

2022 Hybrid SPs Funding Adjustments

Subject: 2022 Funding Adjustments through Program Negotiations-Global Uplifts

Message sent on behalf of Henry Chen, CLBC VP Finance and CFO

Dear CLBC Service Providers,

I am writing to advise you of the forthcoming contract funding adjustments, starting with 2022 Global Uplifts (GU) related to the implementation of the Shared Recovery Mandate, including:

- 1) 2022 Wage Increase
- 2) 2022 Benefit Rates Update

The 2023 funding adjustments will be processed separately once 2022 GU is completed and 2023 benefit rates are finalized.

Shared Recovery Mandate (SRM)

The collective bargaining under the Province's Shared Recovery Mandate (SRM) is completed and Collective Agreements are ratified. SRM prioritizes protecting the services that people in British Columbia depend on, improving health care and preparing for future needs and challenges, and supporting a strong economic recovery that includes everyone in B.C.

As an approximate percentage of service provider's 2022 compensation costs, all community social service agencies can expect to receive the following estimated base funding increases of:

- 1) 6.89% retroactive for fiscal year 2022/23;
- 2) 7.04% for 2023/24; and
- 3) up to 3.11% in 2024/25, which is subject to confirmation of the Cost-of-Living Adjustments per the collective agreements.

This is an estimated total of 17.04% funding lift to compensation base over the three-year term, which is based on the total estimated incremental costs of the collective agreement items to the General Services and Community Living bargaining unit.

It is important to note that the administrative processes surrounding the actual contract funding modifications will vary across the different provincial funding programs. As such in CLBC's implementation, there may be a slight difference between the simplified annual "percentage compensation funding lifts" commitment above and what service providers may experience at the actual individual service contract funding level, which will be done through the *Program Negotiations – Global Uplifts (PN-GU)* system rollout commencing in April 2023.

This 17.04% estimated base funding commitment will be extended to CSSEA or HEABC union-exempt employees, non-union agencies, and management.

In addition to the estimated percentage funding lifts outlined above, agencies will receive targeted funding adjustments to cover agency-specific costs associated with:

- 1) Paid cultural leave for Indigenous employees through agency invoicing/billing process with CLBC. Details of this process will be provided in a future communication.

- 2) Employee vehicle mileage reimbursement rates and costs in programs to be negotiated through the local CLBC regional office.

The funding adjustments are based on an agency’s compensation base and funding is contingent on eligible community social service agencies completing CSSEA administered union and non-union compensation surveys and providing CSSEA authorization to share the agency-level compensation data with provincial funders.

2022 Wage Increase

The 2022 funding adjustments for Unionized employees **retroactive to April 1, 2022** include Wage grid rates adjusted for:

- 1) Wage comparability adjustments (Low Wage Redress),
- 2) \$0.25/hour increase, and
- 3) 3.24% increase.

As for Non-unionized employees, they can expect to receive the above estimated base funding increase retroactive to April 1, 2022, as a percentage of 2022 compensation costs.

Union 2022 Benefit Rates Update - Staffed Services Funding Adjustment

The 2022 Benefit Rates adjustment has been calculated based on the latest CSSEA Compensation Survey statistics and will increase the overall Residential and Non-Residential program funding by 1.73% and 1.10%, respectively. The increase is a result of various factors, including:

1. Increase in paid sick leave from 80% to 90% to address the legislated 5-day sick pay at 100%,
2. Additional statutory holiday for National Day for Truth and Reconciliation (NDTR),
3. Increase in in-lieu pay due to #1 and #2 above,
4. Increase in Education and Training days resulting from an update of current methodology and increased sectoral training requirements.
5. Increases in WorkSafe BC, CPP and Extended Healthcare, offset by minor decreases in other areas such as Vacation days.

Please see below summary.

	Days per year/FTE	
	2022	2021
Vacation	19.60	20.10
Sick	9.60	9.80
Sick Pay %	90%	80%
Education & Training		
Residential	6.28	6.06
Non-Residential	6.05	5.74
Overtime(Hours/year)	37.02	36.73
Stat Day Pay	13.00	12.00
In-Lieu Pay	12.52%	10.20%

Other 2022 benefit rates are as follows:

2022 Benefit Rates		
	Residential	Non-Residential
Benefits		
CPP	5.05%	5.05%
EI	2.08%	2.08%
WorkSafe BC	3.32%	1.67%
Subtotal	10.45%	8.80%
Other Benefits		
EHC	2.30%	2.30%
Dental	3.21%	3.21%
Group Life	0.25%	0.25%
AD&D	0.05%	0.05%
Subtotal	5.81%	5.81%

Non-Union 2022 Benefit Rates Update – Staffed Services Funding Adjustment

The 2022 program budget benefit rates are updated with non-wage cost estimates for Non-union employees based on your actual cost experience for the calendar year 2021 reported in your approved rate collection form as of Mar 31, 2022. If you did not complete the form, then your benefit rates remain unchanged.

The following adjustments were made to the submitted benefit rates to account for the Employment Standards Act (ESA) of 5-day sick pay at 100% and the additional statutory holiday for National Day for Truth and Reconciliation:

Category	Before adjustment	Adjustment
Net Sick Day (Sick Day x Sick Pay %)	no sick day	added 3 days
	Less than 5 days	Added up to 3 days
	More than 5 days	No change
In lieu pay	No in lieu pay in place	No change
	Has in lieu pay in place	Added 1.92%
Stat Day	No Stat Day in place	No change
	Has Stat Day in place	Added 1 day

These adjustments will be removed in 2023 funding adjustments as agencies are expected to reflect their actual 2022 experience in the 2023 rate collection form.

Funding Changes and Eligibility

Contract modifications to reflect the above changes will be **retroactive to April 1, 2022**. To receive funding for increases effective April 1, 2022, you must have submitted all Service Level Reports (“SLR”) for reporting periods ending on or before February 28, 2021. If you have any outstanding SLRs, please submit them. For assistance, please contact the SLR helpdesk at CLBC_SLR@gov.bc.ca.

As with previous years, any reduction in estimated compensation costs will be applied first to reduce any existing funding gaps before impacting funding.

Service Provider Contract Signature Requirement – Exemption Process for GU

GU contract modifications do not typically require service provider signature as the process usually results in an increase in funding with no change to service level hours. However, the GU process may result in service level hour changes for the following reasons:

- a) Fiscal Year 22/23: The introduction of new provincial statutory holiday (i.e. the National Day for Truth & Reconciliation) reduces service level hours for non-residential programs (as these programs do not operate on statutory holidays)
- b) All Fiscal Years: Any change to vacation, education, and sick days could impact service level hours if the staffing schedule contains staff who are not backfilled at 100%

Contract modifications containing service level changes usually require service provider signature in order to obtain approval for negotiated costs related to service delivery; this requirement was not designed to apply to changes relating to systemic rate updates.

As such, and in line with the precedent established when the Family Day statutory holiday was introduced, an exemption process has been developed which removes the service provider signature requirement for contracts where the service level change results solely from the GU process. This exemption does **not** apply in cases where any other non-GU changes are processed via a GU contract e.g., accruals, business-as-usual Program Budget negotiations etc.

CLBC Support

If you feel that these changes will mean that your agency will be unable to cover its costs, we remain committed to working with you in good faith to assess your cost structure and ensure funding is fair and reasonable. Also, if you have cash flow concerns, you may request an advance of funding to implement the 2022/23 SRM wage increase and benefit increases. Please contact the CLBC Finance department at CLBC.FinancialPlanning@gov.bc.ca. Please note the cash advance option applies exclusively to the PN-GU increases in 2022/23 and is not being extended to PN-GU 2023/24.

Your local CLBC office will prepare and send to you the contract modifications related to SRM increases and the 2022 benefit rates update. CLBC is targeting to implement funding adjustments for 2022 Global uplifts by August 31, 2023.

PN-GU FY 23/24 – Sequencing & Start Date

As communicated previously, the GU process for FY 22/23 must be completed before the process for FY 23/24 can start. Even if the GU process for FY 22/23 is complete, the equivalent process for FY 23/24 cannot commence until the overarching session is activated in MWS. This is **currently scheduled to occur in June 2023**, once the relevant rate information is confirmed, coding is complete, and all testing has been performed.

This means that any programs and contracts that are uplifted and pay authorized for FY 22/23 prior to June 2023 will remain “frozen” and will not be capable of being uplifted for FY 23/24 until the GU session for FY 23/24 is activated.

For questions related to the Program Negotiations – Global Uplifts (PN-GU) project, please contact your designated [Implementation Lead](#). This update can also be found under the Communications section of the [PN-GU project page](#).

CLBC appreciates your ongoing support in our shared responsibility to provide high quality services in a sustainable manner. We remain committed to a collaborative and transparent working relationship that seeks the best for those we collectively work to support.

Sincerely,

Henry Chen
VP Finance and Chief Financial Officer
Community Living BC