



# Preparation for the Strike & Lockout Landscape: History, War Chests and Mil Rates

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# Brief History

- Prior to 1948 Alberta had progressive labour legislation
- 1971: U of A signs “special plan” arrangement adopting final offer selection for salary and benefits
- 1975: U of C agrees to “special plan” based on conventional interest arbitration
- 1977: U of L adopts a two-table final offer selection model
  - Faculty association were eligible to apply for certification but did not do so
    - Neither negotiation of salary scales nor Final Offer Selection Officer decisions were binding

# Brief History

- 1981: The Universities Act was amended to include references to collective bargaining, naming faculty associations as collective bargaining agents
  - Right to strike existed in theory, but employers would have to voluntarily agree to modify existing agreements that contained binding arbitration provisions.
- 2002: Mount Royal College (only institution with collective agreement language permitting strikes) holds strike vote and undertakes work-to-rule actions
- 2004: PSLA proclaimed

# Brief History

- 2015: Supreme Court ruling overturns Saskatchewan government legislation
  - Asserts right to lockout/strike to resolve labour disputes (mandatory arbitration unacceptable)
  - Asserts right to freedom of association
  - Compliance with Supreme Court ruling required by March 31, 2016
- Fall 2015: AB government initiated consultation with stakeholders on how to change PSLA to comply with Supreme Court Ruling

# New Legislation

- New legislation initially scheduled for early 2016
  - Government aware of ongoing collective bargaining
  - Numerous opportunities for post-secondary institutions to provide input
  - Right to strike/lockout is certain

# Enter Bill 7

- Passed May 2017
- Provides modifications to the *Post Secondary Learning Act* (PSLA) and the *Labour Relations Code*
- Turned Faculty Associations into Unions (5 year freeze)
- Confirmed Lockout/Strike for impasse resolution
- Moved labour relations under the Labour Relations Code
  - Provides a referee for disagreements
  - Unions now more involved in designation
  - Changes dates and processes for negotiations

# Options

- Do nothing
- Build a local stand-alone strike-preparedness fund
- Join, and rely exclusively upon, CAUT Defence Fund
- Create a hybrid version

# Doing Nothing

## Pros:

- No additional costs to members
- Requires no time or effort.

## Cons:

- High vulnerability during negotiations
- Inability to handle lockout (insufficient cash reserves)
- Individuals would shoulder full financial costs of enduring a lockout



# Creation of a Local Strike-Preparedness Fund

## Pros:

- Complete autonomy over collection and disbursement of funds
  - Once an appropriate fund is established, member contributions could be decreased or eliminated

## Cons:

- Long period of time to build up adequate war chest
  - Negotiation vulnerability during build-up phase.
- Substantial quantity of members' salary "locked-up"

# Joining CAUT Defence Fund

- 50 university members
- \$84 (now \$88)/calendar day (non-taxable) strike pay
  - 3 day embargo (0.82% of annual salary)
- Provides access to *a loan* of up to \$1 million
- Costs: \$5.50/member/month (\$66/member/year)
  - 1 time initiation fee of \$30/member
- 6 month embargo for new participants

## Pros:

- Low cost/member
- Quick access to fund
- No management requirement
- Limits negotiation vulnerability

## Cons:

- Members must contribute indefinitely
- Limited strike pay (\$30,660/year)

# Hybrid Version

## Pros:

- Take advantage of benefits of both CAUT Defence Fund and stand-alone fund
- Immediate (after 6 months) financial protection
- Can balance member cost/benefits as deemed appropriate
- Local fund could be used to pay 1-time CAUT Defence Fund initiation fee
- Possible to eventually eliminate dependence upon CAUT Defence Fund

## Cons:

- Greater member costs than only CAUT Defence Fund

# Faculty Association Mil Rate Comparison: National & Provincial

- Mil rate of 1 = 0.1% of gross salary
- National sample composed of 42 Canadian universities
- **National Mean = 7.6** (Range = 2.20 to 13.70)
- National Median = 7.6
- Within Alberta (as of 2015):
  - U of L = 5.00 (8<sup>th</sup> lowest of 42)
  - U of A = 3.81\*
  - U of C = 4.90\*
  - Athabasca = 10.00

**Mean = 5.93**

\*Changed since July 1, 2016

# Select Mil Rates by Membership Size (small)

<u>Institution</u>	<u>Mill Rate</u>	<u># of Members</u>
U of L	5.00	600
Mount St. Vincent	9.23	150
Mount Allison	10.38	190
Lakehead	7.70	300
UPEI	7.18	400
Athabasca	10.00	400
Nipissing	7.20	470
Brock	9.88	570
Guelph	8.66	800
Memorial	6.68	850
Victoria	2.922	850
Carleton	7.88	850
Dalhousie	11.00	900
Windsor	6.78	1000
Saskatchewan	6.68	1100
Mean	7.82 (Median = 7.70)	

# Select Mil Rate by Membership Size (large)

<u>Institution</u>	<u>Mill Rate</u>	<u># of Members</u>
U of L	5.00	600
U of A	3.81	4400
UBC	6.202	3200
U of C	4.90	2300
York	7.88	1500
Regina	9.68	1400
Manitoba	9.18	1250
Ottawa	7.20	1250

Mean 6.90 (8.02 w/o U of C or U of A)

Median 7.20

# Mil Rate and Strike History

- 47% of universities in sample have not ever been on strike
- Mil rate of Universities with **no strike history**:
  - Mean = 6.62
- Mil rate of Universities with **strike history**:
  - Mean = 8.67

# History of Strikes/Lockouts in Canada

- 51 Strikes/Lockouts between 1970 and 2015
  - Averages slightly more than 1 per year
- Average Strike/Lockout ~23(18) days (Median = 20(17) days)
- Many institutions have never been on strike or locked out
  - Several have been many times
    - Laval (4), Dalhousie (4), Brandon (3), Mount Allison (3), Windsor (3)
- Frequency of strikes/lockouts appears to be increasing
  - 1976-1985: 7
  - 1986-1995: 12
  - 1996-2005: 13
  - 2006-2015: 18
- Certain years have high numbers of strikes/lockouts
  - 3 in 1985, 2000, 2007, 2014; 4 in 1988; 5 in 2008,
- ~10-20% as many lockouts as strikes



# University of Lethbridge Approach

- Mil Rate = 2.5 (0.25% of gross salary)
  - average cost: **\$21.88/member/month**
    - + CAUT Defence Fund:
      - ~**\$27.25/member/month**
    - deductible on income taxes
    - average ULFA member salary = \$105,000
      - \$126,000/year to Strike Preparedness Fund
        - 600 ULFA members (including 120 sessionals)
- GOAL: Double CAUT Defence Fund (to \$168/calendar day) for a 4 week strike
  - Cover 3 days when CAUT Defence Fund does not pay
- Cost: \$1,562,400
- Time: ~12.5 years (without investment gains/losses)
- Does not include cost of strike operations

# Examples

Strike Pay (% of Ave. Salary)	Strike Pay (\$)/person/week	Total ULFA Strike Pay/Week	# of Weeks		
			2	4	18
10%	\$201.90	\$121,140.00	\$242,280	\$484,560	\$2,180,520
15%	\$302.85	\$181,710.00	\$363,420	\$726,840	\$3,270,780
20%	\$403.80	\$242,280.00	\$484,560	\$969,120	\$4,361,040
25%	\$504.75	\$302,850.00	\$605,700	\$1,211,400	\$5,451,300
30%	\$605.70	\$363,420.00	\$726,840	\$1,453,680	\$6,541,560
35%	\$706.65	\$423,990.00	\$847,980	\$1,695,960	\$7,631,820
40%	\$807.60	\$484,560.00	\$969,120	\$1,938,240	\$8,722,080
45%	\$908.55	\$545,130.00	\$1,090,260	\$2,180,520	\$9,812,340
50%	\$1,009.50	\$605,700.00	\$1,211,400	\$2,422,800	\$10,902,600

2 week strike with strike pay = 30% of average salary

4 week strike with strike pay = 40% of average salary

18 week strike with strike pay = 20% of average salary

# Examples

Mil Rate	Annual Strike Fund Growth	Years of Collection				
		3	5	10	15	20
1	\$50,400.00	\$151,200	\$252,000	\$504,000	\$756,000	\$1,008,000
2	\$100,800.00	\$302,400	\$504,000	\$1,008,000	\$1,512,000	\$2,016,000
3	\$151,200.00	\$453,600	\$756,000	\$1,512,000	\$2,268,000	\$3,024,000
4	\$201,600.00	\$604,800	\$1,008,000	\$2,016,000	\$3,024,000	\$4,032,000
5	\$252,000.00	\$756,000	\$1,260,000	\$2,520,000	\$3,780,000	\$5,040,000
6	\$302,400.00	\$907,200	\$1,512,000	\$3,024,000	\$4,536,000	\$6,048,000
7	\$352,800.00	\$1,058,400	\$1,764,000	\$3,528,000	\$5,292,000	\$7,056,000
8	\$403,200.00	\$1,209,600	\$2,016,000	\$4,032,000	\$6,048,000	\$8,064,000
9	\$453,600.00	\$1,360,800	\$2,268,000	\$4,536,000	\$6,804,000	\$9,072,000
10	\$504,000.00	\$1,512,000	\$2,520,000	\$5,040,000	\$7,560,000	\$10,080,000

2 week strike with strike pay = 30% of average salary

4 week strike with strike pay = 40% of average salary

18 week strike with strike pay = 20% of average salary

# University of Lethbridge Results

- 78.5% of membership voted in favour of combined CAUT Defence Fund/Strike Preparedness Fund mil rate of 2.5
- Proactive approach appears to have helped positioning for negotiations and improved our latest economic benefits agreement
  - Economic benefits agreed upon 2 weeks after membership voted to establish Strike Preparedness Fund

# The Post Bill 7 World

- Current Lockout/Strike Fund in excess of \$250,000
- Other AB institutions have created Lockout/Strike Funds
- U of L, and other AB institutions have joined the CAUT Defence Fund
- University of Lethbridge about to begin negotiations – we are less vulnerable than before
- Member relations at an all-time high



# The Post Bill 7 World



Thank you!