

MGEU

PUBLIC SERVICES - PUBLIC PRIORITIES

PROPOSALS FOR THE 2014 MANITOBA BUDGET



Manitoba Government and
General Employees' Union

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Public Services - Public Priorities:

Proposals for the 2014 Manitoba Budget

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Introduction

On behalf of the members of the Manitoba Government and General Employees' Union, we would like to extend our sincerest thanks to the Minister of Finance for the opportunity to share our budget priorities. We understand that many ideas and options will be put forward representing diverse interests as the budget consultation process moves forward. Our priorities come from the unique perspective of the front-line workers providing services to Manitobans every day of the year.

Why We Care

Manitoba is a great place to live and work with an upstanding and generous population that will go the extra mile. We have learned that together we can overcome any obstacles.

Whether it is in times of emergency and hardship or in everyday life Manitobans depend on the public services provided by government. Travelling our highways to visit grandparents or the beaches for a getaway; living in safe neighbourhoods with good schools; getting the health care we need when we need it -- these are all key public services. When disaster strikes -- a flood, a forest fire, winter storm power outages or drought in our farm communities-- government employees are there to work with Manitobans to get things back on track. These are vital services – public services -- and they are the most important public priorities.

MGEU's over 40,000 members are proud to serve on the front-lines providing health care, college education, public safety, family services, and maintaining infrastructure and natural areas. Our members believe that the services they provide are invaluable to ensuring our Province remains a vibrant place to live- where we place the highest value in caring for our fellow community members and building Manitoba together.



- We believe healthy workplaces and quality public services are the cornerstones of strong communities across our province.
- We believe a well-trained, well-staffed workforce is the key to effective public services.
- Our work is driven by a commitment to fairness and respect in our workplaces, our governments, and our communities.

Manitoba's Economy

The lingering effects of the global economic meltdown continue to thwart a robust economic recovery in Manitoba. A healthy expansion of the economy has been tempered by a weakened manufacturing sector and lackluster job growth. While the provincial economy is forecasted to grow at a rate of 2.3 percent GDP in 2014 (RBC) the unemployment rate will remain at 5.3 percent- higher than pre-recession numbers.

Workers have been hit hardest by the sluggish recovery with the rise of part-time and casual low wage jobs. Statistics Canada reports that Manitoban's inflation rate has been consistently high when compared to other provinces in Canada- limiting the disposable incomes of Manitobans. Declining public sector employment for the third consecutive year will add additional strain on the economy and impact job numbers.

"In Manitoba's case... we're down 3,100 jobs in the public sector...and that hurts the economy." - Wilf Falk, Manitoba Chief Statistician (Winnipeg Free Press - January 23, 2014)

Budgetary Pressures

Governments facing today's economic circumstances take various approaches to alleviate their fiscal pressures. Some have cut public service jobs, privatized services, or sold crown assets to reduce their respective deficits. Others have legislated away bargaining rights of workers while freezing or restricting wage increases.

The MGEU believes that cutting jobs and services will further weaken the economic recovery and put more pressure on Manitobans. Higher wages provide relief to families, reduce reliance on public services, and are good for businesses that depend on consumer spending. A responsible way forward would balance the needs of working families with the budgetary challenge faced by this government. Focusing on jobs and growing the economy will ensure that the budget is balanced in a reasonable timeframe while ensuring that services are there when needed.

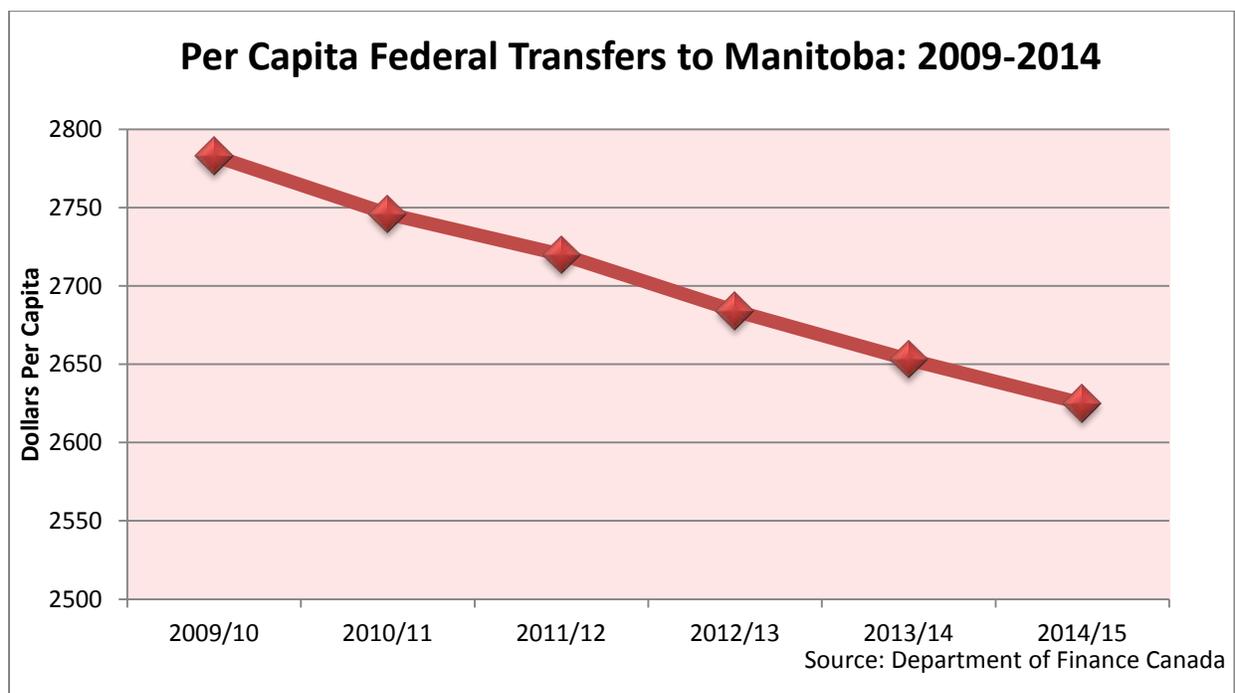
Balanced Budget Legislation - Governments require the flexibility to respond to crises when they arise to ensure that public needs are met. The financial crisis of 2008, flooding in Manitoba and Alberta, and severe weather in Ontario and the Maritimes constantly reminds us that unforeseen crisis can wreak havoc on provincial budgets. Current Balanced Budget Legislation is not flexible enough to deal with such emergencies. Modernizing this antiquated legislation to align with other provinces would remove the political and fiscal straight jacket that puts key services at risk during a severe economic downturn or when responding to the personal and economic consequences of natural disasters.

"Cutting the deficit by gutting our investments in innovation and education is like lightening an overloaded airplane by removing its engine. It may make you feel like you're flying high at first, but it won't take long before you feel the impact." - Barak Obama (January 25, 2011)

Delaying Tax Expenditures - Many details of Budget 2013 were lost in the public debate on the one percent increase to the Provincial Sales Tax. Very little was reported on the estimated \$50 million in deferred revenue afforded to seniors who own property. We recommend deferring the Seniors Education Tax Rebate until Manitoba's fiscal and economic position improves.

Fair Taxation - By raising the PST one point the province aimed to secure a solid financial base to support significant infrastructure spending over the next ten years. Other government revenues should now be directed to secure the vital programs Manitoba families depend on. We note that other provinces have reacted to the declining federal transfer payments by increasing corporate taxes and asking for a higher contribution from those that have done well in the economy. British Columbia, Ontario, Quebec, and Nova Scotia have all implemented a tax increase on high income earners- shifting to a tax system where more people pay their fair share. We encourage the government to adopt a similar approach in future reviews of revenue needs.

Federal Transfers - The Government of Canada has traditionally been an equal partner in delivering public services with Canadian Provinces and Territories. This relationship forged a common Canadian identity of caring and respect by ensuring access to quality services regardless of where citizens chose to settle. Changes to this agreement have left provinces like Manitoba with a funding shortfall and are threatening health, education, and other social programs. Transfers have decreased by \$158 per person since 2009. Compounding the issue is a discrepancy in Manitoba's population count as documented by the Chief Statistician for the province. Now more than ever, we need a common front to show Ottawa that Manitobans are united in their call for fairness.



Internal Services – The Materials Distribution Agency was established to oversee and coordinate procurement by all departments, agencies, and other public authorities. Our members report that in keeping with our 2013 budget recommendations, positive steps have been taken to increase the efficiency of purchasing through MDA in the past year. In our view, this is a step in the right direction and an area that could be expanded even more to include all RHA's and crown agencies where feasible.

With a renewed focus on infrastructure investments in the coming years we see an opportunity for those departments involved to work together. We recommend government consider consolidating infrastructure planning processes to achieve administrative savings and to better coordinate the scheduling and timing of large construction projects.

Working Manitobans

Fair Wages - An attractive wage package ensures the best and brightest stay in Manitoba. Keeping young workers from leaving the province requires opportunities and options for families to put down roots. Considering that income growth in Manitoba is not keeping pace with our provincial neighbors, a competitive wage is crucial to recruitment and retention efforts.

Our members voted to do their part in easing the fiscal pressure following the economic downturn by agreeing to a wage freeze. Future wage increases should stay ahead of the cost of living, be competitive with our provincial neighbours and address recruitment and retention issues where there are skilled labour shortages.



Mental Health and Addictions - We were encouraged when MGEU's priority on funding addictions treatment was reflected in budget 2013. The announced two percent of Liquor and Lotteries profits dedicated to prevention programs will secure funding for service providers more than doubling the MLLC's annual contribution to addictions treatment in Manitoba. The innovative Crisis Response Centre has begun providing critical mental health services-alleviating some of the pressures on emergency rooms.

Whether witnessing an accident, experiencing a life threatening event, or the death of a colleague, many public employees are at a greater risk of exposure to traumatic events through the course of their workday. This government could galvanize their reputation as a leader in progressive mental health policy by introducing 'presumptive' legislation assisting workers in recovery after being exposed to traumatic stress on the job. These front-line workers and their families would benefit from the time and care needed to return to their regular duties afforded by this type of legislation.

Pensions - A stable pension plan is an important consideration for job seekers who value income security during retirement. Recruiting and retaining the best and the brightest employees demand an attractive benefits package. A recent Mercer Human Resources Consulting study on public pension plans reported that they are healthier than they've been in twelve years. We urge the government to resist pressure from interest groups pushing for pension models like those adopted in Saskatchewan or New Brunswick.

Manitoba's largest public sector pension plans (Civil Service Superannuation Plan, Teachers Retirement Allowance Fund, Municipal Employees Benefits Program, Healthcare Employees Pension Plan) currently each have their own administrative structure. There may be an opportunity to consolidate the investment arms of the major plans to find efficiencies and reduce administrative costs for retirees.

We stand with provinces and groups across Canada that are advocating for an expanded Canadian Pension Plan (CPP) to ensure that everyone can retire with dignity and security. The difficult decision that many are faced with is to save for the future or pay for the necessities of today. Only a modest increase in contributions to the CPP will secure a better minimum retirement income for all future retiree's.

Quality Public Services

Trends in recent years have some worrying about the government's commitment to front-line services. MGEU members continue to express frustration with the gap between their responsibility and the resources dedicated to their program areas – doing more with less. Front-line workers warn that declining resources already stretch services too thin. Several measures have placed undue strain on public services:

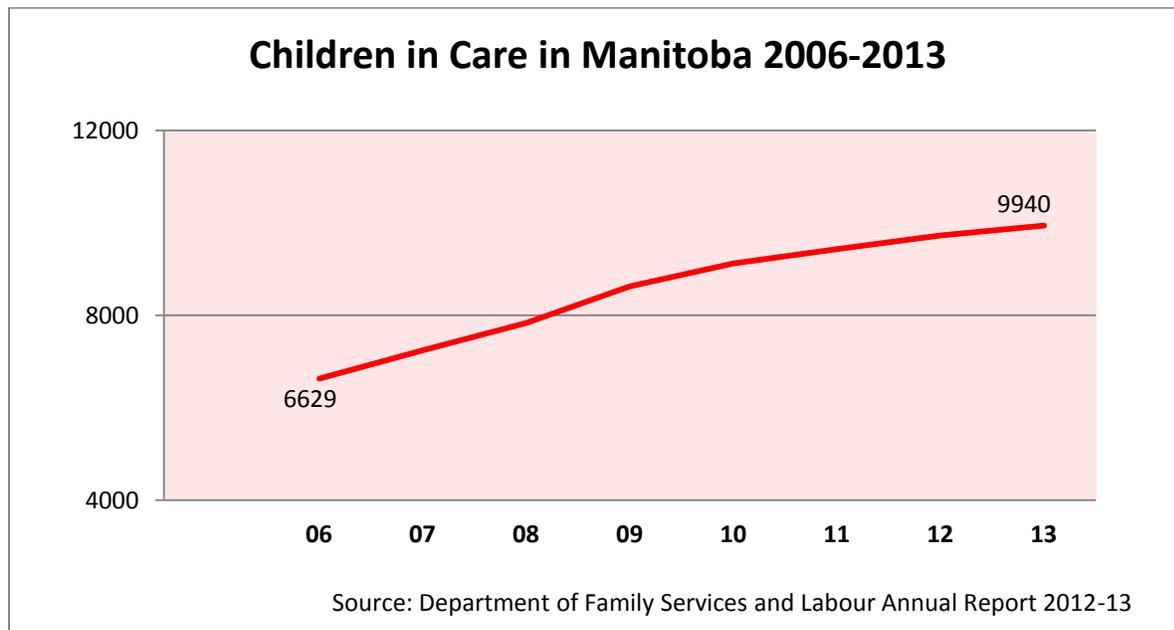
- 300 of the targeted 600 jobs have already been eliminated from the civil service
- Continued reliance on part-time, casual, or summer students to perform duties that have been provided by full-time permanent staff in the past
- long delays in filling vacant positions
- a growing number of managers while hiring fewer front-line workers

"We're committed to getting back to balance and we'll do that by building our province, creating good jobs for Manitobans and supporting steady growth in our economy," Jennifer Howard. – Dec. 20, 2013

We encourage the government to avoid using targets to reduce the size of the public workforce because services will inevitably be impacted. Relying on hiring freezes and attrition to cut positions may achieve a short-sighted goal of reaching a balanced budget by an arbitrary date, but the long-term impact on service levels will increase costs elsewhere in the future.

We believe that current measures to achieve savings by deleting positions when they become vacant, slowing down the hiring of new employees or refusing to devote sufficient human resources to meet program objectives may be largely counterproductive. Increased use of overtime or consultants to meet resource shortfalls, as well as sick time due to increased stress comes at a significant cost. We urge the government to review its current policies to determine if they result in savings, especially when considering costs of overtime and reductions in services to the public.

Caring For Children - Family Services was impacted with loss of 74 employees in the past year. Recent information that some agencies will face a four percent funding shortfall this year will compound the issues in the child welfare system. These cuts are taking place despite the fact that nearly 10,000 Manitoba children are in care (the highest number per capita of any province). Testimony at the Phoenix Sinclair Inquiry highlighted the devastating consequences when child welfare workers are faced with excessive workloads, poor training opportunities, and a system in transition. It is imperative to invest in the people that provide a safety net for society's most vulnerable.



Conservation - The Department of Conservation and Water Stewardship cut 48 workers this past year leaving fewer people to keep our campgrounds clean and safe, and to manage our natural areas. These planned cuts come at a time when the government announced *TomorrowNow- Manitoba's Green Plan* a strategy aimed at protecting our water, air, and land. We urge the government to provide the resources needed to implement the proposals in the 8-year plan.

Education - The Premier's Economic Advisory Council Skills Summit on February 27th -28th 2013 set a goal of creating 75,000 jobs for new workers by 2020. Recommendations included expanding programs offered at University College of the North (UCN) and a significant role for Red River Community College (RRCC) and Assiniboine Community College (ACC).

The decision to cut programs at UCN to make up a budgetary shortfall contradicts this plan. These institutions are a key partner in providing skills training to ensure that workers are prepared to work in our changing economy. Reinstating the programs at UCN and aligning the programs with the needs of industry would help achieve the goal of creating quality jobs.

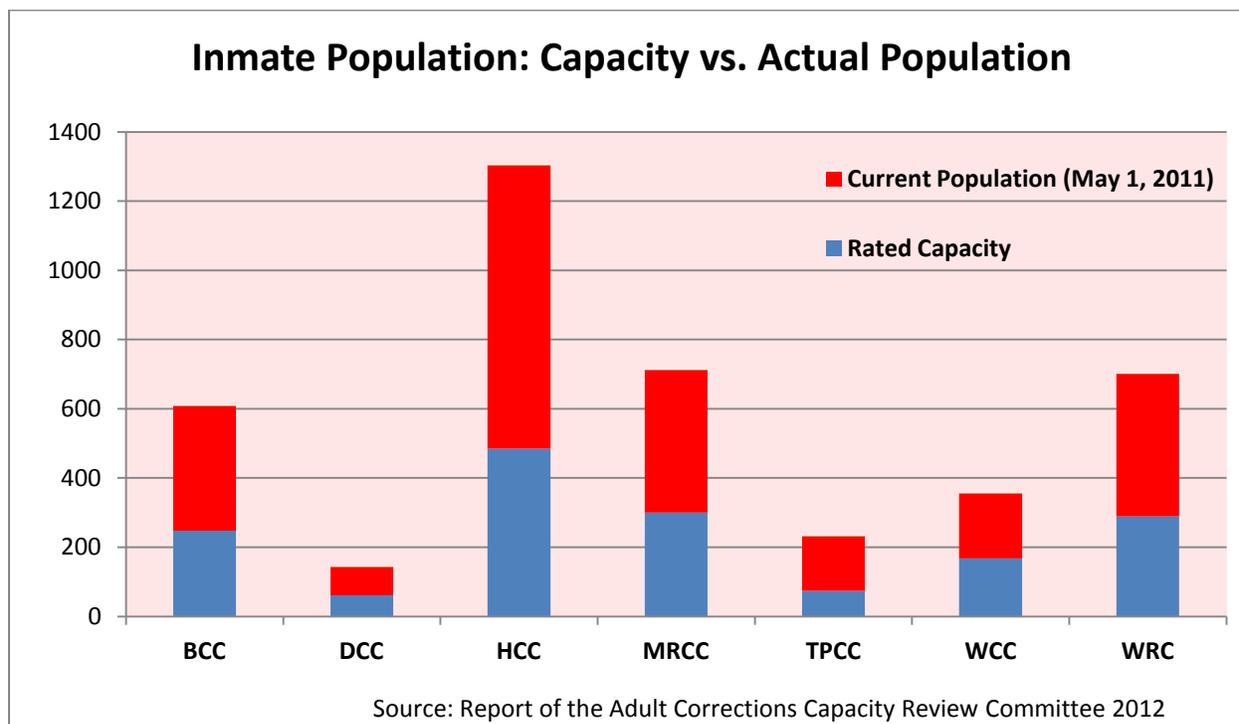
Infrastructure - The safety of roads and bridges will be impacted by declining numbers of snowplow operators on our province's national road system.

Departmental employees will also feel the brunt of the reduction in positions as 77 jobs were cut from the Infrastructure and Transportation Department.

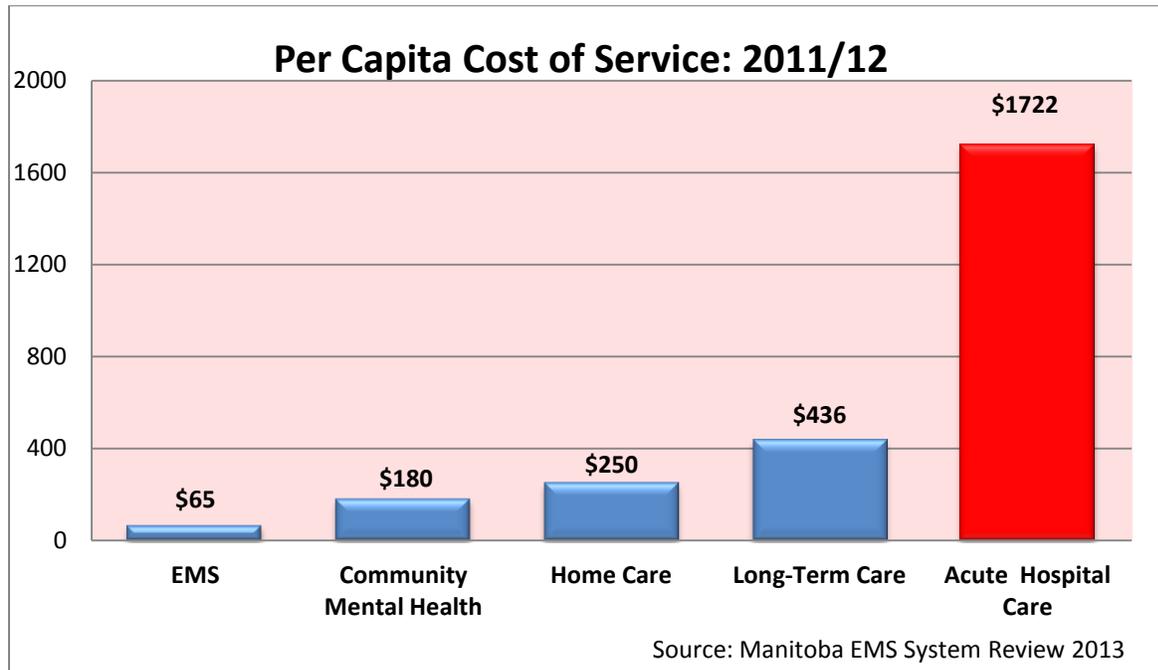


Considering the planned infrastructure projects over the next ten years, it makes sense to invest in engineering staff to reduce the use of costly consultants and additional maintenance workers to keep our roads safe.

Corrections - The government struck a committee to investigate the causes and solutions to the overcrowding of correctional facilities in Manitoba. The Capacity Review Committee found that Correctional facilities in Manitoba had a combined 803 bed shortfall in May of 2011. Overcrowding impacts the safety of both inmates and correctional officers. Action must be taken to build the announced Dauphin Correctional Centre and other initiatives to reduce the stress being placed on this vital service. We all remember the 1996 Headingly riot and believe a more urgent approach to addressing the stresses caused by chronic overcrowding in our jails is required.



Keeping Crowns and Agencies Public - Manitoba's family of crown corporations and agencies provide affordable services and keep jobs in Manitoba. The sale of the Property Registry to an Ontario owned firm will divert profits and investment out of the province. Privatization has been shown to reduce the quality of service while costs increase. A stable economy depends on reliable services at an affordable price. Our priority is to keep quality public services public.



Health Care - The MGEU represents more than 14,000 workers in Manitoba's health care network including; technicians, nurses, health care support and other health professionals. We have a unique perspective on what's working and what's not!

Our aging population necessitates that services keep up with the demand of more people requiring more care. MGEU members are keenly aware of the advantages of community health care. Not only are the services more appropriate for many clients receiving care, but the programs are also more cost-effective when compared to acute care provided in hospital. Three vital areas within the healthcare system require investment to ensure high quality services reflect this growing need:

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Health Care Support - The unsung heroes of our health care system are those workers ensuring vulnerable Manitobans receive the health care they need and deserve. They work in personal care homes and hospitals supporting the disabled and elderly and ensuring they live with dignity when they can no longer live independently.

Health care aides continue to face pressures of working short or below the staffing levels recommended by the province. The resulting pressure on the system decreases the quality of care for residents and patients and contributes to workplace stress.

Community Support Services - Home Care workers attend to the disabled and elderly in need of support within their own homes. The transition to more stable jobs for home care attendants has resulted in cuts to the time allotted per home visit. Assisting with lunch preparation, bathing, and other daily activities are becoming increasingly difficult when attendants are rushing from client to client. Some areas of the province have had a more seamless transition into new shift configurations and we would like to continue to partner with the health care providers to ensure the quality of care is maintained during these changes.

*“You are not only their Home Care attendant; you become their friend, confidant, an extended family member; their lifeline to the outside world... There is no better feeling than taking those five minutes when you arrive to really listen to what they have to share.
– Rose Hretchka, Home Care Attendant*

Emergency Medical Services - We appreciate being consulted on EMS service delivery and look forward to working cooperatively as the recommendations of the EMS Review are implemented. These five proposals will enhance the quality of emergency care and alleviate backlogs in hospital emergency rooms:

- **Community Paramedicine:** Tremendous success has been achieved by dedicating paramedics to the Main Street Project, two inner-city personal care homes, the Salvation Army Building and the most common callers to the 911 system. These programs produce results and should be expanded across the province.
- **Faster Response Times:** Response times in rural Manitoba have come under fire recently and the EMS System Review called for an additional 430 rural paramedics. More full-time and part-time paramedics would make more responders available and decrease the time it takes an ambulance to leave the station.
- **Retaining Rural Medics:** Paramedic salaries in rural Manitoba are 38% less than in the City of Winnipeg. Wage parity would help keep trained medics in rural areas.
- **Intelligent Destination:** Sometimes it makes sense for responders to send someone with a minor injury to an Urgent Care Centre or Quick Care clinic rather than the ER.
- **911 Calls Sent to the Right Service:** We support the protocols that allow 911 to determine if a call is best handled by the emergency responders or if it is more appropriately transferred to Health Links or another service.

Conclusion

Budget 2014 is an opportunity to show Manitobans this government's priorities. There will be a push from various groups to put an arbitrary date on balancing the budget. It is our view that a sole focus on the bottom line leaves many of our most vulnerable without support when they need it most. We have a different approach that takes the health and wellness of Manitobans into account while ensuring that our economy continues to recover. The MGEU believes that protecting public services is Manitobans top public priority. Most Manitobans do not want to sacrifice what we have built together for irresponsible cuts to programs and services.

Our budget priorities include three general recommendations aimed at securing resources for front-line services and ensuring good jobs to attract the best people. Eight recommendations highlight areas where we can make investments in specific programs to ensure they run efficiently while providing quality services. The final four recommendations provide suggestions where savings can be found to ensure that fiscal balance is maintained.

We appreciate the opportunity to discuss our proposals and hope to see them reflected in this and future budgets.

Thank you.

Budget 2014: Public Services - Public Priorities

General:

1. Commit to maintaining front line services even if it means a longer time frame to balance the budget. No wholesale reduction of public sector services, wages and employees as seen elsewhere in Canada. Manitoba must honour its no lay off pledge in spirit and in practice.
2. Current collective bargaining in the Manitoba public sector should account for the rising cost of living, keep wages competitive with our provincial neighbours and address skills shortages where there are chronic recruitment and retention issues.
3. We urge the government to review its current policies on the use of overtime, consultants and vacancy management to determine if they result in real savings.

Quality Services:

4. Address chronic overcrowding in our jails by accelerating the construction of corrections facilities like the Dauphin jail.
5. Improve emergency medical services through expanded community paramedicine programs in Winnipeg and pilot programs in rural Manitoba as well as implementation of recommendations to improve emergency care that include more full time paramedics in rural RHAs.
6. Introduce 'presumptive' legislation allowing workers to claim benefits after being exposed to post-traumatic stress on the job to ensure workers and their families receive the time and care needed to return to their regular duties.
7. To help meet the goal of 75,000 new jobs by 2020, better align College training courses with needs of Manitoba employers and reverse cuts to training programs at UCN.
8. To ensure Manitobans who depend on home care receive the care they need modify the rigid and unrealistic time guidelines for visits by homecare professionals.
9. Improve the child welfare system by implementing the recommendations in the Phoenix Sinclair Inquiry Report.
10. To ensure timely implementation of TomorrowNow- Manitoba's Green Plan a strategy to protect our water, air, and land, end the staffing and resource reductions in Conservation that jeopardize the success of this program.
11. Strictly adhere to minimum staffing levels and ensure they meet or exceed targets at all facilities to ensure Manitobans in personal care homes receive the care they require.

Savings:

12. Save approximately \$30 million in 2014/15 and \$50 million in each year thereafter by delaying implementation of the Seniors' School Tax Rebate.
13. Centralizing capital planning to better coordinate the timing tendering and granting of contracts on large capital or infrastructure projects.
14. Further strengthening materials purchasing process ensuring government departments, crown organizations and RHA's use the Materials Distribution Agency.
15. Use the streamlining approach applied to RHA's and Crown Corporations to consolidate the investment arms of Manitoba's major pension funds to achieve administrative efficiencies and strengthen the financial returns for current and future retirees.



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