

2015-16 Revised Estimates – Labour Revenue Q&A

Q1. *The estimated funding for our board shows that our costs are greater than the funding provided. How was the estimated funding determined?*

A. *The estimated funding was determined through the GSN benchmarks, which is consistent with how the Ministry has determined the funding to boards in the past for increased salaries (with respect to students who are funded through the GSN). School boards also have available to them other revenue sources to manage expenditures.*

Q2. *Is there additional funding for the CUPE and APSSP agreements? Is the grid movement for CUPE groups also included?*

A. *Yes, the estimated funding includes increases in CUPE and APSSP salary. You should also note that the estimated revenue for the 1% lump-sum includes 1% for the non-unionized employees (other than Ps and VPs) not covered under the BPSAA. The ministry has calculated grid restoration costs only for employees with funded grids (which are teachers and ECEs). For other staffing groups with grids, the Ministry did not claw back funding for these groups when grids were frozen in the past. Therefore, if boards have grids for these groups, boards will continue to manage movement through the grids within the GSN funding provided.*

Q3. *Is the Ministry funding for the extra PA day and health and safety working group initiatives?*

A. *There is no additional cost to the government or the school board for an additional PA day, as the requirement for every school year to include a minimum of 194 school days remains unchanged. As a result of the additional PA day, the minimum number of instructional days per school year is reduced by one. This means there will be 187 instructional days, three designated PA days and a possible four discretionary PA days.*

Q4. *a) Is the Ministry providing funding for P and VPs and non-affiliated (non-union) employees for 2015-16?*

b) Who is included in the 1% Lump Sum payment? Is this just for teachers, or is this for all groups?

c) How will the additional revenues reported on Schedule 9 be flowed? Will

this be a lump sum EPO payment or as monthly transfer payments? When can boards expect to receive these cash payments?

A. Funding for the 1% lump-sum currently includes all members of the bargaining groups that have reached central agreements, as well as non-unionized staff (other than Ps and VPs). However, please note that boards are still expected to comply with the BPSAA, which is still in effect for executives earning more than \$100,000 per year. Please refer to B memo 2016:03, "Compensation Framework for non-unionized school board staff that are not at the executive level."

Funding for the 1% lump sum does not include those bargaining groups that have yet to reach central agreements (i.e. Principals and Vice-Principals). As central agreements are reached with the outstanding bargaining groups, the GSN funding will be updated accordingly.

The funding for the 1% lump sum is proposed to be included in the GSN funding as a table amount, and will therefore be a part of the monthly transfer payments.

Q5. a) *The 2015-16 Revised Estimates were updated to include the cost of the grid movement for OSSTF-EW (ESSU and PSSP) and the Ontario Coalition of Education Workers (EA) however the funding has not been allocated. Can you please advise when the funding will be allocated?*

b) How would a board be able to estimate the grid restoration costs to staff like custodians, EAs, etc. as we do not generally report these people on grids?

c) The labor revenues adjustment only shows grid movements for teachers, for ECEs and the 1% Lump Sum. What is or is not included in those three numbers?

- 1) Are other unions (e.g. CUPE) included in the grid restoration and 1% Lump sum?***
- 2) Are non-union employees included in the grid restoration and 1% Lump sum?***
- 3) Is the 1% Lump Sum extended for others who were on leave, deferred salary, etc.?***

A. *The ministry has calculated grid restoration costs only for employees with funded grids (which are teachers and ECEs). For other staffing groups with grids, the Ministry did not claw back funding for these groups when grids were frozen. Therefore, if boards have grids for these groups, boards will continue to manage movement through the grids within the GSN funding provided.*

The 1% lump-sum currently includes all members of the bargaining groups that

have reached central agreements, as well as non-unionized staff. However, please note that boards are still expected to comply with the BPSAA, which is still in effect for executives earning more than \$100,000 per year.

Q6. What can boards expect to cover in the other labour settlement impacts? For example, Earned Leave Plan, sick leave refresh provisions, transition costs, etc.

A. *The Ministry will not be providing funding for transition costs and sick leave provisions. However, for the Earned Leave Plan, as noted in the 2016-17 GSN release materials, if at the end of the 2015–16 school year, a school board’s savings are less than the reduction applied through the GSN, the Ministry will reimburse that board for the difference. Further details on how the reimbursements will be operationalized will be forthcoming.*

Q7. The third paragraph of the B03 Memo states: “As such, non-unionized employees not covered under the BPSAA can receive up to 1.0% lump sum payment for the 2015-16 school year”: What is this 1% lump sum payment based on? (i.e., if the employee is expected to earn \$85,000 in 2015-16, they get 1% of that projected salary? Or, is the calculation based on the 2014-15 school year income? Is the 1% based on Gross Income?

A. *The 1% is applied to what the employee is expected to earn in 2015-16. Yes, it is based on 1% of gross income.*

Q8. Is the 1% lump-sum pensionable for non-union members?

A. *For non-union members that are part of the OMERS pension plan, OMERS has communicated to the employers that the 1% lump-sum payment is included in the member’s contributory earnings for the year in which the lump-sum is paid (in this case, the lump-sum is included in the member’s contributory earnings because it’s part of an overall salary/wage arrangement).*

Q9. Are overtime hours included when calculating the 1% lump-sum?

A. *Overtime hours are not included when calculating the 1% lump-sum for 2015-16. However, the 1% and additional 0.5% in 2016-17 is a permanent increase in salaries, and therefore would apply to overtime hours.*

Q10. How will the 1% increase for non-unionized employees be funded (EDU’s 2016 B3 memo)? How will this lump sum be reflected in the grants at year end?

A. *The 1% increase for non-unionized employees is proposed to be funded through a table amount in the 2015-16 GSN Legislative Grants, as a regulation amendment.*

Q11. Are the adjustments to the revised estimates final, or are they subject to change as they were not in the benchmarks?

A. *The ministry will make amendments to the 2015-16 GSN regulation to reflect the revenue for labour provisions. Once the amendments are made, the ministry will recalculate the GSN allocations in the boards' revised estimates and will adjust the transfer payments to boards accordingly. The revenue currently reported in the revised estimates for labour adjustments should not differ significantly from the amounts that will be recalculated when the 2015-16 GSN regulation amendments are made because the revenue currently reported was calculated based on the GSN benchmarks. For financial statements, the revenue reported for grid restoration will be recalculated in the financial statements based on actual grids and may differ from the revised estimates calculated revenue.*

Q12. Will the updated labor benchmarks, used by the Education Finance Branch in this calculation, be released in the 2015-16 Financial Statements package?

A. *The grants will be recalculated in the 2015-16 Revised Estimates to reflect the labour adjustments once the 2015-16 GSN amendments are made. Updates to school boards' transfer payments base will happen in June or July. Currently, the revenue reflected in the 2015-16 revised estimates for labour adjustments is for compliance review purposes. Details on the GSN changes are included in the 2016-17 GSN release materials. The updated labour benchmarks will also flow through the 2015-16 Financial Statements.*

Q13. a) Will there be changes in 15/16 benchmarks (School Foundation P/V/P calculation, Board Admin, etc.) to reflect the 1% or will there be a similar adjustment made to Schedule 9 as for teaching and CUPE staff?

b) Will there be any collection of salary data required from Boards similar to what was provided regarding teacher and CUPE data previously?

c) What is the likelihood that this revenue fluctuates between now and 15-16 year-end (as it says estimated labor funding in the e-mail)? What will the magnitude be?

A. *The estimated GSN funding for 2015-16 and the 1% lump sum table amounts are based on the negotiated labour agreements and therefore has been updated to reflect only those agreements that have been reached centrally. The ministry will*

make amendments to the 2015-16 GSN regulation to reflect the additional revenue for the labour provisions. Once the amendments are made, the ministry will recalculate the GSN allocations in the boards' revised estimates and transfer payments to boards will be updated accordingly. The revenue currently reported in the revised estimates for labour adjustments should not differ significantly from the amounts that will be recalculated when the 2015-16 GSN regulation amendments are made because the revenue currently reported in Revised Estimates was calculated based on the GSN benchmarks.

There are currently no plans to collect salary data from boards regarding teacher and CUPE data.

Q14. a) Would we be able to receive a breakdown of the labor funding revenues – CUPEs, Elementary, Secondary, etc.?

b) Would the funding be reported by union groups, (split by grid vs. lump sum)?

A. *The ministry does not fund by union groups and therefore cannot provide a breakdown of funding by union groups.*

Q15. How are boards expected to budget their insured benefits for the orphaned employee groups (non-union and Principals / VPs)? We do not have a breakdown of how much the premiums will increase once all other employee groups move to the Trust nor the cost per FTE if they would be under the Trust.

A. *As boards have not yet been advised as to when they will be transitioning to the Trusts in the 2016-17 school year, boards are encouraged to estimate their 2016-17 benefits cost as follows:*

The greater of:

- a) 2014-15 actual benefit costs + 4% increase for 2015-16 + an additional 4% increase for 2016-17*
- b) 2016-17 projected benefit costs (as determined through discussions with your benefits carrier)*

This approach ensures that a school board has conservatively estimated the 2016-17 benefit costs.

Q16. Is there a technical brief that answers questions on this funding?

A. *There is no technical brief however you may continue to contact the Ministry for further questions.*

Q17. With respect to the ECE grid movement adjustment, some school boards have non-unionized ECEs, so how were they allocated additional funding?

A. *This is the cost of grid restoration. The Ministry does not distinguish between unionized and non-unionized employees for the ECE grid movement. Grid restoration is applied uniformly to all boards in the province.*

Q18. The second paragraph of B03 Memo states: “As a reminder, under the Broader Public Sector Accountability Act, 2010 (BPSAA), the government has frozen salaries for designated executives at hospitals, universities, colleges, school boards and provincially owned electricity companies that earn more than \$100,000 a year. All aspects of compensation plans for these employees are frozen, and base salaries cannot be increased. In addition, the overall performance pay envelopes of these designated employees are frozen.” – Does compensation mean Salary and Benefits or just Salary?

A. *Yes, compensation includes salary and benefits.*

Q19. Is the board required to report additional labor expenses on Schedule 10 and re-submit their Revised Estimates or does this reporting flow into the financial statements? Will our funding match these actual expenditures?

A. *Boards do not need to resubmit their Revised Estimates in order to redistribute the expenses on item 80 (Provision for Contingencies) to other expense lines (e.g. Classroom teachers, supply teachers, etc.) on Schedule 10. Boards will reflect their expenses on the correct expense lines when preparing the financial statements.*

No, the funding will not match the boards’ actual labour expenditures, as the funding is determined through the GSN benchmarks which is consistent with how the Ministry has determined the funding to boards in the past for increased salaries (with respect to students who are funded through the GSN).

Q20. Will the restraints savings claw-back disappear? (Section 1A, line 1.8.3)

A. *The public sector compensation restraint amount will be unadjusted for the 2015-16 and 2016-17 school years.*

Q21. Will the 15/16 Financial Statements, Section 7 Q&E for teachers and ECEs

be updated to reflect a one grid calculation (similar to what existed prior to the implementation of the two grid system)

A. *Yes, section 7 Q&E for teachers and ECEs for the 2015-16 Financial Statements will be updated to reflect a one grid calculation. The frozen grids for teachers and ECEs will be removed and boards will be required to report a grid with movement in their 2015-16 Financial Statements. One grid calculation will also be reflected in the 2015-16 Revised Estimates once the 2015-16 GSN regulation amendments are made.*

Q22. *Will the benchmark rates for the Pupil/School Foundation and Special Purpose grants be updated for the 15/16 Estimates?*

A. *The 2015-16 GSN regulations are proposed to be updated to reflect the 1% lump sum as a table amount, rather than updates to the benchmarks, as the 1% lump sum payment is not a permanent increase in the salary benchmarks.*

Q23. *Will table amounts be updated to reflect the 1% and the grid movement?*

A. *The 2015-16 GSN regulations will be updated to reflect the 1% lump sum as a table amount. The grid movement will not be reflected in a table amount in the GSN regulation after amendments, but will be provided through the Q&E grant for teachers and ECEs through the removal of the frozen grids in the 2015-16 Revised Estimates when the regulation amendments are approved. Boards will be required to report a grid with movement in the 2015-16 Financial Statements.*

Q24. *Will the Ministry provide some tools or update the funding model (including updated documentation such as a revised Technical Paper, etc.) to boards to assist in forecasting for the remainder of 15/16?*

A. *As discussed in the GSN release, to assist the boards with forecasting the remainder of the 2015-16 school year, the Ministry is proposing to amend the regulations to reflect:*

- The 1% lump sum as a table amount;*
- To require again the reporting of just one salary grid reflecting both experience and qualifications movement;*
- Projected savings for the Earned Leave Plan, for boards with teachers represented by OECTA or AEFO; and*
- The recovery of unspent funding for the Communautés d'apprentissage professionnel initiative, which only applies to school boards impacted by the AEFO agreement, and is a one-time reduction through a table amount.*

Q25. The benchmark for school operating costs with respect to the new allocation method increased from \$84.38 to \$85.77 but how much is the labor related increase and how much is the utility related increase?

The benchmark for school operating costs with respect to the old allocation model increased from \$81.15 to \$82.49 but how much is the labor related increase and how much is the utility related increase?

A. *Approximately 43% of the year over year increase in the school operations funding benchmark is related to labour. The rest is for non-staff costs, including electricity. However, boards continue to have flexibility in how they spend their funding.*

Q26. Will the Ministry fund the interest costs boards may have incurred as a result of the timing differences between when the labour expenses were incurred and when the revenue/grant is received?

A. *No, this will not be funded by the Ministry.*