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## 2018 OPERATING BUDGET BRIEFING NOTE

### Community Partnership Investment Program (CPIP) Cost implications of Bill 148

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#### Issue/ Background:

- At the Budget Committee meeting held on December 18, 2017, the Executive Director, Social Development, Finance and Administration (SDFA) was requested to provide a Briefing Note on the cost implications to the Community Partnership and Investment Program recipients of Bill 148 and possible strategies to resolve.

#### Key Points:

- Bill 148, the Fair Workplaces, Better Jobs Act, 2017 was passed on November 27, 2017. The bill includes the following provisions:
  - [Raising Ontario's general minimum wage](#) to \$14 per hour on January 1, 2018, and then to \$15 on January 1, 2019, followed by annual increases at the rate of inflation
  - Mandating equal pay for part-time, temporary, casual and seasonal employees doing the same job as full-time employees; and equal pay for temporary help agency employees doing the same job as permanent employees at the agencies' client companies
  - Expanding personal emergency leave to 10 days with an across-the-board minimum of at least two paid days per year for all workers
  - Providing up to 17 weeks off without the fear of losing their job when a worker or their child has experienced or is threatened with domestic or sexual violence
  - Bringing Ontario's vacation time in line with the national average by ensuring at least three weeks' vacation after five years with a company
  - Making employee scheduling fairer, including requiring employees to be paid for three hours of work if their shift is cancelled within 48 hours of its scheduled start time

Link: <https://news.ontario.ca/mol/en/2017/10/bill-to-create-fair-workplaces-and-better-jobs-passes-second-reading.html>
- As noted in CD22.6 adopted by City Council at its meeting of Oct 2, 2017 "Impact of Community Partnership and Investment Program (CPIP) Grants and SDFA request for Approval of New Initiatives Report", grant funding contributes to staffing costs in organizations that support the employment of 1,258 FTEs across the City.  
Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD22.6>

- Included in the 2018 Preliminary Community Partnership and Investment Program (CPIP) Operating Budget are two grant programs that provide the funding for FTEs: the Homelessness Investment Fund (HIF) that supports the Shelter Support and Housing Administration (SSHA) needs, and the Community Services Partnership (CSP) grant that supports community organizations through the Social Development, Finance and Administration (SDFA) grants review process. These grant programs have different processes for funding and reporting on staffing positions.

#### Homelessness Investment Fund (HIF)

- The HIF grants, which provide funding to groups that support SSHA programming, reported the specific position titles and hourly rates for 49 staff in 14 agencies that receive support through the HIF grant program. Twenty- nine of these positions are fully funded by the HIF grant. All of these positions are funded above the minimum wage rates for 2018 and 2019. Consequently there is no impact from Bill 148.

#### Community Services Partnership (CSP)

- The Community Services Partnership grant provides funding support for approximately 1,258 FTEs across 198 agencies.
- There is no data on the percentage of these positions that are funded directly through CSP; as well, many of these positions are jointly funded with other partners. Furthermore, the CSP program guidelines stipulate that: "Applicants can apply for up to \$75,000 or 25% of the total grant amount (whichever is larger) for core administration costs" which includes administrative salaries such as those of an executive director, co-ordinator, or bookkeeper ".
- A survey of funded agencies in 2017 provided a 40.4% response rate, with the responses providing data related to job categories, unionization and organizational size.
- Organizational size included: grass-roots group (with operating budgets less than \$100,000, and no paid staff), small organization (with operating budgets of \$100,000 - \$499,999, with paid full or part-time staff), medium organization (with operating budgets of \$500,000 - \$1.0 million) and large organizations (with operating budgets greater than \$1.0 million).
- Survey results for these groups indicate that all unionized wage rates meet the 2018 and 2019 minimum wage requirements. The results also indicated that in non-union settings, the minimum rates meet the 2017 minimum wage rates, but are below the 2018 minimum wage rates in the all job categories except management. Analysis also indicated that low wage rates are reported in the grassroots, small organizations, which are all non-unionized rather than in medium or larger organizations.

#### **Next Steps:**

- In 2019, CSP groups will be submitting applications for support over the next four-year funding cycle, which will initiate a detailed review of grant-funding requirements; this review, as well as the introduction of a new online granting system will provide reporting enhancements, permitting analysis of specific positions, wage rates and the percentage funded by the CSP grant.

- In the interim, the City will be advising CSP-funded groups to advise the City regarding the implications to their funding agreements in light of the new minimum wage requirements, which will be addressed on a case-by-case basis.
- It is important to note that minimum wage rates do not entirely address the issue of precarity in the "for benefit sector" as these rates continue to fall below a "living wage".
  - Living wage is commonly defined as a wage rate that provides sufficient income to workers to predictably meet their needs based on the Toronto cost of living. The calculation of the living wage is based on the difference between the annual cost of everyday expenses that residents would expect to pay in the city, and government transfers and income tax credits for which a resident would be eligible.
  - In 2015, the Canadian Centre for Policy Alternatives (Link: [here](#)) estimated that the living wage for a family of four consisting of two working parents and two children living in Toronto was \$18.52/hour.
  - Living wage is not the same as the minimum wage, which is a legally mandated wage floor that applies across the province. It also differs from the fair wage rate, which is defined in City policy for a subset of job categories based on the local prevailing wage. There is no city policy on living wage.

**Conclusion:**

- The impact of Bill 148 will likely be greatest for CPIP grant recipients who have non-unionized organizations and particularly in small, or grassroots organizations (those with operating budgets under \$500,000).
- Survey data collected from Community Service Partnership Organizations (CSP) organizations indicates that 9 positions are currently funded at the 2017 minimum wage rate of \$11.40 or below the 2018 minimum wage rate of \$14.00 in four organizations. Assuming all of these positions are full-time, or consistent with funding guidelines the impact is projected to be would \$37,472. However, since this is an impact for the organizations receiving the grants, there is no request for grant budget increase.
- Since the survey data has been collected via a convenience sample, the data cannot be generalized to the forty-five (45) grassroots and small organizations that comprise 23% of the CSP portfolio. Consequently the estimated impact of \$37,472 reflects only the impact of a limited organizational profile.

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