The Community Living Funding Crisis in Westman and Parkland

A REPORT ON 15 AGENCIES

An analysis of systemic problems and recommendations to address these concerns

April 2014

Dr. Megan McKenzie, Conflict Specialist
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Executive Summary

Nonprofit agencies that support persons with intellectual disabilities in the Western part of Manitoba are struggling through difficult times. Many of these agencies have been in operation for decades (some for over 50 years), yet the financial and resulting human resource crises that they are currently facing are jeopardizing their viability.

Out of the 15 nonprofit agencies from the Westman and Parkland regions included in this report, there are four agencies that are expecting to have to end service by the end of 2014 due to financial collapse. Approximately 134 Supported Individuals live in these agencies’ residential programs and 88 attend their day programs.

However, this is only the tip of the iceberg; the funding crisis in the Westman and Parkland regions is much larger than that. Another seven agencies had operational deficits as of February 2014. The sustainability of these agencies is also at stake. Several of these agencies will be closing in the next five years if Family Service funding continues as it is.

The financial crisis extends further. Two agencies had surpluses in February 2014 that were primarily a result of slippage due to an inability to hire staff at the low funding levels received from Family Services. Their problems appear to be staffing, but are in fact rooted in a lack of funding. Another agency that had a surplus in February 2014 is projecting a deficit in the 2014/2015 fiscal year.

For eight of these 15 agencies, their funding from Family Services is below Provincial Funding Guidelines. For all of these agencies, the $12.06/hour that they receive from Family Services is insufficient to hire competent Support Staff in the employment climate of Western Manitoba.

Agencies can choose to pay the rate they receive for wages from Family Services and be guaranteed to suffer a staffing crisis with vacant positions and shifts, incompetent staff, high staff turnover, and high rates of human resource problems. Most agencies have chosen to increase Support Worker wages up from $13 to $15/hour and be forced to use their assets to cover the operational deficit that results. This is an untenable situation in the long term and results in the crumbling of agencies described above.
This report outlines the systemic challenges that 15 nonprofit agencies in the Parkland and Westman regions share in common as well as some of the challenges that are unique to each agency. In addition, this report also contains recommendations about how these concerns could be addressed by Family Services, both on the level of individual agencies as well as on the broader systemic level.
Summary of Recommendations

Several strong patterns have emerged as the result of examining 15 agencies funded by Family Services – Community Living in the Westman and Parkland regions. The presence of these clear patterns indicates that several of the concerns that these agencies are facing are likely neither isolated incidents nor the result of poor decision making by any given agency, but rather are indicative of broader systemic problems.

The following recommendations are offered in order to address these systemic problems. This summary of recommendations is followed by a comprehensive report that examines the underlying issues and explores these recommendations in more detail.

1. **Bring all agencies’ funding up to Provincial Funding Guidelines**

   It is alarming that approximately half of agencies with residential programs in the Westman Parkland Regions believe that they are NOT fully funded at Provincial funding guidelines that have reportedly been in place for over a decade in other parts of the province. In addition, there is confusion about the draft Provincial funding guidelines for day programs that have been released to some agencies.

   Therefore, it is recommended that the funding levels for these agencies should be brought up to Provincial Funding Guidelines immediately. Compensation should be offered by Family Services to agencies that will continue to be disadvantaged as a result of previous years of underfunding (for example, some agencies have delayed major repairs or renovations to homes or other buildings as a result of funding shortages).

2. **Give agencies reports on audits or reviews conducted by Family Services**

   Four of the fifteen agencies have had reviews or audits conducted by Family Services in the last three years, but have not received a report on the findings. Some of the outstanding reviews or audits were conducted as many as 24 months ago.

   Therefore it is recommended that Family Services issue the reports to these agencies so that these agencies are able address the reports’ findings.

   If a review or audit conducted by Family Services indicates that an agency is showing due diligence in administering the funds allotted to them by Family Services and is providing services as per the Service Purchase Agreement, it is recommended that the presence of a
deficit in one or more cost centres in that agency should trigger a funding level review by Family Services in order to bring funding levels in line with actual costs.

If a review or audit indicates mismanagement of funds or failure to provide services by an agency as per the Service Purchase Agreement, it is recommended that Family Services should take immediate action as per the Service Purchase Agreement in order to fulfill its duties as an accountable administrator of public funds.

3. **Provide $15-$17/hour for Support Worker wages**

The analysis of the challenges faced by agencies in this report indicates that recruiting and retaining qualified Direct Support Workers at the current funding level of $12.06 per hour is not feasible for agencies in these regions because of:

- a limited worker pool as indicated by low unemployment rates in the area (3.6% unemployment in the Southwest region of Manitoba as of December 2013);
- the impact of the oil industry on cost of living and wage expectations; and/or
- higher wages for comparable positions with other employers (such as a starting wage of $16.548 for untrained health care aides in the Prairie Mountain Health regional health authority.)

Despite being funded at $12.06 per hour, only one agency in this report is currently paying approximately that wage to the Support Workers they employ. The majority of agencies are paying Direct Support Workers a starting wage of $13-$14 per hour by taking from other budget lines or running a deficit. Despite this, over half of agencies are experiencing staffing issues such as vacant positions, high staff turnover, or difficulty attracting competent staff. An astounding 87% of the agencies have indicated they have been forced to hire untrained or incompetent staff due to an inability to compete with other employers at current funding levels. The majority of Executive Directors in the region indicate they believe that $15 to $17/hour would be the minimum they should pay Support Workers in order to attract and retain competent staff.

Therefore, it is recommended that the funding provided by Family Services for Support Workers in the Westman and Parkland regions be brought in line with pay offered by other comparable employers in the Westman and Parkland regions (such as the Regional Health Authority, private homecare agencies, MPI rates, other government agencies etc.)
4. Match per diem levels to actual support needs

The Executive Directors of eight agencies in the Westman and Parkland regions believe that they have Supported Individuals that are in too low of funding category given their actual support needs. The large number of agencies expressing this concern is indicative either of a systemic failure by Family Services to fairly and accurately assess and fund Supported Individuals’ needs or a failure by Family Services in communicating to agencies how levels of need and corresponding per diems are determined. In addition, 79% of agencies in this report indicated that they believe that they have Supported Individuals that would be assessed as needing a higher level of care if they were assessed in another region.

Therefore, it is recommended that Family Services conduct a review of these reportedly underfunded Supported Individuals’ need levels to determine which systemic failure is occurring and take steps to rectify the situation.

Furthermore, it is recommended that Family Services have other regions assess the cases that Executive Directors believe would be evaluated as needing a higher level of care if they were assessed in another region. This would allow concerns about inconsistent needs assessments across regions to be verified or dispelled.

5. Provide funding for agencies facing collapse

Many agencies in the Westman and Parkland region are facing funding crises. Several agencies have indicated that the challenges that they are facing are so pressing that they may have to close their doors in the near future.

It is recommended that Family Services review the distinct challenges or crises faced by these particular agencies and take appropriate action to help address these concerns. In some cases, swift action will be required if solutions are to be found before the agency collapses.

Dr. Megan McKenzie
Conflict Specialist
April 2014
The Funding Crisis

The Scope of this Report

This report seeks to determine the nature of the concerns facing each agency included in the report, determine whether these issues are systemic in nature or unique to the agency, and provide a list of recommendations to address the problems.

The Westman and Parkland regions are the two most westerly regions that are funded by Family Services under Community Living disABILITY. In the Parkland region, there are seven non-profit agencies. In the Westman region, there are 14 agencies (13 non-profit and one for-profit). In addition, in both regions, individuals can instead choose to receive In the Company of Friends funding and assistance from Innovative Life Options (based in Winnipeg).

Of the 20 non-profit agencies in the region, 15 provided information for this report. The agencies that did not provide information were Samtek Co-op, Swan Valley Advocacy Services, Parkland Linc, Family Visions, and Kelchris.

Three of the agencies that did not submit reports are small agencies. Samtek is a co-operative located in Swan River. It supports approximately three people. Swan Valley Advocacy Services is also a small agency located in Swan River. Kelchris is a small agency located in Virden.

Family Visions, located in Brandon. It receives just over 3 million a year in funding from Family Services and has recently had a change in Executive Director. Parkland Linc is an agency located in Russell that receives just over half a million dollars a year in funding from Family Services also has a new Executive Director.

Brandon Support Services is the only for-profit agency in the regions. Due to its for-profit status, Brandon Support Services is not required to release as much information to the public as charitable organizations. As a result, there was insufficient information available for this report (beyond the total funding amounts it received from Family Services each year) to include it in the statistics and analysis. Thus this report only deals with the reality of the non-profit agencies. No sources of public information could be found that indicated this business was experiencing any financial difficulties. A donation to Lakeland College and a profit margin based on surplus specified in their Service Purchase Agreements would indicate that, unlike
the majority of non-profit agencies, Brandon Support Services has not been operating at a
deficit.

Isolated Incidents or Systemic Problems?

In the fall of 2012, Prairie Partners (Boissevain) made national news when it closed a
residential home for people with intellectual disabilities due to a funding crisis that created a
staffing shortage. At the time, it appeared to be an isolated incident. Prairie Partners was
brought up to Provincial Funding Guidelines, but only after one of its homes had already
closed. Then, other agencies in Western Manitoba began to announce that they were also
planning on closing homes due to an inability to hire enough staff at the low wages funded by
Family Services. Grandview Gateways closed one of its residential homes; ACL Virden was
also forced to close a home. In total, over a relatively short period of time, five agencies closed
homes, two nearly did, and one was unable to open a new home due to an inability to hire
staff.

Instead of closing homes, the majority of agencies began increasing the wages of Support
Workers beyond the level funded by Family Services in a desperate attempt to attract and
retain staff. After this, most agencies found some improvement in their ability to fill vacant
positions, retain staff, and recruit more competent staff. However, even with the funding
increases, their wages for Support Workers were still not competitive with other jobs in the
regions. Most also found that they had traded some of their staffing problems for more financial
problems. A pattern of increasing operational deficits ensued for many agencies, particularly
those that were not funded to Provincial funding guidelines.

Southwest Community Options increased wages most drastically. To address its staffing
shortage they decided to pay staff $3-$4 more per hour than it was receiving in funding. The
result was a massive deficit budget for the agency.
By February 2014, it was clear that these funding and staffing concerns were not isolated incidents. 11 out of 15 agencies included in this report were experiencing deficit budgets or staffing shortages due to the low rate of pay they could offer. In February, Southwest Community Options announced it would be ending its services as of June 2014. ROSE Inc. was running such a large deficit as of February 2014 that it projected that it will have to close its doors by December 2014.

In March 2014, one of the largest, most stable agencies in the regions, Brandon Community Options, could no longer pay its staff and was running a large deficit. Also in March 2014, Grandview Gateways went public with its struggle to stay afloat and the unsustainable nature of its funding.

**An Impossible Predicament**

*Four agencies, that support approximately 134 people in their residences, are projecting that they will have to end service by December 2014.*

The expectations for services outlined in the Service Purchase Agreement for these Family Service funded, Parkland and Westman agencies are comparable to those required by
Personal Care Homes. However, these agencies’ main employees, Support Workers, are paid a lower average wage than food servers at many of the restaurants in the area.

The nonprofit agencies in this report are expected to support medical needs, such as tubefeeding, diabetes, catheters, special diets etc., but they do not receive funding to hire trained health care aides, LPNs, RNs or other trained medical staff like personal care homes do. They are also required to deal with mental health issues, such as schizophrenia and bipolar, and complex behavioural issues without any funding for psychiatric nurses, behavioral specialists or other qualified professionals.

There are many Supported Individuals that have been or would be assessed as needing the higher levels of care on the personal care home needs assessment scale (having needs at level 3 or 4 out of a scale from 1 to 4). If these Supported Individuals did not have intellectual disabilities or had acquired their intellectual disabilities as adults (such as a senior having a stroke), it is likely that their medical needs would be met by medically trained professionals, instead of by Support Workers that are paid not much more than minimum wage.

Many agencies have indicated that their current funding levels are insufficient to fully attain the outputs outlined in their Service Purchase Agreements.

Family Services has put these agencies into an impossible position; 73% of agencies were running deficits as of February 2014. This is not sustainable.

The end result of this is that 87% of agencies have indicated that they believe that funding shortages have compromised the quality of support and care for individuals. In addition, 87% have indicated that they have been forced to hire untrained or incompetent staff due to a lack of funding.

Statement from an agency funded by Family Services in the Westman/Parkland Regions
Agencies have found that Family Services Regional staff often suggest that when an agency faces challenges that it is an isolated incident that is a result of mismanagement or poor decision making on the part of the agency. Although it may be mismanagement in some cases, it appears that that is seldom the case. Agencies assert that the situation that they are put in is a catch 22. Often agencies are either condemned for raising wages above Family Services funded levels in order to attempt to attract and retain staff or they are blamed for having incompetent staff or staffing vacancies. Seldom have agencies been told by Family Services that their concerns are faced by many other agencies in the Westman and Parkland regions.

The agencies find that Regional staff from Family Services seldom acknowledge that many of the agencies’ problems are systemic and a direct result of funding deficiencies.

Most agencies feel that Family Services is not being held accountable for the crisis situation they have created in these agencies, the majority of whom have been in operation for decades.

**Agency Deficits**

The percentage of agencies that are running deficits in Western Manitoba is staggering. It would be impossible to attribute most of these deficits to mismanagement. Many of these agencies have long histories of success, and executives and boards that possess strong management, financial, and business knowledge or skills.
Four agencies have had reviews conducted by Family Services in the last three years, but have not received feedback from that review process in the months, or some cases years, since those reviews have been conducted. This means that the agencies are not receiving the feedback they require to strengthen their organizations and it is difficult for anyone involved to know to what degree these agencies are meeting or exceeding Family Services expectations for organizational or financial management.

**Staffing Shortages**

Just as alarming as the deficits are the agencies that have surpluses simply because they are unable to recruit or retain staff because the wages that they are offering are so much lower than other employers in the region.

A large number of agencies have indicated that they are having difficulty filling vacant positions. This means that during those hours that the agency is understaffed, it is difficult to give the Supported Individuals the care they need. Short staffing puts strain on the employees that are working, which can lead to more errors, conflict, or other human resource concerns. Often it is outings and other individualized activities that add to the quality of people’s lives that suffer the most during staff shortages.
An unacceptable number of agencies (13 out of 15) have indicated that they had been forced to hire untrained or incompetent staff because of an inability to compete with other employers at current funding levels.

In addition, once agencies have invested time and money into recruiting and training staff, they are finding that other employers that can pay more are recruiting their trained and competent staff.
The Results of the Funding Crisis

The results of the funding crisis in the Westman and Parkland regions are clear. Agencies are being forced to choose between spending more money than they are receiving on wages and often operating at a deficit, or they can have staffing shortages and human resources problems that arise out of a dearth of competent trained staff. While some agencies are choosing one or the other of these dilemmas, the majority are choosing a bit of both and are left with both financial challenges and staffing issues. When agencies do not have enough funding for adequate staffing, all too often, this leads to the compromising of an agency’s ability to provide support and quality of life to Supported Individuals. Funding shortages also divert agencies’ energy from their core mission of supporting people with intellectual disabilities.

Do you believe funding shortages are compromising your ability to provide the quality of care that you believe your support individuals require or ought to receive?

- Yes
- No answer
The Collapse of Agencies

For most agencies, the deficit budgets and/or staffing issues create an unsustainable predicament. For a handful of agencies, their end of service is in sight if funding continues as it is. Southwest Community Options has indicated that it will end service in June 2014. Brandon Community Options may be giving notice to end its Service Purchase Agreement by June 2014. Grandview Gateways may be closing its doors in less than a year. ROSE Inc. will have to close its door by December 2014. Frontier projects that their agency will not be able to continue past the end of 2016. A look at the agencies’ current operating deficits, assets, and liabilities indicates that several other agencies will be following down this path to collapse within the next two to five years.

It would be extremely financially expensive and politically costly to allow all these agencies to continue to run deficit budgets until Family Services is forced to take them over. The clear pattern, demonstrated by even most competently managed agencies in the Westman and Parkland regions, establishes that Family Services will not be able to staff these agencies with enough competent Support Workers to effectively meet support needs at an average wage of $12.06/hour. Family Services would be forced to pay a higher wage, just as agencies currently are, and a precedent would be set for the whole province. In addition, administration, management and legal costs through the transition would likely be high. Finally, it would not shine a favourable light on the provincial government to have longtime, well-loved agencies that support vulnerable persons facing closure in the media.

Ultimately, it is likely that vulnerable people will be removed from their homes and communities, often to which they are strongly connected. They will either be placed in another non-profit agency, in the for-profit agency (Brandon Support Services), institutionalized, or be rendered homeless. However, the number of other nearby non-profit agencies that could support them will likely continue to decrease as more agencies face collapse.

Over the years, Family Services has been moving more and more people to the for-profit Brandon Support Services. If non-profit agencies close, moving the displaced individuals to Brandon Support Services may prove to be an expensive option. First of all, it would trigger an increase in funding up to funding guidelines for those Supported Individuals who currently have per diems below funding guidelines.

Secondly, it appears that historically, Brandon Support Services has received higher per diems than other non-profit agencies. A cursory comparison of available Service Purchase In addition to the four agencies that expect to end service before the end of 2014, several other agencies may be on the path to closure.
Agreements from Brandon Support Services and the per diems of some of the other agencies in the regions during that same time period indicates that per diems paid to Brandon Support Services are much higher.

One might think that this is exclusively the result of the differences in need levels of Supported Individuals among agencies. This may be the case in some instances, however an examination of specific cases shows that it is unlikely that this is always the case. For example, in another nonprofit agency in the region, one Supported Individual was assessed as having the highest level of needs on the Personal Care Home assessment scale. She has Muscular Dystrophy, mental health issues, intellectual disability, and complex behaviours. In addition, she is non-ambulatory. In March 2008, her per diem was $139.52. In 2007/08, the majority of Supported Individuals’ per diems at Brandon Supports Services were $364.39. The highest per diem that Brandon Support Services received that year was $384.56 and the lowest was $201.70. It is unlikely that all of the individuals supported by Brandon Support Services had higher needs and required 45% to 175% more than funding this woman that was at the top of the Personal Care Home needs assessment. Furthermore, during this time period, a surprising number of per diems at non-profit agencies in the regions were under $50; Brandon Support Services lowest per diem was at least 300% more.
Addressing Systemic Concerns

There are some concerns that appeared to be isolated incidents or problem specific to one agency. For example, while most agencies spoke of the community support and connection to the individuals they support, one agency expressed concern about how her town tolerates, but does not really support the presence of people with intellectual disabilities. This was an isolated concern.

Sometimes concerns appear to be isolated incidents, but similar problems are happening across the region. For example, only one agency indicated that one of their challenges was changing catheters and supporting the use of oxygen therapy. However, several other agencies indicated that they have struggled to deal with other medical problems, such as tube feeding, special diets, mental health issues, Alzheimer’s etc. The underlying issue is a systemic failure by Family Service to provide nonprofit agencies with funding to hire medical professionals, even on a part-time basis.

Several strong patterns have emerged as the result of examining 15 agencies funded by Family Services – Community Living in the Westman and Parkland regions. The occurrence of these clear patterns indicates that several of the concerns that these agencies are facing are likely neither isolated incidents nor the result of poor decision making by any given agency, but rather are indicative of broader systemic problems.
An alarming number of agencies in the Westman and Parkland regions have indicated that they believe that they receive less than funding guidelines for one or more of their cost centres.

Except for one agency that has been experiencing slippage from unfilled shifts, all of the agencies that indicated that they receive less money than funding guidelines also indicated that they are operating at a deficit as of February 2014.

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For several of these agencies, they have indicated that the difference between their current funding levels and Provincial Funding Guidelines is a substantial percentage of their budget.

Although Provincial Residential Funding Guidelines have reportedly been in place since 2001, non-profit agencies in the Westman and Parkland only learned about them in late 2011 or early 2012. (McCullough 2013, 1) As of January 24, 2012, these guidelines were to be implemented on a go forward basis, however there was one criteria that served as a barrier for this happening at many agencies. A change in support level is the only trigger that can cause a Supported Individual to be brought up to Provincial funding guidelines. (McCullough 2013, 1)

This means that any Supported Individual that has been supported by the same agency for a long period of time has often had nothing happen to cause a change in support level (such as a move to a new agency, a drastic change in need level, or some other incident that causes the level of support to be changed) and he or she will not be brought up to funding guidelines.

Many of the agencies in the Westman Parkland regions have been in operation for a long time and have a history of supporting the same individuals for long periods of time. In general, these are desirable features, however these same characteristics often mean that a change in level of support does not trigger an increase in funding up to funding guidelines. In a few agencies, a major crisis in recent years has caused a funding review to occur and those agencies have been brought up to funding guidelines. Anecdotal evidence from agencies involved in Abilities Manitoba indicates that this is less of a problem for agencies in other parts of the province (McCullough 2013, 1-2). It may also be less of a concern for newer agencies that have cared for their Supported Individuals for shorter periods of time.

Also indicative of a systemic dysfunction in Family Service was the confusion around Provincial Day Program Funding Guidelines. Several agencies expressed that they exist, though possibly only in draft form. Other agencies had never heard of or seen Provincial Day Program Funding Guidelines. It is unclear how there could be confusion around something as central to funding-
The Funding Crisis

Providing quality service requires competent staff and competent staff expect fair wages for the work they do. Unfortunately most of us are getting what we pay for.

Statement from an agency funded by Family Services in the Westman/Parkland Regions

dependent agencies as the presence of funding guidelines, that should, in theory, be applied fairly and transparently to all agencies.

Recommendation

It is recommended that the funding levels for these agencies should be brought up to Provincial Residential Funding Guidelines immediately. Compensation should be offered by Family Services to agencies that will continue to be disadvantaged as a result of previous years of underfunding (for example, some agencies have delayed major repairs or renovations to homes or other buildings as a result of funding shortages).

2. No audit report from Family Services

Of the five agencies reporting that Family Services conducted one or more audits or reviews of their agencies in 2011-2013, only one has received a report on the audit or review.

Five of the 15 agencies have had reviews or audits conducted by Family Services in the last three years, but four have not received a report on the findings. Some of the outstanding reviews or audits were conducted as many as 24 months ago.

Audits of agencies by Family Services are important. It is one way that Family Services shows due diligence in managing the public funds that it administrates. However, if the findings of an audit are not acted upon for many months or years, any financial mismanagement is allowed to perpetuate.

Audits also provide feedback to agencies that receive Family Services funding so that they are able to strengthen their financial and management practices. If release of this information is delayed, it may no longer be relevant by the time it is received and any concerns have continued during that time.

Recommendation

Therefore it is recommended that Family Services issue the reports to these agencies so that these agencies are able address the reports’ findings.
If a review or audit indicates mismanagement of funds or failure by an agency to provide services as per the Service Purchase Agreement, it is recommended that Family Services should take immediate action as per the Service Purchase Agreement in order to fulfill its duties as an accountable and transparent administrator of public funds.

If a review or audit conducted by Family Services indicates that an agency is showing due diligence in administering the funds allotted to them by Family Services and is providing services as per the Service Purchase Agreement, it is recommended that the presence of a deficit in one or more cost centres in that agency should trigger a funding level review by Family Services in order to bring funding levels in line with actual costs.

3. **Funding Support Workers at an average of $12.06/hour**

At your agency, is it possible to fill support worker positions with competent staff while paying support workers $12.06/hr?

- No
- Only untrained staff

The labour market in the Western part of the province has been greatly affected by the oil boom. While the province of Manitoba has an unemployment rate of 5.2%, the Southwest Region of the province had an unemployment rate of 2.8% in November 2012 and 3.6% in November 2013 (Government of Canada 2013). Many towns in the regions have even lower rates of unemployment. Some Economic Development Officers have estimated some Southwestern towns’ unemployment rate to be as low as 1% at some points in recent times. The large number of job postings for health care aides and home care workers in Prairie Mountain Health shows the shortage of available employees in this sector, despite offering untrained health care aides a starting wage of $16.548. The funding guideline of an average
$12.06/hour is particularly detrimental in the western part of the province where there are so many job options available for those seeking employment and such a limited pool of potential workers from which to draw. The oil industry has also increased the cost of living and wage expectations. Other employers are offering higher wages for comparable positions or positions with less responsibility, tasks, and fewer irregular shifts.

Despite being funded at $12.06/hour by Family Services, few agencies in this report are currently paying approximately that wage to the Support Workers that they employ. The majority of agencies are paying Direct Support Workers a starting wage of $13-$14 per hour by taking from other budget lines or running a deficit. Even then, 53% of agencies are experiencing staffing issues such as vacant positions, high staff turnover, or difficulty attracting competent staff. An astounding 87% of agencies have indicated they have been forced to hire untrained or incompetent staff due to an inability to compete with other employers at current funding levels. The majority of Executive Directors in the region indicate they believe that $15 to $17 per hour is what they would have to pay Support Workers in order to attract and retain competent staff.

At your agency, how much do you believe you would have to pay Support Workers per hour to fill all Support Worker positions in your agency with competent staff?

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<td>$19-$20 per hour</td>
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Recommendation

It is recommended that the funding provided by Family Services for Support Workers in the Westman and Parkland regions be brought in line with pay offered by other comparable employers in the Westman and Parkland regions (such as the Regional Health Authority, private homecare agencies, correction officers, other government agencies etc.)

4. Insufficient funding for those with complex support needs

Another challenge for agencies in the Western part of the province is ensuring that the Individuals that they support have had accurate assessments of their need levels. Many agencies in the region have been able to provide examples of Supported Individuals that they believe are assessed as having a lower level of needs than they actually have. In some cases, it may be that a Supported Individual requires more staff hours in order to properly support them. For other Individuals, it is the skill or education level of the caregivers that are inadequate. For example, there are Individuals with complex needs that only receive support workers that are funded to a maximum of $12.06 per hour. This low rate of pay seldom attracts highly trained or skilled employees, particularly when you compare the job opportunities available in other industries that are easier and require less responsibility in the western part of the province. Indeed for many of the people with complex needs, it would be safer and more reasonable to hire a trained Health Care Aide, LPN, or RN to take care of their multifaceted
The Funding Crisis

needs, particularly given that trained medical professionals would be offering that care if it were in the context of a hospital, personal care home, or home care. In some instances, they may only need a few hours of nursing support a week to do things like check their feeding tubes, plan their medical care, or to ensure that crises are averted.

Examples of complex needs that agencies in the Westman and Parkland region are expected to support with Support Workers funded at $12.06/hour:

- Mental health problems (including schizophrenia and bi-polar)
- Aggression
- Behavioural issues
- Autism
- Non-ambulatory
- Catheter
- Colostomy/stoma care
- Tube feeding
- Oxygen treatment
- Diabetes/insulin injections
- Soft food/pureed diets
- Non-verbal
- Alzheimer’s and dementia
- Special diets

The Executive Directors of over half of the agencies in the Westman and Parkland regions believe that they have Supported Individuals that are in too low a funding category given their actual support needs. The large number of agencies expressing this concern is indicative either of a systemic failure by Family Services to fairly and accurately assess and fund Supported Individuals’ needs or a failure by Family Services in communicating to agencies how levels of need and corresponding per diems are determined. In addition, 79% of agencies in this report indicated that they believe that they have Supported Individuals that would be assessed as needing a higher level of care if they were assessed in another region.
Recommendation

It is recommended that Family Services evaluate whether Supported Individuals with complex needs in the Westman and Parkland regions require funding to hire medically trained staff to care for their needs. This could be done by comparing the type and level of medical training the caregivers in the regional health authority (home care, personal care home, hospital etc.) would require to address those needs for persons in the general population.

It is recommended that Family Services conduct a review of these reportedly underfunded Supported Individuals’ need levels to determine whether it is a failure in assessment or a breakdown in communication and take steps to rectify the situation.

Furthermore, it is recommended that Family Services have other regions in the province assess the cases that Executive Directors believe would be evaluated as needing a higher level of care if they were assessed in another region. This would allow concerns about inconsistent needs assessments across regions to be verified or dispelled.

5. Funding Crises and Impending Agency Closures

4 – The number of agencies in the Westman and Parkland regions that are on course to close their doors by December 2014.
88 – The approximate number of people supported in Day Programs by agencies that are on course to **close by December 2014**

134 – The approximate number of people living in residential homes supported by agencies that are on course to **close by December 2014**

Many agencies in the Westman and Parkland region are facing funding crises. These crises can manifest in agencies as low working capital (cash flow shortages), deficit budgeting, using savings or eroding other assets to balance operating budgets, increased debt ratio, ever increasing lines of credit, other unsustainable financial practices, or some combination of these features. Several agencies have indicated that the challenges that they are facing are so pressing that they may have to close their doors in the near future.

**Recommendation**

It is recommended that Family Services review the funding levels provided by Family Services to any agencies expecting closure within the next five years.

If there is no indication of mismanagement of funds or breach of the Service Purchase Agreement, it is recommended that Family Services bring funding up to the level of actual expenses for these agencies.

It is recommend that in cases where the agency projects it will need to end service within the next six months, Family Services take swift action and provide emergency funding until permanent solutions can be found before the agency collapses.
Where have the funding increases gone?

Between 1999/2000 and 2009/10, the Supported Living Program budget has increased by 223 per cent.

Manitoba Disability Issues Office

The adjustment of funding to agencies is often tied to the change in the number of Supported Individuals, an increase up to funding guidelines, or the addition of new programs or residences.

![Funding Increases Chart]

The Funding Crisis
Brandon Support Services is the only for-profit business providing support for people with intellectual disabilities under Community Living funding. Brandon Support Services had received substantial funding increases in recent years, bringing their funding from Family Services up from $1,634,094 in 2005/06 to $9,286,123 in 2012/2013. This represents a 468% increase in funding since 2005/2006.
Factors that are specific to the Parkland and Westman Regions

When unpacking problems or seeking solutions in the Westman and Parkland regions, it is critical to remember that some of the challenges faced by agencies in these regions are similar to those faced by agencies throughout the province. However, there are several factors that result in challenges that are distinct from agencies in Winnipeg or other parts of the province.

Firstly, the large geographic distance to the political centre of the province (Winnipeg) and the small population numbers in comparison to Winnipeg are likely impacting these agencies. Those in the far Western edge of the province are marginalized, both geographically and in terms of a majority of people in power that fully appreciate their situation.

Generally in Manitoba, politicians are less familiar with the realities of rural and remote communities. With the exception of MLAs from these regions, politicians and bureaucrats have spent little time in western Manitoba in comparison to the time they have spent in Winnipeg. The views of those in power can become urban-centric. People who live or work in larger centres are used to experiencing urban realities as the norm and may not be able to fully appreciate how the challenges, subcultures, and realities of rural communities are different from those in an urban context.

“No less than four people rushed to tell me that the government employee that I was meeting with had arrived in town. He drove a sparkling clean, white vehicle. He parallel parked properly and locked the car doors. No one from here bothered with that. He stood out from the locals in his crisp dress shirt and didn’t even say “hi” to a group of little kids as he passed by them. “Surely it’s gotta be him.” I was told. Everyone who saw him knew that he was “from the big city”, but he had no idea that he had broken so many of the unspoken cultural norms of our rural community. He behaved as though his urban sub-culture was universal. It wasn’t surprising that he struggled to understand our agency’s reality in a small town.”

This phenomenon is not unique to Manitoba and has been studied extensively in places like Australia, where rural communities are also marginalized.

It is easy politics to hide behind concepts of representational democracy and market economics and waive the needs of remote Australia in favour of the weight of public opinion and numbers in the serviced suburbs. For it is here that the majority of political leaders derive their authority and maintain their relevance. This type of neglectful inequality is corrosive for the nation. (Walker, Porter and Marsh 2012, 13)
Anecdotal evidence from the agencies in this report suggests that the analysis found in this Australian study is comparable to the experience of rural communities in Western Manitoba. Many of the agencies feel unheard or that their concerns are dismissed or misunderstood within (the largely geographically distant and Winnipeg-centric) government system for whom they render services.

Some agencies feel that government agencies are not aware of the concerns they face because they are far from the bureaucratic, political, and major media centre of the province. Their community and local media (and sometimes their MLA) may know that an agency is facing challenges, but it is easy for people from outside the community to be oblivious to or to underestimate the severity of the situation.

For example, the oil boom in Western Manitoba has impacted many of the agencies in these regions because it has driven up the cost of living (particularly housing) and workers’ wage expectations. The high wages offered by the oil industry has drawn many people from the pool of potential employees and reduced the unemployment rate, in some communities as low as 1%. When agencies from the oil boom area have tried to explain these factors to Family Services, they report that they often feel that they are not heard or understood and their concerns are not acted upon.

Secondly, all of the agencies are located far from Winnipeg and the resources and supports available in a large centre. Several agencies are based in Brandon, population 46,061 (2011). The remainder of the agencies are based in Dauphin (population 12,381 in 2014) or small towns or villages, ranging in population from approximately 650 to 4000 people. Some agencies have residential homes in more than one town or community. The rural location of many agencies means that often agencies are not able to easily access the broad range of social, health, or other resources that agencies located in Winnipeg or close to Winnipeg can access. For several of these agencies, with the exception of the local school, they are the primary social service agency in town.

Finally, the agencies are geographically isolated from other similar agencies. This means that it is more difficult to know what is happening elsewhere, particularly if Family Services does not share that information. The most apparent example found in this report is the case of Provincial Residential Funding Guidelines. According to a presentation given to Manitoba Family Services and Labour by the Westman Parkland Network on March 15, 2013, “The Provincial Residential Funding Guidelines and related templates have existed in the Province of Manitoba
since 2001, yet Westman Parkland Agencies only learned of them in late 2011/early 2012.” (McCullough 2013, 1)

These regional-specific factors need to be recognized and addressed when considering the reality of the agencies in the Parkland/Westman regions. Their context is different than agencies located in or closer to Winnipeg.
ACL Swan River

Association for Community Living Swan River has been in operation for over 50 years. Located in the Town of Swan River, near the Saskatchewan border, ACL Swan River currently supports 15 people in its residential program, 10 people in the independent living with supports program and 25 people in its day program. The people of Swan River are supportive of this agency and its annual Calico Corners Craft Sale fundraiser that has been a tradition in Swan River for over three decades. ACL Swan River also operates a thrift store called Simply NU2U where Supported Individuals work and develop necessary employment skills.

Management

Carla Dixon is the Executive Director of ACL Swan River. Dixon has been involved in ACL Swan River for the past 24 years. John Christensen, chair of the board, also has a long history with the agency.

Family Service Funding

In 2012/2013, ACL Swan River received $1,897,341 in funding from Family Services. In April, 2013, this agency was part of the Parkland Funding Review Pilot that resulted in a funding increase of over $200,000 for the agency. This increase has significantly improved the financial security of ACL Swan River. This increase will also assist the organization with the costs involved in implementing additional staffing required in some of the residential homes. ACL Swan River is currently funded at funding guidelines in its residential program.

Financial Highlights

ACL Swan River had a surplus as of February 2014 and believes that the agency will not be closing in the next two years at current funding levels. ACL Swan River is currently exploring accessible housing options for the aging residents in the near future. Their current homes are becoming unsuitable for their Supported Individuals as many of them are seniors and the homes have stairs and are not accessible for those with mobility issues.

Staffing

ACL Swan River employs approximately 60 -70 staff and is unionized. Although filling vacancies has been less of a problem as of late, staff retention continues to be a challenge. ACL is fortunate to have a lot of long time employees (some as long as 25 years). However,
the agency is concerned about the how it will replace these employees as many are approaching retirement age. ACL Swan River pays Support Workers $12-$14.05/ hour. Approximately 1.5 or 2 years ago, they attempted to open a new residential home, but despite advertising, were unable to find enough staff and the home could not be opened.

**Challenges**

The largest challenge for ACL Swan River, is the low funding level received from Family Services for wages for Support Workers. Trained staff often leave to work at other better paying jobs with similar skill set. The cost of living in Swan River has gone up significantly, particularly the cost of food.

ACL Swan River is also wanting to ensure that their thrift store, Simply NU2U is operating to its full capacity and staffed accordingly.

This agency finds that they are not funded for all of their agency costs, such as the money that the agency recently invested in a new union contract.

In the near future, it may need sufficient funding if they decide to build accessible homes. The day program building could also use a few improvements.

**Analysis**

This agency would be in a much worse financial position if it had not received a funding increase through the Parkland Funding Review Pilot program.

**Recommendations**

It is recommended that Family Services ensure that ACL Swan River has access to adequate resources to build, renovate or lease accessible homes for its aging long-time residents.

It is recommended that Family Services review the cost of having unionized workers and build those costs into the Provincial Funding Guidelines.
ACL Virden

ACL Virden has been in operation for over 50 years. It supports 11 people in its residential program and 11 people in its day program. ACL Virden also operates a second-hand store called “New to You” where Supported Individuals work.

Since 2005, the number of people in the ACL homes has decreased by seven and the number of participants in the day program has decreased by two. In 2012, ACL Virden had to close one of its community homes due to a staffing shortage caused by an inability to compete with other employers that were able to offer higher wages.

Management

The Executive Director is Shelley L. Savy. The chair of the board is Paul Rocan.

Family Service Funding

For 2013/2014, ACL Virden received $1,033,980 in funding from Family Services. It is currently not funded to Residential Funding Guidelines in any of its cost centres. If ACL Virden were funded to Residential Funding Guidelines, ACL Virden estimates that its budget would be approximately $1,200,000.

In April 2012, Family Services conducted an audit of the ACL Virden. As of March 2014, ACL Virden has not received a report from this audit.

As of March 2014, there are vacancies in ACL Virden’s residences that Family Services has not filled.

Financial Highlights

Currently, ACL Virden has an operating surplus of $22,000. This surplus is directly the result of slippage from vacant shifts due to a difficulty recruiting casual staff to fill in vacant shifts. Several cost centres are operating at a deficit.

Staffing

ACL Virden is currently paying support workers $13.00 to $14.00/hour and coordinators $14.00 to $15.50/hour. In addition, ACL Virden pays an hourly long service premium up to an additional 75 cents per hour, depending on length of service. This means that ACL Virden is
The Funding Crisis

paying Support Workers approximately one to three dollars more per hour than the rate to which they are funded by Family Services.

ACL Virden is experiencing difficulty recruiting competent staff to work casually as there are restaurants and grocery stores in Virden that are paying higher starting wages. The result of a shortage of casual workers puts increased pressures on regular employees to pick up overtime shifts. This contributes to employee burnout and overuse of sick time, which in turn creates more vacant shifts. The agency has, at times, not been able to fill a shift and has had to move staff and Individuals around to insure people are adequately supported. Although this saves on overtime costs, this Band-Aid solution creates stress and anxiety for Individuals and the staff who is working is now responsible for more people and has a heavier work load.

While only funded to $12.06 per hour by Family Services, staff are expected to take care of individuals with complex needs and perform tasks such as tube feeding individuals, moving and taking non-ambulatory individuals to the toilet, and dealing with complex behavioural issues. Despite the high level of care expected by ACL Virden, there is no funding from Family Services for any nursing staff or other medically trained staff.

Challenges

Currently, over half of ACL Virden’s staff is older than 60. If wages do not improve substantially, ACL Virden believes that it will not be able to replace these workers as they retire. The town of Virden has been greatly impacted by the oil industry. As a result, in recent years, the cost of housing has sky-rocketed, unemployment rates are low, and agencies find themselves competing, either directly or indirectly, with the high wages offered by the oil industry. Funding rates have not increased sufficiently to compensate for these drastic changes in Virden.

Over its 50-year history, ACL Virden has set aside contingency funds. Family Services does not have set guidelines about the amount of such monies an agency is permitted to retain. It is unclear whether the presence of these contingency funds serves as a detriment when ACL Virden is negotiating with Family Services for funding.

Analysis

The impact of oil on the town of Virden should not be underestimated when considering the context in which ACL Virden is operating. The cost of living is high and unemployment is extremely low in Virden, despite its small size and rural location. It is difficult to hire casual
The Funding Crisis

workers or replacement employees when people retire in this context. If it were not for
slippage from vacant shifts, this agency would be experiencing an operational deficit. Vacant
shifts mean that this agency is operating short-staffed, which has an impact on the care and
quality of life afforded to Supported Individuals.

The most alarming concern at ACL Virden is the low rate of pay that Family Services is
providing to employ staff that are taking care of individuals with high levels of complex needs.
Despite the high level of care demanded of ACL Virden, there is no funding from Family
Services to hire any certified health care aides, nursing staff or other trained medical
professionals to assist with their care. The expectation of Family Services appears to be that
ACL Virden should be able to hire competent staff that are able to tube feed, use Hoyer lifts,
respond appropriately to behavioural concerns etc. at a wage that is lower than that which
waitresses and cashiers are presently being paid in Virden.

Recommendations

It is recommended that Family Services immediately bring ACL Virden up to Funding
Guidelines in all of its cost centres.

It is recommended that Family Services re-assess the Supported Individuals with complex
needs at ACL Virden to determine whether ACL Virden should be receiving funding to hire
certified health care aides, nurses, or other medically trained professionals to help support
these individuals.

It is recommended that Family Services conduct an evaluation of the job market in Virden to
determine if funding Support Workers at $12.06/hour is reasonable given the wages paid by
other employers in Virden (for example, a position making sandwiches at Subway in Virden is
currently advertised as starting at $12/hour).

“It’s very discouraging when people are being paid more to waitess and work a till than
someone supporting people with complex care needs.”

Statement from ACL Virden
Brandon Community Options

Despite a successful 35-year history of supporting people with intellectual disabilities, the future of Brandon Community Options (BCO) is uncertain. It currently supports 63 people in its residential homes in Brandon, Carberry, and Glenboro. In addition, it supports 21 people in its day program. Over the last decade, the number of people it is supporting has increased.

Management

The longtime Executive Director of Brandon Community Options is Brenda Elmes. The chair of the board is Juliette Popplestone.

Family Service Funding

For the 2013/2014 fiscal year, Family Services will pay BCO $4,736,874.20 for its services. BCO is not funded at Provincial Funding Guidelines. If it were, Brenda Elmes calculates that its budget would be approximately one million dollars higher.

Family Services has not conducted an audit or funding review in the past three years.

Financial Highlights

BCO is currently near collapse due to a large deficit of $810,845.29 as of February 2014, a line of credit at Westoba Credit Union for $350,000 that has been used to its limit, and they have insufficient working capital. They are currently submitting their billings two to three weeks early in order to have money in their account to meet payroll.

If funding levels from Family Services do not change, by June 2014, they are planning to give notice to the Province to end their service purchase agreement.

Staffing

At BCO, Support Workers are paid a starting wage of $13.66. The average Support Worker wage is $15.00 per hour. After five years of service and completing required internal training as per the Provincial human resource strategy, Support Workers are paid $16.50/hour. As of March 2013, BCO had 10 vacant part-time positions and one vacant full-time position.
Challenges

This agency faces complex problems due to being funded under the Provincial Funding Guidelines and due to paying Support Workers a wage that is higher than the $12.06/hour for which it is funded. Its debt ratio is high, while its liquidity ratio is low. In addition, the Executive Director believes that they are supporting chronically underfunded individuals as well as persons that are in too low of funding category given their actual support needs.

Analysis

Brandon Community Options has an admirable history and an excellent reputation among its peers. The Executive Director of this agency is experienced and has demonstrated her leadership and management abilities over the years in her position. The chair of the board has 20+ years of experience in the field.

Yet this agency is on the verge of collapse because it is currently not receiving enough funding to cover its expenses. A cursory examination of its expenses shows no extravagance. Similar to most nonprofit agencies, their staffing costs constitute the majority of the budget. While BCO’s wages for Support Workers are above the levels funded by Family Services, they are still well below similar provincially funded positions in health and social services. Even with the wages it pays, BCO indicates that they have 11 vacant positions and have experienced a loss of competent and trained staff to other employers that can pay more.

The requirement that a Supported Individual’s per diem will only be brought up to Funding Guidelines if triggered is detrimental to an agency such as BCO that is a long-serving agency and has supported some of the same individuals for many years. It is as though BCO is being penalized for long-term, consistent care of individuals. On the contrary, newer agencies, like Brandon Support Services, have not been around for long enough to have chronically underfunded individuals and are more likely to have newly arrived individuals, whose recent move or change in level of care would most likely trigger an increase in their per diem up to Provincial Funding Guidelines.

Indeed BCO is in such a dire funding crisis that immediate action (within one month) is required on the part of Family Services.
The Funding Crisis

Recommendations

It is recommended that Family Services immediately provide Brandon Community Options with emergency, non-repayable funds to sustain the agency while the following recommendations are implemented.

It is recommended that Family Services bring Brandon Community Options funding up to Provincial Funding Guidelines in all its cost centres for the 2014/2015 fiscal year.

It is recommended that Family Services review the debt load that has been incurred over the past two years due to Family Services funding BCO below Provincial Funding guidelines and compensate BCO accordingly so that BCO will not be burdened with that debt in the years to come.

It is recommended that Family Services review the per diems that BCO has identified as chronically underfunded or for persons that are in too low of funding category given their actual needs. If any per diems prove to be too low, it is recommended that Family Services correct those per diems.

It is recommended that the per diems of Brandon Community Options be compared to the per diems of Brandon Support Services to ensure that BCO is not disadvantaged due to its long-term support of the same individuals.

Currently all programs are operating at a deficit and BCO is funded substantially lower than Provincial Funding Guidelines.
**Community Respite Services (Brandon)**

Community Respite Services (CRS) provides respite services to families and participants with disabilities in the Westman region and in Winnipeg. Approximately 2/3 of their services are in the Winnipeg region while the remaining 1/3 is in the Westman region. 72 participants in the Westman region that were funded by Family Services received respite from CRS in the 2013/2014 fiscal year. CRS has been in operation for approximately 29 years.

**Management**

Michelle Hammond is the Executive Director of CRS. Samantha Mitchell is chair of the board of directors.

**Family Service Funding**

Their total funding (for Westman and Winnipeg) from Family Services will be approximately 1,340,000 for 2013/2014. Family Services has not conducted an audit of the agency in the last three years.

CRS is seriously considering informing Family Services that CRS can no longer provide respite to a number of families that are not being adequately funded.

**Financial Highlights**

As of February 2014, CRS had a deficit of $31,487. They estimate that their deficit will be approximately $58,200 in December 2014, if funding continues as it is. All of its Family Services funded cost centres in the Westman region are running deficits.

**Staffing**

CRS currently pays Support Workers between $11.75 to $14.75/hour. Many of CRS’ workers are at or near the top of this pay scale. As of March 2014, CRS’ mean average wage was $14.07/hour. The funding rate that it receives from the province does not adequately cover these wages. The agency currently has vacant staff positions that it is having difficulty filling. CRS experiences high rates of staff turnover and difficulty recruiting competent staff, particularly to meet certain high needs situations.
“If reasonable funding is provided by Family Services for worker wages, CRS workers would be able to maintain their employment, families and participants remain healthy, family members remain employed, and the government benefits due to decreased health care and family service costs and increased dollars through taxation.”

Michelle Hammond
Executive Director

Challenges

CRS has indicated that one of their main concerns is the low level of funding from Family Services for wages and the resulting difficulty of recruiting and retaining quality staff. The low unemployment rates in the Westman region and the ability of other employers, such as the RHA, to recruit their trained and experienced staff by offering higher wages has exacerbated their staffing problems.

They are also experiencing financial challenges because they have supported individuals in too low of funding category for their actual support needs.

Analysis

“CRS is seriously considering serious measures like letting Family Services know CRS can no longer provide respite to a number of families that are not being adequately funded.”

Michelle Hammond
Executive Director

When Family Services is considering the costs of providing respite care, it is important to also analyze the benefits, including those factors that are advantageous to other areas, such as health, employment, tax revenue etc. Respite plays an important role in helping the families and caregivers of people with intellectual disabilities so that they can remain at home and out of institutions or long term care (National Respite Coalition 2009). “Respite services which meet the complex needs of adults with an intellectual disability and their aging families are necessary to ensure the well-being of both groups of people” (Mirfin-Veitch 2003, 15). It may
also allow family and caregivers to seek employment or reduce work absenteeism (National Respite Coalition 2009).

If Community Respite Services is unable to continue to care for persons that are underfunded and contributing to the deficit budget of the agency, the cost implications for Family Services and other government departments is likely to be much higher than the increase in funding that CRS would need to continue service to these individuals.

“Respite care is an increasingly important need in our health care system with the potential to affect all Canadians. At some point in their lives, many Canadians will find themselves in need of respite from care giving responsibilities.”

(Canadian Healthcare Association 2012, 7)

**Recommendations**

It is recommended that Family Services review the cases of Supported Individuals that Community Respite Services has identified as being underfunded or in too low of funding category compared to their actual care needs and determine if a funding increase is warranted.

It is recommended that the Government of Manitoba conduct a cost-benefit analysis on the use of respite in Manitoba, including impacts on sectors beyond Family Services, and determine if it would be cost effective to invest more funding into respite care for people with disabilities.
COR Enterprises Inc. (Brandon)

COR Enterprises has provided support to people with disabilities for over 50 years. It was originally founded in 1965 and operated under the name Camroc. COR is based on the principles of Community, Opportunity and Respect. COR Enterprises is the largest day program for people with intellectual disabilities in the Westman region. COR Enterprises supports 78 people in its day program and does not provide residential services.

Management

Terri Silvius is currently the Executive Director of COR Enterprises. Roger Moran has been President of the board of directors for seven years and has served on the board for 12 years. Financial records are kept by Raynor Bookkeeping.

Family Service Funding

In 2012/2013, COR Enterprises received 1,054,948 from Family Services. If the agency were to be funded completely at funding guidelines, the Executive Director calculates that COR Enterprises should be receiving approximately $1,604,471.

COR Enterprises has not had an audit by Family Services in the past three years.

Financial Highlights

While Family Services provides the lion share of funding to COR Enterprises, the agency also receives $26,250 per year from United Way as well as financial support from individual donors, the United Commercial Travellers Council #448, and the Royal Canadian Legion.

Like most organizations in the Westman and Parkland regions, in order to retain qualified staff, COR Enterprises has increased its Support Workers’ wages beyond the $12.06/hour funding by Family Services. Using current profit and loss figures, the result of paying more in wages than allocated funding has resulted in a deficit of $105,000 from April 2013 to February 2014. COR Enterprises projects that by June 2014, its deficit will be approximately $135,000. By December 2014, that deficit will reach an estimated $200,000. In order to cover payroll and expenses, COR Enterprises has cashed in $150,000 in term deposits and increased its line of credit to $175,000.
The Funding Crisis

Staffing
COR Enterprises is unique in that 40% of employees have worked for COR Enterprises for 10 or more years. This has allowed staff to form longer-term, caring relationships with Supported Individuals. COR Enterprises currently pays a starting wage of $14.27 to Support Workers. Before they increased their wages to this level from $11.67, they were experiencing a high rate of staff turnover. In addition, they found that while paying lower wages, staff would use COR Enterprises as a jump off point to get training and experience, and then leave for higher paying positions, as staff would not consider this field as a career. They will be reducing staffing by 4.5 FTE positions in the 2014/2015 budget due to funding shortages. COR Enterprises has an LPN on staff.

Challenges
COR Enterprises has a large operating deficit and cash flow problems due to unfunded wage increases. They believe they have supported individuals that are in too low of funding category for their actual support needs and they have supported chronically underfunded persons for many years whose per diems have not increased sufficiently. Like other agencies in the Westman and Parkland regions, this agency has had other employers (such as the regional health authority) recruit trained and experienced staff by paying higher wages. The building that COR Enterprises operates out of is aging and is in need of repairs.

Analysis
COR found it difficult to retain sufficiently qualified and trained staff while paying lower wages. These problems have improved since increasing wages. This demonstrates that in the labour market that COR Enterprises is operating in, the Provincial funding of $12.06/hour for Support Workers is insufficient given the current labour shortage and low unemployment rate in Brandon. According to Statistic Canada, the unemployment rate for Brandon was 3.7% in January 2014. The 2012 Brandon Chamber of Commerce’s Business Climate Survey indicates that labour shortage is the #1 concern of local businesses. (Brandon Chamber of Commerce and MNP LLP 2012) In addition, in recent years, Brandon has seen rapid increases in the cost of living, most notably in housing costs. The Centre for Policy Alternatives indicates that, in Brandon, “Shelter expenses for the living wage family increased 16 per cent from 2009 to 2013.” (Jarosiewicz 2013) This increase in cost of living means that employees are less able or willing to work for low wages.
Although COR Enterprises has the net assets to operate under a deficit budget in the near future, this is not a sustainable solution over the long term. Its net assets, which were accrued over the course of 50 years, have shrunk in each recent fiscal year. The community has - and continues - to invest a large amount of money into this organization. If this were not happening, COR Enterprises’ deficit budget would currently be approximately 35% larger.

Recommendations

Given the current cash flow problems at COR Enterprises, it is recommended that Family Services review the working capital advance to ensure that it is sufficient and in line with amounts received by other agencies.

It is recommended that Family Services ensure that funding to COR Enterprises is brought up to Day Service Funding Guidelines for the 2014/2015 fiscal year.

It is recommended that Family Services review the per diem rate for individuals that COR Enterprises believes to be in too low of funding category given their actual care needs.

It is recommended that Family Services study the feasibility of hiring Support Workers for $12.06/hour in Brandon, given the low unemployment rates, rapidly increasing cost of living, and the availability of the other higher paying employment opportunities.

“COR Enterprises is unique in the fact that we have many long-term employees who have formed deep caring relationships with the individuals we support.”

Terri Silvius, Executive Director of COR Enterprises
Frontier Trading Company Inc. (Minnedosa)

Frontier Trading Company Inc. has been in operation since 1998. The agency is located 50 km north of Brandon in Minnedosa, a town of approximately 2500 people. Frontier has two residential houses with three residents in each home. 11 individuals participate in the agency’s day program.

Management

Rita Creighton has been the Executive Director of the Frontier Trading Company for the past 12 years. Longtime board member, Sheila Josland is chair of the board.

Family Service Funding

In 2012/2013, Frontier received $563,008 from Family Services. Frontier has not been audited by Family Services in the past three years. Their residences are funded to Provincial Residential Funding Guidelines. Their day program is currently running a deficit.

Financial Highlights

Frontier does not have enough funding to sustain its operations. As of February 2014, Frontier had an operating deficit of $61,625. By December 2014, the agency projects that its deficit will be approximately $110,000. If the funding from Family Services continues as it is, this agency predicts that it may be facing closure by the end of 2016.

Staffing

This agency is currently paying its Support Workers $12 to $14.67 per hour. They find that employees leave to work for employers that can pay higher wages, in particular the hospital. They currently have staffing vacancies that they are having difficulty filling with competent staff.

Challenges

In addition to the large deficit and difficulty hiring and retaining competent staff, this agency is facing other challenges. The cost of living has gone up significantly in Minnedosa, particularly housing and rent costs. Frontier also has buildings in need of work.

Community members have expressed the need for support, but Family Services has told Frontier that funding is unavailable.
The Funding Crisis

Analysis

Given the high debt ratio and large current and projected deficits of this agency, this agency is not far from collapse if funding continues as it is from Family Services. The prediction of the agency that it will last until late 2016 if Family Services’ level of funding persists may be optimistic. Depending on the risk tolerance of the board of directors, this agency may need to end service as early as March 2015 to October 2015 if funding from Family Services is not increased.

Despite supporting the same number of individuals, between 2005/06 and 2012/13, funding to Frontier Trading Company only increased by 5%, while inflation in Canada was 14.66% between 2005 and 2012.

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<th>2005/06</th>
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<td>Family Service Funding to Frontier Trading Company</td>
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Had funding increases kept pace with inflation, they would have received $612,475 2012/2013 or approximately $78,308 more. The deficit of this agency in February 2014 was $61,625.

Recommendations

It is recommended that Family Services make adjustments in funding to Frontier Trading Company to ensure that per diems are keeping pace with inflation.

It is recommended that Family Services conduct a funding review of Frontier Trading Company to determine whether the funding it is receiving is sufficient for its day program.

It is recommended that Family Services review funding to Frontier Trading Company and increase funding to sustainable levels.
Grandview Gateways Inc.

Grandview Gateways has been supporting people with intellectual disabilities for 27 years. Their bakery, the Friendly Corner Bakeshop, has been a cornerstone in the community for over 25 years and has been used as a model for innovative programming for people with intellectual disabilities by other communities. There are currently 18 people in its residential program and 24 people in the day program. They support people from four towns and the surrounding rural municipalities. They are the only program for people with disabilities in their geographical area.

Management

The board and executive director in this agency have a wealth of business and management experience. The chair of the board is a retired business manager; the vice chair is a retired loans manager. The Executive Director, Carolyn Crossley, has been in her position for 21 years and has a background in bookkeeping.

Family Service Funding

Grandview Gateways received $1,321,096 from Family Services in 2013. This agency is currently not funded at Provincial Residential Funding Guidelines. The Executive Director calculates that Grandview Gateways should be receiving an additional approximately $148,513.84 per year in funding.

The Executive Director believes that they are supporting individuals that are in too low of funding category for their actual support needs. In addition, this agency has been supporting the same chronically underfunded individuals for many years and their per diems have not increased significantly.

Family Service conducted an audit in March 2013 and a General Ledger review in November 2013. Grandview Gateways has not received a report on the audit nor the General Ledger.

Financial Highlights

Grandview Gateways’ deficit as of February 2014 was $79,030. Without a change in funding, this deficit will increase to $118,545 by June 2014 and to $165,963 by December 2014. They are currently running a deficit in all of their cost centres. They have been making cuts to shifts, training, and repairs in an effort to balance the budget. The result of the current unsustainable
funding is that Grandview Gateways will have to close its doors in less than a year if funding levels do not increase sufficiently.

**Staffing**

Despite only being funded to $12.06 per hour, Grandview Gateways is paying $14.08 per hour starting wage. The decision to do this was based on an on-going struggle to recruit and retain competent staff when other employers, including the Regional Health Authority, are able to offer higher wages, full-time positions and/or fewer duties. Grandview Gateways is currently short two part-time positions, but are using casual employees to cover those shifts. They have already had to close one house in 2012 due to staffing shortages.

**Challenges**

There are several additional factors that are problematic for this agency. The housing and cost of living have gone up significantly in Grandview and the increase in funding levels has not kept up. Three of their homes are in need of major upgrading that has been delayed due to funding shortages.

Carolyn Crossley points out the most pressing concern:

“As per the Service Purchase Agreement with Family Services, the Board Members own the deficit. This means that they cannot continue much longer to accumulate deficit at personal risk without some financial relief from the Province.”

**Analysis**

Without reviewing the outstanding reports on the audit and general ledger review from Family Services or conducting another full independent audit, it is difficult to properly assess the management of funds and provision of services by Grandview Gateways. Thus, it is critical, particularly given the current economic crisis faced by Grandview Gateways, that Family Services release the reports on both audits.

However, a cursory review of the agency’s 2013 audited statements show that the agency is operating on a tight budget. For example, the expenditure of $38,123 on food for approximately 18 residents leaves the agency spending only about 2/3 of what the average Canadian does on food annually. Grandview Gateway spent less on health/medical care for all approximately
18 residents in 2013 than one Canadian household (average of 2.48 persons) spends per year. The average Canadian spends $880/year on home furnishings, while Grandview Gateway spent less $150 per person on home furnishings. (Figures from Statistics Canada 2012)

The highlighting of their programming by a well-respected national community economic development organization and the replicating of their approach by other agencies indicates that the programming they are offering through the Friendly Corner Bakeshop is being used a model of excellence.

**Recommendations**

It is recommended that Family Services release reports on the audit and general ledger review of Grandview Gateways conducted in 2013.

If these reports demonstrate the mishandling of funds or misconduct by the board and management of Grandview Gateways, it is recommended that Family Services take immediate action according to the Service Purchase Agreement.

If these reports indicate due diligence and no mismanagement of funds by the board and management of Grandview Gateways, it is recommended that Family Services cover the current operating deficit of Grandview Gateways and recalculate the funding allocated to Grandview Gateways in light of both Provincial Funding Guidelines and actual sums required to operate the organization with shifts fully staffed by qualified employees, adequate funding for repairs and maintenance to buildings, sufficient training for staff, and enough resources to provide quality support to individuals.

It is recommended that Family Services immediately issue an injection of emergency funding to Grandview Gateways to keep the agency from collapsing while Family Services releases the audit and general ledger review reports and conducts a thorough funding review.

**A story from Grandview Gateways**

*When the Bakeshop first opened in 1993 everyone in the community referred to the restaurant as the Day Program. “Are you going for coffee at the Day Program?” people would ask each other. Then after a couple of years we noticed that people had stopped calling us the day program and started referring to the program as the Bakeshop. We realized that we had lost*
the identifier as a day program for people with disabilities and had now simply become the Bakeshop. Prior to the opening of the Bakeshop our supported people were looked at as though they were a nuisance when they had an outburst in a store or community building. Almost as though they were a social embarrassment. But in time, this changed. Community people would have new-found confidence to stop and talk to the supported people who were interactive, or they would take pride in relaying information to other community people about how to approach a supported person with social inadequacies. Customers from all over western Canada make the Bakeshop their regular stop to pick up baking or to visit with our supported people. They always let us know how much they appreciate this type of program which allows them to be a small part of the lives of our supported individuals.
Parkland Residential and Vocational Services Inc. (Dauphin)

Parkland Residential & Vocational Services (P.R.V.S.I.) was started 56 years ago as a school for children and has evolved since then. P.R.V.S.I. supports 26 individuals in 9 homes, 40 individuals in the day program, and 10 in its independent living program. It also sponsors an Employment Support Program.

Management

Ilene Mayne has been the Executive Director of P.R.V.S.I since 2001. She came with 25 years of experience in municipal administration and skills in the area of accounting, human resource and strategic planning. The president of the board of directors is business owner Todd Tarrant. He is a longtime member of the board and has acted as president since 2010.

Family Service Funding

In 2012/2013, P.R.V.S.I. received $2,432,447 from Family Services. In April 2013, this agency was part of a pilot project in the Parkland region that resulted in a funding increase. As of April 2013, P.R.V.S.I. is funded to provincial guidelines.

In 2013/14, this agency received an additional $304,451.10 in residential funds and $199,694.20 in day service funding from Family Services.

Financial Highlights

In January 2013, P.R.V.S.I. was experiencing a staffing crisis and funding crisis. Their deficit was massive and their ability to attract and retain staff was compromised by a lack of sufficient funding for wages. They were unable to fill shifts with competent staff. If Family Services had not increased funding, the agency’s only option would have been to close homes due to safety concerns and an inability to properly support Individuals. The funding increase that this agency received as part of the Westman/Parkland Pilot project in April 2013 had a positive impact on the agency’s financial sustainability and ability to pay better wages. This funding continued into the 2013/2014 budget year bringing them up to funding guidelines. As of February 2014, P.R.V.S.I. had a surplus of $37,458.03. The 2014/2015 budget calls for a small deficit of around $72,000.
The Funding Crisis

Staffing

Support Workers are paid an average of $15.55 per hour despite only being funded to $12.06/hour by Family Services. P.R.V.S.I. was running short staffed, unable to fill positions prior to the increase in wages. However, since the increase from a starting wage of $14.08 from $10.43, they have been able to fill the positions with more competent staff.

Challenges

In addition to insufficient funding to cover wages for staff, this agency has two vacancies in their residential program that are contributing to the deficit budget.

The agency’s main competition for competent staff is the R.H.A, Home Care, and schools. They are able to pay higher wages.

Another challenge for P.R.V.S.I. is that the funding from Family Services only partially covers the pension and benefits that this agency pays staff. Pension and benefits are critical for recruiting and retaining staff in these regions.

Analysis

The positive changes that resulted from increasing per diems to funding guidelines and the placement of Support Individual in a funding category that is appropriate to their actual care needs demonstrates the importance of ensuring that Family Services does this for all other agencies in the Parkland and Westman regions. However, the money that is lacking for wages, benefits and pensions still leaves this agency with a deficit budget and financially vulnerable in the long term.

Recommendations

It is recommended that Family Services work to fill the two vacancies in P.R.V.S.I.’s residential program.

It is recommended that Family Services review the funding paid to this agency for wages, pension and benefits and determine if increasing that funding level to actual costs would be a cost effective way to reduce staff turnover and the high costs associated with recruiting, hiring, and training new staff.

“Our programs build character and give people the confidence to interact in the community.”

Ilene Mayne
Executive Director
A Story from P.R.V.S.I.

We were very fortunate to have two sisters become a part of our programs. They came with very different support needs. One had been living in her own home and was capable looking after herself to some extent, but she had very low esteem. She was shy and introverted. She didn't have any confidence in her abilities and wasn't confident enough to go out and develop relationships outside her family. She now attends the day program and has many friends. She has blossomed into a confident young lady who holds down a part time job. She has also become somewhat of a peer counsellor.

The other sister, who grew up in a different environment had developed very few life skills. She moved into our transitional apartment with staff to assist and teach her the necessary skills to live on her own. She has since moved into her own apartment with staff supports. She attends the day program. With the assistance of staff and her peers, she has developed a relationship with other family members and now holds down a part time job.

Without the assistance of our programs these, young women would still be struggling, not knowing how to take the next step in becoming involved in the community.
Prairie Partners (Boissevain)

Prairie Partners was started over 50 years ago. Prairie Partners supports 16 individuals who live in 6 homes in Boissevain and provides day programming to 22 individuals. The Sawmill Tea and Coffee Co. is an award-winning café that was opened about four years ago to provide community integrated employment and training for persons with intellectual disabilities.

Management

Prairie Partners has a wealth of experience and skills on their board, including business people, social service providers, and a human resource manager. Jason Dyck has been the Executive Director for the last 8 years. The management team includes a Chartered Accountant and a conflict specialist.

Family Service Funding

The projected funding from Family Services for the 2013/14 fiscal year is $1,428,043. After years of underfunding, the resulting financial and human resource crisis in fall 2012 forced Prairie Partners to suddenly close one of its homes. Since then, Family Services has brought Prairie Partners funding up to Funding Guidelines.

Financial Highlights

Prairie Partners current deficit is $495. The project deficit as of December 2014 is approximately $20,000. The deficit is a result of paying more than the Family Services rate of $12.06/hour to Support Workers. In other areas, Prairie Partners operates under a minimal budget.

Staffing

While funded to $12.06/hour by Family Services, Prairie Partners is currently paying its Support Workers an average of $13/hour and a maximum of $13.25/hour. High staff turnover rates have always existed at Prairie Partners in part due to skilled workers leaving to work for higher wages at the regional health authority. Although there are currently no staffing vacancies, recruiting competent staff has always been a challenge.
Challenges

Located in oil country, Boissevain has a low unemployment rate and, thus, a small pool of potential workers from which to draw. This means that employers that can offer a higher wage, less responsibility, or more regular working hours are able to recruit skilled workers from Prairie Partners.

Analysis

Prairie Partners is in a substantially better position in terms of finances and human resources since funding was brought up to Funding Guidelines approximately 18 months ago. The case of this agency demonstrates both the crisis that can be caused by underfunding and the positive change that can result by bringing rates up to Funding Guidelines.

However, Funding Guidelines do not sufficiently take into consideration the hiring challenges of a particular agency. For example, the Economic Development Officer for Boissevain estimated that Boissevain’s unemployment rate is approximately 1%. The population of Boissevain is roughly 1500 people. This means that hiring for Prairie Partners will be more challenging than for an agency in Winnipeg, where the unemployment rate in February 2014 was 5.4% and with Winnipeg’s Census Metropolitan Area population of about 730,000 (2011). Funding guidelines also do not take into consideration that the presence of the oil industry in a region can greatly increase the cost of living and wage expectations.

Recommendations

It is recommended that Family Services re-evaluate the current funding level of $12.06/hour for Support Workers at Prairie Partners given the impact of the oil industry on the area, the low rate of unemployment, and higher rates of pay at other comparable jobs in Boissevain.
ROSE Inc. (Ste. Rose du Lac)

Regional Occupational Service Enterprises Inc. (ROSE Inc.) has provided support to people with intellectual disabilities for 21 years. In addition to 7 persons receiving respite and 4 persons living semi-independently, ROSE Inc. currently supports 12 persons in its residential program. 21 people attend its day programming. In recent years, ROSE has greatly increased the number of people they support since individuals have moved to St. Rose from the Manitoba Developmental Centre and other places in Manitoba. ROSE Inc. operates a store called Thrift-O-Rama in Ste. Rose du Lac.

Management

Janet Delveaux is currently the Executive Director of ROSE Inc. Marilyn Parthenay is the chair of the board of directors.

Family Service Funding

In 2012/13, ROSE received $1,218,908 in funding from Family Services. They are currently funded below Funding Guidelines.

In October 2013, Family Services conducted an audit. As of March 2014, ROSE Inc. has not received a report on that audit.

Financial Highlights

ROSE Inc. had a deficit of $49,935 as of February 2014. By June 2014, it is estimated that its deficit will be $66,707. If funding from Family Services remains at current levels, ROSE Inc. will likely have to close its doors by December 2014.

Staffing

ROSE Inc. currently pays its Support Workers $14.32/hour while it receives $12.06/hour in funding from Family Services. While ROSE Inc. is still experiencing staffing vacancies and high rates of staff turnover, both have improved since they increased their wages. Other employers that are able to offer higher wages have been known to recruit its trained and experienced staff.
Challenges

In addition to support routinely required by persons with intellectual disabilities, ROSE Inc. has supported, and in many instances continues to support, individuals who require catheter changing care, tube feeding, 24 hour/day oxygen therapy, diabetes and other special diets, as well as other high care issues, such as blindness. Despite supporting persons with complex medical need, ROSE Inc. does not receive funding from Family Services to hire certified health care aides, nurses or other trained medical professionals.

This agency has indicated that it is supporting individuals that are in too low of funding category given their actual support needs as well as chronically funded persons that have not had their per diems increase sufficiently over the years.

Analysis

This agency has a long history of providing support to persons, including those with complex needs, in a small, rural community. If the individuals with complex medical needs who have been or are currently supported by ROSE Inc. did not have intellectual disabilities, it is likely that they would be receiving medical support from trained medical professionals, such as certified health care aides or nurses through the home care program. This begs the question of whether these individuals’ lack of funding for medical care from health care professionals is a result of discrimination based on their intellectual disability.

Recommendations

Given that ROSE Inc. will be forced to close its doors in a matter of months if funding continues as is, it is recommend that Family Services provide temporary emergency funding to ROSE Inc. while permanent solutions to its funding crisis are devised.

It is recommended that Family Services increase ROSE Inc.’s funding so that it is brought up to funding guidelines for the 2014/2015 fiscal year.

It is recommended that Family Services evaluate whether $12.06/hour is sufficient wages in St. Rose du Lac and increase funding accordingly.

It is recommended that Family Services release the findings of its October 2013 audit of ROSE Inc.
It is recommended that Family Services evaluate the needs of Supported Individuals to determine if funds to hire medically trained staff should be allocated to ROSE Inc. to provide medical support for said individuals.

**A Story from ROSE Inc.**

One woman that we support came to us with sleep apnea, very severe diabetes, weighing almost 300lbs, and confined to a wheelchair. ROSE Inc. dedicated one main staff person to oversee this woman’s needs for diet and exercise. This staff member was very dedicated and determined to help this woman succeed. Together they started an exercise program and followed a healthy diet. This woman has since lost over 150lbs. Today, she only takes a small amount of diabetes medication. She has now thrown aside her wheelchair and rides a two-wheel bicycle and holds down a small, part-time job at a grocery store. She is able to do the things she likes to do.
Rolling Dale Enterprises Inc. (Rivers)

Rolling Dale Enterprises Inc. is located in the small town of Rivers, Manitoba. With a strong history of offering programming in the area for the past 40 years, Rolling Dale currently supports 14 individuals residentially and 18 people in its day program. The day programming offers diverse opportunities for individuals, including working in their thrift shop, recycling program, and paper delivery service.

Many of the individuals that are supported by Rolling Dale had lived in institutions, such as Pelican Lake Training Centre and the Manitoba Developmental Centre, before moving to Rivers.

During a financial and consequential human resource crisis situation in 2012, Rolling Dale closed a home in Rivers and the satellite program in Shoal Lake.

Management

Teri Joynt is the Executive Director of Rolling Dale. Jean Greenwood is chair of the board.

Family Service Funding

Since a funding increase in 2013, Rolling Dale is now funded at Funding Guidelines. In 2013/14, Rolling Dale is receiving $1,586,621 from Family Services.

Prior to that, they had Residential per diems as low as $24.90 or $14.14 per day. This is a sharp contrast to nearby Brandon Support Services, whose lowest per diem in 2008 was just over $200.

Financial Highlights

The financial position of Rolling Dale has improved substantially as a result of Family Services bringing their funding up to Funding Guidelines in 2013. Rolling Dale is projecting a surplus in June 2014 due to slippage from unfilled staff positions and shift vacancies.

Staffing

Rolling Dale faces unique staffing challenges because of the limited size of the pool of potential employees in Rivers. As a result, Rolling Dale employs people from Rivers, Alexander, Oak River, Brandon, Hamiota, Rapid City, and Minnedosa.
Rolling Dale increased its wages in 2013 after Family Services brought the agency up to funding guidelines. Direct Support Workers are now started at $13/hour and receive $14.65/hour after 2 years of employment. They have found that staff turnover has decreased since the wage increase.

However, the wage increase has failed to attract enough new competent workers. Rolling Dale currently has 7 vacant staffing positions despite a recent hire of three new employees.

Challenges
Rolling Dale faces challenges due to a lack of community support. They explain that many businesses do not want to support individuals with community job placements or are apprehensive about individuals doing volunteer work for them. They feel tolerated, but not supported or celebrated in Rivers.

Analysis
Rolling Dale is more stable, both in terms of finances and staffing since the increase to Funding Guidelines in 2013. The extremely low per diem rates prior to the funding increase demonstrates how some individuals, particularly those who have been supported for a long period of time, can fall through the cracks in terms of receiving appropriate per diem increases.

Recommendations
It is recommended that Family Services review the staffing crisis in Rolling Dale and increase Support Worker wages sufficiently to fill staffing vacancies with competent staff.

“Sometimes it is difficult to get individuals reassessed when their needs change and when funding is not available. We have continued to support individuals out of a sense of ‘duty’ or ‘loyalty’.

Quote from Rolling Dale
Southwest Community Options (Ninette)

Unless funding from Family Services increases, Southwest has declared it will terminate services as of June 2014.

Founded in 2000, Southwest Community Options was created in response to the closing of the Pelican Lake Centre (a small institution located on Pelican Lake). Southwest has community residences in Killarney, Ninette, and Baldur. As of April 2014, this agency was supporting 29 individuals in its residential program and 21 persons in its day program.

Management
The board includes retired or semi-retired people from health care, social services and mental health care fields. The board treasurer is a small business owner. The Executive Director has been with the agency for 2 years and has 35 years of experience in local government and the private sector.

Family Service Funding
Family Services will provide Southwest with approximately $3.1 million for the fiscal year ending March 31, 2014. Family Services funding to Southwest increased by approximately 6% between the 2005/06 and 2012/13 fiscal years while inflation in Manitoba during that same period was approximately 13%. The number of individuals supported by Southwest has remained relatively stable over the last seven years, with the number of people in the residential homes peaking at 33 in September 2013.

On January 31, 2014, Southwest gave Family Services formal notice that when Service Purchase Agreement it signed with Family Services expires at the end of June 2014, Southwest will terminate service unless funding is increased. Currently, the agency is funded at approximately funding guidelines for residential services. Day Services revenue is less than funding guidelines.

In September 2012 and October 2012, AASU conducted a detail financial review of Southwest. No report had been received as of March 2014.
Financial Highlights

Southwest is currently in a financial crisis. The agency’s operating deficit as of January 31, 2014 was $396,725. In 2013, the operational deficit was approximately half a million dollars. This deficit was a result of wage increases as discussed below. Page 11 of the agency’s March 31, 2013 audited financial statements, notes that Southwest has exposure to liquidity risks “as its working capital at year end is in a deficit position with no additional sources of funding for the coming years to offset the working capital shortfall.”

Staffing

In January 2012, the board and management at Southwest Community Options analyzed the staffing crisis it was experiencing. Southwest was paying Support Workers approximately $12 per hour, as per Family Services funding guidelines. In addition to vacant positions and shifts that could not be filled, there were numerous human resource concerns, such as high rates of staff turnover, grievances, Workers Compensation Board claims, sick days etc. In response to this crisis, Southwest decided to bring Support Worker wages closer to the pay of health care aides and educational assistants in the region. After increasing wages to $15/hour, they found that their human resource problems decreased substantially as they were able to attract more qualified employees. Currently, Southwest is paying $15-$17 per hour. (To put this rate of pay in context, untrained Health Care Aides in the regional health authority receive $16.548/hour as a starting wage.) This increase in wages has resulted in large deficits for Southwest as Family Services continues to pay $12.06 per hour for Support Workers. Like most similar agencies, the lion’s share of Southwest’s budget is directed toward staffing costs.

Challenges

Southwest does not have sufficient income or financial assets in its reserve to sustain its current budget. This includes staff wages. As a result, the agency will no longer be able to provide services as of the end of June 2014.

Analysis

The increase in wages for Support Workers in early 2012 at Southwest were substantial. The decision to do this was inherently risky considering the rate of funding from Family Services for Support Workers’ wages was only approximately $12 per hour and Family Services had not
The Funding Crisis

indicated any willingness to change. A more moderate, gradual wage increase may have been more prudent.

However, it should be noted that the staffing crisis faced by Southwest in January 2012 appears to have been dire and required definitive action. Reports indicate that the lack of qualified staff, staff turnover, and other human resource concerns were negatively impacting Southwest’s ability to support individuals. Despite the large increase in the rate of pay, Southwest’s wages of $15-$17/hour is consistent with wages the Provincial government pays to similar positions at hospitals, personal care homes, and in the home care program in the region. Even at this rate, given the low unemployment rates in the region, there is no guarantee that positions can easily be filled with competent, long-term employees. Currently, the local regional health authority (Prairie Mountain Health) has a large number of vacancies in the surrounding area for home care attendant, health care aide, and dietary aide positions, despite paying comparable wages to (and in some instances higher wages than) Southwest.

The analysis of other agencies in this report indicates that Southwest may be the canary in the coal mine; other agencies appear to be following along on the same path to collapse. Other agencies are facing human resource challenges due to low rates of funding for Support Workers; most have responded by paying a rate that is higher than the rate of funding, but lower than other comparable employers. The net result of this approach is that many of the other agencies continue to struggle to attract sufficient workers and many are also running deficit budgets, albeit less drastically so than Southwest Community Options. However, if the funding situation continues as it is, other agencies will eventually find themselves in the same position as Southwest.

Recommendations

It is recommended that Family Services look at the systemic human resource and financial problems caused in the Parkland and Westman regions by funding Support Workers to $12.06 per hour while other comparable provincial government funded positions in the region pay more.

It is recommended that Family Services evaluate the challenges faced by Southwest in light of these findings.
Thoughts from a Support Worker at Southwest:

“Each individual has grown in many ways within their current community. This is not an easy task for anyone. It takes time, support and sometimes encouragement from a friendly face to adapt to a new community. Many communities are not very accepting, but from what I have witnessed over the last two years working for Southwest Community Options, our individuals are community members within the towns we support.”
Touchwood Park (Neepawa)

Touchwood Park Association Inc. has supported people with intellectual disabilities in the Neepawa community for 51 years. In 2014, Touchwood Park operates one training residence and fourteen group homes. Residential services are provided to 32 people that live in these homes. The supported community living program provides services to 18 people who reside independently in houses and apartments throughout the community. The two day program sites provide vocational skill training, individualized and group activities to 54 people. Touchwood Park employs 67 staff members from Neepawa and the surrounding area.

Management

The Executive Director of Touchwood Park is Arleigh Wilson. She has held this position for 14 years and prior to her present position, she was the CFO for 4 years. Long time board member Blake McCutcheon is President of the board.

Family Service Funding

Touchwood Park’s residential per diems in the past 2 years have been increased and are now funded close to 70% at funding guidelines. Part of the reason for the increase to funding guidelines is due to the growth of new Individuals in the Residential program by 14 participants and by 15 participants in the Day Service program. The 2013/2014 fiscal year, Touchwood Park received $3,006,361.00. Touchwood Park has calculated that if the organization was funded 100% at funding guidelines throughout all cost centers, it would receive approximately $4,202,210.00. Family Services has not conducted an audit or funding review of Touchwood Park in the last three years.

Financial Highlights

As of February 2014, Touchwood Park had a deficit of $18,832.00. This deficit is based on subtracting the additional revenue and fundraising money collected outside the current service purchase agreement. Touchwood Park Day Program is currently running a deficit of $71,127.00 and the Supported Community Living program is currently running a deficit of $12,011.00. Both cost centers are not funded at funding guidelines.
**Staffing**

Touchwood Park is located in the rapidly growing town of Neepawa, MB. In 2011, the population of Neepawa was approximately 4000 and has grown in 2014 to over 5000 due to the increase of temporary foreign workers from the Philippines who are employed at the local pork plant. Employees at the pork plant have brought their families to Neepawa, creating a pool of new employees for Touchwood Park. Touchwood Park does experience some language barriers with staff from the Filipino community.

The Touchwood Park Board of Directors passed a resolution to address the employee’s wage of $12.06/hour (mid-range of pay scale). Employees are now paid a loyalty bonus of $2.60/hour as designated by Touchwood Park.

Touchwood Park has indicated that it has had less staff turnover and a better application pool to hire from since the implementation of the loyalty bonus.

**Challenges**

Touchwood Park’s Day Program and Supported Community Living program are running large deficits and they are not funding to funded guidelines.

Touchwood Park believes that they have Supported Individuals in too low of funding category for their actual support needs.

Touchwood Park has had their trained and experienced staff recruited by other employers funded by the Government that can pay higher wages.

**Analysis**

Touchwood Park has had less difficulty recruiting staff than most other agencies in the regions, in part due to the recent influx of new immigrants into Neepawa.

Touchwood Park has identified that the major contributors to the agency’s deficit is the Day Program, Supported Community Living program and the monthly loyalty bonus increasing wages above the rate of $12.06/hour that the organization receives to pay employees.

**Recommendations**

It is recommended that Family Services increase the funding for the Touchwood Park to 100% of the Provincial funding guidelines.

It is recommended that Family Services review the needs levels of Supported Individuals that Touchwood Park believes are in a lower funding category given their actual support needs.

“*We are disappointed with the Government’s ongoing lack of commitment to be equitable in the implementation of the funding guidelines throughout all agencies.*”

Arleigh Wilson  
Executive Director  
Touchwood Park
Westman Opportunities (Brandon)

Westman Opportunities has been in operation for 37 years. Westman Opportunities Inc. was the first and largest established group home in Brandon. The home was started in 1977 by a group of family members and friends. When the first home could not accommodate the demands of the home members, a new home was built to provide each with their own room and accessibility that fit everyone’s needs and level of mobility. This family unit has been living together now for more than 35 years.

Over the years, Westman House has also been a place to assist individuals moving out of homes that were not appropriate or safe for the person. The size and accessibility of their home enables Westman Opportunities to support individuals with disabilities ranging from enhanced, non-ambulant care to minimal support. This can be short-term crisis support or permanent support. It currently supports six individuals in its residential program and does not offer day programming.

Management

The Executive Director of Westman Opportunities is Wendy Kennedy. The Chair of the board is Bill Turner.

Family Service Funding

Westman Opportunities is currently funded at Provincial funding guidelines. In 2013/2014, Westman Opportunities received $296,833 in funding from Family Services. Family Services has not conducted an audit of Westman Opportunities in the last three years.

Financial Highlights

Westman Opportunities had an operational deficit of $32,000 as of February 2014. The agency estimates its deficit will be approximately $41,000 as of June 2014 and $57,000 as of December 2014 if funding continues at current levels. If funding from Family Services does not increase, Westman Opportunities projects that it will have to close its doors in four years.

Staffing

Westman Opportunities is currently paying Support Workers $12.50 to $14.75. Despite paying above the level they are funded to by Family Services, this agency is still experiencing difficulty
recruiting competent staff. In addition, they have one small vacant staff position that they are having difficulty filling.

“Most or all of our applicants have little or no experience. Approximately 25% of applicants with no experience can be trained and become competent staff. Remaining staff are not competent for the job even after training.”

– Westman Opportunities

Challenges

In addition to the staffing difficulties discussed above, one of the other challenges that Westman Opportunities is facing is providing safety and security for two home members that suffer from Alzheimer’s disease.

Analysis

Westman Opportunities is struggling due to insufficient funding for wages. They cannot compete with other employers that can offer higher wages and are forced to hire staff with little or no experience. Westman Opportunities indicated that even after investing time and money into training for the untrained staff, 75% are still not competent enough for the job. This is particularly problematic given the challenges the agency is facing supporting individuals with complex needs (such as Alzheimer’s disease).

Recommendations

It is recommended that Family Services review the staffing needs of Westman Opportunities to determine if $12.06/hour is a sufficient average wage for Support Workers, particularly given the complex needs of the residents (such as Alzheimer’s) and the employment climate in Brandon.
The Funding Crisis

Winnipegosis and District Residential Services

Winnipegosis is a village of approximately 650 people located about 300 km NW of Winnipeg. Winnipegosis and District Residential Services (WDRS) has been in operation since 1984. They support 15 people in their residential program and 14 people in their day program.

Management

The Executive Director of WDRS is Jackie Patterson. Kate Basford is chairperson of the Board of Directors.

Family Service Funding

For the 2013/2014 fiscal year, WDRS received $898,569 in funding from Family Services. The WDRS Day Program is not funded at Provincial funding guidelines and is currently running a deficit of $18,665.

Financial Highlights

As of February 2014, WDRS had an operational deficit of $3450. In addition, they paid $15,930 on their loan principle, resulting in a total deficit of $19,380. The deficit is projected to be $68,180 by June 2014. If their two empty beds are not filled, they are projecting a deficit of $122,000 by December 2014.

Staffing

WDRS pays Support Workers a starting wage of $14.43/hour. However, they have many long-term staff. While this reflects well on WDRS as an employer and on the consistency of familiar support they are able to offer Supported Individuals, it also means that many of the Support Workers are at the top of the pay grid.

WDRS is currently not having difficulty recruiting staff, however, often competent, trained staff leave to work for homecare.

Challenges

In addition to financial troubles, this agency is helping staff to learn how to cope with mental health and behavior problems, such as aggression and assaultive behavior, as well as autistic
behaviours. This challenge is compounded when other employers that can pay more (usually homecare) recruits their trained and experienced staff.

Analysis

This agency is showing signs of financial instability as a result of low levels of Family Services funding. They are making large loan payments that are compounding the problem of an already deficit operating budget. This deficit is due to an underfunded Day Program and paying Support Workers more than the government funded $12.06/hour.

A review of this agency’s assets and liabilities indicates that although it currently has more assets than liabilities, that difference between the two will disappear rapidly (perhaps by early 2016) if the agency continues to operate with the same funding level and under a large deficit.

Recommendations

It is recommended that Family Services increase funding to Provincial funding guidelines for all cost centres at WDRS.

It is recommended that Family Services provide additional funding to WDRS for wages and training for Support Workers that assist individuals with complex needs or behaviours.

“Many of the people that work for us strive to improve the lives of the people they assist each day, acting as nurses, mental therapists, teachers and confidents, while not being acknowledged as part of the health care team and being paid slightly over minimum wage.”

Jackie Patterson
Executive Director of WDRS
Works Cited


