Ministry of Education

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R. Bruce Reynolds
Borden Ladner Gervais LLP
Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3Y4

Dear Mr. Reynolds,

Re: Construction Lien Act Review – Consultation Meeting

Please find below the Ministry of Education's response to the Expert Review of Ontario's *Construction Lien Act* ("*CLA*"). The Ministry appreciates the efforts being made to consult broadly and ensure representation and feedback from the school board sector.

It is relevant to acknowledge that the Ministry does not fit the description of construction project owner, general contractor or subcontractor; but, as the primary funder of school board new capital construction, additions and renewal projects the Ministry has a vested interest in ensuring that any amendments to the *CLA* do not put additional fiscal pressure on school boards. For example, any additional costs to remedy deficiencies or complete unfinished work beyond the original contract value would translate into new financial pressures for the Ministry and government. The level of capital investment in school infrastructure is significant. Since 2003 the government has invested $12.9 billion in school infrastructure; this includes nearly 725 new schools and over 700 additions and renovations.

In addition to cost, the Ministry is also concerned about any amendments that may result in construction delays. School construction generally needs to be completed to meet the beginning of the school year. Increased delays would not be viewed as acceptable by parents or taxpayers and would compromise the Ministry's commitment to continue improving student achievement, closing student achievement gaps and enhancing public confidence in the publicly funded education system.

The Ministry acknowledges the expertise and insight that has been shared by the Ontario Association of School Business Officials (OASBO) in its two previous submissions dated, May 13th, 2015 and October 23rd, 2015. Collectively, both submissions include background information, recommendations and specific comments that respond to all the issues flagged for feedback in the Information Package circulated by the Review this past July. The Ministry is confident that an amended *CLA* that reflects OASBO's comments and proposed recommendations would respond to payment problems within the provincial construction industry and mitigate the impact on Ontario's seventy-two school boards.

Thank you for providing the Ministry an opportunity to comment. Staff from the Ministry will also be attending the November 30th consultation session.

Sincerely

Gabriel F. Sékaly
Assistant Deputy Minister
Financial Policy and Business Division

cc: Bill Blackie, Executive Director, Ontario Association of School Business Officials
Glenn Clarke, Controller of Plant, Simcoe-Muskoka Catholic District School Board