

The Reform of Agencies, Boards and Commissions
(Post-Secondary Institutions)

Compensation Regulation Handbook

Out of date

Advanced Education, Government of Alberta

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The Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation Handbook

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The Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation

Preamble

The [Reform of Agencies, Boards and Commissions \(Post-secondary Institutions\) Compensation Regulation](#) (PSI Compensation Regulation) establishes the second compensation framework under the [Reform of Agencies, Boards and Commissions Compensation Act](#) (RABCCA). This compensation framework also includes the [Reform of Agencies, Boards and Commissions \(Post-secondary Institutions\) Compensation Regulation Ministerial Guidelines](#) (Ministerial Guidelines) established by Ministerial Order 05/2018. The PSI Compensation Regulation and Ministerial Guidelines came into force on **April 15, 2018**. They apply to the Boards of Governors of Alberta's 20 public post-secondary institutions that are subject to the [Alberta Public Agencies Governance Act](#).

This handbook is intended to aid in understanding the meaning and intent of the compensation provisions under the PSI Compensation Regulation and the Ministerial Guidelines. In the event of a discrepancy between this handbook and the PSI Compensation Regulation or the accompanying Ministerial Guidelines, the PSI Compensation Regulation and Ministerial Guidelines will prevail.

Under the PSI Compensation Regulation, affected post-secondary institutions are “public agencies” and their presidents are “designated executives.” This handbook utilizes these terms from the legislation where deemed appropriate.

Overview – Regulation and Ministerial Guidelines

The PSI Compensation Regulation brings consistency and clarity to setting compensation for presidents and other designated executives of post-secondary institutions. Section 8(2)(a) of the PSI Compensation Regulation permits a post-secondary institution to provide benefits, or payment in lieu of benefits, to a designated executive as long as the benefits and payments align with any guidelines established by the President of Treasury Board and Minister of Finance (or a post-secondary institution policy approved by the Minister of Advanced Education).

Together, the PSI Compensation Regulation and Ministerial Guidelines:

- Establish the base salary range of presidents;
- Eliminate variable pay for presidents and all non-bargaining unit employees in post-secondary institutions;
- Cap presidents' severance pay at fifty-two (52) weeks;
- Set parameters on administrative leave for presidents;
- Align other compensation components for presidents, (such as benefits) with those of the core public service or non-bargaining employees of the post-secondary institution; and
- Eliminate perks including retention bonuses, club memberships and housing allowances.

Background – Review of Agencies, Boards and Commissions

In November 2015, the Government of Alberta announced a review of Alberta's agencies, boards and commissions (ABC Review) in order to ensure they are relevant, effective, efficient, and serve the best interests of Albertans.

The ABC Review was comprised of three phases. Phase 1 focused on ABCs subject to the [Alberta Public Agencies Governance Act](#) (APAGA), with the exception of post-secondary institutions. Phase 2 focused on a review of all non-APAGA agencies. Phase 3 focused on post-secondary institutions.

The overarching goals for the ABC Review were:

- To ensure that all public agencies, boards and commissions, including post-secondary institution boards, are transparent, accountable, demonstrate best practices in governance and provide value for Albertans; and
- To ensure the province's resources are managed in a fiscally responsible manner.

The 20 PSIs affected by the executive compensation review are listed on page 10.

Executive Compensation Review

As set out in the [Post-secondary Learning Act](#), the board of governors of a post-secondary institution is responsible for appointing the president and determining her/his remuneration. Historically, the absence of a common compensation framework for post-secondary institutions has contributed to significant divergence in how boards have negotiated and applied compensation packages for presidents. The Auditor General previously recommended that government provide guidance on executive compensation for public agency executives.

In order to address this issue, government passed the [Reform of Agencies, Boards and Commissions Compensation Act](#) (RABCCA), which came into force on **May 27, 2016**. RABCCA allows government to establish compensation frameworks for public agencies governed under APAGA in order to strengthen transparency, accountability and governance practices.

In January 2017, the scope of the post-secondary institution phase of the ABC Review was approved. This included the review of executive compensation. The goals of the executive compensation work are:

- To balance the ability to attract and retain skilled talent to perform leadership roles, while ensuring compensation is appropriately aligned with that of the broader public sector and comparable jurisdictions in the national post-secondary institution market; and
- To balance consistency with flexibility in setting executive compensation.

With support from the Public Agency Secretariat in the Public Service Commission, Advanced Education will work with post-secondary institutions to ensure that their compensation practices are fully aligned with the PSI Compensation Regulation.

Compensation Principles

The following core compensation principles guide the compensation framework, guidelines and policies for public agencies.

- **Public Service** - Compensation supports the acquisition and retention of specialized expertise required to perform roles, while reflecting a commitment to public service, diversity and inclusion;
- **Fairness and Consistency** – Compensation recognizes equal pay for work of equal value and is competitive with similar roles within the Alberta public sector and comparable jurisdictions;
- **Transparency** – Compensation policies and decisions are communicated clearly to board members, employees and the public; and
- **Fiscal Prudence** – Compensation decisions are evidence-based, fiscally prudent and demonstrate accountability for the expenditure of public funds.

Other Compensation Oversight

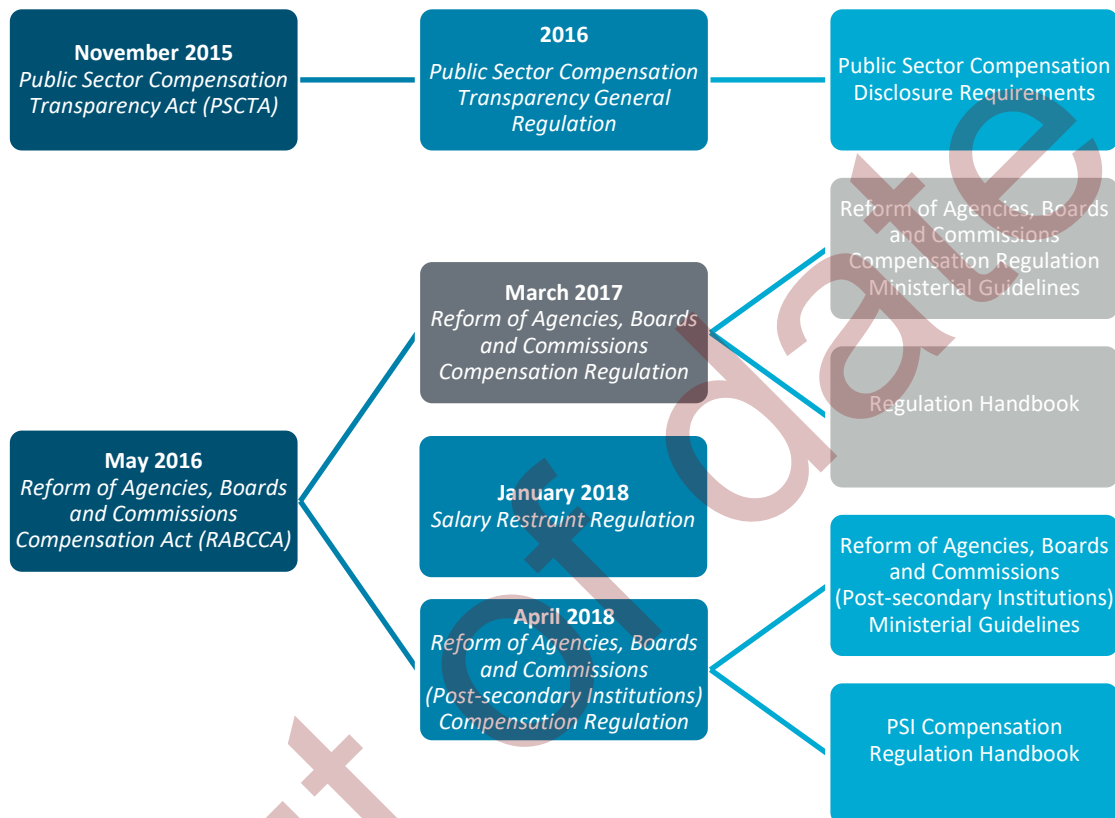
In addition to the PSI Compensation Regulation, post-secondary institutions are subject to additional oversight through the [Salary Restraint Regulation](#) under RABCCA as well as the [Public Sector Compensation Transparency Act](#) (PSCTA).

The *Salary Restraint Regulation* became effective **April 1, 2018** and applies to those post-secondary institutions and other APAGA public agencies listed in the schedule to RABCCA. The *Salary Restraint Regulation* prohibits increases to the base salaries of non-bargaining unit employees. Adjustments are permitted in limited circumstances such as promotions or to correct salary inversion/compression. The *Salary Restraint Regulation* is consistent with the measures currently in place for the core public service.

The PSCTA provides oversight in regards to public disclosures of compensation and severance above established thresholds. Post-secondary institutions are required to disclose compensation, non-monetary benefits and severance amounts. Pursuant to the [Public Sector Compensation Transparency General Regulation](#), Post-secondary institutions will also be required to post on the Government of Alberta (GoA) website employment and/or severance contracts above established thresholds for each employee whose position is listed in Column 1 of Schedule 1 of the PSI Compensation Regulation, on or before **June 30, 2019** and on or before **June 30** of every subsequent year.

[Appendix 2](#) provides key dates relating to the post-secondary institution executive compensation review and the salary disclosure requirements.

Timeline of Relevant Legislation



Process for Development of the Regulation

Development of the PSI Compensation Regulation was led jointly by Advanced Education and the Public Agency Secretariat (PAS), with the support of Korn Ferry Hay Group (Hay Group), an independent national consulting firm. The PSI Compensation Regulation was developed based on:

- Jurisdictional research of broader public sector compensation restraint initiatives;
- Analysis of key findings from information submitted by post-secondary institutions on current executive compensation plans, philosophies, programs and practices;
- Input from public post-secondary institution board chairs and presidents regarding the scope and complexity of the president's role;
- Hay Group's national job evaluation point system and proprietary national market data, which provided the foundation for the five groupings and the pay ranges at each level; and
- Consultation with government departments in Alberta and comparator provinces for insight into other strategic initiatives.

What factors were used to assess the presidents' positions?

As was the case with public agencies in Phase 1, post-secondary institutions differ significantly from each other in size, scope, complexity, expenditures and revenues. While these factors were considered in the job evaluation of the role of the president, they make up only a portion of the methodology used in the review. Other common and measurable factors involved in the job evaluation included:

- Organizational Context – vision/mission/purpose statement, impact on stakeholders and the public, unique organizational complexities, risk management;
- Organizational Strengths and Challenges – financial capital, funding, operating environment, regulatory environment, client and service orientation, technology and systems, people;
- Organizational Profile – enrolment/full-time learning equivalents, sector, credential offerings;
- Areas of Accountability;
- Strategic Challenges – emerging issues, innovation, decision-making factors;
- Relationships – public profile, community involvement; and
- Specialized knowledge, experience required or business acumen.

Hay Group's methodology evaluates the position and not the performance or experience of the incumbent.

Source: Korn Ferry Hay Group

Application of the PSI Compensation Regulation

Quick Facts

- The PSI Compensation Regulation applies to the 20 Boards of Governors of post-secondary institutions subject to APAGA. These are listed on page 10.
- The PSI Compensation Regulation came into force on **April 15, 2018**.
- The compensation framework established by the PSI Compensation Regulation applies immediately to new presidents hired after April 15, 2018 and upon any contract amendment, extension or renewal of incumbent presidents.
- Incumbent presidents are subject to a two-year transition period (ending April 14, 2020) before the PSI Compensation Regulation applies. However, if the incumbent is reappointed, renewed or the contract is otherwise amended during the transition period, the transition period ends and the PSI Compensation Regulation applies immediately.
- All provisions in the PSI Compensation Regulation apply to the designated executives listed in Column 1 of Schedule 1 of the PSI Compensation Regulation.

- The prohibition of variable pay is the only provision that applies to all non-bargaining unit employees of the post-secondary institutions, including the designated executives listed in Column 1 of Schedule 1 of the PSI Compensation Regulation.

List of Public Agencies Subject to the Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation	
The Board of Governors of Alberta University of the Arts (<i>formerly The Board of Governors of Alberta College of Art and Design</i>)	The Board of Governors of NorQuest College
The Governors of Athabasca University	Board of Governors of the Northern Alberta Institute of Technology
The Board of Governors of Bow Valley College	The Board of Governors of Northern Lakes College
The Board of Governors of Grande Prairie Regional College	The Board of Governors of Olds College
The Board of Governors of Grant MacEwan University	The Board of Governors of Portage College
The Board of Governors of Keyano College	The Board of Governors of Red Deer College
The Board of Governors of Lakeland College	Board of Governors of the Southern Alberta Institute of Technology
The Board of Governors of Lethbridge College	The Governors of The University of Alberta
The Board of Governors of Medicine Hat College	The Governors of The University of Calgary
The Board of Governors of Mount Royal University	The Governors of the University of Lethbridge

Designation of Executive Positions

Each regulation under RABCCA outlines which positions will be designated as executive positions and which compensation elements apply to each designated position. For the purposes of the PSI Compensation Regulation, there are two categories of executive positions at the post-secondary institutions listed above:

- Presidents (or equivalents); and
- All non-bargaining unit employees.

The first category of designated executives (presidents or equivalents) are subject to all compensation parameters set out in the PSI Compensation Regulation and the accompanying Ministerial Guidelines.

The second category of designated executive (all non-bargaining unit employees) are subject only to the prohibition of variable pay.

Post-secondary institutions may have more than one group of non-bargaining unit employees. The PSI Compensation Regulation applies to all non-bargaining unit employees regardless of their classification or position within the post-secondary institution.

Regulation and Guideline Provisions – Compensation Elements

Base Salary Schedule

The development of the base salary schedule relied on Hay Group's job evaluation methodology, which has been widely used in the Alberta Public Service as well as by the federal government, other provinces and many public agencies across Canada.

The base salary schedule includes five levels with salary ranges. Groupings are distinct from the post-secondary system's six-sector model and do not reflect institutional ranking. The mid-range salary for each level is anchored at or near the 50th percentile of Hay Group's national post-secondary sector market data. This market data included 90 post-secondary institutions across Canada, including 14 of the U15 group of Canadian research universities. Hiring above mid-range requires consideration of extensive experience already obtained at a similar position level.

[Appendix 1](#) provides the base salary schedule under the PSI Compensation Regulation.

A post-secondary institution shall not provide any type of market modifier to a designated executive's base salary. The base salary schedule is anchored to the post-secondary institution sector, and its salary ranges have been structured to accommodate for market pressures.

Variable Pay

For the purposes of the PSI Compensation Regulation, variable pay means a bonus or other incentive pay provided in addition to base salary. A post-secondary institution shall not provide variable pay to a designated executive. This provision aligns with the core public service, and is the only provision that applies to positions beyond those listed in Column 1 of Schedule 1 to the PSI Compensation Regulation.

Severance and Termination

Severance pay may be provided to a designated executive who is terminated without cause in the amount of four (4) weeks of base salary for each full year of continuous service up to a maximum of fifty-two (52) weeks, plus up to 16% of the severance amount in lieu of benefits received prior to termination. In addition, eligible designated executives terminated without cause may receive payment in lieu of accrued administrative leave to a maximum of fifty-two (52) weeks.

For the purposes of calculating years of continuous service, the designated executive's previous employment with a public agency to which APAGA applies or the Crown in right of Alberta is deemed to form part of the executive's continuous service with the post-secondary institution, if there was no break in service greater than thirty (30) days between employers and the executive did not receive any severance, termination or separation pay in connection with her/his previous employment.

Under the PSI Compensation Regulation, the term "severance period" is the period starting the day after the termination and ending after the number of weeks for which severance is payable. If during the severance period, a designated executive mitigates losses by finding employment with either a public agency to which APAGA applies or the Crown in right of Alberta, the executive must pay back a portion of the severance pay equal to the new earnings during the severance period to a maximum of the severance payment received.

Severance pay can only be provided by a PSI if the designated executive agrees in writing to this stipulation, as per Section 7(4) of the PSI Compensation Regulation.

Case Scenario: Termination Without Cause

The designated executive's contract stipulates that in the event of termination without cause, they are entitled to receive 4 weeks of severance pay for each year of continuous service and 14% of the severance payment in lieu of benefits.

The contract also offers administrative leave at an accrual rate of 10.4 weeks per completed year of service available at the end of the first term.

After four and a half years of continuous service (October 2013 to March 2018), based on the case above, the designated executive terminated without cause is eligible for:

- 16 weeks of severance pay;
- 14% of the 16 weeks of severance pay in lieu of benefits; and
- Payment in lieu of administrative leave amounting to 41.6 weeks.

A post-secondary institution shall not provide payment in lieu of administrative leave, severance pay, termination pay or separation pay in any of the following circumstances:

- Termination for cause;
- Non-renewal of a contract of employment or term of appointment;
- Resignation or retirement; or
- Because of the establishment or amendment of the compensation framework in the PSI Compensation Regulation.

Benefits

Within the PSI Compensation Regulation and the Ministerial Guidelines, “benefits” means compensation offered in addition to base salary and includes the following:

- Retirement benefits, including pension benefits, supplemental retirement benefits and registered retirement savings plan contributions;
- Health benefits, including dental insurance, medical insurance and prescription drug insurance;
- Health spending accounts;
- Parking;
- The use of a vehicle and vehicle allowance;
- The use of accommodation;
- Northern allowance;
- Administrative leave;
- Travel and living expenses reimbursement; and
- Leave days.

Benefits or payments in lieu of benefits may be provided to a designated executive if they are consistent with the Ministerial Guidelines, established by the President of Treasury Board and Minister of Finance, or alternatively consistent with a policy of the post-secondary institution that has been approved by the Minister of Advanced Education.

Neither Ministerial Guidelines nor policy approval can authorize payment in lieu of administrative leave. The only scenario where payment in lieu of accrued administrative leave is permitted is on termination without cause.

The following table summarizes the provisions of the benefits within the Ministerial Guidelines:

Summary of the Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation Ministerial Guidelines	
Benefit	Parameter
<p>Health Benefits</p> <p>(Includes: group insurance for dental, medical and prescription drug costs, a health spending account, short and long term disability benefits and group life insurance plans.)</p>	<p>The total annual cost to the public agency of all health benefits must not exceed 5% of the designated executive's base salary.</p> <p>Gym, sports club or fitness facility memberships are prohibited, except memberships to the facilities of the relevant post-secondary institution.</p> <p>Executive or private medical benefits are prohibited.</p> <p>In lieu of health benefits, a post-secondary institution may provide payment up to 5% of the designated executive's base salary.</p>
<p>Retirement Plan or Benefit</p>	<p>Any form of a retirement plan may be provided as long as there is intention and reasonable expectation that the total cost to the public agency would not be greater than if the executive were a participant in the Management Employees Pension Plan (MEPP) and Supplementary Retirement Plan (SRP) for public service managers.</p> <p>In lieu of a retirement plan or benefit, a public agency may provide payment up to 13.20% of the designated executive's base salary.</p> <p>Note: The department will provide an assessment formula to support assessment of employer cost for this benefit. It is important to keep in mind that the pension contribution rates and salary caps fluctuate year to year.</p>

Summary of the Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation Ministerial Guidelines	
Benefit	Parameter
Administrative Leave	<p>Only post-secondary institutions that offered administrative leave to any non-bargaining unit employee on the effective date of the PSI Compensation Regulation (April 15, 2018) may continue to offer administrative leave.</p> <p>Eligible post-secondary institutions can provide administrative leave if the designated executive will return to, or will otherwise be employed in, a faculty member position following the expiration of the designated executive's employment contract or term of appointment.</p> <p>Payment in lieu of administrative leave is prohibited. The only scenario where payment in lieu of accrued administrative leave can occur is on termination without cause.</p>
Relocation Expenses and Leave	<p>Post-secondary institutions may reimburse designated executives for expenses incurred as a result of relocating for which other non-bargaining unit employees would be reimbursed.</p> <p>Up to five (5) days leave with pay are permitted where a designated executive is required to relocate for the role.</p> <p>Note: In the absence of having a relocation expense policy, post-secondary institutions may reference and utilize the <i>Public Service Relocation and Expenses Regulation (Part 7)</i>: Relocation Expenses and Allowances.</p>
Northern Allowance	<p>Designated executives whose primary work location is north of the 57th parallel of north latitude in the province of Alberta may be eligible for this premium pay. This can be provided in the same circumstances, and at the same rate or amount, as an employee under the <i>Public Service Act</i> would be entitled to under Part 11 of the Public Service Employment Regulation.</p>
Reimbursement of Other Expenses	<p>Post-secondary institutions may provide reimbursement for the same expenses, at the same rate or amount, as a Government of Alberta employee would be entitled to under the Travel, Meal and Hospitality Expenses directive, other than section 3(2) of the directive.</p>

Summary of the Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation Ministerial Guidelines	
Benefit	Parameter
Vehicle	Post-secondary institutions may provide use of vehicle with a total purchase price not exceeding \$39,000 OR a vehicle allowance not exceeding \$6,000 per year.
Parking	Post-secondary institutions may provide parking at the designated executive's primary work location.
Use of Accommodation, Residence or Housing	A post-secondary institution that owns or leases accommodation, residence or housing may provide a designated executive with the use of such accommodation if the designated executive pays full market value rent resulting in no taxable benefit.
Paid Holidays	Post-secondary institutions may provide to a designated executive the same paid holidays as are provided to non-bargaining unit employees.
Vacation Leave	Post-secondary institutions may provide vacation leave, pay in lieu of vacation leave or any combination of vacation leave and pay in lieu of vacation leave in an amount not exceeding 40 days per year.
General Leave Days	<p>General leave includes illness leave, family illness leave, bereavement leave, personal leave, maternity, parental or adoption leave and leave for attendance at a court or tribunal.</p> <p>Post-secondary institutions may provide the same general leave entitlements as are provided to non-bargaining unit employees.</p>
Leave of Absence With or Without Pay	<p>Post-secondary institutions may provide a designated executive with a leave of absence with or without pay, as defined in the Public Service Employment Regulation, if it is in the best interest of the post-secondary institution.</p> <p>Leave of absence does not include administrative leave.</p>

Notes:

- As per the PSI Compensation Regulation, where the post-secondary institution receives approval from the Minister of Advanced Education for a benefit policy, the approval is valid for any period specified by the Minister to a maximum of five (5) years.
- Ministerial Guidelines may be amended from time to time, and it is recommended that post-secondary institutions review the Guidelines periodically on the Government of Alberta's [website](#) or contact Advanced Education to ensure that they are utilizing the most up to date Guideline provisions. Contact information for the department is provided in [Appendix 7](#).

[Appendix 3](#) outlines the general process for ensuring post-secondary institutions align with the PSI Compensation Regulation and Ministerial Guidelines.

Case Scenario:

Administrative Leave Accrual

The president was appointed for a five-year term prior to the PSI Compensation Framework coming into force. The president is eligible for a year of administrative leave following the completion of a five-year term.

The president will have completed three years of their five-year term as of **April 14, 2020**. Their current contract allows for pay-in-lieu of administrative leave.

The president has accumulated 31.2 weeks of administrative leave as of April 14, 2020.

Under the compensation framework established by the PSI Compensation Regulation, the president can continue to earn administrative leave but only at a rate of 10.4 weeks per completed year to a maximum of 52 weeks.

Payment in lieu of administrative leave is prohibited after the compensation framework takes effect for the president.

If the president completes a second term, they cannot accumulate more than a maximum of 52 weeks.

Fixed term contracts and appointments

Contract Terms:

Designated executive employment contracts must be for a fixed term not exceeding five (5) years.

Current designated executives with indefinite employment terms will have their terms and contracts expire on **April 14, 2020** (two years from the effective date of the PSI Compensation Regulation). Any subsequent contracts offered after this date must be fixed-term.

As new contracts, amendments, renewals and reappointments are being developed, Advanced Education is available to provide support and assistance to post-secondary institutions in the review of employment contracts for the purpose of confirming alignment with the PSI Compensation Regulation.

[Appendix 4](#) outlines the contract review process and provides further support in the development of designated executive employment contracts.

No Additional Compensation

All other forms of compensation for designated executives not expressly permitted by the PSI Compensation Regulation are prohibited. This excludes legislated benefits, such as statutory holidays and employer contributions in respect of Canada Pension Plan and Employment Insurance premiums.

Exemption or Modification

The President of Treasury Board and Minister of Finance may make exemptions from one or more provisions in the PSI Compensation Regulation for a designated executive or class of designated executives. This exemption power is expected to provide recourse in exceptional cases to address rare and unique circumstances. Exemption requests must provide a sound, evidence-based rationale.

If an exemption request is approved, the exemption may be for any period specified by the Minister.

Exemption requests must first be submitted to the Minister of Advanced Education, who will then provide a recommendation to the President of Treasury Board and Minister of Finance.

[Appendix 5](#) outlines the process for the submission of a request for an exemption.

Review and Next Steps

Ongoing maintenance and monitoring of the compensation framework within the PSI Compensation Regulation will ensure that it continues to be relevant and appropriate for the post-secondary institutions.

Advanced Education will assess the national marketplace within two years of the PSI Compensation Regulation effective date, to determine the continued competitiveness of Alberta's base salary levels under the PSI Compensation Regulation.

As a policy guideline, formal review will be conducted every three to five years. This will provide enough time to evaluate the PSI Compensation Regulation's overall effectiveness, while also determining what further enhancements are required to ensure the overall integrity and rigor in the application of compensation practices.

The review will permit regular evaluation of the effectiveness of the approach and monitor trends or issues with respect to the attraction and retention of presidents (or equivalents).

Prohibited Forms of Compensation

Additional prohibited compensation elements include, but are not limited to:

- Attraction/Retention Bonus
- Incentive Pay
- Separation Pay, excluding severance in accordance with the PSI Compensation Regulation
- Executive Allowances

Next steps for Post-secondary Institutions

Prior to the expiration of the two-year transition on April 14, 2020

- Eliminate variable pay for all non-bargaining unit positions.
- Work with Advanced Education to ensure compensation programs and policies are aligned with the PSI Compensation Regulation and accompanying Ministerial Guidelines.

Out of date

Appendix 1: Base Salary Schedule

The following is the base salary schedule under the PSI Compensation Regulation:

Public Agency	Position	Level	Minimum Salary (\$)	Mid-range Salary (\$)	Maximum Salary (\$)
The Governors of The University of Alberta	President and Vice-Chancellor	5	349 800	388 700	447 000
The Governors of The University of Calgary	President	5	349 800	388 700	447 000
The Governors of the University of Lethbridge	President and Vice-Chancellor	4	279 300	310 300	356 800
Board of Governors of the Northern Alberta Institute of Technology	President and CEO	4	279 300	310 300	356 800
Board of Governors of the Southern Alberta Institute of Technology	President and CEO	4	279 300	310 300	356 800
The Governors of Athabasca University	President	3	238 700	265 200	305 000
The Board of Governors of Grant MacEwan University	President	3	238 700	265 200	305 000
The Board of Governors of Mount Royal University	President	3	238 700	265 200	305 000
The Board of Governors of Bow Valley College	President and CEO	2	209 300	232 600	267 500
The Board of Governors of Lethbridge College	President and CEO	2	209 300	232 600	267 500
The Board of Governors of NorQuest College	President and CEO	2	209 300	232 600	267 500
The Board of Governors of Red Deer College	President	2	209 300	232 600	267 500
The Board of Governors of Alberta University of the Arts (<i>formerly The Board of Governors of Alberta College of Art and Design</i>)	President	1	184 000	204 400	235 100
The Board of Governors of Grande Prairie Regional College	President	1	184 000	204 400	235 100
The Board of Governors of Keyano College	President and CEO	1	184 000	204 400	235 100
The Board of Governors of Lakeland College	President and CEO	1	184 000	204 400	235 100
The Board of Governors of Medicine Hat College	President and CEO	1	184 000	204 400	235 100
The Board of Governors of Northern Lakes College	President and CEO	1	184 000	204 400	235 100
The Board of Governors of Olds College	President	1	184 000	204 400	235 100
The Board of Governors of Portage College	President (CEO)	1	184 000	204 400	235 100

Note: The title of a position listed in this schedule includes any other title or name that is or may be used for that position.

Appendix 2: Key Dates

The following table provides ABC Review events that are relevant to Phase 3 review as well as the *Public Sector Compensation Transparency Act*.

Date	Event	Governing Legislation
November 5, 2015	Government of Alberta announces a review of Alberta's Agencies, Boards and Commissions (ABCs).	
March 24, 2016	Government of Alberta announces salary freeze to Agencies, Boards and Commissions.	
May 27, 2016	The Reform of Agencies, Boards and Commissions Compensation Act (RABCCA) is in force.	RABCCA
February 2017	Launch of Phase 3 ABC Review.	
June 30, 2017	APAGA agencies must disclose compensation for all employees whose total compensation is more than the threshold.	PSCTA
December 31, 2017	APAGA agencies must disclose any severance paid or payable during the first half of the calendar year (January 1 – June 30).	PSCTA
January 31, 2018	Salary Restraint Regulation signed. Salary restraint is effective April 1, 2018. The Board of Governors of 20 Alberta PSIs are included as public agencies under RABCCA via Order in Council.	RABCCA
April 10, 2018	Government of Alberta announces the PSI Compensation Regulation.	RABCCA
April 15, 2018	The PSI Compensation Regulation comes into force.	RABCCA
June 30, 2018	APAGA agencies must disclose compensation for all employees whose total compensation is more than the threshold.	PSCTA
December 31, 2018	APAGA agencies must disclose any severance paid or payable during the first half of the calendar year (January 1 – June 30). This includes disclosing severance contracts (excluding PSIs).	PSCTA
June 30, 2019	Public agencies must disclose compensation for all employees whose total compensation is more than the threshold. Beginning June 30 2019, PSIs must now also disclose employment and/or severance contracts.	PSCTA
December 31, 2019	Public agencies must disclose any severance paid or payable during the first half of the calendar year (January 1 – June 30), including severance contracts.	PSCTA
April 14, 2020	Contracts of all positions listed in Column 1 of Schedule 1 of the PSI Compensation Regulation must be compliant with the Regulation.	RABCCA

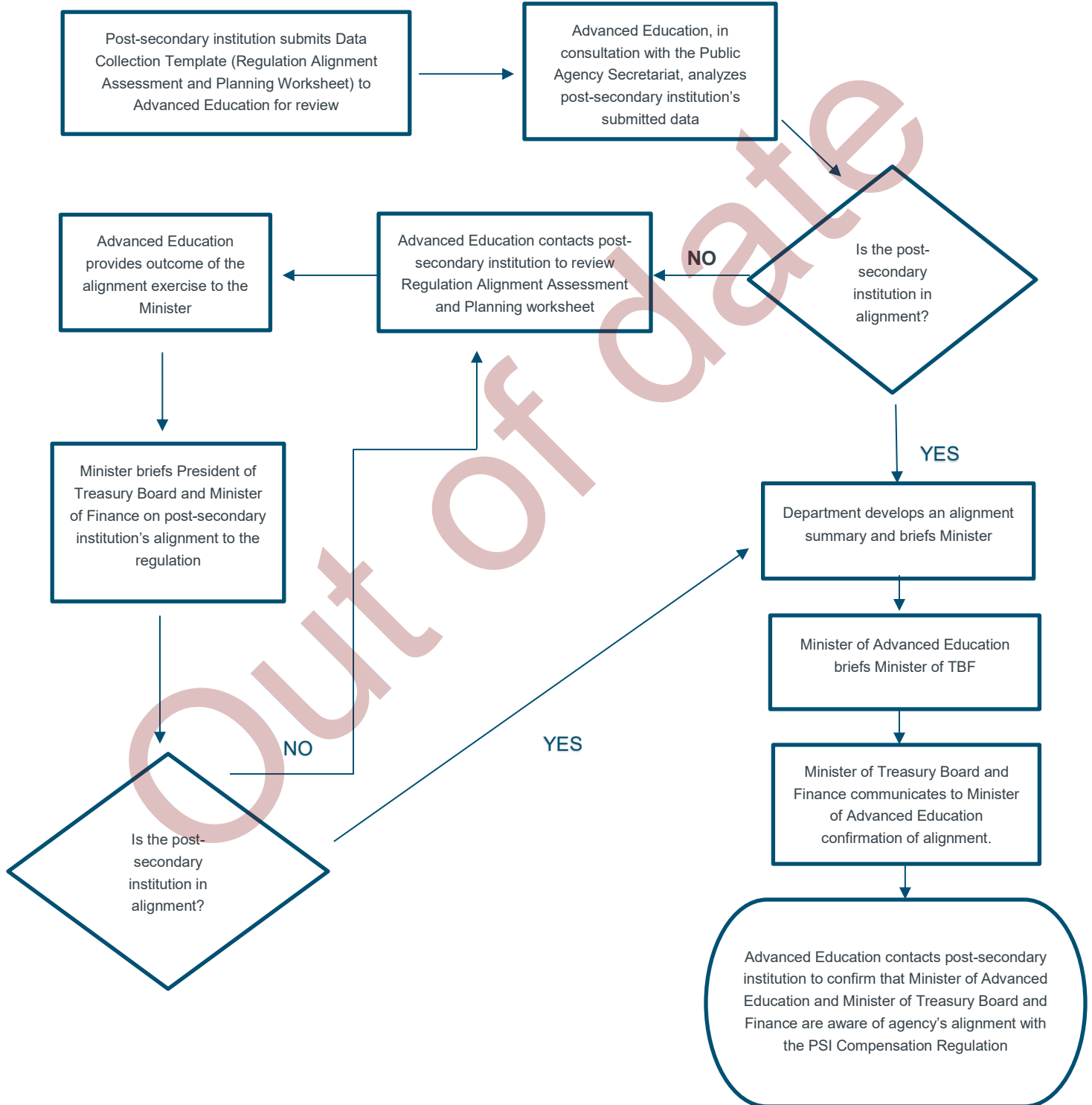
Appendix 3: Regulation Alignment

Post-secondary institutions are required to follow the provisions as outlined in the PSI Compensation Regulation and the accompanying Ministerial Guidelines. If there is divergence between post-secondary institution policies and programs and the PSI Compensation Regulation, Advanced Education, in consultation with the Public Agency Secretariat, is available to provide support to facilitate alignment.

To ensure ongoing legislative alignment, Advanced Education, in consultation with the Public Agency Secretariat, will work with post-secondary institutions to review any changes or updates to their compensation programs and policies for designated executives.

Process Overview

The following outlines the general process for ensuring post-secondary institutions remain aligned with the PSI Compensation Regulation and the accompanying Ministerial Guidelines:



Appendix 4: Contract Review Process and Related Supports

Prior to extending a formal offer to a prospective candidate or committing to an amendment with an incumbent president, the post-secondary institution board of governors must submit a draft contract to Advanced Education. This includes new contracts (new hires), amended contracts and reappointment/renewal contracts. Contracts are reviewed by the department to ensure alignment with the PSI Compensation Regulation and Ministerial Guidelines. The post-secondary institution can also submit a completed alignment checklist provided as a support tool in this appendix.

The department will work with the Public Agency Secretariat and will provide feedback to the post-secondary institution as appropriate.

Exemptions

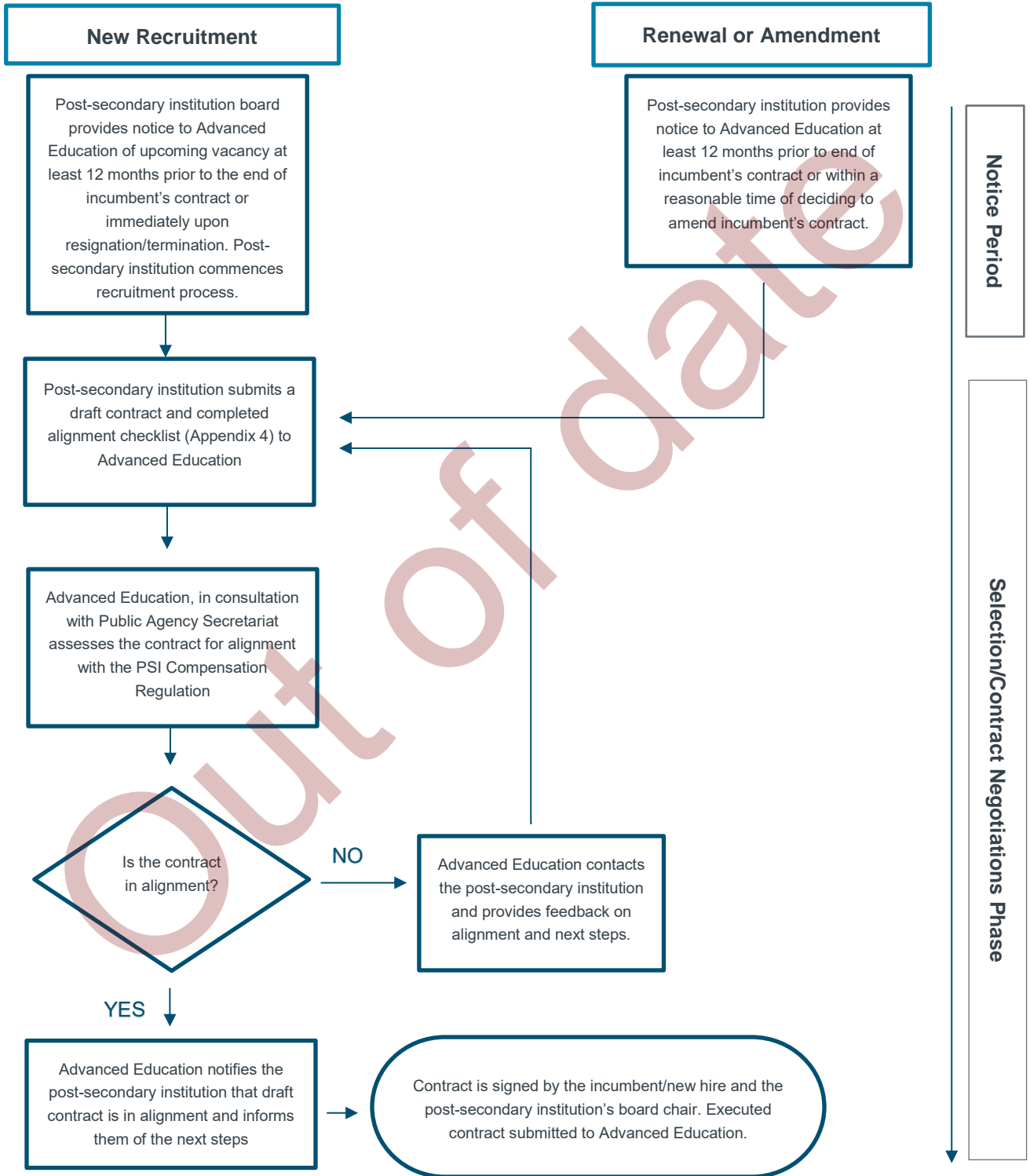
Any exemptions must be requested and approved by the President of Treasury Board and Minister of Finance prior to final execution of the contract. Exemptions are rare. See [Appendix 5](#) for the exemption process.

Advanced Education will confirm when a draft contract is compliant with the PSI Compensation Regulation and will inform the Board of Governors of the post-secondary institution accordingly.

Once the contract is signed by the designated executive and the board chair, the Board of Governors of the post-secondary institution will submit the fully signed contract to Advanced Education.

The process overview below outlines the contract review process for post-secondary institutions subject to the PSI Compensation Regulation.

Process Overview



Alignment Checklist

The list of benefits provided in the alignment checklist is not exhaustive and does not include all compensation benefits listed in the PSI Compensation Regulation and Ministerial Guidelines.

	Regulation Section	Guidelines Section	Compensation Elements
<input type="checkbox"/>	5		Base salary does not exceed the maximum salary as set out in Schedule 2 of the regulation.
<input type="checkbox"/>	6		Variable pay, bonus or other incentive pay is not provided.
<input type="checkbox"/>	7		Severance payment does not exceed an amount greater than 52 weeks of the designated executive's base salary. Severance is accrued at 4 weeks for every continuous year of service. The designated executive agrees in writing to repay severance in the case of post-employment with a public agency or the Crown during the severance period.
<input type="checkbox"/>	8 (1) (b)	2.1, 2.2, 2.4 a)	Cost of health benefits or payment in lieu, including health spending account, does not exceed 5% of base salary.
<input type="checkbox"/>	8 (1) (a)	2.3, 2.4 b)	Retirement benefits/plan employer cost does not exceed the employer cost if the designated executive were a participant in the Management Employee Pension Plan and a participant the Supplementary Retirement Plan for Public Service Managers. Cost of retirement benefits in the form of payment in lieu, does not exceed 13.20% of base salary.
<input type="checkbox"/>	8 (1) (h)	3	Administrative leave accrual rate does not exceed 10.4 weeks per completed year of service. The maximum accrual is 52 weeks. Pay-in-lieu of administrative leave has not been offered, except in the case of termination without cause. The designated executive is provided an administrative leave benefit only if they are returning to, or will otherwise be employed in, a faculty member position following the expiration of the designated executive's employment contract
<input type="checkbox"/>	8 (1) (i)	4	Relocation expense reimbursement does not exceed a rate at which non-bargaining unit employees would be reimbursed. Relocation leave does not exceed 5 days of leave with pay.
<input type="checkbox"/>	8 (1) (i)	6	Expense reimbursement is in accordance with the Travel, Meal and Hospitality Expenses directive at a rate that does not exceed the amount an employee under the Public Service Act would receive.
<input type="checkbox"/>	8 (1) (e)	7	If a vehicle is provided, the cost of the vehicle does not exceed \$39,000. If a vehicle allowance is provided instead of a vehicle, the allowance does not exceed \$6,000 per annum.
<input type="checkbox"/>	8 (1) (f)	9	If use of accommodation is provided, the designated executive will be paying full market value rent resulting in no taxable benefit. Housing allowance is not provided.
<input type="checkbox"/>	8 (1) (j)	11	Vacation leave or pay in lieu of vacation leave does not exceed 40 days per year.
<input type="checkbox"/>	8 (1) (j)	12	General leave provided is the same as those provided to non-bargaining unit employees.
<input type="checkbox"/>		14	Benefits not expressly authorized by the Ministerial Guidelines or the PSI Compensation Regulation are not provided.

Appendix 5: Exemption Request

Under the PSI Compensation Regulation, the President of Treasury Board and Minister of Finance may, by Ministerial Order, exempt a designated executive or class of designated executives from the application of one or more provisions of the compensation framework. Such exemptions will only be made in rare and exceptional circumstances that are anchored to an evidence-based rationale.

When requesting approval for the exemption, a letter should be addressed to the Minister of Advanced Education. The exemption request should contain the following required information:

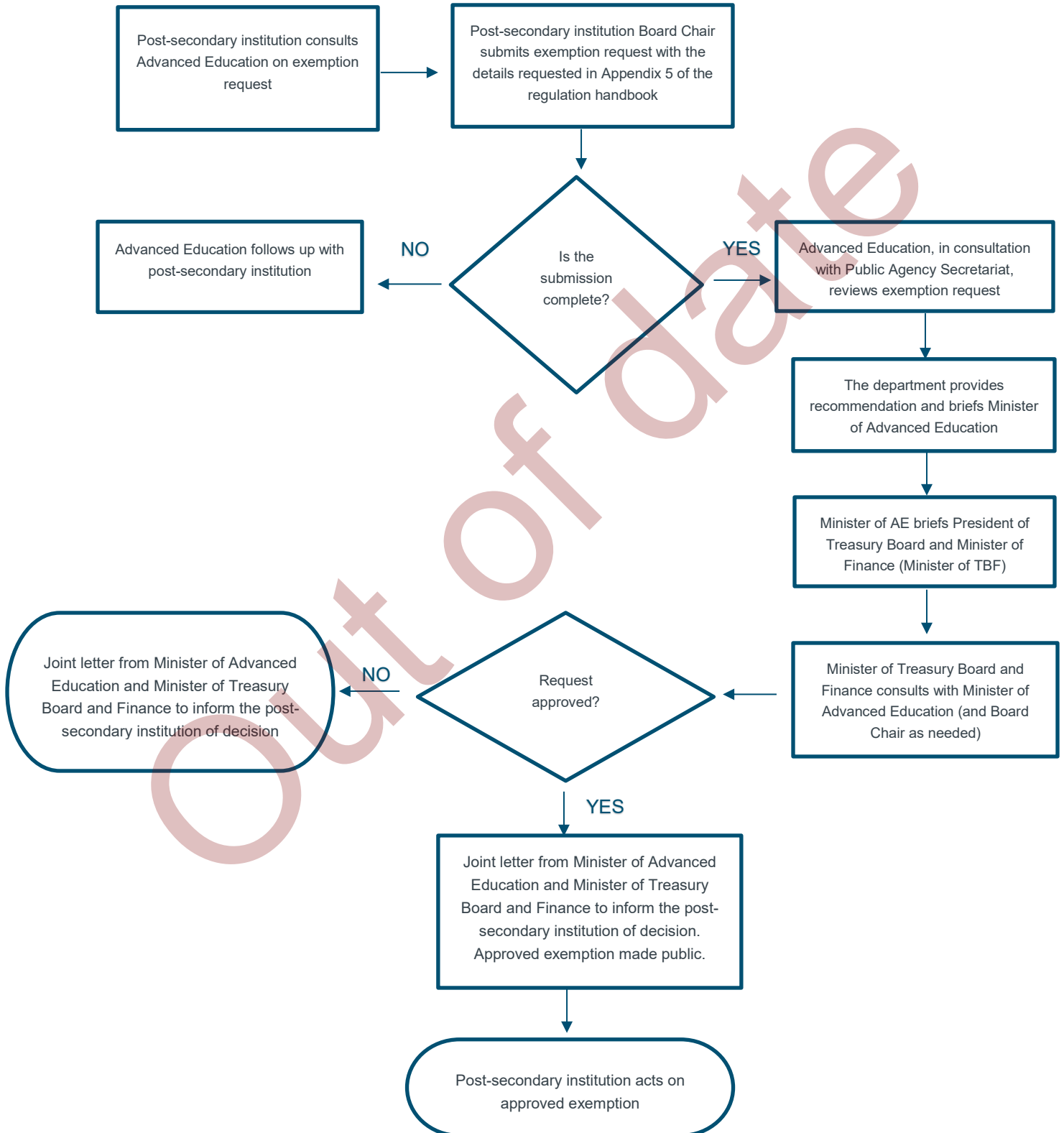
- The exemption request and/or proposed alternative
- Section of PSI Compensation Regulation or Ministerial Guidelines from which the post-secondary institution is seeking exemption
- Background information and rationale to support the exemption
- Additional supporting materials such as costing analysis

The table below provides a sample format in which to summarize the exemption request.

Sample Exemption Request		
Regulation Provision (include section and subsections)	Exemption Request	Rationale for exemption
Section 9(1): Fixed-term contracts and appointments	Request for a fixed term of 6 years instead of 5 years	State sound, evidence-based rationale

The department may request further information to support the PSI's exemption request. The Minister of Advanced Education will consult with the President of Treasury Board and Minister of Finance and make a recommendation regarding the exemption request.

Process Overview



Appendix 6: Resources and Links

Related Legislation	Additional Resources
<u><i>Reform of Agencies, Boards and Commissions Compensation Act</i></u>	<u>Post-secondary Institutions Compensation Regulation Fact Sheet</u>
<u><i>Reform of Agencies, Boards and Commissions Compensation Regulation</i></u>	<u>Travel, Meal and Hospitality Expenses</u>
<u><i>Salary Restraint Regulation</i></u>	<u>News Release</u>
<u><i>Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation</i></u>	<u>Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation Ministerial Guidelines</u>
<u><i>Public Sector Compensation Transparency Act</i></u>	
<u><i>Public Sector Compensation Transparency General Regulation</i></u>	
<u><i>Public Service Act</i></u>	
<u><i>Public Service Employment Regulation</i></u>	
<u><i>Conflicts of Interest Act</i></u>	

Appendix 7: Contacts

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Out of date