

2010: B10

MEMORANDUM TO: Directors of Education
Secretary/Treasurers of School Authorities

FROM: Gabriel F. Sékaly
Assistant Deputy Minister

DATE: September 01, 2010

SUBJECT: Request for Updated Capital Priorities

As outlined **Memorandum 2010:SB29 \$120M in Capital Funding Available for 2010-2011**, the Ministry does not have a capital funding allocation beyond the approximate \$120M for 2010-11. However, the Ministry is requesting that school boards update their capital priority information based on the process and parameters outlined below in order to support the Ministry's long-term capital planning process.

This process to update capital priorities is separate from the process outlined in Memorandum 2010:SB29 regarding the identification of the most urgent and pressing capital needs, although we expect to see many of the same projects. The process outlined in this memorandum is similar to the process followed for the Capital Priority funding in 2008-09 (**Memorandum 2008:B12**).

Priority Capital Projects

Boards are requested to provide the Ministry with business cases reflecting the board's most recently approved or proposed capital priorities that need to be completed up to and including the 2015-16 school year. These submissions will support the Ministry in understanding and explaining the need for ongoing capital investments in the education sector.

A template is available in the School Facilities Inventory System (SFIS) for boards to identify capital priorities and submit the associated business cases. Boards may also resubmit business cases with updated information for previously identified capital priority projects. Projects identified in response to 2010:SB29 should also be submitted in the Capital Priorities section of SFIS.

Boards are asked to submit their prioritized business cases by October 29, 2010. These business cases will not be 'locked' upon submission. Boards will have an opportunity to amend their capital priorities until January 28, 2011 to reflect direction from your boards of Trustees.

Each board's capital analyst is available to work with your board on the update of its capital priorities and the preparation of their business cases. A list of analysts and their portfolio of assigned boards is attached to this memorandum.

Business Case Considerations

The Ministry asks boards to focus on projects that meet one or more of the needs outlined below:

a) Accommodation Pressure: These include projects that historically may have been funded through pure New Pupil Places (NPP), growth schools and/or enrolment pressures. Essentially, they are scenarios where enrolment is projected to persistently exceed capacity at a school or community level.

In explaining the capital project, the board should demonstrate:

- that there is not sufficient surplus capacity at nearby schools of the same panel to accommodate the excess enrolment at the school(s), and
- that this issue is expected to persist for the next 10 years.

b) Facility Condition: These include projects that historically may have been funded through Prohibitive to Repair. Projects in this category involve the replacement or major retrofit of schools that have high renewal needs relative to the cost of an appropriately sized new facility.

In explaining the capital project, the board should demonstrate:

- that the renewal needs are sufficiently high - either through historic Ministry-led condition assessments, or subsequent board assessments,
- opportunity to benefit from right-sizing the facility,
- potential savings to future renewal and/or operating costs, and
- other benefits such as improved accessibility, programming and/or energy efficiency.

c) School Consolidations: These include projects that historically may have been funded through Prohibitive to Repair or Capital Priorities. Projects in this category enable the board to reduce their excess capacity to better focus their resources. This category includes projects resulting from accommodation review recommendations.

In explaining the capital project, the board should be able to demonstrate:

- how the facilities in the area will be right-sized to support continued accommodation needs,
- the results of the accommodation review process (where applicable),
- potential savings to future renewal costs, and
- other benefits, such as improved accessibility, programming and/or the energy efficiency.

d) Top-up: These include projects that have already been funded at Ministry benchmarks, but require additional funding support due to costs not considered in the benchmark calculation and/or changes to the board's accommodation needs. In these cases, the board should be able to demonstrate (where applicable):

- the projected costs that have not been covered in the original benchmark funding approval, and/or
- how the accommodation needs for the area have changed from the original approved business case.

e) Other: These include program or policy related projects that involve addressing the need for program space based on curriculum requirements, community use of schools, or Municipal requirements. Examples might include:

- Lack of an appropriate gym, science lab, library or other specialized teaching space, based on panel, enrolment and curriculum requirements,
- Capital barriers to community use of schools and/or facility partnerships, or
- Accessibility improvements.

In these cases, the board should be able to demonstrate how the projects will contribute to and/or support student achievement and/or support the role of the school in the community.

Other Considerations

In addition, business cases should include how each project supports the board in addressing the following objectives, where appropriate:

- Improving Energy Efficiency and Water Conservation,
- The implementation of Full-Day Early Learning Kindergarten,
- Improving accessibility of schools based on existing accessibility requirements and planned changes to the built environment accessibility standards, and
- Encouraging partnerships with community groups.

Ministry Contact

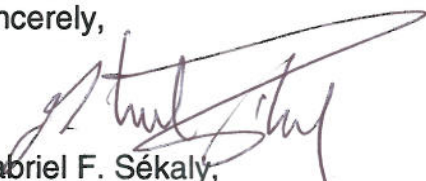
If you have any questions, or require additional information, please feel free to contact the portfolio analyst assigned to your board or:

Nancy Whynot, Director, Capital Programs Branch at 416-325-4030 or at nancy.whynot@ontario.ca

Paul Bloye, Manager (A), Capital Programs Branch at 416-325-8589 or at paul.bloye@ontario.ca

We look forward to working with you to identify your future capital priorities.

Sincerely,



Gabriel F. Sékaly,
Assistant Deputy Minister, Elementary/Secondary Business and Finance Division

Copy: Superintendents of Business and Finance