

Capital Funding



OTTAWA-CARLETON
DISTRICT SCHOOL BOARD



THE ISSUE

Communities across Ontario continue to grow rapidly. Schools need to be prepared for the future and keep pace with development.

The OCDSB continues to need to build new schools in growth areas, and undertake major renovations to schools in established communities. This work requires careful planning to prepare for the future.

School boards are required to submit priority lists when the Ministry of Education calls for them. Funding is allocated on a business case basis for new schools and additions. The timing of these calls for submissions are unpredictable. There is also no schedule for the Ministry to make announcements of approved funding, nor are school boards informed of whether their projects may be funded in the future. Further, there is no corresponding explanation from the Ministry about the reason a particular project was or was not funded.

This impacts short and long term planning to support school communities, particularly as existing schools exceed capacity. As well, delays in the approval of submitted business cases often means that when they are finally approved the costs estimates are not current and force continued delays and re-submissions of the business cases as the market rates for the projects change faster than the approval process. If there is a delay in an approved build or there are other cost escalations during the project, there is no mechanism to address those financial pressures.

89%

of Ontarians say more funding for the maintenance, repair and renewal of schools is important or somewhat important.

Nanos Research, 2022

RECOMMENDATIONS

More support is needed in response to growth in our communities. The OCDSB recommends:

- 1 Predictable, multi-year capital planning:** To better support school communities and ensure fiscally prudent education budget management, school boards planners need to know when or if they will be funded to build new schools in five-year cycles. This certainty will allow boards to better prepare for the future. It will also help speed construction times and better assist existing schools with capacity pressures.
- 2 A process for funding adjustments:** To ensure projects can be tendered if there is a delay in the approval process or if there are financial pressures due to inflation or time delays once a project starts, a simplified process would help to close those funding gaps to speed up the start or delivery of on-going builds to ensure projects can be completed.



MORE INFORMATION

Unlike municipal or provincial governments, school boards cannot raise their own funds for major investments like a new school. Nor can a school board independently determine when a new school needs to be built or start construction. School boards are fully dependent on the Ontario government for funding and approval if a new school will be built. We also work closely with municipalities in planning and preparing locations for potential schools.

The current process for allocating capital funding for school boards is in need of review. We are aware of and welcome, the work underway by the Ministry of Education and provincial partners to bring much needed efficiency to the provincial and municipal planning and construction approval processes. Based partially on input from school boards, the process for funding allocation for capital projects changed for the last round of submissions in an attempt to 'right size' the budgets initially. The new capital process looks to address some of the funding issues, but we have not worked through a full cycle to determine the outcome.

There is a significant lag time between the creation of the business case, the announcement of funding, and the build time, which can lead to significantly changed circumstances when it comes to costs. In recent years, school boards have faced a rise in construction costs and the impact of supply chain on costs and build-time, along with inflation that may occur between the awarding of the capital funding and the timing of construction. Without flexibility for these challenges, school boards and the communities they serve find themselves unable to proceed with approved projects because the funding is no longer feasible or adequate based on changed conditions. Timing of funding announcements is also critical for construction purposes. Usually when a Capital Priority project is funded by the Ministry, the OCDSB is feeling the pressure to create new pupil places in a given area. To ease this strain, a school board may be required to purchase or move additional portable classrooms at its own expense. Interim measures to control enrolment may also be taken, which typically involves sending a percentage of the overcrowded school's population to another location, often outside of the defined community.

Schools operate from September to June, so there is no flexibility in our construction scheduling. If we cannot get occupancy by August of the opening year, oftentimes at least half a year is lost and more likely the window is missed for the full year.

24-36 MONTHS

Depending on the size of the school, when approvals were given and the challenges of winter construction, it can take up to 24 months for elementary schools or up to 36 months for a secondary school from the time of a funding announcement.