

### 3. Outlining the FVPP Shelter Funding Methodology

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The overarching rationale for the development of a new funding methodology was in response to the 2005 evaluation conclusions. The related 2005 conclusion intended the methodology to assist with the overall improvement of funded Shelters. The research behind the development of the methodology found the following nine action items were required in order to improve the Shelters and bring them to a level that was predictable, sufficient and sustainable. These nine action items are listed below.

1. Introduce a new funding formula for shelters that takes into account province of operation, size of the shelter, and remoteness of the shelter.
2. Provide supports to shelters as they upgrade staff training and the facilities.
3. Develop standards for shelter service provision.
4. Address the governance structure of the shelters.
5. Conduct a full review of the funding prior to the lapse of the second year.
6. Revise the reporting requirements for shelters to enable an assessment of outcomes as well as compliance with standards.
7. Arrange for annual reviews (regional peer review) to assess adherence to standards and ways of improving services.
8. Establish a plan for maintenance of facility and operational equipment, as well as vehicles.
9. Address the broader issue of how to manage the FVPP prevention dollars in relation to increases in shelter budgets, particularly with the Core Services of shelters including outreach activities.

Based on review of review of research, census information, interviews with INAC regional representatives, P/T governments, NACAFV members and Shelters directors the following funding formula was developed:

FVPP SHELTER FUNDING FORMULA	
SHELTER SIZE	Shelter size determines # Positions by Type Needed
PROVINCE	Census Staff Wages by Position
EXPENSES	$(CSW/Pos * \# / Pos) * 1.0845 (Benefits) = SS$   $1/4 SS = OE$
LOCATION	Staff Factor = $SS * .05 * (0.0-2.6)$   Expense Factor = $OE * .25 * (0.0-1.35)$
TOTAL BUDGET	$(SS + OE) + (SS * [0.0-2.6]) (OE * [0.0-1.35])$

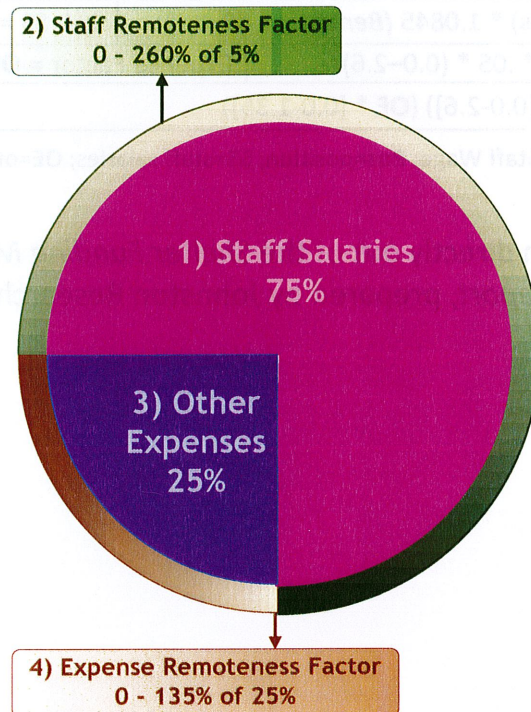
**Legend:** CSW=Census 2006 Equivalent Staff Wage; Pos=position; SS=staff salaries; OE=other expenses

The following 5 pages are taken directly out of the *Shelter Funding Methodology for the Family Violence Prevention Program Report*, prepared by Johnston Research Inc. (31 July 2006).



## Funding Formula Calculations

The funding formula includes four categories: staff salaries, other expenses, a staff remoteness factor, and an expenses remoteness factor. The proportions for these are illustrated below. The core Shelter operating budget includes staff salaries and other expenses: 75% is for staff salaries, and other expenses make up the other 25%. When Shelters are operating a significant distance from a major city centre, an additional 0 to 135% is applied to a 25% of the other expenses budget to cover the additional cost of living associated with these areas. Similarly, the location of a Shelter may require that 5% of the staff salaries are increased between 0.0 to 260%.



The specific dollar amount calculations take into consideration location and size variations. First, the Shelter size needs to be determined by considering the number of beds (assuming full capacity). The Shelter size determines the number and type of positions considered for the funding formula. Second, the Shelter's province of location determines the staff wages. Third, staff wages and benefits can be calculated, along with other expenses. Finally, the geographic location is considered.

## PRINCIPLES

The following principles guided our work in developing the funding formula:

- ◆ That “core services” should be considered a minimum standard; every Shelter should provide these services. Core services are listed in the text box on the following page.
- ◆ That the services provided through Shelters should be at minimum culturally-appropriate, but strive to be culturally-based.
- ◆ That staff salaries should be competitive with those of similar positions in the province.
- ◆ That staff salaries and basic operational costs should be fully funded because fundraising is often not feasible.

### **Core Shelter Services**

- ◆ A warm and respectful residential environment, with appropriate space for children
- ◆ Physical protection and security (both inside and outside the shelter)
- ◆ Individual case planning, referral and advocacy with regard to access to other supports/systems/resources (social, legal, medical, etc.)
- ◆ Culturally appropriate or culturally based education and crisis counselling (group and individual) in the areas of:
  - Family violence
  - Parenting skills
  - Life skills
  - Traditional Healing
  - Addictions<sup>23</sup>
  - Mental health
- ◆ Nutritious meals and safe food preparation
- ◆ Transportation
- ◆ Crisis intervention (including a 24 hour crisis telephone line)
- ◆ Child care and children’s programming/counselling
- ◆ Follow-up and other post-residence supports
- ◆ Education and counselling for men (perpetrators and victims)
- ◆ Data collection/tracking for administrative and evaluative purposes
- ◆ Protection of privacy and confidentiality
- ◆ Community education and awareness raising (service providers and general public awareness)
- ◆ Development of networks, collaborations and protocols with other agencies/organizations (shelters, police, healing and health promotion, medical agencies, child and family services, legal aid, social assistance agencies, social housing, etc.)

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<sup>23</sup> Addictions and mental health services would normally be provided through the health system, but shelter workers should be prepared to provide crisis counselling in these areas.



*NOTE: The Alberta On-Reserve Shelters reported that they are currently underfunded and are operating with insufficient funds. From the **SHELTER FUNDING METHODOLOGY FOR THE FAMILY VIOLENCE PREVENTION PROGRAM REPORT**,...*

Shelter operators have indicated that, when they have insufficient funds they must prioritize expenses and “make do” in the following ways:

**a. Staffing:**

- ◆ Reduce staffing levels (through temporary lay-offs and/or termination) – often only one person on shift at any given time.
- ◆ Do not have relief staff (in case of crisis and/or staff illness).
- ◆ First to be let go are security staff, then outreach workers, then counselling staff.
- ◆ Eliminate staff training and development.
- ◆ PAY MARGINAL WAGES (in some cases just a few cents more than minimum wage).

**b. Services:**

- ◆ Reduce levels of service as staffing levels reduced (i.e., go from one-on-one counselling to group counselling).
- ◆ Close shelter for a period of time.

**c. Physical facilities:**

- ◆ Cannot afford repairs to facilities and/or equipment, such as alarm system, washer & dryer, security light – simply go without.
- ◆ Maintenance of the facility suffers.
- ◆ Do not replace items, such as furniture, that is old, dusty and in disrepair.

They further reported that these compromises have the following impacts on the shelter, the staff, the women and families being served, and the community:

**a. Staff:**

- ◆ Uncertainty in employment
- ◆ Staff overworked and face burnout
- ◆ Difficult to attract staff with appropriate level of skill and education
- ◆ Health and safety/security jeopardized

**b. Women and families:**

- ◆ Health and safety/security jeopardized
- ◆ Services are not available when they need them – may be turned away
- ◆ Quality of services suffer

### c. Community:

- ◆ Community loses faith in the shelters' ability to help women, so do not support the shelter's existence
- ◆ Fewer people coming into shelter (people staying in dangerous situations)

## LEGAL ISSUES

There are a number of legal issues that must be considered when developing a funding formula for on-reserve emergency shelters.

INAC must ensure that shelters have sufficient funding to comply with relevant provincial regimes in their operation. These will differ from province to province, but will generally include legislation dealing with:

- ◆ Employment standards
- ◆ Health and safety
- ◆ Working alone
- ◆ Licensing and permits (this may include municipal by-laws)

In addition to general liability issues associated with under-funding emergency shelters, such as knowingly placing women at risk of harm, insurance, etc., the disparity in levels of funding between FVPP and provincially funded shelters could give rise to the following types of legal action:

- ◆ Human Rights claims;
- ◆ Constitutional challenges; and/or
- ◆ Class action law suits.

Finally, some provinces have legislated standards that shelters must comply with. Newfoundland for example is in the process of implementing such standards. It is not clear whether these standards extend to the operation of on-reserve shelters, but it will be important to consider this possibility.

It will be very important for INAC to consult with their legal department about the above mentioned issues prior to making any final decisions. As well, greater information about the potential legal risks associated with shelter funding will support more appropriate decision-making at upper levels of government.



## STAFF WAGES

The table below was used as a tool for deriving the funding amounts, and is **not** intended to be prescriptive. Each Shelter will need to decide on an appropriate staff complement to provide the core services identified above. However, all Shelters should be brought up to a *minimum* standard based on the Shelter size. At a minimum, Shelters should have a director, a part time administrative assistant, 4.5 crisis care workers, an outreach worker, and a part time staff member who can provide programming. Larger shelters should have more staff.

An example of a small shelter includes 2-3 units and/or about 4-6 beds. A medium shelter includes about 5 units and/or 10-12 beds.<sup>24</sup> A large shelter would have around 7-10 units and/or 13-20 beds. Extra-large shelters include 12 units and/or 21- 30 beds.

SHELTER STAFF COMPLEMENT USED FOR FUNDING FORMULA CALCULATIONS			
SMALL SHELTERS	MEDIUM SHELTERS	LARGE SHELTERS	EXTRA LARGE SHELTERS
1.0 Director/ Coordinator	1.0 Director/ Coordinator	1.0 Director/ Coordinator	1.0 Director/ Coordinator
0.5 Admin Assistant	0.5 Admin Assistant	1.0 Admin Assistant	1.0 Admin Assistant
4.5 Crisis Care Workers	5.5 Crisis Care Workers	6.5 Crisis Care Workers	7.5 Crisis Care Workers
1.0 Outreach Worker	1.0 Outreach Worker	1.0 Outreach Worker	1.0 Outreach Worker
1.0 Counsellor	1.0 Counsellors	1.5 Counsellors	2.0 Counsellors
0.5 House/Cook Support	0.5 House/Cook Support	1.0 House/Cook Support	1.0 House/Cook Support
0.5 Child Care Worker	0.5 Child Care Worker	1.0 Child Care Worker	1.0 Child Care Workers

<sup>24</sup> This classification is consistent with the province of Quebec funding model.

## STAFF SALARIES BY OCCUPATIONAL CLASSIFICATION

Province: Alberta

Weekly wage increase June 2000 - June 2006 by position type: M=40.443%, SS=35.59%, CH=49.40%

Occupational Classification	2000 Average Salary	2006 Equivalent
Managers in Social, Community and Correctional Services	\$ 43,312.00	\$60,827.51
General Office Clerks	\$ 30,720.00	\$41,653.88
Social Workers	\$ 40,146.00	\$54,434.78
Family, Marriage and Other Related Counsellors	\$ 33,296.00	\$45,146.73
Community and Social Service Workers	\$ 29,378.00	\$39,834.23
Security Guards and Related Occupations	\$ 24,860.00	\$33,708.18
Visiting Homemakers, Housekeepers and Related Occupations	\$ 23,296.00	\$34,806.13
Early Childhood Educators and Assistants	\$ 18,426.00	\$27,529.95



### 3.1. Applying the INAC Funding Methodology to Alberta Shelters

Utilizing the *Shelter Funding Methodology for the Family Violence Prevention Program*, prepared by Johnston Research Inc. (31 July 2006), the five Shelters that were funded in 2006 would have been classified as four large Shelters (Bigstone Cree, Eagle’s Nest, Ermineskin, and Sucker Creek) and one small Shelter (Paspew House). Utilizing the *Shelter Staff Complement Used for Funding Formula Calculations* chart the total column in the chart below is transferred to the Staff column in the *Alberta On-reserve Shelters Funding Calculations* chart. From the salaries the second chart below calculates a total of 75% salaries and 25% other expenses and then adds the 20.45% for benefits to the salaries. The remoteness factor was not included here to allow for simplicity, the point is well made without these additional calculations.

SMALL SHELTERS	LARGE SHELTERS	TOTALS
1.0 Director/ Coordinator	4.0 Director/ Coordinator	5.0 Director/ Coordinator
0.5 Admin Assistant	4.0 Admin Assistant	4.5 Admin Assistant
4.5 Crisis Care Workers	26.0 Crisis Care Workers	30.5 Crisis Care Workers
1.0 Outreach Worker	4.0 Outreach Worker	5.0 Outreach Worker
1.0 Counsellor	6.0 Counsellors	7.0 Counsellors
0.5 House/Cook Support	4.0 House/Cook Support	4.5 House/Cook Support
0.5 Child Care Worker	4.0 Child Care Worker	4.5 Child Care Worker

Salaries & Benefits	Salary Sub-Total	Benefits 20.45%	Total
Director	304,138	62,196	366,334
Admin Assistant	187,442	38,332	225,774
Crisis Workers	1,214,944	248,456	1,463,400
Outreach Workers	199,171	40,731	239,902
Counsellor	316,027	64,628	380,655
House/Cook	156,628	32,030	188,658
Child care	123,885	25,334	149,219
Salaries	2,514,534	514,222	3,028,757
Other Expenses	838,178		1,009,586
	<b>3,352,712</b>	<b>514,222</b>	<b>4,038,342</b>

In 2006, the five Alberta shelters funded by INAC should have received \$4,038,342. The next chart shows how much this would be by the 2010-11 fiscal year. Using the funding formula suggested



inflation amount of 1.2%, the estimated amount needed in 2010-11 for the provision of a minimal standard of services was \$4.236 million for five Shelters in Alberta. Note, that the actual

Salaries & Benefits	2006/07	2007/08	2008/09	2009/10	2010/11
Director	366,334	370,730	375,178	379,681	384,236
Admin Assistant	225,774	228,484	231,226	234,000	236,807
Crisis Workers	1,463,400	1,480,961	1,498,732	1,516,717	1,534,916
Outreach Workers	239,902	242,780	245,694	248,642	251,626
Counsellor	380,655	385,223	389,845	394,523	399,256
House/Cook	188,658	190,922	193,213	195,531	197,878
Child care	149,219	151,010	152,822	154,656	172,056
Salaries	3,028,757	3,065,102	3,101,883	3,139,106	3,176,775
Other Expenses	1,009,586	1,021,701	1,033,961	1,046,369	1,058,925
	<b>4,038,342</b>	<b>4,086,802</b>	<b>4,135,844</b>	<b>4,185,474</b>	<b>4,235,700</b>

By 2010-11 there were six Shelters in Alberta and this sixth Shelter is classified as extra-large with 22 beds (Kainai Wellness). With the addition of this Shelter (\$1,000,083)<sup>25</sup> to the 2010-11 amount of the other five Shelters the estimated costs were \$5,235,783 to properly operate the six Alberta Shelters.

### 3.2. Examining the Implementation of the Methodology by INAC

To-date, INAC claims it has implemented the new funding methodology (31 July 2006). There certainly have been increases in the overall amount of funding allocated to FVPP. Since, the 2007/08 fiscal year, funding has increased annually by \$8.3 million (from \$18.5 million to \$26.8 million annually). Further, in 2009-10, \$2.8 million was allocated to the support and operation of five new Shelters. The new FVPP base amount of \$28.6 million allocates \$2.7931 million to Alberta for the six Shelters (see Appendix A).

As can be seen in the previous section, when the funding formula is actually applied to Alberta, the 2010-11 INAC funding was inadequate. If they are in fact implementing the funding methodology then it is being done using a deficit approach. In order for each Shelter to be treated equally under the new funding methodology utilizing a base of \$26.8 million, all Shelters would need to operate at a deficit, using the funding formulas minimal standards. For Alberta, in 2010-11 this deficit is \$2.4427 million.

<sup>25</sup> An extra-large shelter in Alberta would cost with 1.2% inflation \$750,062 for salaries and benefits and \$250,021 for expenses.