



July 4, 2016

Ref: 188582

Teresa Rezansoff, Chair
BC School Trustee Association
Email: trezansoff@bcsta.org

Dear Teresa Rezansoff:

Re: Policy for qualifying for seismic mitigation funding under our Capital Program

I am writing in response to your request for clarity regarding the Ministry's policy for qualifying for seismic mitigation funding under our Capital Program. As we have received this question from other school districts and members of the public, we have included clarification in our 2016/17 Capital Plan Instructions that were released last week.

Firstly, I want to commend the hard work of many of your association members for their efforts to support the development or updating of Long Range Facilities Plans that ensure the best use of available classroom space in their school districts. Optimizing classroom space, when it involves consolidating schools, can be a very difficult process for teachers, students, administrators, Board Members and parents. I am confident though that redirecting the resulting operating and capital savings to instruction and programming will make a positive and meaningful impact on current and future student learning.

In regards to clarity on the Ministry's policy for qualifying for seismic mitigation funding, from 2003/04 through to 2008/09 the Ministry included "*Capacity Utilization Thresholds*" within our Annual Capital Plan Instructions. The capacity utilization thresholds applied to qualifying specifically for "*new*" space (new space includes adding land, classrooms or whole schools to the school asset inventory that do not currently exist).

In terms of qualifying for "replacement or rejuvenation" (which would include seismic mitigation) funding was contingent upon "capacity utilization analysis of surrounding schools" and the instruction that "funding would not be supported if adequate space is available at nearby schools to accommodate current and future enrollment".

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In the 2009/10 Capital Plan Instructions, the Ministry replaced the “capital utilization thresholds” for qualifying for new space with a requirement for school districts to provide business cases (referred to as Project Identification Reports and Project Definition Reports) when requesting capital funding for all projects; including seismic mitigation.

Business cases require assessment and demonstration of capital investment needs, including an assessment of current and future enrollment across the school district and within neighbouring schools, and assessment of all reasonable options for meeting the identified need. **The Capital Plan Instructions since 2009/10 have not included “capacity utilization thresholds” but they have been used as a guideline in evaluating business cases for capital investment.** We have included a description of utilization guidelines and their application in our 2016/17 Capital Plan Instructions.

This means, justification of funding of each capital project, including seismic mitigation, requiring school districts to first demonstrate they have taken steps to address capital needs through means within their control. These steps should include utilizing available classroom space across the school district to reduce or eliminate the need for capital funding and to eliminate operating inefficiencies.

This approach has allowed greater flexibility in determining what is reasonable given the unique enrollment trends and practical realities within school districts. For urban school districts with low overall enrollment growth and shifting enrollment across schools, **working toward achieving a District wide utilization average of 95%** allows variations in enrollment between schools and room for growth over the 10 year planning horizon while minimizing operating and capital costs. For smaller school districts, utilization guidelines are lower in recognition of practical realities.

In terms of seismic mitigation funding, high seismic risk schools with high utilization (current and forecasted), located within families of schools with equally high utilization, would likely result in the development of a positive business case for investment. High risk seismic schools with low utilization (current and forecasted) and/or located within families of schools with low enrollment would likely result in the least cost option for mitigating the seismic risk being consolidated into neighbouring schools or partial demolition of portions of the school. This is why the development of a Long Range Facilities Plan is so important to establishing capital funding priorities.

I hope this helps clarify that the Ministry does not have a requirement that every school operates at 95% in order to qualify for seismic funding or that the School District is operating at 95%. But we do expect a clear demonstration of the efficient utilization of the space available to ensure funding is going to the best possible use.

Should you wish to review the documents referenced they can be located at:

<http://www2.gov.bc.ca/gov/content/education-training/administration/resource-management/capital-planning/resources-archive/capital-planning-documentation>.

I am also hopeful the clarity provided in the 2016/2017 Capital Plan Instructions will avoid similar confusion of application of policy in the future. Please do not hesitate to call if you have any further comments or questions.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Shanna Mason, Assistant Deputy Minister
Capital Division

pc: Dave Byng, Deputy Minister, EDUC
Mike Roberts, BCSTA, MRoberts@BCSTA.ORG

STATEMENT

For Immediate Release
2016EDUC0103-001769
Sept. 21, 2016

Ministry of Education

Province clarifies utilization targets for school construction

VANCOUVER – Education Minister Mike Bernier released the following statement today clarifying utilization targets for school construction in B.C.

“There has been a great deal of confusion about utilization targets lately – much of that confusion driven by misinformation pushed out by various parties. We are ending that confusion today by getting rid of utilization targets as part of our school investment process.

“Since the early 2000s utilization targets have been a highly technical planning tool for school districts and the Province when it comes to building new schools and expanding existing ones. The rationale is quite simple – making sure existing schools were being used as much as possible before making a multi-million dollar investment in a new school or a school expansion.

“Getting rid of the sliding scale of utilization targets used throughout the province based on a district’s size better reflects the reality of how school projects are approved in B.C. – on a case-by-case basis. Vancouver is the best example of this. We are funding the new International Village school because of the growing student population in the area even though across Vancouver there are thousands of empty seats, 10% fewer students, and utilization targets in the 80% to 85% range – well below the 95% target.

“Student safety is key and that is why utilization targets have never been a requirement for seismic upgrades. The Province has worked with districts on a case-by-case basis to ensure schools are upgraded as quickly as possible. Districts like North Vancouver, Delta and Greater Victoria have made incredible progress getting schools upgraded and ensuring the right amount of space for the right number of students.

“Vancouver is unique because it is the only district that has a districtwide goal related to seismic upgrades – something the board agreed to in a Memorandum of Understanding with the Province. It is clear this is a goal not a requirement as right now there is \$200 million worth of provincially funded seismic upgrades under way in Vancouver. To reflect this reality of funding upgrades when a solid case is brought forward, we will remove the 95% goal if the Vancouver School Board agrees.

“School districts will still need to justify their applications to build new schools or expand existing ones. Taxpayers expect to be investing in the right number of schools for the actual number of students. The reason is simple – putting massive efforts into maintaining empty classrooms short-changes students of better classroom services, more teachers and more education assistants.”

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