

Ministry Update

Capital Management Overview and
Key Success Factors

Presentation to A4LE
by Michael Nyikes
October 2023



BRITISH
COLUMBIA

Ministry of Education
and Child Care

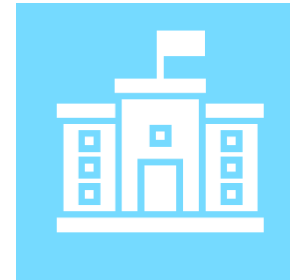
Roles and Responsibilities

Ministry of Education and Child Care



60 Boards of Education

Defines priorities and programs



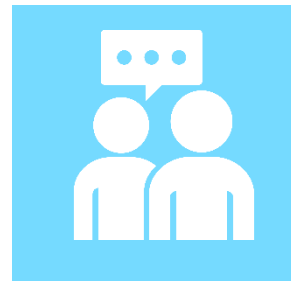
Own and operate public schools

Allocates Funding



Develop project funding requests

Oversight on capital projects



Delivers capital projects



Organizational and Program Overview - Major Capital Programs



Expansion Program



Site Acquisition



New Schools



Additions



Seismic Mitigation Program



Replacement Program



Rural District Program

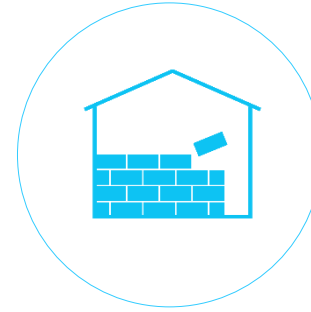


Organizational and Program Overview

- Minor Capital Programs



Annual Facility Grant



Building Envelope Program



Bus Acquisition Program



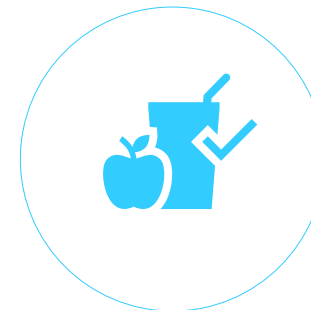
School Enhancement Program



Playground Equipment Program

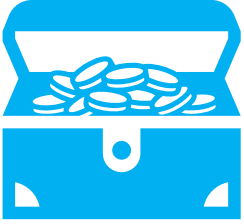


Carbon Neutral Capital Program

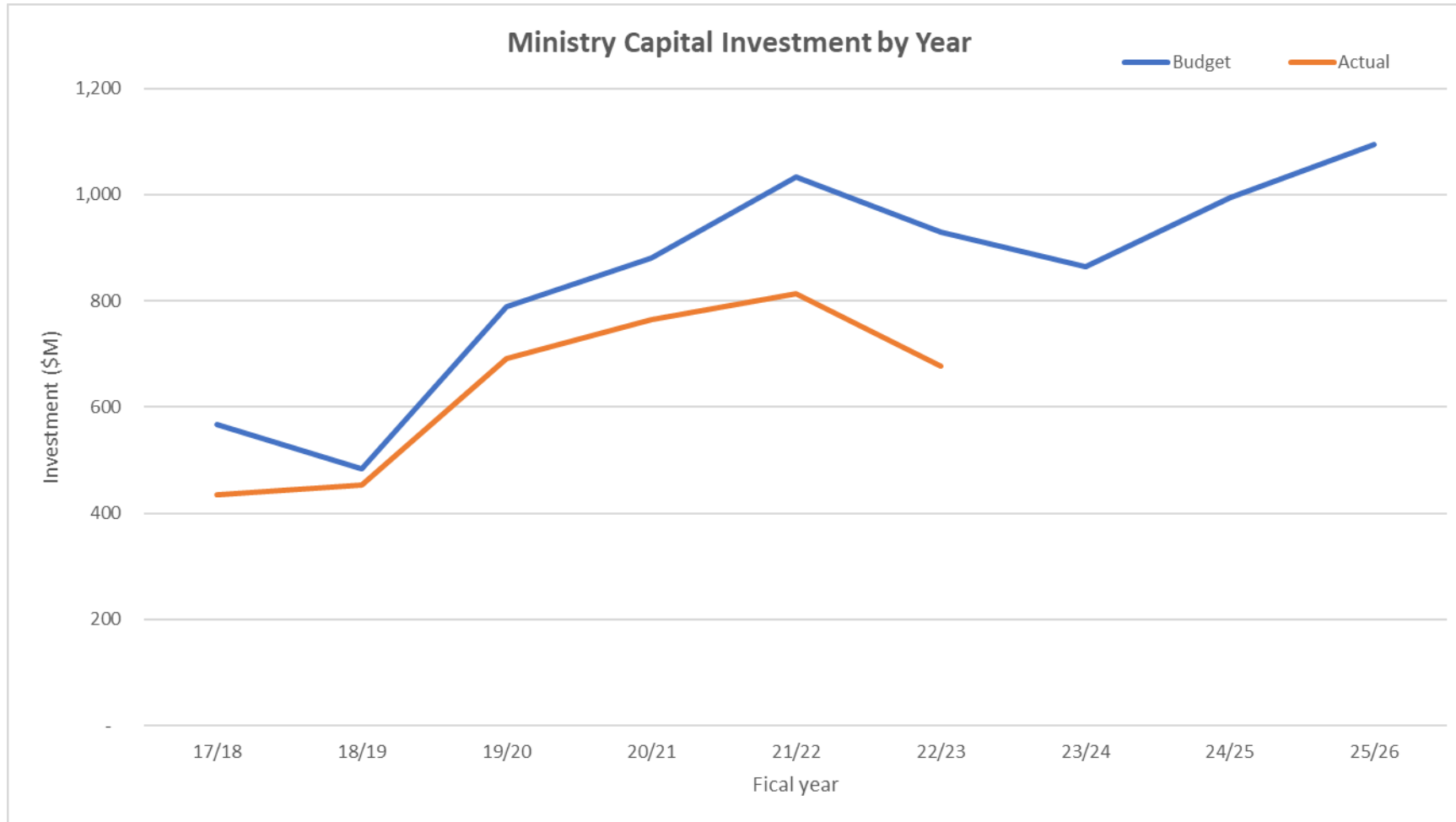


School Food Infrastructure Program





Historical School Capital Investments



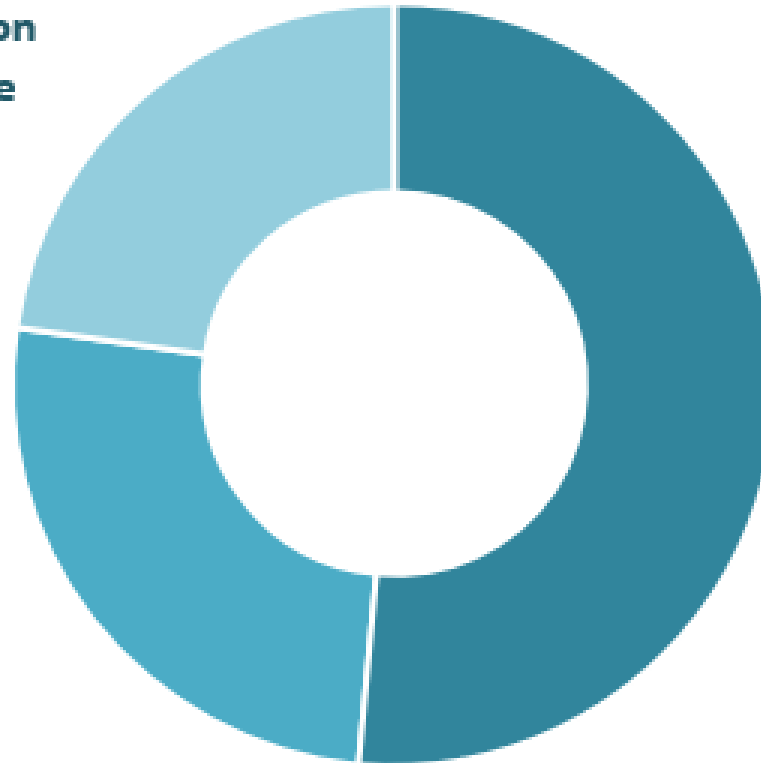
(Based on Budget 2023)

Budget

Plan Period Total Funding 2023/24 - 2025/26 (\$2.95B)

**Asset Rehabilitation
and Maintenance
(\$669M)**

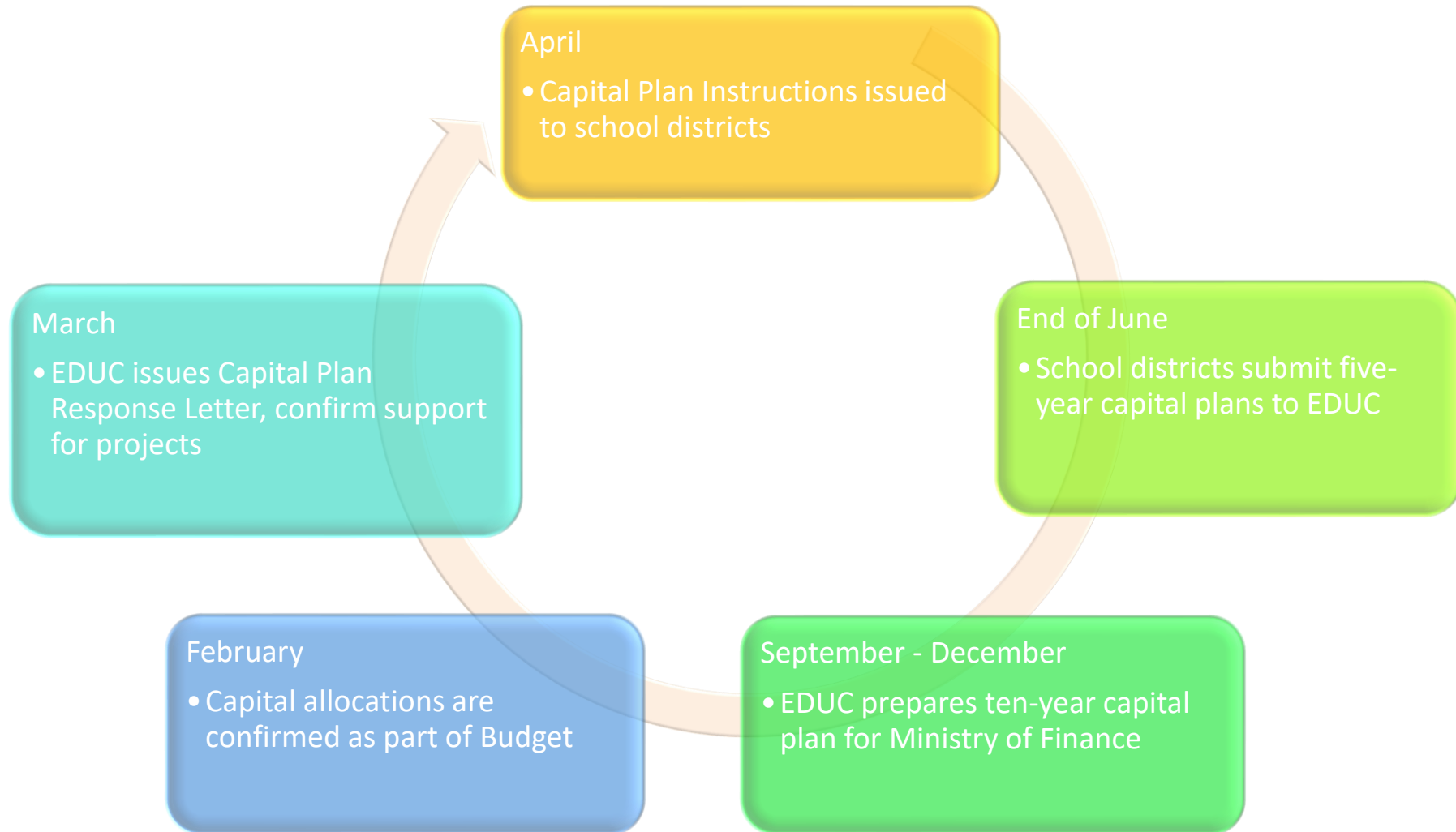
**Seismic
Mitigation
(\$763M)**



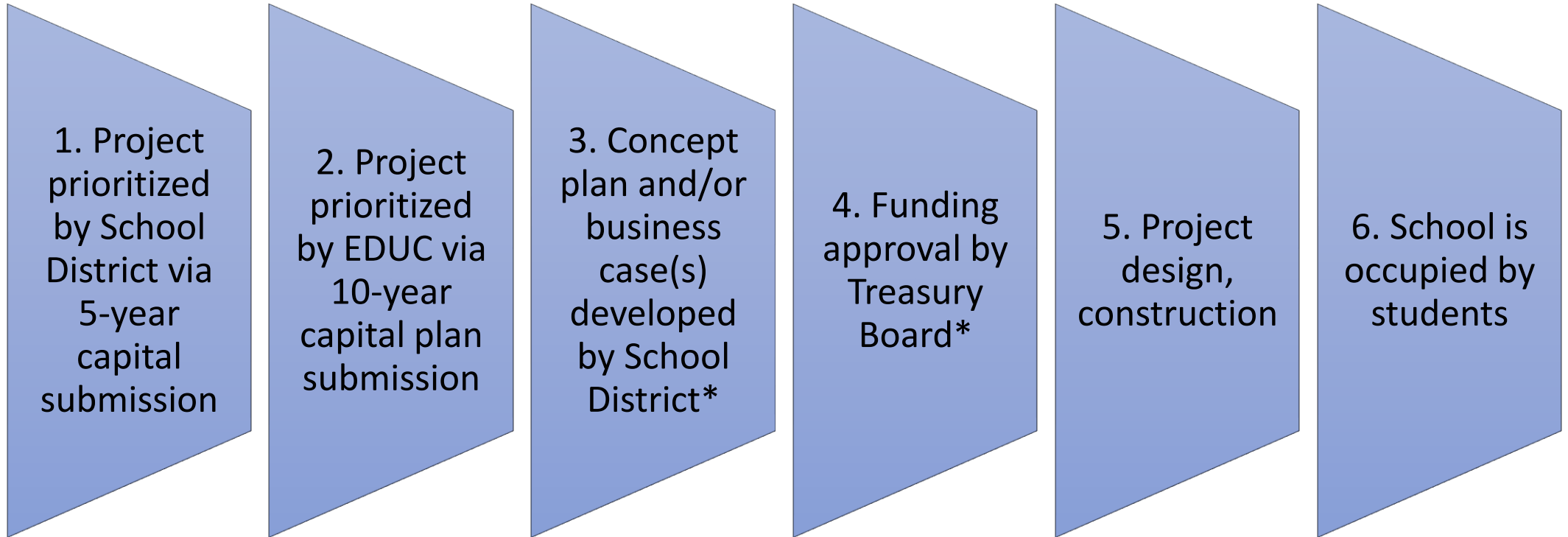
**Expansion and
Replacement
(\$1.52B)**



Annual Capital Planning Cycle



Capital Project Prioritization, Planning and Delivery



* Major capital projects only

Average of 1 - 2 years

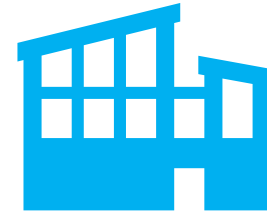
Average of 3 - 5 years



Primary Drivers Informing Capital Spending in BC's Public Education System



Enrolment Growth



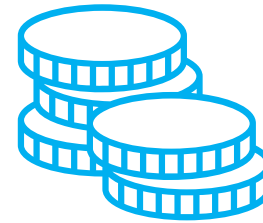
Health and Safety



School Condition and Performance



Minority Language Rights

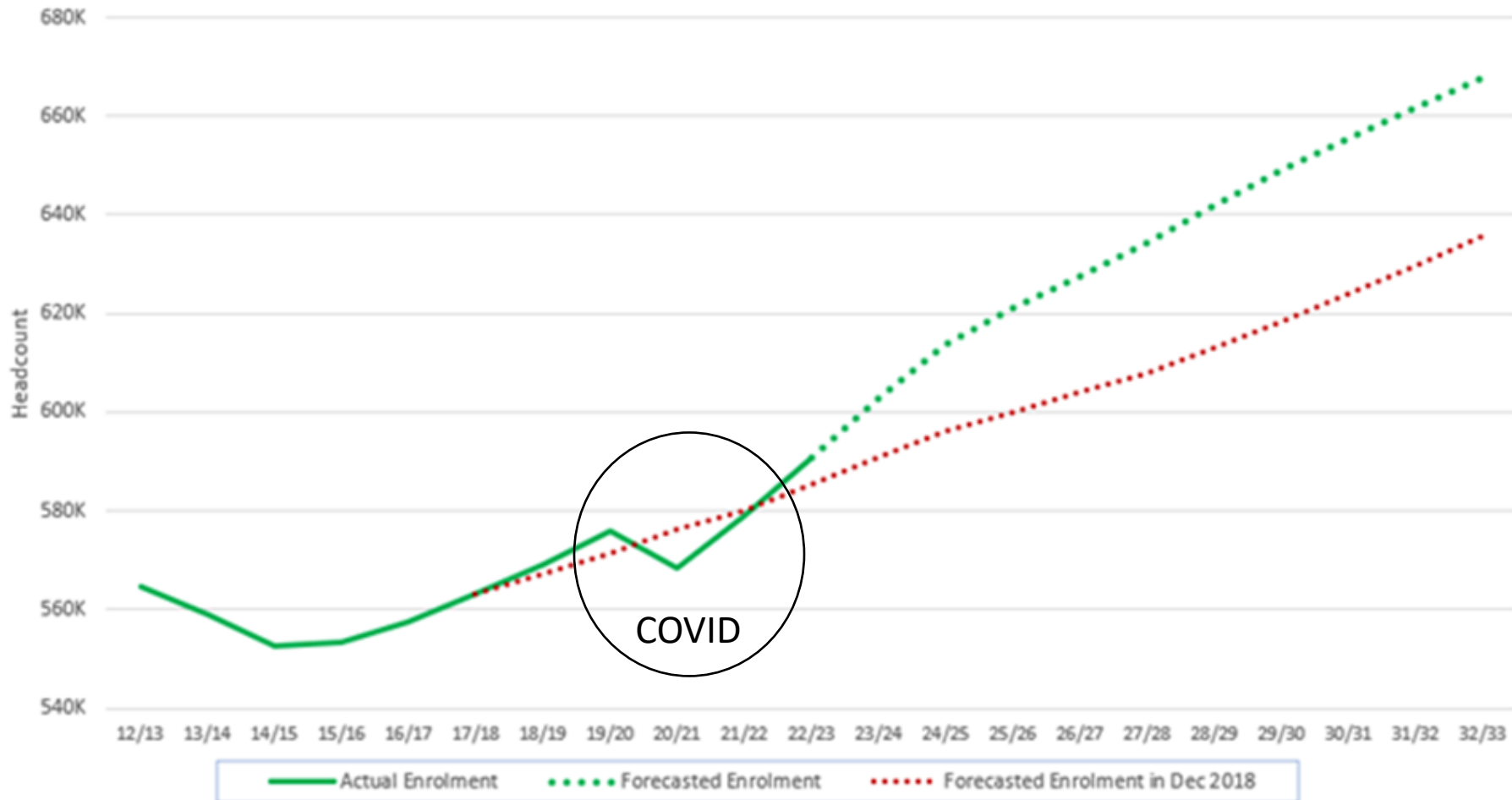


Construction Cost Escalation



Enrolment Growth (1 of 2)

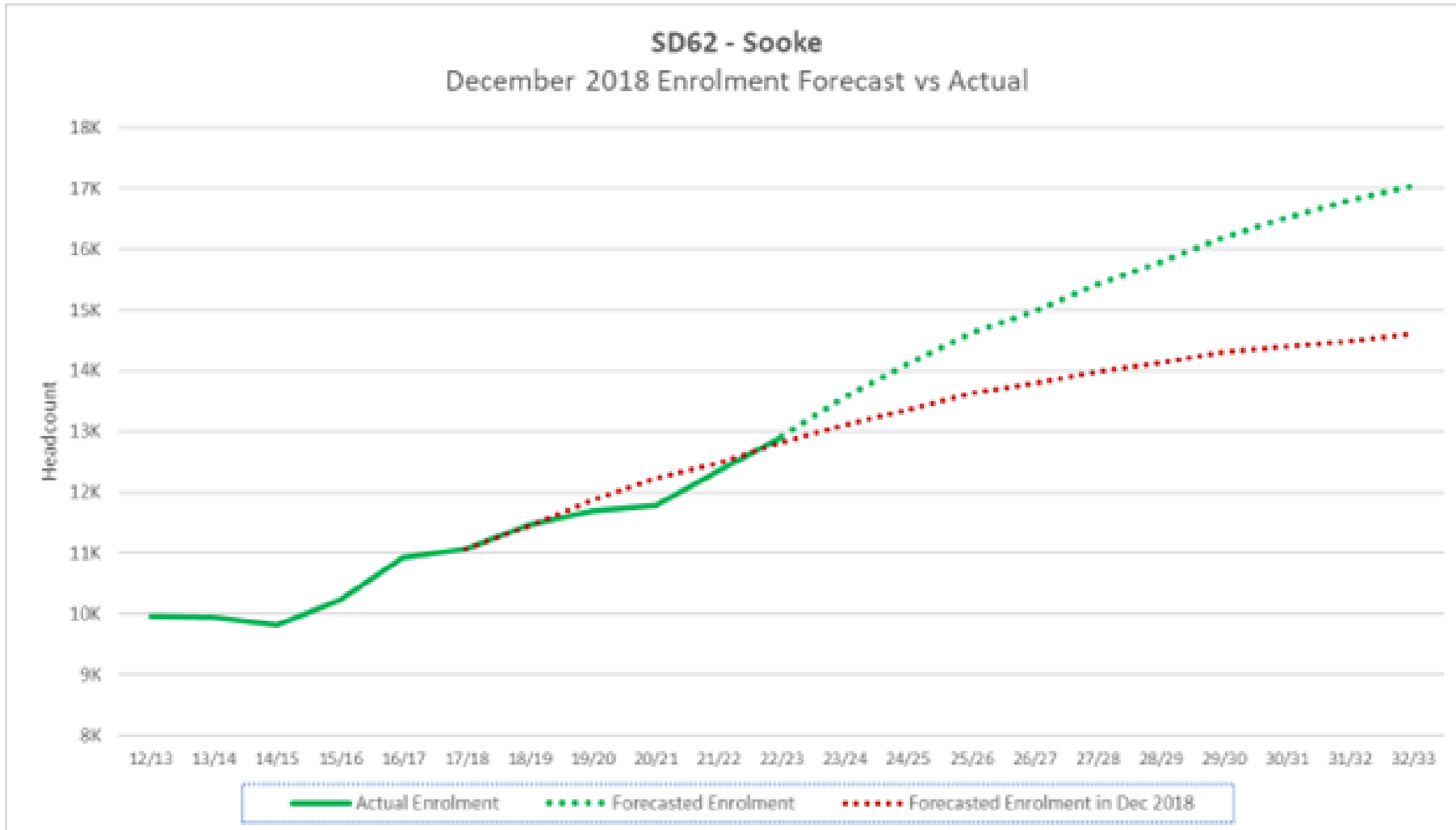
December 2018 Enrolment Forecast vs Actual



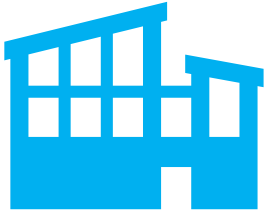
- Public school student enrolment in the province declined until 2014/15, at which time there were approximately 553,000 students.
- By 2017/18 it increased to approximately 563,000 students, with forecasts of approx. 4,000 more students each year thereafter.
- As of 2020/21 the actual student enrolment increases year-over-year has been approx. 10,000 students, and is now forecasted to continue at close to that level on a go-forward basis.



Enrolment Growth (2 of 2)



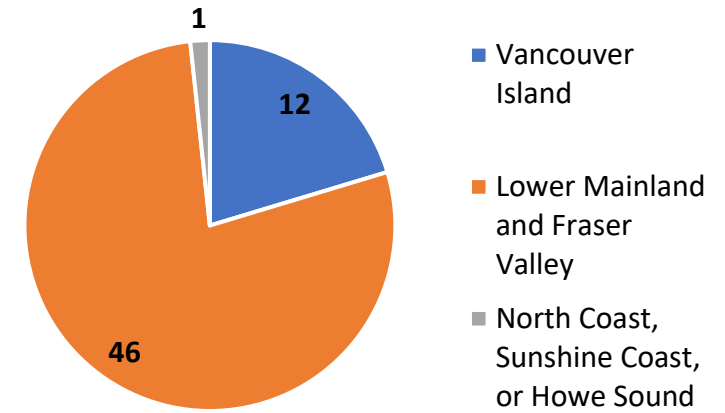
- Sooke's headcount in 2017/18 was 11,100 students, with forecasts of approx. 300 more students each year thereafter.
- Since 2020/21 the actual student enrolment increases year-over-year has been approx. 600 students (which is forecasted to continue at that level on a go-forward basis).
- As of 2022/23, Sooke's headcount was 12,900 students.



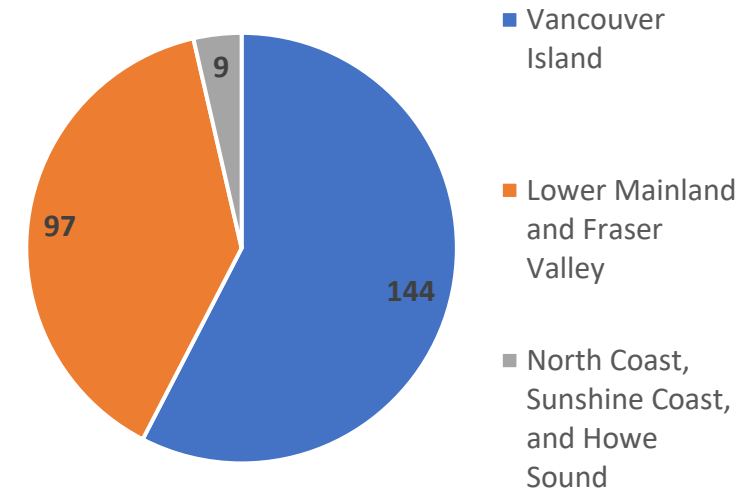
Health and Safety (1 of 3) - Seismic Mitigation Program

- Since September 2017, government has committed almost \$1.3B for seismic upgrades and replacements at 59 schools.
- These 59 seismic projects will generate over 32,000 seismically safe seats.
- ECC identifies a further 250 schools as future priorities in need of seismic mitigation.

Approved Seismic Projects
Since 2017 by Region (n=59)



Remaining Seismic Schools
by Region (n=250)

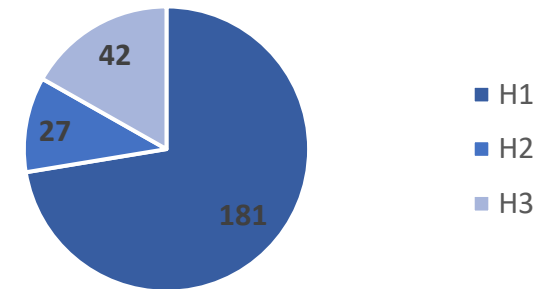




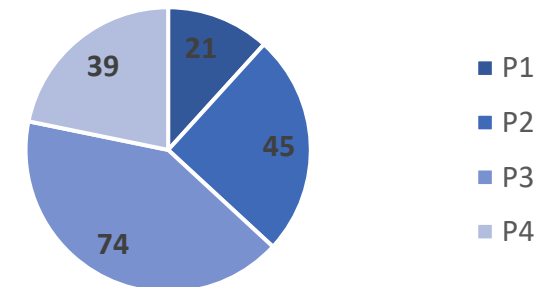
Health and Safety (2 of 3) - Seismic Mitigation Program

- Of the 250 future priorities, 179 have a high seismic risk (H1).
- Of those 179 schools, 21 have a probable risk rating (P-rating) of P1 and 45 have a rating of P2 – these schools have the highest risk of structural failure in a moderate seismic event.
- The next iteration of the Seismic Retrofit Guidelines, SRG2020, were recently finalized and released.

Remaining High Risk Schools by Risk Rating (n=250)



H1-Rated Schools by Probable Risk Rating (n=179)





Health and Safety (3 of 3)

- Ventilation

- Since the beginning of the pandemic, through both provincial and federal funds, we have invested \$219.4M to assist school districts with upgrading ventilation and filtration in thousands of classrooms across BC.
 - Provincial: \$194.4 million
 - Federal: \$25 million
- The Ministry established the Ventilation Technical Advisory Panel (VTAP) to share advice and recommendations on ventilation systems, strategies and best practices to enhance indoor air quality and address the risk of virus transmission.
- Working closely with the VTAP, the Ministry developed and released the [Guidance for HVAC Systems in BC Schools](#) document to support school districts with ongoing improvements to HVAC system performance.



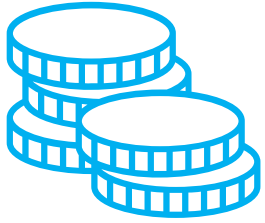
School Condition and Performance

Year	EDUC Routine Capital Program Allocations (AFG, BEP, CNCP, SEP)	Immediate Deferred Maintenance (Cost of repairs and upgrades required within 1 year)	Total Deferred Maintenance (Cost of repairs and upgrades required within 5 years)	Average Provincial Facility Condition Index (FCI) for Total Asset Inventory
2023/24	\$241M	\$422M	\$8.97B	0.44
2022/23	\$226M	\$363M	\$7.77B	0.44
2021/22	\$225M	\$437M	\$7.67B	0.47
2020/21	\$204M	\$441M	\$7.05B	0.47
2019/20	\$192M	\$491M	\$6.95B	0.44
2018/19	\$193M	\$343M	\$6.70B	0.43
2017/18	\$195M	\$396M	\$6.28B	0.43
2016/17	\$174M	\$332M	\$6.26B	0.42
2015/16	\$152M	\$305M	\$6.09B	0.42
2014/15	\$98M	\$296M	\$5.98B	0.41

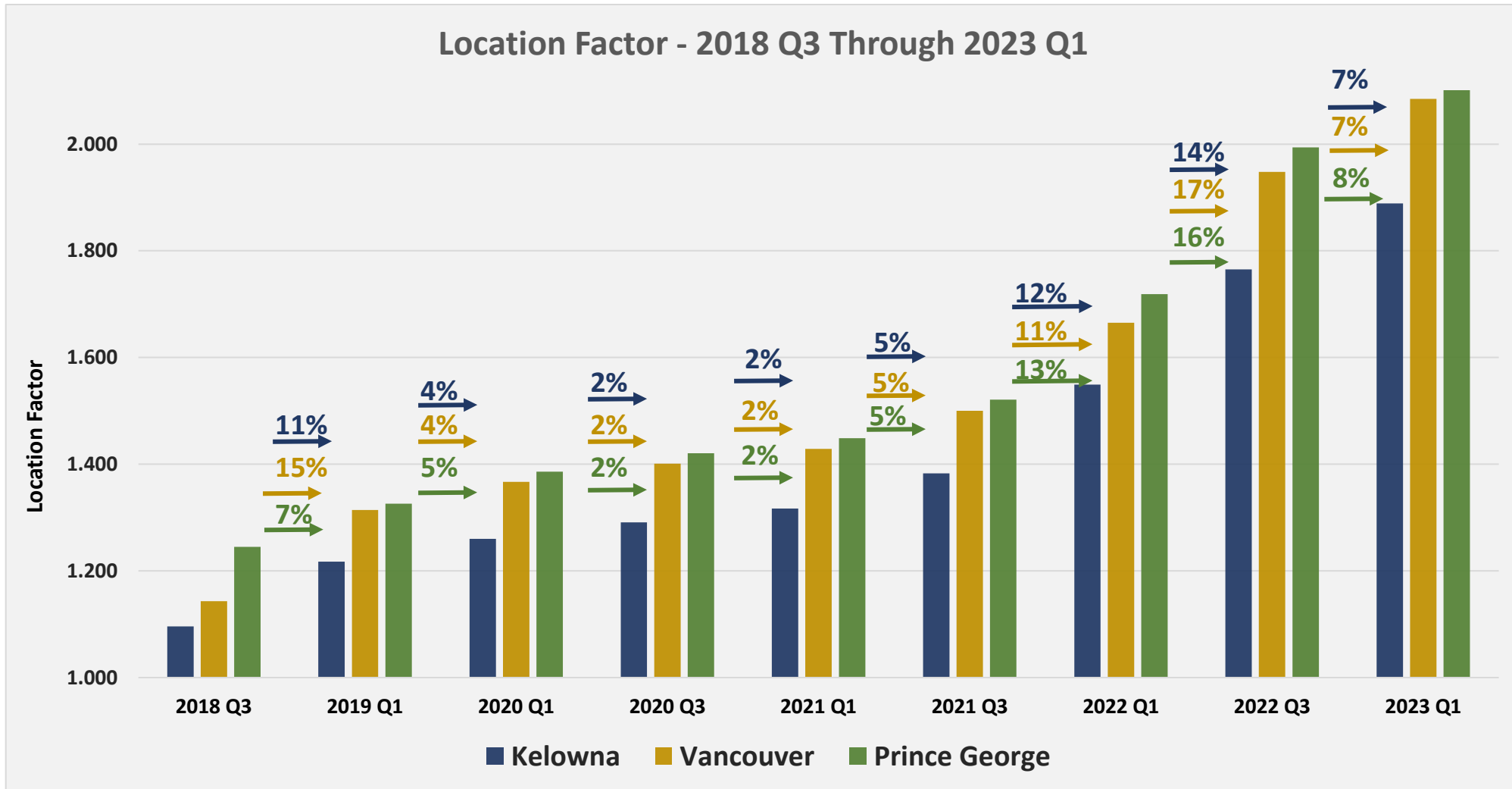


Minority Language Rights

- In a June 2020 decision, the Supreme Court of Canada reinforced the Province's obligations to ensure that s.23 minority language rights holders are provided an equivalent educational experience.
- A new **Capital Strategy for the CSF** is being implemented including the following pillars:
 - Legislative changes that enable the Minister to designate and transfer land and improvements from majority boards to the CSF;
 - The creation of a new CSF Project Office and dedicated ministry project team to expedite planning, business case development and project delivery;
 - Collaboration with GeoBC to identify Crown Land sites that may be suitable for future CSF schools.



Construction Cost Escalation





Key Success Factors

- ✓ **RECENT IMPROVEMENT** - Shortened the business case for major school projects by 1 year.
 - **Why?** Complex business case requirements mean that projects only get going 1 or 2 years after government has added them to its capital plan.
 - **What?** With support from Treasury Board, the Ministry eliminated the need for concept plans for straightforward projects and provides the Ministry the ability to approve projects up to \$50 million.

- ✓ **RECENT IMPROVEMENT** - Extended Capital Project Offices to create capacity for districts to deliver additional projects.
 - ✓ **Why?** School districts have limited capacity to manage multiple capital projects, resulting in delays and project risks.
 - ✓ **What?** Surrey and Richmond Capital Project Offices were recently extended for 5 years.
 - + Considering opportunities to expand and extend Capital Project Offices in other high growth districts.
 - + Currently, 36 projects in business case, design or construction being delivered by Capital Project Offices.
 - + This allows School Districts to have in-house expertise to deliver a large volume of projects quickly while minimizing risks.



Key Success Factors

- ✓ **RECENT IMPROVEMENT** - **Acquire urgently needed school sites proactively**
 - **Why?** Acquiring needed school sites proactively results in better parcels (better location, easier to develop) at more reasonable prices.
 - **What?** Treasury Board recently approved the Ministry using unrealized capital spending (or slippage) to acquire urgently needed school sites proactively, outside of the annual budget cycle.
 - The Ministry recently purchased 2 site in Surrey and Kelowna) in Fall 2023, with more sites in the works.
- ✓ **RECENT IMPROVEMENT** –**Deliver prefabricated classroom additions in high growth communities**
 - **Why?** Traditional site-built classrooms cannot be delivered fast enough to accommodate student enrolment growth.
 - **What?** Treasury Board recently approved the Ministry using unrealized capital spending (or slippage) to fund 12 urgently needed prefabricated classroom addition projects in 8 school districts that will reduce the need for 104 portables and add 2,535 student seats, with most projects completed by September 2024.



Key Capital Management Branch Contacts

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