February 10, 2015

Dear Chair,

I would like to thank you for your ongoing commitment to public education. Your passion and commitment to excellence continues to help students receive the best education possible. Our publicly funded education system is among the best in the world, thanks to people like you who energize our schools, inspire our educators and serve our communities.

I am writing today regarding the compensation restraint requirements of the *Broader Public Sector Accountability Act, 2010* (BPSAA) and the implications of this act on the education sector.

The Ministry of Education has made an effort to work with boards in a respectful and collaborative manner to come to a common understanding of the compensation restraints of this act. Ministry discussions with the Council of Ontario Directors of Education have been very helpful in understanding the processes that boards followed and how boards arrived at their decisions.

Part II.1, Compensation Arrangements, of the BPSAA was enacted in June 2012. The restraint measures set out in the act are effective March 31, 2012, and remain in place until after the Province ceases to have a deficit. This act applies to current Directors of Education, Superintendents and any person holding any other executive position with a school board regardless of title (e.g. Supervisory Officers). For designated executives who earn $100,000 or more annually, all aspects of compensation plans are frozen during the restraint period.

There have been questions raised about compliance with the legislated wage restraint in the education sector. To ensure we are working with you to resolve some of the issues, the ministry will be undertaking a review of executive compensation that will consist of, but not be limited to, the following:

- reviewing Director of Education employment contracts;
- requesting the annual report required under the BPSAA, Compliance Report from the Employer;
- requesting an attestation of compliance from Directors of Education on their organization’s compliance with the compensation restraint legislation; and
- some boards may be chosen for random compliance audits for a select sample of Superintendents’ and Other Executives’ compensation.
It is the board’s responsibility to ensure compliance with all legislation including the BPSAA; therefore, in cases where boards’ actions have not been in compliance with the legislation, corrective action plans will need to be undertaken by the board and submitted to the ministry for review.

The government is committed to ensuring the responsible and appropriate use of public funds. I know that you are committed to do so as well and I trust that the measures outlined here, and in the attached memo to your Director of Education, will help school boards take the actions necessary to ensure compliance with the BPSAA. Thank you for your cooperation and understanding during this process.

Should you have any questions, please contact Gabriel F. Sékaly, Assistant Deputy Minister, Financial Policy and Business Division at 416-325-6127 or by email: gabriel.sekaly@ontario.ca.

Sincerely,

Liz Sandals
Minister

Enclosure

c: Directors of Education

George Zegarac, Deputy Minister
Ministry of Education

Gabriel F. Sékaly, Assistant Deputy Minister
Ministry of Education, Financial Policy and Business Division

Association des conseils scolaires des écoles publiques de l’Ontario

Association franco-ontarienne des conseils scolaires catholiques

Ontario Catholic School Trustees’ Association

Ontario Public School Boards’ Association