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)

http://defencefund.caut.ca/
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 (8th 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)

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

**Mean**: 7.82 (Median = 7.70)
<table>
<thead>
<tr>
<th>Institution</th>
<th>Mill Rate</th>
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</thead>
<tbody>
<tr>
<td>U of L</td>
<td>5.00</td>
<td>600</td>
</tr>
<tr>
<td>U of A</td>
<td>3.81</td>
<td>4400</td>
</tr>
<tr>
<td>UBC</td>
<td>6.202</td>
<td>3200</td>
</tr>
<tr>
<td>U of C</td>
<td>4.90</td>
<td>2300</td>
</tr>
<tr>
<td>York</td>
<td>7.88</td>
<td>1500</td>
</tr>
<tr>
<td>Regina</td>
<td>9.68</td>
<td>1400</td>
</tr>
<tr>
<td>Manitoba</td>
<td>9.18</td>
<td>1250</td>
</tr>
<tr>
<td>Ottawa</td>
<td>7.20</td>
<td>1250</td>
</tr>
</tbody>
</table>

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
• ~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

<table>
<thead>
<tr>
<th>Strike Pay (% of Ave. Salary)</th>
<th>Strike Pay ($)/person/week</th>
<th>Total ULFA Strike Pay/Week</th>
<th># of Weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>$201.90</td>
<td>$121,140.00</td>
<td>2</td>
</tr>
<tr>
<td>15%</td>
<td>$302.85</td>
<td>$181,710.00</td>
<td>$242,280</td>
</tr>
<tr>
<td>20%</td>
<td>$403.80</td>
<td>$242,280.00</td>
<td>$363,420</td>
</tr>
<tr>
<td>25%</td>
<td>$504.75</td>
<td>$302,850.00</td>
<td>$484,560</td>
</tr>
<tr>
<td>30%</td>
<td>$605.70</td>
<td>$363,420.00</td>
<td>$605,700</td>
</tr>
<tr>
<td>35%</td>
<td>$706.65</td>
<td>$423,990.00</td>
<td>$847,980</td>
</tr>
<tr>
<td>40%</td>
<td>$807.60</td>
<td>$484,560.00</td>
<td>$969,120</td>
</tr>
<tr>
<td>45%</td>
<td>$908.55</td>
<td>$545,130.00</td>
<td>$1,090,260</td>
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<tr>
<td>50%</td>
<td>$1,009.50</td>
<td>$605,700.00</td>
<td>$1,211,400</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Mil Rate</th>
<th>Annual Strike Fund Growth</th>
<th>Years of Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>$50,400.00</td>
<td>$151,200</td>
</tr>
<tr>
<td>2</td>
<td>$100,800.00</td>
<td>$302,400</td>
</tr>
<tr>
<td>3</td>
<td>$151,200.00</td>
<td>$453,600</td>
</tr>
<tr>
<td>4</td>
<td>$201,600.00</td>
<td>$604,800</td>
</tr>
<tr>
<td>5</td>
<td>$252,000.00</td>
<td>$756,000</td>
</tr>
<tr>
<td>6</td>
<td>$302,400.00</td>
<td>$907,200</td>
</tr>
<tr>
<td>7</td>
<td>$352,800.00</td>
<td>$1,058,400</td>
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<tr>
<td>8</td>
<td>$403,200.00</td>
<td>$1,209,600</td>
</tr>
<tr>
<td>9</td>
<td>$453,600.00</td>
<td>$1,360,800</td>
</tr>
<tr>
<td>10</td>
<td>$504,000.00</td>
<td>$1,512,000</td>
</tr>
</tbody>
</table>

- **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