

2015-03 July 17, 2015

By E-mail: Four pages plus attachment

Next Steps: The Sectoral Exempt Staff Compensation Review Project

Further to *Exempt Staff Issues* bulletin [No. 2015-02](#), we indicated that we would follow up with further information with respect to the Sectoral Exempt Staff Compensation Review Project, which the K-12 public education sector is being permitted to undertake at this time, as well as government's recent direction on the management compensation freeze.

Given the work that has been completed through the BCPSEA Exempt Staff Compensation Working Group (ESCWG) and presented in its report and recommendations, it is timely for school districts to have the opportunity for a comprehensive market study and compensation valuation comparison of its district-based exempt positions. This review will enable revised salary structures to be developed based on the market study and internal equity.

It is important to note that transition to the revised salary structures, once approved, will be a phased process and that any compensation increases will be consistent with the government direction on increases available effective July 1, 2015 and January 1, 2016.

Approach

Western Compensation and Benefits Consultants (WCBC) will assist BCPSEA with a total compensation review of district-based exempt positions consistent with compensation industry standards/best practice and current policy for excluded staff.

The BCPSEA ESCWG has recommended the implementation of regional salary structures for principal/vice principal positions in the K-12 public education sector.

Terms of Reference

The terms of reference for the review include:

- ❖ Identifying the relevant labour market comparator organizations (requiring approval of PSEC), which will include:
 - 14 municipalities distributed across each of the 7 school district geographic regions
 - 3-4 colleges/teaching universities
 - the BC Public Service Agency
 - 3-4 provincial health authorities
 - 4-5 crown corporations/agencies
 - BC's 60 public school districts.

- ❖ Analyzing the job content of the school district's positions relative to the comparator organizations in order to ensure meaningful position matches.
- ❖ Obtaining current compensation data, including salary ranges and actual salaries paid, for position matches in the comparator organizations.
- ❖ Combining the job content analysis results with the comparison group market data to develop a salary structure on a total compensation valuation basis.

Project Workplan

The Project workplan is summarized below.

1. SCHOOL DISTRICT ACTION ITEM: Obtain/Review Position Matching Information

This requires obtaining updated job information from the school district to ensure:

- valid job matches with each of the labour market comparator organizations
- that the current duties/responsibilities of the district-based jobs are considered and that the recommended salary structure reflects those responsibilities.

Attached please find a spreadsheet with three tabs:

- Organization Information
- Position Matching
- Salary and Incentives.

Please fully complete the questionnaire attached and return to Heather Toews at WCBC (heather_toews@wcbc.ca) at your earliest convenience.

2. Obtain and Analyze the Compensation Data

- BCPSEA will confirm with WCBC each school district's benefits plan and perquisites.
- WCBC will update the compensation data for each school district in the K-12 compensation database.
- WCBC will prepare total compensation results for each school district.
- WCBC will complete the survey of the total compensation paid by the labour market comparator organizations and will prepare total compensation valuation results for each organization.

3. SCHOOL DISTRICT ACTION ITEM: Policy Discussion

In collaboration with each district, BCPSEA will discuss and confirm policy issues which will have an impact on the salary structure design, including:

- confirmation of the appropriate labour market comparison organizations for each district
- at which reference point relative to the comparator labour market the job rate for each job will be set.

4. Develop a Draft Salary Structure

Based on all of the above, WCBC will proceed to prepare a draft salary range structure for each district, which will include:

- preparing total compensation comparisons for each of the district's position matches, illustrating:
 - the BC school district labour market comparator group
 - the other labour market comparator organizations
- reviewing the district's position matches to determine whether any "position sizing" is appropriate
- generating the salaries for each position in order to align the total compensation labour market comparator data and internal equity
- preparing a salary range structure.

5. SCHOOL DISTRICT ACTION ITEM: Finalize Salary Structure for District-based Positions

BCPSEA will provide the comparator compensation data and draft salary structure prepared by WCBC to the district for review and discussion. BCPSEA will work with the district to finalize the district-based exempt staff salary structure.

6. SCHOOL DISTRICT ACTION ITEM: Principal/Vice Principal Positions

BCPSEA will review and discuss with each district its current principal/vice principal salary structure and assist with development of a proposed plan to transition principal/vice principal positions to the applicable regional salary structure as outlined in the report and recommendations of the BCPSEA ESCWG.

7. SCHOOL DISTRICT ACTION ITEM: Preparation of the Business Case for Submission to PSEC

BCPSEA will work with the district to prepare one comprehensive business case for submission to PSEC to obtain approval of permitted salary increases pursuant to government's recent direction on the management compensation freeze.

The business case will include:

- The proposed salary structure for district-based positions
- The proposed salary structure for principal/vice principal positions (i.e., how the school district will apply the regional salary structure as set out in the ESCWG report).
- Transition plans to move toward implementation of the revised salary structures. The transition plans must reflect increases up to the permitted maximum, differentiated on the basis of demonstrated salary compression or inversion, recruitment/retention risks, and performance. It should be noted that PSEC has clarified that "compression" will be defined as a differential of less than 10% between a supervisory position and the position supervised.

Following approval of a district's business case — including the revised salary structures — modest increases will then be permitted within the government direction on the compensation freeze for 2015 (retroactive to July 1, 2015) and 2016 (effective January 1, 2016).

It is important to note that the compensation increases are not a general wage increase and must be funded from within existing budgets.

As noted in *Exempt Staff Issues* bulletin No. 2015-02, compensation increases for executive positions in the broader public sector are not included in this direction on the management compensation freeze. Recognizing that the position of Superintendent is not covered by the compensation freeze (but is covered by the compensation disclosure reporting requirements of *the Public Sector Employers Act*), the compensation freeze continues to apply to the executive positions of Secretary Treasurer and Assistant Superintendent consistent with the broader public sector. We will advise as further information is made available with respect to executive positions.

Further Information

Please note that BCPSEA will be holding conference calls to discuss the matters outlined in this bulletin. PSEC representatives will also participate in the calls, which are scheduled as follows:

Date: TUESDAY, JULY 21

Time: 10.00 am and 2:00 pm

Telephone number: 1 866 365 4409

Participant ID: 7300739#

Board Chairs, BCPSEA Trustee Representatives, and school district senior staff should feel free to call in at the time that best suits your schedule.

Recognizing that many trustees and staff are currently on vacation, BCPSEA and PSEC will schedule a further conference call in September. Call information will be provided at that time.

Please direct any questions to Deborah Stewart, Senior Human Resources Consultant, at 604 730 4506 or deborahs@bcpsea.bc.ca.

Attachment: BC School District Questionnaire