

Ministry of Education

Minister

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Ministère de l'Éducation

Ministre

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September 20, 2017

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Dear Presidents of School Board Trustee Associations,

Thank you for taking the time on September 6, 2017 to meet with me and with Minister Sandals. I appreciate the candid discussion and your constructive input regarding implementation of local school board executive compensation programs.

On August 31, 2017, the ministry endorsed your proposed Provincial Executive Compensation Framework. A provincial framework that is supported by both the sector and the ministry is an important first step to assist school boards with developing executive compensation programs that meet the government's regulatory requirements by September 29, 2017.

In response to the items discussed during our meeting, I wish to communicate the following:

- School boards may apply up to the maximum rate of increase to their executive compensation envelope each year. It is vital that each school board consider the need for responsible administration of executive compensation in determining the actual rate of increase it applies to its envelope each year.

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- The ministry is committed to adjusting the Grants for Student Needs, subject to all the necessary and regular approvals. The ministry will determine appropriate GSN adjustments in recognition of each school board's finalized executive compensation program. In subsequent years, the government will review whether additional funding changes are required.
- The ministry will request further data from school boards, which will include salary and performance-related pay by executive within each school board for the following: 2015-16, 2016-17 and 2017-18 school years.

In addition, I would like to take this opportunity to highlight certain obligations of school boards under the Broader Public Sector Accountability Act (BPSAA) and the Broader Public Sector Executive Compensation Act (BPSECA), in particular:

- Section 7.6 of the BPSAA prohibits changes to a compensation plan that would increase compensation that may be paid to a designated executive. The BPSAA defines the compensation plan as the provisions for the determination and administration of a person's compensation.
- Section 7.7 of the BPSAA prohibits any increases to a designated executive's salary including increases provided for under a compensation plan that was in effect when the restraint provisions came into force.
- Subsection 3.2(1) of O. Reg. 304/16 made under BPSECA requires the salary and performance-related envelope to be determined based on the total salary and performance-related pay that the designated employer provided to all of its designated executives for the previous pay year.

I trust the above will assist with the development and implementation of school board executive compensation programs.

I extend my ongoing acknowledgment of the work undertaken by your associations. The ministry remains committed to working with you to arrive at a collaborative approach to executive compensation program implementation.

Should you have any questions or seek further clarification, please contact Joshua Paul, ADM, Capital & Business Support Division at joshua.paul@ontario.ca or 416-325-6127.

Sincerely,

A handwritten signature in black ink, appearing to read 'MH' with a large flourish at the end.

Mitzie Hunter, MBA
Minister

c. The Hon. Liz Sandals, President of the Treasury Board