

Contract Update

Issue 5 – Week of September 14, 2009

A Newsletter for College Managers about Contract Negotiations

Keeping you informed

Contract Update is a periodic newsletter from your Academic Bargaining Team to keep you informed on progress made or when significant events occur during collective bargaining. The English and French versions of this newsletter are also posted on the College Compensation and Appointments Council's website at www.theCouncil.on.ca.

Economic climate and the current negotiations

One of the key issues in bargaining with OPSEU is the salary increase that Colleges can afford to provide faculty in the current economic climate. Faculty received a 3.5% increase in September 2007 and a further 4% increase in September 2008 just as the extent of the economic crisis became evident.

In April of 2008, the Ontario government established a framework agreement for wage settlements with unions representing teachers in the secondary school system that provided for a 3% increase in each year of a four-year agreement commencing in September 2008. The government honoured this April 2008 deal with the school boards if they settled prior to December 6, 2008.

Major shift downward in wage settlements

However, starting in late 2008 there has been a major shift downward in the level of wage settlements in the private and public sector that reflects the new economic reality.

Average private sector settlements so far in 2009 have been 1.2% with settlements reached in July 2009 averaging just 0.5%.

The Ontario government has been forced to alter its negotiating position significantly. In December 2008, it negotiated a new four-year agreement with OPSEU which provided annual wage increases of 1.75%, 2%, 2% and 2%. It followed this with a similar three-year settlement with AMAPCEO, the union representing its higher paid administrative employees, which provided for annual increases of 1.75%, 2% and 2%.

In the Summer of 2009, the Ontario government entered into new four-year agreements with the associations representing crown attorneys which provided for annual increases of 1%, 1%, 1.1% and 1.75%. The government also settled a new three-and-one-half year agreement with PEGO, (the union representing its engineers) resulting in increases of 0.75% July 2009, 1.25% January 2010, 1.75% in 2011 and 2% in 2012.

Broader Public Sector wage settlements have also followed this downward trend as each of the government's partners have had to manage within the new economic reality. The highly publicised strike in Toronto resulted in a three-year settlement of 1.75%, 2% and 2.25%. The Windsor municipal strike resulted in a four-year settlement of 1%, 1.5%, 1.8% and 2%. In August 2009, CUPE settled a four-year contract with the Ontario Hospital Association, which provided a 2% increase in each of the next four years.

Clearly, all settlements continue to trend downward in both the public and private sector.

Government of Ontario projecting deficits until 2015-16

The Colleges must also address this new reality in our wage negotiations with faculty. The majority of the college sector's funding comes directly from the Ontario Government and the sector is constantly competing for public dollars with other public sector priorities. The Government of Ontario is projecting its deficit at \$14.1 billion in 2009-10 without a return to a balanced budget until 2015-16.

Given these deep and long-term deficit projections, the Government of Ontario has made it clear that Colleges cannot expect any significant increases to operating revenues. One-time stimulus money being spent on infrastructure projects, such as buildings, cannot be transferred to operating expenses.

The current wage positions of the Union and Management

Despite the evident economic pressures, the union presented a two-year wage proposal that includes an annual 4.5% increase plus an additional step being added to the salary grid in each year. This would result in an increase of 15% to the maximum rate paid to faculty over the next two years. Under the union's proposal, the new maximum salary would be \$110,975. Management countered with an initial four-year proposal of 1.25%, 1.5%, 1.5% and 2%. Unfortunately, the union declined to modify its position of 15% over two years and the conciliation officer assisting the parties recommended a recess to negotiations so the parties could reflect on their positions.

The stability which comes with a four-year agreement will be helpful in managing through the next number of years as the government struggles with bringing its budget under control. Given current deficit projections, things are likely to get worse with respect to public sector transfer payments before they get better.

October bargaining dates next opportunity to reach an agreement

The collective agreement expired on August 31, 2009. The parties have met face-to-face for more than 20 days of negotiations and have had ample time to fashion a responsible settlement. We have further dates for bargaining scheduled in the third week of October and we hope that those bargaining dates will result in the parties reaching an acceptable agreement for both sides. Management has stressed the importance of reaching an agreement quickly.

In the last round, negotiations dragged on and the union went out on strike in the first week of March 2006.

Your opinion

We are interested in what you have to say and welcome your opinion. Please feel free to contact any member of the Management Bargaining Team or submit your views in writing to:
info@theCouncil.on.ca.