

DECISION NOTE

PREPARED FOR: Honourable Michael de Jong, Q.C.
Minister Responsible for the *Public Sector Employers Act*

Honourable Moira Stilwell
Minister of Social Development

Honourable Stephanie Cadieux
Minister of Children and Family Development

ISSUE: Approval of REVISED bargaining plan for the Community Social Services Employers' Association and the Community Social Services Bargaining Association

SUMMARY:

In September 2012, the Ministers approved a Bargaining Plan for the Community Social Services Employers' Association (CSSEA) that provided for a three-year agreement with general wage increases of up to 0.82% over the three years funded through CSSEA's Savings Plan and net-zero trade-offs. It has not been possible for CSSEA to reach a negotiated agreement with this mandate, and it has prepared a revised Bargaining Plan. The revised Bargaining Plan is

s.13, s.17

BACKGROUND:

CSSEA is the accredited bargaining agent for the approximately 200 unionized employers in the social services sector. Unionized employees in the sector fall into three bargaining units – Aboriginal Services, Community Living Services, and General Services. Bargaining occurs between CSSEA and the Community Social Services Bargaining Association ("CSSBA"), which is an association of the eight unions operating in the sector, of which the BCGEU is the largest.

There are approximately 11,707 unionized employees in the three bargaining units, with a total payroll cost of \$447M. The total labour costs for CSSEA, including excluded employees and management, is \$591.6M which means that every 1% increase in general compensation costs is approximately \$5.92M.

CSSEA's revised Bargaining Plan sets out a plan to try to reach a negotiated deal with the three bargaining units. As most of the non-monetary aspects have already been dealt with, CSSEA anticipates that the remaining negotiations will focus mainly on compensation.

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BARGAINING PLAN - KEY ELEMENTS:

The current agreements were settled under the 2010 Net Zero Mandate, and expired March 31, 2012. The key elements of the Revised Bargaining Plan for all three units are:

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IMPLICATIONS:

CSSBA is seeking parity with other unions in the health sector, particularly Community Health, and CSSEA has carefully considered the recent Community Health settlement in developing its revised Bargaining Plan. CSSBA issued strike notice in mid October 2012 and rotating strikes have been occurring in the sector since then. CSSBA has agreed to halt its rotating job action and return to negotiations on February 19, 2013 and CSSEA expects that with a revised mandate, the parties should be able to reach an agreement in a short period.

FINANCIAL CONSIDERATIONS:

Prior to engaging in substantive bargaining, the revised Savings Plan for CSSEA will be confirmed as meeting the principles of the mandate. That is, the savings are real, measurable and incremental, and do not transfer costs or lower service levels to the public.

Any settlement with unionized employees in the CSSEA sector will create pressure to provide similar increases to non-unionized employees of CSSEA members as well as non-CSSEA members who are contracted by government to provide the same services as CSSEA members. The revised Savings Plan being developed by the ministries includes

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CSSEA has provided detailed costing of proposals they intend to table. CSSEA will remain in close contact with government during negotiations through the PSEC Secretariat, and will not table a Final Offer until approved by the President and CEO of the PSEC Secretariat.

COMMUNICATION ISSUES:

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RECOMMENDATIONS:

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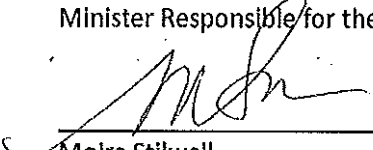
APPROVED

Date _____

Michael de Jong
Minister Responsible for the *Public Sector Employers Act*

APPROVED

Date Feb 19/13



Molra Stilwell
Minister of Social Development

APPROVED

Date _____

Stephanie Cadieux
Minister of Children and Family Development

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Cooperative Gains Savings Initiatives

Consolidated Funding Plan

Prepared by:

Ministry of Children and Family Development

Ministry of Justice

Ministry of Jobs, Tourism and Job Training

Ministry of Social Development and Social Innovation

BC Housing

June 28, 2013

Review and Endorsement

Endorser	Date
Sheila Taylor Deputy Minister Ministry of Social Development and Social Innovation	June 27, 2013
Mark Sieben Deputy Minister Ministry of Children and Family Development	June 27, 2013
Dave Byng Deputy Minister Jobs, Tourism and Skills Training	June 27, 2013
Lori Wanamaker, FCA Deputy Minister and Deputy Solicitor General Ministry of Justice	June 27, 2013
Lynda Tarras Head of Public Service Agency	June 27, 2013

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Executive Summary

The government contract funding partners, working collaboratively with the community social services sector service provider employers, will achieve savings within their existing budgets to cover the negotiated compensation. s.17

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The funding partners in this initiative include the Ministries of Social Development and Social Innovation; Children and Family Development; Justice; Jobs, Tourism and Skills Training and BC Housing.

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1. Issue

The Cooperative Gains Mandate enables public sector contracted employers to negotiate modest wage increases through productivity gains or through savings within the existing budgets and corporate savings identified by funding agencies within their own budgets. s.17

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While the formal negotiations were between CSSEA and CSSBA, based on historical practices it is anticipated that these increases will extend to the non-unionized employer organizations and their workers. The government funding partners have agreed to treat the unionized and non-unionized employer organizations in a consistent manner in addressing the salary increases across all of the organizations. Historically these increases have been extended to excluded management staff;

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¹ CSSEA is the accredited bargaining agent for the approximately 200 employers in the social services sector. Unionized employees in the sector fall into three bargaining units – Aboriginal Services, Community Living Services, and General Services. Bargaining occurs between CSSEA and the Community Social Services Bargaining Sector (CSSBA), which is an association of the eight unions operating in the sector, of which BCGEU is the largest. CSSEA represents the portion of the unionized sector where service delivery agencies receive more than \$250,000 in funding from the Province.

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With the exception of some non-unionized organizations, these increases have already taken effect

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A coordinated sector-wide approach is required to address the funding pressures arising as a result of the collective bargaining to help ensure consistency, equity and transparency.

2. Background

The community social services sector can be divided into three sub sectors: Aboriginal Services, Community Living Services and General Services funded by the Ministries of Social Development and Social Innovation (SDSI); Children and Family Development (MCFD); Justice (JAG); Jobs, Tourism and Skills Training (JTST) and BC Housing. In many cases, the funding is provided through multiple contracts and multiple funding ministries and/or funding agencies such as Community Living BC and BC Housing. There are a number of social service providers who receive funding from the above ministries who employ HEABC employees.

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The community social services sector provides employee compensation that is almost 10% lower than its comparator sector, Health.² Social service vacancies are often filled by people who quickly move on to better paid positions in the other sectors. Between 10% and 20% of social sector employers report difficulties hiring.³ The WorkSafe BC injury rate for the social services sector is much higher than the British Columbia average. Common injuries in the sector are overexertion, acts of violence and falls on the same level. Falls on the same level, which include slips and falls, are unique to the social services and health sectors. Low wages as well as the physical and stressful nature of many of the jobs in this sector cause losses due to Short Term Illness and Injury Plan (STIIP) or high turnover to other sectors. Vacancies that arise often take over 3 months to fill, resulting in productivity loss.⁴ These losses, along with an aging workforce and an expected increase in demand for social services, places pressure on the workforce and the ability to provide quality service to clients. Quality service provision in this sector is dependent on the individuals delivering the services as it requires a high amount of human interaction and cannot be replaced by technology.

The sector's employees (union and non-union) were provided the opportunity to enroll in the Municipal Pension Plan (MPP) effective July 2011. As a result, the sector received almost \$20 million in additional annualized funding for these employee benefits.

Examples of existing cost pressures related to labour costs can be categorized as follows:

1. Increased benefit costs arising from government decisions such as the MSP fee increase and the addition of a statutory holiday, total approximately \$2 million annually;

² Bargaining and Savings Plan, Page 5

³ Bargaining and Savings Plan, Page 11

⁴ Bargaining and Savings Plan, Page 11

2. Increased cost of negotiated benefits already provided (notably, but not only, extended health care, dental and long-term disability), total between \$1.7 million and \$2.2 million annually;
3. Costs of work-related injuries and disability management claims, which are moving up after years of downward trend; and
4. Cost of wage increases, and the impact of those increases on wage-impacted benefits. The total compensation base for CSSEA employers and non-union and excluded employees (approximately \$151 million) in 2012 was \$593 million. A 1% increase in total compensation for bargaining unit employees equals approximately \$4.4 million.⁵

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4. Environment Overview

The provincial government values the work of the community social services sector and recognizes the contributions these workers and their organizations make to their communities and the people they serve. The wide range of services this sector provides include support and protection services for children and youth in need, counselling and outreach for victims of abuse, employment services and residential services for people with developmental disabilities. The service providers are comprised of both not-for-profit and profit organizations of varying sizes.

⁵ Bargaining and Savings Plan, Page 5

The contracted service providers' capacity to accommodate the compensation increases independently will need to be confirmed by working collaboratively with the various organizations. Based on funding and cost pressures during the past five years, as well as interactions with the service providers and experience with the sector, s.17

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The majority of contracts funded by the four ministries are low dollar, with MCFD managing over 9,000 contracts valued at less than \$100K.

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4.1 Ministry of Children and Family Development

The Ministry of Children and Family Development provides a range of programs and services to British Columbian children, youth and families in need. The Ministry has six core business areas: Early Years, Children and Youth with Special Needs, Child and Youth Mental Health, Child Safety,

Family, Youth and Children in Care, Adoption and Youth Justice. The Ministry's services are delivered through MCFD delivery (including direct client services), Delegated Aboriginal Agencies and Community Agencies.

MCFD provides services through more than 10,000 contracts with over 6,000 service providers at a value of approximately \$700 M per annum. The majority of contracts are Transfers Under Agreement from which no specific wage or cost increase information is obtainable – MCFD is approximating 80% of its agencies total contract values to estimate its sector negotiated increase cost pressures.

The terms of the ministry's contracts vary from short term (one year or less) to longer multi-year contracts (2 – 5 years). In the last few years, most of the ministry's contracts have been negotiated or re-negotiated to one year terms as the ministry transitions its procurement and contract management practice and processes. It is anticipated that multi-year contracts (up to 5 years) will be in place after 2013/14, for applicable contracts. Contract renewals currently occur in April and October.

4.2 Ministry of Social Development and Social Innovation

The approximately 1,300 community sector contracts are administered through Community Living BC (CLBC). Over 80% of these contracts are valued at less than \$250,000 each. These contracts, which provide staffed residential resources, supported living services and non-residential services, have two-year maximum terms.

CLBC has implemented a contracting structure that defines the service level (deliverable) of each program and a standardized cost of that program through the application of a set of agreed upon rates for various cost factors. The service deliverables and costs are captured for each program in Funding Guide Templates (FGTs). As a result, service levels, measured in hours of service, are measured annually and any under-delivery results in a recovery to CLBC. Rates are very specific and standardized in the funding guidelines: For example, funding is provided at the step level of 3.75, vacation/training days set, supervision at 1:8, with administration costs set at maximum of 10% of contract value.

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CLBC implemented this framework as it went through program and service re-design over the last 3 years. It was a significant enabler in generating ongoing contract/program savings in excess of \$60 million over that time. The service redesign initiatives allowed CLBC to provide new services to its growing caseload during years of limited funding.

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Non-CSSEA agencies are paid based on their actual costs.

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The Ministry implemented a consolidated approach to providing employment programs, the Employment Programs of BC (EPBC) on April 2, 2012. Through 73 contracts the Ministry manages these services utilizing provincial funding for administration and federal funding for the delivery of services.

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4.3 Ministry of Justice

Most of the Ministry's 400+ contracts are for amounts less than \$250,000 each and cover the provision of services to victims of crime as well as offender-focused programming. This portion of the community services sector currently uses significant volunteer capacity to augment base funding from the government.

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4.4 Ministry of Jobs, Tourism and Skills Training

Through approximately 200 contracts per program area, the Ministry's contracted service providers deliver services associated with the immigration and labour market programs. Approximately 90% of the applicable contracts are for less than \$2M each. These programs are funded through federal agreements for specific services.

The Immigration Agreement and Labour Market Agreement will end on March 31, 2014. Going forward, immigration services will be delivered through federally administered contracts and negotiations are beginning with the federal government with respect to the labour market supports.

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4.5 BC Housing

BC Housing has a strong working relationship with its contracted service providers and receives annual audited financial statements from each service provider. BC Housing will proactively work with their service providers to identify opportunities for savings.

Pages 13 through 17 redacted for the following reasons:

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6. Alternative Funding

While the financial impact of compensation awards for the Community Social Services service providers and the funding ministries will begin in 2013/14, it will take time to fully implement the Savings Plan strategies so as to achieve enough savings to fully offset the incremental costs of compensation awards.

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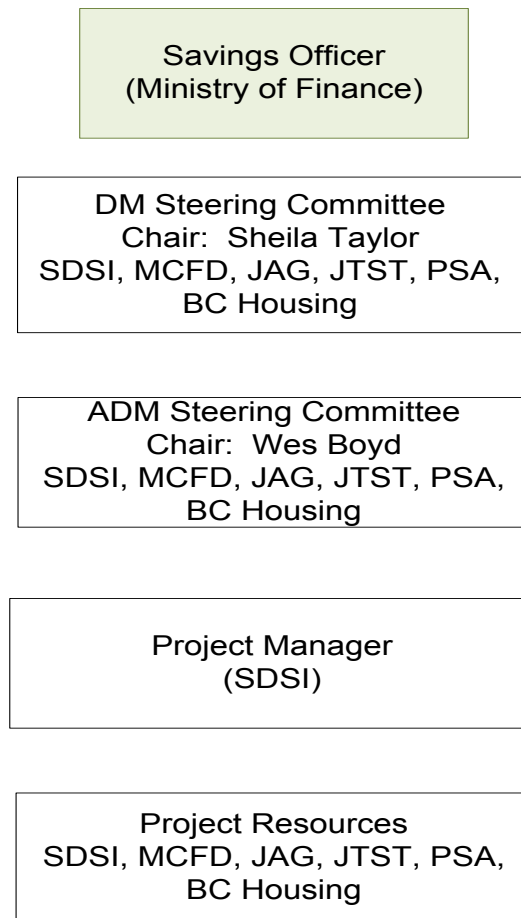
7. Governance Structure and Resources

The purpose of the governance structure is to provide collaborative and coordinated oversight for the delivery of cooperative gains savings initiatives across the government partner organizations.

There are two steering committees within the structure, with the Deputy Ministers Steering Committee reporting progress to the Savings Officer, Ministry of Finance quarterly beginning in September, 2013. The function of the Deputy Ministers Steering Committee is to provide executive level oversight for the successful achievement of the Cooperative Gains Savings Initiatives by providing strategic direction and reviewing and resolving issues that have cross-government implications. The function of the Assistant Deputy Ministers Steering Committee is to ensure achievement of the savings by creating and endorsing the initiatives, committing resources to achieve the savings, monitoring the results and making adjustments to the strategies as needed.

Included in the structure is the Corporate Lean Project Office, Public Service Agency, to leverage experience and expertise to help ensure that efforts to develop a Lean culture across the community services sector are successful.

The following chart depicts the governance structure.



A complete description of the governance structure is included as Appendix 4.

8. Critical Success Factors

To achieve success, the most critical factor will be to ensure stakeholders, including CSSEA, CSSBA and non-unionized service provider organizations are engaged in the savings initiatives.

Also vital to ensure success is the provision of clear coordinated communication between the ministries, BC Housing and Community Living BC regarding the needed outcomes of the funding initiatives, why the strategies are being pursued and that client focus and service provision are of the first and foremost concern. Concerns raised by the sector are anticipated, and it will be essential to provide factual information quickly.

The funding agencies will need to work together to ensure a coordinated approach and consistent information. To that end, communications will be coordinated through SDSI and shared with the group. The group will work closely with Government Communications and Public Engagement to ensure consistency and avoid confusion amongst the employer organizations and stakeholders even

though there will be different approaches implemented in fiscal 2013/14 to address the immediate cost pressures. It will be key that contract managers within government funding organizations also communicate under a consistent corporate approach. Details with respect to the communications can be found in Appendix 1.

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11. High Level Work Plan/Critical Path

The following chart highlights the key activities which need to be completed by specific dates in order for the savings initiatives to address the compensation pressures.

Date	Activity
June 2013	<ul style="list-style-type: none"> Create Stakeholder Engagement Plan (including a Communications Plan and Ministry guidelines for applying the strategies to ensure consistency) Engagement with the sector to date: <ul style="list-style-type: none"> BCGEU – introductory meeting May CSSBA letter to CSSEA – May 28 CSSEA Board Meeting – June 3 MCFD letter to The Federation of Community Social Services of BC - June 5 CEO Network Meeting – June 6 The Federation of Community Social Services of BC AGM - June 13/14
July	<ul style="list-style-type: none"> Begin communications with service provider representative organizations (e.g. CSSEA, CSSBA, CEO Network and Federation of Community Social Services of BC) with respect to the need to adhere to the cooperative gains mandate, the need to explore opportunities and the need to maintain services – explore how this can be accomplished collaboratively and solicit input Create a roundtable of CSSEA and non-CSSEA agencies Meet with community organizations (e.g. Inclusion BC) to reinforce that individual and family services will not be cut to meet the Cooperative Gains Mandate Establish reporting requirements on savings Meet with affected government senior management and engage field staff to get their input into the approach and better understand capacity
Aug	<ul style="list-style-type: none"> Confirm committed self-management agencies Create an inventory of all of the contracts Review the contracts for overlaps and multiple ministry support

Sept	<ul style="list-style-type: none"> • Confirm Savings Strategy applicable to each agency • Confirm ministries' funding support commitments <p style="text-align: right;">s.17</p> <p style="text-align: center;">s.17</p> <ul style="list-style-type: none"> • Report in to the Savings Officer (September 30, 2013)
Oct	<ul style="list-style-type: none"> • s.13 a mini project plan, highlighting savings/supports and commitment dates)
Dec	<ul style="list-style-type: none"> • Complete assessment focused on finding efficiencies by addressing the number, configuration and structure of the contracts and delivery approach • Report in to the Savings Officer (December 30, 2013 or as requested by the Ministry of Finance) <p style="text-align: right;">s.17</p>

Reporting to the Ministry of Finance, Treasury Board Staff

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Appendix 1.

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Pages 24 through 26 redacted for the following reasons:

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Appendix 2. Community Services Sector Contract Summary by Ministry

Ministry of Children and Family Development

Topic	Description
	The Ministry of Children and Family Development provides a range of programs and services to British Columbian children, youth and families in need. The Ministry has six core business areas: <i>Early Years, Children and Youth with Special Needs (CYSN), Child and Youth Mental Health (CYMH), Child Safety, Family, Youth and Children in Care, Adoption and Youth Justice</i> . The Ministry's services are delivered through MCFD delivery (including direct client services), Delegated Aboriginal Agencies and Community Agencies.
Description of the Contracts	<p>MCFD contracts out over 50% of its programs and services (close to \$700M of its annual budget). These are payments under contracts or agreements where the province has significant control over how the transfer is spent.</p> <p>MCFD contracts for a range of services including Early Years services, CYSN services, CYMH services, Child Safety, Family Support, Youth and Children in Care services, Adoption services and Youth Justice services. Child Safety, Family support and Children in Care services make up the highest percentage of MCFD's contract expenditures.</p> <p>The ministry uses the program logic methodology that articulates specific inputs, outputs and outcomes be achieved per program area (i.e. early years, CYSN, CYMH, child safety, adoptions and youth justice) for its contracts through a catalogue of ministry services (for non-residential services) and inventory (for residential services).</p> <p>MCFD serves over 155,000 children and their families, which includes children in care and those receiving youth services, children and youth with mental health and addictions; and children receiving subsidy. This number does not include the significant number of children that may be in receipt of community based services⁶.</p>
Terms of the Contracts	The terms of the contracts are varied – from short term (one year or less) to longer term – multi-year contracts (2 – 5 years). In the last few years, most of the ministry's contracts have been negotiated or re-negotiated to one year terms as the ministry transitions its procurement and contract management practice and processes. It is anticipated that, multi-year contracts (up to 5 years) would be in place after 2013/14 for applicable contracts. Contract renewals currently occur in April and October.
Funding Source	Provincial

⁶ The scope of the BC population who may be able to access MCFD funded community based services. Actual population in scope for each service line but early years and youth justice is 0 – 18 population, 902,000 (2012). For the early years it is the 0 – 12 population, 593,000 and for youth justice it is the 12 – 18 population, 350,000.

	Size	# of CSSEA ⁸ and Non-CSSEA	Salary/Benefit Component ⁹	Pressure Estimate
Contracts ⁷	Very Small – < \$100,00	9120		
	Small- \$100k to \$499k	935		s.17
	Medium - \$500k - \$999k	105		
	Large – > \$1 million	76		
	Contracts with Other Ministries	There are contracts with Health Authorities to deliver services.		
Contractor Capacity Assessment – ability of Contractors to make Adjustments to Accommodate Salary Increases	Small	Contractor capacity needs to be confirmed with various factors needing to be considered. Work will be initiated to determine contractor capacity to accommodate salary increases. s.17		
	Medium			
	Large			
History of Unit Costs over the Past 5 Years	The ministry does not currently contract for services on a per unit basis.			
History of Contract increases over the Past 5 Years	<p>2006 – 2008 - Negotiated Framework compensation increases and Early Incentive signing bonus for service providers who were members of an employers’ association (CSSEA/HEABC).</p> <p>Funding for compensation increases to non-unionized and other service providers of MCFD and CLBC not covered under the bargaining mandate to support and maintain service levels, service quality and service continuity.</p> <ul style="list-style-type: none">• The Public Sector Employers’ Council, Ministry of Finance, had overall responsibility for the mandate and for coordinating financial responsibilities resulting from labour negotiations.• MCFD coordinated the Early Incentive and implementation of the ongoing increases.• Treasury Board (TB) Staff approved the allocation of increases against negotiated funding.• Ministry of Health coordinated the implementation of increases for members of HEABC.• MCFD undertook contract modifications for their CSSEA and HEABC agencies.			

⁷ Includes all MCFD CSSEA, non-CSSEA, non-union and HEABC. Based on 2011/12 data. Complete 2012/13 will be available by May 16, 2013

⁸ 120 CSSEA agencies with 719 contracts valued at \$195.9M

⁹ Based on current most complete information –2012/13

	<ul style="list-style-type: none"> • A TB submission was jointly drafted between social service ministries (MCFD, MEIA, MAG/PSSG, MOH, MOE and MCS) to obtain funding for the non-union sector and ensure a consistent approach where, feasible, and share information. • Funding was approved for the non-union sector increases.
Known Pressures on Contractors	There are some known pressures, however more work is underway to quantify and establish the scope of these pressures.
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Service Considerations	The goal of the ministry is to ensure that service levels to children, youth and families are not reduced and the costs of those services are not increased to support funding the negotiated compensation.

AFFILIATION	2012.13 INCREASES	2013.14 INCREASES	2014.15 INCREASES
HEABC	0.108	1.846	
CSSEA*	-	2.445	
DAA Union (CSSEA)	0.494	0.528	
DAA Non-Union	0.675	0.721	
Non-Res Non-Union	-	3.028	s.17
Res. Non-Union	-	-	
FY12.13 Unearned Revenue Offset		0.552	
Grand Total	1.277	8.568	
s.17			

Ministry of Justice

Topic	Description			
Program Area	Ministry of Justice - Victim Services and Crime Prevention Division			
Description of the Contracts	The Community Safety and Crime Prevention Branch, Ministry of Justice contracts with over 200 service providers on more than 400 contracts to deliver victim service and violence against women counselling and outreach programs across the province. Major program types include: <ul style="list-style-type: none">▪ Police-based victim service programs▪ Community-based victim service programs▪ Stopping the Violence (STV) counselling programs▪ Outreach and Multicultural Outreach programs▪ Children Who Witness Abuse programs▪ The contracts are for lump sum amounts with quarterly payments. Pressures have been calculated on the entire amounts of the contracts as there is no simple way to calculate the wage portion only given how the contracts are structured.▪			
Terms of the Contracts	April 1, 2013 to March 31, 2014			
Funding Source	Provincial			
Contracts	Size	CSSEA or Non-CSSEA Contract Totals	Salary/ Benefit Component	Pressure Estimate Fiscal 14/15 Onwards
	Small – < \$250,000	CSSEA: \$13,539,756 Non-CSSEA: \$14,972,303 Total: \$28,512,059	s.17	
	Medium - \$250,000 – \$1 million	CSSEA: \$822,193 Non-CSSEA: \$ 1,058,485 Total: \$1,880,678		
	Large – > \$1 million	N/A		
	TOTAL			
Contracts with Other Ministries	N/A			
Contractor Capacity Assessment – ability of Contractors to make Adjustments to Accommodate Salary Increases	Small	s.17		
	Medium			
	Large			
History of Unit Costs over the Past 5 Years	Unknown			

History of Contract increases over the Past 5 Years	In 2008/09, victim service programs (both police-based and community-based) received an average contract increase of 22%, their first major increase since programs were restructured in 2002. In 2007/08, 2008-09 and 2009/10 contracted victim service programs received wage increases of 3.2%, 1.6% and 1.6% respectively. Violence against women program contracts have not been substantially increased since 2005/06. The only recent contract increases in both areas were focused on lifts as a result of adoption of the MPP.
Known Pressures on Contractors	Contractors (both CSSEA and non-CSSEA) are in regular contact with the Division regarding funding pressures. s.17
Service Considerations	s.17

Topic	Description					
Program Area	Ministry of Justice - Community Corrections					
Description of the Contracts	Community Corrections operates 55 adult probation offices serving 428 communities across the province, supervising 22,000 clients. Augmenting these services are those provided by contracted agencies. It is difficult to specify the actual number of clients served by a service type, contract or community. Contracted services for clients include: <ul style="list-style-type: none">▪ Native Courtworker Services▪ Community Based Aboriginal Justice Services▪ Relationship Violence Prevention Program▪ Social & Rehabilitative Services▪ Services to IRCS (Intensive Rehabilitative Custody & Supervision) Clients▪ Alcohol and Drug Treatment The contracts are for lump sum amounts with quarterly payments. Pressures have been calculated on the entire amounts of the contracts as there is no simple way to calculate the wage portion only given how the contracts are structured.					
Terms of the Contracts	Typically one year agreements, renewed annually.					
Funding Source	Province with some recoveries from the Federal Department of Justice.					
Contracts	Size	CSSEA or Non-CSSEA	Salary/Benefit Component	Pressure Estimate		
				2013/14	2014/15	Total
	Small – < \$250,000	\$2.136M	Unknown	CSSEA: \$13K Non-CSSEA: \$31K HEABC: \$1K		
	Medium - \$250,000 - \$1 million	\$1.385M	Unknown	CSSEA: \$0K Non-CSSEA: \$26K		s.17
	Large – > \$1 million	\$3.594M	Unknown	CSSEA: \$0K Non-CSSEA: \$67K		
	TOTAL			\$138K		
Contracts with Other Ministries	N/A					
Contractor Capacity Assessment – ability of Contractors to make Adjustments to Accommodate Salary Increases	Small	The vast majority of this group has not seen a lift since the initial 1999 CSSEA / non-CSSEA initiative. s.17				
	Medium					
	Large					
History of Unit	No changes in unit costs over the past 5 years.					

Costs over the Past 5 Years	
History of Contract increases over the Past 5 Years	No contract increases in the past 5 years.
Known Pressures on Contractors	Contractors are in regular contact with the Branch regarding funding pressures.
Service Considerations	

Ministry of Jobs, Tourism and Skills Training

Topic	Description			
Program Area				
Description of the Contracts	<p>The Ministry of Jobs, Tourism and Skills Training has over 200 contracts under the federally funded Immigration Agreement and likely a very similar amount under the Labour Market Agreement (LMA).</p> <p>Approximately 90% of the applicable contracts are for less than \$2M.</p> <p>The average salary component is around 8% for the majority of the LMA contracts (there is one exception where the salary component is around 30%) and for the Immigration Agreement, it is 85%. This is largely due to the kinds of facilitative services LMA service providers deliver vs direct services immigration service providers deliver.</p>			
Terms of the Contracts	<p>The Immigration Agreement will end on March 31, 2014 and administration will be by the federal government.</p> <p>The Labour Market Agreement is also scheduled to end on March 31, 2014, with contract negotiations in progress.</p>			
Funding Source	s.17			
Contracts	Size	CSSEA or Non-CSSEA	Salary/Benefit Component	Pressure Estimate
	Small – < \$250,000	\$214.8 M		s.17
	Medium - \$250,000 - \$1 million			
	Large – > \$1 million			
Contracts with Other Ministries				
Contractor Capacity Assessment – ability of Contractors to make Adjustments to Accommodate Salary Increases	Small			
	Medium			
	Large			
History of Unit Costs over the Past 5 Years				
History of Contract increases over the Past 5 Years				
Known Pressures on Contractors				
Service Considerations				

Ministry of Social Development and Social Innovation - Community Living BC

Topic	Description					
Program Area - Residential Services except Shared Living; Non- residential services including Community Inclusion, Family Support and Respite services except professional supports and direct funded respite.						
Description of the Contracts	Staffed Residential Resources for 2,441 individuals and Supported Living Services for 805 individuals, non residential services for approximately 14,600 all with developmental disabilities, as well as a range of non-residential services for 513 individuals eligible for the PSI program (diagnosed with either Autism Spectrum Disorder or Fetal Alcohol Spectrum Disorder).					
Terms of the Contracts	Two year maximum term, various start and end dates. All with termination clauses of 30, 60 or 90 day notice without cause.					
Funding Source	Provincial					
Contracts – grouped by service provider – numbers shown are a count of service providers in each category; Pressure is expressed as costs within fiscal 2013/14(F), and full annualized cost for 2014/15 (A)	Size	CSSEA or Non-CSSEA	Salary/Benefit Component (\$ millions)	Pressure Estimate (\$ millions)		
				13/14	14/15 Annual	Total Pressure
	Small – < \$250,000	CSSEA - 12	\$0.7	\$0.015		
		HEABC - 10	0.5	0.010		
		Other -1,037	34.6	0.736		
	Medium - \$250,000 - \$1 million	CSSEA - 26	\$12.8	0.265		
		HEABC - 4	1.7	0.037		
		Other - 91	32.4	0.690		s.17
	Large – > \$1 million	CSSEA - 85	\$326.2	6.736		
		HEABC - 3	7.2	0.154		
Other - 20		38.2	0.812			
	Totals			\$9.455		
Contracts with Other Ministries	n/a					
Contractor Capacity Assessment – ability of Contractors to make Adjustments to Accommodate Salary Increases	Small					
	Medium					
	Large		s.17			
History of Unit Costs	Average annual cost per individual receiving residential services (including					

over the Past 5 Years	Shared Living which isn't included above) has only increased slightly over last five years - \$66,300 in 2007/08, \$67,100 in 2012/13. Average annual cost per individual for all services has gone down from \$51,300 in 2007/08 to \$46,400 in 2012/13.
History of Contract increases (<i>and Decreases</i>) over the Past 5 Years	<p><u>Decreases</u></p> <p>Service redesign or contract re-negotiation (excluding changes brought about by residential moves or discharges), recoveries of operating surplus, or unearned revenue generated <i>decreases</i> in existing contracting costs for the five years ending March 31, 2013 of \$52.2 million</p> <p><u>Increases</u></p> <p>1)CSSEA, para-professional, HEABC, non-union increases in 2008/09: \$9.9 million</p> <p>2)CSSEA, para-professional, HEABC and non-union increases in 2009/10: \$9.2 million</p> <p>3)Ongoing contract increases to fund Municipal Pension Plan implementation starting in 2010/11 including subsequent rate changes (and accrued but as yet unpaid adjustments for 2012/13): \$14 million (\$10 million in funding provided by the Province)</p> <p>4) Accrued but as yet unpaid amounts for changes to Stat holiday and minimum wage rate increases effective in 2012/13: \$2 million</p>
Known Pressures on Contractors	
Service Considerations	

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Appendix 3. Additional Strategies

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Cooperative Gains Strategy Initiatives

Governance Structure

Prepared by:

Ministry of Children and Family Development

Ministry of Justice

Ministry of Jobs, Tourism and Job Training

Ministry of Social Development and Social Innovation

BC Housing

June 17, 2013

1. Purpose

The purpose of this governance structure is to provide collaborative and coordinated oversight for the delivery of cooperative gains savings initiatives, as outlined in the Cooperative Gains Strategy Initiatives, across the government partner organizations.

2. Government Funding Partners

- Ministry of Social Development and Social Innovation
- Ministry of Justice
- Ministry of Children and Family Development
- Ministry of Jobs, Tourism and Skills Training

3. Background

The Cooperative Gains Mandate provides public sector contracted employers with the ability to negotiate modest compensation increases. s.17

s.17

These increases will also likely be extended to non-unionized employer organizations and their workers and to excluded management staff as these employees have been recognized in the past. s.17

s.17

The initiatives in the Savings Plan must be measurable. The Savings Plan may not result in the Ministry requesting additional funding or negatively impact client services. New approaches to how services are delivered may be explored. The initiatives in the Savings Plan must not transfer the costs of providing existing services to clients, the public or to other ministries/provincial agencies.

The Community Social Services sector can be divided into three subsectors: Aboriginal Services, Community Living Services and General Services. Currently this sector provides employee compensation which is almost 10% lower than its comparator sector, Health. Low wages as well as the physical and stressful nature of many of the jobs in this sector cause losses due to Short Term Illness and Injury Plan (STIIP) or high turnover to other sectors. Vacancies that arise often take over 3 months to fill, resulting in productivity loss within the sector.

Quality service provision in this sector is dependent on the individuals delivering the services. The services require a high amount of human interaction and cannot be replaced by technology.

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4. Role and Function of the ADM Steering Committee

The function of the Assistant Deputy Ministers Steering Committee is to provide oversight for the successful achievement of the Cooperative Gains Strategy . The Committee has responsibility and oversight in the following areas:

- Endorsing the savings strategies and initiatives;
- Committing to the overall success of the savings strategies and that the savings are achieved;
- Guiding the project to completion and making recommendations for practical next steps;
- Reviewing project performance against the plan;
- Allocating necessary resources to the project;
- Ensuring consistent cross-ministry communication;
- Risk identification and mitigation; and
- Issues management.

5. Role and Function of the Deputy Ministers Steering Committee

The function of the Deputy Ministers Steering Committee is to provide executive level oversight for the successful achievement of the Cooperative Gains Strategy. The Committee has responsibility and oversight in the following areas:

- Providing strategic direction (corporate and ministry);
- Reviewing and resolving issues that have cross-government implications;
- Reviewing recommendations from the ADM Steering Committee;

-
- Providing a point of escalation for issues that cannot be resolved by the ADM Steering Committee; and,
 - Reporting to the Savings Officer.

Savings Officer
(Ministry of Finance)

DM Steering Committee
Chair: Sheila Taylor
SDSI, MCFD, JAG, JTST, PSA,
BC Housing

ADM Steering Committee
Chair: Wes Boyd
SDSI, MCFD, JAG, JTST, PSA,
BC Housing

Project Manager
(SDSI)

Project Resources
SDSI, MCFD, JAG, JTST, PSA,
BC Housing

6. Term

The governance structure shall remain in operation until the substantial completion of the initiative in April 30, 2015, including the submission of the final project status report to the Assistant Deputy Minister/Savings Officer, Strategic Initiatives, Ministry of Finance.

7. Decision Making Authority

The DM Steering Committee has the authority to make strategic decisions (e.g. savings and timeline changes) including recommendations to Treasury Board Staff and/or the Savings Officer, as well as other decisions that may be escalated from the ADM Steering Committee.

The DM Steering Committees shall aim for consensus decision-making, but where consensus cannot be reached, the Chair shall have decision-making authority.

8. Meeting Quorum

A Quorum shall consist of:

- The Chair or designated alternate Chair
- One member or alternate from CFD
- One member or alternate from JAG
- One member or alternate from JTST
- One member or alternate from BC Housing

9. Meeting Frequency

The ADM Steering Committee shall meet quarterly in advance of the reporting to the Savings Officer and/or as required. Extraordinary meetings may be requested by the ADM Steering Committee Chair as required.

The DM Steering Committee shall meet quarterly in advance of the reporting to the Savings Officer and/or as required. Extraordinary meetings may be requested by the DM Steering Committee Chair as required.

Steering Committee members are required to be in attendance, however, alternates are permitted on an exception basis (e.g. vacation, illness). If a member sends an alternate, the alternate shall have delegated decision making authority on the member's behalf.

10. Agenda Items

The agenda is established by the Chair. Any requests for specific agenda items must be forwarded to the chair at least three days prior to the next scheduled meeting.

DM Steering Committee

Sheila Taylor, Deputy Minister, Ministry of Social Development and Social Innovation (Chair)

Mark Sieben, Deputy Minister, Ministry of Children and Family Development

Lori Wanamaker, Deputy Minister and Deputy Solicitor General, Ministry of Justice

Dave Byng, Deputy Minister, Ministry of Jobs, Tourism and Skills Training

Lynda Tarras, Head of BC Public Service Agency

TBD, BC Housing

ADM Steering Committee

Wes Boyd, Assistant Deputy Minister/Executive Financial Officer, Ministry of Social Development and Social Innovation (Chair)

Anne Sandbu, Assistant Deputy Minister/Executive Financial Officer, Ministry of Children and Family Development

Tara Faganello, Assistant Deputy Minister/Executive Financial Officer, Ministry of Justice

Shannon Baskerville, Assistant Deputy Minister of Labour Market & Immigration Division, Ministry of Jobs, Tourism and Skills Training

Executive Lead, Lean Project Office, Public Service Agency

TBD, BC Housing