

Question

TO: Senate

FROM: Question from Senators David Benrimoh, Erin Sobat,
Alex Kpeglo-Hennessy and Chloe Rourke
Response from Senator Michael Di Grappa

SUBJECT: Question and Answer Regarding McGill's Alleged Violation of Bill 100

MEETING DATE: September 24, 2015

PREAMBLE: Whereas, the academic mission of McGill University is supported by an annual funding grant from the government of Quebec;

Whereas, Quebec's Bill 100 regulates pay raises for employees of public institutions, including disallowing performance-based bonuses;

Whereas, the Quebec Ministry of Education has recently announced that McGill is in violation of Bill 100 for excessive executive salary raises over the past five years¹;

Whereas, it was stated that the administration believes it "[has] been following Bill 100 directives," but that "in a recent meeting with the government, we realized we are using different definitions of terms and therefore more clarification is needed by both parties"²;

Whereas, while the salary, contract and expense information for McGill's Principal and Vice-Chancellor is publicly available online, this is not the case for other executive positions;

Whereas, some other Canadian universities make top executive salaries, benefits and bonuses publicly available so as to increase transparency³

QUESTION #1: Have there been further developments or communications from the government on this matter?

¹ McGill's executive pay raises were illegal, Quebec says <<http://montrealgazette.com/news/local-2>>

² Workers on campus troubled by alleged Bill 100 violation <<http://www.mcgilldaily.com/2015/09/workers-on-campus-troubled-by-alleged-bill-100-violation/>>

³ University of Victoria Executive Compensation Report
<<http://www.uvic.ca/universitysecretary/assets/docs/bogec/executivecompensation.pdf/>>

RESPONSE:

We have been in discussions with the Ministry since the spring when these concerns first came to light. Since then we have responded to all questions asked, we have submitted all documents requested, we have carefully explained the contents of every document and made ourselves available to Ministry officials at all times.

A meeting was held in Quebec City on September 10 with representatives of the Ministry and McGill University to discuss this matter. I attended along with Lynne Gervais, Associate Vice-Principal, Human Resources, Diana Dutton, Senior Director for Human Resources, Cris Tinmouth, University Controller and Line Thibault, General Counsel.

It was clear from our meeting on September 10 that this issue revolves around differences of interpretation of the provisions of the law and the manner in which salary increases for senior administrators should be determined. The Ministry is reviewing the documents we provided and will be communicating back to us.

QUESTION #2:

What has been McGill's current practice with regards to executive salary increases in the context of Bill 100?

RESPONSE:

The process followed in determining a senior administrator's annual salary increase is similar to the process followed for all management personnel at the University. That is, there is an "economic increase" that is awarded to all and a second component based on a review of the attainment of performance objectives set with the person's supervisor during the year. These are not bonuses but a modulation of an individual's base salary for the coming year based on a performance review. Linking increases in base salary to performance review is best practice around the world in both the public and private sectors. In the Quebec Government's model of remunerating public servants, every employee receives an increase based on indexation and progression through the ranks.

QUESTION #3:

If the government requires the university to repay the difference in salaries, where will these funds be drawn from? How might this affect McGill's budget for FY16 and following?

RESPONSE:

This question cannot be answered until we reach final resolution on the issue.

QUESTION #4:

How might this affect McGill's budget for FY16 and following?

RESPONSE: Given that we do not know the amounts in dispute, it is impossible to know the impact on the current fiscal year budget or future years' budgets. While it is still too early to determine the exact amount in question, our preliminary estimates, based on discussions to date, lead us to conclude that the amount in question is less than half of one tenth of one percent of our annual operating budget.

QUESTION #5: How is the University working to ensure compliance with Bill 100 in future?

RESPONSE: The University remains convinced that it is in compliance with Bill 100. We did not learn anything at our meeting of September 10 that would indicate that we should change any of our remuneration practices.

QUESTION #6: Will the University consider increasing transparency measures such as making top executive salaries, benefits and bonuses publicly available?

RESPONSE: This is information that has always been publicly available, on demand. Moreover, every year, provincial law obliges each university to submit to the government a statement of salaries and benefits of senior administrators. Anyone who wants to see this information can do so.
