



OASIS Operating Pressures Survey Report

2014

Submitted by: 363 Consulting

Submitted: September 2014

Table of Contents

Executive Summary.....	3
Organization Information	6
Compensation Information.....	8
Pay Equity Obligations	8
Operating Costs.....	9
Operating Cost Management	10
Deficit Questions.....	12
Collaboration & Advocacy.....	14
Innovation	14
Miscellaneous	15
Recommendations	16
Year to Year Comparison	17

Executive Summary

The OASIS Operating Pressures survey was sent out to Developmental Services (DS) Sector organizations to complete from May 28, 2014 until June 13, 2014. Note that this timeframe was during the Ontario election campaign and before the budget was approved.

The overall messages from the survey respondents could be summarized as:

- Not being able to maintain the desired quality of service
- Negative impact on services
- Services to clients being cut or reduced, and
- More time and effort required to comply with administrative regulations (taking away from client care)

As with the two 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 this year were questions concerning the size and composition of the participating organizations (type of FTE's); the pay equity and budget deficit sections were modified slightly; and some general information questions were added.

It is estimated that approximately 225 organizations were asked to participate. Of this, 94 organizations participated for a 42% participation rate.

These 94 organizations account for just under \$930 million in total annualized budgets, which represents approximately 55% of the total provincial DS budget.

These organizations also account for almost 21,000 employees (8,275 full time; 8,084 part time; 3,000 casual/relief; and, 1,581 management) within the sector. This represents almost 85% of the employees in the sector. *(Note that this figure is derived from previous years staffing estimates. Recent studies have estimated the figure could in fact be as high as 40,000 employees which would mean these organizations represent 53% of the sector).*

These organizations support over 41,000 individuals, which is approximately 65% of the individuals supported by the sector.

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

- Increased administrative burden
- Less professional development for staff
- 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

Organizations are still diverting fundraising money to operational needs. Some are using reserve funds or have taken out loans to maintain operations. The upkeep of capital assets is either being delayed or scaled back. Fees have been increased and programs are being amalgamated. The responses infer that this is not a sustainable model.

Over the past year, 75% of respondents indicated that they had implemented steps to reduce costs. Of these, more than 20% reduced service capacity, over half reduced professional development and over half provided less training in an effort to reduce costs.

At first glance, many of the numbers surrounding the cuts appear to be less harsh than last year. However, it is not surprising that these numbers are lower this year, considering that the easier cuts have been made in previous years. The cumulative numbers tell the story. For example, this year the number of hours of programs which were cut per week across the sector was only 25% of what it was last year. However, that still totals over 35,000 hours per week over the last two years alone.

Often mentioned this year was the low morale in the workplace. Minimal wage increases, less 1 on 1 care, fewer job opportunities, and increased workloads all contributed. It is not surprising to see that the use of sick leave and other unpaid leave increased again this year.

Unfortunately, for the first time this year, many mentioned that these shifts were only partially covered, if at all.

Still a concern for the sector is how to sell itself to potential employees. If the goal of the DS sector is to become a 'career of choice', the use of contract resources vs. a full-time job, wages more or less frozen or increasing at less than the rate of inflation, fewer employment

opportunities within the sector and ever increasing workloads are going to make that difficult to achieve.

More organizations implemented innovative changes than last year. Several of these innovations were similar to the last couple of years e.g. technology changes or upgrades, reviewing service provider contracts, increasing fundraising efforts, applying for grants and restructuring roles.

In spite of the tough choices that are being investigated and implemented, the tone of the survey reflected that of previous years, which was one of people within these organizations caring deeply for their clients. Many responses emphasized how the change was adversely affecting their clients today, and how they were not able to afford (time or money) the individual care that they felt was required or needed.

A small glimmer of hope is the promised increase in the sectors funding allotment for the next few years.

The government is investing an additional \$810 million in the community and developmental services sector over the next three years, beginning in 2014–15. This is part of a commitment to improving supports for adults with developmental disabilities — and their families — in order to help them live as independently as possible and fully integrate into society and the workforce. This includes \$485 million over the next three years in an action plan to build stronger services and supports for individuals while encouraging new approaches, collaboration and partnerships to advance the government’s transformation of the developmental services system.¹

Exactly what this funding is to be used for, and whether this will become the new funding baseline is yet to be seen.

OASIS member agencies recognize that they have a role to play in helping to manage the strain on public services. It is apparent however, that this is becoming increasingly more difficult to accomplish.

¹ <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2014/bk3.html>

Organization Information

The survey data was provided by 94 organizations this year. Although a lower response rate than the last two surveys, the quality of responses and overall survey completion rate was markedly improved over previous years.

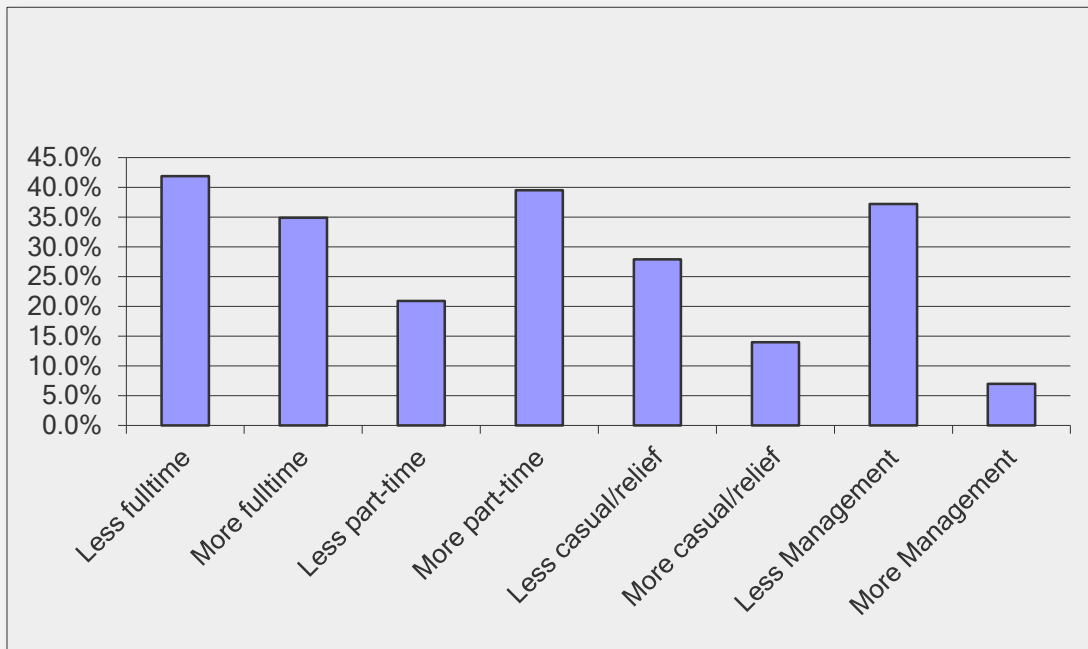
The total budget for the respondent organizations is: \$930,000,000 (55% of the total DS Sector annualized budget)

The total number of clients served by these organizations: 41,366

Employment for these organizations broke down as follows:

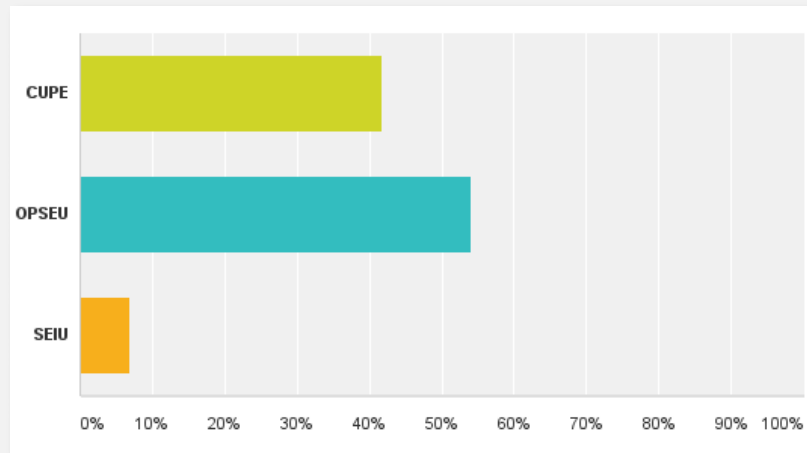
- 8,200 full time employees,
- 8,000 part time employees,
- 3,000 casual workers and
- 1,500 management positions in the sector.

Just fewer than half the organizations indicated that the percentage of workers in each category has changed over the past few years. These changes can be seen in the chart below.



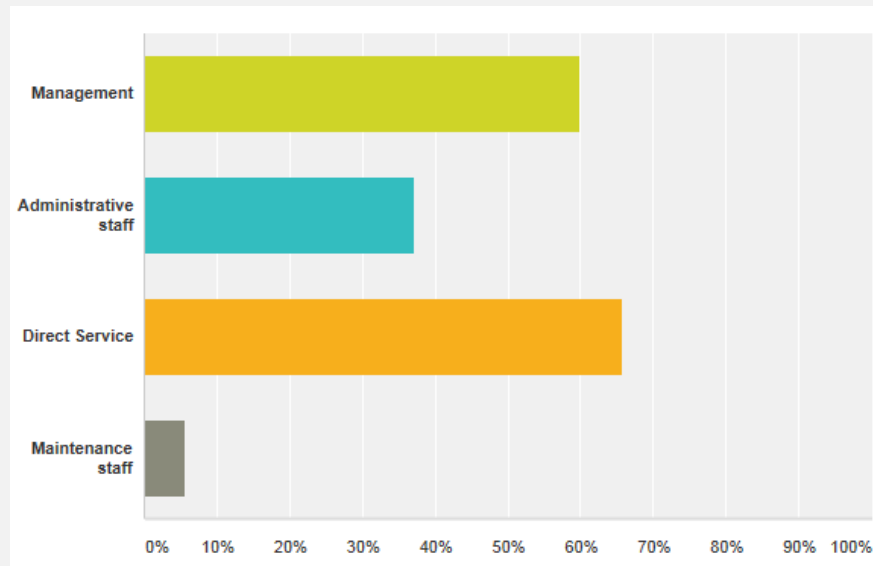
One-third of the organizations indicated that their use of contract resources has increased over the past few years. When asked if this meant they were using more or less contracted resources, 84% indicated that they were using more.

This year, 78% of the survey 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 IBEW, ONA, IAMAW and the United Steel Workers.



Over half the survey respondents are currently in negotiations for a new collective agreement with almost 25% having their agreements expire this fiscal year.

The areas where staff reductions occurred in the sector this year were reported as follows:



Compensation Information

With such a large percentage of respondents currently in collective agreement negotiations (56%), many respondents did not answer the questions regarding compensation. As a result, it would be hard to draw useful conclusions with the data that was collected.

Of those that had a negotiated agreement, other items agreed to besides a wage increase included increased mileage reimbursements, leave entitlements and shift premiums.

Just over half of the organizations did not know if they would be providing management with a wage increase for this fiscal year, while 78% did not know if they would be next year.

Pay Equity Obligations

This year, 56% of participants indicated that increased operating costs were a result of pay equity obligations. This is down slightly from last year's 63%. For the 50 organizations that responded, this represents a \$6.2 million dollar increase to their budgets.

Almost 60% of organizations with pay equity obligations did not meet their legal requirement. A few organizations also reported that they used unfunded dollars to clear their debt.

One-third of organizations responded that they are not current with their pay equity obligations. This figure did not change from last year.

More than \$6.2 million is required to meet this current pay equity obligation.

Operating Costs

98% of the organizations reported that their operating costs were adversely affected by inflation.

Almost all cited increased costs of hydro, fuel, insurance, heat, water and taxes. Numerous organizations provided additional items which included groceries, the minimum wage increase, maintenance services, transportation, office space rental, office supplies and WSIB premiums.

Total estimated cost of these inflationary items is at least \$5.1 million for the sector.

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

- 50% have cut hours for staff
- 42% have eliminated staff positions
- 10% did not fill open positions (e.g. maternity leave)
- 63% have reduced program hours
- 7% have permanently closed programs
- 21% have shut down programs for a specified period of time
- 19% have changed program delivery methods
- 39% have increased the number of clients served in programs with no staffing adjustments

At first glance, these numbers appear better than last year's. However, they are more sobering when previous year's cuts are considered. It is possible that there just isn't much left to cut.

These percentages translate to:

- 7,200 fewer hours per week for staff
- 145 FTE's positions cut
- 140 positions not filled
- 1,190 fewer program hours per week
- 8 programs permanently shut down
- 26 programs temporarily shut down
- 53 programs' delivery methods were adversely affected
- Increased number of clients for many programs (usually a 10-20% increase)

Over the last two years alone, combined the total cuts are:

Hours/week cut for staff across the sector	35,200
Positions cut across the sector (FTE's)	285
Positions not filled (FTE's)	233
Program hours cut (per week) across the sector	1,855
Programs permanently shut down	16
Programs temporarily shut down	68
Programs have changed their delivery method	110
Increased number of clients for many programs	10-20% each year

As well, over 25% of respondents implemented new service fees. These new service fees are for transportation, day programs, clients now paying for trips, laundry and increased respite fees.

Operating Cost Management

Over 20% of respondents lowered service capacity, over 50% reduced professional development and just over 50% provided less training. The following comments were received to the question *"What have you implemented in the past year to reduce costs?"*:

- Limited purchases to necessities
- Reduced or delayed preventative maintenance
- Reduced social events
- Converted to online training vs. face to face training
- Delayed filling staffing vacancies
- Negotiated with key suppliers for better rates
- Hired part-time resources instead of full-time
- Conducted operational reviews of technology opportunities and organization structure for potential savings
- Increased use of technology
- Reduced overtime and sick leave allotments
- Reduced outings and activities
- Reduced spending within programs
- Reviewed energy consumption and efficiency in homes
- Travelled less (clients and staff)
- Reduced EHT obligations by becoming a charity
- Used fundraising to add resources

Other methods of managing costs mentioned this year were:

- Did not replacing staff on LTD
- Laid off staff (and plan more)
- Decreased vehicle fleet
- Renegotiated with suppliers, landlords
- Reduced or delayed new hiring
- Reduced reliance on legal advice
- Increased fundraising (money used for basics not extras)
- Reduced planned capital spending
- Changed staff ratios
- Accessed local food donation programs
- Increased volunteer capacity
- Partial or no filling of sick/vacation shifts
- Management worked front lines to cover shifts
- Implemented technology changes (telephone, videoconferencing)
- Increased communication to employees
- Encouraged creative thinking to offer support in a cost efficient way
- Reduced number of office locations
- Rented space to other agencies
- Increased grant applications
- Installed solar panels to generate revenue
- Rescheduled group home staff to eight hour shifts where possible
- Created new "Flex" positions (significantly reduced historical overtime costs).
- Established a social enterprise (profits used to augment programs)
- Investigated alternative housing models
- Ongoing non-program expense review
- Increased community partnerships
- Bulk purchased where possible

Asked if any unexpected expenses were encountered this year, almost half of the organizations responded yes. For the 43 organizations that answered, this totals almost \$4 million dollars in unexpected expenses. These expenses included computer system upgrades, infrastructure repairs, legal expenses, no longer exempt from property taxes, installation of sprinkler system, higher EAP costs, specialized equipment required and payments to the fire department for false alarms.

Many organizations noted that due to the age of their buildings these unexpected expenses happen all the time. It can only be expected that this dollar amount will continue to increase.

Deficit Questions

Over 20% of respondents budgeted for a deficit for the fiscal year 2013/14, and 30% of respondents ran a deficit for the fiscal year 2013/14.

Total debt carried by respondents is approximately \$10.7 million, up from last year's \$4.8 million. This debt is anywhere from 1% to 13% of an organizations operating budget. Note that only 25% of the organizations provided an answer for this question so this number could be on the low side.

Of those organizations that have a plan to address their deficit, ideas being investigated or implemented are:

- Managers covering shifts
- Mortgage a home that the Ministry has 100% interest in
- Remortgaging properties
- Selling a property
- Using a revolving line of credit to manage cash flow
- Fundraise year round
- Addressing some of the issues in the CBA bargaining process
- Increasing fees for service programming

Not unexpectedly, over 65% of respondents believe that there has been a negative impact on the quality of their services as a result of increased costs. Comments repeated by many organizations were:

- Focus is more on maintaining people in care versus improving their lives
- Focus is more on government compliance issues rather than supporting better quality of life
- Focus is on money not the individual
- Less individualized support
- Reduced ability to participate in individualized activities
- Reduced individual face to face communication: increased phone communication
- Reduced to providing basic care and health and safety
- Eliminated evening and weekend activities
- Clients required to stay home when staff are sick and not replaced
- Use of part time staff to partially backfill vacant full time positions reduces consistency for clients

- Fewer opportunities to get people supported out into the community
- Less training for staff
- Less support due to increased ratios
- Vacant positions filled by lower paid staff who have less training, education and experience
- Staff and management morale issues exist from having low to no wage increases
- A decrease in staff involvement for fundraising and volunteering for events
- Less staff doing more work not less staff doing the same work, increased legislative requirements (compliance, fire, Serious Occurrence reporting) has resulted in fewer people doing more work
- People who live at home are often cancelled, increasing families' stress as they can't rely on our service
- Reduced ability to respond to issues in a timely manner
- Administration has not grown at the same rate as client base
- Nursing program recruitment focusing on RPN vs. RN (impacting quality of assessment and documentation along with critical thinking skills)
- Dietary concerns are an issue
- Staff having to take on maintenance responsibilities
- Elimination or reduction of recreational activities
- Fewer opportunities for staff to learn

75% of respondents reported they found or implemented new operational efficiencies. Some of those efficiencies include:

- Installed VOIP phones
- New software and hardware upgrades
- Purchased high efficiency appliances to reduce energy use
- Installed solar panels
- Reviewed contracts
- Reduced paper usage in the office
- Entered into shared services agreements (finance, training, HR, IT)
- Started pilot program to look at centralized respite intake
- Leased computers
- Developed new staffing models
- Investigated new accommodations models
- Installed computers in each group home
- Changed staff responsibilities (e.g. Employment Developers taking on some off-site HR functions)
- Bulk purchased

Collaboration & Advocacy

20% of the organizations discussed merging with another organization, while 46% have embarked on collaborative activities, an increase over last year's 40%.

Some of the collaborative activities included were:

- Staff training
- Shared Executive Directors
- Merged with another agency
- Partnered with another agency for administrative activities
- Informally shared services inside the sector
- Shared office space and equipment
- Shared IT services with another agency
- Partnered with service providers outside of the DS sector
- Provided recreational activities
- Investigated collaboration opportunities (mentioned frequently)

This past year, over half 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 participating in the Ombudsman review, Select Committee presentations, writing to the Minister, reaching out to stakeholders, sending newsletters to families, media interviews, utilization of social media, meetings with MCSS, meetings with legal services, engaging local politicians and general information sharing.

Innovation

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

Some of the innovations implemented were:

- Rented out space within a building
- Many IT initiatives (electronic document system, online training, scheduling software, payroll systems, accounting programs, server virtualization, implemented "thin client" computers, network upgrades, intranet development)

- Increased fundraising efforts
- Created/operated a social enterprise (e.g. driving range, restaurant, dog day care)
- Implemented new user fees
- Increased grant applications (hired a grant writer)
- Turned all lights off at night, only did laundry on weekends, installed programmable thermostats
- Increased employee engagement
- Partnered with other agencies
- Installed solar panels to generate revenue under a government program
- Converted property to dual purposes (some accessible housing & some market rent)
- Developed a planned giving initiative (long term initiative)

Also mentioned was that a budgeting system which would allow for deferred savings would go such a long way toward meeting specific needs of each agency, infrastructure, etc.

Miscellaneous

For the second year in a row, a majority of respondents saw an increase in sick leave and other types of unpaid leave.

25% of organizations received orders because they did not meet the Fire Code.

The orders relate to deficiencies in sprinkler systems, number of staff needed on a shift, smoke detector location, self closing doors, fire door installation, required repairs, carbon monoxide detectors, updating fire plan, building code compliance, exit signs, lighting and special beds.

Total dollar cost of compliance is unknown.

Just fewer than half the respondents utilized last year's survey for various activities such as:

- Board and management discussions
- Meetings with MPP's and Ministry officials
- Discussions with union committees
- As a reference for innovative ideas that might be implemented
- Sent to media contacts
- Bargaining collective agreements
- Used as part of the Pay Equity Campaign

- To compare their own situation within the sector (for confirmation that it was not just "our" agency struggling)
- Sharing some of the results with frontline employees, union and the AGM

With respect to meeting with MPP's and Ministry officials, one respondent stated that they received funds for building renovations - something they hadn't seen in a few years - after this meeting.

Recommendations

Using this document to start discussions and to continue lobbying efforts for:

- infrastructure funding (one-time infusion, ongoing funding, changes to existing regulations etc. The sector requires money for this and any of these scenarios would be welcomed).
- stable, increased, long-term funding for 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.

Participate in OASIS initiatives

Use the OASIS bulletin board. You can find it online at <http://oasisonline.ca/> If you would like to suggest that a specific category be included on the bulletin board please contact OASIS. Topics such as innovation experiences, employment strategies and advice, collaboration ideas and assistance etc. could all be discussed here. It is a cheap and effective method to start or continue discussions.

Approach high schools for student volunteer hours (with the added benefit of exposing and promoting the sector to students who could pursue this as a career in the future).

Investigate collaborative opportunities and efficiency opportunities.

Year to Year Comparison

*** available to survey participants or upon request ***