

2006-10

June 1, 2006

By E-mail: 2 Pages plus attachment

Update on Salary Harmonization

Industrial Inquiry Commissioner Vince Ready today issued his Interim Award (attached) on the issues related to salary harmonization upon which the BCTF and BCPSEA were unable to reach agreement. Ready answered the two questions of principle which BCTF and BCPSEA had agreed to put to him. He also provided decisions and directions with regard to implementation issues in order to facilitate the parties' ongoing efforts to reach agreement on application of the \$40 million harmonization money, with a focus on:

1. Reducing the number of steps in the longer scales.
2. Adding a certain amount to the annual salaries at the top and/or bottom levels where the levels are beneath the provincial weighted average. The rates within the minimum and maximum would then be adjusted.
3. Consideration of a premium to address recruitment and retention issues.

Questions of Principle

You will recall that in March 2006 the parties put two questions of principle to Mr. Ready. His responses are noted below the question.

1. **Can the cost of the salary harmonization implementation exceed \$40 million on an annualized basis after the 2005-2006 school year?**

"The parties must use standard costing methodology, which keeps the FTE data constant (i.e., the same FTE numbers and distribution as the base year) over time. Neither the first year cost nor the ultimate (fully implemented) cost of any grid restructuring can exceed \$40 million."
(page 9)

2. **In determining the cost of a proposal, must the parties include the direct costs of salary impacted benefits such as pension etc.?**

"I direct the parties to include the effect of salary increases on the cost of wage-impacted benefits as part of the \$40 million." (page 9)

Implementation Issues

There were a number of implementation issues upon which the parties were not able to agree. Mr. Ready determined the following:

1. The effective date will be April 1, 2006.
2. Categories 2 and 3 will be eliminated.
3. A category 5+ will be established at Category 5 plus 74% of the difference between Category 5 and 6. The parties must develop standardized criteria for Category 5+ placement.

The parties must now engage in constructive discussion and reach agreement on the harmonization of teacher salaries within the parameters established by Ready:

“I urge the parties to consider the decisions, directions and observations in this interim award, and seek agreement on the disposition of the \$40 million. I remained seized of all matters pertaining to the Recommendations in the event that the parties are unable to agree.” (page 12)

It is important for the parties to note that I will require comprehensive costing, according to the costing principles set out in this decision, for any package of agreed or proposed measures.” (page 13)

Next Steps

We will proceed to meet with the BCTF to resolve the outstanding issues that Ready has referred to the parties. BCPSEA will be working with districts to develop the new district grids and implementation process.

Questions

Please direct any comments or questions regarding salary harmonization to:

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Attachment: Ready Interim Award, June 1, 2006