were a result of Pay Equity obligations. This is down from 45% that indicated this was the case in the 2017 survey and 56% from the 2014 survey. However, this still represents a more than $6.5 million impact to the budgets of these organizations.

59% of organizations reported that they have achieved all target rates in their Pay Equity plan. This is up from 54% of organizations reporting this in 2017.

Of the 50 organizations that responded when asked if they were current with their Pay Equity obligations, 64% answered that they were. For those that aren't current, almost half are in arrears three or more years. This translates to over $3 million in arrears for these organizations.

Only one organization indicated that they had an outstanding complaint with the Pay Equity Commission, and no organizations indicated that they have received an Order from the Pay Equity Commission. This is down from four organizations that stated they had a complaint against them in the 2017 survey. Those orders cost more than $4 million to address.

It appears that these complaints are being addressed by the sector, as the 2015 Pay Equity survey found that 27 agencies had outstanding complaints.

Bill 148

96% of the organizations received Bill 148 fiscal funding from MCCSS in 2018/19. The reported amount totaled $13 million, however, since 25 organizations did not provide a number, it can be assumed the actual amount was much higher.

For 2019/20 it was almost the opposite: 93% of organizations reported <u>not</u> receiving any Bill 148 fiscal funding. The total amount received by those that said they had received some funding was just over $340,000.

Due to the timing of negotiations with their local union, just over 25% of the organizations did not implement any of the Bill 148 changes. For those that did implement changes, these totaled over $6 million, which broke down as:

- $3.3 million of that for equal work for equal pay obligations
- $1.3 million for the minimum wage
- $500,000 vacation provision
- $875,000 person emergency leave

For those organizations that maintained these changes, the annual cost of doing so is over $7 million. These changes have become a new cost to organizations now that Bill 148 resources have been withdrawn from DS funding.

Actions taken to cover these increased costs included:

- Only maintaining some of the Bill 148 changes
- Renegotiating administrative services (benefits, insurance, utilities etc.)
- Increasing fees for service to families
- Using stabilization funding
- Not replacing staff (front line and back office)
- Reducing staff
- Moving dollars from other budget line items to cover
- Increased fundraising efforts
- Restructuring programs (schedule changes to reduce hours of service)
- Will become an item for negotiations in 2020
- Created different positions (different levels of support workers responsibilities)
- Using fundraised dollars to cover costs (not sustainable)
- Requesting assistance in advocating
- Praying

Operating Costs

As expected, 95% of the organizations reported they have had increased costs due to inflation. All the standard inflationary items affected them (i.e. heat, hydro, fuel, water, insurance), while over 40% indicated that their taxes had also risen. Numerous organizations indicated that food prices were a serious concern. Other items mentioned often included:

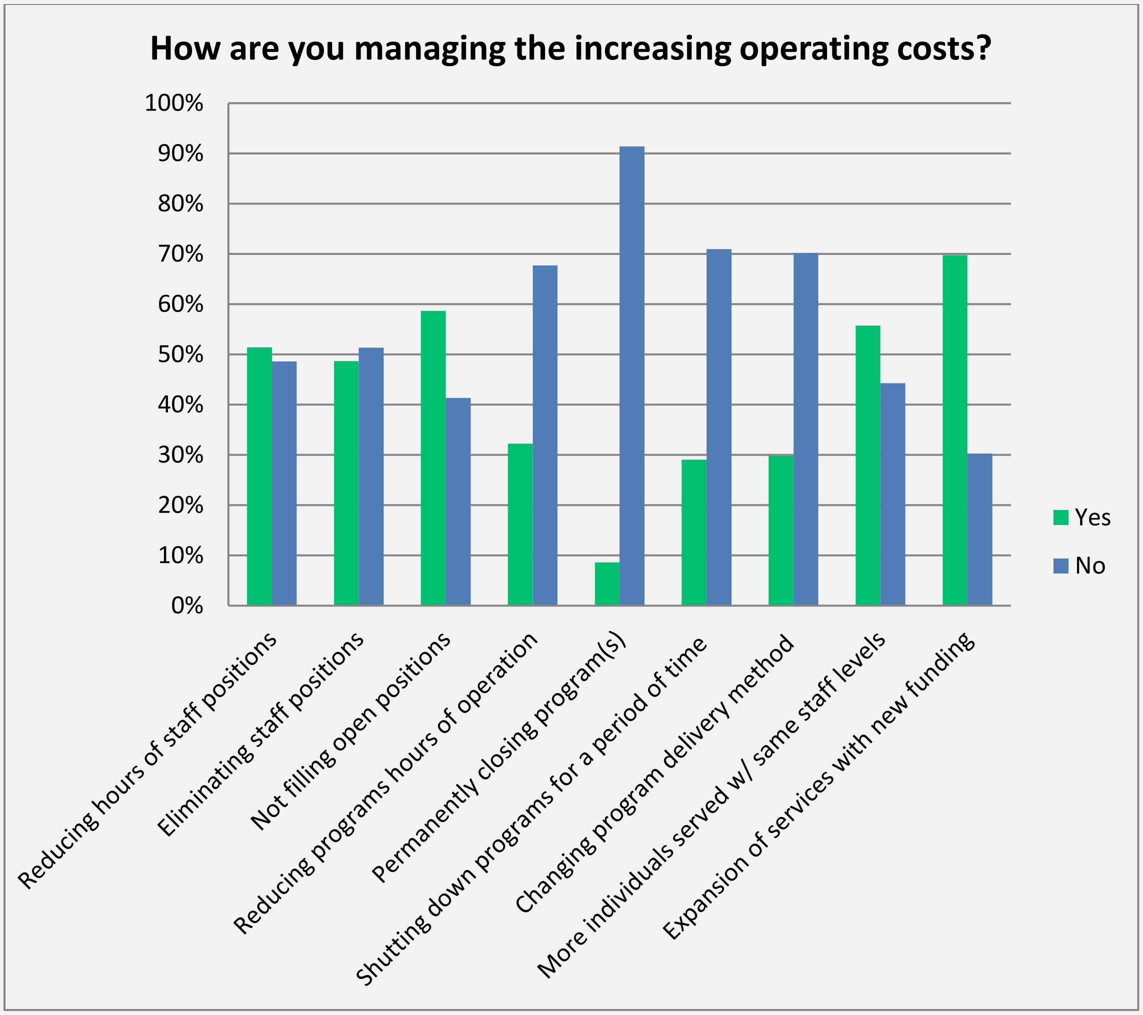
- CPP increase
- Repairs (vehicle/buildings)
- Property maintenance (snow, lawn)
- Supplies
- Telecommunications
- Medical equipment
- Rent

These inflationary items add up to costing over $5 million for the sector.

This situation is best summed up by a comment that DSH budgets have not received an increase in over 10 years, yet costs have increased significantly.

In response to the question "How are you managing the increasing operating costs?", (96% response rate) the results were:

Percentage of respondents who answered Yes	2019	2017
Reducing staff hours?	51	58
Eliminated staff positions?	49	53
Not filling open positions?	59	63
Reduced program hours?	33	27
Permanently closed program(s)?	9	11
Shut program for period of time?	29	21
Changed program delivery method?	30	24
Increased # of individuals with no staff changes?	56	51
Expansion of services with new funding?	70	70



Across the sector these percentages reflect:

- 5,903 fewer staff hours per week (over 4,000 in admin)
- 59 full-time employee positions cut
- 88 positions left vacant
- 463 fewer program hours per week
- 1 program permanently shut down
- 16 programs temporarily shut down
- 28 program delivery methods affected

Expanded services with new funding included:

- SIL
- Passport funded supports
- New residential services
- Host family arrangements
- Day programs
- TAY
- Community participation
- Respite services
- Complex care
- Fee for service
- Social enterprises
- In-home support

As well, 33% of the respondents have implemented new service fees over the past year, up from 20% in 2017. These new service fees were for items such as transportation, day programs, rents, administration, Passport, and increased respite fees.

Almost 80% of organizations are relying on Passport funds to offset some increased costs. Areas that are relying on these funds include:

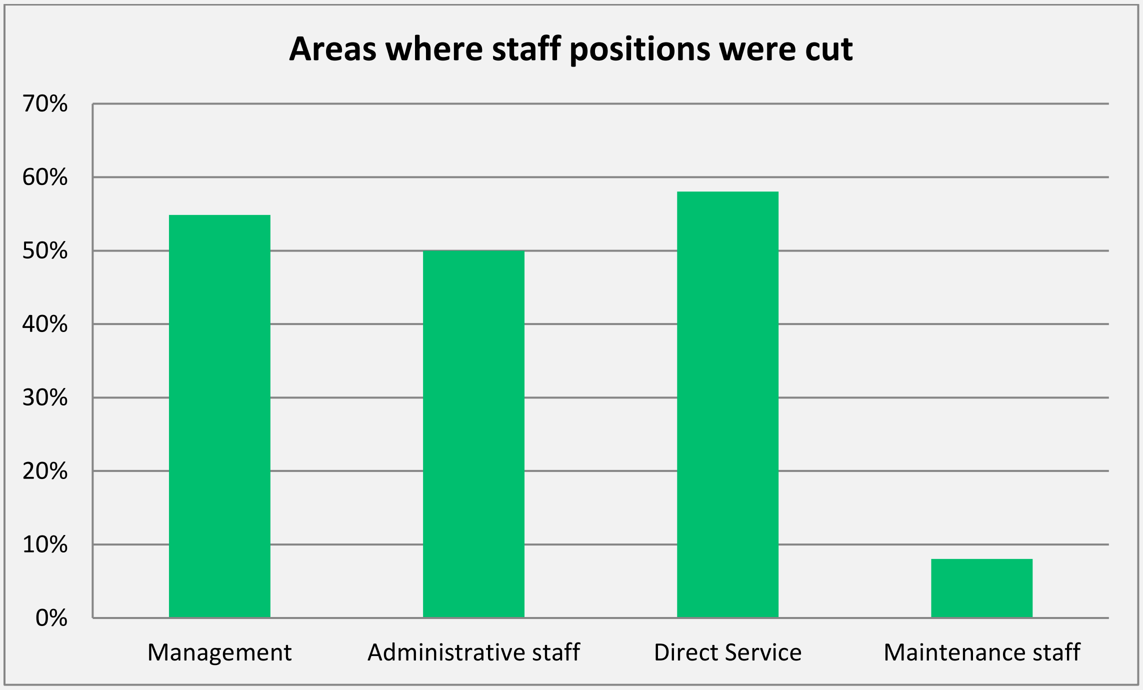
- Community integration activities requiring extra staff
- Overhead costs tied to a location
- Out of town excursions
- Day program supports in non-Ministry funded day programs
- Assisting with intensive needs requirements

A comment received noted that it was difficult to budget for this, "when individuals can move their funds at any point in the year to another agency or themselves to broker, leaving us without the admin fee that we need to help offset pressures. This is creating risk for the Agency and budget. It would be nice if Passports were locked-in fiscally."

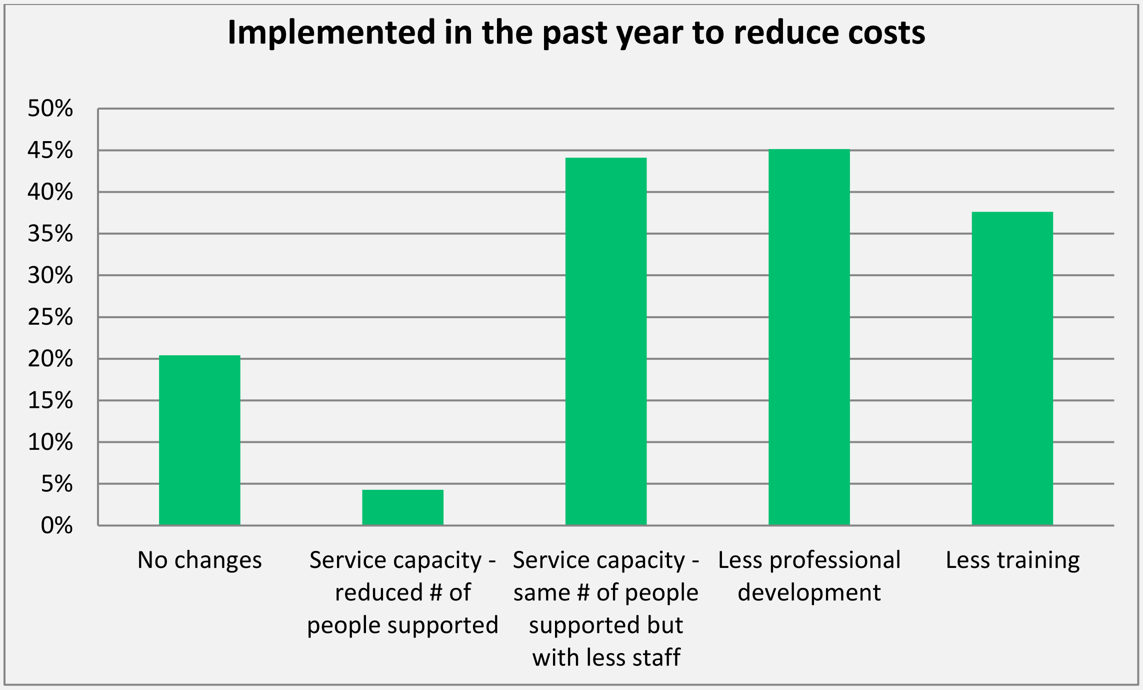
Operating Cost Management Activities

Five organizations indicated that they had sold a property after closing a program. Most of the proceeds of these sales were used to purchase another property. One organization mentioned that they had mortgaged a property a few years ago to pay out Pay Equity obligations.

To reduce costs, organizations indicated that they have reduced staff positions in the following areas:



70% of organizations have admitted more individuals to their programs over the last three years to capture additional funding. This has resulted in over 1,000 more individuals receiving services over this timeframe.



Responses to the question, "What have you done to manage your increased costs in the last year?" are similar to previous year's results. Activities put into practice included:

- Technology upgrades (energy efficient equipment/lighting)
- Bulk purchasing groups
- Increasing grant applications
- Amalgamation of the organization under one roof
- Reviewing and realignment of supports and services
- Negotiating with, or changing, suppliers for better rates
- Training done with in-house resources (or online)
- Conducting reviews to look for operational efficiencies or savings
- Expanding corporate services to other local agencies
- Leasing space to the community
- Increasing fees
- New employee benefit plan
- Reducing travel/more online meetings
- Not always filling a shift when staff called in sick
- Sharing services with partner agencies (training, group benefit insurance)
- Decreasing hours of service to people supported
- Delaying repairs and renovations to buildings (or only essential repairs carried out)
- Purchasing used vehicles instead of new

- Introducing self-scheduling with front line staff for some programs in an attempt to reduce shifts not covered/overtime
- Introducing on-call positions that work a rotation and are required to cover off last minute call-ins for some programs
- Delaying purchases
- Delaying staffing positions
- Contracting out IT support functions
- Increasing volunteer pool
- Increasing fundraising efforts
- Combining positions
- Charging for recreational travel
- Changing service model to provide services only in family home - avoiding costs of house maintenance and food.
- Increasing Passport dollars going to operations
- Management providing direct support
- Reducing discretionary spending

Almost 50% of the organizations indicated that they had encountered unexpected expenses this past fiscal year. The total cost reported was $3 million dollars.

These unexpected expenses included items such as:

- Building repairs
- Overtime costs
- Legal costs
- New vehicles
- Strike planning
- Training costs (due to high turnover of staff)
- Bill 148 costs
- Fire Marshal regulations
- Severance packages

Of the 5 organizations that indicated they had submitted a business plan for managing their increased costs to MCCSS, the Ministry has approved two of them. None of the organizations indicated that they had posted their business plan to their website.

Deficit Questions

26% of the organizations have projected an operating deficit for 2019/20, which works out to almost $7.5 million for these organizations.

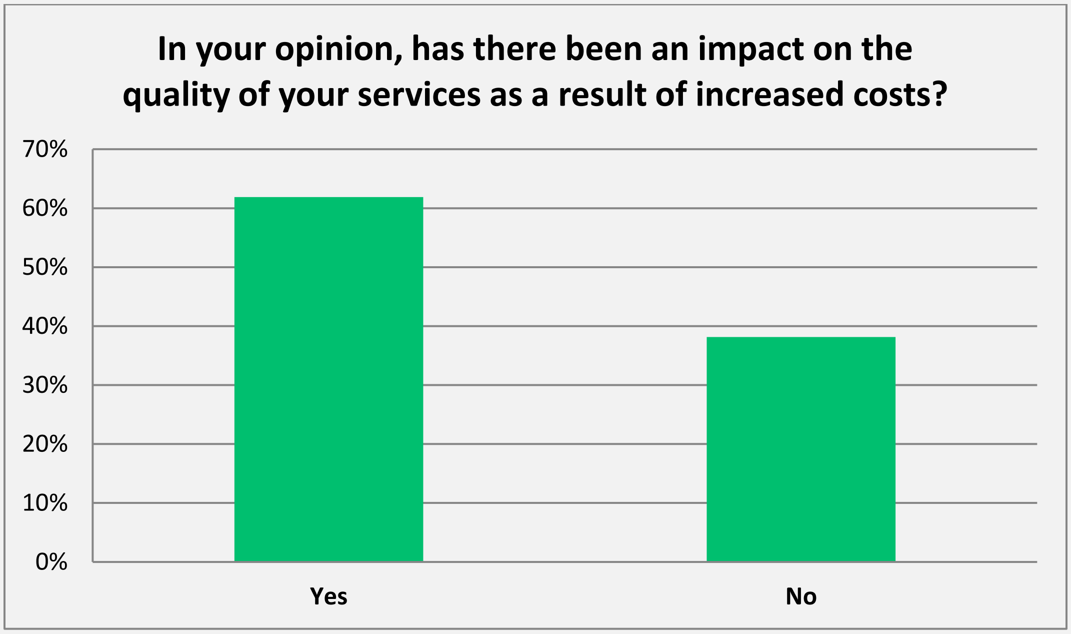
22% of organizations had a deficit in 2018/19, this totaled $1.6 million.

For the 18 organizations that replied to the question "Approximately how much debt has your organization accumulated from previous years operating deficits?" the total came to over $4 million. This represented anywhere from 1 – 10% of their operating budgets.

Few organizations answered the question asking if they had a plan on how to reduce this deficit, however for those organizations that did comment on their plans, ideas being investigated or implemented are:

- Reducing mortgage debt
- Selling a property
- Increasing fundraising efforts (not reliable or predictable)
- Having a budgeted debt reduction payment plan

Service Impact



Over 60% of respondents indicated that they felt there had been a negative impact on the quality of their services as a result of increased costs. Comments repeated by several organizations included:

- Having to make do with less direct staffing
- Moving group home residents between homes as their needs increase due to lack of equipment
- Fewer individualized opportunities in the community
- Wait lists for services has increased
- IT and house upkeep are falling behind
- Supports for enhanced quality of life are lacking which is demoralizing for everyone
- No appetite for risk with respect to investing in innovative ideas
- Management staff has a heavier workload and difficulty taking time off
- Less training/hiring
- Increased amount of time having to review and deal with budget issues, less time for strategic planning
- Sharing office space
- Front line staff having to do more with less, leading to an increase in sick leave
- Increased service fees
- Larger impact on dedicated staff than people supported

- Aging fleet of vehicles is concerning for reliability of transportation in a community with no transportation
- MCCSS not acknowledging deficit situation due to Bill 148 and ESA compliance costs
- Reduced time for meetings
- Changes in autism funding (lost Passport office and as a result lost money in rent, also lost long standing partnerships with organizations)
- Complete more mandatory training than professional development training
- More focus on the financial impact/feasibility than support
- Not just costs increasing, also SOR, QAM, Passport one, DSCIS
- No longer backfilling for vacation and sick leave situations
- Increase in complaints received regarding service due to staff shortages and long work hours
- Worsening relationship between Ministry staff and organization

Asked if they had found or implemented any new efficiencies using technology within their organizations, replies received included:

- Increased use of/upgrade to energy efficient products
- Implementing new client data bases
- Continuous review of internal processes
- Partnered with other agencies for tenders on benefits, insurance, HR, IT
- Updated technology (payroll, training, onboarding, tracking, monitoring, AIMS)
- Electronic finger swipe for staff, eliminating timesheets
- Automated scheduling system
- SURGE training
- SMART home technology
- Staff has access to web-based database for client files (accessible in all offices and residences)
- Increased fundraising activities
- Contracted out IT, accounting services
- Shared positions with another organization (ED, HR Manager, IT Manager, Property Manager)
- Worked with local IT company to develop a technology plan and risk mitigation plan to meet Ministry TPRA requirements.
- Worked with sister agencies to share efficiencies
- Use of Google docs
- Eliminated shared services arrangement, cheaper to provide the service ourselves

Collaboration & Advocacy

47% (up from 30% last survey) of the organizations have discussed the possibility of merging with another organization.

56% (up from 35% last survey) of organizations have embarked on collaborative activities, and others are in the process of analyzing their options.

Some of the collaborative activities mentioned this year included:

- Shared HR, IT, finance, purchasing, training functions
- Shared leadership with an agency
- Proceeded with amalgamation with another agency
- Investigating amalgamation with one or more agencies
- Investigating fleet management
- Shared office space
- Negotiating group benefit and liability insurance
- Collaborative recruitment
- Investigating creating an IT hub
- Shared Passport facilitator
- Lease space to other organizations

This past year, 54% (up from 35% last survey) of the organizations' management engaged in public advocacy regarding their financial circumstances and the community crisis situation. In addition to writing letters to the editor, holding town hall meetings, and meeting with MPPs, other activities included meeting with other government officials, presenting at budget meetings, increased social media use, participating in community events, partnering with family groups, and working with MCCSS employees to explore operational changes.

While some agencies were happy to see an increase in advocacy activity, others expressed a reluctance to press harder for fear of retribution from the Ministry

65% of organizations have utilized the previous survey results for meetings with MPPs, bargaining, discussions with the Ministry, board, union, community groups, family, and staff.

Innovation

Almost 40% of organizations have implemented innovations to address their financial pressures. Some of the innovations implemented were:

- Reducing mandatory education overhead by changing delivery method
- Reducing transportation costs through more efficient use of the fleet
- Increasing fundraising efforts
- Targeting community groups for sponsorship of a specific program
- Becoming more vocal about the situation
- Restructuring night shifts
- Developing Social enterprises
- Working 8 hour shifts Monday to Friday, and 12 hours Saturday & Sunday, followed by a week off. 64 hours are worked in one week. Employees have the option to pick shifts on their week off. Employees on this schedule prefer this option.
- Converting a van to be accessible vs. purchasing a wheelchair van (~ 1/3 of the cost)
- Building more rental properties to increase affordable housing in the community (obtained municipal grants, fundraised and private donors)
- Lessening reliance on MCCSS funds (non-Ministry evening program)
- Consolidating three senior positions into one
- Creating another level of DSP (e.g. apprentice for night shifts with lower wage)
- Expanding corporate mission to include senior services
- Taking advantage of a surplus due to staff shortages to tackle capital projects
- Negotiating better service contracts (phone, IT, benefits)
- Utilizing more technology

Miscellaneous

80% of organizations are seeing an increase in the use of sick leave, emergency leave, or other types of unpaid leave within their organization. This is up from 75% in the last survey, and 56% in the 2014 survey.

Currently 74% of organizations are covered by WSIB.

Recommendations

If provided the opportunity to present to the consultant, hired by the government to investigate cost cutting areas,[5] use some of the information included in this report to provide relevant numbers.

With the government acknowledging the need for capital repairs[6] it would be interesting to obtain even a rough estimate from the sector on how much is currently required to repair/replace capital assets. How much has the sector deferred in repairs over the last few years? This could be done fairly quickly and easily using a short survey, or a standardized form completed by the organizations.

There were comments this year about the length of time required to complete the survey, and admittedly it has gotten longer each time. Unfortunately, this also led to lower response rates for questions deeper in the survey. With the goal of obtaining as much data as possible on the sector and empathizing with the time constraints of the respondents, consideration could be given to splitting the survey into two or three smaller ones.

Consolidation of shared services should continue to be investigated and implemented where appropriate and where cost savings could be realized.

Contact local media with extreme cases, which unfortunately is what it takes to become a story, to highlight an agency's situation, or the situation of the sector as a whole.

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.

Use the OASIS bulletin board. You can find it online at http://oasisonline.ca/ Contact OASIS if you would like a specific topic created.

Take part in and contribute to OASIS initiatives.

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[5] https://nationalpost.com/news/ontario-seeks-contractor-to-help-find-ways-to-cut-developmental-services-costs

[6] https://news.ontario.ca/mcys/en/2018/1/ontario-improving-living-spaces-for-people-with-developmental-disabilities.html