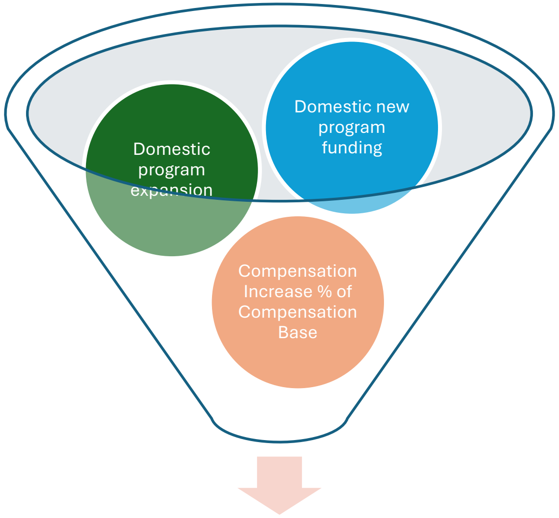
Agenda

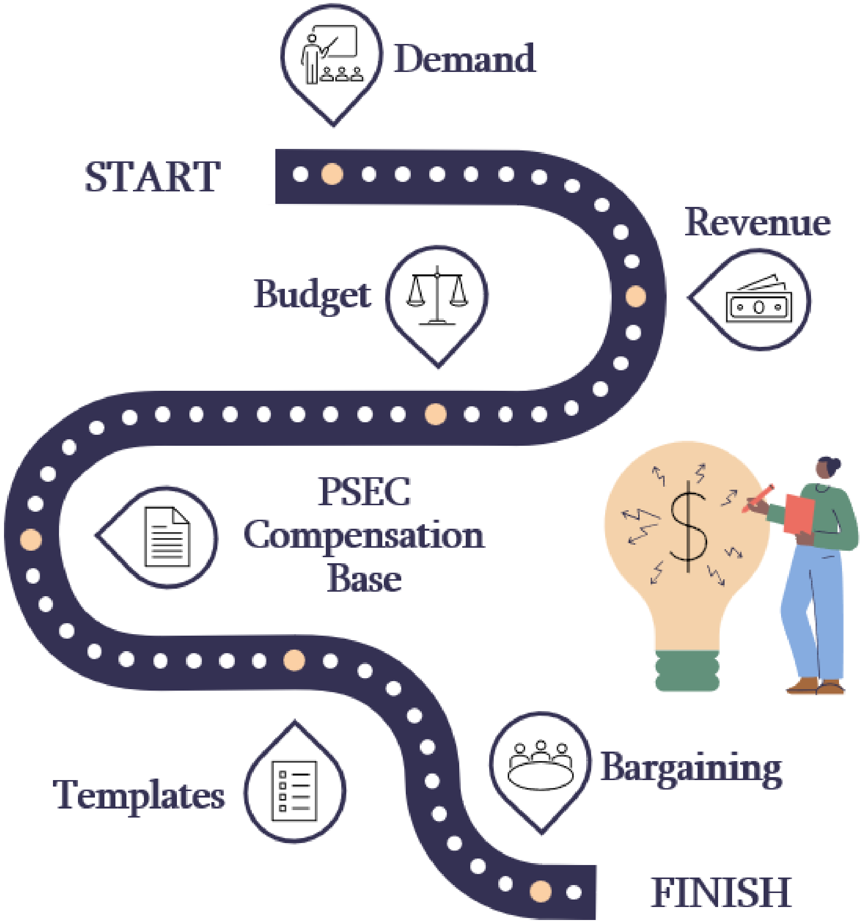
Provincial Grant	• Provincial Grant Funding • Grant Roadmaps
Compensation Base	• What is a compensation base? • Components of the compensations base • Who's included
Compensation Mandate	• Historical mandates • What's funded by mandate
Costings	• Purpose and principles • Costing processes

UVic's Operating Grant

- Provincial operating grant
- Incremental model
- Three Streams



UVic Funding Road Map **Domestic** Students



Historical PSEC Bargaining Mandates

Net Zero Mandate

(2 yrs term)

Compensation trade-offs: savings found through (mutually-agreed) changes in collective agreements may be used to fund compensation increase.

Economic Stability Mandate

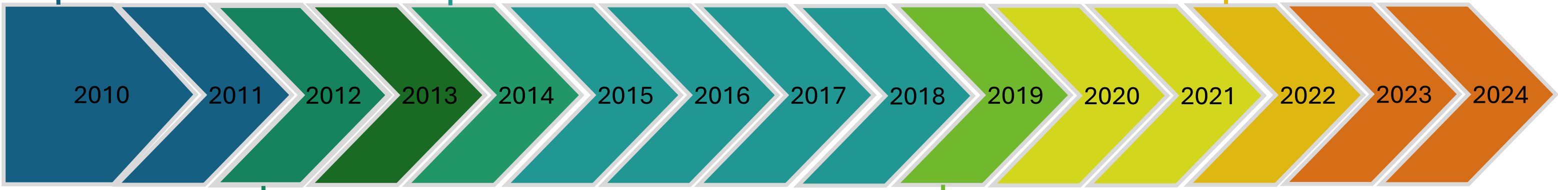
(5 yrs agreement)

- General wage increases of 0, 1%, 1.5%, 1.5%, 1.5%
- An additional 1.95% in Economic Stability Dividends for total of 7.45% at the end of the term
- the Dividend was provided when actual real GDP growth was one percentage point above the forecasted real GDP growth, then a 0.5% wage increase resulted – this was in addition the GWI

Shared Recovery Mandate

(3 yrs term)

- GWI Year 1 – a flat increase of $0.25/hour which provides a greater percentage increase for lower paid employees, plus 3.24%
- GWI Year 2 – 5.5% plus a potential Cost of Living Adjustment to a maximum of 6.75% (Maximum 6.75% triggered as of March 21, 2023)
- GWI Year 3 – 2% plus a potential Cost of Living Adjustment to a maximum of 3% (Maximum 3% triggered as of March 19, 2024)
- A negotiable Flexibility Allocation of up to 0.25% in years 1 and 2 to support mutually beneficial outcomes for both parties.



Cooperative Gains Mandate

(2 yrs agreement)

Modest wage increases

Year 1: 2%

Year 2: 2%

Sustainable Services Negotiating Mandate

(3 yrs agreement)

- General wage increases of 2% in each year

PSEC Compensation base - Faculty

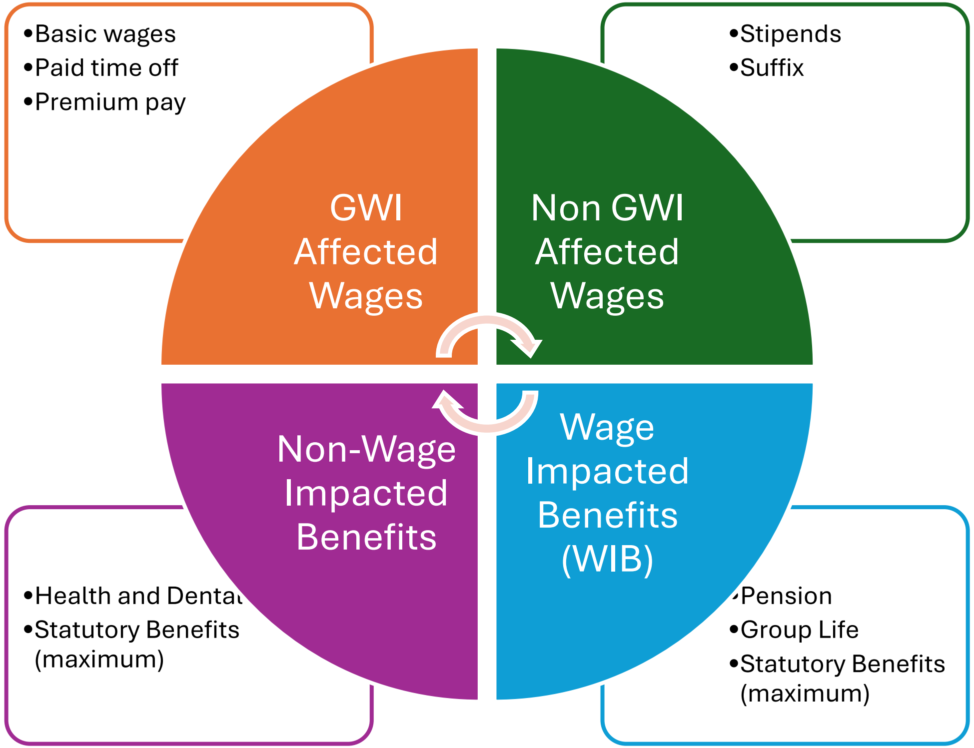
Who is Included

- Regular Faculty
- Term Faculty
- Regular Librarians
- Term Librarians

Who Is excluded

- Limited Term (LT) less than 1 year
- Faculty excluded
- Librarian excluded

Components of PSECs Compensation Base



What is funded by the mandate?

- Employer Liabilities
  - General wage increases
  - Extended Health and Dental
  - Maternity or parental leave
  - Paid time off
  - Premium
  - Salary floor or salary ceiling adjustments
  - Hours of work changes
  - Retirement incentives

What is NOT funded by the mandate

- Employee Liabilities (example employee percentage of health and dental)
- Employer Health Tax
- Progression through the ranks (PTR)
  - The majority of PTR is funded through the budget framework process and is not funded from the BC operating grant.
  - The annual increment to UVic's BC operating grant for compensation is for GWI and not PTR.

Example - Faculty and Librarians

July 1, 2022: grant increment for wages = $5M

July 1, 2022: increment to faculty salaries = $7M

$2M delta represents unfunded PTR

Purpose of Costing

- To allow the Province and UVic to:
  - Inform bargaining plan decisions, plan changes and final offer approvals
  - Identify financial implications of bargaining
  - Establish principles and assumptions to ensure consistency between employer plans and provincial mandate
- A complete costing report will:
  - Describe intended outcome and who will be affected.
  - Document methodology, logic, assumptions and variables used in the calculations.
  - Show data used in final projected costs for the proposed agreement.
  - Include third-party validations if applicable (e.g., benefit provider reviews)

PSEC Key Costing Principles

- Consistency
- Completeness
- Materiality
- Open Communication
- Compensation Base and related assumptions

Ongoing vs. One Time

Ongoing Costs/Savings

- Costs that carry on to the future.
  - % wage increase
  - Benefit plan adjustments
  - Progression Salary plan changes
  - Market adjustments
  - Changes to leave plans

One Time Costs/Savings

- A cost that occurs at a single point in time. It has no ongoing cost commitment
  - Lump sum payment
  - LOU one-time contribution

Monetary Approval Process

Request
- Costing request is receive by the Labour Costing Representative (LCR) from the negotiation team. Specific parameters and assumptions are defined, data collected and analysed.

Costing
- The LCR will communicate back and forth with the lead negotiator to refine the costing and ensure the package to date is within mandate.

Internal Approval
- The draft costing is then sent to a costing approver who validates the costing elements and data sources.

PSEC Approval
- Once the negation team is ready the LCR will work the PSEC on obtaining final approval to table

Approved
- Upon receiving PSEC's approval the costing/package is ready to be tabled.