



December 19, 2017

The Honourable Kathleen Wynne  
Premier of Ontario and Minister of Intergovernmental Affairs  
Legislative Bldg Rm 281, Queen's Park  
Toronto, ON M7A 1A1  
By email: [premier@premier.gov.on.ca](mailto:premier@premier.gov.on.ca)

**Ontario Government support for decent work in the nonprofit sector:  
Integrating Bill 148 costs into transfer payment agreements**

Dear Premier Wynne:

On behalf of the Ontario Nonprofit Network (ONN), I would like to congratulate you and your government on the passage of Bill 148, the Fair Workplaces, Better Jobs Act. This bill makes critical improvements to our employment laws that will help to improve working conditions and tackle rising employment precarity in communities across Ontario.

As the network for Ontario's 55,000 nonprofit and charitable organizations, we are writing to ask for your commitment to measures that will support new labour costs associated with Bill 148 in the funding agreements through which nonprofits deliver critical services to Ontarians on behalf of government. This legislation will increase costs that are unsupported by the transfer payment agreements across the approximately 15 ministries that fund nonprofits on an ongoing basis. Over the past decade, many nonprofits in Ontario have struggled to maintain service levels with flat-lined funding from the Province of Ontario and there is no room in their budgets to absorb new costs. For those organizations that receive ongoing funding, we ask that a meaningful increase in funding levels be implemented to prevent organizations from having to reduce services as they realign their budgets with new employment standards. Some of these hard costs start on January 1, 2018, within the current fiscal year for which existing transfer payment agreements have already been signed.

ONN has met with staff in your office and we have been in regular contact with them on this issue. We were cautiously optimistic in reaction to the Fall Economic Update, which recognized the costs associated with Bill 148 for our sector and signalled that your government was committed to working with its delivery partners "to help ensure they successfully manage the transition in in the lead-up to January 1, 2018 and beyond."<sup>1</sup> At the same time, while the Update

---

<sup>1</sup> Ontario Ministry of Finance. "Fairness for Workers" section. 2017 Ontario Economic Outlook and Fiscal Review: A Strong and Fair Ontario. p. 22.

<https://www.fin.gov.on.ca/en/budget/fallstatement/2017/ch1.html#ch1-6>

contained \$57 million in concrete measures for the small business sector for within-year support alone, effective January 1, 2018, it contained no firm commitments for the provincially-funded nonprofit sector.

We urge you and your Cabinet colleagues to come up with meaningful support to nonprofits through the Bill 148 transition period and thereafter. Specifically, we are asking for:

1. A public commitment that the costs of Bill 148 will be reflected in nonprofits' transfer payment agreements starting April 1, 2018.
2. A public commitment to transitional assistance in 2017-18 agreements.
  - *Transfer payment agreements for the current year should be subject to a top-up to reflect estimated increased labour costs that go into effect for the last quarter (Jan. 1, 2018).*
  - *Nonprofits would also benefit from one-time support for updating human resource policies, payroll systems, and pay grids (e.g., for full-time, part-time, and casual job description equivalency comparisons).*
3. The reinstatement of routine inflationary increases across sectors that have been flatlined for five to ten years, or longer.

It is critical that the Ontario nonprofit sector be able to offer decent work while meeting the needs of communities. For this to happen, **the Ontario Government must align its funding practices with its role as employment standards regulator and develop mitigating measures for provincially funded nonprofits affected by this legislation.** The recent announcement that the childcare sector will receive funding, at least for the new minimum wage, was an encouraging start.

We recognize that calculating Bill 148 implementation costs in the nonprofit sector is not straightforward. Some sub-sectors, such as child care, are most affected by the equal pay provisions for part-time workers; others, such as women's shelters, are most affected by the new scheduling rules. The situation is complicated by further proposed changes coming in the wake of the Changing Workplaces Review, such as a possible end to the exemption for paying supervisory/managerial staff overtime pay.<sup>2</sup> **ONN would be pleased to convene the nonprofit sector to explore the implications of the new Employment Standards legislation and forthcoming regulatory changes for the sector's budget models and to co-design mitigating measures tailored to each subsector.**

---

<sup>2</sup> Ontario's Regulatory Registry. "Review of Special Rules and Exemptions under the Employment Standards Act, 2000: Managers and Supervisors (O. Reg. 285/01)." <http://www.ontariocanada.com/registry/view.do?postingId=25169&language=en>

ONN is also engaging public and private sector funders in Ontario to encourage them to champion decent work in the nonprofit sectors by committing to cover the real and current cost of service delivery, including Bill 148 costs, in their funding agreements. As a final point, consequently, we would ask that, **in your role as Minister of Intergovernmental Affairs, you raise this issue in intergovernmental talks to ensure that municipally- and federally-funded services for Ontarians, such as homeless shelters and settlement assistance for refugees, are not cut back as a result of Bill 148's impact on the financial situation of nonprofit providers.** While we have heard from our network that some municipal funders are stepping up their funding commitments to nonprofit service delivery providers (e.g., for the new minimum wage, for equal pay for part-time and casual workers, and for the cost of new leave provisions), our network is concerned that federal funders, such as Immigration, Refugees, and Citizenship Canada, are not yet doing so. We would be grateful if you could raise these concerns with your federal and municipal counterparts.

Once again, thank you for your commitment to promoting decent work in Ontario workplaces. We look forward to working with you and your government to ensure that the Ontario nonprofit sector is well supported through the Bill 148 implementation period.

Sincerely,



Cathy Taylor, Executive Director  
Ontario Nonprofit Network

Copied to:

- The Hon. Charles Sousa, Minister of Finance, via [charles.sousa@ontario.ca](mailto:charles.sousa@ontario.ca)
- The Hon. Liz Sandals, President of the Treasury Board, via [liz.sandals@ontario.ca](mailto:liz.sandals@ontario.ca)
- The Hon. Bill Mauro, Minister of Municipal Affairs, via [minister.mma@ontario.ca](mailto:minister.mma@ontario.ca)
- The Hon. Kevin Flynn, Minister of Labour, via [kevin.flynn@ontario.ca](mailto:kevin.flynn@ontario.ca)
- The Hon. Laura Albanese, Minister for Citizenship and Immigration, via [laura.albanese@ontario.ca](mailto:laura.albanese@ontario.ca)