



# Agenda

## Committee-of-the-Whole Open Meeting

Monday, March 7, 2022

6:40 – 8:30 p.m.

Catholic Education Centre – Large Boardroom

[CLICK HERE TO JOIN VIA GOOGLE MEET](#)

**Chairperson: Linda Ainsworth**

Trustees who are unable to attend are asked to please notify  
Andrea Bradley, Administrative Assistant at  
[abradley@pvnccdsb.on.ca](mailto:abradley@pvnccdsb.on.ca)

### A. Call to Order:

1. Opening Prayer.
2. We acknowledge that we are meeting on the traditional territory of the Mississauga Anishnaabeg.
3. Approval of the Open Meeting Agenda.
4. Declarations of Conflicts of Interest.
5. Approval of the draft Minutes of the Open Meeting of the Committee-of-the-Whole held on Monday, February 7, 2022. [Page 3](#)
6. Business Arising from the Minutes.

### B. Presentations / Recommended Actions:

1. Peterborough Education Development Charge (EDC) Process – [Page 6](#)  
Response to PKHBA Presentation.

**C. Information Items:**

1. 2022-23 Grants for Student Needs (GSN) Funding Release. [Page 12](#)
2. Summary of Capital Priorities Submissions. [Page 19](#)
3. Ontario Education Services Corporation Status Report. [Page 22](#)

**D. Old Business:**

There is no old business.

**E. New Business:**

There is no new business.

**F. Next Meeting:**

1. Monday, April 4, 2022.  
6:30 p.m.

**G. Conclusion:**

1. Closing Prayer.
2. Adjournment.



# Minutes

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## The Minutes of the Virtual Open Meeting of the Committee-of-the-Whole held on Monday, February 7, 2022, at 7:02 p.m.

### Present

Trustees: Linda Ainsworth (Committee Chairperson), David Bernier, Loretta Durst, Braden Leal, (Board Chairperson), Kevin MacKenzie, Siobhán Marie (Junior Student Trustee), Helen McCarthy, Emmanuel Pinto.

Administration: Jeannie Armstrong, Joan Carragher, Laurie Corrigan, Jonathan Di Ianni, Isabel Grace, Stephen O’Sullivan, Sheila Piggott.

Guests: Galen Eagle, Communications Manager.

Regrets: Laurie Corrigan.

Recorder: Andrea Bradley.

*Due to some audio technical problems, Kevin MacKenzie chaired the meeting on behalf of Linda Ainsworth.*

### **A. Call to Order:**

1. Kevin MacKenzie asked Isabel Grace to lead the Opening Prayer.
2. Kevin MacKenzie, acknowledged that the Committee-of-the-Whole Meeting was taking place on the traditional territory of the Mississauga Anishnaabeg.
3. Approval of Open Meeting Agenda.

**Motion:** Moved by Braden Leal, seconded by Emmanuel Pinto, that the Open Meeting Agenda be accepted.

Carried

4. Declarations of Conflicts of Interest.

There were no conflicts of interest.

5. Approval of the Draft Minutes of the Committee-of-the-Whole – Open Meeting held on Monday, January 10, 2022.

**Motion:** Moved by Linda Ainsworth, seconded by Loretta Durst, that the Draft Minutes of the Committee-of-the-Whole – Open Meeting, held on Monday, January 10, 2022, be approved.

Carried.

6. Business Arising from the Minutes.

There was no business arising from the minutes.

**B. Recommended Actions / Presentations:**

1. Freedom of Information (FOI) Annual Reporting.

Galen Eagle, Communications Manager, presented a PowerPoint presentation, titled “Annual FOI Reporting”, to the Committee-of-the-Whole and answered questions. In 2021 the PVNCCDSB received six new FOI access requests and completed five requests within the reporting year.

**C. Information Items:**

1. Determining Trustee distribution for election purposes.

Isabel Grace, Superintendent of Business and Finance, presented the Determining Trustee distribution for election purposes Report to the Committee-of-the-Whole and answered questions from Trustees. A municipal election is scheduled for October 24, 2022. As a result of amendments to the Education Act, the number of elected trustees in each board is set at the number determined for the 2006 regular election. For PVNCCDSB, that number is 7. This number applied for the 2010 election and all subsequent regular elections. The Board

# Draft

2022-G-OP-7

continues to be responsible to determine the distribution of trustees to be elected in terms of representation across the jurisdiction. The final report with a Recommended Action will come forward at the March 22, 2022 Board Meeting.

## D. Old Business:

There was no old business.

## E. New Business:

There was no new business.

## F. Next Meeting:

Monday, March 7, 2022.

6:30 p.m.

## G. Conclusion:

### 1. Closing Prayer:

Linda Ainsworth asked Isabel Grace to lead the Closing Prayer.

### 2. Reconvene in In-Camera Meeting:

**Motion:** Moved by David Bernier, seconded by Braden Leal, that the Committee-of-the-Whole meeting reconvene in In-Camera Meeting at 7:57 p.m.

Carried

### 3. Adjournment:

**Motion:** Moved by Braden Leal, seconded by Kevin MacKenzie, that the Committee-of-the-Whole Meeting adjourn at 8:20 p.m.

Carried

Linda Ainsworth  
Committee Chairperson  
/ab

Isabel Grace  
Superintendent of Business  
and Finance

# Memorandum

<b>To</b>	Jeannette Thompson, Isabel Grace
<b>From</b>	Jack Ammendolia
<b>Date</b>	March 1, 2022
<b>Re:</b>	PKHBA Review of EDC Background Study

Fax Courier Mail Email 

The Kawartha Pine Ridge District School Board (KPRDSB) and the Peterborough Victoria Northumberland and Clarington Catholic District School Board (PVNCCDSB) are both considering implementing Education Development Charges (EDCs) that would cover the City and County of Peterborough portions of their jurisdiction. The Board's both have EDCs in place that currently cover the Municipality of Clarington portion of their jurisdiction as a result of significant growth in that Municipality. Clarington has been growing by approximately 10% during the last several census periods – almost double the National and Provincial averages. Over the past several years, after relative enrolment stability or even decline, many schools in both the City and County of Peterborough have started to also experience enrolment increases and both Boards are dealing with accommodation pressures at many of their schools in the City and County.

The 2021 Census bears out some of the pressures the Boards have been experiencing at their schools. The new Census indicates that the City of Peterborough's population has been growing at rates similar to the previous Census period – about 3% between 2011 and 2016 and 3.2% between 2016 and 2021. However, the more significant changes have come from within the County of Peterborough where most of the Municipalities experienced double digit population growth between 2016 and 2021. Between 2011 and 2016 the County's population increased by less than 2%, however between 2016 and 2021 the population increased by almost 12% - an absolute population increase of almost 7,000 people. This growth is also occurring in many municipalities where schools are traditionally smaller or where new developments are not located close to existing schools.



To be able to enact an EDC bylaw in a Board's jurisdiction, there must be clear factors present. Not all school boards in Ontario have EDCs because a school board must qualify first before being able to enact EDCs. A school board does this by having 5 years of projected enrolment that exceeds the total capacity of its schools. This means that to qualify for an EDC, a school board must have no additional surplus spaces (on a total basis) across the board's jurisdiction. In addition, when a school board implements an EDC, there is a technical and formulaic process that must be followed that is dictated through multiple pieces of Ministry of Education legislation. The assumptions and background report that inform an EDC bylaw, must also be approved by the Minister of Education before a school board can enact an EDC and there is also a legislated public process that must be followed.

The public process ensures that members of the public have sufficient information on the proposed charges. In addition to the legislated public process, both school boards also reached out to their local developer communities to see if they had any questions or concerns. The Peterborough Kawartha Home Builders Association (PKHBA) was the organization that took a lead on this and was who the Boards and the Board's consultant primarily dealt with as representatives of the development community. PKHBA was provided with information pertaining to the proposed EDC bylaws, with direct contact information of Board staff and consultants and the Board's also held a developer and municipal information session above and beyond the legislated public requirements.

Both Boards were able to answer questions and provide details at the information session and subsequent to the session received additional feedback from PKHBA through a letter. Board staff along with their consultant and legal counsel reviewed the letter. This memo addresses some of the questions and comments contained in that correspondence.

Board staff and their EDC consultant understand the pressures the development community is facing at this time with the uncertainty in the markets, increasing costs and housing affordability and appreciate the feedback received as part of this process. The Boards are always interested in working with their local developers to see if there are ways to plan more progressively and find efficiencies where possible.



In the case of this proposed EDC, the Board's examined all possible accommodation options and considerations before deciding to pursue the implementation of EDCs. The PKHBA in their letter, suggest that there may be other ways to accommodate these future student populations, however, the current way additions to schools are funded and the uncertainty of capital approvals, makes many of the suggestions provided by PKHBA not possible. If, in the future however, opportunities present themselves for vertical construction or additions etc., the Boards would always consider them.

The PKHBA provides commentary regarding future population growth in their letter to the Boards. While there seems to be agreement from PKHBA with Board staff, that the City and County are growing, there seems to be some disagreement about how much growth is being experienced and what sectors of the population are growing. While the City and County of Peterborough are experiencing growth in some of the older segments of the population, housing affordability in other parts of Ontario is driving families further from the Greater Toronto and Greater Golden Horseshoe areas to seek affordable housing options. The ongoing pandemic seems to have exacerbated this trend and the aforementioned Census data is validating this. In addition, as mentioned previously, both school boards were already experiencing enrolment increases and accommodation pressures at many of their City and County schools. Projections are always understood to be an estimate and have many external factors that can end up impacting them, however Board staff and their EDC consultant are confident in the assumptions and trends used to project enrolment. If anything, some recent preliminary data suggests that projected enrolment might actually be slightly understated.

The PKHBA also writes in their letter, that the EDC Background study and the projections contained therein are 'highly impacted' by the ongoing Covid-19 impact. The projections and assumptions used are based on approximately 20 years of demographic, socio-economic and enrolment data and extreme care was taken in the methodology to account for pandemic impacts. In fact, the projections put more emphasis on pre-pandemic trends and relationships.

While it is understood that changes made during this pandemic might bring added complexities, Board staff feel that they have undertaken an appropriate consultation process. In fact, the Boards had initially considered implementing these EDC bylaws sometime in 2020 and had put the study on hold due to the pandemic, possible enrolment impacts and concerns regarding public consultation. However, residential development and enrolment has continued to increase and move forward and most





institutions have found ways to navigate around the pandemic while still providing worthwhile public engagement.

Many of the school sites identified in the EDC background study have been identified for many years as parts of development plans. Furthermore, all EDC background studies must be submitted to the Ministry of Education and approved before an EDC bylaw can be implemented. As part of the EDC review, the Ministry of Education ensures that the Boards have examined all accommodation possibilities and that a new school site is in the best interests of all parties.

The PKHBA letter also brings up a few questions surrounding the residential forecasts used and how they project new students. Some details surrounding the methodology has been provided and can likely provide greater clarity to the assumptions used. First, there was some concern from PKHBA about how building permits translated to building completions and eventually to building occupancy. The residential and enrolment projection methodology that Watson employs accounts for many of the points/questions made and asked by PKHBA. Building occupancy lags and trends are built into the projection model – for example each unit that is projected in the residential forecast has a yearly student yield applied to it with a lag built in for permit issuance to occupancy. A new home will start out with a yield of zero and build up to a peak yield a few years after occupancy and then have a declining yield as the family ages, moves etc.

The PKHBA also brings up some questions about how consistent the residential growth forecasts used for the EDCs are with local and County forecasts. In fact, the EDC forecast is based wholly on those County and City forecasts. The residential forecast used for the EDC is consistent with the City of Peterborough Development Charge forecast, as well as Development Charge forecasts from Cavan Monaghan, Douro Dummer, Trent Lakes and Selwyn. In total, those development charge forecasts alone account for approximately 900 units forecast per year. In addition, sources like historical building permit averages (7 years) were used to round out the forecast for places like Asphodel-Norwood, Havelock-Belmont-Methuen, Otonabee-South Monaghan and North Kawartha. Watson doesn't develop an EDC forecast per say but rather, as per the Ministry of Education's EDC Guidelines, relies on recent council approved growth forecasts.



The EDC forecast is consistent with these forecasts. The PKHBA letter states that the Watson report forecasts are more than double the City of Peterborough's forecasts – however, the forecasts are consistent and in-line with the City forecasts referenced. It is possible, the letter writer was comparing the County of Peterborough and the City of Peterborough forecast (which is the EDC forecast) combined to the City of Peterborough's forecast on its own. It should be reminded, that the proposed EDC covers the City as well as the County and that residential forecasts are for both the City and the County. All forecasts used as part of the EDC are considerate of local and regional trends including employment, housing and servicing.

Ultimately, the PKHBA does not agree with the implementation of EDCs in the area and feel that they will further contribute to housing affordability issues. While the school boards do not want to contribute to greater housing affordability issues, it is important to note, that the proposed EDC rates are rather low and when compared to some of the Municipal development charge rates, they would be a small percentage. For example, in Douro Dummer the Municipal wide DC rate will be over \$6,000 per unit and in some areas of Millbrook the DC rate could be as much as \$12,000 per unit. In the City of Peterborough, DC rates are as high as \$35,000 per unit in some neighborhoods. This compares to proposed EDC rates of \$362 per unit for the PVNCCDSB and \$436 for the KPRDSB. In fact, the EDC rates are also capped and have maximum phase-ins as a result of a change in legislation to ensure that the rates do not accelerate too quickly. It is also worthwhile to mention that all EDC revenues that are collected can only be used to buy land for new schools and to prepare that land for construction. EDCs cannot be used towards any construction costs.

The PKHBA states that land values in the area are increasing rapidly and the school boards agree with this statement. It is for this very reason that, when combined with the residential and population growth in the area, the Boards are considering EDCs. The cost of land to build new schools is becoming significant and the EDC is the only funding source that growth boards have. The Boards have done everything they can to ensure they build on school sites that are efficient and require EDC funds to ensure they can continue to do so. The intention of the EDC is that growth pays for growth. As the letter writer mentions, the high costs of land could be crippling to taxpayers. The intention of the EDC is to remove the burden of this high cost of land from the existing taxpayers and existing homeowners to new residential development. It is also important to note that not all school boards in Ontario are able to implement EDCs. The Board must not have any surplus space which means that there must be more enrolment than



the Board has capacity for. The EDC calculation itself must use any surplus space in existing schools first before any future school sites can be collected for.

Both school boards are experiencing growth and accommodation pressures and after careful study and consideration have determined that new schools will be necessary in some areas to address those needs. The EDC is the funding mechanism available to ensure that school boards have adequate funds to purchase school sites for these projected new schools. Both Boards appreciate the feedback and comments from the PKHBA.




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# BUSINESS AND FINANCE

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## Report to Committee of the Whole

**Meeting:**  In Camera

Open

**Presented for:**  Information

Approval

**Meeting Date:** March 7, 2022

**Presented by:** Isabel Grace, Superintendent of Business/Finance

**Submitted by:**

**Subject:** 2022-23 Grants for Student Needs (GSN) funding release

**Recommended Action(s):**

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### Background:

#### 2022-23 Grants for Student Needs

The following memos have been provided by the Ministry of Education on February 17, 2022 to support planning for the 2022-23 budget estimates:

2022: B02 – Learning Recovery Action Plan

2022: B03 – 2022-23 Grants for Student Needs Funding

2022: B04 – Capital Funding for the 2022-23 School Year

2022: B05 – 2022-23 Priorities and Partnerships Fund (PPF)

2022: SB04 – Student Transportation – Grants for Student Needs, 2022-23

Traditionally there is also a separate memo released regarding Special Education funding, but it has not yet been produced.

These memos have provided some planning details, important announcements regarding intended changes to grant structures, targeted investments for a range of

initiatives, on-going investments to reflect bridge funding pending the negotiations of the main employee labour agreements, guidance regarding virtual learning, enhanced accountability measures, and on-going support related to operational matters supporting health and safety/COVID matters.

Board-by-board projections of the core GSN have been made available. As at March 7, 2022, the technical paper and electronic financial estimates forms are not yet available. It is expected that the Technical Paper will be released after the March break.

### **An overview of the major elements that make up the GSN:**

- The 2022-23 GSN funding to school boards is projected to increase to \$26.1 billion, an overall increase of 2.7%
- The 2022-23 GSN reflects investments or changes supporting the Ministry's vision and direction regarding the following:
  1. Funding has been provided for Supports for Students Fund for one additional year, subject to upcoming labour negotiations, consistent with the existing amounts (~\$1.6 million).
  2. Labour provisions: A labour provision has been included for the first year of the upcoming round of central bargaining with the teachers' federations and education worker unions whose agreements expire August 31, 2022. These funds are to be included as budgeted expenses and used to help manage labour costs when they are confirmed.
  3. Changes in class size: the benchmarks for funded average class sizes are being adjusted for Secondary to reflect the phased implementation of the new graduation requirement to take 2 online courses, where the class size is funded for 30.
  4. Transfer of funds previously identified under Priorities and Partnerships Funding (PPF) into the GSN for: Parents Reaching Out (PRO), Official Language Instruction (OLE), Well-being and Mental Health Bundle, and Learning and Innovation Fund for Teachers (LIFT). This move stabilizes and improves the predictability and planning for those funds on an annual basis.
  5. Recent Immigrant Supplement: time limited mitigation funding was introduced in the prior year to help boards deal with the decline in recent immigrant enrolment as a result of the COVID-19 pandemic and closed borders. This has been continued into 2022-23.
  6. Student transportation funding has been maintained at prior years' funding levels with adjustments that reflect enrolment growth. School boards with declining enrolment will not see any negative adjustment. A cost update of 2% has been provided in the total provincial funding, but has not yet been allocated on a board-by-board basis. An update on the distribution of funding (if any) will be provided at a later time.

7. School operations has had an increase in the non-staff portion of the School Operations allocation. A 2.3% update has been provided to assist boards in managing the increases in commodity prices. As well, a 3.15% per cent cost update is being provided to support increased costs related to the need to run ventilation systems longer and replace filters more frequently.
8. COVID-19 supports: Some of the 2021-22 COVID-19 PPF supports have been transferred to the 2022-23 GSN as a time-limited Learning Recovery Fund. These funds are for temporary additional staffing supports to address learning recovery, the implementation of the first year of a fully de-streamed Grade 9, the delivery of remote learning, supports for special education and maintaining enhanced cleaning standards. Funded through a 'table amount' this funding is equivalent to the staffing portion previously provided under the 2021-22 COVID-19 PPF supports (\$2.5 million).
9. Use of Accumulated Surplus (reserves): school boards will be limited to the parameters existing pre-COVID. A compliant budget under the Education Act means that a Boards may access up to the equivalent value of one percent of their operating budget from Accumulated Surplus (reserves) to balance their budget, if necessary, without seeking Ministerial approval.

### **Enhanced Accountability Measures**

The ministry will be introducing additional accountability requirements.

The Ministry is introducing a class size compliance framework to the secondary panel starting in 2022-23 school year. While both elementary and secondary class size data was previously reported to the Ministry, the compliance framework only applied to the elementary provisions of the Class Size regulation. The data collection process will not change for secondary class size.

### **Priorities and Partnerships Fund (PPF)**

The initiatives outlined below are being prioritized under this PPF umbrella which is supplemental to the GSN and meant to support high impact initiatives that directly support students in the classroom.

To facilitate planning for 2022-23 school year, the Ministry is confirming allocations of \$144.17 million of the over \$355 million at this time. PPF will provide funding to education partners to support students in a number of key ways. As of March 8, 2022, we have been advised of the following provincial commitments:

Key Priority	Objective	Amount (\$M)
French-Language Education	Opportunities and tailored supports and multi-media resources to students in Ontario's French Language Education (FLE) system.	1.20M

Indigenous Education	To support the academic success and well-being of Indigenous students, as well as build knowledge of all students and educators on Indigenous histories, cultures, perspectives and contributions.	6.61M
Math	Support in meeting provincial math standards	43.30M
Mental Health and Well-being	Support linkage between mental health, well-being and student success.	7.99M
Special Education	Improve support for families of children with special education needs.	7.48M
Student Pathways	Support students as they transition to postsecondary destinations.	20.44M
Support Student Potential	Supporting vulnerable students. This also includes equity initiatives, and anti-racism and de-streaming supports.	36.15M
System Support	Support to the education system, including teacher professional learning.	21.00M
		144.17M

Specific PPF allocations for the Board related to the above list as at March 8, 2022 support the following:

Math Strategy	\$327,000
De-streaming implementation supports	\$31,100
Early Intervention in Math for Students with Special Education Needs	\$110,900
Entrepreneurship Education Pilot Projects	\$20,000
Health Resources, Training and Supports	\$9,500
Skilled Trades Bursary Program	\$12,000
Special Education Additional Qualification (AQ) Subsidy for Educator	\$10,300
Summer Learning Special Education Supports	\$108,200
Tutoring Supports: April 2022 to August 2022	\$648,750
Tutoring Supports: Sept 2022 to December 2022	\$648,750

### Local Challenges for 2022-2023

Inflationary pressures are being felt in a number of non-staff operating areas, and the increase provided by the Ministry will help to mitigate some of those increases. There continue to be estimating risks due to the ongoing, but currently lessening, impact of Covid-19.

- Managing the changes in enrolment: with the continued availability of a virtual school option for 2022-23, enrolment planning and accommodation has an additional risk element to it.
- Time-limited staffing funds previously guaranteed within collective agreements come to an end in August 31, 2022. Balancing the budget will require staffing reductions. Helping to mitigate some of those reductions will be consideration of

the extra temporary supports that have been provided by the Learning Recovery Fund.

- Continued uncertainty in estimating costs related to short and long term absences, under a 'new normal' culture post-COVID screening and isolation requirements.
- Continued pressure in departmental budgets where price increases exceed the inflationary amounts provided by the government, particularly in Information Technology, Facilities and Student Transportation.
- Continued pressure to provide funds to explicitly support the Board's strategic priorities as the Ministry continues to reduce the flexibility of Boards' decision-making with its enveloping provisions.

### Enrolment Projections-Elementary

Projected Elementary Enrolments for the grant and tuition revenue 2022-2023 are as follows:

Elementary Pupils	Enrolment 2020/21	Revised Enrolment 2021/22	Projected Enrolment 2022/23	Variance from prior year projection
	10,035	10,155	<b>10,120</b>	<b>(35)</b>

### Enrolment Projections-Secondary

Projected Secondary Enrolments for the grant and tuition revenue 2022-23 are as follows:

Secondary Pupils	Enrolment 2020-21	Revised Enrolment 2021/22	Projected Enrolment 2022/23	Variance from prior year projection
	4,587.7	4,533.25	<b>4,520</b>	<b>(13.25)</b>

### Transformation and Reforms

The Ministry will continue to look at all aspects of the education system, including school board operations, while respecting the four publicly funded education systems in Ontario.

The Ministry continues to review student transportation with the aim to achieve a more equitable and needs-based student transportation system in Ontario. Data



requests to achieve this aim have been significant and there are indications that modelling of different scenarios related to local policy parameters is underway.

Supply Ontario is continuing its efforts to establish procurement processes and systems, and the ministry has established an EDU Supply Chain Centralization Transition Working Group as a resource to school boards as the government and Supply Ontario move forward with supply chain centralization. The ministry expects school boards to continue to make every effort to operate as efficiently as possible and to take advantage of opportunities to minimize costs.

### **Achieving a Balanced Budget for 2022-2023**

The restrictions on how school boards may use certain components of the GSN allocation continues to expand. As at 2022-23, the following restrictions were contained in the GSN regulations:

- Budgets must be balanced
- Class-size regulation must be respected
- The Special Education Grant is limited to special education expenditures
- The allocations within the Targeted Student Supports Envelope of the Learning Opportunities Grant are limited for use collectively on its four programs.
- The allocations within the Experiential Learning Envelope of the Learning Opportunities Grant are limited for the use collectively on its three programs.
- The Library Staff Allocation is to be used to fund library staff
- The Indigenous Education Grant is limited to expenditures that support the academic success and well-being of Indigenous students, as well as build the knowledge of all students and educators on Indigenous histories, cultures, perspectives and contributions, including spending restrictions on specific amounts within the grant.
- The Rural and Northern Education Fund (RNEF) within the Geographic Circumstances Grant is to be used to further improve the education for students from rural communities.
- The Mental Health Workers Staffing Component within the Mental Health Workers Allocation of the Mental Health and Well-being Grant is limited to expenditures on regulated mental health professionals in secondary schools.
- New Teacher Induction Program (NTIP) funding is to be used for eligible NTIP expenditures which are required to meet NTIP program requirements
- School Board Administration and Governance spending shall not exceed the envelope
- The Program Leadership Grant funding is limited to salary & benefits and travel & professional development expenditures related to specific lead positions.
- The Indigenous Education lead amount may only be spent on Indigenous Education Lead. Any remaining funds must be reported and spent under the Board Action Plan Allocation.

- The School Renewal Allocation is primarily limited to capital renewal expenditures.
- The School Condition Improvement Allocation is to be used for renewal expenditures that are capitalized and address the overall state of repair.
- Capital funding is to be used for approved capital projects
- The Temporary Accommodation Allocation is to be used for portable moves, leases, and purchases as well as lease costs for permanent instructional space.
- Funding outside of the GSN through Priorities and Partnerships Funds are restricted to the details included in the associated Transfer Payment Agreements.

### **Tentative Timetable for Board of Trustees**

Budget Preparation	on-going
Staffing Allocations and Determination	April -May
Administrative Council Budget Review	April-May
Administrative Council Budget Approval	Early June
Committee of the Whole Budget Recommendation	June 13, 2022
Board Approval	June 28, 2022
Submission to Ministry of Education	June 30, 2022




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# BUSINESS AND FINANCE

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## Report to Committee of the Whole

**Meeting:**  In Camera

Open

**Presented for:**  Information

Approval

**Meeting Date:**

**Presented by:** Isabel Grace, Superintendent of Business/Finance

**Submitted by:**

**Subject:** Summary of Capital Priorities Submissions

**Recommended Action(s):**

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### Background:

On February 4, 2022, the Ministry of Education launched the 2022-23 Capital Priorities Program (Memo 2022:B01) including Child Care Capital Funding. Boards were provided with the opportunity to identify and address their most urgent pupil accommodation needs, including:

- Accommodation pressures
- Replacing schools in poor condition
- Supporting past consolidation decisions
- Providing facilities for French-language rights holders in under-served areas, and
- Creating new licensed child care spaces in schools.

School boards were asked to submit up to five projects for consideration under the 2022-23 CP program (down from 10 projects that were allowable in previous years).

Of the maximum of five project proposals, a minimum of two were to be new project proposals and the remaining (up to 3) projects could be drawn from previous submissions. A priority ranking was to be submitted with the proposals.

School boards had the opportunity to request Child Care Capital funding for Capital Priorities projects if the local CMSM supported the need.

Deadline for all capital funding requests was February 25, 2022.

As with previous rounds of Capital Priorities, funding for projects would be allocated on a business case basis for new schools, retrofits, and additions that need to be completed by the 2026-27 school year.

### **Eligibility and Evaluation Criteria**

A number of quantitative measures have been established to assist with the evaluation of school consolidation proposals, centering primarily on an Internal Rate of Return measure using the expected cost of the project compared to the expected savings resulting from the proposed solution as per the business case template.

For proposals related to accommodation pressure, priority consideration for funding purposes will be given to projects with a utilization equal to or greater than 100% (including area schools) in the 5<sup>th</sup> year after the proposed school opening date as per the business case template.

### **Other considerations for Project Submissions:**

The following school board performance measures will also be considered by the Ministry:

- School board's demonstrated willingness to participate with co-terminous school boards in joint-use school opportunities
- School board's ability to build to ministry benchmark costs as evidenced by past projects
- School board's ability to deliver projects within target timeframes as evidenced by past projects
- School board's history of meeting the ministry's accountability measures
- Accuracy of enrolment projections for previously approved projects and
- Number of projects the school board currently has underway.

### **Priority #1    New Unnamed Bowmanville elementary school Accommodation Pressures Funding Request \$12,226,204**

- 435 pupil place school
  - 3 FDK classrooms
  - 15 Regular classrooms
  - 1 Resource room
  - 3 Childcare rooms (49 licensed spaces)
- Benchmark funding for 435 pp school **\$10,474,445**
- Benchmark funding for childcare **\$1,751,759**
- Location: Northglen Boulevard, Bowmanville (under an option agreement)
- Site Acquisition costs and site preparation costs: estimated at **\$4.6 million**
- Site Acquisition costs and site preparation costs: 100% EDC eligible

**Priority #2    New Unnamed Cobourg elementary school  
Past Consolidation Decision  
Funding Request \$11,230,159**

- 343 pupil place school
  - 3 FDK classrooms
  - 11 Regular classrooms
  - 1 Resource room
  - 4 Childcare rooms (64 licensed spaces)
- Benchmark funding for 343 pp school: **\$8,894,480**
- Benchmark funding for childcare: **\$2,335,679**
- Location: Burnham Street, Cobourg
- Addition funding requested for site demolition costs: estimated at **\$500,000**



## School Energy Coalition ("SEC") Summary Status Report December 31, 2021

### Savings for Ontario School Boards

*The formal decision in the OPG case, plus settlements and decisions in a number of electricity distribution cases, will result in savings for schools of more than \$1.6 million, bringing the 2021 total to about \$24.6 million.*

*Heading into 2022, the big case in process right now is the Hydro One joint five-year transmission and distribution rate case, with more than \$24 million at issue for schools. The other major applications include the Enbridge DSM plan, the St. Laurent pipeline replacement, and London Hydro distribution rates. Overshadowing all of these, though, may be the combined effect of policy initiatives on non-pipes (gas) and non-wires (electricity) alternatives to utility capital spending.*

#### ONGOING MATTERS - NATURAL GAS

**Integrated Resource Planning.** As previously reported, the Energy Board has decided that Enbridge will be required to look for alternatives to pipeline investments that not only reduce costs, but also minimize the risk of stranded assets as Canada moves to a lower carbon future.

In December the Energy Board announced its appointments to the group that will oversee that process. SEC's senior counsel Jay Shepherd was one of those appointed.

**Enbridge St. Laurent.** One of Enbridge's larger replacement projects, the St. Laurent pipeline in Ottawa, is currently before the Energy Board for leave to construct. At \$122 million, the project is being proposed in the context of plans by many of the largest users of gas on the pipeline to scale back their natural gas use. In some cases, the users' plans are to get to zero within twenty years, creating a risk that this new forty-year asset will become stranded.

SEC is collaborating with the City of Ottawa and Pollution Probe to bring forward evidence describing some of those GHG reduction plans.

If accepted by the Energy Board, the new evidence could result in a delay, or a scaled down project, or both.

**Enbridge Conservation.** The revised Enbridge 2023-2027 (DSM) conservation plan - \$900 million in planned spending - continues to be reviewed in a thorough and wide-ranging process. In December, expert reports were filed by a number of parties, with SEC and others then posing written questions.

After answers are received, and Enbridge files reply evidence, there will be a technical conference at the end of February, and a three-day oral hearing in March. Final arguments are planned for May and June, with a decision by the Energy Board likely in Q3.

This proceeding continues to be dominated by the usual tension between environmental groups, who want significant increases in conservation spending, and the ratepayer groups, who generally resist proposals to increase rates. SEC will, as has been true so often over the years, be the bridge between those groups, as a ratepayer group with a strong

affinity for initiatives that achieve important environmental goals.

The issues have been complicated by new evaluation issues, described below. Measurement of savings – and therefore program cost-effectiveness – may end up being a major issue as this proceeding unfolds.

**DSM Evaluation Committee.** This committee oversees the measurement of the results of Enbridge conservation programs. SEC counsel Jay Shepherd has been the ratepayer representative on this committee, and its predecessors, for many years.

With SEC's strong support, the committee ordered a study of a key calculation model used for many years by Enbridge to assess how much gas is saved by certain efficient equipment. That study, which compared the model's calculations with billing data from before and after installation of the equipment, concluded that measured savings were only 62-70% of claimed savings. The potential overstatement of past savings for Enbridge's programs could be in the hundreds of millions of dollars. A Phase 2 study to get more detailed information has been ordered.

## ONGOING MATTERS - ELECTRICITY

**Ontario Power Generation.** The first ever five-year rate case by OPG was mostly settled in the summer, with SEC counsel Mark Rubenstein acting as lead negotiator for a broad range of intervenor groups. Then a hearing was held in August, with SEC counsel Jay Shepherd and Fred Zheng leading the challenge to massive cost overruns on the new Darlington heavy water facility.

In a decision released in November, the Energy Board agreed with SEC and others that a portion of the cost overruns should be disallowed, although not at the level proposed by SEC. The details are still being debated in a technical

review, but the bottom line will be a reduction of about \$114 million in the allowed capital cost. The effect is a **saving for schools of about \$1.5 million** over a period of years.

**Hydro One 2023-27 Rates.** Hydro One's first joint transmission and distribution application continues to wind its way through the process. It includes five-year distribution rate increases (for schools served by Hydro One) of 13.5%, and transmission rate increases (for all schools) of 20%.

The unusual complexity of the application has been reflected in an extended process. A technical conference (oral discovery of Hydro One witnesses) consumed five days in December. Intervenor evidence including expert reports will be filed and reviewed in January, with a settlement conference scheduled for a week in February. SEC counsel Mark Rubenstein is once more expected to be lead negotiator for the many intervenor groups. If there is a partial settlement, the oral hearing is expected in April, and a decision in the summer or early fall.

**Other Distributors.** Settlements have been achieved for two more electricity distributors in their 2022 rate cases, Canadian Niagara Power (Fort Erie, Port Colborne and Gananoque) and Grimsby. Decisions have also been rendered in Elexicon, Kitchener and Energy + applications. All of this has resulted in **savings for schools of about \$130,000.**

Meanwhile, London Hydro (250 schools) is in the middle of settlement negotiations for their 2022-2026 rates, with a result possible early in Q1.

## OTHER MATTERS

**Inflation Factor.** As previously reported, the inflation factor that is used to adjust rates for most utilities each year produced anomalous results due to the impact of Covid-19 on the

labour market. Despite the efforts of SEC and other ratepayer groups, the Energy Board agreed with the utilities that it should stick with its normal calculation formula. The regulator concluded that, while results for one year may be unusual, they are likely to be self-adjusting over time.

Framework for Energy Innovation. The regulator's initiative to grapple with non-wires alternatives to capital spending by electricity distributors is now at the "how do we incent the utilities?" stage. Since every utility incentive is a charge to customers, including schools, SEC is actively involved.

Energy Board Modernization. The Energy Board has announced the results of its review of intervenor processes in other jurisdictions. While there is no indication of attacks against the current intervenor system, on which SEC relies, SEC remains vigilant watching for that possibility. SEC counsel Mark Rubenstein is a member of the internal working group reviewing these modernization proposals.

Jay Shepherd  
Mark Rubenstein  
Fred Zheng  
Counsel for SEC

Questions? Contact:

Ted Doherty ([sec@oesc-cseo.org](mailto:sec@oesc-cseo.org))  
Jay Shepherd ([jay@shepherdrubenstein.com](mailto:jay@shepherdrubenstein.com))  
Mark Rubenstein  
([mark@shepherdrubenstein.com](mailto:mark@shepherdrubenstein.com))

*In conclusion,*

*OESC is represented by Jay Shepherd who consults regularly with myself. It is critical to note that the work of the School Energy Coalition, per OESC, is a respected intervenor at the Ontario Energy Board.*

*Our work has allowed every school district in the Province of Ontario to avoid significant energy costs. This reality assists with the bottom line to your budget.*



*Ted Doherty  
Executive Director  
416-340-2540 (Toronto Office)  
519-955-2261 (Mobile)  
Email [tdoherty@oesc-cseo.org](mailto:tdoherty@oesc-cseo.org)*