

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT  
**2017/2018 ECONOMIC STABILITY MANDATE WAGE INCREASES  
QUESTIONS AND ANSWERS**

This document provides key information for MCFD Staff and Service Providers related to the community social services negotiated wage increases under the Economic Stability Mandate (ESM).

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**1. What is the Economic Stability Mandate?**

The Economic Stability Mandate applies to all public sector employers with unionized employees who have negotiated five-year agreements that run from April 1, 2014 until March 31, 2019. The goals of the mandate are to create certainty and stability throughout the public sector through longer-term negotiated agreements; to negotiate collective agreements that are affordable to the taxpayers of B.C.; and to provide public sector employees with the opportunity to share in the economic growth of the Province, conditional upon the ability to pay.

**2. What are the components of the Economic Stability Mandate?**

The Economic Stability Mandate includes three potential salary increase components, which include the General Wage Increase (GWI), Comparability Adjustment (CA), and Economic Stability Dividend (ESD).

**3. What is the Comparability Adjustment?**

The Comparability Adjustment wage increase is the component of the Economic Stability Mandate which reduces the wage gap between unionized workers in the social services sector, and those with equivalent positions in the community health sector.

**4. What is the Economic Stability Dividend?**

The Economic Stability Dividend is the component of the Economic Stability Mandate that allows for wage increases based on the economic performance of the province. In order to activate this wage increase for unionized employees, the Gross Domestic Product (GDP) growth for British Columbia must exceed forecasts set. If an Economic Stability Dividend is activated, it is available to employees working under a collective agreement that includes this provision.

**5. How were the Comparability Adjustment and General Wage Increase rates determined?**

The Comparability Adjustment and General Wage Increase were determined through negotiations between the Province of British Columbia, and the respective bargaining unions.

**6. How long will the ministry fund the wage increases under the Economic Stability Mandate?**

The wage increases under the Economic Stability Mandate will be added to the baseline contract value by the ministry. This includes the Economic Stability Dividend increases.

## UNION AGENCY QUESTIONS

### 7. How much are the Economic Stability Mandate rate increases for union employees?

The Economic Stability Mandate rate increases vary depending on the agency's collective agreement as follows:

	Effective Date							
	Apr 1, 2015	Feb 1, 2016	Apr 1, 2016	Feb 1, 2017	Apr 1, 2017	Feb 1, 2018	Apr 1, 2018	Feb 1, 2019
CSSEA	1.00%	0.45%	2.50%	1.00%	2.50%	1.00%	2.50%	1.00%
				0.35%		Unknown		Unknown
HEABC	1.00%	0.45%	0.80%	1.00%	0.40%	1.00%	0.40%	1.00%
			0.50%	0.35%	0.50%	Unknown	0.50%	Unknown
BCGEU	Apr 5, 2015	Feb 7, 2016	Apr 3, 2016	Feb 5, 2017	Apr 2, 2017	Feb 4, 2018	Apr 1, 2018	Feb 3, 2019
	1.00%	0.45%	0.50%	1.00%	0.50%	1.00%	0.50%	1.00%
			0.35%	Unknown		Unknown		
CUPE	Jul 1, 2015	May 1, 2016	Jul 1, 2016	May 1, 2017	Jul 1, 2017	May 1, 2018	Jul 1, 2018	May 1, 2019
	1.00%	0.45%	0.50%	1.00%	0.50%	1.00%	0.50%	1.00%
			0.35%	Unknown		Unknown		

Colour ID: General Wage Increase; Comparability Adjustment; Economic Stability Dividend

### 8. How was the 2017 Economic Stability Dividend rate determined?

In 2015, the forecasted GDP and the actual GDP were 2.6% and 3.3% respectively, resulting in a difference of 0.70%. As a result, a wage increase equivalent to 50% of this difference equaling, **0.35%** is being provided.

### 9. Are all union employees eligible for the Comparability Adjustment?

Receipt of the Comparability Adjustment wage increase is dependent upon what was negotiated within the collective agreement.

For CSSEA agencies, approximately 77% of job classifications are eligible for the 2.5% Comparability Adjustment. For 20% of the classifications not captured by the Comparability Adjustment, an increase equivalent to a 0.5% General Wage Increase will be applied instead. See the [CSSEA](#) website for the most up to date wage rate information.

For HEABC agencies, a 0.5% Comparability Adjustment will be provided to some staff. See the [HEABC](#) website for information on which positions are eligible for the Comparability Adjustment.

The wage increase schedules outlined in the BCGEU and CUPE collective agreements do not include any Comparability Adjustment wage increases.

### 10. Will non-union employees of union agencies be receiving similar wage increases as the union employees of CSSEA and HEABC agencies?

The non-union agency compensation and employee turnover survey is an initiative coordinated by Government funders of social services to collect employee workforce and compensation data from non-union contracted social services agencies. 2017 marks the commencement of Phase 2 of the initiative, whereby the data collection is being extended to all non-union agencies who receive government funding. All agencies' eligibility to receive government funding for wage increases after April 1, 2018 is directly contingent on their completion of the 2017 survey and onwards.

### 11. Is management eligible to receive the wage increases?

The negotiated wage increases apply to unionized agency staff.

## NON-UNION AGENCY QUESTIONS

### 12. Will non-union agencies contracting with the ministry receive funding for wage increases?

MCFD is working with other social services government funders (i.e. Social Development and Social Innovation/Community Living B.C. and Public Safety and Solicitor General) to extend wage increases to non-union staff. The 'Unknown' values in the following table represent decisions that are due to be made by Treasury Board. In addition, non-union staff wage increase funding for the 2018/2019 fiscal year (and beyond) will be service provider dependent, and will be subject to the collection of satisfactory data from each particular service provider.

	Effective Date						
	Apr 1, 2015	Apr 1, 2016	Feb 1, 2017	Apr 1, 2017	Feb 1, 2018	Apr 1, 2018	Feb 1, 2019
Non-Union	1.00%	2.50%	1.00%	2.50%	1.00%	Unknown	Unknown

Colour ID: General Wage Increase; Comparability Adjustment

### 13. Are all non-union contractor contracts eligible for the Economic Stability Mandate Wage Increases?

Non-union entities such as individual contract holders or organizations with no employees, foster parents, organizations providing professional services and subcontractors are not eligible for the funded wage increase.

## CALCULATION QUESTIONS

### 14. How are the wage increases being calculated?

The wage increases will be calculated based on the 2016/17 contract value. In most cases, the ministry will calculate the wage increases on 77% of the total contract value, that is, 77% of the total contract value represents wages and benefits (compensation costs). This will occur automatically and there is no need for Service Providers to apply for this funding.

### 15. Why is ministry calculating the wage increases on 77% of the total contract value?

The ministry is extending all of the Economic Stability Mandate funding it has received to our contracted agencies. Data indicates that compensation represents, on average, 77% of the total contract value.

The ministry will assess requests to review the funding in situations where the agency provides both the data to support wages and wage-impacted benefits exceeding 77% for MCFD contracts, and a clear rationale for the anomaly.

### 16. How is the ministry managing the 2017 Economic Stability Dividend for agencies where the increase begins on February 1, 2017 (i.e., it begins during the 2016/17 fiscal year)?

Eligible staff will receive the Economic Stability Dividend wage increase effective February 1, 2017. Although the Economic Stability Dividend comes into effect during the 2016/2017 fiscal year, contracts will be modified for April 1, 2017 and a lump sum payment will be provided to agencies to cover the cost of the Economic Stability Dividend wage increase from February 1 to March 31, 2017. This amount will be added to the baseline funding upon which the 2017/18 calculations will be based.

### 17. How will the ministry manage the 2018 Economic Stability Dividend for agencies where the increase begins on February 1, 2018 (i.e., it begins during the 2017/2018 fiscal year)?

The 2018 Economic Stability Dividend (ESD) is dependent upon actual GDP exceeding the set forecasted GDP and will not be known until the end of 2017. The ESD, if realized, will be applied in the same manner as the 2016/17 ESD.

**18. How is the ministry calculating and funding the Comparability Adjustment?**

For CSSEA agencies, as per the collective agreement, the ministry is calculating and funding the Comparability Adjustment at 2.5% on 77% of the contract funding base.

For HEABC agencies, as per the collective agreement, Comparability Adjustment will not exceed 0.4% of straight-time payroll for the period of April 1, 2016 to March 31, 2017. As such, the ministry is calculating and funding the Comparability Adjustment at 0.40% on 77% of the contract funding base. It is the agency's responsibility to ensure that staff who are eligible for the 0.50% Comparability Adjustment receive it.

**19. Why is the ministry using contract values to calculate the Economic Stability Mandate wage increases instead of requiring agencies to submit their payroll information which is more up to date?**

To ensure that agencies receive their funding in a timely manner and that their employees receive their entitled wage increases, the ministry will use the compensation component of contract values to calculate the wage increases as this approach more accurately reflects the MCFD portion of the increases and minimizes administrative burden on the agencies.

**20. The service deliverables in my contract are changing. How will the wage increases be calculated?**

If the contract deliverables have changed/are changing since the 2016/2017 contract was signed, the wage increases will be calculated based on the new service delivery requirements.

**OTHER QUESTIONS:**

**21. What if my contract term does ends after March 31, 2017?**

Provided the agency meets the eligibility criteria, contracts that end after March 31, 2017 will be adjusted to reflect the wage increases. The applicable wage will be calculated on the remaining balance of the contract value, and a Modification Agreement will be used to adjust the value of the contract.

**22. How will unresolved discrepancies between the ministry's estimate of the wage increase and the agency's estimate or actual wage cost be addressed?**

Ministry staff will make all efforts to resolve discrepancies arising from the calculation of wage increases. As has been done in the past, unresolved issues are managed through the conflict resolution process.

**23. How will the wage increases be calculated if my contract length is less than 12 months?**

Agencies that have contracts for less than 12 months and meet the other criteria are eligible for the applicable wage increases. The ministry will use the same criteria to determine which agencies are eligible, and will calculate the wage increases on the wages and benefits portion of their contract.

**24. If I have a multi-year contract, how can I calculate/build in the wage increases?**

The applicable wage increases will be calculated on the remaining contract value as of April 1, 2017, and a Modification Agreement will be provided to adjust the value of the contract.

**25. Are Staffed Residential Contracts eligible for the wage increases?**

Yes, staffed residential contracts are eligible for the wage increases. Contract values will automatically be adjusted to reflect the increases for the Economic Stability Dividend wage increases. The 2017 Economic Stability Dividend wage increase will be calculated on the balance of the contract value as of the implementation date, and a Modification Agreement will be used to adjust the value of the current contract.

The Comparability Adjustment and General Wage Increase are built into the union and ministry versions of the [Staffing Costing Tool](#), and should form part of the negotiation process.

**26. Are school districts and health authorities eligible for the wage increases?**

Service contracts with school districts and health authorities are eligible for the wage increases under their respective collective agreements. However, contract values do not need adjusting as ESM funding is provided to school districts and health authorities through their base ministry. MCFD will work with school districts and health authorities who can confirm that ESM funding for MCFD service contracts has not already been provided to the base ministry.