Province rejects huge salary hikes for college presidents

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The provincial government is ordering colleges to pull back on proposed salary hikes that would see senior executives get raises as high as 50 per cent, following a five-year pay freeze.

Advanced Education Minister Deb Matthews said the proposed raises are based on unfair comparisons, and equate running a college to running larger, more complex organizations.

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"Quite frankly, having some of the colleges choose comparators 10 times their own size is not in the spirit of the legislation as it was intended and it's not in the spirit of what we are trying to achieve as we move toward a balanced budget," Matthews told a news conference Thursday at Queen's Park.

Documents released by the Ontario Public Service Employees Union show that the boards of Algonquin and Mohawk colleges are proposing raises in excess of 50 per cent for their presidents, while raises of more than 40 per cent are on the table for the presidents of Centennial, Confederation, Fanshawe, Georgian and Lambton colleges.

Matthews said the boards of all of Ontario's 24 colleges must revise their proposals for executive compensation.

Hospital, university CEOs also due for raises

Executives across the Ontario public sector are in a position to receive raises effective April 1. The pay freeze has been in place since 2012 and is due to be lifted once the government delivers a balanced budget.

Matthews acknowledged it's crucial for the government to keep a lid pay hikes for the college executives, so that CEOs at hospitals and universities don't also get big spikes in salary when the freeze ends.

"Just because we reach balance doesn't mean that we've got all sorts of money to spend on everything that people want," the minister said.



Advanced Education Minister Deb Matthews is ordering the boards of Ontario's colleges to revisit proposed pay hikes that would have seen salaries for senior executives rise as much as 56 per cent. (Frank Gunn/Canadian Press)

Linda Franklin, president and CEO of the umbrella group Colleges Ontario, said she's not surprised at the province's move, but stressed that the proposed hikes that drew the most criticism were at the top of a range of possible salaries.

"We don't know yet what college boards may decide about the actual increases," Franklin said in an interview with CBC Toronto on Thursday.

"Salaries in our sector have been frozen for over five years now," Franklin said. "The colleges are looking at the fact that they are incredibly complicated institutions — far more complicated than they were five years ago."

Competition for college executives

She said college presidents have been recruited to senior posts at universities and hospitals.

The news comes as a new consultant's report commissioned by Colleges Ontario shows that colleges are facing declining overall enrolment because of demographic changes, while per-student funding from the province has failed to keep up with rising costs.

"That report speaks to the need for really capable, competent CEOs to run these institutions," Franklin said.