

A4LE - October 18-19

## Ministry Update

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October 2018



Ministry of  
Education



ALONG THE BIG CEDAR TRAIL  
CHEAKAMUS CENTRE  
PHOTO CREDIT: DAVID NANUK PHOTOGRAPHY

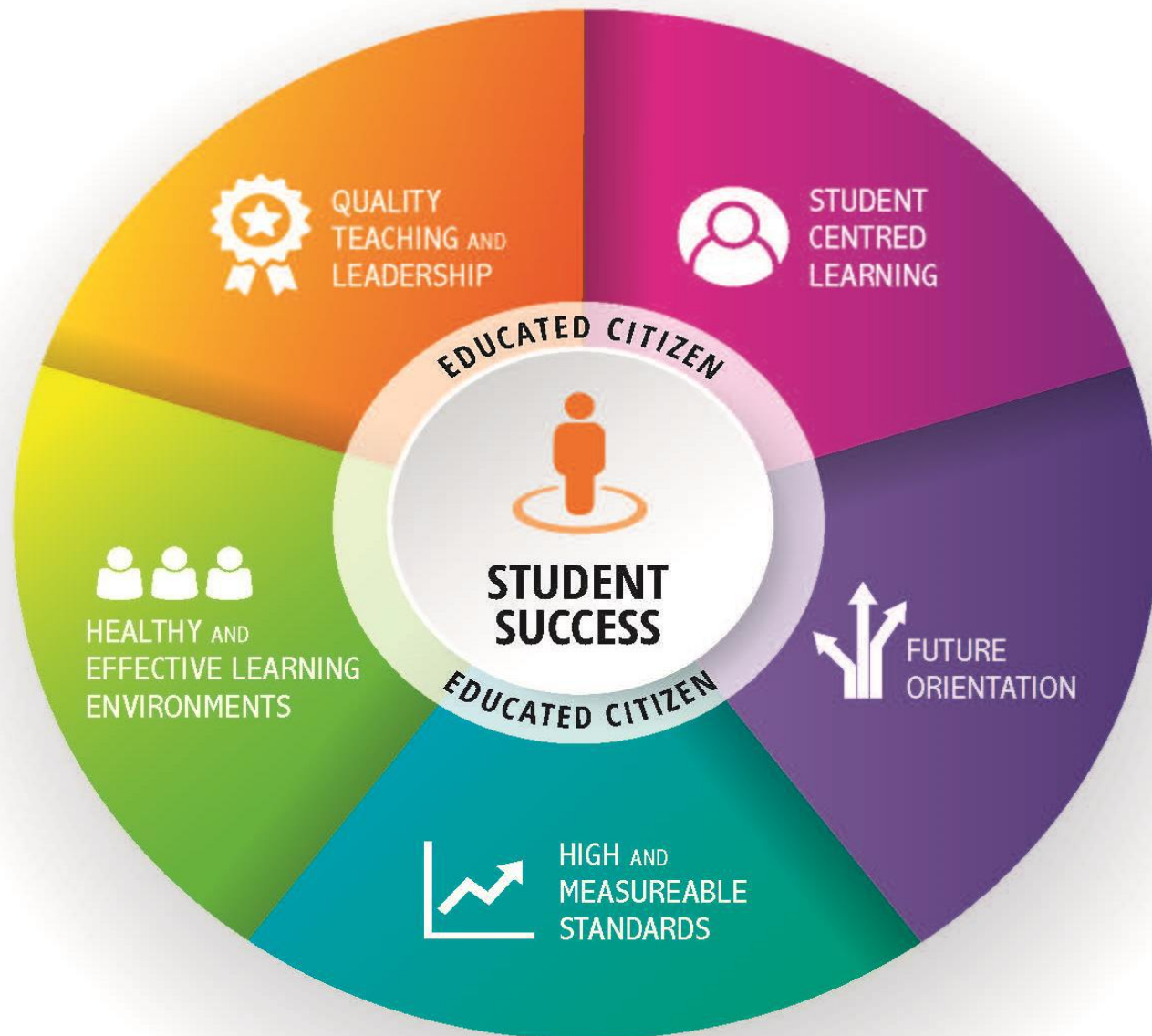
## THE *SCHOOL ACT*

Section 169 requires that the Minister must articulate a statement of education policy for British Columbia, and that this be approved by Cabinet.

## THE EDUCATED CITIZEN

*The three overarching goals of education*

- #1** Intellectual Development
- #2** Human and Social Development
- #3** Career Development





## Healthy and Effective Learning Environments

We will foster inclusive learning environments where all students feel that they are safe and belong – physically and emotionally – and where all students are inspired to explore their personal strengths and interests. To offer healthy learning environments where students, families, and educators can focus on supporting students achieve their learning outcomes, we will continue to enhance the construction of modern learning environments, enable flexible and virtual learning delivery, and enhance our efforts on physical literacy and best practices on nutrition.



# Ministry Strategic Priorities

**Funding Model Review**

**Graduation Policy**

**Workforce Development**

**Accountability Framework**

**Government Strategic Priorities**





## Government Strategic Priorities

1. Making Life More Affordable
2. Delivering the Services People Count on
3. Building a Strong, Sustainable, Innovative Economy that Works for Everyone



# Ministry Mandate and Vision

## Mandate

To enable all learners to maximize their potential

## Vision

Educated citizens that thrive in a rapidly changing world



# Minister of Education Mandate Letter

1. Fast-Track enhancement to K-12 education funding
2. Review the funding formula to develop a stable and sustainable model for the K-12 education system
3. Provide additional annual funding to ensure students have the school supplies they need to succeed
4. **Create an ongoing capital fund for school playgrounds**
5. **Make schools safer by accelerating the seismic upgrade program**
6. **Work in partnership to build and upgrade schools in every region of the province**
7. Implement the new First Nations history curriculum, develop full-course offerings in Aboriginal languages and implement the educational Calls to Action from the Truth and Reconciliation Commission
8. Implement BC's new school curriculum and provide new technology, lab equipment, learning material and professional development support for teachers





## Create an ongoing capital fund for school playgrounds

- ❑ Program announced for the 2018/19 fiscal year.
- ❑ \$5 million of playground projects announced across the province in 51 school districts
- ❑ The other 9 school districts will receive projects in 2019/20
- ❑ In future years, projects will be distributed more 'equitably' rather than 'equally' – i.e. based more on enrolment / number of schools





# Make schools safer by accelerating the seismic upgrade program

1. 23 Seismic Project Approvals Since Sept 2017 (13 months)
  - 9 approvals in 16/17 and only 7 approvals in 15/16
2. 347 Total Projects in the Seismic Mitigation Program
  - 178 Complete
  - 14 under construction
  - 15 in design development
  - 36 in business case development
  - 104 future priorities
3. Reassessments for SRG3/National Building Code and Liquefaction
  - Vancouver Island, Haida Gwaii, Richmond
  - Update to SMP will be required in 2019





# Work in partnership to build and upgrade schools in every region of the province

## 1. Rehabilitation and Maintenance Programs

- Annual Facility Grant increase of \$5m/year. First increase since 2005
- Other Programs – School Enhancement, Carbon Neutral Capital, Building Envelope, Bus Replacements,

## 2. Some Priority Replacement/Reno Projects

- Kelly Road (Prince George), Walnut Park (Smithers), QJS / Maple Drive (Quesnel)

## 3. Expansion Projects outside Lower Mainland

- Fort St John, Kelowna, Langford



# Three Year Capital Budget Comparison

## Ministry of Education - Capital Management Branch

### BUDGET COMPARISON (\$M)

	Budget 2017			Budget 2018		
	17/18	18/19	19/20	18/19	19/20	20/21
Replacement & Expansion	252	228	180	194	265	249
Seismic	165	199	186	119	188	234
Routine Capital	150	169	173	170	169	169
<b>Total</b>	<b>567</b>	<b>596</b>	<b>539</b>	<b>483</b>	<b>622</b>	<b>652</b>
	<b>Three Year Total</b>			<b>Three Year Total</b>		
	<b>1,702</b>			<b>1,757</b>		



## HISTORICAL CAPITAL SPENDING

### BUDGET VS. ACTUAL (\$ millions)

Budget Year	Estimates	Actual Disbursements	Variance	% Variance
2000/01	445.400	348.159	97.241	22%
2001/02	305.000	282.371	22.629	7%
2002/03	265.800	261.979	3.821	1%
2003/04	195.000	138.978	56.022	29%
2004/05	134.500	117.881	16.619	12%
2005/06	170.300	149.134	21.166	12%
2006/07	181.295	181.295	-	0%
2007/08	256.300	237.014	19.286	8%
2008/09	305.425	288.132	17.293	6%
2009/10	372.903	304.203	68.700	18%
2010/11	348.883	299.864	49.019	14%
2011/12	449.801	447.848	1.953	0%
2012/13	435.461	409.206	26.255	6%
2013/14	469.054	351.879	117.175	25%
2014/15	438.217	332.997	105.220	24%
2015/16	392.109	344.612	47.497	12%
2016/17	454.385	396.066	58.319	13%
2017/18	566.736	438.073	128.663	23%
<b>TOTAL</b>	<b>6,187.569</b>	<b>5,329.691</b>	<b>856.878</b>	<b>14%</b>
2018/19*	483.205	483.205	-	0%

\* Forecast at Q1

- **Reasons for Underspend:**
  - PDR development / review time
  - Government approval processes
  - Too long in design / permitting / procurement
  - Delays during construction





# Challenges & Opportunities

1. Childcare
2. Seismic Reassessments
3. Enrolment Growth
4. Supreme Court Decision /  
MOA on Class Size and  
Composition
5. Construction Cost Escalation
6. Unit Rate and Location  
Factors Update
7. Area Standards







# Childcare

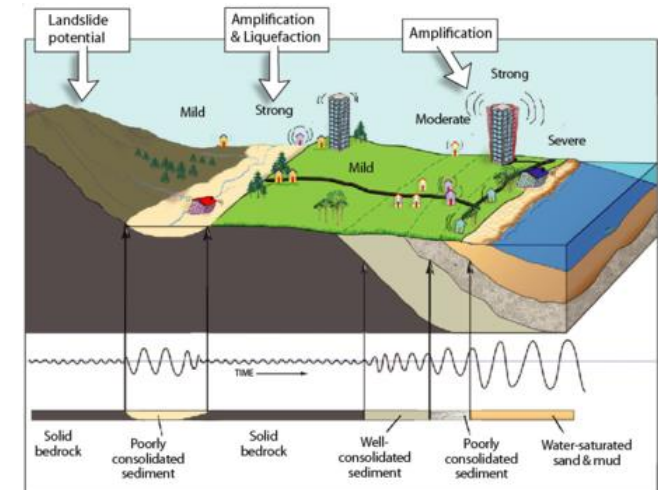


1. Key Government Commitment
2. Create 22,000 new spaces
  - Role for schools in delivering these spaces
  - But is yet to be defined specifically
3. MCFD has a capital program that schools can apply to for funding
  - \$500k for modulars, conversions, etc.
  - EDUC staff can help SD staff connect with MCFD
4. Currently no official mandate for school districts to deliver childcare, would require statutory/regulatory/policy changes
5. Neighbourhood Learning Centres
  - Childcare is now the top priority for NLC space
  - NLC space is not necessarily guaranteed, especially in Secondary schools
  - Only new schools or full replacements can qualify for NLC space



# SRG3 and the 2015 National Building Code

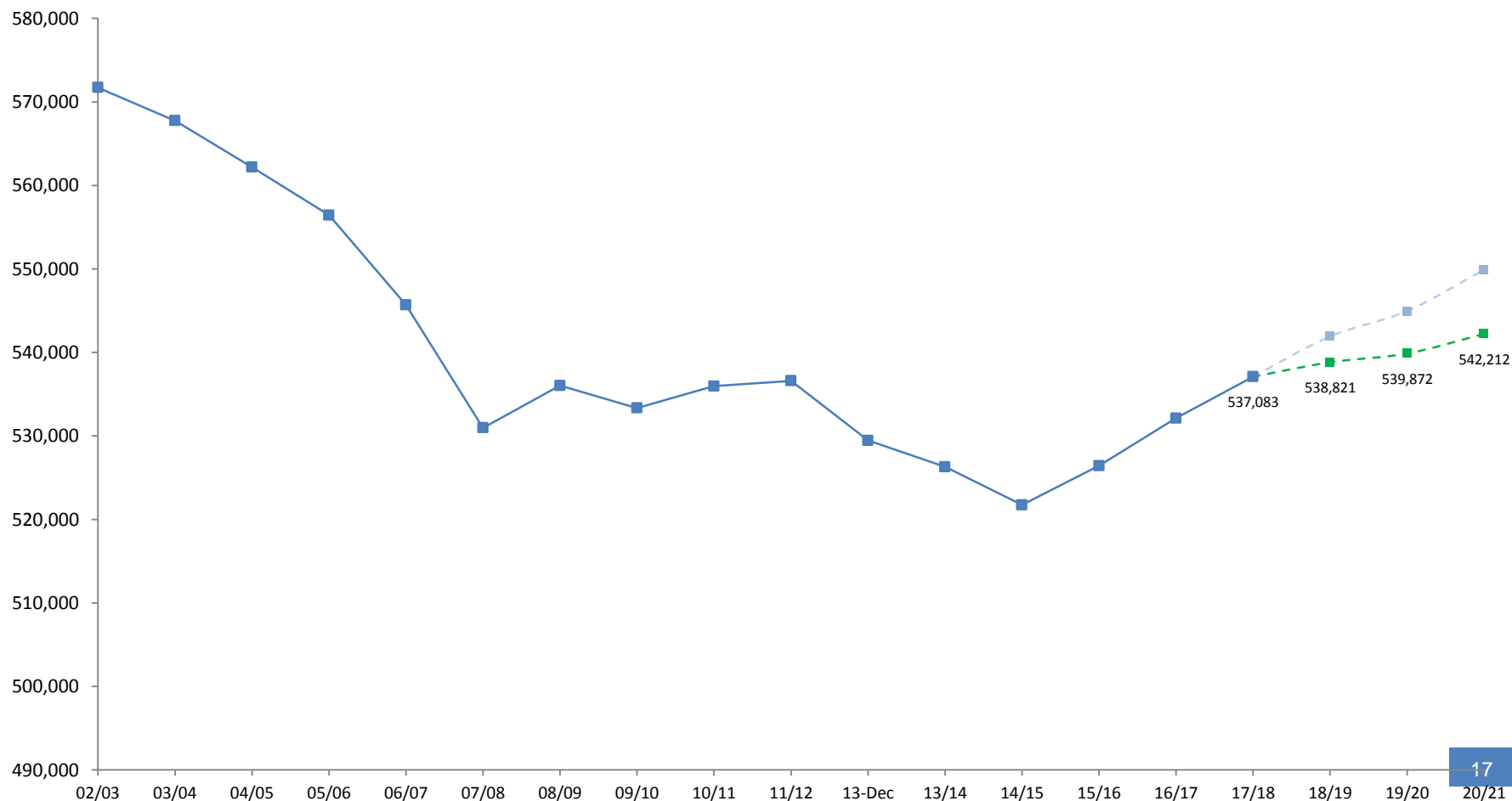
1. Changes to the Code as a result of changes in assumptions for ground force motions during a Cascadia fault event off Vancouver Island
2. Led to changes in the Seismic Retrofit Guidelines
  - SRG3 already in use for active projects
3. Reassessments done in 2018 to determine risk on Vancouver Island and Haida Gwaii and Richmond (liquefaction)
  - Results available in 2019
  - Will require an update to the projects included in the SMP





# Enrolment Growth

May 2018 forecast    Nov 2017 forecast    Actual





# Enrolment Growth

1. Government Commitment to Reduce Reliance on Portables
2. New Schools in New Neighbourhoods
  - e.g., Surrey, Langley, Coquitlam, Abbotsford, Chilliwack, Langford, Kelowna, etc.
3. New Schools or Additions in Densifying Neighbourhoods





## MOA with BCTF on Class Size and Composition

1. Restored language from previous local agreements
2. Approximately 10% reduction in school capacities
  - Easily manageable in some areas, but more difficult in others where enrolment has been growing
3. ~\$50 million in 2017/18 to address immediate pressures
  - Classroom conversions, portables, etc.
4. All space pressures should now be reflected in School District capital plans, whether they are the result of enrolment growth, the MOA, or both







# Cost Escalation

1. Extreme and rapid cost escalation in 2018 has put pressure on capital project budgets across the public and private sectors
2. Causes
  - Market saturation
  - Labour shortages
  - Trade agreements and tariffs
  - Materials costs
  - Municipal permitting
  - Others...







## Cost Escalation and Schools

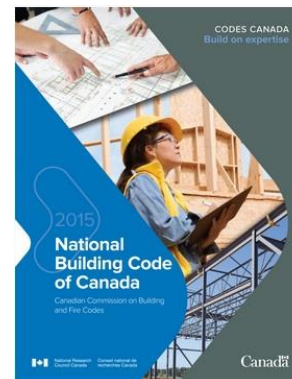
**\$ = ?**

1. More expensive projects = reduced overall purchasing power of the capital plan
2. Projects over budget at pre-tender or at tender can end up delayed or deferred
3. Attention to scope and budgets is required during design development so that projects remain on budget
4. Scope is more closely scrutinized when budgets are being exceeded
5. Ministry to get more involved in the design development process, either directly or indirectly



## Unit Rate Update

1. Last updated in 2010, before that it was 2001
2. Hitting the "reset" button – back to the way it used to work
3. Update will help us all create better budgets
4. Less negotiation with Ministry on specific items
5. Base Rate assumes new and replacement buildings will be designed to meet current code, but not exceed it
6. More use of templates and "below the line" funding
7. The budget is the budget





## Location Factors Update

- Location Factors are developed to incorporate location-specific cost variations into the budget model as well as the ongoing impact of escalation and market volatility.
- Location Factors comprised of three elements:
  1. Local Market Conditions
  2. Seismic Factors
  3. Climatic Factors
- Will be updated every 3-6 months
- When applied to the unit rate they permit the development of defensible budgets





## Area Standards Review

1. Lots of interest in this, some work already done
2. Once the Unit Rate is implemented, the Ministry will consult the Capital Advisory Committee on how to proceed





# Questions?

