

Compensation Update

Background

Throughout the 2015-2016 school year, [BCPSEA worked with school districts](#) and the Public Sector Employers' Council (PSEC) Secretariat to:

- determine the district-specific approach to applying the new Regional Salary Model for school-based principals and vice principals
- complete the comprehensive total compensation market review and analysis of district-based exempt positions, including executive, management, and non-management excluded staff, under the BCPSEA Sectoral Exempt Staff Compensation Review Project
- complete the submission and approval process for allocation of the modest increases permitted for eligible principal/vice principal and district-based exempt staff positions within the government direction.

In *Exempt Staff Issues* bulletin [No. 2016-04](#), we advised that PSEC would provide further policy direction and we would communicate with districts as soon as possible. The Minister of Finance has now given direction for public sector employers to address ongoing compensation challenges for executive and exempt staff. This bulletin provides an overview and details of this direction for the K-12 public education sector, including:

1. An immediate increase for the positions of Secretary Treasurer and Deputy/Assistant/Associate Superintendent
2. Transition to the new district-based exempt staff salary structure for positions below Step 0 of the applicable salary range
3. Transition to the new district-based exempt staff salary structure for new hires in "senior employee" positions
4. Progression through the new district-based exempt staff salary structure for positions within the applicable salary range
5. Transition to the Regional Salary Model for principal/vice principal positions below Level A of the applicable salary for the position as set out in the district's plan
6. Transition to the Regional Salary Model for new hires in principal/vice principal positions
7. Progression through the Regional Salary Model for principal/vice principal positions within range (where the district's plan is to apply the Model as a salary range)
8. PSEC policy principles
9. Next steps and timing
10. Key messages.

Parameters for Transition

The policy parameters address the remaining available processes for the 2016 calendar year:

- An immediate percentage increase for the positions of Assistant Superintendent and Secretary Treasurer effective July 1, 2016 (there is no retroactivity available)
- A process for transition of district-based exempt positions to Step 0 of the applicable new salary range; the increases may need to be phased in over time depending on the amount of the increase necessary (a submission to BCPSEA for PSEC review and approval is required)
- A process for transition of principal/vice principal positions to Level A of the applicable Regional Salary Model in accordance with the district's plan; the increases may need to be phased in over time depending on the amount of the increase necessary (a submission to BCPSEA for PSEC review and approval is required)
- Ability to place new hires at either Step 0 of the applicable district-based exempt staff salary range, or Level A of the applicable Regional Salary Model for principals/vice principals in accordance with the district's plan
- For all other positions that are within the applicable new salary range (whether district-based exempt or principal/vice principal), further direction will be provided by PSEC in the new year for calendar 2017.
- **Please note that decisions with respect to compensation for the position of Superintendent remain the sole purview of the board of education.**

1. Positions of Assistant Superintendent and Secretary Treasurer

- BCPSEA advised districts to include the positions of Deputy/Assistant/Associate Superintendent and Secretary Treasurer in their submissions for the modest increases available for district-based exempt positions within the government direction.
- PSEC has now advised that districts are approved to apply a **single increase**, effective July 1, 2016, to the current annual salary in the percentage amount that reflects **the greater of** the proposed increase for July 1, 2015 **OR** January 1, 2016 (to a maximum of 2%) as approved by PSEC through the submission process completed in June.
- Please note that approval is for a **single percentage increase** on a prospective basis — **there is no retroactivity available.**
- For example, if the district proposed a 1.95% increase for the position of Secretary Treasurer as at July 1, 2015, and a 1.85% increase for the position as at January 1, 2016, the district may proceed to implement an increase of 1.95% effective July 1, 2016.
- This increase can be applied to incumbents whether they are below Step 0 of the new salary range or whether they are within the new range, as long as the increase does not take the salary above the maximum of the new salary range for the position.
- **Districts may proceed to immediately process the increase as set out above.**

Please also see the content following regarding transition to the new district-based exempt staff salary structures for further information.

2. Transition to the New District-based Exempt Staff Salary Structure for Positions Below Step 0 of the Applicable Salary Range

- The new district-based exempt staff salary structure under the BCPSEA Sectoral Exempt Staff Compensation Review Project, which concluded June 28, 2016, **is in effect as at July 1, 2016.**
- Where the current annual salary of an incumbent in a position is BELOW Step 0 of the applicable salary range for the position as set out in the new exempt staff salary structure, the district may make a submission to BCPSEA — for approval by PSEC — to increase the annual salary to the Step 0 salary.
- Depending on the amount of the increase to bring the current salary to the Step 0 salary, the increases will be required to be phased in over a period of time. BCPSEA will work with districts to prepare their business case — using the attached Excel spreadsheet — for review by PSEC.
- For example, if the position's current salary is \$125,000 and Step 0 of the applicable salary range is \$133,000, the district can propose to phase the salary to the Step 0 amount — through allocation of equal dollar amounts or percentage increases — over a specified period of time.
- This process may require the district to identify priority positions for transition, as due to budget implications it may not be possible for the district to transition all positions fully to Step 0 over the course of the 2016-2017 school year.
- **PLEASE NOTE** that this transition process includes the positions of Deputy/Assistant/Associate Superintendent and Secretary Treasurer.

3. Transition to the New District-based Exempt Staff Salary Structure for New Hires in “Senior Employee” Positions (defined by [Order in Council 1030](#) dated November 28, 2002, with annual base salary of \$125,000 or more)

- As noted above, the new district-based exempt staff salary structure under the BCPSEA Sectoral Exempt Staff Compensation Review Project, concluded June 28, 2016, **is in effect as at July 1, 2016.**
- The district may proceed to place senior employees hired or promoted into a position as at July 1, 2016 or later, at Step 0 of the applicable salary range for the position as set out in the new exempt staff salary structure.
- Should the district wish to place a senior employee hired or promoted into a position as at July 1, 2016 or later at a Step higher in the applicable salary range than Step 0, the district is required to submit a request for consideration to BCPSEA for review and approval by PSEC.
- Districts retain discretion to determine initial placement in the new structure for all other exempt positions (all positions other than senior employee positions with annual base salary of \$125,000 or more).
- Districts will, of course, want to consider placement of new hires in the context of placement of existing staff.

4. Progression Through the New District-based Exempt Staff Salary Structure for Positions Within the Applicable Salary Range

- Although the salary ranges in the new exempt staff salary structure have three to five Steps to progress from the minimum to the maximum of the available range, for the 2016-2017 school year progression through the applicable salary range for incumbents whose salary is within range will be regulated by PSEC policy direction, anticipated to be received in early 2017.
- **Until that further policy direction is received, no progression through the applicable salary range is permitted for the remainder of calendar year 2016.**

5. Transition to the Regional Salary Model for Principal/Vice Principal Positions Below Level A of the Applicable Salary for the Position as set out in the District's Plan

- The applicable Regional Salary Model is in effect in each district as at July 1, 2016 **OR** August 1, 2016, depending on the district's specific contract year.
- Where the current annual salary of an incumbent principal/vice principal is **BELOW** Level A of the applicable salary for the position as set out in the district's plan to apply the Regional Salary Model, the district may make a submission to BCPSEA — for approval by PSEC — to increase the annual salary to the Level A salary.
- Depending on the amount of the increase to bring the current salary to the Level A salary, the increases will be required to be phased in over a period of time. BCPSEA will work with districts to prepare their business case — using the attached Excel spreadsheet — for review by PSEC.
- For example, if the current salary is \$115,000 and Level A of the applicable salary for the position as set out in the district's plan to apply the Regional Salary Model is \$120,237, the district can propose to phase the salary to the Level A amount — through allocation of equal dollar amounts or percentage increases — over a specified period of time.
- This process may require the district to identify priority positions for transition, as due to budget implications it may not be possible for the district to transition all positions fully to Step 0 over the course of the 2016-2017 school year.

6. Transition to the Regional Salary Model for New Hires in Principal/Vice Positions

- As noted above, the applicable Regional Salary Model is in effect in each district as at July 1, 2016 **OR** August 1, 2016, depending on the district's specific contract year.
- The district may proceed to place principals/vice principals hired or promoted effective at the commencement of the contract year (July 1, 2016 **or** August 1, 2016 or later), at Level A of the applicable salary for the position as set out in the district's plan to apply the Regional Salary Model.
- Should the district wish to place a principal/vice principal hired or promoted effective at the commencement of the contract year (July 1, 2016 **or** August 1, 2016 or later) at Level C in the applicable Regional Salary Model in accordance with the district's plan, the district is required to submit a request for consideration to BCPSEA for review and approval by PSEC.
- Districts will, of course, want to consider placement of new hires in the context of placement of existing staff.

7. Progression Through the Regional Salary Model for Principal/Vice Principal Positions Within Range (Where the District's Plan is to Apply the Model as a Salary Range)

- Where a school district's plan (as reviewed and approved by BCPSEA/PSEC) is to apply the Regional Salary Model as a salary range, for the 2016-2017 school year progression through the applicable salary range for incumbents whose salary is within range will be regulated by PSEC policy direction, anticipated to be received in early 2017.
- **Until that further policy direction is received, no progression is permitted for the remainder of calendar year 2016.**

8. PSEC Policy Principles

- Consistent with past practice in the public sector, any salary costs associated with discretionary adjustments arising from this process are to be managed within existing employer budgets. These are not general wage increases.
- Salary increases must not affect other efficiency targets and are subject to the board's budgetary constraints — there is no obligation for school districts to provide salary increases.
- Districts should take the time to prepare one comprehensive proposal based on their strategic priorities for submission to BCPSEA for review and approval by PSEC.

9. Next Steps and Timing

We recognize that:

- districts will have a number of questions
- most senior staff are now on well-deserved vacations
- districts will need time to prepare their comprehensive proposals in alignment with this policy direction, given that eligible positions will need to be identified, priority positions identified, and budget implications canvassed.

We therefore anticipate that we will be in a position to discuss and review drafts, and accept proposals for review with PSEC, commencing in late September.

10. Key Messages

In the event that it may be helpful for boards of education and senior staff, when asked to explain why district-based exempt staff and principals/vice principals are receiving salary increases at this time, we have developed the following chronology/key messages to assist.

- Government implemented a compensation freeze for executive and management employees in the broader public sector, including the K-12 public education sector, in September 2012. In his letter to Board Chairs dated September 19, 2012, the then-Minister of Education stated that, "The compensation freeze is part of a number of measures government has implemented to assist in meeting our budgetary targets."
- Although the position of Superintendent of Schools was not covered by the government management compensation freeze given that compensation for that position is the sole purview of the board of education, executive positions in the other parts of the broader public sector were frozen. The executive positions of Deputy/Assistant/Associate Superintendent and Secretary Treasurer in the K-12 public education sector were captured by the compensation freeze in addition to all other management positions in school districts.

- Further, due to the net zero and cooperative gains compensation mandates (which also applied to unionized employees) in place prior to the management compensation freeze, the vast majority of our exempt employees who were at the top of their salary range have not received an increase since July 1, 2009.
- In the ensuing time period, the provincial government implemented recommendations arising from the BC Public Sector Compensation Review, which included ensuring greater consistency across the public sector to the approach to setting compensation through a common philosophy of core principles and compensation benchmarking.
- Shortly after the management compensation freeze came into effect, the BC Public School Employers' Association commenced significant work to determine competitive salary structures for principals and vice principals, as well as district-based executive and exempt staff.
- This province-wide initiative, utilizing a third-party compensation consultancy and consistent with governance and technical compensation best practice based on total compensation review and analysis, resulted in revised salary structures for all district-based exempt employees and principals/vice principals in the province's 60 public school districts, which is why we are now ready and able to transition exempt employees into the revised structures in alignment with government policy direction.
- While this work was underway, as an interim measure in order to address demonstrable issues of salary compression, salary inversion, and recruitment/retention, in the 2015-2016 school year modest increases were permitted to a maximum percentage of 2% effective July 1, 2015 and January 1, 2016 respectively for the positions of school principal and vice principal as well as for district-based exempt positions (with the exception of the positions of Deputy/Assistant/Associate Superintendent and Secretary Treasurer).
- Under the recent policy parameters, the positions of Secretary Treasurer and Deputy/Assistant/Associate Superintendent are now eligible for an immediate, modest increase to a maximum of 2% effective July 1, 2016 as long as the increase does not take the position above the maximum of the revised salary range.
- It's important to note that our other employee groups, including teachers and unionized support staff, have received and will continue to receive salary increases for the period 2014-2019 under their applicable collective agreements.
- It is essential that in order to attract and retain qualified and experienced employees in supervisory, management, and leadership positions in our district and in the sector as a whole, we must maintain appropriate internal compensation relationships between all positions in our organization, as well as a reasoned level of competitiveness with the external labour market.

Questions

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

Attachment: Excel spreadsheet to prepare transition proposal for submission to BCPSEA for review by PSEC