

Ministry of Education

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2012: B13

MEMORANDUM TO: Directors of Education
Secretary/Treasurers of School Authorities

FROM: Gabriel F. Sékaly
Assistant Deputy Minister

DATE: July 24, 2012

SUBJECT: Funding Framework for Local Bargaining

I am writing about the funding framework approach that the Ministry expects school boards to follow in local bargaining, which should be concluded before the start of the 2012-13 school year.

As you know, following the announcement of the government's balanced budget plan in the 2012 Ontario Budget, a regulation was released for funding in 2012-13, which incorporated the government's fiscal parameters that were to form the basis for a Provincial Discussion Table (PDT) process as outlined in the memorandum of March 29, **2012:B5 - Education Funding in 2012-13**.

Over the past several months, we have been working with our education partners through the PDT process to arrive at a negotiating framework that would help eliminate the provincial deficit, while, at the same time, continuing to protect the student classroom experience. We were very clear from the beginning of this process that we would not waver in meeting our fiscal targets. We were also clear that we were more than willing to work with our partners to find solutions that could include alternatives to the government's original proposals.

Memorandum of Understanding (MOU) between the Ontario English Catholic Teachers' Association (OECTA) and the Government

On July 5, 2012, the government and OECTA signed an MOU (attached), which included the following key elements:

- Zero per cent salary increases in 2012-13 and 2013-14.
- Recognition of partial movement through the qualifications and experience grid for newer teachers.
- Three unpaid professional development days in the second year of the agreement.
- Agreement to establish a committee to examine restructuring the qualifications and experience grid with a view to long-term sustainability.
- Elimination of the current retirement gratuity for payment of unused vested sick days that is responsible for a \$1.7 billion liability for school boards.
- A restructured short-term sick leave plan of up to 10 sick days at 100% compensation and up to 120 days at reduced compensation.
- Agreement to address non-monetary issues, including the introduction of a more transparent hiring process for teachers.

The details of the MOU, which vary somewhat from those detailed in the 2012-13 GSN regulation, clearly show that the government was serious about entertaining alternative solutions, provided that those alternatives protected the classroom experience and did not compromise our fiscal targets.

It should be noted that a revised regulation to govern grants to school boards in their 2012-13 fiscal year that reflects the Memorandum of Understanding with OECTA has not yet been made. The information in this memorandum is provided in the absence of such a regulation.

The regulatory changes described herein must be implemented by, and are conditional upon, the making of such a regulation by the Lieutenant Governor in Council.

The Ministry intends to seek such a regulation and will advise you if it is made.

Local Bargaining

We expect school boards to be engaged in the bargaining process with sufficient lead time to ensure that schools open without interruption in September. For the 2012-13 and 2013-14 school years, we also expect that all school boards will bargain within the negotiating framework articulated in the MOU between OECTA and the government.

We are asking school boards to advise the Ministry by 9:00 a.m., Wednesday, August 1, 2012, on the status of their local bargaining process and its consistency with the terms of the MOU. Please provide this information to me at Gabriel.sekaly@ontario.ca

Financial Accountability

As you know, under the *Education Act*, school boards are required to submit balanced budgets. In addition to being balanced, budgets must be financially sustainable over the longer term. This means that local bargaining outcomes must align with the provincial funding framework.

Concluding local bargaining outcomes outside the terms of the provincial funding framework would raise concerns about a board's ability to meet its financial obligations, at which point, the Minister could decide to exercise her powers as set out in the *Education Act*, to put the board on a more sustainable footing.

If you require further information about the options for local bargaining noted above, please contact:

Issue	Name	Contact
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 andrew.davis@ontario.ca
Operating funding	Joshua Paul	(416) 327-9060 joshua.paul@ontario.ca

The government remains committed to supporting the successful implementation of PDT Agreements through the local bargaining process. The government also remains committed to meeting its fiscal targets, protecting the classroom experience, and ensuring that schools open as usual in the fall.

Original signed by

Gabriel F. Sékaly
Assistant Deputy Minister

cc: Superintendents of Business and Finance Attachment