

## Barriers to Concluding a Negotiated Collective Agreement: Costing the BCTF Proposals Currently on the Table

July 8, 2014

After 16 months of bargaining, BCPSEA and the BCTF have thus far been unable to conclude a negotiated agreement. Exploratory discussions were held over several days in late June/early July between BCPSEA Lead Negotiator Peter Cameron and BCTF President Jim Iker, with the assistance of Justice Stephen Kelleher of the BC Supreme Court in the role of potential mediator. The purpose of the discussions was to determine whether the parties could move their respective positions closer to bridge the significant gap between them such that mediation would be viable. BCPSEA was clear in those discussions that although we are willing to further explore possible options and would be able to make some moves with respect to what is on the table, our comprehensive package tabled on June 15 is very close to the limit of what the province can afford. We have also been clear that the BCTF needs to come back to the table with a set of proposals more in line with the collective agreements reached with other public sector unions (including the K-12 support staff unions) over this past year.

This Backgrounder explains the key proposals the BCTF currently has on the table and BCPSEA's calculation of the cost of those proposals. The total cost of the BCTF proposals for wage and benefit increases is still approximately two times higher than agreements recently concluded with BC's other major public sector unions covering approximately 150,000 employees (including the recent [Framework Agreement with K-12 support staff unions](#)). The union is also holding firm to a number of other very costly proposals; in their totality, the cost of the BCTF proposals is a significant barrier to a new collective agreement. Given the reality that the parties were not able to move within a potential zone of settlement, Mr. Justice Kelleher advised the parties, as reported in the BCPSEA–BCTF [joint statement](#) of July 2, that "...mediation is not indicated at this time."

The union's base salary demand (including required increases to wage-related benefits) increases costs by 8%. However, when the union's proposed increases to other compensation items such as benefits and reduced hours are added, **the total proposed compensation increase rises to 14.5%**. Including the \$5,000 signing bonus proposed by the BCTF adds approximately \$150 M to total costs.

	Public Sector Settlements to Date	BCPSEA's Current Compensation Offer to BCTF	Current BCTF Total Compensation Demands
Contract Length	5 Years	6 Years* Optional 7 <sup>th</sup> year at 8.5%**	5 Years
Total Compensation	5.5%	7.0%	14.5%
Signing Bonus	None	Expired as at June 30, 2014 (+ \$1,200)	+ \$5,000
Economic Dividend***	Yes (50%)	Yes (50%)	Yes (100%)

\*The most recent teacher collective agreement ended on June 30, 2013. All other past public sector agreements ended in the spring of 2014 and have now been renegotiated to end in 2019. BCPSEA has proposed a six-year term for the new teacher agreement to bring the BCTF into alignment with the expiry date of all other public sector collective agreements (July 1, 2013 to June 30, 2019).

\*\*BCPSEA has offered an alternate seven- year term including an additional 1.5% wage increase. This would provide teachers with an 8.5% wage improvement between 2013 and 2020.

\*\*\*The Economic Stability Dividend will provide additional increases if the actual provincial GDP exceeds the forecast.

The chart below summarizes the cost of the union's current proposals. While the BCTF has stated that it doesn't agree with some of the numbers used by BCPSEA for our costings, it has refused to provide its own costing or to refer areas of disagreement to the joint BCTF/BCPSEA data working group (which includes the option of third party verification).

<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
Wages and Benefits	<b>\$211.1 M</b> (plus any Economic Dividend)
Salary Grid Reduction +	<b>\$16.9 M</b>
Preparation Time – Elementary +	<b>\$86.2 M</b>
Preparation Time – Secondary +	<b>\$5.9 M</b>
Pregnancy and Parental Leave +	<b>\$22.1 M</b>
Benefits – Extended Health and Dental	<b>\$11.0 M</b>
TTOC Benefits – Grid Placement +	<b>\$4.6 M</b>
Professional Development	<b>\$8.8 M</b>
Impact of the BCTF compensation increase proposals on the above matters (identified above with +)	<b>\$9.7 M</b>
<b>Subtotal (excluding Wages and Benefits)</b>	<b>\$165.2</b>
The BCTF proposes an ongoing fund of \$225 M per year to be applied to compensation matters (in addition to wages) such as those items in the shaded rows above. This amount would be <b>\$59.8 M more</b> than the current cost of those proposals (the difference between \$225 M and \$165.2 M).	<b>\$59.8M</b>
<b>Total Cost of BCTF Compensation Proposals</b>	<b>**\$436.1 M</b>
<b>Percentage Increase in Total Compensation*</b>	<b>14.5%</b>
Class Size, Class Composition (cost of additional teachers arising from class size and composition limits and ratios)	<b>\$1.24 B</b>
Cost of additional non-enrolling teachers for new ratios	<b>\$300.5 M</b>
Impact of the BCTF compensation increase proposals on their Class Size, Class Composition and Non-enrolling items above	<b>\$126.6 M</b>
<b>Total Cost of BCTF Class Size (etc.) Proposals</b> The BCTF class size proposal is currently estimated at a cost of \$1.67 B. As an alternate proposal, the BCTF proposes \$225 M per year OR the return to the 2001 class size/class composition/non-enrolling teacher ratios (at a cost similar to the \$1.67 B total cost of the class size proposals above) pending the appeal court's decision (see page 6).	<b>***\$225 M - \$1.67 B</b>
<b>Total Ongoing Increased Costs (depending on the class size proposals as above)</b>	<b>\$661 M - \$2.1 B</b>
<b>Plus One-time Signing Bonus (BCTF proposed \$5,000)</b>	<b>\$150 M</b>
+Will have additional costs due to wage and wage-impacted benefits proposal. *Total Compensation is defined as all wages, wage-impacted benefits, and non-wage impacted benefits. **The cumulative cost of these provisions over the BCTF's proposed five-year term of the agreement would total \$1.1 billion. ***The cumulative cost of these provisions over the BCTF's proposed five-year term of the agreement would total \$2.0 billion - \$5.7 billion.	

Details of the BCTF proposals and associated costs are included in the following tables.

<b>Wages</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<p>The BCTF wage proposal includes a signing bonus and general wage adjustments:</p> <ul style="list-style-type: none"> <li>▪ July 1, 2013: \$5,000 signing bonus <b>(\$150 M one-time cost)</b></li> </ul>	<p><b>No ongoing cost (\$150 M one-time cost)</b></p>
<ul style="list-style-type: none"> <li>▪ July 1, 2014: 3.5% increase</li> <li>▪ July 1, 2015: 1.5% increase</li> <li>▪ July 1, 2016: 1.5% increase</li> <li>▪ July 1, 2017: 1.5% increase</li> </ul> <p>The proposal also includes an additional increase equal to the difference between the actual GDP and the forecasted GDP to take effect on the first pay day after February 1 in the collective agreement year.</p>	<p><b>\$211.1 M</b></p>
<p>The BCTF is also seeking:</p> <ul style="list-style-type: none"> <li>▪ “Shortening” of the teacher salary grid from 10 steps to 8 steps by removing the first two steps on the grid</li> <li>▪ Restoration of three salary grid categories removed during the salary harmonization process in 2006</li> <li>▪ Increases to all allowances by a set percentage.</li> </ul>	<p><b>\$16.9 M (This is the cost by year 5, but the cost continues to increase significantly for several years until all existing employees are at the top of the salary grid)</b></p>
<b>Preparation Time</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<p>The BCTF proposes increases to preparation time as follows:</p> <ul style="list-style-type: none"> <li>▪ Elementary <ul style="list-style-type: none"> <li>○ Effective July 1, 2014 - 120 minutes</li> <li>○ Effective July 1, 2015 - 150 minutes</li> <li>○ Effective July 1, 2016 - 180 minutes</li> </ul> </li> </ul>	<p><b>\$86.2 M</b></p>
<ul style="list-style-type: none"> <li>▪ Secondary (current provision is 194 minutes (12.5%) per instructional week): <ul style="list-style-type: none"> <li>○ Effective July 1, 2016 – an additional one (1) day</li> <li>○ Utilization at full discretion of the teacher</li> <li>○ A classroom move would result in awarding of two additional days of preparation time</li> <li>○ All preparation time “lost” (e.g., due to statutory holidays, non-instructional days, and meetings) to be “made up”</li> </ul> </li> <li>▪ The BCTF is also proposing that teachers teaching on call (TTOCs — substitute teachers) would receive the same preparation time as a regular teacher, or pay in lieu.</li> </ul>	<p><b>\$5.9M</b></p>

<b>Pregnancy/Parental Supplemental Employment Benefits (SEB)</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<ul style="list-style-type: none"> <li>▪ Include all definitions of parents including birth fathers and adoptive parents</li> <li>▪ Top-up of 100% for pregnancy leave</li> <li>▪ Top-up of 60% for parental leave</li> </ul>	<b>\$22.1 M</b>
<b>Benefits</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<ul style="list-style-type: none"> <li>▪ Coverage for teachers on the Salary Indemnity Plan (SIP — long-term disability) to be the same as teachers who are actively at work</li> <li>▪ Upon the teacher's death, continuation of benefits for dependents for a period of 12 months</li> <li>▪ Mandatory participation in the benefits plan.</li> </ul>	<b>TBD</b>
<p>Improvements to the extended health benefits plan:</p> <ul style="list-style-type: none"> <li>▪ Open formulary drug plan</li> <li>▪ Inclusion of fertility drugs</li> <li>▪ Medical services and supplies</li> <li>▪ Hearing aids phased in from \$1,500 – 2,500</li> <li>▪ Orthotics phased in from \$300 - \$400</li> <li>▪ Vision phased in from \$300 - \$400</li> <li>▪ Paramedicals phased in from \$600 - \$700</li> <li>▪ Massage Therapy - \$3,000 per year maximum with a doctor's prescription.</li> </ul> <p>The BCTF is seeking the following improvements to the dental plan:</p> <ul style="list-style-type: none"> <li>▪ A phased transition <u>from</u> the current plan: <ul style="list-style-type: none"> <li>○ 100% Plan A</li> <li>○ 60% Plan B</li> <li>○ 60% Plan C - \$4000 limit</li> </ul> </li> <li><u>to:</u> <ul style="list-style-type: none"> <li>○ 100% Plan A</li> <li>○ 75% Plan B</li> <li>○ 60% Plan C (\$5,000 limit)</li> </ul> </li> </ul> <p>The BCTF is also proposing that the employer have no ability to change benefits carriers without the prior agreement of the union.</p>	<b>\$11.0 M</b> <b>Dental and extended health only</b>

<b>Teachers Teaching on Call (TTOCs)</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<p>The BCTF is seeking increases to wages for teachers teaching on call (TTOCs, also known as substitute teachers), including:</p> <ul style="list-style-type: none"> <li>▪ Placement on the teacher salary grid from day one to a maximum of Category 5, Step 9</li> <li>▪ Experience credit: 170 days = one year for all TTOCs (with superior provisions)</li> <li>▪ Where no replacement of BCTF member on union leave, union should only reimburse salary cost of a TTOC</li> <li>▪ Minimum call-out of 0.5 day</li> <li>▪ Addition of vacation pay</li> <li>▪ Call-out of greater than 0.6 would equal a full day</li> </ul> <p>Increase benefits in lieu daily payment from \$3.00 to \$20.00</p>	<b>\$4.6 M</b>
<b>Professional Development Funding</b>	
<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<p>The BCTF proposes that each teacher employee would receive the following funding:</p> <ul style="list-style-type: none"> <li>▪ October 1, 2014 - \$350</li> </ul> <p>For each year following, increase the same as applied to salary grid</p> <ul style="list-style-type: none"> <li>▪ October 1, 2015 - 1.5%</li> <li>▪ October 1, 2016 – 1.5%</li> <li>▪ October 1, 2017 – 1.5%</li> </ul> <p>AND, each teacher employee receiving the Recruitment and Retention allowance would also receive:</p> <ul style="list-style-type: none"> <li>▪ October 1, 2014 - \$800</li> </ul> <p>For each year following, increase the same as applied to salary grid</p> <ul style="list-style-type: none"> <li>▪ October 1, 2015 - 1.5%</li> <li>▪ October 1, 2016 – 1.5%</li> <li>▪ October 1, 2017 – 1.5%</li> </ul>	<b>\$8.8 M</b>

## Class Size and Composition

As outlined in our *For the Record* [No. 2014-02](#) dated March 6, 2014, BCPSEA cannot support the continuation of 1980s-based language in the collective agreement. The BCTF has also proposed formulae to calculate class size, composition, and numbers of non-enrolling teachers that are not flexible and do not permit decisions by teachers and principals at the school level. If these formulae were applied today, the union's proposal would have an annual cost of approximately \$1.6 billion by the end of year 5.

<b>BCTF Proposal</b>	<b>Ongoing Cost in Year 5</b>
<b>Class size and composition</b> (cost of additional teachers arising from class size and composition limits and ratios)	<b>\$1.24 B</b>
<b>Cost of additional non-enrolling teachers</b>	<b>\$300.5 M</b>
<b>Impact of the BCTF's current proposal for compensation increases on the additional costs</b>	<b>\$126.6 M</b>
<b>Total Cost of Class Size and Composition</b>	<b>\$1.67 B</b>
<b>OR</b>	
Pending the court decision, if the BCTF is successful it is of the view that there would be a return to the 2001 class size/class composition/nonenrolling teacher ratios (at a cost similar to the \$1.67 B total cost of the class size proposals above). The BCTF has proposed an interim solution of a Workload Fund of \$225 M per year until the court's decision is rendered. If unsuccessful, the BCTF proposes the \$225 M per year would be enshrined in the collective agreement.	<b>\$225 M</b>

Further resources are available on the BCPSEA [website](#). In addition, current fact sheets on class size, composition, student achievement and funding are available on the Ministry of Education's [Newsroom page](#).

BCPSEA has reiterated its desire to conclude a negotiated collective agreement and is available to resume bargaining at any time during the summer should the BCTF indicate that it is prepared to make the moves necessary to fall within the settlement zone. We will continue to provide updates and clarify information as events progress.

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