

Background

In 2010, as the agreements with teachers and support staff were about to expire, the Technical Review Committee (TRC) recommended operating funding that was provided to school districts to assist with increased labour costs be reallocated throughout the operating grant formula.

The TRC was comprised of three school district superintendents and three school district secretary-treasurers, as well as Ministry representation. This recommendation was approved by the Minister and was implemented for the 2010/11 school year.

This method was confirmed with subsequent iterations of the TRC, and later the Funding Equity Committee, which comprises the same membership as the TRC, now with representation from the First Nations Education Steering Committee.

Methodology

Labour settlement funding (LSF) is an envelope of funding calculated by the Public Sector Employers' Council Secretariat (PSEC-S) and approved by Treasury Board. The funding is set at a point in time and is based on approved parameters of the bargaining mandate.

The method of distributing LSF through the operating grant formula is as follows:

- PSEC-S informs the Ministry of Education and Child Care of the total provincial funding envelopes to allocate for teachers, support staff and exempt positions.
- The Ministry sets aside LSF not allocated through the operating grants for:
 - Classroom Enhancement Fund;
 - Learning Improvement Fund;
 - CommunityLINK;
 - Provincial Resource Programs;
 - Public Education Benefits Trust; and
 - Collective Agreement special allocations (e.g., Support Staff Education and Adjustment Committee).
- The remaining LSF is flowed through the operating grant formula to simulate the adjustment to the supplements identified as sources of funding for teacher/exempt and/or support staff positions:

Funding Supplement	Teachers/Exempt	Support Staff
Basic Allocation	✓	✓
Inclusive Education	✓	✓
English/French Language Learning	✓	✓
Indigenous Education	✓	✓
Adult Education	✓	✓
Summer Learning	✓	✓
Equity of Opportunity Supplement	✓	✓
Small Community Supplement	✓	✓
Low Enrolment Factor		✓
Student Location Factor		✓

Allocation of K-12 Labour Settlement Funding

- The total provincial funding amounts for these supplements are determined separately for teachers/exempt and support staff, as well as the proportions of each supplement within that total.
- LSF is then allocated based on these proportions. For example, if the Basic Allocation comprises 80% of the total of the supplements for teachers/exempt, then 80% of the available LSF for teachers/exempt will be allocated through the Basic Allocation.
- Once those total amounts above are determined, they are divided by the most recent total provincial enrolment to arrive at a per FTE or per student increase. For example, if there is \$100 million to allocate for teacher/exempt increases, and total provincial enrolment is 500,000 FTE, the result will be a \$200 per FTE increase to the Basic Allocation.
- The increases for teachers/exempt and/or support staff are added to the existing rates within the formula. The new rates are then run through the funding allocation model to produce the operating grant tables.

Other Considerations

- The Ministry's funding model does not fund costs as it allocates funding on a per student FTE basis, not a per teacher FTE basis.
- In general, more student enrolments result in more staffing, so including LSF in the funding rates ensures that the added cost of a new labour settlement mandate is funded as enrolment grows in a district.
- If a district has more staff per student FTE than a comparable district then they will receive a similar amount of LSF while having increased costs (due to increased numbers of staff).
- If details of a given school year's LSF are not known by March 15 (when the Ministry is required to announce the per student rates for the upcoming school year), funding may be announced separately as a special grant.
- It is common for the entire LSF envelope to be announced as a special grant in the first year of a new mandate, due to the timing of the ratified settlement and confirmation of the funding envelope to be allocated to the Ministry.
- Any LSF that is allocated as a special grant is incorporated into the funding rates and supplements in subsequent school years.
- LSF provided to districts is excluded from the Funding Protection calculation; this means that districts receive 100% of the LSF added to the operating grant rates each year even if there is an overall drop in funding due to declining enrolment.