



Major Capital Projects and COVID-19 Resilience Infrastructure Stream Funding Status Update

To: Finance, Budget and Enrolment Committee

Date: 13 October, 2021

Report No.: 10-21-4164

Strategic Directions

- Provide Equity of Access to Learning Opportunities for All Students
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that the report be received.

Context

This report provides an update regarding the status of the Major Capital projects as well as the projects funded under the COVID-19 Resilience Infrastructure Stream funding (CVRIS). New school or major additions are considered Major Capital projects. Since the previous Major Capital Projects Status Update report presented in April 2021, the Board has received Approval to Proceed (ATP) from the Ministry for three projects as noted below:

- approval to proceed for the construction for the new Bloor Collegiate Institute and Alpha Alternative replacement school (Ward 9);
- funding and approval to proceed with the demolition of the existing Dennis Avenue Community School (Ward 6);
- approval to proceed with construction of the addition and five-room childcare at Terry Fox Public School (Ward 20).

In addition, construction of the new Davisville and Alpha Alternative school was completed in July and the school is now operational. The childcare located in the school will open in January 2022.

A summary of the Capital projects status and approved funding is provided in Appendix A. The Ministry has typically approved additional capital priorities funding as part of the final approval process for extraordinary costs related to site conditions and City of Toronto Green standards. As part of the final approval process, the Ministry also approves utilization of Proceeds of Disposition to cover capital funding shortfalls.

The TDSB submitted ten capital priorities projects to the Ministry of Education on May 21, 2021 for the 2021/2022 Capital Priorities program. These projects were identified in the Long-Term Program and Accommodation Strategy and were approved by the Board on April 21st. The Ministry has indicated that funding approval could be announced in October 2021. Those schools are:

- 1 Lower Yonge Precinct Elementary
- 2 Consolidated 1,300pp Secondary School at York Memorial CI
- 3 Davisville Jr. PS
- 4 Poplar Road Jr. PS (Guildwood PARC)
- 5 Elizabeth Simcoe Jr. PS (Guildwood PARC)
- 6 Regent Heights PS
- 7 St. Margaret's PS
- 8 Secord PS
- 9 West Donlands Elementary
- 10 705 Progress Elementary

COVID-19 Resilience Infrastructure Stream (CVRIS) Funding

The Ministry announced the CVRIS funding initiative in November 2020, which provides funding of up to \$656M to school boards across Ontario. 80% of this funding is to be provided by the Federal government, and 20% by the Provincial government. TDSB submitted \$159.3M in capital projects to the Ministry in November 2020. On May 7, 2021, TDSB received official funding approval for \$81.6M of the projects submitted.

On September 23, 2021, the Ministry of Education announced through Ministry B Memo 2021:B18 that the deadline for the completion of CVRIS projects will be extended from the original deadline of December 31, 2021 to December 31, 2023. This 2-year extension is in response to challenges boards were encountering with the timely supply and delivery of equipment and materials, as well as not being able to undertake the more complex mechanical upgrade projects while schools are occupied.

The funding continued to be capped at the approved allocation for each project bundle and funds cannot be transferred from one project bundle to another. Also, any expenses incurred prior to the funding approval date will not be eligible. The projects must promote occupant health and safety, improve facility conditions, enhance physical distancing and facilitate distance learning. School boards must also meet the following terms and conditions:

- All CVRIS Projects must be completed by December 31, 2023, and any expenses incurred after this date will not be eligible for funding. To maximize health and safety for staff and students, school boards should complete the CVRIS projects as soon as possible, and work towards the original December 31, 2021 completion date.
- School boards are required to submit progress reports to the Ministry by October 31 and April 30.
- If the actual cost of the project bundles are lower than the approved amounts, school boards can submit a request to the Ministry for additional project items within the bundle to fully utilize the approved funding. School boards must promptly notify the Ministry of any project cancellations or project bundle changes that may alter the project scope, as these projects will require Federal government approval before proceeding.
- School boards must comply with communication digital signage requirements as specified by the Government of Canada and Ministry of Education.

As of October 5th, 2021, TDSB has incurred \$18.86M in actual expenditures and \$42.08M in committed expenditures, from \$81.6M in approved CVRIS funding. Please refer to Appendix B for the breakdown by project category. Appendix C lists all the CVRIS projects by ward and school.

Changes in CVRIS Projects pending Ministry approval

The following are changes to the original CVRIS project submission that are currently pending Ministry approval:

- **HVAC Upgrades:** There are 22 projects relating to HVAC upgrades in schools and portable classrooms that were cancelled. These projects total approximately \$3M and are cancelled because of findings during initial site surveys conducted by staff, which determined that some of the selected schools were either fully ventilated or had adequate ventilation in the majority of spaces. They will be replaced by other HVAC projects at other schools that had been scheduled for execution during the 2021/2022 renewal program, subject to EDU approval.
- **Learning Classroom Implementation (WIFI access points):** 22 out of the 310 planned projects were cancelled. These projects total approximately \$1,200,495.

Of these projects, 19 were cancelled as there are multiple schools at the same school location and did not require additional WIFI access points, and 3 were cancelled as a result of school closures. These will be replaced by 8 new projects at other locations, subject to EDY approval.

Childcare Projects

The TDSB received funding approval in 2017 for seventeen childcare additions. These are typically three or five room childcare additions with possibly some renewal or other renovation work in the existing building. As reported in the previous April 2021 Major Capital Projects Status Update report, these childcares are located in underserved areas identified by the City. An additional 10 childcare projects have been subsequently approved by the EDU as noted in Appendix A. These projects have been submitted to Ministry staff for review.

In April 2021, the Board approved the utilization of up to \$17 M. of Proceeds of Disposition (POD) to partially fund the capital overages associated with the first 17 childcare projects. The Ministry has not as yet provided approval to proceed to tender for these projects. TDSB staff have provided all the necessary information, including an external cost consultant letter detailing the on-going construction industry cost pressures as noted earlier in the report. Another factor that is not reflected in the current funding benchmark is that these smaller additions are more challenging to build given that the sites are in established neighbourhoods with limited access to the construction zone and the schools are to remain operational throughout the construction, with greater emphasis on safety.

Action Plan and Associated Timeline

Construction of the replacement Bloor CI and Alpha Alternative school has started with the general contractor beginning to mobilize on the site. Students from Bloor CI and Alpha Alternative have been relocated to Central Technical School. Construction is anticipated to take 30 months to complete.

The tender for the demolition of Dennis PS will be issued shortly. Students have been relocated to Rockcliffe MS until completion of the new school. ATP is still pending for the construction of the replacement Dennis PS school. Construction for Terry Fox addition has also started and the students will remain on site during construction.

There are several factors that continue to impact timelines and funding of capital projects. Those factors are not within the Board's purview to control although staff continue to advocate with City and EDU staff to advance timelines.

- Approval timelines for both Site Plan Approval and Building Permit;

- Increased construction costs, primarily due to the supply-chain impact from the pandemic as well as on-going increased construction volume, especially in Ontario;
- Ministry of Education approval timelines;

In March 2021, as part of the 2021 - 2022 Capital Priorities program launch, (Memo 2021: B05) the Ministry announced it has “undertaken a review of its Capital Accountability Process with the intent to identify opportunities to help expedite responses to school boards”. As more details become available, TDSB staff will provide information to the Board and update resources detailing any changes in the capital priorities approval process.

A report will be provided in the November cycle of meetings, providing an update of the school renewal program, including funding parameters, historical data and future strategies for addressing local school renewal priorities within an equity framework.

Resource Implications

Although the TDSB receives additional capital priority funding for extraordinary costs, Proceeds of Disposition funding is often required to fund project shortfalls. Following Board approval, Ministry approval to utilize POD is required for each project. In the previous Capital report from April 2021, the Board approved up to an additional \$21.4M of POD to fund the capital overages for:

- 17 childcare projects;
- the Courcellette PS Addition; and
- the access easement costs associated with the new Davisville PS and Spectrum Alternative Senior School.

Reports will be brought to the recommending the use of POD for capital projects, as needed.

Communications Considerations

TDSB staff will continue to update individual school communities regarding the progress of capital projects, including providing updates to the schools associated with the pending childcare additions. In consultation with the school principal, capital status update information will be posted on each school's web page.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Capital Project Status Updates
- Appendix B: CVRIS Project Update
- Appendix C: CVRIS Projects by Ward/School

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