

**MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
CORPORATE SERVICES DIVISION
PROGRAM NOTES 2019/2020**

TOPIC: Low Wage Redress

KEY INFORMATION:

- People who work in the community social services sector provide important services for thousands of British Columbians, including home care aides.
- As part of government's commitment to improve the services and supports that people depend on every day, we are looking at ways to ensure that people in this priority sector are paid fairly.
- That's why *Budget 2019* provides funding to support wage increases for agencies with non-unionized employees that are in line with general wage increases across the broader public sector.
- Unionized community social services employees will also benefit from low wage redress funding—this is targeted funding to equalize wages with similar unionized positions in the health sector.
- The low wage redress funding is important for staff retention in the social services sector and to ensure access to quality services when they are most needed.
- At this time, the low wage redress funding is only available to agencies covered by collective agreements.
- Government will continue to monitor and evaluate the impact of the low wage redress funding on the non-union sector to help inform future funding decisions.
- Government is in discussions with the sector and will need to consider how to best address the sector's anticipated challenges and opportunities, including employee recruitment and retention, and move forward together.

BACKGROUND:

- Budget 2019 provides important funding increases for the community social services sector. The new funding will help address growing demand for services as well as to support fair and affordable wage increases for employees under the Sustainable Services Negotiating Mandate.
- Collective agreements covering unionized employees in the community social services sector have been concluded by the Community Social Services Employers' Association (CSSEA) under the mandate. In addition to general wage increases of 2% in each year, these agreements include significant "comparability/low wage redress" funding (approximately 4% per year) to address wage disparities between similar roles in the community social services and health sectors (e.g. home care aides).
- Addressing this gap is intended to increase retention rates for community social services staff. Recruitment and retention challenges are particularly acute in rural and remote areas where it is increasingly difficult to find contracted service delivery organizations, while those that remain struggle to retain staff in a highly competitive labour market.
- Beginning April 1, 2019, funding for non-union agencies in the community social services sector increased consistent with the general wage mandate (2% per year) that is guiding negotiations across the broader provincial public sector under the Sustainable Services Negotiating Mandate. Non-union agencies are not receiving funding for low wage redress at this time.
- Under the 2014-2019 Economic Stability Mandate (ESM), the non-union agencies were provided funding to match the comparability/low wage redress increases available to the unionized agencies. These agencies did not receive the Economic Stability Dividends (1.95% total over the life of ESM).
- The community social services sector is expressing significant concern about the decision to not extend low-wage redress to non-union employees and the potential impact this could have on service delivery. It is also estimated that over 17,000 non-union employees will not receive low wage redress increases (excluding management).
- On April 2, 2019, the BC CEO Network, one of several associations representing community social services organizations, held a protest at the Legislature to raise awareness of this issue.
- On April 3, 2019, BC CEO Network representatives met with the Minister of Social Development and Poverty Reduction and clearly indicated that the low wage redress is of immediate and primary concern. BC CEO Network also advocated for quick resolution and implied this could become a protracted issue as the community social services sector, especially non-union employees, become more aware of the issue.
- On April 17, the BC CEO Network released to media a copy of a letter from their Legal Counsel to Government, threatening legal action if the matter of "low wage redress" is not resolved.

Contact: Jonathan Dubé, Assistant Deputy Minister and Executive Financial Officer
Cell Phone: 778-676-5791

Implications and Considerations:

- There are over 2,000 agencies, of varying sizes, that provide an array of social services across the province and receive an estimated \$1.5 billion per year in provincial funding.
- Provincially contracted social services are predominantly provided by non-profit agencies (over 80%) alongside private companies or businesses. Social service providers are both unionized (60%) and non-unionized (40%).
- Unlike the CSSEA agencies, there is greater variation in the wages and benefits across the non-union agencies. The community social services sector is also not guided by a sectoral compensation plan that ensures consistent and equitable compensation outcomes (salaries and benefits) for non-union employees.
- The community social services sector employs an estimated 36,000 people across the province – with women representing approximately 78% of this workforce. On the whole, the community social services sector has the lowest paid employees among the broader B.C. public sector.
- The community social services sector is concerned about the government decision on low wage redress and non-union agencies as well as the potential collective impact on the sector as a result of this decision and others related to liability insurance, additional business taxes (e.g. Employer Health Tax), and recent procurements (e.g. WorkBC).
- Overall, there is no coordinated government approach to the community social services sector – including for governance, policy and service frameworks, funding, contracting, and human resources.
- Government can consider short, medium and long-term goals for service delivery improvements across the community social services sector. In the short term, service stability and continuity are important considerations, particularly in rural, remote, and Indigenous communities where there are fewer or no alternate service providers. In the medium to long term, however, there is an opportunity to incentivize more coordinated service delivery structures and sector-wide workforce strategies.
- Short-term strategies could include establishing a formal forum for sector engagement with Government to support greater collaboration and focus on priorities that will improve the sector's viability and outcomes for citizens.
- There are also options to structure the community social services sector for a more orderly engagement with government and to create a sector compensation plan.
- This could include expanding CSSEA membership to all of the non-union agencies.
- There will also be opportunities to leverage CFD's review of procurement and contracting for social services to improve processes and controls, increase value for money and outline best practices for an outcomes-based and co-design approach to procurement.