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Perth-Wellington

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Stratford, Ontario

June 15, 2016

Hon. Dr. Helena Jaczek, MPP
Minister of Community and Social Services
6th Floor, Hepburn Block
80 Grosvenor Street
Toronto, Ontario M7A 1E9

Dear Minister:

I recently had the opportunity to meet with Ann Kenney, the new President of OASIS, and Donna Marcaccio, the Chair of OASIS's Pay Equity Committee.

Ms. Kenney and Ms. Marcaccio shared with me the results of OASIS's recent pay equity survey. Their survey was aimed at agencies using the proxy comparison method, and they had great feedback with 114 agencies completing the survey.

Our local service agencies do tremendous work providing programming and housing for some of the most vulnerable individuals in our communities. They should be commended. However, as the survey results show, their pay equity obligations and lack of government funding to meet these obligations are having a significant impact on their ability to provide the amount and quality of service that they would like to.

I have enclosed a copy of the results of OASIS's pay equity survey results for your review. They are troublesome. 60% of responding agencies have been unable to meet their targets, and 100% of respondents felt that pay equity has caused hardship to their agency.

OASIS has been a leader in calling for reforms to pay equity in the developmental sector. They have four recommendations which are further detailed in their enclosed submission:

- A change in the proxy regulations to allow for in-sector comparators;
- A moratorium on proxy pay equity liabilities until changes are put in place;
- Funding for outstanding obligations and pay equity adjustments to completion once changes are in place; and
- The elimination of the "deeming provisions" of the proxy regulations.

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What is your response to the concerns and recommendations raised by OASIS? Will you commit to reviewing the proxy pay equity model with a goal of continuing to address any wage gaps in the developmental services sector, while ensuring that service agencies have the funding they require to maintain proper staffing levels to provide top-quality service?

Please respond directly to the OASIS representatives, and issue a copy of your response to my office.

Thank you for your attention to this important matter.

Sincerely,



Randy Pettapiece, MPP
Perth-Wellington

RP:sc

Encl.

c: Ann Kenney, President, OASIS: kenneymi@sympatico.ca
Donna Marcaccio, Chair, OASIS Pay Equity Committee: dmarcaccio@rygiel.ca



OASIS Pay Equity Survey Outcome

The survey was aimed at those agencies that used the Proxy comparison method.

114 agencies completed the survey. 100 of the respondents had used the Proxy method.

Here is a summary of what we learned:

- 80% of agencies have a proxy Pay Equity Plan
- 60% of those agencies have not achieved their target
- 40% of those agencies are not current with their adjustments
- Those who are current, majority felt they will not be able to continue with the adjustments and that there was a cost to the worker pool in order to make the ongoing adjustments (46% have used staff reductions, 50% reducing hours per worker, diminishing infrastructure, etc). Many felt that the agency was diminishing quality of service in order to maintain the target
- 100% of agencies felt that Pay Equity has caused hardship to the agency
- 73% of agencies do not have plans on how to continue to manage their P.E. plan
- 18 agencies have received orders
- Many agencies also noted that a lot of time is spent by the Executive Director, Boards and other staff to manage P.E. issues.
- Most respondents indicated that there are needs for education on various aspects of P.E.

How are agencies funding Pay Equity:

- Reduced staff levels
- Increased fundraising
- Not filling vacant positions
- Reduced hours of support
- Reducing Program Hours
- Eliminating staff positions
- Overdraft in Line of Credit

Call to Action

What can help organizations fulfill their obligation to employees, protect service levels, protect jobs:

The *Equity as Fairness Committee* has presented information from the 2012 Pay Equity survey, made the following suggestions for changes to Proxy Pay equity regulations, and suggestions to the government's approach to Proxy Pay equity:

1. A change in the Proxy Regulations to allow for in-sector comparator -- there are at least 25 agencies that were able to use Job to Job or Proportional value. ALL of these agencies have achieved pay equity. These changes would:
 - Eliminate in-sector inequities (\$38.11 - \$24.27)
 - Treat the sector equitably in comparison to health and education and other public sector employers that used other Pay Equity models.
 - Not require a new Bill. Lieutenant Governor in council can amend Proxy Regulation 396/93 or repeal the existing Regulation and introduce a new one.
 - Establish a cost ceiling to achieve Pay equity in the sector (estimated at \$180 million)
2. A moratorium on Proxy Pay Equity liabilities until changes are put in place
3. Funding for outstanding obligations and future Pay Equity adjustments to completion once the changes are in place.
4. The elimination of the "deeming provisions" of the Proxy regulations.



Closing the Gender Wage Gap

Submission to the Ontario Ministry of Labour Steering Committee

The Hidden Gendered Costs of Informal Caregiving

About Ontario Agencies Supporting Individuals with Special Needs (OASIS)

OASIS is a volunteer-run, member-driven organization. Its member agencies serve over 65,000 of Ontario's most vulnerable citizens and employ 25,000 full and part-time staff. Its 180+ member agencies currently provide more than 85 per cent of all developmental services funded by the Ministry of Community and Social Services.

Introduction

OASIS wishes to thank the steering committee for meeting with our organization during the process of gathering information and consulting with Ontarians. We have carefully reviewed the appended materials, and hope that our submission reflects the values of our organization – collaborative, proactive, and solutions-oriented in working with government to help Ontario's most vulnerable.

In order to meet the goal of closing the gap between men and women in the 21st century economy, a multi-faceted solution is required. Herein we have outlined our understanding of the challenges and proposals to help address several issues.

Scope

In examining the scope of the consultations, OASIS has chosen to focus its submission on two major portions of the process: Examining the ways our organization can work to help address systemic barriers that contribute to the wage gap; and understanding issues that intersect with gender, such as disability, that may increase the wage gap, and ways to address it.

In order to focus our submission, we've chosen to address the following questions outlined in the consultation paper:

- What kinds of services and supports might help women and men to consider pursuing and succeeding in nontraditional careers?
- Do the current laws protect women from gender-related workplace discrimination?
- The gender wage gap will not be closed by a single solution. It will require a variety of approaches. We wish to share some best practices

Our Perspective

As a member-centric organization representing agencies that provide front line service to Ontario's most vulnerable, OASIS is able to understand concerns province-wide from service providers. Our team also understands the crucial, hidden intersection between developmental services (DS) formally, and the informal care economy that provides for the thousands of Ontarians who are currently on wait lists for formal developmental services.

It is helpful to level set to provide proper context:

A recent study by Ceridian, widely covered by news media, found that caregiving costs Canada's economy \$5.5 billion in lost productivity annually. Over 2.9 million Canadians are working caregivers and they had to take, on average, 10.4 days off over the past year for these duties, with many citing fatigue, stress, inability to focus on work as a result, and missing work completely.

This follows the 2013 Statistics Canada report *Ageing and Health in Canada*, which makes clear that informal caregiving is a fast growing hidden part of the Canadian economy.

Research by the Canadian Hospice Palliative Care Association on the broader informal care sector estimates that "replacement costs for unpaid care-giving in Canada [constitute] a significant economic contribution by caregivers; estimates for care provided in 2009 range between 25 to 26 billion dollars."

A 2014 report by the Institute for Research on Public Policy goes further, concluding that "only limited and inconsistent financial supports and in-kind services are available to informal caregivers. As a result, caregivers are left mostly on their own to deal with the negative – and sometimes catastrophic – economic, health and well-being consequences."

Services and Supports

The fact is, the informal care costs to the Canadian economy are massive. We know that the majority of these informal caregivers are women – women who are simultaneously giving up their career earnings opportunities in order to cover for the lack of formal DS supports available to vulnerable Ontarians on wait lists. Currently waitlist statistics indicate that there are 47,800 adults with developmental disabilities waiting for need appropriate services. Of these almost 7,000 have absolutely no formal supports to help alleviate the pressures on a family.

An increase in basic services and support for ending wait lists in the DS sector will instantly relieve the hidden burden of informal caregiving on the economy as a whole. Additionally, it will give the thousands

of women who directly bear that burden in lost wages and earnings potential opportunity to rejoin the workforce.

Current Laws

The flip side to this situation is the equally difficult position of those in the formal DS work force, where more than 85% of the direct service employee compliment and 80% of those in leadership positions are already women. While pay equity legislation was introduced to help combat the issue in Ontario broadly, the blanket approach to regulation has in fact harmed the cause in the DS sector by making hospitals the in-sector comparator, while not providing the additional funding needed to cover the shortfall in wages created. This has negatively impacted the employment situation in the sector as a whole – a sector which should have been held up as a model of equity.

The committee should consider in its recommendations helping DS agencies better serve Ontario's most vulnerable through a common sense regulatory change.

Unfortunately, hospitals were identified as the sector comparators for DS agencies. While other sectors received increased funding to meet these new obligations, the DS sector did not at the time. All agencies that had internal comparators met their pay equity obligation years ago. Agencies that were mandated to compare with salaries in the health sector have years remaining before their obligation is met. The comparison is one issue, but the legal obligation remains.

Today, many of our member agencies have had legislated pay equity commitments imposed upon them. After many years of a frozen funding environment, services were greatly impacted in order to meet the legal obligations. Almost 50% of agencies that have made pay equity adjustments without government funding have reduced staffing levels and services in order to meet this legal obligation. These cuts have not only eliminated employment opportunities but also the availability of full-time and/or more senior competitive positions to advance into. In fact, 50% of agencies will be reducing employees to manage year end deficits. Our 2012 survey demonstrates that as a result of the pay equity legislation, the wage gap has widened for our sector, with Pay Equity target rate ranges for the same position being in excess of \$20 per hour. Alternatively, some organizations have deferred pay equity commitments when funding was frozen, in order to maintain levels of service. It is estimated that up to 70% of proxy agencies are not current with their pay equity plans. Those agencies that are unable to meet the obligations are seeing increased legal fees which is further taking money away from the agencies bottom line. One agency has estimated that it would take more than 40 years to reach the pay equity target rates. As a result, agencies across Ontario are seeing a decline in the number of volunteers agreeing to sit on their boards, due to personal and agency liability, hastening the negative impact further.

In addition to pay equity cost pressures, DS agencies will soon see additional unexpected cost pressures as a result of Ontario's proposed Retirement Pension Plan (See Appendix 1). These agencies, with budgets already stretched, may be forced to shut down or cut back operations.

In order to protect women from gender-related workplace discrimination, the province must mitigate these pressures. Make changes to the Proxy Pay Equity legislation, or amend Proxy Regulation 396/93, to allow for in-sector comparators, placing a moratorium on Proxy Pay Equity liabilities until changes are

put in place, and commit to funding pay equity adjustments to completion once the changes are in place. Additionally, the province must reconsider the impact of the ORPP, ensuring that any additional cost is covered if agencies are ineligible for exemption. Mitigating the combined pressures will prevent the loss of over 3,600 full-time positions and reduce service impacts for people with developmental disabilities and their families.

Best Practices

The gender wage gap will not be closed by a single solution. It will require a variety of approaches, and education and awareness must be included as part of the broad toolkit. In this respect, our member agencies have a great deal to contribute, given our expertise in helping Ontario's most vulnerable becoming fully engaged members of society. For the population of women with a developmental disability their opportunity to achieve wage parity is dually compounded by their disability. Agencies play an integral role that includes helping establish workforce placement in communities throughout the province – a task that requires constant outreach and education of employers as to the value that those with developmental disability can provide.

Broadly, employers often begin from a position of lack of knowledge, believing that these potential hires would be a costly burden. However, the opposite is true: evidence consistently shows that companies that hire people with disabilities receive outsize benefits, as these employees are loyal, diligent, grateful for the opportunity to work, and contribute to less turnover than other employees in the broader workforce. A similar values-based approach to on-the-ground outreach and education can help Ontario find success in closing the gender wage gap in the world of hiring.

Contact

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APPENDIX 1: ONTARIO RETIREMENT PENSION PLAN (ORPP)

Currently, most of OASIS' member agency employees are enrolled in defined contribution plans, where the contribution rate is on average 3% employee/3% employer or greater. Many of these are group RRSP's as they offer the best low cost administration expense and permit employees to make volunteer contributions to their overall maximum as well as being highly flexible with options for education and home ownership built in.

DS agencies cannot afford to contribute an additional mandatory payment of 1.9% of salary to the ORPP, nor can their employees afford this surprise cost.

During the 2014 Ontario general election, it was our understanding that the proposed ORPP would be mandatory except for the self-employed, those already enrolled in workplace pension plans, and those in federally regulated industries, such as banking.

As the majority of DS agencies are already participating in DC plans, OASIS believed that its members would not be impacted.

Whereas the government had previously announced that comparable plans would be exempt from participation in the ORPP, the current path forward does not provide an exemption for DC plans, group RRSPs, or pooled registered pension plans (PPRPs).

The Government of Ontario recently made great strides in addressing the crisis situation in the developmental services sector in the 2014 budget. It must not negate these gains by forcing an additional, unexpected cost on the sector in the form of mandatory participation in the ORPP.

DS agencies cannot afford to contribute an additional payment of 1.9% of salary, nor can their employees afford this surprise cost.

It is our view that DC plans are indeed comparable in nature and should be exempted. However, if the Government of Ontario wishes to proceed under the current terms of the consultation paper, it must ensure that extra costs are reimbursed for the sector.