

*Strike Savings and Eligible Expenses
Resulting from Labour Disruption*

Updated February 2020
Ministry of Education

Background

The expenses of a board that are not incurred in a fiscal year by reason of strike affecting the operations of the board will be recovered by the Province. The recovery is calculated as follows:

$$A + B - C$$

- A. Determine the total of the salaries, wages and benefits that are not payable to or in respect of employees of the board as a result of a strike by those employees that occurs in the fiscal year.
- B. Any other amounts that are saved but not described above that would be payable by the board in the fiscal year under an agreement in effect on the day the strike commences (e.g. transportation savings).
- C. Eligible expenses incurred in the fiscal year by the board.

The Minister shall approve expenses if they are necessarily incurred by the board in connection with the strike and the amount of those expenses is reasonable in the circumstances.

Purpose

The purpose of this Guideline is to outline the criteria used for the approval of expenses related to the strike.

Recovery of Net Strike Savings

The amount is equal to the “strike savings” less the “eligible expenses” incurred by the board and approved by the Minister. This net figure is brought into general revenues of the board at the end of the fiscal year and grants paid to the board are reduced by this net amount.

Calculation of Strike Savings

To calculate the amount of the savings attributable to the strike, boards are to include the total amount of salaries and benefits withheld on account of employees participating in the strike. This includes employees in the affected bargaining group, as well as employees that do not report to work in support of employees participating in the strike. Do not include salaries and benefits that are not paid to employees that receive lay-off notices due to the strike.

[NEW] For salaries, wages and benefits excluding life, health and dental benefits, savings are calculated by dividing the yearly salaries, wages and benefits of the affected bargaining group by the number of work days specified in their collective agreements to determine the daily savings for salaries, wages and benefits, multiplied by the number of days on strike.

[NEW] For benefits provided through the Employee Life and Health Trusts (ELHTs), benefit payments to the ELHTs should continue to be paid by school boards during the strike. Promptly following the end of the strike, the ELHTs will advise school boards and the collective bargaining agents of the amount of contributions paid by the school boards in respect of a strike, and the collective bargaining agents will reimburse school boards for such contributions within 60 days of the last day of the strike.

In addition, part of the savings attributable to the strike includes the total amount of expenses that would have been payable by the board in the fiscal year under an agreement in effect on the day the strike commences, i.e. a contractual agreement in which the board pays for the transportation of its students from home to school and vice-versa.

Calculation of Eligible Expenses

Principles

Expenses will be approved in relation to a strike based on the following set of principles. To be eligible, strike expenses:

- (1) must be incremental and would not have been incurred had the action not occurred;
- (2) must be reasonable in the circumstances;
- (3) cannot directly benefit the group on strike;
- (4) cannot exceed the savings realized;
- (5) must be supportable and are subject to audit by the ministry.

Examples of Acceptable Expenses

The following list represents a guide to the types of expenses that are normally eligible. For expenses that are not listed below and may be considered eligible in the circumstances, please contact staff noted at the end of this document.

- (1) Communication, (e.g. notification to pupils, parents and the community, including translation costs);
- (2) Printing costs, (e.g. courier and printing costs, including those related to the distribution of learning materials);
- (3) Legal fees related to researching strike related issues;
- (4) Security costs, (e.g. hiring a firm or incurring travel and overtime expenses to monitor the situation at individual schools);
- (5) Temporary lease/rental of equipment, (e.g. cellular phones and computer equipment);
- (6) Costs related to the supervision and safety of students;
- (7) Overtime wages, (e.g. for staff required to make payroll adjustments);
- (8) Cancellation fees for prepaid school trips or conferences; and
- (9) Audio or video recording of news items related to the strike.

These aforementioned expenses are illustrative only and may not be appropriate in each case.

Examples of Unacceptable Expenses

The following represents the types of expenses that are ineligible. For expenses that are included in this list and may be considered eligible in the circumstances, please contact staff noted at the end of this document.

- (1) Costs related to the increase, or decrease, in continuing education programs;
- (2) Equipment purchases, (e.g. computers or cellular phones);
- (3) Legal fees for counsel normally included in negotiations;
- (4) Revenue shortfalls, (e.g. lower transportation and cafeteria revenues);

- (5) Reimbursing parents for costs incurred during the action;
- (6) Reimbursement of tuition fees; and
- (7) Employee benefits for staff that are on strike.

Approval Process

School boards experiencing a strike or lock-out during the school year are required to report the amount of strike savings and eligible expenses incurred in Appendix M which can be found in the Education Financial Information System (EFIS) forms of any recent reporting cycle.

Boards may claim up to 10% of total savings during the strike as “eligible expenses”. If a school board’s total eligible expenses do not exceed 10% of total strike savings, school boards should defer reporting strike savings and eligible expenses in Appendix M until the release of the EFIS financial statement forms or when requested by the ministry.

However, if total eligible expenses exceed the 10% threshold, school boards are required to complete and print out Appendix M from the most recent EFIS reporting cycle as soon as practical after the end of the strike or lock-out and submit it to the ministry for approval.

Should expenses related to a strike carry over a board’s August 31 year end, costs are to be estimated and a revised approval will be issued upon completion of the process.

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