

## So What's the Difference?

### Costing of the BCTF Revised Package of Proposals, January 2012

At a news conference held at 12:30 pm on Tuesday, January 17, the BC Teachers' Federation (BCTF) unveiled a revised package of proposals. In their news release distributed concurrently, the BCTF said, "In an effort to break the logjam in the ongoing labour dispute, today the BC Teachers' Federation is bringing a new revised package of proposals...." Anticipating a claim that the package may be seen as excessive, the BCTF went on to say "...the overall cost would be about \$300 million, a far cry from the enormously inflated figures that have repeatedly been put out by BCPSEA."

We received the BCTF news release after the start of their news conference. The package was presented at the bargaining table later that same afternoon.

The afternoon portion of the January 18 bargaining session concentrated on the costing of the BCTF revised package. In particular, BCPSEA was concerned with the union's characterization of the cost of the revised package, given that our initial review of the proposals led us to a much higher total cost. The BCTF later clarified the \$300 million at the bargaining table, stating the figure was intended to cover only direct contract improvements in the first year of the agreement. The BCTF subsequently stated in the media that the total cost of their revised package is now \$565 million.

The BCTF did not provide any specifics on their methodology. BCPSEA requested an explanation of the underlying data and calculations, and reiterated our offer to work with the BCTF to create accurate, shared cost estimates.

We have now reviewed the union's costing and have prepared our own costing of the BCTF revised package, which we shared with the BCTF at the bargaining session on Tuesday, January 24. Following is a side by side comparison of the BCTF and BCPSEA costing of the BCTF revised package.

<b>Table One: Year 1 Cost of the BCTF Package</b>		
(the figures in the first column of this table represent the only information provided to us by the BCTF)		
<b>Cost estimate</b>	<b>BCTF</b>	<b>BCPSEA</b>
Leave provisions	\$54,745,915	\$37,238,620
Preparation time	\$78,761,208	\$223,510,000
Benefits	\$74,948,000	\$98,600,000
Salary: 3% first year	\$65,178,352 <sup>1</sup>	\$82,279,342 <sup>3</sup>
Salary: grid reduction	\$31,904,690 <sup>2</sup>	\$56,500,000 <sup>2</sup>
<b>Total Year 1 cost estimate</b>	<b>\$305,538,165</b>	<b>\$498,127,962</b>

<sup>1</sup> This cost estimate does not take into account the shortening of the salary grid in BCTF Proposal U78.  
<sup>2</sup> This cost estimate does not take into account the 3% increase to salary in BCTF Proposal U77.  
<sup>3</sup> Includes wage-sensitive benefits.

**Table Two: Incremental Cost of the BCTF Package**

<b>Cost estimate</b>	<b>BCTF<sup>4</sup></b>	<b>BCPSEA</b>
Year 1 cost estimate	\$305,000,000	\$498,127,962
Year 2 cost estimate	\$130,000,000	\$185,140,361
Year 3 cost estimate	\$130,000,000	\$196,248,783
<b>Total incremental cost estimate</b>	<b>\$565,000,000</b>	<b>\$879,517,106</b>

<sup>4</sup> These cost estimates were prepared by BCPSEA based on the figures provided by the BCTF in Table One above.

**Table Three: Cumulative Cost of the BCTF Package**

<b>Cost estimate</b>	<b>BCTF<sup>5</sup></b>	<b>BCPSEA</b>
Year 1 cost estimate	\$305,000,000	\$498,127,962
Year 2 cost estimate	\$435,000,000	\$683,268,323
Year 3 cost estimate	\$565,000,000	\$879,517,106
<b>Total cost estimate</b>	<b>\$1,305,000,000</b>	<b>\$2,060,913,390</b>

<sup>5</sup> These cost estimates were prepared by BCPSEA based on the figures provided by the BCTF in Table One above.

Note: The cumulative cost includes the compounding of wage increases and the maintenance of the prior year's increases within the proposed three-year term of the collective agreement.