

Revised Salary Ranges for Executive Positions Approved

The BC Public School Employers' Association has been advised by the Public Sector Employers' Council (PSEC) that the Minister of Finance has approved revised salary ranges for the positions of Superintendent and Secretary Treasurer, effective July 1, 2006.

Background

Since BCPSEA developed the first exempt compensation management plan for the sector in 1994, maintenance of the plan has been a cyclical activity based on a labour market competitiveness approach:

1. BCPSEA surveys British Columbia school districts as well as school districts in other selected provinces to obtain total compensation data for exempt benchmark positions.
2. The BCPSEA exempt staff compensation management plan is reviewed and updated as indicated/required.
3. The compensation data are refreshed to maintain currency.
4. The survey cycle commences again.

The data collected through the total compensation survey (conducted triennially — the most current questionnaire was distributed to school districts in June 2007 with an August 31, 2007 timeline for completion) are then analyzed and the salary ranges for the positions of Superintendent and Secretary Treasurer are adjusted based on this market approach.

In *Exempt Staff Issues* bulletin No. 2006-05, dated October 24, 2006, we reported on the status of the BCPSEA submission to PSEC requesting approval to increase the salary ranges for these two executive positions. At that time, PSEC indicated that the approach for consideration of executive compensation had changed.

Under the amended approach, PSEC advised that the market comparators and the associated analyses that were the basis of the triennial total compensation survey would be replaced by a determination as to whether compensation for senior staff disproportionately affects the ability to recruit and retain.

Current Status

Notwithstanding the approach communicated to the public sector employers' associations in the Fall of 2006 as noted above, the Minister has now approved the BCPSEA proposal (based on refreshed data in accordance with the survey cycle and submitted in 2006) to increase the salary ranges for the positions of Superintendent and Secretary Treasurer.

The question may arise as to whether the newly approved salary ranges are relevant, given that they are based on 2006 data. As the ranges have not been increased since April 2000, with the exception of the 2% general wage adjustments available to executive and exempt staff under the *Public Education Negotiating Framework Compensation Plan – Exempt Staff* (PENFCP), the revised ranges are, in any event, welcome news. In addition, the data gathered through the 2007 survey of total compensation paid to exempt benchmark positions, in conjunction with consideration of the impact of compensation increases provided to teachers under Provincial Collective Agreement 3 and the general wage adjustments available to executive and exempt staff through July 1, 2010, will indicate whether the ranges remain relevant or whether labour market competitiveness or compression issues remain thus necessitating a further submission to government.

The salary ranges for these two positions continue to be based on bands of school district full time equivalent enrolment. This matter, among other compensation matters, has been the subject of discussion by the Exempt Staff Compensation Working Group (ESCWG), comprised of representatives from the BC School Superintendents' Association, the BC School District Secretary Treasurers' Association, the BC Principals' and Vice Principals' Association, a district human resources practitioner, the Public Sector Employers' Council Secretariat, and BCPSEA. The ESCWG is moderated by an external compensation consultant. The design of the salary component of the executive total compensation package will be explored further by the ESCWG.

Please note that the current process for administration of exempt compensation remains in place. The salary ranges provide a framework; although the salary ranges have now increased, any increase to salary or any other element of the total compensation package for executive and exempt positions contemplated by a school board must be submitted to BCPSEA for review and approval prior to implementation.

The revised salary ranges include provision for re-earnable annual performance-based incentive pay. School boards must obtain approval from BCPSEA to proceed with development of a performance-based incentive plan for the Superintendent/CEO and/or Secretary Treasurer. Where a district wishes to pursue development of a plan, BCPSEA will work with the school district to develop the plan; such a plan must be consistent with the guidelines for performance-based incentive plans articulated by PSEC and must be approved by both the Board of School Trustees and BCPSEA. Upon approval and adoption of the plan, the district must make submission to BCPSEA for approval of any re-earnable payment under the plan prior to implementation by the school board.

Re-earnable pay is to be reported as part of total compensation in the year in which it is earned and must be reported as a separate component of the total compensation package (i.e., it cannot be "rolled into" annual base salary for reporting purposes).

We will shortly follow up with further information, including the revised salary ranges.

Labour Market Adjustment Process Under the PENFCP

We have also engaged in discussion with PSEC staff regarding the status of the labour market adjustment process under the PENFCP, and specifically the BCPSEA proposal to allocate labour market adjustment monies for the 2006-2007 school year. We have been advised to re-submit a slightly revised proposal for consideration by government — we will be complying with that advice and will report further to school boards on the status of this process.

Questions

If you have questions on any matter related to executive or exempt compensation, please contact Deborah Stewart, Senior Human Resources Consultant (604.730.4506; deborahs@bcpsea.bc.ca).