



Department of Immigration, Population Growth and Skills Supported Employment Program Review

Part 2: Project Extension | Final Report



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Project Background

Deloitte was engaged to conduct a review of the Supported Employment Program (SEP) and provide recommendations to improve the effectiveness, economics, and efficiency of the program within the current budget allocated by the Department. The results of that review are contained within a final report titled: ***Supported Employment Program Review - Final Report***. This report should be considered an addendum to that report.

A component of the SEP program is the Purchased Support/Supported Employment Job Trainers program. Upon delivery of the Supported Employment Program Review draft report, the Department identified a desire for additional procedures to be performed to ensure a complete and accurate reflection of the program and program controls was obtained. This report represents the additional procedures and activities employed to evaluate the Purchased Support/Supported Employment Job Trainers program, policies, and guidelines and use of funding within the 18 Supported Employment Agencies.





Project Background

Purchased support, is an arrangement used by agencies when an employer is willing to have an existing staff member provide required support to the participant instead of using a job trainer. To facilitate this support arrangement, agencies will negotiate a purchased support agreement with the employer, stipulating an amount to be paid to the employer for every hour worked by the program participant. This amount (which is usually approximately half of the participants hourly wage), is used to compensate the employer for providing disability-related supports to the program participant.

Job trainers are matched with program participants prior to their job placement to prepare them for employment, and job trainer supports are provided to the participant according to their individualized employment plan, which is distinct and specific to the needs of each participant. An example of supports that are provided by a job trainer once the participant has started work includes:

- Guidance and direction on the employer's expectation and workplace standards;
- One-on-one, on-site training and support, including orientation to workplace health and safety as required;
- General orientation to the workplace and assistance in understanding the culture of each individual workplace, (e.g., lunchroom etiquette, the social environment, and activities, etc.);
- Identifying, anticipating, and resolving issues as they arise during employment;
- Working with the participant and the employer to identify and make use of internal/external training and career development opportunities that align with the objectives and goals of their supported employment action plan;
- Helping build the participant's work capacity, support better access to workplace benefits, achieving higher employment income, increased social interaction with co-workers and improved integration within the work setting.

Recognizing that while the budget has grown by \$3.2 million since 2017-18, only about 100 new participants are supported annually (569 in 2017-18 vs 676 in 2022-23). Review of financial data indicates that less than 10 per cent of the overall budget can support new participants annually. Some organizations have not had any new participants in recent years, while on average organizations accept only two to three new participants annually. Most of the current participant base have been with the program for five years or more, and the outlook for independent employment is unclear. In addition to this, federal funding has been cut by \$16.5M annually, requiring IPGS to re-consider how to best support program participants with fewer dollars.

During this project, we have assessed a series of these statements above, from which we have arrived at the observations presented in the proceeding pages.

Summary of Observations

Observations identified in this report are summarized below. On the proceeding pages, we have provided a more fulsome account and identified if and where the observation is linked to findings in the ***Supported Employment Program Review - Final Report***.

ID	Theme	Observation Details
Obs-1	Mandate and Objectives	The interpretation of the program mandate and objectives vary between agencies and does not align with the mandate and policies as provided by the Department to Deloitte.
Obs-2	Mandate and Objectives	There is a lack of consistency among employers regarding their perception of the Purchased Support program.
Obs-3	Service Delivery	Several current program participants lack the capabilities to achieve long-term, meaningful, and self-sustainable employment
Obs-4	Service Delivery	The rates being used in the Purchased Support program are higher than the rate recommended in the policy.
Obs-5	Service Delivery	Several agencies lack sufficient controls to ensure purchased supports are allocated based on actual time worked by the employee.
Obs-6	Service Delivery	Agencies do not implement plans and monitoring processes to adequately allow for supports to be decreased in line with the program mandate.
Obs-7	Service Delivery	Certain contracts between agencies and employers lack information relevant to the individual's employment. In certain cases, a contract does not exist between the agency and the employer.
Obs-8	Going Concern	Concerns were identified regarding the viability and operations of Green Bay Community Employment Corporation (and others solely dependent on IPGS funding).

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-1	Mandate and Objectives	<p>Observed and corroborated with agency representatives that the interpretation of the program mandate and objectives vary between agencies and does not align with the mandate and policies as provided by the Department to Deloitte.</p> <p>Aligned with Key Finding 4.1</p>	<p>Many of the leaders currently in place at the employment agencies in the province have held their positions for over 10 years. During this time, the program has undergone changes and transitions between different departments within the Government of Newfoundland and Labrador. Initially, the program was established under the Health and Community Services portfolio, with a clear directive stating that "all individuals with disabilities who want a job will be able to find a job". This meant that individuals with intellectual disabilities, regardless of their capabilities, were eligible to apply for and receive supported employment opportunities. However, as the program has evolved and now operates under the Department of Immigration, Population Growth, and Skills, the mandate is not clear. Previously issued 'guidance' from 2016 labeled <i>Supported Employment Program (Job Trainer and School to Work Transitions) Guidelines</i> that identified the allowance for continued support throughout an individual's work life conflict with the current focus to prioritize self-sustained employment opportunities.</p> <p>The new focus on self-sustaining employment opportunities, has proven to be a challenge for some program supported individuals, given that some individuals do not have the capabilities to be self-sustaining and do require ongoing support. While others are getting funds for full time support but are self sustaining and are doing well independently after initial training and support was provided.</p> <p>Deloitte heard from agencies that many individuals would not be eligible or employable with a mandate solely focused on self-sustainment. This raises concerns about the potential exclusion of certain individuals from accessing employment opportunities and the long-term sustainability of their employment. However, secondarily, the question also exists whether the mandate of a separate program or segment of this program, should be enhanced to focus on providing employment supports for individuals without paths to self-sustainment.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-2	Mandate and Objectives	<p>Interviews with agencies revealed a lack of consistency among employers regarding their perception of the Purchased Support program. It is evident that there is a divergence in the intent for the program and how some employers interpret and approach the program.</p> <p>Some employers perceive the Purchased Support program primarily as a wage subsidy, relying on it to cover the wages of the supported individuals throughout their period of employment. Also, there is a misconception with the job trainer program where some employers treat the job trainers as their own employees, indicating a misunderstanding of the program's purpose and potentially viewing it as a staffing solution rather than a way to train employees with intellectual disabilities.</p> <p>Note: <i>Job trainers perceived to be a 2 for 1 deal – with some replacing their client when they are out sick. Employer gets the benefit of coverage.</i></p>	<p>As noted, some agencies misunderstand the mandate of the program, which includes those that treat the Purchased Support program as a wage subsidy. Employers that deal with these agencies would have the same view and have therefore supported this funding approach.</p> <p>Our interviews noted that there are many employers using the program for wage subsidy even though the agency is aware that the intention is for training and support costs. This demonstrates that more reinforcement and clarity is needed to realign the funding to its intended purpose. It is also possible that some employers are being told the purpose but are ignoring the guidance, thereby demonstrating there may be a lack of control to enforce accountability or penalize non-compliance.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-3	Service Delivery	<p>It has been observed, through corroborative inquiry with agency representatives, that several current program participants lack the capabilities to achieve long-term, meaningful, and self-sustainable employment regardless of the level of support provided. Several participants are said to require hands-on and constant instruction and/or support to complete tasks. Furthermore, the eligibility screening process is not designed to assess for minimum skills and capabilities.</p> <p><i>Aligned with Key Finding 4.3.6, 4.3.7</i></p>	<p>As noted, discrepancies regarding the mandate of the program have led to the inclusion of individuals who may be better supported by other social supports. The eligibility screening process is not designed to assess the minimum physical and cognitive skills and capabilities required for long-term, meaningful, and self-sustained employment. This leads to participants entering the program without the necessary abilities to succeed independently in the workforce.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-4	Service Delivery	<p>Observed that the rates being used in the Purchased Support program are higher than the rate recommended in the policy. According to the policy, the rate should be approximately half of the participant's hourly wage, and this amount is meant to compensate the employer for providing disability-related supports to the program participant.</p> <p>During our review, a total of 47 purchased support agreements were sampled from the fiscal year that ended on March 31, 2024. Of the 39 agreements that could be assessed, 35 were found to have rates that exceed the recommended rate of half of the participant's hourly wage, including 10 agreements that covered the full wage of the employee.</p> <p>Furthermore, when calculated based on the minimum wage of \$15 (for the period under review), assuming a 40-hour workweek for 50 weeks of the year, the total expenses for a purchased support agreement with a rate not exceeding half that of the program participant should not exceed \$15,000. However, it was found that 18 out of the 47 sampled agreements for purchased supports sampled exceeded this amount.</p>	<p>Based on these findings, it is evident that there is a discrepancy between the recommended rates in the policy and the actual rates being used in the Purchased Support program.</p> <p>Some agencies hold the belief that the Purchased Support program should cover the entire wage of the supported individual and reimburse the full wage to the employer, where others believe that anything below a job trainer's wage is acceptable. This is clearly not in compliance with the program. It also demonstrates that there is a lack of control to prohibit the employers to receive funding beyond the stated threshold.</p> <p>Also, there are agencies that attempt to negotiate a rate closer to the specified funding rate. However, they often face resistance from employers who argue that the level of support required justifies higher rates, especially when compared to what other employers receive. In our review, it was unclear, based on the policy, whether there is permissible discretion that can be applied by the agencies to allocate additional funding for some employers.</p> <p>In interviews conducted with agencies, a common concern that emerged was the fear that employers would stop employing individuals in the program if the rate was required to be lower. These employers either created a job specifically for the employee or would hire a different employee to replace the individual in the program. Further clarity is needed on what level of rate setting discretion is allowable to confirm employment.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-5	Service Delivery	<p>Several agencies lack sufficient controls to ensure purchased supports are allocated based on actual time worked by the employee. Specifically, these agencies do not have controls in place to verify that purchased support funds are only disbursed when the employee works. Additionally, there are deficiencies in controls related to ensuring proper payment to employers and ensuring that job trainers work the same hours as supported employees.</p> <p>Certain agencies require a detailed form from employers before making payments and use pay stubs and/or shift reports to verify hours worked, vacation paid, and wage rates. Some agencies also conduct on-site visits for additional verification. However, other agencies rely solely on on-site visits as their primary method of verification and do not rely on a review of actual hours worked and salary paid to the employee.</p> <p>Based on the sample of 90 individuals, 18 samples were found to have effective controls, 43 samples were found to have ineffective controls, and the remaining 29 samples could not be assessed due to insufficient information provided.</p> <p>These deficiencies in controls have resulted in instances where purchased support funds are disbursed even when the supported employee is not working, including when receiving vacation pay. This raises concerns about the accuracy and integrity of the compensation process within these agencies.</p>	<p>The review of documents provided by the agencies revealed that financial controls are not consistently applied throughout the agencies. This is due to the lack of clear guidelines from the department, resulting in agencies developing their own validation practices. While some agencies have robust practices to ensure program compliance, others do not.</p> <p>To ensure consistency and effectiveness, the department should provide clear expectations to agencies for validation, including the use of detailed forms, documentation review, and on-site visits. Employers should be clearly told what is expected in terms of documentation to support the activities of the employee. Agencies should adopt a comprehensive approach to verification to minimize errors and potential misuse of funds.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-6	Service delivery	<p>Observed that agencies do not implement plans and monitoring processes to adequately allow for supports to be decreased in line with the program mandate. Though some agencies have found success with transitioning certain clients to natural supports, it has been noted as rare by some agencies.</p> <p>The program mandate expects that supported employees will, in reasonable time, move toward independence and be able to therefore reduce the need for support. Based on our observations, we did not see a systematic method of monitoring and moving employees off support. Employers have a high expectation of continued support and there are some rare (Ad hoc) situations where employers end their need for funding and move the employee to a permanent full-time / part time position.</p> <p>Aligned with Key Finding 4.1, 4.3.7</p>	<p>Agencies have received limited guidance towards optimal monitoring practices and are left to their judgement to decide how they should monitor clients. Though the intent for an eventual reduction of support is communicated by the department and is evident, in most contracts with employers, that agencies do not establish plans to reduce reliance on the supports.</p> <p>When agencies transition clients to reduced / ending supports, it appears to be because of the specific employee / employer relationship and performance that enables the individual to be hired at a standard employee status</p> <p>There was no clear evidence to support that a systematic, planned, and measured process is implemented to create a sliding (downward) funding mechanism for employees after a period of support and training.</p> <p>For example, an agency that has had multiple clients transition to natural supports attempted to transition a client with a job trainer to natural supports, then shifted to purchased support when the employee needed more support from the employer than expected.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-7	Service Delivery	<p>Contract details between the agencies and employers do not follow a standard approach, rooted in best practices. While many have similar components and content, certain contracts with employers do not include details relevant to the employment of the supported individuals. This includes the supported employee's wage, expected hours for the employee, an individual identified to support the employee, criteria for funding, reporting expectations, etc.</p> <p>In some cases, a contract does not even exist. For the 47 employees under Purchased Supports, 2 were confirmed to have no contract. Contracts for a further 8 individuals under purchased supports were not provided upon request and may not exist. Contracts were only provided for 2 out of 43 employees with Job Trainers sampled. Without the agreement, the employer may not have an accurate understanding of their expectations and accountabilities and could believe they are entitled to use the job trainer as an employee.</p>	<p>As noted, agencies often lack clear guidelines from the department. This includes regarding appropriate content for contracts with employers.</p> <p>It was identified that there was seldom a contract negotiated and signed / agreed to between the agency and the employer for job trainer support. The prevailing belief among agencies is that they do not need a contract with employers when a client uses a job trainer.</p>

Detailed Observations

ID	Theme	Observation Details	Additional Details
Obs-8	Going Concern	<p>Concerns were identified regarding the viability and operations of Green Bay Community Employment Corporation.</p> <p>Other agencies have communicated similar constraints and challenges in delivering the mandate with the funding provided.</p>	<p>As noted in the interview with Green Bay CEC, there is only one full-time staff member and one student working part-time to manage the 36 clients served through the Supported Employment Program and 4 clients in the School to Work Transition Program. Based on this discussion, insufficient financial support and resources have hindered the agency's ability to hire and retain sufficient staff to effectively manage their workload. As a result, the existing staff member is burdened with an excessive administrative workload, exceeding their capacity to handle it efficiently.</p> <p>The lack of documents provided to our team also demonstrates capacity issues at the organization. While documents were sent to fulfill requests, they did not satisfy the submission criteria and a request for resubmission was provided but not fulfilled.</p>



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