

**Pre-Budget Consultation Submission to the
Standing Committee on Finance and Economic
Affairs**

Ontario Legislative Assembly

**Presented by Robin Pilkey
Chair, Toronto District School Board**

**Oral Presentation with Additional Information –
Appendix A**

Tuesday, January 29, 2019 – 1:45 p.m.



Speaking Notes: Chair Robin Pilkey
Pre-Budget Consultations
Queen's Park, Room 151
Tuesday, January 29, 2019

Good afternoon, members of the Standing Committee on Finance and Economic Affairs.

On behalf of the Toronto District School Board, I want to begin by thanking you for providing me the opportunity to participate in the pre-budget consultations.

Today I will be submitting my presentation, with an appendix, that will go into further detail regarding some of the topics I am about to share with the committee.

As Canada's largest and most diverse school board, the TDSB has a unique set of needs when it comes to what is required to best support our students and communities.

Today, I will highlight some of our bold and transformational changes; key results of our hard work; and the persistent budget pressures we continue to face.

I will also recommend potential changes to government policy that could benefit our schools and have no fiscal impact on the treasury. But, before I begin, I want you to know that we understand the fiscal situation that has been outlined by government to date, and that our advice today is not just about where and how to spend more money.

Remember, we are a school board – we have to balance our budget. Every year. No exceptions.

First, let's talk about the centre and absolute focus of our work – our students.

We know that the work we are doing, and the money we are spending, is driving positive results.

Recently, we announced the 2017 Student and Parent Census, which painted a comprehensive picture of our students and their experiences at our schools.

More than 220,000 parents and students completed the census, which showed that 90 percent of parents feel welcomed in our schools and that their children enjoy going to school.

I am also pleased to say that 85 percent feel their children are getting the support they need and feel their teacher's methods meets their children's needs.

This is just a snapshot of the positive data we received.

We know that we have to do more.

We are identifying, confronting and eliminating barriers, and aligning resources where they're needed. That is why we are proud to stand-by and continue to roll-out our Multi-Year Strategic Plan.

This plan will raise the bar for all students and help those who have been traditionally underserved. It will close achievement gaps, identify and remove systemic barriers, transform student learning to improve areas like literacy and math, and ensure all students have safe and positive learning environments.

To continue this important work, we will certainly need the same level of resources as last year.

In saying that, I am concerned with the early signs of the provincial government's fiscal restraint plan.

It seems to be targeting programs that help our most in-need communities; our most vulnerable youth.

Just recently, we were notified of a change to the Community Use of Schools – Priority Schools Grant. This grant subsidizes school boards to offer free permitting for the use of schools in low socioeconomic neighborhoods.

We also received news that the Ministry was cutting the provincial grant that helps teen dropouts re-engage with school and earn their high school diploma.

And, we continue to wait on a decision from the Ministry about continuing to fund the Focus on Youth Summer Program.

Last year, this program allowed the TDSB to hire 600 youth to work alongside community agencies that serve our city's most at-risk youth – and, overall, it benefited more than 11,000 young people.

The program has documented evidence of helping children living in Toronto's most marginalized communities – and has sought to respond to the high rates of youth violence and poverty, and lack of opportunities for youth.

Our youth deserve opportunities to learn critical life skills, and play sports and games in safe environments that keep them from being out on the streets.

They deserve the right to go back to school and earn their high school diploma. Nobody can deny the significant difference that would make for their future.

I ask you – as I asked the Minister of Education and will be writing to all Toronto area MPPs – please reconsider the cancellation of these grants that support our most at-risk youth and communities, and continue the funding for the Focus on Youth Summer Program.

Let me turn your attention to some of our persistent and reoccurring budget pressures – and offer suggestions on how provincial government could respond with positive changes.

Intensification

Toronto's population has increased from 2.6 million in 2006 to 2.9 million in 2017, and is forecasted to continue to increase to 3.9 million by 2041.

Residential development is a significant contributor to population growth, resulting in substantial pressure on critical public infrastructure, such as schools.

New developments have resulted in enrolment pressures at the local schools in certain pockets of the city, such as Yonge and Eglinton.

Many schools in these areas are overcrowded and are on small, constrained sites that cannot accommodate portables or additions.

The TDSB will need new schools in many of these growing communities; however, the availability of land for new school sites in these areas is extremely limited, meaning support for innovative school models, such as those integrated with new mixed-use development, will be required.

Education Development Charges

Despite the number of new and proposed developments across the city, the TDSB does not qualify for Education Development Charges (EDC) because it has excess capacity when assessed on a district-wide basis, regardless of significant pressures and challenges faced in many neighborhood schools.

In our view, the same way that developers pay for services such as roads, transit and community centres, they should contribute toward education.

If the TDSB qualified for EDC's, we could expect to have \$350-million over the next 15 years, to meet growth-related infrastructure needs. If we had a little flexibility in how we spend this money, some of the funds could go toward our staggering repair backlog.

As it stands now, both the TDSB and the province are leaving \$350 million on the table.

Renewal Needs Backlog

Approximately 50 percent of our 582 schools are over 60 years old and continue to age, requiring major repairs or replacement. Even with the additional renewal funds provided by the Ministry over the last few years, our renewal needs backlog sits at about \$3.9 billion as of January 2019, and continues to rise.

Our ask is that you commit to providing predictable and sustainable funding for school repairs – as well as, consider more creative and innovative approaches to financing the renewal needs backlog.

I ask you to look at both traditional and non-traditional financing strategies. We must continue to maintain public ownership and public operation of schools, however, that does not preclude us from exploring alternative finance and procurement models to support annual government investments in school renewal.

We recommend that the Ministry of Education collaborate with the Ministry of Finance, Infrastructure Ontario and the school board community to create a short and long term financing plan to bring more of our schools into a good state of repair. The TDSB would be most willing to be part of this collaboration.

Prudent Management of TDSB Assets

While some neighbourhoods are growing, enrolment in other areas is declining, resulting in under-utilization at local schools.

The TDSB's Long-Term Program and Accommodation Strategy has identified schools that are over or under-utilized and set reviews to happen over the next 10 years (2018-2027).

However, these reviews, which would consider things like possible school closures, school consolidation and the relocation of students and programs, have since been put on hold due to the moratorium on school closures that was imposed by the Ministry of Education in June 2017.

In order to balance enrolment and provide high quality education, it is essential for the TDSB to assess and plan for long-term student accommodation.

We need the flexibility to conduct reviews and manage our own assets to better plan programming that will benefit our communities.

In closing, as you can see, key changes in government policy could create positive fiscal results for the TDSB.

It just takes the will to think in different terms; challenge out dated approaches; and think more creatively and more collaboratively across government, and with your public sector partners.

Thank you for your time. I am happy to take any questions you may have.

Appendix A

Toronto District School Board Submission to the Standing Committee on Finance and Economic Affairs: Supplemental Information to TDSB Chair Robin Pilkey's Oral Presentation

Toronto District School Board at a Glance

The Toronto District School Board (TDSB) is Canada's largest and most diverse school board. Every day, we welcome more than 246,000 students to 582 schools across the City of Toronto. We also serve more than 140,000 life-long learners in our Adult and Continuing Education programs.

It is because we are the largest and most diverse school board in the country, that we have a unique set of needs when it comes to what is required to best support our students and communities.

Students

- 173,000 elementary students
- 73,000 high school students
- 2,200 international students
- 140,000 continuing education students
- 29,000 students are enrolled in immersion and extended French programs
- 23% were born outside of Canada
- There are over 120 languages spoken by TDSB students and their families

Racial Backgrounds

- White (29%), South Asian (22%), East Asian (14%), Mixed (12%), Black (11%), Middle Eastern (6%), Southeast Asian (4%), Latin American (2%), Indigenous (0.3%)

Faith/Religion/Creed

- Christianity (33%), no religion (29%), Islam (19%), Hinduism (8%), Buddhism (4%), other (4%), Judaism (2%)

Family Socioeconomic Status

- 41% of family incomes are less than \$50,000

Staff

- 17,000 permanent teachers (11,820 Elementary; 5,180 Secondary)
- 5,800 occasional teachers (3,860 Elementary; 1,940 Secondary)
- 15,500 permanent support staff and 4,000 supply/casual employees (including Designated Early Childhood Educators, professional support

workers, caretakers, maintenance staff, IT support, administrators, etc.)

Schools

- 471 Elementary schools (including 1 Elementary/Secondary First Nations School, 18 Elementary Alternative schools, 6 Special Education self-contained schools)
- 111 Secondary schools (including 1 Elementary/Secondary Alternative school, 20 Secondary Alternative schools, 4 Caring and Safe Schools Programs, 5 Adult/EdVance Programs, 2 Native Learning Centres, 6 Special Education self-contained schools)

Operating Budget for 2018-2019: Approx. \$3.4 Billion.

Intensification

The City of Toronto's population has increased from 2.6 million in 2006 to 2.9 million in 2017 and is forecast to continue to increase to 3.9 million by 2041 (Ministry of Finance, Ontario Population Projections Update, 2017-2041, Spring 2018).

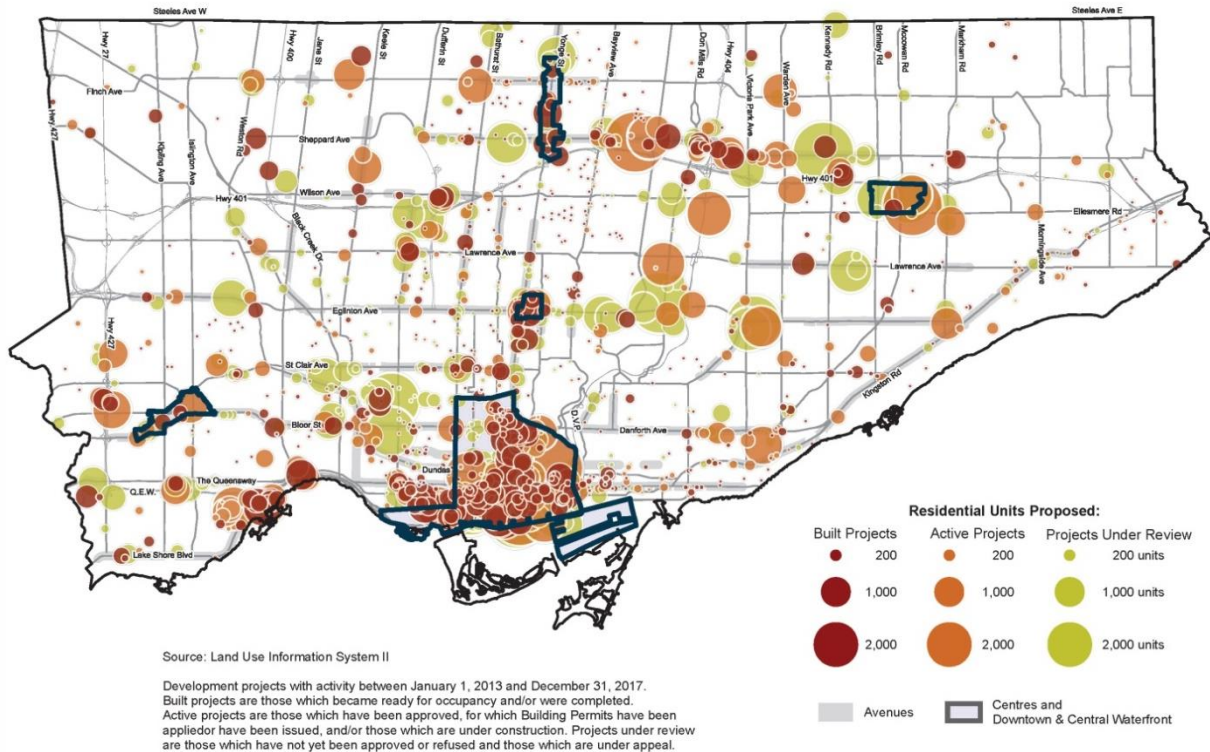
Residential development is a significant contributor to the population growth, resulting in substantial pressure on critical public infrastructure serving the area, such as local schools, public transit and roads.

- Between 2013 and 2017 approximately 93,000 residential units were built in the City of Toronto. A further 290,000 residential units are under review or awaiting construction, which could generate approximately 22,300 new students.
- Most of the residential development is taking place in the growth areas identified in the Growth Plan for the Greater Golden Horseshoe shown in Map 1 below as the "Centres" and "Downtown & Central Waterfront". The total proposed development exceeds the forecasts in the Growth Plan (City of Toronto, How Does the City Grow, July 2018).
- New developments have resulted in enrolment pressures at the local schools in certain pockets of the city such as Yonge and Eglinton, Yonge and Sheppard, Scarborough Centre, Islington and Dundas, Eglinton and Don Mills, Sheppard and Allen, High Park, Leaside, and the downtown waterfront.
- Many schools in these areas are overcrowded and are on small, constrained sites that cannot accommodate portables or additions, which complicates accommodating enrolment growth.
- The TDSB will need new schools in many of these growing communities; however, the availability of land for new school sites in these areas is extremely limited, meaning support for innovative

school models, such as those integrated with new mixed-use development, will be required.

Assessing and planning for long-term student accommodation based on neighbourhood needs is critical to balance enrolment and provide students with high quality education.

Map 1: Residential development activity in the City of Toronto



Education Development Charges

As mentioned above, The City of Toronto's population has increased from 2.6 million in 2006 to 2.9 million in 2017 and is forecast to continue to increase to 3.9 million by 2041 (Ministry of Finance, Ontario Population Projections Update, 2017-2041, Spring 2018).

Accommodating students arising from new developments will require a significant amount of planning and financing. Despite the number of new and proposed developments across the city, the TDSB does not qualify for

Education Development Charges (EDC) because it has excess capacity when assessed on a district-wide basis, regardless of significant pressures and challenges faced in many neighborhood schools.

In our view, the same way that developers pay for services such as roads, transit, water, sewer infrastructure and community centres, they should contribute towards education. In other words, growth should pay for growth.

- For all school boards, including the TDSB, it is vitally important to assess and plan for long-term student accommodation on the basis of neighbourhood needs, not on a jurisdiction-wide basis.
- Section 10 of Ontario Reg. 20/98 does not serve the purpose of either the Education Act or the original purpose of EDC funding, which was meant for new developments to fund new school sites.
- Without the restrictions found in Section 10 of Ontario Reg. 20/98, the TDSB would qualify for EDCs and generate revenue of approximately \$350 million over the next 15 years, which would help us meet growth-related infrastructure needs.
- EDCs will not replace the need for a new provincial funding strategy to reduce our Renewal Needs Backlog, as well as maintain and operate our schools.
- The TDSB is asking the Ontario Government to:
 - Amend the Education Development Charges regulation (Ontario Reg. 20/98) under the Education Act to allow the TDSB to collect EDCs.
 - Expand the definition of “education land costs” to provide boards with flexibility on how to spend this revenue and allow them to use it not just to purchase land, but to fund major school improvements and help reduce their infrastructure deficit.

Renewal Needs Backlog

Approximately 50 per cent of our 582 schools are over 60 years old and building components continue to age requiring major repairs or replacement. Even with the additional renewal funds provided by the Ministry of Education over the last few years, our renewal needs backlog (RNB) sits at approximately \$3.9 billion as of January 2019 and continues to rise as a result of years of inadequate funding.

- If additional funding provided over the last three years (SCI) is discontinued and/or reduced, and no additional funding is provided, we

estimate that the TDSB's renewal repairs backlog will grow approximately \$0.6 billion per year.

- The projected RNB for the next four years would be as follows:

January 2020: \$4.5 billion
January 2021: \$4.8 billion
January 2022: \$5.0 billion
January 2023: \$5.2 billion

It is crucial that the province commit to providing predictable and sustainable funding for school repairs so that the TDSB can continue implementing its long-term plan for renewal and lower its renewal needs backlog.

In addition, we should consider other financing models to build new schools as well as investments in energy efficient school projects such as heating/ventilation, doors and windows which would save thousands of dollars in the long-term. In short, given the magnitude of the repair backlog, we are going to need a multi-faceted financing strategy and plan.

The TDSB would encourage the Ministry to establish a working group comprised of school board representatives, the ministries of Education and Finance and Ontario government agencies such as Infrastructure Ontario and include parent groups dedicated to improving schools, such as Fix Our Schools, to identify additional viable funding sources. The TDSB would welcome the opportunity to participate in this working group.

Prudent Management of TDSB Assets

Pockets of over-utilization and under-utilization

As we mentioned above, new developments have resulted in enrolment pressures at the local schools in certain pockets of the City. However, while some neighbourhoods are growing, enrolment in other areas is declining resulting in under-utilization at local schools. Map 2 below illustrates this situation by showing the range of projected utilization rates across the city.

The TDSB's Long-Term Program and Accommodation Strategy (LTPAS) has identified schools that are over or under-utilized and the following reviews to be conducted over the next 10 years (2018-2027):

- Sixteen Pupil Accommodation Reviews that could result in closures of elementary and secondary schools;
- Eighty reviews that could result in shifting students from one school to another through boundary changes, changes to grade ranges, and program relocations (under-utilized schools which are close to over-utilized schools); and,

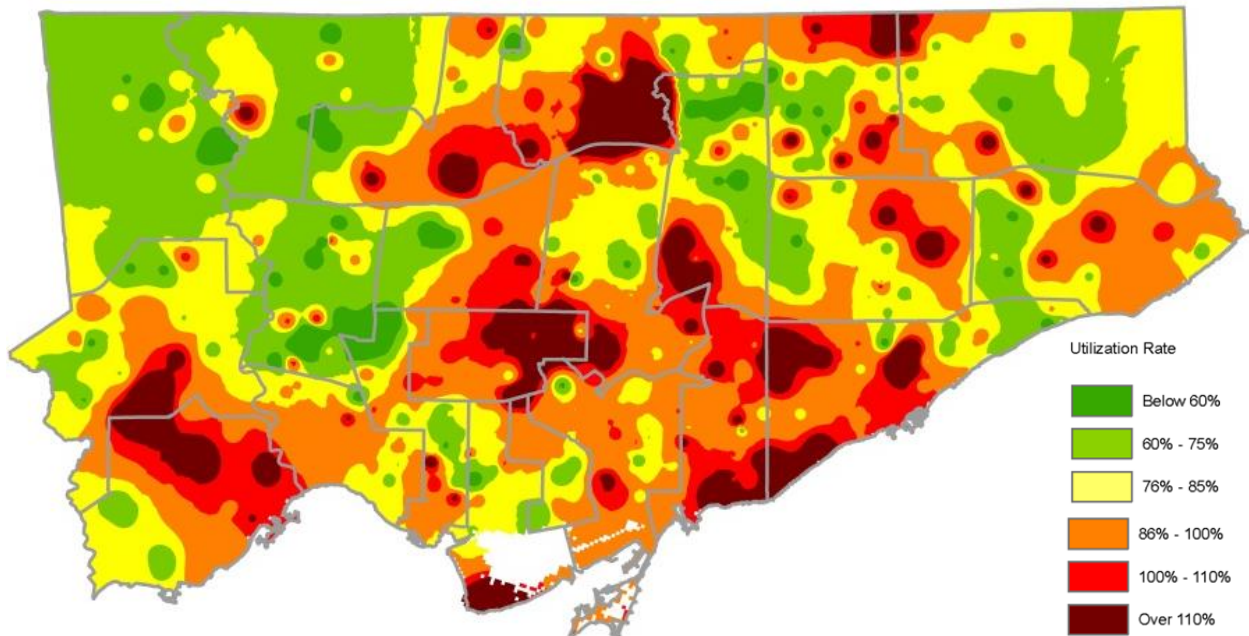
- Eighteen capital projects in pockets of over-utilization where all the schools in the greater area are over-capacity.
- Over the past 10 years, 20 schools have been closed through Pupil Accommodation Reviews. The Board has approved an additional four schools to close in the next five years.
- In June 2017, the Ministry of Education imposed a moratorium on school closures. As a result, the TDSB did not initiate two Pupil Accommodation Reviews scheduled to begin in 2017-2018. All Pupil Accommodation Reviews have been put on hold until further direction is received from the Ministry.

In addition, the TDSB has been working on a secondary school review aimed to provide a wide variety of programs in all of Toronto’s neighbourhoods.

This strategy has engaged student voice and will ensure that all students are supported so they successfully graduate with a diploma or certificate of school completion and continue on their chosen post-secondary pathway.

This review could result in additional school closures as the delivery of multiple pathways and course options require strong and well-populated schools.

Map 2: Projected utilization rates for TDSB elementary schools – 2027



In order to balance enrolment and provide high quality education, it is essential for the TDSB to assess and plan for long-term student

accommodation on the basis of neighbourhood needs. Having the flexibility to conduct reviews and manage our assets as we see necessary, would contribute to better planning and distribution of programming while benefiting communities across the city.

Education Program Other Grants (EOP Grants)

Toronto District School Board staff was notified earlier this month of a change to the Community Use of Schools - Priority Schools Initiative EPO. The grant subsidizes school boards to offer free permitting for use of schools in 77 schools that make-up the Priority List (schools in socio-economic challenged neighborhoods) of schools. The announced change was a reduction of the grant from \$2.6 million to \$1.6 million, net change of \$1 million. Due to the mid-year funding announcement, the reduction of funding will have an impact on the overall financial position of the board as staffing levels have already been established for the year for both caretaking and maintenance and are therefore fixed for the balance of the fiscal year. The provincial funding reduction makes it more difficult for the TDSB and other school boards to help create a level playing field for low income neighborhoods and provide extra supports for students from families facing socio-economic challenges.

Given the importance of this grant to the city's priority neighborhoods, the Board is now considering whether it will proceed with no cost permits for schools serving these communities without a subsidy from the province.

The Community Use of Schools grant reduction follows on the heels of grant cancellations to a number of programs specifically geared to serve at-risk communities and at-risk young people. The Ministry has announced the cancellations and reductions of grants that included, but are not limited to the following:

- Focus on Youth after school program, which provides employment and opportunities for youth in the city's priority neighbourhoods;
- Re-engagement 12&12+ program that encourages students that have left school to return to complete diploma graduation requirements; and
- Tutors in the Classroom program, which paid university and college students to help tutor students struggling in school.

When the Community Use of Schools grant reduction of \$1 million is added to the list of grant cancellations and reductions that directly impact our students in Priority Neighbourhoods, the TDSB will experience a \$1.7 million cut in funding for programs, most of which would benefit our poorest and most disadvantaged communities and young people.

In addition, the Ministry has made no decision as to the continued funding for the significant Summer Focus on Youth Program. Last year, funding for this program allowed the TDSB to hire and train more than 600 youth to work alongside community agencies that serve some of the city's most at-risk and vulnerable young people. Last year, over 11,000 young people took part in these programs. Typically, by this time in the school year, the TDSB would already have started the recruitment process for this program. To date there is no decision from the Ministry on whether this program will receive funds.

These grants support programs that are aimed at our most vulnerable communities and our most vulnerable young people. Each program aims to help level the playing field for these youth.

The Summer Focus on Youth Program, which remains in limbo, has provided documented evidence of filling the gap for children living in Toronto's marginalized communities. Since its inception, the Summer Focus on Youth Program has sought to respond to the higher rates of youth violence, linked to poverty and a general lack of opportunities for many youth.

The Board asks the Ministry of Education and the government to take a second look at the benefits and outcomes of these programs with the view of reinstating the funding. We further encourage the Minister to proceed with the funding for the Summer Focus on Youth Program.