

<b>REPORT TO:</b>	<input type="checkbox"/> Administrative Council <input type="checkbox"/> Program and School Services Advisory Committee <input type="checkbox"/> Policy Working Committee <input type="checkbox"/> Planning and Priorities Advisory Committee <input checked="" type="checkbox"/> Board <input type="checkbox"/> Other:
	<b>For Board Meetings:</b> <input checked="" type="checkbox"/> PUBLIC <input type="checkbox"/> IN-CAMERA
<b>TITLE OF REPORT:</b>	Education Development Charges
<b>PRESENTER(S):</b> <i>(list ONLY those attending the meeting)</i>	Linda Nicholls, Acting Associate Director Geoff Vogt, Superintendent of Facility Services and Capital Planning Ben Puzanov, Manager of Planning
<b>REPORT AUTHOR(S):</b>	Ben Puzanov, Manager of Planning Cassandra Harms, Junior Planner
<b>PRESENTED FOR:</b>	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Input/Advice <input type="checkbox"/> Information
<b>Recommendation(s):</b> <i>(only required when presented for approval)</i>	THAT Administration initiate the process to consider the passage of education development charge by-laws across the TVDSB's jurisdiction in Middlesex, Elgin and St. Thomas, Oxford, and London, including public consultation.
<b>Purpose:</b>	To provide an overview of education development charges and consider their implementation across TVDSB's jurisdiction.
<b>Content:</b>	<p><b>BACKGROUND</b></p> <p>In accordance with the <i>Education Act</i>, school boards are responsible for providing pupil accommodation for students. Planning for the construction of new capital is an integral part of a school board's ability to provide adequate pupil accommodation, especially as residential growth continues to occur at a rapid pace throughout the district.</p> <p>Education Development Charges (EDCs) are a revenue source for eligible school boards that need to purchase land for new schools in order to accommodate students resulting from new residential development. Ontario Regulation 20/98 provides detailed requirements for a school board's eligibility to impose EDCs and the process for determining EDC rates. School boards that collect EDCs may acquire sites in accordance with a timeline included in their EDC background study and in advance of business case approvals for the construction of these new schools.</p> <p>EDCs may be collected from residential development (or a combination of residential and non-residential development), with some restrictions and exceptions, and are to be used to support costs related to providing accommodation for students in the area to which the by-law applies. This would generally include the following:</p> <ol style="list-style-type: none"> <li>1. Costs to acquire land or an interest in land, including a leasehold interest, to be used by the board to provide pupil accommodation;</li> <li>2. Costs to provide services to the land or otherwise prepare the site so that a building or buildings may be built on the land to provide pupil accommodation;</li> <li>3. Costs to prepare and distribute education development charge background studies;</li> </ol>

4. Interest on money borrowed to pay for costs noted in items 1 and 2 above; and
5. Costs to undertake studies in connection with an acquisition referred to in item 1 above.

TVDSB does not currently collect EDCs. In addition to Ministry approvals related to projected enrolment and required school sites, at least one of the following conditions must be met for TVDSB to pass initial EDC by-laws:

1. The estimated average number of elementary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate elementary school pupils throughout its jurisdiction on the day the by-law is passed; and/or
2. The estimated average number of secondary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate secondary school pupils throughout its jurisdiction on the day the by-law is passed;

Based on conservative estimates, Administration projects that condition 1 above will be met as a minimum in the coming years and it would be prudent for the Board to consider the passage of EDC by-laws across the district.

For the purposes of Ontario Regulation 20/98, TVDSB is organized into four regions: County of Middlesex, County of Elgin and the City of St. Thomas, County of Oxford, and the City of London. The qualification criteria outlined above apply to the entire jurisdiction of TVDSB and are not region-specific. The Board may pass an EDC by-law for each of these regions if it deems it appropriate to do so and funds collected in each would only be used for sites within the respective region. If an EDC by-law is passed, charges are collected by the respective municipalities in each region at the time of building permit issuance and are subsequently remitted to the school board.

The passage of an EDC by-law by a school board authorizes the imposition and collection of EDCs. Each EDC by-law has a maximum term of 5 years but may be renewed sooner. The calculation of the charge is based on projected enrolment resulting from new development over a fifteen-year period.

To pass an EDC by-law, a school board must first complete a background study. This study provides information on the methodology used by the school board in determining the calculation of the charge, as well as the assumptions and logic employed in determining development projections, enrolment projections, site requirements, and estimated education land costs.

The calculation of the charge is based on estimates of the anticipated volume, type, and location of development, the number of projected new pupils, as well as an estimated cost of land needed for education purposes.

	<p><b>Benefits of EDC By-laws</b></p> <p>Over the last couple of years, TVDSB has experienced significant challenges in securing land in a timely manner in order to support the construction of new schools that have been approved through the Ministry of Education’s Capital Priorities Program. This is largely due to the rapid pace of development activity across our district. Both the TVDSB and our municipal partners would benefit from the implementation of EDCs through the increased expediency with which TVDSB could provide adequate pupil accommodation.</p> <p>TVDSB currently relies on the Ministry’s Land Priorities Program to fund the acquisition and site preparation of land for new schools. EDCs would provide an alternative source of revenue for the board, thereby improving the ability to address accommodation pressures in a more timely manner and strengthen our business case submissions to the Ministry as growth-related school site acquisitions would no longer be funded by the Province. The TVDSB faces persistent accommodation pressure across the district as a direct result of new residential development and access to EDCs would be beneficial in responding to this growth in a timely manner. It is important to note that as with the Land Priorities Program, Ministry approval to secure properties needed for student accommodation would still be required if EDCs are collected in one or more of our regions.</p> <p><b>Challenges with EDCs</b></p> <p>EDCs vary across school boards based on the future site acquisition requirements of each district. The background study will identify the total amount of EDCs that TVDSB will need to collect for future land acquisitions and site preparations. The Province has imposed a cap on initial EDCs and the rate at which they can increase each year. Any deficits in EDC accounts are generally funded by debt until such a time that sufficient monies are collected from new development to cover site acquisition and preparation costs. Debt service charges are EDC-eligible to ensure boards are able to recover costs over time.</p>
<b>Financial Implications:</b>	The costs to prepare an EDC background study would be apportioned by region and are EDC-eligible. If the background study work is completed but the by-law(s) is not passed, costs incurred in this regard would be the responsibility of TVDSB as there is no other funding mechanism to recover these expenses.
<b>Timeline:</b>	Administration proposes to complete this work as soon as possible and for Trustees to consider passage of EDC by-laws in the Spring or Fall of 2024.
<b>Communications:</b>	An extensive public consultation program would be initiated as part of the preparation of a development charges background study, including discussions with municipal partners, the public, and the development and building community.
<b>Appendices:</b>	APPENDIX A - Presentation

**Strategic Priority Area(s):**

**Relationships:**

- Students, families and staff are welcomed, respected and valued as partners.
- Promote and build connections to foster mutually respectful communication among students, families, staff

and the broader community.

Create opportunities for collaboration and partnerships.

---

**Equity and Diversity:**

Create opportunities for equitable access to programs and services for students.

Students and all partners feel heard, valued and supported.

Programs and services embrace the culture and diversity of students and all partners.

---

**Achievement and Well-Being:**

More students demonstrate growth and achieve student learning outcomes with a specific focus on numeracy and literacy.

Staff will demonstrate excellence in instructional practices.

Enhance the safety and well-being of students and staff.

---

*Form Revised JUNE 2021*



# Education Development Charges

March 28, 2023

# Agenda

1. Background

2. Benefits

3. Challenges

4. Recommendation

# I. Background: Education Development Charges

- Due to the rapid residential growth occurring across the district, planning for new capital is critical
- Education Development Charges (EDCs) are a resource school boards can use, if eligible, to purchase **land** for new schools
  - This helps to **ensure that land is more likely to be available** for new schools as soon as they are approved
- School boards that collect EDCs may acquire sites in accordance with a timeline included in their EDC background study

# I. Background: Education Development Charges

- EDCs are primarily collected on residential development; however, they can be applied to a combination of residential and non-residential development (with some exemptions and restrictions)
- Costs eligible for EDCs include the following:

**1** Costs to acquire land or an interest in land, including a leasehold interest, to be used by the board to provide pupil accommodation

**2** Costs to provide services to the land or otherwise prepare the site so that a building or buildings may be built on the land to provide pupil accommodation

**3** Costs to prepare and distribute education development charge background studies

**4** Interest on money borrowed to pay for costs noted in items 1 and 2

**5** Costs to undertake studies in connection with an acquisition referred to in item 1



# I. Background: Education Development Charges

- To initiate an EDC Background Study and consider the passage of EDC by-laws, school boards must meet **one of the following conditions**:
  1. The estimated average number of **elementary school pupils** of the board over the **five years** immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate elementary school pupils throughout its jurisdiction on the day the by-law is passed
  2. The estimated average number of **secondary school pupils** of the board over the **five years** immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate secondary school pupils throughout its jurisdiction on the day the by-law is passed

# I. Background: Education Development Charges

- For the purposes of EDCs, TVDSB is organized into four regions:
  - **County of Middlesex**
  - **County of Elgin** and the **City of St. Thomas**
  - **County of Oxford**, and
  - **City of London**
- EDCs are collected by the respective municipalities in each region and remitted to school board
- Each EDC by-law has a maximum term of **five (5) years**; however, it can be renewed sooner if deemed necessary
- Calculation of the charge is based on the projected enrolment resulting from new development over a **fifteen (15) year period**
- For an EDC by-law to be passed, a background study must first be completed

## 2. Benefits of EDC By-laws

- As a **high-growth district**, it is difficult to secure land in a timely manner to support construction for new schools
- EDCs will help with addressing accommodation pressures in a **more timely manner**, which benefits our students and communities
- No longer relying on Provincial funding for the acquisition of new school sites
- Land availability **strengthens** business case submissions

# 3. Challenges with EDCs

- Provincial government has imposed a **cap on initial EDC value**
  - There is also cap on the rate at which EDCs can increase each year
- Any deficits in EDC accounts are generally funded by debt
  - If there are insufficient funds in an EDC account to purchase a school site (i.e. funds still need to be collected from new development to pay for the purchase), the difference would have to be borrowed
  - Debt-service charges can be recouped through future EDCs to ensure all costs are recovered over time

## 4. Recommendation

THAT Administration initiate the process to consider the passage of education development charge by-laws across the TVDSB's jurisdiction in Middlesex, Elgin and St. Thomas, Oxford, and London, including public consultation.