

ADDITIONAL COST OF ETFO's FINAL OFFER

ETFO's Final Offer did not meet one of the fundamental principles that was agreed upon with the Province at the beginning of the PDT process, and that is that the PDT Agreements were to be fully funded.

The additional funding provided by the Province is set out in the B memo and in the GSN Regulation filed on December 1, 2008.

ETFO's Final Offer (received by OPSBA about 1 hour before the deadline) exceeded the funding provided by the Province by an estimated \$273M over 4 years and would have left Boards with an annual funding shortfall of approximately \$190M in 2012-13 and thereafter, as follows:

- 1. Salary and Prep Time (\$106M over 4 years):** ETFO's Final Offer proposed a different increase in salary and prep time than that funded by the Province (B memo) and agreed to by OECTA and AEFO. Salary increases were lower (10.39% compared to 12.55%) and prep time was higher (270 compared to 240 minutes). The net added cost over and above the funded amount is about \$106M over 4 years.
- 2. Assessment Days (\$40M per year beginning in 2011-12):** ETFO's Final Offer proposed that Boards allocate by 2011-12 three additional days for assessment in addition to the 2 PA days to be designated for assessment and report cards under the B memo. Given the need for Boards to continue to provide professional development for teachers, Boards would need to provide release time equivalent to 3 days per year per teacher at a cost of about \$40M per year. This cost would continue into future years and would be an ongoing permanent funding shortfall for boards.
- 3. Casual Teaching Experience (roughly estimated at \$15M over 4 years):** ETFO's Final Offer proposed that years of experience for short-term occasional teachers be recognized for salary grid purposes when the teachers are placed on long-term occasional teaching contracts or on regular teaching contracts. The estimated cost to Boards for long-term occasional teachers not recognized in the qualifications and experience grant is about \$15M over 4 years. The cost to the Province when these teachers go on a regular teaching contract is significantly higher and is not included here.
- 4. Preparation Time Payback (currently \$28M per year increasing to \$40M by 2011-12, an additional \$15M over 4 years):** ETFO's Final Offer rejected OPSBA's proposal to limit preparation time payback only to those situations where the teacher provides instruction for another teacher absent from work. It is estimated that each teacher currently receives 15 prep time paybacks per year, so the total cost to Boards is currently about \$28M per year. This cost would increase as a result of the increase in preparation time to about \$40 per year by 2011-12.

5. **Pregnancy and Parental Leave (\$27M over 4 years):** ETFO's Final Offer proposed that Boards provide a specified Pregnancy and Parental Leave benefit which would be in addition to any improvements in group benefits resulting from the Board's use of the \$33M funding enhancement. This was first proposed to OPSBA at 10:00am on December 5. OPSBA was in no position to determine the financial implications of the proposal. Certain boards already have similar provisions within their benefit package. Others may not. Some teachers use sick leave during pregnancy. This is further complicated by the fact that Boards are now using PSAB accounting (accrual) and the use of sick leave by a teacher has the effect of reducing a board's future liability. ETFO claimed that their proposal was cost neutral for boards, but if that were the case, then why did ETFO refuse to accept our proposal to provide the benefit from within the \$33M funding enhancement. We estimate that the cost of the Pregnancy and Parental Leave benefit would at a minimum be about \$6.8M per year and \$27M over 4 years.
6. **Hiring - Instructional Time of Principals & Vice-Principals (\$69M over 4 years):** OPSBA's interpretation is that section 19 of ETFO's Final Offer would have prevented principals and vice-principals from performing teaching or other instructional duties. This would have resulted in Boards having to hire teachers to perform those duties and either retain the principals and vice-principals on a full-time basis (at additional cost) or twin and multi-twin the schools in an attempt to reduce the number of principals and vice-principals. If Boards retained all of the p's and vp's, the additional cost to Boards would be about \$33M per year or about \$132M over 4 years. If Boards were able to reduce the number of p's and vp's by say 33% by twinning and multi-twinning their schools, then the additional cost would be about \$17M per year or about \$69M over 4 years. This latter assumption was assumed in this analysis.
7. **2% Salary Pressure (\$95M in 2012-13 and thereafter):** ETFO's Final Offer would have meant that elementary teachers would have been paid 2% less than secondary teachers in 2011-12. Boards would potentially have been subject to complaints being filed by each ETFO local with the pay equity commission because most elementary teacher units have pay equity plans in force that tie them to the secondary teacher category maximums. This could have resulted in a funding pressure of as much as \$95M as early as 2011-12. However, for the purposes this document, the 2% salary pressure (\$95M) is shown as a funding shortfall in 2012-13 and thereafter. The salary increases proposed by ETFO did not result in lower "in pocket" salaries for teachers over the 4 year term of the Agreement. The 2% lower salary in 2011-12 was offset by the additional 1% salary in each of 2009-10 and 2010-11. ETFO knew that they would ultimately get the better of both salary and preparation time. In 2012-13, ETFO fully expected to get their 2% catch-up in salary and keep the 270 preparation time as a starting point for negotiations. From OPSBA's point of view, we had no guarantee from the Ministry that the 2% salary would be funded, just as when the Catholics had to absorb their salary catch-up in the last framework agreement, with no funding support from the Province.

SUMMARY OF ADDED COST TO BOARDS

	2008-09	2009-10	2010-11	2011-12	2012-13	Sum over 4 years	Sum over 5 years
Salary and Prep Time	0.0	13.2	49.1	43.4	9.7	105.8	115.4
Assessment Days	0.0	0.0	0.0	41.0	42.2	41.0	83.2
Casual Teaching Experience	2.6	4.0	4.5	4.5	4.5	15.6	20.1
Preparation Time Payback	0.0	0.0	3.1	11.7	12.0	14.8	26.8
Pregnancy & Parental Leave	6.8	6.8	6.8	6.8	6.8	27.0	33.8
Hiring	15.9	16.8	17.7	18.6	18.3	69.0	87.3
2% Salary Pressure	0.0	0.0	0.0	0.0	95.8	0.0	95.8
Total	25.3	40.7	81.2	125.9	189.2	273.1	462.3