

**Subject:** CBC Story on LRTA arbitration

## Cash-strapped school divisions worry about funding possible wage bumps for teachers

'We don't have that money sitting aside,' says school division official who expected a wage freeze

[Ian Froese](#) · CBC News · Posted: May 13, 2020 7:30 PM CT | Last Updated: 28 minutes ago



The decision to give Louis Riel School Division teachers a wage bump in a new two-year contract could set the stage for similar compensation increase for other school divisions in Manitoba. (Warren Kay/CBC)

Manitoba school divisions already strapped for cash may have to suddenly find millions of dollars more to pay their teachers. School trustees say they're in a difficult position if their next collective agreement with teachers mirrors the two-year deal reached in the Louis Riel School Division.

The Winnipeg division will [retroactively pay their teachers \\$7.8 million](#) by July, according to its superintendent — money they never budgeted for.

Brandon School Division chair Linda Ross said their board would be hard-pressed to come up with any back pay. "We don't have that money sitting aside anywhere. We didn't budget for any increases in salary."

Her division was under the assumption salaries wouldn't increase for two years. That's the direction she says they got from the provincial government, which passed Bill 28 — legislation, challenged in court, that calls for a two-year wage freeze for public workers, starting in 2018-19 — but hasn't proclaimed it.

## Louis Riel may set the standard

"School divisions budgeted accordingly," Ross said.

The Louis Riel teachers' contract is likely a significant, precedent-setting decision, as the first deal in Manitoba traditionally sets the benchmark for dozens of contracts to follow.

The compounded three-per-cent pay increase over two years, between July 1, 2018 and June 30, 2020, is modest when compared to the last round of teacher bargaining in Manitoba, which hiked pay between two or three per cent annually for the most part.

But the financial situation isn't rosy for all school divisions. Many have complained of reduced provincial grants, or increases below the rate of inflation, under the Progressive Conservative government. They've been ordered to limit property tax increases to two per cent per year.

- **Teachers' contract in Louis Riel School Division could be precedent-setting**

The Louis Riel contract took some trustees by surprise.

"To be honest, it's kind of shocking," said Craig Smiley, board chair of the Altona-based Border Land School Division. He said Border Land's provincial grant slipped roughly two per cent in each of the last two years, while enrolment increased.

It seems making ends meet becomes more challenging every year, Smiley said. Taxpayers are feeling the burden, and the economic crisis stemming from the pandemic won't help. "People are even in a worse position than they were before," he said.



Teachers across Manitoba could expect retroactive pay increases, after a deal was recently reached in the Louis Riel School Division. (Justin Deeley/CBC)

St. James-Assiniboia School Division said in an email the Louis Riel ruling, if similarly adopted, would "create significant challenges for us," but the spokesperson didn't elaborate when asked.

Louis Riel officials alluded to those troubles during the arbitration hearing. They advocated for the Bill 28 pattern, where pay would only rise in the third and fourth year of any deal — increases of 0.75 per cent and one per cent, respectively.

The arbitration board said its decision couldn't dismiss a financial environment where the province is prioritizing spending restraint, acknowledging the division may have to make "painful" choices to pay for retroactive salaries.

Louis Riel hadn't previously budgeted for back pay due to its own budgetary pressures, the arbitrator said.

"Government does not lack the ability to pay but has decided it is unwilling to pay more than a prescribed amount for labour costs at this time, opting instead for taxpayer relief as a policy choice," the arbitrator's decision reads.

"The division will have to live within these constraints."



Christian Michalik, superintendent at the Louis Riel School Division, says he's been in discussions with the provincial government on how to fund new compensation deals with their teachers. (Submitted by the Louis Riel School Division)

Louis Riel School Division superintendent Christian Michalik told [Radio-Canada last week](#) the arbitration's decision was unexpected.

On Wednesday, he said he's speaking with the provincial government regarding their challenges in financially supporting the award. He wouldn't expand on the nature of those discussions.

David Camfield, a labour studies and sociology professor at the University of Manitoba, said Bill 28 has hung over negotiations for the province's public sector employees, including teachers.

The legislation hasn't been proclaimed, but the threat of the bill has paralyzed many collective bargaining processes from taking place.

## **No teacher contracts reached since Bill 28**

The arbitrator's report said no teacher contract has been finalized since Bill 28 was passed in 2017. In the last round of teacher bargaining, all 38 agreements were reached within two years.

Manitoba Federation of Labour president Kevin Rebeck commended the arbitration board for reaching a decision outside the wishes of Bill 28. He added the inability-to-pay argument shouldn't come at the expense of teacher salaries. Rebeck said it's not the school division's fault that the province is imposing financial restraint.

"When you have a government that's been laying off workers, shrinking the public sector, reducing taxes and lowering their revenue, for them to then say, 'Oh well, we don't have funds,' is an excuse."

If Bill 28 is proclaimed, it would nullify any contract reached since the bill's passage. **A provincial spokesperson said last week the province has no intention of proclaiming the bill immediately.** The government is continuing to urge all public sector employers and unions to engage in constructive collective bargaining.

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