

## **West, Niya AVED:EX**

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**From:** West, Niya AVED:EX  
**Sent:** Thursday, June 11, 2015 10:44 AM  
**To:** Wilson, Shawna M AVED:EX  
**Cc:** Shaw, Mary A AVED:EX; Umpherson, Rahel AVED:EX  
**Subject:** FW: 15/16 Budget Letter

Hi Shawna – please see edits and comments below. Thanks

**From:** West, Niya AVED:EX  
**Sent:** Thursday, June 11, 2015 10:36 AM  
**To:** Shaw, Mary A AVED:EX  
**Cc:** Umpherson, Rahel AVED:EX  
**Subject:** FW: 15/16 Budget Letter

Hi Mary – we checked in with PSEC on these pieces and they provided some edits. They have also flagged that the piece on Exec Comp may need to be updated by the time this goes out. Shawna indicates they are aiming to send this out mid-July so we will BF this for early July in case any updates are required on that piece.

**From:** Umpherson, Rahel AVED:EX  
**Sent:** Thursday, June 11, 2015 10:18 AM  
**To:** West, Niya AVED:EX  
**Subject:** RE: 15/16 Budget Letter

Hi Niya – PSEC has had a look and suggests the following. The wording on Exec Comp may change by the time the letter comes around to us again so PSEC (Kindree) will have another look at that time. Thank you,

### **Board Remuneration**

Please continue to ensure that board remuneration rates comply with Order in Council 180/95 and that remuneration is publicly disclosed on the Institution's website as required by the Public Sector Employers' Council Secretariat. **CORRECT**

### **Freeze on Executive and Management Compensation**

The freeze on executive and management compensation announced in September 2012 remains in effect for fiscal 2015/16. **MAY CHANGE**

### **Economic Stability Mandate**

Comply with the 2014 Economic Stability Mandate which applies to collective agreements that expire on or after December 31, 2013. A summary of the mandate, as well as the current bargaining status on agreements is available on the Public Sector Employers' Council Secretariat website.

**From:** Shaw, Mary A AVED:EX  
**Sent:** Monday, June 8, 2015 3:27 PM  
**To:** West, Niya AVED:EX  
**Subject:** FW: 15/16 Budget Letter

Hi Niya – any comments or updates?

Thanks,  
Mary

**From:** Wilson, Shawna M AVED:EX  
**Sent:** Monday, June 8, 2015 2:35 PM  
**To:** Shaw, Mary A AVED:EX  
**Cc:** Friedlander, Donna AVED:EX; Ransom, Lisa AVED:EX  
**Subject:** 15/16 Budget Letter

Hi Mary – please find below three components of the 14/15 GLE that will now be communicated to PSI's in the 15/16 Budget letter.

Can you please provide any edits/updates by Friday June 12<sup>th</sup>.

**Board Remuneration**

Please continue to ensure that board remuneration rates comply with Order in Council 180/95 and that remuneration is publicly disclosed on the Institution's website as required by the Public Sector Employers Council Secretariat.

**Freeze on Executive and Management Compensation**

The freeze on executive and management compensation announced in September 2012 remains in effect for fiscal 2015/16.

**Economic Stability Mandate**

Comply with the 2014 Economic Stability Mandate which applies to collective agreements that expire on or after December 31, 2013. A summary of the mandate is available on the Public Sector Employer's Council Secretariat website.

A complete budget letter will be circulated once all edits have been incorporated.

Please let me know if you have any questions or concerns.

Thanks!

*Shawna Wilson  
Senior Coordinator, Financial Resources  
Post Secondary Finance Branch – Ministry of Advanced Education  
250-952-0680*

## **Shaw, Mary A AVED:EX**

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**From:** West, Niya AVED:EX  
**Sent:** Monday, June 1, 2015 3:27 PM  
**To:** Meadows, Jennifer L AVED:EX  
**Cc:** Shaw, Mary A AVED:EX; Wyllie, Sandra AVED:EX; Umpherson, Rahel AVED:EX  
**Subject:** FW: Request for info: Exec Compensation

Hi Jennifer – I've inserted some further information provided by PSEC. We recognize it is perhaps not quite as detailed as desired. We would need to go directly to the Post-Secondary Employers' Association/institutions directly for this information. Please let us know if you'd like us to follow up further on this. Thanks.

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**From:** Meadows, Jennifer L AVED:EX  
**Sent:** Friday, May 29, 2015 10:55 AM  
**To:** West, Niya AVED:EX  
**Cc:** Wyllie, Sandra AVED:EX  
**Subject:** Request for info: Exec Compensation

Hi Niya,

As discussed, we have provided the following information to Minister Wilkinson and DeJong for an upcoming meeting.

- 1. Executive Compensation**

**Possible to receive by mid-day Monday?**

Thanks

JENNIFER MEADOWS

Director, Executive Operations

Deputy Minister's Office

Ministry of Advanced Education

3<sup>rd</sup> Floor, 835 Humboldt Street, Victoria BC V8W 9T6

p: 250-952-6842 | m: 250-507-0063

## **West, Niya AVED:EX**

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**From:** Dawson, Ken PSEC:EX  
**Sent:** Monday, June 1, 2015 2:14 PM  
**To:** West, Niya AVED:EX  
**Cc:** Bhatnagar, Pratibha PSEC:EX; Umpherson, Rahel AVED:EX  
**Subject:** RE: Request for info: Exec Compensation  
**Attachments:** Context for Executive Compensation Discussion (3).docx

Hi Niya – attachment as discussed.

Thanks,  
Ken

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**From:** West, Niya AVED:EX  
**Sent:** Friday, May 29, 2015 11:01 AM  
**To:** Dawson, Ken PSEC:EX  
**Cc:** Bhatnagar, Pratibha PSEC:EX; Umpherson, Rahel AVED:EX  
**Subject:** FW: Request for info: Exec Compensation  
**Importance:** High

Hi Ken – we have just been asked to provide some further information on Exec Comp for an upcoming meeting with Minister Wilkinson and Minister DeJong (see below). Our DMO has asked for the information by mid-day Monday if possible. Hoping this is something you can assist us with? I am around today if we need to connect on any of this. Thanks so much! Niya

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**From:** Meadows, Jennifer L AVED:EX  
**Sent:** Friday, May 29, 2015 10:55 AM  
**To:** West, Niya AVED:EX  
**Cc:** Wyllie, Sandra AVED:EX  
**Subject:** Request for info: Exec Compensation

Hi Niya,

As discussed, we have provided the following information to Minister Wilkinson and DeJong for an upcoming meeting.

**Possible to receive by mid-day Monday?**

Thanks

JENNIFER MEADOWS

Director, Executive Operations

Deputy Minister's Office

Ministry of Advanced Education

3<sup>rd</sup> Floor, 835 Humboldt Street, Victoria BC V8W 9T6

p: 250-952-6842 | m: 250-507-0063

#### Context for Executive Compensation:

- The Post-Secondary Employers' Association (PSEA) is the employer bargaining agent for all public colleges, special-purpose teaching universities, and institutes in British Columbia. These nineteen institutions constitute the BC Post-Secondary sector. They are governed by the College & Institute Act and the University Act, respectively. PSEA has statutory authority as bargaining agent for this sector.
- BC Colleges Association is a sector specific advocacy body with voluntary membership from 11 colleges.

s.17,s.21

- BC Colleges Association has reported (as of November 2014) that there were 43 vacancies throughout the college sector at senior levels and that recruitment was a challenge for many of the positions. PSEA has reported that there is some difficulty in filling senior positions throughout the sector, but that, over time, positions are being filled. Employers and candidates have reported that the ability to attract candidates from outside of BC is restricted by the current compensation limits and the management compensation freeze.
- During the past 22 months there has been President-level turnover at 12 of 19 college and teaching university institutions – since 2009 there has been almost complete turnover of all presidents – in some institutions the turnover has been more than once.
- Of the 12 new presidents hired since September 1, 2012, seven were from inside the sector and five were external candidates. There have been recent hires (ie: Camosun College) at senior levels from outside the college sector.
- There are no demonstrated salary compression issues between senior college staff and their unionized workforces. However, compression issues are found across all sectors with middle management positions and unionized staff – which is to be expected since unionized staff are beginning to receive negotiated wage increases through their collective agreements.
- All employers in the public sector have reported difficulty in filling vacancies for some positions. This is due to a variety of reasons, including geographical recruitment challenges and recruitment from other sectors. According to the BC Compensation Review (E&Y Report), management compensation levels in local governments are in excess of similar positions in the broader public sector. As such, recruitment of public sector staff into local governments is an ongoing challenge for public sector employers.

## **West, Niya AVED:EX**

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**From:** West, Niya AVED:EX  
**Sent:** Friday, May 29, 2015 2:14 PM  
**To:** Shaw, Mary A AVED:EX  
**Cc:** Umpherson, Rahel AVED:EX  
**Subject:** RE: excluded comp freeze consultation - urgent

Yes it was public sector wide: all Crowns, all health authorities, K12, community social services.

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**From:** Shaw, Mary A AVED:EX  
**Sent:** Friday, May 29, 2015 2:11 PM  
**To:** West, Niya AVED:EX  
**Cc:** Umpherson, Rahel AVED:EX  
**Subject:** RE: excluded comp freeze consultation - urgent

Thanks. And outside our sector? Crowns, health authorities, anyone else?

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**From:** West, Niya AVED:EX  
**Sent:** Friday, May 29, 2015 2:08 PM  
**To:** Shaw, Mary A AVED:EX  
**Cc:** Umpherson, Rahel AVED:EX  
**Subject:** RE: excluded comp freeze consultation - urgent

PSEC consulted with PSEA, and also with all Research Universities. The Research Universities were done in collaboration with RUCBC, but HR directors from the research universities all participated. They also consulted with BC Colleges and with BCAIU.

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**From:** Shaw, Mary A AVED:EX  
**Sent:** Friday, May 29, 2015 1:58 PM  
**To:** West, Niya AVED:EX  
**Cc:** Umpherson, Rahel AVED:EX  
**Subject:** excluded comp freeze consultation - urgent

Who did PSEC meet with – PSEA? RUCBC (other associations) research unis, teaching unis, colleges? Did every public PSI get asked? I think we provided this info before, but Claire is asking again.

Thanks,  
Mary



## West, Niya AVED:EX

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**From:** Dawson, Ken PSEC:EX  
**Sent:** Friday, May 29, 2015 11:23 AM  
**To:** West, Niya AVED:EX  
**Cc:** Bhatnagar, Pratibha PSEC:EX; Umpherson, Rahel AVED:EX  
**Subject:** RE: Request for info: Exec Compensation

Hi Niya,  
Call me please on this.

Thanks,  
Ken

---

**From:** West, Niya AVED:EX  
**Sent:** Friday, May 29, 2015 11:01 AM  
**To:** Dawson, Ken PSEC:EX  
**Cc:** Bhatnagar, Pratibha PSEC:EX; Umpherson, Rahel AVED:EX  
**Subject:** FW: Request for info: Exec Compensation  
**Importance:** High

Hi Ken – we have just been asked to provide some further information on Exec Comp for an upcoming meeting with Minister Wilkinson and Minister DeJong (see below). Our DMO has asked for the information by mid-day Monday if possible. Hoping this is something you can assist us with? I am around today if we need to connect on any of this. Thanks so much! Niya

---

**From:** Meadows, Jennifer L AVED:EX  
**Sent:** Friday, May 29, 2015 10:55 AM  
**To:** West, Niya AVED:EX  
**Cc:** Wyllie, Sandra AVED:EX  
**Subject:** Request for info: Exec Compensation

Hi Niya,

As discussed, we have provided the following information to Minister Wilkinson and DeJong for an upcoming meeting.

- 1. Executive Compensation**

s.13

**Possible to receive by mid-day Monday?**

Thanks

JENNIFER MEADOWS  
Director, Executive Operations  
Deputy Minister's Office  
Ministry of Advanced Education  
3<sup>rd</sup> Floor, 835 Humboldt Street, Victoria BC V8W 9T6  
p: 250-952-6842 | m: 250-507-0063

## West, Niya AVED:EX

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**From:** Dawson, Ken PSEC:EX  
**Sent:** Wednesday, May 27, 2015 12:09 PM  
**To:** West, Niya AVED:EX  
**Cc:** Bhatnagar, Pratibha PSEC:EX  
**Subject:** RE: Exempt Compensation

I'm fine with that content.

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**From:** West, Niya AVED:EX  
**Sent:** Wednesday, May 27, 2015 12:06 PM  
**To:** Dawson, Ken PSEC:EX  
**Subject:** Exempt Compensation

### Bullets for COTR:

- The 2012 compensation wage freeze remains in effect.
- We recognize the challenge that this creates for public sector employers and the effect the wage freeze has on managers and other affected employees.
- The Public Sector Employers' Council Secretariat consulted with broader public sector employers' associations, individual employers and line ministries to further evaluate the effect of the freeze.
- Government is considering the input received and comprehensive approach is anticipated to be communicated sooner rather than later.

### Niya West

Director, Sector Core Review  
Ministry of Advanced Education  
Tel: 250.387.8874 Mobile: 250.507.4138  
E-mail: [Niya.West@gov.bc.ca](mailto:Niya.West@gov.bc.ca)

**West, Niya AVED:EX**

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**From:** Umpherson, Rahel AVED:EX  
**Sent:** Monday, May 25, 2015 3:45 PM  
**To:** Dawson, Ken PSEC:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** RE: Compensation bullets

Thank you very much Ken. We will stick to the first 2 or 3 bullets in the attached IN as you suggest. Thanks,

**From:** Dawson, Ken PSEC:EX  
**Sent:** Monday, May 25, 2015 3:36 PM  
**To:** Umpherson, Rahel AVED:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** RE: Compensation bullets

Hi Rahel,

There are no new pieces on this file that we can discuss – so apart from the attached IN, I would advise that Claire keep it really high level when she meets with BCAIU. Probably only the first 2 or 3 bullets are necessary for her discussion.

Of note, our team did meet with Ruth during our consultation process and she was very helpful in providing input.

Let me know if you need anything further.

Ken

**From:** Umpherson, Rahel AVED:EX  
**Sent:** Monday, May 25, 2015 11:58 AM  
**To:** Dawson, Ken PSEC:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** Compensation bullets

Hi Ken – Claire is attending a BCAIU Presidents' meeting on June 4, 2015. Niya/Mary have been asked for some bullets to update on the compensation file. Please see below.

Could we trouble you to provide these, if possible by **Wed May 27, 2015**? Thank you,

“Hi Mary/Niya, can you please provide a few bullets on compensation update on BCAIU institutions.”

=====  
Rahel Umpherson  
Sector Core Review Branch  
Ministry of Advanced Education

-----  
Phone: 250.387.6150  
Cell: 250.507.1126  
Email: [Rahel.Umpherson@gov.bc.ca](mailto:Rahel.Umpherson@gov.bc.ca)  
=====

## **Umpherson, Rahel AVED:EX**

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**From:** West, Niya AVED:EX  
**Sent:** Tuesday, May 26, 2015 1:31 PM  
**To:** Umpherson, Rahel AVED:EX  
**Subject:** FW: FOR ACTION - June 4 BCAIU President's meeting - DUE Thursday May 28 -to Claire

Fyi for files

**From:** Shaw, Mary A AVED:EX  
**Sent:** Tuesday, May 26, 2015 12:17 PM  
**To:** Wyllie, Sandra AVED:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** Fwd: FOR ACTION - June 4 BCAIU President's meeting - DUE Thursday May 28 -to Claire

Sandra - pls see bullets below.

Niya - thank you.

Sent from my iPhone

Begin forwarded message:

**From:** "West, Niya AVED:EX" <Niya.West@gov.bc.ca>  
**Date:** May 26, 2015 at 10:48:37 AM PDT  
**To:** "Shaw, Mary A AVED:EX" <Mary.Shaw@gov.bc.ca>  
**Cc:** "Umpherson, Rahel AVED:EX" <Rahel.Umpherson@gov.bc.ca>  
**Subject:** FW: FOR ACTION - June 4 BCAIU President's meeting - DUE Thursday May 28 -to Claire

Hi Mary – we connected with PSEC on this request and were advised that there are no new pieces on this file that we can discuss and they recommended to keep it really high level. Please let us know if you'd like any changes to these bullets. Thanks, Niya

### **Compensation Update:**

- The 2012 compensation wage freeze remains in effect.
- We recognize the challenge that this creates for public sector employers and the effect the wage freeze has on managers and other affected employees.
- The Public Sector Employers' Council Secretariat continues to consult with broader public sector employers' associations, individual employers and line ministries to further evaluate the effect of the freeze.
- I would like to thank the BCAIU for the input you have provided to this process; PSEC staff have mentioned to me that your advice was appreciated.

**From:** Wyllie, Sandra AVED:EX  
**Sent:** Monday, May 25, 2015 11:51 AM  
**To:** Stewart, Jacqui AVED:EX; Shaw, Mary A AVED:EX; West, Niya AVED:EX; Callow, Sharlane AVED:EX  
**Cc:** Wyllie, Sandra AVED:EX; Poirier, Dorice AVED:EX; Culleton, Anita Y AVED:EX  
**Subject:** FW: FOR ACTION - June 4 BCAIU President's meeting - DUE Thursday May 28 -to Claire  
**Importance:** High

Hi Jacqui, are you able to give me some bullets on the Mandate letter – (and can I take this out of either VIU or ADM/DM report updates)

Hi Mary/Niya, can you please provide a few bullets on compensation update on BCAIU institutions.

Thanks team.

Sands

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**From:** Brandt, Keely AVED:EX  
**Sent:** Monday, May 25, 2015 11:39 AM  
**To:** Wyllie, Sandra AVED:EX; Shang, Cindy AVED:EX; Poirier, Dorice AVED:EX  
**Subject:** FOR ACTION - June 4 BCAIU President's meeting - DUE FRI MAY 29  
**Importance:** High

Hi ladies,

I need bullets on the following:

Sandra/Dorice:

- Mandate letters are top of mind, would be good to discuss the new additions and get her sense of the importance of the new amendments to the letters
- Compensation Update on BCAIU Institutions

Cindy:

- anything she can provide on progress regarding government business entity ideas currently with the Ministry of Finance (specifically TRU proposal)

As Sandy is in Vancouver all next week I will need these by noon on Friday, apologies for the quick turnaround. Thank you.

*Keely Brandt*

A/Senior Executive Assistant  
Office of the Deputy Minister of Advanced Education  
Phone: 250 356-5173  
Email: [Keely.Brandt@gov.bc.ca](mailto:Keely.Brandt@gov.bc.ca)

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**From:** Leanne Brophy [<mailto:Leanne.Brophy@ufv.ca>]  
**Sent:** Monday, May 25, 2015 11:36 AM  
**To:** Brandt, Keely AVED:EX  
**Subject:** FW: Question - June 4 BCAIU President's meeting

Here you go ☺

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**From:** Ruth Wittenberg  
**Sent:** May-25-15 11:31 AM  
**To:** Leanne Brophy  
**Subject:** RE: Question - June 4 BCAIU President's meeting

Mandate letters are top of mind, would be good to discuss the new additions and get her sense of the importance of the new amendments to the letters. Also anything she can provide on progress regarding

government business entity ideas currently with the Ministry of Finance (specifically TRU proposal), and anything she wants to discuss re progress on compensation.

**Ruth Wittenberg**

President, BC Association of Institutes and Universities  
Suite 222, 645 Fort St, Victoria V8W 1G2  
Tel: 250 940 1142 | Cell: 250 217 6345 | Fax: 250 940 1150  
Email: [ruth.wittenberg@ufv.ca](mailto:ruth.wittenberg@ufv.ca) | [www.bcaiu.com](http://www.bcaiu.com)

**From:** Brandt, Keely AVED:EX [<mailto:Keely.Brandt@gov.bc.ca>]

**Sent:** May-25-15 11:27 AM

**To:** Leanne Brophy

**Subject:** Question - June 4 BCAIU President's meeting

Hi Leanne,

What would BCAIU like Sandy to speak to at the June 4 meeting? Thank you!

*Keely Brandt*

A/Senior Executive Assistant  
Office of the Deputy Minister of Advanced Education  
Phone: 250 356-5173  
Email: [Keely.Brandt@gov.bc.ca](mailto:Keely.Brandt@gov.bc.ca)

## West, Niya AVED:EX

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**From:** Dawson, Ken PSEC:EX  
**Sent:** Monday, May 25, 2015 3:36 PM  
**To:** Umpherson, Rahel AVED:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** RE: Compensation bullets  
**Attachments:** IN\_Wage Freeze Review\_Feb 24 2015\_FINAL.DOC

Hi Rahel,

There are no new pieces on this file that we can discuss – so apart from the attached IN, I would advise that Claire keep it really high level when she meets with BCAIU. Probably only the first 2 or 3 bullets are necessary for her discussion.

Of note, our team did meet with Ruth during our consultation process and she was very helpful in providing input.

Let me know if you need anything further.

Ken

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**From:** Umpherson, Rahel AVED:EX  
**Sent:** Monday, May 25, 2015 11:58 AM  
**To:** Dawson, Ken PSEC:EX  
**Cc:** West, Niya AVED:EX  
**Subject:** Compensation bullets

Hi Ken – Claire is attending a BCAIU Presidents' meeting on June 4, 2015. Niya/Mary have been asked for some bullets to update on the compensation file. Please see below.

Could we trouble you to provide these, if possible by **Wed May 27, 2015**? Thank you,

“Hi Mary/Niya, can you please provide a few bullets on compensation update on BCAIU institutions.”

=====  
Rahel Umpherson  
Sector Core Review Branch  
Ministry of Advanced Education

-----  
Phone: 250.387.6150  
Cell: 250.507.1126  
Email: [Rahel.Umpherson@gov.bc.ca](mailto:Rahel.Umpherson@gov.bc.ca)  
=====



## ADVICE TO MINISTER

**CONFIDENTIAL  
GCPE-FIN ISSUE NOTE**

Ministry of Finance

Date: February 24, 2015

Minister Responsible: Michael de Jong

**Review and PSEC  
consultation: Re: Public  
Sector wage freeze**

### **ADVICE AND RECOMMENDED RESPONSE:**

- We recognize the challenge public sector employers are facing and the effect the wage freeze has on managers and other affected employees.
- The freeze has been in place since Sept. 2012. Controlling compensation in this way has been an important step in achieving and maintaining a balanced budget. Nearly 60 per cent of the province's budget goes to compensation and we are seeking to balance affordability with fair and reasonable compensation levels.
- While the current compensation freeze remains in effect, the Public Sector Employers' Council Secretariat is consulting with broader provincial public sector employers' associations, individual employers and responsible ministries to further evaluate the effect of the freeze.

### **SECONDARY:**

- In Sept. 2014, the government released the BC Public Sector Compensation Review. This report identified different compensation models across the BC public sector and showed a lack of alignment in compensation among government entities and between levels of government.
- The report shows that while both core government and the broader public sector have effectively held the line on compensation since 2009, there is considerable variability in compensation levels.
- This creates unnecessary competition between public sector employers and drives costs up for public entities, which risks placing additional burdens on taxpayers and ratepayers.

### **WAGE HIKES FOR EXCLUDED MANAGERS IN PUBLIC SERVICE:**

- In March 2014, excluded management employees in the core public service —except for senior executives (DMs and ADMs) and political staff — received a one-time, three per cent wage increase.
- This increase followed a negotiated agreement with the BCGEU that covered the vast majority of public service workers in the provincial government.
- Although this increase did not catch up to the increases provided to bargaining unit employees, it was applied in recognition of the past five years of no wage increases.

- The one-time increase was also in recognition of the findings of the BC Public Sector Compensation Review report which showed that comparable jobs in the broader public sector are generally paid higher than those in the public service.

#### **LIFTING THE FREEZE & PUBLIC SECTOR CONSULTATION:**

- The BC Public Sector Compensation Review report recommended the development of a more standardized compensation philosophy across the broader provincial public sector.
- Accordingly, the Public Sector Employers' Council Secretariat is undertaking consultations that focus on collaborative ways government and public sector employers can share information to achieve the report's recommendations.
- Before government and public sector boards and employers can consider general raises for their management staff, all need to ensure that the report recommendations are appropriately addressed and that such changes remain consistent with government's broader commitment to manage public sector compensation costs in a way that balances fair and equitable compensation that is affordable to provincial taxpayers and ratepayers.

#### **KEY FACTS REGARDING THE ISSUE:**

- In September 2012, the Minister of Finance implemented a compensation freeze for excluded management. This measure prevented management staff in core government and the broader public sector from through their salary ranges.
- In October 2014, government confirmed with public sector employers that the wage freeze remains in place until at least the end of the fiscal year.
- In the spring of 2015, the Public Sector Employers' Council Secretariat (PSEC) will lead a focused, data-driven consultation on excluded compensation with employers' associations and employers across the provincial public sector.
- This consultation stems from recommendations that government has generally accepted from the Ernst & Young (EY) report BC Public Sector Compensation Review.
- EY was commissioned to conduct a review of recent trends in compensation across the BC Public Sector and to assess the current models for setting mandates and management and executive compensation.
- Of note are the findings which showed that compensation for excluded management in core government (the Public Service) has been essentially flat since 2009 with virtually no increases; while those in the broader public sector are typically paid more than peers in core government.
- PSEC has been hearing that the wage freeze has created some challenges for the organizations affected including wage compression as bargaining unit employees continue to see compensation increases through their negotiated collective agreements. The consultation is designed to collect this data and confirm the prevalence of these cases.
- The *Public Sector Employers Act* gives the Minister of Finance the authority to set compensation standards across the provincial public sector, except for superintendents, and as a result this position is also excluded from the current compensation freeze.
- Many employers and particularly, school boards, have expressed concerns with the freeze and have asked government to lift it. In particular, just prior to the election on Nov.

## ADVICE TO MINISTER

15, school boards began a letter-writing campaign requesting that the management wage freeze be lifted and that government fund the increases.

s.17,s.21

- On Feb. 19, PSEC, on behalf of the Minister of Finance, sent letters to four board chairs in school districts identifying that a percentage increase in salary had been given to these superintendents since 2010.
- Based on this information, further data analysis led to the letters that request confirmation of this salary increase and to provide further details about any changes to superintendent compensation that have or will result in increases to PSEC by March 2.
- In Budget 2015, Minister of Finance referenced that the "wage freeze for management-excluded public sector employees remains in place for the present time, recognizing the fiscal reality facing the provincial public sector."

### Public Service comp:

- In March 2014, government began to address significant compensation pressure in the Public Service by giving excluded management employees —excluding senior executives (DMs and ADMs) and political staff— a one-time, three per cent wage increase. This increase specifically dealt with growing recruitment and retention issues stemming from increasing salary compression between union workers and non-union managers.

s.13,s.17

Communications Contact: Brennan Clarke 250-387-3514  
Program Area Contact: Kindree Draper 250-356-5639  
File Created: Nov. 21, 2014  
File Updated: Feb. 24, 2015, Jan. 21, 2015  
File Location:

Program Area	Comm. Director	Deputy	Minister's Office
KD	JE		

## **Umpherson, Rahel AVED:EX**

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**From:** West, Niya AVED:EX  
**Sent:** Tuesday, April 7, 2015 10:21 AM  
**To:** Frick, Liz M AVED:EX  
**Cc:** Hodges, Nell AVED:EX; Umpherson, Rahel AVED:EX  
**Subject:** RE: REQUEST FOR BULLETS: TRU Note

**HI NELL – HERE IS THE MESSAGING I RECEIVED FROM PSEC. PERHAPS THE YELLOW HIGHLIGHTED BULLETS ARE BEST BUT THERE IS MORE IF YOU REQUIRE A BIT MORE. HAPPY TO DISCUSS FURTHER IF NECESSARY.**

### **ADVICE AND RECOMMENDED RESPONSE:**

- **We recognize the challenge public sector employers are facing and the effect the wage freeze has on managers and other affected employees.**
- **The freeze has been in place since Sept. 2012. Controlling compensation in this way has been an important step in achieving and maintaining a balanced budget. Nearly 60 per cent of the province's budget goes to compensation and we are seeking to balance affordability with fair and reasonable compensation levels.**
- **While the current compensation freeze remains in effect, the Public Sector Employers' Council Secretariat is consulting with broader provincial public sector employers' associations, individual employers and responsible ministries to further evaluate the effect of the freeze.**

### **SECONDARY:**

- **In Sept. 2014, the government released the BC Public Sector Compensation Review. This report identified different compensation models across the BC public sector and showed a lack of alignment in compensation among government entities and between levels of government.**
- **The report shows that while both core government and the broader public sector have effectively held the line on compensation since 2009, there is considerable variability in compensation levels.**
- **This creates unnecessary competition between public sector employers and drives costs up for public entities, which risks placing additional burdens on taxpayers and ratepayers.**

### **WAGE HIKE FOR EXCLUDED MANAGERS IN PUBLIC SERVICE:**

- **In March 2014, excluded management employees in the core public service —except for senior executives (DMs and ADMs) and political staff — received a one-time, three per cent wage increase.**

- This increase followed a negotiated agreement with the BCGEU that covered the vast majority of public service workers in the provincial government.
- Although this increase did not catch up to the increases provided to bargaining unit employees, it was applied in recognition of the past five years of no wage increases.
- The one-time increase was also in recognition of the findings of the BC Public Sector Compensation Review report which showed that comparable jobs in the broader public sector are generally paid higher than those in the public service.

#### **LIFTING THE FREEZE & PUBLIC SECTOR CONSULTATION:**

- The BC Public Sector Compensation Review report recommended the development of a more standardized compensation philosophy across the broader provincial public sector.
- Accordingly, the Public Sector Employers' Council Secretariat is undertaking consultations that focus on collaborative ways government and public sector employers can share information to achieve the report's recommendations.
- Before government and public sector boards and employers can consider general raises for their management staff, all need to ensure that the report recommendations are appropriately addressed and that such changes remain consistent with government's broader commitment to manage public sector compensation costs in a way that balances fair and equitable compensation that is affordable to provincial taxpayers and ratepayers.

**From:** Frick, Liz M AVED:EX  
**Sent:** Wednesday, April 1, 2015 1:18 PM  
**To:** West, Niya AVED:EX  
**Cc:** Hodges, Nell AVED:EX  
**Subject:** REQUEST FOR BULLETS: TRU Note

Hi Niya – we've been asked to assist with providing some background materials for a meeting TRU is having with JTST'S Deputy Minister Athana Mentzelopoulos. One of the items, as noted below, is: Salary Freeze.

Would you be able to provide bullets that could address this item?

If you're able to get back to me by end of day Thursday April 2, that would be great. If not, please respond to Nell Hodges by Tuesday morning as I'll be off next week.

Thanks,  
 Liz

**From:** Hodges, Nell AVED:EX  
**Sent:** Wednesday, April 1, 2015 10:04 AM  
**To:** Frick, Liz M AVED:EX  
**Subject:** FW: TRU Note

Hi Liz,  
 Can we discuss once you've had a chance to read?

Thanks.  
 Nell

**From:** Portal, Vincent AVED:EX  
**Sent:** Wednesday, April 1, 2015 10:02 AM  
**To:** Hoogland, Tenille JTST:EX  
**Cc:** Shuttleworth, Bev JTST:EX; Hodges, Nell AVED:EX; Ewanchuk, Tim AVED:EX  
**Subject:** RE: TRU Note

Nell, cc'd can provide you with information you might need as TRU is part of her portfolio of institutions.

All trades-related questions are best handled by Bev. I will however send you some info on what we have re Discovery Trades program and trades capital equipment.

Vincent

**From:** Hoogland, Tenille JTST:EX  
**Sent:** Wednesday, April 1, 2015 9:58 AM  
**To:** Portal, Vincent AVED:EX  
**Cc:** Shuttleworth, Bev JTST:EX  
**Subject:** TRU Note

Vincent,

Thanks for taking my call this morning. I was mistaken and the note is not due until April 13 so there is some time to put things together. Below you will find the headings for the discussion.

Meeting between Athana and TRU:  
Alan Shaver, President and Vice-Chancellor  
Matt Milovick, Vice-President Administration and Finance  
Christopher Seguin, Vice-President Advancement  
Lindsay Langill, Dean, School of Trades and Technology

1. Brief Familiarization of TRU
2. Trades
  - a) Heavy Duty Mechanics partnership
  - b) Online
  - c) Women in Trades
  - d) Internationalization
3. Capacity Building
  - a) Capital
4. Salary Freeze

As discussed I will be working with Bev on WIT specifically. I appreciate any high-level information as well on TRU. Many thanks for your help!

Tenille Hoogland, Policy Analyst - Skills Training  
Labour Market and Immigration Division | Jobs, Tourism and Skills Training  
3rd Floor – 1106 Cook Street | Victoria, BC | V8W 9H2 | Cell: 250 4157412

PLEASE NOTE NEW CONTACT NUMBER: 250 4157412