

Ministry of Education

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2017: B11

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Joshua Paul
Assistant Deputy Minister
Capital and Business Support Division

DATE: **September 20, 2017**

SUBJECT: **Executive Compensation – Technical Information to
Support School Board Program Implementation**

The purpose of this memorandum is to provide technical information about the school board executive compensation program submission and implementation process and additional data that must be submitted with the program. Proposed school board executive compensation programs are due to the Minister of Education by September 29, 2017.

- Please submit your programs and additional data to the Minister of Education, with copies to the Deputy Minister of Education and myself.
- For your convenience, the following email address can be used to officially submit to those recipients: EDUExecComp@ontario.ca.

As noted in my earlier memorandum to school boards, the *Broader Public Sector Executive Compensation Framework* regulation (O. Reg. 304/16) under the *Broader Public Sector Executive Compensation Act*, sets out requirements that all designated employers, including school boards, must follow when establishing executive compensation programs.

On August 31, 2017, the ministry endorsed the 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.

The following steps will be taken before a board's compensation program can be adopted. School boards are expected to work closely with the Ministry of Education during the implementation process to ensure that their programs meet regulatory requirements.

- 1) School Board Submits Proposed Executive Compensation Program for Government Review
 - Each school board will submit its proposed executive compensation program to the ministry. The submission will be carefully assessed for completeness and compliance. It must include additional data as outlined below.
- 2) School Board Addresses Government Feedback
 - Each school board must address government feedback in its proposed executive compensation program and receive confirmation of approval to post before posting a program for public consultation.
 - Government feedback could include direction to resubmit a proposed executive compensation program after addressing comments.
- 3) Public Consultation
 - Once the Minister confirms in writing that the submitted program is ready for public consultation, a school board is required to seek public comment by posting its proposed draft executive compensation program on its public-facing website for a minimum of 30 days.
 - A school board must provide notification to the ministry of when it intends to post for public comment two days before posting.
 - Each school board is responsible for addressing the relevant public feedback in its proposed executive compensation program.
- 4) School Board Applies for Minister Approval of Specific Components
 - Each school board must submit its proposed executive compensation program to the Minister along with summaries of the public feedback received and any of the changes to the program since the government review in step 2.
 - Before the proposed executive compensation program can be finalized, the school board, in accordance with the Regulation, must obtain Minister's approval of comparator organizations and the proposed maximum rate of increase to its salary and performance-related pay envelope.
 - School boards that align their proposed executive compensation programs with the ministry-endorsed Provincial Executive Compensation Plan (the framework) will have a streamlined approval process for their comparators.
 - Any approval of the Minister will be provided in a formal letter issued to the board.
- 5) Board of Trustees Approves Decision to Adopt and School Board Posts Final Program

- The school board's Board of Trustees determines whether to adopt the proposed executive compensation program.
- The school board posts its finalized executive compensation program on its website as required by the Regulation.

Additional Data Request

In accordance with the *Broader Public Sector Executive Compensation Program Directive*, and after discussions with Trustee Associations and CODE (see attached letter), the ministry is requesting further data from school boards on salary and performance-related pay by executive for the following: 2015-16, 2016-17 and 2017-18 school years.

A template is attached to assist with the data collection and explains the details of the request. These data are due together with the executive compensation program submission on September 29, 2017.

The ministry remains committed to working with the education sector to develop fair and responsible executive compensation programs that recognize and value the work of all school board executives.

Should you require further information, please contact Cheri Hayward, Director of the School Board Business Support Branch. Cheri can be reached by telephone at 416-327-7503 or by e-mail at cheri.hayward@ontario.ca.

Thank you for your ongoing leadership and support.

Sincerely,

Original Signed by:

Joshua Paul
Assistant Deputy Minister
Capital and Business Support Division

attach: Minister Hunter's letter to Trustee Associations and data template