

Ministry of Education

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Financial Policy and Business
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Ministère de l'Éducation

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Toronto ON M7A 1L2



2015: B12

MEMORANDUM TO: Directors of Education

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

DATE: May 26, 2015

SUBJECT: Request for 2015 Capital Priorities Business Cases

I am writing to announce details of the 2015 Capital Priorities program.

The Capital Priorities program was introduced by the Ministry of Education in 2010 as a means to address the most urgent and pressing capital needs of school boards across the province. The program offers an opportunity for boards to identify their major accommodation needs they feel they need to address over the next three years. It also provides the Ministry with an indication of the capital funding needs in the sector.

The Capital Priorities program serves as the primary means for funding capital projects required to address accommodation pressures, replace facilities in poor repair, support the consolidation of underutilized facilities and provide facilities for French-language rights holders in under-served areas of the province. Since the Capital Priorities program began in 2010, the Ministry has allocated over \$2 billion in capital funding.

In addition, the Ministry introduced the School Consolidation Capital (SCC) program in 2014 to further assist school boards in managing their excess capacity and to right-size their capital footprint. In the first year of this program, the Ministry funded 31 capital projects at a cost of approximately \$150 million.

Highlights/Summary Points:

- Boards to limit Capital Priority submission to projects required to open no later than the 2018-19 school year.

- The deadline for Capital Priorities submission is **July 15, 2015**.
- The business case template has been revised to collect information that will help the Ministry estimate future operating costs.
- Boards will not be required to apply their Proceeds of Disposition to their approved projects.
- Boards must have an updated **Ministry approved** Capital Analysis and Planning Template (CAPT) in order to receive a Capital Priorities funding allocation.

Submission of Capital Priorities Business Cases

As with previous rounds of the Capital Priorities program, funding for Capital Priorities projects will be allocated on a business case basis for new schools, retrofits and additions that need to be completed up to and including the 2018-19 school year.

School boards are required to identify their highest and most urgent Capital Priorities and submit the associated business cases through the School Facilities Inventory System (SFIS) in order to be considered for funding approval.

School boards are required to submit their updated Capital Priorities business cases by **July 15, 2015**. The ministry will not accept business cases after this date. Boards can save their work in progress within the SFIS Capital Priorities module, however, once school boards submit their business cases, their submissions will be locked from further editing. School boards will only be able to modify their business cases by requesting that their Capital Analyst unlock the submission (Appendix A).

In addition to submitting new business cases, school boards will have the opportunity to complete an updated business case to request funding for Capital Priorities projects which did not receive funding approval under the last round of Capital Priorities and/or School Consolidation Capital program.

Please note that the business case template has been revised for this round of the Capital Priorities program. These changes are intended to give the Ministry better information on the ongoing operating and renewal costs of schools that are affected by a project and to more clearly show how the project's funding benchmark amount is calculated.

Eligible Project Categories

Projects eligible for funding consideration for this round of Capital Priorities program must meet one or more of the following category descriptions:

1. Accommodation Pressure

Projects to accommodate pupils where enrolment is currently or is projected to persistently exceed capacity at a school or within a group of schools, and students are currently housed in non-permanent space (e.g. portables).

2. School Consolidations

Projects that reduce excess capacity in order to reduce operating and renewal costs and address renewal needs backlogs. These projects may also provide other benefits such as improved program offerings, accessibility or energy efficiency. Projects linked to an accommodation review must have a final trustee decisions on the outcome of the pupil accommodation review by **July 15, 2015**.

3. Facility Condition

Projects to replace schools that have high renewal needs relative to the cost of an appropriately sized new facility.

4. French-language Accommodation

Projects to provide access to French-language facilities where demographics warrant. Such projects will only be considered eligible if the board can demonstrate that there is a sufficient French-language population not being served by an existing French-language school facility.

Projects matching the following descriptions should not be submitted as Capital Priorities:

- Projects related to only addressing an accommodation pressure of a specialized or alternative program such as French Immersion;
- Projects that have been previously funded by either the Ministry or the board; and,
- Projects that should be funded through renewal funding, including program enhancements and projects related to only addressing current and/or proposed changes to the Accessibility for Ontarians with Disabilities Act.

If a board has previously submitted a project for Capital Priorities or School Consolidation Capital funding that did not receive Ministry funding, please refer to the Ministry comments when considering whether to re-submit the project. Please contact your Capital Analyst for further clarification.

Project Evaluation

The Ministry will assess all proposed projects using project-specific quantitative measures depending upon the category of project.

For Accommodation Pressures and French-Language Accommodation projects:

- Assessments will be based on school-level capacity ratings, historical enrolment trends, enrolment forecasts and geographic distribution of students; and
- Primary consideration will be given to projects in areas where accommodation needs are currently high and secondary consideration to projects in areas where accommodation needs are expected to be high in the next ten years.

For Facility Condition and School Consolidation projects:

- Assessments will be based on the projected operating and renewal savings and the removal of renewal backlog needs relative to the project cost; and
- Priority will be given to projects with the highest expected Internal Rate of Return. This will be calculated using the expected cost of the project compared to the expected savings resulting from the project.

In addition to project specific assessments, the following school board performance measures will also be considered for all Capital Priorities project categories:

- Board's ability to build to Ministry benchmark costs as evidenced by past projects;
- Board's ability to deliver projects within target timeframes as evidenced by past projects;
- Board's history of meeting the Ministry's capital accountability measures (Appendix B);
- Enrolment and utilization trends at projects of the board which have previously been funded;
- Number of projects the board currently has underway and the status of these projects in relation to approved funding and opening date.

Proceeds of Disposition

School boards will not be required to allocate their PODs towards new capital priority projects. Boards are reminded, however, that they will still need to submit requests for new schools or additions using PODs for review through the Capital Priorities process. Additionally, boards have the option to identify PODs as a funding source for a Capital Priorities project that addresses outstanding renewal needs.

Joint Use Capital Projects

As with previous Capital Priorities programs, the Ministry encourages boards to consider collaborative capital project submission involving two or more school boards. The Ministry will review all joint use projects for funding consideration before evaluating any other SCC submissions. Joint use projects will get first consideration for capital

funding. Please see Memorandum **2013:B18 Initiative to Encourage Joint Use/ Collaboration between School Boards on Capital Projects** for further details.

Child Care Projects

The Ministry of Education is willing to fund the capital costs associated with the construction of child care spaces in new schools and schools approved for major expansions and renovations. Capital Priorities projects should include your request for new childcare space as per Memorandum **2015: B11**, dated May 26, 2015.

Capital Analysis and Planning Template

The Capital Analysis and Planning Template (CAPT) is an essential tool for understanding school boards' capital financial position. An approved CAPT is necessary before the Ministry is able to sufficiently assess the existing capital activity of a school board. As a result, boards will not be considered for Capital Priorities funding approval if the Ministry does not have an approved CAPT consistent with the board's 2013-14 Financial Statement.

Ministry Contact

If you have any program questions, or require additional information, please contact the Capital Analyst assigned to your board or:

Paul Bloye, Manager, Capital Policy and Programs Branch at 416-325-8589 or at Paul.Bloye@Ontario.ca

Or

Mathew Thomas, Manager, Capital Policy and Programs Branch at 416-326-9920 or at Mathew.P.Thomas@ontario.ca.

We look forward to working with you to identify your future Capital Priorities projects.
Sincerely,

Original signed by

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

cc: Superintendents of Business and Finance

Appendix A: List of Ministry Capital Analysts

DSB	District School Board	Capital Analyst	Email	Phone
1	DSB Ontario North East	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
2	Algoma DSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
3	Rainbow DSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
4	Near North DSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
5.1	Keewatin-Patricia DSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
5.2	Rainy River DSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
6.1	Lakehead DSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
6.2	Superior Greenstone DSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
7	Bluewater DSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
8	Avon Maitland DSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
9	Greater Essex County DSB	Michael Wasyluk	Michael.Wasyluk@ontario.ca	416-326-9924
10	Lambton Kent DSB	Michael Wasyluk	Michael.Wasyluk@ontario.ca	416-326-9924
11	Thames Valley DSB	Michael Wasyluk	Michael.Wasyluk@ontario.ca	416-326-9924
12	Toronto DSB	Lisa Bland	Lisa.Bland@ontario.ca	416-326-9921
13	Durham DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
14	Kawartha Pine Ridge DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
15	Trillium Lakelands DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
16	York Region DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
17	Simcoe County DSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
18	Upper Grand DSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
19	Peel DSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
20	Halton DSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
21	Hamilton-Wentworth	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796

DSB	District School Board	Capital Analyst	Email	Phone
	DSB			
22	DSB Niagara	Michael Wasylyk	Michael.Wasylyk@ontario.ca	416-326-9924
23	Grand Erie DSB	Michael Wasylyk	Michael.Wasylyk@ontario.ca	416-326-9924
24	Waterloo Region DSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
25	Ottawa-Carleton DSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
26	Upper Canada DSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
27	Limestone DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
28	Renfrew County DSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
29	Hastings & Prince Edward DSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
30.1	Northeastern CDSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
30.2	Nipissing-Parry Sound CDSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
31	Huron Superior CDSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
32	Sudbury CDSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
33.1	Northwest CDSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
33.2	Kenora CDSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
34.1	Thunder Bay CDSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
34.2	Superior North CDSB	Jaimie Burke	Jaimie.Burke@ontario.ca	416-325-4297
35	Bruce-Grey CDSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
36	Huron Perth CDSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
37	Windsor-Essex CDSB	Michael Wasylyk	Michael.Wasylyk@ontario.ca	416-326-9924
38	London DCSB	Michael Wasylyk	Michael.Wasylyk@ontario.ca	416-326-9924
39	St. Clair CDSB	Michael Wasylyk	Michael.Wasylyk@ontario.ca	416-326-9924
40	Toronto CDSB	Lisa Bland	Lisa.Bland@ontario.ca	416-326-9921
41	Peterborough VNCCDSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932

DSB	District School Board	Capital Analyst	Email	Phone
42	York CDSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
43	Dufferin Peel CDSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
44	Simcoe Muskoka CDSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
45	Durham CDSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
46	Halton CDSB	Diamond Tsui	Diamond.Tsui@ontario.ca	416-325-2017
47	Hamilton-Wentworth CDSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
48	Wellington CDSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
49	Waterloo CDSB	Sarosh Yousuf	Sarosh.Yousuf@ontario.ca	416-325-9796
50	Niagara CDSB	Michael Wasyluk	Michael.Wasyluk@ontario.ca	416-326-9924
51	Brant Haldimand Norfolk CDSB	Michael Wasyluk	Michael.Wasyluk@ontario.ca	416-326-9924
52	CDSB of Eastern Ontario	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
53	Ottawa CSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
54	Renfrew County CDSB	Kristin Grunenko	Kristin.Grunenko@ontario.ca	416-326-9445
55	Algonquin & Lakeshore CDSB	Yvonne Rollins	Yvonne.Rollins@ontario.ca	416-326-9932
56	CSP du Nord-Est	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
57	CSP du Grand Nord de l'Ontario	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
58	CS Viamonde	Alexandre Beaudin	Alexandre.Beaudin@ontario.ca	416-212-4818
59	CÉP de l'Est de l'Ontario	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
60.1	CSCD des Grandes Rivières	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
60.2	CSC Franco-Nord	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
61	CSC du Nouvel-Ontario	Daniel	Daniel.Cayouette@ontario.ca	416-325-2018

DSB	District School Board	Capital Analyst	Email	Phone
		Cayouette		
62	CSDC des Aurores boréales	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
63	CSC Providence	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
64	CSDC Centre Sud	Alexandre Beaudin	Alexandre.Beaudin@ontario.ca	416-212-4818
65	CSDC de l'Est ontarien	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018
66	CÉC du Centre-Est	Daniel Cayouette	Daniel.Cayouette@ontario.ca	416-325-2018

Appendix B: Capital Approval Process Chart

Capital Construction Approval Process Updated October 1, 2014		New Schools		Additions		Major Retrofits ¹		FDK
		Repeat Design	New Design	>50% ⁴	<50% ⁴	>50% ⁴	<50% ⁴	Individual Projects >\$250K
Pre-Design	Facility Space Template	Complete template with most recent adaptation (<5 years)	Board to submit template before hiring architect	Board to submit template before hiring architect	Not Required	Board to submit template before hiring architect	Not Required	Not Required
	Project Manager	Board to appoint a Project Manager (either internal staff or external resource). Board to notify Ministry of name and contact info.						
	Ministry Approval	Ministry must approve scope of project based upon submitted Space Template	Ministry must approve scope of project based upon submitted Space Template	Ministry must approve scope of project based upon submitted Space Template	Not Required	Ministry must approve scope of project based upon submitted Space Template	Not Required	Not Required
	GOAL	Board to retain an architect						
Pre-Tender	Independent Cost Consultant Report ³	Submit final cost of recent adaptation (<5 years)	Projects with a total project cost of >\$3.0M	Projects with a total project cost of >\$3.0M	Not Required	Projects with a total project cost of >\$3.0M	Not Required	Not Required

	Approval to Proceed (ATP) Request	Board's senior business official to submit the ATP Request Form confirming total estimated project costs does not exceed board's identified funding.
	Capital Analysis & Planning Tool (CAPT)	Board to confirm that data entered in the CAPT for the requested project is in line with the data provided through the ATP Request Form.
	Ministry Approval	Ministry's approval required before proceeding to tender. Approval based on identification of sufficient funding.
	GOAL	Board to proceed to tender
Post-Tender	Tender exceed approved funding amount	Board to either identify additional funding available via ATP Request Form or make design changes to reduce the project cost. In either case, the board must demonstrate that sufficient funding is available to complete the project.
	Tender meet approved funding amount	Board to accept tender bid. Important to ensure all project costs are identified and considered.
Notes:	<ol style="list-style-type: none"> 1. Ministry approvals are not required for major retrofits that are 100% funded through Renewal Funding, Good Places to Learn Renewal, Energy Efficiency funding, School Condition improvement funding, School-First Child Care Retrofit Policy funding and FDK funding of less than \$250K. 2. Ministry approval is required for any use of Proceeds of Disposition (POD) funding. 3. Consultant to review the design, provide costing analysis and advice and report on options to ensure cost containment. To be based on drawings that are at least 80% complete. 4. 50% determined by the following: (Estimated project cost / Latest construction benchmark value of the existing OTG (pre-construction) of the facility) 	
Definitions:	<p>Addition: Expansion of the gross floor area of a facility</p> <p>Major Retrofit: Major structural renovation or reconstruction of the existing building envelop. It does not include expansion of the existing gross floor area. Any project that does expand the gross floor area, but is funded with POD, Ministry funds or >\$1M in Accumulated Surplus is treated as a Major Retrofit.</p>	