

Letter of Understanding (LOU)
Between
BC Public School Employers' Association
And
School Boards who are Signatories to this LOU
And
Support Staff Unions who are Signatories to this LOU

The parties to this Letter of Understanding are the BC Public School Employers' Association (BCPSEA), school boards who are signatories to this LOU, and the support staff unions who are Signatories to this LOU.

The terms set out below represent a full and final settlement of all outstanding cost issues between the parties who are signatories to this LOU. All outstanding cost demands not specifically addressed below are deemed to be withdrawn.

Subsequent to the execution of this document, the local parties will prepare and execute a Memorandum of Agreement incorporating the terms set out herein, together with any other non-cost issues agreed to between the parties.

It is understood and agreed that the obligations of school districts set out in this Letter of Understanding shall be of no force and effect unless a collective agreement has been reached by the affected local parties prior to June 30, 2006, and subsequently ratified.

Term

July 1, 2006 to June 30, 2010

General Wage Increase

July 1, 2006 2%
July 1, 2007 2%
July 1, 2008 2%
July 1, 2009 2%

Incentive Payment

Should the parties conclude an agreement by June 30, 2006 and the settlement is subsequently ratified, each bargaining unit member who is an employee of the School District at the earlier of the date of ratification or June 30, 2006 shall be eligible to receive a one time lump sum incentive payment.

The following principles for distribution shall guide the parties in the distribution of this one-time funding:

- The incentive payment shall be up to \$ 3,700 for each full-time equivalent employee and shall be pro-rated for part-time employees.
- For the purpose of the determination of the amount of the incentive payment, a full-time equivalent employee is an employee who worked on a full-time basis for the period of July 1, 2005 to June 30, 2006. For the purposes of this payment, "full-time" means the greater of 35 hours per week or the definition of "full-time" employee set out in the collective agreement. If ratification occurs prior to June 30, 2006, the incentive payment would be based from September 1 2005 to the date of ratification. The incentive payment for an employee who worked less than full-time over this period shall be pro-rated for the fraction of full-time work over this period that the employee worked.
- The one-time payment is subject to normal statutory deductions.
- Time spent by employees on the following leaves shall be considered as time worked for the purpose of calculating the amount of an employee's incentive payment:
 - maternity or parental
 - short-term disability
 - long-term disability that commenced within the twelve (12)-month period ending on the incentive eligibility date
 - leaves granted to employees in receipt of workers' compensation benefits

The incentive payment shall be paid to employees as soon after the date of ratification as is practicable for the institution to determine and pay the payment amounts to employees. The employer shall make every reasonable effort to make the incentive payment to employees no later than June 30, 2006.

Subject to the allocated funding above, the local and the district may also choose to allocate the funds in a manner consistent with the district's staffing structure.

Public Education Support Staff Skills Enhancement, Apprenticeship and Workforce Adjustment Committee

1. The parties agree to establish a Support Staff Skills Enhancement, Apprenticeship and Workforce Adjustment Committee which shall consist of four (4) representatives of support staff unions who are signatories to this LOU, and four (4) representatives of BCPSEA.
2. By no later than September 30, 2006, the Committee shall develop specific criteria to be used in allocating the funds provided to it under this Letter of

Understanding, including the processes and deadlines under which Districts and local unions may jointly seek to access funds held by the Committee. These processes will include a requirement that Districts and local unions seeking to access the funds provide the Committee with:

- a. an employee demographic analysis; and
- b. a human resource plan which provides for the development and maintenance of a qualified and sustainable support staff workforce.

In the event the Committee cannot agree on any of the matters within its jurisdiction, these matters will be referred to Mark Brown for mediation and, if necessary final adjudication.

Skills Enhancement and Retraining Funding

3. The Committee will be provided with a one-time payment equal to a province-wide maximum of \$3,000,000, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the Committee will be provided with \$1.5 million). These monies will be used to support skills training, retraining, or professional enhancement for support staff employees.
4. The funding will be available to all support staff employees whose support staff unions become signatories to this Letter of Understanding.
5. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.

Apprenticeship Opportunities Funding

6. The Committee will be provided with a one-time payment equal to a maximum of \$3,000,000, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the Committee will be provided with \$1.5 million). These monies will be used to facilitate and support apprenticeship opportunities in British Columbia school districts.
7. The funding will be available to all support staff employees whose bargaining agents become signatories to this Letter of Understanding.

8. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.

Apprentice Sponsor Funding

9. The Committee shall be provided with funding in the following maximum amounts, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the Committee will be provided with 50% of the funding set out below), to provide a wage increase to all employees with Trades Qualifications:

| | |
|--------------|-----------|
| July 1, 2007 | \$828,000 |
| July 1, 2008 | \$828,000 |
| July 1, 2009 | \$828,000 |

10. It is understood that employees with Trade Qualifications will provide guidance and support to apprentice employees as directed by their employer.
11. The funding will be available to all support staff employees whose bargaining agents becomes signatories to a Letter of Understanding containing the terms and conditions outlined herein.
12. The amount of the wage increase shall be determined by dividing the available monies in each year equally between employees with Trades Qualifications in signatory bargaining units.
13. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner as prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.

Workforce Adjustment Committee Funding

14. The Committee will be provided with a one-time payment equal to a maximum of \$4,000,000, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures

in the Province become signatories to this LOU, the Committee will be provided with \$2 million). These monies will be used to facilitate and support workforce adjustment issues arising from non-routine and fundamental restructuring within a given school district, including shared services and regionalization. Any unused portion of the money from this fund will be reallocated (in the discretion of the Committee) to either the Skills Enhancement and Retraining Fund and/or the Apprentice Opportunities Fund.

15. The funding will be available to all support staff employees whose bargaining agents become signatories to this Letter of Understanding.
16. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.

Labour Market Adjustment Fund

17. Subject to the approval of the Committee, a district may address demonstrated recruitment or retention issues that can be objectively determined with reference to specific criteria, including:
 - i. Demonstrating evidence of recruitment or retention difficulties;
 - ii. Providing relevant market data that specifically includes employers likely to recruit from the public sector employer and employers that the public sector employer has recruited from;
 - iii. Identifying which occupations and the number of employees that will be affected by the adjustment;
 - iv. Identifying options for the size of the market adjustments, and identify the risks associated with each of the options; i.e. collective bargaining;
 - v. Demonstrating that the employer has provided significant training to employees in an occupation, and that a business case can be made for an adjustment.

Adjustments proposed under this paragraph must be funded through demonstrable cost neutral trade-offs.

18. In addition, the Committee shall be provided with Labour Market Adjustment funding in the following maximum amounts, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the Committee will be provided with 50% of the funding set out below):

| | |
|--------------|-------------|
| July 1, 2007 | \$1,656,000 |
| July 1, 2008 | \$828,000 |
| July 1, 2009 | \$828,000 |

19. The funding will be available to all support staff employees whose bargaining agents become signatories to this Letter of Understanding.
20. In order to access the funding set out in paragraph 18 above, districts and locals must make joint application to the Committee and must demonstrate that the funding sought will be used to address recruitment and retention issues on the basis of the criteria set out in paragraph 17 above. The provision of this funding will be subject to the approval of PSEC.
21. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.
22. The continuation of the Labour Market Adjustment Fund beyond July 1, 2009 shall be determined during the next round of collective bargaining between the parties.

Trades Adjustment

23. The Committee shall be provided with funding in the following maximum amounts, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the Committee will be provided with 50% of the funding set out below), to provide a wage increase to all employees with Trades Qualifications:

| | |
|--------------|-------------|
| July 1, 2006 | \$1,656,000 |
| July 1, 2007 | \$828,000 |
| July 1, 2008 | \$828,000 |

24. The amount of the wage increase shall be determined by dividing the available monies in each year equally between employees with Trades Qualifications in signatory bargaining units.
25. Upon request, the Committee shall provide to the Ministry of Education a report in the form and manner prescribed by the Ministry, showing the expenditures made to date and the estimated future expenditures from the funding provided.

Liaison on Education Policy Matters

27. The Minister of Education will establish scheduled opportunities for representatives of support staff unions to discuss education policy matters that have employment implications for their bargaining unit members.

Education Assistants Committee

28. During this round of collective bargaining, representatives of the support staff unions raised concerns with educational assistants working hours and not being paid.

29. The parties agree to establish an Educational Assistants Committee which shall consist of two (2) representatives of support staff unions who are signatories to this LOU and two (2) representatives of BCPSEA by no later than July 1, 2006. The committee shall investigate and make recommendations concerning this issue, including directions for resolution to Districts and locals.

Long Term Disability and Joint Early Intervention

30. Employers whose bargaining units become signatories to this LOU and who are not currently members of the Public Education Benefits Trust (PEBT) shall become members of the PEBT (including the operation of the Joint Early Intervention Service). It is understood that Government will provide the PEBT with funding in the maximum amount of \$7.9 million dollars annually for this purpose, pro-rated based on the support staff salary expenditures reported in the 2005-2006 audited financial statements of Districts whose support staff unions which become signatories to this Letter of Understanding (for example if unions representing 50% of support staff salary expenditures in the Province become signatories to this LOU, the maximum financial commitment of Government shall be \$3.95 million). Subject to the above, funding will be provided on the first business day after July 1, 2006, and on the first business day after January 1 in each calendar year commencing January 1, 2007. The parties further agree that in order to access the government funded LTD plan and the Joint Early Intervention Service they shall place their dental, extended health, group life insurance and, where applicable, accidental death and dismemberment benefit coverage as soon as the PEBT is able to take on this responsibility.

31. Once the PEBT is able to do so, the parties agree that they will participate on the following conditions:

- a. If there is no penalty clause in the current contract(s) with existing benefit carrier(s)/consultants, as soon as possible; or
 - b. If there is a penalty clause, the benefits will be transferred when the current contract(s) expires.
32. The Parties agree that any references to specific benefit carriers providing the benefits identified above will be effective only until the date of participation in the benefits trust.

Fiscal Dividend

33. Each Memorandum of Agreement shall include a Letter of Agreement for a Fiscal Dividend Bonus.

THE PARTIES AGREE AS FOLLOWS:

Having agreed the term of the Collective Agreement to be from July 1, 2006 to June 30, 2010 a Fiscal Dividend Bonus may be paid from a one-time fund (the "Fund") generated out of monies, in excess of \$150 million, surplus to the BC government, as defined in the Province's audited financial statements, for the fiscal year 2009-10.

1.0 Fiscal Dividend:

- 1.1 If fiscal dividend funds are determined to be available, upon receipt of funding from the government, a fiscal dividend will be paid to employees as soon as practicable for the school district to calculate the individual payment amounts and distribute the funds.
- 1.2 The quantum of the Fund accessible for the parties to this agreement will be based on the Province's audited financial statements as at March 31 2010.

The Fund will be determined as follows:

- i. The calculations will be based on the surplus, as calculated before deduction of any expense associated with the Fiscal Dividend Bonus, achieved in fiscal 2009-10, as published in the audited financial statements for that fiscal year, provided that the surplus is in excess of \$150 million.
- ii. Only final surplus monies in excess of \$150 million will be part of the Fund, and the total quantum of the Fund for the entire public sector (including all categories of employees) will not exceed \$300 million.

- iii. The quantum of the Fund will be constrained by the proportion of the public sector that is eligible to participate in the Fiscal Dividend Bonus; i.e., 100% of the Fund will be available if 100% of all categories of employees in the public sector under the purview of the Public Sector Employers' Council participate, but if a lesser number participate, a proportionately lesser amount of the Fund will be available.
 - iv. Additionally, the Fund will be proportioned among all groups of public sector employees by ratio of group population to total population participating.
- 1.3 Each bargaining unit member who is a regular employee of the School District on March 31, 2010 shall be eligible to receive the Fiscal Dividend Bonus.
- 1.4 The fiscal dividend payment shall be an amount as described in clause 1.2 above for each regular full time equivalent employee and shall be pro-rated for regular part time employees. For the purpose of the determination of the amount of the fiscal dividend payment, a full time equivalent employee is a regular employee who worked on a full time basis for the period September 1, 2009 – June 30, 2010. The fiscal dividend payment for a regular employee who worked less than full time over this period of time shall be pro-rated based on the actual straight-time hours worked as a percentage of full time hours. Time spent by employees on the following leaves shall be considered as time worked for the purpose of calculating the amount of an employee's dividend payment:
- All leaves with pay
 - Maternity and parental leave
 - All unpaid medical leaves that commenced between July 1, 2009 and June 30, 2010