



Education Development Charges Stakeholder Information Session

Upper Grand District School Board & Wellington
Catholic District School Board
October 24, 2018



The Existing Charges

The Upper Grand District School Board (UGDSB) and the Wellington Catholic District School Board (WCDSB) have existing EDC by-laws that cover the County of Wellington and the UGDSB also has a bylaw that covers the County of Dufferin.

The existing UGDSB EDC is \$1,567 per residential unit and the WCDSB residential EDC is \$317 per unit in Wellington County for a combined EDC residential rate of \$1,884. The UGDSB EDC residential rate in Dufferin County is \$832 per unit.

The charge is allocated 100% to residential – There is no non-residential component to the charge.

The Boards propose to consider passage of new by-laws May of 2019.

What Is An EDC?



An Education Development Charge is a development charge that is imposed under a bylaw respecting growth related net education land costs incurred or proposed to be incurred by a School Board.

In layman's terms this means it is a charge that is levied on new development (residential or non-residential) that is paid when the building permit is issued by the municipality. The revenue collected from the charge is used by a school board to purchase land/sites for new schools.

Education development charges are the primary source of funding site acquisition needs for a school board (that qualifies) experiencing growth in its jurisdiction.

A Review Of The Key Elements



Enable
Recovery Of
Growth-
Related Land
Costs Only

School
Boards Must
Meet An
Eligibility
Trigger To
Qualify

Jurisdiction
Wide Or
Area
Specific

Differentiated
Or Uniform

School Boards Can Allocate Education Land Costs To Both Residential and Non-Residential Developments



Boards Must Meet Specified Requirements

- ✓ **Prepare an EDC Background Study and included all necessary requirements.**
- ✓ **Make the Background Study available to the public at least 2 weeks prior to first public meeting.**
- ✓ **Hold legislatively required public meetings and give notice of said meetings at least 20 days prior.**
- ✓ **Background Study must be submitted to the Ministry of Education at least 40 days prior to consideration of bylaw passage.**
- ❖ **Minister of Education must give Background Study approval.**



Ministry of Education Approvals - Update

- During the Provincial election/transition to a new government, the Ministry of Education temporarily stopped approving EDC Background Studies. This resulted in two EDC bylaws lapsing and a loss of EDC revenue for the impacted school boards.
- Between the election and September 2018, the Ministry of Education approved 3 EDC Background Studies whereby the school boards agreed to certain conditions. Namely;
 - Retain existing EDC rates.
 - Implement a new bylaw for up to a maximum period of 1 year while the Ministry continues to review EDCs.
- ❖ On October 12, 2018, the Provincial government made a change to the legislation that pertains to education development charges. Namely;
 - ❖ Ontario Regulation 438/18 amended Ontario Regulation 20/98
 - ❖ Dealt mainly with sections 7, 9 and 10 – Determining The Charge, Background Study Contents, Conditions Of Passage

Ontario Regulation Amendment Summary



- **Maintain EDC rates at the levels in existing by-laws as of August 31, 2018;**
- Limits the ability of boards to change the areas in their by-law that are subject to EDCs;
- Restricts additional boards from becoming eligible to pass a new EDC by-law;
- Streamlines some of the requirements to be included in the required background study.
- ***Limits or prevents policy changes (differentiation, res/non-res, area specific).***

Stakeholder Feedback



The Boards still intend to hold an additional stakeholder meeting in addition to the two statutory public meetings.

The Boards plan to engage with stakeholders throughout the process and will solicit input on all facets of the studies.

Stakeholders, however, should be aware that the Boards will be limited in their ability to make many major changes to the bylaws/rates/policies.

- Exemptions



The Calculation



The EDC process is largely technical and formulaic in nature. The methodology and requirements are set out in Division E of the Education Act and in Ontario Regulation 20/98 (as amended).

1. Demographics and enrolment projections determine need.
2. Legislation and Board planning determines the number of school sites required.
3. Land appraisals determine site acquisition costs.
4. Historical expenditures determine site preparation costs.
5. The reserve fund analysis determines existing EDC surplus or deficit.
6. The total costs determined are referred to as the total growth related net education land costs – this is the amount for which EDC's are collected.



What's Next?

- Background Study in process.
- The next stakeholder session will focus on the technical aspects of the study including residential forecasts, enrolment projections, land values and school site needs.
- Estimated Draft EDC Background Study – Feb 2019
- **2nd Stakeholder Information Session – March 26, 2019 @ 2PM, Aboyne Hall, Wellington County Museum, Fergus**
- 1st Public Meetings – April 2019.
- New Bylaw Passage Consideration Meeting – May 2019

QUESTIONS?